


**+1.51%**

# Advent Global Partners UCITS Fund

## Multi-Strategy

May 2020

### Monthly Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2020	0.45%	-0.09%	-8.33%	5.70%	1.51%								-1.29%
2019	3.65%	2.46%	1.80%	0.94%	-0.13%	2.42%	1.67%	0.52%	-0.21%	0.45%	0.83%	1.20%	16.71%
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%	-1.41%
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%	2.71%
2016	-	-	-	-	-	-	0.05%	0.18%	-0.45%	0.00%	-1.24%	0.51%	-0.96%

\* The performance figures quoted above represent the net performance of the USD Institutional Founder Pooled Class 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 Quest Global Advisors, LLC. These performance figures refer to the past and past performance is not a reliable guide to future performance.

### 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 continued its strong performance in May, bolstered by prospects of a speedy reopening of the U.S. economy and the potential avoidance of a second virus wave. Year-to-date, our portfolio significantly outpaced both the equity and high yield markets, exhibiting asymmetric returns, providing both attractive downside protection and ample upside participation. Robust idiosyncratic volatility continued to fuel the strategy's performance. We saw the best gamma trading opportunities from those widely slammed consumer and travel and leisure companies that have made the biggest bounce-back off their lows. As the worst performing industries in the COVID-19 crisis quickly became the market leaders in an economic recovery, we expect dispersion among companies and industries to continue to deepen, resulting in significant opportunities to capture volatility. We believe the current macro backdrop, with elevated volatility and significant market cheapness, remains highly conducive to our strategy. The top monthly performers included online travel company, Booking Holdings, and cruise line operator, Norwegian Cruise Line. The largest detractors from performance were home products retailer, RH, and satellite radio broadcasting company, Sirius XM.

The Booking position benefitted from higher implied and realized volatility, driven by travel industry dynamics. The stock dropped nearly 8% in the first half of the month, as the company reported sobering bookings numbers for April (down 85% year-over-year), amid unprecedented challenges presented by COVID-19. However, the stock quickly bounced-back 20% by the end of the month, as investors saw cancellation rates peak in March/April, as well as signs of stabilization in Asia and Europe. We expect Booking, the leader in the online travel space, will emerge from the ongoing crisis stronger than its peers, given a wide geographic reach, best-in-class margin profile and ample liquidity. Our position has an implied volatility of 43, a discount to realized volatility of 49. We continue to hold the position.

The Norwegian Cruise Line position gained from significant intra-month volatility capture. The pandemic led to suspension of all sailings, which weighed heavily on the stock, as the company priced a secondary stock offering at \$11 per share, near all-time lows. However, the stock surged more than 40% following the stock offering, boosted by the company's ample liquidity and investors' beliefs that cruising demand could prove to be resilient, given a large recurring customer base. We believe volatility will likely remain heightened, as the path to normalization remains uncertain, especially under social distancing standards. The position implies a volatility of 37, a deep discount to realized volatility over 100.

We had losses in the RH position, as the bond lagged a dramatic 50% rise in the stock in May, following solid earnings by home product retail peer, Williams-Sonoma, which drove the sector to all-time highs on the tailwinds of stay-at-home trend. Our bond position suffered from investor profit taking, and the implied volatility cheapened. We continue to hold our position, which is a 4-year bond with solid credit fundamentals, a mere 13% conversion premium and an implied volatility of 35, a deep discount to realized volatility over 100. We expect the bond price to catch-up with the stock in the coming months, as the temporary dislocation reverts.

The Sirius XM position cheapened, as the company was hit hard by COVID-19 and the general economic shut-down, which resulted in plummeting new and used car sales and reduced driving and commuting time. However, we remain positive on Sirius XM's resilient subscription model, solid liquidity and an improving market backdrop, as U.S. auto sales (SAAR) are ready to bounce-back from the depressed levels in April. All of these factors are underappreciated by investors, and the stock significantly lagged the broader market recovery. We continue to hold a cheap call option on the company's improving fundamentals.

### The Manager



Advent Global Partners UCITS has been managed by Advent Capital Management, LLC ("Advent") since September 18, 2017. Founded in 1995, Advent has extensive experience investing in global credit, equity and derivative markets with firm assets of \$8 billion as of March 2020.

