

# Green Ash Horizon Fund

## February 2023 Monthly Factsheet

### INVESTMENT OBJECTIVE

### PROFESSIONAL INVESTORS ONLY

Green Ash Horizon Fund is an open-ended fund incorporated in Luxembourg. The fund aims to provide above average capital growth, through exposure to innovative technologies and secular themes that the manager believes will predominate in the coming years. The fund invests globally, in listed securities, from recognised financial markets around the world. ESG considerations form an integral part of the investment process, and the fund is designated an Article 8 fund under the EU's Sustainable Finance Disclosure Regulation (SFDR).

### KEY INFORMATION

### SUMMARY

Fund Name	Green Ash Horizon Fund - a Subfund of Woodman SICAV
Portfolio Manager	James Sanders
Fund Launch Date	9 <sup>th</sup> July 2021
Fund Type	UCITS
Fund Domicile	Luxembourg
Liquidity	Daily
Fees	0.80% p.a. + 10% performance fee on positive returns above the MSCI World TR (M1WO Index)
Fund Size	\$4.8MM
Share Classes	USD, GBP, AUD (Acc.)
USD IA GBP IA (hedged) AUD IA (hedged)	USD IA: LU2344660977 GBP IA: LU2344661272 AUD IA: LU2344661355
Min Investment	\$250,000 / £200,000 / A\$350,000
Investment Manager	Green Ash Partners LLP

- The Horizon Fund's USD IA shareclass fell -3.40% in February (GBP IA -3.49% and AUD IA -3.62%), versus -2.40% for the MSCI World (M1WO). It was a generally weak month for risk, driven by some hot inflation and labour market data which caused investors to price 'higher for longer' into the rates market
- Financial instability may cap further rate hikes, and the Fed has implemented liquidity measures that partially offset the impact of quantitative tightening. The wobbles in the banking system have already had a chilling effect on financial conditions
- We are at an inflection point in AI, which we expect will rapidly expand information technology's share of global GDP from the current 4%/ \$4.1 trillion. Nearly half of the fund has direct exposure to this paradigm shift (~70% when including 2<sup>nd</sup> order effects)

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



### GREEN ASH SUSTAINABLE HORIZON FUND PERFORMANCE<sup>1</sup>

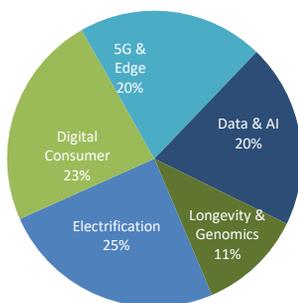
### BLENDED PERFORMANCE METRICS<sup>1</sup>

Strategy Performance <sup>1</sup>	2017	2018	2019	2020	2021 <sup>1</sup>	2022
Green Ash Horizon Strategy	+2.02%	-12.30%	+27.11%	+64.71%	+15.35%	-34.91%

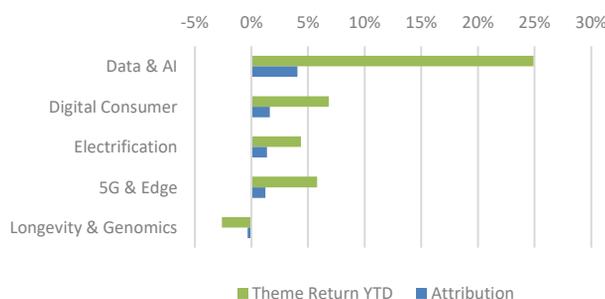
ITD	Annualised	Volatility	Sharpe
+50.70%	+8.07%	+25.73%	0.31

Fund Performance	Jan-23	Feb-23	YTD
Green Ash Horizon Fund (USD I)	+11.35%	-3.40%	+7.56%

### INVESTMENT THEMES



### THEME RETURNS YTD



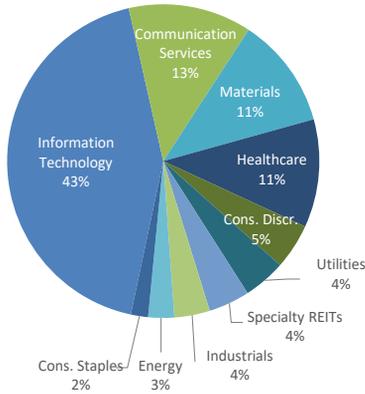
### Top 10 Positions

Nvidia Corp.	6.5%
Microsoft Corp.	5.1%
Broadcom Inc.	4.9%
Alphabet Inc.	4.8%
Amazon Inc.	4.5%
T-Mobile US Inc.	4.2%
Visa Inc.	3.8%
Champion Iron Ltd.	3.1%
Marvell Technology Inc.	2.9%
Cheniere Energy Inc..	2.6%

