

Market Neutral Credit UCITS Fund

A Sub-fund of Fundlogic Alternatives plc, an Irish UCITS Fund

Fund Objective and Investment Strategy

The Market Neutral Credit UCITS Fund's (the "Fund") investment objective is to aim to achieve positive risk-adjusted returns to investors primarily through opportunistic investments in the credit markets.

The Fund pursues its objective by investing on a medium to long-term basis focused primarily on credit markets referencing predominantly corporate issuers in Europe and North America, primarily through exposure to credit indices.

The Fund may take exposure to credit indices that are UCITS eligible such as ITRAXX Main Index and Markit CDX North America Investment Grade indices through FDI.

These contracts include leverage and may multiply the gains or losses by the Fund. The Fund is expected to be leveraged between 25 and 50 times its net asset value. Leverage is calculated using the full notional amount of each financial derivative instrument.

Fund Characteristics

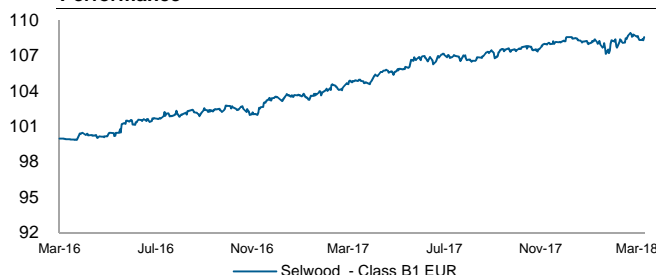
Inception Date	23-Mar-16
Total Assets (USD)	\$278m
Base Currency	USD
Domicile	Ireland
Passporting Status (registered in)	Finland, France, Germany, Italy, Luxembourg, Spain, Sweden, Switzerland and United Kingdom.
Legal Structure	An Open-Ended Investment Company (OEIC)
Dealing Day	Weekly. Every Friday, except legal public holidays in the United Kingdom, United States of America or Ireland or days on which the stock markets in London or New York are closed.
Subscription/ Redemption notice	For Subscriptions: 12 midday Irish time 2 business days, and for Redemptions 12pm midday Irish time 4 business days, prior to the relevant Dealing Day
Settlement	Subscription: 2 Business Days Redemption: 4 Business Days
Currency Classes	EUR / USD / GBP/ CHF
Investment Manager	Selwood Asset Management LLP
Promoter & Distributor	Morgan Stanley & Co International plc ("Morgan Stanley")
Depository	Northern Trust Fiduciary Services (Ireland) Ltd
Administrator	Northern Trust International Fund Administration Services (Ireland) Ltd
Auditor	Ernst & Young

Investment Manager

The Fund has appointed Selwood Asset Management LLP, a limited liability partnership incorporated under the laws of England and Wales (the "Investment Manager"), as the investment manager of the Fund. The Investment manager has its registered office at 15 Stratford Place, London W1C 1BE, United Kingdom. It is authorised and regulated by the Financial Conduct Authority in the UK. Its principal activity is providing collective portfolio management services. It manages approximately \$1.15Bn of assets as on 29-Mar-18.

Source: Selwood Asset Management. AUM figures are estimated and unaudited.

Performance⁽¹⁾



Source: Morgan Stanley IED Sales & Trading, Northern Trust, Bloomberg.
The above figures refer to the past. Past performance is not a reliable indicator of future results.

Historical Monthly Returns⁽¹⁾

Share Class	Jan	Feb	Mar	Apr ⁽²⁾	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD ⁽²⁾
2016 B1 (EUR)	-	-	-0.05%	0.32%	0.19%	1.01%	0.19%	0.35%	0.37%	0.25%	-0.05%	0.67%	3.28%
2017 B2 (EUR)	-0.01%	0.73%	0.73%	0.30%	0.52%	0.53%	0.33%	-0.06%	0.51%	0.27%	0.24%	0.28%	4.47%
2018 B2 (EUR)	-0.33%	0.18%	0.23%										0.07%

Source: Morgan Stanley IED Sales & Trading / Northern Trust. The above figures refer to the past. Performance is quoted net of fees and based on unaudited figures.

Past performance is not a reliable indicator of future results. The value of the investments and the income from them can go down as well as up and an investor may not get back the amount invested.

