

### FACTSHEET

#### Performance Returns

The Mygale Event Driven UCITS Fund USD institutional class had a positive performance of 0.46% during the month of July.

#### Investment Objective & Strategy

An active trading approach to European Focused Event Driven Equity.

The fund follows predominantly merger arbitrage and catalyst driven strategies. We hold 40-60 positions with a typical net exposure of up to 50% and gross of between 100% and 200%. Our trading approach has a three tiered methodology designed to capture additional alpha for every position. Trades are structured with the intention of embedding optionality and favourably skew risk, with sharpened timing and market feel from our trading background. We frequently question our investment thesis, and conduct fundamental in-house research with the understanding that company specialists may know more. We are not wedded to any positions and do not believe we have the 'information edge.' Therefore, we systematically consult the market through deep local broker relationships and industry specialists. We are constantly looking for trades with fundamental value, and situations with the possibility of counter bids and bump catalysts and try to avoid the 'home run' mentality.

#### Market Commentary

July continued in the same optimistic vein as H1 ended - equity markets extended their gains, aided by positive macroeconomic momentum and a solid Q2 earnings season. More than half the companies have reported quarterly earnings, with YoY EPS growth in the double digits in both Europe and the US. There is no stopping the record-setting S&P 500 (+1.9%), which again leads the way (FTSE 100 +0.8%, SX5E +0.2%) despite ongoing political uncertainty in the US.

In China, GDP growth was surprisingly strong at 6.9% YoY, supporting a rally in the commodities space. More and more of that growth seems to be generated domestically though, as the rhetoric over restrictions in overseas investments continues. Active acquirers like Anbang, HNA and Wanda continue to be dogged by speculation of regulators looking at previous deals and their borrowing practices, while putting restrictions on current borrowing for the latter. This is clearly something we need to be mindful of in any merger situations with Chinese links.

The Trump administration also seem to be stepping up their scrutiny of Chinese deals if the WSJ is to be believed, although we will get a chance to see for ourselves as CFIUS are due to rule on the takeovers of Lattice Semiconductor and MoneyGram Int'l this year. Both bidders (Canyon Bridge and Ant Financial respectively) have re-filed their applications to give the committee more time. Reuters reported that CFIUS have objected to at least nine acquisitions of US companies by foreign buyers (not necessarily Chinese) this year. This follows recent protectionist statements from German politicians who also look to protect their strategic high-tech companies from Chinese acquirers.

Amidst this noise, it is noticeable how buoyant the private equity fundraising market currently is. According to the FT and Preqin, PE funds closing in 2017 (Jan-May) spent an average of 12 months in market raising an average of \$625m. This compares to 20 months and \$372m in 2013. Let's not forget the astounding \$18bn that CVC raised last month for European and North American investments.

With such significant funds being raised it is therefore not surprising that PE activity continues to grow aggressively. They have been particularly active of late in the payment technology sector (see Bambora, Paysafe, Square), and we may see continued consolidation here. In fact, Paysafe was a new name we added to the portfolio this month, along with Worldpay (both in the electronic payments sector). Worldpay rallied aggressively (over 35%) after the company revealed on 4th July that it had received approaches from both Vantiv and JP Morgan. Worldpay is definitely an interesting asset with a very attractive global online business (which is difficult to replicate) and new technology that will continue to enable strong market share growth. As a result of which, many brokers and investors alike felt that JPMorgan and Vantiv could become embroiled in a competitive bidding process. However, we took a more cautious approach, concerned that whilst Worldpay made a lot of sense for Vanitv, the price being speculated by the market (450p+) was un-realistic. This approach was quickly justified as within a day, JP Morgan made a formal statement declaring they had no interest in bidding and Vantiv confirmed an agreed deal with Worldpay at a price equal to 385p. With the stock price falling back from 435p to 360p, the risk reward balance changed in our favour and we initiated an investment. We also concede that this could still get competitive - US players such as Global Payments, First Data, Visa or Mastercard are likely all attracted by growing their European and online presence, hence there is an outside chance that one of them could take a look at Worldpay also.

Despite July starting buoyantly (we added 8 new investments to the portfolio) with much corporate activity, there was a notable slowdown from mid month, as we entered the traditional summer lull. Whilst we expect this to continue through August, we remain confident that as European economies continue to improve, the final months of the year will offer numerous Event Driven investing opportunities.

