

## Equity Long/Short

Share classes	ISIN	NAV / Unit	MTD	Performance, YTD
EUR - S	LI057918 4016	1,024.51	-8.27%	-5.40%
EUR - T	LI057918 3992	1,032.88	-8.29%	-5.13%
CHF - S	LI057918 4024	962.52	-8.56%	-7.59%
CHF - T	LI057918 4008	977.53	-8.55%	-7.75%

Direction	Performance, gross	Exposure*	# Positions	Average pos. size
Long	-7.91%	129.51%	19	6.8%
Short	0.64%	-11.94%	4	3.0%
Total	-7.27%	117.57%	23	

\* weekly average, excludes fixed income linked investments

Dear Friends and Investors,

The KEN European Growth Champions Fund lost performance in December, closing at -8.29% (-7.27% gross). The average net exposure was 117.57%. The long book cost -7.91% (gross) while the short side contributed +0.64% (gross).

**Market Review:**

- Indices: DAX 1.4%, MDAX -2.8%, SMI -1.4%, TecDax -0.4%, SDAX +1.1%, Russell 2000 -8.4%
- Currencies: Euro vs. CHF +0.8% (CHF 0.94), Euro vs. USD -2.11% (USD 1.04), Bitcoin -3.2% (USD 93,392)
- Commodities: Brent Oil +3.8% (USD 74.8), WTI +5.4% (USD 71.7)

What Moved Markets? In December, the labor market's resilience supported the Federal Reserve's decision to deliver a widely anticipated quarter-point rate cut. However, the Fed's updated economic projections highlighted expectations of higher inflation and fewer rate cuts in 2025. Fed Chair Jerome Powell emphasized caution moving forward. Meanwhile, a bond market sell-off pushed U.S. Treasury yields higher, creating pressure on equities, mostly on small- and midcaps.

**Portfolio Review:**

In Germany, our investment in **Delivery Hero** lost one-third of its market capitalization after it became known that its subsidiary Glovo in Spain is facing a legal dispute regarding whether its drivers should be employed or continue working on a freelance basis. A switch to employment contracts would lead to higher costs, which the company estimates at approximately EUR 100 million. Given a valuation of ~10x EV/EBITDA 2025, this would theoretically reduce the value by EUR 1 billion, plus estimated one-off fines of up to EUR 770 million. The EV is now EUR 11.4 billion, meaning a loss of over EUR 3 billion, which suggests a significant market overreaction in anticipation of a final court decision against the company. The recent Talabat IPO (December 2024), in which Delivery Hero still holds a majority stake, significantly improved its debt level through a EUR 2 billion cash inflow, valuing the subsidiary at approximately EUR 10 billion market capitalization. We remain invested as we believe the proven business model will generate cash and is strong enough to bear this burden. Our position in Teamviewer also lost around one-third of its market capitalization after announcing the acquisition of 1E, a software provider. The company must now demonstrate that the purchase price paid was not as high as feared. Teamviewer is trading at a 10x P/E ratio and a 15.7% cash flow yield. We consider this to be significantly undervalued if the company can continue to show double-digit earnings growth. Our engagements in the digital assets space suffered significant losses during the last weeks of December.

Among others, **Bitcoin Group AG** lost nearly 14%, which dragged the fund into negative territory for the year. The company holds Bitcoin reserves of approximately EUR 360 million and Ether worth around EUR 40 million, compared to a market capitalization of EUR 270 million. We see the significant discount to NAV as an opportunity and believe that the environment for digital assets and blockchain technology remains favorable. There are few opportunities in Europe to participate in this megatrend through publicly listed companies. We are closely monitoring a number of companies and have identified compelling business models. **Zalando** announced this month its acquisition of About You for around EUR 1.1 billion (EUR 6.5 per share), which implies a valuation of 0.5x EV/sales (Zalando trades at 0.7x). Adjusted for overlaps, Zalando gains 6 million new customers. About You is not as profitable as Zalando, and the expected cost synergies amount to approximately EUR 100 million. At Zalando's EV/EBIT multiple of 15x, this results in a bargain. Our holding in **Compugroup Medical** received a takeover bid from CVC, rose by 36.8%, and contributed over 100 basis points to the long portfolio in December.

**Investment Decisions:**

We increased our position in Teamviewer. Additionally, we built a position in Instone Real Estate after meeting with the management. The residential construction company is expected to benefit significantly from new developments in 2025. In our opinion, this has not yet been adequately reflected in the stock price.

**Outlook:**

We look forward to a potentially very eventful year in 2025. There are several reasons for this: The healthy economy in the USA is likely to support higher stock prices – this time not only in technology stocks but also in the industrial sector, where a recovery – especially in Europe – is overdue. The new governments in Europe could also create a more stable investment environment.

