

# Green Ash Global High Yield Fund

## February 2021 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.

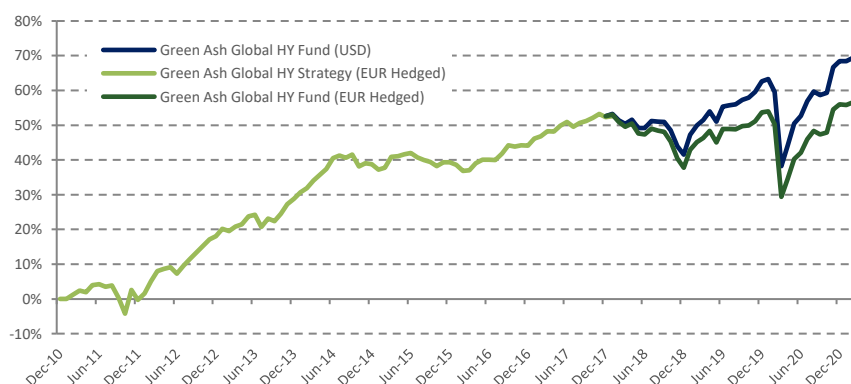
### KEY INFORMATION

### SUMMARY

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	\$56MM
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

- The fund rose +0.53% in February (EUR hedged +0.46%). Looking at portfolio level, the top performing sectors were Energy, Consumer Cyclical, and Financials.
- The spike in rates market volatility in the last week of February dented YTD returns in high yield, however it is still up nicely on the year, and remains, in our view, the most attractive part of the fixed income market. Steeper yield curves generally correlate to strong corporate earnings, which are good for corporate credit spreads
- The fund's portfolio duration of 3.2 years helps to insulate it from further rises in government bond yields versus the much longer duration investment grade market, and high yield spreads remain elevated as a ratio to investment grade. Looking ahead, we continue to see pockets of value in the high yield market, which we think is on track to deliver mid-to-high single digit total returns this year

### 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	2019	2020	Jan	Feb	2021
GA Global HY Fund (USD Hedged)	-7.24%	14.90%	3.58%	-0.02%	0.53%	0.51%

<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

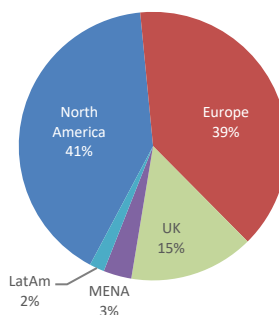
### Overall Portfolio Summary

Currency	USD
Duration	3.2
Maturity in Years	5.9
Average Z Spread	329
Coupon Rate	4.8%
Yield to Worst	3.5%
Average Ratings	Ba2/BB
No. of Positions	86

### Top 10 Positions

Telecom Italia	2.2%
Nationwide	2.1%
Freeport McMoran	2.0%
Charter Comms.	1.8%
Cemex SAB de CV	1.8%
Iron Mountain	1.8%
Ford Motor Company	1.8%
Kantar Group	1.7%
Bracken MidCo	1.7%
Travel + Leisure Co	1.6%

### Regional Exposure



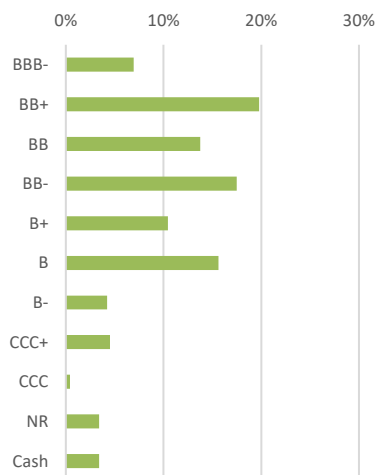
### Sector Weightings

Financial	26.0%
Communications	16.5%
Industrials	13.3%
Cons. Non-cyclical	13.3%
Consumer Cyclical	12.9%
Basic Materials	6.6%
Cash	4.4%
Energy	3.8%
Technology	3.2%

