MontLake

AlphaQuest UCITS Fund

CTA/Managed Futures

October 2020

Performance Returns

The AlphaQuest UCITS Fund returned -0.26% in October (USD Inst. Founder Pooled Share Class).

USD Institutional Founder Pooled Share Class UCITS Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2020	1.69%	1.04%	5.93%	0.11%	-4.00%	0.75%	2.27%	-1.46%	-3.54%	-0.26%			2.18%
2019	-4.96%	-1.34%	2.47%	-1.28%	2.38%	4.93%	0.88%	4.74%	-2.44%	-1.80%	0.64%	-1.10%	2.68%
2018	9.69%	-0.08%	-0.29%	1.43%	0.73%	-1.25%	-2.34%	-0.51%	0.68%	-1.74%	-5.29%	1.20%	1.58%
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 (USD Institutional Founder Pooled Share Class) since launch on 9th December 2016. These performance figures refer to the past and past performance is not a reliable guide to future performance.

Investment Objective and 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 comprised 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 one.

ALPHAQUEST ORIGINAL (AQO) PROGRAM MONTHLY PERFORMANCE (NON-UCITS)^

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2020	7.32%	0.58%	8.81%	-0.18%	-4.36%	-0.43%	5.35%	-3.43%	-6.69%	0.17% E			6.16% E
2019	-7.73%	-2.46%	3.98%	-1.54%	6.52%	6.06%	2.10%	8.47%	-4.44%	-0.90%	-0.38%	-1.80%	6.79%
2018	16.28%	-0.01%	-0.17%	3.12%	1.38%	-0.47%	-5.45%	1.06%	1.43%	-2.66%	-8.42%	0.92%	5.29%
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.

The Manager

Quest Partners LLC

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 nineteen years and became the basis for the growth of Quest. The firm, which is based in New York, currently manages approximately $1.6 billion in assets. 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 Czkwianianc

Partner

Paul Czkwianianc is a Partner and Director of Research at Quest. Mr. Czkwianianc has collaborated with Quest's Founder and CIO, Nigol Koulajian, for over two decades in conceptualizing, designing and implementing Quest's unique Alpha-generating strategies. As a founding principal of Quest in 2001, Mr. Czkwianianc has driven the development of the firm's investment platform and innovation of new models and strategies. Mr. Czkwianianc started his career in 1999 as a Research Analyst at Enterprise Asset Management, a Firm co-founded by Mr. Koulajian. Mr. Czkwianianc holds a B.S. degree in Applied Mathematics from Columbia University and an M.S. degree in Mathematics from New York University. At NYU, he was enrolled in a Ph.D. program in Mathematics, where he worked on mathematical modeling in neuroscience.

Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	$55.4 million
Strategy AUM	$1.566 billion
Inception	9th December 2016
Passport	Ireland, UK, France, Lux and Switzerland (Qualified Investors Only)

Share Class	**Institutional/Institutional Pooled**
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

Share Class	**Retail Pooled**
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

Performance Commentary

The AlphaQuest UCITS Fund was down marginally (-0.3%) in October during a month which witnessed a powerful equity rally to start followed by an abrupt selloff due to increased concerns of a second wave of the COVID-19 pandemic emanating from Europe. While the initial part of the month was tougher on the Program, which sought weakness in commodities and equities, the materialization of such forces proved profitable during the broader deleveraging of risk that occurred towards the end of the month.

Among sectors, the Program saw the largest gains in equities as it positioned for declines, developing short equity positions across all geographies. With the S&P 500 Total Return Index falling -5.6% in the final week of trading, the AlphaQuest UCITS Fund was able to gain +1.0% in the same period. Despite choppy shorter-term moves in fixed income, and bond yields in the U.S. rising during the month, the Program's trading systems were able to trade around such moves and lock in profits, making the sector the second largest contributor in October. Commodities detracted during the month as erratic price action in gold made it challenging to generate returns. Since declining from its highs in the summer, gold has been a rather difficult market as mean reversion has increased at lower and lower levels of realized volatility. Foreign exchange was the worst performing sector as the euro reversed sharply versus the dollar towards the end of the month, causing losses in the Program's long euro positioning.

Among trading system families, the shortest-term volatility breakout trading systems performed best on the month as they were able to take advantage of short-term dislocations in equity markets and lock in gains. The intermediate-term trend following trading systems, which trade time horizons of a few days to a few weeks, were the most challenged as detractions in fixed income and foreign exchange overshadowed gains elsewhere. The long-term trend following and trend crowding family of systems were both marginally negative on the month, with no notable contributions.

