

### FACTSHEET

#### Performance Returns

The Tosca Micro Cap UCITS Fund returned -1.59% in July (GBP Institutional share class) giving a net return since launch on April 8<sup>th</sup> 2016 of +41.15%.

#### 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 old adage “better to travel than arrive” has always been associated with stocks that are based on tomorrows profit rather than todays. Our fund has been a beneficiary of some such stocks. Equally, it has in the recent past, suffered as some investors have exited holdings in the belief that the good news is in the price and that the stock(s) now needs to grow into its rating. Two positions come to mind here.

The first is RythmOne (-0.54%), our holding in the digital adtech space. The company announced a 20% accretive acquisition at the end of June and since then the stock has fallen 20%. The PM has struggled to see any negatives in the deal and has therefore used weakness to add to the position. The question though remains, why the sell off? Our conclusion is that the speed of change and ongoing consolidation in the fast evolving adtech market is leading to a shake out of the haves and have nots. A common theme of the market is the desire to focus on advertising via video on mobile platforms using programmatic marketing (automated purchase and sale of advertising space in real time). RTHM has been at the forefront of this move by building an efficient data driven tech platform to link advertisers and publishers. The recent purchase of RadiumOne assets adds both technology and customers. This, though, is not the end game and we would expect the desire to scale up to continue to drive consolidation (and in due course returns).

The second name is Pennant (-0.37%). The company provides virtual training systems to the defence and transport markets. The market is growing fast due to the cost and complexity of new weapons platforms (tanks, planes, warships) and hence there are a number of high profile tenders in place to support these systems. Pennant is uniquely placed to win a number of these. The July trading update, while encouraging, did not lead to any incremental news and, as such, the stock has retrenched. While it could be argued that the stock moved ahead of the newsflow, we do not doubt that we will see that contract momentum come through and hence, while unhappy to see the recent underperformance, see no reason to change our view on the company.

Elsewhere in the month the positive momentum in Oxford Biomedica (+0.35%) continued, while an encouraging trading update further drove one of our largest holdings in Quixant (+0.67%). July saw some small rotation in the portfolio with Blancco Tech being exited and Arena Group being added via a recent IPO. The latter is a leading provider of specialist temporary stadia & seating into the sports market (The Open, US PGA, Henley, Cheltenham, Rio Olympics, Wimbledon). This is a highly fragmented market that is crying out for a well capitalised consolidation play, which Arena now is. We hope and expect to report positive updates on this company in future monthlies.

We thank you once again for your continued support and wish you an enjoyable summer.

#### 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% |       |       |       |       |       | 11.94% |
| 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 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

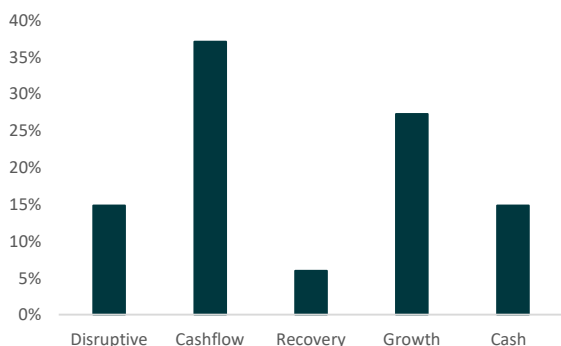
|                 |  |
|-----------------|--|
| Structure       | UCITS Fund   |
| Domicile        | Ireland  |
| Liquidity       | Weekly   |
| AUM             | \$39.1m  |
| Inception       | 1 <sup>st</sup> October, 2010  |
| Relaunch        | 8 <sup>th</sup> April, 2016  |
| Share Class     | <b>Institutional/Institutional Pooled</b>  |
| Currency        | EUR/GBP/CHF/USD  |
| Mgt. Fee        | 1.00%  |
| Perf. Fee       | 15%  |
| Min. Init. Sub. | 100,000  |
| ISIN Codes      | EUR: IE00B3QLJ113/IE00BD2MF541<br>USD: IE00B3QZNH75/IE00BD2MF764<br>CHF: IE00B3MBJQ07/IE00BD2MF657<br>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<br>USD: IE00B3SGTD66/ N/A<br>CHF: IE00B3SLGP29/ N/A<br>GBP: IE00B3YLLZ14/IE00B4M22S36                         |

### COMPOSITION OF FUND

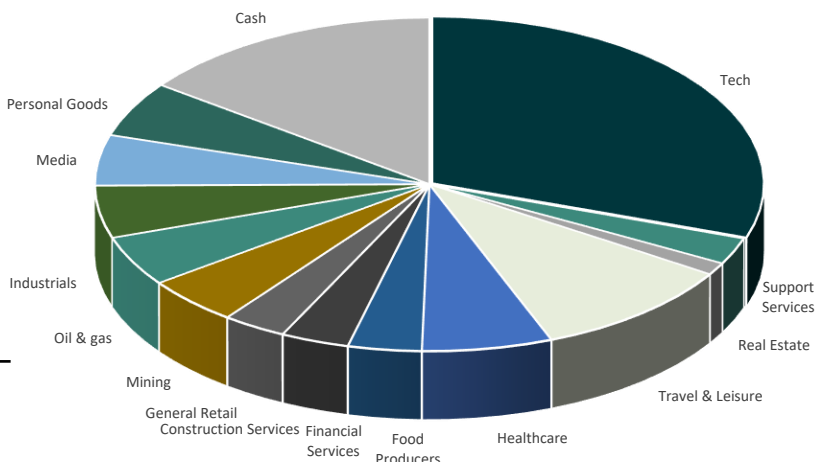
#### Portfolio Summary

|                      |      |
|----------------------|------|
| Gross exposure       | 85%  |
| Yield (%)            | 1.0% |
| PE (Cash flow)       | 13.4 |
| Average mkt cap (£m) | 128  |
| No. of positions     | 43   |

#### Portfolio By Theme



#### Portfolio By Sector



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

|                    |       |
|--------------------|-------|
| Quixant Plc        | 4.40% |
| Rhythmone Plc      | 3.80% |
| IMImobile Plc      | 3.36% |
| Watkin jones Plc   | 3.25% |
| Arena Events Group | 3.01% |

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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.