

### FACTSHEET

#### Performance Returns

The Ronit Global Opportunities UCITS Fund returned -3.28% in the month of April (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

One of the most important factors these days in the world of investing is the amount of data that market participants receive and have access to. When we started investing in Emerging Markets high-quality information was much sparser and significantly harder to reach. Take Brazil, for example, where receiving copies of the local newspaper by fax before Reuters could translate them gave a real information advantage to an investor who could speak the language. Today the challenge of information-scarcity has given way to the arguably greater issue of information-overload. Whereas before information travelled so slowly that one had to go out and find it, nowadays investors are required to select and separate salient data from a seemingly endless stream of news.

For any investor in Emerging Markets staying apprised of relevant information has always been especially important since, apart from the obvious need to get the company analysis right, global macro factors have the potential for very material effects on investment performance.

As we have said in previous letters, we remain constructive and upbeat about the investment backdrop and a number of secular trends in the region that exhibit an attractive risk-reward ratio. But at the same time we are aware that the environment is liable to abrupt changes which, along with other factors, can impact investors' risk tolerance.

At the macro level we believe the potential change of direction in the US dollar is the most significant and far-reaching event that we are watching closely. Currency moves are a function of a vast set of related economic and political variables and, while we avoid trying to predict such shifts, the potential of financial markets having to adjust to a stronger dollar regime is an important change in risk which cannot be ignored. However, as has been the case in previous periods of regime change, we worry that there is a degree of complacency among market participants who have grown used to the current trend, which means that the market may be slow to recognise the implications of a stronger dollar.

Suffice it to say that, from our point of view, those factors that made for a market conducive to risk-assets were associated with a weaker dollar and the ready availability of liquidity from the US. We have started to notice signs that a stronger dollar is affecting the performance of some Emerging Market currencies, and we believe that these initial effects will only grow more pronounced. Additionally, if one looks at the Renminbi (probably the single most important currency in the EM category) it is clear that it has yet to move; if it does, the knock-on effects will ramify in ways no one can anticipate. Having said that we are reluctant to make predictions as to the future behaviour of currencies, it seems that it is prudent to anticipate the probability of a reversion to occur in this currency pair, which could create greater dislocations than is currently discounted by markets. We are certainly more watchful now that we believe this change in regime has begun.

#### Position Update

Taking advantage of the weakness in credit markets, we have recently increased our exposure to Petrobras USD bonds. Although we are generally wary of the current levels of corporate credit spreads, we are always looking for situations where we believe the market has failed to completely recognise genuine improvements in the fundamentals of the issuer. The credit story of Petrobras is an example of one such situation, where continuous debates regarding the outlook of Brazil's economy have not allowed the market to price the material positive developments for this issuer.

From a debt point of view, starting from a complicated situation in 2015, it is hard to see a more reassuring and encouraging set of developments. First, cash from operations has grown as a result of improved management practices and a more rational pricing policy framework. Gone are the days of direct political intervention on the price of oil in Brazil and a very rational and economic framework now drives the decisions at the company. We have no reason to believe these changes are at risk.

Despite these improvements we believe that it is trading 100 to 150bps wide of fair value, which can be seen when the name is compared with other oil or Emerging Market supranational companies. We would argue that the reason for this disjunction (and the opportunity it presents) is that the market is overestimating political risk as we approach the elections. As the company continues to report strong financial progress, and with a more promising oil environment, Petrobras can even accelerate its deleveraging. As a result we believe we will be getting a tightening in the range of close to 100-150 basis points which would yield a 20-25%+ return in dollars with a very positive asymmetric distribution given the a very low risk of loss given the issuer's characteristics.

