

Performance Update

March 2020 **Legends Fund -7.76%**

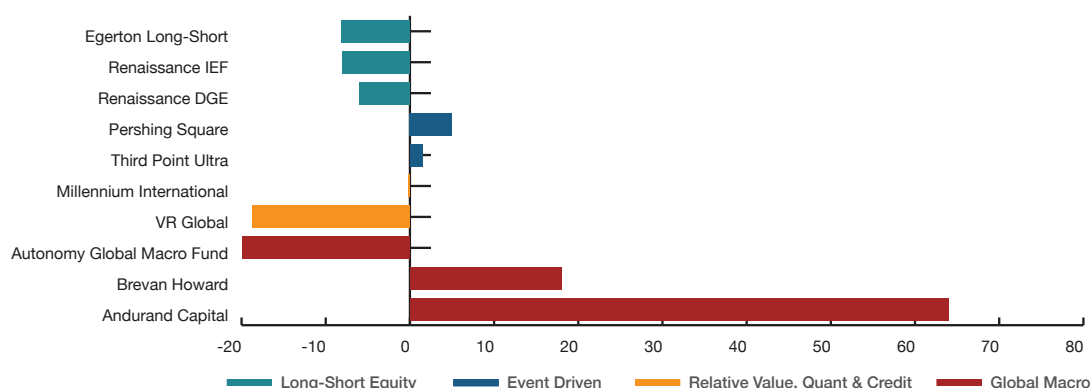
Legends Fund Performance

Legends Fund lost 7.76% in March, bringing year-to-date performance to -8.67%. The reference HFRX Global Hedge Fund Index was down 6.46% for the month and 8.16% for the year.

Unnecessary to say, but March was quite something. We saw moves in markets in just a few weeks that in the Great Financial Crisis took about 18 months to transpire. You will have read many commentaries already and we will focus this letter on how our managers held up and what opportunities we see ahead of us. We have already started to steer the portfolio to the areas where we see the best risk-adjusted returns as the depth, but even more so the speed of the correction has thrown up unprecedented dislocations in some market segments that hedge funds are well positioned for to capitalize on.

Of the 10 managers in the fund, three were actually positive and a fourth was down just 0.20%. Still, steep mark-to-market losses by the other 6 managers caused the monthly loss as reported.

Results (%) per manager* for March 2020



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

Results per Strategy

Global Macro

Pierre Andurand's [Andurand Commodity Fund](#) gained 64% in March after correctly anticipating a major effect of COVID19 on oil demand. The manager hadn't performed well in the prior two years, but he delivered on our expectation that when big moves occur in energy markets, he will generally capture them. With a lot of supply (permanently) cut off from the market, there will also be a long trade again at some point for which we expect Andurand to be well positioned. The other big winner was Alan Howard's [Brevan Howard Fund](#) which gained 18% in March. Brevan Howard is one of the most reliable funds for providing strong returns when volatility across markets spikes and they didn't disappoint. We believe the opportunity set for the manager remains strong as volatility is likely to remain elevated and big moves in rates and fx are very possible on the back of COVID 19's economic impact and the unprecedented government responses to it. On the negative side in this bucket, Robert Gibbins' [Autonomy Global Macro Fund](#) was down sharply (-19.9%) in March. While the book is constructed with a balance of risk on and risk off positions, it couldn't withstand the violence of the moves in March. Positions in developed markets rates hurt as well as its large emerging markets portfolio. The manager did put on significant new positions in March with an emphasis on emerging markets rates markets where big dislocations occurred.

Event Driven

Bill Ackman's fund gained 11% in March, the result of extremely timely credit hedges the manager put on in February after getting very nervous about the possible impact of COVID19. The listed vehicle [Pershing Square Holdings \(PSH\)](#) lagged a few percent (+5.21%) as the discount widened, but we made up for most of that by successfully managing the position around the discount, which hit 50% at one point – something our models captured ahead of the fund reporting NAVs. Ackman exited all the hedges at the lows in March and the portfolio is now fully long again. Dan Loeb's [Third Point Ultra Fund](#) lost 14.8% in March, with the equity book being the main culprit. The manager has already made a large shift towards credit where he now sees the best opportunities. We agree with this, as dislocations in certain parts of the credit markets are unprecedented, offering high double digit returns while bearing little fundamental risk.

