AlphaQuest UCITS Fund

CTA/Managed Futures

July 2020

Performance Returns

The AlphaQuest UCITS Fund returned +2.27% in July (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%						7.78%
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%	5.38% E						17.64%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 $1.7 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	$59.5 million
Strategy AUM	$1.658 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 able to capitalize on strong trends in July, ending up +2.3% as both precious metals and currencies exhibited larger movements due to recent monetary stimulus. Growing concerns of an inflationary rebound stoked fears that fiat currencies like the U.S. dollar would struggle relative to real assets (like gold) in an environment where debt burdens and deficits reign supreme.

Since 2008, the U.S. dollar has experienced a significant increase in value relative to other global currencies like the Euro, British pound, and Swiss franc. Such a rally has led to a competitive disadvantage for U.S. goods in exchange for alternative options. Unprecedented money printing undertaken by the Federal Reserve in the aftermath of this year's global pandemic is now putting pressure on the dollar, making U.S. goods more competitive and elevating global currency volatility which had, in the past decade, reached some of the lowest levels ever.

Among sectors, commodities and foreign exchange dominated in July while equities and fixed income were slightly down and up, respectively. The commodity sector was entirely driven by precious metals—in particular, gold. Gold experienced a significant bullish trend during the month, leading the contract for August delivery to rally over +9% from approximately $1,801 to $1,963 per troy ounce. The Program was successful in latching onto this trend, developing a meaningful long position in the contract. Foreign exchange also proved lucrative for the Program as U.S. dollar weakness finally persisted, ending the period of choppiness witnessed in the first half of the year. The dollar sold off relative to all majors but was most pronounced relative to the Euro and British pound. The Program was able to position aggressively into the direction of these moves, reaping gains across all dollar-related currency pairs. Equities were slightly down on the month as the Program's shorter-term trading systems detracted when attempting to chase softness in equities throughout the month. While these key inflection points failed to materialize, it was pleasing to see the Program react swiftly. Fixed income was slightly positive as the Program maintained long positions in most fixed income markets for the majority of the month. While these markets continued to move higher, it is important to recognize the dramatic reduction in fixed income volatility—the MOVE Index is now holding around its lowest level ever.

Among trading system families, all were profitable with the exception of the shortest-term, volatility breakout trading systems. Intermediate-term trend following yielded the largest gain as it found success in all sectors. The trading system family performed best in commodities and foreign exchange as trends within each persisted throughout the month, allowing the trading systems to develop positions and take profits. Trend crowding produced gains throughout the month as it sought to capture profits in major markets which trended higher. Long-term trend following, which trades in excess of twenty days, began to develop positions at the beginning of the month and then scaled into the prevailing trends. It witnessed greater performance towards the end of the month as these trends accelerated. The shortest-term volatility breakout trading systems failed to find results in the month as they sought weakness in commodity, equity, and fixed income trends. While this trading system family detracted on the month, the timing of the trading system gave more comfort around inflection points which would have adversely impacted other areas within the portfolio had the markets broken down.

Market Commentary: "The dollar is our currency, but your problem"

On August 15, 1971, then U.S. President Richard Nixon surprised the world by announcing a new economic policy which broke off the U.S. dollar from the Bretton Woods system of foreign exchange controls that were in place since the end of World War II. The announcement, coined the 'Nixon Shock,' included a 90-day freeze on wages and prices, a 10% tax on all imports, a 10% cut in foreign aid and, most importantly, the elimination of the U.S. dollar's fixed-price convertibility into gold. The dollar would thenceforth be allowed to 'float' freely and the prices of major currencies would be determined by market forces.

Later that year, at the G10 meeting in Rome, then U.S. Treasury Secretary John Connally was challenged by his peers on the U.S. actions and the harmful impact of the dollar's decline on the export competitiveness of their economies. Connally memorably retorted "the dollar is our currency, but your problem." Then as now, with the dollar as the primary reserve currency of the global financial system, the U.S. was in a unique position to influence its value to gain an advantage—especially during a challenging economic period.
The actions led to a surge in the price of gold, which gained +16% in U.S. dollar terms during 1971 and +323% in the following three years. The dollar also depreciated sharply against other major currencies, with the U.S. Dollar Index declining -18% in the three years following the announcement, through 1974.