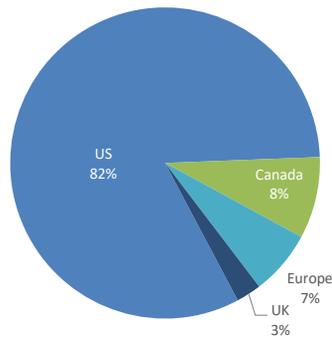
Number of positions 54

<sup>1</sup> The Green Ash Horizon Strategy track record runs from 30/11/17 to 08/07/21. Fund performance is reported from 09/07/21 launch onwards (USD IA: LU2344660977; performance of other share classes on page 3). Strategy Track record based on managed account held at Interactive Brokers Group Inc. Performance calculated using Broadridge Paladyne Risk Management software. Performance has not been independently audited and is for illustrative purposes only. Past performance is no guarantee of current or future returns and you may consequently get back less than you invested. Benchmark used is M1WO Index

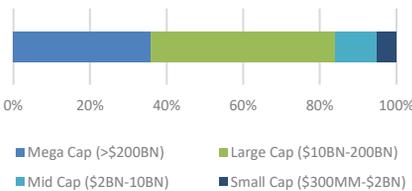
## SECTOR EXPOSURE



## REGIONAL EXPOSURE BY LISTING



## WEIGHTINGS BY MARKET CAP



## AVERAGE ESG RATING<sup>3</sup>



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

## 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)

## FUND UPDATE AND OUTLOOK

The Horizon Fund's USD IA shareclass fell -3.40% in February (GBP IA -3.49% and AUD IA -3.62%), versus -2.40% for the MSCI World (M1WO).

February was a generally weak month for risk assets, which unwound some of the gains made in January. This was driven by several hot inflation and labour market data prints which caused investors to price a 'higher for longer' scenario into the rates market.

Data & AI was the best performing theme in February, rising +5.11% despite the weakness in broader equity markets. This was largely driven by NVIDIA and Palo Alto Networks, which both rallied +19% on the month.

5G & Edge fell -3.50%, as the large rally in Treasury yields impacted American Tower and Crown Castle, which both fell more than -1% on the month. This was partially offset by Marvell Technology and Broadcom which rallied +4.63% and +1.59% respectively – both have material exposure to AI workload infrastructure.

Electrification fell -4.85%, primarily due to weakness in copper and lithium miners, as well as some renewables. The only stock that finished in the green was Cheniere Energy, which finished up +3.25% on the month.

Longevity & Genomics declined -5.06%, continuing what has been a weak start to the year for the healthcare sector generally. Large cap healthcare was something of a safe harbour last year, and some of this has unwound as investors have rotated back towards growth.

Digital Consumer was the worst performer, finishing the month down -7.07%. The move in rates had an impact here too, driving higher multiple large caps – Walt Disney, Amazon, Alphabet, PayPal and Adobe all fell -8-12%. In Alphabet's case there was an element of 'AI Wars' in the price action, as Microsoft (+0.90% in February) is perceived to be in the lead.

At the time of writing, recent data releases in the US suggest some signs of cooling in important areas such as the labour market, with no signs of an inflationary wage spiral in

average hourly earnings, unemployment ticking up, and more people being drawn back into the work force. While inflation in services appears 'sticky' in the Consumer Price Index (CPI), there are increasing signs of broad-based disinflation in the Producer Price Index (PPI).

The demise of Silicon Valley Bank and Signature Bank in the US (which had combined assets of over \$300BN), and subsequent crisis at Credit Suisse in Europe, have alerted investors to the lagged effects of interest rate hikes. We are just passing the anniversary of the first +25bps hike in the US, and there have been +450bps since then, still working their way through the system.

The spectre of financial instability may well cap further rate hikes, and the Fed has implemented liquidity measures that partially offset the impact of quantitative tightening. The wobbles in the banking system have already had a chilling effect on financial conditions – the US has thousands of regional banks with assets <\$250BN (so not classified as systemically important) which together account for 80% of commercial real estate, 60% of residential real estate, 50% of C&I, and 45% of consumer lending<sup>1</sup>. Deposits fleeing to money market funds will result in tighter lending conditions, slowing activity and providing another disinflationary impulse to the economy.

Meanwhile, we are at an inflection point in AI, which we expect will rapidly expand information technology's share of global GDP from the current 4%/ \$4.1 trillion. Generative AI is undergoing the fastest roll out of a transformational technology in history. Its potential impact is as large as the iPhone, the Internet or even electricity, however these technologies all took many years to become ubiquitous. By contrast, we expect billions of people to be using generative AI tools on a daily basis within the next 12 months. Nearly half of the fund has direct exposure to this unfolding paradigm shift, spread over the five themes, and this rises to ~70% when indirect or second order effects are considered.

<sup>1</sup> Estimate from Goldman Sachs Investment Research



## GREEN ASH HORIZON FUND PERFORMANCE BY SHARE CLASS

Ticker	ISIN	Share Class	Jan-23	Feb-23	YTD	ITD 09/07/21
GRASHUS LX Equity	LU2344660977	Green Ash Sustainable Horizon Fund USD IA	11.35%	-3.40%	7.56%	-30.61%
GRASHGB LX Equity	LU2344661272	Green Ash Sustainable Horizon Fund GBP IA	11.14%	-3.49%	7.27%	-33.28%
GRASHAU LX Equity	LU2344661355	Green Ash Sustainable Horizon Fund AUD IA	10.94%	-3.62%	6.92%	-34.31%

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