

Tosca Micro Cap UCITS Fund

UK Micro Cap


3.13%


Performance Returns

The Tosca Micro Cap UCITS Fund returned 3.13% in January (GBP Institutional share class).

Investment Objective & 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 Jamie Taylor, support Martin Hughes in the management of the Toscafund mid-cap strategy.

Monthly Commentary

The excitement surrounding smaller cap investing often centres on the transition from potential to reality. When this moment occurs the upside can be material. In January the fund had 2 such moments which have potential to play out further.

These were SRT Marine (+210 bps) & Filtronic (+80 bps). The former has been one of our longest standing positions in the fund. This producer of maritime surveillance tech has spent the last 5 years+ demonstrating to the global market that it has THE best solution for fishery protection and coast guard management. Lead times here run into multi years and so it has taken a long time to convert that potential into the reality of orders. Now though those orders are being delivered and with them, evidence that these are not one off solutions but multi phase and multi year projects that need designing, building, installing & maintaining. In December and January the company confirmed 2 second phase contracts with Bahrain and Saudi. These sit alongside larger systems deals for Indonesia and Kuwait. Furthermore, waiting in the wings is an equally as significant further phase project(s) in the Philippines. Running into 2025 this now means that the company has >£330m of active contracts all of which will be implemented through 2027. Follow on support contracts have been signed that extend between 5-10 years.

Last year SRT generated sales of £14m. This year and next will see sales >£120m in both years. These should be achieved at 20%+ Ebitda margins with strong cash conversion. What a difference 12 months makes. While the stock has performed well in the recent past there is still huge potential as the market (in which there are no broker forecasts) wakes to the reality of the step change in sales and profits. The trigger for this will most likely be the start of the £140m Indonesian project. At that point the company will be live on 4 projects and the focus shifts on potential and order win to execution and cashflow. They have shown that they can manage the latter – albeit on smaller projects – and bear in mind projects are executed via third party local contractors, so ramping up is not such a hurdle. It is at this point too that we believe forecasts will be released. Our own internal forecasts show the company trading on 5x/3x EV/Ebitda in FY25/26 with double digit FCF yields in both years leaving the company with >20% of its market cap in cash by the end of 2026. Greater faith in follow on phases and more focus on new potential contracts in other Asian and African markets will provide a level of confidence in numbers in a way that simply hasn't been possible till now. The inevitable corollary though of this success and having, in effect, designed themselves into future projects, is that there will be larger predators eager to access their client base. It is hard to see SRT remaining independent in the long term as a result. Potential suitors could include Leonardo, Airbus, Ocean Infinity (a 20% shareholder & partner already) or IP rich, fast moving US start ups such as Palantir & Anduril. We have been on the journey since the fund launch, despite the stock being close to all time highs, this is not the time to get off.

We look forward to sharing more thoughts on other stocks in the portfolio where we see material potential and provide colour on how and when we expect that to become a reality in the coming months. Thanks for your continued support.

The Manager

TOSCAFUND

Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$8.9 Million
Inception	1 st October 2010
Relaunch	8 th April 2016

Share Class	Institutional/Institutional Pooled
Currency	EUR, GBP, CHF, USD
Management Fee	1.00%
Performance Fee	15%
Min Initial 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
Management Fee	1.5%
Performance Fee	15%
Min Initial Sub.	1,000
ISIN Codes	EUR: IE00B3N9LL24/ N/A USD: IE00B3SGTD66/ N/A CHF: IE00B3SLGP29/ N/A GBP: IE00B3YLLZ14/IE00B4M22S36

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. He then ran sales and research at Quantmetriks before joining Tosca. Matthew graduated in Political Science from Birmingham University.

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.

Tosca Micro Cap UCITS Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2025	3.13%												3.13%
2024	-4.20%	-1.80%	1.00%	2.92%	1.98%	-2.89%	4.57%	-2.72%	-11.37%	1.77%	-4.85%	0.64%	-14.91%
2023	3.68%	-2.37%	-6.50%	4.55%	-0.35%	-2.86%	3.20%	-3.71%	2.36%	3.72%	1.69%	5.43%	0.57%
2022	-5.18%	-7.10%	-1.80%	-2.89%	-6.09%	-8.99%	2.10%	-2.04%	-4.32%	-1.38%	4.86%	3.39%	-26.55%
2021	3.67%	5.98%	4.90%	5.09%	1.23%	-1.03%	0.57%	2.08%	-2.40%	1.22%	-3.61%	0.87%	19.65%
2020	5.90%	-11.45%	-24.95%	12.34%	7.39%	1.63%	9.30%	8.62%	0.86%	1.75%	7.02%	15.33%	29.79%
2019	-0.55%	-3.90%	2.40%	3.10%	0.10%	-4.41%	0.46%	-5.23%	-2.32%	-0.98%	2.58%	5.01%	-4.24%
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 (GBP Institutional Class) since relaunch on 8th April 2016. These performance figures refer to the past and past performance is not a reliable guide to future performance.

