

FACTSHEET

Performance Returns

The High Ridge Credit Opportunities UCITS Fund returned MTD +0.62% / YTD +12.94%(USD Founder Eq Acc Share) and MTD +0.62% / YTD +12.91% (USD Founder Pooled Acc Share) for the month of August.

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

Tepid global growth has been the lead headline. Markets are focused on FED & ECB stimulus and prolonged uncertainties resulting from the US / China Trade War and Brexit turmoil.

The S&P 500 was down -1.58% MTD (+18.34% YTD), the MSCI Europe Index was down -1.42% MTD (+15.55% YTD) and the NASDAQ Composite was down -2.46% MTD (+20.90% YTD). The 30yr UST bond finished the month yielding 1.97% (-56bps) and the UST 10yr Note finished yielding 1.51% (-51bps). High Yield closed the month at CY 5.97% (-3bps) / YTW 5.08% (-21bps) returning 0.73% MTD (11.82% YTD). Top performers this month included AIG Life Holdings, Meiji Yasuda Life and Citigroup Inc.

We anticipate a prolonged period of low yields driven by a global alignment of central bank stimulus policy. The "Search For Yield" is very much in the spotlight. Key take-aways are:

- The Preferred & Capital Securities segment of the corporate fixed income market remain especially attractive.
- Leading Banks, Insurance Companies, Utilities and other issuers have strong balance sheets to cover coupon payments. Yet, portfolio allocation is very important. Notably, in the \$25par traditional preferred market, which has become over-bought and expensive. On the other hand, the Jr. Subordinated institutional \$1000par and CoCo markets offer attractive relative values.
- Given prevailing risk - reward factors, the Preferred & Capital Securities markets should continue to see steady inflows driven by investor allocations resulting from profit taking and exposure reduction in 1) Equity 2) Gov't and Corporate High Grade Bonds and 3) High Yield Bonds.
- While credit spreads have narrowed since Dec 2018, the UST 5Yr vs. Fund YTW spread remains attractive at 282bps as of month-end.
- The Preferred & Capital Securities markets offer attractive values – where security selection is especially important. Fixed-to-Float / Fixed-to-Variable structures with "high back-ends" - which provide greater upside and extension protection – are favored.

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%	1.11%	1.71%	1.78%	-0.20%	2.43%	0.95%	0.62%					12.94%
NAV	97.05	98.13	99.81	101.59	101.39	103.85	104.84	105.49					-

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%	1.11%	1.72%	1.78%	-0.21%	2.41%	0.94%	0.62%					12.91%
NAV	96.05	97.12	98.79	100.55	100.34	102.76	103.73	104.37					-

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
 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	\$10.70 million
Spectrum Firm AUM	\$21.19 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 / E100BD6P9025
	CHF: IE00BYYS1G00 / IE00BD6P8W79

Fund Platform	MontLake UCITS Platform ICAV
Fund Manager	MontLake 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

High Ridge Credit Opportunities UCITS Fund

Alternative Investment

August 2019

Yield Comparatives

	Ticker	Credit	Mod Dur	CY	YTW	CY Spread	YTW Spread	CY Ratio	YTW Ratio
US Treasury 5 YR	GA05	AAA	4.69	1.72	1.40	Spread & Ratio Comparatives			
US Corporate	COA0	A-	7.52	3.74	2.87	202	147	2.17	2.05
High Ridge Fund	MLHRUFP	BBB	4.75	6.13	4.44	441	304	3.56	3.17
US High Yield	HOA4	BB-	3.24	5.97	5.08	425	368	3.47	3.63

Top 10 Issuer Concentrations (100%)

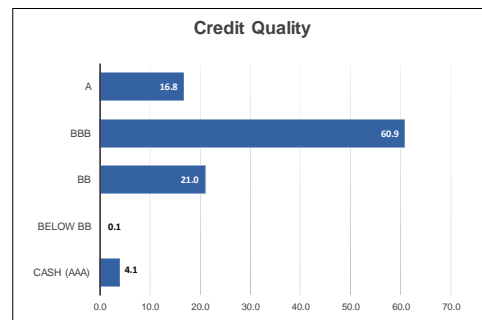
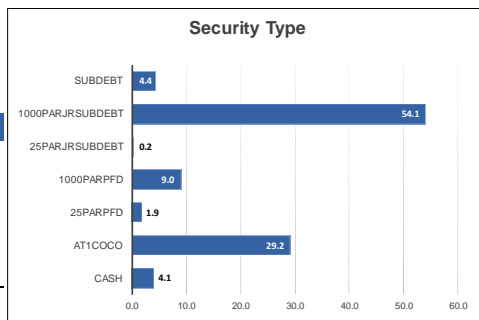
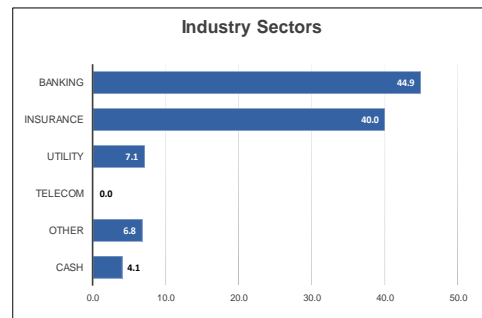
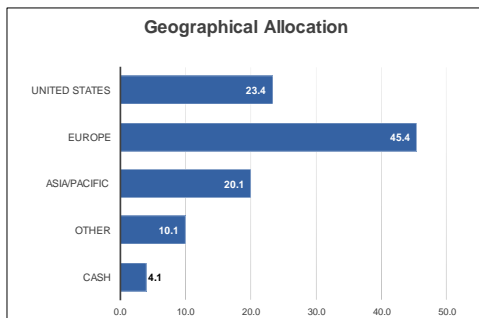
AIG	4.5%
Zurich Insurance Group	4.2%
Barclays	4.1%
Credit Agricole	4.1%
Liberty Mutual	3.4%
HSBC	3.4%
BHP Billiton	3.4%
Societe Generale	3.3%
Nordea Bank	3.1%
Nippon Life Insurance	3.1%
Total	36.6%

Portfolio Overview (Month End)

Number of holdings	106
Number of issuers	49
Modified Duration*	4.8
Average Dollar Price*	\$110.8
Average Coupon*	6.8%
Current Yield*	6.1%
Yield to Maturity*	5.5%
Yield To Worst*	4.4%
Average Credit Rating	BBB
Fixed to Floating	42.6%
Fixed to Variable	42.6%
Fixed Rate	11.4%
Floating	2.3%
Overlay	1.9%
Cash	4.1%

*Excludes cash

Positions	Gross Long	Gross Short	Net
Preferred & Sub Debt	98.9%	0%	98.9%
SPY 500 Futures	0%	0%	0%
Euro Stoxx Bank Futures	2.1%	0%	2.1%
UST Note Futures	0%	0.1%	-0.1%
US T Bonds Call/Put Spreads	0%	0%	0%
Cash	4.1%	0%	4.1%
Total	105.0%	0.1%	104.9%



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