

# Tosca Micro Cap UCITS Fund

## UK Micro Cap

 **2.18%**

### Performance Returns

The Tosca Micro Cap UCITS Fund returned 2.18% in March (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

In the past 3-4 years, the UK has suffered from rising rates, a weak currency, elevated geopolitical uncertainty and, above all, a crushing lack of liquidity in equity markets. If ever some or all of these issues were to be addressed, then arguably the UK would be well placed to experience a strong bull market. Slowly but surely, a number of these concerns are beginning to fade in the eyes of investors. The currency has stabilised, interest rates are falling, and the frenetic economic "policies" of the U.S. appear to be calming. Furthermore, there is some hope that the Mansion House Compact, as championed by the UK Government, is positioning itself to stimulate inflows into UK equities. As we know, this is a very fast evolving market. At the very least, the signs are improving.

In any market where macro leads micro, companies often rein in spending and err on the side of caution when it comes to guidance. Indeed, we've seen numerous U.S. companies take this approach by withdrawing guidance - Mattell, Marriott, Cummins, GM, Ford, American Airlines, to name but a few. In the UK micro market, we are seeing some firms bucking this trend. Is this naivety, or perhaps a function of being earlier-stage businesses that are still maturing and naturally seeing growth from a small base?

One standout name in April was ActiveOps (+76 bps). This developer of enterprise-grade productivity software has, over the last two years, been modularising its offering, building its direct sales team, and has broadened its product range. We are now beginning to see the benefits: the company is enjoying improved visibility and stronger market forecasts. Growth rates are accelerating from high single digit to mid-teens, while margins have improved as the business scales off a relatively fixed cost base. A valuation of 2x sales seems to be too low, especially when compared to UK SaaS listed equivalent, which is trading on 2.7x while growing at only a 6% CAGR. The concern now is that, being profitable, cash generative (25% of its market cap in cash), and now able to leverage off recent investments to accelerate growth, the company may attract corporate interest and risk being acquired too cheaply. M&A remains both a blessing and a curse!

Other names in the month that performed well include Kier (+73 bps) and Brickability (+61 bps). The latter announced that its FY25 numbers would beat forecasts, while both are clearly beneficiaries from an acceleration in infrastructure spending, and likely as not a more benign interest rate environment.

Overall, the mood music has certainly shifted in the last few weeks. Uncertainty remains elevated and management are not yet ready to take on more risk. However, on both a relative and absolute basis, the UK is looking increasingly attractive from a trading and valuation perspective. IF we can sustain a more balanced macro back drop, we are confident that UK Small caps can deliver and drive some welcome outperformance.

We thank you for your continued support.

### The Manager

# TOSCAFUND

### Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$9.5 Million
Inception	1st October 2010
Relaunch	8th 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

### Tosca Micro Cap UCITS Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2025	3.13%	-4.83%	-5.76%	2.18%									-5.49%
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.

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**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

## UK Micro Cap

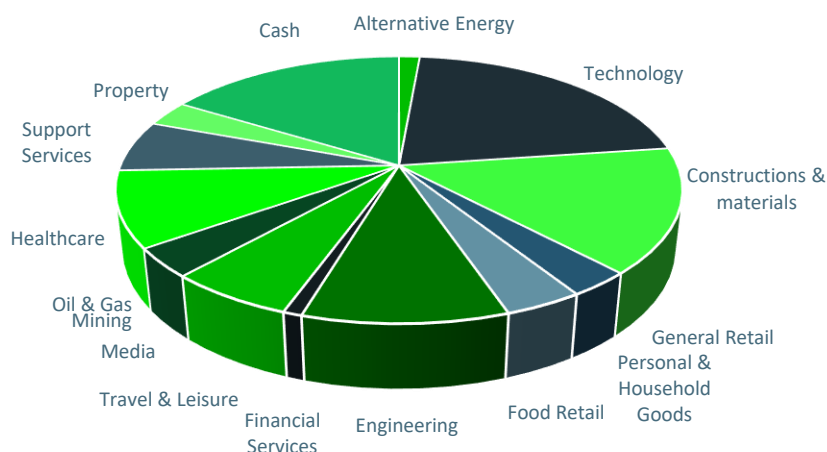
 **2.18%**

### COMPOSITION OF FUND (Data as at 30 April 2025)

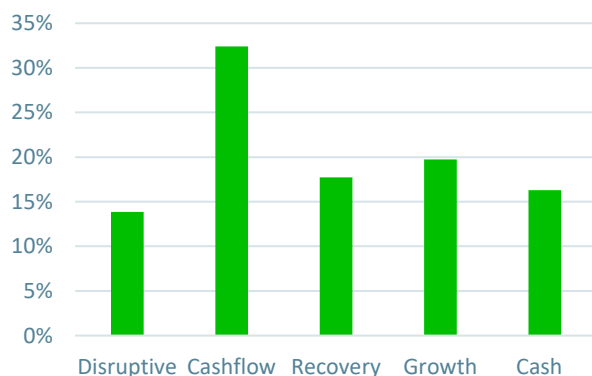
#### Portfolio Summary

Gross exposure	84%
Average mkt cap (£m)	210
No. of positions	36

#### Portfolio By Sector



#### Portfolio By Theme



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

Kier Group	4.7
SRT Marine	4.6
Boku	4.2
Hollywood Bowl	4.2
Spire Healthcare	4.1

#### 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

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