

FACTSHEET

Performance Returns

The Butler Credit Opportunities UCITS Fund (BCO UCITS) returned +0.52% in July (EUR Institutional Class Founder ISIN: IE00BF2CW131 BB Ticker: MLBCEIF).

Investment Objective & Strategy

Butler Credit Opportunities UCITS is a long/short European Credit fund with a long term target to deliver 8-10% annualized returns while maintaining portfolio volatility below 5% over the credit cycle. The BCO UCITS Fund team uses a unique 3 step investment approach placing risk management and preservation of capital at the centre of portfolio management while constantly seeking opportunities to generate superior risk adjusted returns.

- Stage 1: With their long-standing experience in markets, the team recognizes that the portfolio Beta should always reflect the optimal level of risk in order to preserve capital or generate superior Alpha. The BCO UCITS Fund's portfolio managers systematically implement a Top-Down approach in order to determine the optimal level of risk for the portfolio.
- Stage 2: Bottom up focuses on the fundamental analysis of individual securities, assessing key financial parameters for each bond evaluating its potential as a long or short position.
- Stage 3: Portfolio construction determines the capital allocated to each strategy/position taking into account risk, liquidity, volatility, etc.

Monthly Commentary

For all the excitement generated in June by dovish Central Banks' comments, July has actually proved a bit nervous for most asset classes. While Equities ended higher, with US indices making new highs, as well as wide €HY and \$HY indices, the air was not as light as during previous rallies. In our opinion, investors' mixed feelings can be explained by (i) further deterioration in global growth, (ii) underwhelming ECB and Fed meetings. Indeed, both CBs failed to live up by their June comments: within both institutions, some voters doubt the utility of more dovishness in current circumstances. As a result Mr. Draghi had to be vague about upcoming decisions and the Fed delivered a « hawkish cut » (only 25bps on Jul, 31 and no commitment down the road).

The BCO Fund (EUR Founder class) returned +0.52% net, which makes for another month of positive alpha when compared with B-focused HE20's +0.4% return. The 3 main alpha engines have been (1) the hedging book, due to a meaningful reduction in the TRS premium (where we have a punchy short), from exuberant in late June to more reasonable in end July; (ii) satisfying performance of new issues, most of which came cheap to the market and where we had decent allocations ; (iii) overall positive contribution of secondary positions, such as Altice group.

Early August witnessed an unexpected nasty development in the US-China trade war. After c.1 year of actual truce – beyond aggressive statements -, Trump implemented another round of tariff hikes on Aug. 2. This time around, China did not try to calm down and retaliated with a ban on US agri imports and a weakening in the CNY/\$ parity, reminiscent of Aug'15, although less brutal at this stage. While €HY has proved resilient so far (down c. 0.5% MTD as at Aug, 5, vs. c. 5%; on Equities), thanks to its strong technicals, we believe it is vulnerable in case investors begin to seriously reconsider risks of a global recession. We have accordingly reduced BCO's beta below 45% vs. above 60% as at end of July.

Butler Credit UCITS Fund Performance (EUR Institutional Class Founder)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2019	1.25%	1.16%	0.62%	1.07%	-0.51%	1.00%	0.52%						5.21%
2018	0.58%	0.16%	-0.22%	1.01%	-0.52%	-0.02%	1.07%	0.17%	0.25%	-0.18%	-0.29%	-0.58%	1.42%
2017	-	-	-	-	0.73%	-0.29%	0.53%	-0.04%	0.69%	0.91%	-0.60%	-0.18%	1.74%

The performance figures quoted above represent the performance of the Butler Credit Opportunities UCITS Fund since launch on 15th May 2017. These performance figures refer to the past and past performance is not a reliable guide to future performance.

