

# Performance Update

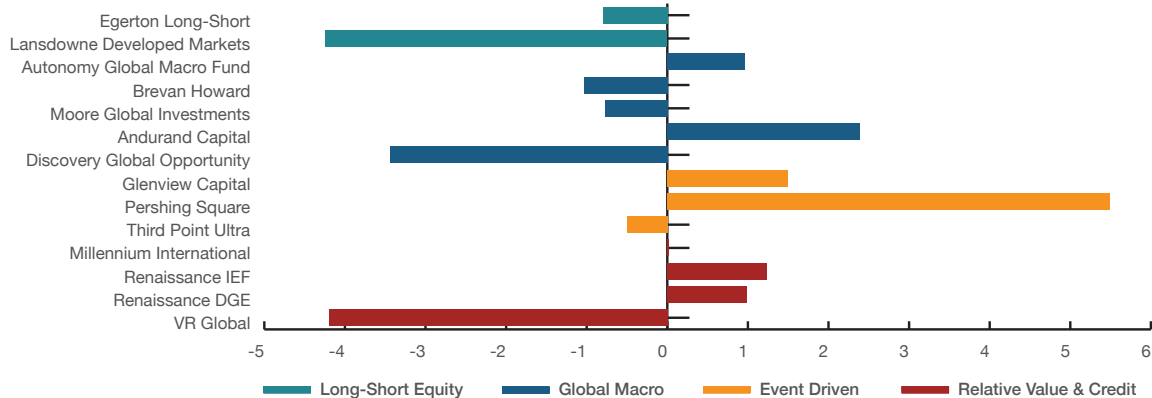
June 2018 **Legends Fund +0.62%**

## Legends Fund Performance

Legends Fund gained 0.62% in June. It was a good result in a difficult month for hedge funds in general (HFRX Global HF Index: -0.48%) and negative equity markets (MSCI World TR: -0.50%). Pershing Square Holdings (+5.5%) was a top contributor for the third month in a row, and Andurand (+2.3%) and Autonomy (+1.0%) also performed well.

There is a lot going on in markets with the protectionist moves initiated by the US, currency blow-ups and stock market declines in various emerging markets, US rate rises and a flattening yield curve and the risk of the situation in Italy spinning out of control. Probably, the largest overall theme is that we are now entering a period of net liquidity subtraction after 10 years of monetary stimulus. There can be little doubt that this will lead to a return of dispersion between securities across asset classes, providing a fertile backdrop for our unconstrained managers to make money on both the long and the short side.

## Results (%) per manager\* for June 2018



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

## Registration is open - Legends4Legends 2018

On Thursday, October 18th Theta Capital together with Alternatives4Children will organize the third Legends4Legends conference in Amsterdam. After two highly successful events with an unparalleled line-up of hedge fund managers, we look forward to revealing the speakers for this year's event over the coming months.



Please visit our event website [www.legends4legends.org](http://www.legends4legends.org) for more information. Registration is now open.

## Results per Strategy

### Event Driven

Bill Ackman's [Pershing Square Holdings](#) continued its strong run. The listed shares gained 5.5%, bringing the second-quarter gain to 20%. Profits in June were driven by holdings in Restaurant Brands, ADP and Mondelez, and by a 3% tightening of the discount to the fund NAV. The discount remains rich at 21% even after the recent buyback and the conclusion of Ackman's \$300million personal investment in the fund. Dan Loeb's [Third Point Ultra Fund](#) was down 0.5%. Baxter and Netflix were the only significant contributors on the long side. It was the short book that caused the small loss. Larry Robbins [Glenview Capital](#) ended the month up 1.5% after having been up close to 7% mid-month. We have exited Glenview per June 30th in order to further reduce the equity beta of Legends Fund making room to focus on other return drivers.

### Global Macro

Robert Gibbins' [Autonomy Global Macro Fund](#) gained 0.96%. Gibbins currently sees a rich opportunity set in emerging markets, a direct result of the large recent moves in certain currencies, equity markets and local debt. Being up over 6% year-to-date, he clearly has navigated the turmoil well and is in a good position to capitalize on the indiscriminate selling that has taken place in for example Argentina. Pierre Andurand's [Andurand Commodity Fund](#) ended up 2.3% in a volatile month. By mid-month oil prices had come down as a result of OPEC's decision to increase oil supply. However by the end of the month oil had moved higher month-over-month, validating Andurand's view that years of underinvestment in the sector will result in significantly higher oil prices. Alan Howard's [Brevan Howard Fund](#) and Rob Citrone's [Discovery Global Opportunity Fund](#) both gave back some of the strong gains in May and also Louis Bacon's [Moore Global Investments](#) suffered a small down-month of -0.77%.

