

### FACTSHEET

#### Performance Returns

The Ronit Global Opportunities UCITS Fund returned -6.05% in the month of June (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

Events for the fund this month were dominated by the decision of the Single Resolution Mechanism (SRM) banking authority to place Banco Popular into resolution and then sell it to Banco Santander for a nominal €1; after triggering the ATIs and writing down both the equity and the Lower Tier 2 junior debt. The portfolio was impacted by our position in Banco Popular but also by a smaller position in another Spanish mid-size bank which stock and LT2 prices corrected because of the news. The loss from those two positions account for over 90% of the gross losses we incurred for the fund this month.

Since the event we have spent substantial time reflecting on the decisions we took regarding our exposure to the consolidation of the banking industry in Spain relating both to the idiosyncratic risk we took and the sizing process we went through to try to learn, as a team, from the situation. It is important that we ensure appropriate lessons are learned from situations like Banco Popular, whilst having the view that although this was a painful misjudgement, it does not warrant a full reassessment of our approach or style. We are fully aware and have discussed proactively that some of the situations we had identified to fit our pattern of risk reward in a low rate environment, which we are living in today, had a more contrarian tendency. Following our analysis, we had developed a strong fundamental view that fully incorporated the more critical issues but that in our opinion still yielded an attractive risk reward. There is comfort investing in more consensual situations but that lack of support per se does not worry us, and in many cases, we believe this provides an opportunity for a fundamental investor. We are certainly not contrarians for contrariness sake, on many occasions have had views very much aligned with the market's, but we have not shied away from having a different view on some situations.

This willingness to have an out of consensus view has certainly been the case in situations across financials in both Emerging Markets and in Southern Europe. In most of these cases we have been rewarded by focusing on our fundamental view such as in the short of Banco Espirito Santo, a long Chinese Banks position, long positions in Banco Itau and Banco de Brazil, or short Unicredit whilst having some misses such as the senior unsecured debt of Novo Banco. Across these situations we can frame the risk reward around the situations and the variety of different outcomes that could occur. This framework of fundamental research and our view on the system guided how we look at different scenarios and different outcomes, and drove our assessment of the outcomes and opportunities of our thesis on the second round of consolidation of the Spanish banking system. There is no question in our mind, and for reasons we cannot fully understand at this time, that the way authorities at both national and European level dealt with the Banco Popular situation was different from the manner in which they have dealt with comparable cases to date. We believe that there were issues in the process that could give potential for some recovery in a court of law. However, more fundamentally, there was a difference in approach to any precedent we had seen in Portugal, Italy, or Greece. Frustratingly, when reviewing Santander's presentation on the day of the acquisition we struggled to find much difference in their assumptions from ours. The market reaction and market cap gain of Santander on the day after the announcement was a clear indication of the transfer of wealth from one set of security holders to Santander shareholders. The increase in Santander's equity market value matched the valuation that we had for Popular to a buyer. This performance occurred despite potential litigation losses being highlighted by management immediately. We wrongly assumed that new management would be able to negotiate a consideration that equitably distributed the merger benefits.

Although we are confident and continue to believe that our fundamental analysis of the situation was accurate, there was an uncertainty on the regulatory and political approach to this process that we had not anticipated given the reforms in the system over the last few years. This material lesson will be something that we will remain very cognizant of as we approach other situations and that we have already tested across the portfolio. As we will be more critical in our assessment of those issues in our analysis, we have not emerged with less confidence in our ability to assess situations and our ability to generate returns. Having been investing for a long period of time brings its own set of benefits and challenges but one overarching one is that you cannot let great outcomes make you overconfident or disappointments take away your confidence. We have disappointed ourselves and our investors in our judgement of this situation but we feel even more motivated to show that this was a one-off event but not one that undermines our process.

The team is focused and upbeat and we have been working hard at continually stressing our assumptions on the portfolio but also looking forward and evaluating new situations. Market levels and valuations do suggest some caution especially considering the change of tone in the developed markets central bankers' messages. Having said that, the valuations for many of our core positions remain incredibly attractive and performance should continue to be driven by company results and less so by any macro factors.

