

↑ +0.02%*

Mygale Event Driven UCITS Fund

Event Driven

October 2021

Performance Returns

*The Mygale Event Driven UCITS Fund USD Institutional Class returned +0.02% during the month of October.

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

October promised much but unfortunately delivered a lot less than we would have hoped for. New deal activity remained a touch subdued, much as in September really, and whilst we had a number of potential catalysts embedded in portfolio positions, the bigger of these didn't play out in our favour this month. Cattolica was the main culprit here, with Generali standing firm and not increasing their bid price. Initially their bid was very poorly supported with minimal shareholders tendering in to the offer. This augured well for a bump in terms, but unfortunately the news that Berkshire Hathaway (with a stake of just over 7%) had tendered their shares at €6.75 (a price lower than the €7.35 they paid) played in to Generali's hands and resulted in the domestic shareholders who were opposing the bid on grounds of price, gradually lowering their expectations and tendering in to the bid.

Whilst the month proved a little unfruitful on the Merger Arbitrage side, conversely, both the Catalyst and Relative Value sub-strategies delivered positively. Our investment in Biotest performed well following Creat/Tianchengs decision to sell their stake in Biotest to Grifols who will extend an offer at the same price to minority shareholders, once the share purchase from Tiancheng has settled. Grifols also committed to no domination Agreement for at least 3 years.

Despite the slightly quieter month for dealflow, Playtech was one of 10 news investments added to the portfolio. A global, leading technology provider that develops platforms and content for the global gambling industry, Playtech are active in both the B2B and B2C space. The company reached agreement on a deal to be bought by leading Australian based gaming company Aristocrat, at a price of 680p in cash. The acquisition allows Aristocrat, who have the best content in the market and invests 12% of revenue into content every year, to enter the real-money iGaming market with scale – they will push their content (games, gaming software, management systems) through Playtech's channels – i.e., through B2B and both B2C business. This will improve B2B margins and generate revenue synergies – there is no overlap w/ Aristocrat's business, this is 100% complementary. The deal is priced at 11.4x EBITDA while Aristocrat's valuation is >17x EBITDA, so this is hugely accretive if they are successful at this price. If Aristocrat can continue to develop the assets and generate synergies, this is worth a lot more than the price they are paying, hence it's possible that other parties recognise this also.

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%	-0.06%	0.02%			3.40%
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	\$587 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: 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: IE00BM98V865/IE00BM98VG11 CHF: IE00BM98VC72/IE00BM98VH28 GBP: IE00BM98V946/IE00BM98VF04

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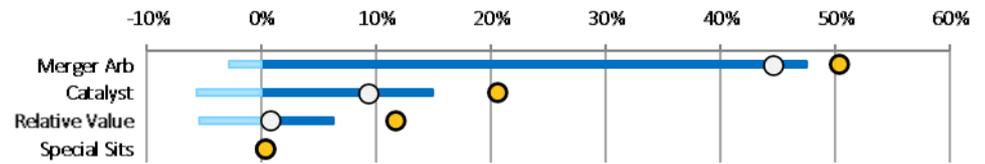
October 2021

Portfolio Exposures

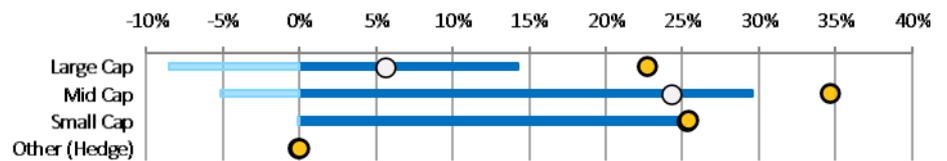
Risk Metrics

LONG EXPOSURE ¹	69.19%
SHORT EXPOSURE ¹	-13.83%
GROSS EXPOSURE ¹	83.02%
NET EXPOSURE ^{1,3}	11.75%
SHARPE RATIO ²	1.50
SORTINO RATIO ²	2.13
VOLATILITY ²	2.74%
NO OF POSITIONS	63

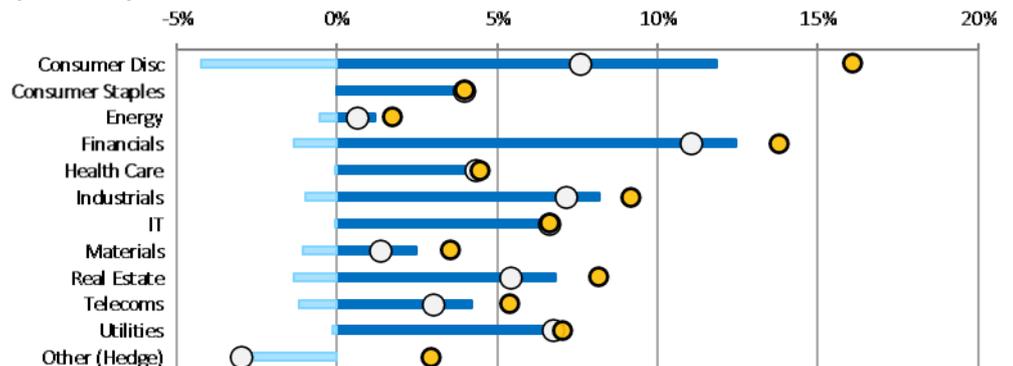
Exposure By Strategy¹



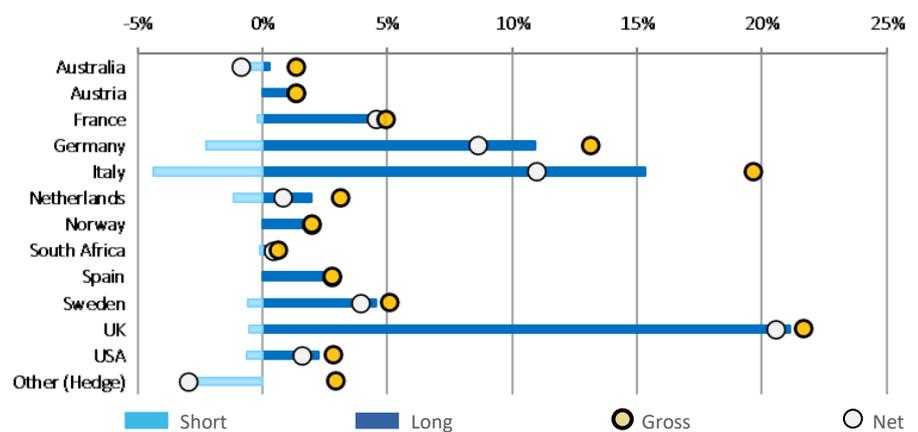
Exposure By Market Cap¹



Exposure By Sector¹



Exposure By Geography¹



Short Long Gross Net

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.

Contact Details

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