### Long-Short Equity

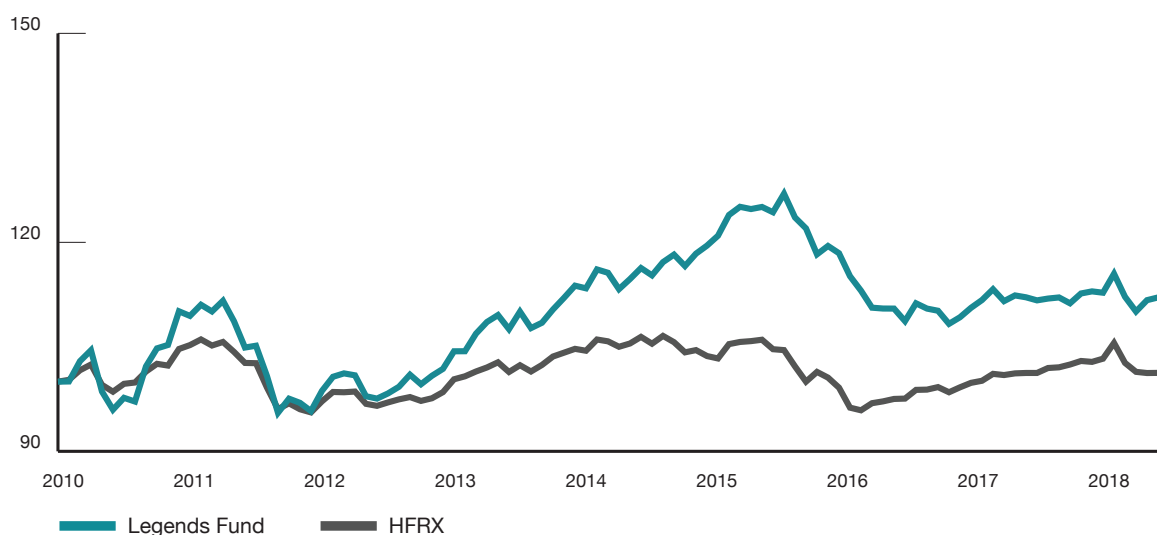
It was a tough month for Peter Davies' [Lansdowne Developed Markets](#). The fund lost 4.2% driven by both the long- and the shortbook. Strong gains in Inmarsat (+46%) and Ocado Group (+14%) were offset by selloffs in large positions in Delta Airlines (-8.3%) and Lufthansa (-11.4%) as unexpected increases in jet fuel are driving increased costs. Losses on the short side, especially in consumer cyclicals, pushed the fund firmly in the red. John Armitage's [Egerton Long-Short Fund](#) lost 0.8%. This was due to the short book; the long book was a net contributor. The fund's new position in 21st Century Fox was by far the strongest contributor as its shares gained 29% in June. The position has become Egerton's largest position at 8.1% of NAV. It is followed by a 7.2% position in Airbus and a 4.3% position in Safran.

### Relative Value, Quant & Credit

Richard Deitz' [VR Global](#) lost 4.2% in June. It brings the fund's total drawdown to 10%. Strange as it may sound, this is exciting to us. There had been few areas for the fund recently to take new positions lowering the outlook for future returns. Especially with the selloff in Argentina, this has now changed and Deitz is once again finding attractive opportunities to deploy capital. Such is the nature of distressed debt investing. The previous meaningful losses for the fund date from the July 2014-January 2015 period when the fund suffered a cumulative drawdown of 12.5%. This was followed by 3 years of 21% gains on average with only 3 negative months. Izzy Englander's [Millennium International](#) alpha machine faltered a bit in June and the fund posted a minimal, though still positive, return. Millennium has gained a respectable 6% in the first half year of 2018 with only positive monthly numbers. The [Renaissance Institutional Diversified Global Equities Fund](#) gained 0.99% in June and the [Renaissance Institutional Equities Fund](#) gained 1.23%. This resulted in a positive, though unexciting 3.4% and 1.3% gain respectively for the first half year of 2018.