We are faced with a similar situation today—perhaps not in terms of words, but no less potent in actions. After the inflation surge of the 1970s that was triggered by the collapse of the Bretton Woods system, central banks embarked on a period of tight monetary policies which tamed inflation and ushered in the era of 'Great Moderation' in the 1990s and 2000s. Major central banks have near fully abandoned the monetary orthodoxy of that era, however, beginning with the Global Financial Crisis and, especially, amid this year's global pandemic. Unprecedented levels of negative yielding debt and money printing—combined with commitments to resist rate hikes even if inflation rises beyond predetermined target levels—indicate deliberate attempts at reflation and monetary debasement. This shift in focus and abandonment of traditional policies of economic management is eerily similar to the collapse of the Bretton Woods system.

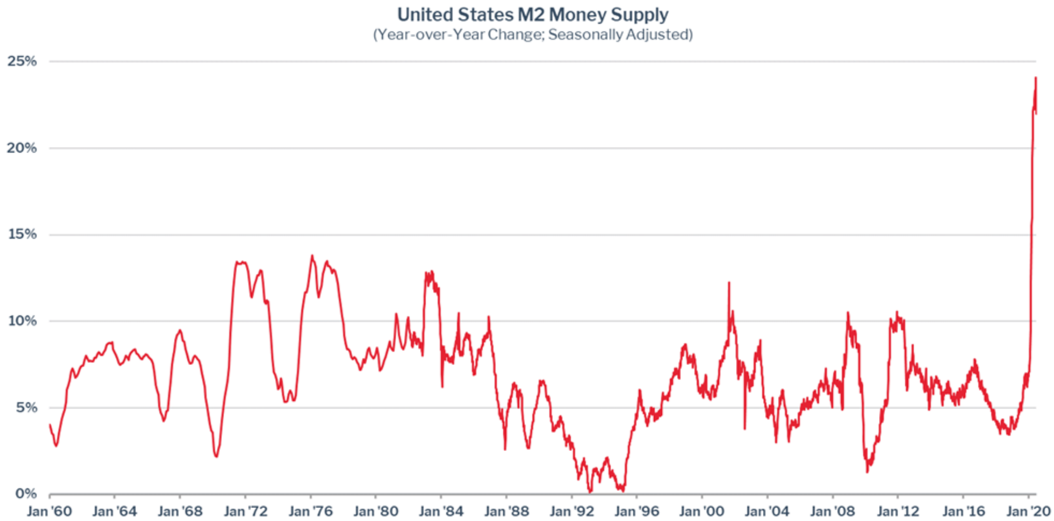
continued…

AlphaQuest UCITS Fund

CTA/Managed Futures

July 2020

We are amid the largest monetary supply shock in modern financial history

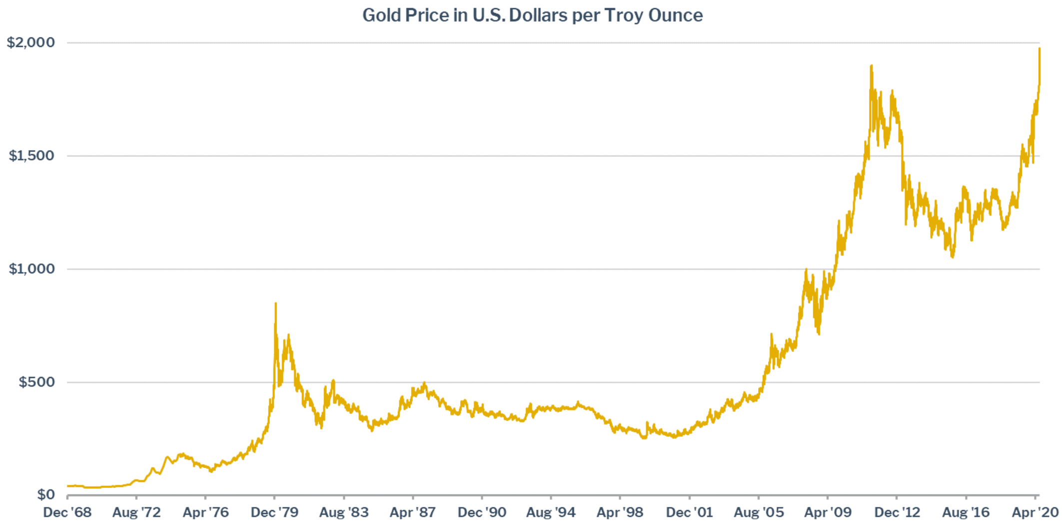


Source: Quest Partners LLC, Bloomberg; January 1960 through July 20, 2020. DISCLOSURES: Past results are not necessarily indicative of future results. Derivatives trading involves substantial risk of loss and may not be suitable for everyone. This is not a solicitation.

