

↑ +0.12%*

Mygale Event Driven UCITS Fund

Event Driven

May 2022

Performance Returns

*The Mygale Event Driven UCITS Fund USD Institutional Class returned +0.12% during the month of May.

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

It's not often we'd feel happy with a small positive performance on the month, but after a very difficult start to the first half of May, with volatility impacting the whole portfolio as well as the wider Event Driven sector as a whole, to have turned things around actually feels like a result, in what is turning out to be a very difficult start to the year so far.

We suffered some negative performance in a few Merger situations - such as Avast, where the first quarter trading update came in below expectations and margin guidance disappointed. As a result, sell side analysts downgraded numbers by around 12%, and this exacerbated nervousness in the Arb community with the backdrop of continued unwinding following the CMA's decision to refer the deal to Phase 2. Also weak this month was E-bike manufacturer Accell, being bought by KKR, as concern grew amongst shareholders about the ability of the buyer to get the deal over the line as c.18.5% of shares voted against the EGM resolution to permit the acceptance condition to be lowered to 80% from 95%. Many are interpreting this as being a signal that these shares will not be tendered into the offer at €58 per share and will potentially lead to KKR walking away. Reflective of the prevalence of misinformation regarding the deal dynamics, Accell recently issued a PR clarifying the potential outcomes for the offer. In this environment, and with funds suffering pain in many other investments, this did little to assuage the markets nervousness!

On the more positive side of things, not only were there a number of new deals announced during the month, (again both strategic and PE led buyers), but we had a few long held catalyst positions deliver as well. Most significant of which was Generali bidding for the shares it didn't already own in Italian insurer, Cattolica Assicurazioni. Generali had held 84.4% of the company following the closure of its takeover bid in early 2021, and launched a bid at €6.75 on 24th May, having purchased a block of 15m shares off market, taking them through 90% ownership and thus triggering the mandatory sell out obligation. We had been expecting this catalyst to happen in the first quarter this year, but ultimately it became more and more apparent that things were moving in this direction over the last 4 or 5 months. Siemens Gamesa also was a Catalyst position delivering this month following Siemens Energy decision to buy the remainder of the company at a price of €18 per share. The deal has minimal conditionality and a small chance of shareholder pressure for an improvement in terms as the deal nears completion.

Monthly Share Class Performance Breakdown

USD Ins.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2022	-1.07%	-0.22%	0.35%	-0.54%	0.12%							
2021	-0.47%	0.20%	0.79%	0.58%	0.64%	0.19%	0.35%	1.11%	-0.06%	0.02%	-0.87%	0.19%
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%
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%
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%
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%
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%

Y-T-D
-1.36%
2.69%
2.30%
4.39%
3.43%
4.06%
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. This is a marketing communication.

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	\$531 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: IE00BYRPF92/IE00BYRPFY46 CHF: IE00BYRPF85/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: IE00BM98VB65/IE00BM98VG11 CHF: IE00BM98VC72/IE00BM98VH28 GBP: IE00BM98V946/IE00BM98VF04

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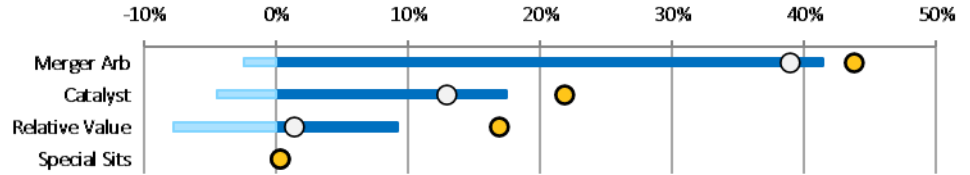
Portfolio Exposures

Risk Metrics

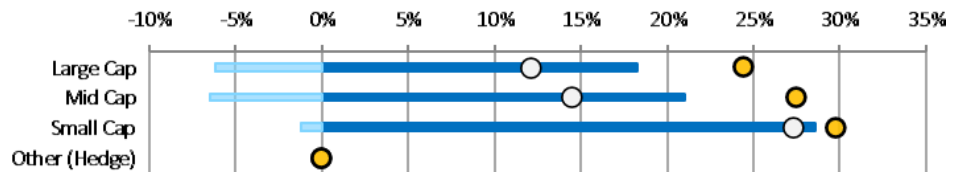
LONG EXPOSURE ¹	68.46%
SHORT EXPOSURE ¹	-14.59%
GROSS EXPOSURE ¹	83.05%
NET EXPOSURE ^{1,3}	15.12%
SHARPE RATIO ²	1.25
SORTINO RATIO ²	1.05
VOLATILITY ²	2.74%
NO OF POSITIONS	55

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



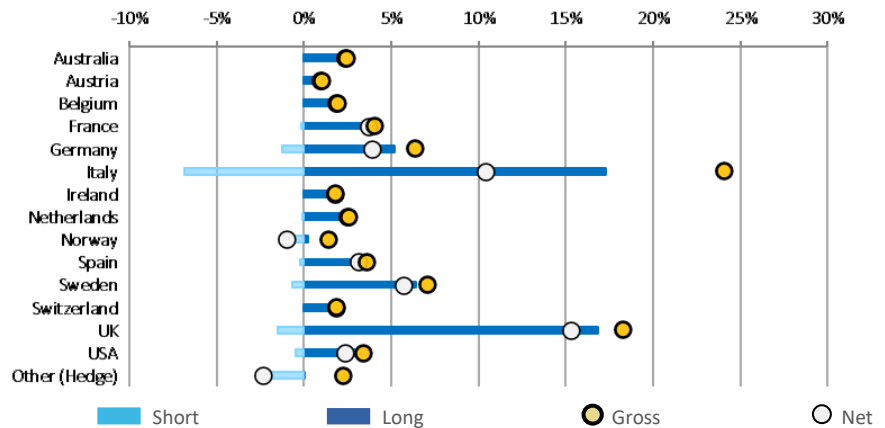
Exposure By Market Cap¹



Exposure By Sector¹



Exposure By Geography¹



Contact Details

Investor Contact

Waystone Capital Solutions (UK) Ltd
 2nd Floor, 20-22 Bedford Row
 Holborn, London
 T: +44 207 290 9493
 investorrelations@waystone.com

Management Company

Waystone Fund Management (IE) Ltd
 3rd Floor, 76 Baggot Street Lower
 Dublin, Ireland
 T: +353 1 533 7020
 investorrelations@waystone.com

Investment Manager

Tavira Securities
 88 Wood Street
 London EC2V 7DA
 T: +44 20 3192 1728
 cp@mygalefunds.com

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