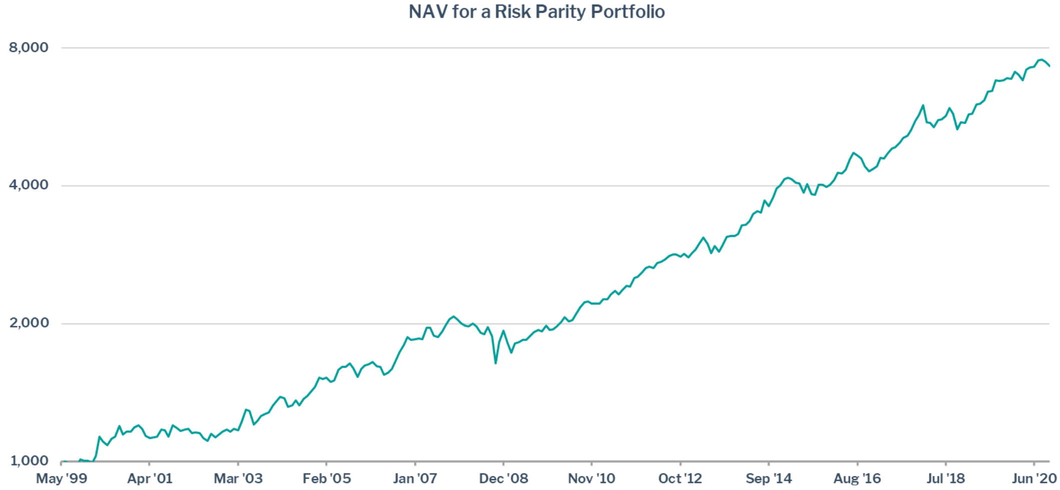
Market Commentary: Fixed income - Past Performance May Not Be Reflective of Future Returns

Central bank interventions in financial markets after the global finance crisis of 2008-2009, notably the purchases of sovereign fixed income securities, have been highly effective in sustaining economic growth and containing financial market volatility over the past decade. Long-term government bond yields declined from 4%-5% just before the global financial crisis to about 0.5% in the U.S. and -0.5% in Europe, currently. This massive decline in yields reduced the interest burden on debt for governments, corporates and consumers, allowing for higher deficits, investment and consumption.

In financial markets, the asset purchases solidified the central bank 'put,' thereby protecting the downside and allowing valuations to increase. Equally important has been the timing of the asset purchases—typically coinciding with periods of financial market turmoil. This allowed government bonds to generate strong returns when it was most needed (i.e., when other asset classes were declining). As a result, government bonds played a critical role in portfolios by providing strong absolute returns and negative correlation to risk assets and positive convexity during crisis periods.

The long and steady rally in fixed income boosted portfolio returns and improved Sharpe ratios to unprecedented levels, as shown below and on the following page. Additionally, strategies and managers who latched onto the fixed income trend and built greater exposure to the asset class also benefited handsomely, garnering huge asset flows and building significant businesses over the past decade. The rise of risk parity investing, and managers who capitalized on it, is a notable example.

Fixed income has helped risk parity strategies deliver highly stable returns



Source: Quest Partners LLC; June 1999 through October 2020. Risk Parity Portfolio includes interest earned from funding the notional amount with 1-month LIBOR (US0001M). DISCLOSURES: Past results are not necessarily indicative of future results. Derivatives trading involves substantial risk of loss and may not be suitable for everyone. This is not a solicitation

