

Invenomic US Equity Long/Short UCITS Fund

Equity Long/Short

August 2022

Performance Returns

The Invenomic US Equity Long/Short UCITS Fund returned 0.04% for the month of August (USD Institutional Pooled Share Class), net of fees.

The Manager



Investment Objective & Strategy

Invenomic seeks to achieve long-term capital appreciation by investing both long and short in equities. The goal of the fund is to outperform U.S. equities over a market cycle with less volatility and drawdown.

The strategy utilises variable net exposures, with an expected average net between 40%-60% but that may be as low as 0% and as high as 80% in extreme market environments. Invenomic's net exposure is completely derived by security selection and is not intended to be a market timing tool. Gross exposure will generally be between 130%-200%.

Monthly Performance – UCITS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2022	12.96%	2.56%	2.59%	5.35%	5.24%	-5.13%	-0.27%	0.04%	-	-	-	-	24.74%
2021	-	-	-	-	-	-	-	-	2.34%	-0.45%	2.59%	8.47%	13.37%

The performance figures quoted above represent the (net of fees) performance of the Invenomic US Equity Long/Short UCITS Fund, USD Founder Pooled Share Class, since launch on 16th September 2021, until 31 December 2021. Performance figures after 31 December 2021 represent the performance of the USD Institutional Pooled Share Class. These performance figures refer to the past and past performance is not a reliable guide to future performance.

Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Valuation	Daily
Liquidity	Daily
Fund AUM	\$231 Million
Strategy AUM	\$1.25 Billion
Inception	September 16 th 2021

Monthly Performance – Invenomic Fund LP (Non-UCITS)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2022	19.05%	4.23%	3.06%	7.29%	6.24%	-6.14%	-0.75%	0.44%	-	-	-	-	36.39%
2021	2.21%	10.71%	15.79%	2.63%	11.90%	-9.31%	1.95%	-0.55%	2.61%	-1.30%	3.52%	10.16%	59.81%
2020	-5.84%	-5.34%	-1.48%	9.55%	-3.81%	1.34%	0.39%	0.99%	-2.46%	3.41%	14.30%	3.84%	13.82%
2019	7.31%	0.26%	-1.58%	2.66%	-5.87%	3.74%	-1.62%	-6.43%	10.42%	0.15%	0.48%	2.85%	11.68%
2018	3.34%	0.57%	-1.60%	0.93%	-2.29%	-0.12%	0.23%	-1.64%	2.55%	1.52%	3.17%	-2.44%	4.06%
2017	-	-	-	-	-	-	-	0.65%	1.37%	0.27%	3.08%	2.94%	8.55%

The performance figures quoted on the left represent the (net of fees) performance of the Invenomic Fund LP, and is not of the Invenomic US Equity Long/Short UCITS Fund. UCITS Funds have to abide by certain investment restrictions and consequently the performance of the Invenomic US Equity Long/Short UCITS Fund may not be similar to that presented to the left. These performance figures refer to the past and past performance is not a reliable guide to future performance.

This is a marketing communication.

Portfolio Breakdown

Sector Allocation (%)	Long	Short	Net
Communication Services	14.37	-0.47	13.90
Consumer Discretionary	16.19	-15.87	0.32
Consumer Staples	2.52	-6.68	-4.16
Energy	7.27	-0.92	6.35
Financials	4.79	-5.59	-0.80
Healthcare	9.72	-15.38	-5.66
Industrials	13.19	-12.51	0.68
Information Technology	20.40	-16.11	4.29
Materials	10.42	-0.19	10.23
Real Estate	0.42	-1.26	-0.84
Utilities	0.00	-1.70	-1.70
Total	99.29	-76.68	22.61

Portfolio Characteristics	Long	Short
# of Positions	142	145
Median Position Size	0.44%	-0.45%
Price-to-Book Ratio	5.16x	7.63x
Price-to-Earnings Ratio	10.77x	34.93x
Enterprise Value-to-Sales Ratio	1.84x	5.07x

Market Cap Allocation (%)	Long	Short	Net
Large Cap (>\$5B)	47.94	-40.44	7.50
Mid Cap (\$2B - \$5B)	20.26	-26.04	-5.78
Small Cap (<\$2B)	31.09	-10.20	20.89
Total	99.29	-76.68	22.61

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Monthly Commentary

The Fund returned 0.04% for the month of August (USD Institutional Pooled Share Class), net of fees. Portfolio exposures at the end of the month stood at 99.29% long and -76.68% short, resulting in net exposure of 22.61% and gross exposure of 175.97%. The portfolio remains well diversified with 142 long positions and 145 short positions.

