

↑ 0.59%\*

## Ironshield Credit Fund

### Long/Short Credit

January 2021

### Performance Returns

\*The Ironshield Credit Fund returned 0.59% for the month of January (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

It's the start of a new year, but some of the same themes from 2020 permeated market sentiment in the first month of 2021; optimism and a rally in risk assets on hopes of a swift reopening of economies was tempered by fears of delays to the reopening given the slow rollout of Covid vaccines in Europe as well as questions over the effectiveness versus new strains of the disease. Anticipated continuing government and central bank support was further boosted with the Democratic sweep in the senate run off giving them the slimmest of majorities, with a bumper stimulus package that could be worth as much as \$1.9 trillion up for discussion.

With equities suffering a backlash from the headline grabbing surge in retail investing, and investment grade credit broadly flat, high yield was once again the outperformer across the month. Europe outperformed the US given a supportive technical credit backdrop: ECB buying, low net supply, and the hunt for yield. The earnings season kicking off towards the end of January and the limited new issue supply during the blackout period, combined with a high level of bonds maturing in the coming months should remain a supportive technical for credit.

Performance remained positive in January, continuing the strong momentum from last year. Of note, we took partial profit on our position in a French premium tube manufacturer as the price continued to rise ahead of an imminent restructuring - we retain a position having bought the bonds at a steep discount. Our position in a Swiss food manufacturing company was also positive as the market recognized more fully the upside from the company moving towards an expected refinancing, using proceeds from the sale of North American assets. We gained from our new position in a Spanish construction company which announced a restructuring on terms that will provide a significant upside to current creditors.

We are very constructive on the event-driven opportunity set as defaults and restructuring are set to rise markedly throughout 2021, and disruption to business models creates ongoing dispersion in pricing. Whilst an eventual return to normalization will provide broad support for credit markets, the idiosyncratic nature of our event-driven investment philosophy, combined with the aforementioned dispersion in pricing, the general expansion of the opportunity set, and the defensive nature of some credits means upside in the portfolio isn't predicated on a Covid recovery, instead targeting uncorrelated alpha generation.

### The Manager



### Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly with daily indicative NAVs
Fund AUM	€21.3MM
Strategy AUM	€21.3MM
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.

#### Ironshield Investment Team

The London based Ironshield investment team is comprised of senior credit analysts and finance professionals with decades of experience in credit investment and a deep understanding of financial markets.

### MontLake Ironshield Credit Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2021	0.59%												0.59%
2020	-	-	0.00%	6.45%	2.03%	9.60%	1.04%	0.19%	-1.27%	0.47%	16.33%	2.16%	42.06%

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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### Performance Overview

Annualised Return	47.72%
Annualised Volatility	18.46%
Sharpe Ratio	2.58
Maximum Drawdown	-1.27%
Months to Recover	2

### Portfolio Characteristics

Number of Holdings	30
Number of Issuers	25
Modified Duration	2.40
Macaulay Duration	2.35
Average Coupon	7.6%
Current Yield	8.51%
Yield to Maturity	19.97%
Yield to Worst	19.90%

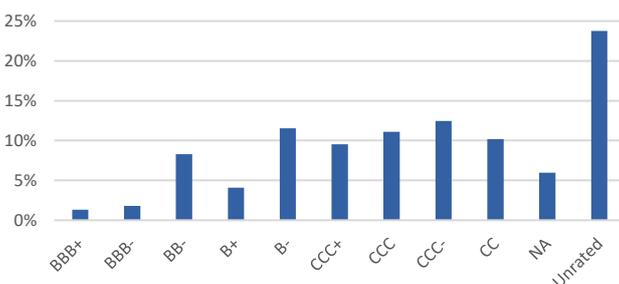
### Country Exposure (% NAV)

	Short	Long	Net	Gross
United States	1.6%	20.6%	18.9%	22.2%
United Kingdom	0.0%	13.7%	13.7%	13.7%
France	0.0%	13.1%	13.1%	13.1%
Spain	0.0%	9.9%	9.9%	9.9%
Switzerland	0.0%	9.6%	9.6%	9.6%
Italy	0.0%	9.1%	9.1%	9.1%
Jersey, C.I.	0.0%	8.1%	8.1%	8.1%
Luxembourg	0.0%	6.3%	6.3%	6.3%
Cayman Islands	0.0%	4.6%	4.6%	4.6%
Denmark	0.0%	4.4%	4.4%	4.4%
Brazil	0.0%	1.3%	1.3%	1.3%
<b>Grand Total</b>	<b>-1.6%</b>	<b>100.5%</b>	<b>98.9%</b>	<b>102.1%</b>

### Sector Exposure (% NAV)

	Short	Long	Net	Gross
Consumer Cyclical	0.0%	23.4%	23.4%	23.4%
Energy	0.0%	19.6%	19.6%	19.6%
Industrial	1.6%	13.2%	11.6%	14.9%
Consumer Non-Cyclical	0.0%	11.8%	11.8%	11.8%
Financial	0.0%	10.1%	10.1%	10.1%
Oil & Gas	0.0%	8.5%	8.5%	8.5%
Communications	0.0%	6.3%	6.3%	6.3%
Basic Materials	0.0%	6.3%	6.3%	6.3%
Utilities	0.0%	1.3%	1.3%	1.3%
<b>Grand Total</b>	<b>-1.6%</b>	<b>100.5%</b>	<b>98.9%</b>	<b>102.1%</b>

### Ratings Exposure (% NAV)



### Top Five Positions (% NAV)

Aryzta AG	9.6%
Vallourec SA	8.4%
Aston Martin	8.1%
Premier Oil	7.0%
Paper Industries	6.3%

### Contact Details

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### Disclaimer

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