

MONTLAKE VOLATILITY ARBITRAGE UCITS FUND

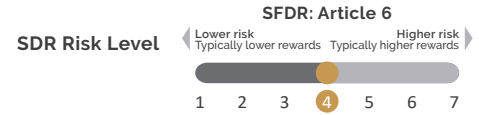
Marketing Communication
Month End of January 2025



Country Registrations:



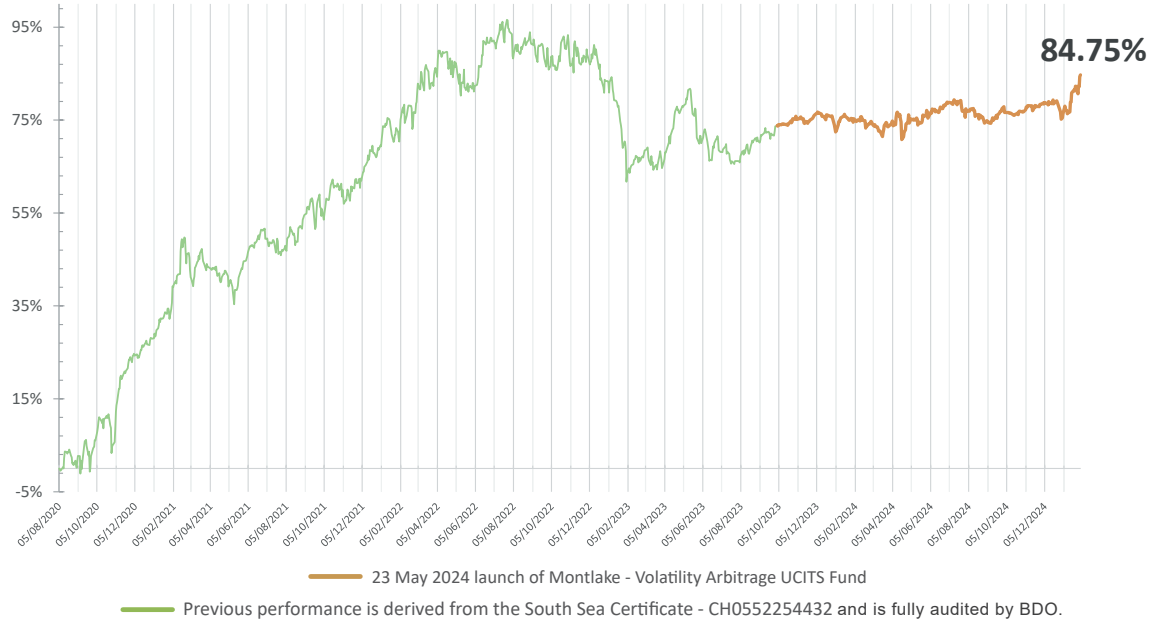
USD Institutional (UI) share class NAVps: \$ 106.37



CARACTERISTICS

Legal Structure	UCITS - ICAV
Domicile	Ireland
Custodian / Depository	Northern Trust
Administrator & Transfer Agent	Northern Trust International Fund Administration
Management Company	Waystone Fund Management (IE) Limited
Auditor	KPMG - Ireland
Investment Manager	Fortune Financial Strategies S.A.
Portfolio Manager	Simon Khalili
Share class type	USD Insti. (UI)
ISIN - Sedole	IE0005RLJ1N2 - BPK65J6
Fund Launch Date	23 September 2024
Valuation Frequency	Daily
Subscription & Redemptions	Daily T+1
Total Expense Ratio (TER)	1.20%
Management & Performance fee	0.9% & 18% HWM
Prospectus and PRIIPs can be found on www.montlakeucits.com The Prospectus is in English & the PRIIPs are in EN, PT, ES, DE, FR, IT	