Investment Manager Commentary⁽³⁾

Geo-political risks remained elevated in March. The Italian election produced no clear winner, but the two largest parties were anti-establishment – M5S and Northern League – raising the prospect of a much less market-friendly governing coalition. UK/Russia tensions rose with tit-for-tat diplomatic expulsions. US imposed trade tariffs on China, escalating the prospect of a global trade war. The UK has provisionally agreed a 21 month EU withdrawal timeline, albeit many political hurdles remain. GBP benefited, rising back above 1.40 vs. USD. Investment grade credit indices underperformed their high yield counterparts, in part due to the six monthly roll and on the back of heightened political risks. US underperformed Europe due to trade tariffs, while the widening in Europe was principally driven by financials (Senior Fins underperformed on the month). US stocks underperformed Europe (trade tariffs) and also following a tech sector sell-off, led by Facebook concerns. High new issuance volumes impacted cash spreads. Many of the investment grade deals were to fund M&A, while the extent of financials issuing also helped drive the underperformance of this space. The high yield pipeline continues to grow, which could weigh on higher beta spreads. All three central banks met and acted as expected. The ECB and UK MPC kept rates unchanged, although rhetoric pointed to perhaps more hawkish behaviour on QE (Europe) and a May rate hike (UK). The FOMC raised rates by another 25bps, but kept expectations at three hikes in 2018. US data was generally weaker than expected, which also modestly dampened rate hike expectations in the near term. UST 10Y yields fell from mid-month highs, closing at 2.78%. Notwithstanding the heightened geopolitical tensions, the oil price was largely driven by US production/drilling activity and inventory levels. WTI ended the month up over +5%, supporting single names.

1. Please note that the Fund has only been in existence since 23-Mar-16. The performance data is shown for illustrative purposes only and should not be regarded as relevant for the purpose of the decision to invest. Performance up to Dec-2016 is for Class B1 / EUR. Performance from Jan-2017 is for Class B2 / EUR.

2. Performance since inception date 23-Mar-16.

3. Information provided by Selwood Asset Management and mirrors the opinion and expectations Selwood Asset Management only. It is not agreed with Morgan Stanley and may not mirror Morgan Stanley's views.

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Market Neutral Credit UCITS Fund

Indices Summary

Main Indices	Level	Monthly	YTD
iTraxx Eur*	60	13.47%	32.79%
CDX NA IG*	66	16.53%	33.74%
Eurostoxx 50	3,362	-2.25%	-4.07%
DowJones	2,641	-2.69%	-1.22%
Eur Swap 10Y	0.96%	- 11 bps	+ 9 bps
US Swap 10Y	2.78%	- 4 bps	+ 16 bps
EUR/USD	1.23	0.87%	2.46%
Crude Oil (WTI)	65	5.35%	7.48%

Source: Selwood Asset Management

Risk Summary

IR and FX Stress	NAV Impact
US Swap by +/-10%	< 0.1%
EUR Swap by +/- 10%	< 0.1%
EUR/USD by +/-10%	< 0.1%

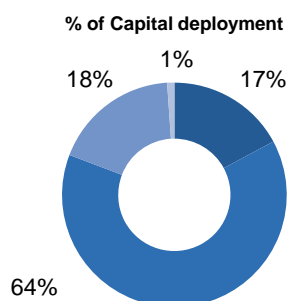
Source: Selwood Asset Management

Risk Metrics

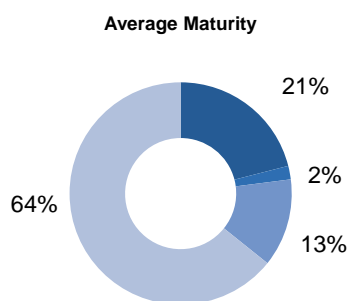
Exposure and Risk Summary	% of NAV
Annualised Volatility ⁽⁴⁾	2.34%

Source: Morgan Stanley IED Sales & Trading

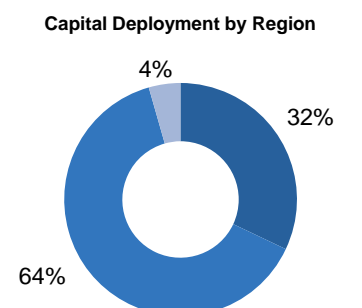
General Summary



■ Index Instruments ■ Cash and Cash Equivalents ■ Corporate Bonds ■ CDS



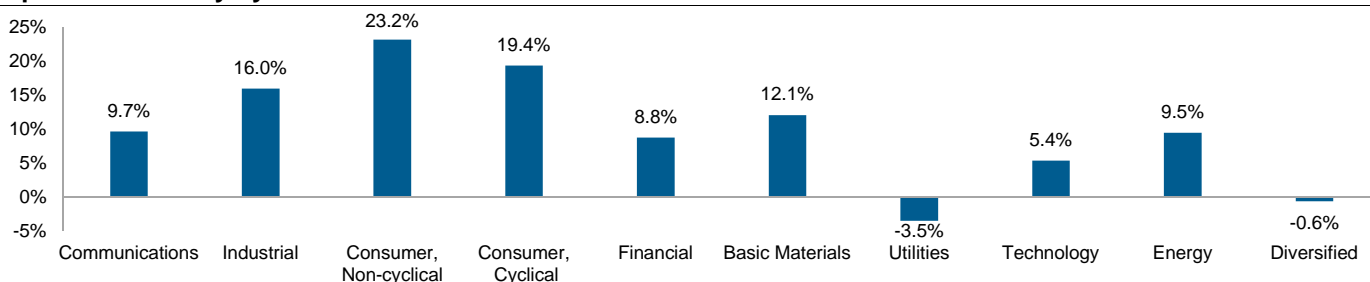
■ <2Y ■ 2Y-3Y ■ 3Y+ ■ Cash and Cash Equivalents



