

FACTSHEET

Performance Returns

The Mygale Event Driven UCITS Fund USD institutional class returned 0.22% 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 proved prosperous for equity investors in general as strong corporate earnings pushed stock markets higher, despite no breakthrough in trade negotiations. The S&P 500 rallied consistently through the month, rising 3.6%. It was matched by Eurozone equities, with the Euro Stoxx 50 adding 3.8%. The FTSE 100 underperformed (+1.5%) as the UK government struggled to develop a consensus Brexit plan, with PM Theresa May's approach lacking support from "Brexit Secretary" David Davis and Foreign Secretary Boris Johnson, both of whom tendered their resignations. It is possible that the concessions offered by the UK may not be supported by the PM's Conservative Party as the trade-off between migration and trade continues to challenge. The pound sterling (-0.6%) struggled to stay afloat against a strong US Dollar, with the latter also pushed around by President Trump's brash approach to global trade dynamics.

The continuing trade tensions are resulting in ever more protectionist measures being taken by many countries and continue to have ramifications for the Event Driven space. In the UK, the government is looking at broadening its power to investigate deals of any size in any sector. The German government have just blocked Yantai Taihai's attempt to acquire Leifeld Metal Spinning, the first time its foreign investment law, passed in 2017, has been enacted to block an acquisition. Over in China, the commerce ministry have just released new draft rules subjecting foreign buyers looking to acquire 'strategic' stakes to an expanded set of national security reviews. It is these issues in China that have had the most impact on the Event Driven space this month though. The continued Sino-American frictions have no doubt played a significant role in Qualcomm's decision to abandon their acquisition of NXP Semiconductors, as the merger failed to win approval from the Chinese authorities ahead of the termination date.

In what was a difficult month for the sector, mainly due to volatility from NXP, we were pleased to have produced a small positive return. We had an investment in NXP, but due to its binary nature, we had kept this intentionally small throughout. Whilst we suffered negative performance in Fox following Comcast's withdrawal from the competitive bidding process, we had continued positive performance from our investment in Sky. Early in the month, Fox increased their bid to 1400p per share (at the lower end of our 1400-1450p expected range under the chain principle), and this was swiftly followed later that day by a Comcast response of 1475p. The 'chain principle' price was challenged by a number of investors, but was confirmed late in the month after a hearings committee meeting. As expected, Sky released strong results on the 26th July, with their industry leading Sky Q box now in 3.6m homes (up 2.3m YOY). We persist in our belief that Sky is worth more than the 1475p being bid by Comcast, and continue to hold our position here in expectation of further competitive tension.

In the catalyst portfolio, our investment in Buwog, the leading German-Austrian residential property business continued to perform well, ahead of the independent experts' squeeze out valuation, expected in the next 4-6 weeks. Our valuation work here leads us to believe there is a chance of a slightly higher price being determined than was paid in the recent takeover bid. Still on the theme of hard assets, we were also active in John Laing, the infrastructure fund, ahead of an expected formal bid from Dalmore and Equitix, two specialist UK focused infrastructure investors.

Appetite from infrastructure funds such as these, and financial buyers alike, is increasingly prevalent. Carlyle just closed an \$18.5bn fund at the end of July and Blackstone are looking to raise in excess of \$20bn for their eighth fund with marketing earmarked for later this year. We therefore expect this type of buyer to continue to be significant supporters of corporate activity into year end and beyond.

Monthly Share Class Performance Breakdown

USD Ins.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D
2018	0.63%	0.96%	-0.23%	0.36%	-0.27%	0.63%	0.22%						2.31%
2017	0.00%	0.30%	0.47%	0.61%	0.04%	0.22%	0.46%	0.19%	0.26%	0.56%	0.16%	0.74%	4.06%
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
2018	0.65%	0.97%	-0.29%	0.37%	-0.28%	0.59%	0.23%						2.25%
2017	0.01%	0.28%	0.43%	0.62%	0.07%	0.21%	0.46%	0.19%	0.25%	0.57%	0.16%	0.72%	4.03%
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 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	\$197.34 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	EUR: IE00BYRPFQ61/IE00BYRPFV15
Codes	USD: IE00BYRPF792/IE00BYRPFY46 CHF: IE00BYRPF585/IE00BYRPFX39 GBP: IE00BYRPF78/IE00BYRPFW22

