NIC

— Nova Investment Club —

Newsletter

April 2025

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— Nova Investment Club —

Foreword

This Month:

In our Macro Overview section, analysts from the Financial Markets and Private Equity Divisions will cover broad macro themes while reviewing major economic news from the past month. In our Deeper Dive section, Felix Schappacher discusses the trade war caused by US President Trump's aggressive tariff hikes and what it means for investors and the economy.

Our Investment Banking Division will guide you through March's overall M&A activity. Read about Alphabet acquiring Wiz, and Whitecap Resources acquiring Veren Inc. Additionally, get a detailed overview of what happened to Moderna Inc., and read expert insight on the FCC's stance on diversity, equity, and inclusion policies affecting M&A.

Our Financial Markets Division will present the monthly results of the NIC Fund, an active relative return fund investing across three different asset classes: Equities, Fixed Income, and Commodities. The analysts will also provide commentary on each of the three major asset classes, along with Currencies, through an analysis of the past month's major market moves. The overall performance of the NIC Fund in March was negative, with a cumulative return of -1.38%.

Our Private Equity Division will cover global and European trends in private equity transactions and investments, followed by brief insights into some top deals. Read about STG Partners' acquisition of the Boston Celtics and Sycamore Partners' acquisition of Walgreens Boots Alliance.

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Macro Overview

Monthly

April 7th, 2025

Deeper Dive

What Trump's Tariffs Mean For Investors and the Economy

— p.2

Market Moves

Market Moves

% change

	Last Close	-1W	-3M	YTD
S&P 500	5,612	-2.70%	-4.59%	-4.59%
DJIA	42,002	-1.37%	-1.28%	-1.28%
Nasdaq	17,299	-4.89%	-10.42%	-10.42%
MSCI World	3,796	-2.22%	2.17%	2.17%
MSCI EM	3,715	-1.88%	0.95%	0.95%
Russell 2000	2,012	-4.62%	-9.79%	-9.79%
Euro Stoxx 50	5,248	-3.09%	7.20%	7.20%
FTSE 100	8,583	-0.64%	5.01%	5.01%
Nikkei 225	35,618	-5.29%	-10.72%	-10.72%
Hang Seng	23,120	-3.29%	15.25%	15.25%
Dollar Index	104.21	-0.05%	-3.94%	-3.94%
EUR/USD	1.082	0.14%	4.46%	4.46%
GBP/EUR	1.194%	-0.18%	-1.17%	-1.17%
GBP/USD	1.292%	-0.04%	3.21%	3.21%
USD/JPY	149.960	-0.49%	-4.61%	-4.61%
USD/CHF	0.88	0.14%	-2.55%	-2.55%
Brent Crude	74.740	2.38%	0.13%	0.13%
Gold	3,122.8	3.55%	18.24%	18.24%

Generic Bond Yields

change in bps

	Last Close	-1W	-3M	YTD
US 10Y Yield	4.205%	-12.9	-36.4	-36.4
GER 10Y Yield	2.738%	-3.3	37.1	37.1
JPY 10Y Yield	1.490%	-5.5	38.9	38.9
UK 10Y Yield	4.675%	-3.8	10.7	10.7
PT 10Y Yield	3.260%	-2.2	41.2	41.2

**Source: Bloomberg, as of 2025-03-31*

In Focus

March

March sees escalation of Trump's tariff turbulence. In recent trade war escalations, President Trump announced a 25% tariff on steel and aluminium for Canada and other trade partners, threatened a 200% tariff on European wine and alcoholic beverages unless the EU lifts a tax on US whiskey and imposed a 25% tariff on auto imports, effective on the 3rd of April. Additionally, Trump pledged a 25% tariff on any nation buying oil and gas from Venezuela. Trump warned of further tariffs on Canada and the EU if they collaborate to "do economic harm" to the US.

French far-right leader Le Pen banned from next elections. On the 31st of March, Rassemblement National leader Marine Le Pen was banned from running for office for five years and sentenced to two years under house arrest for embezzling EUR 4.4 m in public funds. This marks a turning point in French politics, with Le Pen's protégé, Jordan Bardella, expected to run in her place following the RN's winning of 123 seats in last year's snap election.

Germany's colossal fiscal stimulus package wins parliament approval. On the 18th of March, the German parliament approved what could be the largest spending package in the country's history. The bill lifts defence spending from debt restrictions and establishes a EUR 500 bn fund to invest in aging infrastructure. The approval came after Chancellor-in-waiting Friedrich Merz's Christian Democrat-led bloc and the SPD gained backing from the Greens, who had initially rejected the bill, following promises of more funding for climate change efforts.

US continues efforts to broker Russia-Ukraine ceasefire. Despite an agreement to halt strikes on energy infrastructure in mid-March, both Russia and Ukraine continued drone attacks, raising doubts about the validity of any future US-brokered agreement. At the end of the month, Trump threatened "secondary tariffs" on buyers of Russian oil if President Putin refuses a ceasefire, citing disappointment with Putin's recent comments which cast doubt on Ukrainian President Zelenskiy's legitimacy as a negotiating partner.

US Federal Reserve holds rates steady amid economic uncertainty. The Fed kept its benchmark interest rate at 4.25%-4.50% for a second consecutive meeting on the 19th of March, citing uncertainty around inflation due to Trump's policy changes. Economic projections indicated slower growth, with the Atlanta Fed's March 28th GDPNow forecast predicting a 2.8% contraction in Q1 2025. Fed Chair Jerome Powell noted that "inflation has started to move up," before a 10 bps rise in the Core PCE Price Index. He attributed part of the inflation increase to tariffs but deemed their impact "transitory."

Detention of Erdogan's main rival sends Turkish markets into meltdown. Turkish markets plummeted in March following the detention of President Erdogan's main rival, Ekrem Imamoglu, sparking concerns about political instability and threatening recent investor-friendly economic policies. The US dollar surged 12.50% against the Turkish lira , which hit a record low, on the day of Imamoglu's detention. The Borsa Istanbul 100 Index fell 8.72% on the same day, while yields on 10-Year sovereign bonds spiked 139 bps to 29.58%, reminding investors of the risks inherent in Turkish markets.

US stocks post worst quarter since 2022. The benchmark S&P 500 and tech-heavy Nasdaq 100 Indices closed down 8.66% and 13.02% from their respective peaks on the last trading day of March, with the former crossing below its 200-Day moving average for the first time since October 2023. Investors are voicing concerns about AI spending, with Nvidia down over 25% from its peak, tariffs and a potential US recession.

Adam Green
Financial Markets Division

Deeper Dive

What Trump's Tariff Mean For Investors and the Economy

Felix Schappacher
Private Equity Division

"Trade policies shape economic realities. A well-calibrated approach is essential to balance protectionism with global stability."

– Jerome Powell, Chair of the Federal Reserve

"Markets react to uncertainty, and abrupt tariff changes fuel instability. The long-term outlook depends on strategic diplomatic engagements."

– Christine Lagarde, President of the European Central Bank

The recent announcement of comprehensive tariff increases by the United States has triggered significant disruptions in global trade and financial markets. The decision to impose over 20% tariffs on imports from key trading partners, including Canada, Mexico, China, Japan, and the European Union, has heightened fears of a global trade war. Economists project that these tariffs could reduce global economic output by as much as USD 1.4 tn over the next few years, reminiscent of the downturns seen during prior protectionist policies. While the White House argues that these measures are aimed at correcting trade imbalances and bolstering domestic industry, the broader economic repercussions have been swift and severe.

Financial markets have responded with heightened volatility. Major indices saw sharp declines, with the S&P 500 experiencing its worst quarter since 2022, dropping by 4.59%. The Nasdaq Composite also fell significantly, as tech companies reliant on global supply chains suffered heavy losses. In response to investor uncertainty, gold prices surged to a record high of USD 3,122.80 an ounce, as traders sought safe-haven assets to hedge against currency fluctuations and market instability. The bond market reflected similar concerns, with US Treasury yields falling sharply as demand for secure, long-term investments increased.

Consumer sentiment has also taken a hit, with inflation fears escalating. The University of Michigan's consumer survey reported a significant drop in confidence, as Americans anticipate rising costs for essential goods such as groceries and automobiles. Supply chain disruptions, already weakened by prior global shocks, are expected to exacerbate price increases across multiple sectors, further straining household budgets. Small businesses, which rely on affordable imports for production, may be particularly vulnerable as costs rise and profit margins tighten.

One of the most pressing concerns for investors is the impact of these tariffs on corporate earnings. Companies with high exposure to international markets are expected to face higher costs, leading to downward revisions in profit forecasts. The tech and manufacturing sectors are particularly vulnerable, as firms like Apple and General Motors prepare for potential retaliatory tariffs from affected nations. Corporate leaders have voiced concerns over the unpredictability of future trade policies, which complicates long-term investment planning. Analysts predict that prolonged uncertainty could lead to a slowdown in capital investment, further dampening economic growth.

Beyond the immediate financial turbulence, geopolitical tensions are on the rise as well. Several nations, including China and the European Union, have signalled intentions to introduce countermeasures, raising the risk of a prolonged trade conflict. The World Trade Organization (WTO) has warned that escalating tariffs could lead to systemic instability in global trade networks, further dampening economic growth prospects.

Despite the challenges, some sectors may find opportunities amid the disruption. Domestic manufacturers, particularly in industries such as steel and aluminium, could benefit from reduced foreign competition. However, the extent of these gains remains uncertain, as supply chain bottlenecks and increased production costs could offset any competitive advantages.

The recent tariff hikes have introduced a new wave of uncertainty into the financial markets, dampening investor confidence and increasing economic risks. While policymakers argue for the necessity of these measures to protect domestic industries, the broader implications point toward slower growth, market volatility, and heightened geopolitical tensions. Investors will closely monitor upcoming trade negotiations and potential policy shifts, as the trajectory of global markets depends heavily on how these economic conflicts evolve.

