

# Green Ash Short Duration Credit Fund

## October 2023 Monthly Factsheet



### INVESTMENT OBJECTIVE

PROFESSIONAL INVESTORS ONLY

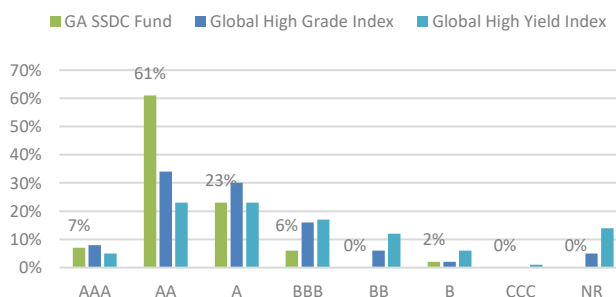
Green Ash Short Duration Credit Fund is an open-ended fund incorporated in Luxembourg. The Fund is actively managed and benchmark free. The Fund's objective is to invest in investment grade and high yield bonds that demonstrate 'best in class' environmental, social, and governance (ESG) criteria. Holdings 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
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	\$16MM
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 -0.05% in October (EUR hedged share class -0.20%)
- US Treasury yields rose in the belly and long end of the curve in October, in a continuation of the 'higher for longer' narrative established at the previous Fed meeting in September. The extent of the moves have had investors reaching for additional explanations, ranging from fiscal deficits to hedge fund positioning, but, perhaps more importantly, US economic data continues to surprise to the upside, with Q3 GDP growth printing at 4.9% in October (vs. 4.5% expected)
- In a year defined by regular bouts of cross-asset volatility, the short duration credit fund has been something of an oasis, vindicating our strategy of focusing on higher quality issuers, and the front end of the curve which has remained well anchored
- We are encouraged that the fund continues to perform well on a YTD basis, ranking in the 87th percentile of funds in its Bloomberg peer group
- The fund yields 6.70% in USD, 6.43% in GBP 5.01% in EUR, and 2.64% in CHF

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

Fund Performance	2020	2021	2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	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%	+0.26%	+0.94%	+0.33%	+0.02%	-0.05%	+3.89%

### OVERALL PORTFOLIO SUMMARY

Fund Currency	USD
Duration	2.1
Maturity in Years	2.4
Average Z Spread	173
Coupon Rate	4.1%
Yield to Worst	6.5%
Avg. Credit Rating	Baa3/BBB-
No. of Positions	48

### TOP TEN POSITIONS

Land Securities	3.0%
Enel SpA	3.0%
Tesco Plc	2.9%
Kraft Heinz	2.9%
Standard Chartered	2.8%
Marks & Spencer	2.7%
FirstGroup	2.7%
Adevinta	2.5%
Accor SA	2.5%
Aviation Capital	2.5%

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

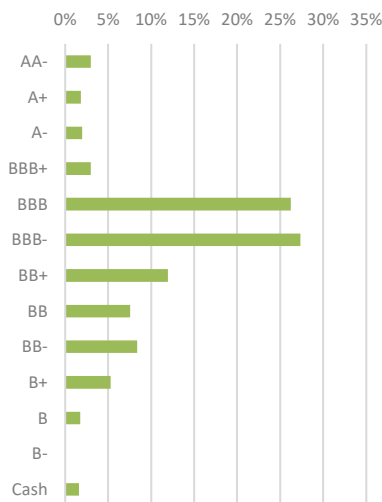


<sup>1</sup> ESG ratings are derived from MSCI ESG rating methodology. Scores are weighted 25% to Environmental, 44% to Social, and 31% to Governance

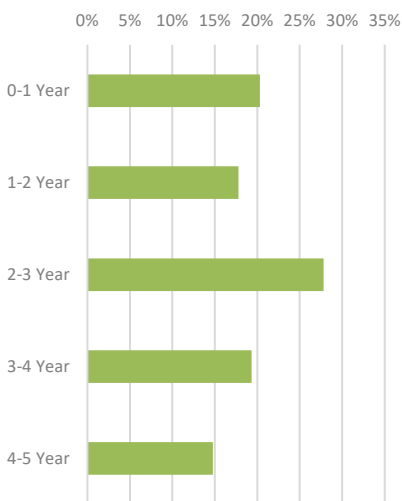
<sup>2</sup> Performance shown for USD I share class (ISIN: LU2122350676). All other share class performance listed on page 3



