

# Cooper Creek Partners North America Long Short Equity UCITS Fund

## Long/Short Equity

December 2019

### Cooper Creek Partners North America Long Short Equity UCITS Fund 2019 Review

Cooper Creek Partners North America Long Short Equity UCITS Fund (the "Sub-Fund") was launched on 12 November 2018 with \$109.8m.

#### Investment Objective & Strategy

The Cooper Creek Partners North America Long Short Equity UCITS Fund seeks to generate attractive absolute returns, non-correlated to equity market performance by investing in a portfolio of high conviction ideas with a low net exposure.

Cooper Creek employs a catalyst-driven, value-oriented approach to investing in small/mid-cap, under-the-radar and/or out-of-favour North American companies with the potential for transformational change. There is a significant focus on generating alpha from single name investments on both the long and short sides of the portfolio.

#### 4th Quarter and Year-End Commentary

During the 4th quarter of 2019, Cooper Creek Partners North America Long Short Equity UCITS Fund generated a 7.6% return, while averaging -0.5% net exposure. Over this period, the longs contributed 14.2% and the shorts detracted 6.6%.

For the year, Cooper Creek Partners North America Long Short Equity UCITS Fund returned 11.1%, while averaging 0.4% net exposure. Longs contributed 23.7% and shorts detracted 12.6%. For the year, Cooper Creek generated 18.8% of alpha compared to the Russell 2000. Longs generated 6.7% of alpha and shorts generated 12.1% of alpha. We produced positive short alpha in all four quarters and positive long alpha in three of the four quarters.

At Cooper Creek, we rely on balanced stock picking on both sides of the portfolio to drive our returns. As a reminder, our long approach is predicated on under-the-radar, out-of-favour, value-based long opportunities with catalysts for revaluation upwards, while our short approach is based on finding opportunities in six clearly delineated categories with catalysts for downside. Thus, we are proud to report that not only did Cooper Creek generate these returns with only 0.4% average net exposure, relying on alpha due to stock-picking and not the beta of the market, but we also were able to perform, despite managing the portfolio slightly net short for 45% of the year.

In 2019, we focused on three main initiatives on the long side. 1) We strived to invest in value-based turnarounds later in the turnaround cycle. We recognized a shift in market receptivity to value-driven ideas, where a turnaround's success required several quarters of positive execution before being revalued appropriately. Therefore, we attempted to invest only once a potential turnaround is further along and the risk-reward dynamic has shifted even more in our favor. 2) We were quicker to take profits after catalysts result in a revaluation upwards. 3) We were also quicker to exit mistakes, thereby avoiding value traps and significant losers from materially hampering overall fund performance. The quicker realization of profits and stop losses resulted in a portfolio turnover of over 4x per side. We are pleased to report that these initiatives had dramatic results in 2019.

In 2019, on the long side, we had sixteen positions each contribute over 100 bps to performance. We remain invested in six of the sixteen winners. Two of those positions are Scorpio Tankers (STNG) and DHT Holdings (DHT), both of which we remain excited about for 2020. They are the shipping companies that we expected to benefit from the new shipping regulation, "IMO 2020", that went into effect on January 1, 2020. While we are optimistic about their continued cash flow generation, dividend increases and overall trajectory for 2020, they are each materially smaller positions today than they have been over the past nine months.

On the short side, we had seven positions contribute over 70 bps each and three additional positions contribute between 40 bps and 70 bps each. Only two of these positions remain in the portfolio today.

We enter 2020 with many new under-the-radar ideas, with strong first half catalysts to unlock the value inherent within each company. While we continue to find profitable value in the industrials, restaurants, leisure and technology sectors, more recently we have initiated several compelling value-driven retail ideas with significant catalysts to realize the hidden value, including Guess? (GES), The Children's Place (PLCE) and G-III Apparel Group (G-III).

G-III is an example of extreme value in retail, trading at just 7.1x 2020 earnings per share (compared to the peer group average of 15.0x), with material near-term catalysts to unlock its value. We believe this wholesale licensor of brands such as Calvin Klein and Tommy Hilfiger will: 1) close its money-losing retail division; 2) recover some of its tariff hit from 2019; and 3) execute on its wholesale strategy, thereby creating approximately 34.3% upside to 2020 earnings, resulting in a 12-month stock price of \$61.08 or 101.8% upside to current levels.

