

### FACTSHEET

#### Performance Returns

The Tosca Micro Cap UCITS Fund returned 3.36% in June (GBP Institutional share class) giving a net return since launch on April 8<sup>th</sup> 2016 of 51.79%.

#### 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

June saw a strong performance from the Fund with contributions across new and longer duration positions. With liquidity becoming more of an issue in the Micro cap space, it is by design that the average market cap of the fund has crept higher and that the bigger returns came from the larger cap names in the portfolio.

During the month, three stocks contributed greater than 100 bps each to NAV. Oxford Biomedica (+183bps) rose by c30% on the announcement that it had signed a deal to license out its Parkinson's Disease asset to US biotech, Axovant. Not only does this help validate the platform strategy but also adds 20% to sales and 70% to Ebitda. Meanwhile Sumo Group (+121bps) continued to benefit from the market's interest in owning gaming software businesses. The recent IPOs of Codemasters and Team17 have helped fuel this. We see Sumo as being the cheapest play with the best optionality across both work for third parties and their own in-house content.

The third major contribution came from Diversified Gas & Oil (+109bps). We entered this position by way of a placing on the back of an earlier piece of M&A. At the time, the company over-equitised and put in place an enhanced (bigger and cheaper) debt facility which positioned the company for further acquisitions, without material equity dilution. In May, the company confirmed plans to acquire further oil and gas assets in the Appalachian basin for \$575m. This was funded by a heavily oversubscribed \$250m equity raise. We estimate that this deal will increase Ebitda by 300%, EPS by c50% and leaves a business paying a 7.5% dividend yield. Having started life as a small "buy and build of producing assets," the company is fast moving up the market cap threshold. With material upside still to come, we are not minded to take profits yet.

Negative attributions in June came from Zoo Digital (-45bps), as the stock consolidated after its recent strong performance, Autins (-44bps), after Jaguar Land Rover revised production guidance (60% of sales are from JLR) and Rhythmone (-42bps), where recent management change continued to vex the market, despite the fact that FY numbers and guidance were in line with expectations. We believe that the replacement of the CEO is reflective of the Board's desire to accelerate cost efficiencies. At 3x EV/Ebitda and >20% free cash flow yield, valuation is extremely compelling and hence our retained confidence in the opportunity.

During the month we added a small position in Petro Matad, a Mongolian based explorer, via an equity raise which leaves them funded through 2019 for a six well exploration programme targeting significant resources. In a further adjustment, we exited our holding in Stride Gaming. Post meetings with management, we concluded that a change of emphasis away from the core UK online bingo platform coupled with further regulatory risk would materially constrain profit growth. As a result we felt that the capital would be better deployed elsewhere. 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%	1.79%	0.61%	3.36%							1.80%	
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 8<sup>th</sup> 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

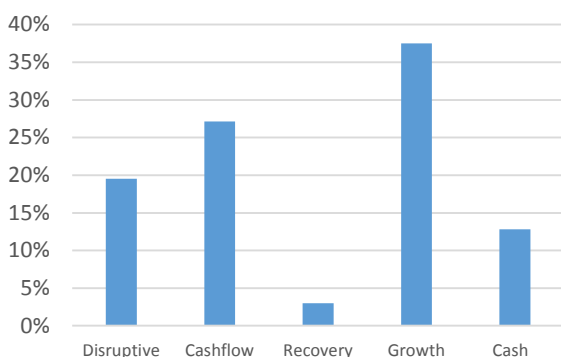
Structure	UCITS Fund
Domicile	Ireland
Liquidity	Weekly
AUM	\$63.47m
Inception	1 <sup>st</sup> October, 2010
Relaunch	8 <sup>th</sup> April, 2016
Share Class	<b>Institutional/Institutional Pooled</b>
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.00%
Perf. Fee	15%
Min. Init. Sub.	100,000
ISIN Codes	EUR: IE00B3QLJ113/IE00BD2MF541 USD: IE00B3QZNH75/IE00BD2MF764 CHF: IE00B3MBJQ07/IE00BD2MF657 GBP: IE00B6821V62/IE00B3RTD232
Share Class	<b>Retail/Retail Pooled</b>
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 2<sup>nd</sup> July 2018)

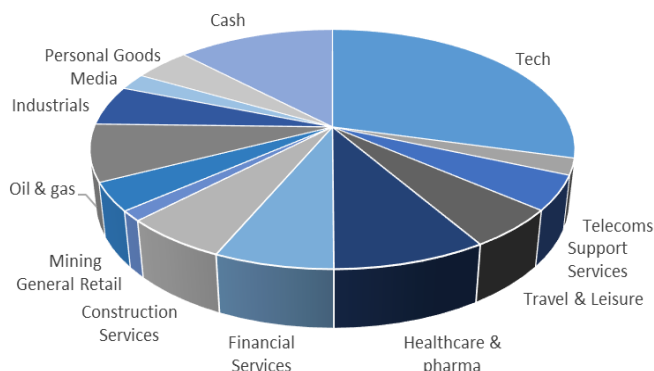
#### Portfolio Summary

Gross exposure	87.19%
Yield (%)	0.9%
PE (Cash flow)	12.5
Average mkt cap (£m)	175
No. of positions	43

#### Portfolio By Theme



#### Portfolio By Sector



#### Top 5 exposures (% of NAV)

Oxford Biomedica	5.36%
Diversified Gas & Oil	5.32%
Sumo	5.17%
Quixant	4.12%
Watkin Jones	3.68%

#### Contact Details

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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 1<sup>st</sup> October 2010 and up to and including the 8<sup>th</sup> 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 8<sup>th</sup> 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](http://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. Issued and approved by MLC Management Ltd. Authorised and Regulated by the Central Bank of Ireland.