

### FACTSHEET

#### Performance Returns

The Butler Credit Opportunities UCITS Fund (BCO UCITS) returned +1.00% in June (EUR Institutional Class Founder ISIN: IE00BF2CW131 BB Ticker: MLBCEIF).

#### 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 BCO 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. The BCO UCITS Fund'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

While over-optimistic investors had been taken aback in May by negative Trump headlines, HY markets have made another U-turn in June, for the better this time, under surprisingly dovish comments by the Fed and the ECB. With rates rallying, BBs have led the charge, all the more as investors remain wary of idiosyncratic risk – most Bs and CCCs underperformed and are much more volatile. While prices and YTD returns are well ahead of the previous (Apr, 23) peak, BB spreads are at par with recent highs and Bs remain materially wider.

The BCO Fund (EUR Founder class) returned +1.00% net. Conversely to previous months, June did not witness alpha generation. This mildly disappointing return owes to (1) initial low beta positioning, which we did not correct aggressively enough, especially given a squeeze on ETF/TRS shorts, (2) slightly more modest single name alpha, as compared to what we had achieved YTD.

The G20's encouraging outcome, mainly the US-China trade truce, only magnified June trends. Rate markets remained strong despite Equities moving further up (the S&P is making fresh highs). The €HY market proves especially squeezezy, benefitting from strong inflows over the last weeks, while new issuance remains remarkably subdued. However, this severe unbalance has also resulted into further decompression (the Bs/BBs spread ratio moves into uncharted territory, above 2.2). Insofar as we had repositioned the portfolio in late June, to take advantage of a continuation of these trends, we have done well over the 1st week of July.

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2019	1.25%	1.16%	0.62%	1.07%	-0.51%	1.00%							<b>4.67%</b>
2018	0.58%	0.16%	-0.22%	1.01%	-0.52%	-0.02%	1.07%	0.17%	0.25%	-0.18%	-0.29%	-0.58%	<b>1.42%</b>
2017	-	-	-	-	0.73%	-0.29%	0.53%	-0.04%	0.69%	0.91%	-0.60%	-0.18%	<b>1.74%</b>

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%	-	-	-	-	-	-	-	-	<b>1.50%</b>
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%	<b>8.28%</b>
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%	<b>3.76%</b>
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%	<b>3.39%</b>
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%	<b>11.95%</b>
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%	<b>16.11%</b>
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%	<b>7.74%</b>
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%	<b>16.30%</b>
2009	-	-	-	-	-	-	-	-	-	0.36%	0.78%	2.45%	<b>3.62%</b>

The above performance pertains to the performance since inception of the WB Opportunities Master Fund and is not of the BCO 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 WB Opportunities Fund was amalgamated into BCO UCITS Fund on 31.12.2018

### 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	€ 620.0 million
Strategy AUM	€ 682.7 million
Inception	15 <sup>th</sup> May 2017
Share Class	<b>Institutional B Pooled</b>
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/MLBCCIB USD: IE00BF2CWI11/MLBCUIB GBP: IE00BF2CWG89/MLBCBGI

Share Class	<b>Retail Pooled</b>
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

# Butler Credit Opportunities UCITS Fund

## Long/Short European Credit

June 2019

Performance Statistics (since inception)*	WBO USD A2 class	BCO EUR Founder class
	Oct 2009 - Dec 2018	May 2017-present
Profitable Months (% total)	70.27%	57.69%
Maximum Drawdown	-2.38%	-1.05%
Months to Recover	4	1
Annualized Return	8.08%	3.69%
Annualized Daily Volatility	3.08%	1.68%
Annualized Monthly Volatility	4.03%	2.08%
Sharpe Ratio - ann. d. volatility	2.58	2.13
Sharpe Ratio - ann. m. volatility	1.97	1.72

