

FACTSHEET

Performance Returns

The High Ridge Credit Opportunities UCITS Fund returned 0.39% (USD Founder Eq Acc Share) and 0.40% (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

As many investors headed away for vacation, August news headlines began the month with the Turkish Lira currency crisis, which in turn, quickly reverberated across the global EMG markets given investors fearful of contagion. Meanwhile, there were heightened concerns about U.S.-China trade. By mid-month market tensions eased: the FED held steady, Brexit and Italy muddled along, the U.S. & Mexico began trade discussions and global equity markets moved upward. The U.S. economy continued to move forward with strong corporate earnings, strong employment and modest inflation. At month end, the U.S. mid-term elections had taken center stage, and market news seems nearly drowned-out by the frenetic volume of political bickering on Twitter and TV networks.

By month end, the S&P 500 was up +3.26% MTD (+9.94% YTD), the MSCI Europe Index was down -2.23% MTD (+0.76% YTD) and the NASDAQ Composite was up +5.85% MTD (+18.32% YTD). The 30yr UST bond finished the month yielding 3.01% (-7bps) and the UST 10yr Note finished yielding 2.85% (-12bps). High Yield closed the month at CY 6.12% (+/-0bp) / YTW 5.81% (-6bps) returning +0.79% MTD (+1.39% YTD). Accordingly, US High Yield (BB- Avg Credit) is now yielding only +30 bp. vs. the Fund's portfolio (YTW 5.81% @ BB- Credit vs. 5.55% @ BBB Credit) despite the significantly lower Avg Credit of HY. The narrow-spread level is indicative of the Preferred / Subordinated market's attractive relative value.

We have seen a de-coupling between the performance of European Bank equities and AT1 Coco's this period with equities selling off aggressively down 10.5% (SX7E index) relative to a flat performance in the Coco asset class. Investors have continued to sour on the prospects for European banks given the political issues in the Euro zone but have recognized that the Coco asset class provides an attractive spread over comparable U.S. Bank Tier1 risk. Year-to-date, AT1 CoCo and legacy Tier1 have underperformed the other segments of the SubDebt & Preferred market. Specifically, the legacy Tier1 paper has become less liquid with buyers staying away due to the uncertainty around regulatory treatment and the place of this paper in the capital structure under CRR2. This sector is now increasingly cheap with valuations approaching those of AT1's. Therefore, a positive investor sentiment about European Banks could result in these sectors providing the greatest relative upside performance over the near term. The European yield curve is likely to follow the U.S. and flatten. Moreover, the financial equity sector in the U.S. & Europe have underperformed the broader equity indices. Market pundits have clearly taken notice; upgrading a broad range of banks and insurance companies on their buy list.

Rooted by the same fundamentals taken into account by equity analysts, bank and insurance company credit spreads are attractive relative to High Yield and EMG. Top performers this month included AXA S.A., AIG Life Holdings, Emera Inc. and the Overlays.

We continue to believe that the yield curve will remain flat and UST 10yr yields will remain range bound at / around 3%. July & August was a solid start for 2H 2018 and we see ample opportunity to achieve returns over the next 6 to 12 months.

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%					-3.09%
NAV	103.01	101.37	100.39	100.16	98.6	97.82	98.93	99.32					-

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%					-3.09%
NAV	101.96	100.33	99.36	99.13	97.59	96.81	97.91	98.30					-

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	\$12.28 million
Spectrum Firm AUM	\$21.14 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	4.64	2.75	2.74	Spread & Ratio Comparatives			
US Corporate	COA0	A-	7	4.00	4.01	125	127	1.46	1.46
High Ridge Fund	MLHRUFP	BBB	5.80	6.08	5.55	333	281	2.21	2.03
US High Yield	HOA4	BB-	4.13	6.12	5.81	337	307	2.23	2.12

Top 10 Issuer Concentrations (100%)

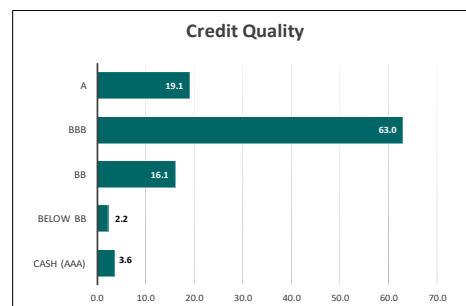
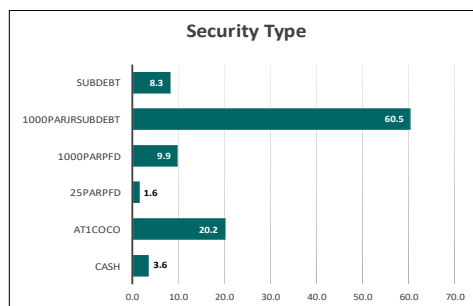
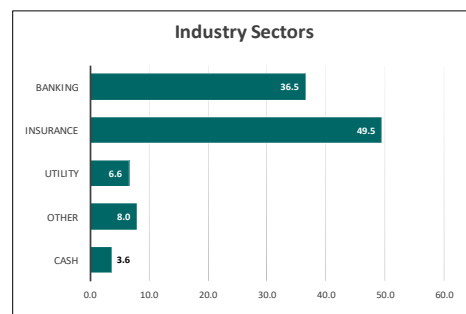
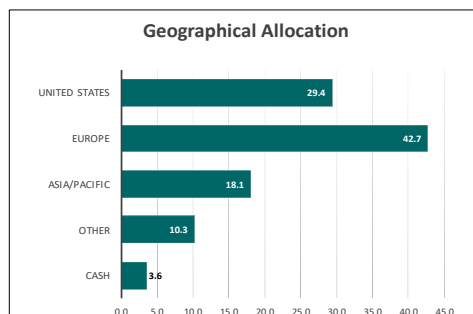
Lloyds	4.8%
Lincoln National	3.8%
AIG	3.7%
Swiss Re	3.3%
Zurich Insurance Group	3.3%
Legal and General Group	3.2%
HSBC	3.0%
Macquarie Bank	3.1%
Standard Chartered	2.9%
Liberty Mutual	2.8%
Total	33.9%

Portfolio Overview (Month End)

Number of holdings	104
Number of issuers	57
Modified Duration*	5.8
Average Dollar Price*	\$105.6
Average Coupon*	6.1%
Current Yield*	6.1%
Yield to Maturity*	6.3%
Yield To Worst*	5.5%
Average Credit Rating	BBB
Fixed to Floating	42.5%
Fixed to Variable	36.1%
Fixed Rate	13.5%
Floating	8.5%
Overlay	3.4%
Cash	3.6%

*Excludes cash

Positions	Gross Long	Gross Short	Net
Preferred & Sub Debt	100.5%	0%	100.5%
SPY 500 Futures	2.4%	2.4%	0.0%
Euro Stoxx Bank Futures	2.5%	0%	2.5%
UST Note Futures	1%	0%	1.0%
US T Bonds Call/Put Spreads	0%	0%	0%
Cash	3.6%	0%	3.6%
Total	109.9%	2.4%	107.6%



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Disclaimer

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Authorised and Regulated by the Central Bank of Ireland.