

FACTSHEET

Performance Returns

The Butler Credit Opportunities UCITS Fund (BCO UCITS) returned -0.51% in May (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

Risk assets took a nosedive in May. This move was ignited by a Trump-led "China tariff" stance, which took investors by surprise because (1) a successful end to US-China trade talks was widely expected and (2) having been sceptical YTD, they had entered May much more constructive and were hence immediately wrong-footed. HY markets proved more resilient than Equities (on a risk-adjusted basis): -1.2/-1.5% vs. -5/-6%, because BB-rated Credits benefited from a strong support from falling government yields. Conversely European single Bs underperformed sharply (-2.5% in May, shuffling off c. 35% of YTD returns) due to an increase in highly stressed situations.

The BCO Fund (EUR Founder class) returned -0.51% net, which was made with material positive alpha. Such resilience within weak market conditions is typically what we aim for and most often deliver. The contributing factors were also relatively classical, featuring (1) a lowered beta (c. 50% vs. an average of about 65% YTD), (2) a well-functioning mix of hedges, in particular a short on TRS as well as owning puts on Equity indices and (3) an appropriate portfolio positioning, i.e. essentially focused on defensive sectors and credits, away from the vast majority of highly stressed situations.

Early June saw another abrupt reversal in risk assets, with the S&P500 index posting its strongest 1-day rise since Jan'19. Given how brutal it was, and followed by several constructive sessions, it suggests that investors' positioning had become quite negative as at late May and was likely to being wrong-footed. This time around, it was some dovish Fed speak by MM. Bullard and Powell, stressing that the Fed was readying to cut rates in case the slow-down in global trade was to materially impact the US economy. Actually as we close these monthly comments (June 7th), a pretty weak monthly NFP reports points towards a very high likelihood of a US rate cut during the Summer. Earlier in June, we have re-increased beta towards 55-60%, albeit without amending our stress on Defensive credits.

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%								3.63%
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%	1.42%
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 15th 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 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	€ 609.0 million
Strategy AUM	€ 670.1 million
Inception	15 th 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/MLBCEIF
 CHF: IE00BF2CWH96/MLBCCIB
 USD: IE00BF2CWX11/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

Butler Credit Opportunities UCITS Fund

Long/Short European Credit

May 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%	56.00%
Maximum Drawdown	-2.38%	-1.05%
Months to Recover	4	1
Annualized Return	8.08%	3.34%
Annualized Daily Volatility	3.08%	1.66%
Annualized Monthly Volatility	4.03%	2.06%
Sharpe Ratio - ann. d. volatility	2.58	1.94
Sharpe Ratio - ann. m. volatility	1.97	1.56

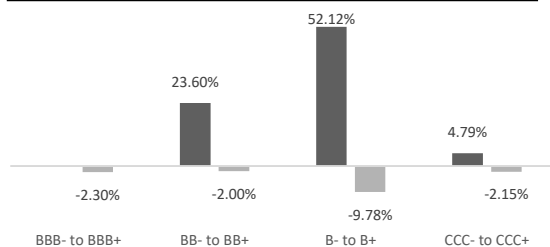
Current Butler Credit Opportunities UCITS Fund Portfolio Statistics	
Number of Positions	108
Gross Exposure ¹	149.65%
Net Exposure ²	29.58%
Beta adjusted Net Exposure ³	32.48%
Modified Duration	1.05
YTConsensus ⁴	2.28%
Spread Duration	1.12

Butler Credit Opportunities UCITS Fund Current Exposures (% NAV)			
	Long	Short	Net
L/S General	81.66%	-15.69%	65.97%
L/S Relative	0.81%	-0.53%	0.28%
Spec Sit Credit	0.00%	0.00%	0.00%
Trad /Hedg	7.14%	-43.82%	-36.67%
Total	89.62%	-60.04%	29.58%

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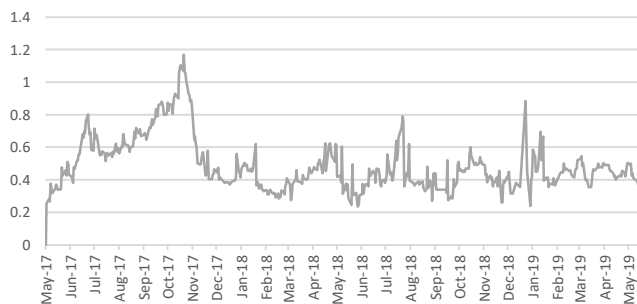
BCO UCITS Fund Current Rating Exposure⁵ (% NAV)



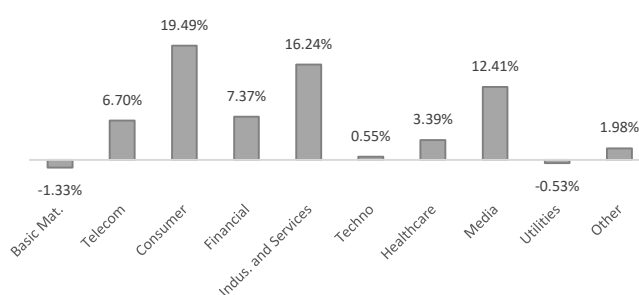
Butler Credit Opportunities Fund Largest Long Strategies (ex. Indexes and Futures) ⁵	
Name	% NAV
ALTICE SA	6.10%
EUROPCAR	3.10%
PLAYTECH	3.09%
REFRESCO	2.89%
RECORDATI	2.68%
Total	17.86%

Butler Credit Opportunities Fund Largest Short Strategies (ex. Indexes and Futures) ⁶	
Name	% NAV
ARCELORMITTAL	-1.86%
NEXANS	-1.41%
ALTICE INTENATIONAL	-1.18%
LOUIS DREYFUS	-0.64%
VIRIDIAN GROUP	-0.53%
Total	-5.62%

BCO UCITS Fund MC VaR99 5 days (%)



BCO UCITS Fund Sector Net Exposure (% NAV)



¹ Gross Exposure = sum of long and net exposure per share as a percent of NAV

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

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

³ 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.)

⁴ 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.

⁵ Single names only

⁶ 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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