

### FACTSHEET

#### Performance Returns

The Ronit Global Opportunities UCITS Fund returned +3.88% in the month of July (USD Institutional A Founder Class).

#### Investment Objective & Strategy

The Ronit Global Opportunities UCITS Fund seeks long term absolute returns in global opportunities by trading a fundamental, bottom-up strategy with macro overlays, to capitalize on Global Opportunities (long-short strategy) with a focus on Emerging Markets and the European periphery. The investment strategy will only invest across a liquid capital structure and is expected to have an equity bias over time. The team believe that fundamental research coupled with a sensible understanding of the risk/reward and idiosyncratic risks can generate attractive returns over time and across market cycles.

#### Monthly Commentary

The general financial trends we have seen this year in markets extended into July. Risk assets performed well with popular themes outperforming and the dollar weaken despite better economic news in the US. Somewhat surprisingly given the extended runs, markets are handling very well a series of continuous uncertain political and geopolitical developments across the world. Within the stability and strength of many indices, dispersion remains high across sectors as investors globally continue to try to anticipate winners and losers from the breath-taking change that is taking place, or that is anticipated to take place in many industries. Interestingly, although central banks reaction functions are actively debated, for the moment it is the strength of economic recovery and earnings that has become the main dominant factor in markets a situation that is often the case at the peak of a cycle. Realised and consequently implied volatility across all assets classes continued to collapse reaching levels that have not been seen since the early 1990s in certain assets but with very little conviction anymore on when that trend might change, we think that we are closer to an inflection point as investors are close to capitulating on volatility.

For Emerging Markets, the trends remain positive. After years of continued concern, investors seem to have become much more comfortable with the idea that China is not anywhere close to an economic collapse and that with limited inflation, the probability of sudden excessive tightening in the West seems further away. Additionally, a better tone in commodities and constructive inflation prints in many of the major Emerging Markets countries continue to support a benign environment for financial assets with slightly better growth as an additional catalyst for performance. When looking at the index level performance, it is also important to note now that the main indices in Emerging Markets have now become dominated by more technology and ecommerce related companies - long gone are the days of the oil and commodities stocks index domination - and so Emerging Markets has benefitted from the continued strength in tech themes across the world.

This month we read the most recent Howard Marks letter with particular interest. He is a legendary investor in our eyes and it is always good to understand what is on their mind. It is as usual an interesting note with a particular focus this time highlighting in his opinion the absence of value across assets globally. Without having to set off alarm bells on markets, there is no question that in the old days, we could find assets that were overvalued in many locations, but this overvaluation used to be at the expense of another sector that became more attractive as a result. These days, driven by the financial repression created after a near decade of QE across many western countries, it is difficult to find assets in either the liquid or illiquid world that could be considered good value. Not a day goes by without a new record in the price of an illiquid asset, a stock markets index, or the ability of private equity managers to raise a new record fund (or even the transfer price a great football player). We think this opens an opportunity for Emerging Markets. At a time where value is hard to find, situations with growth that are not dependent on financial engineering or stimulus, could be the most interesting areas for investigation. Obviously, many global tech companies can fall in that category and you can debate whether they are ahead of themselves but interestingly we think many of the situations we look at across Emerging Markets now fall into that category too.

Emerging Market growth dynamics for the next few years are not fundamentally driven by the monetary decisions in the western economies, and are more a combination of a cycle turn and the benefit of technology leap-frogging across many sectors. We think this continues to bode well for our area of activity even if we share many of Mr Marks' concerns on certain valuations globally. We have not capitulated in our view that owning some volatility in this environment is prudent for a portfolio.

Regarding our portfolio, one area where we have some exposure that has had a series of negative developments over the last few weeks has been the situation in Venezuela. As you all know, we have been investors in PDVSA bonds for some time with a view that despite a terrible economic management, their willingness to pay continued to be very strong.

Over the last few months, we had taken some of our exposure down because we realised that the developments of the new Assembly that President Maduro had announced would bring about a period of political volatility at a higher level than we had seen for some time and we wanted to be able to navigate this period of volatility more nimbly. The election took place on 30th July and the results have been contested domestically. Many western countries have rejected the results but interestingly the two major lenders to the country China and Russia have remained more supportive. These countries have managed to secure assets in the country against their loans, so for them, while the status quo may further damage the credit of the country, to which they are very exposed, a change is not necessary a better outcome. We are watching the events closely to reassess our position but have felt comfortable at our current level of exposure with an appetite to potentially add to the extent we get some process towards a possible national reconciliation.

