# Green Ash SICAV - Multi Asset Fund
# July 2020 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

| | |
|---|---|
| Fund Name | Green Ash SICAV - Multi Asset Fund |
| Investment Team | Miles Cohen, Nicholas Freeman, Edward Vincent, James Sanders |
| Fund Launch Date | 25th 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<br>EUR (hedged)<br>GBP (hedged) | LU1171480921<br>LU1171480764<br>LU1171480509 |
| Min Investment | 500,000 |
| Management Company | UBS Fund Management (Luxembourg) S.A. |
| Custodian | UBS (Luxembourg) S.A. |
| Investment Manager | Green Ash Partners LLP |

## SUMMARY

- The USD share class finished the month up +3.53% (GBP IA Class +3.45%), versus the MSCI World +3.44% and Global Aggregate Bonds +1.09% (both USD hedged)
- Looking at our equity themes, the top performers were Digital Consumer (+9.63%), American Brands (+4.99%), and Longevity (+4.15%). It was another strong month for tech, supported by solid earning, and this helped boost our Nasdaq futures allocation to new heights (+7.37% on the month). Our tactical allocation to Airlines and UK Home builders lagged, declining -14.13% and -3.94% respectively
- We added some duration to our fixed income allocation in July, namely 30Yr US Treasures and Bunds, as well as a small position in Austria's 100Yr bond. There has historically been a positive seasonality for longer dated government bonds over the summer months, which we would expect to recur given the extraordinary measures being deployed by central banks. Our allocation to corporate high yield made a positive contribution in July, returning 2.77%
- Meanwhile negative nominal and real rates further fuels the hunt for yield and financial assets, which will continue, in our view, as governments embark on further rounds of stimulus measures

## GREEN ASH MULTI ASSET STRATEGY USD PERFORMANCE[1]

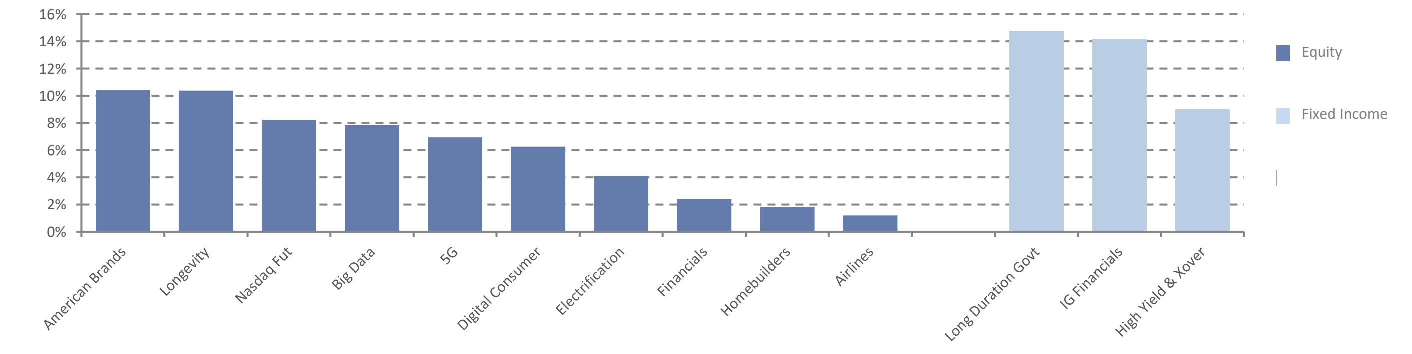

## GREEN ASH MULTI ASSET STRATEGY PERFORMANCE[1]

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 1Q20 | 2Q20 | Jul 20 | 2020 YTD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Green Ash Multi Asset USD[1] | +13.17% | +13.63% | +4.03% | +1.15% | -2.94% | +10.59% | -12.32% | +14.66% | -13.66% | +14.44% | +3.53% | +2.84% |
| Share class IA GBP[2] | - | - | - | - | +2.66%[2] | +9.32% | -14.11% | +12.69% | -0.29% | +13.93% | +3.45% | +0.39% |

| ITD | Annualised | Volatility | Sharpe |
|---|---|---|---|
| +50.19% | 5.08% | 8.12% | 0.55 |