#### Monthly Share Class Performance Breakdown

USD Ins.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D
2017	0.00%	0.30%	0.47%	0.61%	0.04%	0.22%	0.46%						<b>2.11%</b>
2016	0.97%	0.43%	0.02%	0.67%	0.47%	0.03%	2.83%	0.76%	0.84%	-1.56%	0.03%	1.02%	<b>6.65%</b>
GBP Ins. F	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D
2017	0.01%	0.28%	0.43%	0.62%	0.07%	0.21%	0.46%						<b>2.09%</b>
2016	1.25%	0.47%	0.02%	0.69%	0.57%	0.18%	2.85%	0.83%	0.86%	-1.16%	0.05%	0.84%	<b>7.65%</b>

Note: The performance figures quoted above for the USD Share Class represents the performance of the Mygale Event Driven UCITS Fund USD Institutional Share Class and the GBP Share Class represents the performance of the GBP Institutional Class A Founder Share Class since launch. These performance figures refer to the past and past performance is not a guarantee of future performance or a reliable guide to future performance.

### THE MANAGER



**Neil Tofts** has over 19 years' experience successfully running event driven portfolios and funds, and 22 years in derivatives. As Managing Director and Head of Event Driven Investments for Merrill Lynch in London, he was responsible for a European focused, Global Event Driven portfolio. From 2007 he was Head of Global Event Driven Investments at KBC Alternative Investment Management in London where he established and ran a 4 person team. Prior to this in 2000, Neil founded the London office of Deephaven Capital Management. He has also managed Event Driven investments at Paribas and NatWest Markets. He graduated with a BA (Hons) in Business Studies from Oxford Brookes University.

**Ken Li Chung** was previously a Vice President at Bank of America Merrill Lynch in London where, most recently, he had full responsibility for the European Event Driven trading franchise. He has over nine years of investment experience, having joined BAML in 2008 and has also been responsible for a European focused fundamental equity portfolio as well as index and portfolio trading. Ken Li graduated with a BA (Hons) in Economics from the London School of Economics and Political Science, and is a CFA Charterholder.

#### FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
Fund AUM	\$142.5 million
Inception	1 <sup>st</sup> January 2016

<b>Share Class</b>	<b>Institutional/Institutional Pooled</b>
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.50%
Perf. Fee	20%
Min Init. Sub.	1,000,000
ISIN	EUR: IE00BYRPFQ61/IE00BYRPFV15
Codes	USD: IE00BYRPF792/IE00BYRPFY46 CHF: IE00BYRPF585/IE00BYRPFX39 GBP: IE00BYRPF78/IE00BYRPFW22

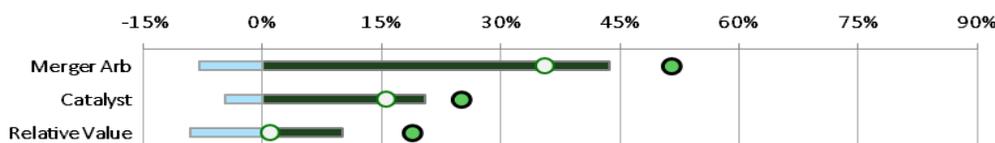
<b>Share Class</b>	<b>Institutional Founder/Retail Pooled</b>
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.25%/2.00%
Perf. Fee	15%/20%
Min Init. Sub.	10,000,000/10,000
ISIN	EUR: IE00BYRPG302/IE00BYRPFZ52
Codes	USD: IE00BYRPG633/IE00BYRPG294 CHF: IE00BYRPG526/IE00BYRPG187 GBP: IE00BYRPG419/IE00BYRPG070

### PORTFOLIO EXPOSURES

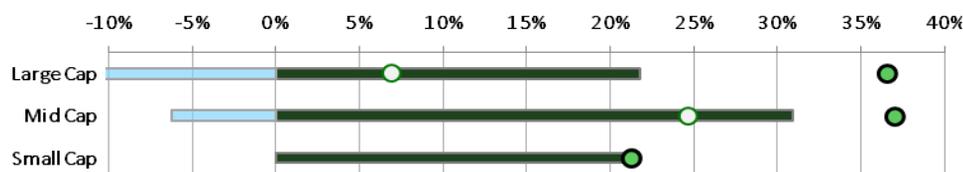
#### Risk Metrics

LONG EXPOSURE <sup>2</sup>	74.10%
SHORT EXPOSURE <sup>2</sup>	-21.80%
GROSS EXPOSURE <sup>2</sup>	95.90%
NET EXPOSURE <sup>2,4</sup>	18.63%
SHARPE RATIO <sup>3</sup>	2.68
SORTINO RATIO <sup>3</sup>	4.44
VOLATILITY <sup>3</sup>	2.03%
DAILY VAR <sup>1,3</sup>	3.10%
NO OF POSITIONS	64

