

### FACTSHEET

#### Performance Returns

The Tosca Micro Cap UCITS Fund returned 3.94% in May (GBP Institutional share class).

#### 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

May was a good month for the fund aided by strong contributions from both established positions and by a number of primary / secondary transactions. Overall the fund was +3.9% versus the benchmark of +1.8% (AIM All Share).

Whilst Brexit fears remain very real and have undoubtedly prevented fresh capital from being allocated into UK equities, there remains demand for small, sensibly priced primary and follow on transactions. These have been, and we would expect will continue to be, important catalysts for the fund. Micro caps by their nature are illiquid assets and therefore require a liquidity event to introduce new or rotate their shareholder bases. We have seen a number of good quality transactions that have either introduced a stock to the market or, as a secondary deal, sought to provide capital to fund growth via M&A, working capital injection or recapitalisation of constrained balance sheets.

In May just under half of the fund's gross performance came from IPO's. Secondaries contributed 20%, while established holdings, the remainder. At the stock level the most significant contribution came from one such deal, Directa Plus (+1.4%). This was an IPO of a manufacturer of graphene platelets. Unlike other graphene names, Directa differentiates itself by having secured some very exciting joint development agreements that have already started to translate into revenues. Its partners come from a wide range of end markets including auto, oil, textiles, construction and water treatment. While early stage, the optionality is huge. We see this deal as indicative of the type of opportunities that we hope to be able to take advantage of in the coming months.

Other key contributions in May included Blinkx (+1.2%). This is a mobile centric digital video ad platform that is trading close to 1x cash. Similarly SDX (+1%) is trading close to its cash value and is one of only two oil names in the fund. The present valuation fails to capture the upside from a threefold increase in oil reserves and a tenfold rise in annualised cashflow. Finally Accesso (+0.6%) continued its recent strong performance. We remain convinced that this global leader in mobile ticketing and queuing technology will continue to grow share and ultimately will be taken over by a large media or leisure services provider. The debit column included Stanley Gibbons (-0.5%), STM (-0.4%) and Purplebricks (-0.3%). Forthcoming results from those names will, in our view, show their improvement respectively in cost control, demand for offshore SIPP management services and the on going meteoric rise of the hybrid estate agency model.

The fund is now at 30 holdings (target 35), while we continue to hold circa 20% in cash. This will allow both for the build up of long term core positions – potentially aided by likely market volatility in the coming days and further deal flow – as well as retaining our cash liquidity buffer of 10%. We look forward to reporting on continued positive momentum in the coming months.

#### Tosca Micro Cap UCITS Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2016	-	-	-	1.15%	3.94%								5.13%

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 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

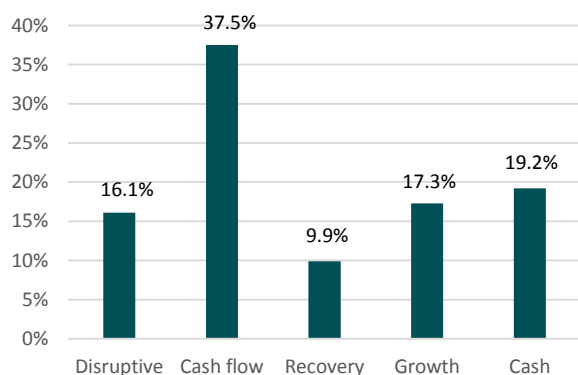
Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
AUM	\$6.6m
Inception	1 <sup>st</sup> October, 2010
Relaunch	8 <sup>th</sup> April, 2016
<b>Share Class</b>	<b>Institutional/Institutional Pooled</b>
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.50%
Perf. Fee	15%
Min. Init. Sub.	100,000
ISIN Codes	EUR: IE00B3QLJ113/IE00BD2MF541 USD: IE00B3QZNH75/IE00BD2MF764 CHF: IE00B3MBJQ07/IE00BD2MF657 GBP: IE00B68Z1V62/IE00B3RTD232
<b>Share Class</b>	<b>Retail/Retail Pooled</b>
Currency	EUR/GBP/CHF/USD
Mgt. Fee	2%
Perf. Fee	20%
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

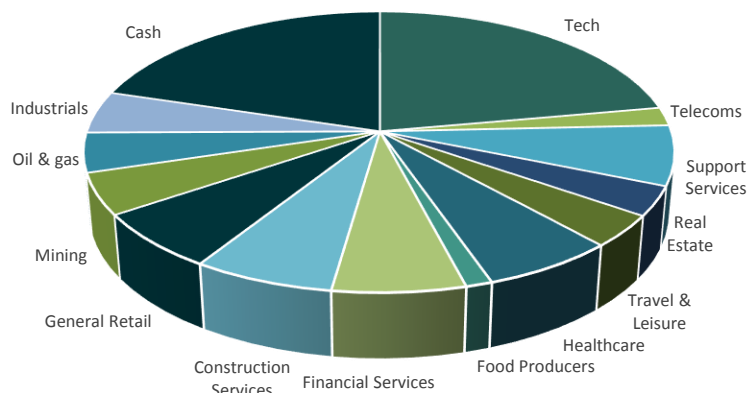
#### Portfolio Summary

Gross exposure	81%
Yield (%)	1.3
PE (Cash flow)	11.4
Weighted average mkt cap (£m)	9.5
No. of positions	25
Net cash as % market cap (ex NAV plays)	5%

#### Portfolio By Theme



#### Portfolio By Sector



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

IMImobile plc	5.17%
Berkeley Energia	4.52%
Constellation Healthcare	4.44%
Blinkx	4.02%
Speedy Hire plc	3.96%

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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. 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.