Felix Schappacher
Private Equity Division

Macro Overview

Economic Calendar

Economic and Political Events

Trump's "Liberation Day"

On the **2nd** of April, President Trump announced a 10% tariff on all exporters to the US, with higher duties on some 60 nations, including tariffs of 34% and 20% on China and the EU respectively, to address trade imbalances. The S&P 500 dropped 4.84% the following day.

World Bank and IMF Spring Meetings

From the **21st** to the **26th** of April, the 2025 Spring Meetings of the World Bank Group and the International Monetary Fund will take place in Washington, DC. Key events will include the Development Committee Meeting and the International Monetary and Financial Committee.

Earthx2025 Congresss of Conferences

From the **21st** to the **25th** of April, EarthX, will bring together a diverse group of leaders across sectors to engage and advance the latest sustainability solutions. Key topics include the clean energy ecosystem, the circular economy and "Brave New Ocean".

Central Bank Decisions

Reserve Bank of Australia Rate Decision

On the **1st** of April, the Reserve Bank of Australia's new monetary policy board kept interest rates unchanged at 4.1%, with Governor Michele Bullock stating that forward looking indicators suggest a tight labour market and that the impact of Trump's tariffs is still uncertain.

Reserve Bank of India Rate Decision

On the **9th** of April, the Reserve Bank of India is expected to cut its benchmark repo rate for a second straight meeting by 25 bps to 6.00%. Inflation in India eased to a 7-Month low of 3.61% in February, with economists forecasting the weakest growth rate in four years this fiscal year.

Bank of Canada Interest Rate Meeting

On the **16th** of April, the Bank of Canada will meet and are expected to hold rates steady at 2.75%. March saw a 25 bps cut, with the governing council split between waiting for further clarity and providing immediate support to an economy weakened by Trump's tariff threats.

Inflation and Deflation

Update on Euro Zone Inflation

March inflation data for the euro area was published on the **1st** of April. HICP inflation declined to 2.2%, in line with expectations. Core inflation came in below forecasts, declining by 20 bps to 2.4%. Services inflation came in at 3.4%, a long way down from 3.9% in January.

US Consumer Price Index

US CPI data will be released on the **10th** of April, with markets forecasting declines of 10 bps and 30 bps in core and headline figures respectively. The release will be closely followed by investors around the globe as the US economy teeters on the brink of stagflation.

UK Inflation Rate

March CPI data in the UK will be made public on the **16th** of April, with the headline figure forecasted to rise by 3.2% YoY, a 40 bps increase from February. New models suggest that stickier rental inflation will slow this year and allow a continuation of rate cut from the BoE.

Labour Market

US Employment Readings

On the **4th** of April, the US jobs report for March was released. Non-Farm Payrolls increased by 228,000, up from 151,000 in February and easing concerns that the US economy was slowing before Trump's tariff announcements. The unemployment rate rose by 10 bps to 4.2%.

UK Labour Market

UK labour data for the three months ending February will be released on the **15th** of April. January's unemployment reading remained stable at 4.4%, while private sector pay growth, the BoE's closest-tracked measure, fell to 6.1%, adding to the case for further easing.

German Unemployment Data

The German unemployment rate will be announced on the **30th** of April. March figures showed a surprise rise to 6.3%, as Siemens and Volkswagen announced layoffs affecting thousands of workers. This month's reading may be supported by Germany's fiscal U-turn in March.

Adam Green
Financial Markets Division

Investment Banking

M&A

Overall Activity

Global

Global M&A activity regained significant momentum in March 2025, with deal volume surging to USD 497.4 bn, marking a 26.98% increase MoM and an impressive 69.24% rise YoY. This sharp uptick was driven less by the number of transactions, which rose only modestly by 4.28% MoM, and more by a return of large-cap strategic and private equity-led deals. The resurgence in volume, despite relatively stable deal count, points to a renewed demand for transformational transactions after a cautious start to the year. Notably, the average premium fell to 21.30% from 59.43% in February, suggesting more conservative valuations despite strong activity. Two particularly notable transactions underline this trend; First, Sycamore Partners' USD 39.4 bn acquisition of Walgreens Boots Alliance was one of the biggest private equity buyouts in the consumer space in recent years, reflecting a strong bet on retail transformation and operational restructuring. Additionally, Elon Musk's xAI completed a USD 33.0 bn takeover of X (formerly Twitter), signalling deeper integration between AI infrastructure and social media platforms.

Selected Regions

North America

In March 2025, North America experienced a strong rebound in M&A activity. Deal volume surged to USD 289.3 bn, marking a 17.37% increase MoM and a staggering 151.14% YoY rise. This surge, despite a slight dip in deal count, reflects the return of mega deals. The technology sector was particularly active, with major transactions like Alphabet's acquisition of Wiz and xAI's takeover of X.

EMEA

M&A activity in EMEA showed modest improvement in deal volume, which rose 9.46% compared to February, reaching USD 99.5 bn. However, this growth was not mirrored in deal count, which fell 3.44% MoM, indicating that larger deals rather than broader market activity drove the uptick. On a YoY basis, both volume (-3.78%) and deal count (-4.36%) declined, pointing to a still-cautious dealmaking environment.

Asia

APAC's M&A landscape gained strong momentum in March 2025, with deal volume soaring to USD 97.1 bn, up 90.88% MoM and 38.15% YoY. This growth was supported by a 16.34% increase in deal count MoM, indicating broad participation across the market rather than a few outsized transactions. The rebound likely reflects improving macro sentiment, particularly in China and Southeast Asia.

M&A

Deals of the Month

Announced Date	Target	Buyer	Target Region	Target Business	Value[1] (USD m)	Premium (%)
07 Mar 25	Walgreens Boots Alliance Inc	Sycamore Partners LLC	US	Consumer Staples	39,411.6	9.81
28 Mar 25	X Corp	xAI Corp	US	Technology	33,000.0	-
18 Mar 25	Wiz Inc	Alphabet Inc	US	Technology	32,000.0	-
31 Mar 25	Mr Cooper Group Inc	Rocket Cos Inc	US	Financials	20,640.6	49.04
10 Mar 25	Hutchison Port Holdings Ltd, Hutchison Port Holdings Sarl	MSC Mediterranean Shipping Co SA, Global Infrastructure Management LLC, Blackrock Inc	HK	Industrials	19,000.0	-
04 Mar 25	NOVA Chemicals Corp	Abu Dhabi National Oil Co	CA	Materials	13,400.0	-
12 Mar 25	Chang Wah Technology Co Ltd	Shareholders	TW	Technology	9,702.8	-
26 Mar 25	ENN Energy Holdings Ltd	ENN Natural Gas Co Ltd	CN	Utilities	9,281.9	-
24 Mar 25	AZEK Co Inc/The	James Hardie Industries PLC	US	Consumer Discretionary	8,770.6	36.15
19 Mar 25	Ampere Computing LLC	SoftBank Group Corp	US	Technology	6,500.0	-

Note: 1. Sum of the announced equity value and net debt.

Leandra Borsch
Investment Banking Division

M&A: Top Deals

Alphabet to Acquire Wiz

Alphabet, through its cloud division Google Cloud, has announced the all-cash acquisition of cybersecurity firm Wiz for c. USD 32 bn, including debt. The deal strengthens Google's position in the cloud security space amid growing enterprise demand. Closing is expected by year-end, pending regulatory approval.

Buyer vs Seller

Alphabet Inc., the parent company of Google Cloud, is a global technology conglomerate offering cloud infrastructure, AI, and enterprise software solutions. Wiz is a cloud-native cybersecurity firm founded in 2020, headquartered in New York, known for its architecture and rapid adoption. Operating at the application security layer, Wiz provides end-to-end visibility and risk prioritisation across multi-cloud environments.

Industry Overview

The global cybersecurity market was valued at approximately USD 235 bn in 2024 and is projected to grow at a CAGR of 8.8% through 2034, driven by the accelerating shift to cloud computing, rising cyber threats, and increased regulatory scrutiny. The proliferation of hybrid work, adoption of AI-powered attacks, and demand for zero-trust architecture are further increasing growth. Geopolitical tensions have heightened enterprise and government focus on digital defense.

Peers	Currency	Market Cap (CUR m)
UCloud Technology	CNY	11,395.34
Ucap Cloud	CNY	4,540.60
Bonree Data Technology	CNY	2,198.24
Dye & Durham	CAD	728.70
Dropsuite	AUD	406.80

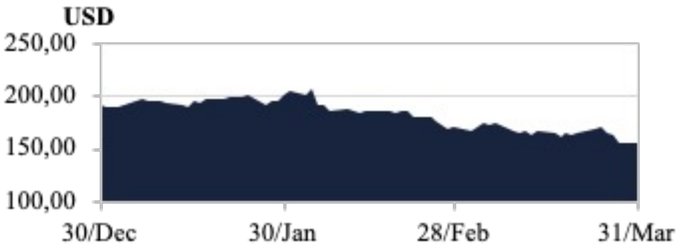
Deal Rationale

The acquisition of Wiz by Alphabet is expected to be accretive over time, driven by both revenue and product synergies. By integrating Wiz's advanced cloud-native security platform with Google Cloud's infrastructure and AI capabilities, Alphabet aims to enhance its competitive positioning in the enterprise security market. The combined offering will deliver deeper security observability, faster threat detection, and broader cross-cloud coverage, addressing a critical demand among large enterprises and governments. This consolidation strengthens Alphabet's vertical integration in cloud services.

Market Reaction

Alphabet

Alphabet's stock showed a downward movement of c. 4% following the Wiz acquisition news. The stock is currently trading near USD 158.88, reflecting the value of the deal.



