

FACTSHEET

Performance Returns

The Ronit Global Opportunities UCITS Fund returned +0.60% in the month of June (USD Institutional A Founder Class).

Investment Objective & Strategy

The Ronit Global Opportunities UCITS Fund seeks long term absolute returns in global opportunities by trading a fundamental, bottom-up strategy with macro overlays, to capitalize on Global Opportunities (long-short strategy) with a focus on Emerging Markets and the European periphery. The investment strategy will only invest across a liquid capital structure and is expected to have an equity bias over time. The team believe that fundamental research coupled with a sensible understanding of risk/reward and idiosyncratic risks can generate attractive returns across market cycles.

Monthly Commentary

June saw the return of the trend that was interrupted in May as assets regained their footing and equities, bonds, cryptocurrencies, commodities and credit rallied strongly. Behind this broad move was sufficiently poor global economic data for central banks in the major economies to confirm the market's expectation that they would begin re-starting monetary assistance.

It is hard to believe for many of us but with global unemployment at record lows in many locations, asset prices at record highs and credit spreads at very tight levels, the language from the central banks implies that we are only one data point away from crisis. As rates are already so low that the scope of further cuts is limited (and those cuts may have reduced efficacy), a more proactive approach is leading them to anticipate moves as a form of insurance, backed by the continued lack of material inflation and the more general downward revision of inflation expectations in the future.

We remain in a regime of global financial repression where people do not expect the music to stop anytime soon and are thus comfortably (or uncomfortably) playing the game. News of record negative long term rates across European countries are not even a shock to anybody anymore and the debate seems centred on what new assets the next round of quantitative easing might target.

Interestingly, because of the concerns of growth, the liquidity has not been as helpful to emerging markets as in previous periods. The impact of the tariff impasse on global growth continues to act a drag for the region. Further weak data from China does not help either although, as usual, not all prints are consistent with the view that China is entering a slowdown.

For our approach this is a challenging environment for underwriting securities. With such low interest rates, equity risk premia remain elevated even with absolute valuations in many sectors that would make us uncomfortable. The widespread conviction that the US is on the verge of a recession and therefore the fed has to ease, but that secular stories will grow under any scenario, has become so established that high-multiple valuations are seen as sign posts and not targets.

We remain focused on our somewhat idiosyncratic ideas but it is not always easy to ignore the events surrounding us. We continue to see some sectors pricing scenarios for companies and discount rates that we struggle to find consistent, but we realise we had thought the same a few months ago and the spread is only wider now. We remain of the view that maintaining a lower gross and long volatility stance is the most appropriate posture to assume in this environment, though we clearly have been frustrated by our recent performance.

We also wanted to note that the Ronit Global Opportunity UCITS Fund has moved from weekly to daily liquidity terms as of 8 July 2019.

Position Update

We are very excited about the upside potential in all our major positions on both the long and short side and believe that, despite the stretched environment, as company performance is reported our views will be rewarded.

We have also identified an exciting opportunity in the South African holding company Naspers, which has announced it will be separating itself into two new entities in an unusual reverse spin-off dynamic that will create the conditions for a highly attractive risk reward trade on the spread between Naspers and the main constituent in its portfolio. In the middle of these increasingly abstruse and often fruitless macro-level debates, it represents the kind of situation where we can focus on particulars and find an attractive risk reward spread independent of the market's vicissitudes.

Ronit Global Opportunities UCITS Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2019	2.50%	-1.85%	1.28%	1.81%	-3.34%	0.60%							0.86%
2018	4.39%	1.71%	-0.17%	-3.28%	-2.92%	-1.56%	2.86%	-2.75%	-0.48%	9.92%	2.26%	2.91%	12.80%
2017	0.82%	0.03%	0.00%	-0.19%	0.04%	-6.05%	3.88%	2.08%	0.52%	-1.52%	-3.08%	0.94%	-2.84%
2016												0.04%	0.04%

The performance figures quoted above represent the performance of the USD Institutional Founder A Share Class Pooled in the Ronit Global Opportunities UCITS Fund since launch on 5th December 2016. The performance from 1 January 2019 onwards represents the USD Institutional Founder A Share Class. These performance figures refer to the past and past performance is not a reliable guide to future performance.

