Tribeca Vanda Asia Credit Fund
July 2021 Monthly Update

Tribeca Investment Partners

Tribeca Vanda Asia Credit Fund (USD) – Gross Performance

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2019							0.23%[1]	0.12%	1.41%	0.90%	0.49%	1.43%	4.66%
2020	2.06%	-0.40%	-11.85%	2.40%	7.45%	5.23%	1.55%	1.67%	-0.82%	0.92%	6.31%	7.10%	22.05%
2021	2.44%	4.40%	-0.20%	1.37%	0.62%	-0.32%	-2.66%						5.62%

	1 Month	3 Months	6 Months	1 Year	2 Years	ITD p.a.
Tribeca Vanda Asia Credit Fund	-2.66%	-2.38%	3.11%	22.36%	-	15.46%

1. Fund commenced trading 8 July 2019. The performance figures indicated are for the Founders Class and are gross, before the deduction of all fees and expenses. Past performance is not indicative of future performance.

Portfolio Manager

John Stover

Fund Information

The Tribeca Vanda Asia Credit Fund was established as a partnership between Tribeca Investment Partners and Vanda Securities to create a unique approach to investing in Asian credit, leveraging the respective strengths of each organization. The Fund seeks to generate attractive risk-adjusted absolute returns, targeting 8-10% per annum through investing in corporate credit instruments either traded in Asia or with fundamental Asian business exposure, such as bonds, loans, convertibles and perpetual securities. The Fund targets the higher yielding part of the market, looking mainly at credits yielding 5-15% to maturity. The Fund will overlay short positions in both single securities and indices to hedge out fundamental and macro-related risks. The Fund may employ a modest amount of leverage to enhance returns, particularly when presented with fundamental and/or tactical opportunities.

Minimum investment:	USD$500,000
Subscriptions:	Monthly
Redemptions:	Quarterly with 90 days notice, subject to 25% investor level gate
Management Fee:	1%
Performance Fee:	15%
Fund Administrator:	Citco Fund Administration
Fund Auditor:	Ernst & Young
Fund Custodian:	Goldman Sachs International
Legal Advisor:	Clifford Chance, Walkers
Benchmark:	Absolute return
Fund Manager:	Tribeca Investment Partners (Singapore) Pte Ltd

Performance

July was a very poor month for Asian markets, particularly China, where increased regulatory crackdowns led to extreme volatility across both equity and credit markets. Tech and property sector regulations continued to worry investors, but it was the announcement by the Chinese government of very harsh regulation in the after-school education sector that seemed to drive markets sharply lower. For the month, the HSCEI was down -12.8% while the HSI finished down -9.6%.

Credit markets were weaker as well, with the Bloomberg Barclays Asia High Yield Index falling -4.6% while the BAML Asia High Yield Index fell -6.1%. During the month, the yield on the Asia High Yield Index rose from 7.49% to 9.38% and the spread over treasuries widened from 690bps to 887bps.

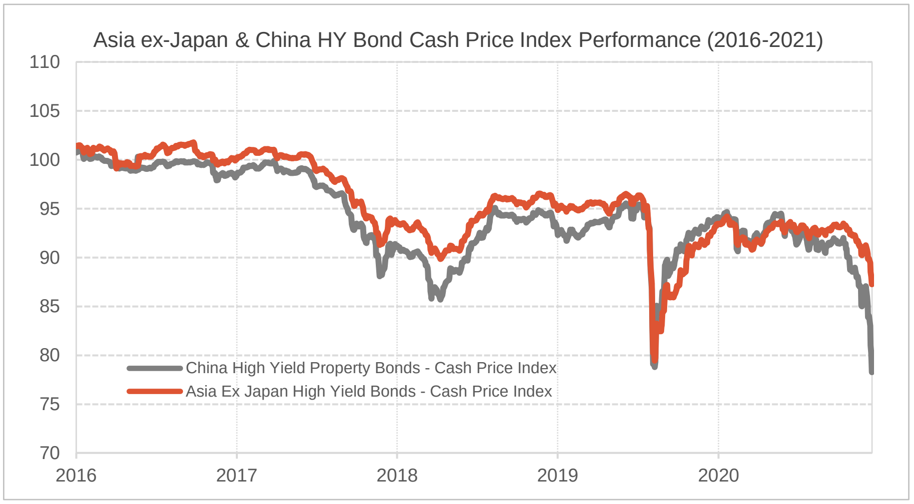
The Fund was down in July -2.66%, and while the negative return was disappointing, we preserved capital well in the broader context and feel our activities during the month have set the Fund up well for strong performance in the coming months.

Market Update & Portfolio

The weakness in the Asia credit markets during July was largely the result of further downside to Chinese high yield property bonds. At the end of July, Chinese high yield property bonds were trading at a lower cash price in aggregate of 78.3 cents on the dollar according to the Markit iboxx Index, lower than the March 2020 (78.8 cents on March 23rd, 2020). In addition, the overall Asia high yield cash price index had made about half of the move lower compared to the February/March 2020 move. If we think back to the state of the investment world in March 2020:

- Case counts and deaths from Covid-19 were increasing exponentially, and we had no solid understanding on how bad Covid-19 was and how much it would impact our lives.
- USD funding markets were nearly broken.
- Credit markets around the world had jammed as the Fed and ECB had not yet stepped in.
- Equity markets were falling precipitously and there were calls to shut them down for a period of time.

The world is decidedly different now, with markets flushed with liquidity, credit spreads at or close to their all-time tightest levels in the US and Europe, and vaccination drives well on their way to mitigating the impact of the virus on our lives. Yet we still find this part of the market at lower levels on a cash price basis than during March 2020.



