

### FACTSHEET

#### Performance Returns

The Butler Credit Opportunities UCITS Fund returned -0.52% in May (EUR Institutional Class Founder ISIN: IE00BF2CW131).

#### Investment Objective & Strategy

Butler Credit Opportunities UCITS is a long/short European Credit fund with a long term target to deliver 8-10% annualized returns while maintaining portfolio volatility below 5% over the credit cycle. The Butler Credit Opportunities UCITS Fund team uses a unique 3 step investment approach placing risk management and preservation of capital at the centre of portfolio management while constantly seeking opportunities to generate superior risk adjusted returns.

- Stage 1: With their long-standing experience in markets, the team recognizes that the portfolio Beta should always reflect the optimal level of risk in order to preserve capital or generate superior Alpha. BCO's portfolio managers systematically implement a Top-Down approach in order to determine the optimal level of risk for the portfolio.
- Stage 2: Bottom up focuses on the fundamental analysis of individual securities, assessing key financial parameters for each bond evaluating its potential as a long or short position.
- Stage 3: Portfolio construction determines the capital allocated to each strategy/position taking into account risk, liquidity, volatility, etc.

#### Monthly Commentary

Conversely to widely-held expectations, the 2 Italian populist parties who led the March 4th polls agreed on a governing platform, potentially confrontational with most of Italy's European partners. Within 2018's decidedly stormy markets, reflecting the gradual withdrawal of liquidity by Central banks, above events had very contrasting impacts. Even within Equity indices, the S&P500 index continued to rebound towards its January highs with the DAX being flat, while the Italian index lost 8% alongside the European banks composite. Unsurprisingly safe-haven assets, like German bunds, took advantage of investors' concerns. The European HY market was also among the losers, with the wider index suffering its worst month since December 2015 (-1.4%) and average credit spreads rebounding to early 2017 levels. Italian names markedly underperformed while Bs were more resilient than BBs from a risk-adjusted standpoint.

The BCO Fund lost 0.52% net in May. This makes for decent resilience, reflecting our decrease in beta from mid-May onwards. Beyond this justified caution, alpha generation remained positive in May, as in April, mainly thanks to 3 long positions which made a positive return on the month (Altice holding bonds, recent chemical issuer OCI and Balkan Cable provider United group) despite the negative market context.

June opened with a powerful rebound after May 29th's capitulation thanks to the Italian newsflow calming down: after a few days of severe tensions, the 2 populist parties agreed on a government with Pdt Mattarella. Also, as at June 11th the new government avoided confrontation, with Mr Tria, the finance minister, even putting the onus on reducing public deficits – a call at odds with previous election promises. Since we are skeptical that the Italian newsflow will remain benign and insofar technicals remain weak in the €HY market, we expect to navigate within a 20-60% range of Beta during the coming weeks, well below our normal 70-80% range.

#### Butler Credit UCITS Fund Performance (EUR Institutional Class Founder)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2018	0.58%	0.16%	-0.22%	1.01%	-0.52%								1.00%
2017	-	-	-	-	0.73%	-0.29%	0.53%	-0.04%	0.69%	0.91%	-0.60%	-0.18%	1.74%

The performance figures quoted above represent the performance of the Butler Credit Opportunities UCITS Fund since launch on 15<sup>th</sup> May 2017. These performance figures refer to the past and past performance is not a reliable guide to future performance.

#### WB Opportunities Fund Ltd Performance Class A2 USD Shares (Non-UCITS)\*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017	0.09%	0.67%	-0.15%	0.88%	-	-	-	-	-	-	-	-	1.50%
2016	-0.38%	-0.97%	2.58%	2.02%	0.37%	-0.80%	1.21%	1.73%	-0.58%	1.01%	0.14%	1.73%	8.28%
2015	0.89%	1.69%	0.24%	0.56%	0.34%	-0.65%	0.16%	-0.78%	-0.46%	1.08%	0.67%	-0.02%	3.76%
2014	0.98%	1.34%	0.91%	1.01%	0.12%	0.81%	-0.65%	0.69%	-1.56%	-0.84%	0.28%	0.29%	3.39%
2013	1.40%	1.26%	0.40%	1.39%	0.23%	-1.14%	1.82%	0.89%	1.62%	2.35%	0.22%	0.96%	11.95%
2012	2.19%	3.02%	1.67%	-0.83%	-0.42%	-0.18%	1.36%	1.34%	1.66%	2.25%	0.99%	2.05%	16.11%
2011	2.40%	2.43%	0.68%	1.43%	0.18%	-0.19%	-0.49%	-0.61%	-0.91%	4.29%	-2.38%	0.81%	7.74%
2010	1.70%	-0.47%	4.35%	2.09%	-0.65%	-0.03%	2.99%	0.51%	2.28%	1.93%	-1.01%	1.66%	16.30%
2009	-	-	-	-	-	-	-	-	-	0.36%	0.78%	2.45%	3.62%

