

Performance Update

August 2019 **Legends Fund -5.67%**

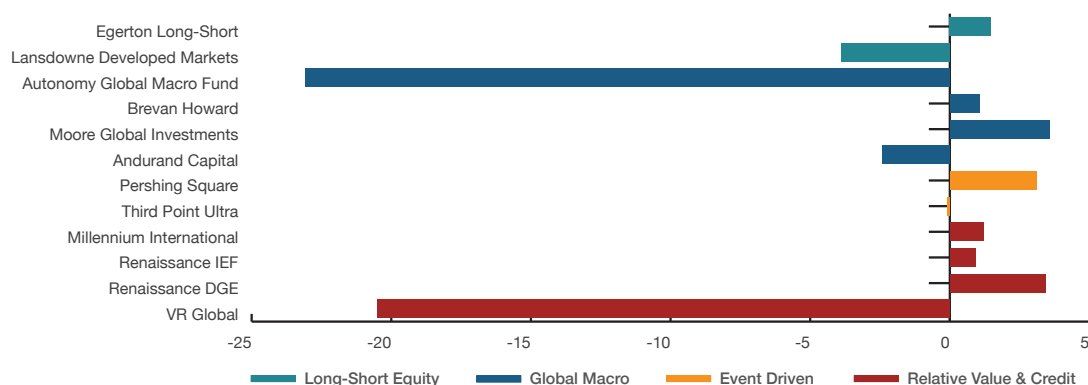
Legends Fund Performance

Legends Fund was down 5.67% in August, bringing the year-to-date performance to +0.73%. In comparison the HFRX Global Hedge Fund Index (hedged to EUR) was down 0.1% in August and is +2.19% year-to-date.

Legends Fund saw an unusually large loss in August which was fully driven by positions in Argentina of two of our largest holdings: Autonomy Global Macro and VR Global. After spending much time with the managers understanding the events behind the extreme market movements in August, we feel strongly that valuations have become detached from the economic reality in a profound way and that the situation presents a rare buying opportunity for these managers. The losses remain unrealized and are exacerbated by the currently very wide bid-offer spreads. Our managers, despite the steepness of the losses, remain in a strong position to approach the situation as an opportunity and as such we expect them to perform well on the back of this.

Outside of the events in Argentina, the rest of the portfolio actually held up well in August which was a difficult month for equity markets. This is encouraging as going forward we expect more volatility, with the Argentina positions turning into a tailwind.

Results (%) per manager* for August 2019



* Managers that have a weighting of less than 5% due the building or exiting of a position are excluded.

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Results per Strategy

Argentina

Given the unusually large loss in Argentina we will provide some additional detail on the situation. Two of Legends Fund's largest holdings had built sizeable positions on the back of the currency crisis last year. However, on Sunday, August 11, Argentines went to the polls in primary elections and delivered another shock to the system unforeseen by any pollsters, candidates or market participants amongst whom our managers. While it was expected that Alberto Fernández would poll 2-6 points ahead of President Maurice Macri, it turned out that the difference in favour of Fernández was actually greater than 15%. This result means that, aside from a miracle, Macri stands no chance to be re-elected. The result sent Argentine markets into a tailspin. According to Bloomberg, Argentine equity markets saw the second-largest single day fall in any equity market in 94 years. Argentine debt similarly plunged, as did the currency. The typical lack of liquidity in August exacerbated the moves.

We have spent a lot of time understanding the situation in Argentina by talking to several specialist managers, both exposed and not exposed. From these discussions a clear image emerges of a market reaction that is not reflective of the underlying economic reality, but driven by complete panic and a lack of liquidity in August. We strongly feel that we couldn't have better investors in play than VR and Autonomy given the situation at hand. Both have a long history in Argentina and both have achieved their best returns historically investing in times of comparable crises. They are fully on top of the situation, are amongst the first to have been on the ground discussing the situation with Fernández' top advisors, representatives of the provinces, the central bank, the treasury department and a wide range of corporates and banks. Banks in Argentina are healthy and liquid, NPLs are a small fraction of GDP and the (most likely) incoming government is expected to be pragmatic, and not to represent a return to Cristina Fernández de Kirchner policies, something that markets are now pricing in. To execute on the expected government's agenda of restoring growth, international investment is essential and both managers fully expect them to continue to work with the IMF, despite the likely rhetoric in the short term.

Overall, both managers feel strongly that Argentina is not facing a solvency problem as the overall debt levels are manageable, but rather a liquidity challenge caused by the political vacuum that is a result of the political system in which the (compulsory) primaries are more than two months ahead of the actual election. Both VR and Autonomy are finding highly attractive investment opportunities across sovereign, provincial and corporate debt as well as equities and they believe the currency at these levels is way undervalued.

The losses in Argentina to-date remain unrealized and both managers view the situation as one that should turn out to be overall profitable when the dust has settled.

Long-Short Equity

John Armitage's [Egerton Long-Short Fund](#) gained 1.5% in July, bringing year-to-date to 17.8%. Pete Davies' [Lansdowne Developed Markets Fund](#) recorded a loss of 3.9% and is down 9.1% for the year. We are fully exiting the position per September 30th.

Event Driven

Bill Ackman's [Pershing Square Holdings](#) (PSH) gained 3.1% in August and is now up 44% for the year. Dan Loeb's [Third Point Ultra Fund](#) had an uneventful month ending down 0.1% and keeping the year-to-date gains at 18.4%.

Global Macro

Alan Howard's [Brevan Howard Fund](#) gained 1.1% in August and is now up a notch below 10% for the year. Pierre Andurand's [Andurand Commodity Fund](#) gave back 2.4% in August and for the year as oil prices dropped over 7% while the manager remains bullish. Robert Gibbins' [Autonomy Global Macro Fund](#) was down 23% in August and is down 17% YTD. We refer to the situation in Argentina above.

