

## FACTSHEET

### Performance Returns

The MontLake Advent Global Partners UCITS Fund returned -0.13% (net of fees) for the month of May (USD Institutional Class Founder Pooled).

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2019	3.65%	2.46%	1.80%	0.94%	-0.13%								<b>9.01%</b>
2018	0.46%	0.76%	0.38%	0.72%	0.26%	1.42%	-1.36%	0.58%	0.61%	-1.91%	-1.07%	-2.19%	<b>-1.41%</b>
2017	0.35%	0.14%	-1.12%	0.88%	0.00%	0.34%	0.27%	-0.22%	-0.07%*	1.00%	0.27%	0.85%	<b>2.71%</b>
2016	-	-	-	-	-	-	0.05%	0.18%	-0.45%	0.00%	-1.24%	0.51%	<b>-0.96%</b>

### Investment Objective & Strategy

The Fund seeks capital appreciation over the medium to long term utilizing investments in corporate debt, equities and derivatives. Advent applies a relative value multi-strategy approach to investing in credit and volatility markets with an event-driven bias. The strategy seeks to generate attractive risk-adjusted returns by exploiting idiosyncratic volatility, event driven and credit opportunities. The strategy employs rigorous fundamental research coupled with a robust trading platform to capture compelling asymmetric opportunities. The Fund is agnostic to any single sub-strategy and invests globally with a focus on mispriced volatility and event driven opportunities while capitalizing on market dislocations.

### Portfolio Discussion

The portfolio produced solid relative performance during the month as equity markets plunged and credit spreads widened. Fears of an escalating trade war and concerns over slowing corporate earnings led to significant moves in volatility and resulted in increased gamma trading in the portfolio. In addition to macro volatility, we saw many opportunities to monetize industry and company specific themes with idiosyncratic catalysts that contributed to large intra-month spikes in volatility. The top monthly performers included life sciences equipment company Avantor and medical equipment supplier Insulet. The largest detractors from performance were home products maker Restoration Hardware (RH) and biotech company Clovis Oncology.

We gained in Avantor as the position's discount to theoretical value narrowed. We had purchased the convertible which was multiple points cheap to its fair value, and the stock also traded at a steep discount to peers such as Danaher and Agilent. We believed that such a discount should narrow as recent equity and convertible offerings have led to balance sheet deleveraging, resulting in a rating upgrade by Moody's. As our thesis largely played out during the month, we sold the position.

The Insulet bond performed well as "Medicare for all" fears dissipated. The bond had traded at a deep discount due to broader healthcare sector weakness driven by increased "single-payer" rhetoric. We maintain our view that Insulet, with its key differentiated product offerings of insulin delivery systems, would likely maintain pricing power in the diabetes end-market. The stock surged 27% on the month, leading to increased gamma trading. We continue to hold the bond as an inexpensive call option on an attractive growth story.

The RH position cheapened with the stock tumbling 20% on the month as luxury home sales slowed down, which impacted demand for high-end home furnishings. Negative sentiment towards the retail sector led to valuation compression as many long-only investors exited the name. We believe the bond represents compelling value and added to the position at an implied volatility of 35, a steep discount to realized volatility of 55.

We had losses in Clovis as slower-than-expected growth for the company's main drug, Rubraca, led to valuation cheapening. The stock grinded down steadily over the month due to the tempered growth outlook, and volatility declined on the downside, resulting in limited gamma trading opportunities. We see several catalysts on the horizon, including data indication for pancreatic cancer as well as potential M&A in the oncology space.

### Outlook

Volatility in global markets surged in May. The stalled talks in the U.S.-China trade negotiations, tariff threats against Mexico, and escalating geopolitical tensions soured market sentiment for risk assets and exacerbated concerns over weakening economic expansion. The outlook for our long volatility strategy continues to be promising as volatility in global equity markets is increasing. The value of a market neutral portfolio of hedged convertibles and options was evident in May. Trade and tariff unpredictability, along with other geopolitical issues simmering in the background, such as Brexit, could continue to pressure markets and lead to an extended period of elevated volatility. The Advent Global Partners Fund is constructed to generate uncorrelated returns by exploiting undervalued volatility, capitalizing on market inefficiencies and event trades and offers an attractive asymmetric risk/reward opportunity.

## THE MANAGER



**ADVENT**  
CAPITAL MANAGEMENT, LLC

### Marc J. Friezo - Portfolio Manager

Marc joined Advent in October 2011 as a Managing Director and serves as a portfolio manager on the strategy. Mr. Friezo received a B.B.A., Cum Laude, in Finance from Texas Christian University and has over 25 years of investment experience.