Tosca Micro Cap UCITS Fund

UK Micro Cap

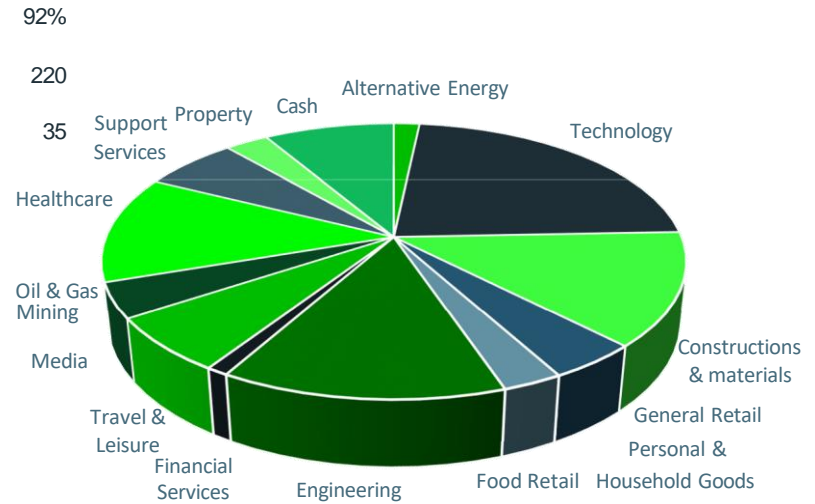
↑ **3.13%**

COMPOSITION OF FUND (Data as at 31 January 2025)

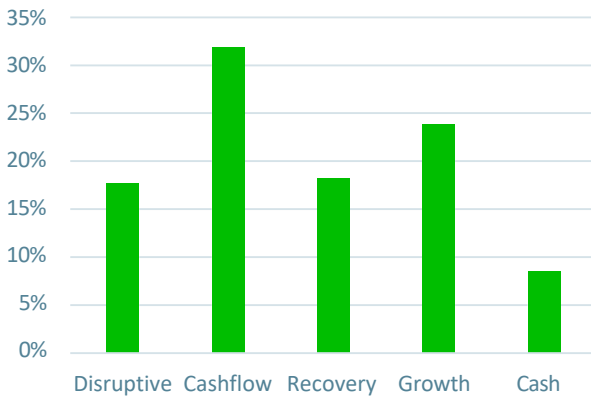
Portfolio Summary

Gross exposure
Average mkt cap (£m)
No. of positions

Portfolio By Sector



Portfolio By Theme



Top 5 exposures (% of NAV)

SRT Marine	5.2
Boku	4.9
Spire Healthcare	4.9
Hollywood Bowl	4.0
ActiveOps	3.8

Contact Details

Investor Contact

Waystone Capital Solutions (UK) Ltd
2nd Floor, 20-22 Bedford Row
Holborn, London
T: +44 207 290 9493
investorrelations@waystone.com

Management Company

Waystone Management Company (IE) Ltd
4th Floor, 35 Shelbourne Road, Ballsbridge
Dublin D04 A4E0, Ireland
T: +353 1 533 7020
investorrelations@waystone.com

Investment Manager

Toscafund Asset Management LLP
5th Floor, Ferguson House
15 Marylebone Rd, London NW1 5JD
T: +442078456100
ir@toscafund.com

Disclaimer

RISK WARNING: 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 Investment Manager expects that a typical investor will be seeking to achieve a return on their investment in the long term and will be willing to accept the risks associated with an investment of this nature, which may be volatile. The Tosca Micro Cap UCITS Fund (the "Fund") may use higher leverage and financial derivative instruments as part of the investment process. The distribution of this report does not constitute an offer or solicitation and this notice shall not be construed as an offer of sale in any other fund managed or advised by Toscafund Asset Management LLP or Waystone Management Company (IE) Ltd ("Waystone"). Any investment in the Fund should be based on the full details contained in the Fund's Supplement Prospectus and Key Investor Information Document which together with the Waystone website (<https://www.waystone.com/our-funds/waystone-managed-funds/>). Information given in this document has been obtained from, or based upon, sources believed by us to be reliable and accurate although neither Waystone nor Toscafund Asset Management LLP accepts liability for the accuracy of the contents. The Representative in Switzerland is Waystone Fund Services (Switzerland) SA, Avenue Villamont 17, 1005 Lausanne, Switzerland, whilst the Paying Agent is NPB Neue Privat Bank AG, Limmatquai 1/am Bellevue, P.O. Box, CH-8024 Zurich. In respect of the units distributed in or 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 and, if applicable, semi-annual report may be obtained free of charge at the registered office of the Swiss Representative. Issued and approved by Waystone Management Company (IE) Ltd. Waystone does not offer investment advice or make recommendations regarding investments. The Manager of the Fund is Waystone Management Company (IE) Ltd, a company regulated by the Central Bank of Ireland. The Investment Manager for the fund, Toscafund Asset Management LLP is authorised and regulated by the Securities Exchange Commission (the "SEC"). 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. This notice shall not be construed as an offer of sale in the Fund. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units. Authorised and Regulated by the Central Bank of Ireland. The Management Company may decide to terminate the arrangements made for the marketing of the Fund in accordance with Article 93a of Directive 2009/65/EC. To view the Summary of Investor Rights, please visit the following [link](#). This is a marketing communication.