

FACTSHEET

Performance Returns

The Ronit Global Opportunities UCITS Fund returned -1.52% in the month of October (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

Although investors normally worry with the arrival of October, strong earnings from some of the market leaders and a positive reaction to the ECB tapering news created a backdrop for strong market performance. The enhanced Goldilocks environment we highlighted last month continues to provide a very benign backdrop for financial markets and the absence of inflationary pressures continues to provide an anchor for interest rates and credit at levels that otherwise would seem excessively low and tight at this point in the economic cycle.

The ECB did make their long awaited announcement regarding the tapering of QE for next year but markets were reassured that the size and the verbal statements imply a very supportive position for some time to come. It is somewhat ironic that at a time where the words used to describe the economic performance of the region are "strong" and "with momentum", the focus of markets and central banks continues to be the downside risk. As mentioned before, low inflation rates continue to allow this apparent contradiction to remain the central theme. We do note, however, that this remains a very difficult backdrop for banks in the region because even in the face of growth, at the end of the day, negative rates and record low corporate credit spreads resulting from ECB private credit buying are not ideal for a bank's business.

We attended last month an interesting forum on the economic outlook for 2018 of the major global economies. We found it interesting that at a time when we are seeing a strong and improving economic recovery globally, the consensus among observers remains that they believe that we will continue to have near record levels of monetary stimulus (courtesy of the ECB and the BOJ), and potentially strong fiscal stimulus as well (courtesy of the US and parts of Europe). The idea of countercyclical measures seems to have been abandoned for the moment. Although not an immediate market concern, this lack of consistency does worry us and although they were costly last month we have maintained our credit and interest rate hedge positions.

Regional Portfolio Commentary

Given the variety of material events this month in many of the regions where we have exposure, we thought we would address some of them in the letter.

In the periphery, the situation in Spain regarding the stalemate between the central government and the regional government of Catalonia did not improve. The central government triggered for the first time ever article 155 of the Spanish constitution and took control of the regional government. Some leaders of the disbanded regional government left for Belgium in the face of arrest warrants regarding their role in a unilateral declaration of independence. Major companies moved their domicile from locations in Catalonia to other locations in Spain outside Catalonia, and the events have cast a potential shadow on the economic momentum the country was seeing. We now need to wait until December 21st when the next regional elections are scheduled, to see what will be the composition of the new regional parliament and government and their position regarding their relationship with the central government. Although we do not think the situation will lead to new images of violence, as mentioned before, we do think this will create at best a pause in some of the investment that the country could attract. Consequently, we took advantage of the relief in the market from the absence of more violent encounters to reduce some of our domestic Spanish real state exposure.

It was also a very eventful period for PDVSA and Venezuela. As you know this has been a core credit position for us for a long period of time but one that we had reduced somewhat last summer as a result of negative developments on the political front which much reduced the possibility of a more constructive regime taking over. Further to that, we made a decision at the end of last month to reduce most of our position as we got increasingly worried that we were witnessing a situation where it was becoming less clear that the trade-off of continuing to pay was in the interest of the current government.

Finally, Brazil saw reasonable volatility during the month as fears of higher interest rates in the US and a slowdown in the rate cutting cycle in the country led to a selloff in the currency and interest rates. Domestically there was concern regarding polls for next year's elections that seem to indicate that Lula still remains the favourite candidate at this stage. We think it is still very early to judge what might happen on the political cycle in Brazil next year but we see concerns on Lula as being very premature since continued economic performance and the potential that Lula might still be embroiled in corruption charges bode well for a more constructive candidate to emerge as the front runner next year. We took advantage of the weakness to add to some of our core positions as we continued to take advantage of the markets difficulty to differentiate general macro from more idiosyncratic issues.

Ronit Global Opportunities UCITS Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2017	0.82%	0.03%	0.00%	-0.19%	0.04%	-6.05%	3.88%	2.08%	0.52%	-1.52%			-0.69%
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 5th December 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.