#### 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	Daily
Fund AUM	\$63.3 million
Strategy AUM	\$575.7 million
Inception	July 14, 2016
Managed by Advent Since	September 18, 2017

Share Class	Founder Class
Currency	EUR/USD/CHF/GBP
Mgt. Fee	1.25%
Perf. Fee	15%
Min Init. Sub.	10,000,000
ISIN Codes	EUR: IE00BD3CQ205 USD: IE00BD3CR131 CHF: IE00BD3CR248 GBP: IE00BD3CR024

Share Class	Inst Class A
Currency	EUR/USD/CHF/GBP
Mgt. Fee	1.50%
Perf. Fee	20%
Min Init. Sub.	1,000,000
ISIN Codes	EUR: IE00BD3CQ612 USD: IE00BD3CQ836 CHF: IE00BD3CQ943 GBP: IE00BD3CQ729

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

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### Outlook

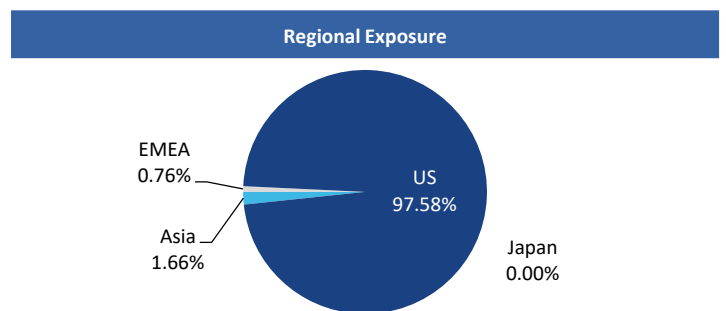
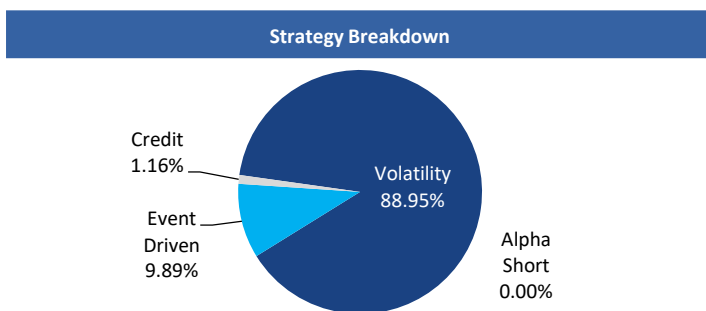
Risk assets continued to recover as lockdown measures eased and further economic support actions were announced. Though it's debated whether the economy may have bottomed, we anticipate more fiscal stimulus will be needed as governments realize it's more challenging to reboot the economy than it is to shut it down. There is a risk that the snap-back may be gradual, as consumers curb spending on non-essential items and corporations reevaluate staffing needs. Despite the recent positive sentiment, we are wary of future uncertainties in the markets and remain skeptical the economy can make a fast recovery. We believe volatility will remain elevated, as there is still a high degree of uncertainty around testing and re-openings, in addition to the absence of a Covid-19 vaccine. We believe volatility will be supported by rising U.S./China tensions, trade and tariff unpredictability and the fast-approaching U.S. presidential election. We anticipate generating alpha through relative value security selection based on our in-depth fundamental research process. The Advent Global Partners UCITS Fund is constructed to capitalize on market inefficiencies by exploiting idiosyncratic volatility trades and relative value security mispricing, and we seek to generate attractive, uncorrelated risk-adjusted returns, regardless of the overall macro environment. We are confident that considerable value remains in the portfolio and that the valuation recovery will continue. The Fund is positioned to take advantage of the robust opportunity set and attractive valuations offering compelling risk/reward opportunities.



Return & Risk Characteristics <sup>1</sup>	YTD (%)	Since Inception Return (%)	Standard Deviation (%)	Sharpe Ratio <sup>2</sup>
<b>Advent Global Partners UCITS</b>	-1.29	5.63	4.45	0.87

Portfolio Characteristics				Return Attribution (Net of Fees)	
Long Exposure <sup>3</sup>	220.44%	Credit Quality <sup>7</sup>	BB	Sub-Strategy	MTD (%)
Short Exposure <sup>4</sup>	-113.86%	Conversion Premium	25.65%	Volatility	1.44
Adjusted Leverage <sup>5</sup>	1.7x	Delta	61.30%	Event Driven	0.04
Number of Issuers	82	Current Yield	1.16%	Credit	0.03
Top Five Positions <sup>6</sup>	17.56%	Yield to Put/Maturity	1.61%	Alpha Short	0.00
Top Ten Positions <sup>6</sup>	29.54%	Years to Maturity	3.62	Total	1.51

<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

#### 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

**Advent Capital Management, LLC**  
 888 Seventh Avenue, 31st Floor  
 New York, NY 10019  
 T: +1 212 482 1600  
 AdventUCITS@adventcap.com

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