

FACTSHEET

Performance Returns

The High Ridge Credit Opportunities UCITS Fund returned +1.13% (USD Founder Eq Acc Share) and +1.14% (USD Founder Pooled Acc Share) for the month of July.

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

July news headlines focused on geopolitics as well as 2Q Earnings. The back to back NATO and Putin Summits in mid-July unleashed serious concerns in response to Trump's harsh reprimand of NATO allies and friendly praise of Putin. Despite a brief sell-off, the equity markets quickly recouped as investors returned their focus to the flow of Q2 earnings. By month end, 80% of the S&P 500 companies had beat expectations; led by telecoms, healthcare and tech. All 11 sectors reported Yr/Yr earnings growth. At the same time, most pundits caution that 2019 growth will be more modest. Meanwhile, the EU & US agreed in principal to negotiate lower trade barriers; reducing tensions. However, there has been no progress with respect to US & China trade relations, which remains unsettling for global markets.

The S&P 500 was up +3.72% MTD (+6.47% YTD), the MSCI Europe Index was up +3.13% MTD (+3.06% YTD) and the NASDAQ Composite was up +2.19% MTD (+11.78% YTD).

The 30yr UST bond finished the month yielding 3.08% (+10bps) and the UST 10yr Note finished yielding 2.97% (+12bps). High Yield closed the month at CY 6.12% (-3bp) / YTW 5.87% (-16bps) returning +1.08% MTD (+0.60% YTD).

In that regard, it should be noted that the YTW spread between the High Ridge Fund (BBB Avg Credit) and the US High Yield Index (BB- Avg Credit) is only 38bp (5.49% vs. 5.87%). The narrow-spread level is indicative of the Preferred / Subordinated market's attractive relative value. It is also noted that 85% of the Fund's portfolio is Adjustable Rate (i.e. F2F, F2V, and Floating) rather than Fixed-for-Life. Top performers for the Fund this month included Legal and General Group, Société Générale and Standard Chartered PLC.

We continue to believe that the yield curve will remain flat and UST 10yr yields will remain range bound below 3%. July 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%						-3.47%
NAV	103.01	101.37	100.39	100.16	98.6	97.82	98.93						-

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%						-3.47%
NAV	101.96	100.33	99.36	99.13	97.59	96.81	97.91						-

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	\$12.24 million
Spectrum Firm AUM	\$21.38 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	2.76	2.85	Spread & Ratio Comparatives			
US Corporate	COA0	A-	7.02	4.01	4.05	125	120	1.45	1.42
High Ridge Fund	MLHRUFP	BBB	5.93	6.00	5.49	324	264	2.17	1.93
US High Yield	HOA4	BB-	4.24	6.12	5.87	336	302	2.22	2.06

Top 10 Issuer Concentrations (100%)

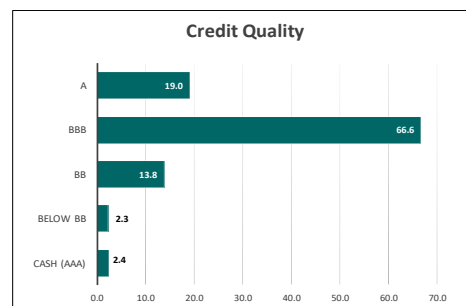
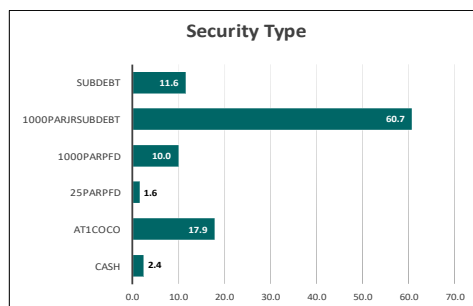
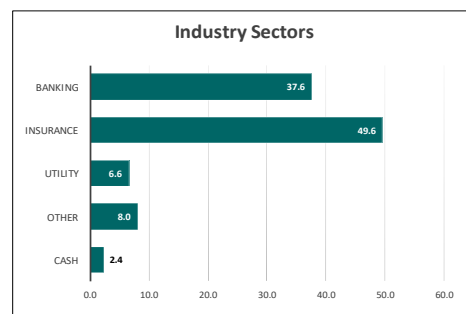
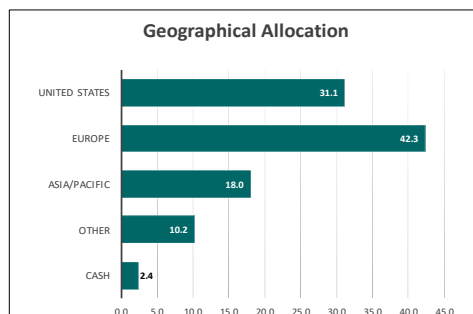
Lloyds	4.9%
Lincoln National	3.8%
AIG	3.7%
Swiss Re	3.5%
Zurich Insurance Group	3.3%
Legal and General Group	3.2%
HSBC	3.1%
Macquarie Bank	3.1%
Standard Chartered	2.9%
Liberty Mutual	2.8%
Total	34.1%

Portfolio Overview (Month End)

Number of holdings	102
Number of issuers	57
Modified Duration*	5.9
Average Dollar Price*	\$105.9
Average Coupon*	6.3%
Current Yield*	6.0%
Yield to Maturity*	6.3%
Yield To Worst*	5.5%
Average Credit Rating	BBB
Fixed to Floating	42.7%
Fixed to Variable	33.9%
Fixed Rate	16.7%
Floating	8.5%
Overlay	0.9%
Cash	2.4%

*Excludes cash

Positions	Gross Long	Gross Short	Net
Preferred & Sub Debt	101.8%	0%	101.8%
SPY 500 Futures	4.6%	0%	4.6%
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%	2.4%
Total	108.8%	3.7%	105.1%



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Disclaimer

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