

Giano UCITS Fund

Long/Short Equity

December 2019

Performance Returns

The Giano UCITS Fund (EUR Class R Pooled Shares) returned 0.8% for December.

Investment Objective & Strategy

Giano Capital is a long-short equity fund that thrives on innovation by delivering quality investment propositions through highly experienced individuals and machine learning methodologies. The fund vigorously pursues and thrives on innovation; focusing on the integration of new machine learning technology. We have a highly experienced team centred on finding equity opportunities utilising tools that improve the productivity of the investment process, allowing us to identify a greater number of opportunities whilst being more objective and disciplined.

Effective and efficient automation of parts of the investment process, where possible utilising the learning methodologies of the "machine" are used to make quality investment decisions quickly and objectively, complementing the subjective experience of the fund manager.

Monthly Commentary

The S&P closed up 2.9% and the Eurostoxx up 2.1%

Best sectors in Europe were Retail and Financial Services; the worst Telecomms and Autos&Parts.

In the Fund, the best were Plus500 and GVC (both longs); the worst Dunelm and Pets (both shorts).

European data - although worse than last month - confirm that Industrial Production has bottomed; the bounce has been driven mostly by Germany.

In US, the inventory correction seems to have run its course and after a period of stabilisation should become a tailwind for the industrial production there.

(Monthly Commentary Continued on page 2)

UCITS Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2019	-2.0%	-5.5%	1.5%	-1.2%	-0.9%	-4.4%	-1.6%	1.8%	2.1%	1.8%	-2.6%	0.8%	-10.1%
2018	-	-	-	-	-	-	1.0%*	-2.8%	-2.2%	-2.9%	-2.6%	0.3%	-9.1%

The performance figures quoted above represent the performance of the Giano UCITS Fund since launch on the 11th of July 2018. These performance figures refer to the past and past performance is not a reliable guide to future performance.

Odey Giano UCITS Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2018	4.9%	3.4%	-0.7%	2.5%	4.1%	1.4%	0.8%						17.4%
2017	-0.1%	-0.4%	-0.7%	1.1%	2.0%	1.2%	0.8%	4.8%	3.2%	2.9%	1.1%	-3.0%	13.3%
2016	-2.5%	1.8%	-2.2%	-4.4%	0.9%	-1.5%	0.2%	-1.0%	-0.7%	-4.9%	1.5%	-7.4%	-18.8%
2015	0.7%	-5.6%	2.1%	-2.7%	-1.7%	1.1%	-0.5%	1.0%	0.6%	-0.4%	-0.3%	5.3%	-0.9%
2014	0.9%	3.1%	-4.3%	-4.3%	1.5%	-0.3%	-0.7%	1.7%	2.5%	3.6%	2.3%	1.0%	6.9%
2013	-0.3%	5.0%	4.0%	-3.7%	1.7%	2.9%	-1.5%	-0.2%	0.7%	-0.3%	1.9%	3.4%	14.1%
2012	-0.2%	0.4%	-0.2%	4.8%	3.1%	-2.1%	1.7%	-2.1%	1.2%	-0.4%	0.0%	-2.3%	3.8%
2011	-	-	-	-	-	-	-	-	-	-	-0.1%	-1.8%	-2.0%

The performance figures quoted above represent the performance of the Odey Giano Fund since launch on the 17th November 2011. This fund was merged into the Giano UCITS fund on the 11th July 2018. These performance figures refer to the past and past performance is not a reliable guide to future performance.

The Manager

Quay Partners

Michele Ragazzi

Michele Ragazzi will manage the Fund; an experienced manager of long/short equity funds since 1994, he has outperformed the market whilst providing good capital protection under challenging market conditions for his clients whom, in some cases, have invested with him for 20+ years. Michele is passionate about the need to innovate, increasing product value through technology, penetrating new markets and increasing the value-add for the client. Michele identifies the moments of extreme valuations that may be caused by specific company events or by market capitulations.

Marco Bianchi

Marco Bianchi is a senior Quant formerly with the Bank of England - Marco heads the systematic research team.

Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	€29 million
Strategy AUM	€42 million
Inception	11 July 2018

Share Class	Class M Shares
Currency	EUR/USD/CHF/GBP
Mgt. Fee	0.75%
Perf. Fee	0.00%
Min Init. Sub.	10,000,000
ISIN Codes	EUR: IE00BFX0Y541 USD: IE00BFX0Y871 CHF: IE00BFX0Y764 GBP: IE00BFX0Y657

Share Class	Class R Pooled Shares
Currency	EUR/USD/CHF/GBP
Mgt. Fee	1.25%
Perf. Fee	15.00%
Min Init. Sub.	5,000
ISIN Codes	EUR: IE00BFX0Y988 USD: IE00BFX0YD20 CHF: IE00BFX0YC13 GBP: IE00BFX0YB06

Giano UCITS Fund

Long/Short Equity

December 2019

Monthly Commentary cont.

Importantly, policy narrative is beginning to change across the Eurozone as policymaker's narrative seems to be moving away from monetary policy to consider greater use of fiscal policy. Also, regulatory pressure on the banking sector seems to be diminishing and fresh discussions around a banking union seem to be restarting.

Positioning in Europe seems to be relatively defensive hence bullish for the market going forward.

Reflections on 2019 performance and outlook for 2020.

2019 has been a very negative year for performance in spite of a recovery in the 2nd half.

I missed the bottom at the end of 2018 thinking - for good reasons - that the market could have crashed in January. However, it took me too long to realise that a relative small change in FED stance - that happened at the beginning of January - would have been enough to initiate a sustainable market rally.

The performance of the major position in the book Plus500 - that at one point was down 70% for the year - had a limited negative impact on performance thanks to adding to the position near the lows and the partial recovery of the stock price.

Dealing with the short part of the book is what I found most difficult in 2019; there were good reasons for defensive stocks to perform well in the first part of the year - given the positive impact on bond prices that the changed Fed policy was likely to have - but I did not expect to see stocks going up very substantially in spite of consistent earnings downgrades.

It was also unexpected to see the major economies of the world going through a severe industrial production slowdown without seeing industrial stocks coming off or substantially underperforming.

There were some very good winners in 2019 but they were not enough to balance the losers.

I am confident about 2020 because we spent last year and specially the second part of 2019 laying the foundations of the organization of the company and of our mind+machine systems.

I have thought for a long time that to be consistently profitable we need to know which are the good companies (and bad companies) and invest in them in favourable "environment" conditions, at extreme valuations and - importantly - that we don't need to be invested at all times: our systems are built on this premise and work well specially in these new conditions where stocks valuations tend to go frequently to extremes.

We have experienced some delays - mainly related to the need of improving security and organisation - but we will gradually start deploying our systems by the end of this quarter and that, I am sure, will achieve good returns and discipline over the year.

Michele Ragazzi

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

Quay Partners Investments (UK) LLP
21 Knightsbridge
London SW1X 7LY
T: +44 (0)20 3746 4410
Marketing@ethoses.co.uk

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. 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 Giano 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 Quay Partners 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). 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 Quay Partners accepts liability for the accuracy of the contents. The Representative in Switzerland is ACOJIN 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. 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, Quay Partners is authorised and regulated by the U.K. Financial Conduct Authority. 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.