

Performance 01/05/2022 – 31/05/2022

	NAV per share	Change, %
Class 1 USD	1048.4	0.73
Class 2 USD	1049.2	0.76
Class 4 EUR	1041.0	0.30
Class 7 GBP	1014.0	0.52

Monthly Newsletter | May 2022

The LAIF fund operates on the market of weekly options on Nasdaq QQQ Invesco ETF (QQQ) (the largest and most liquid ETF that replicates the composition of the NASDAQ-100 technology index) and Russell 2000 iShares ETF (IWM) (the largest and most liquid ETF that replicates the composition of the Russell 2000 US small-cap index). The fund acts as an options seller on the exchange, earning returns by offering market participants an opportunity to hedge or bet on short-term market movements.

The purpose of the fund is to deliver stable market-neutral returns with low volatility results and a conservative risk profile.

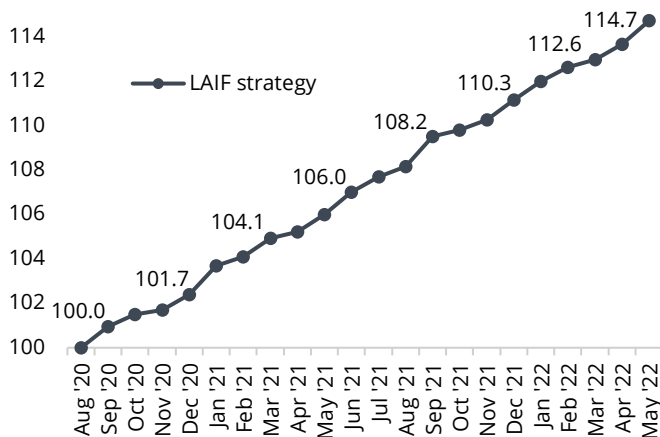
Monthly results

Throughout May the equity and debt markets remained quite volatile. They corrected significantly in the first half of the month and recovered almost entirely toward the end. Commodities continued to rise, with energy and agricultural goods leading the way for the obvious geopolitical reasons. Euro strengthened slightly against the US Dollar. Investors were focused on rising inflation, risks associated with tighter monetary policy by the central banks and the ongoing war in Ukraine.

Managers' actions

High volatility in the the strategy's underlying indices (NASDAQ-100 and Russell 2000) gave the portfolio managers opportunity to open positions with an average yield of 10–11% p.a. May dynamics confirmed the direct correlation between volatility of the underlying assets and the strategy's profitability: higher the volatility, higher the profitability. At the same time, the risk profile parameters remained as conservative as possible, with the strikes on 5-day puts selected in the range of 13–15% below the market.

Value of 100 USD invested since September 2020¹



Historical metrics¹

Annualized return, %	7.9 (USD)
Max. Monthly drawdown, %	0
Sharpe Ratio	6.2
Sortino Ratio	14.1
Correlation with NASDAQ-100	-0.5
Positive months, %	100

Historical Returns since inception of the strategy (group's proprietary account)¹

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	-	-	-	-	-	-	-	-	0.95	0.54	0.19	0.71	2.39
2021	1.32	0.37	0.85	0.29	0.75	0.83	0.75	0.31	1.09	0.26	0.59	0.81	8.22
2022	0.75	0.58	0.29	0.63	0.92	-	-	-	-	-	-	-	3.17
Inception to date, % p.a.:													7.87

Historical Returns by Share Class, %

Class 1 USD

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	-	-	-	-	-	-	-	-	0.91	0.21	0.47	0.64	2.23
2022	0.59	0.48	0.23	0.49	0.73	-	-	-	-	-	-	-	2.52
Inception to date, % p.a.:													6.33

Class 2 USD

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	-	-	-	-	-	-	-	-	0.82	0.22	0.49	0.67	2.20
2022	0.62	0.49	0.24	0.52	0.76	-	-	-	-	-	-	-	2.63
Inception to date, % p.a.:													6.44

Class 4 EUR

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	-	-	-	-	-	-	-	-	0.82	-0.06	0.55	0.65	1.96
2022	0.42	0.44	0.01	0.89	0.30	-	-	-	-	-	-	-	2.06
Inception to date, % p.a.:													5.36

Class 7 GBP

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	-	-	-	0.88	0.52	-	-	-	-	-	-	-	1.40
Inception to date, % p.a.:													8.40

Share classes details

Class	Minimum subscription		Management fee, %	Performance fee, % *	Dividends	ISIN / Bloomberg
Class 1 USD	USD	250 000	0	25	—	KYG1R84N1597
Class 2 USD	USD	1 000 000	0	20	—	KYG1R84N1670
Class 3 USD ²	USD	—	—	—	—	KYG1R84N1753
Class 4 EUR	EUR	250 000	0	25	—	KYG1R84N1910
Class 5 EUR	EUR	1 000 000	0	20	—	KYG1R84N2090
Class 7 GBP	GBP	250 000	0	25	—	KYG1R84N2256
Class 8 USD	USD	250 000	0	25	Yes	KYG1R84N1837

* Minimum return for performance fee to be charged: 4% USD | 2% EUR | 4% GBP

Fund Details

Name	Liquid Alpha Income Fund
Country of registration	Cayman Islands
Launch date	July 1st, 2021
Base currency	USD
Subscription frequency	Weekly
Redemption frequency	Weekly ³
Subscription / Redemption fee	None
High water mark	Yes
Dividends	Yes, Class 8D USD

Providers

Administrator	Apex Fund Services
Investment advisor	Movchan Advisers Ltd.
Auditor	Deloitte
Prime-broker	Exante
Administrator	The Northern Trust
Databases	Bloomberg, Preqin, Context 365, Eureka hedge, Refinitiv

¹ September 2020 – June 2021 – group's proprietary account performance. Starting July 2021 – fund performance, Class 3.

² Class 3 USD is closed for new subscriptions.

³ Weekly with 5 workday notice.

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