

FACTSHEET

Performance Returns

The Tosca Micro Cap UCITS Fund returned 0.73% in October (GBP Institutional share class) vs the benchmark of +0.5%, giving a net return since launch on April 8th 2016 of +19.79%.

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

October having started off strongly gave way to macro concerns in the latter part of the month. The US presidential election, as well as ongoing concerns surrounding the timing and full effect of Brexit weighed on the market. While we clearly cannot ignore these macro influences, the bulk of our portfolio remains focused on clear micro catalysts, many of which are yet to play out in full. As a consequence, we remain firmly of the belief that any near term price pressure is an opportunity and not a signal to become overly cautious on the equity market as a whole.

A good example of how distinct the microcap market is can be seen by the demand for, and success of, primary and secondary transactions. In the period we participated in one IPO and two placings. All contributed positively to the P&L. Compare this to other mid and large cap deals that have been pulled such as Misys, PureGym & TI Automotive. That trend looks to be continuing into November and we hope to give more colour next month.

In the period, the biggest positive contributions to NAV were from Cambian Group (+0.54%) and Jersey Oil & Gas (+0.50%). Cambian is a major player in the provision of mental healthcare services in the UK. Earlier in the year it confirmed that it was in breach of covenants post another downgrade to earnings. The subsequent collapse in the stock price presented a unique opportunity to buy into a £130m company with £250m debt but with £550m of freehold assets. A strategic review confirmed that management were considering the disposal of its adult business. Recent corporate activity in this market has seen assets changing hands for c.10.5x EBITDA. Such a number here would eradicate debt and leave an asset rich, debt free, and faster growing children's division. We expect to hear more details on the next steps before the year end.

Jersey Oil and Gas (JOG) is a new position for the fund. Our investment thesis is that on purchase of the position, the market cap of £6m represented a wild mismatch with the value in its exploration programme and of its tax losses. Statoil recently farmed in the main exploration asset in which JOG has an 18% working interest. This prospect has a risked value to JOG of 134p. Unrisked, this is worth c. £10 per share to JOG (currently at £1). There are other follow-on prospects which are unfunded and therefore not included in our assessment of value. Furthermore, JOG also has ambitions to build a production company to exploit opportunities thrown up as Majors rationalise and smaller E&P's relinquish or dispose of assets. In this respect, the £24m of tax losses positions JOG very well in price negotiations. We expect funding to acquire production assets to be largely reserve based debt finance. Management are aligned with shareholders and own 17% of the equity.

In the debit column, Sportech lost 42bps as hope for a sale of the Pools receded, while Swallowfield (-0.4%) fell after a strong run.

Critically, we continue to see substantial value in the UK micro cap space and while there may be some near term volatility, we believe that this will be an opportunity to build positions and cement healthy long term performance.

Tosca Micro Cap UCITS Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2016	-	-	-	1.15%	3.94%	-3.84%	8.76%	5.23%	2.80%	0.73%			19.79%

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 guarantee of future performance or 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

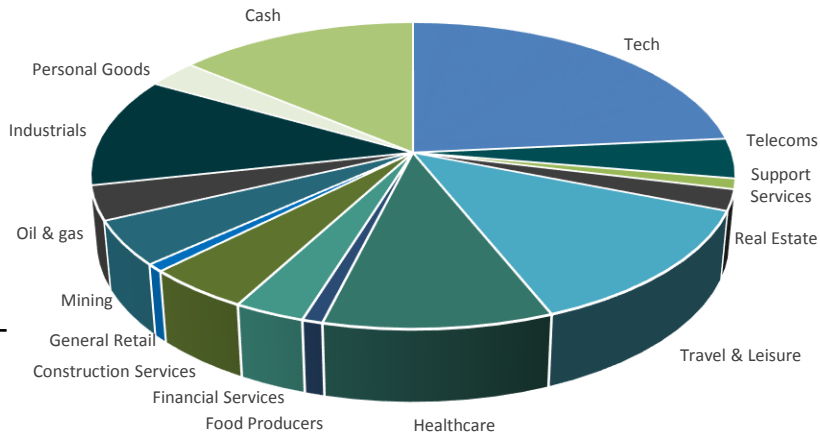
Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
AUM	\$10.5m
Inception	1 st October, 2010
Relaunch	8 th April, 2016
Share Class	Institutional/Institutional Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.00%
Perf. Fee	15%
Min. Init. Sub.	100,000
ISIN Codes	EUR: IE00B3QLJ113/IE00BD2MF541 USD: IE00B3QZNH75/IE00BD2MF764 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

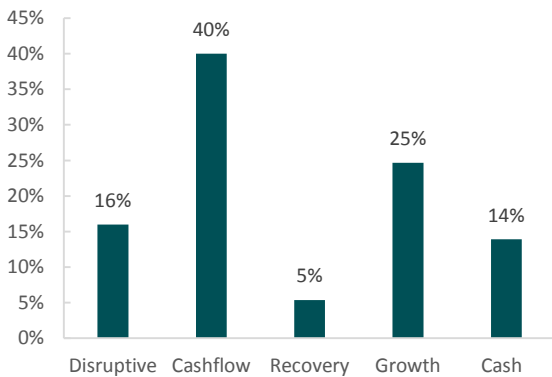
Portfolio Summary

Gross exposure	86%
Yield (%)	1.0
PE (Cash flow)	10.6
Average mkt cap (£m)	111
No. of positions	38

Portfolio By Sector



Portfolio By Theme



Top 5 exposures (% of NAV)

Constellation Healthcare	5.1%
Immobile Plc.	3.9%
Blue Prism Group	4.4%
RythmOne Plc.	3.7%
Autins Group	3.4%

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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. 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. The state of origin of the Fund is the Republic of Ireland. This document may only be distributed in or from Switzerland to qualified investors within the meaning Art. 10 Para. 3, 3bis and 3ter CISA. The Representative in Switzerland is ACOLIN Fund Services AG, Stadelhoferstrasse 18, CH-8001 Zurich, whilst the Paying Agent is NPB Neue Privat Bank AG, Limmatquai 1/am Bellevue, P.O. Box, CH-8022 Zurich. 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 ML Capital Asset Management Ltd. Authorised and Regulated by the Central Bank of Ireland.