WB Opportunities Fund Ltd Performance Class A2 USD Shares (Non-UCITS)*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	0.09%	0.67%	-0.15%	0.88%	-	-	-	-	-	-	-	-	1.50%
2016	-0.38%	-0.97%	2.58%	2.02%	0.37%	-0.80%	1.21%	1.73%	-0.58%	1.01%	0.14%	1.73%	8.28%
2015	0.89%	1.69%	0.24%	0.56%	0.34%	-0.65%	0.16%	-0.78%	-0.46%	1.08%	0.67%	-0.02%	3.76%
2014	0.98%	1.34%	0.91%	1.01%	0.12%	0.81%	-0.65%	0.69%	-1.56%	-0.84%	0.28%	0.29%	3.39%
2013	1.40%	1.26%	0.40%	1.39%	0.23%	-1.14%	1.82%	0.89%	1.62%	2.35%	0.22%	0.96%	11.95%
2012	2.19%	3.02%	1.67%	-0.83%	-0.42%	-0.18%	1.36%	1.34%	1.66%	2.25%	0.99%	2.05%	16.11%
2011	2.40%	2.43%	0.68%	1.43%	0.18%	-0.19%	-0.49%	-0.61%	-0.91%	4.29%	-2.38%	0.81%	7.74%
2010	1.70%	-0.47%	4.35%	2.09%	-0.65%	-0.03%	2.99%	0.51%	2.28%	1.93%	-1.01%	1.66%	16.30%
2009	-	-	-	-	-	-	-	-	-	0.36%	0.78%	2.45%	3.62%

The above performance pertains to the performance since inception of the WB Opportunities Master Fund and is not of the BCO UCITS Fund. UCITS Fund have to abide by investment restrictions and consequently the performance of Butler Credit UCITS Fund may not be similar to that presented above. These performance figures refer to the past and past performance is not a reliable guide to the future performance. The WB Opportunities Fund was amalgamated into BCO UCITS Fund on 31.12.2018

THE MANAGER



Laurent Kenigswald
Managing Director

Laurent Kenigswald has more than 21 years of experience in Credit and 10 years as Economist. He was a senior portfolio manager of Barep Global Credit (BGC), a €500m credit hedge fund. In 2006, BGC was awarded "Best European Multi Strategy Fund" of the year from Hedge Fund Review. Prior to this, Laurent was a credit sell side analyst at Crédit Lyonnais, Natixis and Aurel Leven, managed a portfolio of Brady bonds (Emerging Markets sovereign debt) at BNPParibas and was a senior economist at the Direction de la Prévision in the French Ministry of Economy and Finance.

Olivier de Parcevaux
Director

Olivier de Parcevaux has been a credit portfolio advisor, analyst and manager since 2001. In 2007, he joined Barep Global Credit Fund as a portfolio manager under Laurent Kenigswald leadership. He was responsible for the utilities, energy, chemical, packaging and general industrials sectors. Prior to joining BGC, he was a high yield buy-side analyst for AXA IM and for CDC Ixis and the head office and as a credit sell-side analyst for Credit Lyonnais.

Cyril Furtak
Director

Cyril Furtak has been working with the credit portfolio advisory team since 2003 and as a credit portfolio manager since 2005. In 2003, he joined the Barep Global Credit Fund as a credit portfolio analyst and later he was promoted to portfolio manager and worked under Laurent Kenigswald leadership. Prior to this, Cyril worked at Renault Nissan as a business analyst for the Executive Committee.

FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly with daily indicatives
Fund AUM	€ 658.4 million
Strategy AUM	€ 721.2 million
Inception	15 th May 2017
Share Class	Institutional B Pooled
Currency	EUR/CHF/USD/GBP
Mgt. Fee	1.1%
Perf. Fee	20%
Min Init. Sub.	100,000
ISIN Codes/BB tickers	EUR: IE00BF2CWF72/MLBCEIB CHF: IE00BF2CWH96/MLBCCIB USD: IE00BF2CWI11/MLBCUIB GBP: IE00BF2CWG89/MLBCBGI
Share Class	Retail Pooled
Currency	EUR/CHF/USD/GBP
Mgt. Fee	1.5%
Perf. Fee	20%
Min Init. Sub.	1,000
ISIN Codes/BB tickers	EUR: IE00BF2CWX26/MLBCERP CHF: E00BF2CWM40/MLBCOCR USD: IE00BF2CWN56/MLBCURP GBP: IE00BF2CWL33/MLBCGRP

Butler Credit Opportunities UCITS Fund

Long/Short European Credit

July 2019

Performance Statistics (since inception)*	WBO USD A2 class	BCO EUR Founder class
	Oct 2009 - Dec 2018	May 2017-present
Profitable Months (% total)	70.27%	59.26%
Maximum Drawdown	-2.38%	-1.05%
Months to Recover	4	1
Annualized Return	8.08%	3.79%
Annualized Daily Volatility	3.08%	1.67%
Annualized Monthly Volatility	4.03%	2.05%
Sharpe Ratio - ann. d. volatility	2.58	2.21
Sharpe Ratio - ann. m. volatility	1.97	1.80