The fund held up well in what was a very volatile month for the global equity markets. The Nasdaq Composite Index finished down 4.47% after being up over 6% mid-month, while the S&P 500 Index finished down 3.97% after being up 4.53%. We saw a wide divergence in growth versus value during the period, which was particularly pronounced in the small and mid-cap space. The Russell 2000 Growth Index outperformed the Russell 2000 Value Index by 2.22% during the month while the Russell 1000 Growth outperformed the Russell 1000 Value by 1.68%. There has been a powerful rotation away from value and into growth that began in June. For the three-month period ending August 31, 2022, the Russell 2000 Growth Index is up 3.33% compared to a loss for the Russell 2000 Value Index of -4.28%. Value's underperformance to growth during this period is in line with the performance of the fund, when adjusting for our exposures. Factor volatility remains extremely elevated, and we believe this will continue to impact our portfolio in the short-term.

The portfolio remains very diversified with 287 positions at month-end. The fund's net exposure remains on the low end of our expected range and is consistent with the history of the fund, sitting at 22.61% as of month-end. There is a tremendous amount of uncertainty in the market right now. The range of outcomes economically, politically, and socially are exceptionally wide. As a result of this uncertainty, our portfolio remains well balanced. We currently do not have any outsized sector bets in the portfolio with our largest net long exposures to Communication Services and Materials and largest net short exposures to Healthcare and Consumer Staples. Our sector exposure is a byproduct of our bottom-up research and the result of hundreds of decisions on individual companies. Our sector exposures will shift as we buy or sell individual companies in the portfolio, not as the result of top-down decision making.

Given the current environment, we take great comfort in our process that has served us well through many different cycles. We believe that having the ability to keep things simple when capital markets get volatile is a huge competitive advantage. We do not have to force the portfolio in any single direction but rather stay nimble and let the opportunities come to us. On the long side we continue to invest in companies with sustainable and durable free cash flow and on the short side, sell companies with no or deteriorating free cash flow. This is the process we have been following throughout our careers and we believe it will continue to produce strong results into the future.

Ali Motamed

Portfolio Manager

Ali Motamed is the Founder, Managing Partner and Portfolio Manager of Invenomic Capital Management. Prior to founding Invenomic, Ali was Co-Portfolio Manager of the Boston Partners Long/Short Equity Fund. He was awarded Portfolio Manager of the Year in the Alternatives Category by Morningstar in 2014. Ali holds a B.A. in Economics with a Minor in Accounting from the University of California, Los Angeles, and a M.B.A. from Harvard Business School. He holds the Chartered Financial Analyst designation. He has twenty years of experience.

Ben Deschaine

President

Ben is responsible for all non-investment related business activities at Invenomic. Ben began his investment career in 1998 and has experience in both mutual fund and hedge fund investing. Prior to Invenomic, he was Chief Investment Officer at Balter Liquid Alternatives, responsible for managing all aspects of the firm's mutual fund business. Before joining Balter Capital Management in 2012, Ben was a Managing Director at Sabretooth Capital Management, a global multi-strategy hedge fund affiliated with Tiger Management. Prior to Ben's time at Sabretooth he spent ten years at Federal Street Advisors, a Boston based wealth management firm, leading their alternative investment research. He is a graduate of Bentley University with a B.S. and M.S. in Finance, and holds the Chartered Alternative Investment Analyst designation.

Share Class	Founder B Class Shares	Founder B Pooled Class Shares	Institutional Class Shares	Institutional Pooled Class Shares	Retail Pooled Class Shares
Currency	USD, EUR, CHF, GBP	USD, EUR, CHF, GBP	USD, EUR, CHF, GBP	USD, EUR, CHF, GBP	USD, EUR, CHF, GBP
Management Fee	0.75%	0.75%	1.00%	1.00%	1.50%
Performance Fee	20.00%	20.00%	20.00%	20.00%	20.00%
Min Initial Sub.	50,000,000	50,000,000	1,000,000	1,000,000	1,000
ISIN Codes	USD: IE00BKFXVX13 EUR: IE00BKFXVY20 GBP: IE00BKFXVZ37 CHF: IE00BKFXVY059	USD: IE00BKFXVY166 EUR: IE00BKFXVY273 GBP: IE00BKFXVY380 CHF: IE00BKFXVY497	USD: IE00BKFXVY905 EUR: IE00BKFXVY612 GBP: IE00BKFXVY729 CHF: IE00BKFXVY836	USD: IE00BKFXVY943 EUR: IE00BKFXVYB67 GBP: IE00BKFXVY7C4 CHF: IE00BKFXVYD81	USD: IE00BKFXVYF06 EUR: IE00BKFXVYG13 GBP: IE00BKFXVYH20 CHF: IE00BKFXVYJ44

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