

### FACTSHEET

#### Performance Returns

The OTS Asia Opportunity UCITS Fund returned -0.72% in the month of December. The Fund's negative performance can be partly attributed to the selloff in our Greater China holdings.

#### Investment Objective & Strategy

The OTS Asia Opportunity UCITS Fund is a Pan-Asian, fundamentally focused long/short equity fund seeking to preserve capital and maximize returns under strict value investing discipline. As a value investor, OTS capitalizes on certain themes in the Asian markets, which are inefficient and volatile with limited sell-side coverage. The fund looks for alignment of interests and takes advantage of a divergence in business quality between companies with strong fundamentals and competitive advantages. OTS then seeks companies trading at significant discounts or premiums to justifiable intrinsic values.

#### Investment Commentary

2015 was a year marked by extreme volatility in markets, particularly in Greater China. Driven by erratic changes in policy, the Shanghai Composite index nearly doubled in the first half of the year, only to give up essentially all of its gains by the end of the year. Wary of such unpredictable sources of volatility, OTS steers clear of direct exposure to Mainland-listed A-shares; nonetheless, a number of our core holdings in Hong Kong, even those with little exposure to Mainland China, were driven lower by nervous investors, including those seeking a means to hedge onshore stock exposure in the face of strict curbs on short selling and sales by large equity holders implemented after the August A-share rout.

Volatility is the friend of the long-term investor, and we strive to distinguish between what is transient and what is lasting in these turbulent times. The gap between the intrinsic values of our long holdings and their quoted prices widened significantly over the second half of the year, some at levels not seen since the financial crisis. As long-term value investors, we see these market fluctuations as opportunities to increase our ownership of good assets at cheap prices and accordingly have increased our net exposure from 41% at the end of 2015 to 48% as of mid January.

The entrepreneurs that run the companies in your portfolio are favorably positioned to capitalize on long-term trends in Asia. Hong Kong family-owned banks have been targets of aggressive Mainland buyers, who have paid large premiums in order to expand into Hong Kong. One of the last remaining family-owned financial institutions is Dah Sing Financial, which owns a controlling stake in Dah Sing Bank as well as an insurance business. Dah Sing was founded in 1947 by the Wong family and is currently led by second-generation MIT-educated David Wong and his son Harold, a lawyer by training and Harvard Business School graduate. Dah Sing's shares have sold off indiscriminately in the last quarter of the year as investors shunned China-related financial stocks – yet Dah Sing's exposure to the Mainland is only 9% of its loan book. Dah Sing Financial Holdings now trades at 0.6x price-to-book despite return-on-equity of 10% and a dividend yield of over 3%.

Throughout the year, a number of companies in your portfolio aggressively bought back shares, including Hong Kong-listed hotel operator Far East Consortium, which repurchased 20 million shares or nearly 1% of its outstanding shares in the final weeks of the year, and Hong Kong-listed Dynam Japan Holdings which announced a buyback for 10% of its outstanding shares. Additionally, the owner-operators, who already have substantial "skin-in-the-game", increased their holdings in their respective companies. One example is Chairman Charles Chan who personally purchased over 200 million shares or over 10% of his HK-based ITC Corporation in the final months of the year.

As markets continue to fluctuate, we remain dedicated to our strategy. We believe that, more than ever, careful analysis and vigilant stock-picking will yield favorable investment results. As always, we thank you for your continued support and long-term outlook.

#### USD Class A Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2015	-	-	-	-	-	-	-	-	-	-0.45%	-1.31%	-0.72%	-2.46%

The performance figures quoted above represent the performance of the OTS Asia Opportunity UCITS Fund since its launch on 2<sup>nd</sup> October 2015. 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

## OTS CAPITAL MANAGEMENT



**Tony Hsu** began his career at Foxconn International Holdings. After obtaining an MBA in Finance from The Wharton School at the University of Pennsylvania, Mr. Hsu joined Dalton Investments as a Portfolio Manager for Dalton's Asian equity strategies and a team of equity analysts based in Shanghai. He is an Adjunct Professor of Finance at the China European International Business School (CEIBS) Shanghai, and National Taiwan University (NTU), Taipei.

#### FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
Fund AUM	\$20 million
Inception	2 <sup>nd</sup> October, 2015
Share Class	<b>Class A/Class A Pooled</b>
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.75%
Perf. Fee	17.5%
Min Init. Sub.	1,000,000
ISIN Codes	EUR: IE00BYMM8523/IE00BYMM9N76 USD: IE00BYMM9935/IE00BYMMBF33 CHF: IE00BYMM8N02/IE00BYMMB426 GBP: IE00BYMM8H42/IE00BYMMB087
Share Class	<b>Class B/Class B Pooled</b>
Currency	EUR/GBP/CHF/USD
Mgt. Fee	2.00%
Perf. Fee	20%
Min Init. Sub.	100,000
ISIN Codes	EUR: IE00BYMMBP31/IE00BYMMC838 USD: IE00BYMMB239/IE00BYMMCT44 CHF: IE00BYMMBT78/IE00BYMMC81 GBP: IE00BYMMBS61/IE00BYMMC808