Wiz

Wiz, founded in 2020 by former Microsoft executives, has rapidly become one of the most prominent players in cloud-native security, with over 40% of Fortune 100 companies among its clients. In May 2024, the company was valued at USD 12.0 bn in a private funding round and reported over USD 500 m in annual recurring revenue as of mid-2024. That same year, Wiz turned down a c. USD 23 bn acquisition offer from Alphabet, opting instead to explore a potential IPO. The now-announced c. USD 32 bn all-cash deal marks a substantial valuation uplift and reflects the company's exceptional growth trajectory. Wiz achieved unicorn status faster than any other startup in Israeli tech history, underlining its unique position in a market defined by rapid innovation and consolidation.

Future Challenges

Alphabet's acquisition of Wiz remains subject to regulatory approval. Risks include customer overlap and limited cross-sell upside in a market dominated by strong incumbents like Microsoft. Despite these risks, the move reflects Alphabet's intent to deepen vertical integration and strengthen Google Cloud's position in the enterprise security stack.

Tim Schröder
Investment Banking Division

M&A: Top Deals

Whitecap Resources to Acquire Veren Inc.

On the 10th of March 2025, Whitecap Resources has announced it will acquire Veren Inc. in an all-stock deal valued at c. CAD 15 bn (USD 10.4 bn) including net debt. Veren shareholders will receive 1.05 common shares of Whitecap for each Veren share held, or CAD 9.82 based on the last close, representing a premium of c. 39% to Veren's closing price prior to the announcement.

Buyer vs Seller

Whitecap Resources, a leading Canadian light oil and condensate producer, is acquiring Veren Inc., a major upstream player with assets across Alberta and Saskatchewan. The deal will form the largest light oil-focused producer in Canada. The two Calgary-based companies operate in similar parts of the upstream oil and gas value chain. National Bank Financial and TD Securities advised Whitecap, while BMO Capital Markets and Scotiabank advised Veren.

Industry Overview

The global oil and gas exploration and production market size is valued at USD 5.8 tn, is expected to grow at a CAGR of c. 11.8% until 2034, driven by rising demand, transition to LNG, and upstream investments. Natural gas prices are expected to rebound in 2025 with LNG Canada's launch, and USD 12.8 bn of investments in Q2 2024 alone. Over 18 LNG projects and expanded pipeline capacity are reshaping the sector and reinforcing Canada's role in global energy exports.

Peers	Currency	Market Cap (CUR m)
MEG Energy Corp	CAD	6,431.70
Whitecap Resources Inc	CAD	5,539.90
Topaz Energy Corp	CAD	3,722.86
Peyto Exploration & Development	CAD	3,641.59
Freehold Royalties Ltd	CAD	2,115.09

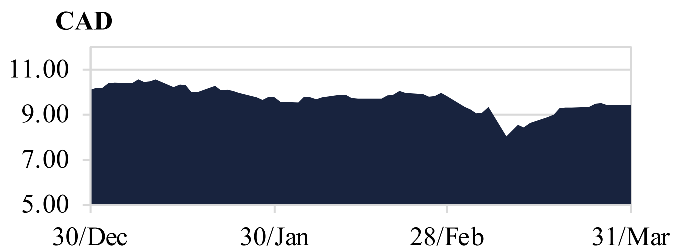
Deal Rationale

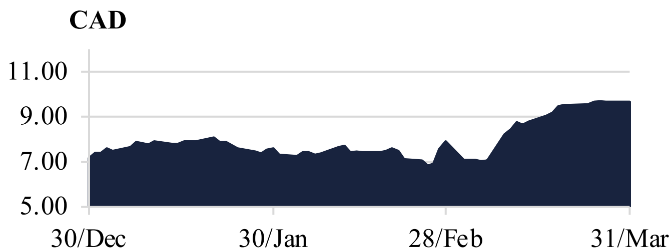
The deal is immediately accretive to Whitecap's funds flow per share (10%) and free funds flow per share (26%) pre-synergies. The companies expect over c. USD 200 m in annual synergies through operational, capital, and supply chain efficiencies. The companies also anticipate enhanced market reach and stronger free cash flow generation. The combined firm will hold 1.5 m acres of land in Alberta, becoming Canada's largest light oil-focused producer. The transaction positions the combined firm as a top-7 oil and gas player in the Western Canadian basin.

Market Reaction

Whitecap Resources
Whitecap's share price fell c. 14.8% to CAD 7.97 following the merger announcement, reflecting typical market concerns over acquisition-related dilution and integration risks.

Veren Inc.
Veren's stock rose c. 14.7% to CAD 8.10, benefiting from the c. 39% premium embedded in the offer terms, which granted 1.05 Whitecap shares per Veren share.





Future Challenges

The deal is contingent on shareholder, court, and regulatory approvals, including votes from both Whitecap and Veren investors. Potential downsides include asset overlap in the Montney and Duvernay regions, which may limit diversification. Additionally, the highly competitive upstream market and volatile commodity prices could challenge synergy realisation.

Lilly Baltruschat
Investment Banking Division

What Happened To

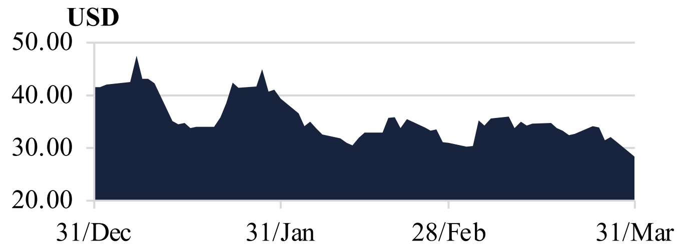
Moderna Inc.

Moderna is a US-based biotechnology company focusing on the discovery and development of messenger RNA therapeutics and vaccines, such as the Covid-19 vaccine Spikevax. With c. 5,800 employees across 18 countries in 2024, Moderna is one of the leading mRNA therapeutics companies worldwide.

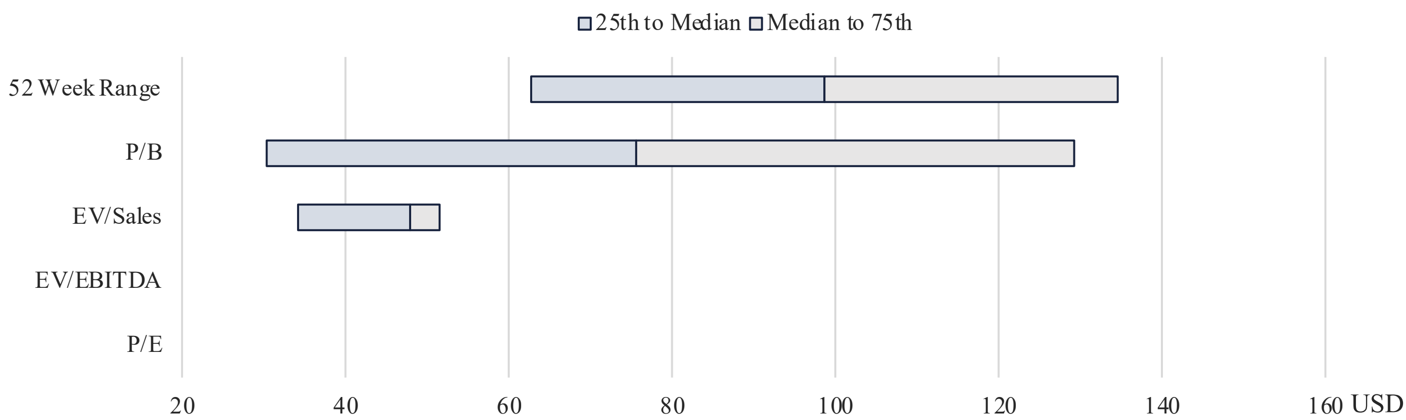
Corporate News

On Monday, the 31st of March 2025, Moderna's stock plummeted by c. 13.5%, following the abrupt resignation of Dr. Peter Marks, Director of the FDA's Center for Biologics Evaluation and Research. Dr. Marks, who played a pivotal role in fast-tracking COVID-19 vaccine approvals under "Operation Warp Speed" as well as the FDA's evaluation of other cutting-edge treatments such as cell- and gene therapies, announced his departure amid rising tensions with Health and Human Services Secretary Robert F. Kennedy Jr., citing an erosion of scientific integrity and increasing politicisation of vaccine oversight. In his resignation letter, Marks accused the Secretary of promoting "misinformation and lies", raising investor concerns over future regulatory stability in the biotech and pharmaceutical sectors. The resignation comes just weeks after reports that HHS was reconsidering a USD 590.0 m grant awarded to Moderna for the development of a bird flu vaccine.

Price (31 Mar 25, USD)	**27.16**
Target Price (USD)	39.00
3M Performance	-34.68%
Market Cap (USD m)	10,500.67
Enterprise Value (USD m)	4,222.67
**Target Price is for 12 months*	



Valuation Analysis



Moderna generated revenues of USD 3.2 bn in 2024, down from USD 6.8 bn in 2023, largely due to declining demand for COVID-19 vaccines. On the 31st of March 2025, the company's share price fell by c. 13.5% to USD 26.88, its lowest level since early 2020 and a decline of over 90% from its August 2021 peak. Novavax also saw its shares fall by c. 9.6% to USD 6.30, extending year-to-date losses as confidence in the regulatory environment weakened.

Dr. Peter Marks' resignation triggered a broader sell-off in the biotech sector, with the SPDR S&P Biotech ETF (XBI) down 5.76% at announcement. Gene therapy developers such as Taysha Gene Therapies and Solid Biosciences also posted double-digit losses, while Vaccine-focused companies such as BioNTech dropped c. 6.0% - 8.0%. Overall, the S&P 500 Biotechnology Index declined by c. 4.9%, as investors reassessed sector risk amid ongoing political interference in US federal health agencies.

