## Theta Legends Fund Performance

Legends Fund returned -6.64% in January. The reference HFRX Global Hedge Fund Index (EUR) was -1.49% in January.

What a difference a year makes as the saying goes. Although equity markets gave some of their significant 2021 gains back in December, January 2022 felt altogether more sinister. Inflation concerns and accompanying worries about speedy central bank tightening if anything accelerated as tensions in the Ukraine led to rallying oil and gas prices. Volatility increased markedly, with the VIX index (also known by traders as the "fear index") moving to above 30 in January.

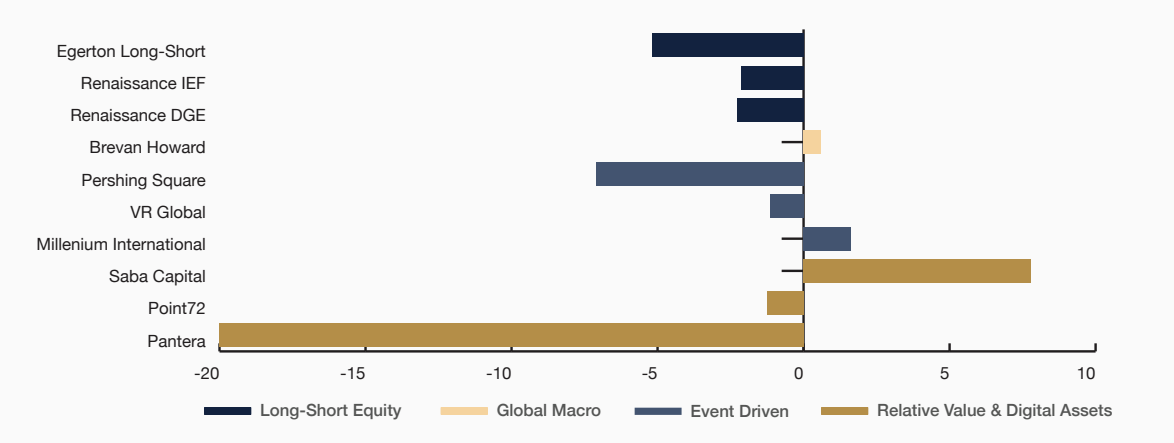
Developed market equities ended the month -5.3%. As if that wasn't enough action, scratch beneath the surface and the turmoil in certain subsectors was even more pronounced. As the Covid pandemic started showing signs of entering its final phase, investors dumped "stay at home" stocks en masse, especially tech stocks trading in some cases at stratospheric valuations. Indeed, January saw the largest monthly outperformance of value over growth stocks in more than 20 years. This meant a pull back in performance for long term fundamentally focused equity funds Egerton and Pershing Square. The silver lining is that opportunities have arisen to buy world leading companies at significantly reduced valuations. Pershing Square for instance had the dry powder to open a $1bn+ long position in Netflix after shares in the streaming service came off nearly 50% from their November highs.

Against this backdrop of chaos, it was encouraging to note two things. Firstly, that long/short equity driven Point72 performed significantly better than the wider equity market, dropping only -1.26%, providing the function of hedge inherent in the name of the type of funds we invest in and secondly that multi strategy and macro funds showed positive returns in January. Millennium put in a particularly strong +1.61% and Brevean Howard gained a respectable +0.60%.

Bonds and credit didn't fare much better than equities. Not a single subsector ended the month in positive territory. Everything from high yield credit to government debt was firmly in the red. The January performance of credit fund Saba was therefore all the more extraordinary as it motored ahead +7.80%. Saba has been positioned for a rise in volatility for some time and as we have seen before, Saba's asymmetric bets pay off handsomely once their thesis is proved correct. It also highlights the advantages of a diversified hedge fund portfolio once volatility increases.

The main performance detractor however was our blockchain Legend, Pantera. After returning +463.00% in 2021, Pantera gave back a slug of performance in January. We remain very positive on the potential for blockchain as an asset class and fully expect a shake out of retail investors and leverage to lay the ground for the next leg up.