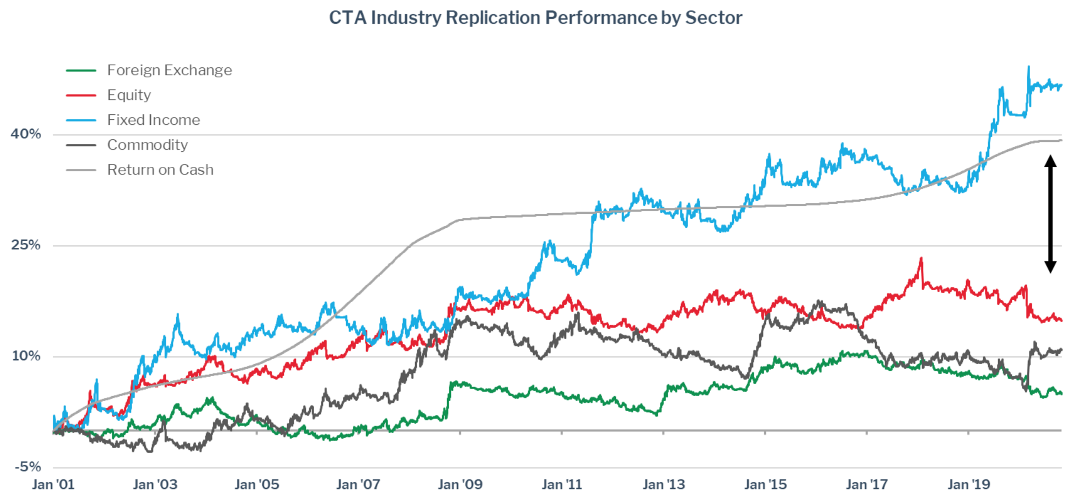
continued…

The rolling 3-year Sharpe ratio of risk parity has remained above 0.8 for nine years

Source: Quest Partners LLC; June 1999 through October 2020. DISCLOSURES: Past results are not necessarily indicative of future results. Derivatives trading involves substantial risk of loss and may not be suitable for everyone. This is not a solicitation.

The steady trend in fixed income also helped CTA strategies considerably. Our analysis shows that fixed income has been the best performing asset class and accounted for the vast majority of returns for CTA strategies over the past two decades, as shown below:

Fixed income and cash have accounted for 74% of CTA returns over the past two decades

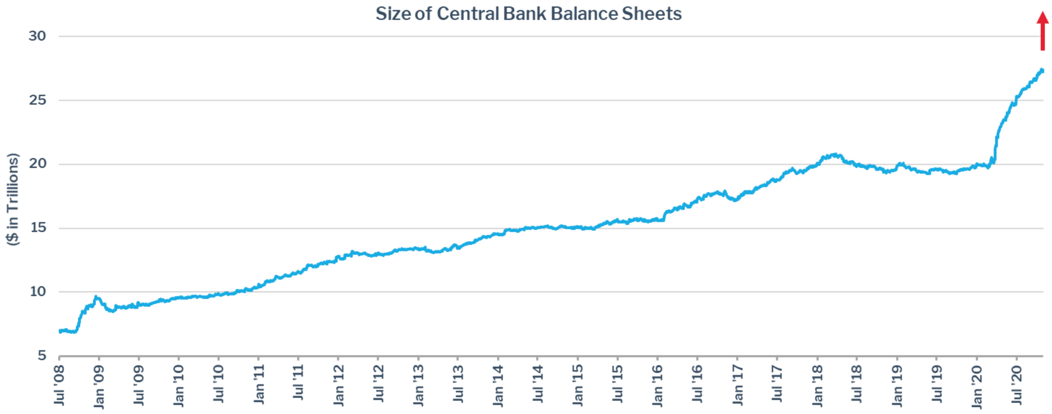


Source: Quest Partners LLC; January 2001 through October 2020. CTA Industry Replication sector performance is gross of all fees and does not include any interest earned from funding the account up to its notional value. Return on Cash represents the cumulative yield of 1-month LIBOR (US0001M) that could be used to collateralize a futures portfolio. DISCLOSURES: Past results are not necessarily indicative of future results. Derivatives trading involves substantial risk of loss and may not be suitable for everyone. This is not a solicitation.

These attractive characteristics of government bonds are now at risk. With long-term yields approaching the zero level in the U.S. and deeply negative in Europe, the extent they can fall further is limited. Moreover, as central banks begin pursuing policies explicitly targeted at increasing inflation, such as unprecedented money printing and promising to keep rates on hold even if inflation exceeds their current targets, future returns for government bonds may not only be low, but potentially negative. In other words, fixed income allocations may hurt portfolios rather than help.

