

### FACTSHEET

#### Performance Returns

The Ronit Global Opportunities UCITS Fund returned +1.71% in the month of February (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 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 major tenets to our approach to portfolio management is the importance we assign to being long volatility in the way we structure our positions and manage the risk of the overall portfolio. Over the last few years the compression on rates and credit spreads generated by the sustained and continued intervention by developed markets' central banks created an environment where investors were emboldened not only not to buy volatility but to actually enhance their returns by selling it. The strong performance of this strategy prompted even more money to flow in that direction and kept pushing both implied and realized volatility to historically low absolute levels. As you can imagine those trends were not friendly to our approach.

We wrote recently that the strength of the global economic recovery and the potential stabilization and uplift of inflation numbers will probably lead to higher rates and wider credit spreads. We wondered how the market environment would handle these changes. During the month of February we witnessed how the weakest and smallest of those positions, the extreme short position in volatility indices, created a ripple effect in markets that had not been witnessed in years. The sudden rise in the VIX index acted as a margin call in the short volatility world that led to material dislocation in equity markets which despite the recovery towards the end of the month still finished lower.

As is generally the case during market corrections multiple explanations were offered for the move down, but we believe that this represents the first in a series of upcoming corrections as global markets return to a more traditional environment where asset prices can react in both directions to news, and the stabilizing nature of central bank intervention to declines in financial asset prices is not instantaneous. What was unusual this time was not the size of the move overall but the fact that we had not had such a large correction for some time. The absolute lows in volatility and probably in credit spreads may be behind us. The key is to construct a portfolio that can handle the higher levels of rates, credit spreads, and volatility that are likely to be the "new normal" going forward.

Historically, investors generally consider periods of rising volatility and rates to be negative for Emerging Markets and we believe that despite our more constructive outlook, we need to be conscious of that correlation. There are certain aspects that make us believe that it might not be the right framework for the current scenario such as the fact that Emerging Markets in general were not really the beneficiaries of the central bank interventions in the US, Europe, and Japan. Undeniably, investors forced to look for yield migrated to some of these markets but across Emerging Markets we still think risk premia are large enough to be able to weather this rate repricing in the developed markets. Similarly, healthier growth dynamics, stronger sovereign balance sheets, and earnings momentum bode well for these assets. However, risks persist for the regions in a tougher financial environment and additionally important idiosyncratic risks remain such as the recent developments in China.

#### Position Update

In this earnings season we had some disappointment in situations such as Veon (of which more later in the attribution section), but we were extremely pleased to see some core fundamental names performing above expectations, and are confident that this can be replicated going forward.

We have started to see better volume trends these last two quarters and gross margin improvement as a result of the agave farming initiatives. The operating leverage has led to a sharp improvement in earnings thanks in part to more rational marketing and promotional budgeting, without undermining volume growth. These developments seem to have caught the market by surprise and turned sentiment around. It's also very encouraging to see their non-tequila brands like Kraken (Rum), Bushmills (Irish Whiskey), and Boodles (Gin) reporting strong growth and improving awareness. Furthermore, their latest acquisition, Pendleton (Canadian Whiskey), which may appear expensive at first glance, has been outgrowing the ultra-premium segment in the US and satisfies their acquisitions criteria.

During the month across the portfolio, we took advantage of the volatility and relative performance of stocks to trade around positions whilst maintaining the balance in our portfolio. Generally, we continued to maintain a similar gross exposure but we also took advantage of weakness to add some new positions and increase some core ones. Embraer, the Brazilian aircraft manufacturer, and Siemen Gamesa the leading wind turbine manufacturer in Emerging Markets, are two examples of this theme, which will be further detailed in future letters.

#### 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%											6.17%
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 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

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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	\$36.2m
Strategy AUM	\$262 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 DE ENE-PF	7.20%	PETROBRAS	5.22%	Undisclosed – Financials (USA)	3.21%
BB SEGURIDADE PARTICIPACOES	5.17%	CEMIG GERACAO E TRANSM	4.47%	Undisclosed – Financials (Spain)	2.23%
TRANSMISSORA ALIANCA DE-UNIT	5.05%	ITAU UNIBANCO HLDG	4.16%	Undisclosed – Financials (Portugal)	1.98%
SIEMENS GAMESA RENEWABLE	4.61%			Undisclosed – Industrial (Poland)	1.90%
VEON LTD	4.59%			Undisclosed – Financials (Mexico)	1.76%