We are extremely excited about the portfolio entering 2020, managing the portfolio 78.9% long by 75.0% short, resulting in 3.9% net exposure to the market. Ever cognizant of the potential for the market environment to change, we have a balanced fresh portfolio, ripe with near-term catalysts to unlock the value embedded within these securities and to drive downside to our short securities.

On the business side, we expect to close the Founder Share Class to new investors at the end of Q1.

We welcome several new institutional investors who partnered with Cooper Creek in 2019 and invite new prospective investors to visit us in our office and spend more time with the team.

### The Manager



Cooper Creek  
Partners

#### Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$166.9m
Strategy AUM	\$241.0 million
Inception	12 <sup>th</sup> November 2018

Share Class	Inst. Class Shares (Non-Pooled / Pooled)
Currency	EUR/USD/CHF/GBP
Mgt. Fee	1.50%
Perf. Fee	20%
Min Init. Sub.	100,000
ISIN Codes	EUR: IE00BG08P220 / IE00BG08P667 USD: IE00BG08P444 / IE00BG08NM85 CHF: IE00BG08P550 / IE00BG08NN92 GBP: IE00BG08P337 / IE00BG08P774

Share Class	Retail Class Pooled Shares
Currency	EUR/USD/CHF/GBP
Mgt. Fee	2.00%
Perf. Fee	20.00%
Min Init. Sub.	10,000
ISIN Codes	EUR: IE00BG08NP17 USD: IE00BG08NR31 CHF: IE00BG08NS48 GBP: IE00BG08NQ24

#### Rob Schwartz

##### Founder, Managing Member, Portfolio Manager

Prior to founding Cooper Creek Partners Management LLC in 2008, Mr. Schwartz spent six and a half years at JL Advisors, LLC. Mr. Schwartz began at JL Advisors in November 2001 as a Consumer/Retail Analyst. He was promoted to Partner in January 2005 and took over responsibility for hiring and training new employees. He became the firm's sole Managing Director in December 2006. From August 2000 to October 2001, Mr. Schwartz was an Associate in investment banking at Banc of America Securities focusing on the retail sector. Mr. Schwartz graduated magna cum laude from the University of Michigan with a B.A. in 1996. From 1996 to 2000, he earned a J.D. and an M.B.A. from Columbia Law School and Columbia Business School.

#### A.J. Strasser

##### Senior Investment Professional

AJ Strasser has spent the last ten years as an investment professional at Cooper Creek Partners, having joined as an analyst since the fund's inception. He focuses on the broader technology sector with an emphasis on software, the engineering & construction sector, and the government IT services space. Prior to Cooper Creek, Mr. Strasser worked at Lazard Freres & Co, as an investment banker in the mergers and acquisitions team covering the energy and utilities sector, as well as alternative energy transactions. Mr. Strasser received his undergraduate degree from New York University Stern School of Business and graduated magna cum laude with a B.S. in Finance in 2003.

#### Matt Sherwood

##### Senior Investment Professional

Prior to joining Cooper Creek Partners Management LLC, Mr. Sherwood spent four years at ZS Crossover II LP as a Senior Analyst and Principal. At ZS Crossover, Mr. Sherwood focused on long and short investments in small capitalization stocks. Prior to ZS, Mr. Sherwood spent three years as an Investment Analyst at Eminence Capital LP. Mr. Sherwood received his undergraduate degree from Duke University and graduated magna cum laude with a B.S. in Economics and a double major in History in 2002. Mr. Sherwood has been a CFA® charterholder since 2005.

