

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: 142.62€

AUM: 7.70 M€

Management fees: 1.20% incl.taxes

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

Currency: EURO

### Performance review

In August, the fund declined by 6.56% while the MSCI Europe fell by 4.91%. Our structural underweight in Energy and Financials and our overweight in Industrials accounted for most of the underperformance. August's decline follows a significant rebound in July.

The figures on the inflation front still show significant pressure. The drivers of inflation are complex. Some are exogenous in nature, such as supply chain dysfunction and energy costs. Others are more endogenous such as industrial relocation and wage inflation. In this context, the US and European central banks are continuing their monetary tightening. While the recessionary effect of such measures is not yet visible, some segments of consumption in Europe are beginning to suffer from rising energy bills and the general rise in the price of goods and services.

During the month, we sold our positions in Adyen and Rational. Adyen remains an exceptional growth stock, but we expected revenue growth to accelerate in the second quarter, which came in just in line with consensus expectations. In addition, the company slightly disappointed on the evolution of its operating margin, notably due to the acceleration of its recruitment. Given the demanding valuation multiples in the short term (justified by the company's very high growth rate) and the lack of a short-term catalyst, we decided to exit the position. Rational's release led us to revise our revenue and operating margin forecasts downwards. With less potential for recovery, we decided to sell this position from the portfolio.

During the month, we initiated a position in Campari. Historically, we had reservations about the valuation and growth drivers mostly dependent on the Aperol brand. After a long period of underperformance, the relative valuation vs other spirits names has returned to reasonable levels, while the growth profile seems more balanced thanks to the success of the Campari, Espolon and Wild Turkey brands. Three years after the acquisition of Grand Marnier, the company's balance sheet allows for yet another major acquisition, historically a good catalyst for the stock.

### Performance since inception



### Performance (%)

	YTD	1 month	1 year	3 years	Annualized performance*
PHILEAS EQUITY EUROPE	-18,61%	-6,56%	-16,92%	16,01%	5.29%
MSCI EUROPE NR	-11.84%	-4.91%	-7.92%	16.97%	4.73%

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

### Top holdings

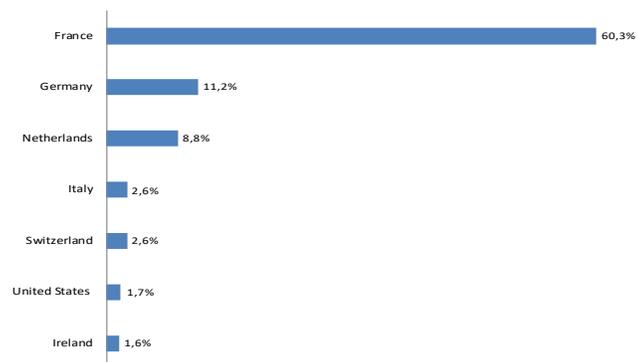
Holdings	%
CAP GEMINI	5,28%
THALES	5,00%
SPIE	4,39%
SOPRA STERIA	4,32%
LVMH	4,19%
Number of holdings	31
Investment rate	89.76%

### Risk indicators - 1-year data

Volatility of the fund	20.72%
Volatility of the benchmark	17.98%
Tracking error	7.93%
Beta	1.05
Information ratio	-1.11
Sharpe ratio	-0.71

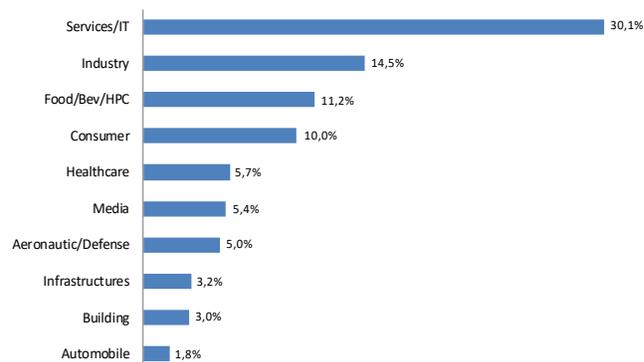
Source : Bloomberg

**Portfolio exposure by country**



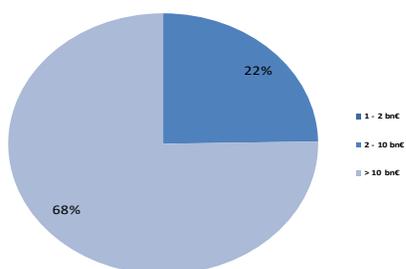
Source : Phileas

**Portfolio exposure by sector**



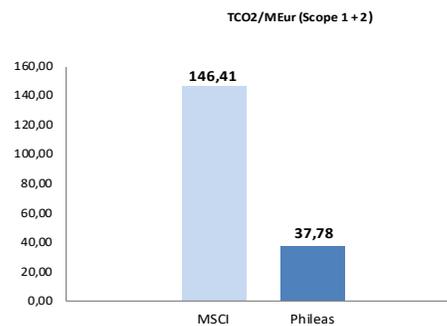
Source : Phileas

**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%	3.2%	68.1%	12.7%	5.8%
<b>Human Capital</b>	0.0%	0.0%	70.4%	16.2%	3.1%
<b>Governance</b>	0.0%	13.4%	65.5%	7.7%	3.0%

Source : Phileas

**Style factors - Net exposure**

<b>Quality</b>	48.8%
<b>Value</b>	26.1%
<b>N/A</b>	14.9%

Source : Phileas