While the instruments of policy actions are different today, their magnitude is of a much greater order. As we have highlighted in recent commentaries, the increase in money supply and expansion of balance sheets dwarf actions taken during historical periods such as in the early 1970s and the recessions of the 1980s and 2000s—including the Global Financial Crisis. Although the initial impact of these actions has dampened volatility, the highly reflationary policies being pursued are sowing the seeds of volatility for years to come, the scale of which could be material.

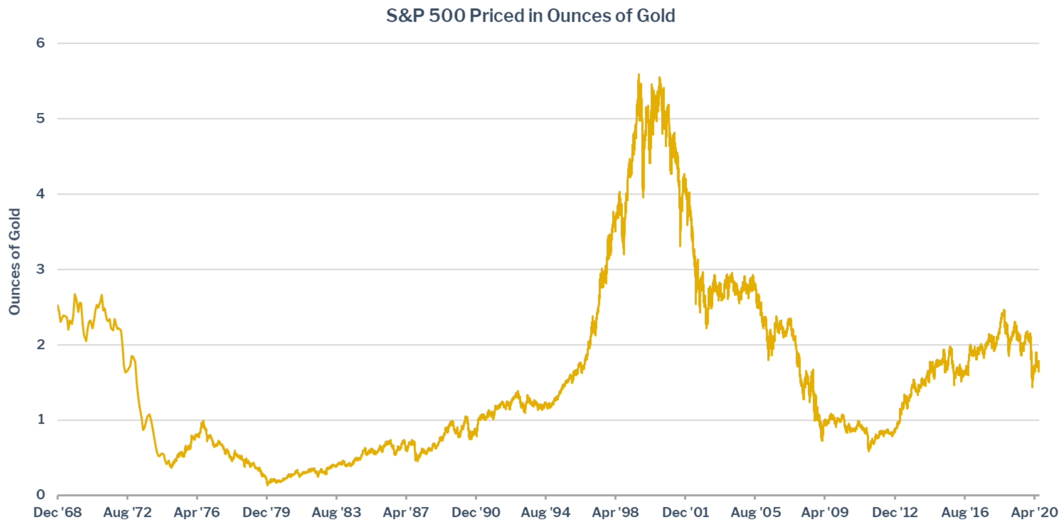
Asset prices have recently begun to react to these reflationary policies: gold broke out to all-time highs in July and has gained 30.2% for the year; the U.S. Dollar Index is down -3.2% for the year and -4.2% in July; the S&P 500 Total Return Index is now up +2.4% for the year and +47.2% from its March 23rd low; and the yield of the 10-year U.S. Treasury Inflation-Protected bond declined to a record low of -1.0%. Even relatively new assets such as cryptocurrencies, which seek to be alternatives to traditional fiat currencies, are reacting to the reflationary surge. Bitcoin is up +58.5% for the year and gained +24.0% in July alone.

Gold is surging to records as investors look for alternatives to fiat currencies



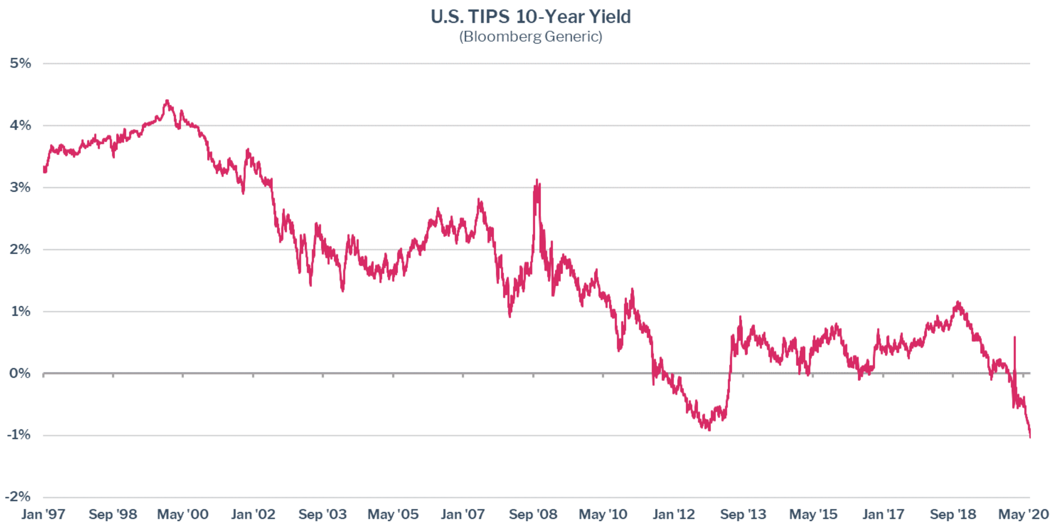
Source: Quest Partners LLC, Bloomberg; December 1968 through July 2020. DISCLOSURES: Past results are not necessarily indicative of future results. Derivatives trading involves substantial risk of loss and may not be suitable for everyone. This is not a solicitation.

