

FACTSHEET

Performance Returns

The Tosca Micro Cap UCITS Fund returned -2.89% in March (GBP Institutional share class) giving a net return since launch on April 8th 2016 of 43.39%.

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

One quarter into this new world of Mifid 2 there are signs of a trend developing. Liquidity is tightening and independent research views are in shorter supply. Near term that is unhelpful. Medium term though this further adds to the information vacuum and an increased risk of mispriced assets which, for us, is an opportunity. As a result, while disappointed with current performance the manager remains optimistic that news flow and events at the stock level will drive upside over the course of the year.

Frustratingly, seemingly one off events can and do get amplified in a market as described above. In March, a poorly handled equity raise by Gfinity (-35bps), a CEO share sale at Watkin Jones (-46 bps) to fund a divorce settlement and a questionable legal case brought against Arena Events (-57 bps) all contributed to a weak month. Rhythmone (-52 bps) continued to slide. As we have mentioned before, this buy and build digital marketing company is in the process of absorbing its largest transaction to date. Realistically it won't be until June before management will be able to provide a quantitative analysis on profit and cashflow. On market numbers it is trading on 4x PE and 2.5x EV/Ebitda. This is just wrong, particularly as FCF turns materially positive this year leaving management the option of joining the dividend list and/or buying back equity.

More positively, the underlying momentum of the holdings in the fund is encouraging. On a weighted basis, sales forecasts rose by 2% in the quarter vs their Dec-17 equivalent. This actually understates the upgrades given the negative impact of the appreciation of GBP vs both the USD & AUD (combined 22% FY17 revs). While sales growth is only one consideration, it is nonetheless important in a market where growth and direction of travel are critical.

At the stock level, Zoo Digital (+86 bps) had another stand out month. Forecasts were once more beaten on both top and bottom line as the company published a year-end trading update. The new Dubbing division is tapping into a huge market opportunity as the likes of Amazon and Netflix seek to offer a global product for their own and third party content. Elsewhere FairFx (+22 bps) and Pennant (+14 bps) benefited from further evidence that they are starting to execute on their respective business models.

The next few weeks are traditionally busy periods with year-end results and trading updates and we expect to meet with around a quarter of the companies in the Fund by the end of April. We will be delivering a clear message to them all. Mifid 2 puts greater responsibility on management to ensure clear, consistent and well planned IR campaigns. Visibility is key and regular engagement with shareholders breeds confidence and understanding. Very few companies can afford to stand in the shadows and that was never more true than today. 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
2018	-1.15%	0.18%	-2.89%										-3.84%
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 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

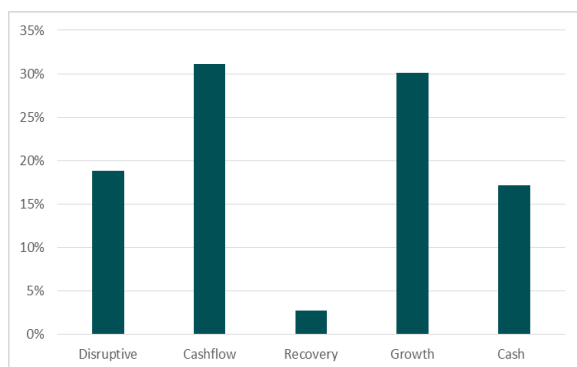
Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
AUM	\$64.5m
Inception	1 st October, 2010
Relaunch	8 th April, 2016
Share Class	Institutional/Institutional Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.00%
Perf. Fee	15%
Min. Init. Sub.	100,000
ISIN Codes	EUR: IE00B3QLJ113/IE00BD2MF541 USD: IE00B3QZNH75/IE00BD2MF764 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
ISIN Codes	EUR: IE00B3N9LL24/ N/A USD: IE00B3SGTD66/ N/A CHF: IE00B3SLGP29/ N/A GBP: IE00B3YLLZ14/IE00B4M22S36

COMPOSITION OF FUND (as at 3rd April 2018)

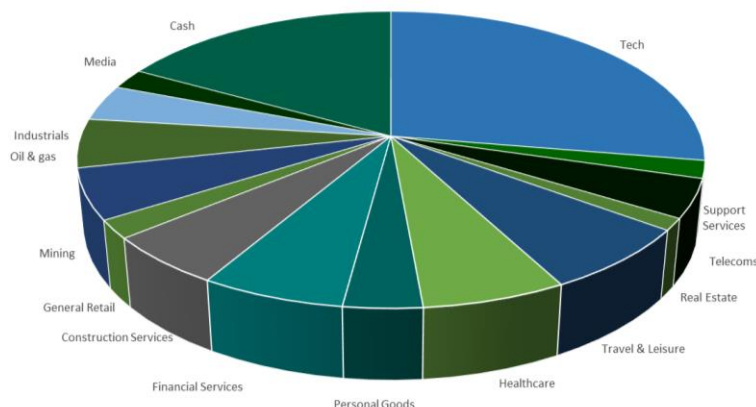
Portfolio Summary

Gross exposure	82.85%
Yield (%)	1.00%
PE (Cash flow)	11.0
Average mkt cap (£m)	129
No. of positions	43

Portfolio By Theme



Portfolio By Sector



Top 5 exposures (% of NAV)

Quixant	4.10%
Watkin Jones	3.64%
Zoo Digital	3.39%
Berkeley Energia	3.23%
Oxford Biomedica	3.18%

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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.