

# Green Ash Short Duration Credit Fund

## October 2022 Monthly Factsheet

### INVESTMENT OBJECTIVE

### PROFESSIONAL INVESTORS ONLY

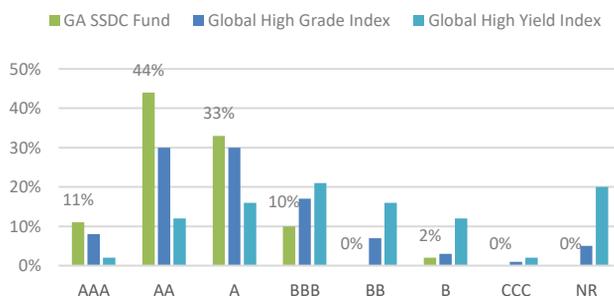
Green Ash Short Duration Credit Fund is an open-ended fund incorporated in Luxembourg. The Fund is actively managed and benchmark free. The Fund's objective is to invest in investment grade and high yield bonds that demonstrate 'best in class' environmental, social, and governance (ESG) criteria. Holdings have a maximum maturity and duration of 5 and 2.5 years respectively, and the portfolio has a minimum average credit rating of BBB-.

### KEY INFORMATION

### ESG RATING DISTRIBUTION<sup>1</sup>

### AVERAGE ESG RATING

Fund Name	Green Ash Short Duration Credit Fund - a Subfund of Green Ash SICAV
Investment Team	Miles Cohen, Nicholas Freeman, James Sanders, Patrick Durcan
Fund Launch Date	12 <sup>th</sup> June 2020
Fund Type	UCITS
Fund Domicile	Luxembourg
Liquidity	Daily
Management Fee	I: 0.45% / R: 0.80% p.a.
Fund Size	\$17MM
Share Classes	USD, EUR, GBP (Acc.)
USD I	LU2122350676
USD R	LU2122350163
EUR I (hedged)	LU2122350759
EUR R (hedged)	LU2122350247
CHF I (hedged)	LU2122350833
CHF R (hedged)	LU2122350320
GBP I (hedged)	LU2122350916
GBP R (hedged)	LU2122350593
Min Investment	I: 100,000 / R: 10,000
Investment Manager	Green Ash Partners LLP



### SUMMARY

- The fund rose +0.81% in October (EUR hedged share class +0.61%). At portfolio level, all sectors made positive gains on the month
- Corporate earnings have proved resilient in Q3, though there have been some cracks showing in Q4 guidance and beyond. There have also been ongoing signs of inflation and demand slowing in leading data, which has created some optimism in the markets that the end is in sight in this hiking cycle
- The weakening macroeconomic outlook is a double-edged sword for investors, as on the one hand it may accelerate the normalisation of inflation and give some pause to monetary tightening, but on the other, will start to dent corporate earnings and may drive an upswing in credit defaults
- As this will primarily impact the lower quality end of the market, we view the short duration crossover exposure targeted by the fund as something of a sweet spot, with yields of 7.5% now on offer in USD and 4.4% in EUR

### GREEN ASH SHORT DURATION CREDIT FUND PERFORMANCE<sup>2</sup>

Fund Performance	2020	2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	2022 YTD
Green Ash Short Duration Credit Fund (USD I)	+2.41%	+0.23%	-1.03%	-0.67%	-0.79%	-1.40%	+0.12%	-2.37%	+2.03%	-1.19%	-2.22%	+0.81%	-6.59%

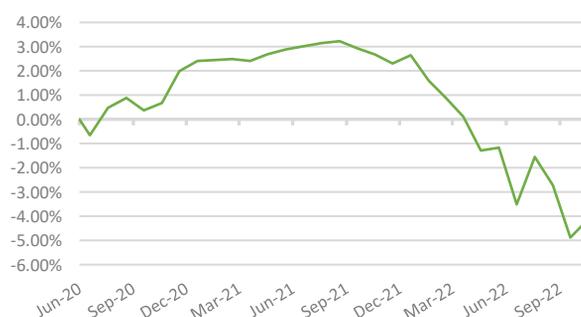
### OVERALL PORTFOLIO SUMMARY

Fund Currency	USD
Duration	2.0
Maturity in Years	2.3
Average Z Spread	227
Coupon Rate	4.2%
Yield to Worst	6.5%
Avg. Credit Rating	Baa3/BBB-
No. of Positions	51

### TOP TEN POSITIONS

FirstGroup	3.8%
Lloyds Bank	3.2%
HP Enterprise	3.0%
Societe Generale	2.9%
Hanesbrands	2.8%
Standard Chartered	2.7%
Land Securities	2.6%
Tesco	2.6%
Kraft Heinz	2.6%
Bupa Finance	2.6%

