

# Green Ash Short Duration Credit Fund

## July 2024 Monthly Factsheet



### INVESTMENT OBJECTIVE

PROFESSIONAL INVESTORS ONLY

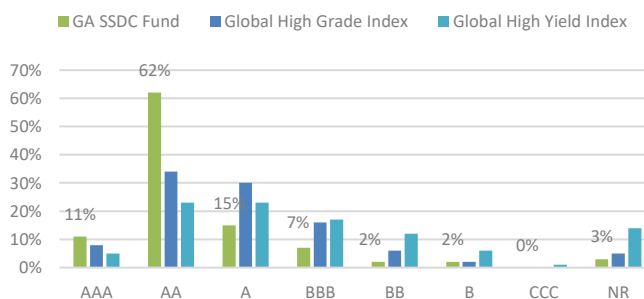
Green Ash Short Duration Credit Fund is an open-ended fund incorporated in Luxembourg. The Fund is actively managed and benchmark free. The Fund's objective is to invest in investment grade and high yield bonds that demonstrate 'best in class' environmental, social, and governance (ESG) criteria. Holdings 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
Portfolio Managers	Miles Cohen Nicholas Freeman 
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	\$20MM
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 +1.30% in July (EUR hedged shareclass +1.15%). Once again, all sectors finished in the green, led by Communications (+2.25%), Consumer Non-cyclical (+2.17%) and Consumer Cyclical (+2.09%)
- The risk of a recession, and central banks being behind the curve with respect to rate cuts, has become the dominant narrative in recent days
- Our view is less pessimistic - we see a gradual softening in consumer spending, and continued normalisation in inflation, helped most recently by much lower energy prices
- Corporate balance sheets remain strong, defaults remain low, and credit spreads show no signs of the stress indicative of a recession. With the bulk of high yield maturities coming due in the 2025-2026 period, the imminent decline in interest rates is coming at the perfect time for refinancing
- The fund currently yields 5.61% in USD, 5.68% in GBP, 3.94% in EUR and 1.36% in CHF

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

Fund Performance	2020	2021	2022	2023	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	YTD
Green Ash Short Duration Credit Fund (USD I)	+2.41%	+0.23%	-4.68%	+8.15%	+0.36%	-0.14%	+0.72%	-0.41%	+0.82%	+0.36%	+1.71%	+3.03%

### OVERALL PORTFOLIO SUMMARY

Fund Currency	USD
Duration	2.3
Maturity in Years	2.5
Average Z Spread	134
Coupon Rate	4.4%
Yield to Worst	5.2%
Avg. Credit Rating	Baa3/BBB-
No. of Positions	57

### TOP TEN POSITIONS

Accor SA	3.2%
Marvell Technology	3.0%
Intesa Sanpaolo	2.9%
SocGen	2.8%
Ashstead Capital	2.8%
EDF	2.8%
Harley Davidson	2.6%
Stonegate Pub	2.5%
EasyJet	2.5%
Kraft Heinz	2.5%

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



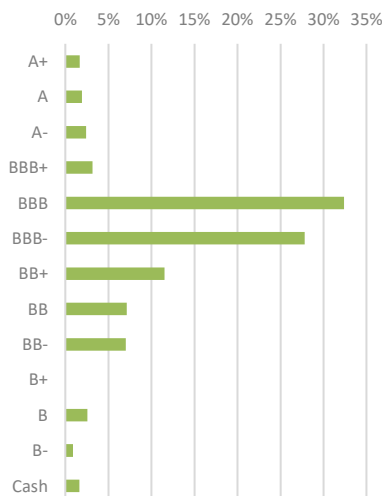
<sup>1</sup> ESG ratings are derived from MSCI ESG rating methodology. Scores are weighted 25% to Environmental, 44% to Social, and 31% to Governance

