

FACTSHEET

Performance Returns

The AlphaQuest UCITS Fund returned +9.82% in January (USD Institutional Founder Share Class).

USD Institutional Founder Share Class UCITS Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2018	9.82%												9.82%
2017	-4.33%	-2.70%	-0.99%	-0.69%	-2.54%	0.15%	-1.78%	-1.51%	0.70%	3.15%	0.45%	-1.45%	-11.14%
2016	-	-	-	-	-	-	-	-	-	-	-	-0.22%	-0.22%

The performance figures quoted above represent the performance of the AlphaQuest UCITS Fund since launch on 9<sup>th</sup> December 2016. These performance figures refer to the past and past performance is not a guarantee of future performance or a reliable guide to future performance.

Investment Objective & Strategy

The AlphaQuest UCITS Fund's investment objective is to seek capital appreciation over the long term.

The AlphaQuest UCITS Fund invests, on a long and/or short basis, in a globally diversified portfolio representing the major asset classes of equities, fixed income and currencies. It also gains exposure to commodities, on a long and/or short basis, through the use of structured financial instruments ("SFIs"). The AlphaQuest UCITS Fund targets, over the medium term, a realized volatility in the range of 10%-12%, in order to adhere to UCITS investment restrictions.

Quest employs a systematic trading program (the "Program"), diversified by asset class and with individual positions intended to provide a return over different time horizons, that seeks to deliver positive alpha (alpha is a statistical measurement used to determine the risk-reward profile of a potential investment). The Program is composed of a number of trading systems, each of which generates individual trades. These trading systems generate trades on the basis of price movement indicators which seek to identify situations where there is potential for an increase in the price volatility of a given market. Risk controls are integrated into the Program to measure the potential risk associated with trades generated by the Program. Generally, the Program will determine that AlphaQuest UCITS Fund should take a long position in a market that has shown an upward trending price or a short position in a market that has shown a downward trending price.

Monthly Commentary

The Program delivered its best monthly performance since the inception of the AlphaQuest UCITS Fund in December 2016. Further, Quest's flagship AlphaQuest Original (AQO) program (non-UCITS)\* delivered its best monthly performance since October 2008, which was nearly ten years ago at the height of the Financial Crisis. Gains for the month were strong across the board amongst asset classes and system families.

At an asset class level, over a third of the month's gains came from equities which saw a 'melt-up' after the passage of tax stimulus in the US and subsequent large increases in earnings forecasts. Foreign exchange was not far behind as a profit contributor, driven by the biggest decline in the US dollar since March 2016. The prospect of widening fiscal and trade deficits due to the tax reform and strengthening US domestic demand put significant downward pressure on the US currency. Strong growth, a potential rise in inflation and withdrawal from asset purchase programs by Central Banks led government bonds to decline the most since the US Presidential election in November 2016. The Program's trading systems were aggressively short fixed income. Commodities, through the SFIs, were also a solid contributor, particularly Energy, which gained as OPEC members reaffirmed their commitment to keeping production cuts in place even as global growth is picking up and supply-demand balance is tightening. The Program's trading systems were well positioned for strong breakouts in these markets.

Among system families, the best gains came from intermediate term models that trade time horizons of up to a few weeks. The next best performance came from the Program's 'trend crowding' family of models followed by longer-term models that trade time horizons greater than a few weeks. Interestingly, short-term volatility breakout models only had a minor positive contribution as markets exhibited a slow and moderate increase in volatility rather than a sharp rise, which is when these models do particularly well.

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THE MANAGER



Nigol Koulajian

Founder and Chief Investment Officer



Nigol has been designing and trading short and long-term technical systems for over 24 years. Mr. Koulajian began his career with Andersen Consulting and then moved to Deutsche Bank, where he helped create and computerize a risk management system that became a widely used tool for senior management. He then became the Head Trader for Carmel Capital and while working at Carmel

designed and priced hedges on international equity and fixed income arbitrage positions. In 1996, Mr. Koulajian joined Weston Capital Management, LLC where he was the Director of Asset Allocation and Product Development, responsible for the allocation of assets to equity hedge funds and CTAs. In 1998, Mr. Koulajian started Avalon Asset Management, LLC, a fund of funds, and in 1999, he co-founded a CTA, Enterprise Asset Management, LLC. Mr. Koulajian earned an MBA in finance from Columbia Business School and a BS in electrical engineering from Notre Dame.

