

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: 115.89€
AUM: 65 M€
Management fees: 1.20% incl. taxes
Performance fees: 20% incl. taxes above ESTR + 100 bps
Currency: EURO

Performance review

In January, PHILEAS L/S EUROPE gained 0.73%, recording 5.79% gains on the long portfolio and 5.06% losses on the short portfolio in a market that rose 6.66% (Stoxx 600).

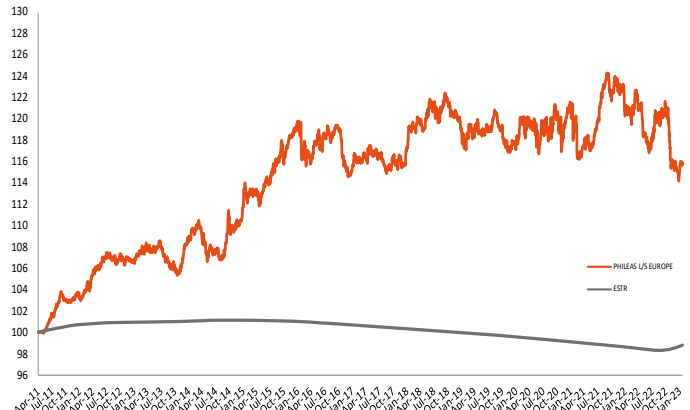
In Services / IT (+64 bps), the best contributors to performance were Alten, Teleperformance and Caggepini. Alten reassured the market of its growth trajectory with organic growth in Q4 of 15%, above market expectations. The company remains confident for 2023 with a growth target of over 7%. In light of these factors, the derating suffered by Alten in 2022 seems exaggerated to us. We remain positive on the stock. Teleperformance has experienced a rebound since the controversy over its employees' working conditions emerged. The company has been very active and transparent about its human resources management, which has largely contributed to calming fears about its practices, which we believe are above the standard for its sector. In the end, after an initial drop of 34% on November 10, the stock has recovered all of its decline, rising by more than 50% in just over two months. The behavior of the stock illustrates the market's sensitivity to ESG but also - at times - its lack of maturity on this subject. On this type of controversy, it is important to keep a cool head. On the basis of a good knowledge of the company, it is important to assess the materiality of a possible controversy and to integrate that the market can sometimes be overly emotional. In this case, we have maintained our position.

In Industrials (+30 bps), ASML, Nexans and Schneider had a good month. ASML published good Q4 figures and communicated a 2023 revenue growth guidance above consensus forecasts. ASML's unique positioning in its market allows it to weather the cycles of the semiconductor industry cycles without major disruptions. Demand for its products far exceeds its production capacity.

In Consumer (-28 bps), we were penalized by the outperformance of our hedges, particularly on textile retailing in the United Kingdom (AB Foods, Marks & Spencer), which benefited from a interest in the wake of better-than-expected year-end activity. The negative contribution from shorts more than offset the gains recorded on the long side (LVMH, Adidas).

In Aerospace & Defense (+11 bps), MTU continues to perform well, with the reopening of China fuelling the prospects of accelerating air traffic. We also exited Thales, which reached our target price reached our price target after a very good performance in 2022.

Performance since inception



Source: Phileas Asset Management

Performance (%)

	YTD	1 month	1 year	3 years	Annualized performance*
PHILEAS L/S EUROPE	0.73%	0.73%	-4.31%	-2.08%	1.25%
ESTR	0.16%	0.16%	0.20%	-0.75%	-0.10%

* 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	4.52%	-1.07	-6.93%	-0.06

* 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%
2023	0.73%												0.73%

Portfolio exposure

	%
Gross exposure	131.3%
Net exposure	0.8%
Net beta-adjusted exposure	6.7%

Source: Phileas Asset Management, unless otherwise noted

Portfolio exposure by instrument

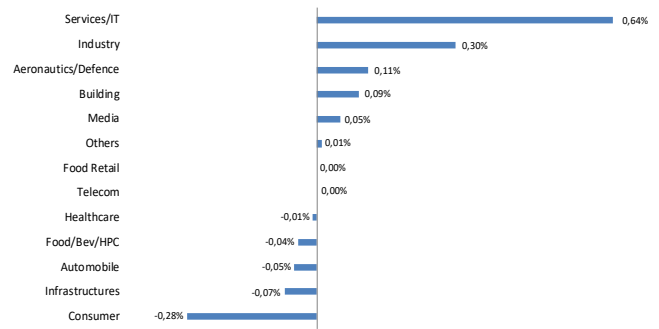
	%	N° of positions
Long equity	66.0%	32
Short equity	53.9%	82
Short indices	11.2%	2

