

# Green Ash SICAV - Multi Asset Fund

## June 2018 Monthly Factsheet

### INVESTMENT OBJECTIVE

PROFESSIONAL INVESTORS ONLY

The multi asset strategy aims to achieve positive returns from an actively managed, diversified approach that is unconstrained in terms of its allocation to equities, bonds, commodities and currencies. The investment strategy is thematic with a medium to long-term growth outlook. Positioning can be both long and short to actively manage market risk.

### KEY INFORMATION

### SUMMARY

Fund Name	Green Ash SICAV - Multi Asset Fund
Investment Team	Miles Cohen, Nicholas Freeman, Edward Vincent, James Sanders
Fund Launch Date	25 <sup>th</sup> June 2015
Fund Type	UCITS IV
Fund Domicile	Luxembourg
Liquidity	Daily
Management Fee	0.80% p.a.
Fund Size	\$40MM
Share Classes	USD, EUR, GBP (Acc.)
USD	LU1171480921
EUR (hedged)	LU1171480764
GBP (hedged)	LU1171480509
Min Investment	500,000
Management Company	Alceda Fund Management S.A.
Custodian	UBS (Luxembourg) S.A.
Investment Manager	Green Ash Partners LLP

- The USD share class declined -0.86% in June, and rose +0.59% in Q2 (GBP share class -1.06% in June, +0.05% in Q2), versus the MSCI World +0.40% and Global Aggregate bonds +0.19% in June, and +3.75% and +0.19% respectively in Q2 (hedged to USD)
- The escalation of trade war rhetoric weighed on sentiment in the second half of the month, and disproportionately impacted the fund's exposure to tech, industrials, and commodities. This was partially offset by our Biotech & Longevity and American Brands themes, which are less geared towards global trade
- We cannot say how long the challenging geopolitical news flow will last but the fundamental economic and corporate backdrop remains strong, especially in the US. As we head into earnings season, estimates are pointing to +15% EPS growth for the S&P in Q2 (lapping an +11% comp in 2Q17), and on a forward basis equity valuations look attractive (the S&P's FY19e P/E is 15.5x)

### GREEN ASH MULTI ASSET STRATEGY USD PERFORMANCE<sup>1</sup>

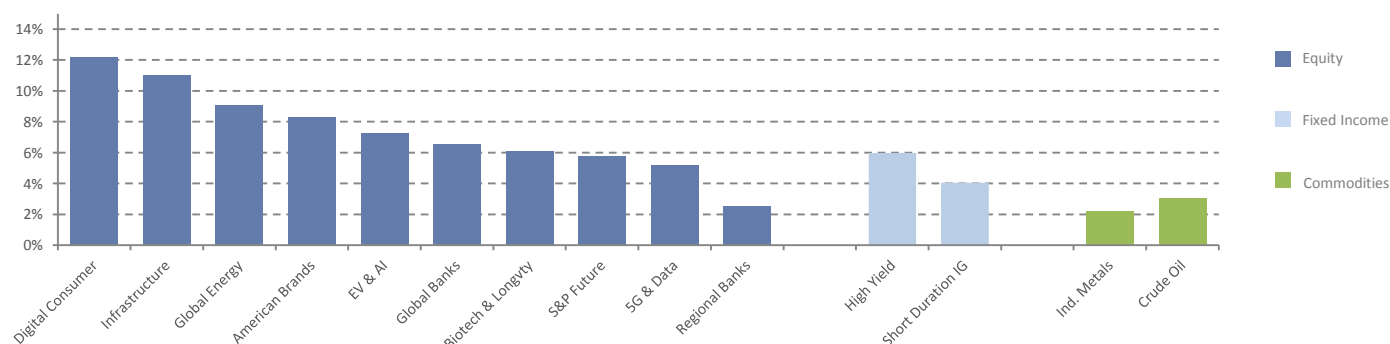


### GREEN ASH MULTI ASSET STRATEGY PERFORMANCE<sup>1</sup>

	2012	2013	2014	2015	2016	2017	1Q18	2Q18	Jun18	2018	ITD	Annualised	Volatility	Sharpe
Green Ash Multi Asset USD <sup>1</sup>	+13.17%	+13.63%	+4.03%	+1.15%	-2.94%	+10.59%	-2.48%	+0.59%	-0.86%	-1.90%	+42.49%	+5.64%	5.96	0.91
Share class IA GBP	-	-	-	-	+2.66% <sup>2</sup>	+9.32%	-2.93%	+0.05%	-1.06%	-2.89%				

