

FACTSHEET

Performance Returns

The Tosca Micro Cap UCITS Fund returned -0.55% in January (GBP Institutional share class) giving a net return since launch on April 8th 2016 of 21.95%.

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 UK market continues its ongoing volatility with macro driven uncertainty amplifying stock price moves, particularly on earnings surprises. In January we had four stocks that surprised negatively, costing c4% of NAV in aggregate. Whilst we saw a number of other positions bounce back after the wider Q4 market sell off, it wasn't sufficient to deliver a positive outcome for the month.

The largest positive contributor in the month was Berkeley Energia (+156 bps). Plans to develop Europe's only Uranium mine have been stymied by rumours that Spanish regulators as well as local and national Governments opposed such a proposal on “environmental” grounds. This drove the stock price down through Q4 18. In January however, the Nuclear Safety Council was reported to have cleared the project, meaning one of the major hurdles had been passed. While as yet unconfirmed this was sufficient to push the stock up threefold. The economic rationale for the project remains compelling, and if approved, the recent move is merely the precursor to further appreciation. That said, this is all about politics vs economics and that is never a comfortable place to be. As a result we have reduced our position and await further newsflow.

Elsewhere Boku (+71 bps) rallied hard after being sold off in December post an ill-received acquisition, while Watkin Jones (+63 bps) surprised positively in its FY results. This developer and builder of student and private rental accommodation raised guidance and showed how cash generative its model is by reporting net cash at year end £20m ahead of forecast at £80m (14% of market cap). This leaves significant scope for accelerated growth through land acquisition and/or faster shareholder returns (on top of the current 3.5% dividend yield).

On the other side of the book the aforementioned four stocks with negative surprises were Arena Events (-137 bps), Quixant (-111 bps), Zoo Digital (-76 bps) and FairFX (-62 bps). Three of the four reduced guidance in the month. Arena had tried to deliver on too much business revealing stresses in their organisation (subsequently resolved). Quixant had an order deferral and FairFX reported 30% growth but below the corporate brokers forecast (a forecast that we viewed as long out of date). The market's reaction to these downgrades was in our view amplified by macro conditions. In all cases we have spent time with management to assess the issues and as a matter of course review the positions. We have largely added to the holdings in the selloff.

In the month we exited two positions and added one new. The exits were in Velocity and Accesso and the new was in Altitude. This is a B2B services company that recently acquired a US distribution channel in the online promotional products market in a highly accretive transaction. We look forward to reporting more on this addition in future shareholder letters.

We thank you for your continued support.

Tosca Micro Cap UCITS Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D	
2019	-0.55%												-0.55%	
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

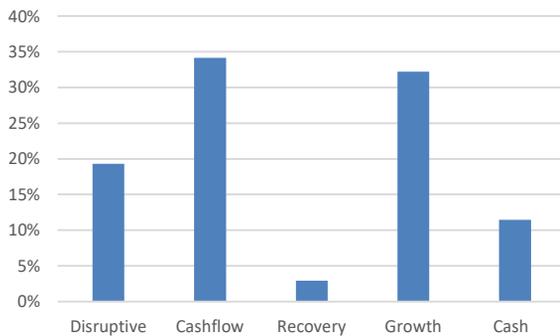
Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
AUM	\$47.8m
Inception	1 st October, 2010
Relaunch	8 th April, 2016
Share Class	Institutional/Institutional Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.00%
Perf. Fee	15%
Min. Init. Sub.	100,000
ISIN Codes	EUR: IE00B3QLJ113/IE00BD2MF541 USD: IE00B3QZNH75/IE00BD2MF764 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 February 2019)

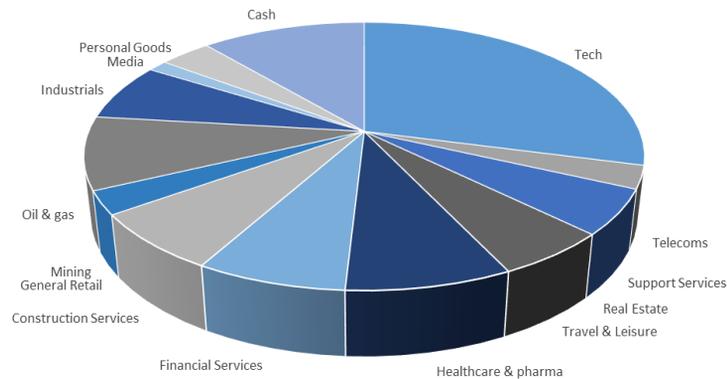
Portfolio Summary

Gross exposure	88.6%
Yield (%)	1.2%
PE (Cash flow)	11.3
Average mkt cap (£m)	173
No. of positions	40

Portfolio By Theme



Portfolio By Sector



Top 5 exposures (% of NAV)

Diversified Gas & Oil	6.22
Oxford Biomedica	4.96
Sumo	4.72
Watkin Jones	4.40
Zoo Digital	3.47

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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. 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 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. MLC 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. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units. Issued and approved by MLC Management Ltd. Authorised and Regulated by the Central Bank of Ireland.