NET OF FEES PERFORMANCE SINCE INCEPTION



MONTHLY NET % PERFORMANCE SINCE INCEPTION

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	CUM
2025	5.46%												5.46%	84.75%
2024	-0.41%	-0.29%	-0.64%	1.49%	-0.40%	1.56%	-0.41%	-1.73%	2.04%	-0.65%	0.95%	-1.81%	-0.40%	75.18%
2023	-7.32%	-1.67%	-1.51%	7.17%	-2.73%	-1.83%	-1.38%	3.06%	1.41%	0.86%	0.42%	-0.01%	-4.11%	75.89%
2022	2.33%	2.31%	5.19%	-0.77%	-0.65%	5.26%	0.74%	-0.07%	-4.15%	4.00%	-1.58%	-3.58%	8.82%	83.44%
2021	3.19%	10.54%	-1.81%	-0.84%	1.68%	4.63%	-3.02%	4.61%	0.49%	3.61%	1.53%	3.82%	31.58%	68.57%
2020								1.70%	2.94%	0.31%	17.02%	4.25%	28.12%	28.12%

Performance until September 2023 derived from the South Sea Certificate - CH0552254432 and is fully audited by BDO.
Historical performance is not an indicator of current or future performance. Performance data does not take into account the commissions and costs charged on the issue and redemption of units.

ASSETS UNDER MANAGEMENT

Consolidated AUM of Fortune Group	2,316,468,125 USD
Strategy AUM UCITS Fund	46,039,804 USD

TRACK RECORD STATISTICS

	Sharpe*	Sortino*	Vol*	3 M	6 M	12 M	Since Inception ^(a)	Annualized Return ^(a)
Montlake Vol. Arb. UCITS (daily)	0.44	0.80	5.56%	4.53%	4.13%	5.47%	84.75%	14.11%

(a) - Performance since the inception of the strategy. | * Since Inception.

CONTACT DETAILS

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INVESTMENT STRATEGY DESCRIPTION

Montlake Volatility Arbitrage UCITS Fund is a strategy that utilizes a disciplined, active & opportunistic investment approach that combines systematic fundamental & technical analysis with a discretionary execution; in order to build a portfolio of high conviction long and short liquid index option positions that seek to generate absolute risk-adjusted returns. The fund aims to extract market inefficiencies through volatility arbitrage, by buying low volatility and selling high volatility. This strategy leverages various instruments and stock positions across intra- and cross-index strategies. Most of the fund's positions are centered around calendar diagonal spreads and straddles, strategies aimed at generating value (through price decay or theta) in down or flat markets.

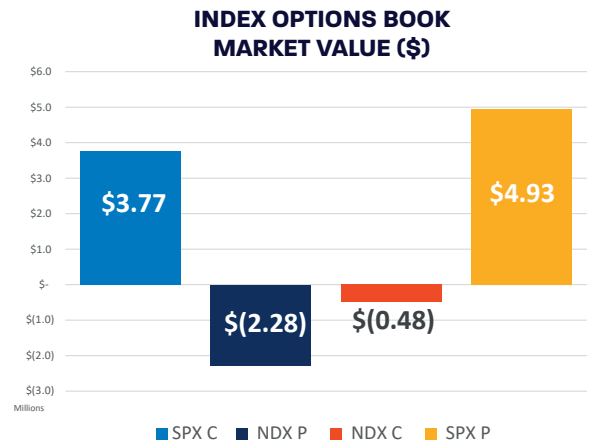
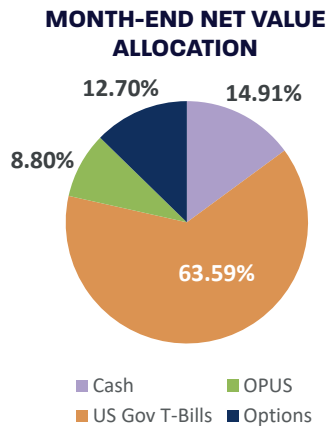
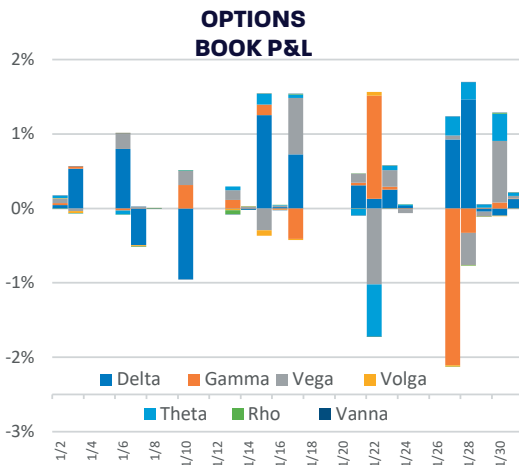
MONTHLY REVIEW

