

ORGANISED BY  THETA CAPITAL MANAGEMENT

The bull case for Bitcoin & the disruptive force of blockchain technology



Dan Morehead
CEO and Founder
Pantera Capital

Raising funds for
Alternatives4Children



On December 8th, Dan Morehead, Founder, CEO and co-CIO of Pantera Capital - one of the underlying Legends Fund managers - will present on the second online Legends4Legends session.

At 15.15h, preceding the main event, Ruud Smets of Theta Capital Management, will discuss **Theta Blockchain Ventures**, a new vehicle that is anticipated to be launched in January 2021. Theta Blockchain Ventures provides investors with broad exposure to the developments in blockchain technology, leveraging off the deep inhouse expertise and the broad network Theta Capital has been building in the space since 2017.

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Performance Update

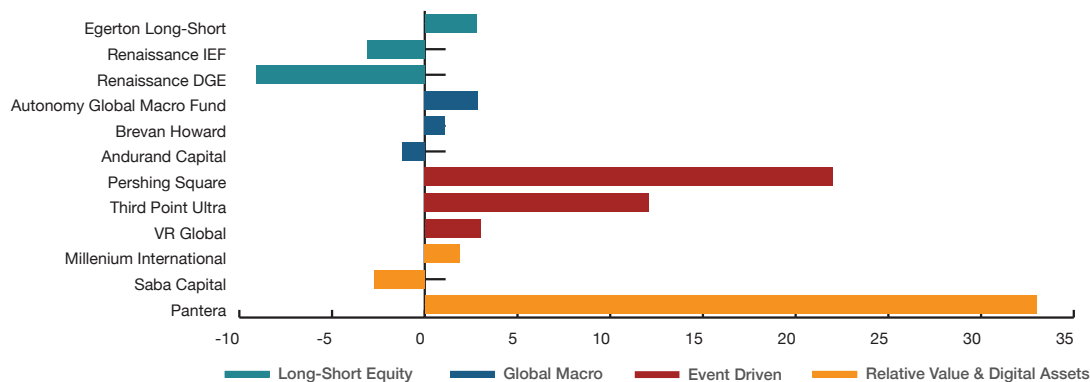
November 2020 **Legends Fund 2.53% | YTD +8.14%**

Legends Fund Performance

Legends Fund gained 2.53% in November, bringing the year-to-date performance to +8.14%. The reference HFRX Global Hedge Fund Index (EUR) was 2.72% and is +2.00% year-to-date.

November was a record month for market as the US election had place and several highly effective COVID19 vaccines got announced. Investors reacted euphorically, now being able to move to the other side of these two major events. The Legends Fund portfolio overall performed well during the month.

Results (%) per manager* for November 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

Robert Gibbins' [Autonomy Global Macro Fund](#) gained 2.9% in November (per Nov 27th estimate), but remains down -10.3% YTD. We saw a first recovery of prices in Argentinian debt in November, driving the fund's performance. Alan Howard's [Brevan Howard Fund](#) was up 1.05% up to Nov 27th (+24.1% YTD) and Pierre Andurand's [Andurand Commodity Fund](#) was down -1.2% (+65.8% YTD).

Event Driven

Richard Deitz' [VR Global](#) was up 4.5% in November (-5.8% YTD), and the [VR Argentina Recovery Fund II](#) gained 11% (-3.9% YTD). Since we allocated to the dedicated Argentina Fund, October 1st, 2019, the performance is now +5.7%. This is despite COVID19, arguably the worst thing that could hit Argentina. It shows that buying at distressed levels provides a lot of downside protection. But also by focusing on provincial and corporate debt, rather than pure sovereign, the manager has been adding significant alpha. Yields in Argentina remain extremely wide, and just a bit of normalization will result in strong returns. Bill Ackman's [Pershing Square Holdings \(PSH\)](#) gained 22.0% in November. For the year, the fund is up a remarkable 70.6%. Part of the result was due to a 5% contraction in the discount to NAV the listed fund is trading at. This was likely driven by the anticipation that PSH will be included in the FTSE 100 index. Dan Loeb's [Third Point Ultra Fund](#) gained 12.1% in November (13.9% YTD). The manager had pre-positioned for the anticipated vaccine news, yielding strong results in the month.

