

↓ -0.95%

Tosca UCITS Fund

Long/Short Equity

January 2024

Performance Returns

The Tosca UCITS Fund returned -0.95% for the month of January (GBP Founder share class).

Investment Objective & Strategy

Tosca UCITS is a global fundamentally driven long/short equity fund specialising in financials, business services and property sectors. Launched in November 2018, the Fund invests primarily in equities across the entire value chain of financials globally. This large, liquid and diverse universe is rich in alpha, with varied drivers of profitability.

Manager Commentary

The Fund was down 1% in January as 888 gave back much of its December gains, costing the Fund c.100bp. Elsewhere, gains from our European bank longs and CRE shorts were offset by losses from an eclectic bunch of stocks, including Nuvei, Lancashire, IWG and Schwab.

This will be my penultimate newsletter, as we have now recommended that the Board take steps to close. I bow out after an extraordinary 24 years working on this strategy, including the last 14 years as PM of the Cayman-based Fund, Tosca, and the last 5 as PM of Tosca UCITS. In my time as PM, Tosca (Cayman) has gained 315.7% (9.8% CAGR) with an annualised alpha of 5.9% vs MSCI World Financials. I see this as a reasonable return, given that we have had to navigate unprecedented regulatory change, a Eurozone crisis, Brexit, COVID, various wars and, most recently, a run on several US regional banks. Moreover, our

UK and Eurozone bias, largely a reflection of us being based in London, has undoubtedly added to the challenge in a period when the US stocks (and flows) have dominated capital markets.

There is certainly alpha in investing in financials, but the increase in passive and factor investing and the proliferation of retail and so-called “pods” have made it harder to operate as a traditional long-short equity manager. This is not an excuse; it is simply an acknowledgement that the world of investing has changed tremendously in the last two decades.

I would like to finish by thanking all those at Toscafund who have helped and advised me on this journey. Without them, none of this would have been possible. I would also like to wholeheartedly thank our investors for allowing me to manage their capital and, in many cases, being extremely patient through a number of rough spells.

A formal notice outlining the process has been sent out to all Fund investors, with a target closure date of 29th February 2024.

The Manager

TOSCAFUND

Fund Facts

Structure	UCITS Fund
Domicile	Ireland
Liquidity	Daily
Fund AUM	\$114m
Strategy AUM	\$300m
Inception	1st November 2018

Share Class	Institutional/Institutional Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	1.50%
Perf. Fee	20%
Min Init. Sub.	100,000
ISIN Codes	EUR: IE00BFY6PR01/IE00BFY6NR60 GBP: IE00BFY6NN23/IE00BFY6NS77 CHF: IE00BFY6NP47/IE00BFY6NT84 USD: IE00BFY6NQ53/IE00BFY6NV07

Share Class	Retail Pooled
Currency	EUR/GBP/CHF/USD
Mgt. Fee	2%
Perf. Fee	20%
Min Init. Sub.	10,000
ISIN Codes	EUR: IE00BF4JSD63 GBP: IE00BFY6PM55 CHF: IE00BFY6PL49 USD: IE00BFY6PN62

Fund Team

Johnny de la Hey is the Portfolio Manager for Tosca UCITS. Johnny has been a Portfolio Manager since 2008 and has ~30 years experience as a financials analyst. Johnny co-founded Toscafund in 2000, and has contributed to the portfolio management of several of Toscafund's products, being responsible for many of the firm's financial sector-related investments. From 1997 to 2000, Johnny was a financials specialist at Tiger Management. Before joining Tiger, he worked at Credit Lyonnais (1996-97) and Societe Generale Securities (1992-96). He graduated with a first-class honours degree in Geography from University College, University of London, England in 1992.

Johnny is supported by a team of five analysts, whose combined expertise of over 100 years covers the entire value chain of financials:

Jonathan Sheehan – Insurance Analyst (36 years experience, 21 years at Toscafund);
Joe Chai – Property Analyst (23, 21);
Katie Black – Financial Services Analyst (17, 15);
Rob Sheward – Banks Analyst (13, 13);
Chris Burrows – Analyst (7, 5).

The performance figures until December 2019 represents the USD Founder Share Class while the performance figures from 1 January 2020 represents the GBP Founder Share Class. These performance figures refer to the past and past performance is not a reliable guide to future performance.

