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# 1 General Overview

Monday, 9 January 2023

*Build me straight, O worthy Master!  
Stanch and strong, a goodly vessel,  
That shall laugh at all disaster,  
And with wave and whirlwind wrestle.  
- The Building of the Ship, Henry Wadsworth Longfellow*

Dear Partners:

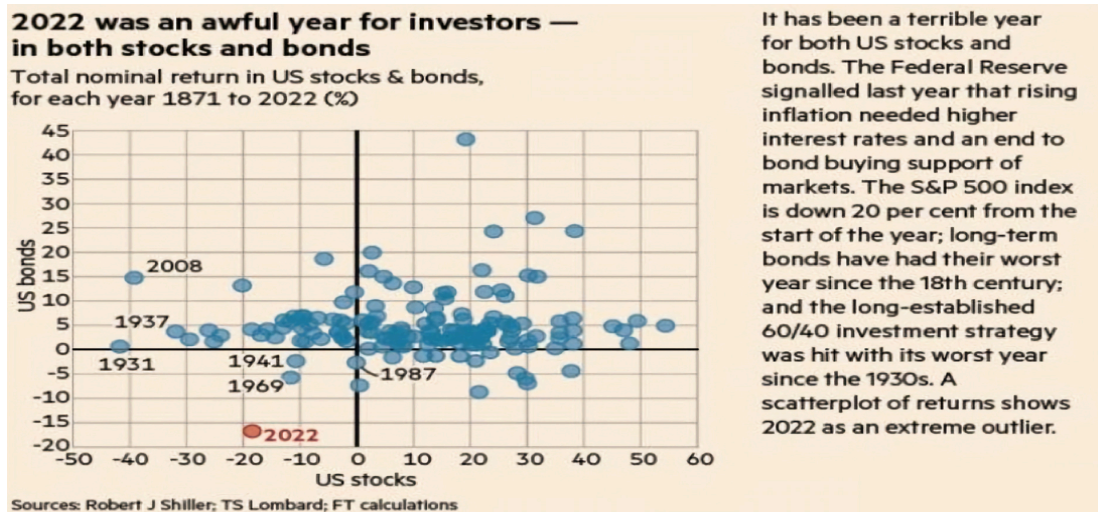
The Fund finished the fourth quarter of 2022 0,23% in the plus, versus 14,32% for the Eurostoxx 50 and versus 0,43% for the MSCI World Index. We were down -3,51% in 2022.

The Net Asset Value of the Fund is 273,11 (cf. part 2 for a more detailed Fund overview, for detailed return results and the NAVs of all series).

Returns % (in € - net of all fees)\*

2022	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	2022
Fund	0,61	2,07	-2,91	2,04	-5,44	-11,70	8,91	17,56	-11,49	18,89	-8,71	-7,65	-3,51

\*Please note that individual investor net returns will vary due to the timing of one's investment. The 2022 results reported above are unaudited estimates and may be subject to change.

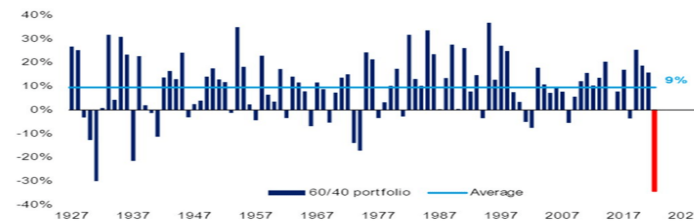


2022 was a painful year for many. European indices were down on average -12%, the S&P500 ended down -20% and the Nasdaq almost -35%. Some of the high flying (growth/tech) funds of the last few years were almost destroyed with returns ranging from -50% to -60%. And even the classic and almost always defensive investment strategy, loved by many private banks, the so-called 60/40 allocation – i.e. holding 60% of your portfolio in stocks and 40% in bonds – was down -20%; one of its worst years in almost hundred years.

Five worst years for US stocks and bonds 60/40 last 100 years:

- 1931: -31%
- 1937: -22%
- 2022: -20%
- 2008: -17%
- 1974: -15%
- 1930: -14%

**Chart 3: "60/40" portfolio ann. worst YTD return in past 100 years**  
Annual 60/40 portfolio performance



Source: BofA Global Investment Strategy, Global Financial Data, 2022 is YTD annualized  
BofA GLOBAL RESEARCH

While it was not the also a very frustrating manage to avoid the losses that erase years

gains. The mathematics of compounding can be rewarding, but also very punishing. If a fund portfolio falls 30%, you need a 42% gain just to recuperate the loss. And a 30% loss is not uncommon for an actively managed fund.

easiest and year, we did kind of of hard-won

But in any case, this was the most disappointing year for us! Why? Because unfortunately we were forced by unexpected circumstances – a true force majeure – to sell our biggest position, i.e. the MLP Calumet. The reason to sell were twofold: (1) as of the beginning of 2023 non-US MLP holders have to pay a 10% withholding tax when selling an MLP and (2) a complicated and time-consuming and hence costly tax filing would lead to an even bigger tax – close to 20% – on the entire investment.

