

### FACTSHEET

#### Performance Returns

The Ronit Global Opportunities UCITS Fund returned -2.75% in the month of August (USD Institutional A Founder Class).

#### Investment Objective & Strategy

The Ronit Global Opportunities UCITS Fund seeks long term absolute returns in global opportunities by trading a fundamental, bottom-up strategy with macro overlays, to capitalize on Global Opportunities (long-short strategy) with a focus on Emerging Markets and the European periphery. The investment strategy will only invest across a liquid capital structure and is expected to have an equity bias over time. The team believe that fundamental research coupled with a sensible understanding of the risk/reward and idiosyncratic risks can generate attractive returns over time and across market cycles.

#### Monthly Commentary

In the world of science, physicists have often toyed with the idea of parallel universes to resolve the theoretical inconsistencies of quantum mechanics. While we do not presume to have a qualified opinion on the intricacies of modern particle physics, we cannot help but think that parallel universes may better describe the current state of financial markets.

August produced no real respite in trade tensions between the US and China, while beleaguered economies such as Turkey and Argentina came under new waves of stress. Elsewhere, the European periphery was plunged into turmoil as credit investors braced for the Italian budget proposal and the Visegrad populists – now led by the energetic Matteo Salvini – once again clashed with European liberals over immigration burden-sharing. Emerging market currencies weakened broadly, led by the Turkish Lira and the Argentina Peso, which are now exhibiting clear crash-patterns. European banks also fell as fears of contagion from emerging markets spread and further delays pushed back anticipated interest rate shifts. Asset prices across most of the globe suffered a certain degree of pain, all of which was exacerbated by the lower liquidity associated with the summer break.

However, in the parallel universe of the US, all major indices (except the Dow) accelerated to record highs, driven, we can only assume, by the re-emergence in a new guise of there-is-no-alternative (TINA) reasoning about US equities. It can of course be argued that the US should be acting like a parallel universe – the economy continues to do well as others falter, earnings results were generally better than expected and many of the leading companies which reside in the US are accelerating ahead of competitors. In addition there are powerful technical dynamics at play, such as inflows occasioned by dollar repatriation from recent tax reforms and renewed stock buyback activity. That said, even if we assume that the US economy is likely to remain dominant, it is still surprising that nothing has been able to disturb the strange serenity of US equity markets in the face of worldwide volatility.

Regarding emerging markets in particular, it is hard to know where to start with what has been an extremely difficult and chaotic August. Emerging market currencies had one of the worst months we have seen for some time, reminiscent of the patterns that preceded previous crises, with Turkey, Indonesia and Argentina bearing the brunt of the sell-off. A common cause is undoubtedly the tightening of global liquidity which has also had the effect of exposing and exacerbating idiosyncratic issues that had been ignored by market forbearance. As the US Fed continues with its 'normalisation' program and other major central banks follow, investors are expecting greater returns from incurred risks, and are paying closer attention to the specific challenges each economy faces. From experience we know that regaining the confidence of the market in this mood is never simple since most solutions – whether they are interest rate hikes, fiscal retrenchment, or external assistance – come with significant consequences and conditionality, and can pin down growth indefinitely.

#### Position Update

Despite showing greater resilience than other territories in the emerging markets category, the first signs of weakness in China and Asia prompted a re-rating of risk assets in June. In the midst of this indiscriminate sell-off, we began looking for attractive entry points into select names, focusing on those companies where a robust emerging markets base supports a strong global business.

One such name is the Taiwan Semiconductor Manufacturing Company (TSMC), the world's leading dedicated foundry service provider and the undisputed global leader in IC manufacturing. TSMC had traded down since the beginning of the year due to broad industry concerns, including questions over Apple's inventory, the waning performance of crypto currencies, and capex intensity trends. We believe these issues amount to little more than noise, obscuring and distorting a hugely exciting and durable long-term story. As the leading contract manufacturer of semiconductor chips globally, we believe TSMC should be able to sustain 10% growth with rising FCF and dividends in the next three to five years.

Elsewhere, we have taken up a short position in the leading Latin American e-commerce name, Mercado Libre (MELI). As the largest platform of its type in Brazil, Argentina and Mexico (according to GMV), MELI has attracted significant attention from investors looking for names that could replicate the success of other e-commerce disruptors. We believe that MELI presents an attractive opportunity to capitalize on the downside as, despite massive declines in the Argentinean Peso (48%) and Brazilian Real (20%), the stock had rallied by 20% at the time we opened our position. Given that Brazil, Argentina and Mexico account for 58%, 31% and 5% of revenues respectively, it is clear that MELI's stock price movements have been completely divorced from deteriorations in its underlying markets. Indeed, in terms of direct contributions, Argentina accounts for >100% of the profits (Mexico being loss making).

#### Ronit Global Opportunities UCITS Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2018	4.39%	1.71%	-0.17%	-3.28%	-2.92%	-1.56%	2.86%	-2.75%					-2.02%
2017	0.82%	0.03%	0.00%	-0.19%	0.04%	-6.05%	3.88%	2.08%	0.52%	-1.52%	-3.08%	0.94%	-2.84%
2016												0.04%	0.04%

The performance figures quoted above represent the performance of the USD Institutional Founder A Share Class in the Ronit Global Opportunities UCITS Fund since launch on 5<sup>th</sup> December 2016. These performance figures refer to the past and past performance is not a reliable guide to future performance.

