

Altana Directors Alignment Strategy (UCITS)

Founder & CIO

Lee Robinson

Portfolio Manager

Alphons Vermorken

Key Characteristics

Liquidity:

Daily

Look through:

Monthly (Top winners/losers)

Fund currencies:

USD; EUR; GBP

Benchmark:

HFRX Equity Hedge Index

Investment minimum:

Institutional:
\$ / £ / € / CHF 100,000

Fee structure:

Performance: 20%
Management:
1.5% (investments ≥
USD100,000)
OR
2% (investments <
USD100,000)

Sectors:

All

Markets:

US equity

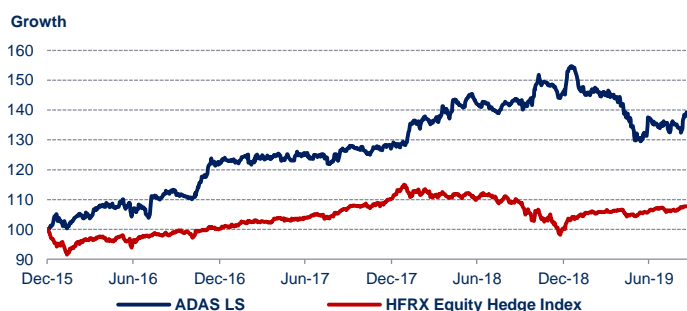
Target size:

USD 1 Billion

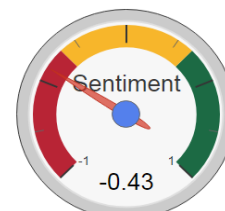
Investment Approach

Altana Director Alignment Strategy Fund UCITS (ADAS) is a systematic US equity Long/Short strategy investing in mid/large cap stocks with a market cap over USD 1 billion. ADAS generates alpha on both the long and the short books by filtering directors' transactions to optimise the best opportunities to profit alongside directors. The strongest signals are generated ahead of the largest moves. Trade executions and portfolio management are automated.

ADAS Performance vs HFRX Equity Hedge Index



Director Sentiment



Bullish **Neutral** **Bearish**

The Sentiment indicators provide some colour around the Bullish and Bearishness of directors based on the ratio of their purchases and sales of stocks. The indicated value is the standardized 30 day moving average of this value to smooth out transaction spikes.

ADAS (UCITS) Performance Track Record (Gross performance)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2016	2.60%	1.43%	-0.17%	4.05%	-0.38%	-1.01%	-1.59%	5.72%	0.55%	-0.71%	6.23%	3.61%	21.86%
2017	0.79%	0.77%	0.89%	-0.32%	-1.12%	1.55%	0.07%	-0.39%	2.17%	-0.24%	0.76%	-0.66%	4.27%
2018	1.56%	3.87%	1.97%	0.93%	1.89%	1.10%	-0.79%	0.89%	-0.18%	3.22%	1.14%	-1.15%	15.33%
2019	1.23%	-1.09%	-0.92%	-0.64%	-9.60%	6.04%	-0.82%	-1.42%	3.48%				-4.41%

* Institutional share class (USD): Bloomberg ticker ALTDASA ID, ISIN IE00BDD95873, Sedol BDD9587.

Trading program research was completed at the end of 2015. Managed account track record January 2016 – May 2017. UCITS Fund launched in June 2017.

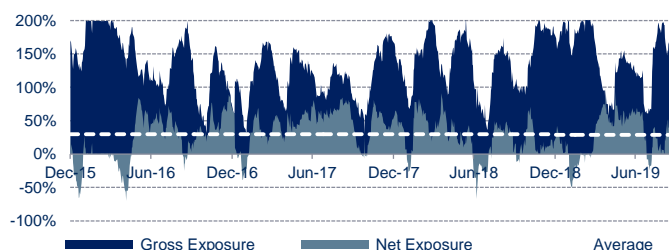
ADAS (UCITS) Performance Track Record

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD
2017	-	-	-	-	-	1.33%	-0.13%	-0.60%	1.95%	-0.45%	0.55%	-0.87%	1.78%
2018	1.08%	2.93%	1.41%	0.58%	1.35%	0.71%	-0.80%	0.55%	-0.31%	2.46%	0.75%	-1.08%	9.93%
2019	0.79%	-1.30%	-1.14%	-0.85%	-9.82%	5.81%	-1.03%	-1.63%	3.21%				-6.52%

From Jun 17 – Dec 18: Returns were capped at 2.5% total expense ratio. Cap includes the management fees and other fund expenses. Until the UCITS Fund reaches an AUM of 20 million the total expense ratio (TER) will be capped at 2.5% and rebated by Altana Wealth Ltd.

From Jan 19 – onwards: Performance is net of all legal, admin, trading and management fees.

Exposure



Key Statistics*

Return since inception	38.54%
Annualised Return	9.9%
Max drawdown	15.82%
Annualised Volatility	6.31%
Sharpe Ratio	1.56
Beta	-0.06
Average # Long Positions	31
Average # Short Positions	33

* Blended figure between ADAS managed account and ADAS UCITS, key statistic data as of Jan 2016.

