

↓ 0.75%\*

# Ironshield Credit Fund

## Long/Short Credit

January 2022

### Performance Returns

\*The Ironshield Credit Fund returned -0.75% for the month of January (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

2022 got off to a rocky start as volatility spiked on the back of continued high inflation prints and subsequent expectations of an acceleration in central bank tightening, whilst geopolitical tensions on the Russia/Ukraine border spilled over into a spike in oil and energy prices. The Fed indicated an acceleration in its rate tightening policy, with rate rises also expected in the UK across 2022. For the moment the ECB remained behind other central banks, but with Eurozone inflation running at 5% year-on-year in December, pressure to adopt a more hawkish stance is likely to grow. With other themes dominating the month, fears around the Omicron variant of Covid receded as many countries continued with a relaxation of Covid restrictions.

Given the increase in volatility and the broad risk off sentiment, markets had a very weak month: equities headlined the red numbers with the US and Europe down 5% and 3% respectively, whilst credit spreads widened with European high yield down 1.4% on a total return basis and issuance was muted given the widening spreads. With their higher sensitivity to rate risk investment grade credit fared even worse, to round off a weak start to the year for markets.

Amongst the positive contributors for the fund in the month were our position in a UK luxury car manufacturer where the company continued to remain on track with executing its business plan and a position in shopping mall owner which has been approaching the date of the first cash distributions.

Amongst the detractors were our position in a global retailer that is undergoing an asset sale process with pressure on the value of underlying companies given Omicron concerns in South Africa and Poland, and our position in a telecom company which saw delays in the regulatory approval of disposals the completion of which are key catalysts in the credit story.

As we look forward for the rest of 2022 we anticipate our universe of credits to be dominated by three key themes: supply chain shortages, inflation, and rising rates from central banks. This is already creating an elevated number of credit opportunities for our event driven strategy and we expect this to continue throughout 2022 and beyond. Our low duration portfolio of high yielding credits provides insulation from rate rises, whilst our fundamental idiosyncratic credit portfolio construction will look for attractive risk/reward scenarios to generate an uncorrelated and low beta return stream.

### The Manager



### Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly with daily indicative NAVs
Fund AUM	€95.7MM
Strategy AUM	€95.7MM
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
2022	-0.75%												-0.75%
2021	0.59%	4.68%	5.91%	3.55%	1.71%	4.86%	0.15%	1.22%	0.99%	-0.75%	0.41%	0.43%	26.21%
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	35.07%
Annualised Volatility	13.93%
Sharpe Ratio	2.52
Maximum Drawdown	-1.27%
Months to Recover	2

### Portfolio Characteristics

Number of Holdings	31
Number of Issuers	23
Modified Duration	2.51
Macaulay Duration	3.53
Average Coupon	8.46%
Current Yield	10.74%
Yield to Maturity	14.15%
Yield to Worst	13.91%

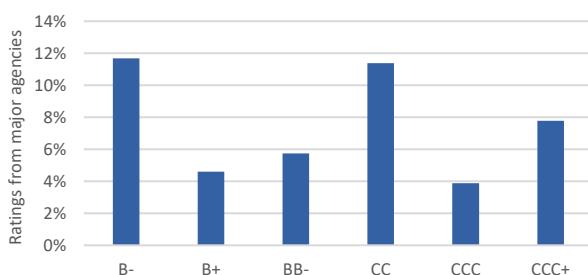
### Country Exposure (% NAV)

	Short	Long	Net	Gross
United Kingdom	0.0%	24.2%	24.2%	24.2%
Luxembourg	0.0%	14.8%	14.8%	14.8%
United States	0.0%	11.5%	11.5%	11.5%
Spain	0.0%	10.4%	10.4%	10.4%
Jersey, C.I.	0.0%	9.2%	9.2%	9.2%
Austria	0.0%	5.6%	5.6%	5.6%
South Africa	0.0%	4.8%	4.8%	4.8%
Other	0.0%	4.4%	4.4%	4.4%
Ireland	0.0%	4.3%	4.3%	4.3%
France	1.0%	4.1%	3.0%	5.1%
Cayman Islands	0.0%	3.0%	3.0%	3.0%
<b>Grand Total</b>	<b>-1.0%</b>	<b>96.2%</b>	<b>95.2%</b>	<b>97.3%</b>

### Sector Exposure (% NAV)

	Short	Long	Net	Gross
Consumer Cyclical	1.0%	21.5%	20.5%	22.6%
Industrial	0.0%	16.6%	16.6%	16.6%
Financial	0.0%	14.6%	14.6%	14.6%
Oil & Gas	0.0%	12.4%	12.4%	12.4%
Energy	0.0%	11.5%	11.5%	11.5%
Basic Materials	0.0%	8.5%	8.5%	8.5%
Retail	0.0%	6.6%	6.6%	6.6%
Communications	0.0%	4.4%	4.4%	4.4%
<b>Grand Total</b>	<b>-1.0%</b>	<b>96.2%</b>	<b>95.2%</b>	<b>97.3%</b>

### Ratings Exposure (% NAV)



### Top Five Positions (% NAV)

Aston Martin	9.2%
Codere Finance	7.6%
Steenbok	6.6%
Siccar Point	4.9%
Waldorf	4.8%

### Contact Details

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### Disclaimer

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