



For institutional investors only

The views put forward in the below commentary are the views of the Investment Manager, by Cowen Investment Advisors LLC d/b/a Ramius Advisors, LLC. (“Ramius” or “Ramius Advisors, LLC”).

Fund Commentary – Q1 2020

Fund Overview

Key Fund Information	
Strategy	Merger Arbitrage
Investment Manager	Ramius Advisors, LLC
Fund Inception Date	08 July 2016
Dealing Frequency	Daily
Base Currency	USD

For more detailed fund information, please refer to the monthly fact sheet.

Q1 2020 Commentary

Market Environment:

The S&P 500 finished the first quarter of 2020 down –19.60%, as fears of the coronavirus spread throughout the world. The HFRX Merger Arbitrage Index, an index of merger arbitrage hedge funds open to new investments, was down –7.47% for the quarter.

The end of the quarter saw arbitrage spreads move to their widest levels since the 2008 financial crisis—in many cases, even wider—as several dynamics took hold. First, the rapid and precipitous decline in equities led to forced risk reduction and/or liquidations. We believe this initial wave of forced selling ran its course by March 25th, but the de-risking process is not linear (nor is the spread tightening process). Second, the VIX index has sustained at levels above 50, which has made for a challenging trading environment. Third, this high level of volatility is symptomatic of the rapid change in the global economy. Arbitrage investors dislike change because it requires them to continuously reevaluate their views on pending transactions. Toward the end of the month, the VIX began moderating—still well above historical average levels—and a few deals (e.g. Aircastle, Omnova) took final steps to close; these factors, combined with an easing in the technical selling pressure, allowed for some rebound in spreads. Currently, though, we see merger arbitrage spreads generally at their widest levels, similar to the financial crisis.

The depth of the market drawdown, the fundamental changes in many industries, and the

rising cost of debt financing (risk-free rate notwithstanding) are likely increasing stress on some pending transactions. That said, our research indicates that even through the 2008 financial crisis, the vast majority of deals closed. Certain types of transactions (e.g., leveraged buyouts, deals with weaker merger contracts) were the most likely targets for price cuts and deal breaks in 2008, and in the current market environment we are drawing on our past experience for guidance.

Portfolio Discussion:

The Fund’s top contributors for the quarter included Mellanox and Forescout and the top detractors for the quarter were Caesars and Anixter.

Forescout was a non-definitive position in a software company whose ongoing business model transition has not been appreciated by the public markets. An activist prodded management and the board to explore a sale, and Advent, an experienced software investor, announced the acquisition of Forescout in early February. Nvidia’s acquisition of Mellanox saw spread tightening on news that Nvidia was having some success in getting approval from the Chinese anti-trust regulator.

The most significant deal performance detractors this quarter were Caesars and Anixter. We reached stop loss levels in both deals due to the broader market volatility leading us to reduce overall risk and position size in those deals.



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Outlook:

In the weeks and months ahead, we will seek to find a balance between patience and vigilance, and between defensiveness and opportunistic trading. We believe volatility in spreads [will likely] persist while the global economy tries to find its footing, the short-duration nature of merger arbitrage has historically enabled its mean reverting characteristics to assert themselves without requiring the equity market to return to its highs. Our capital efficiency model will assist us in continuing to identify financially attractive trades in a dynamic market, and we will seek to marry that knowledge with research to rotate the Fund’s capital allocations and find the best risk-adjusted opportunities in the arbitrage space.

With respect to our expectations for M&A and the opportunity set looking out a few more months, we see the potential for an interesting dynamic developing. In most normal merger arbitrage environments, we usually see one of two states of the world: Either (1) corporate confidence is high, there are many deals and you choose among the best for the portfolio, or (2) there are fewer deals because corporate confidence is lower but spreads are wider. The coming months could see a combination of both wider spreads and improving deal flow. While in the very short term, volatility likely muted deal activity, if and when the VIX reverts to more normalized levels, we believe there may be more urgency to act by both buyers and sellers.

Figure 1: Lumyna – Ramius Merger Arbitrage UCITS Fund: Performance & Risk Statistics since inception

Performance Analysis since inception	
Cumulative RoR	5.39%%
Sharpe Ratio ¹	0.06
Sortino Ratio ²	-0.31
Percentage of Positive months	66.7%
Percentage of Negative months	33.3%
Best month	2.3%
Worst month	-9.9%

Source: Lumyna Investments Limited as at 31 March 2020

¹ Sharpe Ratio is based on daily performance returns and 90 day risk free rate. The ratio is shown once sufficient data is available.

² The Sortino ratio is based on daily performance returns and shown once sufficient data is available. The minimum acceptable return used for the calculation is 5% per annum.



