

# Green Ash Global High Yield Fund

## November 2019 Monthly Factsheet

### INVESTMENT OBJECTIVE

### PROFESSIONAL INVESTORS ONLY

Green Ash Global High Yield is an open-end fund incorporated in Luxembourg. The Fund's objective is to achieve income and capital appreciation. The Fund invests in bonds and other debt securities denominated in any currency, issued by sub-investment grade issuers worldwide including emerging market countries.

### KEY INFORMATION

Fund Name	Green Ash Global High Yield - a Subfund of Woodman SICAV
Investment Team	Miles Cohen, Nicholas Freeman, Edward Vincent, James Sanders
Fund Launch Date	9 <sup>th</sup> October 2017
Fund Type	UCITS
Fund Domicile	Luxembourg
Liquidity	Daily
Management Fee	I: 0.80% / R: 1.45% p.a.
Fund Size	\$58MM
Share Classes	USD, EUR, GBP (Acc.)
USD I	LU1692346551
USD R	LU1692346478
EUR I (hedged)	LU1692346718
EUR R (hedged)	LU1692346635
GBP I (hedged)	LU1692347104
GBP R (hedged)	LU1692347013
CHF I (hedged)	LU1692346981
Min Investment	I: 1,000,000 / R: 100,000
Investment Manager	Green Ash Partners LLP

### SUMMARY

- The fund gained +1.14% in November – a solid outperformance amidst a generally favourable backdrop for risk assets
- The fund outperformance can be largely attributed to a handful of bonds rallying due to credit specific catalysts, with the top five contributing about a third of the positive return for the month. The top three performers were Venator (+13.18%), Rackspace (+6.34%), and Teva Pharmaceuticals (+4.77%)
- At sector level, our allocation to AT1 sub financial bonds, which distinguishes us from the global high yield index, enjoyed a broad rally and contributed another third to the monthly gain
- We expect a month of coupon clipping and stable spreads in December, bringing to a close a very good year for high yield corporate bonds, which have delivered one of the best risk adjusted returns of any liquid asset class YTD

### GREEN ASH GLOBAL HIGH YIELD STRATEGY<sup>1</sup> + FUND PERFORMANCE



### GREEN ASH GLOBAL HIGH YIELD STRATEGY PERFORMANCE<sup>1</sup>

	2010	2011	2012	2013	2014	2015	2016	2017
GA Global HY Strategy (EUR Hedged Managed Account)	5.65%	1.61%	18.28%	8.70%	5.00%	1.03%	5.33%	4.60%

	2018	1Q19	2Q19	3Q19	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	2019 YTD
GA Global HY Fund (USD Hedged)	-7.24%	7.00%	2.58%	1.26%	4.01%	1.85%	1.01%	1.69%	-1.97%	2.90%	0.21%	0.20%	0.85%	0.28%	1.14%	12.73%

<sup>1</sup>The Green Ash Global High Yield Strategy track record and returns are derived from a single EUR hedged, managed account up to 31 Dec 2017. From Dec 2017, the Green Ash Global High Yield UCITS fund is shown in USD and EUR hedged institutional share classes. All performance figures are net of fees. Source: Green Ash Partners LLP

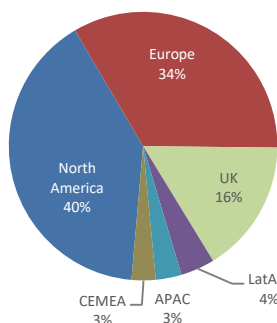
### Overall Portfolio Summary

Currency	USD
Duration	2.9
Maturity in Years	3.6
Average Z Spread	379
Coupon Rate	5.5%
Yield to Worst	4.6%
Average Ratings	Ba3/BB-
No. of Positions	72

### Top 10 Positions

Nationwide BS	2.5%
Tenet Healthcare	2.3%
HCA Healthcare Inc.	2.2%
Kantar Group	2.0%
Altice France	2.0%
Telecom Italia	2.0%
Hilton Domestic	2.0%
Charter Comms.	1.9%
Centene	1.9%
Meritor	1.8%

