

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: 170.73€

AUM: 9.23 M€

Management fees: 1.20% incl.taxes

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

Currency: EURO

Performance review

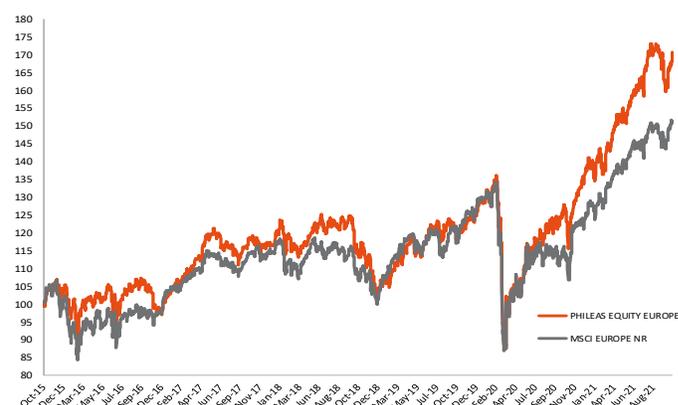
In October, PHILEAS EQUITY EUROPE rose by 4.67% as its benchmark, MSCI Europe net return, rose by 4.65%.

- In Industrials, the portfolio performed well. Kion and Croda were the two primary contributors to performance.
- In the Consumer sector, our main positions posted a strong performance. Puma and Pandora are displaying high levels of organic growth. Both companies are among the best performers in their respective categories and high-quality management is one of the keys to their success (see below).
- In Food, Beverages and HPC, Nestlé reported robust third-quarter results, once again demonstrating the group's exceptional pricing power relative to its peers. In this inflationary environment, Nestlé's portfolio appeal still seems reasonably valued with a PE of 25x for 2022.
- In Media, most of the underperformance came from a fall in S4 Capital for no reason other than profit taking following a fine run since the start of the year. We still believe the company is on a strong growth path.
- In Aerospace/Defence, Thales underperformed due to third-quarter sales numbers that are expected to be weak. Given that quarterly data are less relevant for project-centric businesses, we remain optimistic about the stock's rerating potential: the company has a healthy order book and is exposed to growth segments such as defence electronics and cyber security, as well as to the aerospace recovery in general.
- In Food Retail, Hellofresh got caught up in a downturn affecting online stocks and its decline seems unwarranted. The company's earnings published at the beginning of November confirm our analysis.

A core focus of our strategic review is evaluating the quality of company management. It largely determines the creation of shareholder value and informs our ESG analysis both in terms of human capital and corporate governance.

Puma and Pandora aptly demonstrate the influence that management quality has on corporate economic performance. Since Björn Gulden's appointment as CEO of Puma, he has done an outstanding job in turning the brand around. By putting product innovation at the heart of the company's strategy, he has injected fresh momentum into Puma to capture market share from its competitor Adidas, which is surfing on its previous success. Björn Gulden also dramatically turned Pandora around before his departure in 2013. After that, Pandora encountered major difficulties linked to strategic errors with both its product portfolio (failed attempt to 'premiumise' the range, problems overcoming heavy reliance on charms for the brand's iconic bracelets) and its distribution channels (franchise buyout spree, weak online strategy). Since 2019, a new team led by Alexander Lacik has taken over and is successfully implementing an effective online strategy around a cleverly resegmented offering. The CEO's ambitions in the new synthetic diamond segment also demonstrate his strong strategic vision.

Performance since inception



Performance (%)

	YTD	1 month	1 year	3 years	Annualized performance*
PHILEAS EQUITY EUROPE	24.29%	4.67%	46.76%	47.86%	9.25%
MSCI EUROPE NR	21.61%	4.65%	41.85%	38.80%	7.12%

* I share launched as of 10/15/2015

Top holdings

Holdings	%
Cap Gemini	5.1%
Sopra Steria	4.4%
Bureau Veritas	4.4%
Alten	4.2%
Kingspan	3.9%
Number of holdings	36
Investment rate	95.45%

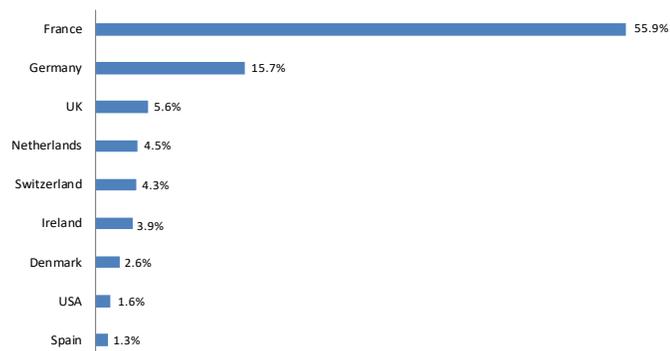
Risk indicators - 1-year data

Volatility of the fund	12.82%
Volatility of the benchmark	12.66%
Tracking error	7.27%
Beta	0.83
Information ratio	0.46
Sharpe ratio	3.80

Source : Bloomberg

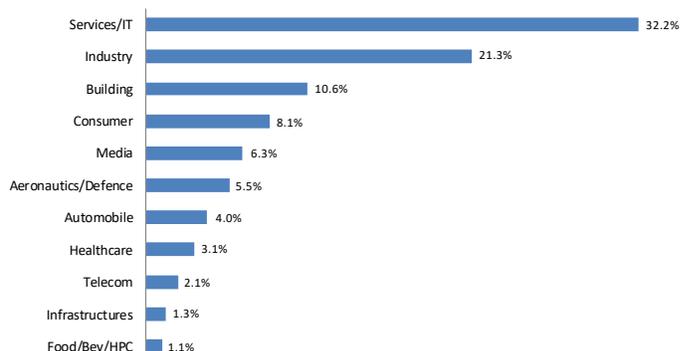
Warning: Past performances are no guarantee of future returns. This document has been published for information purposes only and does not constitute a commercial offer or investment proposal. The reader is invited to consult the full prospectus available on the company website.

Portfolio exposure by country



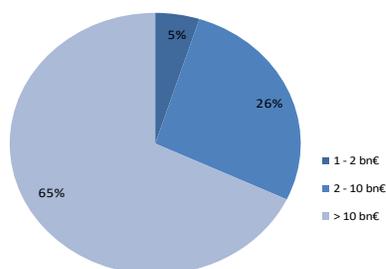
Source : Phileas

Portfolio exposure by sector



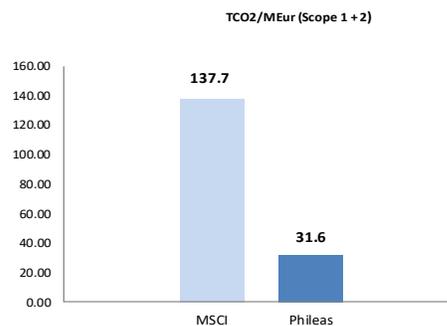
Source : Phileas

Portfolio exposure by market cap



Source : Bloomberg

Carbon intensity



Source : Trucost

ESG notation—Net exposure

	-2	-1	0	+1	+2
Decarbonization	0.0%	5.8%	60.6%	12.9%	16.2%
Human Capital	0.0%	0.0%	80.8%	7.6%	7.0%
Governance	0.0%	8.9%	75.0%	11.5%	0.0%

Source : Phileas

Style factors - Net exposure

Quality	43.3%
Value	26.6%
N/A	25.5%

Source : Phileas