Peers	**Currency**	**Market Cap** (CUR m)
AstraZeneca PLC	GBP	173,452.74
GSK PLC	GBP	58,999.53
BioNTech SE	USD	21,464.26
Novavax Inc	USD	965.07
CureVac NV	USD	610.07

Simon Steinbrech
Investment Banking Division

NIC's View On

FCC's Stance on Diversity, Equity, and Inclusion (DEI) Policies Affecting M&A

Anna-Lena Rost
Investment Banking Division

"If there's businesses out there that are still promoting invidious forms of DEI discrimination, I really don't see a path forward where the FCC could reach the conclusion that approving the transaction is going to be in the public interest."

– Brendan Carr, FCC Chairman

In March 2025, the Federal Communications Commission (FCC), under the leadership of Chairman Brendan Carr, made a bold move that has shaken the corporate M&A landscape in the United States. The FCC announced its willingness to block M&A transactions that involve companies with established DEI programs, which it claims could be discriminatory. This stance has sent shockwaves across corporate America, especially among media companies and those in the telecom and tech sectors, where DEI programs have gained significant traction in recent years. The FCC's decision to scrutinise DEI programs in the context of M&A deals is rooted in the agency's responsibility to ensure that mergers serve the public interest. Carr has made it clear that deals involving DEI programs that provide preferential treatment based on race, gender, or other demographic factors could face significant obstacles. This marks a significant shift in the FCC's traditional role as a regulator of communications policies, highlighting the growing tension between corporate diversity initiatives and government oversight. For instance, high-profile mergers currently like the billion-dollar valued Paramount Global's merger with Skydance Media could now face increased scrutiny as both companies have strong DEI initiatives in place. The move comes amidst a broader societal debate about the role of DEI policies in business practices.

The FCC's position on DEI could have far-reaching legal and operational consequences for companies engaged in M&A activities. Legally, companies may face additional challenges in demonstrating that their DEI policies do not violate anti-discrimination laws or violate the public interest requirements that M&A deals must meet. Operationally, businesses might have to overhaul their DEI strategies or make concessions to regulatory bodies, potentially slowing down or even derailing high-profile mergers. However, this development raises questions about the role of the government in regulating corporate culture and the extent to which it should intervene in the internal policies of businesses. As the FCC's stance evolves, companies must recognise that societal values related to diversity and inclusion are not static. They are increasingly becoming political issues that can shape the regulatory landscape and influence M&A outcomes.

The FCC's approach to blocking mergers based on DEI policies marks a pivotal moment for businesses involved in M&A transactions. Companies must be mindful of how their diversity initiatives might intersect with government regulations and plan their M&A strategies accordingly. As the regulatory environment around DEI continues to shift, businesses must remain adaptable and ready to navigate new legal and operational challenges. In this new landscape, understanding the complex interplay between DEI policies and regulatory requirements will be key to ensuring successful M&A outcomes. For companies involved in or contemplating M&A, staying ahead of these developments and aligning their strategies with both business objectives and regulatory expectations will be essential for long-term success.

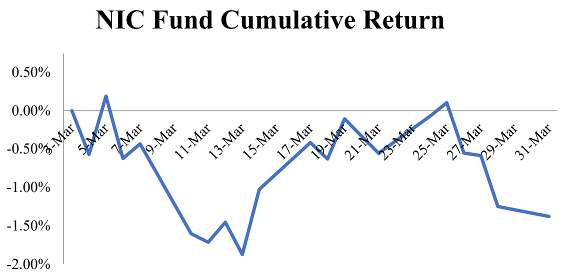
Date	Recent News
26 Mar 25	Trump turbulence stalls large pharma and biotech deals, bankers say. ***Source:*** *reuters.com*
22 Mar 25	FCC's Carr Threatens to Block M&A for Companies With DEI. ***Source:*** *news.bloomberglaw.com*
21 Mar 25	FCC's Brendan Carr warns DEI policies at Paramount, Verizon could threaten mergers. ***Source:*** *nypost.com*
21 Jan 25	Brendan Carr designated FCC chair by Trump administration. ***Source:*** *totaltele.com*

Anna-Lena Rost
Investment Banking Division

NIC Fund

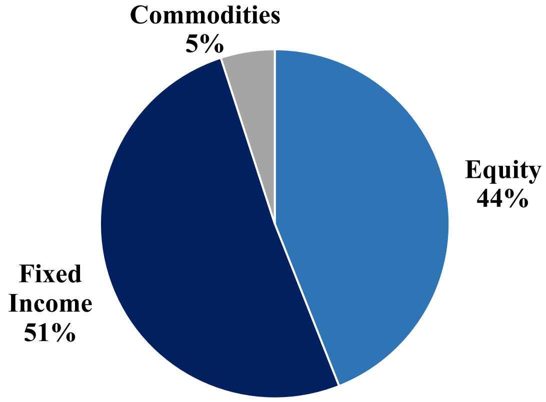
NIC Fund

Portfolio Overview



Portfolio Snapshot

During the month of March, the NIC Fund remained invested in Equities, Fixed Income and Commodities. Specifically, 44% of our fund remained devoted to Equities, 51% to Fixed Income and 5% Commodities. Concerning the Equity allocation, 55% was devoted to indices, with the remainder allocated to individual stocks using an equally weighted strategy. Regarding Commodities, over half was allocated to Gold via the Goldman Sachs Physical Gold ETF.

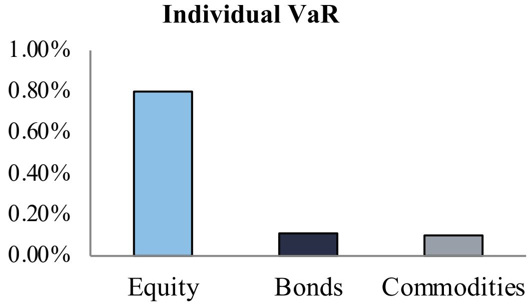


Portfolio Statistics	
Cumulative Return	-1.38%
Annualized Return	-16.56%
Daily St. Dev	0.08%
Period St. Dev	0.35%
Annualized St. Dev	1.70%
Info Sharpe	-9.74
Skew	-0.01

Benchmark	
iShares 3-7 Year Treasury Bonds	40%
SPDR S&P 500 ETF Trust	40%
Invesco DB Commodity Index	10%
iShares JP Morgan USD Emerging Markets Bond Index ETF	10%

Return Metrics

The portfolio's overall performance was negative, with a cumulative return of -1.38%. The best performers were commodities, contributing a positive return of 0.31%, followed by bonds, which contributed a return of 0.09%. Equities contributed a negative return of 1.78%. The equity portfolio consisted not only of the MSCI World index fund and other ETFs but also 34 individual stocks such as Flutter Entertainment plc. (FLUT US), BNP Paribas S.A. (BNP FP), Nucor Corporation (NUC US) and Ferrari S.p.A (RACE IM). The top-performing stocks were BNP Paribas S.A. and Sonae with returns of 9.61% and 8.75%, respectively, while United Airlines had the poorest performance, with a return of -27.47%. The best performing ETFs were the Goldman Sachs Physical Gold ETF and iShares MSCI emerging markets ETF, with returns of 9.38% and 1.13%, respectively.



Risk Metrics

In terms of risk, our portfolio registered a relatively high daily VaR of 0.80%. As a result, this metric remained significantly below the maximum established threshold of 2.5%.

Equities were the asset class with the highest individual VaR, which was around 0.80%. Bonds and Commodities VaRs were markedly lower at 0.11% and 0.10% respectively.

Benjamin Lonnen
Financial Markets Division

NIC Fund

Assets in Brief

Asset Class	Symbol	Comments
EU Equity	**BNP**	BNP Paribas's stock appreciated by 5.56% in March, reflecting strong financial performance and favourable market sentiment. On 13th of March, the bank's Polish subsidiary reported a 132% surge in FY net profit, reaching 2.4 bn Polish zlotys (USD 611.76 m), surpassing forecasts. Additionally, analysts maintained a positive outlook on European banks, citing substantial earnings growth and attractive valuations.
EU Equity	**SAP**	SAP overtook Novo Nordisk to become Europe's largest company by market capitalisation last month. This shift was driven by SAP's strong performance and optimism surrounding its cloud and AI initiatives, while Novo Nordisk faced challenges due to underwhelming trial data for its next-generation obesity drug and increasing competition in the weight-loss market. SAP was down 7.88% on the month.
US Equity	**CLS**	Celestica saw its share price retreat 26.38% in March, driven by investor fears of a peak in AI capex and a pullback in the pace of hyperscalers' data centre investments. This followed an impressive rally as the company reported excellent Q4 results and raised its outlook.
US Equity	**DAL**	Share prices of Delta Air Lines declined 27.48% over the last month, primarily due to the airline's Q1 profit forecast being cut by half and increased macroeconomic uncertainty, including new US tariffs. Further, the notable decrease in both leisure and corporate travel negatively impacted investor confidence.
US Equity	**DG**	Dollar General's stock price increased 18.54% in March, driven by the company's strong Q4 performance, with net sales rising 4.5% to USD 10.3 bn, surpassing analyst expectations. While strategic initiatives, including store remodels and closures of underperforming locations, signalled a commitment to enhancing profitability. Additionally, a 10% EPS growth starting from 2026 further bolstered investor confidence.
US Equity	**FLUT**	Flutter Entertainment's stock experienced a 21.04% decline over the past month. This pullback can be attributed to major headwinds in the consumer discretionary sector following a collapse in US consumer sentiment, as well as US regulatory challenges.
US Equity	**HII**	Huntington Ingalls Industries' stock appreciated by 16.21% in March. The surge was driven by President Donald Trump's announcement of plans to revitalise the American shipbuilding industry, including the creation of a "new Office of Shipbuilding" and special tax incentives to boost domestic ship production. Additionally, the company's growth prospects were bolstered by increased military budgets and heightened defence spending in Europe.
US Equity	**TSLA**	Tesla Inc. stock experienced a decline of 11.54% last month. The company saw a 13% drop in quarterly vehicle deliveries, marking the weakest performance since 2022, due to intensifying competition from BYD, Volkswagen, and BMW. Additionally, the "Tesla Takedown" protest movement, opposing Musk's political activities, led to demonstrations and boycotts, further impacting sales.
US ETF	**EEM**	The iShares MSCI Emerging Markets ETF experienced an increase of 2.03% in March. Growth was primarily driven by a rally in Chinese equities, fuelled by advancements in artificial intelligence and supportive fiscal policies. Additionally, investors sought opportunities in undervalued international markets amid concerns over high valuations in US stocks and potential impacts from newly proposed tariffs.
Commodity	**AAAU**	In March, gold prices reached record highs, surpassing USD 3,100 per ounce. This rise positively affected the Goldman Sachs Physical Gold ETF, which increased 9.39% over the month. This was driven by a surge in gold prices, as investors rushed for safe-haven assets amid escalating economic concerns, such as fears of stagflation and uncertainties surrounding newly announced US tariffs.

