

Green Ash SICAV - Multi Asset Fund

August 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 th June 2015
Fund Type	UCITS IV
Fund Domicile	Luxembourg
Liquidity	Daily
Management Fee	0.80% p.a.
Fund Size	\$35MM
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 +0.99% in August (+5.57% YTD), versus -0.07% for the MSCI World. This capped a strong period of outperformance over the summer months against our reference benchmarks
- The stand out performers in August were our UK miners (+7.88%), driven by a significant rally in industrial metals. Our infrastructure theme received a short term boost from anticipation of hurricane related repairs, rising +1.61% on the month
- Technology stocks have maintained their momentum (Digital Consumer theme +4.33%) and Biotech has started to re-rate, after several quarters in the doldrums (Fitness & Health theme +3.16%). Meanwhile energy stocks were very weak (-7.67%)
- Dollar weakness benefited our long EM currency positions (apart from MXN which weakened), while declining government bond yields impacted our short 10Yr bund futures position

GREEN ASH MULTI ASSET STRATEGY USD PERFORMANCE¹

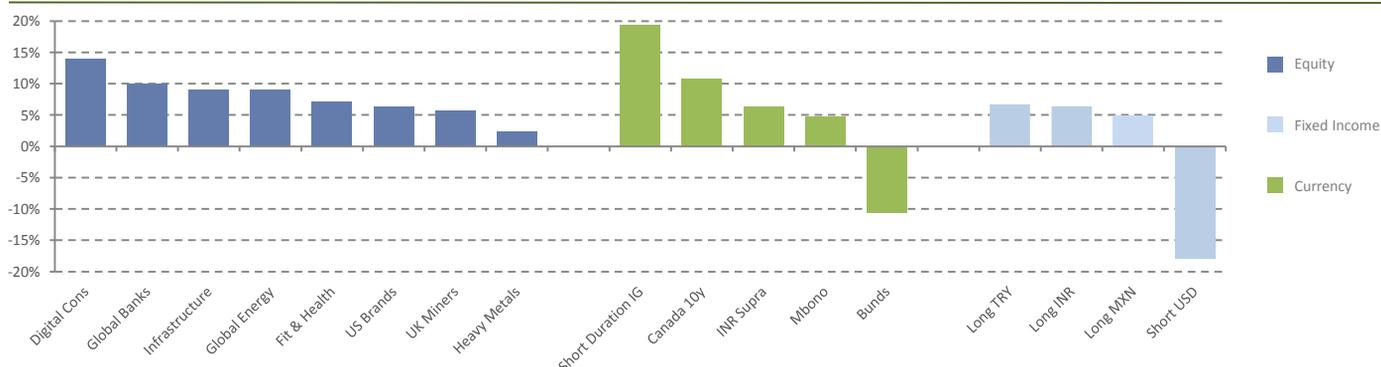


GREEN ASH MULTI ASSET STRATEGY PERFORMANCE¹

	2012	2013	2014	2015	2016	1Q17	2Q17	Aug 17	YTD	ITD	Annualised	Volatility	Sharpe
Green Ash Multi Asset USD ¹	+13.17%	+13.63%	+4.03%	+1.15%	-2.94%	+2.19%	+0.62%	+0.99%	+5.57%	+38.66%	5.95%	+5.88%	1.01
Share class IA GBP	-	-	-	-	+2.66% ²	+1.95%	+0.39%	+0.89%	+4.84%				

¹The 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 31/08/17. ²IA GBP share class performance is from inception 22/07/16. Source: Green Ash Partners LLP

