

# Green Ash Sustainable Horizon Fund

## October 2021 Monthly Factsheet

### INVESTMENT OBJECTIVE

### PROFESSIONAL INVESTORS ONLY

Green Ash Sustainable 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).

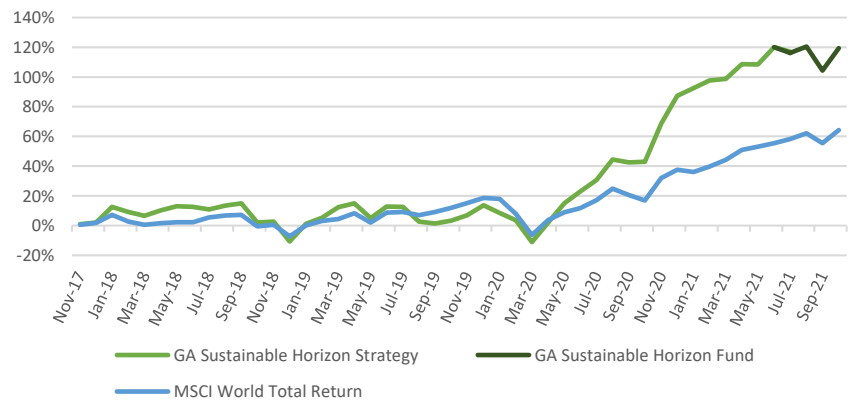
### KEY INFORMATION

### SUMMARY

|                    |   |
|--------------------|---|
| Fund Name          | Green Ash Sustainable 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          | \$4.3MM   |
| Share Classes      | USD, GBP, AUD (Acc.)  |
| USD IA             | USD IA: LU2344660977  |
| GBP IA (hedged)    | GBP IA: LU2344661272  |
| AUD IA (hedged)    | AUD IA: LU2344661355  |
| Min Investment     | \$250,000 / £200,000 / A\$350,000   |
| Investment Manager | Green Ash Partners LLP  |

- The USD share class rose +7.33% in October (GBP IA Class +7.30%, AUD IA Class +7.27%), versus +5.66% for the MSCI World Total Return (M1WO)
- There was a strong rebound in equities in October, as progress was made on several of the overhangs mentioned in the last newsletter. Q3 earnings have also confounded the more bearish voices in the market, with US companies in particular showing resilience despite the inflationary headwinds on the supply side
- We are encouraged by the resilience of corporate earnings in Q3, and are optimistic for a positive end to the year
- Longer term, we have confidence in the secular growth potential in the fund's five themes, which we believe can grow substantially faster than global GDP, or indeed broader global equity indices

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



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

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

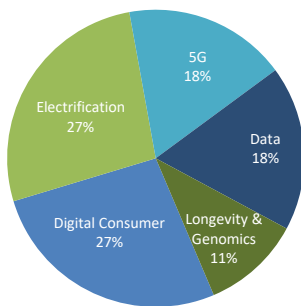
| Strategy Performance <sup>1</sup>      | 2017   | 2018    | 2019    | 2020    | 1H21    |
|--|--------|---------|---------|---------|---------|
| Green Ash Sustainable Horizon Strategy | +2.02% | -12.30% | +27.11% | +64.71% | +17.40% |

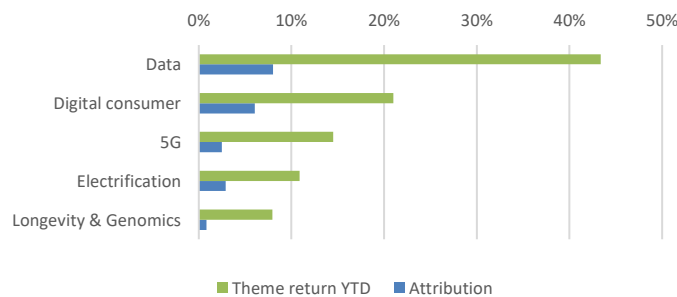
| Fund Performance                           | Jul-21 <sup>2</sup> | Aug-21 | Sep-21 | Oct-21 | ITD    |
|--|---------------------|--------|--------|--------|--------|
| Green Ash Sustainable Horizon Fund (USD I) | -0.50%              | +2.05% | -7.34% | +7.33% | +0.99% |

| ITD      | Annualised | Volatility | Sharpe |
|----------|------------|------------|--------|
| +119.33% | +22.67%    | +23.88%    | 0.95   |