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 1st June 2013 and not the Ronit Global Opportunities UCITS Fund. UCITS Funds have to abide by onerous 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 guarantee of future performance or 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	\$45.0m
Strategy AUM	\$199 million
Inception	5 th 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: IE00BD8BVBH97/IE00BD87S761

Top 5 Positions (Exposure as % of NAV)

Top 5 Equity Long		Top Corporate Credit Long		Top 5 Equity Short	
ANHEUSER-BUSCH INBEV	6.37%	PETROBRAS	3.20%	Undisclosed – Financials (Argentina)	3.16%
VEON LTD	5.76%	COLOMBIA TELECOMUNICACIO	2.72%	Undisclosed – Financials (USA)	2.60%
YANDEX NV	5.40%	PETROLEOS DE VENEZUELA	2.15%	Undisclosed – Telecom (Argentina)	2.51%
TIM PARTICIPACOES SA	5.31%			Undisclosed – Financials (Germany)	1.91%
CIA DE TRANSMISSAO DE ENE-PF	4.73%			Undisclosed – Financials (Mexico)	1.52%

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

Positive			Negative		
Strategy	%		Strategy	%	
ALTABA INC	Equity Long	0.24%	VEON LTD	Equity Long	-0.36%
ANHEUSER-BUSCH INBEV SA/NV	Equity Long	0.22%	TRANSMISSORA ALIANCA DE-UNIT	Equity Long	-0.36%
Undisclosed - Financials (Mexico)	Equity Short	0.22%	BB SEGURIDADE PARTICIPACOES GS CFD	Equity Long	-0.30%
GRUPO SUPERVIELLE SA-SP ADR	Equity Long	0.19%	CIA DE TRANSMISSAO DE ENE-PF	Equity Long	-0.27%
58.COM INC-ADR	Equity Long	0.19%	BANCO DO BRASIL S.A.	Equity Long	-0.22%

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	41.97%	-0.38%	41.60%	42.35%	Equity & Single Name Options	92.94%	-24.52%	68.42%	117.46%	Corporate Credit	8.06%	-0.51%	7.56%	8.57%
Spain	10.97%	-4.91%	6.06%	15.88%	Option & Index Hedges	1.39%	-19.90%	-18.52%	21.29%	Sovereign Credit	3.94%	-5.05%	-1.11%	9.00%
United States	8.87%	-3.22%	5.64%	12.09%	Total	94.32%	-44.42%	49.90%	138.74%	Total	12.01%	-5.56%	6.45%	17.57%
Russian Federation	11.16%	-0.01%	11.15%	11.17%	Option Premium (MTM)		-15 Bps	-15 Bps	15 Bps	Corporate Credit DV01	€2k	€0	€2k	€2k
Mexico	5.95%	-2.74%	3.21%	8.69%	By Sector					CDS PV	0.0%	-0.52%	-0.52%	0.52%
Argentina	3.21%	-4.58%	-1.37%	7.79%		Long	Short	Net	Gross	By Market Cap (Equities only)				
Belgium	6.37%	0.00%	6.37%	6.37%	Financials	29.96%	-16.29%	13.67%	46.26%	> 10 Billion \$	34.65%	-35.24%	-0.59%	69.89%
China	6.24%	0.00%	6.24%	6.24%	Telecommunications	23.77%	-1.21%	22.55%	24.98%	5 - 10 Billion \$	34.79%	-3.76%	31.03%	38.55%
Italy	0.00%	-5.55%	-5.55%	5.55%	Consumer	11.83%	-3.98%	7.85%	15.81%	2 - 5 Billion \$	14.69%	-5.05%	9.64%	19.73%
Germany	0.00%	-3.60%	-3.60%	3.60%	Energy	11.33%	0.00%	11.33%	11.33%	< 2 Billion \$	10.20%	-0.38%	9.82%	10.57%
Poland	2.35%	-1.06%	1.29%	3.42%	Utilities	7.74%	-2.56%	5.18%	10.30%	Total	94.32%	-44.42%	49.90%	138.74%
Colombia	2.72%	0.00%	2.72%	2.72%	Government	3.94%	-5.05%	-1.11%	9.00%					
Switzerland	1.38%	-0.99%	0.39%	2.37%	Tech & IT	7.80%	0.00%	7.80%	7.80%					
Venezuela	2.15%	0.00%	2.15%	2.15%	Materials	4.62%	0.00%	4.62%	4.62%					
Netherlands	1.60%	0.00%	1.60%	1.60%	Real Estate	3.95%	0.00%	3.95%	3.95%					
Portugal	0.00%	-1.27%	-1.27%	1.27%	Industrial	0.00%	-0.98%	-0.98%	0.98%					
Hong Kong	0.00%	-1.15%	-1.15%	1.15%	Developed Market Hedges	1.39%	-19.90%	-18.52%	21.29%					
South Africa	0.00%	-0.63%	-0.62%	0.63%	Total	106.33%	-49.98%	56.35%	156.31%					
General Index Hedges	1.39%	-19.90%	-18.52%	21.29%										
Total	106.33%	-49.98%	56.35%	156.31%										

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