

Aaron Stern

Managing Partner, Chief Investment Officer
Converium Capital Inc.



- **Year launched firm:** 2020
- **Number of employees at launch:** 9
- **Number of employees today:** 10
- **Number of funds at launch:** 1
- **Number of funds today:** 1
- **Strategies managed:** 1
- **Investor channels covered today:** Broad – SFO/MFO to institutional (Endowment, Foundations, Pensions)
- **Firm prior to launching a current business:** Fir Tree Partners, New York

1 Why did you decide to launch your business?

We love what we do! My partners Michael Rapps, Elliot Ruda and I wanted to combine our diverse experience to build a firm that we believed would have a sustainable competitive advantage. We have spent our careers investing in the types of opportunities that many folks ignore, largely in the securities of companies and countries outside of the US that are going through some form of distress. We believed there were very few firms running an opportunistic global mandate across asset classes, who had multi-year capital and the ability to invest in long-dated situations while exploring smaller market cap situations. We believe that in creating Converium, we would be well positioned to capitalize upon a large and sustainable opportunity set, allowing us to find investments with very attractive risk/reward characteristics.

2 What are you most proud of looking back at your entrepreneurial journey?

I take pride in what we built in the middle of the pandemic. We successfully launched our strategy almost exclusively through virtual investor and counterparty meetings in late 2020 and early 2021, and that achievement is a testament to the strong team we put in place early on. I am also proud of the performance we have delivered to our investors, especially in the challenging markets of 2022. In the short time since we launched, we have seen really varied market environments and we've consistently delivered on our mandate. We have sourced attractive investments on both the long and short side of the book opportunistically across a pretty broad geography and set of asset classes, which is what we set out to do in 2021.

3 What sort of talent are you looking for in your team?

From the outset, we aimed to build Converium with individuals who have broad experience, are curious, eager to learn, tenacious, and have expertise in areas that complement our own. We launched the firm with a team of nine individuals, pretty evenly divided between the investment team and infrastructure team. We look for people who fit within our collaborative culture and can add a combination of thoughtfulness, intellectual rigour, and a core competency that enhances our existing personnel. Prior to co-founding Converium, I spent 15 years in New York, and the last ten as a partner at Fir Tree Partners leading a multi-billion dollar global strategy focused on distressed and event-driven situations. Michael's career has focused on engagement and restructuring-oriented investments, and he has deep operating knowledge serving as CEO or Chairman of multiple public companies. Elliot was a Partner and the Head Trader at Fir Tree Partners, and has traded a huge range of financial instruments over his 20-year career. We often invest in less-trafficked situations, so everyone on our team must have the strong technical skills to fulfill their role, but they also need the capacity and willingness to apply those skills to situations that they haven't previously encountered. Our team's deep and diverse experience makes it greater than the sum of its parts and I think that's probably our greatest strength.

4 What are your 3-5 year goals for your business as you look ahead?

First and foremost, we are aiming to continue generating positive risk-adjusted returns for our investors, regardless of the macroeconomic environment. It continues to be an interesting time in the markets to say the least, and we are very excited about the opportunities ahead of us. We believe we are in the early innings of a prolonged correction in credit markets, an environment that should bode especially well for our strategy on both the long and short sides of the portfolio. Maintaining a small team, remaining nimble and opportunistic, with the ability to efficiently pivot to the best risk/reward, will continue to be key to our success. We believe that our results will drive our growth, and plan to continue increasing the strategy's assets under management by building solid relationships with institutional partners.

5 How has being an AIMA member benefited your firm's growth journey?

AIMA has been a fantastic partner in our firm's growth since its launch. With our global strategy, we have made extensive use of the global AIMA platform for both content and connectivity. We regularly and actively participate in legal, compliance, and investor relations working groups in the US and Canada, which has been invaluable for our small team to stay current on the latest industry developments. In addition, we have participated both as a presenter and as attendees in the high-quality global conferences that AIMA holds, which has directly expanded our allocator network. We look forward to continuing our partnership with AIMA as we grow!