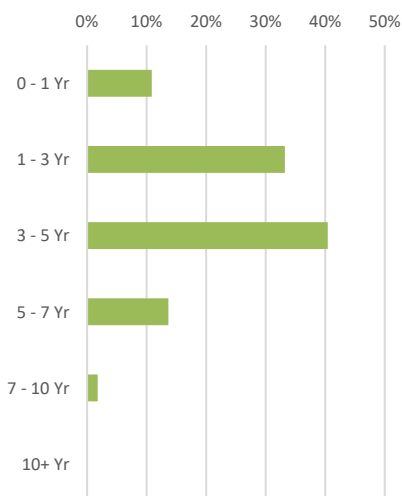


## FUND UPDATE AND OUTLOOK

### 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 rose +0.53% in February (EUR hedged +0.46%). Looking at portfolio level, the top performing sectors were Energy, Consumer Cyclical, and Financials. Energy benefited from higher oil prices, as reflation momentum took hold, and the accompanying steepening of yield curves helped Financials. Our allocation to consumer cyclical benefited from strong performance from 're-opening' beneficiaries, such as EasyJet and Pure Gym. We have been active in the new issue market so far this year, which has seen strong demand from investors. In terms of sector allocation, we have reduced our Energy exposure, increased Basic Materials, and added small positions in Chinese Real Estate issuers.

Reflation momentum took off in February, causing significant curve steepening in government bond markets. The moves were most pronounced in the US and the UK, though Europe followed also. Jerome Powell did his best to dampen rising expectations of an early end to monetary easing during his two day testimony to the House of Representatives, and Christine Lagarde stated the ECB were 'closely monitoring' bond yields. This wasn't enough to convince the markets, as 10Yr Treasury yields rose +34bps over the month to 1.40%, to levels last seen pre-COVID. Perhaps more relevant to high yield, the 5Yr shot up +31bps to 0.73%. 10Yr Bund yields gained +26bps finishing the month at -0.26%, and 5Yr yields only rose +17bps to -0.57%. In the UK, 10Yr and 5Yr Gilt yields rose +49bps to 0.82% and +43bps to 0.40% respectively. Global Investment Grade bonds in USD fell -1.45%, all driven by the move in rates (spreads tightened -6bps to 93). High Yield fared better, rising +0.37% in the US (spreads -36bps to 325), +0.63% in Europe (spreads -29bps to 308), and +0.78% in the UK (spreads -52bps to 390). The compression trend continued in February, with the CCC rated part of the market showing the most spread tightening.

The primary market remains very active, with US issuance of \$36BN well above the February average (though below the \$56BN issued in January). In Europe, high yield issuance of €15BN was a record for February. This new supply has been well received, with new bonds almost invariably trading higher on the break.

The spike in rates market volatility in the last week of February dented YTD returns in high yield, however it is still up nicely on the year, and remains, in our view, the most attractive part of the fixed income market. Steeper yield curves generally correlate to strong corporate earnings, which are good for corporate credit spreads. Corporate liquidity is very strong exiting the pandemic, and concerted Central Bank action has made for a very

friendly refinancing environment, keeping credit spreads low and pushing yield hungry investors down in quality. Higher oil prices are also supportive to the high yield market, especially in the US. We are more sanguine on the rise in inflation expectations. We may see some base effect gains in the coming months, and the re-opening of economies around the world will likely unleash some pent up demand, however we agree with Chairman Powell that inflationary pressures will be transitory. There is a significant negative output gap in pandemic-scarred economies that needs to be filled before we start to see sustained inflationary pressure, and longer term, the deflationary pressures of technology and demographics will continue to win out over time, in our view. We may also find that the post-pandemic working practices pose additional deflationary headwinds over the coming months and years.

