



CIFC LAUNCHES 'ALL-WEATHER' HIGH YIELD STRATEGY IN UCITS FORM

Modelled on Long/Short High Yield strategy run by Jason Horowitz for a decade

LONDON, August 10, 2020 – Alternative credit specialist CIFC has launched a long/short high yield UCITS fund managed by industry veteran Jason Horowitz, who has been running similar strategies successfully for over 10 years.

Mr. Horowitz joined the New York-based manager in January as Head of U.S. High Yield Bond Investments. He has been managing the strategy for CIFC since February 1, 2020, delivering a 12.69% net gain to the end of July, compared with a 0.18% loss for the wider U.S. high yield market.¹ The strategy made positive returns during March at the height of market anxiety around Covid-19.

The UCITS fund, which mirrors the existing strategy, is designed to seek high single-digit returns while protecting capital in down markets. The strategy is offered as a new sub-fund of CIFC Credit Fund ICAV, a UCITS structure domiciled in Dublin.

CIFC London MD Josh Hughes said: "CIFC believes that this is the right time for a strategy like this, which has shown over the long-term that it can deliver attractive returns in all weathers. Jason has 25 years of investment experience and is supported by CIFC's strong credit research team. By launching the strategy within a UCITS fund structure we can open it up to a wider audience, including wealth managers and private banks, as well as European-based pension funds, family offices and other investors."

Mr. Horowitz previously worked at Millennium Management. Prior to that he spent 13 years at Muzinich & Co., overseeing an award-winning long/short corporate credit hedge fund. He was joined at CIFC by Brandon Hole and Eric Seiden, who worked with Mr. Horowitz at Millennium Management as well.

Mr. Horowitz said: "I believe that the high yield market is well-suited for a long/short strategy because there are lots of market inefficiencies that create opportunities in either direction for those with the research capacity and technical expertise. CIFC has a 47-strong investment team, with 20 analysts who will all bring ideas to this strategy."

The strategy offered in UCITS form will seek to capture returns from four areas: identifying long/short opportunities through fundamental credit research; exploiting long and short technical opportunities and inefficiencies in different segments of the high yield market; investing in dependable credit from short-dated bonds with low-volatility characteristics; and arbitrage.

The CIFC Long/Short High Yield strategy has a number of features that CIFC believes will help to reduce downside risk. Mr. Horowitz said: "We regularly stress-test the impact of possible macro events on industries and companies to understand where the risks lie and how we might mitigate them. We have a strict sell discipline for when our thesis changes or the outlook changes. And, of course, the ability to short means where we see particular risk, we have the opportunity to turn it to our investors' advantage."

"We do not look to generate our entire year's return on one or two trades – we seek to maintain a diversified portfolio by credit and sector and closely monitor liquidity risk to the individual positions and portfolio overall. We focus on beta-adjusted portfolio-level net exposure, average rating, duration and yield as opposed to using a black box approach that may break down during periods of heightened volatility. We think that this gives us a good feel for what our risk is at any given time."

"The Covid-19 pandemic is unparalleled, but we have experienced tough markets before, and though nothing is ever guaranteed, we can see lots of opportunities to protect the portfolio and generate strong returns."

¹ Based on the ICE BofA US Cash Pay High Yield Index. Feb 1 to July 31, 2020. The index is unmanaged and therefore does not take into account the deduction of fees and expenses.

Steve Vaccaro, CEO and CIO of CIFIC, said: "Jason, Brandon and Eric have a vast amount of expertise and experience in the high yield market. When you add this to CIFIC's existing deep bench of corporate credit research analysts, it makes for a compelling proposition. This fund demonstrates our commitment to continuing to expand the range and flexibility of our investment solutions for investors around the world."

About CIFIC

Founded in 2005, CIFIC is a credit specialist with over \$26 billion of assets under management, specialising in corporate and structured credit strategies. Headquartered in New York, CIFIC is authorised and regulated by the FCA and is a SEC registered investment adviser. It opened its London office in May 2018. Serving institutional investors globally, CIFIC is one of the largest managers of senior secured corporate credit. For more information, visit: www.cific.com

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