

↑ +1.73%*

Mygale Event Driven UCITS Fund

Event Driven

December 2020

Performance Returns

*The Mygale Event Driven UCITS Fund USD Institutional Class returned +1.73% during the month of December.

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 40-60 positions with a typical net exposure of up to 50% and gross of between 100% and 200%. 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.

Monthly Commentary

Like many of you, I'm not overly unhappy to see the back of 2020 and the challenges it brought, thankfully however, December delivered another strong month for the portfolio to end the year. Whilst markets generally ended the year strongly, driven higher by Covid-19 vaccine approvals and further progress on stimulus packages, it was the continued increase in merger activity that drove our portfolio gains.

December was chock full of new deal activity - we had the customary large strategic deals out of the US with AstraZeneca and salesforce.com pursuing cash and stock acquisitions of Alexion Pharmaceuticals and Slack Technologies respectively, as well as more private equity deals with the likes of RealPage and Signature Aviation attracting bids. Over in Europe things were equally if not more active with a plethora of interesting new investment opportunities. In Germany for example, we saw Siltronic, a manufacturer of wafers for silicone chips, reach a deal to be bought by Global Wafers at a price of €125 per share. We feel the bid is opportunistic and will transform Global Wafers at a time when wafer prices are expected to enter a long period of price growth. Global Wafers own share price has reacted very strongly to the benefits of the deal (up over 30%) and this combined with a small potential for an interloper to emerge lead us to be excited by the potential for a higher price materialising. Activity in Scandinavia was also busy, in Sweden for example, SBB bid SEK15.4 per share for Offentliga Hus (a manager of schools, care homes and libraries in Sweden) after acquiring 54.3% of shares in the company and will thus have to make a mandatory bid for the balance. In Belgium, Orange declared an intention to bid for all shares it doesn't already own in Orange Belgium at €22 per share (they already own 53% of the company). We feel that the price proposed is low and there exists strong likelihood for

Monthly Share Class Performance Breakdown

USD Ins.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2020	-0.24%	-0.24%	-3.75%	1.26%	-0.34%	0.15%	0.57%	0.75%	0.08%	0.12%	2.31%	1.73%	2.30%
2019	0.60%	0.19%	0.34%	0.51%	-0.20%	1.43%	0.67%	0.15%	0.16%	-0.11%	0.29%	0.28%	4.39%
2018	0.63%	0.96%	-0.23%	0.36%	-0.27%	0.63%	0.22%	0.06%	0.90%	-0.48%	0.42%	0.20%	3.43%
2017	0.00%	0.30%	0.47%	0.61%	0.04%	0.22%	0.46%	0.19%	0.26%	0.56%	0.16%	0.74%	4.06%
2016	0.97%	0.43%	0.02%	0.67%	0.47%	0.03%	2.83%	0.76%	0.84%	-1.56%	0.03%	1.02%	6.65%
GBP Ins. A Fou.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2020	-0.23%	-0.24%	-3.93%	1.30%	-0.26%	0.21%	0.64%	0.82%	0.15%	0.18%	2.35%	1.74%	2.65%
2019	0.54%	0.15%	0.33%	0.48%	-0.25%	1.37%	0.67%	0.12%	0.13%	-0.12%	0.28%	0.25%	4.04%
2018	0.65%	0.97%	-0.29%	0.37%	-0.28%	0.59%	0.23%	0.03%	0.90%	-0.40%	0.31%	0.15%	3.26%
2017	0.01%	0.28%	0.43%	0.62%	0.07%	0.21%	0.46%	0.19%	0.25%	0.57%	0.16%	0.72%	4.03%
2016	1.25%	0.47%	0.02%	0.69%	0.57%	0.18%	2.85%	0.83%	0.86%	-1.16%	0.05%	0.84%	7.65%

The performance figures quoted above for the USD Share Class represents the performance of the Mygale Event Driven UCITS Fund USD Institutional Share Class and the GBP Share Class represents the performance of the GBP Institutional Class A F Share Class since launch. These performance figures refer to the past and past performance is not a reliable guide to future performance.

The Manager



Neil Tofts has over 20 years' experience successfully running event driven portfolios and funds, and 23 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 nine 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	Daily
Fund AUM	\$310 million
Inception	1 January, 2016

Share Class Institutional/Institutional Pooled

Currency	EUR/USD/CHF/GBP
Mgt. Fee	1.50%
Perf. Fee	20.00%
Min Init. Sub.	1,000,000

ISIN Codes
 EUR: IE00BYRPFQ61/IE00BYRPFV15
 USD: IE00BYRPF92/IE00BYRPFY46
 CHF: IE00BYRPF585/IE00BYRPFX39
 GBP: IE00BYRPF78/IE00BYRPFW22

Share Class Institutional F/Retail Pooled

Currency	EUR/USD/CHF/GBP
Mgt. Fee	1.25%/2.00%
Perf. Fee	15.00%/20.00%
Min Init. Sub.	10,000,000/10,000

ISIN Codes
 EUR: IE00BYRPG302/IE00BYRPFZ52
 USD: IE00BYRPG633/IE00BYRPG294
 CHF: IE00BYRPG526/IE00BYRPG187
 GBP: IE00BYRPG419/IE00BYRPG070

 +1.73%*

Mygale Event Driven UCITS Fund

Event Driven

December 2020

Monthly Commentary continued

shareholder pressure to improve the terms further down the line.

