

# Spinoza Entrepreneur Fund



Fund Fact Sheet • 31 December 2024 • Net Asset Value: €119.16

## Investment strategy

The Fund pursues capital appreciation and achieving attractive risk-adjusted returns through a quantitative and qualitative investment selection process based on the principles of value investing.

The Fund has a special focus on investing in companies with an entrepreneurial backing or with a strong alignment of incentives between public shareholders and insiders like (i) a long-term oriented anchor shareholder like a founder or an entrepreneurial family, (ii) a significant shareholding by the management team and/or sizeable share purchases by the management team, and/or (iii) significant share buybacks.

The Sub-Fund is actively managed on a fully discretionary basis. Investments are selected based on the principles of value investing employing the Investment Manager's proprietary, rules based quantitative and qualitative investment selection process, incorporating combinations of different value, management quality and/or ownership structure parameters or criteria, that seeks to take advantage of discrepancies between the estimated fundamental value of a transferable security and its market price.

## Risk and Reward profile



Lower risk  
Typically lower reward

Higher risk  
Typically higher reward

## Key information

ISIN	LU2379756187
Fund category	Equity Hedge, global
Domicile	Luxembourg
Fund currency	EUR
Fund inception	April 2022
Income type	Accumulating
Fund type	UCITS
Distribution	Germany, Luxembourg
Dealing days	Daily
Minimum investment	EUR 1'000
Financial year end	31 December
Minimum equity participation rate	50%
Management company	Gen II Management Company SARL
Investment manager	Spinoza Capital GmbH
Administrator	CACEIS Bank, Luxembourg Branch
Depository	CACEIS Bank, Luxembourg Branch
Auditor	KPMG Luxembourg

## Fees and expenses

Subscription fee	0%
Ongoing charges which includes a management fee of	1.57% p.a. 1.00% p.a.
Performance fee	up to 15% (above 7% annual return, perpetual high watermark)
Redemption fee	0%

## Performance

Development of Net Asset Value in EUR since fund inception



Cumulative Performance in EUR (Gross, in %) <sup>1</sup>

Fund	1 month	3 months	Year to Date	1 year	3 years	5 years	since inception
	-0.6%	-1.2%	+7.3%	+7.3%	n/a	n/a	+19.2%

Annual Performance in EUR (in %) <sup>1</sup>



<sup>1</sup>Gross fund performance takes into account all costs & fees incurred at fund level. Further costs may be charged individually at customer level (e.g. custody fees, commissions and other charges), resulting in a diminishing effect on performance. These figures refer to the past. Past performance is no reliable indicator of future performance.

## Fund manager's comment: December 2024

The broad Stoxx Europe 600 index declined by -0.5% in December 2024 while the S&P 500 decreased by -2.5% while the Nasdaq increased +0.5% (both in local currency) as investors continued to allocate into growth stocks. Mid-cap stocks had a weak December with the European mid-cap stocks index decreasing -0.6% while the MDAX decreased -2.8% while US mid-cap stocks (Russel 2000) showed a -8.4% decline in December 2024. Following a strong boost of US equity markets by the election win of the Republicans in November, cautious comments by the FED on further loosening of the monetary policy weighed on equity markets, particularly more cyclical and smaller cap stocks. 10-year government bond yields in the US increased from c. 4.2% at the end of November to 4.6% at the end of December 2024 while 10-year government bond yields in Germany increased from 2.1% to 2.4%. Current market expectations are just one interest rate cut of 0.25% by the FED until mid-2025 to 4% short term interest rates while current market expectations are for four interest rate cuts of 0.25% each in the Eurozone, which would reduce short term rates from 3% to 2% by mid-2025.

