

## LYXOR / TIEDEMANN ARBITRAGE STRATEGY FUND - CLASS O USD

LYXOR ASSET MANAGEMENT

## INVESTMENT OBJECTIVE

The Lyxor/Tiedemann Arbitrage Strategy Fund invests in global securities in North America, Europe, Australia, South America and Asia, that are or may become subject to a tender offer, merger, liquidation, recapitalization, spin-off, proxy contest, exchange offer, leveraged buyout or bankruptcy. The Fund trades primarily in connection with announced transactions and seeks to play arbitrage deals from both a long and a short perspective.

## MONTHLY COMMENTARY

Macro volatility continued through February and accelerated with Russia's invasion of Ukraine. Year-to-date, the market is down roughly 12%, exceeding what we view as a healthy correction; hence, we have shifted our focus to capital preservation. Deal flow thus far has remained strong across multiple sectors, but the volume may slow as deal financing becomes more expensive with credit markets under pressure. We are particularly skeptical of any soft-catalyst situations in this type of market environment. The portfolio has no direct exposure to Ukraine or Russia, and we are working to avoid any indirect impacts. As of month-end, our gross long exposure was roughly 70% (excluding SPAC investments) allowing us capital flexibility as we seek more attractive spreads. Although there is some stress throughout the system, we feel well-positioned to deal with the volatility and selectively invest in opportunities.

The three biggest winners of February were Tegna, Xilinx and Momenite.

Tegna was a unique position for the Fund, a sizable pre-deal where we had confidence in the process driven by our years of experience in the broadcasting industry. Back in September of 2021, there were news reports that Apollo and Standard General were preparing a bid for the company. From that point, we continued to monitor the process, and as time passed, a deal seemed more likely. We increased our position by the time the deal was announced and added exposure through an option strategy. We noticed a significant tone change from Tegna's management which comforted us in growing our position through the month despite the market volatility. On Feb 22nd, Standard General announced the purchase of the company for \$24, plus dividends and ticking fee.

The second largest winner was Xilinx which received SAMR approval in January. Xilinx was trading with a 2.5% gross spread post China's SAMR approval, as it awaited expiration of its refilled U.S. HSR application. In the days leading up to expiration, we grew the position to 7.5% driven by AMD's confidence that the FTC would clear the deal as it had done a year prior. The deal received clearance and closed on February 15.

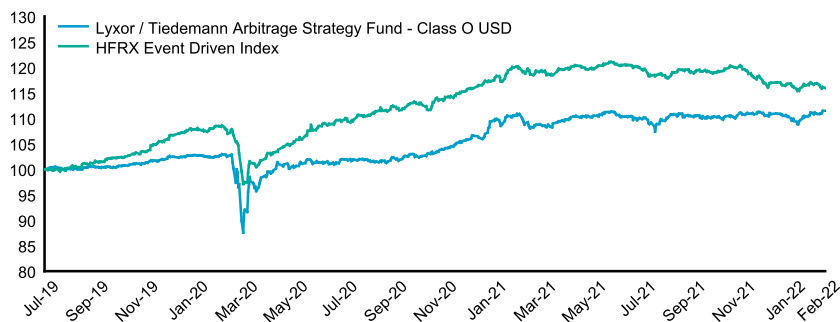
Lastly, the third biggest winner was Momenite. On October 28, Zendesk announced an all-stock deal to acquirer Momenite (MNTV). The deal valued MNTV at \$28, but ZEN's stock went down ~18% immediately following announcement, from \$119 to \$110. This destroyed \$2.3bn in value for ZEN shareholders, nearly 50% of the total value of MNTV (at a \$28 share price). We immediately went long ZEN, recognizing that the deal was unlikely to pass given the reaction and that a ZEN shareholder vote was required. We spoke to many of the top-twenty shareholders, and it was clear that there was unanimous dissent. We reached out to the company privately in December saying they should abandon the deal or risk losing shareholder support entirely. Following ZEN earnings on February 10, ZEN announced it had received and rejected a private equity bid for \$127-132, along with strong financial results. The stock rallied from \$101 to \$115. Prior to the vote on February 25, we released a public letter notifying the board that this vote would represent more than just a rejection of the transaction but a show of no confidence in management. On the vote, only 9% of shareholders voted for the transaction, the lowest vote of no confidence we have seen.

