

FACTSHEET

Performance Returns

The High Ridge Credit Opportunities UCITS Fund returned 0.0% (USD Founder Eq Acc Share) and 0.0% (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

September news headlines continued to focus on Italy, Brexit, US-China trade tensions, Emerging Markets and higher oil prices. The Mexico-US-Canada trade negotiations concluded at month-end with the adoption of Nafta 2.0. Meanwhile, US-EU negotiations trade inched forward. The BOE held interest rates unchanged. US mid-term elections moved into full swing where Republican control of House is especially vulnerable. As expected, the Fed raised rates 25bp. Investors are awaiting 3Q18 earnings reports. Given US growth, low unemployment and moderate inflation; investors are already asking what lies ahead for 2019. How will the FED navigate monetary policy and avoid overstepping? Will the rising US\$ hinder exports, will corporate earnings slacken, will US-China tariff wars escalate? Will Theresa May somehow cobble together support to reach a compromised Brexit solution? Will European growth gain pace?

The post-financial crisis has been exceptionally slow process with many bumps, turns and obstacles all along the way. Notwithstanding the questions and issues to be address in 2019, the recovery process has not derailed and does not show signs of critical systemic excess and risk. In fact, the Central Banks have repeatedly noted that they need to be very mindful of these issues. St. Louis Fed President James Bullard and Chicago's Charles Evans have been consistently noting that the Fed must be cautious; noting concern that the Fed's policy rate is at or very close to neutral right now.

Indeed, 2018 has been admittedly produced lackluster total returns for capital securities investors. The paced yield hikes have been slow, positively impacting Net Interest Margins, which should opportunistically flow through into earnings; bolstering issuer sub debt credit and drive added relative value vs. High Yield, EMD and Real Estate Debt.

The S&P 500 was up +0.57% MTD (+10.56% YTD), the MSCI Europe Index was down +0.53% MTD (+1.33% YTD) and the NASDAQ Composite was up -0.70% MTD (+17.49% YTD). The 30yr UST bond finished the month yielding 3.20% (+19bps) and the UST 10yr Note finished yielding 3.06% (+21bps). High Yield closed the month at CY 6.12% (+/-0bp) / YTW 5.78% (-3bps) returning +0.51% MTD (+1.91% YTD). Top performers this month included Unicredit, Intesa SanPaolo, Lloyds and the Overlays.

In that regard, it should be noted that the YTW spread between the High Ridge Fund (**BBB Avg Credit**) and the US High Yield Index (**BB- Avg Credit**) is **only 8bp** (YTW 5.78% vs. 5.84%). The narrow-spread level is indicative of the Preferred / Subordinated market's attractive relative value. It is also noted that 82% of the Fund's portfolio is Adjustable Rate (i.e. F2F, F2V, and Floating) rather than Fixed-for-Life.

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%	-0.79%	1.13%	0.39%	0.00%				-3.09%
	NAV	103.01	101.37	100.39	100.16	98.60	97.82	98.93	99.32	99.32				-

USD Founder Pooled Acc Share (MLHRUPP)

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%	-0.80%	1.14%	0.40%	0.00%				-3.09%
	NAV	101.96	100.33	99.36	99.13	97.59	96.81	97.91	98.30	98.30				-

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	\$12.27 million
Spectrum Firm AUM	\$20.9 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 / EI00BD6P9025 CHF: IE00BYYS1G00 / IE00BD6P8W79
Fund Platform	MontLake UCITS Platform ICAV
Fund Manager Administrator	MLC Management Limited (Dublin) 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 Spread	YTW Spread	CY Ratio	YTW Ratio
US Treasury 5 YR	GA05	AAA	4.55	2.77	2.94	Spread & Ratio Comparatives			
US Corporate	COA0	A-	6.99	4.05	4.12	128	118	1.46	1.40
High Ridge Fund	MLHRUFP	BBB	5.91	6.15	5.70	338	276	2.22	1.94
US High Yield	HOA4	BB-	4.08	6.12	5.78	334	284	2.21	1.97

Top 10 Issuer Concentrations (100%)

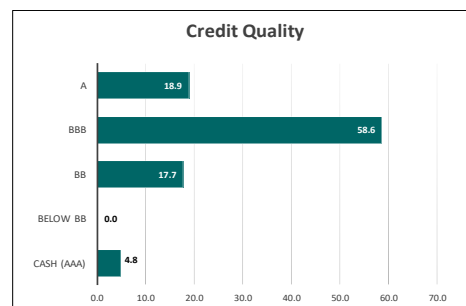
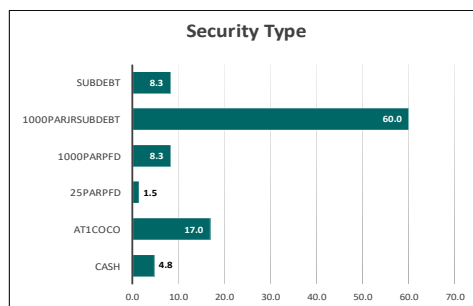
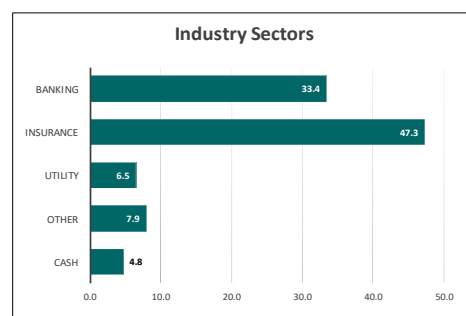
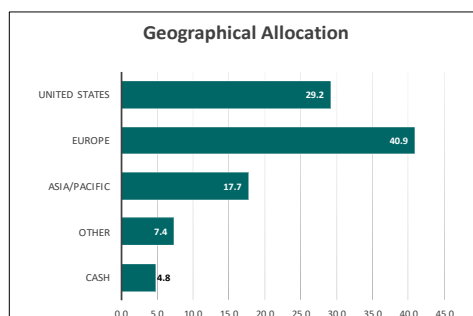
Lloyds	4.8%
Lincoln National	3.8%
AIG	3.6%
Swiss Re	3.3%
Zurich Insurance Group	3.3%
Legal and General Group	3.1%
HSBC	2.5%
Macquarie Bank	3.0%
Standard Chartered	2.6%
Liberty Mutual	2.7%
Total	32.6%

Portfolio Overview (Month End)

Number of holdings	48
Number of issuers	43
Modified Duration*	5.9
Average Dollar Price*	\$105.7
Average Coupon*	6.6%
Current Yield*	6.2%
Yield to Maturity*	6.5%
Yield To Worst*	5.7%
Average Credit Rating	BBB
Fixed to Floating	42.6%
Fixed to Variable	32.4%
Fixed Rate	13.3%
Floating	6.9%
Overlay	3.8%
Cash	4.8%

*Excludes cash

Positions	Gross Long	Gross Short	Net
Preferred & Sub Debt	95.2%	0%	95.2%
SPY 500 Futures	4.8%	0%	4.8%
Euro Stoxx Bank Futures	0%	0%	0.0%
UST Note Futures	0%	1%	-1.0%
US T Bonds Call/Put Spreads	0%	0%	0%
Cash	4.8%	0%	4.8%
Total	104.8%	1.0%	103.8%



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Authorised and Regulated by the Central Bank of Ireland.