

FACTSHEET

Performance Returns

The Tosca Micro Cap UCITS Fund returned 1.79% in April (GBP Institutional share class) giving a net return since launch on April 8th 2016 of 45.96%.

Strategy

The Tosca Micro Cap UCITS Fund is a fundamental, value-orientated strategy, applied to the opportunity rich UK micro cap segment. The fund will invest primarily in “micro cap” companies with a market capitalisation of up to £250m that are listed in the UK, and which are or are expected to become constituents of the FTSE Small Cap or the FTSE AIM All Share Index. The Fund is managed by Matt Siebert who, together with Daniel Cane and Jamie Taylor support Martin Hughes in the management of the Toscafund mid-cap strategy. As such, the Fund represents an extension of the same investment philosophy employed in the award winning Tosca Opportunity and Tosca Mid Cap funds. The Fund targets an annualised return in excess of 15% (net of fees).

Market Commentary

April was a very busy month in terms of newsflow. Most positions are tracking our expectations which was reflected in a positive month for the fund. There were detractors which, while frustrating, presented opportunities to add to holdings. The key contributors in the month included two of the more recent IPOs in which the Fund invested. The most significant was Sumo Group (+0.84%). This leading independent games developer, which has the founder of Eidos as an NED, struggled immediately post IPO in December. April however, saw FY numbers come in slightly ahead of market expectations. Furthermore, interest in the gaming space has increased with the imminent IPOs of both Codemasters and Team17 (maker of the eponymous Worms game). Once these list, Sumo will likely be the smallest by market cap. All models are highly cash generative and demonstrating fast growth, characteristics that the market is happy to pay a premium for.

The second major driver in the month was Boku (+0.75%). This is the leading direct carrier billing provider behind the likes of Apple and Spotify. It listed in November, since which time it has had two small upgrades as well as being able to report ongoing contract wins. The integration of app stores and paid-for services with individual telecom operators (incorporating different languages, currencies and regulations) is no simple operation. Add to that the benefits of scale, pushing more volumes across a single payment platform means that Boku has created substantial barriers to entry, while generating recurring revenues from a growing customer base. We see considerable upside in this name. Other noteworthy contributors were Rhythmon (+0.62%) (at last!), Watkin Jones (+0.49%) and Arena Events (+0.38%).

In the debit column the single largest detractor was Proactis (-1.2%). This is a UK spend control software business that saw two of its largest customers in a single vertical (oil & gas) move to SAP on the back of, what is likely to be, highly discounted terms. At first blush this might call into question the whole business model – small player being crushed by global peer. However, as we confirmed with management, most of Proactis’ business is in the SME space with a bias towards the public sector. Neither of these markets are a focus for the bigger names such as SAP and Coupa. As a result, as far as we can see, the magnitude of this customer loss is unlikely to be replicated. Ultimately we see Proactis (number 5 in the market) as a target for larger players once they have scaled the revenue base to c.\$100m (2020). In the meantime, this customer loss delivered a 15% cut to forecasts but drove the stock down 50%. It has since recovered some ground but continues to trade at a huge discount to peers. We used weakness to add to our position.

Elsewhere in the month we supported two follow on deals for Satellite Solutions and Springfield Properties and disposed of our residual holding in SDX Energy.

We thank you for your continued support and look forward with confidence to the coming months.

Tosca Micro Cap UCITS Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2018	-1.15%	0.18%	-2.89%	1.79%									-2.11%
2017	4.86%	0.20%	2.04%	4.42%	3.97%	-2.28%	-1.59%	3.54%	-0.68%	1.24%	-0.66%	2.15%	18.25%
2016	-	-	-	1.15%	3.94%	-3.84%	8.76%	5.23%	2.80%	0.73%	1.60%	3.60%	26.10%

The performance figures quoted above represent the performance of the Tosca Micro Cap UCITS Fund since relaunch on 8th April 2016. These performance figures refer to the past and past performance is not a reliable guide to future performance.

THE MANAGER

TOSCAFUND

Matthew Siebert joined Toscafund in 2008. He started his career at Hoare Govett in 1991 in a sector research team covering utilities. By 2005 he was responsible for much of the technology research at ABN Amro and was ranked third in the Exel Survey for his research on Tech Hardware. Matthew graduated in Political Science from Birmingham University in 1989.

Daniel Cane joined Toscafund in 2008. From 2004 he worked with Quantmetriks. He analysed the retail sector at HSBC and ABN AMRO (2000-03). Prior to that he was a paper & packaging analyst at ABN AMRO (ranked 2nd in Exel surveys). Daniel graduated in Industrial Economics from Nottingham University in 1987.

