

FACTSHEET

Performance Returns

The Tosca Micro Cap UCITS Fund returned 4.86% in January (GBP Institutional share class) giving a net return since launch on April 8th 2016 of +32.2%.

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

January’s performance was a pleasing start to the year with the fund rising by 4.86%. Markets were generally buoyant in the month with hopes of an infrastructure investment dividend anticipated post President Trump’s inauguration, which helped drive further positive performance across the fund, most notably in the resource names.

Within the portfolio, there was consistent performance from a number of holdings without any one name dominating. For the second consecutive month the fund’s two core resources names were the largest individual contributors to performance. Berkeley Energia (Spanish uranium mine) contributed +77 bps and SDX Energy +60 bps post a well received follow on transaction (see below). Beyond that, Watkins Jones contributed +54 bps post maiden FY results and Swallowfield added +52 bps in the run up to results later this month. In the debit column, CityFibre fell 25bps due to a lack of news flow and Constellation Healthcare dropped 23 bps on the back of withholding tax concerns surrounding its impending US MBO.

During the month, the fund added to an existing position in SDX Energy as the company announced a compelling deal. The company raised \$40m to acquire Circle Oil’s Egyptian and Moroccan assets. On the headline number, they are paying 50% of NAV for these performing fields. However, on closer analysis they are also acquiring \$18m of receivables meaning that the net spend is equivalent to <25% of NAV. The Moroccan assets help to diversify geographic risk. They also bring an established pipeline with 24 mmcf of capacity but current throughput of only 6 mmcf. The local alternative to this capacity is bottled gas and, hence, there is demand to materially increase production and likely at higher prices. Current broker forecasts suggest EBIT in FY18 of \$39m vs a current market cap of \$104m or a 50% discount to the Group’s core NAV. Despite strong performance to date we still see material upside to come.

In January, we made a number of other minor changes in the portfolio makeup. Small positions in Forterra and Produce Investments were sold and we bought into Quantum Pharma (niche pharmaceutical manufacturer and supplier) and Lakehouse (support services). Both have come through difficult trading periods which have resulted in new management teams and a refocussing of core strategies. Self help is, therefore, a key driver and in both cases we see healthy upside if central case forecasts are achieved.

Finally, if the number of forthcoming IPOs / early look meetings that we have hosted since the start of January is reflective of interest in the UK Micro Cap landscape, then we have to be encouraged about the outlook through H1 2017. We thank you for your continued interest and support and look forward to updating you on some of the forthcoming transactions as they come to market.

Tosca Micro Cap UCITS Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2017	4.86%												4.86%
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 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

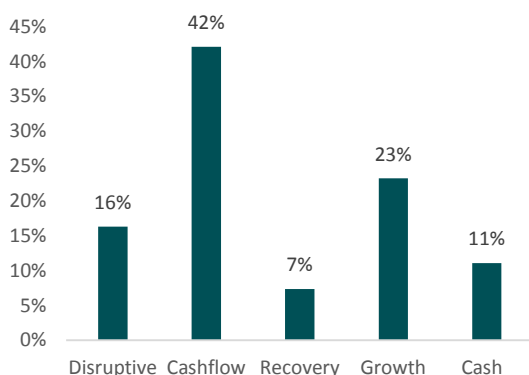
Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
AUM	\$14.9m
Inception	1 st October, 2010
Relaunch	8 th April, 2016
Share Class	Institutional/Institutional Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.00%
Perf. Fee	15%
Min. Init. Sub.	100,000
ISIN Codes	EUR: IE00B3QLJ113/IE00BD2MF541 USD: IE00B3QZNH75/IE00BD2MF764 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

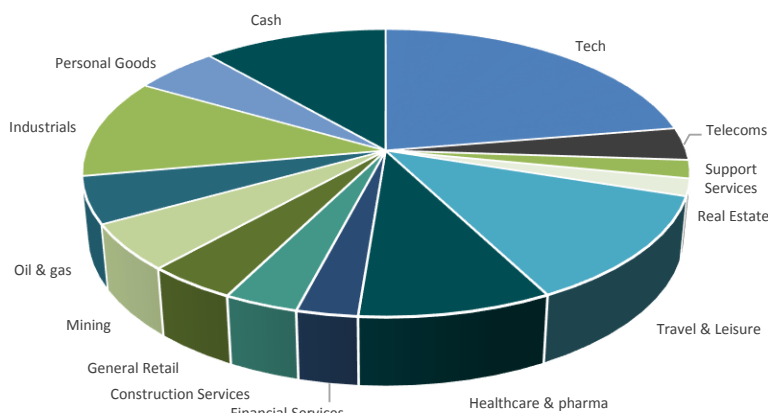
Portfolio Summary

Gross exposure	89%
Yield (%)	1.1
PE (Cash flow)	12.5
Average mkt cap (£m)	112
No. of positions	40

Portfolio By Theme



Portfolio By Sector



Top 5 exposures (% of NAV)

Rhythmone Plc	3.89%
Berkeley Energia Ltd	3.83%
Constellation Healthcare	3.62%
Watkin jones Plc	3.43%
Swallowfield Plc	3.35%

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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.