

FACTSHEET

Performance Returns

The AlphaQuest UCITS Fund returned -0.51% in August (USD Institutional Founder Share Class).

USD Institutional Founder Share Class UCITS Performance

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	9.82%	-0.10%	-0.34%	1.68%	0.85%	-1.48%	-2.34%	-0.51%					7.33%
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 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.

Performance Commentary

The AlphaQuest UCITS Fund was slightly negative in August, however, the month-end performance belies the true picture as it masks strong mid-month returns when the program was up significantly with our trading systems successfully capturing the volatility caused by the Turkish crisis. Unfortunately, the gains were fleeting as markets recovered rapidly and US equities made several new record highs by the end of the month. While the period of volatility in August was brief, it was nonetheless reassuring to see the systems react quickly and once again deliver sizeable returns during a stressed period in financial markets.

At an asset class level, commodities were the main source of gains, especially gold, where short positions were profitable as the precious metal fell to its lowest level in two and a half years. Equities were also profitable, which is particularly significant given that the program switched from a long to an aggressively short position during the Turkish crisis and again to a long position towards the end of the month. Fixed income and foreign exchange trading were modestly negative as long positions in bonds and the US dollar were whipsawed.

Among trading system families, our shortest-term systems, which trade time horizons of less than five days, and 'trend crowding' systems generated the strongest returns and were profitable in every asset class. The short-term systems delivered their best returns of the year, benefiting from the burst of mid-month volatility. The intermediate-term systems, which trade time horizons of a few days to a few weeks, detracted from returns as they were hurt by reversing trends, especially in fixed income. Long-term systems were also negative, particularly in foreign exchange.

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THE MANAGER



Nigol Koulajian

Founder and Chief Investment Officer



Nigol Koulajian is the Founder and Chief Investment Officer of Quest. Mr. Koulajian founded Quest in March 2001 to pursue his passion for quantitative investment research and strategy development, which he has focused on from the beginning of his career in the early 1990's. After lengthy research, Mr. Koulajian identified specific strategies using proprietary techniques that have been continuously enhanced over the past seventeen years and became the basis for the growth of Quest. The firm, which is based in New York, currently manages \$1.6 billion in assets and employs twenty people. In 2002, Mr. Koulajian started the NOK Foundation, which is committed to promoting the study and practice of yoga and meditation globally. Mr. Koulajian has acted as a board member of the Omega Institute and David Lynch Foundation. Mr. Koulajian earned an MBA in finance from Columbia Business School and a BS in electrical engineering from Notre Dame.

Paul Czkwanianc

Head of Research



Paul joined the firm at its inception in 2001. Mr. Czkwanianc started his career in the financial industry in 1999 at Enterprise Asset Management where he worked alongside Mr. Nigol Koulajian. Mr. Czkwanianc 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	\$69.7 million
Strategy AUM	\$1.464 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

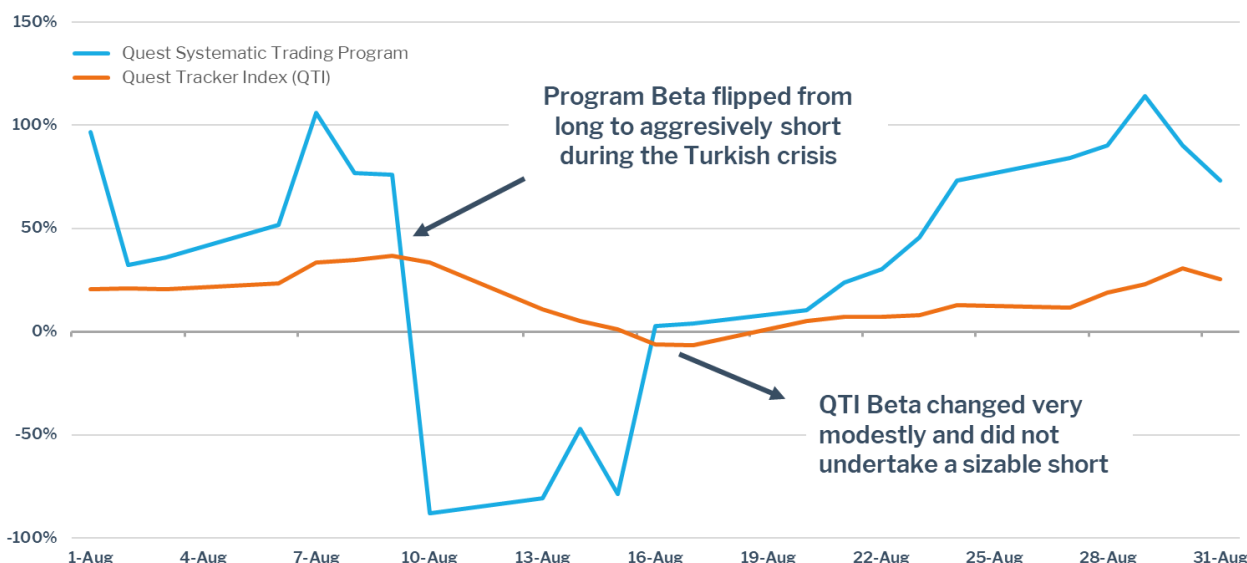
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Market Commentary

