

# ELEVA Absolute Return Europe - Class R

 31/08/2022  
 Monthly report

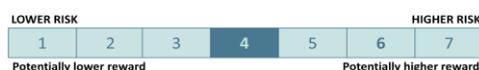
## Investment objective and approach

- Aiming to achieve an absolute return over the medium term through capital growth
- Investing primarily in European equities and equity related securities on both a long and short basis
- Differentiated and disciplined bottom up investment philosophy complemented by a macroeconomic overlay to support sector positioning
- Flexible net exposure between -10 and +50% driven by fundamental idea generation and market volatility
- Recommended investment horizon :  $\geq 5$  years

## Key figures

|                   |                 |
|-------------------|-----------------|
| Net Asset Value   | 135.22 €        |
| Total Fund Assets | 3 869 231 340 € |

## Risk and return profile



## Fund characteristics

**Manager:** Eric Bendahan  
**Legal structure:** Luxembourg SICAV - UCITS  
**Fund launch date:** 30/12/2015  
**Share class launch date:** 30/12/2015  
**ISIN Code:** LU1331973468  
**Bloomberg Ticker:** ELEARER LX  
**Classification:** European Long/Short Equity  
**Reference currency:** EUR  
**Distribution policy:** Accumulation  
**Valuation frequency:** Daily

## Administrative information

**Custodian:** HSBC Continental Europe, Luxembourg  
**Fund admin:** HSBC Continental Europe, Luxembourg  
**Management company:** ELEVA Capital SAS  
**Subscription / redemption cutoff:** 12:00 CET  
**Subscription / redemption settlement:** T+2

## Fees

**Subscription fees:** Up to 3%  
**Redemption fees:** 0%  
**Management fees:** 1%  
**Performance fees:** 20% of any excess return the NAV achieves over the High Water Mark

## Contact

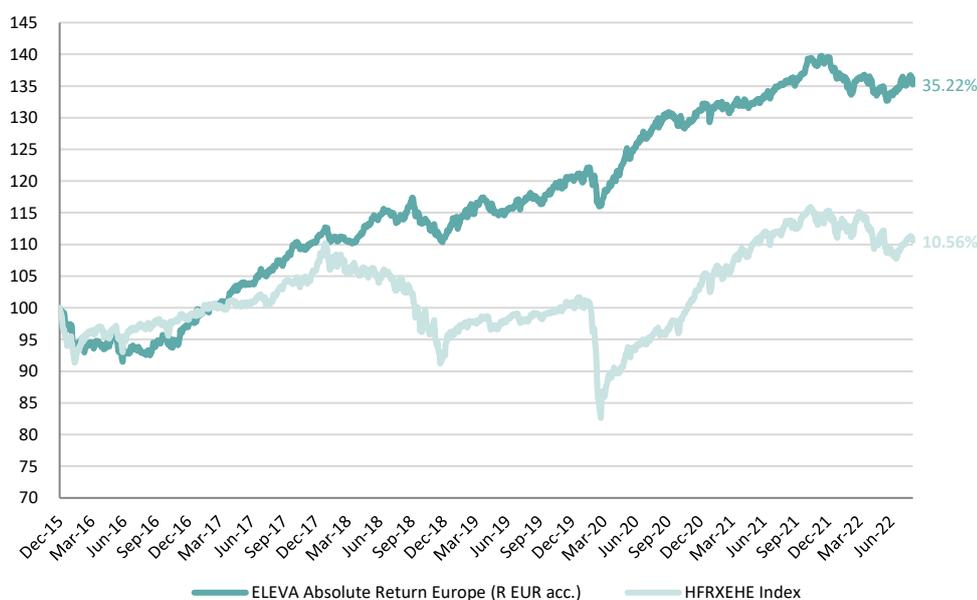
Axel Plichon, Head of Business Development  
 axel.plichon@elevacapital.com

This document should be read in conjunction with the prospectus and relevant KIIDs which are available on our website [www.elevacapital.com](http://www.elevacapital.com).

Past performance is no guarantee of future results. The UCITS Fund does not benefit from any guarantee or protection, so the initial invested capital may not be fully repaid.