The above performance pertains to the performance since inception of the WB Opportunities Master Fund and is not of the Butler Credit UCITS Fund. UCITS Fund have to abide by investment restrictions and consequently the performance of Butler Credit UCITS Fund may not be similar to that presented above. These performance figures refer to the past and past performance is not a reliable guide to the future performance.

### THE MANAGER



**Laurent Kenigswald**  
Managing Director

Laurent Kenigswald has more than 21 years of experience in Credit and 10 years as Economist. He was a senior portfolio manager of Barep Global Credit (BGC), a €500m credit hedge fund. In 2006, BGC was awarded "Best European Multi Strategy Fund" of the year from Hedge Fund Review. Prior to this, Laurent was a credit sell side analyst at Crédit Lyonnais, Natixis and Aurel Leven, managed a portfolio of Brady bonds (Emerging Markets sovereign debt) at BNPParibas and was a senior economist at the Direction de la Prévision in the French Ministry of Economy and Finance.

**Olivier de Parcevaux**  
Director

Olivier de Parcevaux has been a credit portfolio advisor, analyst and manager since 2001. In 2007, he joined Barep Global Credit Fund as a portfolio manager under Laurent Kenigswald leadership. He was responsible for the utilities, energy, chemical, packaging and general industrials sectors. Prior to joining BGC, he was a high yield buy-side analyst for AXA IM and for CDC Ixis and the head office and as a credit sell-side analyst for Credit Lyonnais.

**Cyril Furtak**  
Director

Cyril Furtak has been working with the credit portfolio advisory team since 2003 and as a credit portfolio manager since 2005. In 2003, he joined the Barep Global Credit Fund as a credit portfolio analyst and later he was promoted to portfolio manager and worked under Laurent Kenigswald leadership. Prior to this, Cyril worked at Renault Nissan as a business analyst for the Executive Committee.

#### FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly with daily indicatives
Fund AUM	\$228.9 million
Strategy AUM	\$303.5 million
Inception	15 <sup>th</sup> May 2017

Share Class	Institutional B Pooled
Currency	EUR/CHF/USD/GBP
Mgt. Fee	1.1%
Perf. Fee	20%

Min Init. Sub.	100,000
ISIN Codes/ BB tickers	EUR: IE00BF2CWF72/MLBCEIB CHF: IE00BF2CWH96/MLBCCIIB USD: IE00BF2CWI11/MLBCUIB GBP: IE00BF2CWG89/MLBCBGI

Share Class	Retail Pooled
Currency	EUR/CHF/USD/GBP
Mgt. Fee	1.5%
Perf. Fee	20%
Min Init. Sub.	1,000
ISIN Codes/ BB tickers	EUR: IE00BF2CWX26/MLBCERP CHF: E00BF2CWM40/MLBCOCR USD: IE00BF2CWN56/MLBCURP GBP: IE00BF2CWL33/MLBCGRP

### WB Opportunities Fund Performance Statistics (since inception)\*

Profitable Months (% total)	70.19%
Maximum Drawdown	-2.38%
Months to Recover	4
Annualized Return	8.58%
Annualized Daily Volatility	3.17%
Annualized Monthly Volatility	4.11%
Sharpe Ratio - with annualized daily volatility	2.65
Sharpe Ratio - with annualized monthly volatility	2.05

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### Current Butler Credit Opportunities UCITS Fund Portfolio Statistics

