

# Green Ash Short Duration Credit Fund

## May 2023 Monthly Factsheet

### INVESTMENT OBJECTIVE

### PROFESSIONAL INVESTORS ONLY

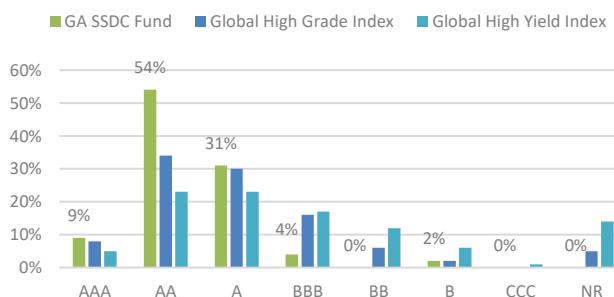
Green Ash Short Duration Credit Fund is an open-ended fund incorporated in Luxembourg. The Fund is actively managed and benchmark free. The Fund's objective is to invest in investment grade and high yield bonds that demonstrate 'best in class' environmental, social, and governance (ESG) criteria. Holdings 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	\$18MM
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 -0.14% in May (EUR hedged share class -0.33%). At sector level, the best performers were Communications (+0.54%), Consumer Cyclical (+0.14%) and Utilities (+0.02%), while Basic Materials (-1.00%), Technology (-0.48%) and Energy (-0.45%) were the weakest
- The main topic in May was the US debt ceiling, an issue that is always resolved, however the non-zero possibility that it won't be is enough to cause wobbles in the rates markets, given the catastrophic implications of a US default. The can has been kicked down the road for two years, so it won't rear its head again until after the US election
- We continue to view the fund's portfolio of high-quality issuers in the investment grade and high yield markets as favourably positioned to deliver an attractive yield and defensive credit profile across the full range of likely macroeconomic scenarios. The fund currently yields 6.48% in USD, 4.76% in EUR, 6.18% in GBP and 2.77% in CHF

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

Fund Performance	2020	2021	2022	Jan	Feb	Mar	Apr	May	YTD
Green Ash Short Duration Credit Fund (USD I)	+2.41%	+0.23%	-4.68%	+1.80%	-0.68%	+0.78%	+0.49%	-0.14%	+2.25%

### OVERALL PORTFOLIO SUMMARY

Fund Currency	USD
Duration	2.0
Maturity in Years	2.2
Average Z Spread	169
Coupon Rate	4.1%
Yield to Worst	6.2%
Avg. Credit Rating	Baa3/BBB-
No. of Positions	50

### TOP TEN POSITIONS

FirstGroup	3.9%
Electricite de France	3.0%
Lloyds Bank	3.0%
HP Enterprise	2.8%
Societe Generale	2.8%
Enel SpA	2.8%
Kraft Heinz	2.7%
Land Securities	2.7%
Tesco	2.7%
Hanesbrands	2.6%

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

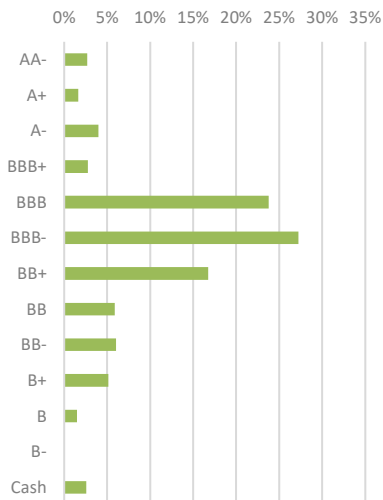


<sup>1</sup> ESG ratings are derived from MSCI ESG rating methodology. Scores are weighted 25% to Environmental, 44% to Social, and 31% to Governance

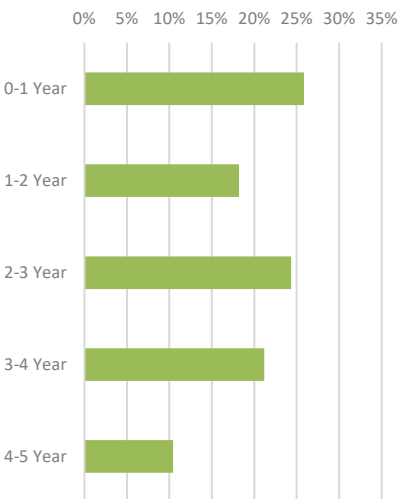
<sup>2</sup> Performance shown for USD I share class (ISIN: LU2122350676). All other share class performance listed on page 3