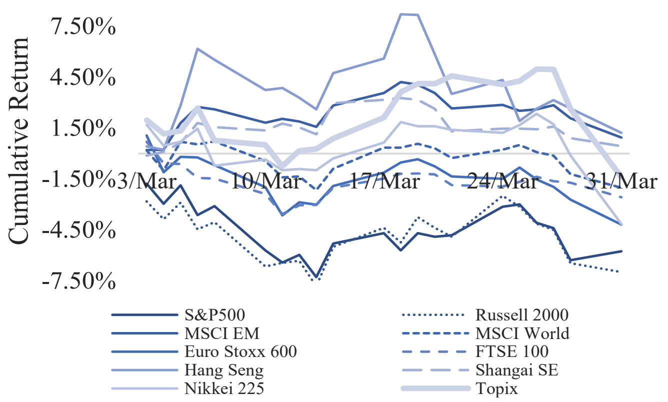
Benjamin Lonnen
Financial Markets Division

NIC Fund

Equities

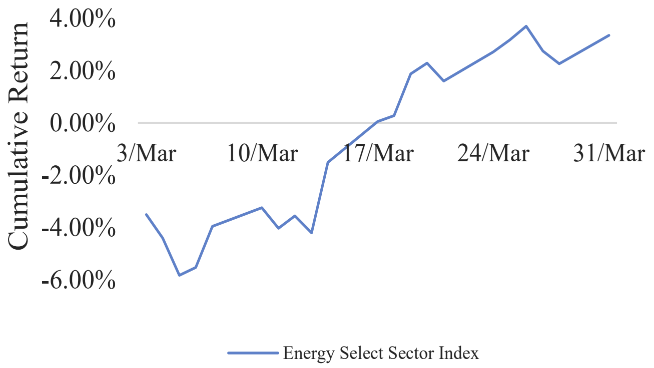
World Equities

The first quarter of 2025 concluded with substantial challenges for US equity markets, with March delivering particularly difficult conditions. The benchmark S&P 500 Index and tech-heavy Nasdaq 100 Index fell 5.75% and 7.69% respectively in March, representing the largest monthly declines since December 2022. The S&P 500 fell by 4.59% for the quarter, while the Nasdaq Composite experienced a more severe 8.25% drop. Japanese markets experienced considerable downward pressure, with the Nikkei 225 edging up just 0.02% to close at 35,624 by early April, after showing weakness throughout March. In contrast, Hong Kong's Hang Seng Index demonstrated remarkable strength through most of the first quarter, rising 0.78% MoM and capping a 15.25% increase for Q1 2025. European markets faced their own challenges as Goldman Sachs revised its 12-Month forecast for Europe's benchmark STOXX 600 index downward from 580 to 570 points. The pan-European stock index closed March at 533.92, representing a 4.18% decline MoM following a turbulent March influenced by concerns about US tariff policies.



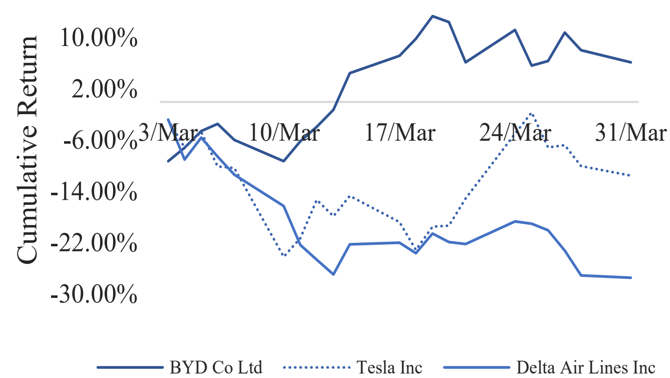
In Depth: Sector Rotation Accelerates with Energy and Gold Soaring

Energy emerged as the best-performing sector in March, experiencing a 3.75% rise MoM. Gold miners also outperformed dramatically, with Australian firm Spartan Resources surging 44.66% as gold prices reached record highs. This rotation reflects growing investor concerns about AI profitability and capital expenditures on top of increasing risks of a global trade war. Opportunities were present in certain emerging markets in March, with the Indian Nifty 50 Index rising over 6.30% MoM, despite global uncertainties. With President Trump scheduled to implement additional reciprocal tariffs on the 2nd of April, strategists warn that US equities may face further downside pressure through 2025 as global trade relationships continue to deteriorate.



Our Performance

In March, equities' contributed a -1.38% return to the overall portfolio performance. Tesla's stock continued its downward spiral in March, capping off a disastrous first quarter with a 35.83% decline - its worst quarterly performance since 2022. CEO Elon Musk's role as a Trump administration advisor and alignment with far-right European parties triggered protests, boycotts, and vandalism of Tesla stores and vehicles globally. BYD, on the other hand, solidified its lead in the EV market by surpassing Tesla as the world's top EV seller in 2024, delivering 4.2 m vehicles (vs. Tesla's 1.8 m), driven by affordable models and hybrid offerings. In comparison, BYD's share price rallied 32.63% QoQ in Q1 2025. The airline industry experienced turbulence in March, with Delta Air Lines dropping its earnings projections for the first quarter, now expecting a profit between USD 0.30 and USD 0.50 per share, compared to previous appraisals between USD 0.70 and USD 1.00 in January.



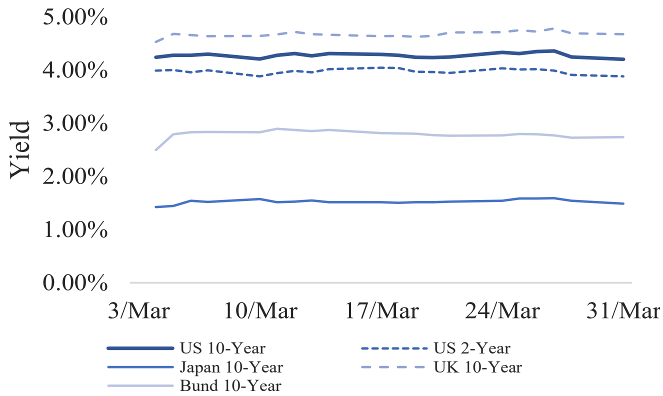
Pascal Naumann
Financial Markets Division

NIC Fund

Fixed Income

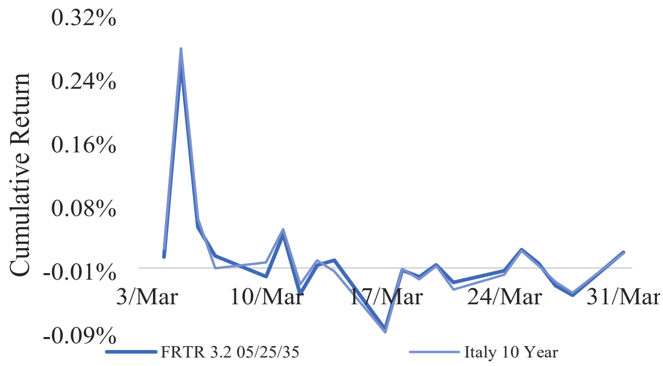
World Yields

March saw a significant increase in 10-Year Bund yields, which closed at 2.85%, up from 2.60% in February. This rise was driven by the German government's EUR 500 bn spending package, aimed at boosting defense and infrastructure investment, which raised concerns about increased debt issuance across the Eurozone. In the last week of March, US 10-Year yields climbed to 4.35% on renewed optimism, but dropped sharply to 4.20% by month-end as investors moved into safe-haven assets ahead of former President Trump's anticipated reciprocal tariff announcement, fueling trade war fears. Meanwhile, UK 10-Year gilt yields rose from 4.48% in February to a mid-month peak of 4.68%, before easing to 4.66% after Chancellor Rachel Reeves' spring statement, which introduced moderate fiscal tightening and tempered inflation expectations. Japan's 10-Year government bond yield climbed to a peak of 1.52% in mid-March before easing to 1.48%, as the Bank of Japan signaled a reduction in its super-long bond purchases, marking a cautious step away from its ultra-loose monetary policy while inflation remained persistent.