*[1]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. [2]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 – JUL 2020





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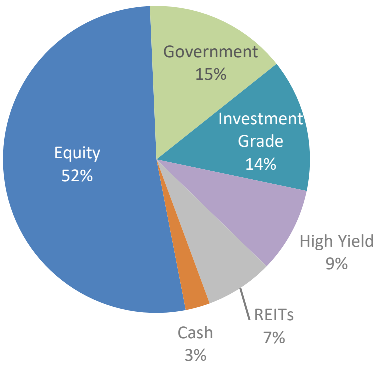
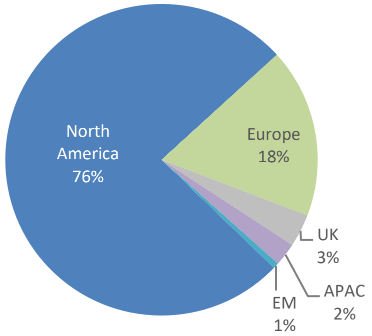
## FUND UPDATE AND OUTLOOK

### FUND ASSET ALLOCATION




### FUND REGIONAL EXPOSURE[2]

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The Q2 earnings season has past the halfway mark, with dire year on year declines in most sectors, however the overall surprise has been to the upside (by more than +20% in both the US and Europe); the extent of the earnings beats so far is of a magnitude not seen since 1992. Meanwhile, US and Eurozone Q2 GDP printed a shocking -32.9% and -40.0% QoQ SAAR respectively - by far the worst quarterly drop on record. Despite this, it was a generally positive month for risk assets, and the US was the standout performer, helped by a much weaker USD. This drove a broad rally in commodities also, and gold hit a new record. The catalyst for the USD move could be 10Yr real rates in the US, which fell below -1% for the first time ever (or since the existence of TIPS). Another factor may be the challenges being faced by state governments across the US in trying to bring their R-rates under control. In Europe, markets were held back somewhat by fresh regional outbreaks of Covid-19 most notably in Spain and the UK, and new restrictions were put in place, limiting travel and further damaging business and consumer confidence. While fears of a second wave of coronavirus infections are getting a lot of attention, so far huge fiscal and monetary stimulus measures are still outweighing these concerns and stabilising the markets.

Looking at our equity themes, the top performers were Digital Consumer (+9.63%), American Brands (+4.99%), and Longevity (+4.15%). It was another strong month for tech, supported by solid earning, and this helped boost our Nasdaq futures allocation to new heights (+7.37% on the month). Our tactical allocation to Airlines and UK Home builders lagged, declining -14.13% and -3.94% respectively.

We added some duration to our fixed income allocation in July, namely 30Yr US Treasures and Bunds, as well as a small position in Austria's 100Yr bond. There has historically been a positive seasonality for longer dated government bonds over the summer months, which we would expect to recur given the extraordinary measures being deployed by central banks. Our allocation to corporate high yield made a positive contribution in July, returning 2.77%.

Looking ahead, the forward outlook for economies around the world remains very uncertain, it seems likely that the ebb and flow of government restrictions will continue in coming the ahead, as without a vaccine they are the only tool available to control the rate of infection. These considerations are increasingly being balanced against economic factors, especially in the travel, hospitality and retail sectors which doesn't have the capacity to absorb further shocks to their operations. We are still of the view that the world is slowly trying to get back to normal, albeit perhaps slower than we originally expected. Meanwhile negative nominal and real rates further fuels the hunt for yield and financial assets, which will continue, in our view, as governments embark on further rounds of stimulus measures. That said, we do not want to be complacent about the real challenges ahead, and have positioned the fund accordingly, with our equity exposure below the historical average, and some defensive exposure to government duration. This leaves us with the capacity to capitalise on investment opportunities as they arise.

[2] *The net cash figure includes money market funds, cash equivalents, and cash required to collateralise derivative positions*


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