Number of Positions	94
Gross Exposure <sup>1</sup>	147.84%
Net Exposure <sup>2</sup>	70.74%
Beta adjusted Net Exposure <sup>3</sup>	52.01%
Modified Duration	1.19
YTCensusus <sup>4</sup>	2.22%
Spread Duration	0.41

### Butler Credit Opportunities UCITS Fund Current Exposures (% NAV)

	Long	Short	Net
L/S General	65.67%	-7.08%	58.59%
L/S Relative	2.86%	-5.37%	-2.51%
Spec Sit Credit	1.08%	-0.78%	0.30%
Trad /Hedg	39.68%	-25.31%	14.37%
<b>Total</b>	<b>109.29%</b>	<b>-38.55%</b>	<b>70.74%</b>

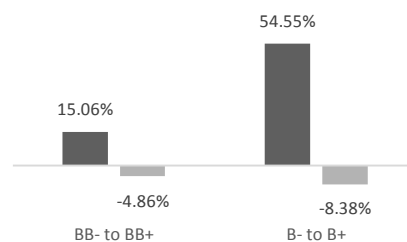
### Butler Credit Opportunities Fund Largest Long Strategies (ex. Indexes and Futures)

Name	% NAV
CHEMOURS	3.53%
FEDERAL-MOGUL	3.13%
LOXAM	3.13%
ALTICE	2.91%
REFRESCO	2.73%
<b>Total</b>	<b>15.43%</b>

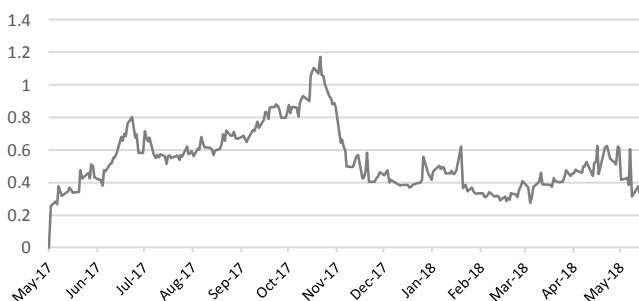
### Butler Credit Opportunities Fund Largest Short Strategies (ex. Indexes and Futures)<sup>5</sup>

Name	% NAV
AVANTOR	-1.89%
SIGMA	-0.99%
PROGROUP	-0.91%
VALLOUREC	-0.78%
NEMAK	-0.73%
<b>Total</b>	<b>-5.31%</b>

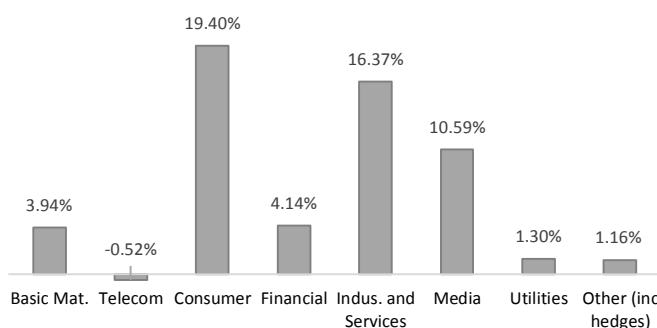
### BCO UCITS Fund Current Rating Exposure<sup>6</sup> (% NAV)



### BCO UCITS Fund MC VaR99 5 days (%)



### BCO UCITS Fund Sector Net Exposure<sup>7</sup> (% NAV)



<sup>1</sup> Gross Exposure = Sum of Market Value of each position, as % NAV

<sup>2</sup> Net Exposure = Market Value of long positions less Market Value of short, as percent of NAV.

<sup>3</sup> Including equity hedges (Index, Futures, Options, etc.)

<sup>4</sup> Beta Adjusted Net Exposure = Beta Adjusted Market Value of long positions less

Beta adjusted Market Value of short positions expressed as percent of Net Asset Value.

<sup>5</sup> Including equity hedges (Index, Futures, Options, etc.)

<sup>6</sup> The lowest yield to all possible redemption scenarios, except where on a fixed to floating rate security it is the yield to the next call date, or if there is a maturity or call date announced by the entity, the yield to that date.

<sup>7</sup> Long and Short positions held in the same company or group of companies have been aggregated

and/or netted to express BCO's net exposure to them

<sup>8</sup> Single names only

<sup>9</sup> Excluding credit indices

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