

↓ 1.07%\*

## Ironshield Credit Fund

### Long/Short Credit

March 2022

### Performance Returns

\*The Ironshield Credit Fund returned -1.07% for the month of March (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

The ongoing conflict in Ukraine helped drive Eurozone inflation to an unprecedented 7.5% in March, whilst the lowest unemployment rate on record in the bloc points to potential increasing wage pressure with the ECB acknowledging the persistency of inflation in the March minutes. Considering this, the ECB edged towards a more hawkish stance, increasing the pace of a return to normalisation with asset purchases ending in the third quarter of 2022 and rates expected to rise after this. Despite the conflict, PMI numbers in Europe remained strong in March, although amidst the ongoing sanctions against Russia, many companies continued to withdraw their presence from the country and the economic outlook remains uncertain.

Market sentiment recovered somewhat in March with equities regaining some of their YTD losses, whilst fixed income generally continued to be weak. European high yield was flat for the month, but with a year to date return of -4.15% essentially erasing all of the gains from 2021.

Our portfolio faced some mark to market detractors in March although we retain a strong thesis on our credits from a fundamental and event driven perspective. Our position in a telecom company was affected by the broader macro environment and the company's disposal plan slowing due to bureaucratic delays. Our position in a British shopping mall owner was impacted by concerns of a recessionary environment weighing on UK discretionary income and spending, although we believe this is likely to be offset by demand for defensive real estate assets given the inflationary environment. Our position in a Spanish debt servicer traded down ahead of a previously announced restructuring as market sentiment weighed on the company. Partially offsetting this, our position in a North Sea oil company was positive on news of a contract extension by a major partner, as well as strong fundamentals, and our position in a mining company benefited from the increase in the price of diamonds given Russia supplies 30% of the worlds diamonds and the company's mines are based outside Russia.

The ongoing conflict between Russia and Ukraine has led to a marked increase in market volatility and a broad based repricing of credits. This has led to an increase in size and acceleration of the timing of the opportunity set we had expected in 2022 and beyond, particularly around near term supply chain and inflationary and rates issues. The pipeline of opportunities has improved and we look to be entering an elongated period of increased volume in the universe of credits that we look at.

### The Manager



### Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly with daily indicative NAVs
Fund AUM	€90.3MM
Strategy AUM	€90.3MM
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
2022	-0.75%	-0.88%	-1.07%										-2.67%
2021	0.59%	4.68%	5.91%	3.55%	1.71%	4.86%	0.15%	1.22%	0.99%	-0.75%	0.41%	0.43%	26.21%
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.

↓ 1.07%\*

# Ironshield Credit Fund

## Long/Short Credit

March 2022

### Performance Overview

Annualised Return	30.63%
Annualised Volatility	13.78%
Sharpe Ratio	2.22
Maximum Drawdown	-2.67%
Months to Recover	N/A

### Portfolio Characteristics

Number of Holdings	29
Number of Issuers	22
Modified Duration	2.45
Macaulay Duration	2.87
Average Coupon	7.94%
Current Yield	9.68%
Yield to Maturity	15.05%
Yield to Worst	14.86%

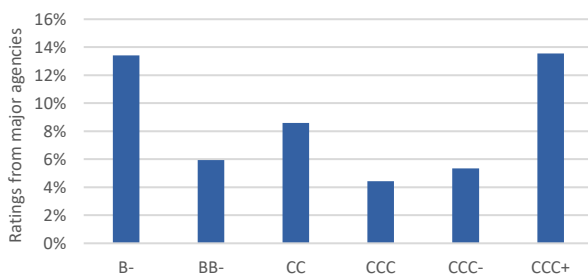
### Country Exposure (% NAV)

	Short	Long	Net	Gross
United Kingdom	0.0%	25.2%	25.0%	25.4%
Spain	0.0%	16.7%	16.7%	16.7%
United States	5.5%	11.8%	6.3%	17.3%
Luxembourg	0.0%	10.4%	10.4%	10.4%
Other	0.0%	8.1%	8.1%	8.1%
Jersey, C.I.	0.0%	6.7%	6.7%	6.7%
South Africa	0.0%	5.3%	5.3%	5.3%
France	1.1%	4.3%	3.2%	5.4%
Cayman Islands	0.0%	3.4%	3.4%	3.4%
<b>Grand Total</b>	<b>6.6%</b>	<b>91.8%</b>	<b>85.0%</b>	<b>98.7%</b>

### Sector Exposure (% NAV)

	Short	Long	Net	Gross
Consumer Cyclical	1.1%	18.1%	17.0%	19.2%
Oil & Gas	0.0%	12.9%	12.9%	12.9%
Industrial	0.0%	12.3%	12.3%	12.3%
Energy	0.0%	11.8%	11.8%	11.8%
Real Estate	0.0%	11.7%	11.7%	11.7%
Basic Materials	0.0%	9.3%	9.3%	9.3%
Communications	0.0%	8.1%	8.1%	8.1%
Financial	0.0%	7.9%	7.6%	8.0%
Healthcare	5.5%	0.0%	-5.5%	5.5%
<b>Grand Total</b>	<b>6.6%</b>	<b>91.8%</b>	<b>85.0%</b>	<b>98.7%</b>

### Ratings Exposure (% NAV)



### Top Five Positions (% NAV)

Oil Brazil	8.1%
OHL Operaciones	7.8%
Codere Finance	6.7%
Aston Martin	6.7%
Petra Diamonds	5.3%

### Contact Details

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