

FACTSHEET

THE MANAGER



Performance Returns

The Mygale Event Driven UCITS Fund USD institutional class had a positive performance of 2.83% during the month of July.

Investment Objective & Strategy

An active trading approach to European Focused Event Driven Equity.

The fund follows predominantly merger arbitrage and catalyst driven strategies. We hold 30-50 positions with a typical net exposure of up to 50% and gross of between 150% and 250%. Our trading approach has a three tiered methodology designed to capture additional alpha for every position. Trades are structured with the intention of embedding optionality and favourably skew risk, with sharpened timing and market feel from our trading background. We frequently question our investment thesis, and conduct fundamental in-house research with the understanding that company specialists may know more. We are not wedded to any positions and do not believe we have the 'information edge.' Therefore, we systematically consult the market through deep local broker relationships and industry specialists. We are constantly looking for trades with fundamental value, and situations with the possibility of counter bids and bump catalysts and try to avoid the 'home run' mentality.

Market Commentary

July has continued simply as June left off, with the resilient markets shrugging off the UK populace's decision to leave the EU. The FTSE 100 has continued its charge – up over 3% for the month buoyed by a weak pound and proving its effectiveness as a useful hedge in these volatile times. Perhaps participants are appeased by the actions of Draghi and Kuroda et al amidst a backdrop of sluggish global growth and heightened political uncertainty. Talk about central bankers injecting more liquidity into the financial ecosystem and advocating rate cuts has manifested itself in the sustained freefall of government bond yields. Almost \$12 trillion worth of debt now trades with negative yields, with the bonds of Japan, Germany and Switzerland being the main protagonists of the pile. The Brexit vote has induced a drop in European yields, but the likes of France and Germany have a long way to go before matching Japan, who have approximately \$8 trillion of negative-yielding debt. UK 10y yields have stayed positive though, but are at all time lows of 0.7%. Spare a thought for pension advisors – the funding ratios on US pensions are at all time lows. Corporate bond yields have been under pressure as well and companies may well look at issuing debt to plug their pension gaps.

Unsurprisingly, European M&A activity continues to lag behind last year's levels, but not without Masayoshi Son making it a closely run race. In mid July, Son's Softbank made a show-stopping £24bn offer for ARM Holdings Plc, the renowned UK designer of chips, processors and semiconductors. Not quite large enough to usurp Syngenta as 2016's largest transaction, but as the second biggest deal, makes us wonder whether foreign investors consider the falling sterling a sufficient boon to offset the economic uncertainty prevalent in the UK, or in Europe for that matter. Over a third of European deals have been bought by outsiders, and the grass is still green. We understand that Article 50 won't be triggered prior to year end and in the meantime, we are watching the cost of funding get more supportive without causing corporate leverage ratios to spike. We've harped on about it before and will continue to do so again – don't forget about the Chinese acquirer, as outbound M&A from China has already surpassed the whole of last year in \$ volume. China's desire to grow in automation, technology and scientific materials is well covered and we tread carefully as their buyers come head to head with the West's security concerns, already the reason for a number of deal failures this year!

July has been a strong month for our portfolio with many expected catalysts realised. The largest of which was in RCS - the owner of the main Italian newspaper, Corriere Della Sera, which generated a return to the portfolio of 1.31%. Initially the company was the subject of an all share bid from Cairo Communications, which valued the company at just under 70 cents per share. We identified that RCS was a strategic asset that could attract other bidders, despite poor performance in the last few years. This materialised relatively quickly, with Investindustrial, (the Italian private equity firm) making a cash bid. Due to new Italian bidding regulations, it was quickly apparent that this could deliver a lucrative competitive bidding situation. Hence, whilst already having an investment in RCS, we grew this aggressively ahead of the expected bidding war. We met with RCS management, as well as the first bidder, Cairo, a number of times, and also spoke with the head of Investindustrial. This enabled us to better understand the dynamics of the situation and the motivations and actions of each of the parties involved. We continued to grow the position aggressively as the parties went through 2 or 3 rounds of counter bidding, which culminated in Investindustrial bidding EUR1.00 cash and Cairo making a final cash and stock bid, valued at EUR1.05. Having met with the owner of Cairo a number of times, it became clear that he was doing a very good job of convincing shareholders of his plans for the company and because of that, he was likely to win the contest. As a result, we sold our position in the market at about 50bps discount to the cash terms (we didn't want to hold Cairo stock) and realised profits that would have quickly been eroded should the Cairo bid have won (which it did, and resulted in RCS stock falling by over 20%).

Also, we held a virtually full sized position in Premier Farnell (the distributor of electronic components,) which was the subject of a cash bid at 165p from Daetwyler of Switzerland. We built our position believing Premier Farnell was an attractive asset that could see interest from industry peers. This materialised at the end of July, with Avnet from the US bidding 185p in cash. This investment alone delivered over 78bps to the fund.

Clearly after such a strong performance in July we envisage August to be a little quieter! However, we now have over 50 potential investment situations that we are monitoring and continue to see an attractive opportunity set as we move towards the end of 2016.

USD Institutional Share Class Performance (fees, 1.5% and 20%)

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Y-T-D |
|------|-------|-------|-------|-------|-------|-------|-------|-----|-----|-----|-----|-----|-------|
| 2016 | 0.97% | 0.47% | 0.02% | 0.67% | 0.47% | 0.03% | 2.83% | | | | | | 5.52% |

The performance figures quoted above represent the performance of the Mygale Event Driven UCITS Fund USD Institutional Share Class since launch on 6th January 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.