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

Positive			Negative		
Strategy	%		Strategy	%	
GERDAU SA	Equity Long	0.54%	VEON LTD	Equity Long	-1.26%
SIEMENS GAMESA RENEWABLE	Equity Long	0.26%	BB SEGURIDADE PARTICIPACOES GS CFD	Equity Long	-0.29%
Undisclosed - Financials (Spain)	Equity Short	0.22%	ANHEUSER-BUSCH	Equity Long	-0.23%
SBERBANK	Equity Long	0.19%	ICICI BANK LTD	Equity Long	-0.21%
Undisclosed - Financials (Mexico)	Equity Short	0.17%	CIA DE TRANSMISSAO DE ENE-PF	Equity Long	-0.20%

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	51.29%	-2.42%	48.87%	53.71%	Equity & Single Name Options	81.63%	-55.32%	26.30%	136.95%	Corporate Credit	17.44%	-2.00%	15.43%	19.44%
United States	15.38%	-4.49%	10.89%	19.87%	Option & Index Hedges	0.00%	-1.17%	-1.17%	1.17%	Sovereign Credit	9.90%	-18.38%	-8.48%	28.28%
Italy	0.00%	-18.94%	-18.94%	18.94%	<b>Total</b>	<b>81.63%</b>	<b>-56.50%</b>	<b>25.13%</b>	<b>138.13%</b>	<b>Total</b>	<b>27.34%</b>	<b>-20.39%</b>	<b>6.95%</b>	<b>47.73%</b>
Mexico	13.86%	-2.31%	11.55%	16.17%	<b>Option Premium (MTM)</b>	0 Bps	-4 Bps	-4 Bps	4 Bps	Corporate Credit DV01	€3.7k	€0	€3.7k	€3.7k
Spain	7.25%	-4.82%	2.43%	12.07%	<b>By Sector</b>					CDS PV	0.1%	-2.0%	-1.9%	2.10%
Russian Federation	8.81%	0.00%	8.81%	8.81%		Long	Short	Net	Gross	<b>By Market Cap (Equities only)</b>				
Switzerland	1.30%	-5.26%	-3.96%	6.57%	Financials	39.28%	-18.22%	21.06%	57.51%	> 10 Billion \$	28.48%	-50.49%	-22.00%	78.97%
Poland	3.67%	-1.90%	1.77%	5.57%	Utilities	20.00%	-2.55%	17.45%	22.55%	5 - 10 Billion \$	25.58%	-6.57%	19.00%	32.15%
Belgium	2.93%	0.00%	2.93%	2.93%	Consumer	9.32%	-5.41%	3.91%	14.74%	2 - 5 Billion \$	22.60%	-3.29%	19.31%	25.89%
Portugal	0.00%	-2.90%	-2.90%	2.90%	Telecommunications	11.85%	0.00%	11.85%	11.85%	< 2 Billion \$	8.02%	-0.92%	7.09%	8.94%
China	2.28%	-0.29%	1.99%	2.56%	Energy	9.85%	-0.96%	8.88%	10.81%	<b>Total</b>	<b>84.68%</b>	<b>-61.27%</b>	<b>23.40%</b>	<b>145.95%</b>
Germany	0.00%	-2.27%	-2.27%	2.27%	Government	9.90%	0.00%	9.90%	9.90%					
Korea, Republic of	2.09%	0.00%	2.09%	2.09%	Materials	3.92%	-0.96%	2.96%	4.87%					
Hong Kong	0.00%	-1.70%	-1.70%	1.70%	Tech & IT	3.52%	-0.65%	2.87%	4.16%					
United Kingdom	0.00%	-1.58%	-1.58%	1.58%	Industrial	1.22%	-2.44%	-1.21%	3.66%					
Colombia	0.00%	-0.96%	-0.96%	0.96%	Real Estate	0.00%	-0.29%	-0.29%	0.29%					
General Hedges	3.15%	-30.08%	-26.93%	33.23%	Developed Market Hedges	3.15%	-48.47%	-45.32%	51.62%					
<b>Total</b>	<b>112.01%</b>	<b>-79.94%</b>	<b>32.08%</b>	<b>191.95%</b>	<b>Total</b>	<b>112.01%</b>	<b>-79.94%</b>	<b>32.08%</b>	<b>191.95%</b>					

Contact Details

Investor Contact	Investment Manager	Sub Investment Manager
<b>ML Capital Ltd</b>	<b>ML Capital Asset Management Ltd</b>	<b>Ronit Capital LLP</b>
29 Farm Street, London, W1J 5RL T: +44 20 3709 4510 investorrelations@mlcapital.com	23 St. Stephen's Green, Dublin 2, Ireland T: +353 1 533 7020 investorrelations@mlcapital.com	5 <sup>th</sup> Floor, 52 Conduit Street, London, W1S 2YX T: +44 20 3642 1950 ir@ronitcapital.com

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