### Regional Exposure



### Sector Weightings

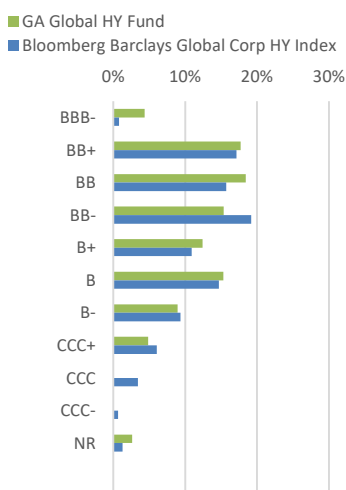
Communications	23.3%
Financial	22.3%
Consumer Cyclical	15.3%
Cons. Non-cyclical	11.4%
Energy	8.8%
Basic Materials	6.1%
Industrial	5.5%
Technology	4.0%
Cash	1.6%
Utilities	1.6%



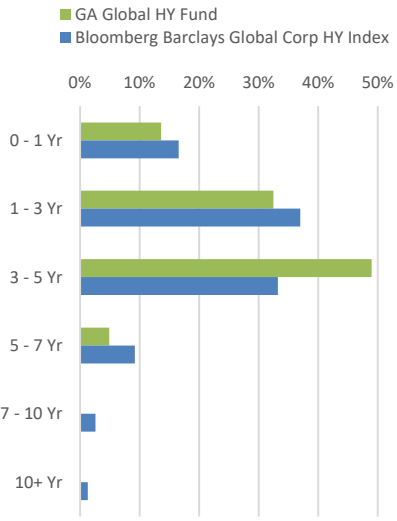
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FUND UPDATE AND OUTLOOK

CREDIT RATING EXPOSURE



DURATION PROFILE



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)

The fund gained +1.14% in November – a solid outperformance amidst a generally favourable backdrop for risk assets. There were few concrete developments on key issues like the US/China trade discussions, however there were enough positive noises from both sides to reassure investors that a ‘Phase 1’ deal is possible before the next round of tariffs are due to hit on the 15<sup>th</sup> December. UK politicians hit the campaign trail in earnest, and while Boris Johnson remains in the lead, polling suggests another hung parliament is a real possibility. Meanwhile, leading economic indicators continue to improve, with some modest confirmations that the manufacturing slowdown has bottomed in developed markets and China.

Developed market government bond yields rose across the board, with 10Yr US Treasury yields up +9bps to +1.78%, 10Yr Bunds +5bps to -0.36%, and 10Yr Gilts +7bps to +0.70%. Despite the move higher in yields, it was a broadly positive month for high yield bonds markets, as carry and/or spread compression offset the rates component. US HY was up +0.33% on the month (spreads -27bps) and European HY +0.85% (spreads -19bps), while UK HY was the top performer +1.37% (spreads -35bps). Emerging market HY was the exception, falling -0.14% (spreads +7bps).

November was another strong month for high yield issuance (mostly for refinancing), and in the week before Thanksgiving, the \$33.4BN was just shy of the 2014 November record of \$33.8BN. It was a big month for European issuance also, with €18BN of new high yield printed. Supply has been absorbed by the market fairly easily, with new issue price talk tightening materially over the roadshow and in some cases taking the whole issuer curve lower – Teva Pharmaceuticals and Jaguar Land Rover are good examples of this, despite both facing idiosyncratic and industry headwinds.

The fund outperformance can be largely attributed to a handful of bonds rallying for idiosyncratic reasons, with the top five

contributing about a third of the positive return for the month. The top three performers were Venator (+13.18%), Rackspace (+6.34%), and Teva Pharmaceuticals (+4.77%). At sector level, our allocation to AT1 sub financial bonds, which distinguishes us from the global high yield index, enjoyed a broad rally and contributed another third to the monthly gain.

We expect a month of coupon clipping and stable spreads in December, bringing to a close a very good year for high yield corporate bonds, which have delivered one of the best risk adjusted returns of any liquid asset class YTD.

Looking further ahead, we see a benign environment for high yield into next year. The easing bias of the largest central banks is keeping interest costs low, and supporting corporate refinancing. In Europe, the resumption of the ECB’s corporate bond buying program is keeping spreads low and forcing European investors down in credit quality to generate a positive yield.



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