

### FACTSHEET

#### Performance Returns

The Mygale Event Driven UCITS Fund USD institutional class returned 0.06% during the month of August.

#### 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

Both sides of the pond reflected two very different faces of August, with the frequently talked about Summer lull hitting Europe in full force and sapping trading volumes. Underlying fundamental data continues to impress, but geopolitical tensions are ever present, with the migrant crisis resurfacing and dividing governments. Italy's recently installed leadership is taking a hard-line approach towards both migrants and austerity, causing increased friction with the EU. All eyes are on PM Conte's administration, not just because of their impending budget but also their response to the tragic bridge collapse in Genoa. As the owner of the concession for the collapsed bridge, Atlantia's market capitalisation fell approximately 29% dragging the FTSE MIB 8.8% lower. This was also a name that brought pain to some Event Driven investors who had built a long position post the take over of Abertis, expecting a fundamental re-rating. The rest of the continent also struggled, with the CAC 40 shedding 1.9% and the DAX 30 losing 3.4%. The FTSE 100 gave back 4.1% despite a weaker Sterling (-1.3%) as the perceived probability of a "no-deal" Brexit increased.

Nobody can accuse President Trump's administration of taking August off however – the US renewed tensions with Turkey (BIST 30 -4.2%) and revived sanctions on Iran, as the apparent improvement in trade negotiations with China (SHCOMP -5.3%) turned out to be a head fake. US equity markets rode the wave of strong macro indicators – both the GDP and unemployment data continued to provide staunch support as the S&P 500 rose 3.0%, significantly contrasting with Europe's performance. The strength of the US Dollar was broad-based, with DXY gaining approximately 60bps in August (+90bps vs. EUR). The MSCI EM weakened 2.9% in USD terms, but was broadly unchanged in local currency terms as underlying fundamental global growth remained resilient. Consequently, corporate dealmakers continue to remain encouraged while financing markets prove resiliently strong even in our current rising interest rate environment.

In the Event Driven space in particular, August pretty much conformed to the stereotypical norm, with many in Europe on holiday the result was lower volumes in equity markets and fewer announced deals. Despite this however, we still found some interesting new investments, initiating five new positions and liquidating three.

The most significant performer was our long held Catalyst investment in Investa Office Fund of Australia which had a twist in the tail as the deal approached the shareholder vote. The Blackstone bid of A\$5.1485/share, on the table since June, had been deemed to be 'reasonable but not fair' (nothing like sitting on the fence!) by the independent expert KPMG who saw a fair value of A\$5.38-5.41/share. Yet despite the bid being lower, the board had recommended acceptance and the deal looked like moving toward completion when Investa's biggest shareholder, ICPF with 29.9%, sold 9.99% of their holding to Oxford Properties Group at A\$5.25/share. Oxford is owned by OMERS, one of Canada's largest pension plans and has been trying to build a significant property portfolio in Australia for some time. This prompted Blackstone to raise its bid to A\$5.3485/share and declared the bid full and final in the absence of a higher bid. We have increased our holding in the expectation of a potential continuance in the bidding tension.

Anecdotally, its interesting to note, that whilst equity markets generally were quiet in August, we are aware that some bankers and M&A lawyers had a particularly busy month, with some forced to cancel pre-planned summer holidays to cope with the workload. Clearly deals are being worked on and buyer motivation is still high - as we write this newsletter in early September, we look forward to the typical boost in Event Driven volumes that Autumn so often brings.

#### 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%	0.06%					2.38%
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%	0.03%					2.28%
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	\$195.65 million
Inception	1 <sup>st</sup> January 2016

<b>Share Class</b>	<b>Institutional/Institutional Pooled</b>
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