The real hot bed of activity during the month however, was in the UK, where there were both a number of new deals as well as significant developments in existing deals. Most noteworthy news involved security firm G4S, which once again delivered strongly for us this month. Initially, early in the month, Garda World bumped their bid, significantly, from 190p to 235p, clearly in an attempt to price potential interloper Allied Universal out of the contest. However, just a few days later, Allied formalised their own bid with a price of 245p in cash. We still believe that both companies have strategic reason to not let the other party win this battle and feel the odds are likely that Garda World will continue to compete. It's worth mentioning (in case I haven't mentioned previously!) that we believe the acquisition of G4S was actually part of BC Partners plan when they bought Garda World a year or so ago and that the acquisition of G4S will enable Garda World to refinance and return capital to BC Partners. We expect further developments in late Jan / early Feb. As mentioned last month we had initiated a position in game developer Codemasters, on the basis of the potential for a counter bid to emerge and this delivered quickly in the form of a bid from Electronic Arts (always the party we considered the most likely) at a 14% premium to the bid from Take Two. The EA bid is in all cash, clearly viewed as superior to that from Take Two which was 75% stock and naturally unattractive to some UK based holders who don't have the mandate to hold US shares. We do believe that Take Two have strategic rationale for this acquisition in that they want Codemasters to help fill a hole in annual, repeatable revenue type products. To both parties, buying a game developer at this point in the market is almost a necessity, as it is difficult to grow through building a development studio from scratch, and Codemasters would give either acquirer access to a couple of studios that have a focus on racing as a genre, but also be able to use the developers expertise to work on some of their own existing titles. In all honesty we feel it is difficult to predict how Take Two will react here, and hence whilst we continue to hold a position to benefit from possible upside, we are now cognisant of managing the downside should Take Two decide to walk.

As we look back at 2020 as a whole, it is very pleasing to have emerged from the depths of market falls last March much in the manner that we expected. Many had expected M&A to fall off a cliff in 2020, but in fact it did nothing of the sort, rebounding strongly in Q3 particularly, with the value of deals more than doubling to \$891bn from \$372bn in the previous quarter. In fact, the second half of the year really was a story of agility, resilience and opportunism and set a new record of \$2.3trn worth of deals globally, contributing significantly to the whole year 2020 total of \$3.6trn - a figure somewhat surprisingly, only around 5% lower than 2019. Activity was strong both from strategic buyers as well as private equity players, who, flush with a record amount of cash (yes I know, I've said that many times before!) announced some \$612bn of deals globally last year - up over 6% from 2019. Back in March, none of these statistics would have been thought likely!

Looking forward it is clear that 2020 has catalysed fundamental changes in the way the world lives - both in terms of work and leisure, and the importance of technology in that change has become ever more apparent. Whilst the fall in M&A activity when the pandemic first hit was to be expected, the speed of recovery has been swift. All deal participants, from companies themselves to advisers and investors, have adapted rapidly and deals are now being structured and executed entirely virtually. Buyers are having to look beyond 'business as usual' type mentality and instead address their strategic objectives with a new long-term vision. Markets disrupted by Covid are enabling those players with balance sheet strength to take advantage of opportunities that have been created and there is now a sense of urgency whereby bidders don't want to miss out on the window of opportunity that exists. Business change precipitated by the pandemic will lead a number of companies to the negotiating table at a time when industry change is dramatic and finance is widely available for the stronger players to facilitate it. In Europe specifically the removal of the seemingly never-ending Brexit negotiation process will bring both challenges, and opportunity. The UK will feel the biggest impact of this and with the weight of uncertainty finally lifted deal volume rebounded to a level over 80% higher than 2019, a trend that we expect to continue strongly in 2021.

To conclude, our belief is that whilst there undoubtedly remain significant short-term challenges facing the world, the dynamics are such that the M&A market could prove to be a particularly exciting one over the next few years.