The fund's portfolio duration of 3.2 years helps to insulate it from further rises in government bond yields versus the much longer duration investment grade market, and high yield spreads remain elevated as a ratio to investment grade. Looking ahead, we continue to see pockets of value in the high yield market, which we think is on track to deliver mid-to-high single digit total returns this year.



## LEGAL DISCLOSURES

### FOR EU INVESTORS

The information contained in this document is issued by Green Ash Partners LLP (hereinafter "Green Ash"), at 11 Albemarle Street, Mayfair, London, W1S 4HH who is authorised and regulated by the Financial Conduct Authority: Firm Reference Number (FRN) – 500315. This disclaimer is not intended to exclude or restrict any liability under the rules of the Financial Conduct Authority ("the FCA Rules") or FSMA.

This presentation reflects the opinion of Green Ash as of the date of issue. This document is not intended for distribution, publication, or use in any jurisdiction where such distribution, publication, or use would be unlawful, nor is it directed to any person or entity to which it would be unlawful to direct such a document. This presentation is for information purposes only and does not constitute an offer or a recommendation to purchase or sell any security. It does not constitute investment research or a research recommendation and is not intended for distribution to the public or a large number of persons. The opinions herein do not take into account individual clients' circumstances, objectives, or needs. Before entering into any transaction, each client is urged to consider the suitability of the transaction to his particular circumstances and to independently review, with professional advisors as necessary, the specific risks incurred, in particular at the financial, regulatory, and tax levels.

All examples of financial strategies/investments set out in this document are for illustrative purposes only and do not represent future performance. The information and analysis contained herein have been based on sources believed to be reliable. However, Green Ash does not guarantee their timeliness, accuracy, or completeness, nor does it accept any liability for any loss or damage resulting from their use. All information and opinions as well as the prices indicated are subject to change without notice. Past performance is no guarantee of current or future returns and you may consequently get back less than he invested. From time to time the partners of Green Ash Partners LLP may enter into personal transactions in the securities and strategies discussed in this presentation. The firm has a personal account dealing policy that manages such conflicts and ensures the fair treatment of its clients.

This document may not be reproduced (in whole or in part), transmitted, modified, or used for any public or commercial purpose without the prior written permission of Green Ash.

### FOR SWISS INVESTORS

This document is issued by Green Ash Partners LLP. This document is exclusively intended for qualified investors within the meaning of article 10 paragraph 3, 3bis, 3ter and 4 of the Swiss Collective Investment Schemes Act ("CISA"). The information and data presented in this document are not to be considered as an offer or solicitation to buy, sell or subscribe to any securities or financial instruments. Information, opinions and estimates expressed in this document reflect a judgment at its original date of publication and are subject to change without notice. Green Ash Partners LLP has not taken any steps to ensure that the securities referred to in this document are suitable for any particular investor and this document is not to be relied upon in substitution for the exercise of independent judgment. Tax treatment depends on the individual circumstances of each investor and may be subject to change in the future. You should obtain specific professional advice before making any investment decision. The value and income of any of the securities or financial instruments mentioned in this document can fall as well as rise and, as a consequence, investors may receive back less than originally invested. Risk factors are not intended to be reproduced in full in this document. Past performance is no guarantee nor a reliable indicator of future results. This material is not intended to be a substitute to the full, legal documentation and to any information which investors must obtain from their financial intermediaries acting in relation to their investment in the funds mentioned in this document. Please note that none of the management company, the registrar and transfer agent, the central administration or the custodian of the relevant fund has independently verified any information contained herein and no party makes any representation or warranty as to the accuracy, completeness, or reliability of such information. Further information about Woodman SICAV - Green Ash Global High Yield Fund, its prospectus, its KIIDs and its latest annual and semi-annual report may be obtained free of charge, in English language, from MultiConcept Fund Management S.A., Luxembourg, the CH Legal Representative, Credit Suisse Funds AG, the appointed distributors or online at [www.greenash-partners.com](http://www.greenash-partners.com) and [www.credit-suisse.com/](http://www.credit-suisse.com/) Multiconcept.