

Mygale Event Driven UCITS Fund

Event Driven

Performance Returns

The Mygale Event Driven UCITS Fund USD Institutional Class returned +1.47% during the month of January.

Investment Objective & Strategy

The Mygale Event Driven Fund is advised by a London-based team with extensive experience in European Focused Global Event Driven Equity including Merger Arbitrage, Catalyst Driven, Relative Value and Special Situations.

Mygale continues the successful strategy employed by Neil Tofts for over 25 years at firms including Deephaven Capital, KBC Alternative Investment Management and Merrill Lynch. The team employs a differentiated investment approach built on sceptical research, disciplined position selection and active trading to capture additional alpha in every position. Investments are challenged and considered from multiple angles with fundamental in-house research that is complemented by systematic consulting of the market through deep local broker relationships and industry specialists. Trades are structured with the intention of embedding optionality and favourably skewing risk, with a preference for situations that have a fundamental value underpinning, a clear rationale and the possibility of bump catalysts or counter bids. The team dislikes crowded trades and binary outcomes with heavy downsides, and avoids the 'home run' mentality.

Monthly Commentary

Whilst January saw strong overall market performance, new merger deal flow was on the quieter side of things, perhaps unsurprisingly following the pre-Christmas rush in Europe. Despite this, however, the breadth of the portfolio helped this month with all sub-strategies delivering positive performance. M&A data now available for 2024 confirms the positive momentum observed at the portfolio level last year. Global M&A values grew 14% year-over-year, led by Europe, as expected, where activity involving European targets rose nearly 18%. Unsurprisingly, appetite for discounted UK assets remained strong, with deals involving UK targets totalling approximately \$240bn - more than the next two largest European regions combined and the third highest globally, after the US and China. However, as we have noted previously, transaction values remain well below historical averages as a proportion of global GDP, at just 3.2%, leaving significant room for growth. This is an exciting time for the strategy, as activity continues to accelerate and several key drivers of M&A converge.

The top performer this month was our Merger Catalyst investment in Autogrill/Avolta. The merger created a company with a leading position in both food and beverage as well as travel retail, enabling them to offer the almost unique concept of a hybrid travel food and retail model. The driver this month was not only the delivery of a long list of new and significant concession contract signings, but also, at long last, the launch of a CHF 200m share buyback to be executed by the end of 2025. In the UK, we saw a small bump in terms (approx. 6%) from Fortress in its bid for Loungers, and new bids for Alliance Pharma by a consortium led by DBAY, and for Dowlais by smaller sector peer American Axle.

Monthly Performance – Mygale Event Driven UCITS Fund

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2025	1.47%												1.47%
2024	0.18%	0.77%	0.52%	0.45%	1.71%	-0.61%	1.30%	-0.19%	1.51%	-0.07%	0.33%	0.78%	6.85%
2023	0.97%	0.64%	-1.13%	0.24%	-0.78%	-0.27%	0.88%	0.12%	0.35%	-1.20%	-0.17%	1.67%	1.27%
2022	-1.07%	-0.22%	0.35%	-0.54%	0.12%	-1.62%	0.28%	0.08%	-0.26%	-0.05%	1.40%	-0.62%	-2.16%
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%	2.69%
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 Manager



Neil Tofts has over 25 years' experience successfully running event driven portfolios and funds, and 26 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. Neil 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 15 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
Valuation	Daily
Fund AUM	\$153 million
Inception	1 January, 2016
Share Class	Institutional Pooled
Currency	EUR/USD/CHF/GBP
Mgt. Fee	1.50%
Perf. Fee	20.00%
Min Init. Sub.	1,000,000
ISIN Codes	EUR: IE00BYRPFV15
	USD: IE00BYRPFY46
	CHF: IE00BYRPF39
	GBP: IE00BYRPFW22
Share Class	Institutional F Pooled/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: IE00BYRPFZ52
(Retail Pooled)	USD: IE00BYRPG294
	CHF: IE00BYRPG187
	GBP: IE00BYRPG070
Share Class	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: IE00BM98VD89
	USD: IE00BM98VG11
	CHF: IE00BM98VH28
	GBP: IE00BM98VF04

The performance figures quoted in the table 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 ISINs quoted relate to Pooled share classes. There are non-Pooled share classes available and outlined in the Fund Supplement for clients who can accommodate performance fee equalisation fee methodology. More details on performance fee methodology is outlined in the Fund's Supplement. All non-base currency share classes are hedged back to the base currency.

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Commentary continued:

However, the most significant new deal this month, perhaps unsurprisingly, was another Italian banking deal, with Banca Monte Paschi Di Siena (BMPS) launching an all stock bid for its larger counterpart, Mediobanca. Make no mistake, this is another hostile deal in Italy. However, it does have some strategic logic given Mediobanca's focus on asset and wealth management, consumer finance, and investment banking, where BMPS is more centred on retail and commercial banking, which explains the EUR 700m synergies predicted by BMPS. There are some significant shareholders common to both names, with domestic investors Caltagirone and Delfin holding significant stakes and likely being a key determining factor in ensuring the deal's success.

