

↑ 9.60%*

Ironshield Credit Fund

Long/Short Credit

June 2020

Performance Returns

*The Ironshield Credit Fund returned +9.60% for the month of June (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

Positive market momentum continued in June, with risk assets in Europe outperforming as US markets traded sideways. Improving sentiment in European markets was driven by slowing infection rates and moves to reopen major economies, as well as the aggressive stimulus responses from governments and central banks across the world. Governments have continued to respond to the Covid crisis with unprecedented fiscal support, aided by persistently low borrowing costs. Against this backdrop European high yield was up 1.8% in June, whilst US high yield was down 0.2%.

Fallen angels continued to expand the European high yield market and have done so by around 20% year-to-date. Rating agencies continue to forecast low double digit default rates in high yield. This creates event-driven opportunities as price dislocations occur within high yield markets.

The fund's performance remained strong in June driven by several themes. Firstly, select stressed companies which had not benefitted from the broader credit market rally but where we had a positive fundamental view. Secondly, credits where we judged that security prices had overreacted to the announcement of restructuring talks. Thirdly, financial restructurings that delivered more valuable security packages compared to the pre-restructuring situations. Finally, credits in the travel and restaurant sectors trading at significant discounts to par that we expected would be major beneficiaries of the reduction of Covid-19 related restrictions.

The market offers compelling opportunities for our strategy and we expect that the themes above will continue to create mispricing in selected individual credits which will generate attractive risk/rewards in those names.

The Manager



Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly with daily indicative NAVs
Fund AUM	€3.6MM
Strategy AUM	€3.6MM
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

Luca Moro - Portfolio Manager

Luca Moro has 14 years of investment management experience and has been a portfolio manager for the past 9 years. Before joining Ironshield Capital he worked for Numen Capital, Eyck Capital and Halcyon Capital (now Bardin Hill). He is experienced across the entire credit spectrum and has managed special situation portfolios investing across the capital structure.

MontLake Ironshield Credit Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2020	-	-	0.00%	6.45%	2.03%	9.60%							19.04%

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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June 2020

Performance Overview

Annualised Return	-*
Annualised Monthly Volatility	-*
Sharpe Ratio	-*
Maximum Drawdown	-*
Months to Recover	-*

* Not meaningful as a result of limited data set given recent launch of the fund

Portfolio Characteristics

Number of Holdings	24
Number of Issuers	20
Modified Duration	2.48
Macaulay Duration	2.85
Average Coupon	4.84%
Current Yield	5.21%
Yield to Maturity	6.93%
Yield to Worst	6.84%

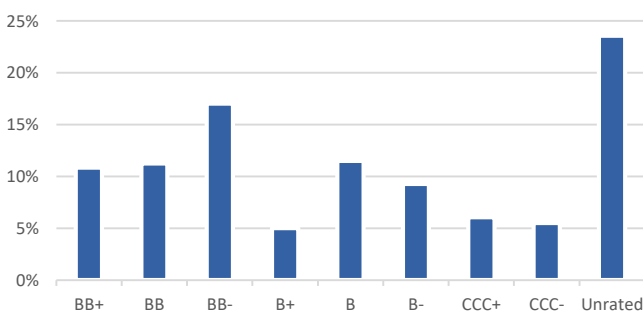
Country Exposure (% NAV)

	Short	Long	Net	Gross
United States	0.0%	27.4%	27.4%	27.4%
Italy	0.0%	23.2%	23.2%	23.2%
Norway	0.0%	9.8%	9.8%	9.8%
Brazil	0.0%	4.3%	4.3%	4.3%
France	0.0%	4.0%	4.0%	4.0%
Netherlands	0.0%	3.9%	3.9%	3.9%
Germany	0.0%	2.8%	2.8%	2.8%
United Kingdom	0.0%	2.7%	2.7%	2.7%
Europe	41.7%	0.0%	-41.7%	41.7%
Grand Total	41.7%	78.0%	36.4%	119.7%

Sector Exposure (% NAV)

	Short	Long	Net	Gross
Communications	0.0%	28.0%	28.0%	28.0%
Consumer Cyclical	0.0%	30.1%	30.1%	30.1%
Consumer Non-Cyclical	0.0%	16.2%	16.2%	16.2%
Financial	0.0%	2.8%	2.8%	2.8%
Utilities	0.0%	1.0%	1.0%	1.0%
Credit Default Swap - Index	41.7%	0.0%	-41.7%	41.7%
Grand Total	41.7%	78.0%	36.4%	119.7%

Ratings Exposure (% NAV)



Top Five Positions (%NAV)

Marcolin S.P.A.	7.0%
Autostrade per l'Italia	6.2%
Royal Caribbean Cruises Ltd	6.2%
Norwegian Air Shuttle ASA	5.8%
Carnival Corp	5.5%

Contact Details

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Disclaimer

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