### GREEN ASH SHORT DURATION CREDIT FUND (USD I)



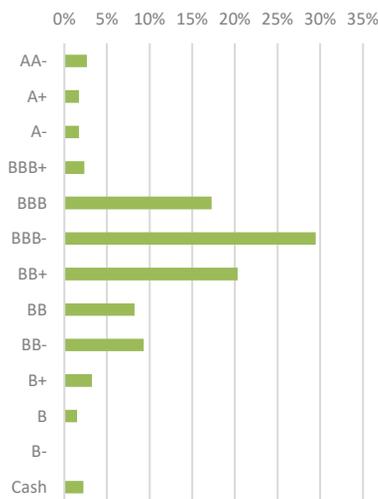
<sup>1</sup> ESG ratings are derived from MSCI ESG rating methodology. Scores are weighted 25% to Environmental, 44% to Social, and 31% to Governance

<sup>2</sup> Performance shown for USD I share class (ISIN: LU2122350676). All other share class performance listed on page 3





## WEIGHT BY CREDIT RATING



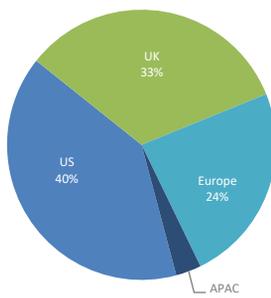
## WEIGHT BY MATURITY



## SERVICE PROVIDERS

Auditor	PricewaterhouseCoopers (PwC)
Custodian	Credit Suisse (Lux)
Administrator	Credit Suisse Fund Services (Lux)
Paying Agent	Credit Suisse AG
Legal Representative	Credit Suisse AG
Management Company	MultiConcept Fund Management S.A (Luxembourg)

## REGIONAL EXPOSURE



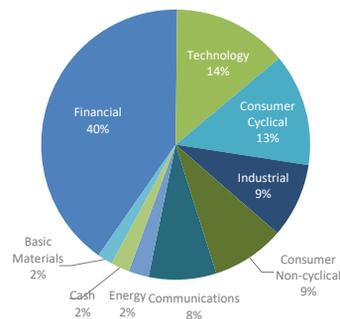
## FUND UPDATE AND OUTLOOK

The fund rose +0.81% in October (EUR hedged share class +0.61%). At portfolio level, all sectors made positive gains on the month, with the best performance coming from Consumer Cyclicals (+2.71%), Industrials (+1.51%) and Consumer Non-cyclicals (+1.50%). Technology was the laggard, rising only +0.19% in October. Lufthansa bonds were notable outperformers, rising +6.98% on strong quarterly earnings and a positive outlook. On the ESG front, there were no ratings changes in the month, and the fund retained its AAA ESG rating from MSCI.

So far, corporate earnings have proved resilient in Q3, though there have been some cracks showing in Q4 guidance and beyond. There have also been ongoing signs of inflation and demand slowing in leading data, which has created some optimism in the markets that the end is in sight in this hiking cycle. The jury is still very much out on this topic, and we are awaiting for additional data to indicate the pace of normalisation (so far the US labour market remains stubbornly resilient). In the UK, political risk was alleviated with the appointment of a more small-c conservative government, who aim to prioritise fiscal prudence over unfunded tax cuts – this helped calm UK fixed income markets, and takes some of the pressure of the Bank of England who may otherwise have had to tighten more aggressively than other central banks.

US Treasury yields rose across the curve in October, with 5Yr Treasury yields finishing +14bps at 4.23%. 5Yr German Bund yields

## SECTOR WEIGHTINGS



were more or less flat on the month, rising +4bps to 2.01%, while 5Yr UK Gilt yields fell -76bps to 3.63%. Investment grade corporates in USD fell -0.58% on the month, entirely due to the move in Treasuries, as spreads moved just +2bps wider to 181. US high yield rose +2.60%, benefitting from spreads tightening -89bps to 462. European high yield returned +1.76% (spreads -44bps to 578), while UK high yield gained +2.34% despite spreads widening +56bps to 747 due to the drop in Gilt yields.

The primary market remains quiet, and with only two months left in the year, YTD high yield issuance in the US and Europe is down -78% and -82% respectively. This has helped offset significant outflows this year (-\$52BN in the case of US high yield). Interestingly US high yield saw significant inflows in the last two weeks of October, amounting to \$5BN into ETFs alone (equivalent to 10% of AUM).

The weakening macroeconomic outlook is a double-edged sword for investors, as on the one hand it may accelerate the normalisation of inflation and give some pause to monetary tightening, but on the other, will start to dent corporate earnings and may drive an upswing in credit defaults (albeit from extremely low levels). As this will primarily impact the lower quality end of the market, we view the short duration crossover exposure targeted by the fund as something of a sweet spot, with yields of 7.5% now on offer in USD and 4.4% in EUR.



