

# Green Ash Short Duration Credit Fund

## April 2022 Monthly Factsheet

### INVESTMENT OBJECTIVE

### PROFESSIONAL INVESTORS ONLY

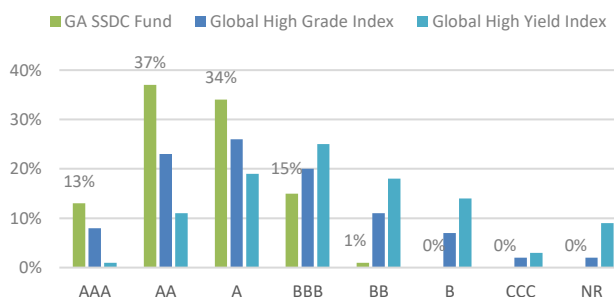
Green Ash Short Duration Credit Fund is an open-ended fund incorporated in Luxembourg. The Fund is actively managed and benchmark free. The Fund's objective is to invest in investment grade and high yield bonds that demonstrate 'best in class' environmental, social, and governance (ESG) criteria. Holdings 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 Woodman 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	\$23MM
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 fell -1.40% in April (EUR hedged share class also -1.49%). Looking to the portfolio, only the Basic Materials sector finished with small gains on the month, as Mosaic bonds were supported by high fertilizer prices as a result of the war in Ukraine. Consumer Cyclical and Technology were the worst performing sectors, declining -1.85% and -1.66% respectively
- The markets are currently pricing a 2.75% Fed Funds rate by year end. There are signs that inflation may have peaked, and so the focus will now turn to how quickly it normalises. As much of the problem is driven by the supply side central banks can only influence the trajectory by curtailing demand
- A recovery in supply side pressures paired with some cooling of other areas in response to monetary policy tightening may allow for less aggressive measures further down the line, setting up a goldilocks environment for credit, especially higher spread areas like high yield. The portfolio's local yield has been pushed higher this year by both rising government yields and wider credit spreads. The local yield is now 3.93% which translates to USD yield of 4.7% and EUR yield of 2.46%.

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

Fund Performance	2020	2021	Jan	Feb	Mar	Apr	2022 YTD
Green Ash Short Duration Credit Fund (USD I)	+2.41%	+0.23%	-1.03%	-0.67%	-0.79%	-1.40%	-3.84%

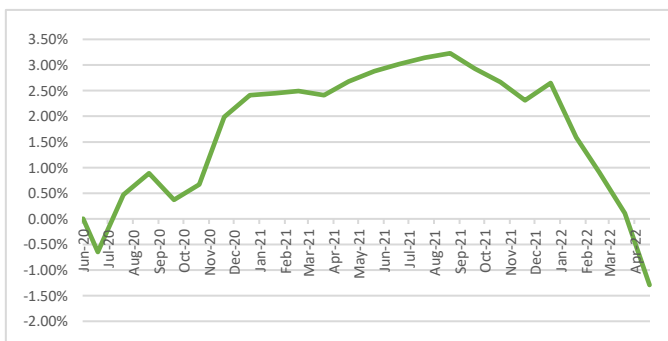
### OVERALL PORTFOLIO SUMMARY

Fund Currency	USD
Duration	2.1
Maturity in Years	2.4
Average Z Spread	170
Coupon Rate	4.2%
Yield to Worst	3.9%
Avg. Credit Rating	Baa3/BBB-
No. of Positions	54

### TOP TEN POSITIONS

HP Entreprise	4.4%
Societe Generale	3.9%
FirstGroup PLC	3.7%
Natwest Group	3.5%
Lloyds Bank	2.8%
Akzo Nobel	2.7%
Adevinta ASA	2.5%
Land Securities	2.5%
Hannesbrands	2.5%

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

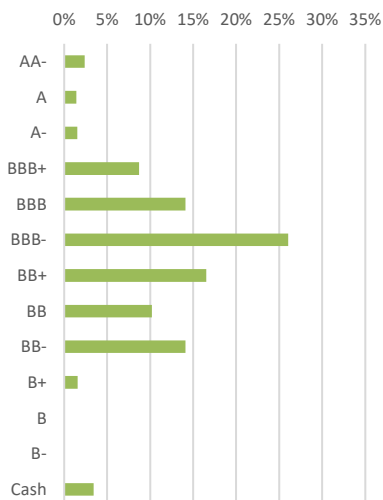


<sup>1</sup> ESG ratings are derived from MSCI ESG rating methodology. Scores are weighted 25% to Environmental, 44% to Social, and 31% to Governance

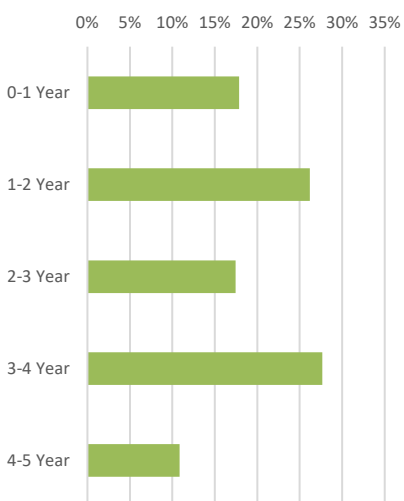
<sup>2</sup> Performance shown for USD I share class (ISIN: LU2122350676). All other share class performance listed on page 3



