

Comment April 2024

The M&A market has been rather thin in terms of new deals. The market seems to be showing binary conditions, where few low-risk deals trade at very tight (if not premium, in case a counterbid is plausible) spreads, and all the transactions that present even the slightest anti-trust risk, trade at substantial spreads. This increased focus on anti-trust litigation seems to be overly priced in many of the deals present in the market, and we feel there are opportunities to take as the likelihood of all these deals being challenged is low considering the time and manpower needed for concrete legal action. The biggest announced deal of the month has been, once again, an industrial one: the acquisition of Shockwave Medical by Johnson & Johnson for around USD 12bn. Although private equity is still mostly absent from the market in the big cap space, a sizeable buyout has been struck in April: the acquisition of Endeavor Group for USD 9bn, in the media sector in the US.

The convertible bond primary market has been completely absent in April, compared to Q1 when we had a substantial amount of issuance, particularly in the US. Europe has remained quiet since the beginning of the year. Valuations have had plenty of headwinds during the month, as interest rates have continued to edge higher, and credit spreads wider. Fortunately, there has been a decent amount of volatility in the underlying equities, which has enabled us to trade the deltas and generate some income to mitigate the weakness. We are expecting the primary market to pick up soon, with issuance showing good carry and decent valuations.

Key figures as of 30 April 2024

Net Asset Value Share Class USD	USD 1'009.20
Number of units	354
Total Net Asset Value	USD 12.2m

Performance share class USD

Duration	Fund
1 month	-0.2%
3 months	0.7%
12 months	-
3 years p.a.	-
5 years p.a.	-
since inception (15.12.2023) p.a.	2.5%
Year	
2024	0.8%
2023	0.1%
since inception (15.12.2023)	0.9%

Risk ratios (rolling over the last 3 years)

Volatility (p.a.)	-
Sharpe ratio (2.81% Risk free rate)	-

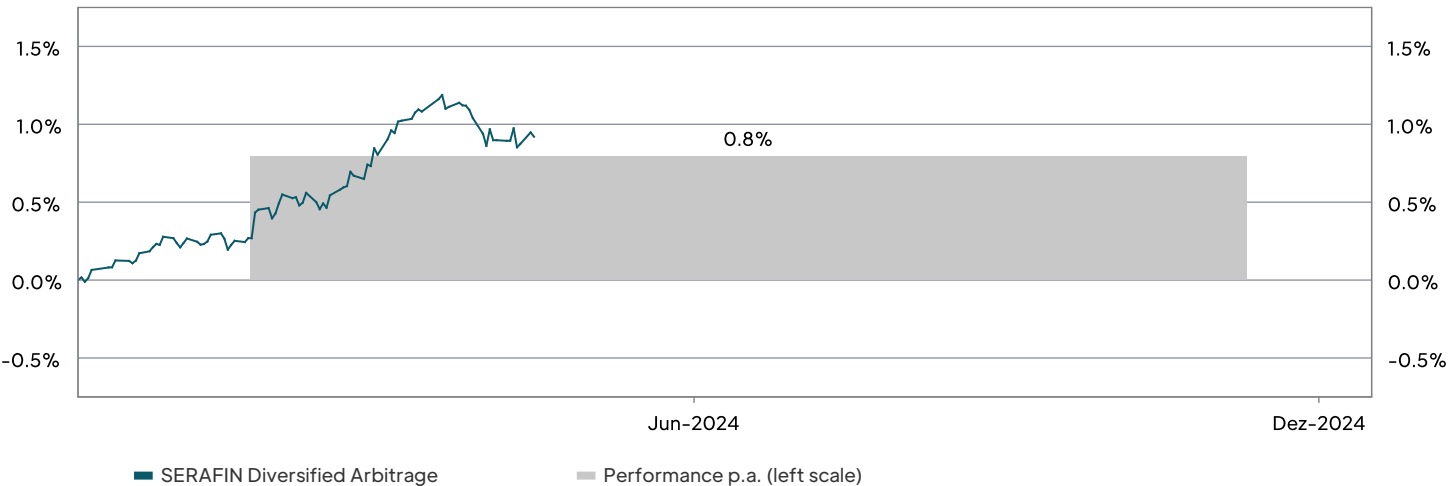
Top 5 positions

Model	2.2%
Masonite	2.1%
Encavis	1.8%
Alpine Immune Science	1.6%
Axonics	1.6%

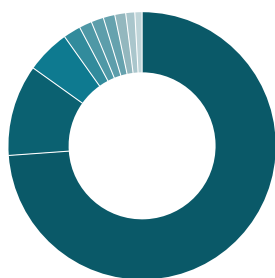
Exposure

Long	85.0%
Short	20.0%
Net Exposure	65.0%
Gross Exposure	105.0%

Performance share class USD



Breakdown by countries



United States	73.9%	Australia	1.5%
France	11.0%	United Kingdom	1.4%
Germany	5.3%	Norway	1.3%
Sweden	2.1%	China	1.1%
Japan	1.5%	New Zealand	0.9%

Breakdown by currencies



USD	99.8%	JPY	0.2%
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Investment philosophy

The investment approach consists of combining various arbitrage strategies, most notably in merger arbitrage, convertible bond arbitrage, and event-driven soft catalysts, to generate market-neutral returns that are significantly higher than risk-free rates. The combination of merger arbitrage and convertible bond arbitrage as core building blocks of the fund can offer several key advantages, as these strategies have different risk profiles and can perform differently in different market conditions. The result is a highly diversified global portfolio.

Fund facts

Domicile of fund	Luxembourg
Legal form	SICAV (AIF)
Investment universe	Global
Investment manager	Serafin Asset Management Ltd, Zug
Management company (ManCo)	Lemanik Asset Management S.A., Luxembourg
Custodian bank	UBS Europe SA, Lux. Branch
Launch date	15.12.2023
Recommended investment horizon	5 years
Reference currency	USD
ISIN / Bloomberg-Ticker (respective share class)	USD: LU2718004018 / SEDIARU LX CHF: LU2718003986 / SEDIARC LX EUR: LU2718004281 / SEDIARE LX
Distributions	reinvesting
Subscription and redemption	daily (cut-off 15.00 CET)
Tax transparency	CH, AT
Tax status Germany	Investment funds with any subsequent certification
Registered for distribution to qualified investors only	CH

Fee structure

Subscription and redemption fee	none
Management fee p.a.	Share Class USD: 0.70% Share Class CHF: 0.70% Share Class EUR: 0.70%
Profit sharing	A performance fee of 15% of the returns generated above the respective risk free rate (USD SOFR, EUR ESTR, CHF SARON) is charged.
Total expense ratio p.a.	tba

Portfolio management



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