■ Europe ■ Cash and Cash Equivalents ■ North America

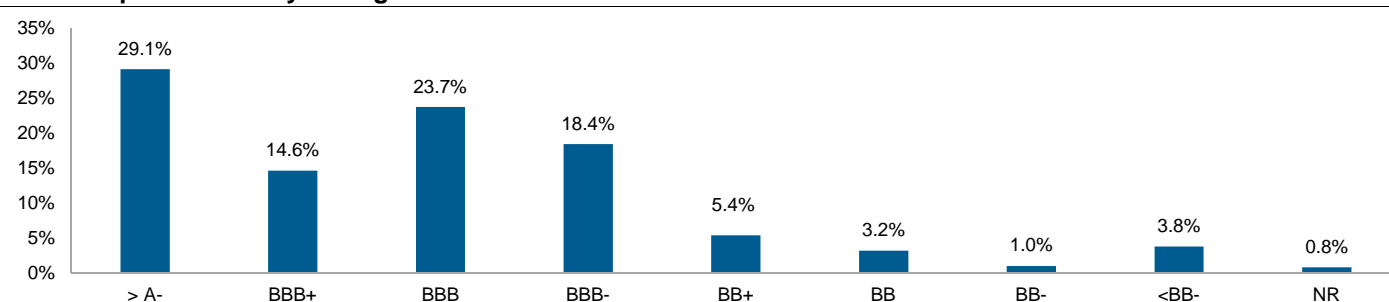
Source: Selwood Asset Management

Spread Sensitivity by Sector



Source: Selwood Asset Management

% of Jump-to Default by Rating Class



Source: Selwood Asset Management

(4) Indicative values as insufficient data points for statistical calculations. The volatility is computed as the standard deviation of the daily returns

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Market Neutral Credit UCITS Fund

Fund Share Class Details

	Share Class			Performance				Identifiers			Fees ⁽⁵⁾		
	Ccy	Min Inv	Launch Date	NAV	MTD	YTD	LTD	ISIN	BBG	SEDOL	Mgmt	Perf.	TER ⁽⁶⁾
Class B1	EUR	5,000,000	23-Mar-16	1085.84	0.24%	0.13%	8.58%	IE00BYZB0833	SMNB1EU ID	BYZB083	1.00%	Up to 15%	Up to 1.4%
Class B2	EUR	1,000,000	18-Dec-16	1043.89	0.23%	0.07%	4.39%	IE00BYZB0D80	SMNB2EU ID	BYZB0D8	1.00%	15.0%	1.40%
Class A	EUR	10,000	10-Mar-17	1027.88	0.17%	-0.12%	2.79%	IE00BYZB0494	SMNAEUR ID	BYZB049	1.75%	20.0%	2.15%
Class A	USD	10,000	10-Mar-17	1047.57	0.36%	0.39%	4.76%	IE00BYZB0619	SMNAUSD ID	BYZB061	1.75%	20.0%	2.15%
Class B2	GBP	1,000,000	06-Mar-17	1047.25	0.29%	0.26%	4.73%	IE00BYZB0F05	SMNB2GB ID	BYZB0F0	1.00%	15.0%	1.40%
Class B2	USD	1,000,000	06-Mar-17	1059.39	0.44%	0.57%	5.94%	IE00BYZB0G12	SMNB2US ID	BYZB0G1	1.00%	15.0%	1.40%

Source: Morgan Stanley IED Sales & Trading. NAVs are computed by Northern Trust

5. The Fund may impose an anti-dilution levy or adjustment on large subscriptions or redemptions.

6. Total Expense Ratio includes Management Fees and Promoter Fees. This figure may vary from year to year.

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- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, the shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Shares pursuant to an offer made under Section 305 of the SFA except:
 - (1) to an institutional investor or to a relevant person as defined in Section 305(5) of the SFA, or which arises from an offer referred to in Section 275(1A) of the SFA (in the case of that corporation) or which arises from an offer that is made on terms that such rights or interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets (in the case of that trust);
 - (2) where no consideration is or will be given for the transfer; or
 - (3) where the transfer is by operation of law;
 - (4) as specified in Section 305A(5) of the SFA; or
 - (5) as specified in Regulation 36 of the Securities and Futures (Offers of Investments) (Collective Investment Scheme) Regulations 2005 of Singapore.

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