

High Ridge Credit Opportunities UCITS Fund

Alternative Investment

November 2019

Performance Returns

The High Ridge Credit Opportunities UCITS Fund returned 0.42% MTD / 15.63% YTD (USD Founder Eq Acc Share) and 0.41% MTD / 15.60% YTD (USD Founder Pooled Acc Share) for the month of November.

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

US treasury rates rose across the curve with 5's, 7's, 10's and 30's increasing by 10, 12, 8 and 2 bps respectively. Equity markets continued to rally this month on optimism that a Phase One deal between the US and China was around the corner.

The S&P 500 was up +3.63% MTD (+27.63% YTD), the MSCI Europe Index was up +2.72% MTD (+24.24% YTD) and the NASDAQ Composite was up +4.65% MTD (+31.93% YTD). The 30yr UST bond finished the month yielding 2.20% (+2bps) and the UST 10yr Note finished yielding 1.78% (+9bps). High Yield closed the month at CY 5.90% (-3bps) / YTW 4.88% (-13bps) returning +0.61% MTD (+13.27% YTD). The Fund's top performers this month included Barclays, Société Générale, Lincoln National and AIG.

As we anticipated, there was a divergence in performance between the institutional \$1000 par sector relative to the retail \$25 par sector with the \$1000 par ICE BofA/ML US IG Institutional Capital Securities Index (CIPS) returning 0.70% and the \$25 par ICE BofA/ML Fixed Rate Preferred Securities Index (POP2) returning -0.88% this month. The \$25 par sector underperformed as rates rose and we had significant supply come to market. We would expect further correction in the \$25 par sector relative to \$1000's given relative spread differentials.

The ICE BofA/ML US All Capital Securities Index (IOCS) that includes below IG Preferreds returned 0.01%. The best performing sector this month was AT1 Coco's that returned 1.42% (Markit IBXCC1D1 Index). Coco's continue to be sought after given their relative yield pick-up.

Spreads on the CIPS index tightened by 16 bps this month to 212 bps as rates rose. Despite the spread tightening year to date, spreads on the CIPS index are still wide of a long-term average (from Jan 2013 onwards) of 201 bps. Therefore, there is still some room for spread performance if we get a risk-on environment with rising rates in the wake of a US-China trade deal.

As of month-end, the credit spread (Fund vs. the UST 5Yr) was 448 bps (CY) / 265 bps (YTW). Our outlook for the next 12 months remains positive. Fixed-Income investors will continue to be searching for yield and a steady stream of coupon payments.

The Manager



Portfolio Management Team

Mark Lieb, CEO & Founder
 Founded Firm in 1987
 43 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
 16 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	\$10.94 million
Spectrum Firm AUM	\$22.64 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 / IE00BD6P9025
 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

USD Founder Eq Acc Share (MLHRUIF)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	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%	1.16%	0.42%		15.63%
	NAV	97.05	98.13	99.81	101.59	101.39	103.85	104.84	105.49	106.32	107.55	108.00		-

USD Founder Pooled Acc Share (MLHRUFP)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D
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%	-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%	0.80%	1.16%	0.41%		15.60%
	NAV	96.05	97.12	98.79	100.55	100.34	102.76	103.73	104.37	105.20	106.42	106.86		-

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.

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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	4.71	1.51	1.63	Spread & Ratio Comparatives			
US Corporate	C0A0	A-	7.55	3.75	2.93	224	130	2.48	1.80
High Ridge Fund	MLHRUFP	BBB	4.92	5.99	4.28	448	265	3.97	2.62
US High Yield	H0A4	BB-	3.18	5.90	4.88	439	325	3.91	2.99

Top 10 Issuer Concentrations (100%)

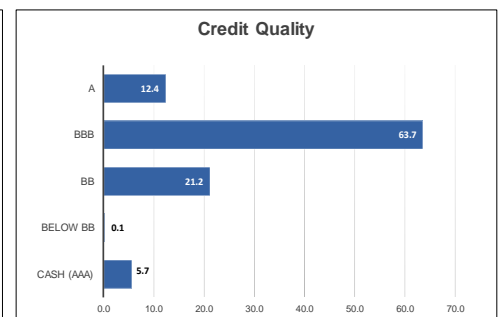
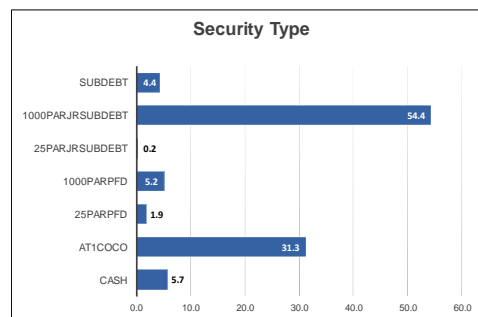
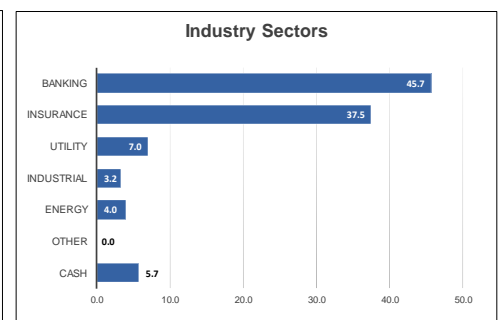
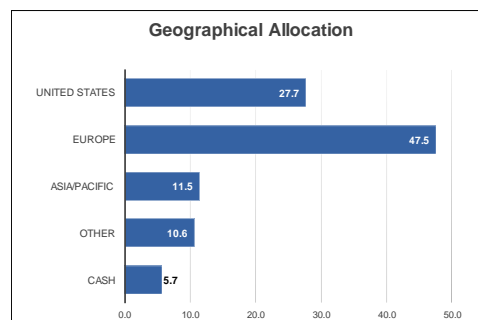
ALG	4.5%
BNP Paribas	4.3%
Barclays	4.2%
Zurich Insurance Group	4.2%
Prudential Financial	4.0%
HSBC	3.4%
Liberty Mutual	3.4%
Societe Generale	3.3%
BHP Billiton	3.2%
MetLife	3.1%
Total	37.6%

Portfolio Overview (Month End)

Number of holdings	106
Number of issuers	50
Modified Duration*	4.9
Average Dollar Price*	\$113.5
Average Coupon*	6.9%
Current Yield*	6.0%
Yield to Maturity*	5.6%
Yield To Worst*	4.3%
Average Credit Rating	BBB
Fixed to Floating	37.9%
Fixed to Variable	45.2%
Fixed Rate	12.0%
Floating	2.3%
Overlay	-5.7%
Cash	5.7%

*Excludes cash

Positions	Gross Long	Gross Short	Net
Preferred & Sub Debt	97.3%	0%	97.3%
SPY 500 Futures	0%	2.9%	-2.9%
Euro Stoxx Bank Futures	0.7%	0%	0.7%
UST Note Futures	0%	3.5%	-3.5%
US T Bonds Call/Put Spreads	0%	0%	0%
Cash	5.7%	0%	5.7%
Total	103.8%	6.4%	97.3%



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