Long-Short Equity

John Armitage's [Egerton Long-Short Fund](#) gained 2.6% in October and has returned 8.9% year-to-date. The fund lagged somewhat in November as the short book detracted heavily from performance. The [Renaissance Institutional Equities Fund \(RIEF\)](#) lost 3.1% in October (-22.9% YTD), while the [Renaissance Institutional Diversified Global Fund \(RIDGE\)](#) was down 9.08% (-32.2% YTD). Performance for Renaissance this year has been clearly terrible. This is mainly driven by the short side. We see a similar experience with other quant funds, as the quantitative models have great difficulty dealing with the COVID19 situation and the government response to it. We expect Renaissance to suffer drawdowns from time-to-time, and they have had significantly worse drawdowns before. Also, we know that with quant funds it is always difficult to explain poor results. At the same time, that is precisely the reason to invest in the strategy through Renaissance, one of the most well established players in the field, with tens of billions of internal capital. Their business remains stable, they hardly see any outflow, and they have been through this before. Renaissance will stick to its strategy and will start making money again. For many of their smaller peers periods like these pose serious business risks as their investors leave and they are likely to make mistakes trying to save their business.

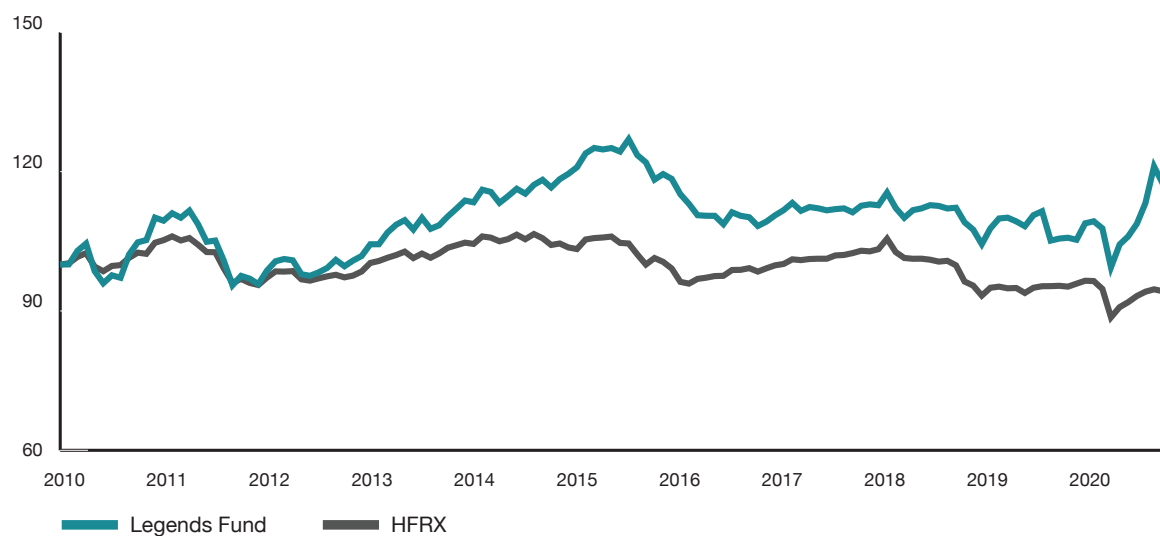
Relative Value & Digital Assets

Izzy Englander's [Millennium International](#) gained 2.57% in November, and is up 18.8% year-to-date. The manager will return 15-25% of assets to investors by year-end and will only take in new assets in a five year share class. As mentioned last month, we have secured capacity with a similar manager with better liquidity and have started to build a position December 1st. Boaz Weinstein's [Saba Capital Masterfund](#) lost 2.8% up until November 20th with the year-to-date return at +77.6%. We expect the fund to do well in difficult market environments and they have been consistently delivering on that promise. We would expect them to give back some when the markets rip as they did in November. Dan Morehead's [Pantera Long-Term ICO Fund](#) gained 32% in November. The fund has now gained 229.9% 2020. Performance remains driven by a handful of positions while many others are still held at cost or at deep discounts due to liquidity constraints. With the likes of Stan Druckenmiller, Paul Tudor Jones, Blackrock and Guggenheim Partners endorsing the space, albeit for the time being mostly Bitcoin, we expect a large wave of institutional interest that will spill over into the projects where Pantera invests and where we see the most upside. As mentioned at the top of this letter Theta is actually launching Theta Blockchain Ventures in January to further capitalize on our unique position in this industry and to offer investors broad exposure to the developments taking place in blockchain technology, which we expect to be disruptive on a scale that is comparable to the emergence of the internet.

Returns (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Year	Index*
2020	0.41	-1.40	-7.76	4.91	1.70	2.35	4.11	+6.96	-3.02	-2.08	2.53		8.14	2.00
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 102.35
Participations	205,430
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.