## Results per manager for January 2022




* 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

**Egerton Long-Short Fund (John Armitage)**: -5.19% in January, -5.19% YTD
**Renaissance Technologies (Jim Simons)**: RIEF -2.15% in January, -2.15% YTD and RIDGE -2.29% in January, -2.29% YTD

### Global Macro

**Brevan Howard Fund (Alan Howard)**: +0.60% in January, +0.60% YTD

### Event-Driven

**VR Global (Richard Deitz)**: -1.15% in January, -1.15% YTD
**Pershing Square Holdings (Bill Ackman)**:-7.11% in January, -7.11% YTD

### Relative Value & digital assets

**Point72 (Steve Cohen)**: -1.26% in January, -1.26% YTD
**Millennium International (Izzy Englander)**: +1.61% in January, +1.61% YTD
**Saba Capital Masterfund (Boaz Weinstein)**: +7.80% in January, +7.80% YTD
**Pantera Early Stage Token Fund (Dan Morehead)**: -26.00% in January, -26.00% YTD

| Returns (%) | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | Year | Index* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2022 | -6.64 | - | - | - | - | - | - | - | - | - | - | - | -6.64 | -1.49 |
| 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 | 16.03 | 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 | -7.44 | -9.93 |
| 2017 | 1.02 | 1.38 | -1.51 | 0.74 | -0.24 | -0.39 | 0.23 | 0.14 | -0.75 | 1.27 | 0.27 | -0.17 | 1.97 | 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 | -6.72 | 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 | -0.91 | -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 | 11.71 | 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 | 6.31 | 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 | 10.09 | 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

Theta Legends Fund is the successor fund to Legends Fund. Theta Legends Fund merged with Legends Fund on January 1st 2022. It follows exactly the same process and strategy, except that the fund vehicle is no longer listed, investors are registered directly in the share register and subscriptions are monthly and redemptions monthly with 90 days' notice.

# Theta Legends Fund

31 January 2022

## Fund Characteristics

| | |
|---|---|
| Return Target | €STR (€Short Term Rate) +5% per annum |
| AuM | EUR 250 Million in strategy |
| Month-End NAV | EUR 154.50 |
| Subscriptions | Monthly |
| Redemptions | Monthly with 90 days notice e |
| Management Fee | 0.625% |
| Performance Fee | 5% with High Watermark |
| Subscription Fee | 0% |
| Redemption Fee | 0% |
| Currency | EUR |
| ISIN Code | NL0015000Q71 |

## About Theta Legends Fund

Theta Legends Fund is the successor fund to Legends Fund. Theta Legends Fund merged with Legends Fund on January 1st 2022. It follows exactly the same process and strategy, except that the fund vehicle is no longer listed, investors are registered directly in the share register and subscriptions are monthly and redemptions monthly with 90 days' notice.

The Fund aims to provide individual and institutional investors with an investment vehicle which targets average returns of around €STR (€ Short Term Rate) + 5% per annum. The Manager will attempt to accomplish this objective by investing in a diversified portfolio of hedge funds (collective investment vehicles) and other investment structures, which employ diverse investment styles and strategies. No guarantee is given as to the Fund achieving this objective.
The Fund is suitable for investors with an investment horizon of 3-5 years. While volatility is expected by the Manager to be lower than equity markets, investors should be prepared to accept equity-like movements.

The Fund focuses on hedge funds that have an outstanding investment history and proven adaptiveness to changing market environments through various economic cycles. Many of these hedge funds have a minimum investment amount of more than EUR 10 million and therefore are not easily accessible for private investors. It is expected that a manager of an Investee Fund will have a track record of at least 10 years.

## Strategy & Implementation

The Fund aims to achieve consistent high absolute returns on investment, irrespective of the direction of comparable publicly traded securities, i.e. to have limited correlation to general market risks. The Fund's portfolio will contain participations in between 10 and 20 hedge funds with no single investment in a fund representing 20% or more of the book value of the Fund Assets at cost. Diversification is sought through the underlying markets, securities, investment strategies, trading styles and regions, rather than the number of hedge funds.