Paul Czkwianianc

Head of Research



Paul joined the firm at its inception in 2001. Mr. Czkwianianc started his career in the financial industry in 1999 at Enterprise Asset Management where he worked alongside Mr. Nigol Koulajian. Mr. Czkwianianc holds a B.S. degree in Applied Mathematics from Columbia University and an M.S. degree in Mathematics from New York University.

FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$68.3 million
Strategy AUM	\$1.21 billion
Inception	9 <sup>th</sup> December 2016
Registered	Ireland, UK, France, Lux and Switzerland (Qualified Investors Only)
<b>Share Class</b>	<b>Institutional/Institutional Pooled</b>
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.5%
Perf. Fee	20%
Min Init. Sub.	1,000,000
ISIN Codes	EUR: IE00BD08G390/IE00BD08G739 USD: IE00BD08G622/IE00BD08GB72 CHF: IE00BD08G515/IE00BD08G952 GBP: IE00BD08G408/IE00BD08G846
<b>Share Class</b>	<b>Retail Pooled</b>
Currency	EUR/GBP/CHF/USD
Mgt. Fee	2%
Perf. Fee	20%
Min Init. Sub.	100,000
ISIN Codes	EUR: IE00BD08GM87 USD: IE00BD08GQ26 CHF: IE00BD08GP19 GBP: IE00BD08GN94

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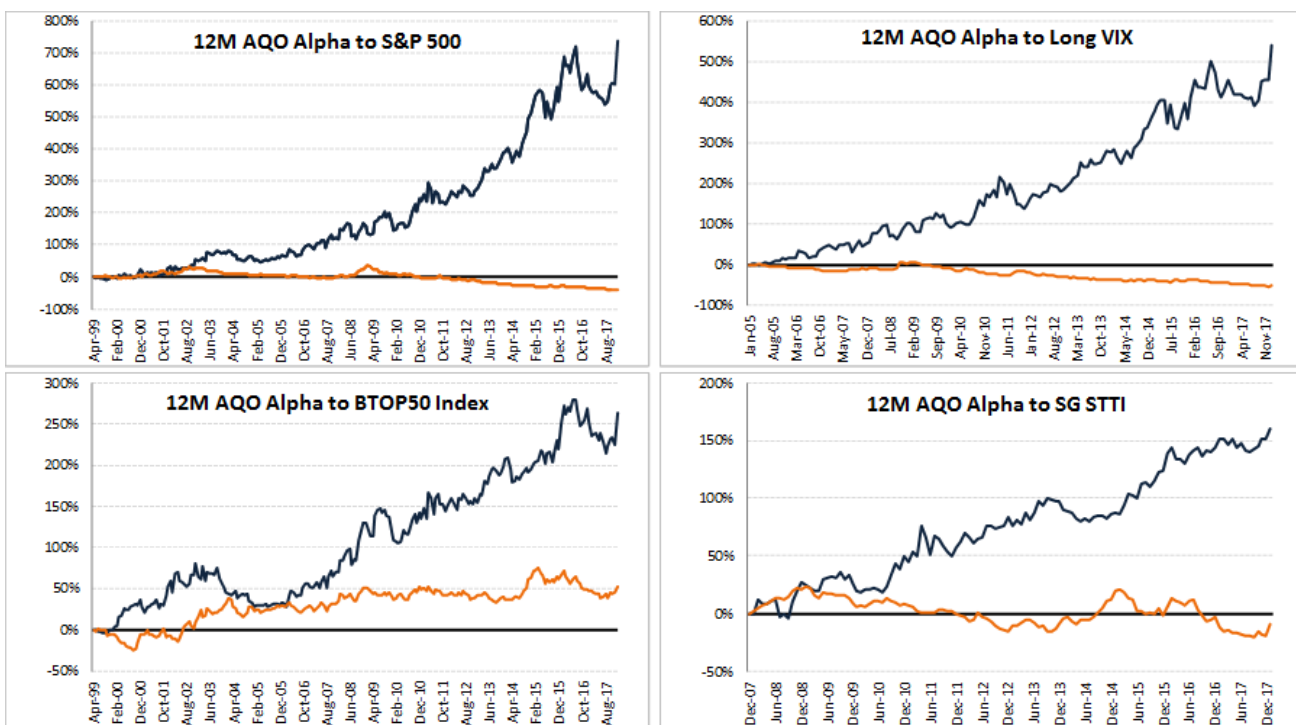
Monthly Commentary