continued…



Source: Quest Partners LLC, Bloomberg; December 1968 through July 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.

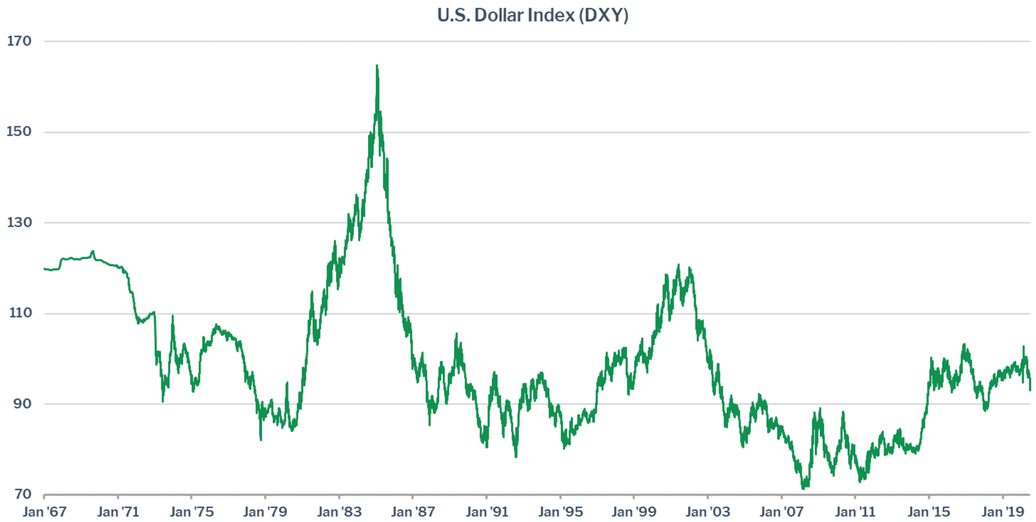
Demand for reflationary assets is driving real yields deeply into negative territory



Source: Quest Partners LLC, Bloomberg; January 1997 through July 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.

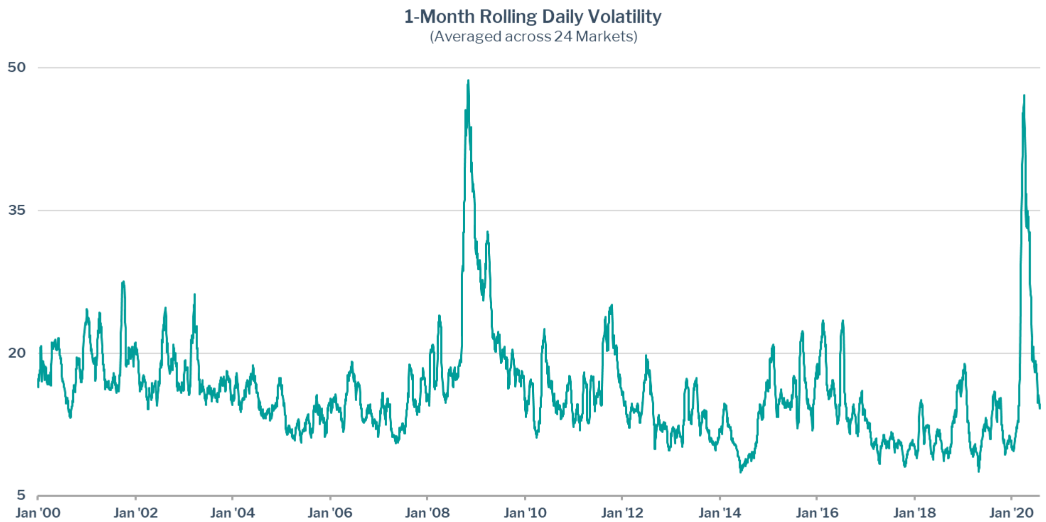
continued…

The U.S. dollar is only modestly weaker despite record levels of monetary debasement



Source: Quest Partners LLC, Bloomberg; January 1967 through July 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.