### Odell Lambroza - Portfolio Manager

Odell joined Advent in 2001 as a Principal and serves as a portfolio manager on the strategy. Mr. Lambroza is a graduate of Cornell University and has over 30 years of industry experience.

## FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
Fund AUM	\$48.2 million
Strategy AUM	\$206.1 million
Inception	14 July 2016

<b>Share Class</b>	<b>Founder</b>
Mgt. Fee	1.25%
Perf. Fee	15%
Min Init. Sub	10,000,000
ISIN Codes	EUR: IE00BD3CQZ05 USD: IE00BD3CR131 CHF: IE00BD3CR248 GBP: IE00BD3CR024

<b>Share Class</b>	<b>Inst Class A/Inst Class B</b>
Mgt. Fee	1.50%/1.75%
Perf. Fee	20%
Min Init. Sub.	1,000,000/100,000
ISIN Codes	EUR: IE00BD3CQ612/IE00BD3CQG16 USD: IE00BD3CQ836/IE00BD3CQJ4 CHF: IE00BD3CQ943/IE00BD3CQK51 GBP: IE00BD3CQ729/IE00BD3CQH23

<b>Share Class</b>	<b>Retail</b>
Mgt. Fee	2.00%
Perf. Fee	20%
Min Init. Sub.	10,000
ISIN Codes	EUR: IE00BD3CQL68 USD: IE00BD3CQN82 CHF: IE00BD3CQP07 GBP: IE00BD3CQM75

All share classes are available in EUR/GBP/CHF/USD

*\*The performance figures quoted above represent the net performance of the Fund since inception in July 2016. Performance after September 18, 2017 is attributable to Advent Capital Management while performance before September 18, 2017 is attributable to the previous sub-advisor. These performance figures refer to the past and past performance is not a reliable guide to future performance.*

## Idiosyncratic Volatility

Market Neutral: long convertible hedged with stock, options, or long/short capital structure

## Event-Driven Volatility

Takeover activity, repurchases, exchanges, negotiated refinancing, earnings releases, new product announcements, regulatory ruling/approval

## Advent Global Partners UCITS

## Short Alpha

Short securities that research identifies as overvalued

## Relative Value Credit

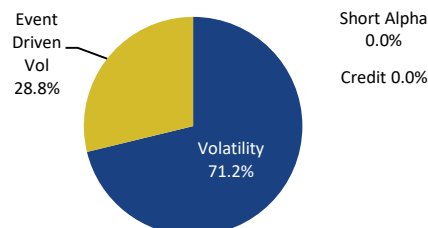
Mispriced credit- flexibility to hedge equity and credit exposure

Return & Risk Characteristics <sup>1</sup>	YTD (%)	Since Inception Return (%)	Standard Deviation (%)	Sharpe Ratio <sup>2</sup>
Advent Global Partners UCITS	9.01	5.58	3.32	1.09
HFR1: Liquid Alternatives (HFRILAU)	1.77	-0.74	2.68	-1.01

## Portfolio Characteristics

Long Exposure <sup>3</sup>	195.1%	Credit Quality <sup>7</sup>	BB
Short Exposure <sup>4</sup>	-90.6%	Conversion Premium	36.8%
Adjusted Leverage <sup>5</sup>	1.7x	Delta	53.9%
Number of Issuers	55	Current Yield	1.5%
Top Five Positions <sup>6</sup>	24.1%	Yield to Put/Maturity	2.2%
Top Ten Positions <sup>6</sup>	41.9%	Years to Maturity	3.5

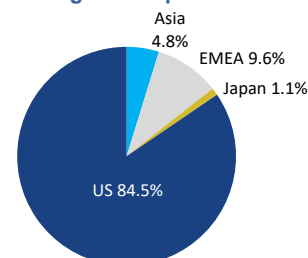
## Strategy Breakdown



## Return Attribution (Net of Fees)

Sub-Strategy	MTD (%)
Volatility	0.13%
Event Driven Volatility	-0.22%
Credit	-0.04%
Short	0.00%
Total	-0.13%

## Regional Exposure



<sup>1</sup>Since Advent start date September 18: 2017. See disclosure language on page 1. <sup>2</sup>The risk free rate used is an average of the constant maturity 3-month US Treasury Rate <sup>3</sup>Defined as the long market value over equity <sup>4</sup>Defined as the short market value over equity <sup>5</sup>Adjusted Leverage excludes Convertible Bonds with less than 10% conversion premium <sup>6</sup>Defined as net market value over equity <sup>7</sup>This includes internal estimates for all non-rated securities

## Contact Details

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## Disclaimer

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