

# Performance Update

June 2021 **Legends Fund -0.96% | YTD 38.44%**

## Legends Fund Performance

Legends Fund returned -0.96% in June, bringing the year-to-date performance to +38.44%. The reference HFRX Global Hedge Fund Index (EUR) was +0.34% and +3.25% year-to-date.

On the surface June was a relatively calm month for markets. Equities were by and large flat to slightly up, with a strong outperformance of “growth” stocks after having lagged “value” stocks for most of 2021. In fixed income markets high yield and emerging market debt were the strong performers.

Beneath the surface however, there is an almighty debate raging amongst the Legends that form the Legends Fund. And that debate is on inflation. As the economy continues to re-open and vaccinations continue to be effectively rolled out, all with the added fiscal stimulus of the Biden administration, short term inflation expectations are well seasoned. Indeed, the print for May US price inflation was +5.0% year on year. And there is ample spending power to keep up. US household wealth has ballooned from \$118tn at the end of 2019 to \$130.4tn at the end of 2020. An increase of 10%. From the 2007 peak before the great financial crisis, it took 6 years to achieve a 10% increase to that level. But as the Fed has pointed out, this should be considered short term inflation after coming out of an unnaturally deep economic hole.

But is it transitory? As Point72 economist David Seif recently pointed out, the market believes the Fed does indeed have things under control. He observed evidence of this when the Fed admitted in their June meeting that tapering is being discussed and that the Fed open market committee is now expecting 2 rate hikes in 2023, up from 0 three months ago. This interestingly sent 10-30 US treasury yields lower. The rationale being that the market thought inflation could get out of control and is now more comfortable that in the mid to long term it is not as the Fed is moving towards a more hawkish stance.

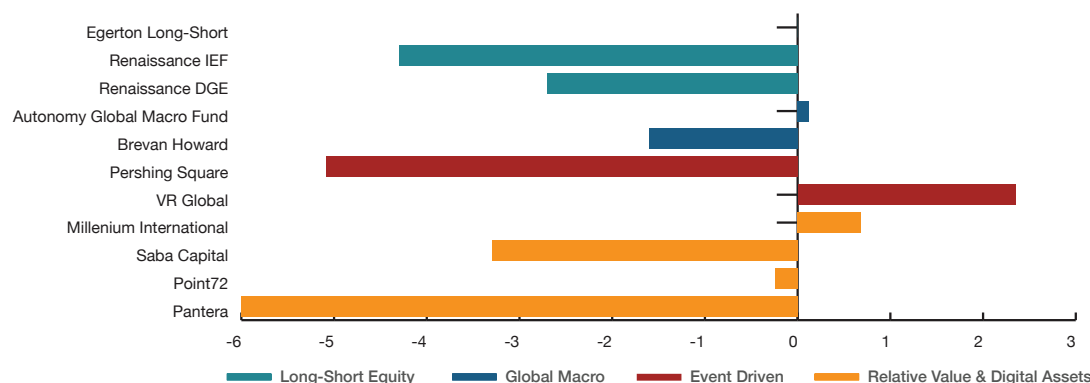
Point72 isn't so sure this benign narrative is the final word on inflation and neither do Saba or Breven Howard. Digging a little deeper, Breven Howard has for instance pointed out that even in the short term, 2 risks need to be considered: Elevated goods inflation due to big supply bottlenecks (just look at the semiconductor and timber markets) and the likelihood of rent increases in the US. After all, consumer price inflation is now running ahead of widely reported wage inflation. The Fed now has a very fine tightrope to walk both with regards to short- and long-term inflation expectations. Any policy mistake either way could cause riotous volatility in both equity and fixed income markets.

To include a brief history lesson, US President Joe Biden likes to loosely compare himself to 60's president Lyndon Johnson. When Johnson started his tenure in 1963, inflation ran at c. 2%. In the proceeding 6 years of his presidency, it jumped first to 3 and then 6% due to a mix of fiscal stimulus, the Vietnam War and Fed policy mistakes. To say nothing of the 1970's when US interest rates peaked at nearly 20%.

We feel comfortable that the Legends Fund is exposed to the best and most experienced alternative asset managers globally who have the ability not only to navigate these increasingly challenging markets, but to thrive in them.