The three biggest losers of the month were Pilgrim's Pride, Siltronic and Daily Mail & General.

Pilgrim's Pride was a minority buyout by the parent company, JBS. On January 12, the PPC special committee told the market it had received an improved offer from JBS of \$28.50 per share, up from \$26.50 per share. On February 4, PPC said the bid was inadequate and JBS replied that they would respond to the rejection by the end of February. Given the restricted timeline, we reduced the position. On February 17, JBS revoked its offer and announced instead they would use capital to purchase their own stock. The second biggest loser was Siltronic. GlobalWafers acquisition of Siltronic officially terminated on January 31. We thought there was still a possibility that an offer could be revived so we retained circa 1.5% of exposure in Siltronic, hedged 20% with GlobalWafer. Siltronic traded down 12% with the market in February. Lastly, the third biggest loser was Daily Mail & General (DMGT). When DMGT was acquired in 2021, part of the consideration was distribution of Cazoo (CZOO) shares. Those shares continued to be in lock up and CZOO has traded down 10% in February.

We expect to see severe economic impacts from Russia's invasion and corresponding sanctions to impact the broader markets. We are focused on researching each element of any investment and seeking to ensure that we limit exposure to the macro volatility. Towards the end of the month, we began to see spreads dislocate due the market and we only expect this to become more severe if/when the market trends lower. Capital preservation is top-of-mind in these types of environments, and we wait for stability before we enter a risk-on environment.

## PERFORMANCE SINCE INCEPTION



## HISTORICAL MONTHLY RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	-0.86%	1.39%											0.52%
2021	2.46%	0.12%	-0.71%	1.97%	0.26%	-0.26%	-1.11%	1.15%	-0.38%	0.38%	0.48%	-0.01%	4.38%
2020	0.19%	0.04%	-5.40%	4.11%	0.06%	0.25%	0.57%	-0.54%	0.93%	0.74%	1.33%	1.73%	3.82%
2019							0.35%	-0.35%	0.37%	0.54%	0.81%	0.61%	2.34%*

\* Since inception: July 19, 2019

## IMPORTANT NOTE

Official NAV is calculated every day, subject to holidays & certain extraordinary events. Performance based on the Fund's last official NAV, and the Index level as of the same day.

The Fund complies with the UCITS Directive and has been approved by the Central Bank of Ireland on February 21, 2013. Please refer to the Fund's prospectus for a full disclosure of the fund's characteristics.

(1) Under normal market conditions, Lyxor intends to offer the LIQUIDITY mentioned above. However, the LIQUIDITY is not guaranteed and there are circumstances under which such LIQUIDITY may not be possible. Please refer to the Fund's legal documentation for complete terms and conditions. The Fund switched to daily liquidity on March 22, 2017.

(2) For any additional information regarding fees, please refer to the relevant fees section of the Fund's Prospectus.

(3) The Fund is subject to an Administrative Expenses Fee at a rate of up to 0.25% of the Net Asset Value of each Class of the Fund per annum.

Prospective investors should consult with their independent financial advisor with respect to their specific investment objectives, financial situation or particular needs to determine the suitability of investment. There can be no assurance that the investment objective of the Fund will be achieved and investment results may vary substantially over time. Investments in the Fund places an investor's capital at risk. The price and value of investments may fluctuate and investors may lose all or a substantial portion of their investment. Past performance is not indicative of future results. PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE RESULTS

Source: Lyxor Asset Management

## FUND FACTS

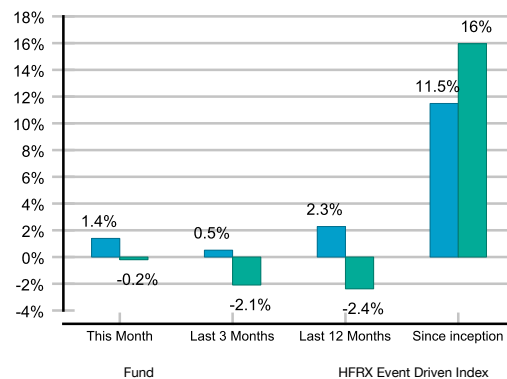
Legal Structure	Sub-Fund Of Lyxor Newcits IRL PLC
Inception Date of the Fund	February 21, 2013
Inception Date of the Class	July 19, 2019
Share Class Currency	USD
Available Currency Classes	CHF, EUR, GBP, JPY, NOK, SGD, USD

