

The investment objective of the PHILEAS L/S EUROPE Fund is to generate absolute performance, over the recommended 2-years investment horizon, decorrelated from equity markets (Stoxx 600 index), with lower volatility. The Fund invests in long and short equity positions, through discretionary stock picking mainly in Europe.

ISIN: FR0011023910
Launch date: 11 April 2011
Structure: UCITS V - French FCP
Management team: Ludovic LABAL / Cyril BERTRAND
Benchmark: ESTR

Custodian: CACEIS BANK
Administrator: CACEIS FA
Auditor: MAZARS
Fund dealing: daily
Dividend policy: accumulation

NAV: 119.37€
AUM: 102 M€
Management fees: 1.20% incl. taxes
Performance fees: 20% incl. taxes above ESTR + 100 bps
Currency: EURO

Performance review

In October, PHILEAS L/S EUROPE fell by 0.81%, recording 2.52% gains on the long portfolio and 3.33% losses on the short portfolio in a market that rose by 6.27% (Stoxx 600).

In Food and Beverages HPC (-36 bps), our long positioning on spirits and beer did not work well. Heineken volumes were not as resilient as expected. We sold this position and replaced it with Symrise, whose business should suffer less from price elasticity. Pernod declined despite a reassuring publication. This consolidation does not call into question our positive scenario for the stock.

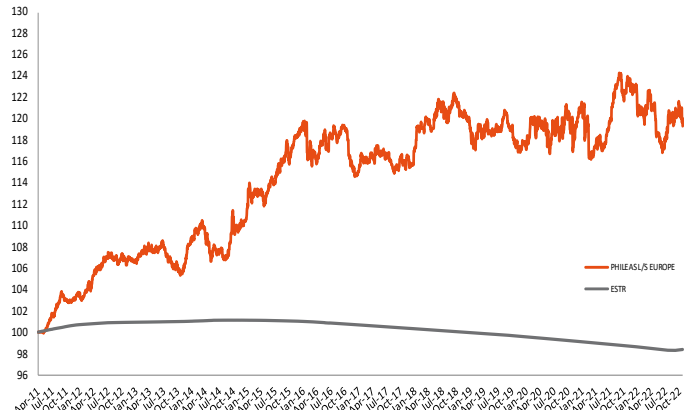
In IT Services (-34 bps), the IT services segment reported good levels of activity, above analysts' expectations. However, Alten, Capgemini and Sopra underperformed the market, reflecting the market's already rather optimistic short-term positioning. We remain confident in the dynamism of these companies in an environment where digital transformation remains a priority for their clients.

In the Consumer sector (-23 bps), LVMH rebounded timidly in the wake of a good quarterly publication, while a number of hedges, particularly in textile distribution (H&M, Inditex, ABFoods), benefited fully from the return of risk appetite. However, their operating performance and growth prospects remain unspectacular.

In Media (+18 bps), Publicis was the best performer in the portfolio over the month. The repositioning carried out a few years ago on digital marketing is bearing fruit. It is reflected in the company's outperformance against its main competitors such as WPP. We believe that this trend should continue in the coming quarters and remain confident in the potential of this position given its still reasonable valuation.

In the automotive sector, we exited Michelin to build a position in Porsche. Positioned in the most attractive segment of the market, Porsche has good growth options (expansion of the addressable market through electrification, enrichment of the product mix) and solid profitability (strong pricing power, economies of scale with Volkswagen). If the group lacks real comparables, these qualities still seem to us to be modestly valued in absolute terms.

Performance since inception



Source: Phileas Asset Management

Performance (%)

	YTD	1 month	1 year	3 years	Annualized
PHILEAS L/S EUROPE	-3.06%	-0.81%	-3.29%	1.43%	1.54%
ESTR	-0.25%	0.05%	-0.33%	-1.26%	-0.14%

* I share launched as of 04/11/2011

Risk indicators - 1-year data

	Beta	Volatility	Sharpe ratio	Maximum drawdown	Calmar ratio *
PHILEAS L/S EUROPE	0.04	4.43%	-0.71	-5.77%	-0.10