#### Ronit Global Opportunities UCITS Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2017	0.82%	0.03%	0.00%	-0.19%	0.04%	-6.05%	3.88%						-1.73%
2016												0.04%	0.04%

The performance figures quoted above represent the performance of the USD Institutional Founder A Share Class in the Ronit Global Opportunities UCITS Fund since launch on 5<sup>th</sup> December 2016. These performance figures refer to the past and past performance is not a guarantee of future performance or a reliable guide to future performance.

#### Ronit Global Opportunities Master Fund LTD Performance (Non-UCITS)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2016	1.06%	-3.30%	7.90%	2.08%	-4.31%	1.70%	3.53%	1.02%	-1.62%	2.29%	-2.34%		7.67%
2015	-3.81%	4.35%	-4.67%	4.68%	-2.74%	-4.60%	-1.65%	5.55%	1.17%	0.46%	2.91%	-2.25%	-1.36%
2014	-1.87%	1.17%	3.98%	2.65%	-1.22%	3.46%	4.82%	-0.97%	-0.49%	-3.39%	-0.30%	0.36%	8.13%
2013						0.2%	1.4%	-1.1%	2.1%	4.2%	-0.1%	-0.08%	6.67%

The performance figures quoted above represent the performance of the Ronit Global Opportunities Master Fund LTD since launch on 1st June 2013 and not the Ronit Global Opportunities UCITS Fund. UCITS Funds have to abide by onerous investment restrictions and consequently the performance of the Ronit Global Opportunities UCITS Fund may not be similar to that presented above. 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

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#### Edward Misrahi (Founding Partner and CIO)

Prior to starting Ronit, Edward was a founding partner of Eton Park in 2004 and subsequently managed public and private Emerging Market and European investments for the firm over the next eight years.

Edward worked for Goldman Sachs & Co., becoming a partner in 2000, where his role included Financial Analyst in Structured Finance, Member of Equities Arbitrage Group, Member of Global Emerging Markets Committee and Co-Head of Latin America for the Firm.

#### Luis Arenzana (Founding Partner)

Luis was Founding Partner and Portfolio Manager of Shelter Island Capital Management (2003-2013). Here he managed a European Event-Driven Strategy. From 2010 he also managed the Shelter Island Total Return Fund (a Long-Short Equity & Credit Mandate).

From 2008 onwards he also offered advisory services to institutional clients investing in Spain. Prior to founding Shelter Island, Luis was an Executive Director at Orchard Capital Advisors (2001-2003) – here he worked as a Senior Analyst for the European Long-Short Equity Strategy.

### FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
Fund AUM	\$44.0m
Strategy AUM	\$217 million
Inception	5 <sup>th</sup> December 2016
Share Class	Institutional/Institutional Founder
Currency	EUR/USD/GBP
Mgt. Fee	1.75%/1.5%
Perf. Fee	17.50%/15%
Min Init. Sub.	1,000,000
ISIN Codes	EUR: IE00BD87RV38/IE00BD87S431 USD: IE00BD87RX51/IE00BD87S654 GBP: IE00BD87RW45/IE00BD87S548
Share Class	Institutional A Founder/Retail Pooled
Currency	EUR/USD/GBP
Mgt. Fee	1.2%/2%
Perf. Fee	15%/20%
Min Init. Sub.	10,000,000/10,000
ISIN Codes	EUR: IE00BD8BVG80/IE00BD87SM12 USD: IE00BD87RT16/IE00BD87S878 GBP: IE00BD8BVH97/IE00BD87S761

Top 5 Positions (Exposure as % of NAV)