## WEIGHT BY CREDIT RATING



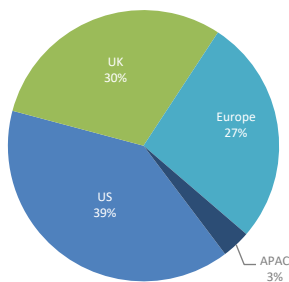
## WEIGHT BY MATURITY



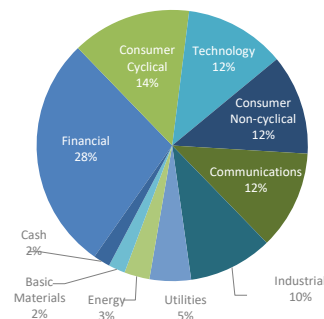
## SERVICE PROVIDERS

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 -0.05% in October (EUR hedged share class -0.20%). The top performing sectors were Consumer Cyclical (+0.59%), Industrials (+0.27%) and Financials (+0.24%). Consumer cyclicals were boosted by Lufthansa, which was the best performing bond (+1.80%). Technology was the weakest sector (-0.75%), driven by Xerox (-2.67%). There were no ESG ratings changes during the month, and the fund retained its AA rating.

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5Yr US Treasury yields rose +24bps to 4.85%, while 5Yr German Bund and UK Gilt yields fell -12bps to 2.66% and -5bps to 4.47% respectively. Investment grade corporate bonds in USD fell -1.04% (spreads +8bps to 142). US high yield fell -1.16% (spreads +37bps to 432), while European and UK HY outperformed due to the better rates outcome there, falling -0.30% (spreads +42bps to 471) and rising +0.09% (spreads +26bps to 614) respectively.

Primary market activity remains fairly subdued, both in the US and Europe. This goes some way to explaining the remarkable stability in credit spreads amid the significant volatility on government bond yields. Another factor is the rising star effect on the size of the high yield bond market, something we mentioned in last month's update. The US high yield market shrank by -11% in 2022, and is on track to contract by another -7% this year. (JPM estimate).

On creditworthiness, we do see defaults ticking higher, however this activity is confined to lower quality tranches of the credit markets, outside of the higher quality buckets held in the fund. For example, while the issuer-weighted default rate in the US of 4.4% has more than doubled YoY, a record 27% of these have defaulted previously – the highest proportion on record (going back to 2009).

In a year defined by regular bouts of cross-asset volatility, the short duration credit fund has been something of an oasis, vindicating our strategy of focusing on higher quality issuers, and the front end of the curve which has remained well anchored. We are encouraged that the fund continues to perform well on a YTD basis, ranking in the 87th percentile of funds in its Bloomberg peer group. The fund currently yields 6.70% in USD, 6.43% in GBP 5.01% in EUR, and 2.64% 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	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	YTD	1TD
LU2122350676	Green Ash Short Duration Credit Fund (USD I)	1.80%	-0.68%	0.78%	0.49%	-0.14%	0.26%	1.05%	0.33%	0.02%	-0.05%	3.89%	1.66%
LU2122350163	Green Ash Short Duration Credit Fund (USD R)	1.77%	-0.71%	0.75%	0.46%	-0.17%	0.22%	1.02%	0.29%	-0.01%	-0.09%	3.55%	0.32%
LU2122350759	Green Ash Short Duration Credit Fund (EUR I)	1.55%	-0.89%	0.59%	0.32%	-0.33%	0.06%	0.89%	0.17%	-0.12%	-0.20%	2.03%	-3.65%
LU2122350247	Green Ash Short Duration Credit Fund (EUR R)	1.51%	-0.91%	0.55%	0.30%	-0.37%	0.02%	0.86%	0.14%	-0.16%	-0.23%	1.70%	-4.94%
LU2122350833	Green Ash Short Duration Credit Fund (CHF I)	1.42%	-1.00%	0.46%	0.20%	-0.53%	-0.11%	0.72%	-0.02%	-0.31%	-0.40%	0.42%	-5.93%
LU2122350320	Green Ash Short Duration Credit Fund (CHF R)	1.39%	-1.02%	0.42%	0.17%	-0.57%	-0.14%	0.70%	-0.05%	-0.33%	-0.44%	0.11%	-7.14%

### LEGAL DISCLOSURES

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