Mygale Event Driven UCITS Fund

Event Driven

September 2017

FACTSHEET

Performance Returns

The Mygale Event Driven UCITS Fund USD institutional class had a positive performance of 0.26% during the month of September.

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

The traditional September bounce in corporate activity, frequently seen after bankers return from their summer hiatuses, was notable in its absence this year, prolonging what had already been a quieter than usual summer period! Equity markets however, performed well, as macroeconomic data continued to improve and corporate earnings growth remained steady amidst increasing consumer confidence. In the US, this was supported by a resumption of the Republican effort on tax reform which may just surprise given low expectations for a market-friendly conclusion. The S&P 500 was 1.9% higher over the month, bringing its total gain to 4.0% for Q3 – in line with the likes of the Euro Stoxx 50 (+4.4%) and outpacing the Nikkei 225 (+1.6%). The FTSE 100 (+0.8%) was a notable underperformer amongst its developed market peers on the back of a strong British Pound. Comments from the Bank of England suggesting an impending rate hike sent cable north of 1.36, levels not seen since the unexpected Brexit vote. GBP/USD finished Q3 2.9% higher, but was volatile throughout.

We are also watching the way that central banks globally are approaching tapering. Rhetoric around the withdrawal of monetary stimulus has heightened over the past few weeks and we certainly appreciate that markets are now very sensitive to any misstep. Put another way, the metaphorical camel's back is loaded with straw.

Our portfolio delivered positive returns this month, generated mainly from both the Catalyst Driven and Merger Arbitrage sub-strategies. Of particular note were Nets (bought by a private equity consortium) and Imagination Technologies, two catalyst situations that delivered during the month. Imagination has been a situation we've been monitoring for some time, but it was when they hung up the for sale sign, back in June, that we started to really take notice and build our position. Our analysis led us to conclude that this would be a situation with a long (very long in fact!) list of potential buyers - from the well known big industry names such as Qualcomm or Intel, to Chinese/Asian entities or even specialist patent trolling companies. With so many potential suitors, this was never likely to be a situation where the final price is arrived at through a rigorous valuation process, as each would have their own idea of 'value' based on their reasons for acquiring the company. Hence we weren't surprised at all when the private equity firm Canyon Bridge announced their bid at 182p in cash, just over 40% premium from the prevailing price.

As we enter the final quarter of 2017, global stock markets now look to be stabilising following August geopolitical turmoil, with most measures of market volatility trending lower. Alongside improving corporate performance, renewed market stability will help empower CEOs and dealmakers alike to make future decisions to influence the growth path of their companies. As long as this stability continues, we expect that this will lead to a notable increase in the level of corporate activity in Q4.

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%				**2.57%**
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%	**6.65%**
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%				**2.54%**
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%	**7.65%**

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

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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	$150.26 million
Inception	1st January 2016

Share Class	Institutional/Institutional Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.50%
Perf. Fee	20%
Min Init. Sub.	1,000,000
ISIN Codes	EUR: IE00BYRPFQ61/IE00BYRPFV15 USD: IE00BYRPFT92/IE00BYRPFY46 CHF: IE00BYRPFS85/IE00BYRPFX39 GBP: IE00BYRPFR78/IE00BYRPFW22

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

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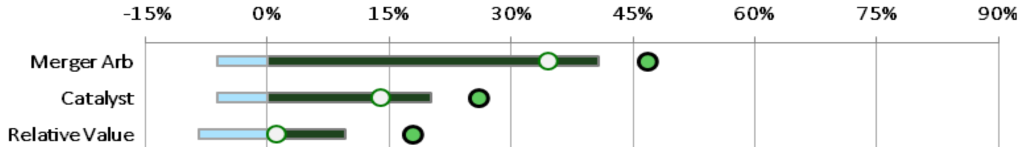
PORTFOLIO EXPOSURES

Risk Metrics

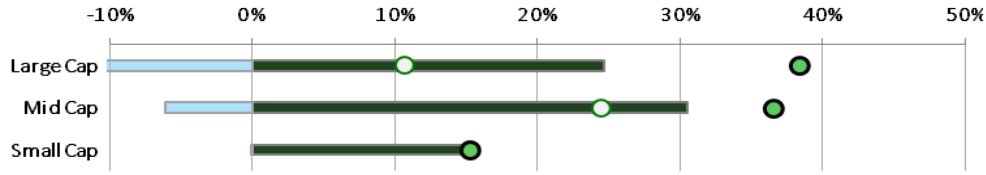
LONG EXPOSURE[2]	70.56%
SHORT EXPOSURE[2]	-20.74%
GROSS EXPOSURE[2]	91.30%
NET EXPOSURE[2, 4]	16.34%
SHARPE RATIO[3]	2.65
SORTINO RATIO[3]	4.34
VOLATILITY[3]	1.94%
VAR[1, 3]	2.82%
NO OF POSITIONS	63

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.

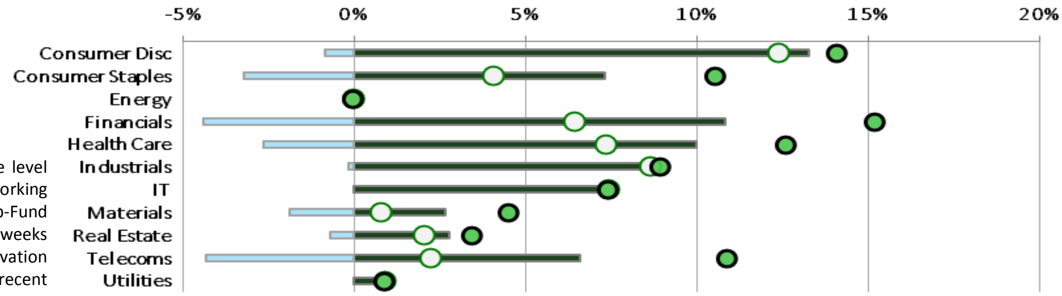
Exposure By Strategy[2]



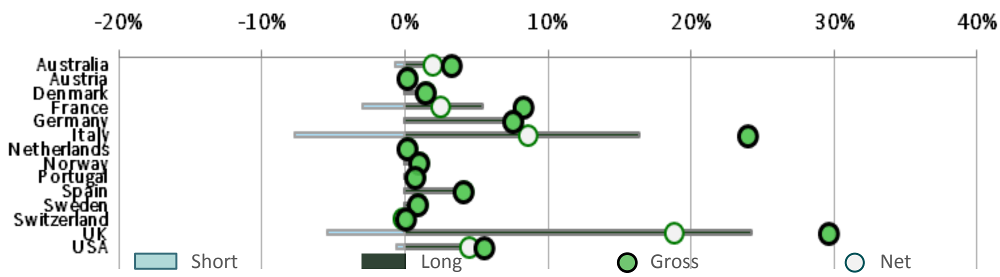
Exposure By Market Cap[2]



Exposure By Sector[2]



Exposure By Geography[2]



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