

# KEY INVESTOR INFORMATION

This document provides you with key investor information about this sub-fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this sub-fund. You are advised to read it so you can make an informed decision about whether to invest.



## High Ridge Credit Opportunities UCITS Fund a Sub-Fund of MontLake UCITS Platform ICAV, managed by MLC Management Limited USD Institutional Class A Pooled Shares (IE00BYYS2567)

### Objectives and Investment Policy

The investment objective of the Sub-Fund is to seek to generate enhanced income returns and to increase the value of its assets over time.

A financial institution or corporate issuer of debt will typically issue both subordinated debt and unsubordinated debt, the distinction being that the repayments of the unsubordinated debt are prioritised over the repayments of the subordinated debt and the interest payments of the subordinated debt are higher than the interest payments of the unsubordinated debt.

The Sub-Fund will invest primarily in subordinated debt securities issued by financial institutions and other corporate issuers, but may also invest in unsubordinated debt such as baby bonds (see below).

The Sub-Fund will only invest in the subordinated debt of a financial institution or corporate issuer where the unsubordinated debt of such corporation or financial issuer is rated at least investment grade (i.e. rated the equivalent of S&P's BBB- rating or better and is considered to have a low possibility of default). The Sub-Fund may invest in subordinated debt securities which have credit ratings which are lower than investment grade. However, the Sub-Fund will aim to maintain on average, an overall credit rating for the subordinated debt securities of at least investment grade. The Sub-Fund will also aim to maintain an overall duration of 3-10 years (duration is a measure of how vulnerable the price of a debt security is to changes in interest rates).

The specific categories of securities in which the Sub-Fund may invest include "baby bonds" (bonds with a low issue price (typically \$25) which rank above subordinated debt securities), preference securities (securities which rank below debt securities but which have a fixed dividend which is paid ahead of any dividend payable to ordinary shareholders) and contingent convertible capital securities ("**CoCos**").

CoCos are bonds which can be converted into shares or which can have their principal amount written down if a pre-specified trigger event occurs.

The Sub-Fund may use derivatives such as futures, options on futures or swaps to gain exposure to U.S. government debt securities or to certain equity indices for investment or hedging purposes against changes in interest rates and in the debt securities market. Options are securities that give the right to buy or sell another asset, a swap is an instrument that swaps the performance of one asset for another and futures are contracts to exchange a predetermined quantity of another asset at a certain price on a certain future date.

The Sub-Fund may invest in collective investment schemes and open-ended exchange traded funds that are consistent with the investment objective of the Sub-Fund. The Sub-Fund may also invest in closed-ended funds and in cash and money market instruments for cash management purposes.

You may sell your shares in the Sub-Fund on any business day that banks are open in Ireland and the United States of America. You must submit your application to the Sub-Fund's Administrator before 1.00p.m. three business days prior to the business day on which you want to sell.

Your shares do not pay income, but instead the Sub-Fund reinvests such income to grow your capital.

Recommendation: the Sub-Fund may not be appropriate for investors who plan to withdraw their money within 5 years.

### Risk and Reward Profile



The risk category for this Sub-Fund is set at 3. It is calculated in line with EU regulations and is based on a combination of the historic performance of the sub-fund since launch and an index or benchmark representing the performance of the assets in which the sub-fund typically invests for the period before launch.

A **category 1** Sub-Fund is not a risk-free investment - the risk of losing your money is small, but the chance of making gains is also limited. With a **category 7** Sub-Fund, the risk of losing your money is high but there is also a chance of making higher gains. The seven-category scale is complex. For example, a category 2 Sub-Fund is not twice as risky as a category 1 Sub-Fund. The risk category shown is not guaranteed and may change over time.

When categorising the Sub-Fund it may happen that not all material risks were fully captured in the methodology. For a more detailed explanation of risks, please refer to the "Special Considerations and Risk Factors" section of the prospectus.

**Credit and Counterparty Risk:** The Sub-Fund invests in debt securities and deposits cash as margin for its derivatives positions with brokers and counterparties. The Sub-Fund is therefore exposed to the risk that a counterparty or credit institution may become unable to meet its financial obligations or declare bankruptcy. Securities which are subordinated or which have a lower credit rating are generally considered to have a higher

credit risk and a greater possibility of default than more highly rated securities.