## WEIGHT BY CREDIT RATING



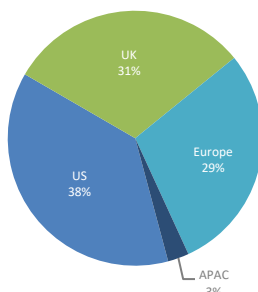
## WEIGHT BY MATURITY



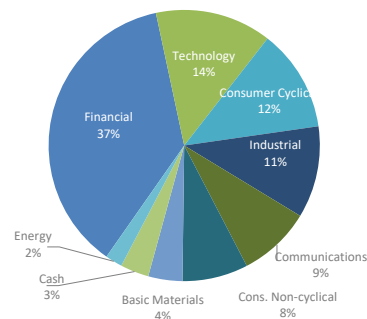
## SERVICE PROVIDERS

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



## SECTOR WEIGHTINGS



## FUND UPDATE AND OUTLOOK

The fund fell -1.40% in April (EUR hedged share class also -1.49%). Looking to the portfolio, only the Basic Materials sector finished with small gains on the month, as Mosaic bonds were supported by high fertilizer prices as a result of the war in Ukraine. Consumer Cyclicals and Technology were the worst performing sectors, declining -1.85% and -1.66% respectively. There were no ESG ratings changes amongst the holdings in the month, and the fund retained its AAA MSCI ESG rating at portfolio level.

The markets are currently pricing a 2.75% Fed Funds rate by year end, implying another two +50bps hikes in June and July, and another three +25bps in the autumn. There are signs that inflation may have peaked, and so the focus will now turn to how quickly it returns to more palatable levels. As much of the problem is driven by the supply side – commodity prices and supply chain disruption – central banks can only influence the trajectory by curtailing demand.

Central bank hawkishness, led by the US, resulted in a major repricing in the front end of developed market government bond curves, with the 2Yr Treasuries moving +38bps wider to 2.71%, 2Yr Bunds +34bps wider to 0.26% and 2Yr Gilts +24bps wider to 1.59%. Normal duration corporate investment grade fell – 4.21% (spreads +18bps to 142). High yield bonds declined -3.56% in the US (spreads +57bps to 378), -2.91% in Europe (+60bps to 449) and -1.90% in the UK (spreads +49bps to 478).

The collapse of supply in high yield bond markets so far this year has, along with rising star activity, caused the overall market size to shrink both in the US (-2.9% to \$1.48TN) and Europe (-0.5% to €437BN). This trend looks likely to continue, with JPM forecasting \$225BN in rising stars leaving the market for investment grade in the US alone by YE23.

Looking ahead, the combination of higher government bond yields and spread widening have left yields looking attractive – global corporate HY in USD finished the month at 6.9%, versus a 10Yr average of 5.8% and a 20Yr average of 6.2%. It is a similar story for investment grade – IG spreads of +143bps compare to their 10Yr average of +128bps and 20Yr average of +142bps. Meanwhile defaults in high yield remain very low, despite the stresses seen in equity markets. This is due to a confluence of factors: it has only been two years since a major default cycle followed by record refinancing/maturity extensions at very low interest rates; default cycles in the past have typically been led by the energy sector, however this time around oil and gas prices are extremely high; and, the quality of the index is much better than it has been historically due to all the fallen angels downgraded during COVID.

While we may be past peak inflation, however the pace of normalisation is still very uncertain, and crucially important, as it will determine whether we are also at peak Fed hawkishness. A steady recovery in the supply side pressures paired with some cooling of other areas in response to monetary policy tightening may allow for less aggressive measures further down the line, setting up a goldilocks environment for credit, especially higher spread areas like high yield. The portfolio's local yield has been pushed higher this year by both rising government yields and wider credit spreads. The local yield is now 3.93% which translates to USD yield of 4.7% and EUR yield of 2.46%.



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

ISIN	Share Class	CCY	Fee	Jan-22	Feb-22	Mar-22	Apr-22	YTD	ITD
LU2122350676	Green Ash Short Duration Credit Fund (USD I)	USD	0.50%	-1.03%	-0.67%	-0.79%	-1.40%	-3.84%	-1.29%
LU2122350163	Green Ash Short Duration Credit Fund (USD R)	USD	0.85%	-1.07%	-0.69%	-0.83%	-1.44%	-3.97%	-2.02%
LU2122350759	Green Ash Short Duration Credit Fund (EUR I)	EUR	0.50%	-1.10%	-0.67%	-0.95%	-1.49%	-4.14%	-3.00%
LU2122350247	Green Ash Short Duration Credit Fund (EUR R)	EUR	0.85%	-1.13%	-0.71%	-0.96%	-1.54%	-4.29%	-3.75%
LU2122350833	Green Ash Short Duration Credit Fund (CHF I)	CHF	0.50%	-1.13%	-0.69%	-0.97%	-1.53%	-4.26%	-3.49%
LU2122350320	Green Ash Short Duration Credit Fund (CHF R)	CHF	0.85%	-1.16%	-0.73%	-1.01%	-1.56%	-4.38%	-4.18%
LU2122350916	Green Ash Short Duration Credit Fund (GBP I)	GBP	0.45%	-	-	-	-	-	-
LU2122350593	Green Ash Short Duration Credit Fund (GBP R)	GBP	0.85%	-1.07%	-0.64%	-0.87%	-1.44%	-3.96%	-2.47%

### LEGAL DISCLOSURES

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