

### FACTSHEET

#### Performance Returns

The Mygale Event Driven UCITS Fund USD institutional class had a positive performance of 0.56% during the month of October.

#### 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

Strong macroeconomic momentum continued to support stock markets as October proved kind to equity investors. The Euro Stoxx 50 (+2.2%) made new highs for the year on the back of a notable eurozone GDP estimate and lower unemployment. The ECB announced an extension of QE with monthly purchases of EUR 30m until Sep '18, in line with estimates. Not all smooth sailing in Spain though, with Catalonia holding an independence referendum at the beginning of the month – again, we can never discount geopolitical factors coming into play.

We are deep into the Q3 earnings season now, with over half of the aforementioned constituent companies having reported. SPX EPS grew c.7% YoY, mirroring the beats that we have seen in Europe. The Chemicals and Oil & Gas sectors predictably outperformed given the strength in underlying commodities, while Technology investors were also rewarded. It is also worth mentioning that the record inflows into equities and fixed income continued throughout October, putting 2017 on course for a record year of inflows into risk assets (BAML forecasts >\$500bn into corporate bonds and equities for 2017).

The Mygale portfolio generated positive returns throughout the month, mainly from the Merger Arbitrage and Catalyst Driven sub-strategies. Imagination Technologies continues to be a key contributor for us as the deal looks well on the way to a successful close, having secured overwhelming shareholder approval (>99% in favour) at the Scheme meeting. This validated our thesis that the company had a valuation that was hard to define, with the final 182p offer price from Canyon Bridge reflective of the competitive nature of the sale process.

Our investment in Abertis, the Spanish highway infrastructure management company also bore fruit in October as we saw a counterbid from the ACS/ Hochtief consortium finally materialise. Atlantia made the first move back in May this year (bidding EUR 16.5 per share), in a deal designed to transform them from a company with around 85% of EBITDA generated in Italy to one with less than 50%, thanks to the geographical diversification Abertis brings. The premium offered by Atlantia however was not large and we felt it left the door of opportunity open for another bidder to materialise. Initially the market viewed this scenario as unlikely, and this enabled us to build a sizeable position at a discount to the Atlantia deal terms. More recently, a 'Spanish' solution, involving ACS, started to be rumoured in the press, and we had always felt that this was one of two potential angles that could lead to a competitive process emerging. With Hochtief bidding a price that implies c.EUR 18.76 per share, we now await CNMV approval of the their bid, most likely in early Q1 next year.

As we write, market volatility remains subdued and with CEO confidence remaining high, we expect the gears of corporate activity to continue grinding into 2018.

#### 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%	0.19%	0.26%	0.56%			<b>3.14%</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%	0.19%	0.25%	0.57			<b>3.12%</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	\$151.36 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

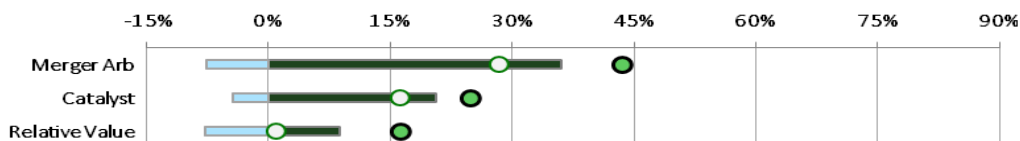
<b>Share Class</b>	<b>Institutional Founder/Retail Pooled</b>
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.25%/2.00%
Perf. Fee	15%/20%
Min Init. Sub.	10,000,000/10,000
ISIN	EUR: IE00BYRPG302/IE00BYRPFZ52
Codes	USD: IE00BYRPG633/IE00BYRPG294 CHF: IE00BYRPG526/IE00BYRPG187 GBP: IE00BYRPG419/IE00BYRPG070

### PORTFOLIO EXPOSURES

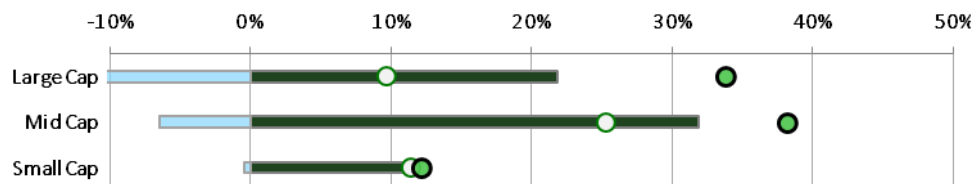
#### Risk Metrics

LONG EXPOSURE <sup>2</sup>	65.54%
SHORT EXPOSURE <sup>2</sup>	-19.78%
GROSS EXPOSURE <sup>2</sup>	85.32%
NET EXPOSURE <sup>2,4</sup>	18.06%
SHARPE RATIO <sup>3</sup>	2.74
SORTINO RATIO <sup>3</sup>	4.41
VOLATILITY <sup>3</sup>	1.91%
VAR <sup>1</sup>	3.01%
NO OF POSITIONS	59

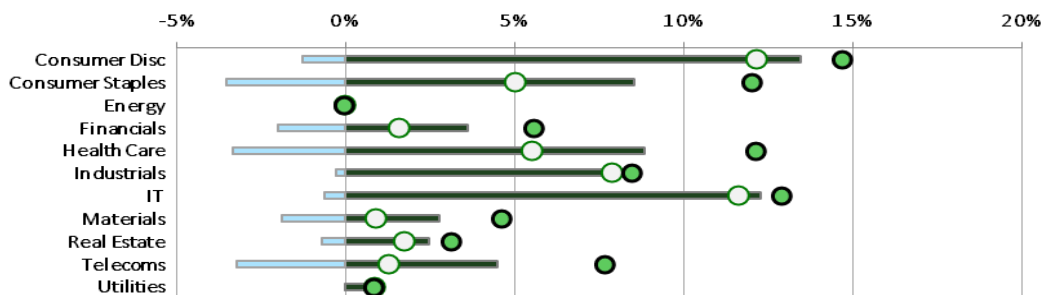
#### Exposure By Strategy<sup>2</sup>



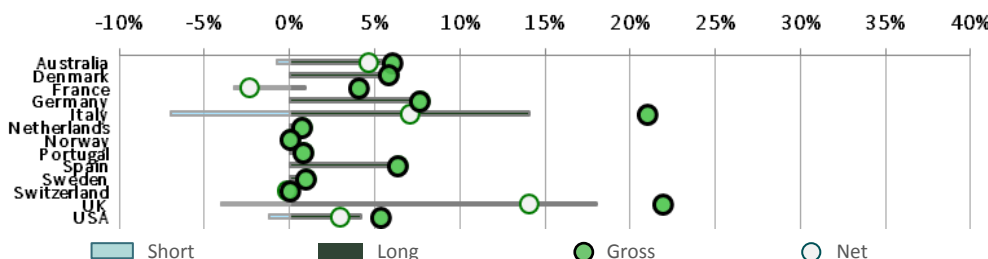
#### Exposure By Market Cap<sup>2</sup>



#### 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 weekly net portfolio performance
4. The net figure excludes cash merger deals.

#### Contact Details

##### Investor Contact

**ML Capital Ltd**  
29 Farm Street  
London, W1J 5RL, UK  
T: +44 20 3709 4510  
investorrelations@mlcapital.com

##### Investment Manager

**ML Capital Asset Management Ltd**  
23 St. Stephen's Green  
Dublin 2, Ireland  
T: +353 1 533 7020  
investorrelations@mlcapital.com

##### Sub Investment Manager

**Tavira Securities**  
88 Wood Street  
London EC2V 7DA  
T: +44 20 3192 1725  
ym@mygalefunds.com

#### 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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