

### Performance Update December 2022 - NAV: EUR 131.97

Legends Fund returned -0.34% in December, bringing the 2022 performance to -20.3%. The reference HFRX Global Hedge Fund Index (EUR) was -0.32% in December and -6.28% for full-year 2022.

To say that 2022 was a challenging year for markets would be an understatement. The ongoing war in the Ukraine and attempts to contain inflation by global central banks were the main reason for markets nearly universally going down. The S&P 500 equities index for instance fell -18.1% for the year. Perhaps more shockingly, the JPM Global Investment Grade bond index sunk -16.7%.

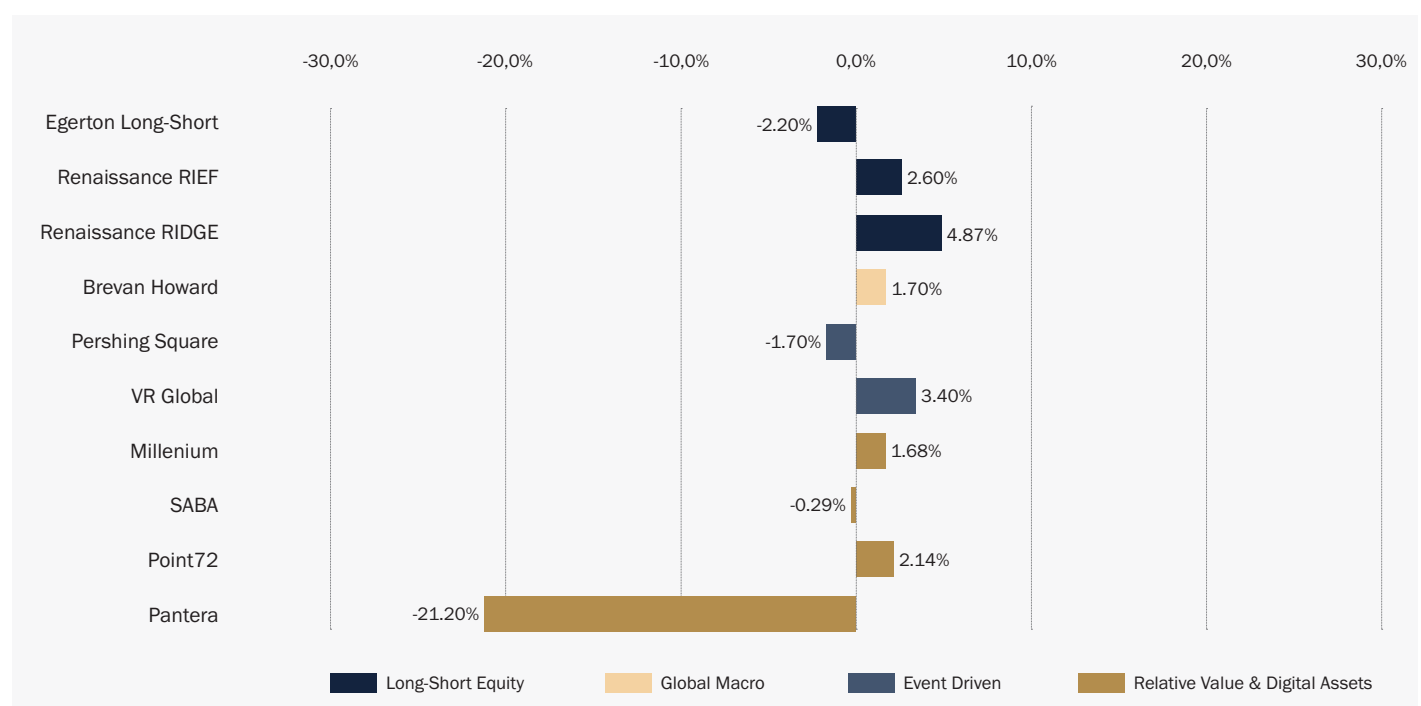
A market like 2022 highlighted the benefits of a diversified hedge fund portfolio. As explained in last month's newsletter, the hedge fund Legends that comprise the portfolio significantly outperformed the HFRX with one notable exception, **Pantera**, that after an incredible 2020 and 2021 pulled back significantly. However, as also explained in the last newsletter, the returns taken over the last 2 years are still remarkable. It should also be noted that January has started strongly for crypto.