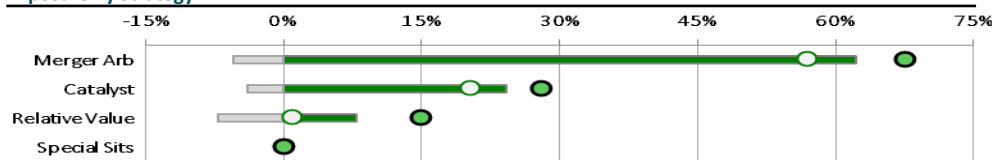
<b>Share Class</b>	<b>Institutional Founder/Retail Pooled</b>
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.25%/2.00%
Perf. Fee	15%/20%
Min Init. Sub.	10,000,000/10,000
ISIN	EUR: IE00BYRPG302/IE00BYRPFZ52
Codes	USD: IE00BYRPG633/IE00BYRPG294 CHF: IE00BYRPG526/IE00BYRPG187 GBP: IE00BYRPG419/IE00BYRPG070

### PORTFOLIO EXPOSURES

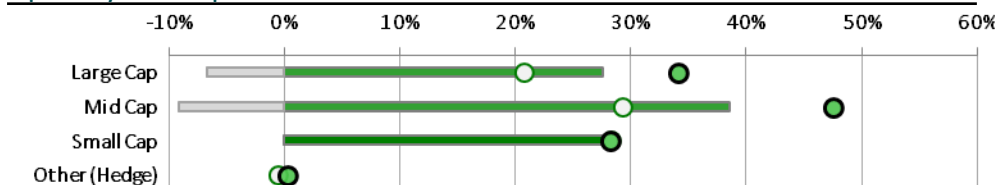
#### Risk Metrics

LONG EXPOSURE <sup>2</sup>	94.56%
SHORT EXPOSURE <sup>2</sup>	-16.34%
GROSS EXPOSURE <sup>2</sup>	110.90%
NET EXPOSURE <sup>2,4</sup>	23.08%
SHARPE RATIO <sup>3</sup>	2.48
SORTINO RATIO <sup>3</sup>	4.26
VOLATILITY <sup>3</sup>	1.94%
VAR <sup>1</sup>	4.55%
NO OF POSITIONS	55

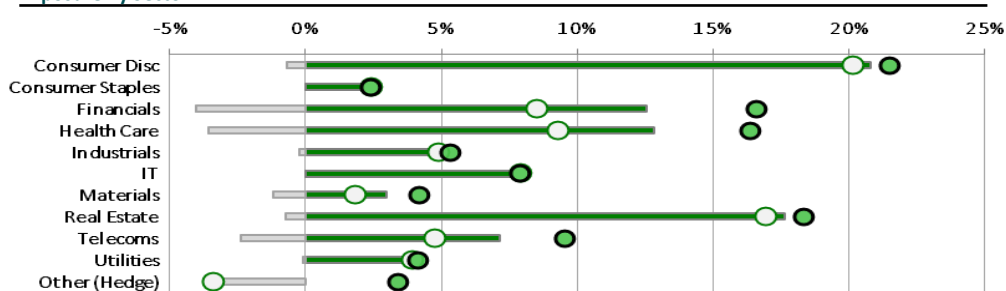
#### Exposure By Strategy<sup>2</sup>



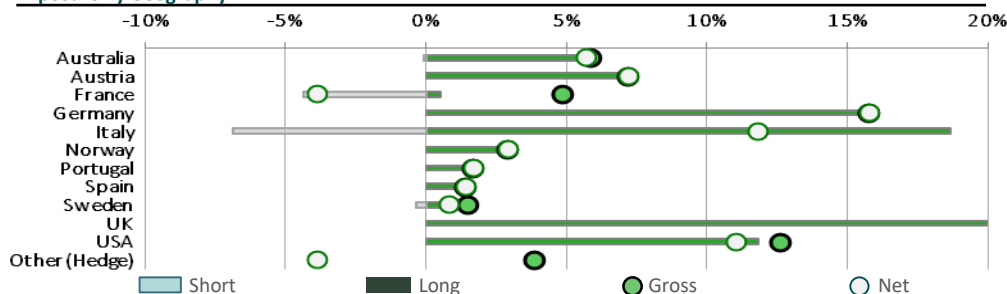
#### Exposure By Market Cap<sup>2</sup>



#### Exposure By Sector<sup>2</sup>



#### Exposure By Geography<sup>2</sup>



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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