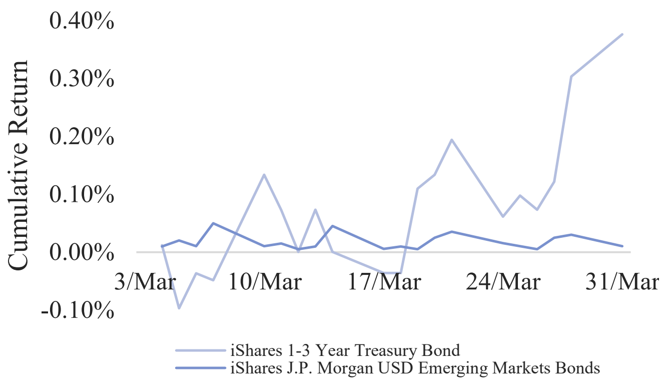
In Depth: Implications of Germany's debt shift

Germany's large-scale defense and infrastructure spending is driving up Eurozone bond yields, with 10-Year Bunds nearing 3%, the highest since 2023. As Bunds serve as a benchmark for the Eurozone, borrowing costs in countries like France and Italy have also surged, with French yields over 3.6% and Italian yields hitting 4%. Investors warn that rising yields could limit other countries' ability to fund similar spending, especially in more indebted nations. Without growth or spending cuts, Italy's debt-to-GDP could rise to 153% and France's to 122% by 2030. Spreads have remained stable, indicating that markets aren't panicking yet. However, some fund managers expect spreads to widen if fiscal stress increases, potentially leading to greater divergence between Eurozone countries' borrowing costs. Some investors see benefits: more Bunds could improve market liquidity and support the euro as a global reserve currency. Still, broadly higher yields may challenge debt sustainability in more fragile economies.



Our Performance

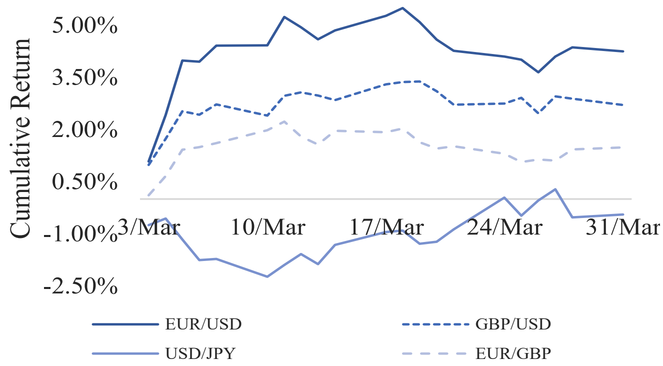
Our benchmark fixed income fund, the SHY ETF, tracking 1–3-Year US Treasury Bonds, delivered a solid performance in March, posting a monthly return of 0.13% as short-term yields stabilised following recent rate volatility. Meanwhile, the iShares JPMorgan USD Emerging Markets Bond ETF fell 1.56% MoM, with some investors anticipating that a reduced focus on inflation from the US Federal Reserve could drive a steeper yield curve in emerging markets investment grade.



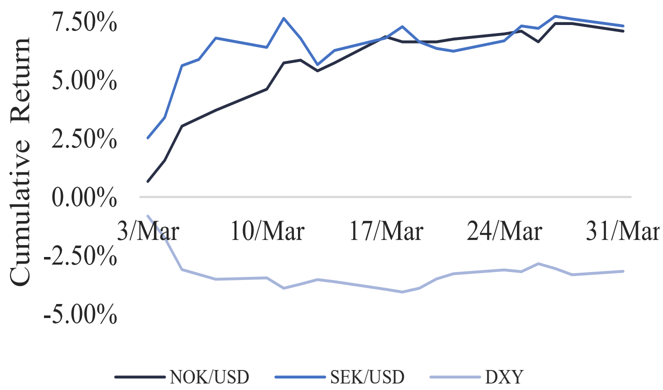
Rosa Gutierrez Sandoval
Financial Markets Division

NIC Fund
Currencies

World Currencies
In March, major currency pairs experienced high volatility driven by Trump's aggressive tariff policies and heightened concerns regarding the health of the American economy. The euro had its strongest week against the US dollar since the global financial crisis, as the ECB reduced interest rates to 2.5% and Germany's historical fiscal stimulus raised investors' beliefs in an economic recovery within the Eurozone. The euro has staged a comeback in March, erasing all losses incurred since Donald Trump's victory in November 2024. The catalyst for the euro's rally has been Germany's unprecedented fiscal shift. The CDU/CSU-led coalition has unveiled plans to reform the country's stringent debt brake and establish a EUR 500 bn infrastructure fund, aimed at revitalising growth and bolstering defense spending. This caused the euro to appreciate 4.25% against the US dollar MoM, ending March at 1.0816. With mounting fears of a potential US recession denting demand for the Greenback, the GBP also appreciated 2.71% against the US dollar MoM, closing March at USD 1.2918. Meanwhile, USD/JPY was relatively flat, with the US dollar depreciating 0.44% against the Japanese yen, ending the month at JPY 149.96.



In Depth
The Swedish Krona climbed 10.28% against the US in Q1 2025, following a 7.33% appreciation in March to close the month at 0.0996 and put it on track for its biggest quarterly rise since 2010. Meanwhile, the Norwegian Krone rose 8.31% QoQ, following a 7.09% appreciation in March and closing the month at 0.0951, its largest jump in more than two years. This makes the two currencies the best-performing of the G10 group of developed currencies this year, ahead of the Japanese yen and the British pound. The rise comes as investors bet on a higher path for interest rates in Scandinavian countries. Additionally, the tailwind from hopes of increased European defence spending, particularly from Germany, has fuelled expectations of a boost to European growth. This will have a positive impact on the large Swedish defence sector, with Norway's krone experiencing similarities, while its steel and aluminium industries are set to gain from Europe's infrastructure push. Uncertainty over trade tariffs, combined with bleak forecasts for US economic growth in the first quarter, has led investors to reassess the "US exceptionalism" trade, which previously favoured the US dollar. The US dollar index dropped 3.16% MoM.

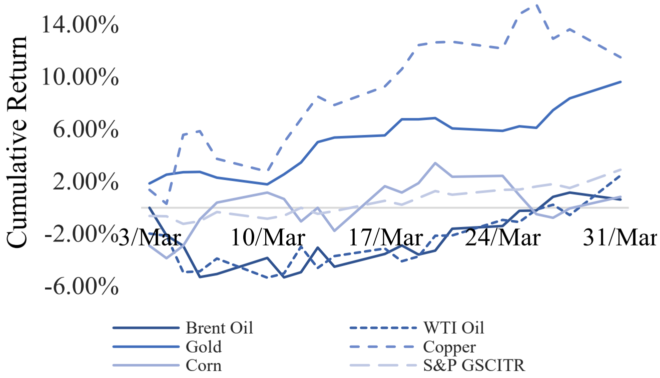


Our Performance
We currently hold no currency related assets in our portfolio.

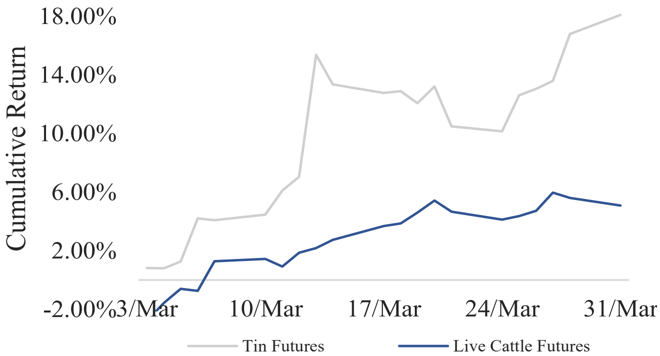
Peter Meszaros
Financial Markets Division

NIC Fund
Commodities

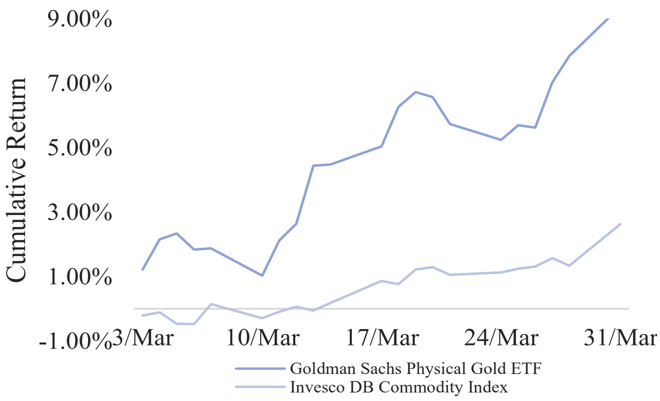
March Round-up
Brent crude oil prices increased 2.13% in March, closing at 74.74 per barrel. WTI crude oil performed similarly, increasing 2.47% MoM to close at 71.48 per barrel. These oil price increases were driven by worries that supplies could decline if US President Donald Trump follows through on threats to impose more tariffs on buyers of Russian oil if he feels Moscow was hindering efforts to end the war in Ukraine, and to possibly attack Iran. Gold continued its rally, increasing 9.30% and ending the month at a record high of USD 3,123.57 per ounce, driven by growing uncertainty surrounding President Trump's tariff policies and escalating fears of a global trade war. Concerns that protectionist measures could trigger a broad-based economic slowdown prompted investors to seek refuge in safe haven assets, with gold emerging as a primary beneficiary. Copper gained 11.51% in March, driven by tariff fears and record US stockpiling. Prices peaked at USD 5.28 per pound as buyers rushed to import up to 500,000 tons ahead of expected Trump-imposed tariffs. While underlying demand remains solid, much of the rally was speculative, and analysts expect a potential correction once the front-loaded buying slows. Corn prices rose 0.83% in March, outperforming the broader commodity market as measured by the S&P GSCI Total Return Index, which gained 2.90% over the same period.



