

### FACTSHEET

### THE MANAGER

#### Performance Returns

The Descartes Alternative Credit UCITS Fund returned 0.58% for the month of April (EUR Inst. Founder Class).

#### Investment Objective & Strategy

The Descartes Alternative Credit UCITS is a long-only Fund with a total return strategy, offering access to European senior secured corporate loans through investments in Collateralised Loan Obligations ("CLOs").

The strategy seeks to generate high current income (currently 5%-6%) plus the potential for incremental return through capital appreciation. The Fund primarily invests in European rated CLO securities. CLOs are floating rate instruments, which will benefit from rising rates, with a large carry and strong capital resilience.

The Fund's diversified portfolio is actively managed by Cartesia, using a combination of fundamental security analysis and dynamic allocation across rating categories.

Cartesia is a Paris based regulated investment manager, set up in 2009 by seasoned partners with an average experience of 25 years in European structured credit products, especially in securitised assets such as CLOs.

#### Monthly Commentary

Our fund is now fully invested and slightly more conservatively than our strict rating guidelines with around 72.4% in BB and above rated tranches and less than 10% invested in equity tranches. We managed to achieve a current gross yield of 6.65%, diversified through 16 positions and 9 CLO managers selected from our top ranking priority list.

The BBB/BB CLO market is getting a lot more traction vs last quarter as investors, after the hunt for duration, are back to floating rate assets such as CLO tranches combining strong carry, good credit protection and a floored Euribor3M. We expect those tranches to gradually reduce the lag to corporate spreads over time this year. We have invested over 90% in secondary deals, generating immediate carry and offering interesting convexity value in particular coming from vintages 2017/18.

In term of trends, we are seeing steepening in the term structure for BB and good value in more short dated BBB assets. Moreover, we like the margin offered on selective secondary B tranche even if the discount to primary spread is sometimes a bit rich.

Several BWICs traded end of April with BBBs having moved marginally tighter over the month and BBs are more or less unchanged. There was solid demand for CLO mezzanine based on experienced CLO manager, quality of the underlying loan portfolio and a good vintage.

Credit metrics from our portfolio are globally solid with better Weighted Average Spread than average, in line Weighted Average Rating and limited tail risk through indicators like well protected Market Value Overcollateralization for the B tranche, low CCC bucket and resistant portfolio NAV.

We are positioned risk on CLO mezzanine tranches and will continue to focus on market opportunities mainly in secondary BB and B tranches over the next weeks focusing on some recently priced transactions.

#### Descartes Alternative Credit UCITS Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2019			-0.02%	0.58%									0.56%

The performance figures quoted above represent the performance of the Descartes Alternative Credit UCITS Fund, EUR Inst. Founder Share Class since launch on the 26-Mar-2019. These performance figures refer to the past and past performance is not a reliable guide to future performance.



#### Jérôme Anglade

Partner, Portfolio Manager

Jérôme has more than 20 years of experience in structuring, trading and risk-management with Morgan Stanley in London as a Managing Director and Head of the European Structured Credit Group, Citi Capital Advisors then at Bank of America-Merrill Lynch. He then developed a significant expertise in the private debt and peer-to-peer lending, before joining Cartesia in 2016. Jérôme graduated from Ecole Polytechnique and Ecole Nationale des Ponts et Chaussées in Paris.

#### Tanguy Boulet

Chairman, Portfolio Manager

With 30 years of experience in Finance, Tanguy has initially spent 17 years in Investment Banking (Credit Agricole, Merrill Lynch, Lehman Brothers) prior to set up in London in 2003 the investment manager Ocean Capital, specialised in the securitisation markets and structured finance. He then created Cartesia in 2009 in Paris. Tanguy holds a diploma from ESCP Europe.

#### Pierre Mirat

Partner, Head of Business Development and Investor Relations

Pierre has spent 30 years in the Capital Markets in London, with a strong focus on the credit markets, working for Paribas Capital Markets, JP Morgan, Morgan Stanley – as Head of the French office for Global Markets – then for Société Générale-CIB as European Head of the Financial Institutions Group. He joined Cartesia in January 2017. Pierre graduated from HEC Paris and the Political Sciences Institute in Paris.

#### Hadrien Carré

Partner, Chief Risk Officer

Hadrien accumulates more than 10 years of experience in Investment Banking, mainly in the M&A activities (Salomon, Citi, Lehman Brothers). He was a partner at Ocean Capital from 2005 to 2008 before joining Cartesia in 2009. Hadrien holds a diploma from HEC Paris.

#### FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Valuation	Daily
Liquidity	Weekly
Inception	27-Mar-2019
Share Class	<b>Institutional Founder Class</b>
Currency	EUR/USD/CHF/GBP
Mgt. Fee	0.65%
Perf. Fee	0.00%
Min Init. Sub.	1,000,000
ISIN Codes	EUR: IE00BJCWST11 USD: IE00BJCWSX56 CHF: IE00BJCWSW40 GBP: IE00BJCWSV33
Share Class	<b>Institutional Class C</b>
Currency	EUR/USD/CHF/GBP
Mgt. Fee	0.75%
Perf. Fee	15.00%
Min Init. Sub.	1,000,000
ISIN Codes	EUR: IE00BJCWSY63 USD: IE00BJCWT106 CHF: IE00BJCWT098 GBP: IE00BJCWSZ70

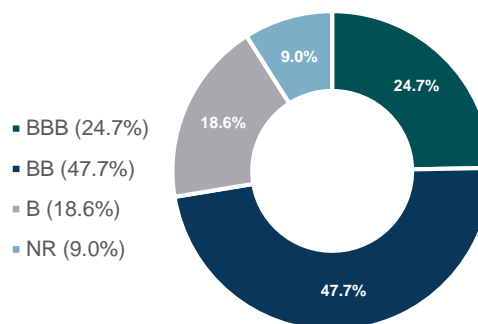
### Portfolio Metrics

Number of Positions:	16
Number of CLO Managers	9
Expected Average Life To Maturity <sup>(1)</sup> :	7.7 years
Expected Yield to Maturity <sup>(2)</sup> :	6.65%

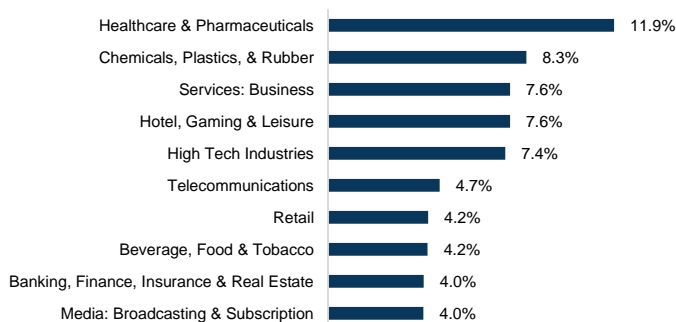
### Top 5 Positions <sup>(3)</sup>

Deal Name	Manager	Rating (M/S/F)	Par Amount (EUR)
CADOG 7X ER	CSAM	Ba2/NR/BB	2,750,000
BABSE 2014-2X SUB	Barings	NR/NR/NR	3,000,000
CORDA 12X F	CVC	B2/NR/B-	2,500,000
AVOCA 15X DR	KKR	Baa2/NR/BBB	2,303,000
HARVT 8X ERR	Investcorp	NR/BB/BB	2,200,000

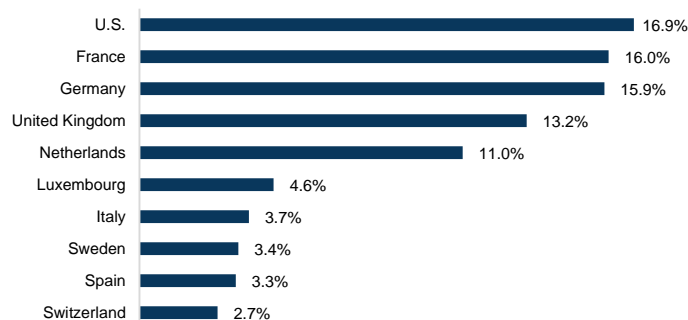
### Rating Category Breakdown <sup>(3)</sup>



### Look-Through Industry Breakdown (Top 10) <sup>(4)</sup>



### Look-Through Country Breakdown (Top 10) <sup>(4)</sup>



- Notes:**
- (1) Weighted expected average life to maturity of investments
  - (2) Weighted expected average yield to maturity of investments, excluding fees and expenses
  - (3) Based on current valuation of the assets
  - (4) Source: Moody's Analytics, excluding deals which have not published their first trustee report.

### Contact Details

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