

Performance Update

December 2021 **Legends Fund -5.32% | YTD +50.68%**

Legends Fund Performance

Legends Fund returned -5.32% in December, bringing the year-to-date performance to +50.68%. The reference HFRX Global Hedge Fund Index (EUR) was +0.32% in December and +2.65% year-to-date.

It's been quite a year for the Legends Fund. Even if we take the best performing asset class in 2021, global equities, which was +18.5%, Theta Legends Fund significantly outperformed that by a factor of nearly 3x. To say nothing of the global government bond index which returned a horrific -5.8% in 2021. We are pleased to say that for the year Theta Legends Fund returned an eye-catching +50.68%.

Perhaps it is interesting to start with the trickiest asset class first. Fixed income had to contend with a myriad of issues. On the one hand bond investors had to navigate central bank risk where at least the direction of travel pointed towards tightening, on the other hand inflation, which ended the year close to 7% in the US. I.e., 10-year US treasury yields moved up from a very low base, but only to 1.5%, resulting in US real yields dipping to as low as -1.5%, the lowest level since the inception of the TIPS market in 1997. This meant that to create some sort of fixed income, investors had to move up the risk curve. Indeed, US and European high yield were pretty much the only fixed income sub sectors that provided a positive return. This is however clearly not without risks, and we feel comfortable in the knowledge that the Legends Fund has exposure to two of the best credit funds out there in the form of VR Global and Saba. Especially VR posted very strong returns to end the year +14.8%, in most part due to their investments in Argentinian provincial debt. In this environment, we feel risk management and a focus on special situations is key in navigating credit.

The opposite of this trade, in terms of performance at least, was a surging equities market. Quite remarkable given covid related supply chain hiccups and spiraling oil prices. However, the adage "never fight the Fed" never rang truer than in 2021. Especially with the added sauce of fiscal stimulus. However, the last weeks of December highlighted the risks associated with central bank policy reversals and the potential for mistakes. It is also worth noting that not all equity indices were created equal. The S&P 500 was the main winner with a considerable rise of +28.7% for the year after a strong 2020. This did mask underlying sector rotation which towards the end of the year saw a big move out of tech stocks. Chinese equities on the other hand had a very tough year indeed. Increased regulation on the tech and property sectors, energy shortages and slowing economic growth related to China's "zero covid" policy, meant that in sharp contrast to the US, the MSCI China ended the year -21.7%.

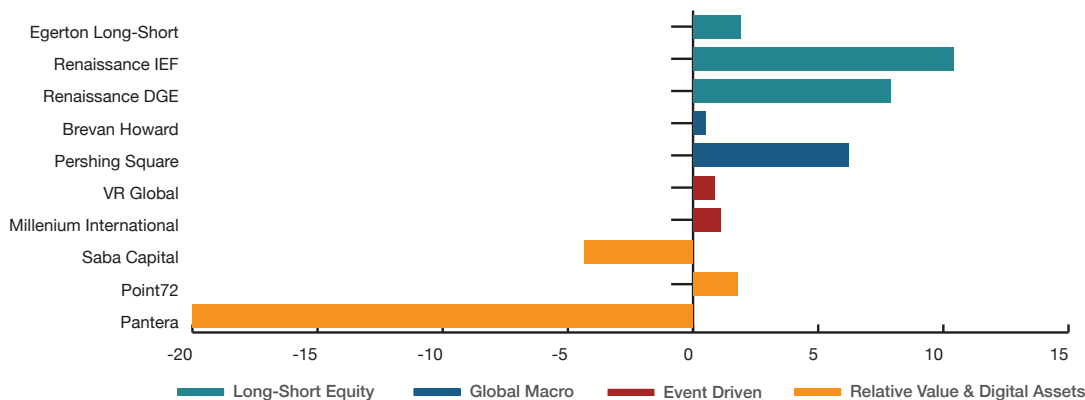
We are pleased to say that our global long/short equities and macro Legends have managed to avoid such pitfalls and all posted positive returns. Perhaps not as positive as the S&P, but we feel safe in the knowledge that while some fantastic businesses with very high valuations have continued to perform well in 2021, our Legends like Pershing Square, Egerton, Point72 and Renaissance offer a more diversified and uncorrelated returns profile for a market that has the potential to gyrate wildly as the aforementioned risk of central bank policy mistakes increases as inflation numbers continue to rise dramatically. An example from 2021 is Pershing Square's timely inflation hedge highlighting the more nimble approach the best hedge funds can adopt once the tide goes out.

The prize for best performance however goes to a fund who invests in an asset class that has made a huge shift towards the mainstream in 2021. Pantera Capital was up a stunning +463% for the year, highlighting the diversified returns to be found in the blockchain/crypto space for those who understand this complicated asset class. Indeed, even “traditional” hedge funds like for instance Point72’s Steve Cohen and Brevan Howard’s Alan Howard are exploring the possibilities of investments in crypto and have themselves already made sizeable investments in a personal capacity. Theta itself is now a global leader in the space through our dedicated Theta Blockchain Ventures and we are delighted to see that Pantera provided such stellar returns to the Legends Fund.

Restructuring of Legends Fund – transfer to Theta Legends Fund

You will also have seen from the website, the listing of Legends will be removed per Dec 31st 2021 and we will also changing Depository and Custodian to Northern Trust. As a consequence, the assets of Legends Fund will be transferred to the new Theta Legends Fund effective January 1st 2022. What this means for investors is that their investment will no longer be held in Euroclear but in the Fund’s share register. We will no longer maintain the www.legendfund.nl website but inform investors via the www.thetacapital.com website and as we now will have your contact details we will be able to email you directly updates. The NAV and number of shares an investor hold will be maintained in the new fund. The institution that you hold your shares in Legends Fund will reach out to you to facilitate the transfer the fund’s share register. Although this is technically a new fund – everything is mirrored from the old fund and for all intents and purposes is the same investment vehicle. If you have any questions on this – please refer to the notices on the website or reach out to us directly.

Results (%) per manager* for December 2021



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

Performance Summary per sub sector

Long-Short Equity

Egerton Long-Short Fund (John Armitage): +1.9% in December, +8.8% YTD

Renaissance Technologies (Jim Simons): RIEF +10.41% in December, +19.13% YTD and RIDGE +7.89% in December, +10.90% YTD

Global Macro

Brevan Howard Fund (Alan Howard): +0.48% in December, +2.08% YTD

Event Driven

VR Global (Richard Deitz): +0.85% in December, +14.80% YTD

Pershing Square Holdings (Bill Ackman): +6.20% in December, +17.43% YTD

Relative Value & Digital Assets

Millennium International (Izzy Englander): +1.11% in December, +13.14% YTD

Saba Capital Masterfund (Boaz Weinstein): -4.32% in December, -0.93% YTD

Point72 (Steve Cohen): +1.77% in December, +8.19% YTD

Pantera Early Stage Token Fund (Dan Morehead): -20.0% in December, +463.0% YTD

Returns (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Year	Index*
2021	3.78	19.06	9.79	7.24	-3.91	-0.96	2.42	3.00	-1.50	7.15	3.24	-5.32	50.68	3.74
2020	0.41	-1.40	-7.76	4.91	1.70	2.35	4.11	+6.96	-3.02	-2.08	2.53	7.31	16.04	3.00
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
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 169.29
Participations	203,518
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.