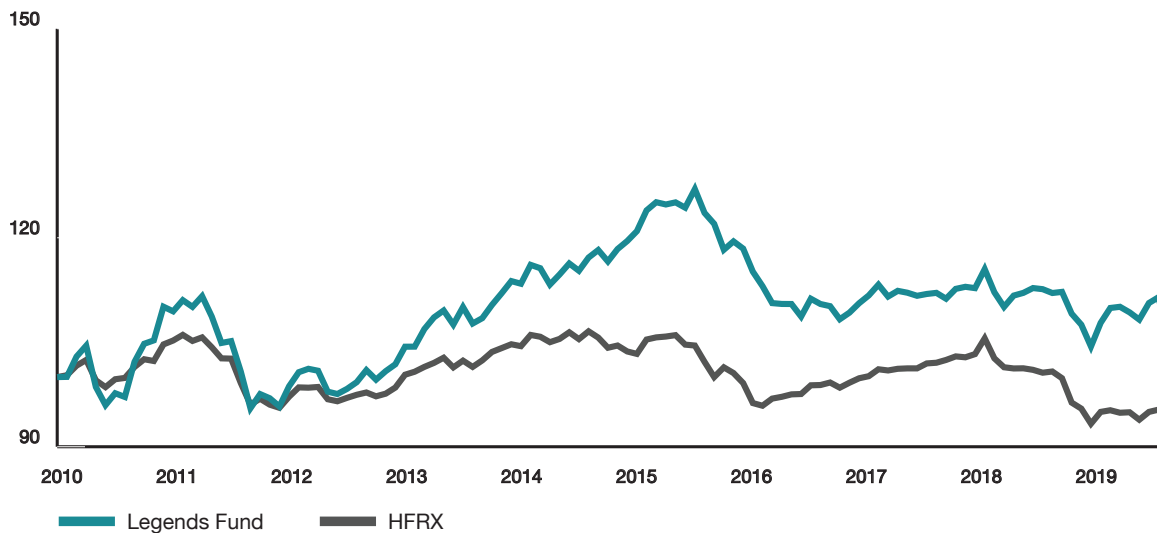
Relative Value, Quant & Credit

Richard Deitz' **VR Global** lost 20.5% in August and is now down 12.2% in 2019. See above on Argentina for further details. In the quant-strategy, the long-biased **Institutional Equities Fund (RIEF)** was up 0.9% in June, resulting in a YTD gain of 8.2%. The market neutral **Renaissance Institutional Diversified Global Fund (RIDGE)** even gained 3.4% and is up 6.2% for the year. Izzy Englander's **Millennium International** was up 1.0% bringing the return for the first half of the year to 6.2%.

Returns (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Year	Index*
2019	3.25	1.99	0.15	-0.73	-0.95	2.20	0.76	-5.67	-	-	-	-	0.73	2.19
2018	2.41	-2.87	-1.88	1.48	0.35	0.62	-0.14	-0.49	0.14	-2.79	-1.45	-2.91	-7.43	-9.93
2017	1.02	2.38	-1.51	0.74	-0.24	-0.39	0.23	0.14	-0.75	1.27	0.27	-0.17	1.96	3.49
2016	-2.78	-1.81	-2.16	-0.22	-0.01	-1.63	2.36	-0.68	-0.28	-1.71	0.88	1.23	-6.63	0.70
2015	1.19	2.46	0.95	-0.26	0.24	-0.61	2.14	-2.68	-1.27	-3.05	1.01	-0.87	-0.90	-4.38
2014	-0.33	2.39	-0.41	-2.03	1.28	1.37	-0.90	1.65	0.92	-1.39	1.53	0.99	5.08	-0.98
2013	2.47	0.01	2.41	1.57	0.91	-1.84	2.33	-2.14	0.72	1.75	1.51	1.56	11.72	6.31
2012	3.03	2.05	0.48	-0.27	-2.98	-0.34	0.75	0.98	1.74	-1.36	1.22	0.98	6.33	3.05
2011	-0.60	1.46	-0.86	1.39	-2.63	-3.48	0.25	-4.14	-5.23	2.12	-0.61	-1.22	-13.01	-8.70
2010	-	0.03	2.91	1.52	-5.67	-2.64	1.77	-0.54	5.19	2.53	0.47	4.58	9.62	4.63

Results from Feb 2010 to Dec 2012 are the results of Legends Fund predecessor fund (same strategy, but no listing).

* The HFRX Global hedge Fund index hedged to Euro



Fund Characteristics

Return Target	Euribor +5%
AuM	EUR 250 Million in strategy
Month-End NAV	EUR 91.41
Participations	267,674
Subscriptions	Daily, through stock exchange
Redemptions	Daily, through stock exchange
Direct Fund Dealings	Daily subscriptions, monthly redemptions with 90 days notice
Management Fee	0.625%
Performance Fee	5% with High Watermark
Subscription Fee	0%
Redemption Fee	0%
Currency	EUR
ISIN Code	NL0009692839

About Legends Fund

Legends Fund offers unique access to some of the world's most renowned money managers. The underlying funds are mostly closed to new investors or require multi-million dollar minimums. Through its industry network and long standing history with these managers Legends Fund makes this unique investment talent accessible to all investors. Through its listing at Euronext Amsterdam, Legends Fund can be bought and sold on a daily basis without a minimum investment amount.

Legends Fund is managed by the hedge fund specialists of Theta Capital Management. Established in 2001, Theta Capital Management is one of the oldest and largest independent Dutch Alternative Asset Managers. Since its creation, Theta has been exclusively focused on managing portfolios of hedge funds for both private and institutional clients. Management and shareholders of Theta Capital are among the largest investors in Legends.

