

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: 115.05€
AUM: 86 M€
Management fees: 1.20% incl. taxes
Performance fees: 20% incl. taxes above ESTR + 100 bps
Currency: EURO

Performance review

The year 2022 proved to be a complicated one for our strategy. The main driver of underperformance was our portfolio structure. Our overexposure to quality stocks on the long side penalized us in a year marked by a very strong outperformance of the market's value pocket. This deep rotation in favor of value and to the detriment of quality was mainly triggered by the context of rising inflation and interest rates. Quality stocks logically have valuation multiples (structurally higher than average growth prospects and lower cyclicality). Given their longer duration, these stocks suffer disproportionately in phases of rising interest rates. Despite the adoption of risk limits of +5/-5% on this style factor, the fund's performance was strongly impacted by the unprecedented depth of impact by the unprecedented depth of the rotation, particularly on growth stocks. This phenomenon was compounded by a marked short squeeze in November.

At the beginning of 2023, we note that the valuation premium between the average of our longs and the average of our shorts has narrowed, allowing us to put the economic performance of companies at the heart of stock market performance. In this context, our portfolio structure should allow us to allow us to capture these performance differentials.

In December, PHILEAS L/S EUROPE declined by 0.50%, recording 1.30% losses on the long portfolio and 0.80% gains on the short portfolio in a market down 3.44% (Stoxx 600).

In Industry (-22 bps), the declines in Schneider and ASML were only partially offset by gains on our hedges.

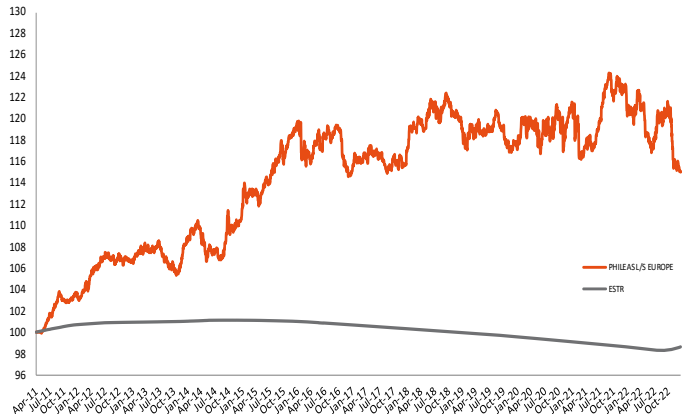
In IT Services (+16 bps), we benefited from the rebound of Teleperformance and the good performance of Spie and SSP. Spie's positive performance over the year 2022 reflects the improvement in the company's fundamentals. Well positioned in markets benefiting from the energy transition, Spie should grow over the next few years, while its valuation multiples remain reasonable. Teleperformance's share price has recovered after the sharp fall in November. This sharp fall, which we believe to be exaggerated given the low materiality of the controversy.

In Food/Beverages/HPC (-13 bps), Campari and Symrise underperformed on the downside without any reason.

In Automotive (-11 bps), Porsche gave back some of its gains since its spin off at the end of September.

In Consumer (-10 bps), some of the hedges held up well in the downturn, such as Swatch, Marks & Spencer and Fielmann.

Performance since inception



Source: Phileas Asset Management

Performance (%)

	YTD	1 month	1 year	3 years	Annualized performance*
PHILEAS L/S EUROPE	-6.57%	-0.50%	-6.57%	-2.25%	1.20%
ESTR	-0.00%	0.13%	-0.00%	-0.94%	-0.11%

* 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	4.59%	-1.49	-6.33%	-0.04

* 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%	-0.50%	-6.57%

Portfolio exposure

	%
Gross exposure	125.8%
Net exposure	-0.1%
Net beta-adjusted exposure	4.7%

Source: Phileas Asset Management, unless otherwise noted

Portfolio exposure by instrument

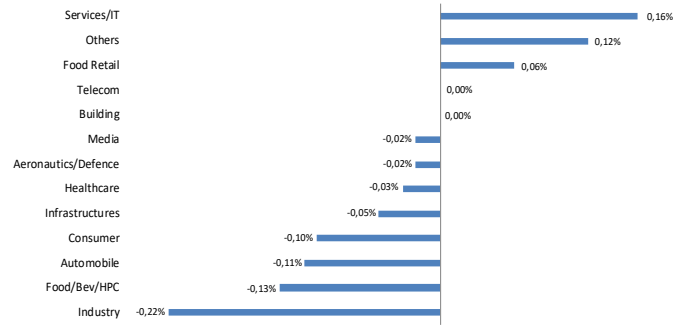
	%	N° of positions
Long equity	62.8%	39
Short equity	53.0%	85
Short indices	-10.0%	3