**Downgrade Risk:** If an issuer experiences difficulties in its business, the credit ratings of the issuer's subordinated debt securities (which the Sub-Fund will typically hold) will generally be downgraded and they will lose value faster than the issuer's unsubordinated debt securities.

**Conversion Risk:** The CoCos in which the Sub-Fund may invest carry the risk that they may be converted into equity if an issuer's regulatory capital is eroded by losses. CoCos tend to have higher price volatility and may be more difficult to sell than other securities as a result.

**Derivatives and Leverage Risk:** The Sub-Fund may use derivatives to create leverage for taking short positions or for other investment and hedging purposes. Whilst this is intended to help the Sub-Fund to manage risk or to take investment positions more efficiently or effectively than could be done otherwise, leverage and shorting can involve the risk of higher volatility, especially if some of the expected offsetting positions between long and short investments do not work as expected, and the Sub-Fund may be exposed to additional risks and costs as a result.

## Charges

The charges you pay are used to pay the costs of running the Sub-Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
Entry charge	None
Exit charge	None
This is the maximum that might be taken out of your money before it is invested and before the proceeds of your investment are paid out	
Charges taken from the Sub-Fund over a year	
Ongoing charge	1.80%
Charges taken from the fund under certain specific conditions	
Performance fee	10.00% of the increase in the NAV per share over the previous highest NAV per share on which performance fee was paid.

Any entry charge shown is a maximum figure. Where charges are shown in some cases you might pay less; you can find this out from your financial advisor or distributor.

The ongoing charge figure is based on an estimate of the charges. This figure may vary from year to year. It does not include portfolio transaction costs or performance fees.

You can find out more details about the charges and how they are calculated by looking at the Sub-Fund's prospectus and supplement which are available at [www.montlakeucits.com](http://www.montlakeucits.com).

## Past Performance

There is insufficient data to produce a useful indication of past performance for the Share Class.

The past performance takes account of all charges and costs.

The value of the Share Class is calculated in US Dollars.

Past performance is not a reliable indicator of future results.

The Sub-Fund came into existence in 2017. This share class has yet to launch.

## Practical Information

About the Sub-Fund

The Sub-Fund's assets are held with its depositary, Northern Trust Fiduciary Services (Ireland) Limited.

High Ridge Credit Opportunities UCITS Fund is a Sub-Fund of MontLake UCITS Platform ICAV. The assets of this Sub-Fund are segregated from other Sub-Funds on MontLake UCITS Platform ICAV. This means that the holdings of the Sub-Fund are held separately under Irish law from the holdings of the other Sub-Fund of MontLake UCITS Platform ICAV.

You may switch your shares to the shares of another Sub-Fund of MontLake UCITS Platform ICAV free of charge.

This Sub-Fund is subject to tax laws and regulations of Ireland. Depending on your home country of residence, this might have an impact on your investment. For further details, please speak to your adviser.

MontLake UCITS Platform ICAV may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate, or inconsistent with the relevant parts of the prospectus for MontLake UCITS Platform ICAV.

Find Out More

Further information about MontLake UCITS Platform ICAV, copies of its prospectus, annual and half-yearly reports may be obtained free of charge in English. Write to the Sub-Fund's administrator, Northern Trust International Fund Administration Services (Ireland) Limited, at Georges Court, 54-62 Townsend Street, Dublin 2, Ireland or visit [www.montlakeucits.com](http://www.montlakeucits.com).

Details of the managers remuneration policy, including but not limited to, a description of how the remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee if applicable are available on the website [www.montlakeucits.com](http://www.montlakeucits.com) and a paper copy will be available free of charge on request.

Other practical information including the latest share prices are available at the registered office of the manager and the administrator during normal business hours and will be published daily on the website [www.montlakeucits.com](http://www.montlakeucits.com).

The manager and this Sub-Fund is authorised in Ireland and regulated by the Central Bank of Ireland. This Key Investor Information is accurate as at 15 February 2018.