

PRESS RELEASE

First Private wins mandate from one of the world's largest sovereign wealth funds

- **First Private Investment Management stands out with long-term successful merger arbitrage strategy**
- **Portable alpha approach combines alpha strategy with S&P 500 while strictly adhering to tracking error constraints**
- **State-of-the-art machine learning technology enables precise forecasts for M&A transactions**

Frankfurt am Main, 22. May 2025 – First Private, an independent German asset management boutique based in Frankfurt am Main, has been awarded an institutional mandate by one of the world's largest sovereign wealth funds. The fund invests in First Private's long-established merger arbitrage strategy, which is implemented as a portable alpha approach in combination with the S&P 500 Index. Clearly defined tracking error limits are observed to precisely manage market exposure.

"We are very pleased to have received this mandate and to have earned the trust of such a renowned key client. Under the leadership of Christian Schuster, Head of Portfolio Management, and Dr. Sebastian Wenz, Senior Portfolio Manager, our merger arbitrage strategy has been continuously refined. In addition to our alpha, our efficient implementation creates added value that is increasingly being recognized internationally," says Tobias Klein, CEO and Partner at First Private.

Added Value through Portable Alpha Approach

First Private's merger arbitrage positions are 'ported' to the S&P 500 Index via an overlay with swaps. This construction allows alpha to be generated from corporate developments, while the market factor is passively mapped and additionally earned. Tracking error limits ensure that the investor's risk profile is approached as planned.

Data Expertise and Technology as Key Drivers

First Private relies on a proprietary database containing thousands of historical merger transactions. Machine learning models identify probabilities for deal closing, timing, and potential spread changes. As a result, entry, position, and exit decisions are made systematically and based on data.

"By using state-of-the-art machine learning models, we are able to predict the outcome of M&A transactions with even greater precision," explains Dr. Sebastian Wenz, the portfolio manager responsible for merger arbitrage. "Our proprietary data foundation, combined with the execution of our trades through leading US investment banks, enables us to deliver competitive and robust performance – even in volatile market environments."

Portfolio Managers:

- **Christian Schuster** – Head of Portfolio Management
Over 25 years of experience in event-driven strategies and quantitative portfolios.
- **Dr. Sebastian Wenz** – Senior Portfolio Manager
Expert in statistical models and machine learning applications in asset management.

About First Private Investment Management and the FP Group

As an independent, technology-driven investment boutique, First Private focuses on rules-based, quantitative management of equities and liquid alternatives, utilizing state-of-the-art methods such as artificial intelligence. The manager offers its innovative strategies through both mutual funds and specialized funds.

The FP Group, under the brands First Private Investment Management and re:cap global investors ag, provides specialized asset management services in the areas of equities, multi-asset, and alternatives. The group primarily manages assets in the DACH region, with a volume of €3.28 billion (as of Dezember 31, 2024) for institutional and private investors.

For more information, visit: <https://www.first-private.de>

Press contact:

public imaging GmbH

David Busch / Isabella von Köckritz / Sandra Landsfried

+49 / (0)40 401 999 -295 / -22 / -16