

Opportunistic Siverts Trade Delivers Outsized Gains for Atlant Edge

Atlant Edge emerged as the best-performing Nordic hedge fund in May, delivering a return of 18 percent driven largely by an opportunistic investment in Swedish semiconductor and photonics company Siverts Semiconductors. The fund, which seeks to capitalize on opportunistic, high-conviction ideas sourced from Atlant Fonder's flagship strategy Opportunity, capitalized on a rapid surge in the company's share price before fully exiting the position.

The investment originated from a directed share issue completed by Siverts Semiconductors in April at a subscription price of SEK 14.5 per share, in which both Atlant Edge and Atlant Opportunity participated. Atlant Fonder had invested in several previous financings involving Siverts Semiconductors, which led the company to invite the alternative fund boutique to participate in this latest capital raise as well. "We appreciate the opportunity we were given and are grateful for the outcome of the investment," says portfolio manager Nikos Georgelis. At the time the position was established, Siverts represented slightly more than five percent of Atlant Edge's assets.

The investment quickly exceeded expectations. Shares in Siverts Semiconductors roughly tripled within a short period, reaching almost SEK 69 by the end of May. The position became one of the fund's largest contributors this year, accounting for a low double-digit percentage of year-to-date returns. Siverts, which develops wireless communication chips and photonic laser components used in high-speed AI data-center networking, surged as investors embraced its potential role in AI infrastructure. The rally was further supported by index-fund buying and expectations of a future U.S. Nasdaq listing.

"While we were optimistic about the opportunity, the magnitude and speed of the move exceeded our expectations," says Georgelis. With the risk-reward profile becoming less compelling after the sharp rally, the team chose to realize gains and has since fully exited the position.

The Atlant Fonder team views the investment as opportunistic rather than a long-term fundamental conviction. "I would characterize the investment primarily as an opportunistic investment rather than a long-term fundamental investment case," explains Georgelis. "We identified what we believed was an attractive risk-reward opportunity at the time of investment, but we would not claim to have any particular edge in assessing the company's long-term prospects or intrinsic value."

The position reflects Atlant Edge's broader investment approach of seeking situations with asymmetric upside potential. "We invest in a range of such opportunities, knowing that some will work out well, some will disappoint, and most will fall somewhere in between," says Georgelis. "In the case of Siverts, the outcome was exceptionally positive and significantly exceeded our expectations."

Despite no longer being invested, the team remains supportive of the company's future prospects. "It would be fantastic to see a Swedish technology company achieve significant international success," says Georgelis. "While we no longer own the shares and do not believe we have the expertise required to confidently assess the company's long-term prospects, we wish the company and its team all the best going forward."

The strong performance of Sivers Semiconductors also helped propel Atlant Opportunity to a solid result in May. The fund participated in the same share issue, albeit with a considerably smaller position size, which contributed positively to performance during the month.