## Performance

Sources: ELEVA Capital



## Calendar year performance\*

|      | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul   | Aug    | Sep    | Oct    | Nov    | Dec    | Year   |
|------|--------|--------|--------|--------|--------|--------|-------|--------|--------|--------|--------|--------|--------|
| 2022 | -2.18% | -1.07% | 1.02%  | 0.13%  | -1.57% | -0.51% | 1.73% | -0.60% |        |        |        |        | -3.06% |
| 2021 | -0.92% | 1.39%  | -0.31% | 0.49%  | 0.20%  | 0.58%  | 1.04% | 0.81%  | 0.04%  | 1.86%  | 0.10%  | 0.98%  | 6.42%  |
| 2020 | -0.65% | -0.37% | -1.42% | 2.41%  | 2.41%  | 1.69%  | 0.96% | 2.22%  | 0.54%  | -1.15% | 0.33%  | 1.51%  | 8.72%  |
| 2019 | 2.66%  | 0.77%  | 0.37%  | 1.30%  | -1.53% | 0.30%  | 1.23% | 0.83%  | -0.54% | 0.64%  | 1.71%  | 0.53%  | 8.52%  |
| 2018 | 1.92%  | -1.23% | -0.39% | 0.53%  | 1.96%  | 1.04%  | 0.26% | -0.24% | 1.76%  | -2.24% | -1.09% | -1.41% | 0.78%  |
| 2017 | 1.79%  | 0.64%  | 1.43%  | 1.64%  | 1.41%  | 0.02%  | 1.81% | 0.67%  | 0.77%  | 2.41%  | -0.45% | 0.85%  | 13.74% |
| 2016 | -2.70% | -2.22% | -0.24% | -0.81% | 2.03%  | -2.51% | 0.26% | -0.95% | 1.67%  | 1.14%  | -0.65% | 2.41%  | -2.72% |

## Monthly Comment

Markets reversed part of last month's rally, penalised by a sharp move in gas and power prices and growing anxiety over winter supply. Central banks had a hawkish tone in their comments, postponing expectations of a pivot in Fed policy which prioritised lowering inflation over economic growth. Corporate news flow was better with a continuation of a good earnings season but this was not enough to stabilize markets. ELEV Absolute Return Europe fell by 0.60%.

The long leg had a negative impact on performance, in line with the fall in the main indices this month. The move in yields triggered a value rotation, penalising our choices in Technology, Staples and Healthcare. Energy was a positive contributor and reacted to higher commodity prices.

**Novo Nordisk** fell despite their guidance upgrade as they will not be able to match the demand for their obesity product by supply for the rest of the year. **GSK** plc suffered from increased litigation risk on their Zantac product. Other names in the sector were impacted by rising yields. Publisher **RELX** fell on sector rotation and on news flow around a renewed push for open access by US federal agencies but we believe this long-term transition is very manageable by the group. Value names did better this month. **Repsol**, along with **TotalEnergies**, recovered from last month fall with diesel and US gas prices helping the near-term earnings outlook. **Deutsche Telekom** outperformed with strong operating momentum from their TMUS subsidiary. Banks (**Unicredit**, **HSBC**) were relative outperformers with upgrades on their net interest income outlook.

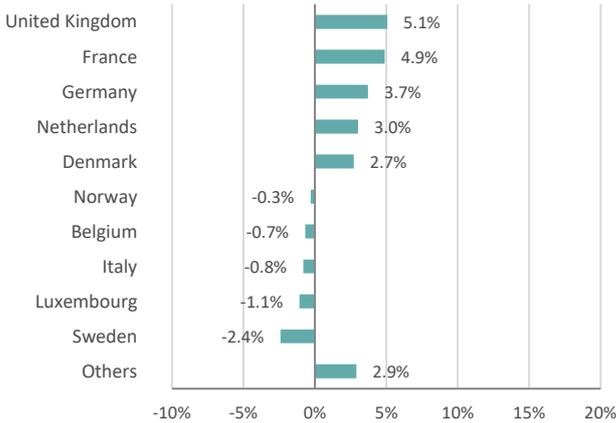
The short leg had a positive impact on performance, with all sectors contributing positively. Index overlays were helpful, but there were also good single name shorts in Industrials, Consumer Discretionary and Healthcare. A few companies are under pressure with rising costs and heavy balance sheets.

After a V-shaped economic recovery, macroeconomic indicators are weakening again, and we expect defensives to outperform until there is more visibility. The Ukrainian war situation clouds the economic recovery, with weakness expected in consumer spending, and adds to inflation concerns. Value exposure on the long leg is up a touch to 37.0%. Net exposure is at 17%, Gross exposure is at 96.3%.

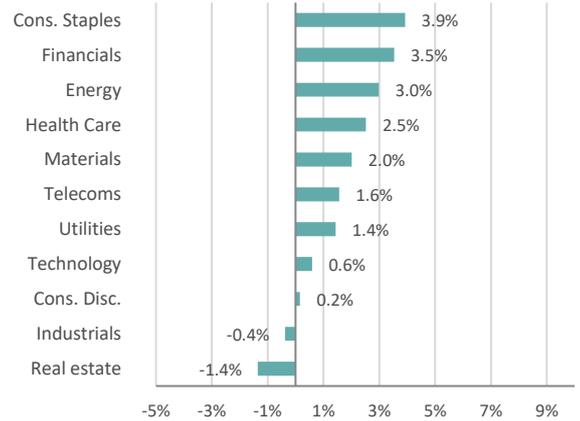
Since inception, ELEV Absolute Return Europe is up 35.22%.

