



incrementum

Incrementum All Seasons Fund

Season's Greetings 2024





incrementum

Dear readers,

As the year 2024 draws to a close, I would like to take this opportunity to personally thank you for your trust as investors in our [Incrementum All Seasons Fund](#) (IASF), and for your interest in my investor letter [Seasonal Reflections](#) as well as [Incrementum AG](#) as a whole.

Professionally, 2024 has proven to be quite challenging, as demonstrated by the rather poor IASF result, which I have regularly commented on and explained in my *Seasonal Reflections*. Therefore, on this occasion I would like to address an aspect of my work as fund manager that is rarely discussed, which is the mental fortitude that our job demands of active fund managers in this day and age (and of course I include my colleagues and peers in this).

For almost three decades, I had looked after wealthy private clients and was therefore not unprepared for what awaited me as a fund manager. The difference then, however, was that I had direct and, over time, increasingly trusting relationships with all my clients. Whether in investment advisory or portfolio management relationships, this proximity not only helped me to convey my expertise, but also to create trust through transparency, openness and integrity, and thus also the prerequisite for the patience that is ultimately needed in investing.

As a fund manager, I have experienced things differently. We remain rather anonymous overall, both as experts and as people, as a result of which investors focus mainly on short-term fund performance. I have experienced this in recent years, for example when IASF's absolute and relative gains in 2022 triggered broad investor interest and significant inflows of new money, while the relatively weaker performance in 2023 and 2024 at times led to redemptions by investors who had only entered the market after the last strong rally in the fund's NAV. This highly cyclical behavior does not make our work any easier. Above all, however, I don't know any fund manager who during such phases is not stressed and plagued by doubts about their investment and decision-making process, and thus the core of their work.

In other words, it requires a certain mental strength and self-confidence to deal with the experience of 'the market' going against you and to avoid falling into self-doubt. Feedback from investors helps, of course. For example, one professional investor wrote to me after the IASF webinar in October: *'I found your honesty sensational when you said that hedging has cost 7 percentage points this year. This shows (please excuse my following statement and honesty) that you really have 'balls'. Losing 7 percentage points in one year due to hedging, but still ending up with a comparable performance to the top dogs, is impressive. Any investor who is upset about the losses on the hedges hasn't got a clue 😊'*





incrementum

Personally, I consider transparency, honesty and integrity towards my (co-)investors to be of the utmost importance, especially in phases when performance is not going so well. However, that does not mean that I get through such phases without constantly questioning our approach and decisions. On the contrary, when I listen to my dear wife, she always knows exactly whether IASF's investment performance is particularly strong or instead "sluggish". But what I have learned is that if an investment approach has proven itself, you have to stay true to it. And an investment strategy and approach works and proves itself when it is anchored in the personality of the fund manager and geared to his or her strengths and experiences. But precisely because I am my own biggest critic, I still get a boost by encouragement, such as the message I received from another (professional) investor after a really difficult first week of December: *"Best regards and stay steady and true to course (I'll take the liberty of putting it that way!) 😊"* – I would therefore like to take this opportunity to express my special thanks for such and similar expressions of trust and encouragement!

Any long-term investor who actively manages money in a fiduciary capacity will know that there are also seasonal patterns in performance development, and the success and positive mood of summer is much more pleasant than the setbacks and frostier mood of winter. But given only very modest net outflows this year (EUR 1.4m by end of November), I am very satisfied with IASF's stable investor base. It suggests we are doing a lot right in terms of our investor communication, and I would like to thank all our long-term investors for their patience and trust. This even more so, as I am of course acutely aware that investors also need mental fortitude to persevere during the inevitable NAV drawdowns. Fortunately, financial markets are not a one-way street, and I am convinced that IASF will shine in a more positive light again in 2025.

Until then it is only two more weeks, and so on behalf of the whole IASF and Incrementum team I would like to take this opportunity to wish all my readers a Merry Christmas and Happy Holidays. I hope you can enjoy a few quiet and relaxed days at the end of the year with your families and loved ones to recharge your batteries and refocus. And, of course, I do also wish you a happy new year; may it be blessed with loads of good luck, excellent health, as well as plenty of joy and success.

Best regards from Schaan / FL,

Hans G. Schiefen

