

### FACTSHEET

#### Performance Returns

The SPARX OneAsia Long Short UCITS Fund returned 2.35% for the month and -6.96% YTD.

#### Investment Objective & Strategy

The investment objective of the fund is to maximise risk-adjusted returns regardless of the market cycle by investing in equity within Asia including Japan. The strategy aims to capitalize on Asia's growth dynamics by identifying potential winners and losers through bottom-up fundamental research.

#### Market Commentary

Our long position in Bandai Namco (7832 JP, market cap of USD 9.5bn) is one of the top positive contributors during the month.

Bandai Namco is one of the leading entertainment companies in Japan. The company has a collection of its own / licensed IPs including Japanese household IPs such as Gundam and Dragon Ball. The company's strategy of maximizing its IP value sees steady progress across well-diversified entertainment arena including mobile games (30% of revenue), home video game software (14%), amusement facilities (10%), and toys / hobby (30%), visual and music production (8%).

During 2QFY19 (July-September 2018), the company's revenue and net profit grew by 11% yoy and 34% yoy, respectively. All business segments performed strongly during the quarter. Toy and hobby business grew by 12% yoy thanks to rising popularity of adult hobby toys, which drove the segment OPM to expand to 12.2% from 7.6% a year ago. Network entertainment (mobile and console game) business grew by 10% yoy with 15.6% OPM. Visual and music production segment grew by 20% yoy with OPM 18.8%. Amusement facilities (real entertainment) business grew by 5% yoy with 9.7% OPM.

While the company will likely continue to grow via leveraging its strong IPs to gain market share in various entertainment sub-industries, the share price performance of the company (+32% YTD) vs. TOPIX (-10% YTD) led us to trim and to take some profit out of the position. This is in line with our recent move to adjust our portfolio by re-assessing the risk-return profile of our existing positions, potential investment candidates given a significant share price drawdown and volatility across stocks in our investment universe.

#### USD Institutional Class UCITS Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2018	1.42%	1.39%	-3.28%	-2.11%	3.46%	0.60%	-2.47%	0.78%	-1.15%	-7.67%	2.35%	-	-6.96%
2017	1.26%	-1.82%	3.07%	1.03%	4.18%	0.18%	1.08%	0.68%	0.57%	1.29%	2.40%	0.27%	15.02%
2016	-1.66%	0.81%	-0.08%	2.79%	-0.10%	-1.86%	-0.20%	3.32%	-1.56%	0.19%	-2.07%	-1.51%	-2.09%
2015	-	-	-	-	-	-	-	-	-0.51%	0.87%	0.50%	-1.08%	-0.23%

The performance figures quoted above represent the performance of the SPARX OneAsia Long Short UCITS Fund since launch on 17<sup>th</sup> September 2015. These performance figures refer to the past and past performance is not a reliable guide to future performance.

#### SPARX OneAsia Long Short Representative Strategy

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2015	0.07%	1.36%	1.59%	-0.11%	-1.43%	1.02%	4.57%	-3.11%	-	-	-	-	-
2014	-	-	-	-	-	-0.41%	1.78%	0.92%	-1.19%	2.27%	0.90%	0.68%	5.88%

The above performance pertains to the performance since inception of the SPARX OneAsia Long Short Representative Strategy and is not of the SPARX OneAsia Long Short UCITS Fund. UCITS Funds have to abide by investment restrictions and consequently the performance of the SPARX OneAsia Long Short UCITS Fund may not be similar to that presented above. These performance figures refer to the past and past performance is not a reliable guide to future performance.

#### Risk Metrics (% of NAV)

		Historical Risk Metrics <sup>▲</sup>	
Long Exposure	70.90%	Annualised Return	3.34%
Short Exposure	-19.19%	Annualised Volatility	6.81%
Index Hedge	-43.29%	Sharpe	0.37
Gross Exposure	133.38%	Sortino	0.53
Net Exposure	8.42%	Beta	0.18
No of Longs	24		
No of Shorts	21		

<sup>▲</sup>The above historical risk metrics pertain to the daily statistics since inception of the SPARX OneAsia Long Short Representative Strategy, merged with the statistics of combined share classes SPARX OneAsia Long Short UCITS Fund from 1<sup>st</sup> September 2015 to 30<sup>th</sup> December 2016.