January 2025 saw notable movements in U.S. stock markets, with major indices closing the month higher despite periods of increased volatility. The S&P 500 advanced by 2.78%, while the Nasdaq-100 gained 2.25%. Market volatility, as measured by the CBOE Volatility Index (VIX), fluctuated between 14.85 and 19.54, driven by key economic reports, geopolitical tensions, and monetary policy decisions. Here are several key financial events that have had a significant impact on the U.S. economy and markets: The annual inflation rate for the United States reached 2.9% for the 12 months ending December 2024, compared to 2.7% in the previous reading. This slight increase signalled persistent price pressures despite the Federal Reserve's tightening measures. Investors now await the next Consumer Price Index (CPI) report, scheduled for release on February 12, for further insights into inflationary trends. During its January 29 meeting, the Federal Open Market Committee (FOMC) opted to maintain the federal funds rate at 4.25% – 4.50%. The Committee reiterated its commitment to a

data-driven approach, carefully evaluating incoming economic indicators before considering any adjustments to its policy stance. Economic indicators suggest continued expansion, with the labor market remaining robust, characterized by strong job gains and historically low unemployment rates. While inflation remains elevated, it is gradually approaching the Fed's long-term 2% target, reinforcing expectations of a patient and measured approach to future rate adjustments. Global technology stocks faced significant declines amid concerns that China's AI model, DeepSeek, poses a direct challenge to U.S. dominance in artificial intelligence. Reports suggest that DeepSeek was developed at a fraction of the cost using lower-tier hardware, yet has demonstrated efficiency and capabilities that rival high-end Western AI models. This raised alarms over the potential erosion of the U.S. competitive edge in AI, further amplifying fears of intellectual property theft and intensifying geopolitical tensions between the U.S. and China. The emergence of such a cost-effective yet powerful alternative underscored

the stretched valuations of U.S. tech stocks, triggering a sector-wide selloff and highlighting the fragility of current market levels in an environment of elevated expectations. In anticipation of heightened market volatility throughout 2025, we have undertaken a fundamental shift in our strategy, transitioning from a short gamma, long theta positioning to a long gamma, long vega approach. The fund has implemented a structured strategy aimed at acquiring index options with relatively low implied volatility, strategically financing these positions by selling higher implied volatility identified through a comprehensive cross-market analysis. This approach is designed to optimize risk-adjusted returns while capitalizing on asymmetric volatility opportunities across different indices. The fund is up 5.46% for the month. By repositioning the portfolio towards long gamma exposure, we seek to enhance our ability to navigate and capitalize on sharp market movements, ensuring greater flexibility and responsiveness in an increasingly uncertain macroeconomic environment.

	Market Value	Long Exposure /NAV	Short Exposure /NAV	Net Exposure	Net Notional	MTD
US Treasury & Cash	\$36,696,925.54	-	-	-	-	0.22%
SPX puts	\$4,930,799.98	0.00%	-253.27%	-253.27%	\$(197,359,078.13)	-2.98%
SPX calls	\$3,767,424.99	198.56%	0.00%	198.56%	\$227,261,968.75	3.61%
NDX puts	\$(2,279,159.99)	87.30%	0.00%	87.30%	\$122,045,305.08	2.37%
NDX calls	\$(483,960.00)	0.00%	-63.96%	-63.96%	\$(206,477,981.25)	2.28%
Index Futures	\$-	0.00%	0.00%	0.00%	\$-	-0.25%
Opus Certificate	\$4,115,600.00	2.79%	-0.08%	2.71%	\$12,685,281.80	0.22%
Total	\$46,747,630.53	288.66%	-317.32%	-28.66%	\$(41,844,503.75)	5.46%



OPTION BOOK SPECIFICS									RISK	BOND BOOK SPECIFICS				
Option Positions	S&P option Transactions	Nasdaq option Transactions	Future Transactions	Single Stock Options	Delta Net Exposure	Delta Gross Exposure	Theta Daily	Vega	VaR	Bond Positions	Bonds Transactions	Average Rating	Average YTM	Average Duration
10	44	76	132	42	-31.37%	603.10%	0.05%	0.97%	1.85%	7	0	AAA	4.28%	0.29