Neil Tofts has over 19 years' experience successfully running event driven portfolios and funds, and 22 years in derivatives. As Managing Director and Head of Event Driven Investments for Merrill Lynch in London, he was responsible for a European focused, Global Event Driven portfolio. From 2007 he was Head of Global Event Driven Investments at KBC Alternative Investment Management in London where he established and ran a 4 person team. Prior to this in 2000, Neil founded the London office of Deephaven Capital Management. He has also managed Event Driven investments at Paribas and NatWest Markets. He graduated with a BA (Hons) in Business Studies from Oxford Brookes University.

Ken Li Chung was previously a Vice President at Bank of America Merrill Lynch in London where, most recently, he had full responsibility for the European Event Driven trading franchise. He has over six years of investment experience, having joined BAML in 2008 and has also been responsible for a European focused fundamental equity portfolio as well as index and portfolio trading. Ken Li graduated with a BA (Hons) in Economics from the London School of Economics and Political Science, and is a CFA Charterholder.

FUND FACTS

| | |
|-----------|-------------------------------|
| Structure | UCITS Fund |
| Domicile | Ireland |
| Liquidity | Weekly |
| Fund AUM | \$92 million |
| Inception | 1 st December 2015 |

| | |
|--------------------|--|
| Share Class | Institutional/Institutional Pooled |
| Currency | EUR/GBP/CHF/USD |
| Mgt. Fee | 1.50% |
| Perf. Fee | 20% |
| Min Init. Sub. | 1,000,000 |
| ISIN | EUR: IE00BYRPFQ61/IE00BYRPFV15 |
| Codes | USD: IE00BYRPF792/IE00BYRPFY46 CHF: IE00BYRPF85/IE00BYRPFX39 GBP: IE00BYRPF78/IE00BYRPFW22 |

| | |
|--------------------|--|
| Share Class | Institutional Founder/Retail Pooled |
| Currency | EUR/GBP/CHF/USD |
| Mgt. Fee | 1.25%/2.00% |
| Perf. Fee | 15%/20% |
| Min Init. Sub. | 10,000,000/10,000 |
| ISIN | EUR: IE00BYRPG302/IE00BYRPFZ52 |
| Codes | USD: IE00BYRPG633/IE00BYRPG294 CHF: IE00BYRPG526/IE00BYRPG187 GBP: IE00BYRPG419/IE00BYRPG070 |

PORTFOLIO EXPOSURES

Risk Metrics

| | |
|-----------------------------|---------|
| LONG EXPOSURE ² | 98.91% |
| SHORT EXPOSURE ² | 14.20% |
| GROSS EXPOSURE ² | 104.10% |
| NET EXPOSURE ^{2,4} | 11.16% |
| SHARPE RATIO ³ | 2.41 |
| SORTINO RATIO ³ | 3.44 |
| VOLATILITY ³ | 4.12% |
| DAILY VAR ^{1,3} | 4.80% |
| NO OF POSITIONS | 44 |

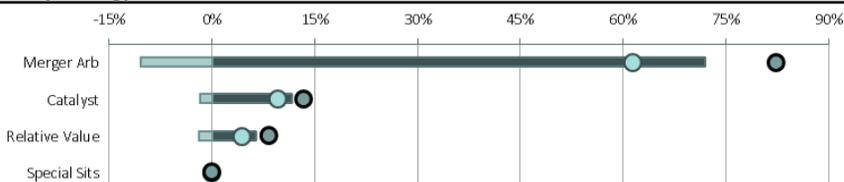
1. VaR is calculated using a confidence level of 99% and a holding period of 20 working days. The VaR model used by the Sub-Fund typically uses data from the last 200 weeks or greater, but a shorter observation period may be used in instances of recent significant changes in price volatility.

2. Based on information from the administrator and as a percentage of the fund AUM in USD including currency hedge for share classes.

3. Based on daily gross portfolio performance

4. The net figure excludes cash merger deals.

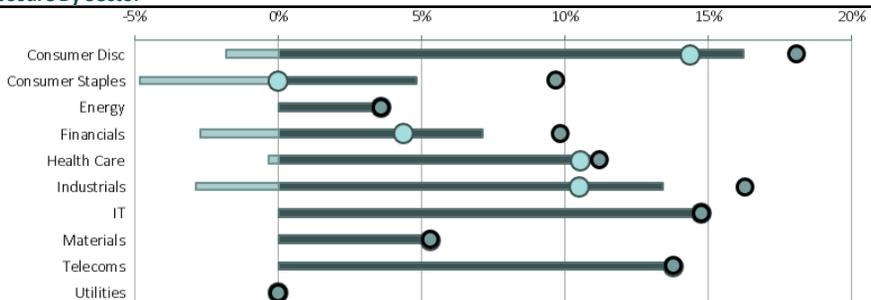
Exposure By Strategy²



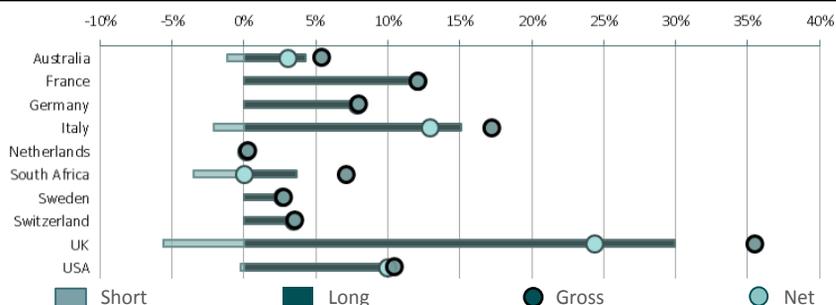
Exposure By Market Cap²



Exposure By Sector²



Exposure By Geography²



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Disclaimer

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