1. Arithmetic means of 1 Month USD LIBOR interest rate was used as the Risk Free Rate of returns for the calculation period.

2. Downside deviation refers to standard deviation of negative daily returns during the period.

3. Firm AUM is in reference to SPARX Group total AUM.

### THE MANAGER



**Hak Kim** is the portfolio manager for the SPARX OneAsia Long Short UCITS Fund. He has over 18 years of experience in the fund management business and is responsible for coordinating SPARX's fundamental research

activities across Asia. Prior to becoming a founding member of the OneAsia team, Mr. Kim was a portfolio manager at SPARX's Korean subsidiary where he ran the award winning Korea long short fund. Before this, he was an analyst covering various sectors and also played a key role in creating the firm's investment outlook and strategy. Mr. Kim holds a B.A. in Business Administration from Seoul National University and attended an MBA program in International Finance at the graduate school of Seoul National University. He is a CFA charter holder.

#### FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
Fund AUM	\$11.1 million
Firm AUM	\$10.2 billion
Inception	17 <sup>th</sup> September, 2015
Share Class	<b>Institutional/Institutional Pooled</b>
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.50%
Perf. Fee	15%
Min Init. Sub.	1,000,000
ISIN Codes	EUR: IE00BYMVZK37/IE00BYMVZX65 USD: IE00BYMVZW58/IE00BYMW0S95 CHF: IE00BYMVZN67/IE00BYMW0P64 GBP: IE00BYMVZL44/IE00BYMVZ289
Share Class	<b>Institutional Founder/Retail Pooled</b>
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.00%/2.00%
Perf. Fee	10%/15%
Min Init. Sub.	10,000,000/10,000
ISIN Codes	EUR: IE00BZ03QD85/IE00BYQF1X69 USD: IE00BZ03QH24/IE00BYQF2000 CHF: IE00BZ03QG17/IE00BYQF1Z83 GBP: IE00BZ03QF00/IE00BYQF1Y76

### Composition of UCITS Fund

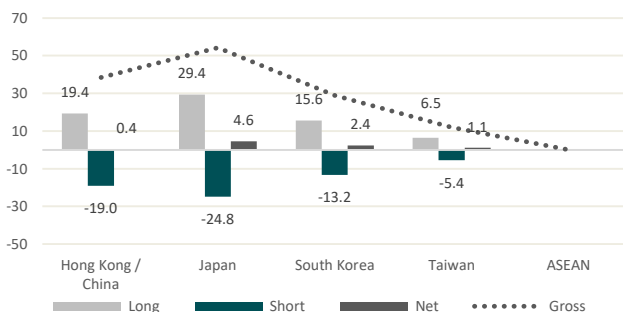
#### Top 5 Longs (% of NAV)

Sony	4.46%
Terumo Corp	4.28%
Kao	4.09%
Nidec	4.06%
Samsung Electronics	4.03%
<b>TOTAL</b>	<b>20.92%</b>

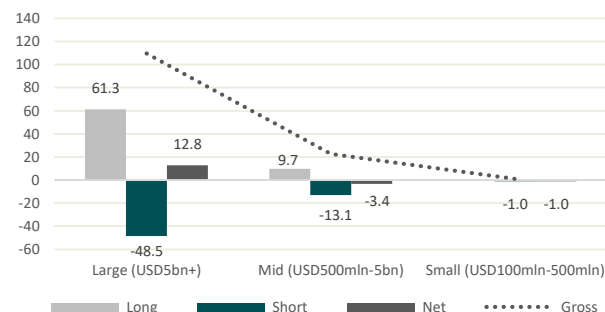
#### Top 5 Shorts (% of NAV)

Japanese Retailer	-2.94%
Japanese Education Centre	-1.89%
Korean Telecom	-1.74%
Japanese Beverage Maker	-1.65%
Japanese Fast Food	-1.61%
<b>TOTAL</b>	<b>-9.82%</b>