Moreover, it should be noted that the entire US MLP market is now closed off to non-US investors, since no broker will trade MLPs anymore for non-US investors.

So, the 2022 performance in itself is not our biggest frustration. For example, if we could have held on to the investment and the 2022 performance was recorded a week earlier – hypothetically closing the (Fund) year on the 23<sup>rd</sup> of December instead of the 30<sup>th</sup> of December – the fund performance would have been worse than our actual 2022 performance.

Our biggest disappointment since the start of the Fund is that we were right about our investment thesis, but that we won't be able to capture the possible additional upside.

2022 was both on a personal and professional level a reminder that life comes at you out of nowhere. The only thing you can do is roll with the punches by focusing on what you can control and always make sure that you can stay in the game...

### What?! (1)

“Does the name of an index matter? Simplicity and clarity are often the best approach. The Euro Stoxx 50, for example, is an index of the 50 largest European stocks. So too the S&P 500 Growth Index, which unsurprisingly shows the performance of Growth factor stocks in the wider S&P 500. However, this is not quite as true for global developed market ('DM') indices. As the world's largest economy and most developed capital market, it is unsurprising that US stocks have always made up a large percentage of DM indices. Recently, however, their dominance has reached new heights. US stocks now comprise around 70% of the MSCI World Index, up from 50% in 2009 and only 35% in 1995. This divergence is not because diverging growth rates (Figure 7). The UK, EU and Japan have lost only 4 percentage points to the US in terms of the size of their relative GDP since 2001. Instead, it is the companies that have come to market that have changed, with listed US companies far larger and faster growing than their British, European and Japanese counterparts. Since the MSCI World is constructed using market cap weightings, that as the price of US stocks rise relative to their peers, they become a larger proportion of the index.”

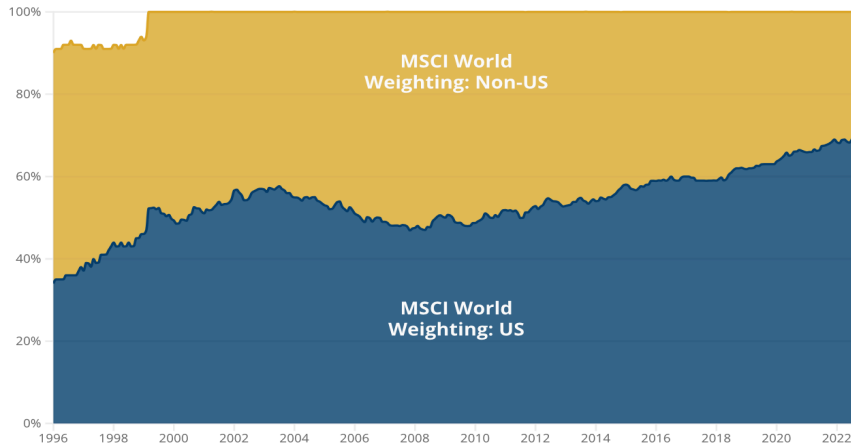
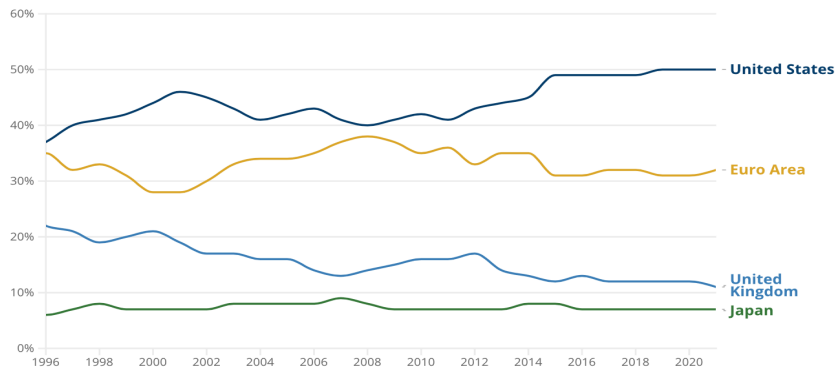


Figure 7. Relative GDP – By Region



Source: <https://www.man.com/maninstitute/views-from-the-floor-2022-october-18>

What?! (2)



Cassandra B.C.  
@michaeljburry

Meet the new boss, same as the old boss. The Hang Seng recently hit 1997 levels. 25 years. Yet GDP multiplied 18 times during that time. 1997 valuations were 20x Earnings, 10x EV/Sales, 3x Tangible book. Now 7/1/1. Note, 3 of last 4 Premiers served 3 terms.



