

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: 171.67€

AUM: 9.47 M€

Management fees: 1.20% incl.taxes

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

Currency: EURO

Performance review

In August, PHILEAS EQUITY EUROPE rose by 2.82% as its benchmark, MSCI Europe net return, rose by 1.97%.

August saw this year's first-half earnings season draw to a close. The period was very positive for the fund, with results that confirmed our operational scenarios for the companies in which we are shareholders. We are confident that the portfolio is well positioned for the short and medium term.

- In Industrials, both Croda and Schneider drove performance. Croda's first-half 2021 results confirm the sound rationale behind recent acquisitions by the Lifesciences division (see June's fund report), which turned in a spectacular performance. Schneider raised its annual guidance slightly as underlying trends in terms of electrification and energy efficiency continue to buoy the group.

- In the Consumer sector, Zooplus was the target of a takeover by a private equity fund and we took profit on our position in the wake of this announcement. We also reduced our luxury goods exposure amid uncertainty created by the Chinese government's wealth redistribution goal. The information available is currently insufficient to gauge the impact of heavier taxation on luxury goods consumption.

- In Healthcare, Alcon and Danaher performed well on the back of their half-year results.

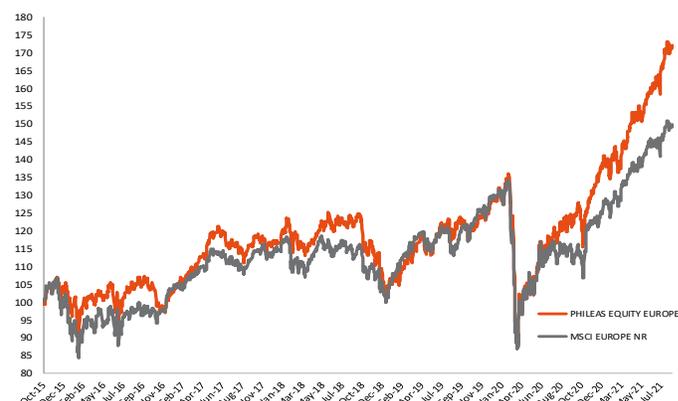
- In Media, S4 Capital was buoyed both by the sector's cyclical recovery in advertising investment and by the company's 100% digital positioning. S4 Capital is a hybrid company with business lines more akin to Accenture than to WPP. The company's organic growth exceeds its peers by over 20 points !

- In the Automotive sector, Stellantis continues to perform well.

- In Aerospace/Defence, MTU's underperformance does not undermine our conviction in this stock as the air traffic segment recovers slowly.

Our exposure to the automotive industry is limited to our Stellantis holding, a rather specific turnaround situation. We maintain a cautious approach to auto-equipment suppliers. The segment is faced with a complex situation. The decline of the internal-combustion engine will, barring innovation, likely be accompanied by greater price pressures. In parallel, manufacturers will largely outsource massive investment requirements in electrical technologies (USD 300 billion over the next five years!) to their subcontractors, and at a time when business volumes will be too modest to be economically positive. Against this backdrop, certain players may find the market's consensus earnings outlooks difficult to achieve.

Performance since inception



Performance (%)

	YTD	1 month	1 year	3 years	Annualized performance*
PHILEAS EQUITY EUROPE	24.97%	2.82%	40.93%	39.15%	9.62%
MSCI EUROPE NR	19.81%	1.97%	30.87%	30.16%	7.05%

* I share launched as of 10/15/2015

Top holdings

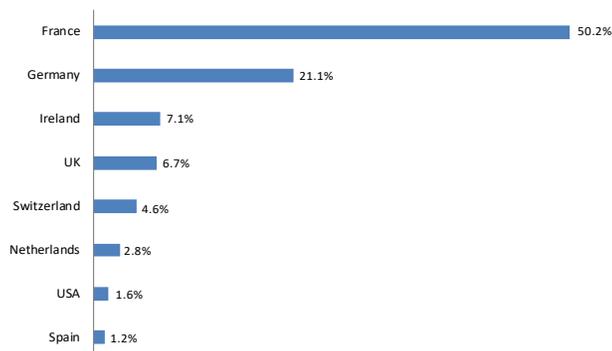
Holdings	%
Cap Gemini	4.7%
Sopra Steria	4.4%
Bureau Veritas	4.4%
Puma	4.2%
Alten	4.1%
Number of holdings	33
Investment rate	95.29%

Risk indicators - 1-year data

Volatility of the fund	13.99%
Volatility of the benchmark	13.86%
Tracking error	7.37%
Beta	0.86
Information ratio	1.01
Sharpe ratio	3.06

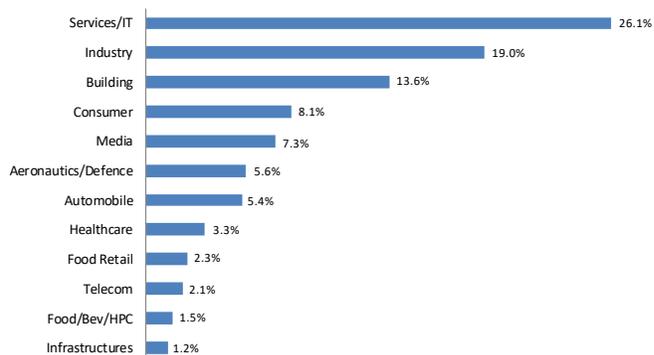
Source : Bloomberg

Portfolio exposure by country



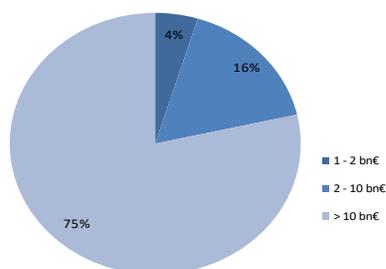
Source : Phileas

Portfolio exposure by sector



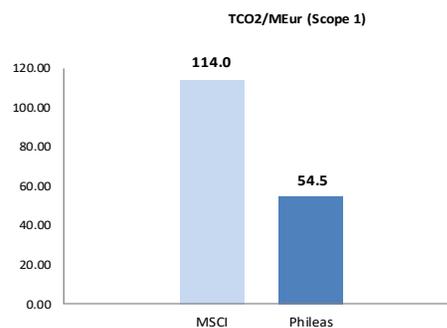
Source : Phileas

Portfolio exposure by market cap



Source : Bloomberg

Carbon intensity



Source : Trucost

ESG notation—Net exposure

	-2	-1	0	+1	+2
Decarbonization	0.0%	9.0%	60.4%	10.7%	15.2%
Human Capital	0.0%	0.0%	83.9%	7.6%	3.8%
Governance	0.0%	8.6%	72.9%	13.7%	0.0%

Source : Phileas

Style factors - Net exposure

Quality	41.3%
Value	28.3%
N/A	25.7%

Source : Phileas