### INVESTMENT THEMES



### THEME RETURNS YTD



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

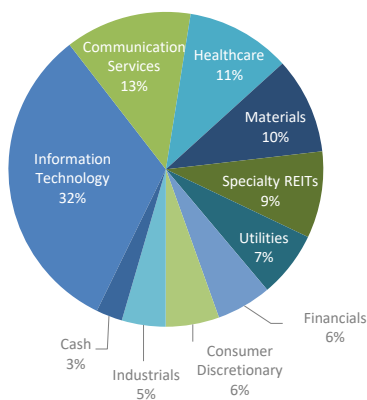


<sup>1</sup> The Green Ash Sustainable Horizon Strategy track record runs from 30/11/17 to 08/07/21. Fund performance is reported from 09/07/21 launch onwards (USD IA: LU2344660977; performance of other share classes on page 3). Strategy Track record based on managed account held at Interactive Brokers 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  
<sup>2</sup> From 9<sup>th</sup> July 2021 Fund launch date  
<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

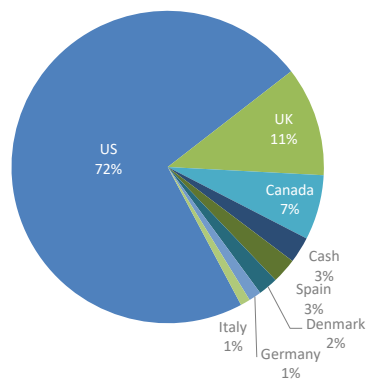




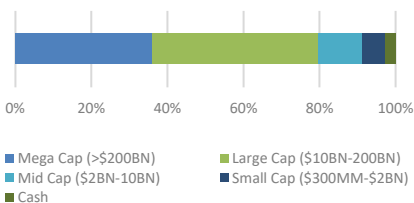
## SECTOR EXPOSURE



## REGIONAL EXPOSURE BY LISTING



## WEIGHTINGS BY MARKET CAP



## 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 USD share class rose +7.33% in October (GBP IA Class +7.30%, AUD IA Class +7.27%), versus +5.66% for the MSCI World Total Return (M1WO).

There was a strong rebound in equities in October, as progress was made on several of the overhangs mentioned in the last newsletter. Q3 earnings have also confounded the more bearish voices in the market, with US companies in particular showing resilience despite the inflationary headwinds on the supply side. Taking the US as an example, we are about a third of the way through the reporting season, and earnings have, on average, surprised by around +10% to the upside versus street estimates. So far, sales and EPS growth are running at +18% and +38% YoY respectively – a deceleration from the record-breaking +28%/+110% seen in Q2, however still a very strong growth trajectory. It is fair to say that forward guidance has been more mixed, with snarled supply chains, labour shortages, or raw material prices getting frequent mentions on conference calls. There are some signs that the supply-side inflationary pressures are abating – the Baltic Dry index declined -38% from its peak in October, and gas prices in Europe have collapsed by -44% following a parabolic rise in the last few months. This follows a pattern seen in other commodities such as lumber (-65% from peak in May) and iron ore (-46% from peak in July). Oil prices remain elevated, and the street consensus is that they will remain so, however we would note that OPEC production cuts are still in place (OPEC production is -5MMboe/d or -15% below YE18 levels), and the rationale for maintaining them with oil up in the \$80s is coming under scrutiny from the rest of the world, notably the US administration (US gasoline futures are +55% higher than the 4Yr average).