In depth
Live cattle futures rose 5.10% in March due to a combination of tight supply and continued strong demand. The US cattle inventory dropped to its lowest since 1951, with fewer replacement heifers indicating limited herd rebuilding. Despite high prices, producers are selling early to capitalise on strong markets, further limiting future supply. Market sentiment was also boosted by the reopening of the US and Mexico border to cattle imports, though actual inflows remain limited. Tin futures surged in March, posting a total return of 18.10%. The rally was fuelled by dual supply shocks: Alphamin Resources halted operations in the Democratic Republic of Congo due to nearby rebel activity, with its Bisie mine accounting for about 4% of global tin supply. Additionally, a major earthquake in Myanmar raised concerns over delays in restarting production in Wa State, which supplies approximately 10% of the world's tin, mostly to China. With inventories at their lowest since mid-2023 and speculative demand rising, tin prices climbed to USD 36,814 per tonne, the highest since mid-2022.



Our Performance
During March, the Goldman Sachs Physical Gold ETF rose by 9.39% MoM, while the Invesco DB Commodity Index posted a more modest gain of 2.27%.



Peter Meszaros
Financial Markets Division

Private Equity

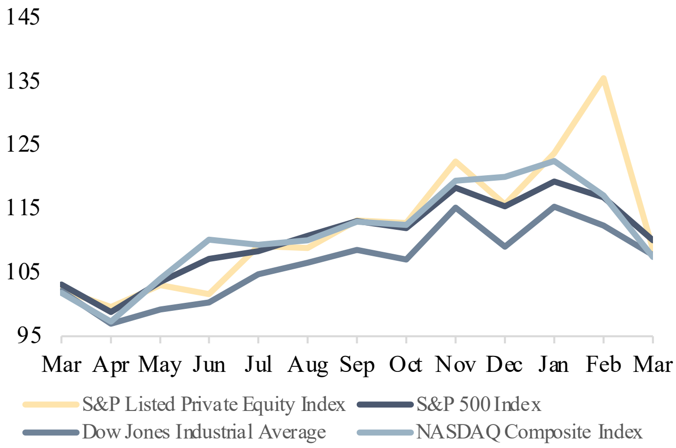
Transactions & Investments

Overall Activity

Global

At a Glance

Global private equity deal activity surged in March, with total deal value reaching approximately USD 156.3 bn – the highest in the past 12 months and more than triple February's figure. US private equity firms were particularly active, with a few prominent transactions driving the volume. Activity was especially strong in sectors such as Technology and Consumer Discretionary. Despite a strong rally in February, the S&P Listed Private Equity Index fell by 20% in March, marking its lowest point YTD. This underperformance relative to the S&P 500, NASDAQ, and Dow Jones reflects both heightened volatility in private markets and the inherent cyclicality of deal flows.



Selected Regions

North America

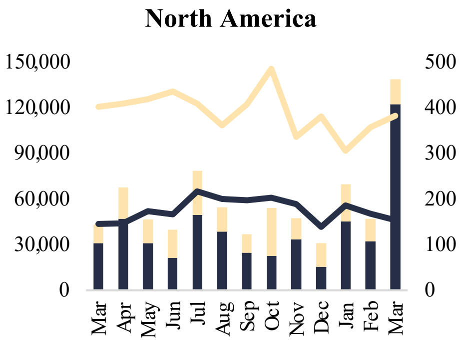
North America remains the largest private equity market, accounting for 78.45% of global deal volume this year. In March, deal value surged to USD 122.6 bn, almost four times the value from February and with 14 fewer deals. Driving this activity was Technology deals, making up 35.45% of the US value. Investments in North America raised USD 16.4 bn in March, representing 47.32% of global activity, reflecting an increase in investor confidence from the previous month.

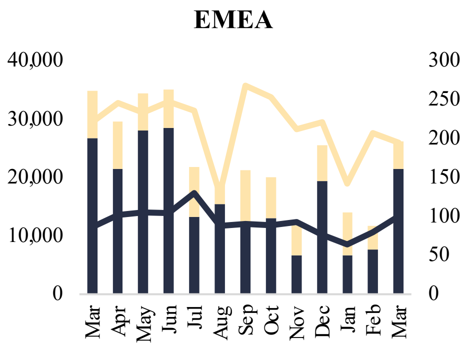
EMEA

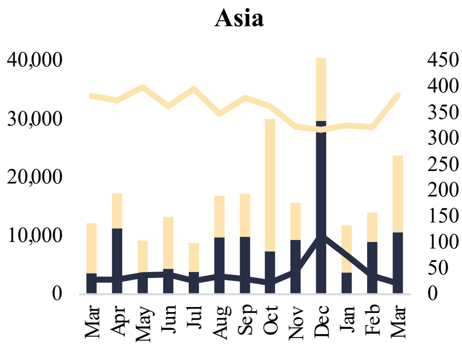
Private equity deal volume in EMEA was approximately USD 21.5 bn in March, reflecting a strong increase compared to USD 7.7 bn last month. The Consumer and Technology sectors have remained a major focus for private equity investments, particularly in Europe, accounting for nearly USD 4.0 bn in March. Private equity investments in the EMEA region reached about USD 4.7 bn this month, with Germany, Sweden and Ireland leading the way.

Asia

Private equity deal volume in Asia increased by 18.19% in March to USD 10.6 bn compared to the previous month, despite a reduction of 14 in deal count. South Korea and Japan were the dominant markets, together accounting for 90.75% of all deal activity in the region. The primary focus areas continue to be Technology and Consumer, with the latter contributing 65.51% of Asia's deal volume. Investments in the region saw positive momentum as well, reaching USD 13.1 bn this month.







M&A – Deals Volume | M&A – #Deals | Investments – Deals Volume | Investments – #Deals

Note: Summary of completed transactions.

Ferdinand Meinersmann
Private Equity Division

Transactions & Investments

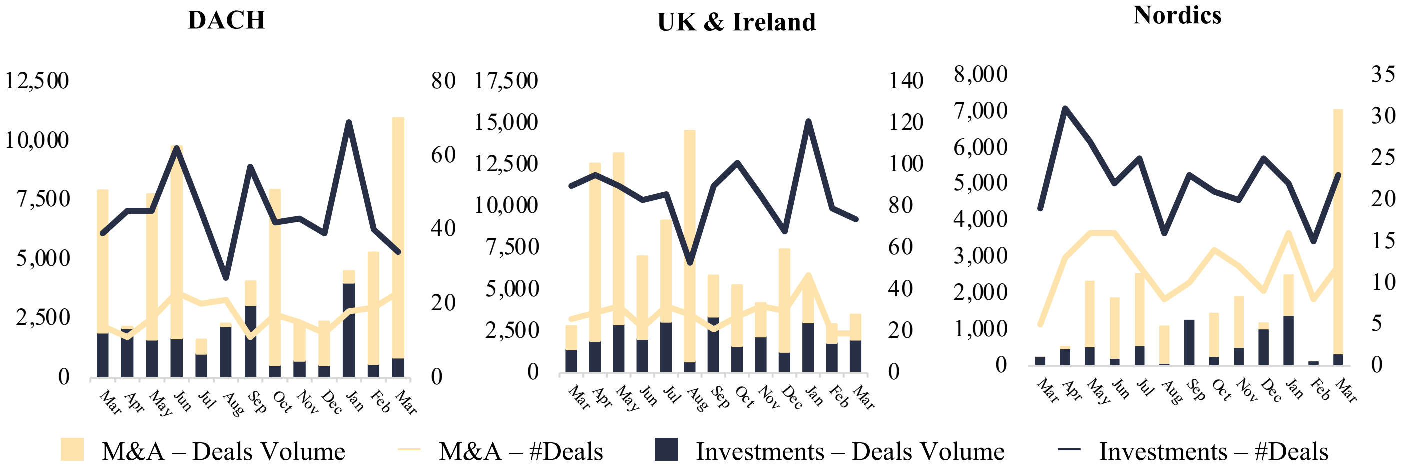
Europe Focus

Overall European Activity

In March, the European private equity market recorded 288 transactions, below the 2024 monthly average of 313 deals. The total deal volume in Europe reached USD 26.1 bn, surpassing the 2024 monthly average of USD 24.0 bn, representing 13.68% of the global private equity market this month. Globally, there were 1,275 deals with a combined value of USD 191.0 bn, marking a significant increase in deal value compared to March 2024. In March 2024, Europe accounted for approximately 50.63% of global private equity deal volume. This difference suggests that Europe continues to face unique challenges, potentially influenced by persistent macroeconomic uncertainty and geopolitical headwinds. Despite these obstacles, certain sectors remained active. For example, five of the top 15 largest deals in March were within the industrials sector, four in technology, and two in healthcare, indicating strong interest from private equity firms in companies within these sectors.

The largest transaction in the financials sector this month was the acquisition of Viridium Group by a consortium including Allianz, BlackRock, and T&D Holdings. The consortium will acquire Viridium from Cinven, with Generali Financial Holdings and Hannover Re remaining as investors. Cinven exits after over a decade of successful development. This deal highlights continued investor confidence in the European financial sector, reflecting strong demand for consolidation opportunities in the industry.