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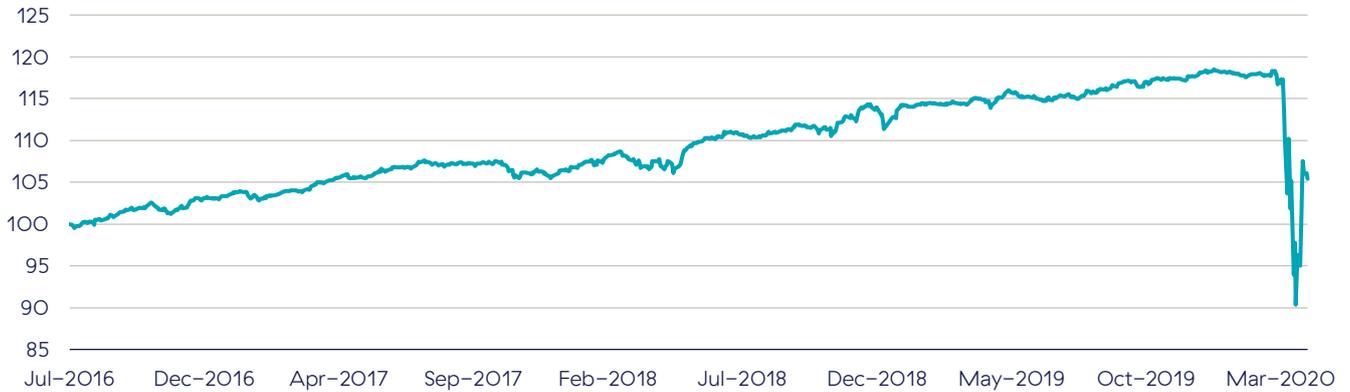
Performance Snapshot – USD B (Acc.)

Q1 2020			YTD				Annualized Return				Annualized Volatility ¹		
-10.87%			-10.87%				1.42%				11.3%		
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	-0.28%	-0.75%	-9.94%										-10.87%
2019	1.43%	-0.14%	0.68%	0.09%	0.02%	-0.13%	0.54%	0.80%	-0.12%	0.93%	0.19%	0.45%	4.81%
2018	1.03%	0.87%	-1.48%	0.52%	2.27%	0.86%	-0.23%	0.61%	0.38%	0.47%	1.70%	-1.07%	6.03%
2017	-0.49%	0.83%	0.70%	0.90%	0.13%	1.13%	0.56%	-0.20%	-0.03%	-0.16%	-0.96%	0.37%	2.79%
2016							0.28%	1.00%	0.86%	-0.67%	1.33%	0.66%	3.50%

Source: Lumyna Investments Limited as at 31 March 2020.

¹Volatility is calculated using daily returns

Figure 2: Lumyna – Ramius Merger Arbitrage UCITS Fund Performance since inception



Source: Lumyna Investments Limited as at 31 March 2020.

The performance figures contained herein are net of fees. The returns shown are based on share class USD B (acc) and therefore such historical information does not represent actual returns that an investor in share classes other than USD B (acc) may receive but is for information purposes to illustrate the performance of the Fund and should be interpreted accordingly. Past performance is not an indication of future performance or actual realised returns on an investment in the Fund (which may be affected by a number of factors including, but not limited to, applicable fees and the timing of subscriptions and redemptions in the Fund).

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Investors should note that the Fund is authorised to invest up to 100% of its net assets in transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities, by another OECD Member State, or by public international organisations in which one or more EU Member States are members.

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France:

The key investor information document, Prospectus, articles and latest annual and half-yearly reports are freely available upon request from Société Générale 29, boulevard Haussmann, 75009 Paris, the centralising agent of the Company in France. The Prospectus, the articles and the latest annual and half-yearly reports are only available in English. The information below is for general guidance only and further information is available in the Prospectus.

Luxembourg:

The Fund is being registered for public distribution in Luxembourg.

The Fund may be registered for public distribution in other jurisdictions in the future. For an up-to-date list of those jurisdictions contact your distributor.

United States:

The Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "1933 Act"), or the securities laws of any of the states of the United States. The Shares may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any U.S. Person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable state laws. The Fund has not been and will not be registered in the U.S. There has not been and will not be a public offering of the Shares in the United States.

INVESTMENT RISKS:

Investment in the Fund carries substantial risk. There can be no assurance that the investment objectives of the Fund will be achieved and investment results may vary substantially over time. Investment in the Fund is not intended to be a complete investment programme for any investor. Investment in the Fund is intended for experienced investors who are able to understand and accept the risks involved.

A prospective investor should appreciate that the value of any investment, and any income from any investment, may go down as well as up and that an investor's capital is at risk and the investor may not receive back the amount invested. Past performance is not necessarily indicative of future results.

Persons considering investing in the Fund should have regard to, among other matters, the considerations described under the heading "RISK FACTORS" in this Prospectus and the statements set out under the heading "RISK PROFILE" and "SPECIFIC RISK WARNINGS" in the relevant Supplement.

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- (i) by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended); or
- (ii) to persons licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended), the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended), the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended) or the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 (as amended).

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