Tosca UCITS Fund Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Y-T-D
2024	-0.95%												-0.95%
2023	3.97%	0.78%	-7.08%	4.09%	-4.95%	2.86%	0.23%	-0.02%	-0.26%	-0.84%	-1.07%	-0.35%	-3.18%
2022	3.78%	-1.36%	-1.71%	0.12%	3.64%	-2.59%	-5.08%	0.05%	-0.57%	1.94%	5.95%	4.10%	7.96%
2021	-2.59%	9.31%	2.24%	3.67%	2.81%	-3.79%	0.42%	3.29%	3.13%	-0.28%	-4.93%	2.81%	16.39%
2020	1.52%	-0.44%	-25.17%	3.83%	2.25%	1.99%	-1.88%	17.37%	1.37%	-7.36%	10.70%	2.72%	0.71%
2019	-4.28%	0.91%	1.28%	7.90%	-1.81%	1.15%	-1.66%	-3.53%	-5.79%	2.89%	7.46%	5.57%	9.37%
2018											-3.69%	-2.77%	-6.36%

↓ -0.95%

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COMPOSITION OF FUND (Data as at 31st January 2024)

Sector Breakdown

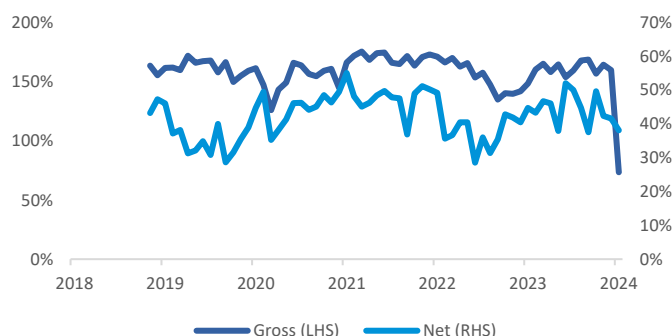
	Long	Short	Gross	Net
Banks	33.8%	-5.0%	38.8%	28.9%
Insurance	8.3%	-0.6%	8.9%	7.6%
Real Estate	0.7%	-4.9%	5.6%	-4.2%
Other Financials	4.3%	-1.5%	5.8%	2.8%
Other	8.6%	-5.7%	14.2%	2.9%
	55.7%	-17.7%	73.3%	38.0%

[^]Other Financials-ICB supersector Financial Services include (Asset Managers, Consumer Finance, Investment Services, Mortgage Finance, Specialty Finance) ^{^^}Other-Under ICB classifications this captures exposures include Business Services, Financial Technology, Leasing, Gaming, Options & Indices.

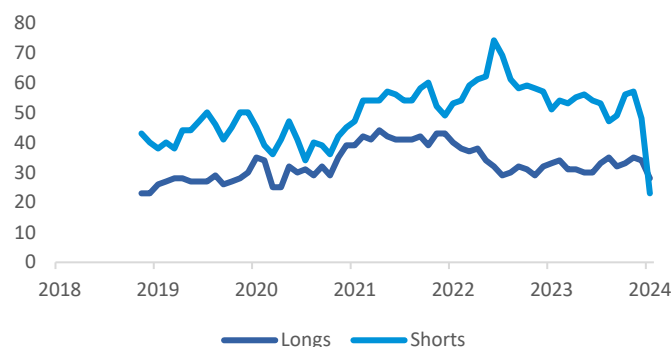
Regional Breakdown

	Long	Short	Gross	Net
UK	10.5%	-1.5%	12.0%	9.0%
Developed Europe	32.2%	-11.2%	43.4%	21.0%
North America	9.3%	-2.3%	11.6%	7.0%
Developed Asia	0.0%	0.0%	0.0%	0.0%
Developing Asia	3.6%	-2.4%	6.0%	1.2%
Other Developed	0.0%	0.0%	0.0%	0.0%
Other Developing	0.0%	-0.3%	0.3%	-0.3%
	55.7%	-17.7%	73.3%	38.0%

Exposures



Longs and Shorts



Positions

	Longs	Shorts	Largest Longs		Largest Shorts	
Top 5	16.4%	-8.6%	BANCO DE SABADELL SA	4.1%	EUROPE GENERAL	-3.0%
6-10	13.6%	-3.2%	UNICREDIT SPA	3.1%	INDIA GENERAL	-2.4%
11-15	10.5%	-2.6%	BANCA MONTE DEI PASCHI SIENA	3.1%	ITALY BANKS	-1.7%
Others	15.1%	-3.2%	ENTAIN PLC	3.1%	SWEDEN REAL ESTATE	-0.8%
	55.7%	-17.7%	BANK OF IRELAND GROUP PLC	3.0%	SWEDEN REAL ESTATE	-0.8%

Contact Details

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Disclaimer

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