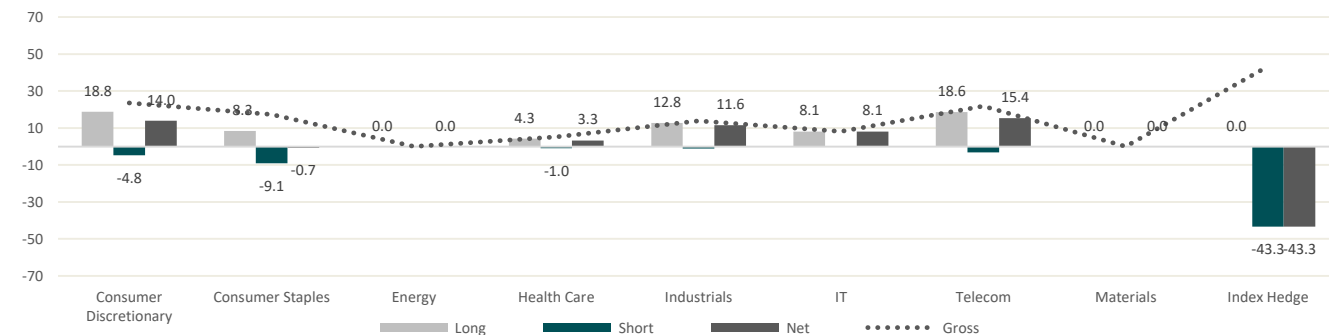
### Geographic Analysis (% of NAV)



### Market Cap Analysis (% of NAV)



### Sector Analysis (% of NAV)



### Contact Details

#### Investor Contact

**ML Capital Ltd**  
 Park House, 116 Park Street  
 London, W1K 6AF, UK  
 T: +44 20 3709 4510  
 info@mlcapital.com

#### Management Company

**MLC Management Ltd**  
 23 St. Stephen's Green  
 Dublin 2, Ireland  
 T: +353 1 533 7020  
 info@mlcapital.com

#### Investment Manager

**SPARX Asia Investment Advisors Ltd**  
 6/F ICBC Tower, 3 Garden Road  
 Central, Hong Kong  
 T: +852 3102 7519  
 jay.lee@sparxgroup.com.hk

### Disclaimer

**Risk Warning:** Past performance is not a reliable indicator of future results, prices of investments and the income from them may fall as well as rise. Investments in equities are subject to market risk. Changes in exchange rates may have an adverse effect on the value price or income of the product. The SPARX OneAsia Long Short UCITS Fund (the "Fund") may use higher leverage and financial derivative instruments as part of the investment process. The distribution of this report does not constitute an offer or solicitation. Any investment in the Fund should be based on the full details contained in the Fund's Supplement Prospectus and Key Investor Information Documents which together with the Montlake UCITS Platform Prospectus may be downloaded from the MontLake website (www.montlakeucits.com). Information given in this document has been obtained from, or based upon, sources believed by us to be reliable and accurate although neither ML Capital nor SPARX Asia Investment Advisors Limited accepts liability for the accuracy of the contents. SPARX Asia Investment Advisors Ltd is authorised and regulated by the SFC. ML Capital does not offer investment advice or make recommendations regarding investments. The Manager of the Fund is MLC Management Ltd, a company regulated by the Central Bank of Ireland. The MontLake UCITS Platform ICAV is registered and regulated as an open-ended Irish collective asset-management vehicle with segregated liability between sub-Funds formed in Ireland under the Irish Collective Asset-management Vehicles Act 2015 and authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations. This notice shall not be construed as an offer of sale in the Fund. This notice shall not be construed as an offer of sale in the SPARX OneAsia ARS Fund or in any other fund managed or advised by SPARX Asia Investment Advisors Ltd. The Representative in Switzerland is ACOLIN Fund Services AG, Affolternstrasse 56, CH-8050 Zurich, whilst the Paying Agent is NPB Neue Privat BankAG, Limmatquai 1/am Bellevue, P.O. Box, CH -8024 Zurich. In respect of the units distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the Swiss representative. The basic documents of the Fund as well as the annual and, if applicable, semi-annual report may be obtained free of charge at the registered office of the Swiss Representative. Issued and approved by MLC Management Ltd. Authorised and Regulated by the Central Bank of Ireland.