

High Ridge Credit Opportunities UCITS Fund

Alternative Investment

September 2019

Performance Returns

The High Ridge Credit Opportunities UCITS Fund returned 0.79% MTD / 13.84% YTD (USD Founder Eq Acc Share) and 0.79% MTD / 13.81% YTD (USD Founder Pooled Acc Share) for the month of September.

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

Central Banks remain aligned to thwart sluggish growth. The FED seems poised to lower rates by another 25 bpts and implement a "Twist" (buy T-Bills / Sell T-Bonds) in 4Q19 to nudge-up the yield curve. Negative rates in Europe and Japan a set to remain in place. Bottom-line, markets expect a prolonged spell of low rates, and again, investors are searching for yield.

Markets seem tired and frustrated by the lack of progress with respect to Brexit and US/China trade and any signs of movement, however significant or incremental, would be very welcomed by the equity and fixed-income investors alike.

The S&P 500 was up +1.87% MTD (+20.55% YTD), the MSCI Europe Index was up +3.77% MTD (+19.90% YTD) and the NASDAQ Composite was up +0.54% MTD (+21.56% YTD). The 30yr UST bond finished the month yielding 2.12% (+15bps) and the UST 10yr Note finished yielding 1.68% (+17bps). High Yield closed the month at CY 5.91% (-6bps) / YTW 5.00% (-8bps) returning 0.35% MTD (+12.21% YTD). The Fund's top performers this month included Liberty Mutual Group, Arch Capital Group, Barclays and the Overlays.

At the end of Sept. the credit spread (Fund YTW vs. UST 5Yr.) was 287 bpts, down slightly from 304 bpts from August. While the \$25par segment of the market looks overvalued with minimal convexity, the \$1000par Jr. Sub and CoCo market remain attractively valued for investors seeking yield. The Fund continues to favor fixed-to-floating and fixed-to-variable structures with high backend structures. Of course, issuer credit quality is always a key criteria to security selection.

USD Founder Eq Acc Share (MLHRUIF)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
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%	-0.79%	1.13%	0.39%	0.00%	-1.90%	-2.65%	-1.53%	-8.87%
	NAV	103.01	101.37	100.39	100.16	98.60	97.82	98.93	99.32	99.32	97.43	94.85	93.40	-
2019	Perf	3.91%	1.11%	1.71%	1.78%	-0.20%	2.43%	0.95%	0.62%	0.79%				13.84%
	NAV	97.05	98.13	99.81	101.59	101.39	103.85	104.84	105.49	106.32				-

USD Founder Pooled Acc Share (MLHRUPF)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2017	Perf	-	-	-	-	-	-	0.82%	0.17%	0.09%	0.72%	-0.29%	-0.08%	1.43%
	NAV	-	-	-	-	-	-	100.08	100.99	101.08	101.81	101.51	101.43	-
2018	Perf	0.52%	-1.60%	-0.97%	-0.23%	-1.55%	-0.80%	1.14%	0.40%	0.00%	-1.90%	-2.65%	-1.52%	-8.86%
	NAV	101.96	100.33	99.36	99.13	97.59	96.81	97.91	98.30	98.30	96.43	93.87	92.44	-
2019	Perf	3.91%	1.11%	1.72%	1.78%	-0.21%	2.41%	0.94%	0.62%	0.79%				13.81%
	NAV	96.05	97.12	98.79	100.55	100.34	102.76	103.73	104.37	105.20				-

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



Portfolio Management Team

Mark Lieb, CEO & Founder
 Founded Firm in 1987
 42 Years Industry Experience



L. Phillip Jacoby, CIO and Sr. PM
 Joined Firm in 1995
 37 Years Industry Experience



Manu Krishnan, PM
 Joined Firm in 2004
 15 Years Industry Experience



Fred Diaz, PM
 Joined Firm in 2000
 27 Years Industry Experience



Roberto Giangregorio, PM
 Joined Firm in 2003
 17 Years Industry Experience



Kevin Nugent, PM
 Joined Firm in 2012
 35 Years Industry Experience



Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$10.78 million
Spectrum Firm AUM	\$21.59 billion
Inception	10th April 2017

