



*Smooth seas never made a skilled sailor*  
(Franklin D. Roosevelt)

# ARR GLOBAL L/S EQUITY STRATEGY

## INVESTOR LETTER Q1 2025

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## ***Dear Valued Friends and Investment Partners,***

In Q1 2025, our strategy delivered a net return of +3.6%.

### **Performance highlights:**

- +21% 3-year annualised return
- +13% 5-year annualised return
- +265% total return since inception (2015)

Throughout the quarter, we observed rising pressure across supply chains, tightening capital conditions, growing tariff uncertainty, and signs of stress in parts of the market previously perceived as stable.

### **Trades & Positioning Review – Q1 2025**

#### **March**

Our short in TSX Index Futures was a key contributor following timely positioning around new tariff headlines. Additional gains came from single-name shorts in Oklo, Kering, and Archer Aviation — each consistent with our framework targeting thematic excess and structural deterioration.

#### **February**

Chinese equity exposure, both at the index and single-name level, performed strongly amid renewed stimulus expectations. Gold and silver miners continued to add value. Raiffeisen Bank International was another standout, supported by strong fundamentals and easing geopolitical risk. Our Tesla short contributed following weak delivery numbers.

#### **January**

Select financials and gold names added positively. We also benefited from our short in Constellation Brands. DeepSeek-linked volatility in semiconductors led to a sharp selloff late in the month, but risk protocols helped contain losses.

### **Detractors & Risk Management**

Losses were modest and primarily stemmed from index-level exposures in MDAX and China 50, both impacted by macro-driven volatility and policy timing mismatches. Our thesis on German mid-caps remains intact but was challenged by shifting sentiment post-tariff headlines. In China, policy support failed to materialize within our expected window, triggering tight stop-loss exits.

We also closed a long in Alibaba on risk controls before the broader rebound played out. While the setups were fundamentally sound, timing proved early. In all cases, portfolio-level impact was limited — a direct result of disciplined sizing, tight risk thresholds, and prompt execution.

### **Outlook**

Markets remain highly sensitive to the trajectory of U.S. trade policy, particularly in the context of escalating tensions with China. While current rhetoric points to a sustained push to reduce the trade deficit, we believe political and market pressures are likely to force a shift — either toward a negotiated agreement or renewed monetary easing.

With rate cuts already heavily priced in, the window for policy error is narrowing. A failure to adjust course in time would increase recession risk. We continue to track key inflection points closely. Our framework remains dynamic and responsive.

I've managed capital through:

- The 2000 dot-com collapse, which erased trillions in market cap from companies with no earnings
- The 2008 global financial crisis, when liquidity vanished, leverage collapsed, and systemic confidence broke
- The 2011–2012 European sovereign debt crisis, which triggered sharp volatility in credit and equity markets

- The 2014 Russian market breakdown, during which local equities experienced a sustained 70% drawdown
- The 2015–2016 China growth scare and commodity rout, which shook global risk appetite
- The Q4 2018 U.S. equity selloff, where a hawkish Fed and collapsing sentiment drove rapid repricing
- The 2020 COVID shock, when markets experienced unprecedented volatility and correlation breakdowns
- The 2022 inflation-driven bear market, marking a structural shift in monetary policy and asset pricing
- The 2023 regional banking crisis, which exposed balance sheet fragility across mid-sized lenders
- And most recently, the early 2025 market drawdown, marked by tariffs, broad-based weakness, and deteriorating liquidity

Since the inception of our strategy in 2015, we have outperformed the MSCI World Index in all 10 of the worst equity market declines.

### Closing Note

Before closing, I want to express my appreciation to someone who has been with me from the very beginning—Paul.

Over a decade ago, Paul placed his trust in me—before there was a firm, a track record, or even much infrastructure. He didn't need a glossy brochure or a polished pitch. He believed in my judgment and backed that belief with a significant portion of his hard-earned wealth.

While Paul benefited immensely from our strategy, what I value most is the friendship we've built and the fact that we've genuinely enjoyed the journey together.

Paul, thank you. No one handed you anything—you earned it all. I know what that means. And I'll continue doing everything I can to protect and grow what you've built.

Thank you to all our investors for your continued partnership.

**It remains the most important capital we manage.**

Best regards,  
Christian



Source: InteractiveBrokers, Credit Suisse, time-weighted performance of first managed account in USD, net of fees; performance from 2015–2023 verified by Spicer Jeffries accountancy; as of 31.03.2025, CS L/S Equity Index is reported with a one-month delay.

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## NET MONTHLY RETURNS

(%)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	ARR Cumulative	CS L/S Equity Cumulative*
<b>2025</b>	-3.9%	3.5%	4.1%										3.6%	264.7%	74.4%
<b>2024</b>	0.1%	12.1%	2.7%	5.3%	-5.0%	-2.0%	2.8%	0.6%	8.2%	-6.6%	0.0%	-6.0%	11.0%	252.1%	72.3%
<b>2023</b>	4.9%	-4.2%	6.0%	-1.0%	2.2%	0.0%	-0.2%	0.4%	0.2%	-0.7%	9.8%	5.4%	24.5%	217.3%	48.2%
<b>2022</b>	-2.5%	5.7%	16.0%	4.0%	5.3%	2.4%	4.5%	8.4%	1.4%	-3.1%	-1.4%	-0.2%	46.8%	154.9%	33.6%
<b>2021</b>	2.7%	-4.2%	-4.5%	2.5%	3.8%	-4.6%	-3.6%	1.5%	-7.2%	3.1%	-6.7%	-4.6%	-20.5%	73.7%	41.8%
<b>2020</b>	3.2%	0.5%	18.3%	-2.2%	-0.5%	0.7%	5.8%	2.5%	-7.0%	-1.1%	8.0%	3.9%	34.6%	118.4%	30.9%
<b>2019</b>	3.6%	-3.0%	-3.8%	1.7%	-3.0%	3.6%	0.7%	-1.5%	-0.3%	-1.9%	0.9%	1.4%	-2.0%	62.3%	21.3%
<b>2018</b>	7.1%	-1.4%	-0.8%	0.8%	-1.5%	0.3%	-1.5%	-0.5%	3.8%	-2.5%	0.4%	-3.3%	0.5%	65.6%	8.2%
<b>2017</b>	3.7%	2.4%	-1.7%	4.6%	3.2%	-1.7%	1.2%	2.0%	5.7%	-2.6%	0.8%	0.5%	19.2%	64.7%	13.4%
<b>2016</b>	5.4%	-4.6%	-2.4%	-1.3%	-1.5%	-2.1%	1.7%	0.3%	-0.5%	-2.2%	0.7%	6.0%	-0.9%	38.2%	0.0%
<b>2015</b>	3.3%	7.9%	1.0%	7.0%	2.7%	1.8%	-0.7%	3.1%	-3.3%	9.7%	3.2%	-1.0%	39.5%	39.5%	3.6%

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The **ARR Global Long/Short Equity Strategy** was awarded **"Winner – Global Equity Under \$500M"** at the 2024 With Intelligence HFM European Performance Awards.



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