

FACTSHEET

Performance Returns

The Ronit Global Opportunities UCITS Fund returned +0.04% in the month of May (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

Our bullish stance on a series of securities in Brazil had been based on 5 major macro developments which would have a very positive impact to the bottom line of companies:

1. A material drop in both nominal and real rates in Brazil as the country's inflation rate stabilises in the low single digit range.
2. First signs of economic stabilization after the worst economic recession in the country's history. Many higher frequency early indicators from the companies we follow are indicating a stabilisation of conditions.
3. Continued structural reform on the government finances aiming to stabilise the long term path of government debt. These include the expenditure freeze bill that was passed, labour reform that is in the process of being approved, and most importantly pension and social security reforms.
4. Government continue to appoint professional management at the large state owned enterprises,
5. Reallocation of domestic savings in response to lower rates from fixed income products to equities.

In our view, the first two factors help the profitability of the companies in Brazil. The third allows for reduced distortions in the economy from state owned enterprises and more protection for stakeholders. And the last two factors allow for a potential rerating of the equity market as long term financial and stability issues become more manageable.

Within this macro framework, we focused on positions that would benefit from the collapse in real yields, from the economic recovery, and from more stable management of the state sector

Since the appointment of President Temer following the impeachment of Dilma Rousseff, the country and its strong economic team had been making great progress on the reform process with a high expectation that sometime during this summer the last part of the pension's reform could be passed. This final step required a complicated political operation that was being led by President Temer himself.

Fast forward to May 18th when a major newspaper in Brazil led with a story that linked President Temer to the large Car Wash corruption investigation that has been on-going for the last few years and has impacted the majority of the country's leadership. The story implied that Temer had implicitly encouraged payments to continue to the then speaker of the house.

The markets' reaction was brutal. The Bovespa Index fell 8.8%, a 4.85 standard deviation event which was the fourth largest daily negative return since 2007. The Brazilian Real fell in turn 7.1%, a 6.3 standard deviation event. Consequently for those looking at Brazil through the prism of USD denominated ETFs, Brazil declined a staggering 16% constituting a cosmic scale 7.7 standard deviation event.

Our view is that reaction was clearly excessive since our belief remains that although the events are certainly a negative, it remains early to judge the consequences and more importantly it does not mean a complete misalignment in the economic progress of the country. As these events unfolded, one of our team members was in Brazil meeting companies that confirmed our view that this will create volatility and will certainly delay some of the initiatives but it does not to imply a reversal to the Brazil of Dilma.

The general conviction among the political class in Brazil remains that although there are serious question about the ability of President Temer to survive, there is no appetite for either a prolonged or deep political crisis. With the incentive of the elections next year politicians want to be seen as helping the recovery not hampering it.

We took advantage of the dislocation and added to our positions that black Thursday which we then sold during the month taking advantage of the modest recovery. There is no doubt that the situation remains fluid but we remain confident that the valuation of our positions represent an attractive level in the face of the current expectations.

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%								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	\$50.0m
Strategy AUM	\$239 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: IE00BD8BVH97/IE00BD87S761

Top 5 Positions (Exposure as % of NAV)

Top 5 Equity Long		Top 5 Corporate Credit Long		Top 5 Equity Short	
TAESA	7.61%	Petrobras	6.95%	Undisclosed – Consumer (US)	2.20%
VEON LTD	4.73%	Intesa Sanpaolo	5.40%	Undisclosed – Industrial (US)	2.07%
BANCO DO BRASIL S.A.	4.54%	Pampa Energia	5.07%	Undisclosed – Financials (US)	2.05%
NASPERS LTD	4.53%	Liberbank	4.77%	Undisclosed – Financials (Swiss)	2.02%
BB SEGURIDADE PARTICIPACOES	4.23%	PDVSA	4.63%	Undisclosed – Financials (South Africa)	1.80%

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

Positive			Negative		
	Strategy	%		Strategy	%
VODAFONE GROUP PLC	Equity Long	0.53%	BANCO POPULAR ESPANOL	Corporate Credit Long	-0.84%
JD.COM INC	Equity Long	0.43%	BANCO DO BRASIL S.A.	Equity Long	-0.51%
PAYPAL HOLDINGS INC	Equity Long	0.35%	ITAU UNIBANCO	Equity Long	-0.44%
58.COM INC	Equity Long	0.27%	VEON LTD	Equity Long	-0.31%
LAFARGEHOLCIM LTD	Equity Long	0.24%	SBERBANK	Equity Long	-0.26%

Exposures (% of NAV)

By Country					By Sector					By Market Cap (Equities only)				
	Long	Short	Net	Gross		Long	Short	Net	Gross		Long	Short	Net	Gross
Brazil	33.82%	0.00%	33.82%	33.82%	Financials	45.89%	-12.91%	32.97%	58.80%	> 10 Billion \$	42.21%	-38.65%	3.56%	80.86%
Spain	18.99%	-2.52%	16.47%	21.51%	Telecommunications	18.64%	-1.80%	16.84%	20.43%	5 - 10 Billion \$	20.11%	-3.57%	16.55%	23.68%
United States	9.58%	-7.70%	1.88%	17.28%	Utilities	12.68%	-1.55%	11.14%	14.23%	2 - 5 Billion \$	9.74%	0.00%	9.74%	9.74%
Germany	0.00%	-16.66%	-16.66%	16.66%	Energy	13.97%	0.00%	13.97%	13.97%	< 2 Billion \$	5.83%	0.00%	5.83%	5.83%
Italy	5.40%	-4.36%	1.05%	9.76%	Consumer	6.92%	-5.49%	1.43%	12.41%	Total	77.90%	-42.22%	35.69%	120.1%
Russian Federation	8.74%	0.00%	8.74%	8.74%	Government	0.15%	-11.06%	-10.91%	11.21%					
Argentina	5.07%	-1.51%	3.56%	6.59%	Tech & IT	9.31%	0.00%	9.31%	9.31%					
China	6.58%	0.00%	6.58%	6.58%	Materials	6.95%	0.00%	6.95%	6.95%					
South Africa	4.53%	-1.80%	2.73%	6.33%	Industrial	0.00%	-2.07%	-2.07%	2.07%					
Mexico	3.82%	-1.80%	2.02%	5.62%	Option & Index Hedges	0.00%	-18.79%	-18.79%	18.79%					
United Kingdom	5.03%	0.00%	5.03%	5.03%	Total	114.5%	-53.66%	60.85%	168.2%					
Switzerland	2.76%	-2.09%	0.67%	4.86%										
Venezuela	4.63%	0.00%	4.63%	4.63%	By Instrument									
Colombia	2.84%	0.00%	2.84%	2.84%		Long	Short	Net	Gross					
Ireland	2.71%	0.00%	2.71%	2.71%	Corporate Credit	36.46%	-0.39%	36.07%	36.85%					
Portugal	0.00%	-1.55%	-1.55%	1.55%	Equity & Options	77.90%	-23.42%	54.48%	101.3%					
Hong Kong	0.00%	-1.26%	-1.26%	1.26%	Option & Index Hedges	0.00%	-18.79%	-18.79%	18.79%					
Poland	0.00%	-0.88%	-0.88%	0.88%	Sovereign Credit	0.15%	-11.06%	-10.91%	11.21%					
Option & Index Hedges	0.00%	-11.53%	-11.53%	11.53%	Total	114.5%	-53.66%	60.85%	168.2%					
Total	114.5%	-53.66%	60.85%	168.2%										

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