

↑ +1.11%*

Mygale Event Driven UCITS Fund

Event Driven

August 2021

Performance Returns

*The Mygale Event Driven UCITS Fund USD Institutional Class returned +1.11% during the month of August.

Investment Objective & Strategy

An active trading approach to European Focused Event Driven Equity.

The fund follows predominantly merger arbitrage and catalyst driven strategies. We hold 40-60 positions with a typical net exposure of up to 50% and gross of between 100% and 200%. Our trading approach has a three tiered methodology designed to capture additional alpha for every position. Trades are structured with the intention of embedding optionality and favourably skew risk, with sharpened timing and market feel from our trading background. We frequently question our investment thesis, and conduct fundamental in-house research with the understanding that company specialists may know more. We are not wedded to any positions and do not believe we have the 'information edge.' Therefore, we systematically consult the market through deep local broker relationships and industry specialists. We are constantly looking for trades with fundamental value, and situations with the possibility of counter bids and bump catalysts and try to avoid the 'home run' mentality.

Commentary

There's a slight danger of sounding like a stuck record here, but like July, August was once again very busy for our portfolio. As we all know, traditionally, August is usually a quiet month in Europe with many people taking time off. As last year however, once again this did not prove to be the case. Markets themselves definitely felt quieter at times, volume wise, but deal activity, both in terms of new deals as well as developments in existing portfolio names, continued almost unabated.

Vectura made a strong contribution to the portfolio once again this month. We expected that Carlyle, with significant expertise in the CDMO field, would likely try and compete against the behemoth that is Philip Morris, and this proved to be the case. In early August, Carlyle bumped their bid to 155p in cash, and managed to garner irrevocables from 11% of shareholders. We continued to expect that Philip Morris would have the ability and motivation to fight back, as they strive to achieve their long term plan to develop products 'beyond nicotine' and hence increased our positioning further. A few days later, as we envisaged, they increased their bid to 165p, at which point the UK Takeover Panel set a timetable for a formal auction process. Subsequently, Philip Morris took decisive action and bought shares in the market at the bid price, through which they built a holding of 29%, thus effectively putting themselves in to a winning position. We sold our position in to this market sweep.

Other positions of interest this month include an investment in civil aerospace and defence engineering products company, Meggitt, following an agreed bid at 800p from US defence and civil engineering company Parker-Hannifin. The deal spread has been trading wide due to fears of potential UK government intervention (which we see as a small and albeit longer term issue), but our interest here is more from the counter bid angle. We have a few potential names in mind, but were slightly surprised when Transdigm, another US defence and civil engineering company, made an approach at 900p cash in the middle of August. Both parties are willing to make significant undertakings to secure deal approval, and hence at this point, we wait for Transdigm to complete due diligence and formalise their bid.

Another deal we discussed last month is UK supermarket operator WM Morrison, which continued to deliver positively as Fortress bumped their bid to 270p plus a 2p dividend. CD&R subsequently requested more time from The Takeover Panel to consider their options. Being advised by highly respected supermarket veteran Sir Terry Leahy, we have always felt CD&R had the advantage here, not only due to the experience he brings, but also due to the fact that they have greater potential synergies and hence we continued to opportunistically grow our position. Late on in the month, CD&R increased their bid to 285p in cash, taking the upper hand in the process. At this point, we wouldn't be surprised to see The Takeover Panel initiate a formal auction process imminently.

