

↑ 5.91%*

Ironshield Credit Fund

Long/Short Credit

March 2021

Performance Returns

*The Ironshield Credit Fund returned 5.91% 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

Whilst Covid related uncertainty remains elevated and lockdowns continue in many countries, as the first quarter of 2021 draws to a close there are optimistic signs; vaccination rollouts continued to progress at pace in the UK and US throughout March as the pathway to a summer reopening of economies remains on track, whilst pre-booking in the hospitality and leisure sector shows huge pent-up demand as part of a broader economic recovery. Risk sentiment remained positive with the passing of a \$1.9 trillion fiscal stimulus package in the US, and the ECB commitment to continue its pandemic emergency purchase programme until at least March 2022 reassuring investors of an ongoing supportive environment.

Against this backdrop risk assets continued to rally, with equity markets on both sides of the Atlantic rising to post-pandemic and all-time highs. Fixed income markets were a little more divergent with US treasury yields continuing to rise as investors priced in higher inflation despite a dovish Fed, whilst Eurozone rate moves remained muted given ECB purchases. High yield continued to outperform with a positive return in March (versus a negative return on investment grade credit) as a result of increased risk appetite and the hunt for yield with investment grade credit spreads at the pre-pandemic tight. European HY also outperformed the US. New issuance remains at record levels as corporates continue to engage in refinancing and restructurings.

Performance was very strong in March as a number of anticipated credit events neared completion in line with our investment thesis. Firstly, our positions in an oil production company delivered significant returns following the completion of an acquisition and the repayment of our bonds in cash and shares. Secondly, our bond position in a Swiss food manufacturer rallied sharply in March following the announcement of the sale of North American assets with the proceeds likely to be used to refinance the bonds we own. Our position in a European retailer was also positive with the near term monetization of a major asset via IPO expected in the next 2 months.

We remain very constructive on the opportunity set for the portfolio as the number of short to medium term credit events continue to rise creating a differentiated return stream. Our low duration portfolio of high yielding credits offers event driven fixed income exposure with low rates risk. Our investment process is built around the exploitation of mispricing on idiosyncratic opportunities which creates the opportunity for uncorrelated alpha generation that isn't predicated on a directional macroeconomic view.

The Manager



Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly with daily indicative NAVs
Fund AUM	€29.5MM
Strategy AUM	€29.5MM
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%										11.52%
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	52.90%
Annualised Volatility	17.05%
Sharpe Ratio	3.10
Maximum Drawdown	-1.27%
Months to Recover	2

Portfolio Characteristics

Number of Holdings	41
Number of Issuers	32
Modified Duration	3.06
Macaulay Duration	3.28
Average Coupon	9.59%
Current Yield	10.90%
Yield to Maturity	23.09%
Yield to Worst	22.07%

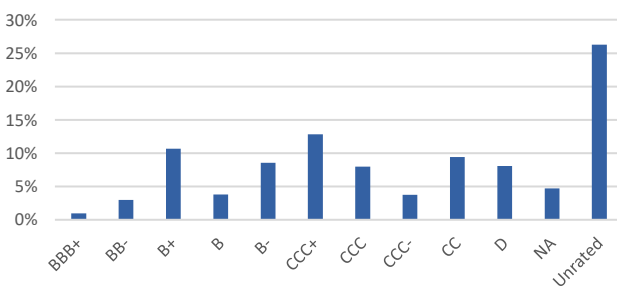
Country Exposure (% NAV)

	Short	Long	Net	Gross
United Kingdom	2.7%	18.1%	15.4%	20.8%
Spain	0.0%	12.0%	12.0%	12.0%
France	0.0%	11.8%	11.8%	11.8%
United States	0.1%	10.7%	10.6%	10.8%
Italy	0.0%	9.4%	9.4%	9.4%
Jersey, C.I.	0.0%	6.9%	6.9%	6.9%
Switzerland	0.0%	6.9%	6.9%	6.9%
Luxembourg	0.0%	6.3%	6.3%	6.3%
Austria	0.0%	6.0%	6.0%	6.0%
Cayman Islands	0.0%	4.4%	4.4%	4.4%
United Arab Emirates	0.0%	3.7%	3.7%	3.7%
South Africa	0.0%	3.4%	3.4%	3.4%
Greece	0.0%	3.0%	3.0%	3.0%
Denmark	0.0%	2.6%	2.6%	2.6%
Brazil	0.0%	0.7%	0.7%	0.7%
Grand Total	2.8%	105.7%	102.9%	108.5%

Sector Exposure (% NAV)

	Short	Long	Net	Gross
Industrial	0.1%	21.7%	21.6%	21.8%
Energy	0.0%	21.3%	21.3%	21.3%
Consumer Cyclical	0.0%	14.4%	14.4%	14.4%
Communications	0.0%	10.9%	10.9%	10.9%
Financial	0.0%	8.7%	8.7%	8.7%
Consumer Non-Cyclical	0.0%	8.1%	8.1%	8.1%
Basic Materials	0.0%	6.5%	6.5%	6.5%
Retail	0.0%	6.0%	6.0%	6.0%
Oil & Gas	2.7%	4.4%	1.7%	7.1%
Utilities	0.0%	3.7%	3.7%	3.7%
Grand Total	2.8%	105.7%	102.9%	108.5%

Ratings Exposure (% NAV)



Top Five Positions (% NAV)

Obrascon Huarte Lain SA	9.1%
Aston Martin	6.9%
Steenbok Lux Finco	6.0%
Premier Oil	5.9%
Vallourec SA	5.7%

Contact Details

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