#### Risk Metrics

Exposure and Risk Summary	(% of NAV)
Long Exposure	75.6%
Short Exposure	-34.2%
Gross Exposure	109.8%
Net Exposure	41.4%
No of Longs	35
No of Shorts	12

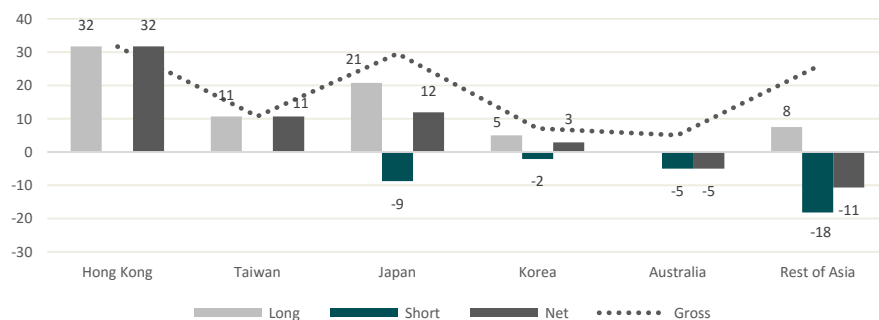
### OTS Asia Opportunity Fund

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2015	-	-	-	3.0%	0.8%	-1.5%	-1.2%	-11.4%	-1.0%	2.3%	-1.2%	-0.6%	<b>-11.0%</b>

The above performance pertains to the performance since inception of the OTS Asia Opportunity Fund and is not representative of the OTS Asia Opportunity UCITS Fund. UCITS Funds have to abide by onerous investment restrictions and consequently the performance of the OTS Asia Opportunity 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.

### Composition of UCITS Fund

#### Geographic Analysis (% of NAV)



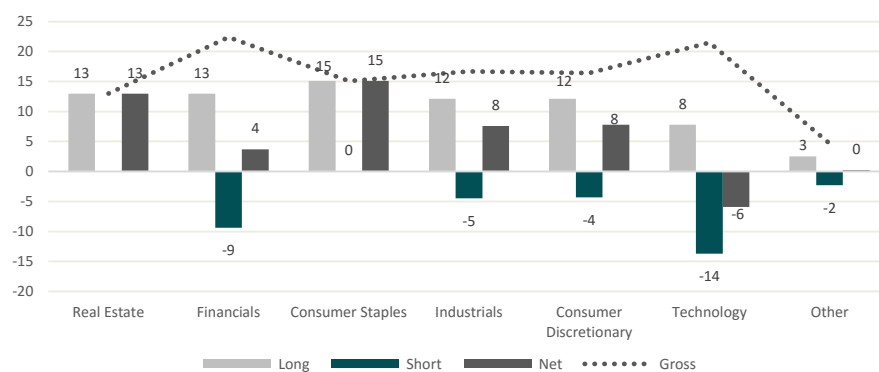
#### Top 5 Longs (% of NAV)

Chtina Holdings	3.0%
Gree	2.9%
Far East Consortium	2.9%
Ito En Limited	2.9%
Get Nice Holdings	2.8%
<b>Total</b>	<b>14.5%</b>

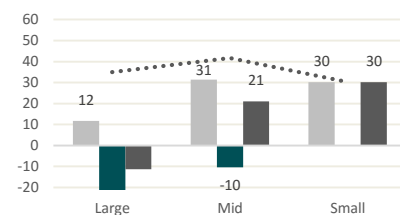
#### Top 5 Shorts (% of NAV)

Singapore Electronics Co.	-2.9%
Australian Bank	-2.6%
Japanese Exchange Operator	-2.4%
Australian Airports Operator	-2.4%
Thai Cement Manufacturer	-2.2%
<b>Total</b>	<b>-12.5%</b>

#### Sector Analysis (% of NAV)



#### Market Cap Analysis (% of NAV)



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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 OTS Asia Opportunity 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 OTS Capital Management Ltd accepts liability for the accuracy of the contents. OTS Capital Management Ltd is authorised and regulated by the SFC. ML Capital does not offer investment advice or make recommendations regarding investments. The Investment Manager and Promoter of the MontLake UCITS Platform plc is ML Capital Asset Management Ltd, a company regulated by the Central Bank of Ireland. MontLake UCITS Platform plc. is registered and regulated in Ireland as an open ended investment company with variable share capital and segregated liability between sub-funds. 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 the OTS Asia Opportunity Fund or in any other fund managed or advised by OTS Capital Management Limited. The state of origin of the Fund is the Republic of Ireland. This document may only be distributed in or from Switzerland to qualified investors within the meaning Art. 10 Para. 3, 3bis and 3ter CISA. The Representative in Switzerland is ACOLIN Fund Services AG, Stadelhoferstrasse 18, CH-8001 Zurich, whilst the Paying Agent is NPB Neue Privat Bank AG, Limmatquai 1/am Bellevue, P.O. Box, CH-8022 Zurich. The basic documents of the Fund as well as the annual report may be obtained free of charge at the registered office of the Swiss Representative.

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