Returns (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Year	Index*
<b>2018</b>	2.41	-2.87	-1.88	1.48	0.35	0.62	-	-	-	-	-	-	<b>0.02</b>	<b>-2.46</b>
<b>2017</b>	1.02	2.38	-1.51	0.74	-0.24	-0.39	0.23	0.14	-0.75	1.27	0.27	-0.17	<b>1.96</b>	<b>3.49</b>
<b>2016</b>	-2.78	-1.81	-2.16	-0.22	-0.01	-1.63	2.36	-0.68	-0.28	-1.71	0.88	1.23	<b>-6.63</b>	<b>0.70</b>
<b>2015</b>	1.19	2.46	0.95	-0.26	0.24	-0.61	2.14	-2.68	-1.27	-3.05	1.01	-0.87	<b>-0.90</b>	<b>-4.38</b>
<b>2014</b>	-0.33	2.39	-0.41	-2.03	1.28	1.37	-0.90	1.65	0.92	-1.39	1.53	0.99	<b>5.08</b>	<b>-0.98</b>
<b>2013</b>	2.47	0.01	2.41	1.57	0.91	-1.84	2.33	-2.14	0.72	1.75	1.51	1.56	<b>11.72</b>	<b>6.31</b>
<b>2012</b>	3.03	2.05	0.48	-0.27	-2.98	-0.34	0.75	0.98	1.74	-1.36	1.22	0.98	<b>6.33</b>	<b>3.05</b>
<b>2011</b>	-0.60	1.46	-0.86	1.39	-2.63	-3.48	0.25	-4.14	-5.23	2.12	-0.61	-1.22	<b>-13.01</b>	<b>-8.70</b>
<b>2010</b>	-	0.03	2.91	1.52	-5.67	-2.64	1.77	-0.54	5.19	2.53	0.47	4.58	<b>9.62</b>	<b>4.63</b>