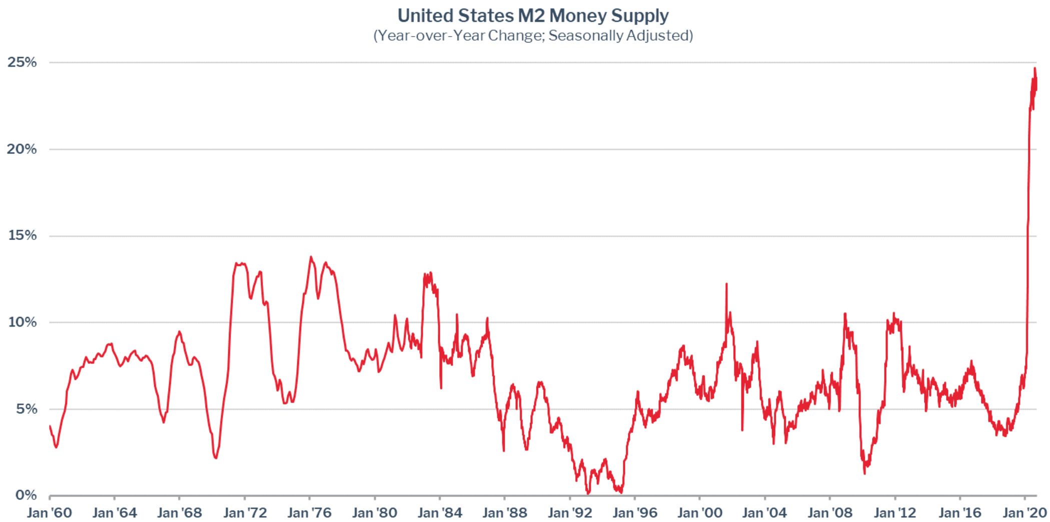
continued…

Central bank balance sheets have grown at an unprecedented pace



Source: Quest Partners LLC, Bloomberg; July 2008 through October 2020. "Central Bank Balance Sheet" figures represented above are the aggregate assets held by the U.S. Federal Reserve, European Central Bank, Bank of Japan, and People's Bank of China.

Central banks have printed money at an unprecedented pace



Source: Quest Partners LLC, Bloomberg; January 1960 through October 19, 2020. DISCLOSURES: Past results are not necessarily indicative of future results. Derivatives trading involves substantial risk of loss and may not be suitable for everyone. This is not a solicitation..

With yields hitting new record lows, the effectiveness of the asset class as a hedge for investment portfolios is beginning to wane. The price response of U.S. 10-year Treasuries to declines in equities has been diminishing, as seen in October, when Treasuries declined even as equities fell sharply. Essentially, fixed income is beginning to lose the potency of its diversification and positive convexity characteristics.

If central banks are successful with their policies and inflation increases, the investment environment going forward is likely to be very different from what we have seen in recent decades. In this regard, it is instructive to examine periods such as the 1970's, which were characterized by high inflation and macroeconomic volatility as well as financial market volatility. The table on the following page shows the performance of a simple CTA trend following strategy over a fifty-year period from 1970 to 2020. The data is presented by each decade as well as by asset class.

It is interesting to note that the best decade for trend following in the past fifty years was the 1970-1980 period while the worst decade has been the most recent one (2010-2020). This is not surprising given that overall financial market volatility in the 1970's was high and in the most recent decade it was at record lows. The composition of returns across asset classes is also noteworthy. In the 1970's, commodities were the best performing asset class from a trend following perspective, while they have been the worst in the most recent decade. Conversely, fixed income was the worst asset class in the 1970's, while it has been the best recently.

continued…

The 1970's delivered the best returns for trend following over the past fifty years, but the composition of returns was the opposite of the most recent decade; fixed income was the worst sector while commodities and foreign exchange were the strongest, as shown below:

Trend Following Anlzd. Returns by Sector and Decade - Excludes Return on Cash

Decade	Equities	Commodities	Fixed Income	Foreign Exchange	Total Portfolio
1970's	1.7%	3.6%	0.5%	2.4%	8.8%
1980's	0.5%	2.1%	2.1%	1.7%	6.4%
1990's	0.3%	0.8%	2.0%	0.2%	3.8%
2000's	0.8%	0.7%	1.2%	-0.2%	2.3%
2010's	0.1%	-0.4%	1.1%	0.3%	1.2%
Total	0.7%	1.5%	1.4%	0.9%	4.5%

Percentage Contribution of Trend Following Anlzd. Returns by Sector and Decade

Decade	Equities	Commodities	Fixed Income	Foreign Exchange	Total Portfolio
1970's	20.8%	42.2%	7.4%	29.6%	100.0%
1980's	7.6%	32.9%	32.4%	27.2%	100.0%
1990's	10.7%	24.7%	55.7%	8.8%	100.0%
2000's	31.6%	28.3%	48.5%	-8.4%	100.0%
2010's	12.7%	-30.9%	95.2%	23.0%	100.0%
Total	15.1%	33.8%	30.5%	20.5%	100.0%

Source: Quest Partners LLC; January 1970 through December 2019. The Trend Following strategy utilized is a 10-day by 100-day moving average crossover model, equal weighted across the four sectors and trading the following seven markets: S&P 500, U.S. 10-Year Treasury, German bunds, Gold, Crude Oil, USDJPY, and GBPUSD. Market performance utilized where available. The above figures are excess returns and do not include the return on cash which would be required to collateralize such an investment. Attribution due to the interaction of the portfolio was distributed pro-rata across sectors. DISCLOSURES: Past results are not necessarily indicative of future results. Derivatives trading involves substantial risk of loss and may not be suitable for everyone. This is not a solicitation.

