

FACTSHEET

Performance Returns

The High Ridge Credit Opportunities UCITS Fund returned -1.56% (USD Founder Eq Acc Share) and -1.55% (USD Founder Pooled Acc Share) for the month of May.

Investment Objective & Strategy

The Fund seeks to generate enhanced income returns as well as capital appreciation, whilst maintaining focus on capital preservation and volatility. The core portfolio is predominately invested in subordinated debt and preferred securities; focused on credit quality, security structure and relative value. The core portfolio may employ limited leverage up to 30%, as well as Long / Short Credit and Rate Overlays designed to mitigate volatility.

Market Commentary

May news headlines turned to geopolitics; the US/NK summit, Trump's solo withdrawal from the Iran Nuclear pact, US tariff trade-war mongering resurfaced, most importantly, Italy's uneasy coalition government with Salvini's anti-EU League Party incited a surge of volatility throughout global market.

The S&P 500 was up +2.41% MTD (+2.02% YTD), the MSCI Europe Index was up +0.20% MTD (+0.58% YTD) and the NASDAQ Composite was up +5.50% MTD (+8.32% YTD). The 30yr UST bond finished the month yielding 2.99% (-11bps) and the UST 10yr Note finished yielding 2.82% (-12bps). High Yield closed the month at CY 6.14% (+3bps) / YTW 5.91% (+13bps) returning +0.56% MTD (-0.56% YTD). Top performance this month included MetLife, Bank of America, and Arch Capital.

The Preferred / Subordinated markets retreated in May; especially reacting to the broad risk-off reaction to Italy's politics. Credit spreads widened; which provided an opportunistic window to pick-up relative values and make a few attractive tweaks to the portfolio. It is noted that the approximately 29% of US \$25par (retail) market is now callable within 30 days and approximately 22% is trading at a negative yield to call. Accordingly, the 2nd half of 2018 is likely to have an active redemption / reissuance calendar.

Preferreds & SubDebt provide a variety of term structures, especially with respect to the terms relating to the call feature. While sometimes seen as a complex, these features provide active managers opportunities to construct and tune portfolios to respond to market conditions, where other fixed income securities may have fewer variable terms, but are less adaptable.

Over the past 10 years, the Preferred / SubDebt market has undergone a substantial transition from predominately Fixed-for-Life rate terms to Fixed-to-Floating & Fixed-to-Variable rate terms; presently accounting for over 70% of the portfolio holdings. 2017 was a stellar year for the Preferred / SubDebt markets. While performance over the past few months has been lagging, as spreads narrowed, looking ahead, we remain quite positive that the portfolio is well positioned to post solid returns over the next 3 to 12 months.

USD Founder Eq Acc Share (MLHRUIF)

Fund	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017 Perf	-	-	-	-0.06%	0.57%	0.52%	0.82%	0.17%	0.09%	0.71%	-0.28%	-0.07%	2.49%
NAV	-	-	-	99.94	100.51	101.03	101.86	102.03	102.12	102.85	102.56	102.49	-
2018 Perf	0.51%	-1.59%	-0.97%	-0.23%	-1.56%								-3.80%
NAV	103.01	101.37	100.39	100.16	98.6								-

USD Founder Pooled Acc Share (MLHRUPF)

Fund	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2017 Perf	-	-	-	-	-	-	0.82%	0.17%	0.09%	0.72%	-0.29%	-0.08%	1.43%
NAV	-	-	-	-	-	-	100.82	100.99	101.08	101.81	101.51	101.43	-
2018 Perf	0.52%	-1.60%	-0.97%	-0.23%	-1.55%								-3.79%
NAV	101.96	100.33	99.36	99.13	97.59								-

The performance figures quoted above represent the performance of the High Ridge Credit Opportunities UCITS Fund – USD Institutional Founder Share Class and the USD Institutional Founder Pooled Share Class since launch. These performance figures refer to the past and past performance is not a reliable guide to future performance.