ISIN Code	IE00BK8X5F09
Bloomberg Code	LYLASOU
Investment Manager	Lyxor Asset Management S.A.S.
Sub-Investment Manager	TIG Advisors LLC
Administrator	SS&C GlobeOp Financial Services
Liquidity (1)	Daily
Subscription/Redemption Notice	On D day 10:00 AM (Dublin time)
Valuation Day	Daily

Total Fund Assets (M USD)	2,461
Management Fee (2)	up to 1.00%
Class Investment Advisory Fee (2)	1.00%
Class Performance Fee (2)	Up to 20%
Administration Fee (2) (3)	Up to 0.25%

Long Exposure	88.71%
Short Exposure	13.47%
Net Exposure ( long - short )	75.25%
Gross Exposure ( long + short )	102.18%

## PERFORMANCE ANALYSIS



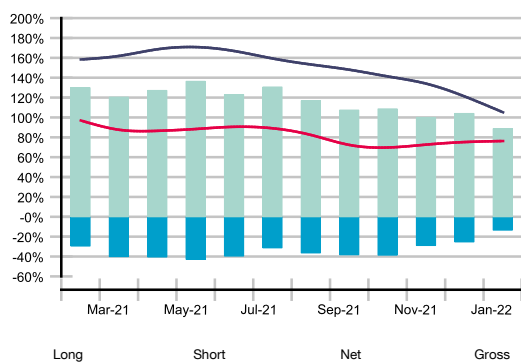
## RISK ANALYSIS

	Since inception	
	Fund	Index*
Volatility	3.65%	2.18%
Sharpe ratio	0.21	0.50
Maximum DrawDown	-14.96%	-10.61%

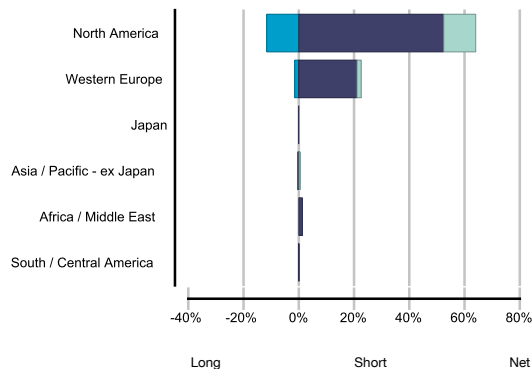
\*HFRX Event Driven Index

Official Fund NAV is calculated on a daily basis, subject to holidays & certain extraordinary events. Performance is based on the Fund's last official NAV, and the Index level as of the same day. These indicators are based upon weekly returns calculation.

## MONTHLY STRATEGY EXPOSURE FOR LAST 12 MONTHS

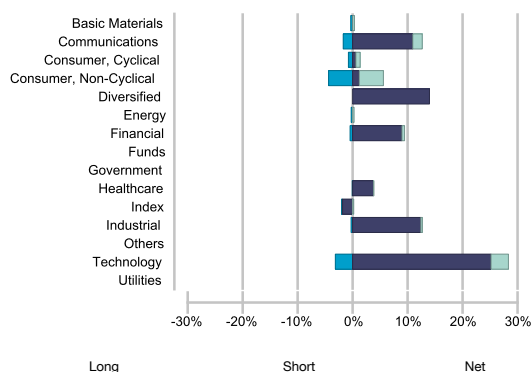


## GEOGRAPHICAL BREAKDOWN

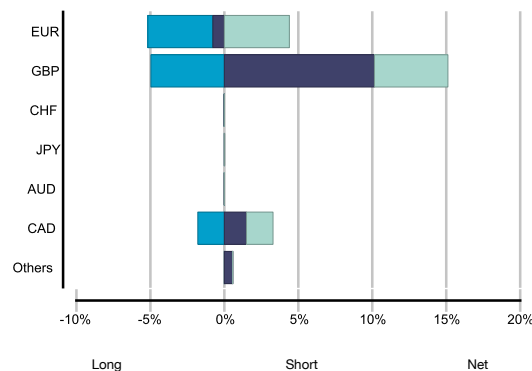


The geographic classification of a security depends on the location of the issuer's main business activity. Treasury securities are categorized according to the issuing country.

