

# Selwood Equity Absolute Return UCITS Fund **INVESTCORP-TAGES**

(sub fund of Tages International Funds ICAV)



Monthly Factsheet July 2022

## FIRM DESCRIPTION

Selwood Asset Management LLP ("Selwood") is a London based FCA authorized independent asset manager that was established in 2015 by Sofiane Gharred. Selwood manages over \$1.8 billion assets, with a focus on delivering consistent returns through a variety of hedged and trading focused equity and credit strategies.

## INVESTMENT OBJECTIVE & STRATEGY DESCRIPTION

Selwood Asset Management LLP launched an equity European-focused fund with low net exposure, namely the Selwood Equity Absolute Return UCITS Fund ("Fund") on the Investcorp-Tages UCITS platform in April 2022. The investment objective of the Fund is to seek to achieve long term capital growth by investing or seeking exposure primarily to European companies.

The Fund seeks to achieve the investment objective by investing on a long and/or short basis in equities and equity-related securities, either directly or indirectly through the use of FDI. The equities and equity-related securities in which the Fund may take exposure to include common shares, preference shares and depositary receipts. The Fund will primarily invest in companies with a market capitalization of greater than USD 1 billion, including (without limitation) mid capitalization companies (USD 2-10 billion) and some large capitalization companies (greater and USD 10 billion).

Please refer to the latest prospectus and the relevant key investor information document(s) of the Fund ("KIID") for more information. Please contact [investorrelations@investcorptages.com](mailto:investorrelations@investcorptages.com) for Fund documents.

## PERFORMANCE SUMMARY NET OF FEES (Founder Class USD) (%) \*

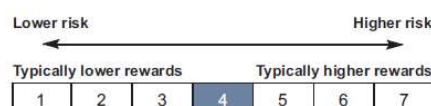
	MTD	YTD
Selwood Equity Absolute Return UCITS Fund (Founder Class USD)	2.67	3.99

## FUND PERFORMANCE NET OF FEES (Founder Class USD) (%) \*

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Year
2022	-	-	-	1.52	0.57	-0.81	2.67						3.99

Source: Northern Trust, Founder Class USD (SEARUFU ID) net of fees, as of month end. \*Class launched 05 April 2022. Please note we are unable to provide extensive historical performance for the Fund as the track record is less than 12 months. Past performance is not indicative, nor a guarantee, of future returns. The value of the investment may go down as well as up. Returns could be reduced, or losses incurred, due to currency fluctuations. Investment in the Fund represents a risk of loss in capital. Please refer to the latest prospectus and the relevant key investor information document(s) of the Fund ("KIID") for more information. Please contact [investorrelations@investcorptages.com](mailto:investorrelations@investcorptages.com) for Fund documents.

## RISK & REWARD PROFILE



Risk Scale from the key investor information document(s) of the Fund ("KIID"). Risk 1 does not mean a risk-free investment. This indicator may change over time. Please refer to the risk glossary at the back of this document.

## COMMENTARY

The death of the 60/40 portfolio was greatly exaggerated judging by the performance of both bonds and equities in July. Equity markets posted a very strong month, with the Stoxx 600 up 7.6%, its best month since November 2020. Meanwhile, 10-year bond yields have now pulled back by 20 to 45 basis points across most European sovereigns during that time frame. Whilst the bond market is, in Selwood's opinion, trading a sharp slowdown, exacerbated by Central banks hellbent on acting tough on inflation. Equities in contrast are benefiting from being an inflation hedge. They were helped by extreme negative sentiment and positioning, something Selwood has been highlighting for some time now.

The Selwood Equity Absolute Return UCITS Fund delivered net returns of +2.67%\* in July, taking the Fund's inception to date performance to 3.99%\*, helped again by very strong alpha on the short book. Some positive alpha also started kicking in mid-July across the Fund's long book. One of the Fund's long standing long positions, in a UK cyclical company, delivered a very strong performance having lagged in June and during the first half of July. That position highlights the very attractive set up that can be found within the cyclicals space, where investors are already pricing in a very sharp recession.

The path of least resistance has clearly been to the downside for stocks year to date. The case for a tactical bounce was evident mid-June, but in Selwood's view, much less so now. The ongoing food and energy crisis, geopolitical tensions and recession risks form a very complex cocktail for risky assets going forward. That should continue to drive both volatility and dispersion, something Selwood hopes to continue taking advantage of.

\*USD Founder Shares (ISIN: IE0008S9AZC5)

## INVESTMENT MANAGER

Tages Capital LLP

## SUB-INVESTMENT MANAGER

Selwood Asset Management LLP

## PORTFOLIO MANAGERS

Karim Moussalem, Kevin Guillot

## STRATEGY

European Long / Short Equity

## FUND TYPE / VEHICLE

UCITS ICAV

## LAUNCH DATE

05 April 2022

## BASE CURRENCY

USD

## NAV

\$103.99 (Founder Class USD)

## FUND SIZE

\$37.6 million

## MANAGEMENT FEE

Founder 1.00%, Institutional 1.50%

## PERFORMANCE FEE

Founder 10.00%, Institutional 20.00%

## MINIMUM INVESTMENT

Founder \$100,000, Institutional \$100,000

## DEALING & NOTICE

Daily dealing  
Redemptions T-3 Subscriptions T-1

## SHARE CLASSES

Founder, Institutional, Retail  
All classes available in USD EUR GBP CHF

## MANAGEMENT COMPANY

Waystone Fund Management (IE) Ltd.

## ADMINISTRATOR / DEPOSITARY

Northern Trust

Please note performance statistics listed in the commentary above are sourced from Bloomberg, as of month end.