The Entrepreneur Fund declined by -0.6% in December 2024. A strong performance was delivered by Compugroup (+37%) due to the CVC takeover offer as well as a continued strong performance of Indivior (+10%) and BAWAG (+8%). US mid-cap stocks held by the Fund like Howard Hughes Holdings (-11%) and Seaport Entertainment (-17%) were affected by the increase in US interest rates. Weaker performers among European stocks were Hornbach (-10%) as Q3 results were slightly below expectations (while full year fiscal guidance was maintained) and KION (-6%) on an overall cautious outlook for a cyclical recovery in Europe.

2025 will be an interesting year at the capital markets. Further development of inflation will determine the flexibility of major central banks to cut interest rates. Energy and commodity prices are currently relatively low which support a further easing of inflation rates while wage increases should slow down during 2025. Apart from the US, the economic growth outlook is muted in most developed markets. This is reflected in the valuation of US equities trading at its highest valuation

## Fund manager's comment continued: December 2024

premium (c. 53%) ever compared to Europe. It is hard to predict when European equities will catch-up with the performance of US stocks, but one should consider that many European companies profit from a stronger USD (c. 9% USD appreciation relative to EUR), while US exporters will be hit by the strong USD. Generally, the outlook of the Fund for 2025 is solid, given (i) valuations of the companies held by the Fund are healthy relative to the underlying cash flows reducing the risk of a multiple contraction, and (ii) many companies owned by the Fund should continue producing robust cash flows even in a continued low growth environment. In addition to lower interest rates, a cease-fire in the Ukraine war could also positively affect the economic sentiment and there may be some political upside.

The Fund increased its equity exposure to c. 90% in December 2024. C. 6% of the Fund's NAV was invested in bonds and c. 4% in cash per end of December 2024. C. 73% of the Fund's assets were allocated to instruments denominated in EUR, c. 11% in USD, c. 11% in GBP, and c. 5% in other currencies (NOK, CAD, CHF, DKK).

## Investor Profile

The Fund is suitable for investors seeking long-term capital growth and may not be appropriate for investors who plan to withdraw their money within 5 years.

## Risks

**Market risk:** Market fluctuations and general market or systematic risk is inherent to an entire investment market and as such, to a varying degree, in all of the Fund's investments. Price movements in an investment market can be volatile and are influenced, among other things, by changing market supply and demand, national and international political and economic events.

**Concentration risk:** To the extent that the Fund's investments are concentrated in a particular country, market, industry or asset class, the Fund may be susceptible to loss due to adverse occurrences affecting that country, market, industry or asset class.

**Currency risk:** The Fund's reference currency is EUR, whereas the underlying investments of the Fund are denominated in a variety of currencies. Consequently, the performance of the Fund may be influenced by movements in foreign exchange rates between EUR and the currencies in which the underlying investments are denominated.

**Counterparty risk:** There is a risk that a counterparty will not fulfil its payment obligation for a trade, contract or other transaction, on the due date. This may result in losses.

**Liquidity risk:** The Fund may be exposed to liquidity risk where, due to a lack of marketability, the Fund's investments cannot be bought or sold quickly enough to prevent or minimize a loss.

**Derivatives risk:** The Fund may use derivatives in an attempt to reduce risk (hedging) or for investment and portfolio management purposes. It may be that the use of derivatives may not always be successful and cause unit prices to fluctuate which may in turn result in loss to the Fund.

**Credit risk:** The risk of default that may arise if an issuer fails to make payments when due.

**Operational risk:** The risk of losses caused by employees, delegates, service providers and other third parties through insolvency, errors, fraud or criminal actions.

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Sources of data used in the document: Spinoza Capital, Bloomberg.

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Copies of the fund's prospectus and the key information document (KID, Basisinformationsblatt) may be obtained free of charge from Spinoza Capital GmbH, Opernturm 16. Stock, Bockenheimer Landstraße 2-4, D-60306 Frankfurt am Main, Germany and may be downloaded from the Spinoza Capital website: [www.spinozacapital.com](http://www.spinozacapital.com). The fund's prospectus is available in English whilst the KID (Basisinformationsblatt) is available in German.