# Cooper Creek Partners North America Long Short Equity UCITS Fund

## Long/Short Equity

December 2019

### UCITS Fund Performance

	Net	Long	Short	S&P 500	Russell 2000
<b>December 2019</b>	2.3%	3.3%	-1.0%	3.0%	2.9%
<b>Year to Date</b>	11.1%	23.7%	-12.6%	31.5%	25.5%

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
<b>2019</b>	4.9%	1.6%	1.1%	3.6%	-7.6%	-0.7%	2.7%	0.1%	-1.8%	6.0%	-1.1%	2.3%	<b>11.1%</b>
<b>2018</b>	-	-	-	-	-	-	-	-	-	-	-0.7%	-4.3%	<b>-5.0%</b>

The performance figures quoted above represent the performance of the Cooper Creek Partners North America Long Short Equity UCITS Fund since launch on 12th November 2018. These performance figures refer to the past and past performance is not a reliable guide to future performance.

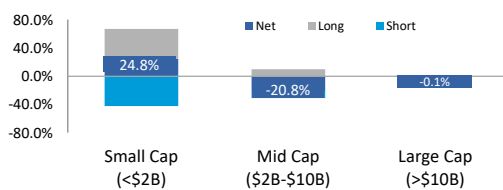
### Exposure at Month End

	Long	Short	Net	Gross
<b>Portfolio</b>	78.9%	75.0%	3.9%	153.9%
<b>Beta</b>	90.7%	78.1%	12.6%	168.8%

### Portfolio Concentration at Month End

	Long	Short
<b>Number of Portfolio Positions</b>	33	34
<b>5 Largest Positions as % of Capital</b>	21.2%	19.4%

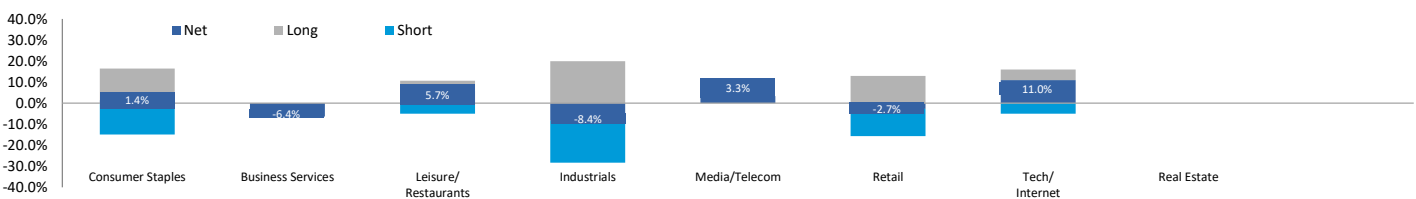
### Market Capitalization Exposures



### Top Positions

Long Security as % of NAV	Short Security as % of NAV
<i>DHT Holdings (DHT)</i>	<i>Industrial</i>
5.0%	5.0%
<i>G-III Apparel (GIII)</i>	<i>Auto Parts</i>
4.2%	4.0%
<i>Telaria (TLRA)</i>	<i>Retail</i>
4.1%	3.8%
<i>Children's Place (PLCE)</i>	<i>Consumer Goods</i>
4.0%	3.5%
<i>Immersion (IMMR)</i>	<i>Business Services</i>
3.9%	3.1%