Ronit Global Opportunities Master Fund LTD Performance (Non-UCITS)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2016	1.06%	-3.30%	7.90%	2.08%	-4.31%	1.70%	3.53%	1.02%	-1.62%	2.29%	-2.34%		7.67%
2015	-3.81%	4.35%	-4.67%	4.68%	-2.74%	-4.60%	-1.65%	5.55%	1.17%	0.46%	2.91%	-2.25%	-1.36%
2014	-1.87%	1.17%	3.98%	2.65%	-1.22%	3.46%	4.82%	-0.97%	-0.49%	-3.39%	-0.30%	0.36%	8.13%
2013						0.2%	1.4%	-1.1%	2.1%	4.2%	-0.1%	-0.08%	6.67%

The performance figures quoted above represent the performance of the Ronit Global Opportunities Master Fund LTD since launch on 1st June 2013 and not the Ronit Global Opportunities UCITS Fund. UCITS Funds have to abide by investment restrictions and consequently the performance of the Ronit Global Opportunities 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.

THE MANAGER

RONIT | CAPITAL

Edward Misrahi (Founding Partner and CIO)

Prior to starting Ronit, Edward was a founding partner of Eton Park in 2004 and subsequently managed public and private Emerging Market and European investments for the firm over the next eight years.

Edward worked for Goldman Sachs & Co., becoming a partner in 2000, where his role included Financial Analyst in Structured Finance, Member of Equities Arbitrage Group, Member of Global Emerging Markets Committee and Co-Head of Latin America for the Firm.

Luis Arenzana (Founding Partner)

Luis was Founding Partner and Portfolio Manager of Shelter Island Capital Management (2003-2013). Here he managed a European Event-Driven Strategy. From 2010 he also managed the Shelter Island Total Return Fund (a Long-Short Equity & Credit Mandate).

From 2008 onwards he also offered advisory services to institutional clients investing in Spain. Prior to founding Shelter Island, Luis was an Executive Director at Orchard Capital Advisors (2001-2003) – here he worked as a Senior Analyst for the European Long-Short Equity Strategy.

FUND FACTS

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
Fund AUM	\$26 million
Strategy AUM	\$162 million
Inception	5 th December 2016
Share Class	Institutional/Institutional Founder
Currency	EUR/USD/GBP
Mgt. Fee	1.75%/1.5%
Perf. Fee	17.50%/15%
Min Init. Sub.	1,000,000
ISIN Codes	EUR: IE00BD87RV38/IE00BD87S431 USD: IE00BD87RX51/IE00BD87S654 GBP: IE00BD87RW45/IE00BD87S548
Share Class	Institutional A Founder/Retail Pooled
Currency	EUR/USD/GBP
Mgt. Fee	1.2%/2%
Perf. Fee	15%/20%
Min Init. Sub.	10,000,000/10,000
ISIN Codes	EUR: IE00BD8BVG80/IE00BD87SM12 USD: IE00BD87RT16/IE00BD87S878 GBP: IE00BD8BVH97/IE00BD87S761

Top 5 Positions (Exposure as % of NAV)

Top 5 Equity Long		Top Corporate Credit Long		Top 5 Equity Short	
NASPERS	8.36%	CEMIG	7.99%	UNDISCLOSED – TECH & IT (CHINA)	3.50%
BAIDU	4.99%	PIRAEUS BANK	4.34%	UNDISCLOSED – FINANCIALS (BRAZIL)	3.01%
CEMIG	4.85%	PETROBRAS	3.61%	UNDISCLOSED – TECH & IT (ARGENTINA)	2.36%
EMBRAER	4.28%	ENSCO ROWAN	3.40%	UNDISCLOSED – FINANCIALS (BRAZIL)	1.46%
DESPEGAR	4.26%	PEMEX	2.49%	UNDISCLOSED – CONSUMER (FRANCE)	1.32%

