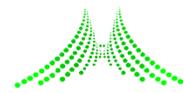


### FACTSHEET

### THE MANAGER



MYGALE

**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 six 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	\$104 million
Inception	1 <sup>st</sup> December 2015

### 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

### Performance Returns

The Mygale Event Driven UCITS Fund USD institutional class had a positive performance of 0.76% 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 30-50 positions with a typical net exposure of up to 50% and gross of between 150% and 250%. 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

European bourses spent the majority of August treading water as a notable fall in market volatility took hold. Both the VIX and the VSTOXX made new lows for the year over the past month despite a calamitous backdrop of geopolitical tension and natural catastrophe. Sustained favourable weather has contributed to a typically quiet August, which has manifested in dire stock exchange volumes and tight Treasury trading ranges (cf. 10y yield).

Currencies have been anything but benign though - most market participants spent the majority of the month waiting on Jackson Hole where Yellen indicated a stronger case for a rate hike if not in September, then before year-end. The USD has been buoyant since then, (just) outperforming its G3 cousins on the month. As we write, risk-on sentiment continues to remain in fashion, but it is interesting to see rotation at play. We're reliably informed that investors have become more underweight Eurozone and Japanese equities, while increasing their overweight allocations in US stocks. Sector leadership is shifting towards economically-sensitive cyclical sectors like energy and financials. Unsurprisingly, UK gilts continue to be a consensus favourite, with its safe haven status working in its favour and is a prime beneficiary of any additional QE. However, with yields and expected returns at record lows, one can't blame investors for scrambling to find alternative assets with which to diversify their portfolios.

In the Event Driven space, August was a pretty quiet month, even by August's traditionally lacklustre standards! Despite this, the portfolio performed well, with most positions contributing positively. Medivation, the US based oncology company announced that it had selected Pfizer, out of the numerous parties that it had been speaking to, to enter in to a definitive merger agreement with, for USD 81.5 per share. This price was at the top end of our expectations, and, due to our long held position in the company, contributed over 40bps to the portfolio during the month. Despite the price paid being a full one, it remains of interest to us as, not only does the deal offer an attractive annualised return with no significant risks, but also, we now know that there are two other parties who were willing to pay at least USD 80 per share.

Other significant contributors during the month were Syngenta and Ladbrokes. Syngenta rallied following the receipt of CFIUS approval on 22nd August. We had always felt that CFIUS approval was much more likely than the market was pricing in (due to the Chinese risk), but, due to the binary nature of the approval (and the resultant downside if negative), we only had a relatively small sized position ahead of this news. With Ladbrokes, our long held catalyst position continued to perform, as both Ladbrokes and Coral reported quarter end numbers which displayed the strength of their sports betting franchises. This led to a few brokers starting to upgrade their forecast in advance of the expected merger completing later this year.

The continued stability in markets generally, leads us to look forward to the advent of autumn and the boost in Event Driven activity that typically follows. We foresee both corporate and private equity bidders gaining the necessary confidence to deal in the months ahead.

### Monthly Share Class Performance Breakdown

2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D
USD Ins. S	0.97%	0.43%	0.02%	0.67%	0.47%	0.03%	2.83%	0.76%					6.32%
GBP Ins. F	1.25%	0.47%	0.02%	0.69%	0.57%	0.18%	2.85%	0.83%					7.03%

The performance figures quoted above for the USD Share Class represent the performance of the Mygale Event Driven UCITS Fund USD Institutional Share Class since launch on 6<sup>th</sup> January 2016. These performance figures refer to the past and past performance is not a guarantee of future performance or a reliable guide to future performance.

### PORTFOLIO EXPOSURES

#### Risk Metrics

LONG EXPOSURE <sup>2</sup>	82.36%
SHORT EXPOSURE <sup>2</sup>	11.14%
GROSS EXPOSURE <sup>2</sup>	93.51%
NET EXPOSURE <sup>2, 4</sup>	20.85%
SHARPE RATIO <sup>3</sup>	2.48
SORTINO RATIO <sup>3</sup>	3.57
VOLATILITY <sup>3</sup>	4.02%
DAILY VAR <sup>1, 3</sup>	5.38%
NO OF POSITIONS	41

