

### FACTSHEET

### THE MANAGER

#### Performance Returns

The Butler Credit Opportunities UCITS Fund returned -0.18% in December (EUR Institutional Class Founder ISIN: IE00BF2CW131).

#### 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 Butler Credit Opportunities 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. BCO'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

HY markets were largely unchanged through December. In Europe, Bs outperformed BBs, as their massive underperformance in November restored attractive value, and because B investors were somewhat reassured by Altice and Astaldi bottoming-out, even though both situations remain uncertain as we write. Interestingly new issuance continued throughout the weakness of early December, often resulting in attractive pricing conditions, in contrast with recent trends.

The BCO Fund returned -0.18% in December. Single alpha generators contributed modestly, with the two most salient being Germany's Raffinerie Heide and a finely-designed bond refinancing of the 2016 takeover of soccer club Inter Milan. Both were new issues, priced cheaply.

Negative alpha contribution mostly came from the Apparel sector. Newlook bonds (only 0.3% exposure) sank further, reflecting additional bad news leading us to exit our position. Along with lackluster results, the negative sentiment on the Apparel sector caused CBR (a German fashion firm) to underperform.

Economic indicators released in early January in both the US and Europe suggests that global growth remains on a high plateau. The December divergence between Equities and Govies became more spectacular during the first days of 2018. HY markets began January on a strong footing, but were subject to partial profit-taking during the second week. We believe there to be decent value in Bs given the macro environment but also share the concern about rates and as such we are currently navigating with c. 80% beta, with low exposure to BBs and significant interest-rate hedging.

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
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 15<sup>th</sup> May 2017. These performance figures refer to the past and past performance is not a guarantee of future performance or 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 Butler Credit UCITS Fund. UCITS Fund have to abide by onerous 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 guarantee of future performance or a reliable guide to the future performance.



**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
Fund AUM	\$161.4 million
Strategy AUM	\$237.5 million
Inception	15 <sup>th</sup> May 2017
Share Class	Institutional A Pooled/Institutional B Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.00%/1.10%
Perf. Fee	15%/20%
Min Init. Sub.	10,000,000/100,000
ISIN Codes	EUR: IE00BF2CVX89/IE00BF2CWF72 GBP: IE00BF2CVY96/IE00BF2CWG89 CHF: IE00BF2CVZ04/IE00BF2CWH96 USD: IE00BF2CW024/IE00BF2CWI11

Share Class	Institutional Founder/Retail Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	0.70%/1.5%
Perf. Fee	12.5%/20%
Min Init. Sub.	10,000,000/1,000
ISIN Codes	EUR: IE00BF2CW131/IE00BF2CWX26 GBP: IE00BF2CW248/IE00BF2CWL33 CHF: IE00BF2CW354/IE00BF2CWM40 USD: IE00BF2CW461/IE00BF2CWN56

WB Opportunities Fund Performance Statistics (since inception)*	
Profitable Months (% total)	70.71%
Maximum Drawdown	-2.38%
Months to Recover	4
Annualized Return	8.89%
Annualized Daily Volatility	3.52%
Annualized Monthly Volatility	4.18%
Sharpe Ratio - with annualized daily volatility	2.47
Sharpe Ratio - with annualized monthly volatility	2.08

Current Butler Credit Opportunities UCITS Fund Portfolio Statistics	
Number of Positions	75
Gross Exposure <sup>1</sup>	115.93%
Net Exposure <sup>2</sup>	77.21%
Beta adjusted Net Exposure <sup>3</sup>	86.62%
Modified Duration	1.99
YTCensus <sup>4</sup>	3.44%
Spread Duration	2.21

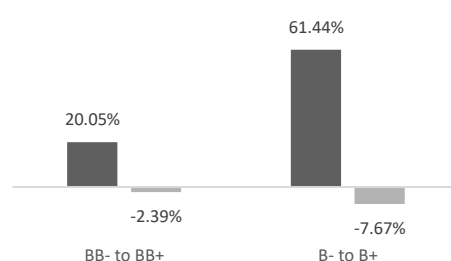
Butler Credit Opportunities UCITS Fund Current Exposures (% NAV)			
	Long	Short	Net
L/S General	68.65%	-2.14%	66.50%
L/S Relative	8.67%	-11.70%	-3.03%
Spec Sit Credit	4.36%	0.00%	4.36%
Trad /Hedg	14.89%	-5.52%	9.37%
<b>Total</b>	<b>96.57%</b>	<b>-19.36%</b>	<b>77.21%</b>