* Calmar ratio computed over the last 3 years

Source: Bloomberg

Historical monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2011				+0.01%	+0.32%	+0.83%	+0.72%	+1.07%	+0.09%	-0.27%	+0.41%	+0.50%	+3.73%
2012	-0.47%	+0.72%	+0.95%	+0.73%	+0.68%	+0.46%	+0.15%	+0.04%	-0.33%	+0.07%	+0.12%	-0.39%	+2.75%
2013	+0.58%	+0.17%	+0.58%	-0.48%	+0.16%	+0.71%	-1.22%	-0.53%	-0.35%	-0.55%	+0.85%	+1.79%	+1.67%
2014	+1.16%	+0.09%	-0.01%	-1.24%	-0.47%	-0.40%	-0.18%	-0.13%	+2.29%	+0.47%	+0.22%	+0.23%	+2.01%
2015	+2.21%	+0.38%	-0.16%	-0.98%	+1.43%	+0.23%	+1.46%	+0.37%	+0.90%	+0.17%	+0.97%	+0.52%	+7.78%
2016	-0.17%	-1.35%	-0.81%	+0.95%	+1.01%	-0.16%	+0.73%	-0.77%	+0.73%	-0.99%	-2.26%	-0.53%	-3.65%
2017	+1.36%	-0.13%	+0.24%	+0.33%	-0.23%	-0.24%	-0.08%	-0.96%	+0.38%	+0.48%	+0.36%	-0.56%	+0.92%
2018	+2.92%	-0.03%	+0.62%	-0.89%	+1.73%	+0.37%	-0.55%	+0.33%	+0.77%	-1.02%	+0.01%	-0.53%	+3.74%
2019	-2.08%	+1.11%	-0.52%	+1.11%	-0.62%	+0.49%	-0.35%	+1.25%	-1.19%	-1.23%	-0.21%	+0.22%	-2.07%
2020	+0.56%	+1.54%	-0.68%	-0.29%	-0.25%	+0.52%	+0.52%	-0.70%	+1.62%	+1.48%	-0.05%	+1.45%	+2.74%
2021	-2.18%	-1.58%	+0.79%	+0.73%	-0.55%	+1.15%	+2.23%	+1.55%	-0.51%	+0.52%	-0.09%	-0.13%	+1.83%
2022	-1.64%	-0.03%	+0.66%	-0.28%	-2.56%	-0.86%	2.52%	-0.80%	+0.80%	-0.81%			-3.06%

Portfolio exposure

	%
Gross exposure	119.9%
Net exposure	1.1%
Net beta-adjusted exposure	3.2%

Source: Phileas Asset Management, unless otherwise noted

Portfolio exposure by instrument

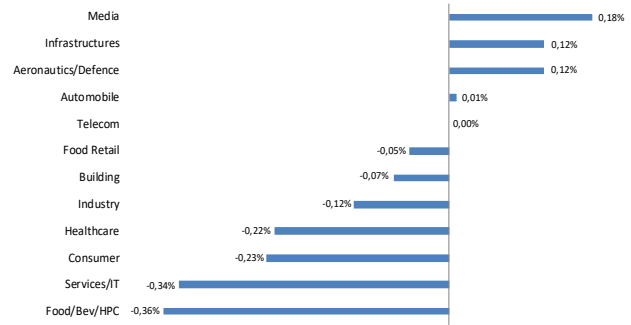
	%	N° of positions
Long equity	59.7%	33
Short equity	50.3%	88
Short indices	-8.3%	3

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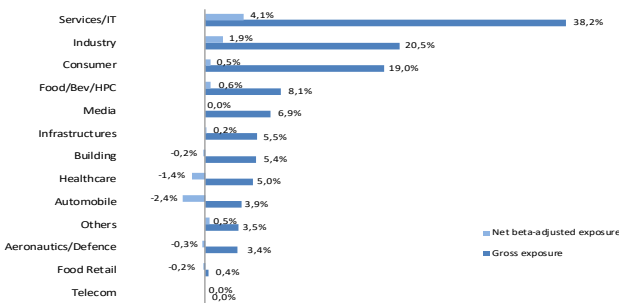
Top holdings

