

↑ 7.02%

Tosca Micro Cap UCITS Fund

UK Micro Cap

November 2020

Performance Returns

The Tosca Micro Cap UCITS Fund returned 7.02% in November (GBP Institutional share class).

Investment Objective & 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

UK equity markets responded strongly in November to the news that Covid 19 vaccines were close to production. Furthermore, corporate newsflow within the portfolio was consistently positive with earnings upgrades, contract momentum, enhancing M&A and a cash bid all helping the Tosca Micro fund deliver +7% in the month.

The bulk of the stocks in our portfolio have so far managed their way through the complexities of lockdown(s), and the broader restrictions associated with Covid, very well. In some cases the performance that we have seen is reflective of a maturing investment case. In others, it is where businesses have been able to take advantage of trends accentuated by the pandemic.

The strongest contributor in the month was Tremor (+1.22% to fund NAV)). This advertising platform reported exceptionally strong numbers on the back of growing demand in the connected TV market leading to a >50% Ebitda upgrade for FY20. With video accounting for over 80% revenues and its route to market being cemented by the recent tie up with News Corp, the management team are finally able to monetise a very strong content base from a growing customer roster. Despite consensus growth forecasts of 20% for each of the next two years, the stock is still only trading on 8x FY21 Ebitda, implying material upside in our view.

A second stock to deliver >1% to NAV in the month was Invinity Energy Systems (+1.08%). This battery manufacturer confirmed two significant contract wins in the month. As electrical grids struggle with the move away from base load power to intermittent renewable power, IES's storage capabilities become increasingly relevant and meaningful. The company's own estimate of its pipeline stands at 121 MWh which suggests a huge market – clearly not yet reflected in its £130m market capitalisation.

Other notable contributions came from Inspec group (+0.88%), the leading independent manufacturer and distributor of glasses and frames in the UK. We were very happy to support an equity raise to help fund the acquisition of its largest peer in Germany. While no numbers have yet been published by brokers, we estimate that this will enhance earnings by >20% and help accelerate organic growth as they cross sell products into each other's respective markets. Furthermore, the cash raised leaves scope to bolt on other smaller deals which should also be highly accretive. In the logistics space, Wincanton (+0.48%) delivered a decent upgrade at H1 results. This business is in the throes of re-positioning itself as a provider of logistical services into the e-commerce and grocery markets. For us the opportunity is clear. While peers like Clipper Logistics trade on 25x P/E, Wincanton is <10x. As the market starts to recognise this shift in business mix a re-rating seems likely to follow.

We saw our second bid of the year with Countrywide (+0.4%) receiving rival offers from Alchemy and Connell's. This has been a relatively recent addition to the portfolio and looks like it won't see out the year! It certainly feels as if M&A will be a continuous theme in the next few months as Brexit uncertainty and potential changes to CGT rules could combine to see large parts of AIM being put up for sale or bought.

Finally, we should comment on the one disappointment in the month as Synairgen (-2.4%) saw its star wane as other Covid vaccines appear to have stolen a march on them. In reality, the need for vast quantities of credible and available vaccines, both now and in the future, suggest that there will be a need for multiple suppliers. Equally SNG001's strength lies in both its delivery mechanism (oral spray) and its probable use in any number of respiratory conditions. We therefore see good upside from here.

Once more we thank you for your continued support and would like to wish you best wishes going into the holiday season.

The Manager

TOSCAFUND

Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
Fund AUM	\$40.9m
Inception	1st October 2010
Relaunch	8th 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
ISIN Codes	EUR: IE00B3N9LL24/ N/A USD: IE00B3SGTD66/ N/A CHF: IE00B3SLGP29/ N/A GBP: IE00B3YLLZ14/IE00B4M22S36

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.

Tosca Micro Cap UCITS Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2020	5.90%	-11.45%	-24.95%	12.34%	7.39%	1.63%	9.30%	8.62%	0.86%	1.75%	7.02%		12.54%
2019	-0.55%	-3.90%	2.40%	3.10%	0.10%	-4.41%	0.46%	-5.23%	-2.32%	-0.98%	2.58%	5.01%	-4.24%
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 (GBP Institutional Class) since relaunch on 8th April 2016. These performance figures refer to the past and past performance is not a reliable guide to future performance.

↑ 7.02%

Tosca Micro Cap UCITS Fund

UK Micro Cap

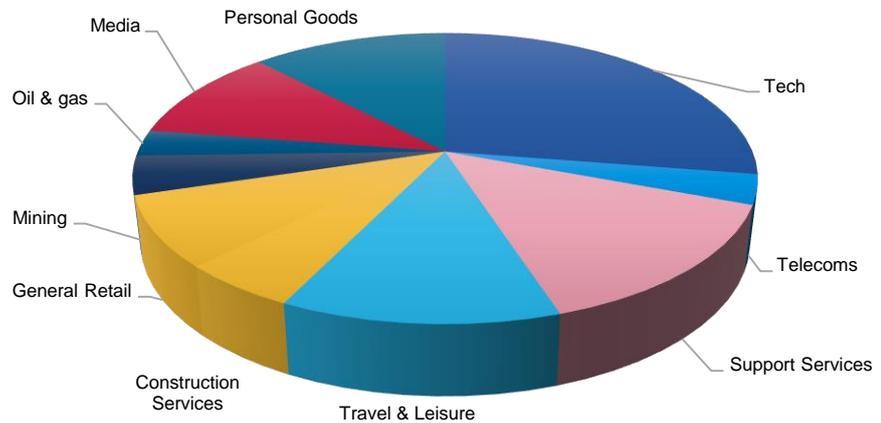
November 2020

COMPOSITION OF FUND (Data as at 30th November 2020)

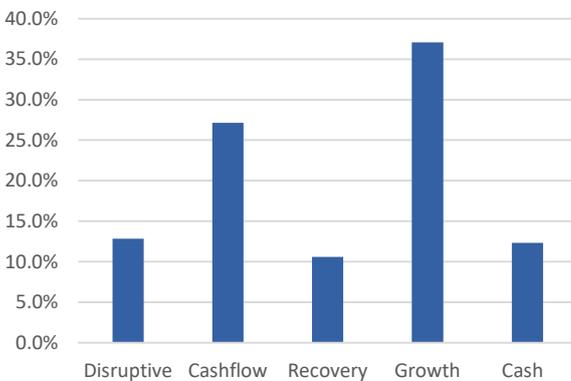
Portfolio Summary

Gross exposure	87.7%
Average mkt cap (£m)	219
No. of positions	47

Portfolio By Sector



Portfolio By Theme



Top 5 exposures (% of NAV)

Maxcyte	5.28%
Tremor	4.38%
Sumo	4.31%
Ilnspecs	3.50%
Wincanton	2.80%

Contact Details

Investor Contact

MontLake Funds (UK) Ltd
 Park House, 116 Park Street
 London, W1K 6AF
 T: +44 20 3709 4510
 investorrelations@montlakefunds.com

Management Company

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

Investment Manager

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

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 date 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 ARM Swiss Representatives SA, Route de Cité-Ouest 2, 1196 Gland, whilst the Paying Agent is NPB Neue Privat Bank AG, Limmatquai 1/am Bellevue, P.O. Box, CH-8024 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. This is a marketing document.