\* HFRX Global Hedge Fund Index Hedged to EURO

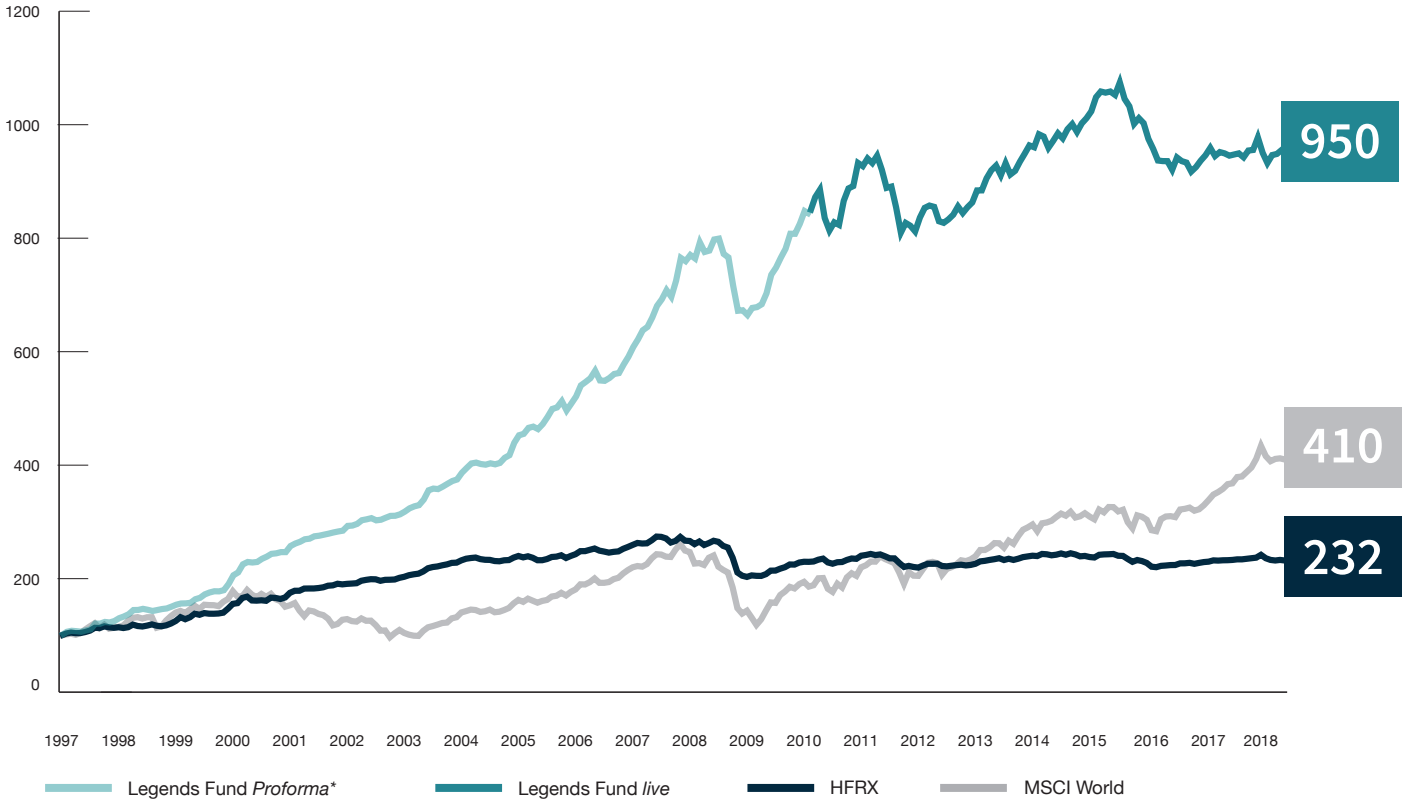


## Long Term Statistics (1997 – June 2018)

	Legends Fund*	HFRX Index	AEX Index	Govt. Bonds	MSCI World
Annual Return (%)	11.0	4.0	3.0	4.6	6.8
Annual Standard Deviation (%)	7.3	6.1	19.6	2.8	15.4
Sharpe Ratio	1.2	0.3	0.1	0.8	0.3
Maximum Loss (%)	-16.9	-25.9	-68.5	-3.4	-54.6
Beta to MSCI World	0.30	0.30	1.00	-	1.00

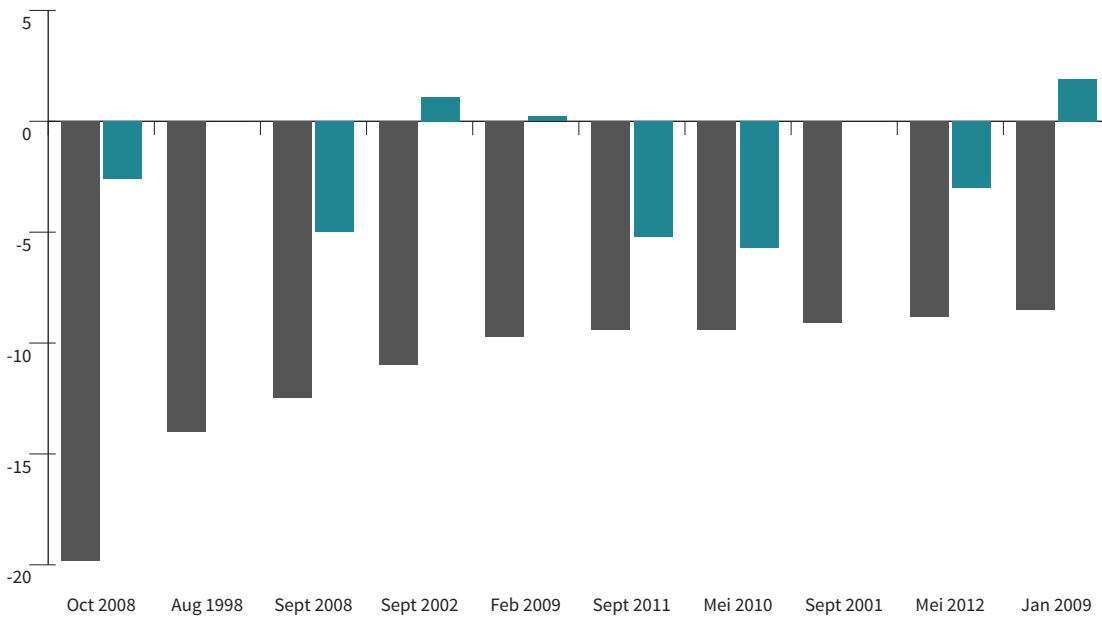
\* Until February 1, 2010, returns based on a pro-forma portfolio of Legends with current target weightings and net of Legends Fund fees. Live results from February 2010. Results prior to Feb 2010 are shown for illustrative purposes only.

The chart below shows the cumulative returns of the Legends portfolio since 1997.



\* Until February 1, 2010, returns based on a pro-forma portfolio of Legends with current target weightings and net of Legends Fund fees. Live results from February 2010. Results prior to Feb 2010 are shown for illustrative purposes only.

Performance of the Legends Fund portfolio in worst months for equity markets since 1997.



\* Until February 1, 2010, returns based on a pro-forma portfolio of Legends with current target weightings and net of Legends Fund fees. Live results from February 2010. Results prior to Feb 2010 are shown for illustrative purposes only.

## Fund Characteristics

Return Target	Euribor +5%
AuM	EUR 250 Million in strategy
Month-End NAV	EUR 98.05
Participations	365,694
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.