

↑ 1.22%\*

## Ironshield Credit Fund

### Long/Short Credit

August 2021

### Performance Returns

\*The Ironshield Credit Fund returned 1.22% for the month of August (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 economic recovery continued in August with high vaccination rates in select developed countries easing the pressure of the delta variant of Covid-19 and leading to further lifting of restrictions. In line with this ongoing economic reopening, PMI prints remained strong - albeit the pace of the recovery has moderated. Inflationary pressures continue to build up, with high readings in the US, UK and Europe, and central banks are taking a firmer stance of the removal of some stimulus: in particular attention was centered on Fed chairman Powell's Jackson Hole speech which pointed to a higher likelihood of tapering this year. This is in contrast to the Eurozone where the ECB may be more willing to extend accommodative policy.

In what has become a theme of the last few months, broad based positive risk asset performance across August disguised mid-month volatility, but both equity and credit markets ended the month firmly in the green. Corresponding to the risk-on sentiment in the later part of the month, high yield outperformed investment grade credit whilst the US outperformed European credit. As expected, primary market activity remained subdued throughout the final summer weeks but is likely to pick up again in September.

Performance remained strong throughout August driven by our positions in a retail conglomerate which has progressed on a liquidation settlement. Our positions in a British shopping mall owner also contributed as the administrators came out with further clarity on the process. Our exposure to a French energy company was positive as investors revisited the company in light of significant increases in power prices, whilst marginally offsetting these gains was a position in an aviation company which was negatively impacted by concerns over the delta variant limiting travel. We continue to see performance broad based across the portfolio, from a range of idiosyncratic credit events.

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. Corporate activity year to date is considerably higher than the pre-covid levels 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	€78.4MM
Strategy AUM	€78.4MM
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%	4.86%	0.15%	1.22%					24.87%
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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# Ironshield Credit Fund

## Long/Short Credit

August 2021

### Performance Overview

Annualised Return	46.53%
Annualised Volatility	14.85%
Sharpe Ratio	3.13
Maximum Drawdown	-1.27%
Months to Recover	2

### Portfolio Characteristics

Number of Holdings	31
Number of Issuers	22
Modified Duration	2.10
Macaulay Duration	2.85
Average Coupon	7.24%
Current Yield	9.22%
Yield to Maturity	15.56%
Yield to Worst	15.10%

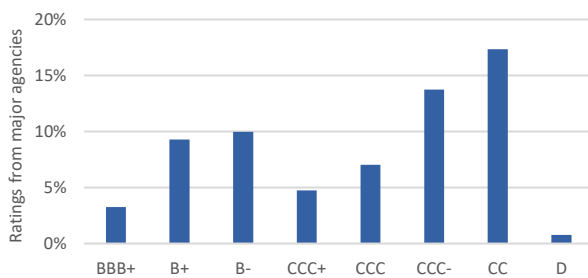
### Country Exposure (% NAV)

	Short	Long	Net	Gross
Spain	0.0%	16.3%	16.3%	16.3%
Luxembourg	0.0%	13.1%	13.1%	13.1%
Jersey, C.I.	0.0%	7.9%	7.9%	7.9%
France	1.3%	7.5%	6.2%	8.7%
United States	0.0%	7.1%	7.1%	7.1%
United Kingdom	0.0%	6.1%	6.1%	6.1%
Austria	0.0%	5.2%	5.2%	5.2%
Switzerland	0.0%	4.2%	4.2%	4.2%
South Africa	0.0%	4.1%	4.1%	4.1%
Ireland	0.0%	3.8%	3.8%	3.8%
Cayman Islands	0.0%	3.5%	3.5%	3.5%
United Arab Emirates	0.0%	2.6%	2.6%	2.6%
Italy	0.0%	2.4%	2.4%	2.4%
Denmark	0.0%	1.3%	1.3%	1.3%
Brazil	0.0%	0.3%	0.3%	0.3%
<b>Grand Total</b>	<b>-1.3%</b>	<b>85.2%</b>	<b>83.9%</b>	<b>86.5%</b>

### Sector Exposure (% NAV)

	Short	Long	Net	Gross
Consumer Cyclical	1.3%	19.0%	17.7%	20.3%
Industrial	0.0%	19.0%	19.0%	19.0%
Energy	0.0%	9.9%	9.9%	9.9%
Retail	0.0%	9.2%	9.2%	9.2%
Basic Materials	0.0%	7.8%	7.8%	7.8%
Oil & Gas	0.0%	7.4%	7.4%	7.4%
Consumer Non-Cyclical	0.0%	4.2%	4.2%	4.2%
Financial	0.0%	3.3%	3.3%	3.3%
Utilities	0.0%	2.7%	2.7%	2.7%
Communications	0.0%	2.7%	2.7%	2.7%
<b>Grand Total</b>	<b>-1.3%</b>	<b>85.2%</b>	<b>83.9%</b>	<b>86.5%</b>

### Ratings Exposure (% NAV)



### Top Five Positions (% NAV)

Obrascon Huarte Lain SA	8.3%
Aston Martin	7.9%
Steenbok	6.2%
Codere	4.8%
Valourec	4.7%

### Contact Details

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