Jamie Taylor joined Toscafund in 2015. Prior to this he was an analyst for seven years with Clareville Capital LLP, a UK L/S Equity fund based in London. Jamie graduated from the University of Edinburgh in 2008 with a MA (Hons) in Law & Business Studies, and is a CFA charterholder.

FUND FACTS

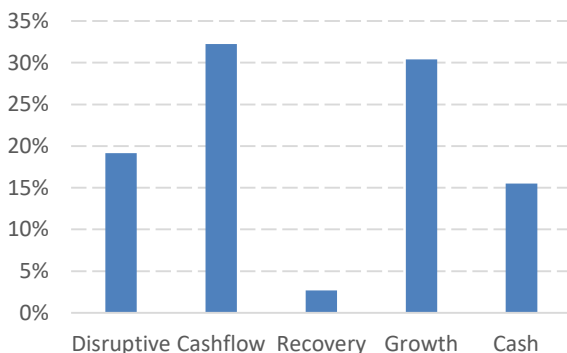
Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
AUM	\$63.4m
Inception	1 st October, 2010
Relaunch	8 th April, 2016
Share Class	Institutional/Institutional Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.00%
Perf. Fee	15%
Min. Init. Sub.	100,000
ISIN Codes	EUR: IE00B3QLJ113/IE00BD2MF541 USD: IE00B3QZNH75/IE00BD2MF764 CHF: IE00B3MBJQ07/IE00BD2MF657 GBP: IE00B68Z1V62/IE00B3RTD232
Share Class	Retail/Retail Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.5%
Perf. Fee	15%
Min. Init. Sub.	1,000
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COMPOSITION OF FUND (as at 1st May 2018)

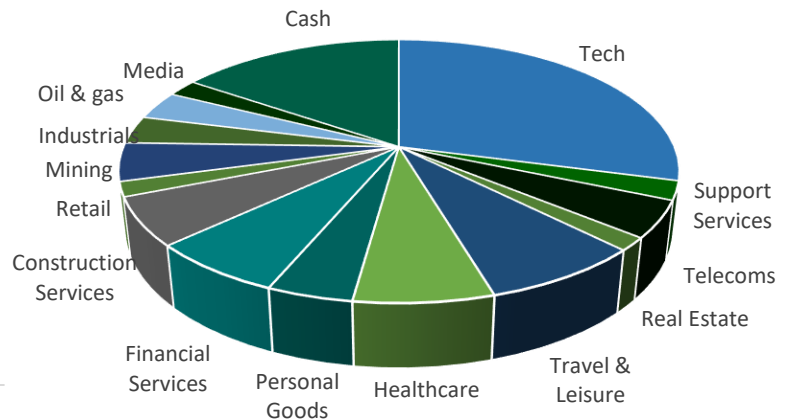
Portfolio Summary

Gross exposure	84.49%
Yield (%)	1.00%
PE (Cash flow)	11.0
Average mkt cap (£m)	129
No. of positions	42

Portfolio By Theme



Portfolio By Sector



Top 5 exposures (% of NAV)

Quixant	4.26%
Watkin Jones	4.08%
Sumo	3.71%
Zoo Digital	3.59%
Oxford Biomedica	3.42%

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Disclaimer

Risk Warnings: Following a restructuring and rebranding on the 8th April 2016, the Pegasus UCITS Fund became the Tosca Micro Cap UCITS Fund. Returns between the inception of the Fund 1st October 2010 and up to and including the 8th April 2016 relate to the Pegasus UCITS Fund. Information on the returns for this period is available on the Key Investor Information Documents. Returns from the close of business on the 8th April 2016 to date relate to the Tosca Micro Cap UCITS Fund. 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 and, potentially, to currency exchange rate risk. The Tosca Micro Cap UCITS Fund (the "Fund") may use financial derivative instruments as a 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 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 Capital nor Toscafund Asset Management LLP accepts liability for the accuracy of the contents. Toscafund Asset Management LLP is authorised and regulated by the U.K. 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. MLC Management Ltd is regulated by the Central Bank of Ireland. This notice shall not be construed as an offer of sale in the Fund. The state of origin of the Fund is the Republic of Ireland. The Representative in Switzerland is ACOLIN Fund Services AG, Affolternstrasse 56, CH-8050 Zurich, whilst the Paying Agent is NPB Neue Privat Bank AG, Limmatquai 1/am Bellevue, P.O. Box, CH-8022 Zurich. In respect of the units distributed from Switzerland, the place of performance and jurisdiction is at the registered office of the Swiss representative. The basic documents of the Fund as well as the annual report may be obtained free of charge at the registered office of the Swiss representative. Issued and approved by MLC Management Ltd. Authorised and Regulated by the Central Bank of Ireland.