

FACTSHEET

Performance Returns

The Tosca Micro Cap UCITS Fund returned -3.90% in February (GBP Institutional share class) giving a net return since launch on April 8th 2016 of 17.20%.

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 low end of the small cap market continues to be impacted by broader macro concerns. On top of that though it is also dogged by reduced liquidity and a significantly reduced risk appetite. A lack of clarity on the ongoing Brexit negotiations is visibly starting to impact consumer and corporate spend trends. This increases nearer term volatility, uncertainty and risk. That has taken its toll on our fund in the near term. Any hint of disappointment at the company level converts into a sharp equity sell off which is in turn amplified by a lack of liquidity – a recent study by Hardman and Co cited LSE data showing that average liquidity in AIM stocks fell by 13.5% in 2018. Given this perfect storm, the question is who would invest in this market? The answer is, we would.

There are a number of reasons why we believe that this is the case. First of all, the UK is now the most underweight market in the developed world yet it has strong corporate governance, decent scale and choice, a hard currency and a common language for global investors. Secondly, its relative valuation is at historically low levels (witness the closing of the yield gap between equities and gilts). As and when there is some form of Brexit agreement, arguably the UK will immediately return to many investors' radars. As and when investment follows, the liquidity headwind we have seen in the last two quarters should in theory become a tailwind. Finally, we also note that many sectors in the UK have simply turned off the taps of investment (for example a study by Beaming concluded that £27bn of IT projects had stalled due to ongoing Brexit uncertainty). There is therefore scope for a period of catch up spend that should benefit UK PLC – not to mention any boost in consumer confidence that should feed through to relevant subsectors.

In the month just concluded we were hit by one sizeable profit warning from Proactis (-1.69%) where a 20% cut to EBITDA drove a 50% correction in the stock. The business remains highly profitable (30%+ EBITDA margin) and cash generative but, having expanded out of its core SME market into the highly competitive enterprise space, it is refocusing back on its historical strength. Two other names that were a drag in February were Zoo Digital (-0.69%) and Rhythmone (-0.61%). The latter has confirmed terms for a zero premium merger with Taptica but has yet to provide details on likely synergy benefits. We would see this as a positive catalyst.

The best performing names in the month included Altitude (+0.36%), which is in the process of digesting a materially enhancing acquisition, Petro Matad (+0.26%) where a January update alluded to plans to drill four low-risk prospects starting in April and Quixant (+0.25%) where closer analysis of January's downgrade (its first ever) shows that market forecasts are likely too conservative.

While we can have no control over the market, liquidity etc., we do believe that there remains excellent value in the UK and our portfolio in particular. We thank you for your continued support and remain convinced that performance will improve.

Tosca Micro Cap UCITS Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2019	-0.55%	-3.90%											-4.42%
2018	-1.15%	0.18%	-2.89%	1.79%	0.61%	3.36%	2.49%	1.46%	-2.23%	-12.55%	-5.35%	-3.99%	-17.76%
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 8th 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 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

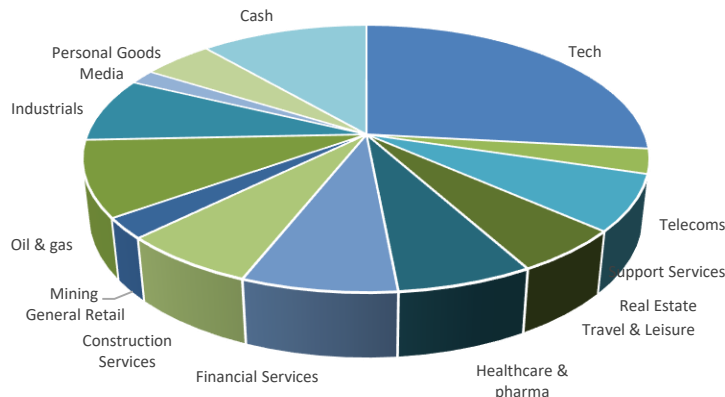
Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
AUM	\$44.5m
Inception	1 st October, 2010
Relaunch	8 th April, 2016
Share Class	Institutional/Institutional Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.00%
Perf. Fee	15%
Min. Init. Sub.	100,000
ISIN Codes	EUR: IE00B3QLJ113/IE00BD2MF541 USD: IE00B3QZNH75/IE00BD2MF764 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 (as at 1st March 2019)

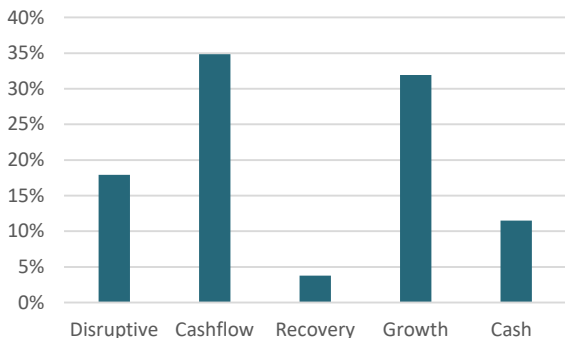
Portfolio Summary

Gross exposure	88.5%
Yield (%)	1.5%
PE (Cash flow)	11.4
Average mkt cap (£m)	160
No. of positions	40

Portfolio By Sector



Portfolio By Theme



Top 5 exposures (% of NAV)

Diversified Gas & Oil	6.36
Sumo	5.13
Oxford Biomedica	5.05
Watkin Jones	4.03
Pennant	3.74

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Disclaimer

RISK WARNING: 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. Changes in exchange rates may have an adverse effect on the value price or income of the product. The Tosca Micro Cap UCITS Fund (the "Fund") may use higher leverage and financial derivative instruments as part of the investment process. The distribution of this report does not constitute an offer or solicitation and this notice shall not be construed as an offer of sale in any other fund managed or advised by Toscafund Asset Management LLP or MontLake Management Limited ("ML"). Any investment in the Fund should be based on the full details contained in the Fund's Supplement Prospectus and Key Investor Information Document 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 nor Toscafund Asset Management LLP accepts liability for the accuracy of the contents. The state of origin of the Fund is the Republic of Ireland. The Representative in Switzerland is ACOLIN Fund Services AG, Leutschenbachstrasse 50, 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. The current document is intended for information purposes only and shall not be used as an offer to buy and/or sell shares. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units. ML does not offer investment advice or make recommendations regarding investments. The Manager of the Fund is MontLake Management Ltd, a company regulated by the Central Bank of Ireland. The Investment Manager for the fund, Toscafund Asset Management LLP is authorised and regulated by the U.K. Financial Conduct Authority. 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. This notice shall not be construed as an offer of sale in the Fund. The state of the origin of the Fund is the Republic of Ireland. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units. Authorised and Regulated by the Central Bank of Ireland.