

Bulldog SPAC Updates

11/26/2018

Bulldog SPAC Update – Principal Protection with Equity Type Optionality – The S&P 500 has now turned negative for November after initially rebounding as much as 6.5% from its October lows to its November intra-month high. Interestingly, SPACs continue to perform as per expectations despite the turmoil effecting all asset classes. Through end October 40 SPACs had completed IPOs in 2018, raising \$9.4 billion. In addition, 15 SPACs completed deals in 2018.

3 IPOs priced the week before Thanksgiving - **AMCI Acquisition (“AMCIU”)** a global natural resources SPAC, issued 200 million units at \$10, each unit comprised of 1 common and 1 warrant. Management has 18 months to complete a deal. **FinTech Acquisition 3 (“FTACU”)** priced 30 million units at \$10, each unit comprised 1 share and ½ warrant. Underwriting was led by Cantor. This is the same management team led by Michael Cohen and Betsy Cohen, that led FinTech1 and FinTech2. FinTech1 a \$100 million SPAC, completed its initial business combination when it acquired FTS Holding Corporation in July 2016. FinTech2, a \$175 million SPAC completed its business combination when it acquired Intermex Holdings in July 2018. Lastly, **Boxwood Merger (“BWMCU”)** priced 20 million units at \$10.

While most market participants focus on IPOs and deals, overlooked are several shorter term SPACs offering very attractive yields. This is a function of various factors including higher short- term interest rates, weak capital markets, as well as SPAC players making room for IPOs by selling some of their older holdings. The table* below lists all SPACs with less than 1 year to maturity that have not yet announced deals and their prevailing IRRs at current interest rate levels. The average current IRR on the 8 SPAC’s below is almost 6%!

Ticker	Current Bid (11/26/2018)	Drop Dead Date	Estimated Final Trust Value	WORST CASE IRR %
WRLS	\$ 10.04	2/1/2019	\$ 10.14	5.41
MMDM	\$ 10.12	2/17/2019	\$ 10.28	7.14
KBLM	\$ 10.10	3/1/2019	\$ 10.30	7.82
BRPA	\$ 10.10	5/20/2019	\$ 10.36	5.34
GIG	\$ 9.99	6/12/2019	\$ 10.31	5.98
BRAC	\$ 9.95	7/19/2019	\$ 10.26	4.98
GPAQ	\$ 9.95	7/30/2019	\$ 10.33	5.69
LGC	\$ 9.77	11/16/2019	\$ 10.25	5.03
Average IRR				5.92

Please reach out with any questions.

**This list includes all SPACs that have not yet announced or completed a merger or transaction and have less than one year remaining in which to do so. The securities identified and described herein do not necessarily represent securities purchased for client accounts. The recipient should not assume that an investment in the securities identified herein was or will be profitable."*