↑ +1.73%*

Mygale Event Driven UCITS Fund

Event Driven

December 2020

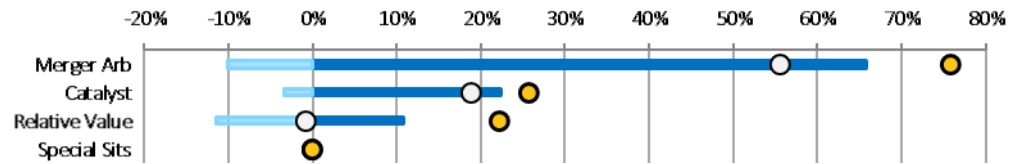
Portfolio Exposures

Risk Metrics

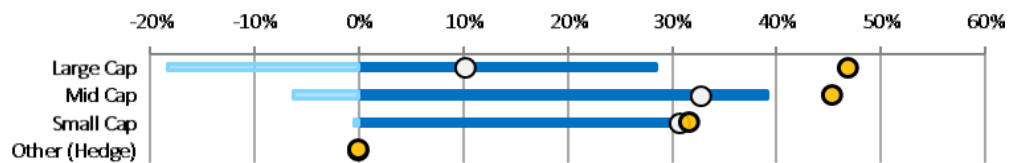
LONG EXPOSURE ²	98.86%
SHORT EXPOSURE ²	-24.94%
GROSS EXPOSURE ²	123.80%
NET EXPOSURE ^{2,4}	24.66%
SHARPE RATIO ³	1.42
SORTINO RATIO ³	2.10
VOLATILITY ³	2.90%
VAR ¹	8.01%
NO OF POSITIONS	70

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 monthly net portfolio performance
4. The net figure excludes cash merger deals.

Exposure By Strategy²



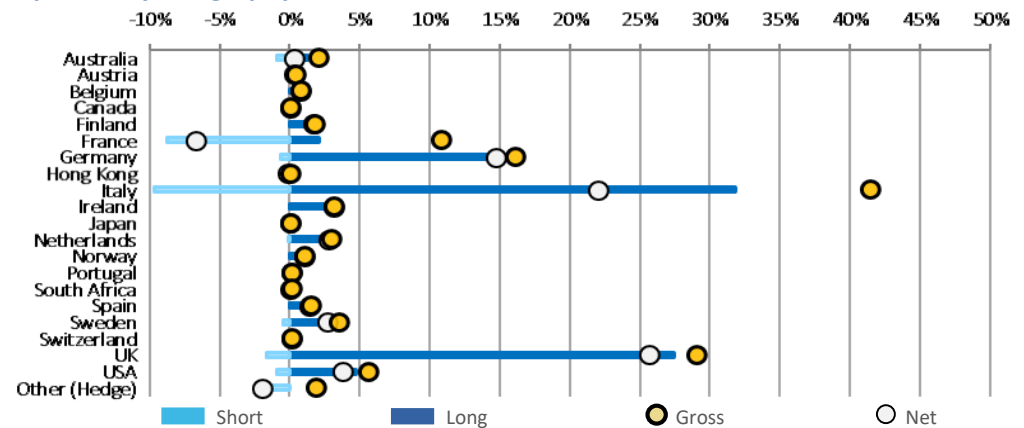
Exposure By Market Cap²



Exposure By Sector²



Exposure By Geography²



Contact Details

Investor Contact

MontLake Funds (UK) Ltd
 Park House, 116 Park Street
 London, W1K 6AF
 T: +44 20 3709 4510
 investorrelations@montlakefunds.com

Management Company

MontLake Management Ltd
 23 St. Stephen's Green
 Dublin 2, Ireland
 T: +353 1 533 7020
 investorrelations@montlakefunds.com

Investment Manager

Tavira Securities
 88 Wood Street
 London EC2V 7DA
 T: +44 20 3192 1728
 cp@mygalefunds.com

Disclaimer

RISK WARNING: Past performance is not a reliable indicator of future results, prices of investments and the returns 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 Mygale Event Driven 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 and this notice shall not be construed as an offer of sale in any other fund managed or advised by Tavira Securities or MontLake Management Limited ("ML"). Any investment in the Fund should be based on the full details contained in the Fund's Supplement Prospectus and Key Investor Information Document which together with the MontLake UCITS Platform ICAV 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 nor Tavira Securities accepts liability for the accuracy of the contents. The state of the origin of the fund is the Republic of Ireland. This document may only be distributed in Switzerland to qualified investors within the meaning of art. 10 para. 3, 3bis and 3ter CISA. The Representative in Switzerland is ARM Swiss Representatives SA, Route de Cité-Ouest 2, 1196 Gland, Switzerland, whilst the paying agent is NPB Neue Privat Bank AG, Limmatquai 1/am Bellevue, P.O. Box, CH-8024 Zurich. The basic documents of the fund may be obtained free of charge from the representative. In respect of the units distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the representative. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units. ML does not offer investment advice or make recommendations regarding investments. The Manager of the Fund is MontLake Management Ltd, a company regulated by the Central Bank of Ireland. The Investment Manager for the fund, Tavira Securities is authorised and regulated by the Financial Conduct Authority. 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. The state of the origin of the Fund is the Republic of Ireland. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units. Authorised and Regulated by the Central Bank of Ireland. This is a marketing document.