During the prolonged period of benign market volatility and extraordinary outperformance of fixed income over the past decade, it has been very tempting for managers and investors to take on these exposures and expect a continuation of their trends. As we first highlighted in our 2014 research paper entitled "CTA Factor Drifts," industry benchmarks were showing a greater bias towards a 'buy-and-hold' exposure to fixed income. On the other hand, asset classes such as commodities and foreign exchange, which performed poorly in recent decades have been out-of-favor with much reduced allocations and few funds dedicated to trading them.

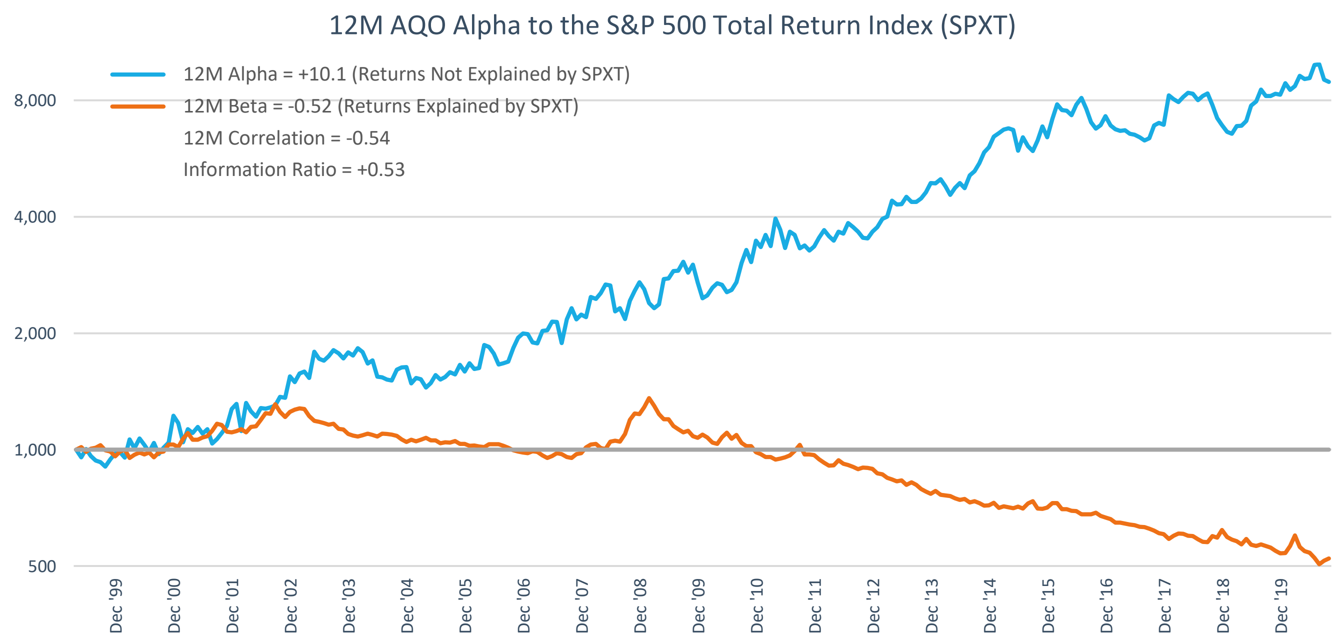
Given the changes afoot in central bank policies and the unprecedented scale of their programs, investors would be well-advised to review fixed income allocations within their portfolios as well as strategies and managers who may have adapted too well to the environment of the past decade. As policies and economic conditions change, past performance for such investments may truly not be reflective of the future returns.

AlphaQuest UCITS Fund

CTA/Managed Futures

October 2020

ALPHAQUEST ORIGINAL (AQO) PROGRAM ALPHA CURVE SINCE INCEPTION (NON-UCITS)*



**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 certain investment restrictions and consequently the performance of the AlphaQuest UCITS Fund may not be similar to that presented above.*

Source: Quest Partners LLC; Alpha and Beta values are derived from 12-month rolling returns and are indexed at 1000 at AQO's inception.

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

Quest Partners LLC
126 East 56th Street, 25th Floor
New York, NY 10022, USA
T: +1 212 838 7222
investorrelations@questpartnersllc.com

Disclaimer