Monthly Share Class Performance Breakdown

USD Ins.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2021	-0.47%	0.20%	0.79%	0.58%	0.64%	0.19%	0.35%	1.11%					3.43%
2020	-0.24%	-0.24%	-3.75%	1.26%	-0.34%	0.15%	0.57%	0.75%	0.08%	0.12%	2.31%	1.73%	2.30%
2019	0.60%	0.19%	0.34%	0.51%	-0.20%	1.43%	0.67%	0.15%	0.16%	-0.11%	0.29%	0.28%	4.39%
2018	0.63%	0.96%	-0.23%	0.36%	-0.27%	0.63%	0.22%	0.06%	0.90%	-0.48%	0.42%	0.20%	3.43%
2017	0.00%	0.30%	0.47%	0.61%	0.04%	0.22%	0.46%	0.19%	0.26%	0.56%	0.16%	0.74%	4.06%
2016	0.97%	0.43%	0.02%	0.67%	0.47%	0.03%	2.83%	0.76%	0.84%	-1.56%	0.03%	1.02%	6.65%

The performance figures quoted above for the USD Share Class represents the performance of the Mygale Event Driven UCITS Fund USD Institutional Share Class since launch. These performance figures refer to the past and past performance is not a reliable guide to future performance.

The Manager



Neil Tofts has over 20 years' experience successfully running event driven portfolios and funds, and 23 years in derivatives. As Managing Director and Head of Event Driven Investments for Merrill Lynch in London, he was responsible for a European focused, Global Event Driven portfolio. From 2007 he was Head of Global Event Driven Investments at KBC Alternative Investment Management in London where he established and ran a 4 person team. Prior to this in 2000, Neil founded the London office of Deephaven Capital Management. He has also managed Event Driven investments at Paribas and NatWest Markets. He graduated with a BA (Hons) in Business Studies from Oxford Brookes University.

Ken Li Chung was previously a Vice President at Bank of America Merrill Lynch in London where, most recently, he had full responsibility for the European Event Driven trading franchise. He has over nine years of investment experience, having joined BAML in 2008 and has also been responsible for a European focused fundamental equity portfolio as well as index and portfolio trading. Ken Li graduated with a BA (Hons) in Economics from the London School of Economics and Political Science, and is a CFA Charterholder.

Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$456 million
Inception	1 January, 2016

Share Class Institutional/Institutional Pooled

Currency	EUR/USD/CHF/GBP
Mgt. Fee	1.50%
Perf. Fee	20.00%
Min Init. Sub.	1,000,000
ISIN Codes	EUR: IE00BYRPFQ61/IE00BYRPFV15 USD: IE00BYRPF792/IE00BYRPFY46 CHF: IE00BYRPF585/IE00BYRPFX39 GBP: IE00BYRPF78/IE00BYRPFW22

Share Class Institutional F/Retail Pooled

Currency	EUR/USD/CHF/GBP
Mgt. Fee	1.25%/2.00%
Perf. Fee	15.00%/20.00%
Min Init. Sub.	10,000,000/10,000
ISIN Codes	EUR: IE00BYRPG302/IE00BYRPFZ52 USD: IE00BYRPG633/IE00BYRPG294 CHF: IE00BYRPG526/IE00BYRPG187 GBP: IE00BYRPG419/IE00BYRPG070

Share Class Institutional G/Institutional G Pooled

Currency	EUR/USD/CHF/GBP
Mgt. Fee	1.00%
Perf. Fee	20.00%
Min Init. Sub.	10,000,000
ISIN Codes	EUR: IE00BM98V839/IE00BM98VD89 USD: IE00BM98V865/IE00BM98VG11 CHF: IE00BM98V872/IE00BM98VH28 GBP: IE00BM98V946/IE00BM98V904

