

# Green Ash SICAV - Chanos Equity Long / Short Fund

## June 2023 Monthly Factsheet

### INVESTMENT OBJECTIVE

### PROFESSIONAL INVESTORS ONLY

Chanos Equity Long / Short Fund is a SICAV fund incorporated in Luxembourg. The Fund aims to achieve attractive risk-adjusted returns by implementing a long / short equity strategy, focusing on short position alpha that is risk managed through passive index longs. It targets a variable +/- 40% net length with a low correlation to underlying equity markets.

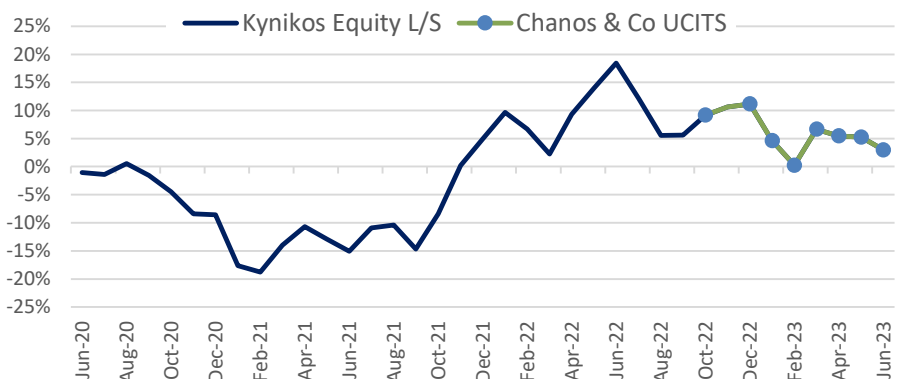
### KEY INFORMATION

### SUMMARY

Fund Name	Chanos Equity Long / Short Fund - a Sub-fund of Green Ash SICAV
Portfolio Manager(s)	Jim Chanos Mike Salem
Fund Launch Date	7 <sup>th</sup> October 2022
Fund Type	UCITS
Fund Domicile	Luxembourg
Liquidity	Daily
Fees	Institutional: 1.20% p.a. + 20% Performance Fee (HWM) Retail: 1.80% p.a. + 20% Performance Fee (HWM)
Fund Size Strategy Size	\$49.47MM \$250.0MM
Share Classes	USD, EUR, CHF, & GBP
Minimum Investment	Institutional: 1,000,000 Retail: 1,000
Investment Manager	Green Ash Partners LLP
Sub-Investment Manager	Chanos & Company L.P.

- The Chanos Equity Long / Short Fund F USD share class was down -2.17% for June
- The “fast and furious” rally in the more speculative corners of the markets proved to be a difficult backdrop for any fundamentally-driven short strategy
- Net equity exposure was little changed at +20.97%, with short exposure at -59.33% and long exposure at +80.30%, resulting in gross at 139.63%
- The portfolio currently has 42 fundamental short positions, it is well diversified, and has an average position size of c.1.5%
- At the end of June, the top three sector groups in the short portfolio were Consumer Discretionary (14.58%), Real Estate (11.54%), and Financials (11.43%)

### HISTORICAL RETURNS - COMPOUND (%)<sup>1</sup>



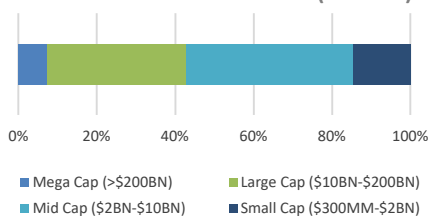
### FUND PERFORMANCE<sup>1</sup>

KCP LP Equity Long-Short Fund	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2020	-	-	-	-	-	-1.02%	-0.37%	1.94%	-2.10%	-2.92%	-4.13%	-0.15%	
2021	-9.96%	-1.40%	5.96%	3.84%	-2.48%	-2.52%	4.94%	0.57%	-4.81%	7.39%	9.39%	4.67%	14.71%
2022	4.55%	-2.71%	-4.17%	6.92%	4.26%	3.88%	-5.27%	-5.88%	0.02%	3.36%	-	-	5.20%

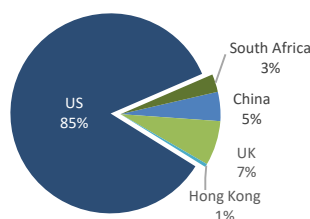
  

UCITS Fund – USD F Share Class	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct <sup>1</sup>	Nov	Dec	YTD
2022										-0.27%	1.37%	0.46%	1.57%
2023	-5.87%	-4.19%	6.39%	-1.13%	-0.18%	-2.17%							-7.36%

### WEIGHTINGS BY MARKET CAP (SHORTS)



### WEIGHTINGS BY REGION (SHORTS)



### EXPOSURE (% of Equity)

Exposure %	Prev. Month	Current
Long	81.78%	80.30%
Short	-60.09%	-59.33%
Gross	141.87%	139.63%
Net	21.69%	20.97%

<sup>1</sup> The Chanos Equity Long / Short Strategy track record runs from 1-Jun-2020 to 10-Oct-2022. Fund performance is reported from 10-Oct-2022 launch onwards (USD F: LU2534794933; performance of other share classes on page 3). Strategy Track record based on Kynikos Capital Partners LP – Long / Short - US Offshore Fund performance, net of fees. Past performance is no guarantee of future returns and you may consequently get back less than you invested.