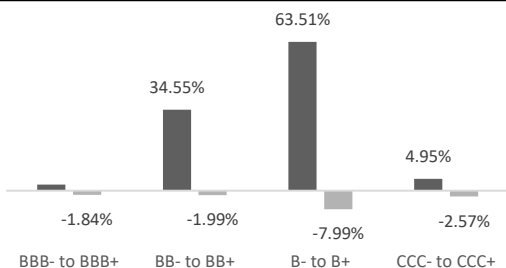
\*The above performance pertains to the performance since inception of the WB Opportunities Master Fund and is not of the BCO UCITS Fund. UCITS Fund have to abide by investment restrictions and consequently the performance of Butler Credit UCITS Fund may not be similar to that presented above. These performance figures refer to the past and past performance is not a reliable guide to the future performance. The WB Opportunities Fund was amalgamated into BCO UCITS Fund on 31.12.2018

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Current Butler Credit Opportunities UCITS Fund Portfolio Statistics	
Number of Positions	133
Gross Exposure <sup>1</sup>	173.78%
Net Exposure <sup>2</sup>	56.49%
Beta adjusted Net Exposure <sup>3</sup>	59.94%
Modified Duration	1.47
YTConsensus <sup>4</sup>	2.63%
Spread Duration	1.98

Butler Credit Opportunities UCITS Fund Current Exposures (% NAV)			
	Long	Short	Net
L/S General	107.66%	-13.30%	94.37%
L/S Relative	1.37%	-1.10%	0.28%
Spec Sit Credit	0.00%	0.00%	0.00%
Trad /Hedg	6.10%	-44.25%	-38.15%
<b>Total</b>	<b>115.13%</b>	<b>-58.64%</b>	<b>56.49%</b>

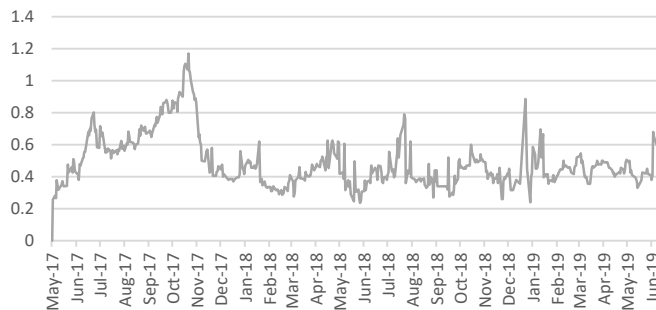
### BCO UCITS Fund Current Rating Exposure<sup>5</sup> (% NAV)



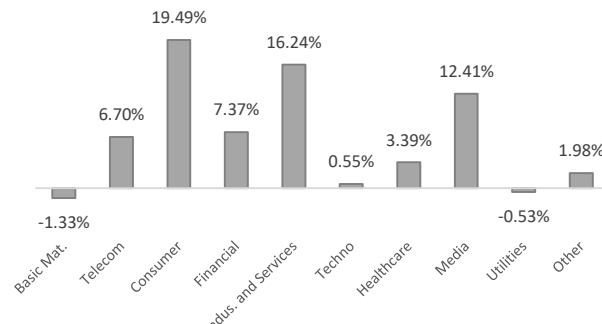
Butler Credit Opportunities Fund Largest Long Strategies (ex. Indexes and Futures) <sup>5</sup>	
Name	% NAV
ALTICE SA	6.68%
SFR	4.99%
REFRESCO	3.81%
PLAYTECH	3.59%
UNITED GROUP	3.49%
<b>Total</b>	<b>22.57%</b>

Butler Credit Opportunities Fund Largest Short Strategies (ex. Indexes and Futures) <sup>6</sup>	
Name	% NAV
ARCELORMITTAL	-1.84%
NEXANS	-1.41%
ALTICE INTERNATIONAL	-0.97%
LOUIS DREYFUS	-0.63%
GESTAMP	-0.58%
<b>Total</b>	<b>-5.43%</b>

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



### BCO UCITS Fund Sector Net Exposure (% NAV)



<sup>1</sup> Gross Exposure = sum of long and net exposure per shares as a percent of NAV

<sup>2</sup> Net Exposure = difference between long and short exposure per share expressed as a percent of NAV

Including equity hedges (Index, Futures, Options, etc.)

<sup>3</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.

Including equity hedges (Index, Futures, Options, etc.)

<sup>4</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>5</sup> Single names only

<sup>6</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

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