

↑ 1.71%*

Ironshield Credit Fund

Long/Short Credit

May 2021

Performance Returns

*The Ironshield Credit Fund returned 1.71% 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

Continued strong economic growth remained a tailwind for risk assets during May, with PMI prints continuing to beat expectations, although optimism was somewhat tempered by corresponding signs of inflationary pressures, with pent up demand levels remaining elevated. Vaccination rollouts continued at pace, with developed economies further along in the process of easing restrictions which combined with ongoing large scale fiscal support points to a sustained rebound in economic activity. However, some fears remained over the increased spread of new variants of Covid 19.

Despite some volatility in the middle of the month on the back of inflation fears, equity markets broadly continued to rise throughout May. Both high yield and investment grade credit saw very modest gains, with spreads remaining virtually unchanged. New issuance remains strong as companies look to lock in current market interest rates, whilst corporate earnings for the first quarter broadly beat expectations.

Against a broadly flat credit market backdrop in May performance in the fund once again remained strong. Of note, our position in the bonds of a Swiss food manufacturer was positive as the company closed its North American asset sale and an investment bank featured the trade as a top pick leading to a jump in the bond prices. Additionally, our position in a British shopping mall owner benefited from the opening of non-essential shops. A position in a paper company contributed as the company came out with results and commentary, and an expected liftoff in terms of operational performance from the third quarter. Likewise, our position in a French steel manufacturer benefited from a significantly improved financial forecast for 2021.

We remain very constructive on the opportunity set as the occurrence of a large number of credit events mean we are able to enter trades with short to medium term time horizons and attractive asymmetric risk reward profiles which creates a strong and diversified return stream. Defaults and restructurings year to date are considerably higher than the pre-covid level and this is set to continue through the rest of 2021 and potentially beyond. Our low duration portfolio of high yielding credits continues to offer event driven fixed income exposure with limited rates risk.

The Manager



Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly with daily indicative NAVs
Fund AUM	€48.4MM
Strategy AUM	€48.4MM
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%	4.68%	5.91%	3.55%	1.71%								17.45%
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	50.60%
Annualised Volatility	15.89%
Sharpe Ratio	3.18
Maximum Drawdown	-1.27%
Months to Recover	2

Portfolio Characteristics

Number of Holdings	40
Number of Issuers	32
Modified Duration	3.01
Macaulay Duration	3.79
Average Coupon	9.97%
Current Yield	11.81%
Yield to Maturity	23.63%
Yield to Worst	17.98%

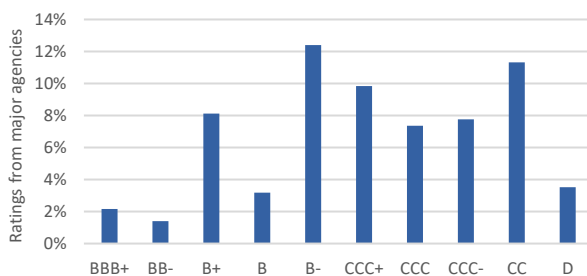
Country Exposure (% NAV)

	Short	Long	Net	Gross
Luxembourg	0.0%	18.9%	18.9%	18.9%
United Kingdom	0.0%	17.8%	17.8%	17.8%
United States	0.0%	15.7%	15.7%	15.7%
Spain	0.0%	13.3%	13.3%	13.3%
Cayman Islands	0.0%	10.9%	10.9%	10.9%
Italy	0.0%	9.6%	9.6%	9.6%
Jersey, C.I.	0.0%	9.2%	9.2%	9.2%
France	2.1%	8.2%	8.2%	8.2%
Switzerland	0.0%	7.0%	7.0%	7.0%
Austria	0.0%	6.9%	6.9%	6.9%
South Africa	0.0%	4.8%	4.8%	4.8%
Greece	0.0%	4.3%	4.3%	4.3%
United Arab Emirates	0.0%	3.0%	3.0%	3.0%
Denmark	0.0%	2.1%	2.1%	2.1%
Brazil	0.0%	0.5%	0.5%	0.5%
Grand Total	2.1%	132.3%	130.3%	134.4%

Sector Exposure (% NAV)

	Short	Long	Net	Gross
Consumer Cyclical	2.1%	23.7%	21.6%	25.7%
Industrial	0.0%	24.5%	24.5%	24.5%
Energy	0.0%	22.5%	22.5%	22.5%
Communications	0.0%	12.0%	12.0%	12.0%
Financial	0.0%	11.4%	11.4%	11.4%
Oil & Gas	0.0%	11.1%	11.1%	11.1%
Basic Materials	0.0%	9.7%	9.7%	9.7%
Retail	0.0%	7.7%	7.7%	7.7%
Consumer Non-Cyclical	0.0%	7.0%	7.0%	7.0%
Utilities	0.0%	2.8%	2.8%	2.8%
Grand Total	2.1%	132.3%	130.3%	134.4%

Ratings Exposure (% NAV)



Top Five Positions (% NAV)

Aston Martin	9.2%
Obrascon Huarte Lain SA	7.6%
Aryzta	6.0%
Talos	5.0%
Balta	4.9%

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