

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: 115.63€  
AUM: 98 M€  
Management fees: 1.20% incl. taxes  
Performance fees: 20% incl. taxes above ESTR + 100 bps  
Currency: EURO

### Performance review

In November, PHILEAS L/S EUROPE fell by 2.99%, recording 1.47% gains on the long portfolio and 4.46% losses on the short portfolio in a market that rose by 6.75% (Stoxx 600).

November proved to be a difficult month. 70% of the negative performance is explained by a major short squeeze. Over the last ten years, the outperformance of the most shorted stocks has never been so strong; it is about 20% in six weeks. Our hedge portfolio has suffered in part from this configuration. At the same time, our long positions, which are undoubtedly more consensual, did not benefit from this movement; they showed a marked underperformance in the rebound. In line with our usual practice in this type of environment, we did not make any major adjustments to our portfolio, as the fundamentals of our positions remained unchanged. We were also penalized by some adverse news on a few positions (see below).

In IT Services (-130 bps), the loss of earnings from the decline in Teleperformance was around 70 bps. The stock lost 20% over the month in a rising market. The market reaction to the potential controversy over the working conditions of the content moderation team in Colombia seems to us to be largely exaggerated. By being transparent and responsive, the company's reaction seems appropriate to us. The elements of response are convincing and we do not identify any shortcomings in the company's treatment of its employees. Moreover, the financial contribution of this activity is low (about 1% of the sales). The reaction of the stock demonstrates the growing importance given by the market to suspicions of controversy. When we are confronted with this, our job is to analyze the financial and extra-financial issues in a rational manner. In this case, our analysis leads us to maintain our position in order to benefit from the expected catch-up in performance as the dust of this affair settles.

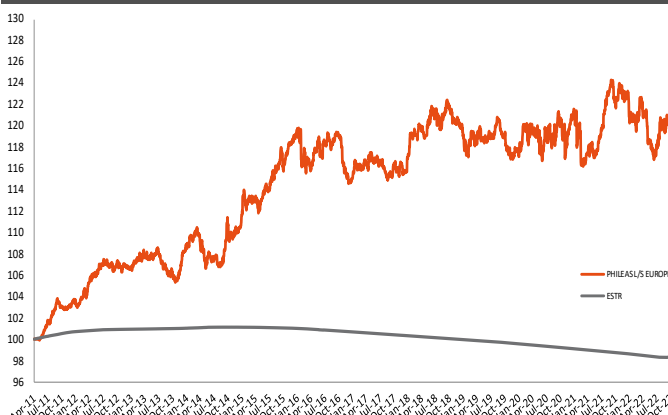
In the rest of the long portfolio, stocks such as Cargill and Wolters Kluwer underperformed the market.

In the Consumer sector (-41 bps), we were penalized by the announcement that the CEO of Puma - a long position -, Bjorn Gulden, was leaving for his competitor Adidas - a short position. We have cut both positions. The strong rise of Adidas in reaction to this announcement seems to us indeed justified by the excellent track record of Bjorn Gulden successively at the head of Pandora and Puma. Adidas is coming out of a difficult period of market share loss, the company needs to regain its product dynamism. Bjorn Gulden is undoubtedly the right man for the coming years to wake up the sleeping beauty.

In Industry (-35 bps), the decline in Nexans over the month explains most of the underperformance. The main explanation for the stock's decline (-11%) is the downgrading of the recommendation of some brokers (Merrill Lynch and Exane) on valuation and construction exposure considerations. Our thesis on the company remains intact. Nexans remains very well positioned to capture the investments linked to the effort to electrify energy infrastructures over the next few years. The cyclical component of the business seems to us to be well neutralized by our hedging positions.

In Aerospace & Defense (-34 bps), Thales did not participate in the market rebound and underperformed our hedges.

### Performance since inception



Source: Phileas Asset Management

### Performance (%)

	YTD	1 month	1 year	3 years	Annualized performance*
PHILEAS L/S EUROPE	-6.10%	-3.13%	-6.2%	-1.53%	1.25%
ESTR	-0.14%	0.11%	-0.18%	-1.11%	-0.13%

\* 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	0.02	4.63%	-1.35	-6.41%	-0.01

\* 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%	-3.13%		-6.10%

### Portfolio exposure

Gross exposure	122.9%
Net exposure	0.7%
Net beta-adjusted exposure	2.8%

Source: Phileas Asset Management, unless otherwise noted

### Portfolio exposure by instrument

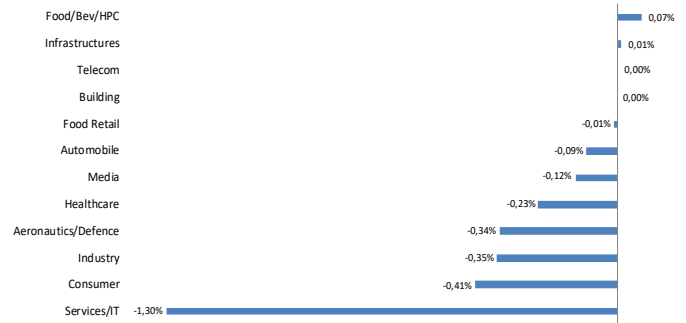
Long equity	61.8%	40
Short equity	49.2%	86
Short indices	-11.9%	3

