

FACTSHEET

Performance Returns

The Tosca Micro Cap UCITS Fund returned -0.68% in September (GBP Institutional share class) giving a net return since launch on April 8th 2016 of +45.15%.

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 Tosca Micro Cap fund experienced a mixed performance over the month with two disappointing events negating positivity elsewhere. Companies representing over 40% of the fund’s NAV reported results or made announcements during the month with numbers broadly in line to slightly up and encouraging outlook statements, despite ongoing macro issues.

The main detractor from performance was UP Global Services (-108 bps). While the company beat on its FY numbers, the outlook for H1 2018 was clouded by customers taking a more cautious view of consumer demand into Christmas, thus impacting buying volumes. This though is not a message that we are hearing elsewhere. Both Swallowfield (+12 bps) and Warpaint (-10 bps) are seeing strong demand driven by their ability to innovate and deliver a quality branded and own label product set. Here too, rising costs are largely being recovered by higher pricing. UPGS has the product but a concentrated client base is leaving it exposed to changes in their buying patterns. The position is under review.

The second disappointment was in Jersey Oil & Gas (-77 bps). This North Sea E&P play announced via its partner, Statoil, that its Verber well was water and not oil bearing. This was the principal asset and hence has a substantial impact on valuation. We subsequently exited the position, choosing to deploy capital elsewhere and there are no other positions in the portfolio which carry this degree of event risk. More positively, Quantum Pharma received a bid. While at a lower level than we would have liked, the 82p cash and share deal from Clinigen helped deliver 43 bps in the month.

Last month, we mentioned that we had opened a new position in Zoo Digital (+ 43 bps). This is a subtitling and dubbing platform for the TV/film market. With Disney and Netflix as its core customers, the company is benefiting from the rising global demand for digital-enabled services. These require translation of both new productions (Netflix will spend \$4.6bn this year on their own content for example) as well as the back catalogue. Forecasts look far too conservative given current growth rates and the commitments made by its client base. A recent visit to the Sheffield based business by the PM confirmed this view.

During September, there were no new positions opened, while we sold our holding in Accrol. Overall, though the September outcome was slightly disappointing relative to expectations, from a ground up perspective the newsflow within the portfolio remains consistently encouraging. Market nervousness does colour managements’ willingness to discuss prospects. However, when we dig deeper into the earnings statements and business plans we see companies well placed to outperform expectations and help deliver excellent returns.

Healthy flows into the fund continue and we are finding no shortage of potential opportunities to invest. The month end cash position therefore is merely reflective of the timing of flows and not an indication of any caution by the PM. 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
2017	4.86%	0.20%	2.04%	4.42%	3.97%	-2.28%	-1.59%	3.54%	-0.68%				15.11%
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 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

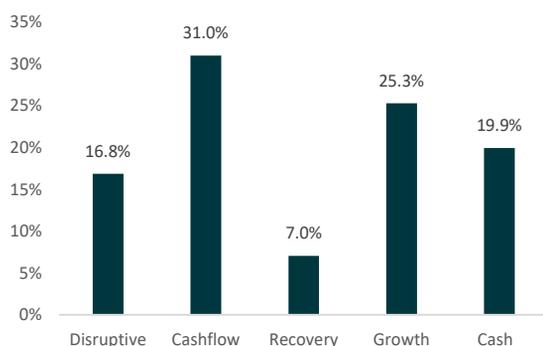
Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
AUM	\$47.0m
Inception	1 st October, 2010
Relaunch	8 th April, 2016
Share Class	Institutional/Institutional Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.00%
Perf. Fee	15%
Min. Init. Sub.	100,000
ISIN Codes	EUR: IE00B3QLJ113/IE00BD2MF541 USD: IE00B3QZNH75/IE00BD2MF764 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

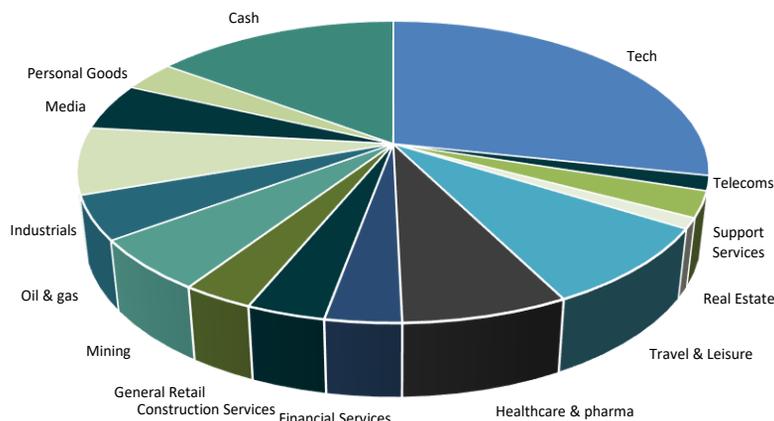
Portfolio Summary

Gross exposure	80.1%
Yield (%)	0.9%
PE (Cash flow)	13.8
Average mkt cap (£m)	132
No. of positions	43

Portfolio By Theme



Portfolio By Sector



Top 5 exposures (% of NAV)

Quixant Plc	4.39%
Rhythmone Plc	3.44%
Quantum Pharma	3.35%
Watkin jones Plc	3.09%
SDX Energy	3.08%

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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 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). 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.