Share Class Institutional Founder/Retail Pooled

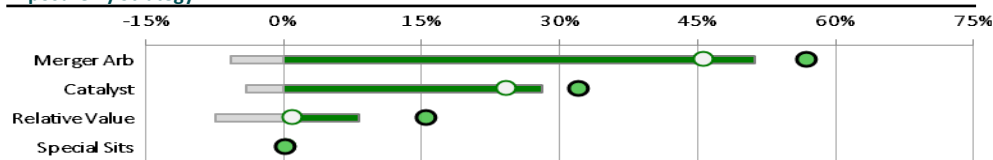
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.25%/2.00%
Perf. Fee	15%/20%
Min Init. Sub.	10,000,000/10,000
ISIN	EUR: IE00BYRPG302/IE00BYRPFZ52
Codes	USD: IE00BYRPG633/IE00BYRPG294 CHF: IE00BYRPG526/IE00BYRPG187 GBP: IE00BYRPG419/IE00BYRPG070

PORTFOLIO EXPOSURES

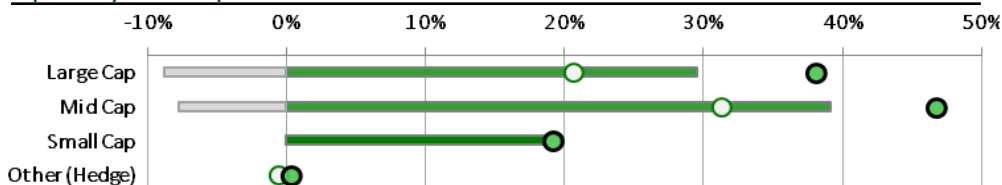
Risk Metrics

LONG EXPOSURE ²	87.96%
SHORT EXPOSURE ²	-16.96%
GROSS EXPOSURE ²	104.92%
NET EXPOSURE ^{2,4}	26.92%
SHARPE RATIO ³	2.52
SORTINO RATIO ³	4.32
VOLATILITY ³	1.97%
VAR ¹	4.59%
NO OF POSITIONS	52

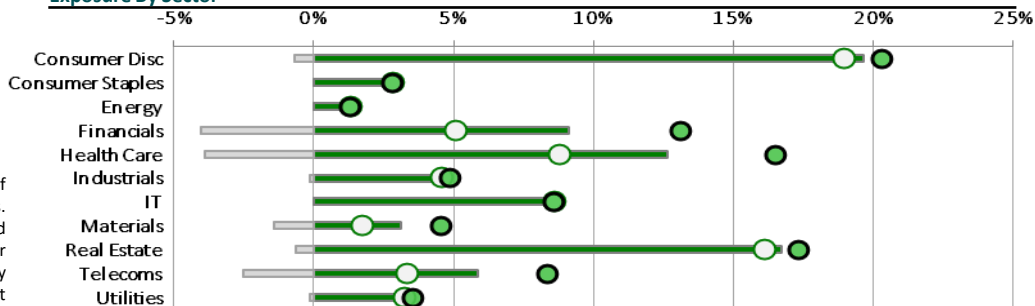
Exposure By Strategy²



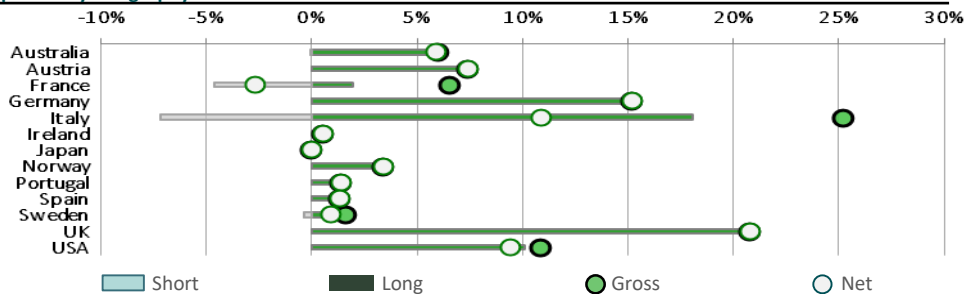
Exposure By Market Cap²



Exposure By Sector²



Exposure By Geography²



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.

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Disclaimer

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