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

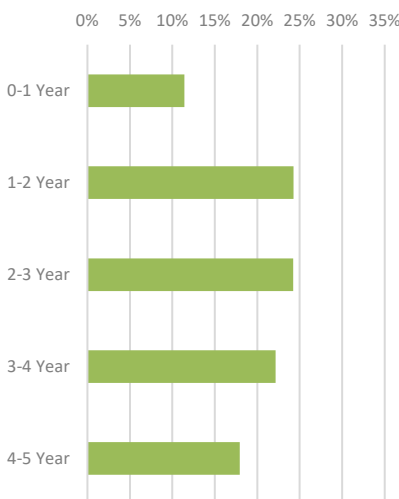




## WEIGHT BY CREDIT RATING



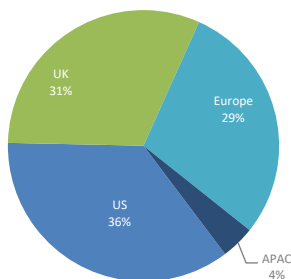
## WEIGHT BY MATURITY



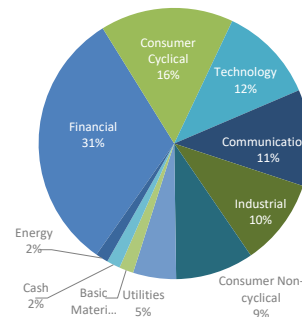
## SERVICE PROVIDERS

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 rose +1.30% in July (EUR hedged shareclass +1.15%). Once again, all sectors finished in the green, led by Communications (+2.25%), Consumer Non-cyclical (+2.17%) and Consumer Cyclical (+2.09%). Ocado was the best performing bond, rising +9.64% following a tender offer.

+1.57%, driven predominately by this move in duration (spreads -2bps to 36). It was a similar story for high yield, which gained +1.94% in the US (spreads +3bps to 313), +1.23% in Europe (spreads +3bps to 359) and +1.24% in the UK (spreads +16bps to 457).

July was an eventful month across a number of dimensions. On the political side, US election forecasting was roiled by the attempted assassination of President Trump, followed soon after by President Biden pulling out from the race in favour of VP Harris. Polls indicate a much tighter race now, with important implications for risk assets, as while both candidates will likely pursue loose fiscal policies, their policies will target very different parts of the economy. Meanwhile, Fed Chair Powell indicated a September rate cut is very much in play. The markets immediately priced this as a near-certainty, with a further two cuts expected through year end. Survey data has pointed to a weakening US economy and consumer, and the loosening of the labour market is picking up pace (the job vacancy/unemployed ratio has fallen to 1.14, from a high of 2.03 in March 2022). Q2 earnings season has been pretty solid, however. With 75% of the S&P 500 having now reported, sales and EPS have grown +5% and +11%, beating forecasts by +1% and +5% respectively. Growth is softer in Europe, with sales/EPS both close to flat.

The risk of a recession, and central banks being behind the curve with respect to rate cuts, has become the dominant narrative in recent days. This is striking given just a few months ago the exact opposite view was leading markets – one of resurgent inflation (led by goods), accelerating economic activity and unshakeable labour market strength. It was only in April that Jamie Dimon said he was preparing JPMorgan for 8% interest rates due to "persistent inflationary pressures". Our position remains in between these two camps – we see a gradual softening in consumer spending, and continued normalisation in inflation, helped most recently by much lower energy prices (WTI -10% YoY, US retail gasoline -10% YoY, US natural gas -39% YoY). As we have remarked on numerous monthly commentaries, corporate balance sheets remain strong, defaults remain low, and credit spreads show no signs of the stress indicative of a recession. With the bulk of high yield maturities coming due in the 2025-2026 period, the imminent decline in interest rates is coming at the perfect time for refinancing.

5Yr US Treasury yields fell -46bps to 3.91%, outpacing declines in 5Yr German bund yields (-25bps to 2.23%) and UK Gilts (-25bps to 3.77%). 3-5Yr investment grade bonds gained

The fund currently yields 5.61% in USD, 5.68% in GBP, 3.94% in EUR and 1.36% in CHF.



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

ISIN	Share Class	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	YTD	ITD
LU2122350676	Green Ash Short Duration Credit Fund (USD I)	0.36%	-0.14%	0.72%	-0.41%	0.82%	0.36%	1.30%	3.03%	9.03%
LU2122350163	Green Ash Short Duration Credit Fund (USD R)	0.32%	-0.17%	0.69%	-0.45%	0.79%	0.32%	1.27%	2.80%	7.29%
LU2122350759	Green Ash Short Duration Credit Fund (EUR I)	0.22%	-0.25%	0.60%	-0.57%	0.70%	0.22%	1.15%	2.08%	2.09%
LU2122350247	Green Ash Short Duration Credit Fund (EUR R)	0.19%	-0.29%	0.57%	-0.60%	0.66%	0.19%	1.12%	1.85%	0.43%
LU2122350833	Green Ash Short Duration Credit Fund (CHF I)	0.01%	-0.44%	0.42%	-0.81%	0.49%	0.03%	0.90%	0.59%	-2.17%
LU2122350320	Green Ash Short Duration Credit Fund (CHF R)	-0.03%	-0.49%	0.40%	-0.85%	0.45%	0.00%	0.86%	0.33%	-3.73%

### LEGAL DISCLOSURES

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