\*The above performance pertains to the performance since inception of the WB Opportunities Master Fund and is not of the Butler Credit UCITS Fund. UCITS Fund have to abide by onerous investment restrictions and consequently the performance of Butler Credit UCITS Fund may not be similar to that presented above. Past performance is not a guarantee of future performance or a reliable guide to the future performance

Butler Credit Opportunities Fund Largest Long Strategies (ex. Indexes and Futures)	
Name	% NAV
INTER MEDIA	3.58%
TELENET	3.27%
SISAL	3.05%
HEMA	2.89%
ALTICE	2.82%
<b>Total</b>	<b>15.61%</b>

Butler Credit Opportunities Fund Largest Short Strategies (ex. Indexes and Futures) <sup>5</sup>	
Name	% NAV
SMURFIT	-1.55%
THREEAB	-0.98%
FAURECIA	-0.84%
VIRGIN	-0.58%
AVIS	-0.32%
<b>Total</b>	<b>-4.28%</b>

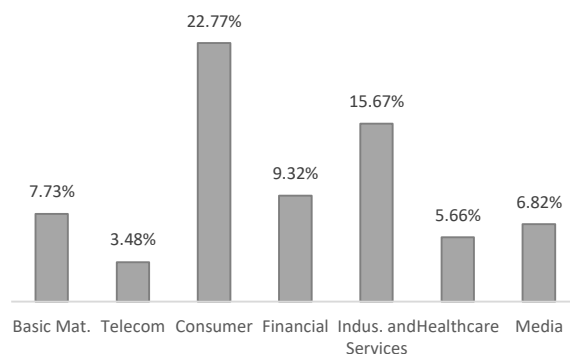
### BCO UCITS Fund Current Rating Exposure<sup>6</sup> (% NAV)



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



### BCO UCITS Fund Sector Net Exposure<sup>7</sup> (% NAV)



<sup>1</sup> Gross Exposure = Sum of Market Value of each position, as % NAV

<sup>2</sup> Net Exposure = Market Value of long positions less Market Value of short, as 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> 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

<sup>6</sup> Single names only

<sup>7</sup> Excluding credit indices

### Contact Details

#### Investor Contact

#### ML Capital Ltd

29 Farm Street,  
London, W1J 5RL

T: +44 20 3709 4510

investorrelations@mlcapital.com

#### Disclaimer

**Risk Warning:** Past performance is not a reliable indicator of future results, prices of investments and the returns from them may fall as well as rise. Investments in equities are subject to market risk and, potentially, to currency exchange risk. Butler Credit Opportunities UCITS Fund (the "Fund"). The distribution of this report does not constitute an offer or solicitation. Any investment in the Fund should be based on the full details contained in the Fund's Supplement Prospectus and Key Investor Information Document which together with the MontLake UCITS Platform ICAV Prospectus may be downloaded from the MontLake website ([www.montlakeucits.com](http://www.montlakeucits.com)). Information given in this document has been obtained from, or based upon, sources believed by us to be reliable and accurate although neither ML Capital nor Butler Investment Managers Limited accepts liability for the accuracy of the contents. Butler Investment Managers Limited is authorised and regulated by the Financial Conduct Authority (the "FCA"). Funds regulated under UCITS must abide by onerous investment restrictions. ML Capital does not offer investment advice or make recommendations regarding investments. The Manager of the Fund is MLC Management Ltd, a company regulated by the Central Bank of Ireland. The MontLake UCITS Platform ICAV is registered and regulated as an open-ended Irish collective asset-management vehicle with segregated liability between sub-Funds formed in Ireland under the Irish Collective Asset-management Vehicles Act 2015 and authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations. ML Capital Asset Management Ltd is regulated by the Central Bank of Ireland. This notice shall not be construed as an offer of sale in the Fund. The state of origin of the Fund is the Republic of Ireland. Issued and approved by ML Capital Asset Management Ltd. Authorised and Regulated by the Central Bank of Ireland.