Long	%	Short	%
LVMH	3.1%	Services/IT	1.1%
AIR LIQUIDE	3.1%	Germany	1.0%
SPIE	2.8%	Media	1.0%
PUBLICIS	2.8%	Britain	1.0%
ESSILOR LUXOTTICA	2.7%	Consumer	1.0%
		Sweden	1.0%
		Services/IT	0.9%
		France	0.9%
		Consumer	0.9%
		Germany	0.9%

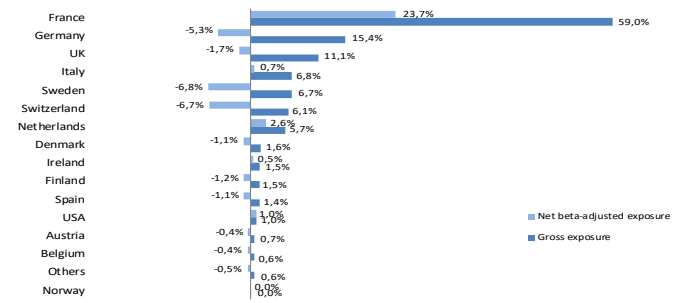
Gross performance contributors by sector - 1 month



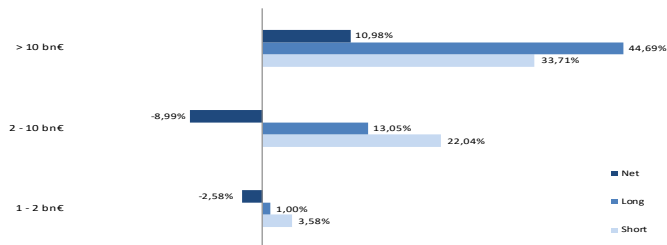
Portfolio exposure by sector



Portfolio exposure by country



Portfolio exposure by market cap



Performance analysis

Number of positive months	77
Number of negative months	62
% positive months	55%
Best month	+2.92%
Worst month	-2.56%

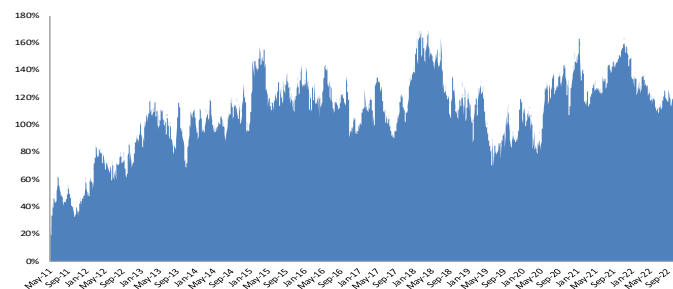
ESG notation - Net exposure

	-2	-1	0	+1	+2
Decarbonization	0.0%	-1.1%	-8.4%	8.0%	3.4%
Human Capital	0.0%	-2.2%	-7.0%	10.2%	0.9%
Governance	0.0%	-1.7%	-0.7%	1.4%	3.0%

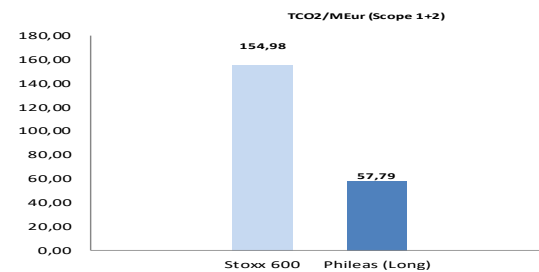
Style Factors - Net exposure

Quality	6.4%
Value	2.3%
N/A	-6.9%

Gross exposure

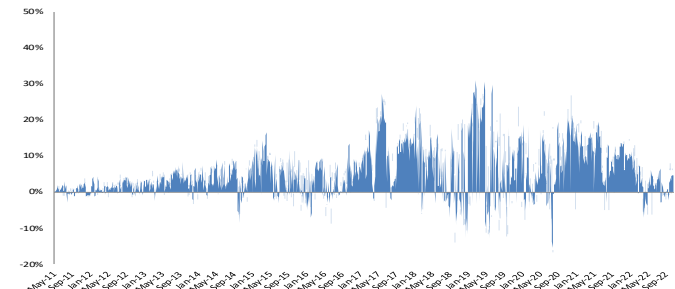


Carbon Intensity



Source: Trucost

Net beta-adjusted exposure



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