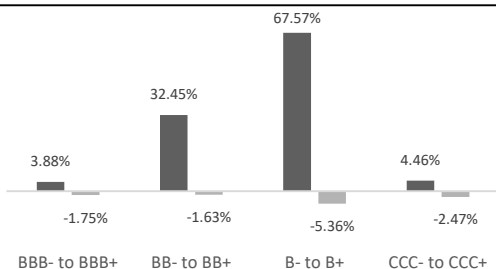
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Current Butler Credit Opportunities UCITS Fund Portfolio Statistics	
Number of Positions	134
Gross Exposure ¹	173.65%
Net Exposure ²	54.98%
Beta adjusted Net Exposure ³	82.11%
Modified Duration	1.55
YTConsensus ⁴	2.96%
Spread Duration	2.19

Butler Credit Opportunities UCITS Fund Current Exposures (% NAV)			
	Long	Short	Net
L/S General	107.18%	-11.05%	96.14%
L/S Relative	3.01%	-0.78%	2.23%
Spec Sit Credit	0.00%	0.00%	0.00%
Trad /Hedg	4.22%	-47.61%	-43.39%
Total	114.41%	-59.43%	54.98%

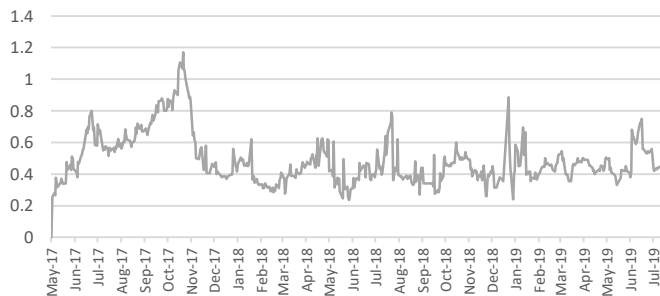
BCO UCITS Fund Current Rating Exposure⁵ (% NAV)



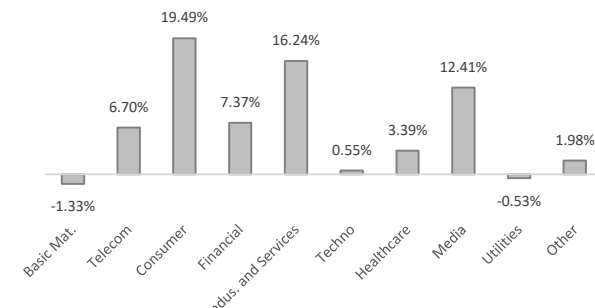
Butler Credit Opportunities Fund Largest Long Strategies (ex. Indexes and Futures) ⁵	
Name	% NAV
ALTICE SA	6.39%
SFR	6.25%
REFRESCO	3.63%
PLAYTECH	3.41%
UNITED GROUP	3.32%
Total	23.01%

Butler Credit Opportunities Fund Largest Short Strategies (ex. Indexes and Futures) ⁶	
Name	% NAV
ARCELORMITTAL	-1.75%
NEXANS	-1.36%
ALTICE INTERNATIONAL	-0.95%
LOUIS DREYFUS	-0.60%
VRIDIAN GROUP	-0.52%
Total	-5.19%

BCO UCITS Fund MC VaR99 5 days (%)



BCO UCITS Fund Sector Net Exposure (% NAV)



¹ Gross Exposure = sum of long and net exposure per share as a percent of NAV

² Net Exposure = difference between long and short exposure per share expressed as a percent of NAV

Including equity hedges (Index, Futures, Options, etc.)

³ Beta Adjusted Net Exposure = Beta Adjusted Market Value of long positions less

Beta adjusted Market Value of short positions expressed as percent of Net Asset Value.

Including equity hedges (Index, Futures, Options, etc.)

⁴ The lowest yield to all possible redemption scenarios, except where on a fixed to floating rate security it is the yield to the next call

date, or if there is a maturity or call date announced by the entity, the yield to that date.

⁵ Single names only

⁶ Long and Short positions held in the same company or group of companies have been aggregated

and/or netted to express BCO's net exposure to them

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