Tribeca Vanda Asia Credit Fund
April 2021 Monthly Update

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%									8.20%

	1 Month	3 Months	6 Months	1 Year	2 Years	ITD
Tribeca Vanda Asia Credit Fund	1.37%	5.62%	23.18%	43.91%	-	38.20%

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

The Asia credit market began April on a positive note, but midway through the month all eyes shifted to the situation at China Huarong, one of the “big four” Chinese bad-debt managers. Being one of the largest Chinese issuers of USD bonds, the swift downturn in Huarong’s bond prices dragged down the rest of the market (more on that below). However, like in many other dislocations, the market eventually digested the moves and rebounded towards the end the month to finish in positive territory.

The Fund performed solidly during the month with a gross return of +1.37%. During the month, the yield on the Asia High Yield index moved from 7.09% to 6.80% and the spread over treasuries moved from 652bps to 624bps.

Portfolio & Outlook

The Huarong situation began with a delay in the company’s audited 2020 results and deepened further on reports and speculation of a potential restructuring and/or recapitalization. An information vacuum and lack of swift government support exacerbated investor fears and bonds that had been trading above par to start the month, fell to ~60 cents on the dollar in the space of one day. Positive comments from regulators and the company continuing to perform on its debt led to a bounce back that saw the mid to long end of the curve settle at current levels in the mid to high 70s.

There is no doubt that China is in a different part of its credit cycle relative to the US and Europe, having started tightening policy at a time when the rest of the world continues to hold extremely loose monetary and fiscal policy. Beyond that, policy makers in China are very much focused on cleaning up vulnerabilities in the financial system and taking a more market-oriented approach to defaults. As we commented in our March letter, we think there may be continued idiosyncratic events in China, but these create very attractive opportunities in the market. We used the Huarong selloff to add to positions in companies we like fundamentally whose bonds fell several points in sympathy, such as Sunac,

The Huarong situation and its impact on the Asian market underscores the current disparity between the Asia credit market and the market in the US and Europe. The Asia High Yield Index spread is now 2.1x that of the US High Yield Index, the highest differential ever. That differential is not a reflection of higher-rated credits making up a larger portion of the US Index. Asia BB bonds have a 1.8x higher spread than their US counterparts and B-rated bonds have 2.2x higher spread. The difference in the tone of news articles on each market are telling.

On the U.S. high yield market:

“A 13-month rally in corporate bonds has pushed prices so high that some investors and analysts are raising concerns that they’re no longer being paid enough for taking on risk. Risk premiums on U.S. CCC bonds dropped below 500 basis points late Monday, a level only seen twice

in the last two decades – the years leading up to the 2008 financial crisis, and right before the dotcom bubble burst".

- Rally in Risky Corporate Debt Starts Raising Red Flags on Prices, Bloomberg April 27th, 2021

On the Asia high yield market:

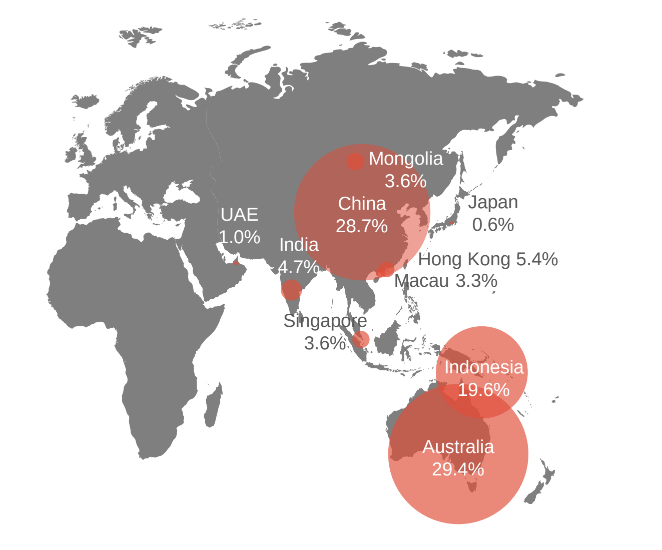
"The concerns around Huarong that are shaking the wider Asian debt market started after the firm joined dozens Hong Kong-listed companies in failing to publish its 2020 earnings by a March 21 deadline…while credit markets around the world had calmed in recent weeks, the China woes are pushing up financing costs again in Asia, even as they have fallen back in the U.S and Europe."

- Red Lights Flashing in Credit Markets as Huarong Concern Grows, Bloomberg April 13th, 2021

Anecdotally, we are also hearing of a dearth of attractive opportunities from peers who invest in the US and European credit markets. We are still finding plenty of attractive investments in Asia, and we welcome dislocations from time to time given the opportunities they create.

Beyond Chinese dislocations, we continue to like Indonesian property, with supportive government policy and a diversification push by investors away from China likely to support bond prices in the near term. We also continue to like bonds in the natural resources sectors, with strong sector tailwinds on the back of rebounding global growth, infrastructure stimulus, and green policy driven demand, but with credit markets generally lagging the rebound in commodity prices and equities.

Country Exposure (% of Long Exposure)



Portfolio Statistics

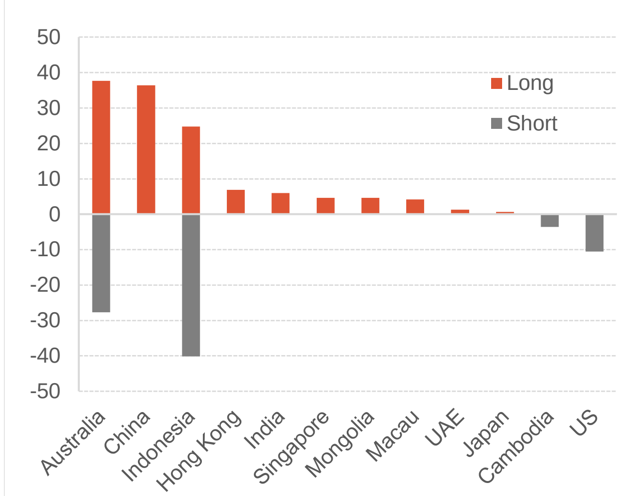
No. of Issuers (Long)	32
Cash Yield	6.0%
Yield to Maturity	7.3%
Modified Duration (Long Portfolio)	2.99
DVO1 (Overall Portfolio)	-0.028%

Month End Portfolio Exposures

Long Exposure	126.8%
Short Exposure	-81.9%
Net Exposure	44.9%
Gross Exposure	208.7%

Sector Exposure (% of Long Exposure)

Net 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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