#### Ronit Global Opportunities Master Fund LTD Performance (Non-UCITS)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2016	1.06%	-3.30%	7.90%	2.08%	-4.31%	1.70%	3.53%	1.02%	-1.62%	2.29%	-2.34%		7.67%
2015	-3.81%	4.35%	-4.67%	4.68%	-2.74%	-4.60%	-1.65%	5.55%	1.17%	0.46%	2.91%	-2.25%	-1.36%
2014	-1.87%	1.17%	3.98%	2.65%	-1.22%	3.46%	4.82%	-0.97%	-0.49%	-3.39%	-0.30%	0.36%	8.13%
2013						0.2%	1.4%	-1.1%	2.1%	4.2%	-0.1%	-0.08%	6.67%

The performance figures quoted above represent the performance of the Ronit Global Opportunities Master Fund LTD since launch on 1<sup>st</sup> June 2013 and not the Ronit Global Opportunities UCITS Fund. UCITS Funds have to abide by investment restrictions and consequently the performance of the Ronit Global Opportunities UCITS Fund may not be similar to that presented above. These performance figures refer to the past and past performance is not a reliable guide to future performance.

### THE MANAGER

RONIT | CAPITAL

#### Edward Misrahi (Founding Partner and CIO)

Prior to starting Ronit, Edward was a founding partner of Eton Park in 2004 and subsequently managed public and private Emerging Market and European investments for the firm over the next eight years.

Edward worked for Goldman Sachs & Co., becoming a partner in 2000, where his role included Financial Analyst in Structured Finance, Member of Equities Arbitrage Group, Member of Global Emerging Markets Committee and Co-Head of Latin America for the Firm.

#### Luis Arenzana (Founding Partner)

Luis was Founding Partner and Portfolio Manager of Shelter Island Capital Management (2003-2013). Here he managed a European Event-Driven Strategy. From 2010 he also managed the Shelter Island Total Return Fund (a Long-Short Equity & Credit Mandate).

From 2008 onwards he also offered advisory services to institutional clients investing in Spain. Prior to founding Shelter Island, Luis was an Executive Director at Orchard Capital Advisors (2001-2003) – here he worked as a Senior Analyst for the European Long-Short Equity Strategy.

### FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
Fund AUM	\$24m
Strategy AUM	\$159 million
Inception	5 <sup>th</sup> December 2016
Share Class	Institutional/Institutional Founder
Currency	EUR/USD/GBP
Mgt. Fee	1.75%/1.5%
Perf. Fee	17.50%/15%
Min Init. Sub.	1,000,000
ISIN Codes	EUR: IE00BD87RV38/IE00BD87S431 USD: IE00BD87RX51/IE00BD87S654 GBP: IE00BD87RW45/IE00BD87S548
Share Class	Institutional A Founder/Retail Pooled
Currency	EUR/USD/GBP
Mgt. Fee	1.2%/2%
Perf. Fee	15%/20%
Min Init. Sub.	10,000,000/10,000
ISIN Codes	EUR: IE00BD8BVG80/IE00BD87SM12 USD: IE00BD87RT16/IE00BD87S878 GBP: IE00BD8BHV97/IE00BD87S761

### Top 5 Positions (Exposure as % of NAV)

Top 5 Equity Long	
CIA DE TRANSMISSAO	6.94%
TRANSMISSORA ALIANCA	5.86%
TAIWAN SEMICONDUCTOR	4.95%
SIEMENS GAMESA RENEWABLE	4.32%
CIA ENERGETICA DE	4.17%

Top Corporate Credit Long	
PETROBRAS	8.87%
CEMIG GERACAO E TRANSM	8.45%
ITAU UNIBANCO HLDG	3.73%

Top 5 Equity Short	
Undisclosed – Financials (United States)	2.34%
Undisclosed – Financials (Brazil)	2.26%
Undisclosed – Financials (Portugal)	2.05%
Undisclosed – Financials (Germany)	1.51%
Undisclosed – Materials (Hong Kong)	1.12%

### Top P&L Contributors (Ex-Hedges and CDS)

Positive		
Strategy		%
TAIWAN SEMICONDUCTOR	Equity Long	0.28%
BOLSA MEXICANA DE VALORES	Equity Long	0.27%
SIEMENS GAMESA RENEWABLE	Equity Long	0.27%
Undisclosed – Financials (Germany)	Equity Short	0.23%
Undisclosed – Financials (United States)	Equity Short	0.16%

Negative		
Strategy		%
CIA DE TRANSMISSAO DE ENE	Equity Long	-1.10%
PETROBRAS GLOBAL FINANCE	Credit Long	-0.73%
CIA ENERGETICA DE	Equity Long	-0.71%
TRANSMISSORA ALIANCA DE	Equity Long	-0.37%
ITAU UNIBANCO HLDG SA	Credit Long	-0.32%