Turning to the fund, a little less than a third of the holdings had reported Q3 earnings by month end, but for the most part results have been strong, with YoY sales/EPS growth running at +31%/+72% on average.

The top performing theme on the month was Data, which rose +13.61%. The outperformance came in a large part from IonQ, which rose +77.16% in October. Nvidia had a strong month, rising +23.42%, driven by a growing realisation that the computationally intensive ambitions of Metaverse builders such as Facebook will create abundant demand for GPUs. Unity Software also benefitted from the spike in Metaverse interest, rising +19.85%. Microsoft rose +17.63% on solid earnings, overtaking Apple as the largest market cap in the world.

The Electrification theme also had a good month, rising 11.71%. Solar stocks were strong performers in this theme, due to stellar results from Enphase and growing interest in renewables due to COP26.

Renewables stocks were weak over the summer, but together contributed +1.80% of positive fund attribution in October, spread across solar, wind, hydrogen and green utilities. The basic materials component reversed its September decline, driven by a recovery in copper producers.

The Digital Consumer theme rose +3.26% in October, with the underperformance largely driven by electronic payments companies such as PayPal (-10.61%), Global Payments (-9.26%), and Visa (-4.93%). Visa gave a somewhat bearish outlook for cross-border payments, currently at 86% of 2019 levels, but not expected to recover fully until mid-2023. Amazon reported mixed results in their Retail business, and guided to low profitability this holiday season due to labour shortages and shipping costs. Underperformance from these constituents was partially offset by a strong month for Coinbase (+40.42%), TCS Group (+11.55%) and Alphabet (+10.75%).

5G returned +2.61%. The theme was held back by lacklustre performance from Samsung Electronics, which declined -4.45% on concerns over a slowdown in memory chip demand. Cell tower companies had generally good earnings but underperformed the market as a group due to rising government bond yields. This was partially offset by a solid month for Marvell Technology (+13.68%) and Broadcom (+9.64%).

Finally, the Longevity & Genomics theme underperformed, rising just +1.00% in October. Early stage biotech has basically been in a bear market since reaching all time highs in February (S&P Biotech ETF -28% since then [XBI]). The longer journey to profitability makes these kinds of companies vulnerable to the rising interest environment, however it is a sector that is in the early stages of major disruptive innovation due to the convergence of gene sequencing, gene editing, and artificial intelligence. It is also worth mentioning the theme returned +162% in 2020, so a pause might be expected.

Looking ahead, we are encouraged by the resilience of corporate earnings in Q3, and are optimistic for a positive end to the year. The pace of the global recovery will continue to be scrutinised closely, and the normalisation of monetary policy in the US and Europe may induce bouts of volatility in equity markets, however we have confidence in the long term secular growth potential in the fund's five themes, which we believe can grow substantially faster than global GDP, or indeed broader global equity indices.



## GREEN ASH SUSTAINABLE HORIZON FUND PERFORMANCE BY SHARE CLASS

| Ticker              | ISIN         | Share Class  | CCY | Jul-21 | Aug-21 | Sep-21 | Oct-21 | ITD 09/07/21 |
|---------------------|--------------|--|-----|--------|--------|--------|--------|--------------|
| GRASHUX LX Equity   | LU2344660977 | Green Ash Sustainable Short Duration Credit Fund (USD I) | USD | -0.50% | 2.05%  | -7.34% | 7.33%  | 0.99%        |
| GRASHGBLX LX Equity | LU2344661272 | Green Ash Sustainable Short Duration Credit Fund (USD R) | GBP | -0.60% | 1.99%  | -7.41% | 7.30%  | 0.72%        |
| GRASHAUX LX Equity  | LU2344661355 | Green Ash Sustainable Short Duration Credit Fund (EUR I) | AUD | -0.60% | 1.93%  | -7.42% | 7.27%  | 0.62%        |

<sup>1</sup> From 9<sup>th</sup> July 2021 Fund launch date

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