Aside from **Pantera**, December was a good month overall with mixed performance underlying. Despite a horrific December in equities (S&P -5.76%), Equities focused Hedge Funds **Pershing Square** and **Egerton** managed to limit losses and quant focused equities titans **Renaissance** significantly bucked the trend topping off a decent year with a strong December.

Multi-strat funds **Millennium** and **Point72** topped off a great year on a high, both posting c+2% in December, taking the year-to-date performance to +10.7% for **Millennium** and +9.3% for **Point72**, once again highlighting their ability to create significant alpha, even (or perhaps especially) in volatile markets. Alan Howard also made the most of the rapidly changing macro environment with his fund **Brevan Howard** which also ended the year on a positive note (+18.4% in 2022).

The fixed income environment was possibly even worse than that of equities, predominantly because of sharply rising inflation expectations having a huge impact on the government bond market. This effectively left long only investors with few ports in the storm. The (distressed) credit market however was a different story. Nimble credit investors were able to make hay. Although emerging market credit specialist **VR Global** took a knock earlier in the year amongst other things because of Ukraine exposure, it has more recently bucked the overall trend and is reaping the benefits of local Argentinian debt restructuring for the second time in Richard Dietz' investment career. The best performing credit fund, and indeed the best performing fund of the year in the Legends portfolio has been Boaz Weinstein's **Saba** (+24.0% for the full year) which thrived on a mixture of long volatility bets and timely tail risk strategies.

### Results per manager for December 2022



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

**Theta Legends Fund**

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**Performance Summary per sub sector**
**Long-Short Equity**
**Egerton Long-Short Fund (John Armitage):** -2.20% in December, -15.2% YTD

**Renaissance Technologies (Jim Simons):** RIEF +2.60% in December, +5.6% YTD and RIDGE +4.87% in December, +1.5% YTD

**Global Macro**
**Brevan Howard Fund (Alan Howard):** +1.70% in December, +18.4% YTD

**Event-Driven**
**Pershing Square Holdings (Bill Ackman):** -1.70% in December, -15.8% YTD

**VR Global (Richard Deitz):** +3.40% in December, -6.2% YTD

**Relative Value & digital assets**
**Millennium International (Izzy Englander):** +1.68% in December, +10.7% YTD

**Saba Capital Masterfund (Boaz Weinstein):** -0.29% in December, +24.0% YTD

**Point72 (Steve Cohen):** +2.14% in December, +9.3% YTD

**Pantera Early Stage Token Fund (Dan Morehead):** -21.20% in December, -77.2% YTD

Returns (%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	Index*
2022	-6.64	-2.19	3.46	-3.98	-7.98	-4.07	-0.16	0.36	-0.52	-0.06	0.29	-0.34	-20.3	-6.28
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 1<sup>st</sup> 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 Dec 2022

### Fund Characteristics

Return Target	€STR (€Short Term Rate) +5% per annum
AuM	EUR 250 Million in strategy
Month-End NAV	EUR 131.97
Subscriptions	Monthly
Redemptions	Monthly with 90 days notice
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

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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.

#### Disclaimer

Theta Legends Fund (the "Fund"), is domiciled in The Netherlands. Theta Fund Management B.V. (Theta) is the management company of the Fund a 100% subsidiary of Theta Capital Management B.V.. Theta is authorised as a management company and regulated by the Dutch regulator Autoriteit Financiële Markten. The Fund is registered under the license of Theta at the Autoriteit Financiële Markten. The shares of the Fund are admitted for (public) offering in The Netherlands. The information in this document provides insufficient information for an investment decision. Please read the Key Information Document (only for the Netherlands) and the prospectus. These documents of the Fund are available on the website of Theta (<https://thetacapital.com/>).

