

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: 136.02€

AUM: 7.33 M€

Management fees: 1.20% incl.taxes

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

Currency: EURO

### Performance review

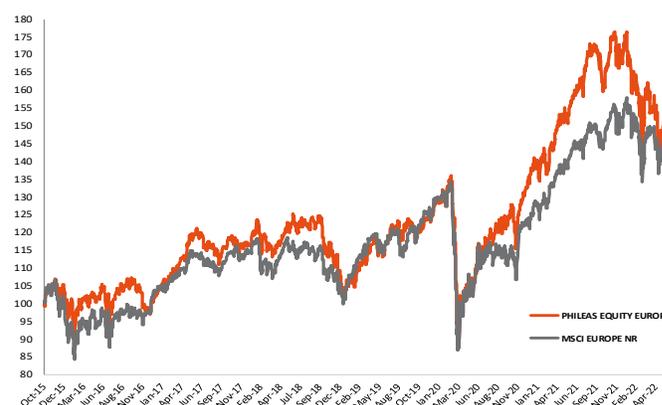
In June, PHILEAS EQUITY EUROPE fell back by 8.98% as its benchmark, MSCI Europe net return, fell back by 7.72%.

The first half of the month was dominated by the same themes as since the start of the year, namely higher inflation (which ticked up again in May), and monetary tightening (the Fed raised rates by 75 bps and the ECB announced the start of monetary policy normalisation across Europe). As a result, long rates rose once again, and quality stock multiples continued to fall. In the second half of the month, investor attention shifted to the economic consequences of monetary tightening, as both European and US PMI index readings came in below expectations. Long-term interest rates retraced much of the progress made earlier in the month, defensive stocks regained ground, and cyclical stocks were severely punished.

- Construction and Industrials, suffered from declines in stocks exposed to residential and non-residential investment markets: Saint-Gobain, Kingspan, Schneider, Nexans, and Legrand all fell sharply. We closed out our Legrand position during the month. While the next quarter is expected to be positive, we fear that the residential cycle has reached a peak, making the outlook for 2023 more uncertain than is reflected by what we believe is an insufficiently defensive valuation level. We are keeping our other positions as their multiples already appear to be implicitly pricing in a significant business slowdown (Saint-Gobain's 2022 price-to-earnings ratio stands at 7). The judicious positioning of most of these portfolio stocks on the energy transition provides a modest cyclical buffer effect and, more importantly, a source of medium-term growth at very low valuation levels.

- In Services, we carried out several arbitrage trades. We took advantage of a volatile month to position ourselves on two stocks that had each come through severe deratings: Wolters Kluwer and Dassault Systèmes. Wolters Kluwer has a very defensive business model with good prospects for faster growth and over 50% of its sales are now based on cloud and software offerings. Dassault Systèmes, the global leader in 3D software, is expected to benefit from the expansion of its addressable markets to new verticals and from the faster take-up of its 3DX platform. These purchases were partially funded by scaling back on Edenred following its good run in both absolute and relative terms.

### Performance since inception



### Performance (%)

	YTD	1 month	1 year	3 years	Annualized performance*
PHILEAS EQUITY EUROPE	-22.38%	-8.98%	-14.97%	12.30%	4.68%
MSCI EUROPE NR	-13.83%	-7.72%	-6.53%	13.02%	4.49%

\* 1 share launched as of 10/15/2015

### Top holdings

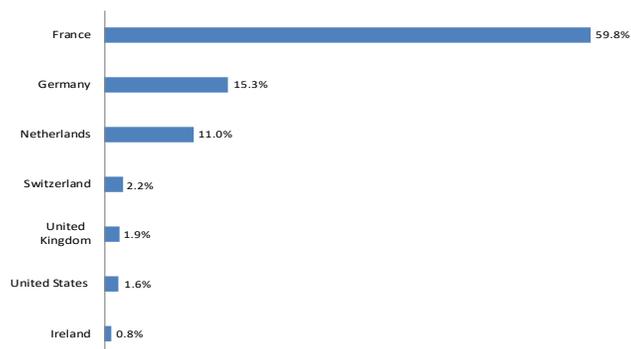
Holdings	%
Cap Gemini	5.2%
Thales	5.1%
Sopra Steria	4.6%
Spie	4.3%
LVMH	3.9%
Number of holdings	32
Investment rate	92.59%

### Risk indicators - 1-year data

Volatility of the fund	20.02%
Volatility of the benchmark	17.67%
Tracking error	7.22%
Beta	1.04
Information ratio	-1.12
Sharpe ratio	-0.64

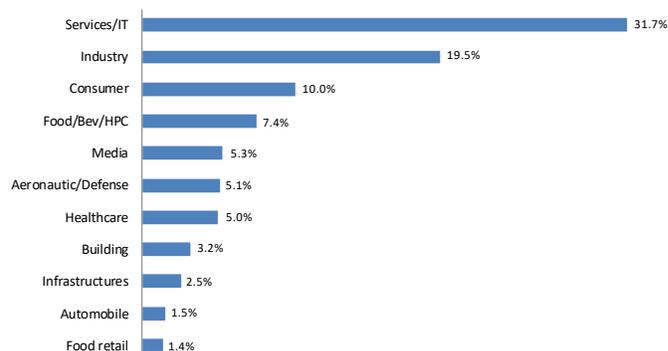
Source : Bloomberg

**Portfolio exposure by country**



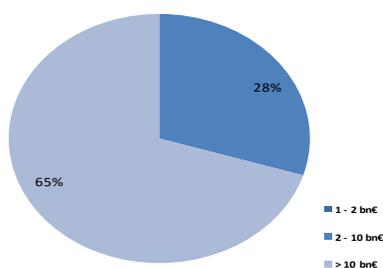
Source : Phileas

**Portfolio exposure by sector**



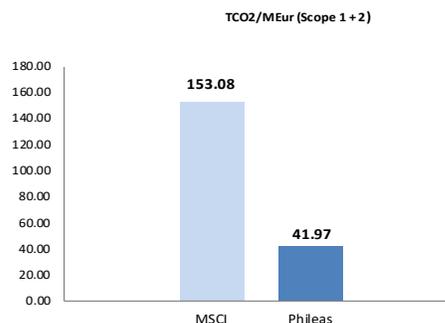
Source : Phileas

**Portfolio exposure by market cap**



Source : Bloomberg

**Carbon intensity**



Source : Trucost

**ESG notation—Net exposure**

	-2	-1	0	+1	+2
<b>Decarbonization</b>	0.0%	2.5%	70.9%	13.3%	5.9%
<b>Human Capital</b>	0.0%	0.0%	72.0%	17.7%	2.9%
<b>Governance</b>	0.0%	12.9%	69.1%	7.3%	3.2%

Source : Phileas

**Style factors - Net exposure**

<b>Quality</b>	53.5%
<b>Value</b>	27.0%
<b>N/A</b>	12.2%

Source : Phileas