

FACTSHEET

Performance Returns

The High Ridge Credit Opportunities UCITS Fund returned -0.79% (USD Founder Eq Acc Share) and -0.80% (USD Founder Pooled Acc Share) for the month of June.

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

June news headlines remained focused on geopolitics. From June 14 to June 27, market volatility spiked across-the-board and the Fund's early gains reversed course. Trade-war tensions escalated with the U.S. targeting China as well as the EU, Mexico & Canada; threatening sustained global growth. Theresa May's government was splintered by cabinet defections over her "soft" Brexit plan. And similarly, Angela Merkel's coalition showed signs of fracturing over her unpopular immigration policy.

The S&P 500 was up +0.62% MTD (+2.65% YTD), the MSCI Europe Index was down -0.65% MTD (-0.07% YTD) and the NASDAQ Composite was up +0.98% MTD (+9.38% YTD). The 30yr UST bond finished the month yielding 2.98% (-1bp) and the UST 10yr Note finished yielding 2.85% (+3bps). High Yield closed the month at CY 6.15% (+1bp) / YTW 6.03% (+12bps) returning +0.23% MTD (-0.47% YTD). Top performance this month included RBS Capital, Arch Capital Group and Standard Chartered PLC.

Despite solid bank stress tests and a positive outlook for the financial sector, the Preferred & Subordinated market was not immune to the mid-June friction. There was one notable outlier, the \$25par Preferred "retail" segment of the market. Dominated by ETFs, the \$25par Preferreds underperformed the broader \$1000 par institutional market in 2016 and 2017. So far this year, the \$25par Preferreds have now modestly outperformed. The YTW for the \$25par market (e.g. PFF) has fallen to approximately 2.5%; driven by retail investor demand in conjunction with active issuer calls. The total outstanding universe of \$25par issues has continued to shrink.

By compassion, the YTW for \$1000par SubDebt & CoCo securities remains at approximately 5%. Laden with fixed-for-life and negative-yield-to-call securities, we view \$25par market highly overvalued, and accordingly, the Fund has few holdings in this segment.

We believe that the yield curve will remain flat and UST 10yr yields will remain below 3% during the 2nd half of 2018. While 2018 began on a positive note in January, it has been frustrating that returns since February have been lagging; largely driven by short term ups & downs of the news cycle. That said, our outlook for the 2nd half of 2018 is positive; seeing ample opportunity to achieve target returns over the next 6 to 12 months based upon attractive relative value.

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%						-4.56%
	NAV	103.01	101.37	100.39	100.16	98.6	97.82						-

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%						-4.55%
	NAV	101.96	100.33	99.36	99.13	97.59	96.81						-

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	\$12.12 million
Spectrum Firm AUM	\$21.57 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: IE00BYYS1N78 / IE00BD6P9132 EUR: IE00BYYS1D78 / IE00BD6P8V62 GBP: IE00BYYS1F92 / IE00BD6P9025 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	4.56	2.75	2.72	Spread & Ratio Comparatives			
US Corporate	COA0	A-	6.99	4.02	4.07	127	135	1.46	1.50
High Ridge Fund	MLHRUFP	BBB	6.08	6.03	5.59	328	287	2.19	2.06
US High Yield	HOA4	BB-	4.32	6.15	6.03	341	331	2.24	2.22

Top 10 Issuer Concentrations (100%)

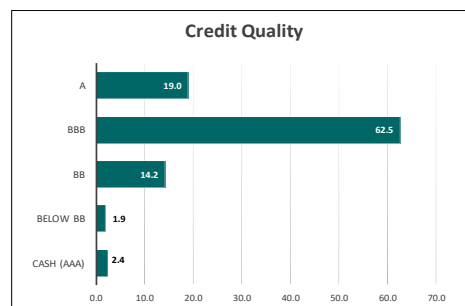
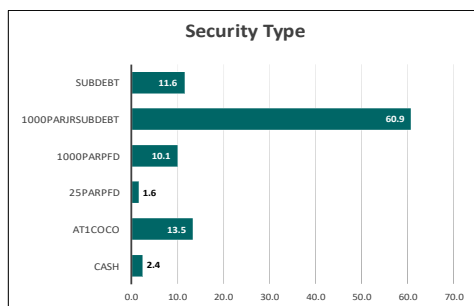
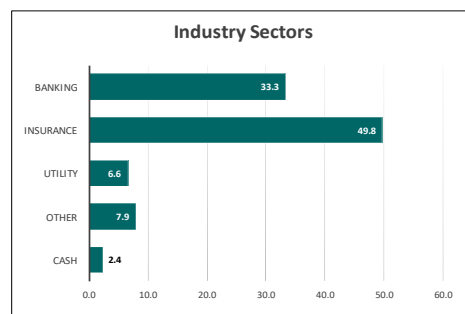
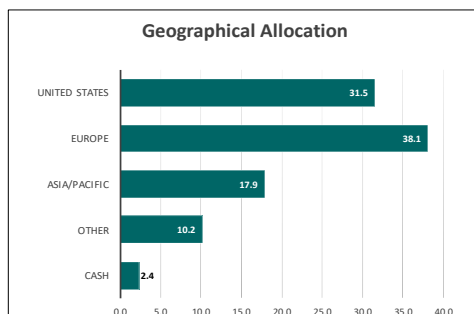
Lloyds	4.8%
AIG	3.8%
HSBC	2.5%
Swiss Re	3.4%
Zurich Insurance Group	3.3%
Legal and General Group	3.1%
Royal Bank of Scotland	2.5%
Standard Chartered	2.6%
Macquarie Bank	3.0%
Liberty Mutual	2.8%
Total	31.7%

Portfolio Overview (Month End)

Number of holdings	102
Number of issuers	56
Modified Duration*	6.1
Average Dollar Price*	\$105.6
Average Coupon*	6.4%
Current Yield*	6.0%
Yield to Maturity*	6.3%
Yield To Worst*	5.6%
Average Credit Rating	BBB
Fixed to Floating	69.2%
Fixed Rate	19.7%
Floating	8.7%
Overlay	-1.4%
Cash	2.4%

*Excludes cash

Positions	Gross Long	Gross Short	Net
Preferred & Sub Debt	97.6%	0%	97.6%
SPY 500 Futures	2.2%	0%	2.2%
Euro Stoxx Bank Futures	0%	2.7%	-2.7%
UST Note Futures	0%	1.0%	-1.0%
US T Bonds Call/Put Spreads	0%	0%	0%
Cash	2.4%	0%	2%
Total	102.2%	3.6%	98.6%



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Disclaimer

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