## GREEN ASH SHORT DURATION CREDIT FUND PERFORMANCE BY SHARE CLASS

ISIN	Share Class	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	YTD	ITD
LU2122350676	Green Ash Short Duration Credit Fund (USD I)	-1.03%	-0.67%	-0.79%	-1.40%	0.12%	-2.37%	2.03%	-1.19%	-2.22%	0.81%	-6.59%	-4.11%
LU2122350163	Green Ash Short Duration Credit Fund (USD R)	-1.07%	-0.69%	-0.83%	-1.44%	0.09%	-2.40%	2.00%	-1.21%	-2.26%	0.77%	-6.89%	-5.00%
LU2122350759	Green Ash Short Duration Credit Fund (EUR I)	-1.10%	-0.67%	-0.95%	-1.49%	-0.08%	-2.52%	1.81%	-1.45%	-2.45%	0.61%	-8.05%	-6.96%
LU2122350247	Green Ash Short Duration Credit Fund (EUR R)	-1.13%	-0.71%	-0.96%	-1.54%	-0.08%	-2.55%	1.77%	-1.48%	-2.48%	0.56%	-8.36%	-7.85%
LU2122350833	Green Ash Short Duration Credit Fund (CHF I)	-1.13%	-0.69%	-0.97%	-1.53%	-0.07%	-2.53%	1.83%	-1.46%	-2.46%	0.54%	-8.23%	-7.50%
LU2122350320	Green Ash Short Duration Credit Fund (CHF R)	-1.16%	-0.73%	-1.01%	-1.56%	-0.10%	-2.57%	1.80%	-1.50%	-2.49%	0.52%	-8.53%	-8.34%

### LEGAL DISCLOSURES

#### FOR EU INVESTORS

The information contained in this document is issued by Green Ash Partners LLP (hereinafter "Green Ash"), at 11 Albemarle Street, Mayfair, London, W1S 4HH who is authorised and regulated by the Financial Conduct Authority: Firm Reference Number (FRN) – 500315. This disclaimer is not intended to exclude or restrict any liability under the rules of the Financial Conduct Authority ("the FCA Rules") or FSMA.

This presentation reflects the opinion of Green Ash as of the date of issue. This document is not intended for distribution, publication, or use in any jurisdiction where such distribution, publication, or use would be unlawful, nor is it directed to any person or entity to which it would be unlawful to direct such a document. This presentation is for information purposes only and does not constitute an offer or a recommendation to purchase or sell any security. It does not constitute investment research or a research recommendation and is not intended for distribution to the public or a large number of persons. The opinions herein do not take into account individual clients' circumstances, objectives, or needs. Before entering into any transaction, each client is urged to consider the suitability of the transaction to his particular circumstances and to independently review, with professional advisors as necessary, the specific risks incurred, in particular at the financial, regulatory, and tax levels.

All examples of financial strategies/investments set out in this document are for illustrative purposes only and do not represent future performance. The information and analysis contained herein have been based on sources believed to be reliable. However, Green Ash does not guarantee their timeliness, accuracy, or completeness, nor does it accept any liability for any loss or damage resulting from their use. All information and opinions as well as the prices indicated are subject to change without notice. Past performance is no guarantee of current or future returns and you may consequently get back less than he invested. From time to time the partners of Green Ash Partners LLP may enter into personal transactions in the securities and strategies discussed in this presentation. The firm has a personal account dealing policy that manages such conflicts and ensures the fair treatment of its clients.

This document may not be reproduced (in whole or in part), transmitted, modified, or used for any public or commercial purpose without the prior written permission of Green Ash.

#### FOR SWISS INVESTORS

This document is issued by Green Ash Partners LLP. This document is exclusively intended for qualified investors within the meaning of article 10 paragraph 3, 3bis, 3ter and 4 of the Swiss Collective Investment Schemes Act ("CISA"). The information and data presented in this document are not to be considered as an offer or solicitation to buy, sell or subscribe to any securities or financial instruments. Information, opinions and estimates expressed in this document reflect a judgment at its original date of publication and are subject to change without notice. Green Ash Partners LLP has not taken any steps to ensure that the securities referred to in this document are suitable for any particular investor and this document is not to be relied upon in substitution for the exercise of independent judgment. Tax treatment depends on the individual circumstances of each investor and may be subject to change in the future. You should obtain specific professional advice before making any investment decision. The value and income of any of the securities or financial instruments mentioned in this document can fall as well as rise and, as a consequence, investors may receive back less than originally invested. Risk factors are not intended to be reproduced in full in this document. Past performance is no guarantee nor a reliable indicator of future results. This material is not intended to be a substitute to the full, legal documentation and to any information which investors must obtain from their financial intermediaries acting in relation to their investment in the funds mentioned in this document. Please note that none of the management company, the registrar and transfer agent, the central administration or the custodian of the relevant fund has independently verified any information contained herein and no party makes any representation or warranty as to the accuracy, completeness, or reliability of such information. Further information about Green Ash SICAV - Green Ash Short Duration Fund, its prospectus, its KIIDs and its latest annual and semi-annual report may be obtained free of charge, in English language, from MultiConcept Fund Management S.A., Luxembourg, the CH Legal Representative, Credit Suisse Funds AG, the appointed distributors or online at [www.greenash-partners.com](http://www.greenash-partners.com) and [www.credit-suisse.com/Multiconcept](http://www.credit-suisse.com/Multiconcept).