## SHORT BOOK BY SECTOR (% NET)

Sector	Jun-23
Consumer Discretionary	-14.58%
Real Estate	-11.54%
Financials	-11.43%
Industrials	-8.11%
Information Technology	-5.68%
Consumer Staples	-2.80%
Utilities	-2.08%
Materials	-1.32%
Health Care	-0.97%
Communication Services	-0.52%
Energy	-0.31%
Total	-59.33%

## FUND UPDATE AND OUTLOOK

As we noted last month, the market began its latest rally in late May, and that continued into June (and early-July), with the S&P 500 Index up 8% from the May lows. Even more impressively, the NASDAQ is up approximately 13% since then, while the Goldman Sachs “Most Shorted” Basket is up a remarkable 23%.

Needless to say, this is a difficult environment for any fundamentally-driven short strategy and our June decline of -2.17% bears that out. As the month progressed, the original AI-driven euphoria broadened out, encompassing old favourites like flying taxis, questionable battery technology companies, near-bankrupt entities and busted SPACs. Similar to January, the worse the fundamentals (and higher the short interest), the more the stock rose.

We have used the latest rally, which has taken the S&P to almost 20x next 12 months earnings, to further “degrade” the portfolio, with a higher percentage of short positions with truly terrible fundamentals. Many of these companies have seen their share prices double or triple this year, and may ultimately be worth nothing. What has also been worthy of note, has been the continued rise in interest rates globally, with the US 10-Year Note flirting with 4% again, which puts corporate BBB rates at 6% vs 3% in 2021. These rates make a number of our consumer-related shorts that are not growing, but trading at 40-60x’s earnings, even more puzzling.

But what is really stunning has been the 20-50% rallies that we have seen recently in a number of our real estate related shorts, bringing their implied “cap rates” in many cases back to their 2021 lows (higher multiples on cash flow)! What is particularly perplexing is that investors in US regional banks seem to think the world is ending as it relates to commercial real estate, while Equity REIT investors think there is nothing but blue skies ahead!

We would expect that this “fast and furious” rally in the more speculative corners of the markets will soon be met with an increased supply of IPOs, secondary offerings and insider selling. Who knows...we might even see a return of SPACs. We continue to believe that the cost of “insurance” in the form of a hedged portfolio of failing companies should remain a part of any diversified portfolio, even more so today.

## CHANOS EQUITY LONG / SHORT FUND PERFORMANCE BY SHARE CLASS

ISIN	Share Class	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	YTD	ITD 07/10/22	NAV
LU2534794933	Green Ash – Chanos Equity Long / Short Fund USD F	-5.87%	-4.19%	6.39%	-1.13%	-0.18%	-2.17%	-7.36%	-5.91%	94.09
LU2534794420	Green Ash – Chanos Equity Long / Short Fund USD I	-5.89%	-4.23%	6.37%	-1.15%	-0.21%	-2.20%	-7.51%	-6.09%	93.91
LU2534794008	Green Ash – Chanos Equity Long / Short Fund USD R*	--	--	4.78%	-0.95%	-0.20%	-1.97%	1.53%	1.53%	101.53
LU2534794776	Green Ash – Chanos Equity Long / Short Fund EUR F	-6.03%	-4.38%	6.19%	-1.29%	-0.35%	-2.36%	-8.36%	-7.36%	92.64
LU2534794263	Green Ash – Chanos Equity Long / Short Fund EUR I	-6.07%	-4.40%	6.16%	-1.31%	-0.39%	-2.40%	-8.523%	-7.57%	92.43
LU2534793885	Green Ash – Chanos Equity Long / Short Fund EUR R*	--	--	4.58%	-1.08%	-0.34%	-1.96%	1.08%	1.08%	101.08
LU2534794859	Green Ash – Chanos Equity Long / Short Fund CHF F	-6.18%	-4.49%	6.01%	-1.41%	-0.58%	-2.53%	-9.25%	-8.45%	91.55
LU2534794347	Green Ash – Chanos Equity Long / Short Fund CHF I*	-	-	-	-	-	-2.54%	-2.54%	-2.54%	97.46
LU2534795070	Green Ash – Chanos Equity Long / Short Fund GBP F*	--	-1.74%*	5.59%	-0.95%	-0.18%	-1.97%	0.55%	0.55%	100.55

\*Share classes launched intra-month and intra-year



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