

↑ 2.03%\*

## Ironshield Credit Fund

### Long/Short Credit

May 2020

### Performance Returns

\*The Ironshield Credit Fund returned +2.03% for the month of May (EUR Institutional Class A)

### Investment Objective & Strategy

The Ironshield Credit fund is advised by Ironshield Capital Management's London-based team of traders and analysts. Ironshield was established in 2007 and manages portfolios of long and short positions with a principal focus on event driven, stressed and distressed European corporate credit.

The investment team's objective is to achieve high absolute returns by exploiting periods of market mispricing caused by operational and capital structure changes in corporates. The team uses a probability and scenario driven approach to evaluate opportunities and assess risk. Credit selection and position sizing are based on in-depth analysis and due diligence of a select group of corporates that the team typically tracks over a multi-year period. The team also evaluates the interplay between stakeholders and jurisdictional issues that affect the outcome for investors in corporate capital structures. The portfolio is focused on actively traded bonds, credit default swaps and other corporate securities with events typically within the next 3-6 months.

### Monthly Commentary

May was another positive month for markets as lockdown started to be eased in several countries, the EU recovery fund proposal was towards the upper end of expectations, and PMIs improved, all giving support for risk-on sentiment. The first half of the month was a continuation of April with credit spreads remaining range bound, before taking another leg tighter in the second half of the month on these positive developments. Airlines continued to be hit by negative news with the announcement that Berkshire Hathaway would be selling its entire stake in the four largest airlines, which weighed more broadly on global travel credits.

Activity in the European high yield primary market continued to pick up with €4.5 billion of new issuance printing and another €7.2 billion was added to the European high yield market through fallen angels. Year to date there has been a migration of around €37 billion from investment grade to high yield in Europe with these transitions often creating dislocations and investment opportunities.

Thematically, the portfolio is now composed of three main categories. Firstly, high quality high yield names shielded from Coronavirus impact and still offering 4-6% carry which we expect to trend to higher prices, bringing the yields more in line with the risk profile of these credits – these are predominantly telecom, cable, and healthcare names. Secondly, recently issued senior secured bonds supported by robust collateral and low loan-to-value in companies that have been affected by Coronavirus. These bonds offer an attractive asymmetric risk/reward profile and have yields in the 8-11% range. Finally, opportunistic event driven distressed situations triggered by companies appointing restructuring advisors, announcing restructurings, or seeking new money – these credits have the potential for significant price appreciation.

### The Manager



### Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly with daily indicative NAVs
Fund AUM	€3.3MM
Strategy AUM	€3.3MM
Inception	10 March 2020

Share Class	Institutional Class A
Currency	EUR/USD/CHF/GBP
Mgt. Fee	1.5%
Perf. Fee	15%
Min Init. Sub.	100,000

ISIN Codes	EUR: IE00BJBY6V60
	USD: IE00BJBY6X84
	CHF: IE00BJBY6Y91
	GBP: IE00BJBY6W77

Share Class	Institutional Class A Pooled
Currency	EUR/USD/CHF/GBP
Mgt. Fee	1.5%
Perf. Fee	15%
Min Init. Sub.	100,000

ISIN Codes	EUR: IE00BJBY6Z09
	USD: IE00BJBY7135
	CHF: IE00BJBY7242
	GBP: IE00BJBY7028

### Management Team

#### David Nazar - CIO

David Nazar has worked in credit markets for the past 25 years and is one of the most experienced investors in European event driven, stressed and distressed credit. Prior to founding Ironshield Capital Management in 2007, David managed proprietary credit portfolios for Deutsche Bank and Bank of America

#### Luca Moro - Portfolio Manager

Luca Moro has 14 years of investment management experience and has been a portfolio manager for the past 9 years. Before joining Ironshield Capital he worked for Numen Capital, Eyck Capital and Halcyon Capital (now Bardin Hill). He is experienced across the entire credit spectrum and has managed special situation portfolios investing across the capital structure.

### MontLake Ironshield Credit Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2020	-	-	0.00%	6.45%	2.03%								8.61%

The performance figures quoted above represent the performance of the MontLake Ironshield Credit Fund, EUR Inst. Class A since launch on 10 March 2020. These performance figures refer to the past and past performance is not a reliable guide to future performance.

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# Ironshield Credit Fund

## Long/Short Credit

May 2020

### Performance Overview

Annualised Return	-*
Annualised Monthly Volatility	-*
Sharpe Ratio	-*
Maximum Drawdown	-*
Months to Recover	-*

\* Not meaningful as a result of limited data set given recent launch of the fund

### Portfolio Characteristics

Number of Holdings	24
Number of Issuers	24
Modified Duration	2.73
Macaulay Duration	3.24
Average Coupon	4.07%
Current Yield	4.44%
Yield to Maturity	6.57%
Yield to Worst	6.42%

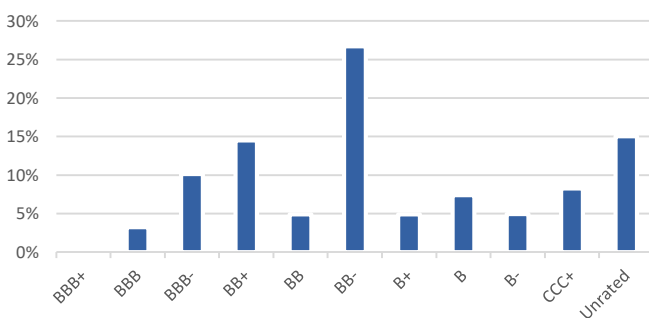
### Country Exposure (% NAV)

	Short	Long	Net	Gross
United States	0.0%	31.9%	31.9%	31.9%
Italy	0.0%	20.7%	20.7%	20.7%
France	0.0%	7.4%	7.4%	7.4%
Germany	0.0%	7.2%	7.2%	7.2%
Switzerland	0.0%	6.0%	6.0%	6.0%
Norway	0.0%	5.9%	5.9%	5.9%
Netherlands	0.0%	4.4%	4.4%	4.4%
United Kingdom	0.0%	3.5%	3.5%	3.5%
Ireland	0.0%	2.9%	2.9%	2.9%
Europe	45.8%	0.0%	-45.8%	45.8%
<b>Grand Total</b>	<b>45.8%</b>	<b>89.8%</b>	<b>44.1%</b>	<b>135.6%</b>

### Sector Exposure (% NAV)

	Short	Long	Net	Gross
Communications	0.0%	32.1%	32.1%	32.1%
Consumer Cyclical	0.0%	32.1%	32.1%	32.1%
Consumer Non-Cyclical	0.0%	14.8%	14.8%	14.8%
Energy	0.0%	5.7%	5.7%	5.7%
Financial	0.0%	4.1%	4.1%	4.1%
Industrial	0.0%	1.0%	1.0%	1.0%
Utilities	0.0%	0.0%	0.0%	0.0%
Multi-Sector (Portfolio Hedge)	45.8%	0.0%	-45.8%	45.8%
<b>Grand Total</b>	<b>45.8%</b>	<b>89.8%</b>	<b>44.1%</b>	<b>135.6%</b>

### Ratings Exposure (% NAV)



### Top Five Positions (%NAV)

Dish Network Corp	7.4%
Autostrade per l'Italia	7.1%
Dufry One BV	6.0%
Carnival Corp	5.9%
Norwegian Air Shuttle ASA	5.9%

### Contact Details

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