The performance of the AlphaQuest UCITS Fund in January demonstrates that a relatively small volatility expansion in markets can generate quite strong returns for the Program across all asset classes. While broader managed futures indices also performed well (the BTOP50 Index was up +3.06%), the Program was able to generate substantial outperformance relative to this index.

The high level of Alpha was due to the Program's proprietary convexity filters that indicated the likelihood of large price trends if prices moved out of the intense price compression that were witnessed last year. As several markets broke-out early in the month of January, the trading systems were positioned aggressively and captured the ensuing volatility expansion. The trading systems were also able to harvest a portion of the gains and reduce risk towards the end of the month. While the Program remains net long equity beta at the end of January, much of the exposure is driven by short positions in fixed income.

With the performance in January, Quest's flagship AQO program (non-UCITS)\* has made new highs in terms of Alpha to the S&P 500 Index, the VIX Index, the SG Short-term Traders Index and close to a new Alpha high to the BTOP50 Index. The AQO program's Information Ratio relative to the S&P 500 index and the VIX index is an attractive 0.6 and 0.8 respectively, even while having a strong negative correlation of -58% to the S&P 500 index and positive correlation of +59% to the VIX index.

ALPHAQUEST ORIGINAL (AQO) PROGRAM ALPHA TO BENCHMARKS (NON-UCITS)\*



The Program continues to extract strong Alpha while providing valuable momentum-based returns with a focus on positive convexity.

Many of the indicators of realized volatility and convexity that Quest measures continue to point to exceptional opportunities for the next few years. Not only are the levels extremely low, but they have been low for a long period of time, fostering high levels of risk taking and leverage among investment strategies, including classical quantitative and all-weather strategies.

Meanwhile, fundamental developments related to global growth and inflation are triggering changes in monetary and fiscal policies of the world's largest economies and leading to significant price moves in equity, fixed income, currency and commodity markets, as witnessed in January. As these changes accelerate, intense volatility compression, such as seen during the past 18 months, is much less likely. Even if volatility were to remain at low levels, historical experience suggests that the Program could continue to deliver modestly positive returns.

Overall, Quest believes the still low level of volatility and cheapness of convexity offers exceptional risk-reward in the years ahead for short-term momentum based trading that the Program focuses on.

