

FACTSHEET

Performance Returns

The High Ridge Credit Opportunities UCITS Fund (“the Fund”) returned 3.91% (USD Founder Eq Acc Share) and 3.91% (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 2019 posted positive returns; a sharp reversal from the risk-off battering that hit the global equity and fixed-income credit markets in 4Q 2018.

The S&P 500 was up +8.01% MTD (-2.32% LTM), the MSCI Europe Index was up +6.23% MTD (-6.00% LTM) and the NASDAQ Composite was up +9.79% MTD (-0.65% LTM). The 30yr UST bond finished the month yielding 3.00% (-2bps) and the UST 10yr Note finished yielding 2.64% (-5bps). High Yield closed the month at CY 6.25% (-25bp) / YTW 6.25% (-95bps) returning +4.43% MTD (1.87% LTM).

The Fund began the new year on a solid note; up + 3.91%. Top performers this month included Arch Capital, AIG Life Holdings, Hartford Financial Services and the Overlays.

The Dec vs. Jan moves trace directly to the FED. Powell’s statement that “we’re a long way from neutral” was a key catalyst sparking the sell-off; given the stakes that on-going rate hikes would severely undermine US growth and hasten a global downturn. The flight-to-quality was compounded added contributing factors, such year-end tax selling & rebalancing and geopolitical concerns such as the looming Brexit time-clock, the Trump Wall Government Shutdown and the US/China Trade War. During Christmas week spooked investors reached a point of capitulation, sending sell orders into a market where institutions and dealers are traditionally in “low-mode” awaiting year-end.

As the New Year dawned, investors awoke to the fact that the FED “will patiently await greater clarity” and a rate pause was put on-the table. Moreover, the FED clarified that its policy to reduce its bloated QE balance sheet would be delicately managed, and not set on auto-pilot. January’s 4Q corporate earnings reports have been pretty good overall, yet not good-enough to kindle inflation hawks. Geopolitical concerns remain unsettled. However, the Brexit timeline may be extended, another US government shutdown seems unlikely, and hopefully, US/China trade talks will move forward. All would be an added positive boost.

The gloom of December left us with widened credit spreads. Although spreads tightened a bit in January, the Fund’s YTW vs. the 5 Yr UST as of Jan 31st was at 344 bp (i.e. 5.88% vs. 2.44%); an opportunistic point of entry for investors with cash on the sidelines. The Financial Sector sub debt fundamentals have been and remain solid. The premium for subordinated credit is attractive. For investors with cash on the sidelines, wide credit spreads provide a downside cushion and an upside for capital appreciation

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%	-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%												
NAV	97.05												

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%	-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%												
NAV	96.05												

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

42 Years Industry Experience



L. Phillip Jacoby, CIO and Sr. PM

Joined Firm in 1995

36 Years Industry Experience



Manu Krishnan, PM

Joined Firm in 2004

15 Years Industry Experience



Fred Diaz, PM

Joined Firm in 2000

26 Years Industry Experience



Roberto Giangregorio, PM

Joined Firm in 2003

16 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	\$10.31 million
Spectrum Firm AUM	\$19.2 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 Spread	YTW Spread	CY Ratio	YTW Ratio
US Treasury 5 YR	GA05	AAA	4.67	2.49	2.44	Spread & Ratio Comparatives			
US Corporate	COA0	A-	6.95	4.06	3.99	157	155	1.63	1.64
High Ridge Fund	MLHRUFP	BBB	5.82	6.28	5.88	379	344	2.52	2.41
US High Yield	HOA4	BB-	4.06	6.25	6.25	376	381	2.51	2.56

Top 10 Issuer Concentrations (100%)

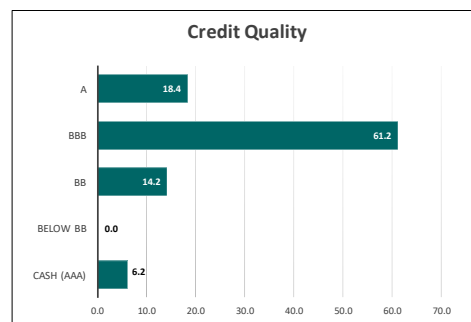
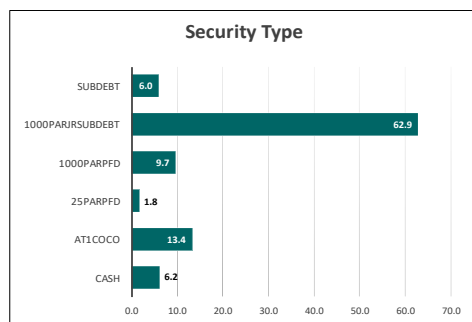
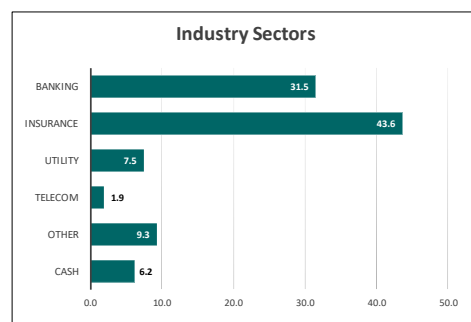
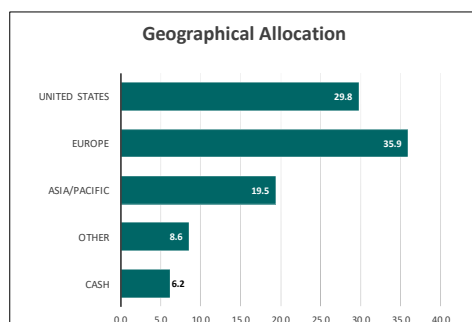
Lloyds	4.3%
HSBC	2.8%
AIG	4.3%
Zurich Insurance Group	4.1%
Swiss Re	2.0%
Societe Generale	2.9%
Royal Bank of Scotland	2.9%
Barclays	2.9%
Legal and General Group	1.9%
BHP Billiton	3.2%
Total	31.4%

Portfolio Overview (Month End)

Number of holdings	43
Number of issuers	39
Modified Duration*	5.8
Average Dollar Price*	\$103.5
Average Coupon*	6.6%
Current Yield*	6.3%
Yield to Maturity*	6.5%
Yield To Worst*	5.9%
Average Credit Rating	BBB
Fixed to Floating	47.0%
Fixed to Variable	30.0%
Fixed Rate	11.0%
Floating	5.8%
Overlay	2.6%
Cash	6.2%

*Excludes cash

Positions	Gross Long	Gross Short	Net
Preferred & Sub Debt	93.8%	0%	93.8%
SPY 500 Futures	2.6%	0%	2.6%
Euro Stoxx Bank Futures	0%	0%	0%
UST Note Futures	0%	0%	0%
US T Bonds Call/Put Spreads	0%	0%	0%
Cash	6.2%	0%	6.2%
Total	102.6%	0.0%	102.6%



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