### Sector Exposures



### Master Feeder Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
<b>2019</b>	8.50%	4.30%	3.30%	2.60%	-7.90%	-1.20%	2.6%	0.4%	-1.1%	6.7%	-0.8%	3.4%	<b>21.9%</b>
<b>2018</b>	-0.90%	1.60%	0.00%	3.40%	-0.70%	-1.50%	-0.50%	-5.20%	-0.70%	-0.40%	0.20%	-4.50%	<b>-9.10%</b>
<b>2017</b>	-0.30%	-4.20%	-2.00%	-1.20%	6.40%	-3.70%	3.10%	-3.20%	1.10%	-4.40%	-0.30%	4.00%	<b>-5.30%</b>
<b>2016</b>	-6.40%	2.00%	5.30%	0.00%	4.10%	1.40%	7.70%	-1.50%	2.20%	-4.90%	-3.80%	-0.90%	<b>4.30%</b>
<b>2015</b>	0.30%	2.20%	-0.60%	2.90%	1.10%	-1.70%	1.50%	2.70%	-1.10%	-1.50%	-0.80%	2.20%	<b>7.30%</b>
<b>2014</b>	3.10%	5.30%	-2.40%	0.80%	-3.20%	5.20%	-3.20%	0.90%	-0.70%	-1.80%	1.50%	-3.00%	<b>2.00%</b>
<b>2013</b>	3.40%	3.00%	1.10%	0.40%	0.80%	-0.50%	2.50%	0.90%	-0.60%	6.10%	5.00%	2.40%	<b>27.30%</b>
<b>2012</b>	3.20%	4.40%	1.70%	-3.30%	-3.30%	-0.60%	2.00%	3.20%	-1.70%	-0.70%	3.50%	1.50%	<b>9.90%</b>
<b>2011</b>	0.00%	2.90%	-2.90%	-0.80%	-3.90%	-2.30%	-3.50%	-8.10%	-2.90%	5.70%	1.50%	0.60%	<b>-13.70%</b>
<b>2010</b>	-3.40%	1.50%	5.30%	3.20%	-2.60%	1.40%	-0.70%	-0.40%	2.00%	0.00%	1.50%	4.90%	<b>12.90%</b>
<b>2009</b>	1.00%	-1.80%	1.50%	2.20%	5.30%	7.20%	-0.90%	1.10%	7.20%	-3.40%	-0.30%	1.50%	<b>22.00%</b>
<b>2008</b>	-	-	-	-	-	-	-	-	-	-	-1.20%	2.40%	<b>1.30%</b>

The above performance pertains to the performance since inception for Class A Shares in Cooper Creek Partners LLC, and is not of the Cooper Creek Partners North America Long Short Equity UCITS Fund. UCITS Fund have to abide by certain investment restrictions and consequently the performance of Cooper Creek Partners North America Long Short Equity UCITS Fund may not be similar to that presented above. These performance figures refer to the past and past performance is not a reliable guide to the future performance.

# Cooper Creek Partners North America Long Short Equity UCITS Fund

## Long/Short Equity

December 2019

### Contact Details

#### Investor Contact

**MontLake Funds (UK) Ltd**  
Park House, 116 Park Street  
London, W1K 6AF  
T: +44 20 3709 4510  
investorrelations@montlakefunds.com

#### Management Company

**MontLake Management Ltd**  
23 St. Stephen's Green  
Dublin 2, Ireland  
T: +353 1 533 7020  
investorrelations@montlakefunds.com

#### Investment Manager

**Cooper Creek Partners Management LLC**  
501 Madison Avenue, 12 floor  
New York, NY 10022  
T: +1 646 291 2848  
AR@coopercreekpartners.com

**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. Investments in equities are subject to market risk. Changes in exchange rates may have an adverse effect on the value price or income of the product. The Cooper Creek Partners North America Long Short Equity UCITS Fund (the "Fund") may use higher leverage and financial derivative instruments as part of the investment process. The distribution of this report does not constitute an offer or solicitation and this notice shall not be construed as an offer of sale in any other fund managed or advised by Cooper Creek Partners Management LLC or MontLake Management Limited ("ML"). 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 nor Cooper Creek Partners Management LLC, LLC accepts liability for the accuracy of the contents. The Representative in Switzerland is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich, whilst the Paying Agent is NPB Neue Privat Bank AG, Limmatquai 1/am Bellevue, P.O. Box, CH-8024 Zurich. In respect of the units distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the Swiss representative. The basic documents of the Fund as well as the annual and, if applicable, semi-annual report may be obtained free of charge at the registered office of the Swiss Representative. Issued and approved by MontLake Management Ltd. Information given in this document has been obtained from, or based upon, sources believed by us to be reliable and accurate although neither ML nor Cooper Creek Partners Management LLC accepts liability for the accuracy of the contents. ML does not offer investment advice or make recommendations regarding investments. The Manager of the Fund is MontLake Management Ltd, a company regulated by the Central Bank of Ireland. The Investment Manager for the fund, Cooper Creek Partners Management LLC is authorised and regulated by the Securities Exchange Commission (the "SEC"). 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. This notice shall not be construed as an offer of sale in the Fund. The state of the origin of the Fund is the Republic of Ireland. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units. Authorised and Regulated by the Central Bank of Ireland.

For more information visit [www.montlakeucits.com](http://www.montlakeucits.com)