4:47 pm · 25 Oct 2022 · Twitter Web App

### What?! (3)



Now Big Tech has also lost all Corona gains. The combined market capitalization of Apple, Microsoft, Alphabet, Meta and Amazon (AMAMA) has fallen from \$10.2tn to \$5.9tn now.



### Changes in the Fund's Portfolio (cf. 2.2. Fund Positions for more details)

We are building investment positions in an energy holding company, 35% owned by an activist investor, and, in a specialty distribution holding company, 75% owned by an activist fund and the company's management. The energy holding company declared – too early unfortunately – a special 10 usd dividend and a first quarterly variable 2,5 usd dividend just yesterday; these dividends reduce our cost basis with almost 20%.

### Must reads

*Whatever problem you're struggling with is probably addressed in some book somewhere written by someone a lot smarter than you.*

- Ryan Holiday

A must read about how the rookie traders who started during the pandemic are calling it quits:

[https://www.wsj.com/articles/rookie-traders-are-calling-it-quits-and-their-families-are-thrilled-11672513272?mod=hp\\_lead\\_pos7](https://www.wsj.com/articles/rookie-traders-are-calling-it-quits-and-their-families-are-thrilled-11672513272?mod=hp_lead_pos7)

A must listen about Ed Thorpe and a personal blueprint for life:

<https://founders.simplecast.com/episodes/my-personal-blueprint-the-autobiography-of-ed-thorp>

### Administration and the next update

You should receive the next investment letter by the middle of April at the latest. In the meantime, please email or call us with any questions you have.

We wish you a healthy new year!

The Tartaros Team

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## 2 Fund Overview

### 2.1 General Overview (end of Q4 2022)

	Asset Class
Equities	54,58%
Cash (Equivalents)	45,42%
	100,00%

	Currencies
USD	64,75%
EUR	10,51%
CAD	12,21%
YEN	2,09%
PLN	5,21%
AUD	3,58%
MXN	1,16%
ILS	0,49%
	100,00%

	Industry (as % of Fund)
Materials	13,44%
Industrials	14,37%
Consumer Discretionary	1,16%
Consumer Staples	3,06%
Financial Services	8,62%
InfoTech	0,50%
Communication Services	6,22%
Real Estate	1,80%
Energy	5,40%

### 2.2 Fund Positions

We have no short positions and no leverage. We are invested long in 24 positions.

Position	% of portfolio
Investment 1	5,99%
Investment 2	5,40%
Investment 3	5,12%
Investment 4	4,80%
Investment 5	3,58%

It should be noted that all numbers are approximations.

### 2.3 NAV Series

TARTAROS FIS SCA GLOBAL VALUE C1 A CAP	273,11
TARTAROS FIS SCA GLOB VALUE E3 CAP 31012022	95,89
TARTAROS FIS SCA GLOB VALUE E5 CAP 31032022	96,86
TARTAROS FIS SCA GLOB VALUE E6 CAP 30092022	100,44

## 2.4 Return Overview

Below are the results of the Tartaros Global Value Fund for 2022; also shown is the return of two major market indices (we would like to stress that there is no specific benchmark for the Fund; the comparison to the market index is only provided as an indication to the broader market context):

Returns % (in € - net of all fees)\*

2022	jan	feb	mar	apr	may	jun	jul	aug	sep	oct	nov	dec	2022
<i>Fund</i>	0,61	2,07	-2,91	2,04	-5,44	-11,70	8,91	17,56	-11,49	18,81	-8,71	-7,65	-3,51
<i>Msci world</i>	-4,01	-2,84	3,49	-3,41	-1,70	-6,56	10,60	-2,71	-7,31	5,41	3,27	-7,75	-14,22
<i>Eurostoxx 50</i>	-3,00	-6,00	-0,55	-2,55	-0,36	-8,82	7,33	-5,15	-5,66	9,02	9,6	-4,32	-11,85

\*The MSCI World is a stock market index of "world" stocks. It is maintained by M.S.C.I., formerly Morgan Stanley Capital International. The index includes equities from 23 countries and has been calculated since 1969.

\* The EURO STOXX 50 Index, Europe's leading Blue-chip index for the Eurozone, provides a Blue-chip representation of supersector leaders in the Eurozone. The index covers 50 stocks from 12 Eurozone countries.

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