ALPHAQUEST ORIGINAL (AQO) PROGRAM MONTHLY PERFORMANCE (NON-UCITS)\*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2016	14.1	9.19	-6.72	-0.58	-3.62	6.6	2.16	-6.3	-7.64	-2.65	0.2	4.51	7.02%
2015	7.97	-0.68	2.9	0.33	-1.65	-10.7	7.39	-2.01	-1.64	2.17	8.72	-5.47	5.69%
2014	1.62	0.1	-4.51	-5.36	3.2	1.89	-2.29	5.83	3.2	3.75	5.24	3.23	16.27%
2013	0.07	4.45	-0.53	9.07	-3.46	0.86	1.86	-1.42	-1.67	-0.25	2.11	4.39	15.94%
2012	3.07	2.32	-5.14	-2.25	8.66	-3.34	5.75	-3.47	-3.91	-2.62	-0.7	3.77	0.87%
2011	-4.91	5.83	-6.53	16.41	-5.93	-9.4	11.37	0.96	-4.11	-3.85	-2.92	2.1	-4.11%
2010	-6.93	0.19	1.58	1.85	3.26	-1.52	-2.24	6.97	7.52	6.14	-6.82	10.1	20.08%
2009	0.38	-2.32	-7.57	-2.43	13.3	0.36	0.57	-1.73	3.6	-5.17	1.77	-11.16	-11.75%
2008	2.09	14.92	-0.53	1.26	4.88	4.22	-13.55	1.36	-1.26	20.59	10.1	4.98	55.77%
2007	-0.49	-3.23	-0.5	6.26	-0.79	6.81	2.07	-11.84	13.8	6.73	-3.71	4.04	18.11%
2006	4.34	-3.02	0.55	14.62	0.91	-3.18	-6.08	0.36	0.25	7.48	5.95	2.54	25.72%
2005	-7.67	2.58	0.41	-3.46	1.48	5.15	-4.02	2.35	2.94	0.11	4.36	-3.35	0.04%
2004	-2.8	3.93	-1.38	-5.6	1.3	-9.98	1.36	-1.25	-0.99	6.23	-0.6	-1.32	-11.43%
2003	-1.84	6.16	0.93	-7.9	14.36	-4.59	-1.86	1.85	4.23	-4.62	-3.28	1.13	2.74%
2002	4.05	-13.71	16.53	-1.44	-2.49	9.22	3.76	0.83	6.9	0.99	-3.5	16.92	39.94%
2001	-5.22	-5.43	12.11	-5.59	3.89	-2.2	3.68	-4.52	7.38	2.97	0.58	10.42	17.17%
2000	4.18	-1.54	7.14	-2.85	8.03	-4.16	-2.57	3.17	-2.83	4.85	7.97	18.05	44.31%
1999					-2.66	2.81	-1.77	-1.73	1.12	-5.26	4.26	1.11	-2.45%

\*The above performance pertains to the AlphaQuest Original (AQO) program and is not representative of the MontLake AlphaQuest UCITS Fund. UCITS Funds have to abide by onerous investment restrictions and consequently the performance of the MontLake AlphaQuest UCITS Fund may not be similar to that presented above.

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Disclaimer

**Risk Warning:** Past performance is not a reliable indicator of future results, prices of investments and the returns from them may fall as well as rise. The AlphaQuest UCITS Fund (the "Fund") may use higher leverage and structured financial instruments (SFI) to gain commodity exposure as part of the investment process. Investments in commodities are highly volatile and involve a high degree of risk and may therefore only be suitable for the more experienced investor. The distribution of this report does not constitute an offer or solicitation. Any investment in the Fund should be based on the full details contained in the Fund's Supplement Prospectus and Key Investor Information Document which together with the MontLake UCITS Platform ICAV Prospectus may be downloaded from the MontLake website ([www.montlakeucits.com](http://www.montlakeucits.com)). Information given in this document has been obtained from, or based upon, sources believed by us to be reliable and accurate although neither ML Capital nor Quest Partners LLC accepts liability for the accuracy of the contents. Quest Partners LLC is authorised and regulated by the US Commodity Futures Trading Commission. Funds regulated under UCITS must abide by onerous investment restrictions. Consequently the AlphaQuest UCITS Fund will only invest in commodities through a SFI. ML Capital does not offer investment advice or make recommendations regarding investments. The Manager of the Fund is MLC Management Ltd, a company regulated by the Central Bank of Ireland. The MontLake UCITS Platform ICAV is registered and regulated as an open-ended Irish collective asset-management vehicle with segregated liability between sub-Funds formed in Ireland under the Irish Collective Asset-management Vehicles Act 2015 and authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations. ML Capital Asset Management Ltd is regulated by the Central Bank of Ireland. This notice shall not be construed as an offer of sale in the Fund. The state of origin of the Fund is the Republic of Ireland. This document may only be distributed in or from Switzerland to qualified investors within the meaning Art. 10 Para. 3, 3bis and 3ter CISA. The Representative in Switzerland is ACOLIN Fund Services AG, Affolternstrasse 56, CH-8050 Zurich, whilst the Paying Agent is NPB Neue Privat Bank AG, Limmatquai 1/am Bellevue, P.O. Box, CH-8022 Zurich. The basic documents of the Fund as well as the annual report may be obtained free of charge at the registered office of the Swiss Representative.

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