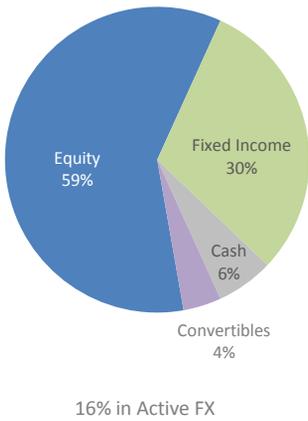
GREEN ASH SICAV - MULTI ASSET FUND % EXPOSURE BY THEME – AUGUST 2017



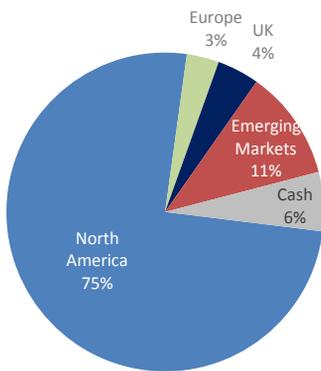


FUND UPDATE AND OUTLOOK

FUND ASSET ALLOCATION³



FUND REGIONAL EXPOSURE²



TOP TEN FUND POSITIONS

Canadian 10Yr Bond Future Dec-17	10.7%
Short Bund Future Jun-17	-10.7%
Long TRY vs USD	6.7%
IFC 7.8% Jun-19	6.4%
GS 2.625% Jan-19	4.9%
BAC 2.60% 15-Jan-19	4.9%
JPM 1.85% 22-Mar-19	4.9%
MS 2.5% Jan-19	4.9%
MBONO 7.5% 2027 (unhedged)	4.8%
Nasdaq Biotech ETF	3.3%

Number of Positions

54

The fund rose +0.99% in August (+5.57% YTD), versus -0.07% for the MSCI World. It was a bit of a mixed month in equities, with emerging markets performing well, the US flat, and most European indices in the red. Volatility ticked higher from time to time, however despite geopolitical tension over North Korea, markets finished the month relatively unscathed. Q2 US GDP was revised up from 2.7% to 3.0%, and leading indicators remain strongly expansionary. Hurricane Harvey made landfall in Houston at the end of the month, raining 120 trillion litres of water over Texas and Louisiana (over 3.6 million litres per person living there). The human cost is huge, with 30,000-40,000 homes destroyed in Houston alone, and 35,000 people relocated to emergency shelters. The economic cost is still being calculated, but the storm caused widespread damage and shutdowns to the capital of the energy industry in the US (Houston is the 30th largest economy in the world). Damage estimates are as high as \$180BN, and the reconstruction could take years. WTI crude fell -5.86% in August while Brent was flat.

The stand out performers in August were our UK miners (+7.88%), driven by a significant rally in industrial metals (Nickel +15.52%, Aluminium +10.38%, Iron Ore +7.07%, Copper +6.58%). Basic Resources have benefited from better than expected economic data out of China, as well as a broader pro-cyclical recovery in global growth. Our infrastructure theme received a short term boost from anticipation of hurricane related repairs, rising +1.61% on the month. It should be noted that a number of states have been engaged in major highway projects and private sector construction has been strong, providing a supportive environment for infrastructure stocks even without a Federal plan. Nevertheless, the US is in acute need of a broader program - the American Society of Civil Engineers gave US infrastructure a D+ or "poor" rating. The engineers estimated the cost of bringing America's infrastructure to a state of good repair (grade B) by 2025 at \$4.6 trillion, of which only about 55% has been committed.

Technology stocks have maintained their momentum (Digital Consumer theme +4.33%)

and Biotech has started to re-rate, after several quarters in the doldrums (Fitness & Health theme +3.16%). Meanwhile energy stocks were very weak (-7.67%); we have shifted the focus of our energy exposure to the LNG market and away from oil. We see scope for significant growth in electricity demand (especially if electric vehicle adoption gains momentum), and view LNG as an essential bridging fuel as the world transitions towards renewables.

We added an allocation to convertible bonds in August, fitting them into existing themes. This provides asset class diversification, some yield pick-up, and also equity-like upside potential.

In FX, our short USDTRY position performed very well (-1.89% on the month), and generates carry of around 11% (annualised). We added an Indian supranational bond in local currency in the month in order to add INR exposure. Our long MXN position declined -0.48% against the dollar. Looking at historical moves, emerging market local currencies have considerable room to recover (TRY and MXN would need to rally around +90% and +40% respectively to return to 2013 levels).

In rates, our short 10Yr bund future went against us (-1.97%) as bund yields declined -18bps to 36bps. This was offset by our long Canadian 10Yr bond future which rose +1.95%.

Looking ahead, the top known unknown remains North Korea. So far this has only resulted in fairly minor market jitters, however this has the potential to change without warning should things escalate beyond rhetoric. The issue of the US debt ceiling has been postponed until the 15th of December, as the Trump administration successfully tagged three months of government expenditure onto a \$7.8BN Hurricane Harvey relief package, which has been passed by Congress. Interestingly, the new deadline is two days after the December Fed meeting, creating uncertainty that could stay Yellen's hand when it comes to a third rate hike for the year.

² 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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