

High Ridge Credit Opportunities UCITS Fund

Alternative Investment

January 2020

Performance Returns

The High Ridge Credit Opportunities UCITS Fund returned 1.10% MTD / 1.10% YTD (USD Founder Eq Acc Share) and 1.11% MTD / 1.11% YTD (USD Founder Pooled Acc Share) for the month of January.

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

January was defined by a significant rally in US Treasuries as investors were pricing in slower global growth due to concerns around the spread of the Coronavirus. Tens and Thirtys rallied by 41 and 39 bps respectively. Equities worldwide and more specifically in China came under pressure as investors were nervous about the implications of the Coronavirus. While equities were weak, Pfd's and Jr. Subordinated Capital Securities continued to rally given lower interest rates, favorable credit and on-going Central bank accommodation.

The S&P 500 was down -0.04% MTD (-0.04% YTD), the MSCI Europe Index was down -1.23% MTD (-1.23% YTD) and the NASDAQ Composite was up +2.03% MTD (+2.03% YTD). The 30yr UST bond finished the month yielding 2.01% (-37bps) and the UST 10yr Note finished yielding 1.52% (-39bps). High Yield closed the month at CY 5.83% (+3bps) / YTW 4.74% (+21bps) returning +0.07% MTD (+0.07% YTD). As of month-end, the Fund's credit spread vs. 5Yr Treasury totalled CY+455bt (5.92% vs. 1.38%) and YTW +260bp (3.93% vs. 1.33%). The Fund's top performers this month included Banco Mercantil del Norte, AIG, Arch Capital Group and Macquarie Bank.

As we started the year, the market was bulled up due to the step-one trade deal between the US and China. That positive trade news combined with stable US economic data and accommodative central banks has fostered continued risk taking by investors. Some cracks have appeared on this bullish outlook with the outbreak of the Coronavirus. But that notwithstanding the fundamentals of the US economy and by extension the G-20 economies remain on a firm footing. Financial conditions remain accommodative and US economic data continues to come on the positive side.

Given this backdrop we would expect rates to remain range bound and could hope to expect a period of coupon clipping performance as investors earn their coupon carry.

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%	0.75%	16.50%
	NAV	97.05	98.13	99.81	101.59	101.39	103.85	104.84	105.49	106.32	107.55	108.00	108.81	-
2020	Perf	1.10%												1.10%
	NAV	110.01												-

USD Founder Pooled Acc Share (MLHRUPF)

		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%	0.75%	16.46%
	NAV	96.05	97.12	98.79	100.55	100.34	102.76	103.73	104.37	105.20	106.42	106.86	107.66	-
2020	Perf	1.11%												1.11%
	NAV	108.85												-

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
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
36 Years Industry Experience



Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$10.98 million
Spectrum Firm AUM	\$23.65 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	4.81	1.38	1.33	Spread & Ratio Comparatives			
US Corporate	COA0	A-	7.69	3.67	2.64	229	131	2.67	1.98
High Ridge Fund	MLHRUPF	BBB	4.91	5.92	3.93	455	260	4.30	2.95
US High Yield	H0A4	BB-	3.23	5.83	4.74	445	341	4.23	3.56

Top 10 Issuer Concentrations (100%)

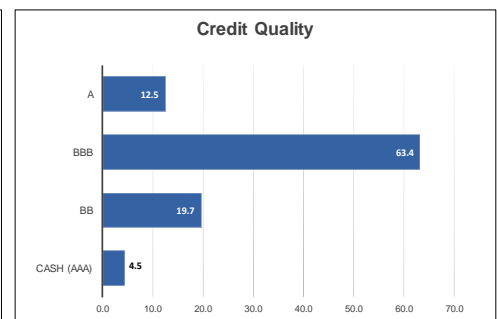
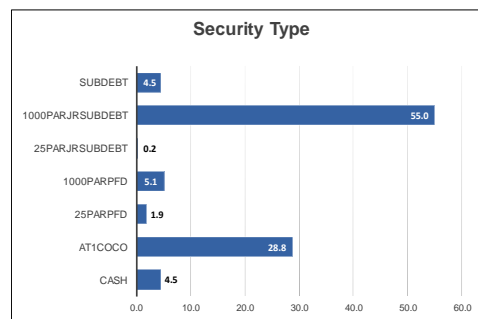
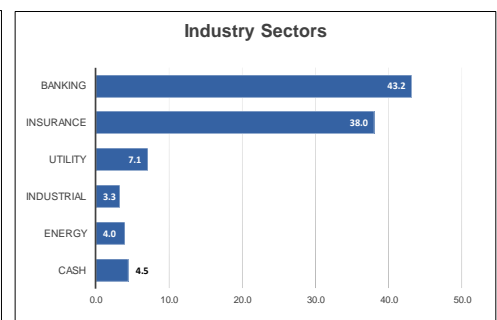
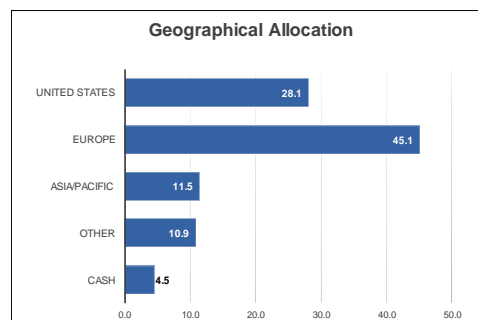
ALG	4.6%
Zurich Insurance Group	4.2%
BNP Paribas	4.1%
Barclays	4.0%
Prudential Financial	4.0%
Liberty Mutual	3.5%
BHP Billiton	3.3%
MetLife	3.1%
Nordea Bank	3.1%
Societe Generale	3.1%
Total	37.0%

Portfolio Overview (Month End)

Number of holdings	41
Number of issuers	38
Modified Duration*	4.9
Average Dollar Price*	\$116.1
Average Coupon*	6.9%
Current Yield*	5.9%
Yield to Maturity*	5.4%
Yield To Worst*	3.9%
Average Credit Rating	BBB
Fixed to Floating	38.0%
Fixed to Variable	43.0%
Fixed Rate	12.2%
Floating	2.4%
Overlay	-3.9%
Cash	4.5%

*Excludes cash

Positions	Gross Long	Gross Short	Net
Preferred & Sub Debt	95.5%	0%	95.5%
SPY 500 Futures	0%	15%	-15%
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	4.5%	0%	4.5%
Total	100.0%	3.9%	96.1%



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