

↑ +0.58%*

Mygale Event Driven UCITS Fund

Event Driven

April 2021

Performance Returns

*The Mygale Event Driven UCITS Fund USD Institutional Class returned +0.58% during the month of April.

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

Oddly, merger activity in April felt slightly subdued in our core focus geography of Europe. Yes there were new deals announced around the globe, doubtless stoked by continued progress on vaccine rollouts, new injections of government incentives and low interest rates, but somehow, Europe just felt ever so slightly quieter than of late. Perhaps we are becoming too accustomed to being excessively busy over the last 12 months! In reality, globally, deal flow remains at historical highs, and we continue to expect Europe specifically, to be the region to generate most growth and opportunities over the next 2-3 years. Interestingly, we are increasingly observing a number of opportunistic acquisitions happening in Europe and there remains potential and appetite for a number of the current situations to become competitive.

Positions of Interest

Our investment in Suez, the French utility company being courted by Veolia for a number of months, was the main positive contributor in April. Finally Veolia succeeded in breaking down Suez's stout defence and entered in to a recommended agreement to be bought at a price of EUR 20.5 per share. From an antitrust perspective, the deal was significantly de-risked due to the parties agreeing to put potential 'problem' assets, such as the French municipal water and solid waste activities in to a 'New Suez' which will be owned by French investment funds. This could lead to a more speedy clearance from the regulators than initially envisaged and hence the expected closing is likely to be brought forward from mid 2022 to late 2021. There remains possible optionality in the deal due to the potential for Veolia to offer a part share alternative and we await further details on this in the coming weeks.

In the banking sector, we saw a new deal in Scandinavia this month as DNB reached agreement to acquire Norwegian peer SBanken via a cash bid at 103.85NOK per share. SBanken is a relatively new bank in Norway, having launched in 2000 as the first pure play digital bank in the market. They have a strong position in current accounts and mortgages and a good position in the savings market with NOK23bn in customer investments. DNB's technology is quite old and it appears that they are keen to use the more modern and efficient SBanken mortgage platform as well as access their large customer base. This is a deal though where DNB are seemingly trying to buy the bank on the cheap and hence we feel it is possible there will be shareholder opposition to the price requiring DNB to improve the terms.

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%									1.10%
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	\$346 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

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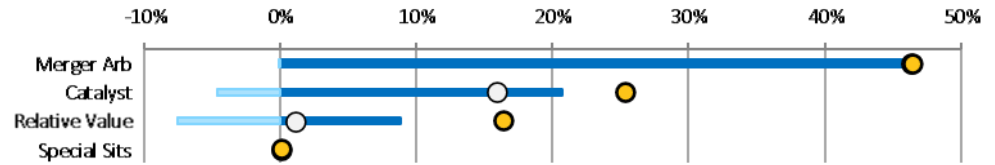
Portfolio Exposures

Risk Metrics

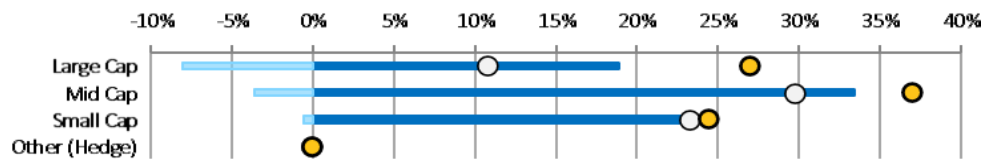
LONG EXPOSURE ¹	76.18%
SHORT EXPOSURE ¹	-12.30%
GROSS EXPOSURE ¹	88.48%
NET EXPOSURE ^{1,3}	18.87%
SHARPE RATIO ²	1.45
SORTINO RATIO ²	2.07
VOLATILITY ²	2.83%
NO OF POSITIONS	71

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.

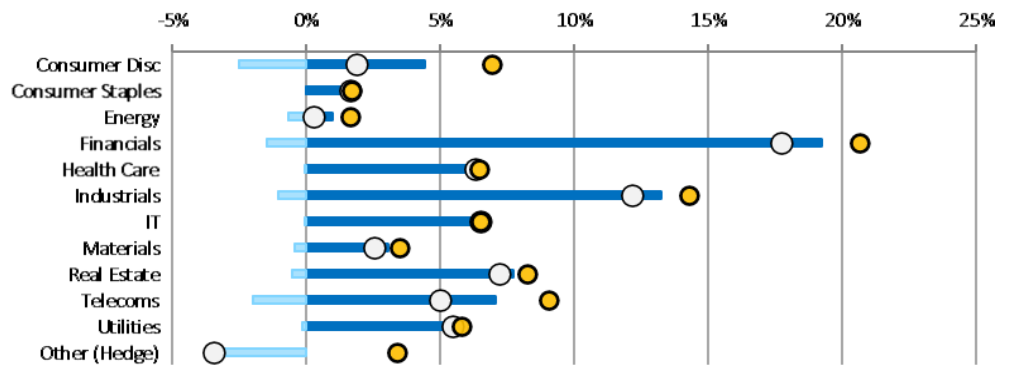
Exposure By Strategy¹



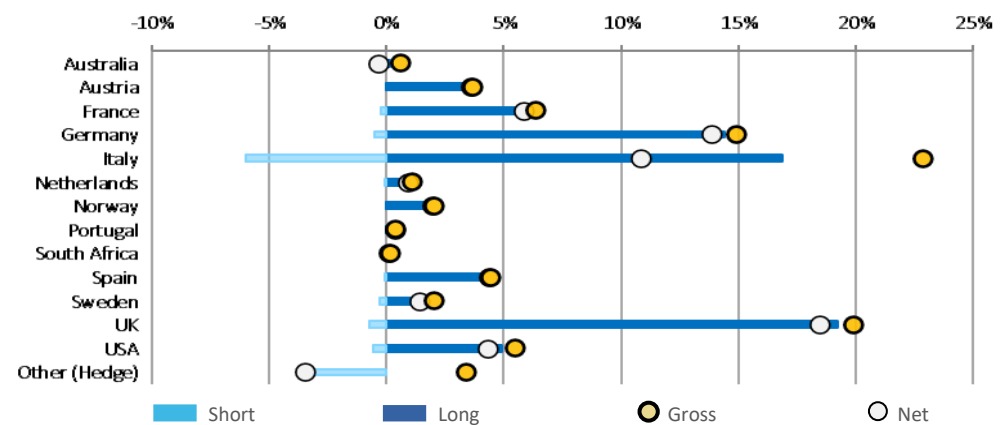
Exposure By Market Cap¹



Exposure By Sector¹



Exposure By Geography¹



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