

The investment objective of the PHILEAS EQUITY EUROPE is to outperform, on an equity horizon, its benchmark, the MSCI Europe net return index. The fund invests in European Union equities through discretionary stock picking.

ISIN: FR0012749927

Launch date: 15 October 2015

Structure: «European Union equities» fund - French FCP

Management team: Ludovic LABAL / Cyril BERTRAND

Benchmark: MSCI Europe NR

Custodian: CACEIS BANK

Administrator: CACEIS FA

Auditor: MAZARS

Fund dealing: daily

Eligible for French equity savings plan: yes

NAV: 121.58€

AUM: 8.85 M€

Management fees: 1.20% incl.taxes

Performance fees: 15% incl.taxes above MSCI Europe NR

Currency: EURO

Performance review

In February, PHILEAS EQUITY EUROPE fell back by 4.54% as its benchmark, MSCI Europe net return, fell back by 8.47%.

- In Services/IT, the portfolio put in a flat performance despite plummeting markets.

Investors naturally welcomed Worldline's agreement to buy Ingenico, in a move that will doubtless accelerate sector consolidation in Europe, where critical size is becoming essential to competitive edge. We benefited from the rerating of Italian operator Nexi, whose tie-up with SIA is looking increasingly likely. Overall, the payments sector posted gains of 122 bps for the month (Ingenico 64 bps, Worldline 28 bps, Nexi 30 bps).

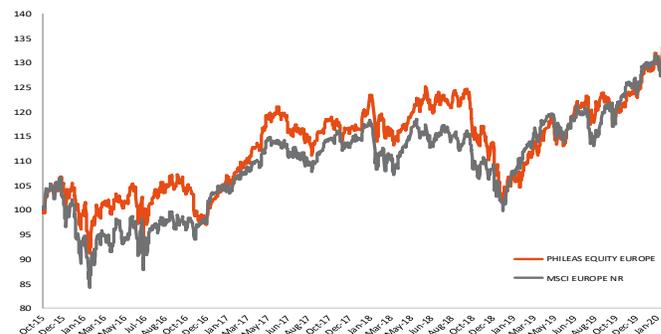
- In Telecom, Iliad's stock price rose on the back of hopes of a market upturn in France where, for the last few months, the company has been ready for a large-scale optical fibre roll-out. This should allow it to start closing the gap with Orange, which has so far been enjoying its first-mover advantage. The company's recent strong performance allowed us to take profits.

- In the Consumer sector, we are maintaining limited net exposure to this segment in view of the ongoing macroeconomic uncertainty.

- In Aeronautics/Defence, we were negatively affected by MTU's sharp decline. We had added the stock at the end of the month when it started to consolidate. As the coronavirus outbreak became widespread, the share price was dragged down. Although we clearly underestimated the scale of the market's reaction, our investment thesis still stands, namely that air traffic is likely to be very hard hit in 2020, but that the effect on revenues will by no means be linear and, in our opinion, hard to extrapolate over several years, as the reaction of the stock illustrates. The structure of MTU's fleet allows the group reasonable visibility for the years to come, the balance sheet is healthy and free cash flow generation is comfortable.

- In Building, Vinci and Saint Gobain underperformed, weighing on overall performance.

Performance since inception



Performance (%)

	YTD	1 month	1 year	3 years	Annualized performance*
PHILEAS EQUITY EUROPE	-5.27%	-4.54%	10.15%	12.11%	4.56%
MSCI EUROPE NR	-9.62%	-8.47%	3.00%	9.53%	3.55%

* I share launched as of 10/15/2015

Top holdings

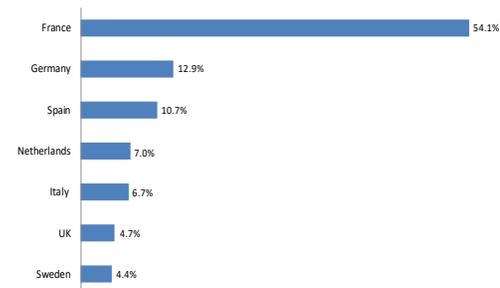
Holdings	%
Worldline	4.7%
Nexi	4.6%
Bureau Veritas	4.5%
Assa Abloy	4.3%
Masmovil	4.3%
Number of holdings	30
Investment rate	100.44%

Risk indicators - 1-year data

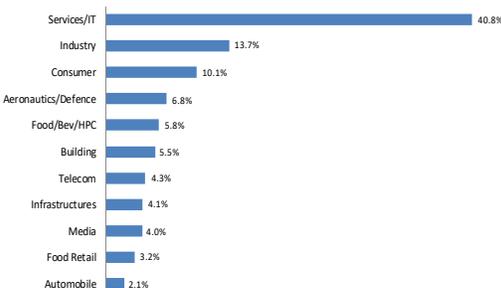
Volatility of the fund	12.94%
Volatility of the benchmark	12.94%
Tracking error	6.18%
Beta	0.88
Information ratio	1.12
Sharpe ratio	0.88

Source : Bloomberg

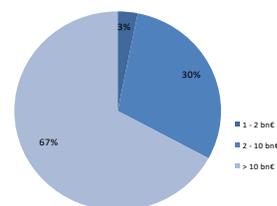
Portfolio exposure by country



Portfolio exposure by sector



Portfolio exposure by market cap



Source: Phileas Asset Management, unless otherwise noted

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