Awards

HEDGE FUNDS
EUROPEAN
PERFORMANCE
AWARDS 2018
Best new alternative
UCITS hedge fund
Altana Director Alignment
Strategy UCITS (ADAS)
Altana Wealth

UCITS Hedge
Awards
2019

Long/Short (Systematic/Quantitative)
Best Performing Fund in 2018
Altana Director Alignment Strategy
(Altana)

- ADAS has won **"Best new alternative UCITS hedge fund"** category at the HFR European Performance Awards 2018 held in The Banking Hall in the City of London on Nov 2018
- ADAS has won **"US Best Performing Fund in the Long/Short (Systematic/Quantitative) in 2018"** category at the Hedge Fund Journal's UCITS Hedge Awards 2019

Why invest?

- **True Alpha:** When correctly filtered directors' dealings generate true alpha, long and short
- **Naturally appealing:** Directors' dealings are conceptually simple to understand. Alignment with corporate insiders is intuitive and logical
- **Uncorrelated Returns:** Little or no exposure to systematic beta factors such as sector, size, value, momentum, income
- **Alignment of Interest:** We always invest alongside clients in a meaningful way

Altana Directors Alignment Strategy (UCITS)

Legal Structure

Structure:
Irish UCITS V

Umbrella company:

Altana UCITS Funds plc
(authorised by the Central Bank of Ireland)

Promoter/Investment manager:

Altana Wealth Limited
(regulated by the FCA)

Administrator:

Société Générale Securities Services

Depository:

Société Générale S.A.
Dublin Branch

Auditors:

Grant Thornton, Dublin

Lawyers:

Walkers Ireland

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The Altana Director Alignment Strategy Fund UCITS ("ADAS") is managed by Altana Wealth Limited and is a Sub-Fund of Altana UCITS Funds Plc an investment company with variable capital incorporated with limited liability in Ireland with registered number 540012 and established as an umbrella fund with segregated liability between sub-funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities).

Key Features

Intuitive	Corporate insiders know more than anyone about their shares ADAS seeks pure trading signals to align with corporate insiders
True Alpha	When correctly filtered, directors' dealings generate true alpha ADAS generates long and short profits independently – the holy grail of absolute return
Positive Convexity	The strongest signals are generated ahead of the largest moves ADAS stop loss methodology further adjusts net exposure as prices rise or fall
Uncorrelated	Little or no exposure to systematic beta factors Eg. sector, size, value, momentum, income
Risk Management	In-house UCITS platform, systems, risk manager and compliance Trading is fully automated for ADAS, with no manual input required

Investment Process

Raw Filings	We scrape raw filings from SEC servers – on average 140,000 per annum SEC publishes transactions within two days; Altana uses proprietary text scraping algorithms
Cleaning & Uploading	Filings are checked, cleaned and uploaded to Altana database Systematically update with all new filings from SEC servers
Transaction Groupings	SEC defines 31 different transaction types Multiple transaction types possible for each filing; we dissect each filing
First Filter	A filtering algorithm is applied to select only desired transaction combo's Multiple transaction types for each filing; only ~20,000 transactions are desired combinations
Second Filter	Identify pure buying or selling by directors to generate ADAS trade signals We filter for net buying / selling days and clusters of directors' transactions; monitor price action

ADAS (UCITS) Share Classes and Codes

	Description	ISIN	Bloomberg Ticker	SEDOL
A USD	Institutional / non-distributing	IE00BDD95873	ALTDASA ID	BDD9587
B EUR	Institutional / Non-distributing	IE00BDD95980	ALTDABE ID	BDD9598
C GBP	Institutional / non-distributing	IE00BDD95B04	ALTDACG ID	BDD95B0
M CHF	Institutional / non-distributing	IE00BZ7PDH06	ALTDAMC ID	BZ7PDH0

Backtested Annual Returns

Annual performance	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Annual	Vol	Sharpe	Beta	MaxDD
ADAS Long Short*	10.8%	13.9%	8.5%	11.3%	45.7%	25.1%	19.5%	23.5%	7.5%	29.7%	9.9%	16.3%	21.9%	4.28%	15.33%	-5.3%	17.11%	11.32%	1.52	0.21	-16.09%
S&P 500 Index	9.0%	3.0%	13.6%	3.5%	-38.5%	23.5%	12.8%	0.0%	13.4%	29.1%	11.8%	-0.7%	9.5%	19.42%	-6.24%	18.74%	6.93%	13.96%	0.42	1.00	-56.7%
HFRXEH Index	2.2%	4.2%	9.2%	3.2%	-25.5%	13.1%	8.9%	-19.1%	4.8%	11.1%	1.4%	-2.3%	0.1%	10.0%	-9.42%	7.87%	0.84%	7.07%	0.12	0.34	-31.4%
ADAS Long	11.9%	15.5%	16.0%	0.8%	-3.6%	31.6%	21.5%	17.8%	7.1%	35.4%	13.2%	6.3%	22.7%	7.92%	1.71%	3.12%	12.15%	13.62%	0.78	0.73	-42.8%
ADAS Short	-1.1%	-1.6%	-7.5%	10.5%	49.3%	-6.5%	-2.0%	5.7%	0.4%	-5.7%	-3.3%	10.0%	-2.6%	-3.55%	11.84%	-8.46%	2.25%	10.91%	-0.58	-0.54	-31.8%

* UCITS fund from July 2017 (gross returns).

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