

FACTSHEET

Performance Returns

The Tosca Micro Cap UCITS Fund returned 0.20% in February (GBP Institutional share class) giving a net return since launch on April 8th 2016 of +32.49%.

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 rose 0.20% in February.

February proved to be a slightly frustrating month for the fund as the positive backdraft of improved news flow from oil stocks was largely offset by a profit warning in an industrial name and some profit taking elsewhere.

The fund's holdings in the oil and gas sector continued their strong rally since the start of the year. In particular, Jersey Oil & Gas (+1.2%) benefitted from an upbeat operational update during the month. Here they have made good progress improving their knowledge of the important Verbier project, which should result in bigger prospective volumes and a better chance of success, which in turn is driving a higher valuation. This prospect is already large (113mboe) and JOG retains an 18% working interest. On the basis of current analysis, this might be worth £78m or c.800p per share on a mid-case success basis compared with a current market cap of £25m.

Similarly SDX Energy (+0.8%) released an upbeat assessment of the opportunities before them in both Egypt and Morocco. A recent acquisition highlights the potential for small, well-funded producers to extract efficiencies and incremental cashflow from assets coming from distressed sellers (see last month's factsheet for specifics).

The main detractor to performance in the month was the automotive component supplier Autins (-0.82%). This manufacturer of noise and vibration reduction product is currently highly geared to one large OEM. While this is reducing quickly as other OEMs are including them on their new platforms, nearer term it has meant that an order push out has had a material impact on short term forecasts. Critically for us, the longer term situation is unchanged (market leading tech, lower price, rising demand), which means that we are prepared to ride out the near term pressures. Indeed, if as we suspect that year 2 numbers are substantially unaffected, then this is a stock trading on <8x PE with sales close to doubling over the next 2 years. The other main negative contribution in the month came from Berkeley Energia (-0.6%) where profit taking and brokers cutting recommendations had an impact. In our view, the investment thesis remains intact.

Looking into March, there will be some rotation in holdings as we take advantage of a small number of IPOs and secondary placings in businesses that we have been following for some time and now believe the time is right to engage with them. We look forward to sharing more detail with you 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%											5.07%
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

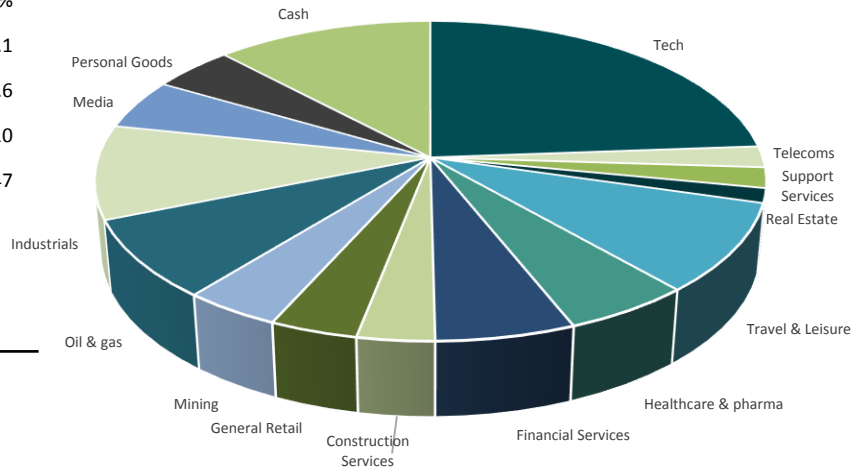
Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
AUM	\$17.1m
Inception	1 st October, 2010
Relaunch	8 th April, 2016
Share Class	Institutional/Institutional Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.00%
Perf. Fee	15%
Min. Init. Sub.	100,000
ISIN Codes	EUR: IE00B3QLJ113/IE00BD2MF541 USD: IE00B3QZNH75/IE00BD2MF764 CHF: IE00B3MBJQ07/IE00BD2MF657 GBP: IE00B6821V62/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

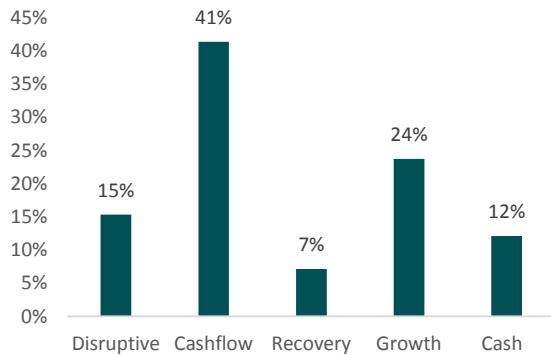
Portfolio Summary

Gross exposure	88%
Yield (%)	1.1
PE (Cash flow)	12.6
Average mkt cap (£m)	110
No. of positions	47

Portfolio By Sector



Portfolio By Theme



Top 5 exposures (% of NAV)

Rhythmone Plc	4.06%
Up Global Sourcing Hold- WI	3.64%
Quixant Plc	3.59%
SDX Energy Inc (GBP Line)	3.53%
Watkin Jones Plc	3.26%

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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, 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. 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.