### Exposures (% of NAV)

By Country	Exposures			
	Long	Short	Net	Gross
Brazil	48.34%	-2.26%	46.08%	50.61%
Germany	25.72%	-1.51%	24.21%	27.24%
United States	15.07%	-2.34%	12.73%	17.42%
Taiwan	4.95%	0.00%	4.95%	4.95%
Poland	3.78%	-0.95%	2.83%	4.73%
Spain	4.32%	0.00%	4.32%	4.32%
Russian Federation	3.24%	0.00%	3.24%	3.24%
Mexico	1.57%	-1.11%	0.46%	2.69%
Portugal	0.00%	-2.53%	-2.53%	2.53%
Argentina	0.93%	-0.57%	0.36%	1.49%
Hong Kong	0.00%	-1.12%	-1.12%	1.12%
South Africa	1.08%	0.00%	1.08%	1.08%
Italy	0.00%	-0.99%	-0.99%	0.99%
Turkey	0.95%	0.00%	0.95%	0.95%
Switzerland	0.00%	-0.88%	-0.88%	0.88%
United Kingdom	0.00%	-0.84%	-0.84%	0.84%
France	0.00%	-0.57%	-0.57%	0.57%
General Hedges	9.56%	-44.13%	-34.57%	53.69%
<b>Total</b>	<b>119.52%</b>	<b>-59.81%</b>	<b>59.71%</b>	<b>179.32%</b>

Equity Exposures By Instrument (Delta Adjusted)	Exposures			
	Long	Short	Net	Gross
Equity & Single Name Options	54.18%	-39.23%	14.96%	93.41%
Option & Index Hedges	4.59%	-18.07%	-13.48%	22.65%
<b>Total</b>	<b>58.77%</b>	<b>-57.30%</b>	<b>1.47%</b>	<b>116.06%</b>

Option Premium (MTM)			
	7 Bps	-3 Bps	4 Bps
		10 Bps	

By Sector	Exposures			
	Long	Short	Net	Gross
Sovereign	38.13%	0.00%	38.13%	38.13%
Utilities	26.67%	-0.48%	26.19%	27.16%
Financials	14.68%	-9.11%	5.57%	23.79%
Energy	13.19%	0.00%	13.19%	13.19%
Tech & IT	7.62%	-0.57%	7.05%	8.18%
Telecommunications	7.02%	-1.11%	5.91%	8.14%
Consumer	1.08%	-2.43%	-1.36%	3.51%
Materials	0.00%	-1.96%	-1.96%	1.96%
Industrial	1.57%	0.00%	1.57%	1.57%
Developed Market Overlays	9.56%	-44.13%	-34.57%	53.69%
<b>Total</b>	<b>119.52%</b>	<b>-59.81%</b>	<b>59.71%</b>	<b>179.32%</b>

Credit Exposures	Exposures			
	Long	Short	Net	Gross
Corporate Credit	22.62%	-2.51%	20.11%	25.13%
Sovereign Credit	38.13%	0.00%	38.13%	38.13%
<b>Total</b>	<b>60.75%</b>	<b>-2.51%</b>	<b>58.24%</b>	<b>63.26%</b>

Sovereign Credit DV01	€0.1k	€0	€0.1k	€0.1k
Corporate Credit DV01	€4.0k	€0	€4.0k	€4.0k
CDS PV	0.62%	-2.51%	-1.89%	3.13%

By Market Cap (Equities only)	Exposures			
	Long	Short	Net	Gross
> 10 Billion \$	25.20%	-54.68%	-29.48%	79.88%
5 - 10 Billion \$	9.07%	-2.61%	6.46%	11.68%
2 - 5 Billion \$	23.25%	0.00%	23.25%	23.25%
< 2 Billion \$	1.25%	0.00%	1.25%	1.25%
<b>Total</b>	<b>58.77%</b>	<b>-57.30%</b>	<b>1.47%</b>	<b>116.06%</b>

### Contact Details

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

**Management Company**  
**MLC Management Limited**  
 23 St. Stephen's Green,  
 Dublin 2, Ireland  
 T: +353 1 533 7020  
 investorrelations@mlcapital.com

**Investment Manager**  
**Ronit Capital LLP**  
 5<sup>th</sup> Floor, 52 Conduit Street,  
 London, W1S 2YX  
 T: +44 20 3642 1950  
 ir@ronitcapital.com

### Disclaimer

**Risk Warning:** Past performance is not a reliable indicator of future results, prices of investments and the returns from them may fall as well as rise. Investments in equities are subject to market risk and, potentially, to currency exchange risk. Ronit Global Opportunities 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 Document which together with the MontLake UCITS Platform ICAV 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 Ronit Capital LLP accepts liability for the accuracy of the contents. Ronit Capital LLP is authorised and regulated by the Financial Conduct Authority (the "FCA"). Funds regulated under UCITS must abide by onerous investment restrictions. 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. This notice shall not be construed as an offer of sale in the Fund. The state of origin of the Fund is the Republic of Ireland. Issued and approved by MLC Management Ltd. Authorised and Regulated by the Central Bank of Ireland.