

FACTSHEET

Performance Returns

The Tosca Micro Cap UCITS Fund returned 1.24% in October (GBP Institutional share class) giving a net return since launch on April 8th 2016 of +46.94%.

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 market continues to chase interesting growth stories and is prepared to pay a premium for them. This was a defining feature of fund performance in October.

Zoo Digital (+0.96%) continued to excite investors as it hosted a capital markets event to showcase its dubbing and subtitling platform. Despite the stock having risen 3 fold since we established our position, the valuation, in our view, remains undemanding given the growth trajectory and the leverage they will see in the model as new TV (Netflix) and film work impacts the embryonic dubbing business. Zoo has, over many years, developed a sophisticated software platform that allows customers to access a quick, efficient and low cost solution. At the same time, Zoo is not encumbered by a large legacy cost base of multiple overseas offices and directly employed translators. The net effect is that new orders convert materially to profit and cash. As a result we are confident of further upgrades to drive the price higher.

The second key driver in the month was one of our original holdings, Blue Prism (+0.7%). While newsflow has been limited for a while, interest in the broad Robotic Process Automation (RPA) space has intensified. Opportunities to invest in this area are limited which means that the various Robotic ETFs that have been launched, have few opportunities to deploy capital and Blue Prism has been a beneficiary of this. The continued upward trajectory in the price has allowed us to continue to realise some profits to deploy capital elsewhere.

In the debit column were two other tech names. Attraqt (-0.45%) announced that it had experienced delays in converting orders largely due to a lack of resource in its delivery arm. This has driven downgrades to forecasts. Critically though, the model remains intact (as does the balance sheet). Execution is the issue and management is now acutely aware that any further disappointment will have lasting consequences and will leave the company wide open to a bid, which given their dominant market position in the online merchandising market, looks a real possibility. The other name was Rhythmone (-0.41%). This is in the throes of absorbing one US acquisition and completing on another. In the short term the stock is suffering from weak cashflow (working capital impact of recent purchase which will reverse in H2), flow back of stock from the US and analyst numbers in the market that fail to reflect the material enhancement that the US deals will bring. This is an opportunity in our view and presents material upside potential

Finally in the month we opened 2 new positions; Springfield Properties (+0.18%) an IPO and Eservglobal (+0.24%) a secondary offering. We also exited out of Mortgage Advice Bureau. While we think that this remains a well-run business with substantial market share gains ahead of it, the underlying mortgage market looks challenging and in that light we struggle to see material upside from here. Thanks for your continued support.

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%	4.42%	3.97%	-2.28%	-1.59%	3.54%	-0.68%	1.24%			16.53%
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 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

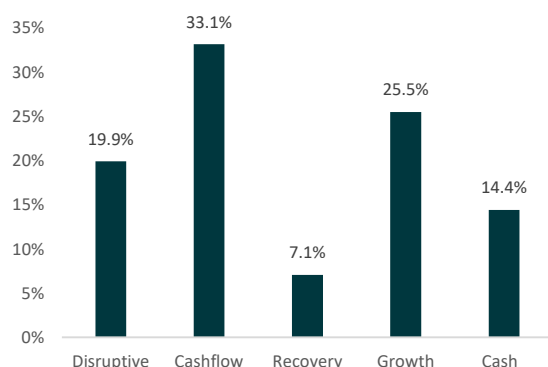
Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
AUM	\$47.8m
Inception	1 st October, 2010
Relaunch	8 th April, 2016
Share Class	Institutional/Institutional Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.00%
Perf. Fee	15%
Min. Init. Sub.	100,000
ISIN Codes	EUR: IE00B3QLJ113/IE00BD2MF541 USD: IE00B3QZNH75/IE00BD2MF764 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
ISIN Codes	EUR: IE00B3N9LL24/ N/A USD: IE00B3SGTD66/ N/A CHF: IE00B3SLGP29/ N/A GBP: IE00B3YLLZ14/IE00B4M22S36

COMPOSITION OF FUND

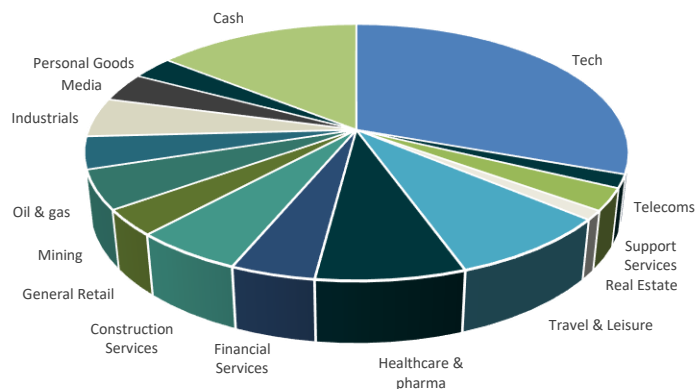
Portfolio Summary

Gross exposure	85.6%
Yield (%)	0.9%
PE (Cash flow)	13.6
Average mkt cap (£m)	139
No. of positions	43

Portfolio By Theme



Portfolio By Sector



Top 5 exposures (% of NAV)

Quixant Plc	4.52%
Quantum Pharma	3.47%
Rhythmone Plc	3.31%
Watkin jones Plc	3.29%
SDX Energy	3.07%

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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. 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.