

# Green Ash SICAV - Multi Asset Fund

## June 2017 Monthly Factsheet

### INVESTMENT OBJECTIVE

### PROFESSIONAL INVESTORS ONLY

The multi asset strategy aims to achieve positive returns from an actively managed, diversified approach that is unconstrained in terms of its allocation to equities, bonds, commodities and currencies. The investment strategy is thematic with a medium to long-term growth outlook. Positioning can be both long and short to actively manage market risk.

### KEY INFORMATION

### SUMMARY

Fund Name	Green Ash SICAV - Multi Asset Fund
Investment Team	Miles Cohen, Nicholas Freeman, Edward Vincent, James Sanders
Fund Launch Date	25 <sup>th</sup> June 2015
Fund Type	UCITS IV
Fund Domicile	Luxembourg
Liquidity	Daily
Management Fee	0.80% p.a.
Fund Size	\$31MM
Share Classes	USD, EUR, GBP (Acc.)
USD	LU1171480921
EUR (hedged)	LU1171480764
GBP (hedged)	LU1171480509
Min Investment	500,000
Management Company	Alceda Fund Management S.A.
Custodian	UBS (Luxembourg) S.A.
Investment Manager	Green Ash Partners LLP

- The fund rose +0.09% in June, which saw mixed returns across asset classes and regions
- There was significant sector dispersion in June, illustrated in our US equity themes, which had a 12.02% spread between the best and worst performers. Financials, Healthcare, and commodity related themes performed the best, while tech, consumer facing, and energy related themes lagged
- In FX we cut our long RUB position, partly to trim exposure to oil price weakness, and partly due to the possibility of increased US sanctions, replacing it with long TRY
- Our short 10yr Bund position gained +1.48% in June, due to hawkish CB commentary. We initiated a new position in Mexican government bonds (MBONOs)

### GREEN ASH MULTI ASSET STRATEGY USD PERFORMANCE<sup>1</sup>

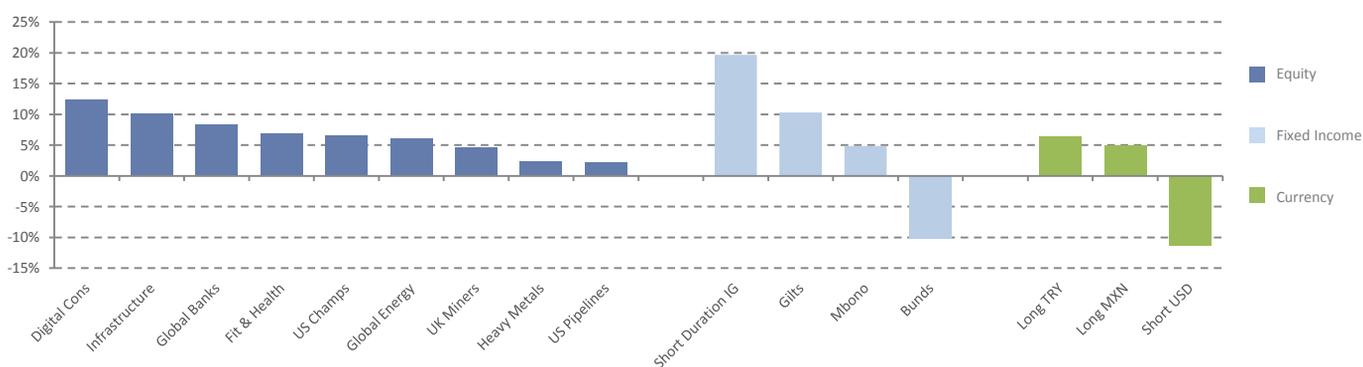


### GREEN ASH MULTI ASSET STRATEGY PERFORMANCE<sup>1</sup>

	2012	2013	2014	2015	2016	1Q17	June 17	YTD	ITD	Annualised	Volatility	Sharpe
Green Ash Multi Asset USD <sup>1</sup>	+13.17%	+13.63%	+4.03%	+1.15%	-2.94%	+2.19%	+0.09%	+2.83%	+35.06%	5.65%	+5.94%	0.95
Share class IA GBP	-	-	-	-	+2.66% <sup>2</sup>	+1.95%	-0.01%	+2.35%				

<sup>1</sup>The Green Ash Multi Asset Strategy track record and returns are derived from a single managed account up to 31/12/15. After this date, performance data for the Green Ash SICAV - Multi Asset Fund share class IA USD is used. All performance figures are net of fees from the inception date of the strategy on 01/01/12 to 30/06/17. <sup>2</sup>IA GBP share class performance is from inception 22/07/16. Source: Green Ash Partners LLP