In this context it is also worth mentioning the uncorrelated returns the fund has exposure to. The VR Global fund for instance returned a further +2.35% in June amongst other things by seeing a continued rally in Argentinian provincial debt after having helped restructure that debt at the local level themselves. Or Pantera, the blockchain specialist, which although having returned -6% in June, is still +296% for the year.

## Results (%) per manager\* for June 2021



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

## Performance Summary per sub sector

### Long-Short Equity

**Point72 (Steve Cohen):** -0.2% in June, +1.0% YTD

**Egerton Long-Short Fund (John Armitage):** +0.0% in June, +6.4% YTD

**Renaissance Technologies (Jim Simons):** RIEF -4.3% in June, +0.4% YTD and RIDGE -2.7% in June, -0.7% YTD

### Global Macro

**Brevan Howard Fund (Alan Howard):** -1.6% in June, +0.7% YTD

**Autonomy Global Macro Fund:** +0.1% in June, -17.2% YTD

### Event Driven

**VR Global (Richard Deitz):** +2.4% in June, +11.5% YTD; **VR Argentina:** + 4.50% in June, +9.3% YTD

**Pershing Square Holdings (Bill Ackman):** -5.1% in June, +4.1% YTD

### Relative Value & Digital Assets

**Millennium International (Izzy Englander):** +0.7% in June, +4.4% YTD

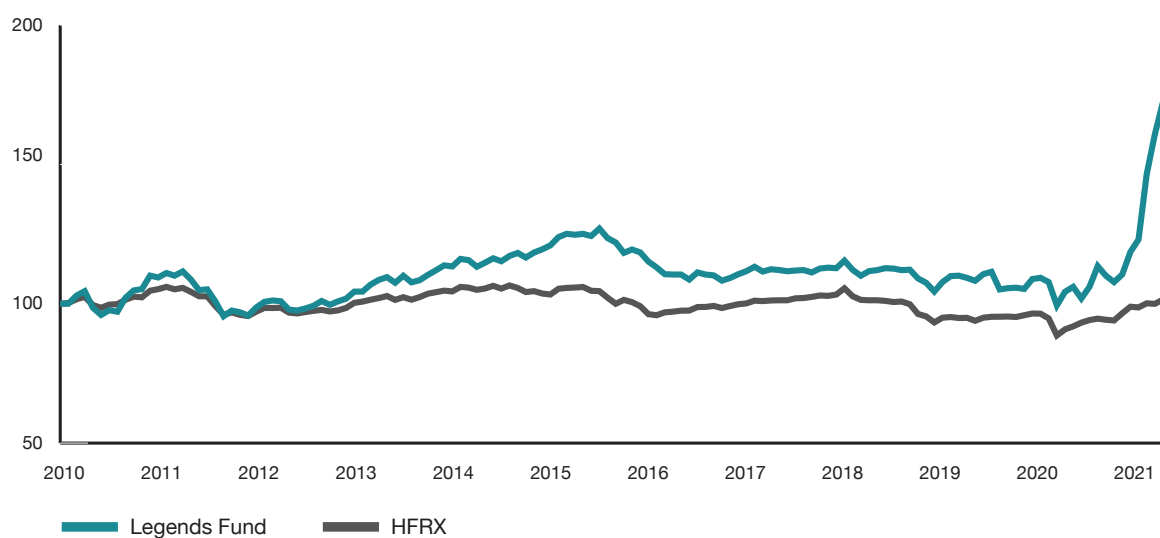
**Saba Capital Masterfund (Boaz Weinstein):** -3.3% in June, +0.5% YTD

**Pantera Early Stage Token Fund (Dan Morehead):** -6.0% in June, +296% YTD

Returns (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Year	Index*
<b>2021</b>	3.78	19.06	9.79	7.24	-3.91	-0.96	-	-	-	-	-	-	<b>38.44</b>	<b>3.25</b>
<b>2020</b>	0.41	-1.40	-7.76	4.91	1.70	2.35	4.11	+6.96	-3.02	-2.08	2.53	7.31	<b>16.04</b>	<b>3.00</b>
<b>2019</b>	3.25	1.99	0.15	-0.73	-0.95	2.20	0.76	-5.67	0.42	0.17	-0.41	3.36	<b>4.30</b>	<b>3.44</b>
<b>2018</b>	2.41	-2.87	-1.88	1.48	0.35	0.62	-0.14	-0.49	0.14	-2.79	-1.45	-2.91	<b>-7.43</b>	<b>-9.93</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>

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 152.05
Participations	203,517
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.