**CONTINUED**

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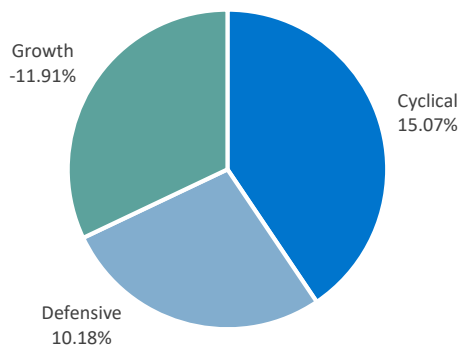
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**SELWOOD**  
 ASSET MANAGEMENT

Monthly Factsheet July 2022

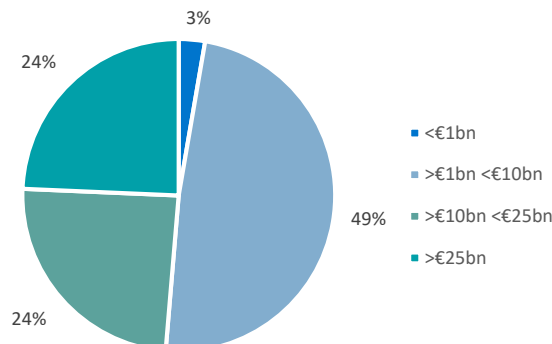
## PORTFOLIO EXPOSURES

### Factor Exposure (Month End)



Source: Selwood Asset Management LLP, as of month end. Factor classification done by Selwood, based on its subjective assessment. Not independently verified.

### Market Cap Exposure (Month End)



Source: Selwood Asset Management LLP. Market capitalization of underlying securities exposures shown at month end.

Largest Long Positions – Industry (Month End)	Exposure %
Real Estate Management & Development	5.17
Aerospace & Defence	5.11
Multi-Utilities	4.73
Metals & Mining	4.44
Construction Materials	4.14
Total Top 5	23.59
Total Exposure %	57.05
Month End Securities	17

Largest Short Positions – Industry (Month End)	Exposure %
Electrical Equipment	-3.83
Building Products	-3.26
Machinery	-3.13
Food & Staples Retailing	-2.71
Air Freight & Logistics	-2.52
Total Top 5	-15.44
Total Exposure %	-43.71
Month End Securities	22

Source: Selwood Asset Management LLP, as of month end. Bloomberg 'GICS Sub Industry Name' shown for long and short positions in place of underlying security name. Percentage holding as at month end. Excludes Index/Custom Basket. Portfolio composition may change without prior notice.

## PORTFOLIO ANALYTICS AND LIQUIDITY

Long/Short Contribution	Long %	Short %
Gross Alpha Contribution *	0.06	5.88
Average Gross Exposure	52.43	-36.72

Source: Selwood Asset Management LLP, as of month end. \* Daily Alpha of each security is defined as: Alpha = P&L of security – SPXX% x beta adjusted of security x FX price x entry price of security x shares of security. A 6-month window is used to calculate the beta (delta adjusted) of each security. Gross Contribution is before Fund expenses and includes contribution from Index/Custom Basket Positions.

Liquidity Analysis	% of Fund
< 5 Days	100.00
< 5 < 20 Days	0.00
> 25 Days	0.00

Source: Selwood Asset Management LLP, as of month end. Liquidity Analysis represents the percentage of the portfolio that could be liquidated within the given period based on 20% of the 30-Day Average Traded Volume of the respective security as at month end, per Bloomberg. Excludes Index/Custom Basket positions.

Investcorp-Tages

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## RISK GLOSSARY

**Credit and Counterparty Risk:** The Sub-Fund will be exposed to a credit risk in relation to the counterparties with whom it transacts or places margin or collateral in respect of transactions in derivatives. To the extent that a counterparty defaults on its obligations and the Sub-Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Sub-Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Sub-Fund will not sustain losses on the transactions as a result.

**Derivatives and Leverage Risk:** Leverage arises from entering into derivatives, the terms of which can have the effect of magnifying an outcome, meaning the profits and losses from an investment can be greater than if the investment is made directly into the underlying securities.

**Short Selling Risk:** The Sub-Fund may create synthetic short positions through the use of derivatives. Short positions behave differently to long positions; for example, the Sub-Fund can come under pressure to close out short positions at short notice and before an offsetting long position can mature. This can create unexpected losses from positions that might otherwise have been seen as low risk or well hedged.

**Lack of Prior Track Record:** Selwood Asset Management, as the sub-investment manager of the Sub-Fund, does not have pre-existing track record in the strategy pursued by the Sub-Fund.

For a more detailed explanation of risks, please refer to the "Special Considerations and Risk Factors" section of the prospectus and supplement.

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*For Chilean Investors:*

a) Initiation of the offering in Chile – March 2022

b) The offering: (i) is being made subject to the rules of NCG 336; (ii) refers to Securities that are neither registered in the Registry of Securities nor the Registry of Foreign Securities of the CMF and are therefore not subject to the supervision of the CMF; (iii) refers to Securities that are not registered in the CMF and therefore the issuer thereof is not subject to reporting obligations in Chile with respect to the offered Securities; and (iv) refers to Securities that may not be publicly offered in Chile for so long as such Securities are not registered in Chile.

a) Inicio de la oferta en Chile – Marzo 2022

b) La oferta: (i) se realiza con sujeción a las normas de la NCG 336; (ii) se refiere a Valores que no se encuentran inscritos en el Registro de Valores ni en el Registro de Valores Extranjeros de la CMF y por lo tanto no están sujetos a la supervisión de la CMF; (iii) se refiere a Valores que no se encuentran registrados en la CMF y por lo tanto su emisor no está sujeto a obligaciones de información en Chile respecto de los Valores ofrecidos; y (iv) se refiere a Valores que no podrán ofrecerse públicamente en Chile mientras dichos Valores no estén registrados en Chile.

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