

### FACTSHEET

#### Performance Returns

The Tosca Micro Cap UCITS Fund returned 2.04% in March (GBP Institutional share class) giving a net return since launch on April 8<sup>th</sup> 2016 of +35.20%.

#### 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

The Tosca Micro Cap fund was up 2.04% in March 2017. Having launched in early April 2016, it is close to its first anniversary, over which time frame it has returned 35% net of fees.

One of the key features of the UK Micro cap space has been the desire for corporates to list and raise capital in the equity market. Not only does this provide a liquidity event for funds such as ours, but also this affords us the opportunity to be involved in pricing and valuation discussions. In a number of cases, we are presented with the opportunity to meet management long before an IPO has been committed to. This allows for more extensive due diligence and a more rounded appreciation of the business.

One case in point was the recent IPO of UP Global Sourcing. While the company listed in March (+0.8% NAV), we had in fact met the management on several occasions in the 12 months preceding this. The benefit of this was that we were able to see the story evolve, how forecasts moved (+30% over that time period) and gain a deeper knowledge of the whole organisation. This, not only, increased our confidence in the equity story but also helped forge a healthy dialog with the management team. This will not have hurt our allocation on the deal itself, a point worth making given the importance of liquidity in the Micro cap space.

Two other transactions were major positive contributors to performance in the month. These were Prairie Mining (+0.55%), a European coal mining business which has an NPV of \$2.6bn and yet a market cap of only £55m. Our entry point came through a small placing to fund infill drilling to exploit higher grade resources. The second was Anglo African Oil (+0.54%), the IPO of a producing resource in the DRC. Funds raised will help increase production by an estimated 20 fold this year alone. We estimate that the forthcoming drilling activity will take the risked value of the group to 2x the current share price giving us a high level of confidence that we will make healthy returns here too.

In the debit column we did suffer from further uncertainty surrounding Autins (-0.53%) over the pace of recovery in a key customer's order book. Additionally, despite an in line trading statement in early February, Northbridge Industrial (-0.44%) has sold off sharply, while MySale (-0.4%) too has given back much of its recent gains on the back of limited news flow.

Overall, March produced a reasonable return. As we approach our first birthday the fund is seeing some rotation in names. Partly to reflect new opportunities, but also, partly to reflect stocks hitting target prices and the fact that running a c.40 stock portfolio means we have to be ever more discerning with the holdings. The good news is that the UK market is still presenting us with plenty of opportunities to invest and deploy capital and that gives us confidence in returns for the months ahead.

As ever we thank you for continued support and we look forward to updating you further next month.

#### Tosca Micro Cap UCITS Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2017	4.86%	0.20%	2.04%										7.22%
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 8<sup>th</sup> 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 Extel 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 Extel 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

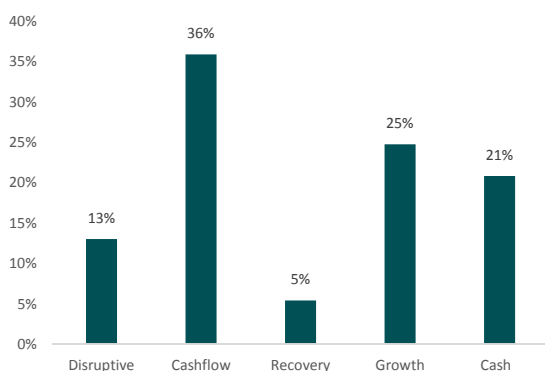
Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
AUM	\$24.2m
Inception	1 <sup>st</sup> October, 2010
Relaunch	8 <sup>th</sup> April, 2016
<b>Share Class</b>	<b>Institutional/Institutional Pooled</b>
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.00%
Perf. Fee	15%
Min. Init. Sub.	100,000
ISIN Codes	EUR: IE00B3QLJ113/IE00BD2MF541 USD: IE00B3QZNH75/IE00BD2MF764 CHF: IE00B3MBJQ07/IE00BD2MF657 GBP: IE00B68Z1V62/IE00B3RTD232
<b>Share Class</b>	<b>Retail/Retail Pooled</b>
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.5%
Perf. Fee	15%
Min. Init. Sub.	1,000
ISIN Codes	EUR: IE00B3N9LL24/ N/A USD: IE00B3SGTD66/ N/A CHF: IE00B3SLGP29/ N/A GBP: IE00B3YLLZ14/IE00B4M22S36

### COMPOSITION OF FUND

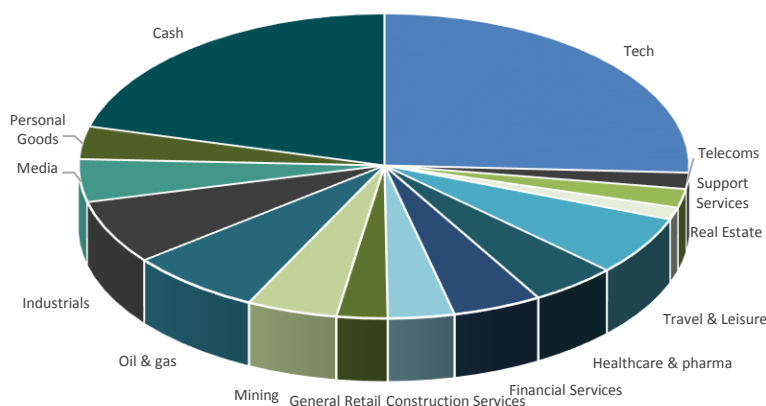
#### Portfolio Summary

Gross exposure	79%
Yield (%)	1
PE (Cash flow)	11.7
Average mkt cap (£m)	107
No. of positions	41

#### Portfolio By Theme



#### Portfolio By Sector



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

Rhythmone Plc	4.49%
Quixant Plc	3.74%
Watkin jones Plc	3.48%
Up Global Sourcing Holding	3.37%
Immobile Plc	3.10%

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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 1<sup>st</sup> October 2010 and up to and including the 8<sup>th</sup> 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 8<sup>th</sup> 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](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 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. 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 ML Capital Asset Management Ltd. Authorised and Regulated by the Central Bank of Ireland.