

# Green Ash SICAV - Multi Asset Fund

## July 2019 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	\$38MM
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 USD share class finished the month up +0.57% in July (GBP IA Class +0.50%), versus +1.25% and +0.79% for the MSCI World and Global Aggregate Bonds respectively (USD hedged)
- The main events of the month included the start of Q2 earnings season, central bank meetings, and ongoing trade frictions. It was a strong month for US and UK equities, while Europe and the emerging markets underperformed
- Looking at our equity themes, the top performers were Digital Consumer (+4.17%), Dogs of the Dow (+0.84%), and American Brands (+0.69%). Biotech & Longevity and Global LNG lagged, declining -1.83% and -1.17% respectively
- It isn't clear that central bank action alone will be sufficient to turn sentiment around, and much hinges on the future path of the trade relationship between China and the US. Brexit remains a wildcard, as the 31<sup>st</sup> October deadline inexorably approaches

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

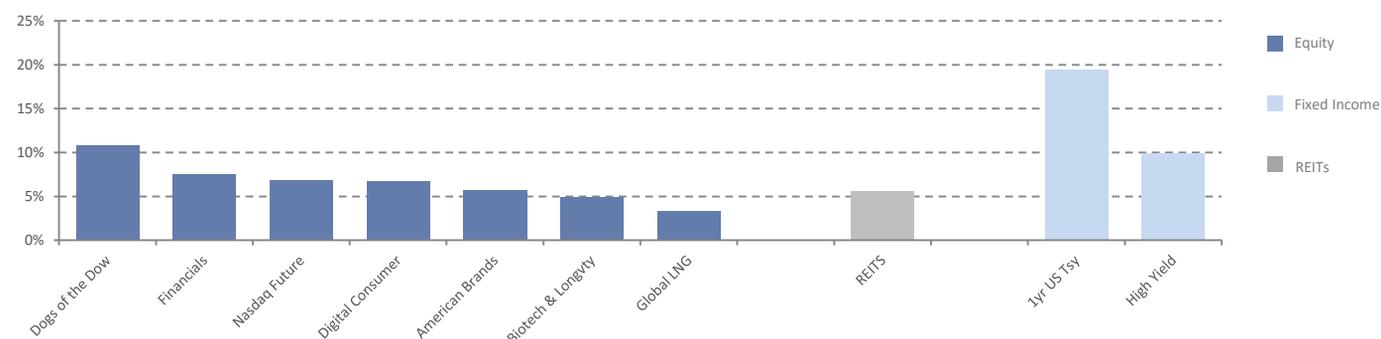


### GREEN ASH MULTI ASSET STRATEGY PERFORMANCE<sup>1</sup>

	2012	2013	2014	2015	2016	2017	2018	1Q19	2Q19	Jul 19	2019 YTD	ITD	Annualised	Volatility	Sharpe
Green Ash Multi Asset USD <sup>1</sup>	+13.17%	+13.63%	+4.03%	+1.15%	-2.94%	+10.59%	-12.32%	+8.44%	+1.80%	+0.57%	+11.01%	+41.39%	4.81%	6.93	0.62
Share class IA GBP	-	-	-	-	+2.66% <sup>2</sup>	+9.32%	-14.11%	+7.97%	+1.35%	+0.50%	+9.98%				

<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. <sup>2</sup>IA GBP share class performance is from inception 22/07/16. Source: Green Ash Partners LLP