Staying with Italian financials, a number of our names including Banco BPM, Unipol, and Anima, delivered positive returns in January. In Banco BPM, we witnessed some verbal sparring between Unicredit and BPM CEOs, but the key moment will likely be the Capital Markets Day on 11th February. The event is a chance for the bank to reiterate strong fundamentals in its efforts to repel the advances of Unicredit and to call a shareholder vote to approve a bump in terms for the bid on Anima. The Unicredit bid for BPM is further complicated by reports that Crédit Agricole have applied to the ECB to take their stake to 19.9%, a move that will likely strengthen their negotiating hand with Unicredit. We expect ECB clearance could come later in February. To be clear, we view Unicredit's current offer for BPM as being far too cheap, and believe they will have to significantly improve their terms in order secure the deal. In Spain, the bid for Sabadell by BBVA continues to progress with BBVA management communicating that they expect the CNMC approval to be near and BBVA have reduced the minimum acceptance condition to 50% plus one share. This news has continued to push the spread tighter, with the market now starting to price in a small bump in terms being necessary to secure Sabadell board recommendation for the deal.

In the Relative Value sub-strategy, Telecom Italia was again the focus name in January, with performance driven by a few important pieces of news. In a strongly worded ruling, the Milan Court ruled that Vivendi's appeal against Telecom Italia was 'inadmissible due to lack of interest in acting, and lack of legitimacy to act,' effectively meaning that Vivendi had avenues to challenge the Network sale before it happened but failed to act - a stern rebuttal. Also, the Court of Cassation ruled against the government in its appeal regarding the EUR 1bn fine. In hindsight, our commentary last month was slightly off, as we expected 'both' parties to try to reach a settlement before the court ruling. Unfortunately, whilst Telecom Italia did propose a lower amount, the government chose not to accept. As a result, it is likely the final outcome won't be known for at least another year. Additionally, the sale of Sparkle is now expected to be delayed until mid-March. Looking ahead, Telecom Italia is likely to remain in focus, with the upcoming Capital Markets Day in mid-February serving as the next catalyst.

Portfolio Exposures

Risk Metrics

LONG EXPOSURE ¹	100.66%
SHORT EXPOSURE ¹	-41.42%
GROSS EXPOSURE ¹	142.08%
NET EXPOSURE ^{1, 3}	37.72%
SHARPE RATIO ²	*0.46
SORTINO RATIO ²	*0.50
VOLATILITY ²	2.79%
NO OF POSITIONS	48

**Calculated using ICE BofA US Dollar 1 Month Deposit Offered Rate Constant Maturity (Bloomberg ticker LUS1)*

1. Based on information from the administrator and as a percentage of the fund AUM in USD including currency hedge for share classes.

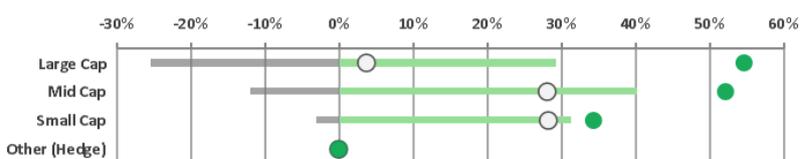
2. Based on monthly net portfolio performance.

3. The net figure excludes cash merger deals.

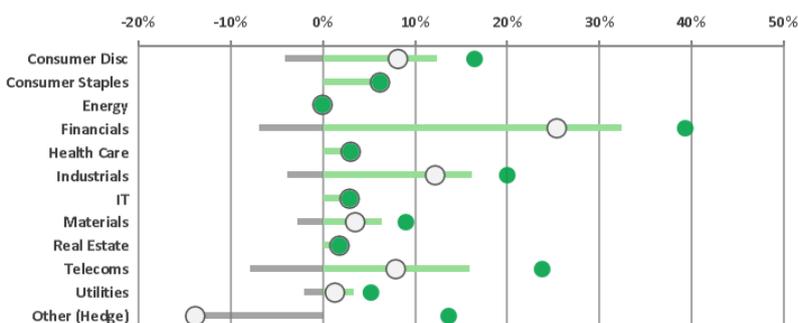
Exposure By Strategy¹



Exposure By Market Cap¹



Exposure By Sector¹

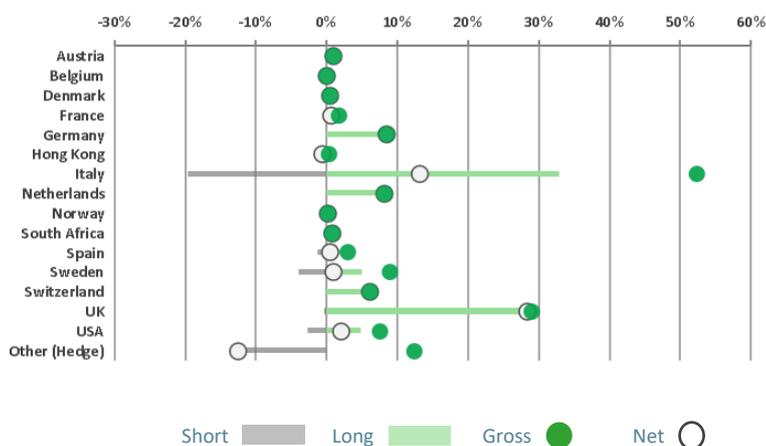


Short Long Gross Net

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Exposure By Geography¹



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Disclaimer

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