THE MANAGER

SPECTRUM

Asset Management

Portfolio Management Team

Mark Lieb, CEO & Founder

Founded Firm in 1987

41 Years Industry Experience



L. Phillip Jacoby, CIO and Sr. PM

Joined Firm in 1995

35 Years Industry Experience



Manu Krishnan, PM

Joined Firm in 2004

14 Years Industry Experience



Fred Diaz, PM

Joined Firm in 2000

25 Years Industry Experience



Roberto Giangregorio, PM

Joined Firm in 2003

15 Years Industry Experience



Kevin Nugent, PM

Joined Firm in 2012

34 Years Industry Experience



FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$13.18 million
Spectrum Firm AUM	\$22.26 billion
Fund Inception	10th April 2017
Share Class	Institutional Founder
Currency	USD/EUR/CHF/GBP
Share Type	Accumulation & Distributing
Mgt. Fee	0.50%
Perf. Fee	5%
Min Init. Sub.	2,500,000
ISIN Codes	USD: IE00BYYS1N76 / IE00BD6P9132 EUR: IE00BYYS1D78 / IE00BD6P8V62 GBP: IE00BYYS1F92 / IE00BD6P9025 CHF: IE00BYYS1G00 / IE00BD6P8W79
Fund Platform	MontLake UCITS Platform ICAV
Fund Manager	MLC Management Limited (Dublin)
Administrator	Northern Trust International Fund Admin Services (Ireland) Limited
Depository	Northern Trust Fiduciary Services (Ireland) Ltd
Legal Advisor	Maples & Calder – Dublin
Auditor	KPMG – Dublin

Yield Comparatives

	Ticker	Credit	Mod Dur	CY	YTW	CY	YTW	CY	YTW
						Spread	Spread	Ratio	Ratio
US Treasury 5 YR	GA05	AAA	4.64	2.74	2.66	Spread & Ratio Comparatives			
US Corporate	COA0	A-	7.05	3.97	3.94	123	128	1.45	1.48
High Ridge Fund	MLHRUF	BBB+	6.18	6.10	5.58	336	292	2.23	2.10
US High Yield	HOA4	BB-	4.32	6.14	5.91	340	325	2.24	2.22

Top 10 Issuer Concentrations (100%)

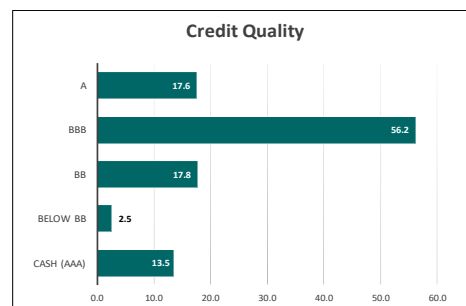
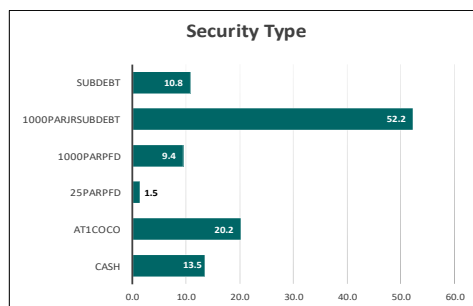
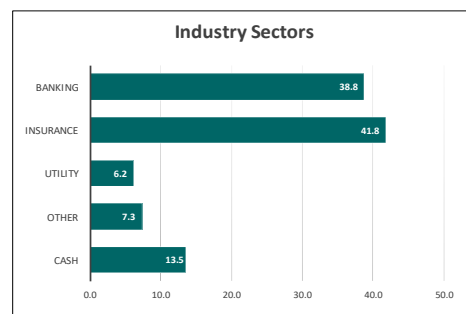
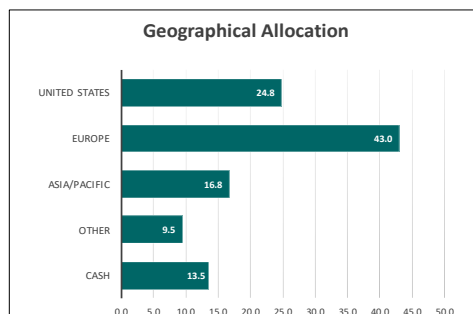
Lloyds	4.7%
AIG	3.5%
HSBC	3.5%
Swiss Re	3.1%
Zurich Insurance Group	3.1%
Legal and General Group	2.9%
Royal Bank of Scotland	2.9%
Standard Chartered	2.8%
Macquarie Bank	2.8%
Liberty Mutual	2.6%
Total	31.9%

Portfolio Overview (Month End)

Number of holdings	101
Number of issuers	56
Modified Duration*	6.2
Average Dollar Price*	\$106.8
Average Coupon*	5.8%
Current Yield*	6.1%
Yield to Maturity*	6.4%
Yield To Worst*	5.6%
Average Credit Rating	BBB+
Fixed to Floating	72.1%
Fixed Rate	18.4%
Floating	3.7%
Overlay	4.1%
Cash	13.5%

*Excludes cash

Positions	Gross Long	Gross Short	Net
Preferred & Sub Debt	94.1%	0%	94.1%
SPY 500 Futures	4.1%	0%	4.1%
Euro Stoxx Bank Futures	0%	0%	0.0%
UST Note Futures	0%	0%	0.0%
US T Bonds Call/Put Spreads	0%	0%	0%
Cash	13.5%	0%	14%
Total	111.7%	0.0%	111.7%



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Disclaimer

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