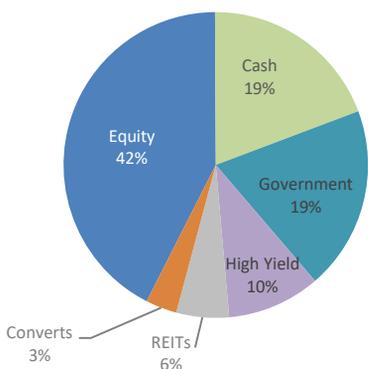
### GREEN ASH SICAV - MULTI ASSET FUND % EXPOSURE BY THEME – JULY 2019



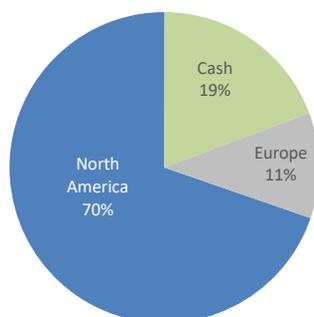


## FUND UPDATE AND OUTLOOK

### FUND ASSET ALLOCATION



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



### TOP TEN FUND POSITIONS

T 2.5% 06/30/20	10.31%
T 2.65% 08/31/2020	9.12%
Green Ash HY Funds	9.95%
Nasdaq 100 e-mini Sep19	6.86%
XAF Financial Sep-19	5.58%
XAV Healthcare Sep-19	2.82%
GLNG 2.75% 2022	1.68%
Costco Wholesale Corp.	1.34%
Visa Inc.	1.28%
Procter & Gamble Co.	1.27%

Number of positions: 47

The USD share class finished the month up +0.57% in July (GBP IA Class +0.50%), versus +1.25% and +0.79% for the MSCI World and Global Aggregate Bonds respectively (USD hedged). The main events of the month included the start of Q2 earnings season, central bank meetings, and ongoing trade frictions. It was a strong month for US and UK equities, while Europe and the emerging markets underperformed. The UK saw Boris Johnson appointed as Prime Minister; while UK stocks remain solid, this has driven further weakness in sterling and a sharp decline in UK Gilt yields as a no-deal Brexit outcome is seen as more likely. Looking at government bonds, 10Yr US Treasury yields were a touch higher on the month, rising +1bps to 2.01%, while in Europe yields continued to fall, with the 10Yr Bund sliding -11bps further into negative territory, finishing the month at -0.44%. 10Yr UK Gilt yields fell -22bps to 0.61%. In FX, the dollar regained its ascendancy following a pullback in June, with the Bloomberg Dollar Index rising +1.85% to make a new high for the year.

Looking at our equity themes, the top performers were Digital Consumer (+4.17%), Dogs of the Dow (+0.84%), and American Brands (+0.69%). Biotech & Longevity and Global LNG lagged, declining -1.83% and -1.17% respectively. Q2 earnings for the companies we are invested in have been solid so far. More broadly, earnings in the US have been better than expected, albeit relying heavily on buybacks to eke out positive EPS growth, though the outlook in some cases has been a little cloudy. Europe has been mixed, and the outlook remains challenged due to pressure in key sectors such as autos and banks.

In fixed income, our 1Yr US Treasuries were flat on the month on a total return basis, as a slight tick in yields was offset by carry. Our allocation to global high yield bonds rose +0.21% in July. The subordinated financials component worked well as our AT1's were some of the best performers on the month, especially the Italian bank debt, which was boosted by a rally in Italian BTPs. There was no clear trend in terms of attribution by region or sector.

The -25bps rate cut by the Fed at the end of the month was as expected, however the commentary around the 'mid-cycle adjustment' sent the wrong message in our view, tempering expectations of further cuts in the coming quarters. This added an unnecessary element of hawkishness and undermined the positive impact from the first rate cut undertaken by the Fed in a decade. This has since been accompanied by a significant escalation in US/China trade conflict, which has no clear end in sight. We now expect a period of elevated volatility over the summer, and the very poor state of PMIs globally will likely spur central banks around the world to action to try to turn things around.

At the time of writing, August is living up to its entry in the market almanac as a volatile and difficult month for risk assets. Commodities, technology, and any other cyclicals with perceived exposure to growth and trade have borne the brunt so far, and government bond yields across developed markets are sinking to new lows. More than half of global fixed income (\$30TN) are now trading with negative real yields. We have entered the latest bout of volatility with historically low equity exposure for the fund, and this leaves us well placed to add as value emerges. At the moment it isn't clear that central bank action alone will be sufficient to turn sentiment around, and much hinges on the future path of the trade relationship between China and the US. In Europe, Brexit remains a wildcard, as the 31<sup>st</sup> October deadline inexorably approaches.

<sup>2</sup> The net cash figure includes money market funds, cash equivalents, and cash required to collateralise derivative positions



## LEGAL DISCLOSURES

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. 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.