

### FACTSHEET

### THE MANAGER

#### Performance Returns

The SPARX OneAsia Long Short UCITS Fund returned -1.51% in the month of December.

#### 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

In December, most of the losses came from our China long positions. Our top negative contributors include **Weibo (WB US)**, **New Oriental (EDU US)** and **Samsonite (1910 HK)**.

**Weibo** (a popular SNS platform in China) will likely continue to gain its market share in a fast growing digital advertising industry via snowballing user engagement helped by innovative product offerings such as fan's economy and live / short video. We expect the growth of Weibo ad revenue will likely be a twice faster than the expected +25% growth of the digital ad industry.

**New Oriental** (the largest private education service provider in China) share price was hit hard in December after a Reuters' news article accused malpractice of the company's overseas test prep service, which accounts for a 5% total revenue. The share price has recovered in January, albeit negative headlines in December had already caused a dent in return.

**Samsonite** share price has been weak during December due to (1) stronger USD (the company is a HK listed American company with USD as reporting and functional currency, while over 60% of sales comes from non-US), and (2) expected one-off restructuring cost upon post merger integration with TUMI. We continue to believe in the company's management to create greater synergy to achieve more competitive cost structure as well as to leverage a global sales network for several brands the company operates - TUMI, Samsonite, American Tourister and other wholly owned and licensed bag / luggage brands.

In 2017, we will continue to be decisive when volatility offers an opportunity to increase gross exposure to leverage our research and participate in a widening value gap in order to maximize our risk adjusted return for investors.

Finally, we wish you a healthy and prosperous New Year and thank you for your continued support.

#### USD Institutional Class UCITS Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
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 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)

	Value	Historical Risk Metrics <sup>^</sup>	Value
Long Exposure	54.83%	Annualised Return	3.11%
Short Exposure	-52.43%	Annualised Volatility	5.10%
Gross Exposure	107.26%	Sharpe	0.55
Net Exposure	2.41%	Sortino	0.86
No of Longs	24		
No of Shorts	26		
Beta	0.10		

<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.



**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	\$20 million
Strategy AUM	\$130 million
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/IE00BYMWOS95 CHF: IE00BYMVZN67/IE00BYMWOP64 GBP: IE00BYMVZL44/IE00BYMVZZ89
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

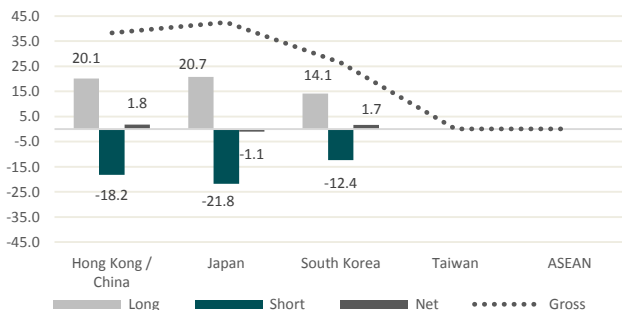
#### Top 5 Longs (% of NAV)

Nidec Corp	4.73%
Samsonite	3.85%
Haier Electronics	3.70%
Tencent	3.49%
JD.com	3.06%
<b>TOTAL</b>	<b>18.82%</b>

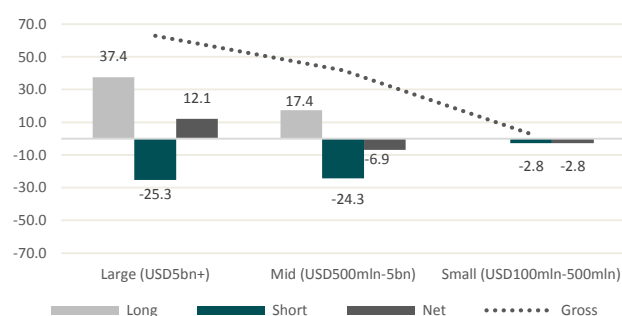
#### Top 5 Shorts (% of NAV)

Tracker Fund of Hong Kong	-3.90%
TOPIX ETF	-3.11%
Distributor of Pediatric Nutrition & Supplements (HK/China)	-3.08%
K-12 Tutoring Service (HK/China)	-2.86%
F&B Company (Japan)	-2.84%
<b>TOTAL</b>	<b>-15.79%</b>

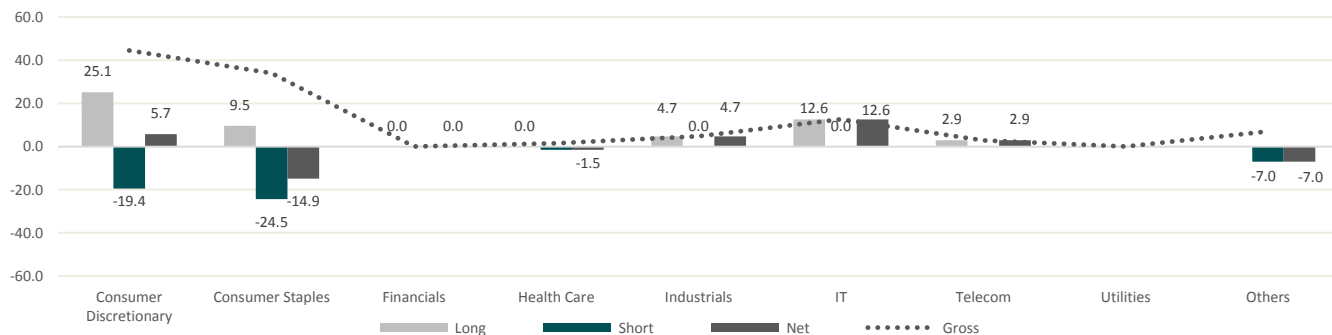
### Geographic Analysis (% of NAV)



### Market Cap Analysis (% of NAV)



### Sector Analysis (% of NAV)



### Contact Details

#### Investor Contact

**ML Capital Ltd**  
29 Farm Street  
London, W1J 5RL, UK  
T: +44 20 3709 4510  
info@mlcapital.com

#### Investment Manager

**ML Capital Asset Management Ltd**  
26 Fitzwilliam Street Upper  
Dublin 2, Ireland  
T: +353 1 535 0912  
info@mlcapital.com

#### Sub 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 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](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 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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