Source: Bloomberg

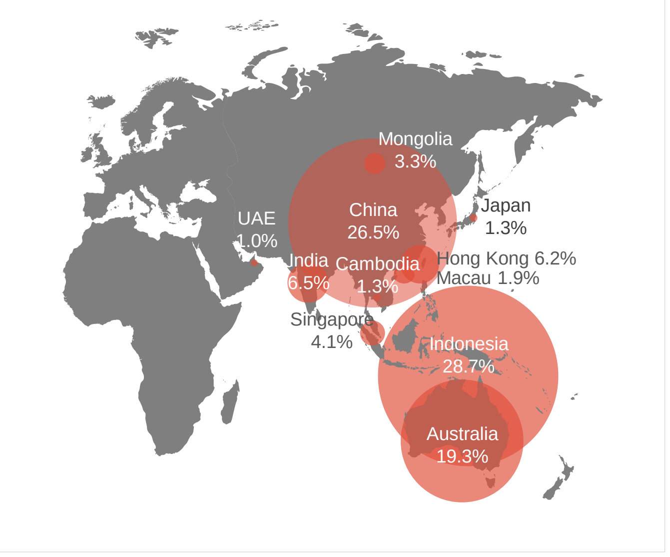
We suspect the most recent selloff has less to do with fundamentals, and more to do with forced selling. There were some violent moves lower in the bonds of certain issuers in the second half of the month, and we heard several reports of Fixed Maturity Products being forced to unwind, which would fit the price action. As regular readers know, these are among our favorite buying opportunities.

We've included again below the "cheapness" screen we put in last month's letter, given the discrepancy has grown even more. We recognize there are a few companies trading at stressed/distressed levels that can skew the Asia index, but even stripping those out, the extreme cheapness remains. In fact, we think one would be hard pressed to find another time in history when the valuation discrepancy was this apparent.

Figure 1. 'Cheapness' of HY credit, IG credit and equities across regions based on the percentile of current valuation metric relative to the last 10 years. A lower number indicates cheaper asset class.

Region	HY Credit	IG Credit	Equities (P/E)	Equities (P/B)
Asia	4%	71%	88%	96%
U.S.	98%	98%	88%	99%
Europe	87%	97%	89%	98%

Country Exposure (% of Long Exposure)



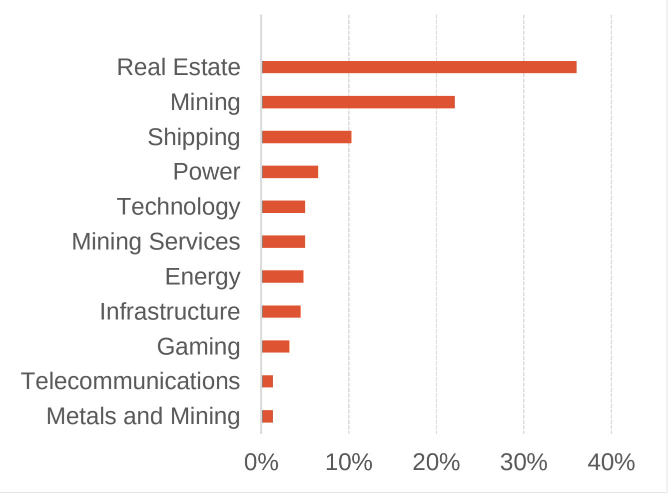
Portfolio Statistics

No. of Issuers (Long)	35
Cash Yield	7.8%
Yield to Maturity	10.9%
Modified Duration (Long Portfolio)	2.79
DVO1 (Overall Portfolio)	-0.0225%

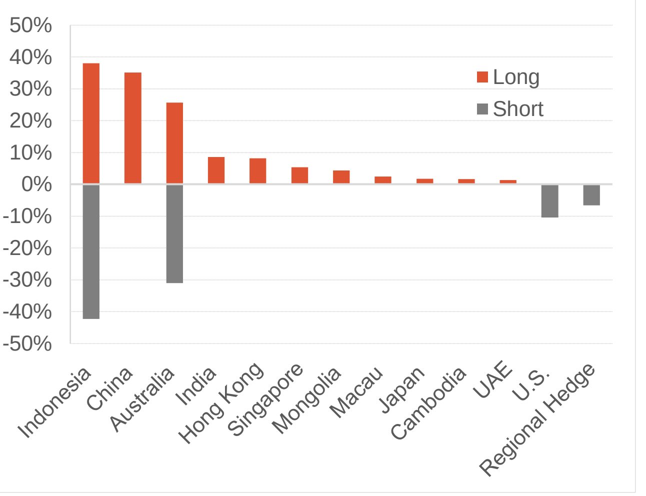
Month End Portfolio Exposures

Long Exposure	132.44%
Short Exposure	-90.37%
Net Exposure	42.07%
Gross Exposure	222.81%

Sector Exposure (% of Long Exposure)



Country Exposure (% NAV)



Firm Overview

Vanda Securities

Vanda Securities (www.vanda-securities.com) is an independent research house with offices in Singapore, London and New York. Vanda provides concise, tactical macroeconomic and investment strategy analysis to institutional investors. Vanda adopts a cross-asset and cross-geography approach combining investor positioning, expectation and mass-market psychology to deliver outstanding macro insight over a 1-3 month time frame.

Tribeca
Investment Partners

Tribeca Investment Partners (www.tribecaip.com) is an Australian headquartered boutique asset manager investing $2.0bn on behalf of a range of clients including pension funds, endowments, foundations, financial institutions and high net worth investors. With staff across offices in Sydney, and Singapore, Tribeca has a deep knowledge and understanding of global markets which it leverages across a range of equity and credit focused strategies.

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