

↑ 6.45%\*

## Ironshield Credit Fund

### Long/Short Credit

April 2020

### Performance Returns

\*The Ironshield Credit Fund returned +6.45% for the month of April (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

April saw a consolidation of the sharp rebound in credit that started in late March. The initial bullish tone peaked on April 9<sup>th</sup>, when the Fed announced the inclusion of Fallen Angels in their purchase program, giving a broad boost to global high yield credit. Subsequently, credit markets trended slightly weaker for the rest of the month, as an increase in primary issuance absorbed a substantial amount of investor appetite.

The strong performance for April was mainly generated by taking advantage of price dislocations in high quality credits by buying bonds that had repriced significantly lower in the general market selloff in March but remained fundamentally solid credits offering very attractive yields.

These high quality credits were concentrated in defensive sectors such as cable, telecom and healthcare which had sold off aggressively and were positioned for a strong retracement. Additionally, in many cases, they had become eligible for central bank purchase programs providing support even in risk off environments.

As well investing in high quality credits, we opportunistically added exposure in select companies where the market recognised a requirement for a balance sheet restructuring but where the trading levels of the associated securities implied a significant discount to the underlying business value even when the impact of Covid-19 had been fully factored in. Opportunities in these names were triggered by events such as profit warnings, announcements of the hiring of restructuring advisers and new money requirements leading to sharp price declines of bonds as long only credit investors sold out of their positions.

The credits lying between these two areas will be sources of opportunities in the medium term as the distressed cycle starts to evolve. However we believe that, generally, this opportunity needs to trade lower to provide an attractive entry point.

The portfolio overall has an average credit rating of BB+ with an average yield to maturity of 5%.

### The Manager



### Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly with daily indicative NAVs
Fund AUM	€3.3m
Strategy AUM	€3.3m
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

### 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%									6.45%

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.

### 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.

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April 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	27
Number of Issuers	27
Modified Duration	4.61
Macaulay Duration	4.89
Average Coupon	3.5%
Current Yield	3.73%
Yield to Maturity	5.15%
Yield to Worst	5.10%

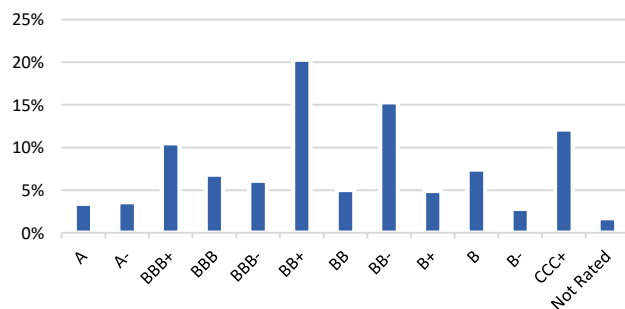
### Country Exposure (% NAV)

	Short	Long	Net	Gross
United States	0.0%	29.2%	29.2%	29.2%
Italy	0.0%	15.4%	15.4%	15.4%
United Kingdom	0.0%	9.1%	9.1%	9.1%
Germany	0.0%	9.0%	9.0%	9.0%
Switzerland	0.0%	8.9%	8.9%	8.9%
France	0.0%	6.3%	6.3%	6.3%
Netherlands	0.0%	4.4%	4.4%	4.4%
Australia	0.0%	3.1%	3.1%	3.1%
Ireland	0.0%	2.8%	2.8%	2.8%
Europe (Portfolio Hedge)	46.2%	0.0%	-46.2%	46.2%
<b>Grand Total</b>	<b>46.2%</b>	<b>88.2%</b>	<b>42.1%</b>	<b>134.4%</b>

### Sector Exposure (% NAV)

	Short	Long	Net	Gross
Communications	0.0%	27.4%	27.4%	27.4%
Consumer Cyclical	0.0%	14.7%	14.7%	14.7%
Industrial	0.0%	14.6%	14.6%	14.6%
Financial	0.0%	12.7%	12.7%	12.7%
Consumer Non-Cyclical	0.0%	10.2%	10.2%	10.2%
Energy	0.0%	5.4%	5.4%	5.4%
Utilities	0.0%	3.1%	3.1%	3.1%
Multi-Sector (Portfolio Hedge)	46.2%	0.0%	-46.2%	46.2%
<b>Grand Total</b>	<b>46.2%</b>	<b>88.2%</b>	<b>42.1%</b>	<b>134.4%</b>

### Ratings Exposure (% NAV)



### Top Five Issuer Concentrations (%NAV)

Autostrade per l'Italia	7.0%
Dish Network Corp	6.9%
Dufry One BV	6.5%
Amphenol Tech Hlds GMBH	6.1%
Adler Real Estate AG	5.9%

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