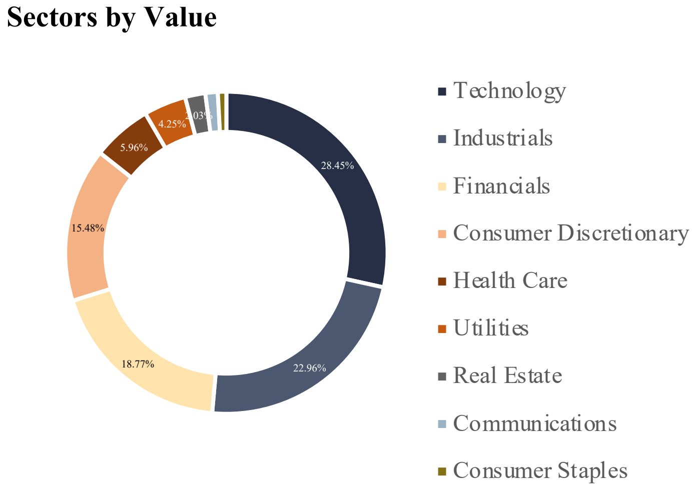
Selected European Regions



Europe by Sectors

In March, private equity activity in Europe spanned multiple sectors. The technology sector accounted for the highest deal value (28.32%) among the different sectors, with USD 7.4 bn. A key highlight in this sector was EQT Consortium's offer to purchase Fortnox, with a total value of EUR 4.4 bn. This transaction was the largest deal of the month, underscoring the strong investor interest in the technology sector. Another notable deal was PAI Partners' acquisition of a majority stake in Motel One for EUR 3.7 bn, with PAI becoming the majority owner, holding approximately 80% of the operating business. This deal highlights continued investment activity in the hospitality sector, reflecting its ongoing appeal to private equity investors.

Sectors by Value



Theresa Christina Noecker
Private Equity Division

Transactions & Investments : Top Deals

Deals & Transactions

Acquiring

USD 39.4 bn

On the 7th of March, Sycamore Partners announced the USD 39.4 bn acquisition of Walgreens Boots Alliance. As a leading global pharmacy and retail business, Walgreens Boots Alliance is expected to benefit from Sycamore Partners' strategic expertise in retail transformation and operational efficiency.

Acquiring

USD 32.0 bn

On the 18th of March, Alphabet announced the USD 32.0 bn acquisition of cybersecurity firm Wiz. As a leader in cloud security, Wiz is expected to enhance Google Cloud's cybersecurity capabilities. The acquisition strengthens Alphabet's position in the cloud market and reinforces its commitment to AI-driven security solutions.

Acquiring

USD 13.4 bn

ADNOC announced on the 3rd of March the USD 13.4 bn acquisition of Nova Chemicals as part of a c. USD 60 bn merger with OMV's polyolefin business, forming Borouge Group International. As a leading producer of polyethylene, Nova Chemicals will strengthen ADNOC's presence in North America.

Acquiring

USD 6.5 bn

On the 19th of March, SoftBank announced the USD 6.5 bn acquisition of Ampere Computing, a semiconductor firm specialising in AI and cloud processors. The deal is part of SoftBank's strategy to expand in AI and computing. Ampere will operate as a wholly-owned subsidiary, with the transaction expected to close in late 2025.

Acquiring

USD 6.1 bn

On the 20th of March, STG announced the acquisition of the Boston Celtics, an iconic NBA franchise. The USD 6.1 bn deal expands STG's presence in the sports industry, leveraging Celtics' strong brand and community ties. Celtics' championship legacy and operational excellence will strategically integrate with STG's business framework.

Acquiring

USD 5.5 bn

On the 6th of March, Bain Capital announced the acquisition of York Holdings for USD 5.5 bn. York Holdings' extensive supermarket and specialty retail networks will help expand Bain Capital's presence in Japan's retail sector and will be strategically integrated into Bain Capital's investment strategy.

Selamawit Asegid
Private Equity Division

Transactions & Investments: Deep Dive

STG Partners to Acquire NBA Club Boston Celtics

A consortium of investors, led by William Chisholm, acquires a majority stake in the 18-time NBA champion for USD 6.1 bn, making Boston Celtics the most expensive US sport club to be ever sold. The previous owner, Boston Basketball Partners, took over the club in 2002 for c. USD 360 m.

Buyer vs Target

Managing partner for STG Partners, firm focused on strategic investments in various sectors, William Chisholm has led successful buyouts of middle-market software companies, generating outsized returns through operational improvements. With STG now managing c. USD 12 bn in assets, he enters the Celtics deal as a seasoned investor with proven deal-making credentials. Boston Celtics are more than an asset – they are a cultural phenomenon. As one of the NBA's most decorated franchises, the Celtics hold a unique position within both Boston and the global sports community.

Industry Overview

The acquisition follows a growing trend of PE firms entering the sports industry, a field once dominated by high-net-worth individuals. Nowadays, the business of owning and operating sports teams has become as competitive as the games themselves: sports franchises offer relatively stable revenue streams from media rights, sponsorships, and merchandising. The entry of private equity into professional sports ownership also brings unique financial structuring and tax complexities that distinguish it from other industries. Unlike traditional buyouts, where private equity firms rely heavily on leverage, most major American sports leagues, including the NBA, NFL, and MLB, restrict the use of excessive debt and impose ownership limits. These constraints force PE firms to focus on operational value creation. An equally transformative trend reshaping the sports business is the rapid growth of streaming and sports media. The success of live-streaming experiments, such as Netflix's broadcast of the Mike Tyson and Jake Paul fight, which attracted 60 m households in November 2024, underscores how fan engagement is migrating online.

Date	Buyer	Target	Currency	Total Value (CUR m)
18/03/25	Sixth Street Partners	San Francisco Giants	USD	3,000
15/01/25	Presido Investors	Hellas Verona FC	EUR	125
01/05/23	CVC Capital Partners	WTA Ventures	USD	150
27/02/23	Sixth Street Partners	FC Barcelona	EUR	207

Deal Rationale

The Boston Celtics sale marks more than just a record-breaking transaction – it reflects the evolving nature of sports ownership in today’s market. With Bill Chisholm and his PE group stepping in, the Celtics are set to blend tradition with modern business strategies. The team, already one of the most valuable and recognisable brands in global sports, is well-positioned to tap into new revenue streams such as streaming, international fan engagement, and content production, all of which are reshaping how teams connect with fans and generate value. Beyond the basketball court, opportunities lie in expanding non-game-day operations, from concerts to real estate development around the arena. Unlike the debt-fuelled deals of classic private equity, this transaction fits well with the NBA’s governance model, which favours responsible ownership and long-term thinking. For Chisholm, who claims to be a passionate Celtics fan, this is not just a financial play – it is about combining investment with a deep understanding of what the team means to Boston and basketball culture worldwide.

Future Challenges

The blend of private equity discipline with sports legacy management will be tested in the coming years, especially as Chisholm and his group balance capital returns with maintaining the Celtics' cultural and competitive edge. Navigating the NBA’s restrictions on private equity involvement, balancing financial objectives with the league’s emphasis on competitive integrity, and meeting the expectations of a passionate fan base will all require careful management.

Alexander Savinskiy
Private Equity Division

Transactions & Investments: Deep Dive

Sycamore Partners to Acquire Walgreens Boots Alliance

Sycamore Partners has agreed to acquire Walgreens Boots Alliance (WBA) in a transaction valued at up to USD 10 bn (including debt and lease obligations, the transaction carries a total enterprise value of USD 23.7 bn). The deal aims to streamline WBA's operations and reposition the company amid ongoing industry challenges.

Buyer vs Target

This transaction will transition WBA from a publicly traded company to a private entity. Sycamore Partners is a private equity firm specialising in retail, consumer, and distribution-related investments. Walgreens Boots Alliance is a global leader in retail pharmacy, operating the Walgreens and Boots brands, with a significant presence in the United States and Europe. This acquisition aligns with Sycamore Partners' strategy of investing in established retail brands.

Industry Overview

The pharmacy retail industry is experiencing a period of rapid transformation driven by shifting consumer preferences, regulatory pressures, and the rise of digital healthcare solutions. Traditional pharmacy chains like Walgreens Boots Alliance (WBA) face increasing competition from online retailers, such as Amazon Pharmacy, as well as from pharmacy benefit managers (PBMs), which control drug pricing and reimbursement rates. Additionally, consolidation within the healthcare industry has led to vertical integration, with insurers and healthcare providers expanding into pharmacy services, further intensifying competition. To counter these challenges, major players in the sector have focused on diversifying their business models, integrating primary care services, and investing in digital platforms to enhance customer experience. However, despite these efforts, the sector remains pressured by declining reimbursement rates, rising labour costs, and operational inefficiencies, making strategic restructuring and private equity investment attractive options for turnaround strategies.

Date	Buyer	Target	Currency	Total Value (CUR m)
21/10/24	CD&R	Sanofi	EUR	8,000
05/08/24	AbbVie	Cerevel Therapeutics	USD	8,700
29/07/24	Boehringer Ingelheim	Nerio Therapeutics	USD	1,300
15/12/23	CVC	Sogo Medical	USD	1,200

Deal Rationale

The acquisition of Walgreens Boots Alliance by Sycamore Partners represents a strategic move to revitalise the company's core business while addressing long-standing financial and operational challenges. As a private equity firm with expertise in retail turnarounds, Sycamore is well-positioned to drive the necessary restructuring efforts without the pressures of quarterly public market expectations. A key aspect of the deal involves divesting non-core assets, such as VillageMD and other healthcare-related businesses, to allow WBA to refocus on its core pharmacy and retail operations. By streamlining its business model, the company aims to improve efficiency, optimise cost structures, and enhance profitability.

Additionally, Sycamore's private ownership structure provides WBA with the flexibility to implement strategic changes at a pace that may not have been possible as a publicly traded company. The move is expected to help WBA regain its competitive edge in the evolving pharmacy retail landscape, strengthening its position against both traditional competitors and digital disruptors.

Future Challenges

Post-acquisition, WBA will need to address several challenges to achieve a successful turnaround. Maintaining customer loyalty amid store closures and operational changes will be critical. The company must also navigate the complexities of the healthcare sector, including regulatory compliance and managing relationships with insurers and healthcare providers. Furthermore, adapting to the digitalisation of retail and enhancing online service offerings will be essential to compete with emerging online pharmacies and retail conglomerates entering the healthcare space.

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Thank you!

Visit **www.novainvestmentclub.com** for more updates.

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