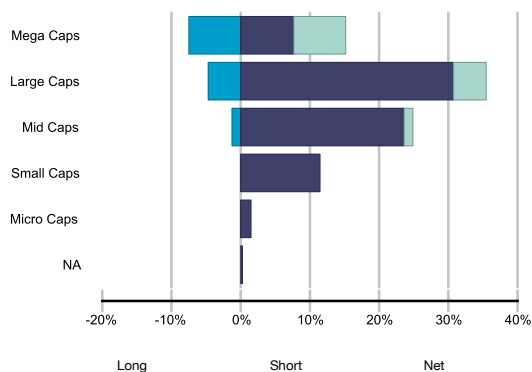
## SECTOR ALLOCATION



## CURRENCY FX RISK



## CAPITALISATION BREAKDOWN



## MAIN RISKS

**Risk of losses:** The price of Shares can go up as well as down and investors may not realise their initial investment. The investments and the positions held by the Fund are subject to (i) fluctuations in the Strategy (ii) market fluctuations, (iii) reliability of counterparties and (iv) operational efficiency in the actual implementation of the investment policy adopted by the Fund in order to realise such investments or take such positions. Consequently, the investments of the Fund are subject to, inter alia, the risk of declines in the Strategy (which may be abrupt and severe), market risks, credit exposure risks and operational risks. At any time, the occurrence of any such risks is likely to generate a significant depreciation in the value of the Shares. Due to the risks embedded in the investment objective adopted by the Fund, the value of the Shares may decrease substantially and even fall to zero, at any time.

**Counterparty risk:** the Fund is exposed to the risk that any credit institution with which it has concluded an agreement or a transaction could become insolvent or otherwise default. If such an event occurs, you could lose a significant part of your investment.

**Credit risk:** the Fund is exposed to the risk that the credit quality of any direct or indirect debtor of the Fund (be it a state, a financial institution or a corporate) deteriorates or that any such entity defaults. This could cause the net asset value of the Fund to decline.

**Operational risk and asset custody risk:** in the event of an operational failure within the management company, or one of its representatives, investors could experience delays or other disruptions.

**Liquidity risk:** in certain circumstances, financial instruments held by the Fund or to which the value of the Fund is linked could suffer a temporary lack of liquidity. This could cause the Fund to lose value, and/or to temporarily suspend the publication of its net asset value and/or to refuse subscription and redemption requests.

**Risk of using FDI:** the Fund invests in financial derivative instruments in order to reach its investment objective. These instruments may include a range of risks which could lead to their adjustment or result in their early termination. This could lead to the loss of a part of your investment.

**Capital at risk:** the initial capital invested is not guaranteed. As a consequence, investor's capital is at risk and the amount originally invested may not be recovered.

Please refer to the Fund's Prospectus for a complete description of the Investment Risks.

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**Regarding the benchmark index mentioned in this document:** Parties entering into transactions (such as a derivative or financing transaction) or investing in financial instruments that use a benchmark index are exposed to the risk that: (1) such benchmark index may be subject to methodological or other changes which could affect the value of the relevant transaction; or (2) (i) may become not compliant with applicable laws and regulations (such as the European Benchmark Regulation), (ii) may cease to be published, or (iii) the supervisor or administrator of any such benchmark may make a statement that the relevant benchmark is no longer representative, and as a consequence the relevant benchmark may be replaced by another benchmark which may have an adverse and material impact on the economics of the relevant transactions. You should conduct your own independent investigation and analysis of the potential consequences of any relevant risks such as those mentioned above, particularly in light of the ongoing industry initiatives related to the development of alternative reference rates and the update of the relevant market standard documentation.