

FACTSHEET

Performance Returns

The Tosca Micro Cap UCITS Fund returned 3.54% in August (GBP Institutional share class) giving a net return since launch on April 8th 2016 of +46.15%.

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

With the fund now 17 months old, it is inevitable that a number of our early positions are starting to mature. That is leading to some stock rotation and profit taking. Blue Prism remains the gift that keeps giving. It contributed +0.72% to NAV in the month as investors anticipate another revenue upgrade as it runs into its fiscal year end. Having come to the market at 78p and now run through £11, it is no surprise that we have taken some profits along the way. During the month, we have also reduced our position in Air Partner after solid results and exited our residual holding in Fulham Shore as we continue to remain bearish on direct exposure to the UK consumer (inflation, lower household available cash).

Occasionally, too, we are taken out of positions by corporate activity. In mid-August Quantum Pharma (+0.61%) announced that it had received an approach from Clinigen. This looks highly opportunistic with QP starting to move out of a recovery phase into growth and an expected upgrade cycle. This will be driven by success in developing unlicensed pharmaceutical products and converting them as licensed which should bring benefits from higher market shares and better manufacturing margins. There is also a big pipeline of potential products as well as a stated ambition to expand overseas. Currently on EV/Ebitda of c.10x for Jan-19 vs Clinigen on 18x, it is easy to see the attraction to a highly rated predator. That said, no formal bid has been submitted ("put up shut up" date is Sep-13) and to succeed we would expect a price north of £1 (+40%) at an absolute minimum.

Thankfully, there remain plenty of opportunities to redeploy capital. In the month we added 2 new positions in FairFX & Zoo Digital (+0.21%). The former is an international payments provider that we have followed for some time, while the latter is a specialist online language translation business aimed at the film & TV market. Both are nascent in their offer and both offer substantial upside as they leverage off well invested platforms.

The beauty of micro caps is that they tend to live in their own bubble. Of course the wider market will have a bearing on their stock prices (liquidity, sentiment). However, each of the holdings in the Tosca Micro Cap portfolio is there because it has unique characteristics that, in our view at least, should allow sustained outperformance. Without wanting to be accused of stating the obvious, news flow is key in disseminating these stories to the market. We are now exiting a period of relative quiet in the fund. As we do, we are confident that the positive momentum will continue, helped by stocks equivalent to 40% NAV set to release results and updates in September.

We thank you for your continued support and look forward to updating you on what is set to be a busy September.

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%					15.90%
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

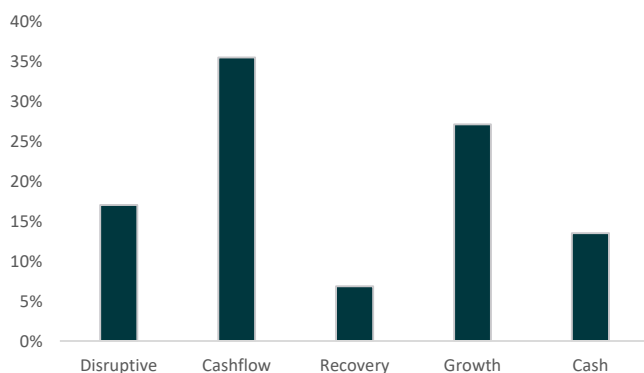
Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
AUM	\$40.6m
Inception	1 st October, 2010
Relaunch	8 th April, 2016
Share Class	Institutional/Institutional Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.00%
Perf. Fee	15%
Min. Init. Sub.	100,000
ISIN Codes	EUR: IE00B3QLJ113/IE00BD2MF541 USD: IE00B3QZNH75/IE00BD2MF764 CHF: IE00B3MBJQ07/IE00BD2MF657 GBP: IE00B6821V62/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

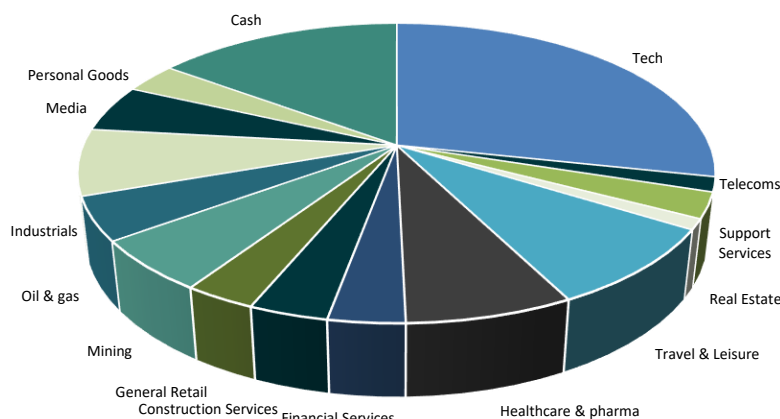
Portfolio Summary

Gross exposure	86.5%
Yield (%)	0.9%
PE (Cash flow)	13
Average mkt cap (£m)	130
No. of positions	43

Portfolio By Theme



Portfolio By Sector



Top 5 exposures (% of NAV)

Quixant Plc	4.18%
Rhythmone Plc	3.60%
Berkeley Energia Ltd	3.41%
Watkin jones Plc	3.38%
Quantum Pharma Plc	3.24%

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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.