#### 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%	<b>-3.28%</b>									<b>2.52%</b>
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%	<b>-2.84%</b>
2016												0.04%	<b>0.04%</b>

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%		<b>7.67%</b>
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%	<b>-1.36%</b>
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%	<b>8.13%</b>
2013						0.2%	1.4%	-1.1%	2.1%	4.2%	-0.1%	-0.08%	<b>6.67%</b>

The performance figures quoted above represent the performance of the Ronit Global Opportunities Master Fund LTD since launch on 1st 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

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#### 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	\$30.8m
Strategy AUM	\$203 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: IE00BD8BVH97/IE00BD87S761

Top 5 Positions (Exposure as % of NAV)

Top 5 Equity Long		Top Corporate Credit Long		Top 5 Equity Short	
CIA DE TRANSMISSAO	8.04%	PETROBRAS	9.02%	Undisclosed – Financials (United States)	3.52%
TRANSMISSORA ALIANCA	5.75%	CEMIG GERACAO E TRANSM	7.02%	Undisclosed – Consumer (Hong Kong)	2.46%
BB SEGURIDADE PARTICIPACOES	5.35%	ITAU UNIBANCO HLDG	4.75%	Undisclosed – Financials (Portugal)	2.17%
SIEMENS GAMESA RENEWABLE	5.02%			Undisclosed – Financials (Spain)	2.13%
EMBRAER	4.37%			Undisclosed – Financials (Poland)	2.13%

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

Positive			Negative		
	Strategy	%		Strategy	%
SIEMENS GAMESA RENEWABLE	Equity Long	0.39%	BANCO DO BRASIL S.A.	Equity Long	-0.59%
BAIDU INC	Equity Long	0.26%	BB SEGURIDADE PARTICIPACOES	Equity Long	-0.59%
LIGHT SA	Equity Long	0.23%	Undisclosed – Utilities (Brazil)	Equity Short	-0.46%
SANTANDER CONSUMER	Equity Long	0.20%	BECLE SAB	Equity Long	-0.45%
BOLSA MEXICANA DE VALORES	Equity Long	0.16%	TRANSMISSORA ALIANCA	Equity Long	-0.41%

Exposures (% of NAV)

By Country					Equity Exposures By Instrument (Delta Adjusted)					Credit Exposures				
	Long	Short	Net	Gross		Long	Short	Net	Gross		Long	Short	Net	Gross
Brazil	64.36%	0.00%	64.36%	64.36%	Equity & Single Name Options	79.50%	-45.15%	34.35%	124.65%	Corporate Credit	23.16%	-2.52%	20.64%	25.68%
Mexico	10.93%	-1.58%	9.35%	12.50%	Option & Index Hedges	0.63%	-18.58%	-17.95%	19.21%	Sovereign Credit	0.00%	-5.20%	-5.20%	5.20%
United States	4.28%	-5.99%	-1.71%	10.27%	<b>Total</b>	<b>80.13%</b>	<b>-63.73%</b>	<b>16.41%</b>	<b>143.86%</b>	<b>Total</b>	<b>23.16%</b>	<b>-7.72%</b>	<b>15.44%</b>	<b>30.88%</b>
Spain	6.87%	-2.94%	3.92%	9.81%	<b>Option Premium (MTM)</b>	<b>3 Bps</b>	<b>-12 Bps</b>	<b>-9 Bps</b>	<b>15 Bps</b>	Corporate Credit DV01	€4.5k	€0	€4.5k	€4.5k
Poland	3.71%	-2.13%	1.58%	5.83%						CDS PV	0.02%	-2.52%	-2.50%	2.54%
Switzerland	0.00%	-5.20%	-5.20%	5.20%										
Italy	0.00%	-4.99%	-4.99%	4.99%										
Russian Federation	4.19%	0.00%	4.19%	4.19%										
United Kingdom	3.10%	-0.76%	2.34%	3.86%										
China	3.80%	0.00%	3.80%	3.80%										
Portugal	0.00%	-3.08%	-3.08%	3.08%										
Hong Kong	0.00%	-2.46%	-2.46%	2.46%										
Colombia	0.00%	-1.43%	-1.43%	1.43%										
Korea, Republic of	1.40%	0.00%	1.40%	1.40%										
Argentina	0.00%	-1.04%	-1.04%	1.04%										
Germany	0.00%	-0.78%	-0.78%	0.78%										
General Hedges	0.65%	-39.07%	-38.42%	39.72%										
<b>Total</b>	<b>103.29%</b>	<b>-71.44%</b>	<b>31.85%</b>	<b>174.74%</b>										

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