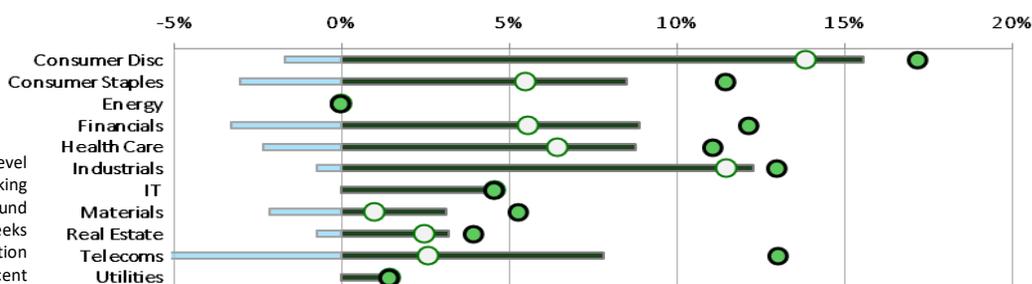
#### Exposure By Strategy<sup>2</sup>



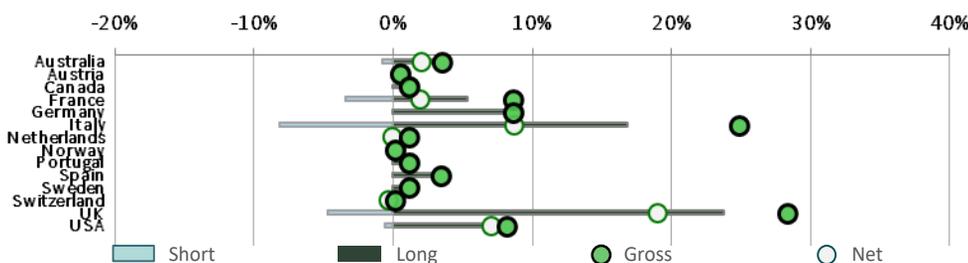
#### Exposure By Market Cap<sup>2</sup>



#### Exposure By Sector<sup>2</sup>



#### Exposure By Geography<sup>2</sup>



1. VaR is calculated using a confidence level of 99% and a holding period of 20 working days. The VaR model used by the Sub-Fund typically uses data from the last 200 weeks or greater, but a shorter observation period may be used in instances of recent significant changes in price volatility.

2. Based on information from the administrator and as a percentage of the fund AUM in USD including currency hedge for share classes.

3. Based on daily gross portfolio performance

4. The net figure excludes cash merger deals.

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#### Disclaimer

**Risk Warning:** Past performance is not a reliable indicator of future results, prices of investments and the income from them may fall as well as rise. Investments in equities are subject to market risk and, potentially, to exchange risk. The Mygale Event Driven UCITS Fund (the "Fund") may use higher leverage and financial derivative instruments as part of the investment process. The distribution of this report does not constitute an offer or solicitation. Any investment in the Fund should be based on the full details contained in the Fund's Supplement Prospectus and Key Investor Information Documents which together with the Montlake UCITS Platform Prospectus may be downloaded from the MontLake website ([www.montlakeucits.com](http://www.montlakeucits.com)). Information given in this document has been obtained from, or based upon, sources believed by us to be reliable and accurate although neither ML Capital nor Tavira Securities Limited accepts liability for the accuracy of the contents. Tavira Securities is authorised and regulated by the Financial Conduct Authority. ML Capital does not offer investment advice or make recommendations regarding investments. The Manager of the Fund is MLC Management Ltd, a company regulated by the Central Bank of Ireland. The MontLake UCITS Platform ICAV is registered and regulated as an open-ended Irish collective asset-management vehicle with segregated liability between sub-Funds formed in Ireland under the Irish Collective Asset-management Vehicles Act 2015 and authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations. ML Capital Asset Management Ltd is regulated by the Central Bank of Ireland. This notice shall not be construed as an offer of sale in the Fund. This notice shall not be construed as an offer of sale in any other fund managed or advised by Tavira Securities.

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