#### 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%							-5.40%
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	\$47.3m
Strategy AUM	\$212 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 5 Corporate Credit Long		Top 5 Equity Short	
TAESA	8.52%	Petrobras	7.29%	Undisclosed – Industrial (US)	2.23%
VEON LTD	5.58%	Pampa Energia	5.32%	Undisclosed – Financials (US)	2.17%
GERDAU SA	5.05%	Intesa Sanpaolo	4.59%	Undisclosed – Consumer (Italy)	1.98%
SBERBANK PJSC	4.81%	BBVA	4.43%	Undisclosed – Telecoms (Brazil)	1.91%
NASPERS LTD	4.76%	Colombia Telecom	3.07%	Undisclosed – Financials (Brazil)	1.53%

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

Positive			Negative		
	Strategy	%		Strategy	%
Undisclosed	Equity Short	0.47%	BANCO POPULAR ESPANOL	Equity/Credit Long	-4.68%
GERDAU SA	Equity Long	0.25%	LIBERBANK SA	Credit Long	-0.56%
Undisclosed	Equity Short	0.16%	BANCO DO BRASIL S.A.	Equity Long	-0.36%
Undisclosed	Equity Short	0.15%	NASPERS LTD	Equity Long	-0.34%
NII HOLDINGS INC	Credit Long	0.14%	PDVSA	Credit Long	-0.27%

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	29.25%	0.00%	29.25%	29.25%	Financials	23.06%	-13.23%	9.82%	36.29%	> 10 Billion \$	39.06%	-39.72%	-0.67%	78.78%
Russian Federation	13.44%	0.00%	13.44%	13.44%	Telecommunications	16.26%	-1.91%	14.36%	18.17%	5 - 10 Billion \$	24.08%	-3.71%	20.37%	27.78%
Spain	4.99%	-2.71%	2.28%	7.70%	Consumer	9.12%	-3.16%	5.96%	12.29%	2 - 5 Billion \$	8.52%	-3.18%	5.34%	11.70%
Mexico	4.05%	-3.35%	0.70%	7.40%	Utilities	8.52%	-2.35%	6.17%	10.87%	< 2 Billion \$	4.56%	0.00%	4.56%	4.56%
United States	2.69%	-4.40%	-1.71%	7.09%	Materials	9.54%	0.00%	9.54%	9.54%	<b>Total</b>	<b>76.21%</b>	<b>-46.61%</b>	<b>29.60%</b>	<b>122.82%</b>
China	6.91%	0.00%	6.91%	6.91%	Tech & IT	5.53%	0.00%	5.53%	5.53%					
South Africa	4.76%	-0.73%	4.03%	5.49%	Energy	4.18%	0.00%	4.18%	4.18%					
Argentina	0.00%	-4.71%	-4.71%	4.71%	Industrial	0.00%	-2.23%	-2.23%	2.23%					
United Kingdom	3.78%	0.00%	3.78%	3.78%	Option & Index Hedges	0.00%	-23.73%	-23.73%	23.73%					
Switzerland	2.79%	0.00%	2.79%	2.79%	<b>Total</b>	<b>76.21%</b>	<b>-46.61%</b>	<b>29.60%</b>	<b>122.82%</b>					
Italy	0.00%	-1.98%	-1.98%	1.98%										
Belgium	1.87%	0.00%	1.87%	1.87%										
Germany	0.00%	-1.82%	-1.82%	1.82%										
Canada	1.70%	0.00%	1.70%	1.70%										
Hong Kong	0.00%	-1.18%	-1.18%	1.18%										
Portugal	0.00%	-1.11%	-1.11%	1.11%										
Poland	0.00%	-0.88%	-0.88%	0.88%										
Option & Index Hedges	0.00%	-23.73%	-23.73%	23.73%										
<b>Total</b>	<b>76.21%</b>	<b>-46.61%</b>	<b>29.60%</b>	<b>122.82%</b>										

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