

Invenomic US Equity Long/Short UCITS Fund

Equity Long/Short

June 2022

Performance Returns

The Invenomic US Equity Long/Short UCITS Fund returned -5.13% for the month of June (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%	-	-	-	-	-	-	25.02%
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	\$223 Million
Strategy AUM	\$1.27 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%	-	-	-	-	-	-	36.82%
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%	14.3%	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%	-1.6%	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	14.08	-0.39	13.69
Consumer Discretionary	17.89	-17.02	0.87
Consumer Staples	3.06	-8.65	-5.59
Energy	7.08	-2.57	4.51
Financials	4.07	-5.03	-0.96
Healthcare	10.51	-11.05	-0.54
Industrials	12.56	-10.55	2.01
Information Technology	18.85	-14.13	4.72
Materials	8.20	-0.64	7.56
Real Estate	0.00	-2.34	-2.34
Utilities	0.00	-1.11	-1.11
Total	96.29	-73.47	22.82

Portfolio Characteristics	Long	Short
# of Positions	153	145
Median Position Size	0.41%	-0.46%
Price-to-Book Ratio	2.02x	11.25x
Price-to-Earnings Ratio	10.25x	30.21x
Enterprise Value-to-Sales Ratio	1.62x	4.57x

Market Cap Allocation (%)	Long	Short	Net
Large Cap (>\$5B)	42.81	-40.67	2.14
Mid Cap (\$2B - \$5B)	21.92	-21.67	0.25
Small Cap (<\$2B)	31.56	-11.13	20.43
Total	96.29	-73.47	22.82

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Monthly Commentary

The Fund returned -5.13% for the month of June (USD Institutional Pooled Share Class), net of fees. Portfolio exposures at the end of the month stood at 96.29% long and -73.47% short, resulting in net exposure of 22.82% and gross exposure of 169.76%. The portfolio remains well diversified with 153 long positions and 145 short positions.

June proved to be a tough month for the Fund, as it returned -5.13%. As we have mentioned in the past, no single name is responsible for our results in any given month, whether it's a good or bad month for the fund. In June, our biggest detractor cost the fund approximately 65 basis points with the second biggest detractor costing the fund approximately 55 basis points.

The fund performed well on a relative basis during the first leg of the market selloff. On June 16th, when the market bottomed for the month, the fund was down 2.32% compared to a loss of 11.26% for the S&P 1500 Index. From June 17th to June 24th, the S&P 1500 Index rallied 6.65% with growth outperforming value by 5.84% in the mid-cap segment of the market (as measured by the Russell 2500 Value and 2500 Growth Indices), an area we have been quite active in. Despite a strong start, the Russell 2500 Value Index underperformed the 2500 Growth Index by 4.02% for the month.

We expect market and factor volatility to remain high over the next several months. While there are certainly no guarantees, we believe that history suggests this outcome is likely when looking at the performance of the Russell 2500 Value and Growth Indices in the year 2000. From June 2000 to December 2000, the Russell 2500 Value Index outperformed the Russell 2500 Growth Index by 27.03%. That said, there were periods during that stretch where growth was outperforming value. This was despite the fact that 2000 was, in our opinion, the start of the last notable rotation away from unprofitable companies into companies with reasonable valuations and strong free cash flow. We expect the current reversion of growth to value to have similarly high levels of volatility, within the context of a favorable trend for us.

We remain conscious of the risks we highlighted above. We are actively managing the portfolio to try to dampen these risks as much as possible. Our goal remains to drive the best long-term returns that we can for our investors, and as a result, there will be periods of high volatility in our returns. We believe this volatility can be advantageous over time. We are repopulating our portfolio with new opportunities as the market gives them to us and remain excited about the return prospects in front of us.

In June, we reached our five-year anniversary for our strategy. It has been a anything but a 'normal' environment, but we are very pleased with the results we delivered for our investors during this period. While drawdowns are not enjoyable, they are part of being a value investor. While value has been out of favor through most of our time running this strategy, our focus on free cash flow has allowed us to navigate a very challenging market. What is clear is that our past results are precisely that, in the past, and what matters to us now is what we do for our investors going forward. We believe that our investment process is well suited to navigate the portfolio through the coming market environment.

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: IE00BKFFVY166 EUR: IE00BKFFVY273 GBP: IE00BKFFVY380 CHF: IE00BKFFVY497	USD: IE00BKFFVY505 EUR: IE00BKFFVY612 GBP: IE00BKFFVY729 CHF: IE00BKFFVY836	USD: IE00BKFFVY943 EUR: IE00BKFFVYB67 GBP: IE00BKFFVYC74 CHF: IE00BKFFVYD81	USD: IE00BKFFVYF06 EUR: IE00BKFFVYG13 GBP: IE00BKFFVYH20 CHF: IE00BKFFVYJ44

Contact Details

Investor Contact

Waystone Capital Solutions (UK) Ltd
2nd Floor, 20-22 Bedford Row
Holborn, London
T: +44 207 290 9493
investorrelations@waystone.com

Management Company

Waystone Fund Management (IE) Ltd
3rd Floor, 76 Baggot Street Lower
Dublin, Ireland
T: +353 1 533 7020
investorrelations@waystone.com

Investment Manager

Invenomic Capital Management L.P.
211 Congress Street – 7th Floor
Boston, MA 02110
T: +1 (617) 729 2323
clientrelations@invenomic.com

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