

FACTSHEET

THE MANAGER

Performance Returns

The SPARX OneAsia Long Short UCITS Fund returned -1.56% in the month of September.

Investment Objective & Strategy

The investment objective of the fund is to maximise risk-adjusted returns regardless of the market cycle by investing in equity within Asia including Japan. The strategy aims to capitalize on Asia's growth dynamics by identifying potential winners and losers through bottom-up fundamental research.

Market Commentary

In September, our top negative contributors include short positions in a Chinese education company (Company T) and a Japanese F&B name. In general, strong rebound of our shorts outweighed the positive performance of our longs during the month.

The gap between the market's view and our assessment on Company T (3% of our NAV short) has widened on the back of a more favorable market sentiment for the entire sector without condition. Within this basket of companies we chose to short Company T based on our view that the company will face growing margin pressure from an aggressive capacity expansion via new learning centers on top of a series of new acquisitions of other education companies just to remain competitive.

In the following we highlight our short thesis:

- (1) The company has already reported eight consecutive quarters of YoY operating margin deterioration;
- (2) Stock based compensation (SBC) mostly to management teams of newly acquired companies accounted for 4% of revenue and 22% of operating income in each of the last few years;
- (3) Net profit barely grew last fiscal year (after adjusting revaluation gain and SBC) and declined YoY basis over the last 3 quarters; and
- (4) Cash spent on capacity expansion and acquisitions for last two years exceeded operating cash flows (from upfront enrollment fees).

In conclusion, we believe the company is too expensive and the market will have to adjust Company T's earnings outlook with a deteriorating margin profile.

USD Institutional Class UCITS Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2016	-1.66%	0.81%	-0.08%	2.79%	-0.10%	-1.86%	-0.20%	3.32%	-1.56%				1.32%
2015	-	-	-	-	-	-	-	-	-0.51%	0.87%	0.50%	-1.08%	-0.23%

The performance figures quoted above represent the performance of the SPARX OneAsia Long Short UCITS Fund since launch on 17th September 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.

SPARX OneAsia Long Short Representative Strategy

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2015	0.07%	1.36%	1.59%	-0.11%	-1.43%	1.02%	4.57%	-3.11%					
2014	-	-	-	-	-	0.41%	1.78%	0.92%	-1.19%	2.27%	0.90%	0.68%	5.88%

The above performance pertains to the performance since inception of the SPARX OneAsia Long Short Representative Strategy and is not of the SPARX OneAsia Long Short UCITS Fund. UCITS Funds have to abide by onerous investment restrictions and consequently the performance of the SPARX OneAsia Long Short 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.

Risk Metrics (% of NAV)

	Value	Historical Risk Metrics [^]	Value
Long Exposure	59.66%	Annualised Return	5.05%
Short Exposure	-53.42%	Annualised Volatility	5.16%
Gross Exposure	113.09%	Sharpe	0.93
Net Exposure	6.24%	Sortino	1.41
No of Longs	26		
No of Shorts	27		
Beta	0.15		

[^]The above historical risk metrics pertain to the daily statistics since inception of the SPARX OneAsia Long Short Representative Strategy, merged with the statistics of combined share classes SPARX OneAsia Long Short UCITS Fund from 1st September 2015 to 30th September 2016.
1. Arithmetic means of 1 Month USD LIBOR interest rate was used as the Risk Free Rate of returns for the calculation period.
2. Downside deviation refers to standard deviation of negative daily returns during the period.



Hak Kim is the portfolio manager for the SPARX OneAsia Long Short UCITS Fund. He has over 15 years of experience in the fund management business and is responsible for coordinating SPARX's fundamental research

activities across Asia. Prior to becoming a founding member of the OneAsia team, Mr. Kim was a portfolio manager at SPARX's Korean subsidiary where he ran a Korea long short fund. Before this, he was an analyst covering various sectors and also played a key role in creating the firm's investment outlook and strategy. Mr. Kim holds a B.A. in Business Administration from Seoul National University and attended an MBA program in International Finance at the graduate school of Seoul National University. He is a CFA charter holder.

FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
Fund AUM	\$21 million
Strategy AUM	\$147 million
Inception	17 th September, 2015
Share Class	Institutional/Institutional Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.50%
Perf. Fee	15%
Min Init. Sub.	1,000,000
ISIN Codes	EUR: IE00BYMVZK37/IE00BYMVZX65 USD: IE00BYMVZW58/IE00BYMW0S95 CHF: IE00BYMVZN67/IE00BYMW0P64 GBP: IE00BYMVZL44/IE00BYMVZZ89
Share Class	Institutional Founder/Retail Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.00%/2.00%
Perf. Fee	10%/15%
Min Init. Sub.	10,000,000/10,000
ISIN Codes	EUR: IE00BZ03QD85/IE00BYQF1X69 USD: IE00BZ03QH24/IE00BYQF2000 CHF: IE00BZ03QG17/IE00BYQF1Z83 GBP: IE00BZ03QF00/IE00BYQF1Y76

Composition of UCITS Fund

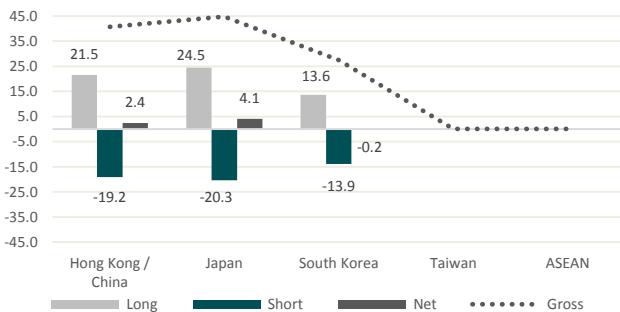
Top 5 Longs (% of NAV)

Nidec Corp	4.85%
Asics Corp	4.01%
Tencent Holdings Limited	3.79%
Samsonite	3.64%
Unicharm	3.46%
TOTAL	19.75%

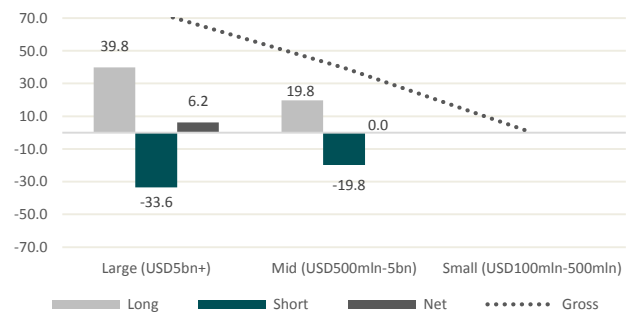
Top 5 Shorts (% of NAV)

K-12 Tutoring Service (HK/China)	-3.15%
HK ETF	-3.05%
TOPIX ETF	-3.02%
Beverage Manufacturer/Distributor (Japan)	-2.92%
Distributor of Pediatric Nutrition & Supplements (HK/China)	-2.84%
TOTAL	-14.98%

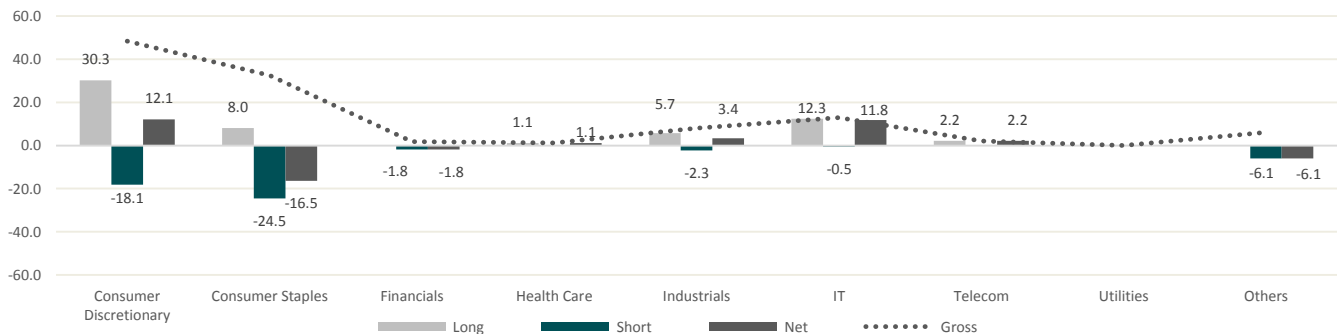
Geographic Analysis (% of NAV)



Market Cap Analysis (% of NAV)



Sector 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 SPARX OneAsia Long Short 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). 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 SPARX Asia Investment Advisors Limited accepts liability for the accuracy of the contents. SPARX Asia Investment Advisors Ltd is authorised and regulated by the SFC. 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 the SPARX OneAsia ARS Fund or in any other fund managed or advised by SPARX Asia Investment Advisors Ltd.

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