

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: 163.11€
AUM: 8.78 M€
Management fees: 1.20% incl.taxes
Performance fees: 15% incl.taxes above MSCI Europe NR
Currency: EURO

Performance review

In September, PHILEAS EQUITY EUROPE fell back by 4.98% as its benchmark, MSCI Europe net return, fell back by 3.01%.

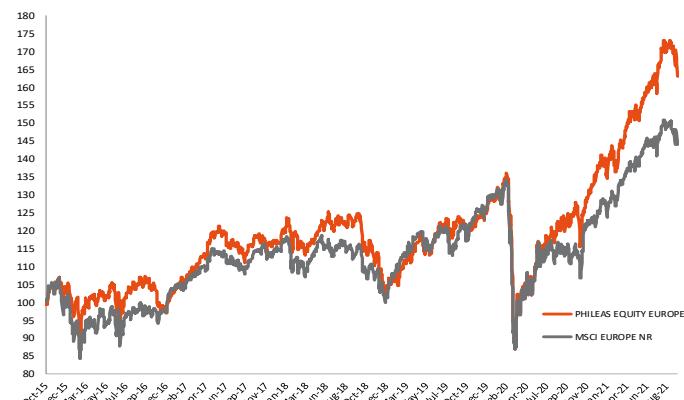
- In Services/IT, the fall in performance was due to the market taking profit on stocks that have had good runs since the start of the year (e.g., Alten, Teleperformance, Cap Gemini, and Bureau Veritas). This type of technically driven consolidation does alter our positive view on these stocks and their half-year results publications are in line with our in-house scenarios.
- In Industry, Kion and Rational were the month's two main detractors. Kion's share price was affected by cautious comments from its management team during several conferences on the now widely discussed topic of rising raw materials and logistics costs. Rational was penalised by profit taking following a good run and amid unfavourable market conditions for growth stocks. We continue to maintain our positions in these stocks given that they benefit from underlying markets that are experiencing structural growth.
- In Media, our positions contributed to performance during the month. We remain especially optimistic with regard to stocks such as S4Capital and Stroer.

One of our portfolio themes is electrification across all levels of the value chain. This major trend is driven by the roll-out of renewable energies and the need to optimise energy consumption, with green stimulus plans serving to speed up industrial investment growth in this sector. Upstream in the value chain, Nexans will benefit from the surge in offshore wind energy investments (one gigawatt of wind energy requires an investment of 300 million euros in cables!) and from power grid modernisation. In addition to the windfall effects, the management's ability to capture servicing and maintenance markets could provide impetus for a rerating of the stock.

Meanwhile, Schneider operates at the core of the electrical infrastructure ecosystem and the need for energy efficiency across industrial sites, data centres, and non-residential buildings will fuel Schneider's growth. Alfen is a mid-cap company specialised in engineering key electrical infrastructure equipment such as transformer substations, electric vehicle charging points, and energy storage systems. With its underlying markets growing substantially, the company has a compelling competitive advantage.

Further downstream in the value chain lies Legrand. A third of its sales revenues are directly exposed to two major trends, namely growing connectivity in residential settings (the Eliot range), and the strive for energy efficiency in, for example, data centres and both residential and non-residential buildings. All of these companies are likely to experience growth rates that not only exceed their historical averages but could also be sustained over a long period of time. These factors underpin our optimism for their potential stock-market upside.

Performance since inception



Performance (%)

	YTD	1 month	1 year	3 years	Annualized performance*
PHILEAS EQUITY EUROPE	18.74%	-4.98%	31.56%	31.91%	8.54%
MSCI EUROPE NR	16.20%	-3.01%	28.75%	25.58%	6.40%

* I share launched as of 10/15/2015

Top holdings

Holdings	%
Cap Gemini	4.8%
Bureau Veritas	4.5%
Sopra Steria	4.4%
Alten	4.0%
Saint-Gobain	3.6%
Number of holdings	35
Investment rate	94.21%

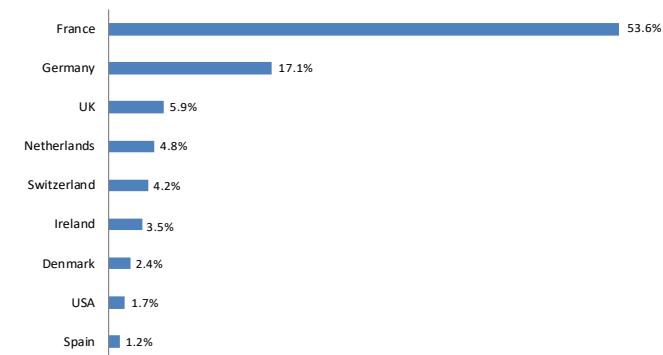
Risk indicators - 1-year data

Volatility of the fund	13.56%
Volatility of the benchmark	13.28%
Tracking error	7.27%
Beta	0.86
Information ratio	0.29
Sharpe ratio	2.46

Source : Bloomberg

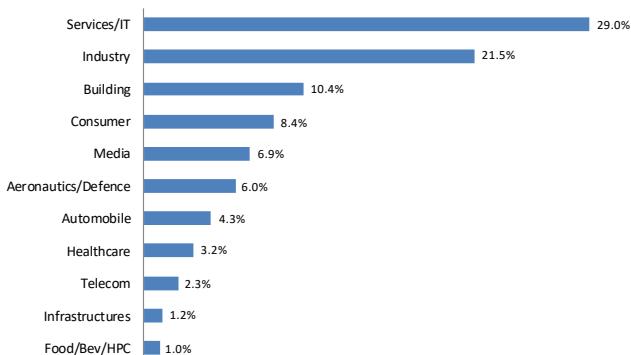
Warning: Past performances are no guarantee of future returns. This document has been published for information purposes only and does not constitute a commercial offer or investment proposal. The reader is invited to consult the full prospectus available on the company website.

Portfolio exposure by country



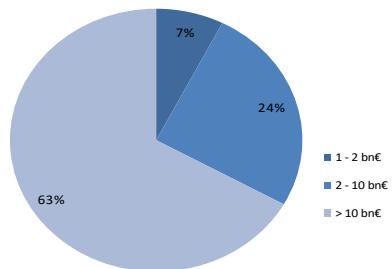
Source : Phileas

Portfolio exposure by sector



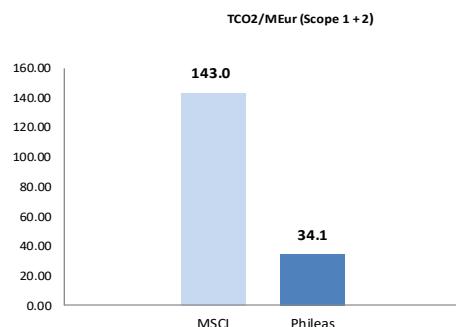
Source : Phileas

Portfolio exposure by market cap



Source : Bloomberg

Carbon intensity



Source: Trucost

ESG notation—Net exposure

	-2	-1	0	+1	+2
Decarbonization	0.0%	6.1%	58.9%	13.0%	16.2%
Human Capital	0.0%	0.0%	82.0%	7.5%	4.6%
Governance	0.0%	9.2%	73.9%	11.0%	0.0%

Source : Phileas

Style factors - Net exposure

	Quality	Value	N/A
	41.0%	27.5%	25.7%

Source : Phileas