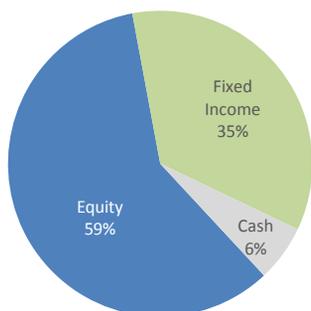
### GREEN ASH SICAV - MULTI ASSET FUND % EXPOSURE BY THEME – JUNE 2017





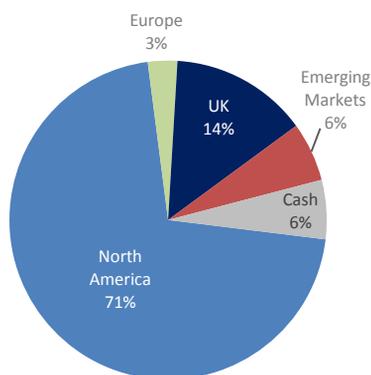
## FUND UPDATE AND OUTLOOK

### FUND ASSET ALLOCATION<sup>2</sup>



11% in Active FX

### FUND REGIONAL EXPOSURE<sup>2</sup>



### TOP TEN FUND POSITIONS

UKT 1.25% 2018	10.5%
Short Bund Future Jun-17	-10.2%
Long TRY vs USD	6.4%
GS 2.625% 31-Jan-19	5.0%
MS 2.50% 24-Jan-19	5.0%
BAC 2.60% 15-Jan-19	5.0%
JPM 1.85% 22-Mar-19	5.0%
MBONO 7.5% 2027 (unhedged)	4.6%
Nasdaq Biotech ETF	3.2%
Facebook Inc.	2.7%

Number of Positions

53

The fund rose +0.09% in June, which saw mixed returns across asset classes and regions. There was a surprise election result in the UK, with Theresa May losing her outright majority in the House of Commons, creating further uncertainty as the UK enters into formal exit negotiations with the EU. In the US, the Fed hiked interest rates for a second time this year, however financial conditions remain very easy, helped by low treasury yields, a weaker dollar, and a strong equity market. Leading economic indicators remain supportive in Europe and the US, though there are still no signs of rising inflation. Interestingly, despite a strong consensus preference for European equities over the US this year, the S&P has outperformed both the DAX and Eurostoxx 600 by around 4.5% since early May, when many were advocating a pro EU vs US equity trade.

While the S&P 500 made only small gains for the month (+0.48%), there was significant sector dispersion in equity markets in June. This was illustrated in our US equity themes, which had a 12.02% spread between the best and worst performers. US banks in particular had a strong month (+8.96%), as favourable CCAR results drove widespread increases in buybacks and dividends, which coincided with rising rates and deregulation progress in Washington. Our Fitness & Health theme also performed well, rising +6.69%, driven by a break out rally in biotech stocks. Elsewhere it was strong month for commodities, and our Heavy Metal, Infrastructure, and UK Miner themes all outperformed. The main detractors were some of the top performers YTD, notably our Digital Consumer theme which declined -3.06% on the month. Our American Brands theme declined -3.54% primarily due to Costco Wholesale, which was negatively impacted by Amazon's plan to buy Whole Foods. The other main area of weakness was in our Energy theme, as oversupply concerns pressured oil prices. This reversed somewhat in the final days of the month, and we see some reasons for optimism as we enter the third quarter.

In FX we cut our long RUB position, partly to trim exposure to oil price weakness, and partly due to the possibility of increased US sanctions (last week the EU extended sanctions until Jan 2018). We initiated on a

Long TRY vs USD position; Turkey benefits from lower energy prices, and TRY generates nearly 1% per month in carry.

Our short 10yr Bund position gained +1.48% in June, as hawkish commentary from the ECB and the Bank of England towards the end of the month drove yields higher in developed markets. We initiated a new position in Mexican government bonds (MBONOs), in local currency. Inflation looks likely to peak over the summer, so further rate hikes are unlikely for the time being (base rate has risen to 7.00%, versus 3.00% at the end of 2015). We see MBONOs as an attractive carry trade for the second half of the year.

Looking ahead, while inflation data has shown lacklustre progress in reaching the 2% level coveted by central banks, some of the previous pillars of the reflation theme are showing signs of life. Energy prices and industrial metals have started to recoup their losses after months of weakness, and rates are on the rise. This is leading to profit taking in some of the top performing sectors such as tech, and a recovery in financials, industrials, and commodity stocks (last month the Dow Jones was up +1.62% versus the Nasdaq down -2.45%). So far the Trump administration's tax reform and infrastructure ambitions have been delayed by an inability to pass healthcare reform, however there has been some progress on the deregulation front, which is the third pillar of the US reflation theme. Recent economic data points to a 3% Q2 GDP print in the US, and we are about to head into what could be another solid earnings season. Any success on the fiscal stimulus front could provide a further tailwind.

<sup>2</sup> The net cash figure includes money market funds, cash equivalents, and cash required to collateralise derivative positions; regional exposure excludes FX, short bund position



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