<sup>1</sup>The Green Ash Multi Asset Strategy track record and returns are derived from a single managed account up to 31/12/15. After this date, performance data for the Green Ash SICAV - Multi Asset Fund share class IA USD is used. All performance figures are net of fees from the inception date of the strategy on 01/01/12. <sup>2</sup>IA GBP share class performance is from inception 22/07/16. Source: Green Ash Partners LLP

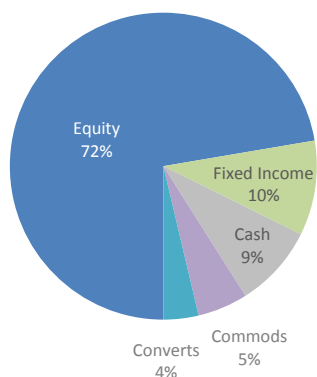
### GREEN ASH SICAV - MULTI ASSET FUND % EXPOSURE BY THEME – JUNE 2018



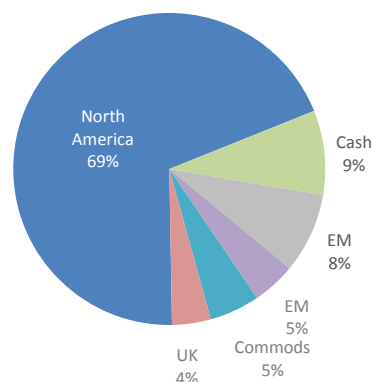


## FUND UPDATE AND OUTLOOK

### FUND ASSET ALLOCATION



### FUND REGIONAL EXPOSURE<sup>2</sup>



### TOP TEN FUND POSITIONS

Green Ash High Yield Fund	5.98%
Long S&P 500 Future Sep-18	5.78%
GS 2 5/8 01/31/19	4.05%
Nasdaq Biotech ETF	2.70%
Amazon Inc.	2.44%
ETFS Brent 1mth	2.20%
LNG 4.25 2043	2.11%
Royal Dutch Shell	2.07%
XPO Logistics	1.91%
UnitedHealth Group	1.89%

Number of positions: 75

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June started well with a decent performance in equity and credit markets but this soon reversed as geo-political events came into focus. Trade tensions between the US, China and the EU started to weigh more heavily, though. Government bonds were broadly stable, and both Spanish and Italian bonds recovered some of their May losses. Ongoing dollar strength (BBDXY +0.90%) continues to tighten financial conditions, and this along with some country specific issues has led to ongoing weakness in emerging market assets. Chinese equity markets were impacted negatively by the trade negotiations and the Shanghai Composite and MSCI EM closed down -8% and -4.5% respectively.

The escalation of trade war rhetoric weighed on sentiment in the second half of the month, and disproportionately impacted the fund's exposure to tech, industrials, and commodities. This was partially offset by our Biotech & Longevity and American Brands themes, which are less geared towards global trade. We added exposure to regional banks in the US, which should outperform given their domestic focus, fiscal stimulus, and ongoing deregulatory tailwinds. We cut our exposure to Central European equities, using the proceeds to bolster other themes, leaving our overall equity exposure unchanged.

In commodities, our industrial metals basket declined -4.76% on the month driven by trade concerns, and slightly softer economic data in China. We remain bullish on the outlook for metals in the coming years,

especially those geared to electric vehicles and charging infrastructure such as copper, nickel, and aluminium. As well as secular demand growth, prices should be supported by underinvestment in supply during the 2015-16 period (mining capex remains substantially lower than historical levels). It is a similar story in energy, and following the recent OPEC meeting in which only modest production hikes were agreed we have added Brent crude to our commodity allocation.

We closed our German curve flattener position in June, as softening European data prolong the likely period of ECB dovishness. Our allocation to high yield credit was flat on the month, as weakness in emerging markets and Europe was offset by a stable high yield market in the US.

We cannot say how long the challenging geopolitical news flow will last but the fundamental economic and corporate backdrop remains strong, especially in the US. As we head into earnings season, estimates are pointing to +15% EPS growth for the S&P in Q2 (lapping an +11% comp in 2Q17), and on a forward basis equity valuations look attractive (the S&P's FY19e P/E is 15.5x). The risk is that trade issues drag business sentiment lower and impact the earnings growth trajectory. Our base case remains that ultimately a compromise will be found, however this may take some time.

<sup>2</sup> The net cash figure includes money market funds, cash equivalents, and cash required to collateralise derivative positions; regional exposure excludes FX



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