

Equity Long/Short

Share classes	ISIN	NAV / Unit	MTD	Performance, YTD
EUR - S	LI057918 4016	1019.90	13.32%	10.10%
EUR - T	LI057918 3992	1024.97	13.34%	10.34%
CHF - S	LI057918 4024	983.17	13.08%	7.80%
CHF - T	LI057918 4008	999.92	13.08%	8.09%

Direction	Performance, gross	Exposure*	# Positions	Average pos. size
Long	16.10%	101.11%	21	4.8%
Short	-2.36%	27.69%	6	4.6%

* excludes fixed income linked investments

Dear friends and investors,

the KEN European Growth Champions Fund closed at 13.34% in November. The average net exposure was 89.91%. The long book gained +16.10%, while the short side cost -2.36%.

Market Review: November brought the long-awaited turnaround in the interest rate environment. Weaker labor market data and a significant cooling of inflation sent government bond yields on a downward trajectory, triggering a rally in the stock markets that one could not afford to miss (DAX +9.5%, MDAX +8.9%, SDAX +6.6%, MSCI Europe +6.3%). Tech and real estate were the most sought-after sectors in Europe. The oil price fell by 5%.

Portfolio Review: After the emotional low of the previous month had put pressure on the majority of our investments, the high exposure paid off. The strongest performers on the long side were [Adyen](#) (MTD +68.95%), [Alfen](#) (+56.08%), and [Süss Microtech](#) (+63.30%), as well as Vonovia (+17.60%) and other crowded short positions that came with better-than-expected Q3 figures. We were not surprised by the panic buying in these stocks, but we did not anticipate such squeezes, which are likely attributable to systematic/programmatic stock strategies. **Adyen's** stock price had plummeted by over 50% in August when expected growth rates in the USA were not achieved, competition emerged, and pricing pressure intensified. In a few days, approximately EUR 30 billion in market value was destroyed, which was not unjustified, as Adyen's growth fell from 41% in H2 2022 to 23% in H1 2023, and it could no longer meet medium-term goals. At the Capital Markets Day, Adyen's management narrowed down the growth forecast to 20-30% (equivalent to 2x market growth) and set a 50% EBITDA margin as a goal. The consensus still does not expect this to be achieved. The interim jump in the stock price to EUR 1,070, in our view, does not yet reflect the ambitions of the management, should it become apparent that they are being realized. On November 12, **Alfen** alleviated concerns about a capital increase with a Q3 trading update. Alfen mainly produces charging systems for electric vehicles. The management anticipates increasing order volumes in 2024 after customers have cleared their inventories (which we are currently hearing from many companies). Many companies have been able to implement price increases and are now facing reluctance to purchase due to high existing inventory levels. If reordered, hopefully at the higher negotiated prices. It will be interesting to see if everyone succeeds. We are monitoring this carefully. **Süss Microtec** is considered a European AI play, and its machines are also sold to China. Although the management had to issue a profit warning in October, which was also

very surprising, Süss was able to regain the trust of investors in the meantime. The recent sale of the loss-making MicroOptics division for EUR 75.6 million further boosted the stock. This was not part of the core business.

Investment Decisions: We maintained the net exposure at a high level in November, which came in the context of rising markets. This month resulted in being the best month for the fund so far and the best in the last 15 years since we consistently implemented this strategy. We tactically reduced exposure to stocks that showed a very strong recovery to wait for pullbacks.

Outlook: We are confirmed in our belief that the interest rate environment is changing much faster than assumed. Rather, we get the impression that central banks must now succeed in not further unsettling the economy, and therefore, we expect that the existing and upcoming data points could even lead to a potential interest rate cut at the beginning of the year.

Best regards,

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Interested in more information about the fund? Click [here](#) to request the fund's presentation.

EUR-T	Jan	Feb	Mar	Apr	Mai	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	8.14%	-1.45%	4.75%	-0.41%	-8.90%	3.12%	6.83%	-5.78%	-2.24%	-5.27%	13.34%		10.34%
2022	-4.61%	-4.27%	3.18%	-7.25%	-3.12%	-8.97%	0.87%	-1.80%	-2.51%	3.66%	6.38%	-0.92%	-18.70%
2021	1.88%	2.09%	0.32%	1.73%	3.36%	1.82%	5.67%	-0.52%	0.74%	-0.84%	-3.53%	0.59%	13.82%
2020												0.38%	0.38%

Administrator

Custodian Bank

Auditor

Asset Manager

Advisor



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