↑ +1.11%*

Mygale Event Driven UCITS Fund

Event Driven

August 2021

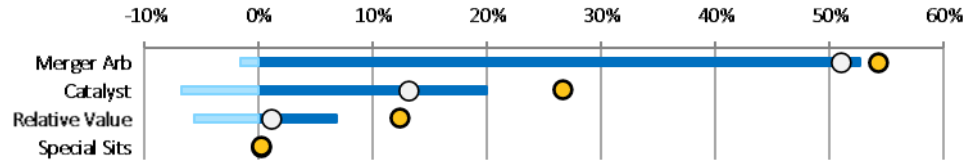
Portfolio Exposures

Risk Metrics

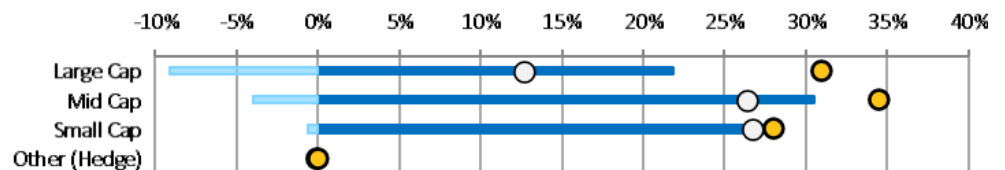
LONG EXPOSURE ¹	79.77%
SHORT EXPOSURE ¹	-13.90%
GROSS EXPOSURE ¹	93.66%
NET EXPOSURE ^{1,3}	15.18%
SHARPE RATIO ²	1.53
SORTINO RATIO ²	2.16
VOLATILITY ²	2.77%
NO OF POSITIONS	79

1. Based on information from the administrator and as a percentage of the fund AUM in USD including currency hedge for share classes.
2. Based on monthly net portfolio performance
3. The net figure excludes cash merger deals.

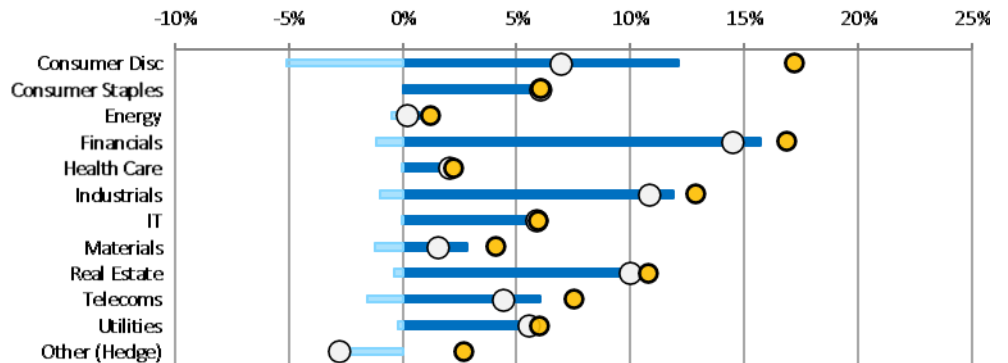
Exposure By Strategy¹



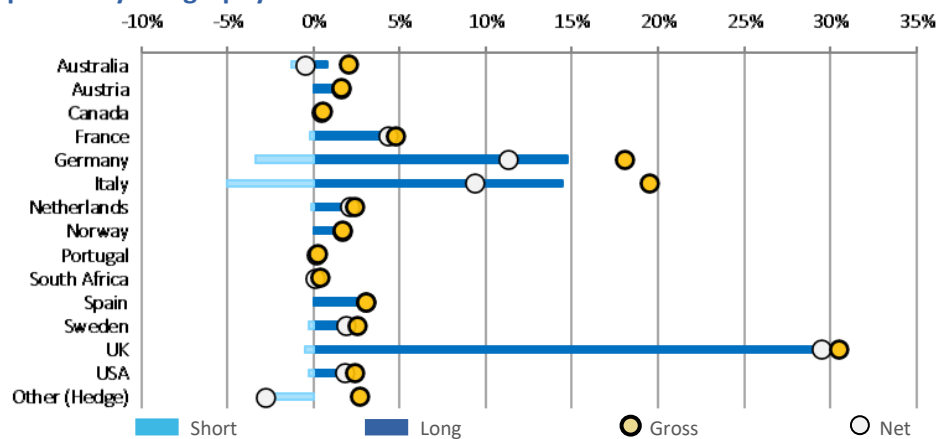
Exposure By Market Cap¹



Exposure By Sector¹



Exposure By Geography¹



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