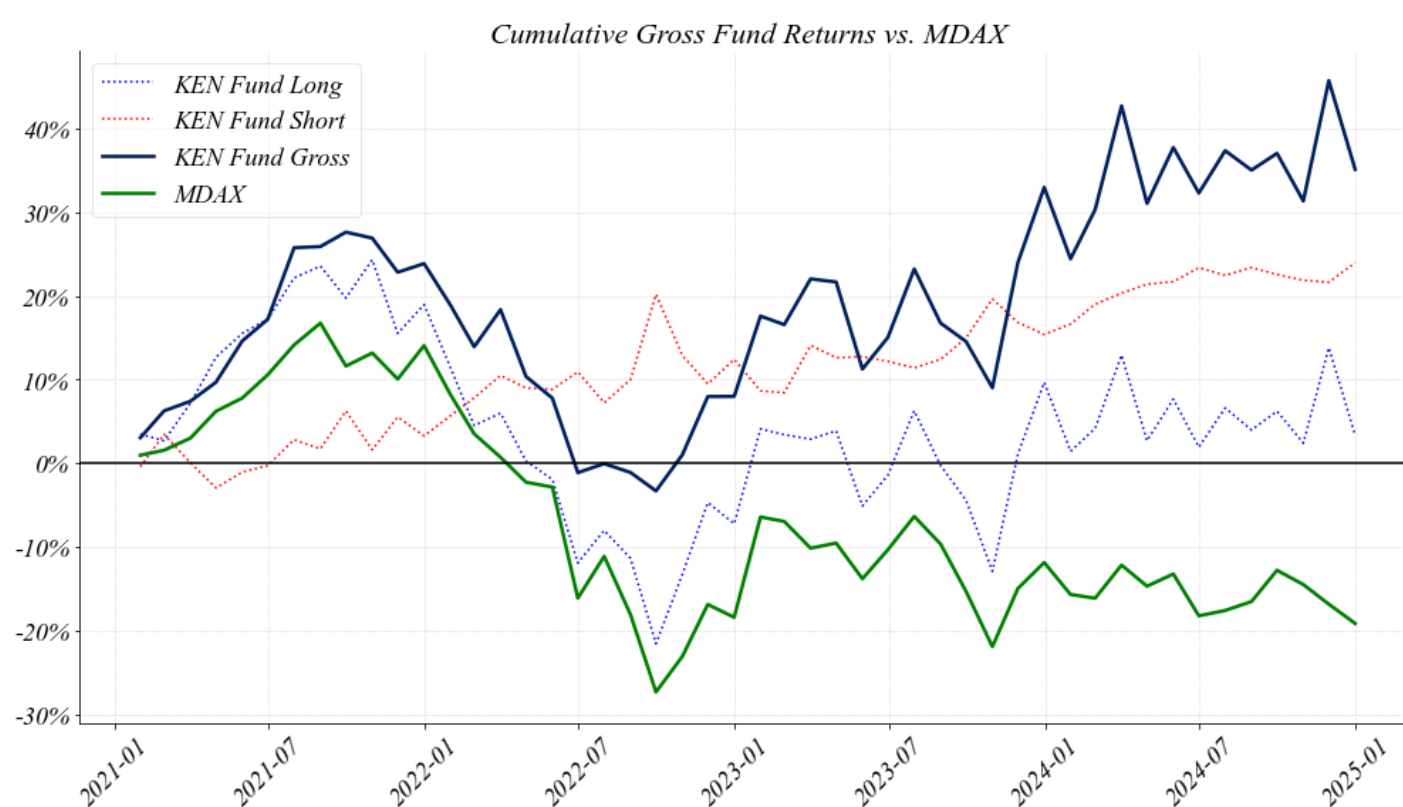
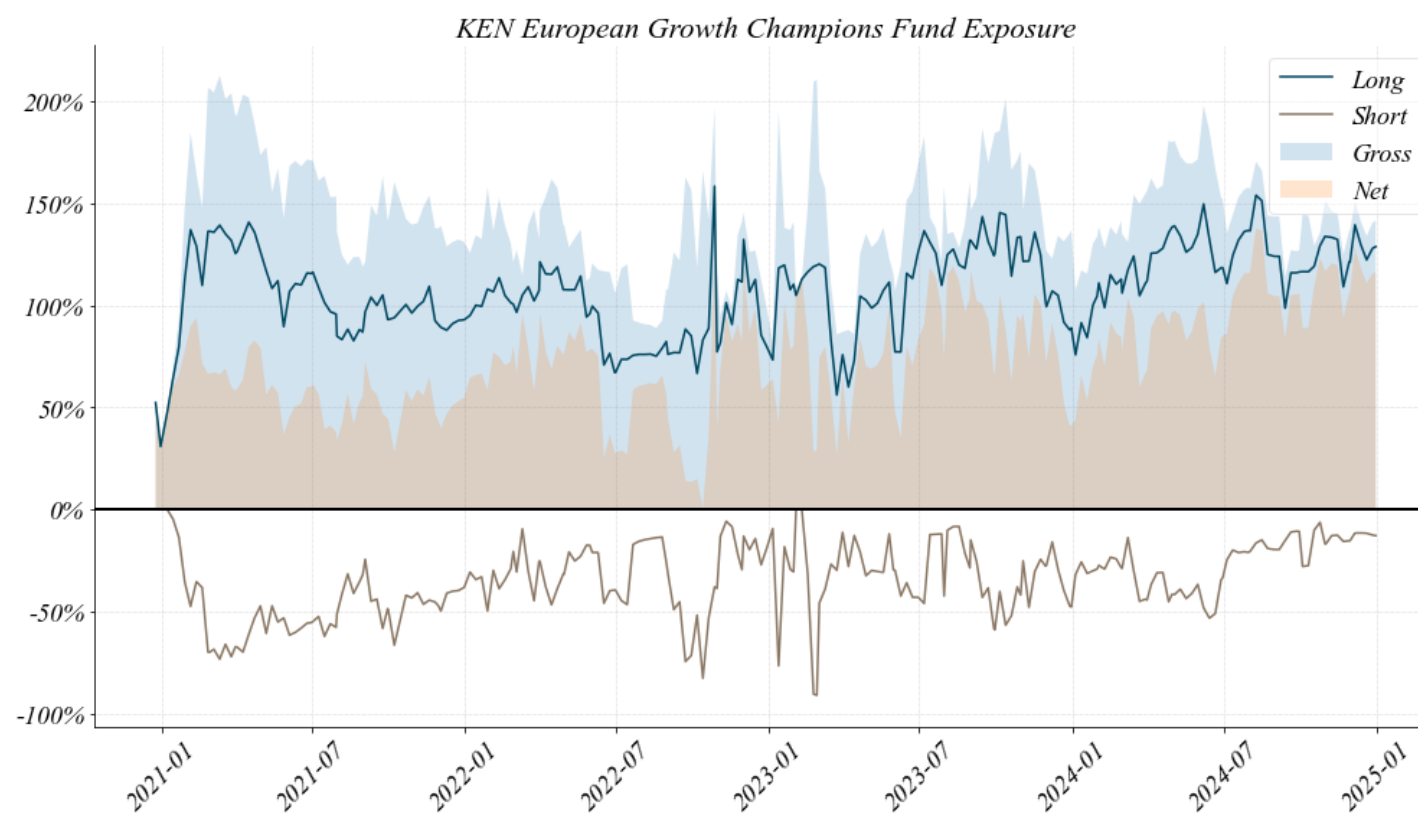
Best regards,