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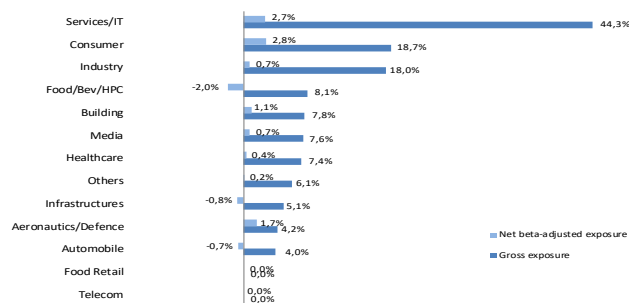
Top holdings

Long	%	Short	%
SPIE	3.1%	Food/ Bev/ HPC	1.1%
LVMH	3.0%	Britain	1.1%
CAP GEMINI	3.0%	Consumer	1.0%
TELEPERFORMANCE	2.8%	France	1.0%
ALTEN	2.7%	Media	1.0%
		Britain	1.0%
		Services/IT	1.0%
		Germany	1.0%
		Services/IT	1.0%
		Netherlands	1.0%

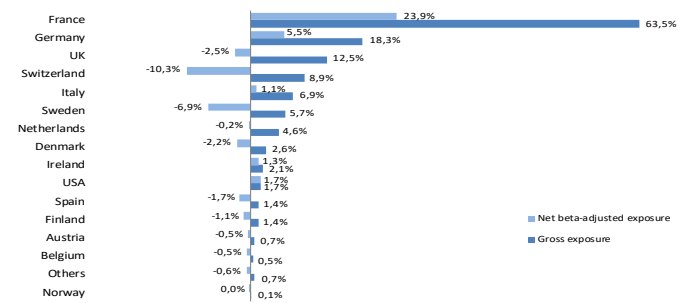
Gross performance contributors by sector - 1 month



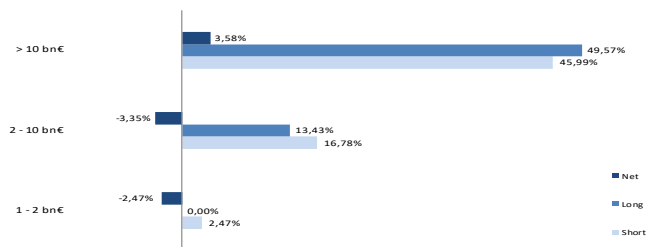
Portfolio exposure by sector



Portfolio exposure by country



Portfolio exposure by market cap



Performance analysis

Number of positive months	78
Number of negative months	64
% positive months	54%
Best month	+2.92%
Worst month	-3.13%

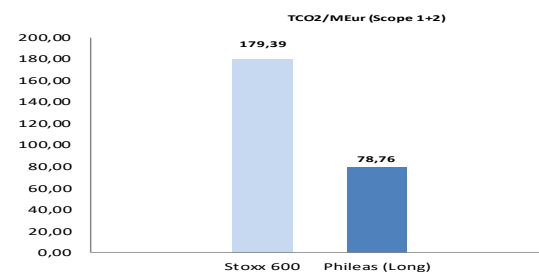
ESG notation - Net exposure

	-2	-1	0	+1	+2
Decarbonization	0.0%	1.9%	-14.1%	8.0%	4.9%
Human Capital	0.0%	0.7%	-7.8%	6.9%	0.9%
Governance	1.2%	-7.6%	2.0%	2.8%	2.4%

Style Factors - Net exposure

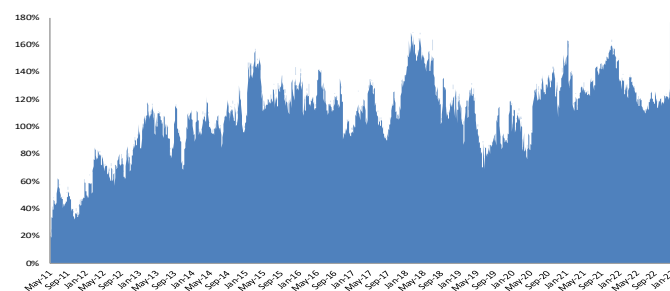
Quality	1.2%
Value	4.4%
N/A	-4.8%

Carbon Intensity

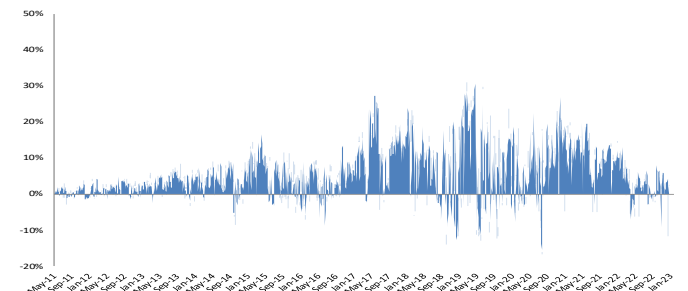


Source: Trucost

Gross exposure



Net beta-adjusted exposure



Source: Phileas Asset Management, unless otherwise noted

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