

## FACTSHEET

## Performance Returns

The Tosca Micro Cap UCITS Fund returned 0.61% in May (GBP Institutional share class) giving a net return since launch on April 8<sup>th</sup> 2016 of 46.86%.

## 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 Micro end of the market can frustrate and excite in equal measure. Seemingly mundane events can have a surprising impact on stock prices, which was certainly the case this month. Encouragingly though, the number and quality of deal flow is improving. In the month we were able to participate in two follow-ons with existing positions as well enter a new position via a secondary raise. Looking at the pipeline of IPOs this is starting to look more exciting for H2.

News flow was relatively quiet in May and was predominantly driven by corporate activity. SRT and Anglo African Oil & Gas both raised modest sums aimed at accelerating growth. In terms of performance, one of our recent IPOs (Sumo Digital, +49 bps) continued to benefit from ongoing interest in the UK software gaming market. Here, two more IPOs shone a light on the fast pace of growth and scope for market consolidation. Other corporate action was less supportive with Oxford Biomedica (+35 bps) and BigBluBroadband (-34 bps) suffering, as they both had share consolidations. Why this should trigger a sell off in those stocks is a mystery, unless retail investors see this as a catalyst to sell the optically higher priced equity? Either way we would expect the see through prices to recalibrate in due course. Indeed the news flow surrounding Oxford Biomedica continues to be supportive. In particular, Novartis announced that Kymriah had been approved by the FDA in a second type of blood cancer. Kymriah is Novartis's T-cell therapy for which OXB provides lentiviral vectors and from which it receives bio-processing revenue and royalty income. DLBCL approval significantly increases the addressable patient population for Kymriah.

Another positive contribution in the month came from Accesso (+32 bps). An AGM statement confirmed a strong start to the year and a confident outlook. News that key customers such as 6 Flags were adding more capacity in the US and China, coupled with diversification into new end markets such as the medical sector, give line of sight of further incremental opportunities. We see the digitisation of customer loyalty, convenience and leisure as a secular growth story.

Elsewhere, Prairie Mining (- 59 bps) announced that the Mining Ministry had rejected a concession amendment which it had sought in respect of the Debiensko mine. Whilst disappointing, we note the ruling is initial (non-binding) and appealable and we think that in reality this ruling is part of a 'negotiation' between Prairie and JSW (Polish coal miner which is 55% state owned). JSW has publically stated its interest in acquiring either all or some of the Prairie assets.

In the month we exited our position in Belvoir Lettings where we see value, but little catalyst, to realise any upside. We also entered a new position in Albert Technologies. As mentioned previously the number and quality of deals is improving which we take as a sign of general good health in the market. We thank you 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
2018	-1.15%	0.18%	-2.89%	1.79%	0.61%								-1.51%
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 8<sup>th</sup> 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 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

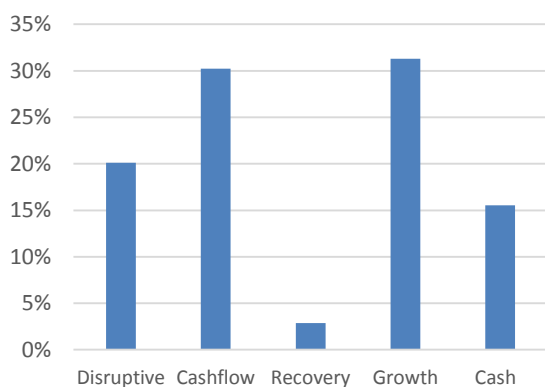
Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
AUM	\$61.85m
Inception	1 <sup>st</sup> October, 2010
Relaunch	8 <sup>th</sup> April, 2016
Share Class	<b>Institutional/Institutional Pooled</b>
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.00%
Perf. Fee	15%
Min. Init. Sub.	100,000
ISIN Codes	EUR: IE00B3QLJ113/IE00BD2MF541 USD: IE00B3QZNH75/IE00BD2MF764 CHF: IE00B3MBJQ07/IE00BD2MF657 GBP: IE00B68Z1V62/IE00B3RTD232
Share Class	<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 (as at 1<sup>st</sup> June 2018)

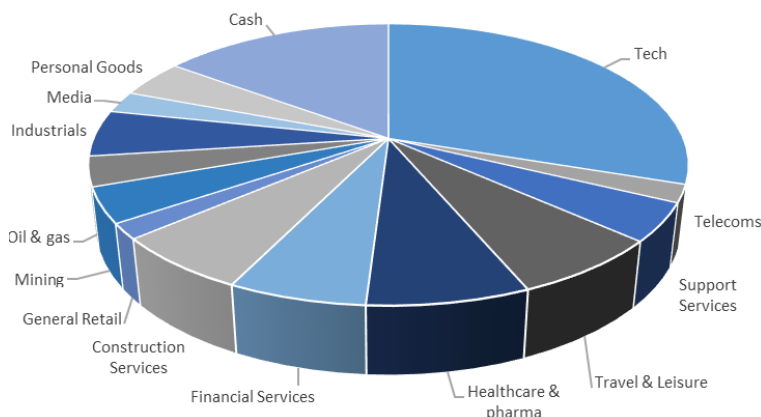
#### Portfolio Summary

Gross exposure	85.12%
Yield (%)	0.90%
PE (Cash flow)	11.3
Average mkt cap (£m)	151
No. of positions	43

#### Portfolio By Theme



#### Portfolio By Sector



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

Quixant	4.52%
Sumo	4.18%
Watkin Jones	4.09%
Zoo Digital	3.83%
Oxford Biomedica	3.75%

#### Contact Details

##### Investor Contact

**ML Capital Ltd**  
29 Farm Street  
London, W1J 5RL  
T: +44 20 3709 4510  
investorrelations@mlcapital.com

##### Management Company

**MLC Management Ltd**  
23 St. Stephen's Green  
Dublin 2, Ireland  
T: +353 1 533 7020  
investorrelations@mlcapital.com

##### Investment Manager

**Toscafund Asset Management LLP**  
7<sup>th</sup> Floor, 90 Long Acre,  
London, WC2E 9RA  
T: +44 20 7845 6100  
ir@toscafund.com

#### 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. 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.