Top 5 Equity Long		Top 5 Corporate Credit Long		Top 5 Equity Short	
TAESA	8.97%	PETROBRAS	6.30%	Undisclosed – Financials (US)	2.66%
ANHEUSER-BUSCH INBEV	5.82%	PAMPA ENERGIA	4.50%	Undisclosed – Telecoms (Mexico)	2.49%
VEON LTD	5.56%	BANCO MERCANTIL DE NORTE	4.11%	Undisclosed – Consumer (Italy)	2.44%
YANDEX NV	5.26%	COLOMBIA TELECOMUNICACIO	3.25%	Undisclosed – Financials (Spain)	2.19%
BANCO DO BRASIL S.A.	5.03%	PETROLEOS DE VENEZUELA	2.23%	Undisclosed – Financials (Germany)	1.97%

Top P&L Contributors (Ex-Hedges and CDS)

Positive			Negative		
	Strategy	%		Strategy	%
TRPL4 BZ	Equity Long	0.72%	PETROLEOS DE VENEZUELA	Credit Long	-0.22%
NASPERS LTD	Equity Long	0.60%	Undisclosed – Consumer (Italy)	Equity Short	-0.21%
BANCO DO BRASIL S.A.	Equity Long	0.59%	Undisclosed – Telecoms (Mexico)	Equity Short	-0.18%
GERDAU SA	Equity Long	0.54%	Undisclosed – Industrial (US)	Equity Short	-0.12%
58.COM INC	Equity Long	0.52%	BOLSA MEXICANA DE VALORES SA	Equity Long	-0.11%

Exposures (% of NAV)

By Country					By Sector					By Market Cap (Equities only)				
	Long	Short	Net	Gross		Long	Short	Net	Gross		Long	Short	Net	Gross
Brazil	38.72%	0.00%	38.72%	38.72%	Financials	34.93%	-15.84%	19.09%	50.78%	> 10 Billion \$	41.55%	-42.68%	-1.13%	84.23%
Spain	11.46%	-4.07%	7.38%	15.53%	Telecommunications	20.98%	-2.50%	18.47%	23.48%	5 - 10 Billion \$	29.65%	-4.42%	25.22%	34.07%
Mexico	9.59%	-4.14%	5.45%	13.73%	Consumer	17.61%	-4.74%	12.87%	22.35%	2 - 5 Billion \$	14.67%	-2.43%	12.24%	17.10%
Russian Federation	13.55%	0.00%	13.55%	13.55%	Utilities	13.47%	-1.29%	12.18%	14.76%	< 2 Billion \$	7.66%	-0.01%	7.65%	7.67%
Germany	0.00%	-13.49%	-13.49%	13.49%	Materials	11.57%	0.00%	11.57%	11.57%	<b>Total</b>	<b>93.52%</b>	<b>-49.54%</b>	<b>43.99%</b>	<b>143.06%</b>
Argentina	4.50%	-3.63%	0.87%	8.13%	Government	0.21%	-10.96%	-10.75%	11.17%					
Belgium	5.82%	0.00%	5.82%	5.82%	Energy	8.76%	0.00%	8.76%	8.76%					
South Africa	4.53%	-0.82%	3.71%	5.35%	Tech & IT	6.60%	0.00%	6.60%	6.60%					
United States	2.50%	-2.66%	-0.16%	5.16%	Option & Index Hedges	0.00%	-31.43%	-31.43%	31.43%					
China	4.85%	0.00%	4.85%	4.85%	<b>Total</b>	<b>114.12%</b>	<b>-66.77%</b>	<b>47.35%</b>	<b>180.90%</b>					
Switzerland	3.97%	0.00%	3.97%	3.97%										
Poland	2.68%	-1.05%	1.63%	3.72%										
United Kingdom	3.67%	0.00%	3.67%	3.67%										
Colombia	3.25%	0.00%	3.25%	3.25%										
Italy	0.00%	-2.98%	-2.98%	2.98%										
Peru	2.79%	0.00%	2.79%	2.79%										
Turkey	0.00%	-2.28%	-2.28%	2.28%										
Venezuela	2.23%	0.00%	2.23%	2.23%										
Portugal	0.00%	-1.29%	-1.29%	1.29%										
Hong Kong	0.00%	-1.21%	-1.21%	1.21%										
Credit Hedges	0.00%	-5.75%	-5.75%	5.75%										
Option & Index Hedges	0.00%	-23.40%	-23.40%	23.40%										
<b>Total</b>	<b>114.12%</b>	<b>-66.77%</b>	<b>47.35%</b>	<b>180.90%</b>										

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