## WEIGHT BY CREDIT RATING



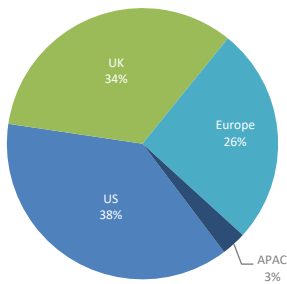
## WEIGHT BY MATURITY



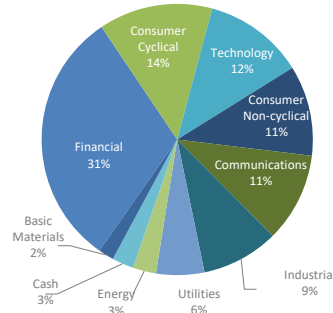
## SERVICE PROVIDERS

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



## SECTOR WEIGHTINGS



## FUND UPDATE AND OUTLOOK

The fund fell -0.14% in May (EUR hedged share class -0.33%). At sector level, the best performers were Communications (+0.54%), Consumer Cyclicals (+0.14%) and Utilities (+0.02%), while Basic Materials (-1.00%), Technology (-0.48%) and Energy (-0.45%) were the weakest. The top performing issuers were Telenet (+1.46%), Accor SA (+1.04%) and Softbank (+0.89%). The worst performer was ams-OSRAM AG (-5.35%), which fell following weak guidance in their Q1 earnings release. This was seen elsewhere in semiconductor and component manufacturers serving auto and industrial end markets. On the ESG front, MSCI changed their ratings methodology, no longer giving credit to improving ESG ratings trends in their calculation of fund ESG ratings. This resulted in the fund dropping one notch to AA, though as can be seen in the chart on page 1, the ratings distribution remains considerably higher quality than both investment grade and high yield bond indices. There were no ESG ratings changes amongst the individual holdings in May.

The main topic in May was the US debt ceiling, an issue that is always resolved, however the non-zero possibility that it won't be is enough to cause wobbles in the rates markets, given the catastrophic implications of a US default. The can has been kicked down the road for two years, so it won't rear its head again until after the US election. In the near term, the focus has now shifted to the large amount of T-bill issuance forthcoming to refill the Treasury General Account (TGA). In theory, this may withdraw liquidity from the market, which may

introduce volatility, though in practice there are other moving parts that can neutralise this (e.g. money market funds deploying reverse repo balances to buy the new T-bill supply).

The US Treasury curve moved higher in May, especially at the front end which has reacted to the expected new supply. In the US, 5Yr Treasury yields rose +27bps to 3.75%; similarly, in the UK, 5Yr Gilt yields rose +49bps to 4.10%, while in Europe, 5Yr German Bund yields fell -3bps to 2.28%. 3-5Yr Global Investment Grade Bonds in USD fell -0.09% (spreads +1bps to 55). High yield bonds fell -0.92% in the US (spreads +18bps to 465), but rose +0.71% in Europe (spreads -2bps to 480) and +0.32% in the UK (spreads -38bps to 596).

As mentioned in previous updates, new issuance activity has been picking up YTD versus the very low levels seen in 2022, though the looming maturity wall will not come into view until next year, with large step ups in 2025 and 2026. This is when we expect to see an increase in risks (higher default rates) and opportunities (new issue concessions) start to present themselves in the high yield market.

We continue to view the fund's portfolio of high-quality issuers in the investment grade and high yield markets as favourably positioned to deliver an attractive yield and defensive credit profile across the full range of likely macroeconomic scenarios. The fund currently yields 6.48% in USD, 4.76% in EUR, 6.18% in GBP and 2.77% in CHF.



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

ISIN	Share Class	Jan-23	Feb-23	Mar-23	Apr-23	May-23	YTD	ITD
LU2122350676	Green Ash Short Duration Credit Fund (USD I)	1.80%	-0.68%	0.78%	0.49%	-0.14%	2.25%	0.05%
LU2122350163	Green Ash Short Duration Credit Fund (USD R)	1.77%	-0.71%	0.75%	0.46%	-0.17%	2.09%	-1.10%
LU2122350759	Green Ash Short Duration Credit Fund (EUR I)	1.55%	-0.89%	0.59%	0.32%	-0.33%	1.23%	-4.41%
LU2122350247	Green Ash Short Duration Credit Fund (EUR R)	1.51%	-0.91%	0.55%	0.30%	-0.37%	1.07%	-5.53%
LU2122350833	Green Ash Short Duration Credit Fund (CHF I)	1.42%	-1.00%	0.46%	0.20%	-0.53%	0.53%	-5.82%
LU2122350320	Green Ash Short Duration Credit Fund (CHF R)	1.39%	-1.02%	0.42%	0.17%	-0.57%	0.38%	-6.89%

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