Share class	Currency	Month End NAV	Type	Minimum Investment	Management Fee	Performance Fee	Hedged to the USD	Dividend Distributing	ISIN Codes	Bloomberg Codes
UI	USD	106.37	Institutional	3,000,000	0.90%	18%	No	No	IE0005RLJ1N2	FFSVAUI
UA	USD	105.29	Advisory	No minimum	1.80%	18%	No	No	IE000V8WDL04	FFSVAUA
EI	EUR	108.65	Institutional	3,000,000	0.90%	18%	No	No	IE000X3IY4G0	FFSVAEI
EHI	EUR	104.49	Institutional	3,000,000	0.90%	18%	Yes	No	IE000CPWXNFO	FFVAEHI
EHA	EUR	102.86	Advisory	No minimum	1.80%	18%	Yes	No	IE000FK526C1	FFVAEHA
CHI	CHF	100.94	Institutional	3,000,000	0.90%	18%	Yes	No	IE000J400TY2	FFVACHI

GLOSSARY

Sharpe Ratio

Was developed by Nobel laureate William F. Sharpe and is used to help investors understand the return of an investment compared to its risk. The ratio is the average return earned in excess of the risk-free rate per unit of volatility or total risk. Volatility is a measure of the price fluctuations of an asset or portfolio.

Sortino Ratio

Is a variation of the Sharpe ratio that differentiates harmful volatility from total overall volatility by using the asset's standard deviation of negative portfolio returns—downside deviation—instead of the total standard deviation of portfolio returns. The Sortino ratio takes an asset or portfolio's return and subtracts the risk-free rate, and then divides that amount by the asset's downside deviation. The ratio was named after Frank A. Sortino.

Vol (Volatility)

Volatility measures how much an investment's price fluctuates over time. Higher volatility indicates greater price swings and potentially higher risk, while lower volatility suggests more stable performance.

bps (Basis Points)

Basis points, or bps, are a unit of measurement used to describe percentage changes in interest rates or yields. One basis point equals one-hundredth of a percent (0.01%). For instance, 25 bps equals 0.25%.

SOFR (Secured Overnight Financing Rate)

The Secured Overnight Financing Rate (SOFR) is a benchmark interest rate that reflects the cost of borrowing cash overnight, secured by U.S. Treasury securities. It is widely used as a replacement for LIBOR in financial markets.

Var (Value at Risk)

Value at Risk (VaR) is a statistical measure that estimates the potential loss an investment or portfolio could face over a specified time period with a given level of confidence. For example, a one-day 5% VaR of \$1 million means there is a 5% chance the portfolio could lose more than \$1 million in one day. VaR is widely used for risk management.

HWM (High-Water Mark)

The High-Water Mark is the highest value that an investment or fund has reached. It is commonly used in performance fee structures to ensure fees are only charged on gains above the previous peak value.

AT1

A type of regulatory capital under Basel III, issued as high-risk perpetual bonds or convertible instruments by banks to absorb losses during financial stress. Designed to ensure stability, AT1 can convert to equity or be written down if the bank's financial health declines.

Yield to Worst

Yield to Worst (YTW) is the lowest possible yield that an investor can receive on a bond without the issuer defaulting, assuming the bond is held to its earliest callable date or maturity. It accounts for scenarios such as early redemption, prepayment, or call provisions, which may result in a lower yield than the stated yield to maturity. YTW is a conservative measure used to assess potential downside risk in fixed-income investments, ensuring investors understand the minimum return they might earn.

Duration

Measures a bond's sensitivity to interest rate changes, expressed in years. It estimates how much the bond's price will change for a 1% change in interest rates, helping investors assess interest rate risk.

Spread

Refers to the difference in yield between two bonds or financial instruments, typically of different credit qualities, maturities, or risk levels. It is often used to compare corporate bonds to risk-free government bonds, indicating the extra return investors demand for taking on additional risk.

DISCLAIMER

Swiss Representative: Waystone Fund Services (Switzerland) SA, Av. Villamont 17, 1005 Lausanne, Switzerland.

Swiss Paying Agent: NPB Neue Privat Bank AG, Limmatquai 1/am Bellevue, CH-8024 Zurich, Switzerland

Details of where the fund's prospectus, articles of incorporation, annual report, semi-annual report, and KIDs are available, along with the language in which the prospectus and KIDs are available. The funds Prospectus and supplement are available on www.montlakeUCITS.com. The prospectus and supplement are available in English. The PRIIPs are available in EN, PT, ES, DE, FR, IT.

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