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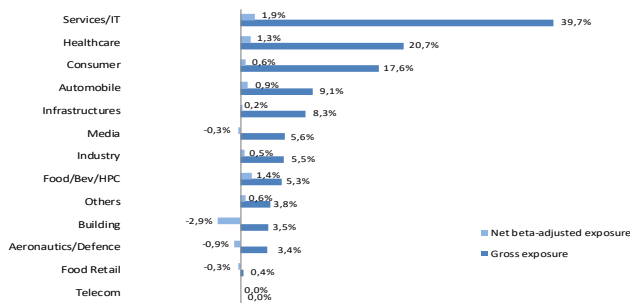
**Top holdings**

Long	%	Short	%
PUBLICIS	3.1%	Media	1.1%
SPIE	2.8%	Britain	
VINCI	2.8%	Services/IT	1.0%
CAPGEMINI	2.7%	Netherlands	1.0%
SCHNEIDER ELECTRIC	2.6%	Consumer	1.0%
		Germany	1.0%
		Services/IT	0.9%
		Germany	0.9%
		Industry	0.9%
		Sweden	0.9%

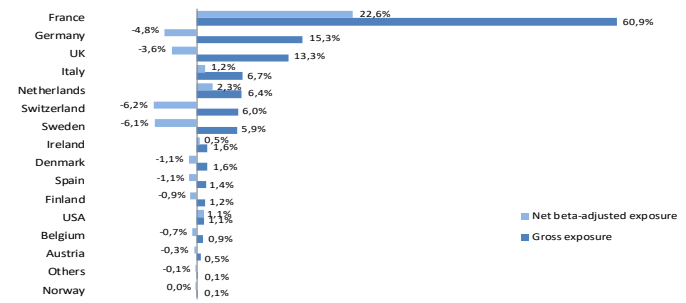
**Gross performance contributors by sector - 1 month**



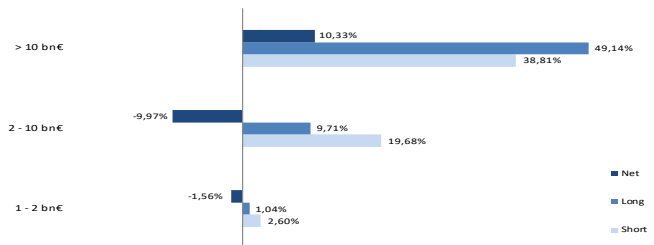
**Portfolio exposure by sector**



**Portfolio exposure by country**



**Portfolio exposure by market cap**



**Performance analysis**

Number of positive months	77
Number of negative months	63
% positive months	55%
Best month	+2.92%
Worst month	-3.13%

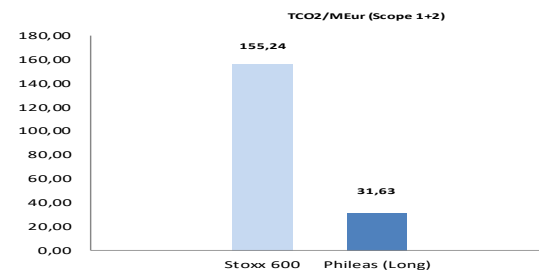
**ESG notation - Net exposure**

	-2	-1	0	+1	+2
Decarbonization	0.0%	-0.8%	-10.2%	7.8%	3.9%
Human Capital	0.0%	-2.3%	-5.7%	8.4%	0.9%
Governance	0.3%	-3.4%	0.7%	0.8%	2.3%

**Style Factors - Net exposure**

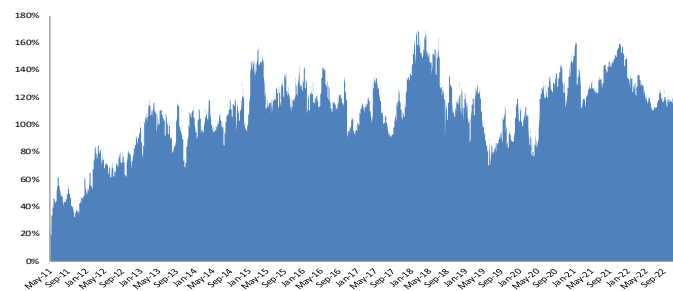
Quality	4.7%
Value	1.6%
N/A	-5.5%

**Carbon Intensity**

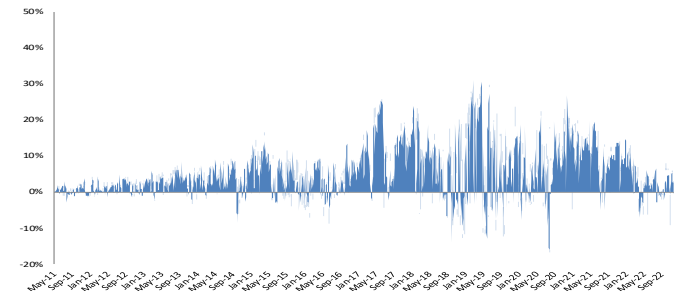


Source: Trucost

**Gross exposure**



**Net beta-adjusted exposure**



Source: Phileas Asset Management, unless otherwise noted

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