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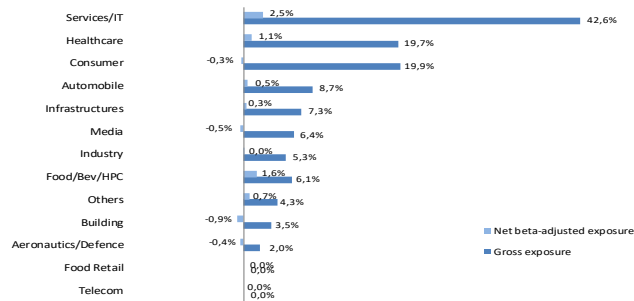
Top holdings

Long	%	Short	%
CAPGEMINI	2,91%	Consumer Germany	1,2%
BUREAU VERITAS	2,81%	Media Britain	1,2%
SPIE	2,70%	Services/IT Netherlands	1,2%
PUBLICIS	2,67%	Services/IT France	1,1%
ESSILOR LUXOTTICA	2,57%	Industry Switzerland	1,0%

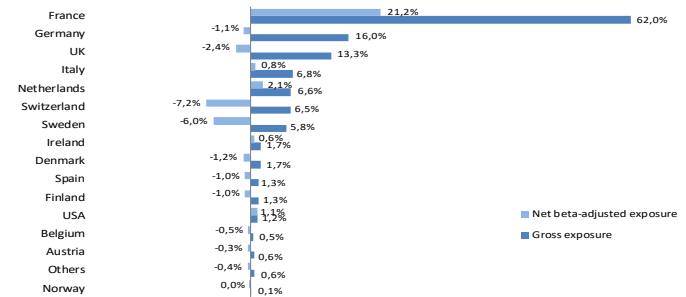
Gross performance contributors by sector - 1 month



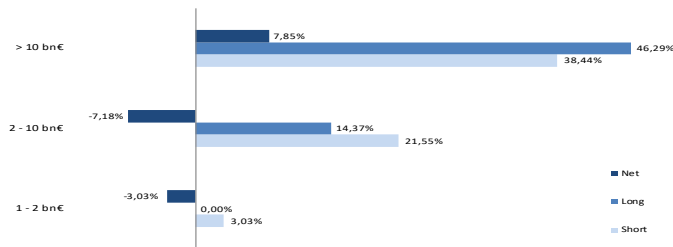
Portfolio exposure by sector



Portfolio exposure by country



Portfolio exposure by market cap



Performance analysis

Number of positive months	77
Number of negative months	64
% positive months	54%
Best month	+2.92%
Worst month	-3.13%

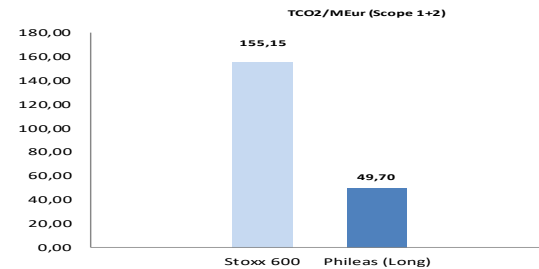
ESG notation - Net exposure

	-2	-1	0	+1	+2
Decarbonization	0.0%	-0.7%	-9.4%	7.4%	3.9%
Human Capital	0.0%	-0.1%	-8.2%	8.4%	1.0%
Governance	0.7%	-5.9%	2.5%	1.8%	2.0%

Style Factors - Net exposure

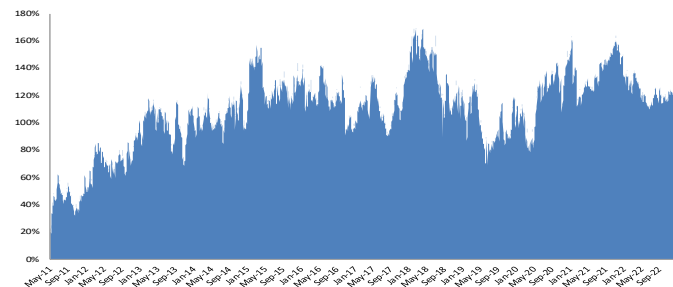
Quality	4.8%
Value	2.1%
N/A	-5.8%

Carbon Intensity

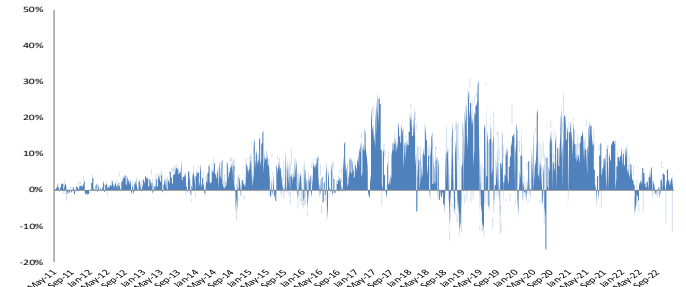


Source: Trucost

Gross exposure



Net beta-adjusted exposure



Source: Phileas Asset Management, unless otherwise noted

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