Long-Short Equity

John Armitage's [Egerton Long-Short Fund](#) lost 8.8% in March. Longs were down 18.9% on average, while the average short was down a similar amount. Their top 5 detractors and contributors show the magnitude of moves in the market. Of the top 5 detractors (all longs) the average loss in the months was 41%. And the top 5 contributors (all shorts) went down 35%. On the quant side the [Renaissance Institutional Equities Fund \(RIEF\)](#) lost 8.0%, while the [Renaissance Institutional Diversified Global Fund \(RIDGE\)](#) lost 6.0%. These numbers were quite disappointing to us, especially for RIDGE which has a longer term beta of 0 to equity markets, and clearly show how quant managers had difficulties incorporating the effect the virus had on the economy.

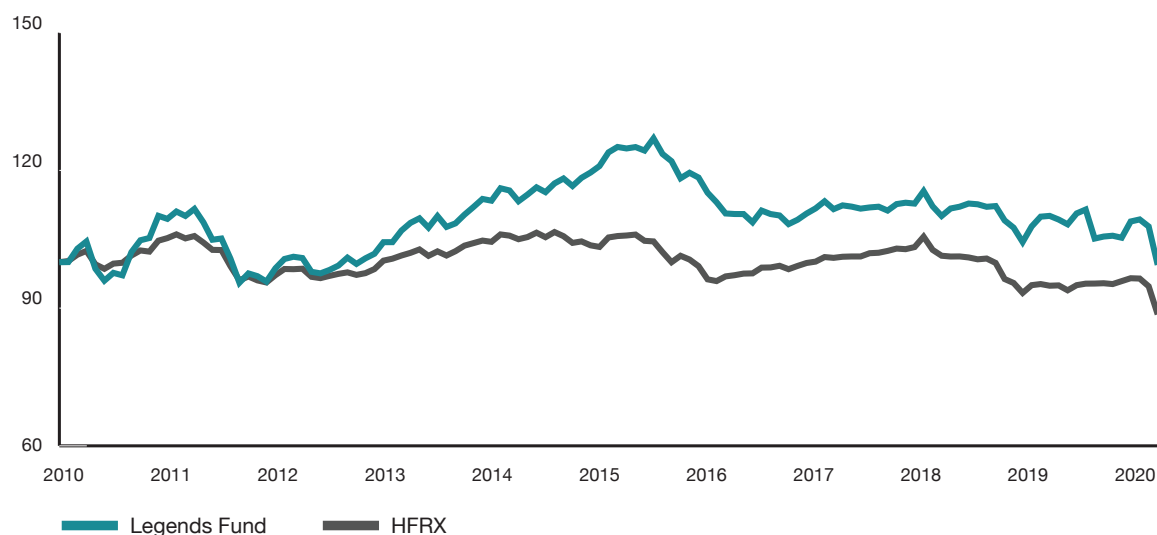
Relative Value, Quant & Credit

Richard Deitz' [VR Global](#) lost 18.8% in March, and the [VR Argentina Recovery Fund II](#) was down 27%. Given what transpired in markets this wasn't too big a surprise, as emerging markets in any crisis tend to take the most pain. The manager believes that Argentina, which is also a significant exposure in the main fund, while certainly impacted by the virus, will still see a good outcome from the debt restructuring process given that prices are deeply distressed. More in general, given that the opportunity set is now squarely in VR's court, we expect some very strong years from this manager from here. For Izzy Englander's [Millennium International](#), March saw some intra-month P&L not seen before, but with dislocations in the most liquid of markets recovering quickly, the fund ended down a very modest 0.2%.

Returns (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Year	Index*
2020	0.41	-1.40	-7.76										-8.67	-8.16
2019	3.25	1.99	0.15	-0.73	-0.95	2.20	0.76	-5.67	0.42	0.17	-0.41	3.36	4.30	3.44
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

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 86.44
Participations	255,570
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.

