

### FACTSHEET

#### Performance Returns

The Mygale Event Driven UCITS Fund USD institutional class had a positive performance of 0.30% during the month of February.

#### 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 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.

#### Market Commentary

For investors, there was a lot to love about February. Economic data continued to impress (see US/European PMIs), the US Federal Reserve talked interest rate-hike expectations higher while their counterparts in England and Japan upped their growth forecasts. As a result, equities made new highs in many countries with the S&P 500 leading the way (+3.7%) and the FTSE 100 not far behind (2.3%). The MSCI EM index returned 3.6% in USD against a backdrop of strong growth and strong currencies amplifying gains. Sterling weakness continues to be a theme as we expect Article 50 to be triggered before the end of March, opening the two-year period for exit negotiations.

It is noticeable that the majority of fixed income and stock markets continue to shrug off political noise with the volatility-tracking indices (VIX, VSTOXX etc.) remaining subdued. We had looked to President Trump for more details on his tax cut promises, but were left disappointed in the granularity of the specifics and begin to wonder if the reported "huge" impact is already being discounted. In addition to directly driving equity valuations higher, we believe that lower corporate taxes will spur increased M&A activity and are actively looking for the *right* exposure with a fine-tooth comb. We must also be cognisant of the fact that such significant adjustments to fiscal policy introduces asymmetric exposure to some current situations.

Our portfolio returned 30bps during the month, with gains across all four of our sub strategies. Of particular note was our long held investment in GFK, the leading German market research services provider. The company is being bought by KKR, who have significant experience with market research businesses (they owned Nielsen previously). Whilst the deal seemed straightforward it was interesting to note that despite stating that they did not 'intend' to dominate (a way of squeezing out minorities in Germany) they did however condition the deal on a minimum 75% acceptance (coincidentally the level required to be able to enact a domination). Further, we felt that two investors MSD (Michael Dell's investment vehicle) with 10% and Primestone with 5% would not tender, and were keen on taking a stake in the bidding vehicle to benefit from future valuation uplift. With a potential domination value in excess of EUR60, a not insignificant short interest in the name, combined with the two non tendering stakeholders, we benefitted from the significant rally that ensued post deal closure. Elsewhere, we generated positive returns in Syngenta, as the market grows increasingly confident as to the probability of deal closure, in SFR and Altice, where we continued to take advantage of the volatility in both names, and in the Unicredito rights issue.

The month of February was again particularly active in the growth of our deal universe and we expect to continue adding to the portfolio selectively and opportunistically over the coming months.

#### Monthly Share Class Performance Breakdown

USD Ins. S	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D
2017	0.00%	0.30%											<b>0.30%</b>
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%	<b>6.65%</b>
GBP Ins. F	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D
2017	0.01%	0.28%											<b>0.29%</b>
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%	<b>7.65%</b>

Note: 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 Founder Share Class since launch. 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



**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	\$127 million
Inception	1st January 2016

<b>Share Class</b>	<b>Institutional/Institutional Pooled</b>
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

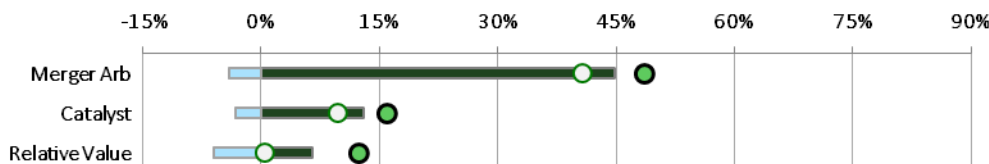
<b>Share Class</b>	<b>Institutional Founder/Retail Pooled</b>
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.25%/2.00%
Perf. Fee	15%/20%
Min Init. Sub.	10,000,000/10,000
ISIN	EUR: IE00BYRPG302/IE00BYRPFZ52
Codes	USD: IE00BYRPG633/IE00BYRPG294 CHF: IE00BYRPG526/IE00BYRPG187 GBP: IE00BYRPG419/IE00BYRPG070

### PORTFOLIO EXPOSURES

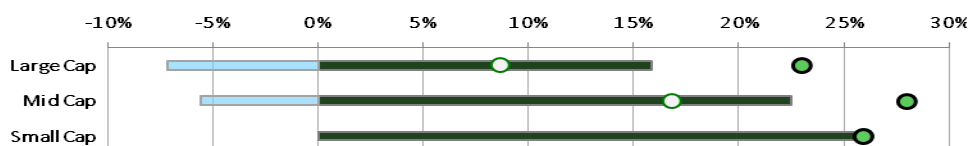
#### Risk Metrics

LONG EXPOSURE <sup>2</sup>	64.31%
SHORT EXPOSURE <sup>2</sup>	13.16%
GROSS EXPOSURE <sup>2</sup>	77.47%
NET EXPOSURE <sup>2,4</sup>	11.23%
SHARPE RATIO <sup>3</sup>	2.60
SORTINO RATIO <sup>3</sup>	4.47
VOLATILITY <sup>3</sup>	2.29%
DAILY VAR <sup>1,3</sup>	2.71%
NO OF POSITIONS	61

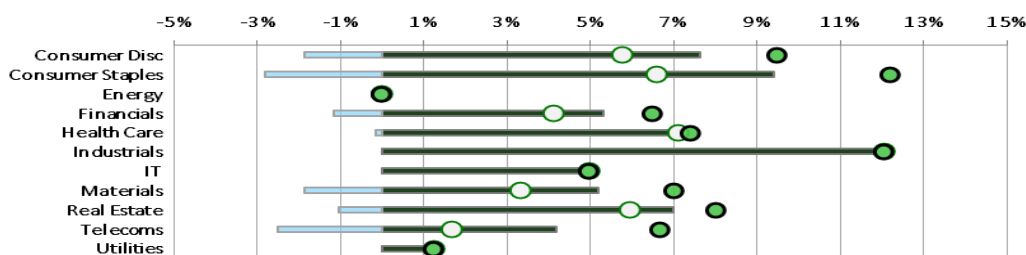
#### Exposure By Strategy<sup>2</sup>



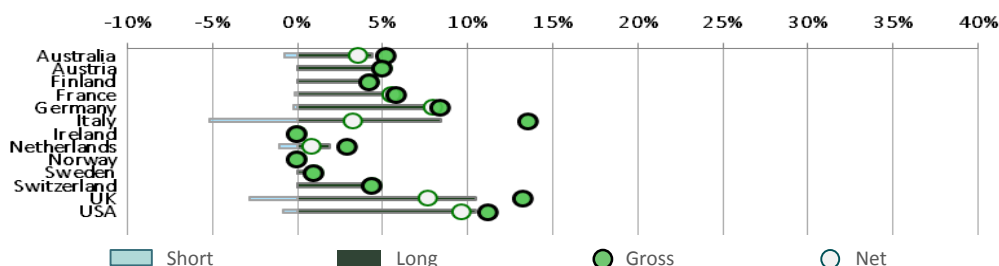
#### Exposure By Market Cap<sup>2</sup>



#### Exposure By Sector<sup>2</sup>



#### Exposure By Geography<sup>2</sup>



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.

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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 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. 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](http://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 Tavira Securities Limited accepts liability for the accuracy of the contents. Tavira Securities is authorised and regulated by the Financial Conduct Authority. 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 any other fund managed or advised by Tavira Securities.

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