

FACTSHEET

THE MANAGER

Performance Returns

The SPARX OneAsia Long Short UCITS Fund returned 0.18% in the month of June.

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

During the month, the top positive contributor was our long position in Alibaba (BABA US).

Alibaba is the largest e-commerce platform in China with GMV (Gross Merchandise Value) of RMB3.8trn (USD 542bn) and 454mn annual active buyers during FY Mar/17.

The company's growth is driven by (1) robust consumption in China (the bigger and faster growing retail industry in China vs. the U.S) and (2) proliferating digital lifestyle (20%+ growth in e-commerce and 30%+ growth in digital advertising industry).

Alibaba monetizes its platform value via digital advertising (search and display ads, 52% of total revenue), commission on trade (27% of total revenue) and fees (subscription or membership).

Revenue growth outlook of over 30% CAGR for the next 3 years we believe is fairly conservative. China commerce revenue (76% of total revenue) is expected to grow 30%+ on the back of robust GMV growth (15~20%) with improving take rate (3.0% in FY17) thanks to brands' and merchants' competitive bidding for ads on the platform. Digital media and entertainment business (10% of revenue) and cloud service (4% of revenue) will likely grow faster than commerce revenue from its low base. And earnings will grow faster than revenue thanks to margin expansion since loss-making media, cloud and others business (a 20% of revenue) will narrow losses and eventually contribute to earnings.

Along with earnings growth, annual free cash flow will likely reach over USD 20bn within the next 3 years from USD 10bn in FY17, at the current market cap of USD 360bn, the company is still in our view undervalued.

USD Institutional Class UCITS Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2017	1.26%	-1.82%	3.07%	1.03%	4.18%	0.18%	-	-	-	-	-	-	8.05%
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 17th September 2015. These performance figures refer to the past and past performance is not a guarantee of future performance or 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 onerous 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 guarantee of future performance or a reliable guide to future performance.

Risk Metrics (% of NAV)

Long Exposure	82.17%
Short Exposure	-26.68%
Index Hedge	-40.99%
Gross Exposure	149.84%
Net Exposure	14.50%
No of Longs	21
No of Shorts	13

Historical Risk Metrics[^]

Annualised Return	5.27%
Annualised Volatility	6.05%
Sharpe	0.80
Sortino	1.19
Beta	0.21

[^]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 1st September 2015 to 30th 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.



Hak Kim is the portfolio manager for the SPARX OneAsia Long Short UCITS Fund. He has over 15 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 a 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	\$11.2 million
Firm AUM	\$9.2 billion
Inception	17 th September, 2015
Share Class	Institutional/Institutional Pooled
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/IE00BYMWOS95 CHF: IE00BYMVZN67/IE00BYMWOP64 GBP: IE00BYMVZL44/IE00BYMVZZ89
Share Class	Institutional Founder/Retail Pooled
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

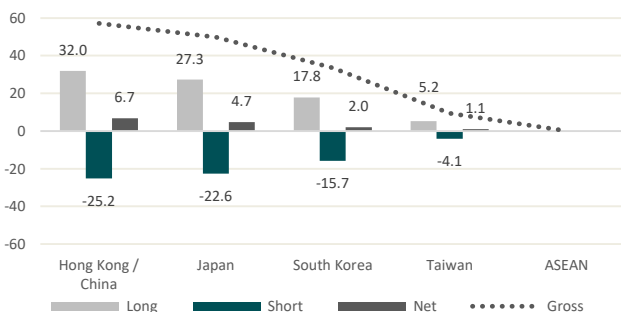
Top 5 Longs (% of NAV)

Weibo	5.70%
Tencent	4.99%
Haier Electronics	4.91%
Nidec	4.86%
JD.com	4.85%
TOTAL	25.31%

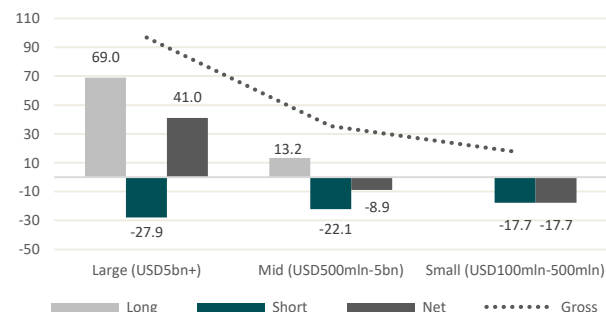
Top 5 Shorts (% of NAV)

Korean Brewery Company	-2.67%
Japanese DSLR Manufacturer	-2.67%
Japanese Retailer	-2.46%
Japanese Language School	-2.40%
Korean Casino Operator	-2.36%
TOTAL	-12.56%

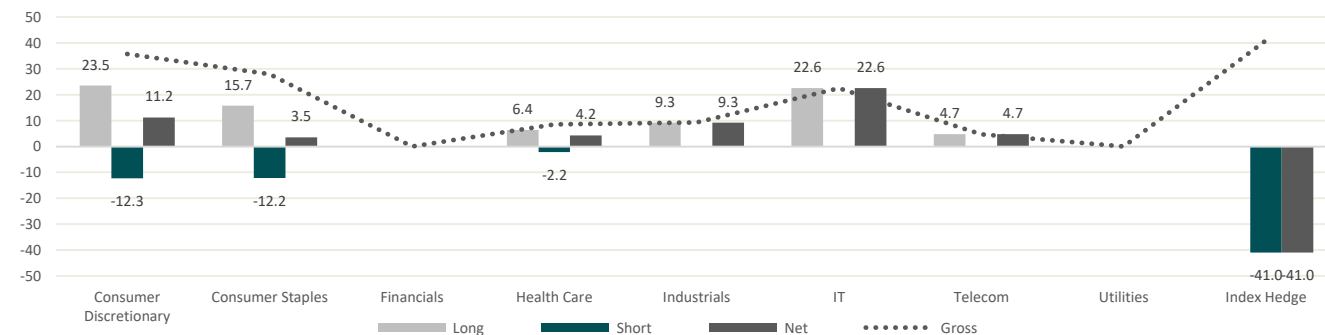
Geographic Analysis (% of NAV)



Market Cap Analysis (% of NAV)



Sector Analysis (% of NAV)



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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 and, potentially, to exchange risk. 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. ML Capital Asset Management Ltd is regulated by the Central Bank of Ireland. 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.

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