Share Class	Institutional Founder Pooled
Currency	EUR/USD/CHF/GBP
Share Type	Accumulation & Distributing
Mgt. Fee	0.50%
Perf. Fee	5.00%
Min Init. Sub.	2,500,000
ISIN Codes	USD: IE00BYYS1N76 / IE00BD6P9132 EUR: IE00BYYS1D78 / IE00BD6P8V62 GBP: IE00BYYS1F92 / E100BD6P9025 CHF: IE00BYYS1G00 / IE00BD6P8W79
Fund Platform	MontLake UCITS Platform ICAV
Fund Manager	MontLake Management Ltd (Dublin)
Administrator	Northern Trust International Fund Admin Services (Ireland) Limited
Depository	Northern Trust Fiduciary Services (Ireland) Ltd
Legal Advisor	Maples Group – Dublin
Auditor	KPMG – Dublin

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Yield Comparatives

	Ticker	Credit	Mod Dur	CY	YTW	CY Spread	YTW Spread	CY Ratio	YTW Ratio
US Treasury 5 YR	GA05	AAA	4.80	1.50	1.55	Spread & Ratio Comparatives			
US Corporate	COA0	A-	7.48	3.76	2.97	226	142	2.50	1.92
High Ridge Fund	MLHRUF	BBB	4.85	6.16	4.42	466	287	4.10	2.85
US High Yield	H0A4	BB-	3.27	5.91	5	441	345	3.93	3.23

Top 10 Issuer Concentrations (100%)

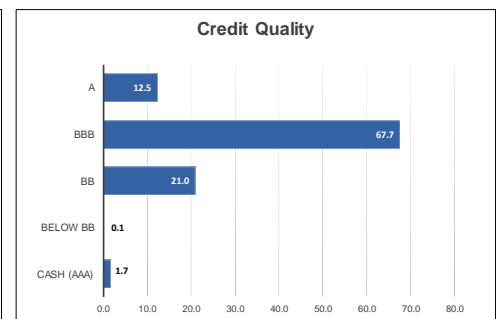
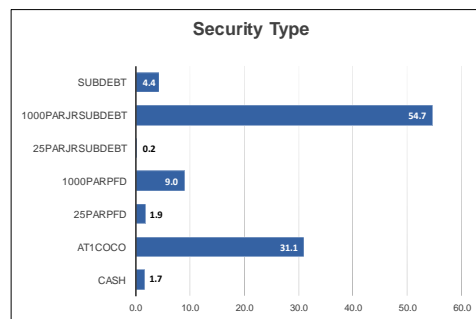
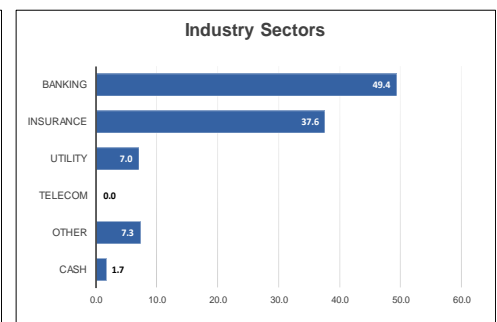
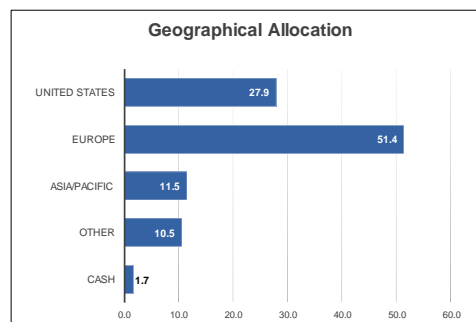
AIG	4.5%
BNP Paribas	4.3%
Zurich Insurance Group	4.2%
Barclays	4.1%
Prudential Financial	4.0%
Credit Agricole	4.0%
Liberty Mutual	3.4%
HSBC	3.4%
BHP Billiton	3.3%
Societe Generale	3.3%
Total	38.6%

Portfolio Overview (Month End)

Number of holdings	105
Number of issuers	49
Modified Duration*	4.8
Average Dollar Price*	\$111.8
Average Coupon*	7.0%
Current Yield*	6.2%
Yield to Maturity*	5.5%
Yield To Worst*	4.4%
Average Credit Rating	BBB
Fixed to Floating	41.9%
Fixed to Variable	45.1%
Fixed Rate	12.0%
Floating	2.2%
Overlay	-2.4%
Cash	1.7%

*Excludes cash

Positions	Gross Long	Gross Short	Net
Preferred & Sub Debt	1013%	0%	1013%
SPY 500 Futures	0%	0%	0%
Euro Stoxx Bank Futures	0%	0%	0%
UST Note Futures	0%	2.4%	-2.4%
US T Bonds Call/Put Spreads	0%	0%	0%
Cash	17%	0%	17%
Total	103.0%	2.4%	100.6%



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