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EUR-T	Jan	Feb	Mar	Apr	Mai	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	-6.84%	4.23%	9.15%	-8.74%	5.05%	-4.42%	3.01%	-2.02%	0.91%	-5.07%	10.17%	-8.29%	-5.13%
2023	8.14%	-1.45%	4.75%	-0.41%	-8.90%	3.12%	6.83%	-5.78%	-2.24%	-5.27%	13.34%	6.22%	17.21%
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%

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<b>Inception</b>	Dec 21, 2020	<b>Legal form</b>	AIF, Liechtenstein Mutual Fund, Kollektivtreuhänderschaft
<b>Strategy</b>	Absolute return	<b>Fund type</b>	Investmentunternehmen (investment undertaking)
<b>Investment universe</b>	Europe +	<b>Investors</b>	Qualified investors
<b>Currency</b>	EUR, CHF hedged	<b>Fund administrator</b>	VP Fund Solutions
<b>Min. subscription</b>	1 unit	<b>Fund manager</b>	MRB Fund Partners AG
<b>Subscription</b>	weekly	<b>Custodian bank</b>	LLB Liechtensteinische Landesbank, Vaduz
<b>Redemption</b>	weekly, 14 days notice	<b>Auditor</b>	KMPG
<b>Lock-up period</b>	None	<b>ISIN</b>	LI0579183992 (EUR), LI0579184008 (CHF)
<b>Management fee</b>	1.5% p.a.	<b>Valor (securities no.)</b>	57918399 (EUR), 57918400 (CHF hedged)
<b>Performance fee</b>	15% with HWM	<b>Contact</b>	info@kencapital.ch

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