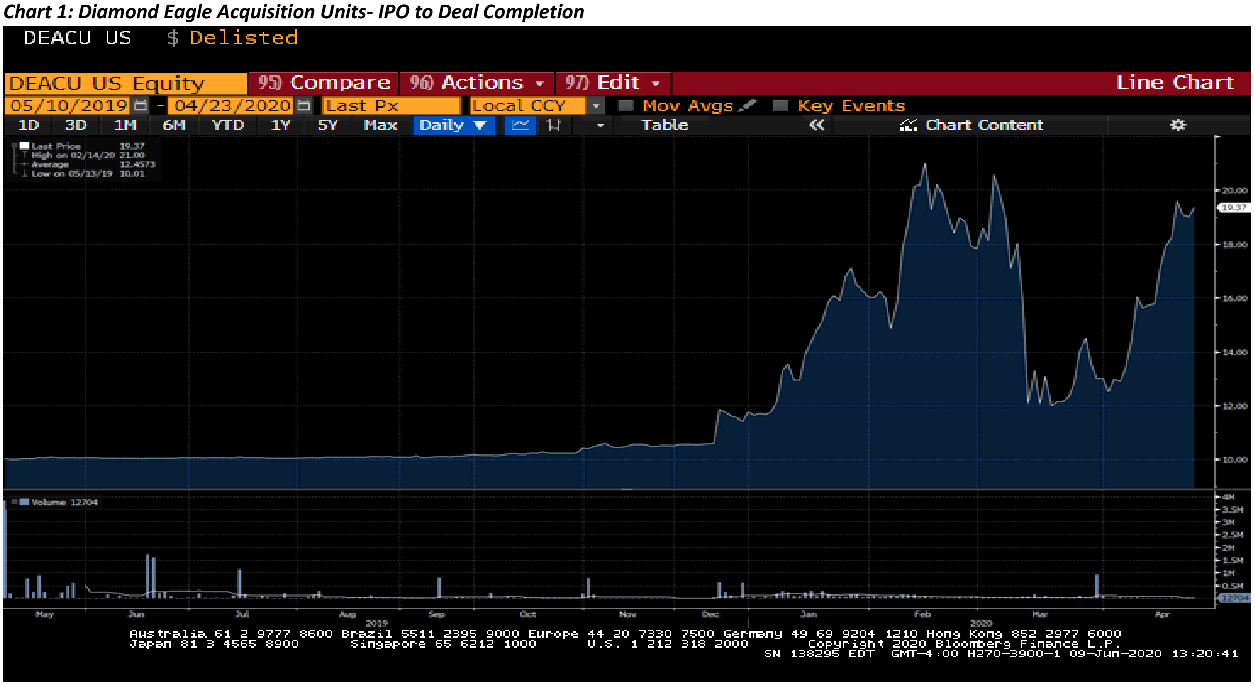
**Bulldog SPAC Update: June 9, 2020- Principal Protection with Optionality-*- The Eagle Has Landed*-**

Early in the 2nd quarter, with investors' attention focused on Covid-19, **Diamond Eagle Acquisition Corp. ("DEAC")** quietly completed its previously announced business combination with DraftKings. DraftKings is a digital sports entertainment and gaming company known for its daily fantasy sports and mobile sports betting platforms. The aggregate value of the consideration paid (to old DK and SB Tech Shareholders) was approximately $2.7 billion. This has been a wildly successful deal for SPAC investors. The SPAC completed its IPO on 5/10/19, issuing 40 million units to the public at $10 per unit, each unit comprised of 1 common share and 1/3 warrant. Less than a year later, at deal closing, the package traded north of $19 (see Chart 1). The success of Diamond Eagle (the 5th SPAC from Eagle Equity Partners), together with the completion of other highly rated deals from repeat SPAC teams like Churchill, Gores and Hennessy, has invited increased attention to the space from long-only fundamental investors. These investors are willing to pay up for the optionality realized in successful business combinations, with best in class SPACs now frequently trading at premium levels to cash in trust.

***Chart 1: Diamond Eagle Acquisition Units- IPO to Deal Completion***




***SPACS Gap Out Like Its 2008*** -However, the sell- off in March enabled us to pick up units in several top tier names at discounts to cash levels in trust- these included **Flying Eagle Acquisition ("FEACU")** (the latest offering from Eagle Equity Partners) , **Oaktree Acquisition ("OACU")** (See Chart 2**), Churchill Capital 3 ("CCXXU")** and **Gores Holding 4 ("GHIVU").** Reminiscent of the sell off during the great financial crisis, forced selling by players on margin saw SPAC yields gap out. We focused on picking up best in class names, vehicles sponsored by repeat SPAC players, and teams with strong organizational structures in place that gives them the capability to source and vet multiple deals simultaneously. With cash in hand, combined with distressed valuation levels, and limited options available to businesses seeking to access capital markets, we believe the current economic environment and opportunity set is very favorable for SPACs.

***Chart 2: Oaktree Acquisition Corp- Share Price Graph 2020***


***A Tale of 2 IPOS***- Trading in SPAC IPOs appears to bear out this hypothesis. Lower rated SPAC teams are being forced to compensate investors for the opportunity cost of holding their SPAC in a low interest rate environment. In certain cases, initial trust levels are now being juiced to $10.10, and as we saw last week with **Mountain Creek Acquisition ("MCACU")** $10.20. This has hardly been a panacea though- **GIGCapital3 Inc. ("GIKU")**, with $10.10 in initial trust and ¾ warrant, traded down to $9.85 post IPO. So, structure does not seem to matter anymore to current SPAC investors. What investors pay up for is optionality, or the probability of a successful business combination being consummated. Even better if the SPAC is laser focused on a single sector, where an investor can marry their own macro perspectives with the attributes of a SPAC sponsor. Investors dreams were answered last Friday with the pricing of **ARYA Sciences Acquisition Corp. 2 ("ARYAB')**, an IPO that checked off all the boxes-

*Repeat Sponsor Team -* ✓

*Good First Deal -* ✓

*Reputable Sponsor Organization -* ✓

*Hot Sector -* ✓

No surprise then that ARYAB closed its first day of trading at $10.79- which I believe is a record first day closing price for a SPAC IPO. The $130 million, life sciences and medical technologies focused vehicle, is the second SPAC from the team at Perceptive Advisors, LLC. **ARYA 1 (“ARYAU”)** raised $143 million in October 2018 and is currently completing a deal to acquire Inmatics Biotechnologies. ARYAU trades at $16 (IPO at $10).

Please reach out with any questions.