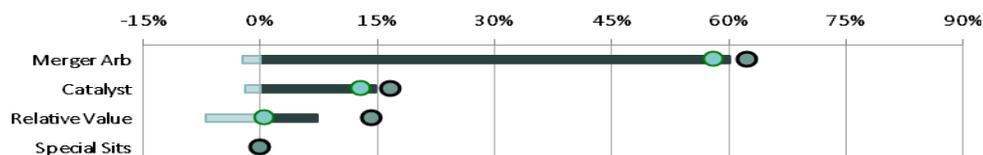
1. VaR is calculated using a confidence level of 99% and a holding period of 20 working days. The VaR model used by the Sub-Fund typically uses data from the last 200 weeks or greater, but a shorter observation period may be used in instances of recent significant changes in price volatility.

2. Based on information from the administrator and as a percentage of the fund AUM in USD including currency hedge for share classes.

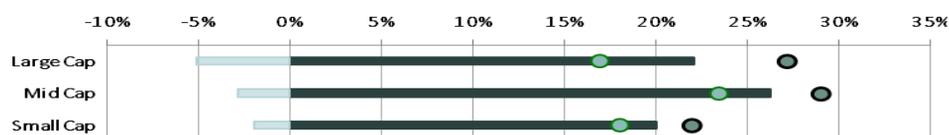
3. Based on daily gross portfolio performance

4. The net figure excludes cash merger deals.

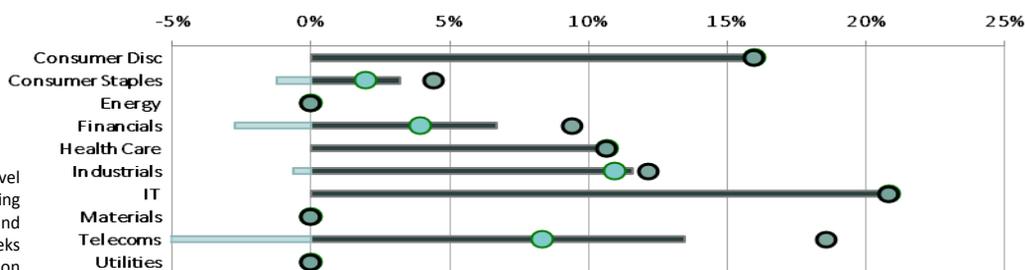
#### Exposure By Strategy<sup>2</sup>



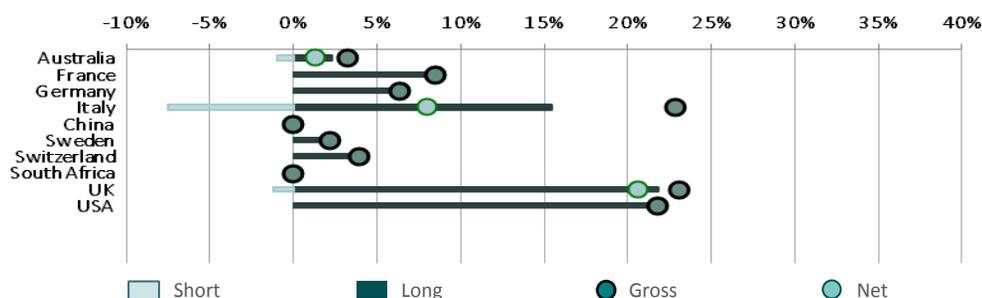
#### Exposure By Market Cap<sup>2</sup>



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



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



#### Contact Details

##### Investor Contact

**ML Capital Ltd**  
29 Farm Street  
London, W1J 5RL, UK  
T: +44 20 3709 4510  
investorrelations@mlcapital.com

##### Investment Manager

**ML Capital Asset Management Ltd**  
26 Fitzwilliam Street Upper  
Dublin 2, Ireland  
T: +353 1 535 0912  
investorrelations@mlcapital.com

##### Sub Investment Manager

**Tavira Securities**  
88 Wood Street  
London EC2V 7DA  
T: +44 20 3192 1725  
ym@mygalefunds.com

#### 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 Mygale Event Driven 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 Tavira Securities Limited accepts liability for the accuracy of the contents. Tavira Securities is authorised and regulated by the Financial Conduct Authority. 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 any other fund managed or advised by Tavira Securities.

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