Top P&L Contributors (Ex-Hedges and CDS)

Positive			Negative		
	Strategy	%		Strategy	%
PLAY COMMUNICATIONS	Equity Long	1.28%	UNDISCLOSED	Equity Short	-0.45%
ALTABA	Equity Long	0.67%	UNDISCLOSED	Equity Short	-0.41%
DESPEGAR	Equity Long	0.60%	UNDISCLOSED	Equity Short	-0.17%
SAMSUNG	Equity Long	0.40%	UNDISCLOSED	Equity Short	-0.16%
PETROBRAS	Equity Long	0.29%	ALEATICA	Equity Long	-0.13%

Exposures (% of NAV)

By Country					Equity Exposures By Instrument (Delta Adjusted)					Credit Exposures				
	Long	Short	Net	Gross		Long	Short	Net	Gross		Long	Short	Net	Gross
Brazil	25.16%	-4.83%	20.33%	29.99%	Equity & Single Name Options	55.94%	-19.41%	36.53%	75.36%	Corporate Credit	21.83%	-0.03%	21.79%	21.86%
Germany	18.71%	-2.58%	16.13%	21.30%	Option & Index Hedges	3.54%	-16.51%	-12.97%	20.05%	Sovereign Credit	26.02%	-17.24%	8.78%	43.26%
United States	7.23%	-8.11%	-0.89%	15.34%	TOTAL	59.49%	-35.92%	23.56%	95.41%	TOTAL	47.85%	-17.28%	30.58%	65.13%
China	8.75%	-6.33%	2.42%	15.08%						Sovereign Credit DV01	€1.9k	€0	€1.9k	€1.9k
Italy	5.16%	-9.85%	-4.69%	15.01%	By Sector					Corporate Credit DV01	€3.7k	€0	€3.7k	€3.7k
Argentina	6.41%	-2.36%	4.05%	8.78%		Long	Short	Net	Gross	CDS PV	0.00%	-0.05%	-0.05%	0.05%
South Africa	8.36%	0.00%	8.36%	8.36%	Sovereign	26.02%	-17.24%	8.78%	43.26%	By Market Cap (Equities only)				
Mexico	4.72%	0.00%	4.72%	4.72%	Tech & IT	16.26%	-9.57%	6.69%	25.83%		Long	Short	Net	Gross
Greece	4.34%	-0.13%	4.20%	4.47%	Financials	12.77%	-5.35%	7.42%	18.12%	> 10 Billion \$	35.78%	-30.56%	5.22%	66.34%
Russian Federation	4.04%	-0.01%	4.03%	4.05%	Energy	17.00%	0.00%	17.00%	17.00%	5 - 10 Billion \$	4.04%	-2.75%	1.29%	6.79%
Poland	4.05%	0.00%	4.05%	4.05%	Consumer	12.62%	-2.12%	10.51%	14.74%	2 - 5 Billion \$	15.40%	-2.48%	12.92%	17.88%
Korea, Republic of	3.47%	0.00%	3.47%	3.47%	Utilities	12.84%	-0.03%	12.80%	12.87%	< 2 Billion \$	4.26%	-0.13%	4.13%	4.40%
United Kingdom	3.40%	0.00%	3.40%	3.40%	Telecommunications	4.05%	-1.61%	2.44%	5.65%	TOTAL	59.49%	-35.92%	23.56%	95.41%
France	0.00%	-1.32%	-1.32%	1.32%	Industrial	2.23%	0.00%	2.23%	2.23%					
Hong Kong	0.00%	-0.77%	-0.77%	0.77%	Materials	0.00%	-0.77%	-0.77%	0.77%					
Turkey	0.00%	-0.38%	-0.38%	0.38%	Market Overlays	3.54%	-16.51%	-12.97%	20.05%					
Market Overlays	3.54%	-16.51%	-12.97%	20.05%	TOTAL	107.34%	-53.20%	54.14%	160.53%					
TOTAL	107.34%	-53.20%	54.14%	160.53%										

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