The ability of markets, especially in the US, to brush past any type of risk continues to be remarkable. No crisis or risk-off period seems to last more than a couple of days. This pattern was again evident in August with markets surging despite increased trade tensions, the pressures on emerging markets, a full-blown crisis in Turkey, and heightened political risks in the US after the conviction of two former associates of US President Trump.

Despite the seeming lack of concern about risks, Quest continues to further refine our ability to capture positive convexity. We recently enhanced our short-term systems to be able to capture strong intra-day moves. These systems were particularly active in August, adjusting exposures quickly to capture the market declines triggered by the Turkish crisis. This is highlighted in the chart below which shows the Beta of the Program and the Quest Tracker Index (QTI) to the S&P 500 Total Return Index (S&P 500). The QTI is our replicator of traditional trend following and given its 90% correlation to the BTOP50 Index, is a credible proxy for CTA industry exposures. The chart shows that while the Program's Beta to the S&P 500 changed quickly as the Turkish crisis unfolded, a typical trend following strategy's Beta—as represented by the QTI—changed only modestly and had to minimize short exposure.

Quest Systematic Trading Program and QTI Beta to the S&P 500 Total Return Index



Source: Quest Partners LLC

During August, the challenges of a typical trend following strategy in providing crisis protection were not visible, given the brief duration of the Turkish crisis. A slightly longer crisis, however, with greater intensity could have exposed their deficiencies to a larger extent—such as the experience in February when traditional CTAs suffered their worst return in fifteen years during the market sell-off or in May, when many traditional CTAs were caught wrong-footed during the Italian political crisis. Investors would be well-served by being aware of the deficiencies of traditional trend following, especially when designing crisis protection portfolios. Rather than concentrating on traditional trend following, diversifying across a range of positively convex strategies is more prudent.

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

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2018	16.28	(0.01)	(0.17)	3.12	1.38	(0.47)	(5.45)	1.00 E					15.32%E
2017	(6.31)	(4.14)	(0.86)	(0.02)	(2.75)	(0.82)	(2.30)	(1.99)	0.44	6.99	(0.04)	(1.44)	(12.94)%
2016	14.16	9.19	(6.72)	(0.58)	(3.62)	6.60	2.16	(6.30)	(7.64)	(2.65)	0.20	4.51	7.02%
2015	7.97	(0.68)	2.90	0.33	(1.65)	(10.70)	7.39	(2.01)	(1.64)	2.17	8.72	(5.47)	5.69%
2014	1.62	0.10	(4.51)	(5.36)	3.20	1.89	(2.29)	5.83	3.20	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)	(0.70)	3.77	0.87%
2011	(4.91)	5.83	(6.53)	16.41	(5.93)	(9.40)	11.37	0.96	(4.11)	(3.85)	(2.92)	2.10	(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)	10.10	20.08%
2009	0.38	(2.32)	(7.57)	(2.43)	13.30	0.36	0.57	(1.73)	3.60	(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	10.10	4.98	55.77%
2007	(0.49)	(3.23)	(0.50)	6.26	(0.79)	6.81	2.07	(11.84)	13.80	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	(2.80)	3.93	(1.38)	(5.60)	1.30	(9.98)	1.36	(1.25)	(0.99)	6.23	(0.60)	(1.32)	(11.43)%
2003	(1.84)	6.16	0.93	(7.90)	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	6.90	0.99	(3.50)	16.92	39.94%
2001	(5.22)	(5.43)	12.11	(5.59)	3.89	(2.20)	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 AlphaQuest UCITS Fund. UCITS funds have to abide by investment restrictions and consequently the performance of the 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 and US Securities and Exchange 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. MLC 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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