Despite unprecedented money printing, volatility remains near record lows

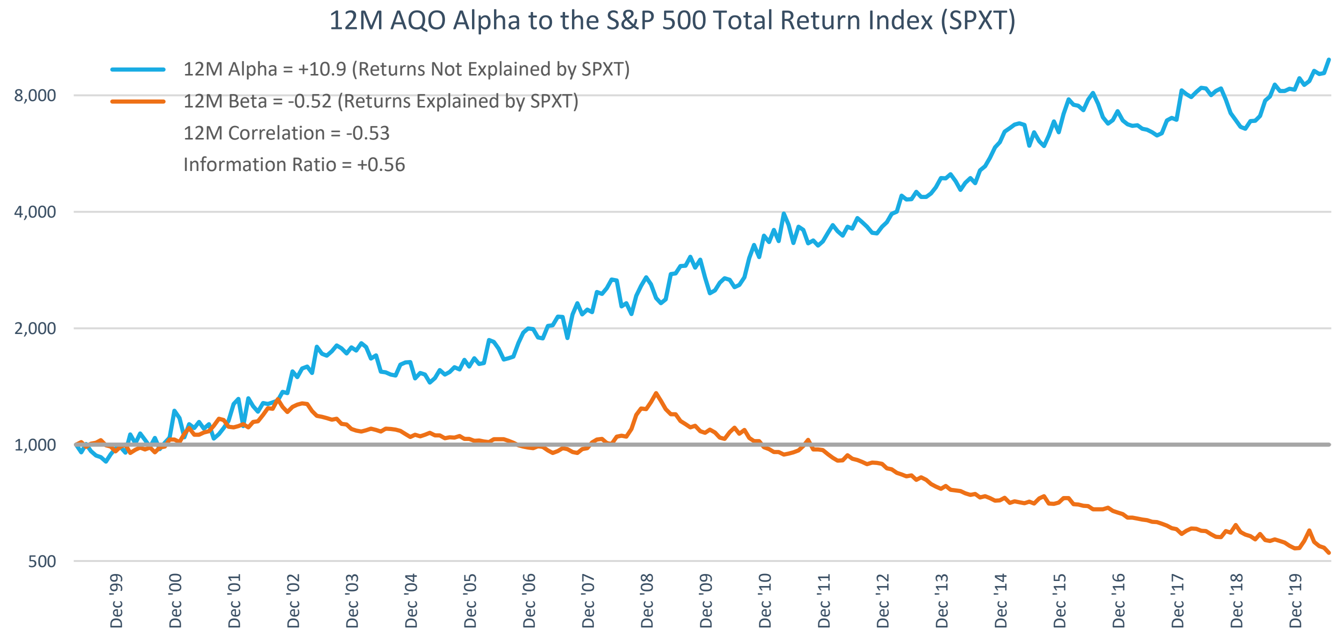


Source: Quest Partners LLC; January 2000 through July 2020. The 24 markets included are: Corn, WTI Crude Oil, Bunds, 3M EuroDollar, S&P 500 E-Mini, DAX, Euribor 3M, Gold, Heating Oil, Hang Seng, EURGBP, GBPUSD, EURUSD, USDJPY, EURJPY, USDCHF, JGBs, Natural Gas, Nikkei, NASDAQ E-Mini, Silver, Euro Stoxx 50, US 10-Year Note, and the US 30-Year Bond. DISCLOSURES: Past results are not necessarily indicative of future results. Commodity trading involves substantial risk of loss and may not be suitable for everyone. This is not a solicitation.

The current environment also highlights a great paradox: on one hand, macroeconomic imbalances and policy actions are of a magnitude that is multiples of earlier periods yet, on the other, market volatility remains at or near record lows. The latter seems to be suggesting that the imbalances will smoothly and quickly disappear as economies recover from the pandemic and there will not be any repercussions of running unprecedented fiscal deficits and debt levels or pursuing highly reflationary policies. The more likely outcome—as corroborated by the history of such large economic shocks and policy actions—is that asset prices and volatility will react significantly and over a sustained period of several years or more.

So, while the recent moves appear to be large, in the words of the classic Bachman-Turner Overdrive song, “you ain't seen nothin’ yet.”

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