## Portfolio analysis

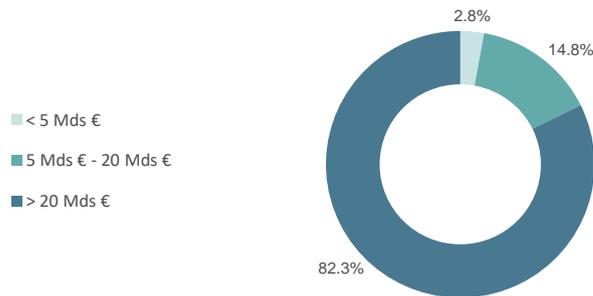
### Geographic breakdown (Net %)



### Sector breakdown (Net %)



### Market Capitalisation (Long Book)



### Risk measures

| Indicator               | Value  |
|-------------------------|--------|
| Equity Long Exposure    | 56.65% |
| Equity Short Exposure   | 39.64% |
| Equity Net Exposure     | 17.01% |
| Equity Gross Exposure   | 96.31% |
| Volatility (3 years)    | 4.35%  |
| Sharpe ratio (3 years)  | 1.2    |
| Sortino Ratio (3 years) | 1.6    |

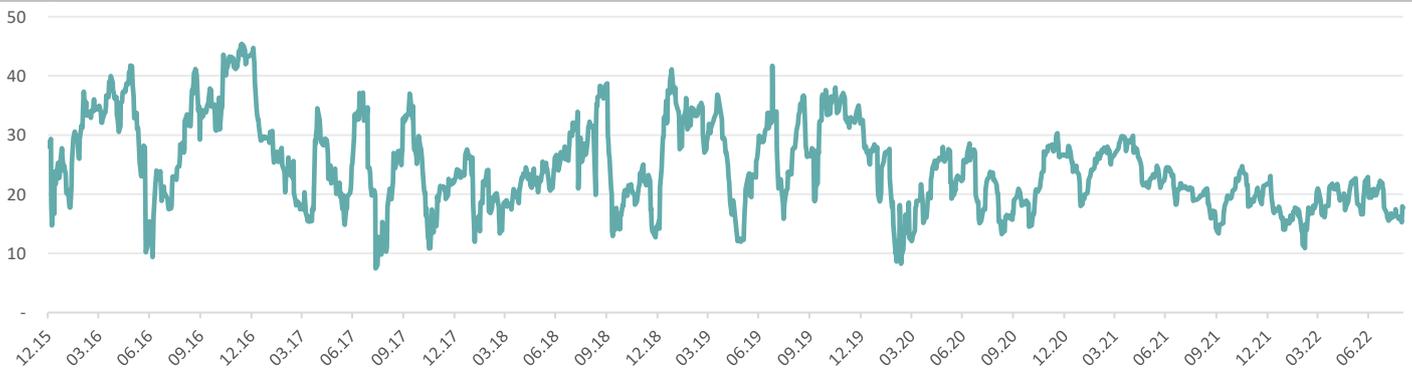
### Top 5 Long Holdings

| Company                      | Weight (%) |
|------------------------------|------------|
| NOVO NORDISK A/S-B           | 3.00%      |
| NESTLE SA-REG                | 2.24%      |
| LINDE PLC                    | 2.19%      |
| LVMH MOET HENNESSY LOUIS VUI | 1.84%      |
| LLOYDS BANKING GROUP PLC     | 1.70%      |

### Top 5 Short Holdings

| Indexes and Companies  | Weight (%) |
|------------------------|------------|
| STOXX EUROPE 600       | 11.84%     |
| STOXX EUROPE 600 SEP22 | 8.94%      |
| FINANCIALS COMPANY     | 0.62%      |
| CONS. DISC. COMPANY    | 0.56%      |
| INDUSTRIALS COMPANY    | 0.53%      |

### Net Exposure



### Additional data

| Share class      | Launch date | ISIN         | Bloomberg Ticker | Distribution policy | NAV    |
|------------------|-------------|--------------|------------------|---------------------|--------|
| R (EUR) dis.     | 26/04/2018  | LU1716219503 | ELARRED LX       | Distribution        | 120.69 |
| R (CHF) acc. Hdg | 10/10/2017  | LU1331973898 | ELARCAH LX       | Accumulation        | 122.96 |
| R (GBP) acc. Hdg | 08/03/2018  | LU1331973542 | ELARRGA LX       | Accumulation        | 125.39 |
| R (USD) acc. Hdg | 07/02/2018  | LU1331973625 | ELEARUS LX       | Accumulation        | 124.18 |

## ESG data Long Book

### Investment process

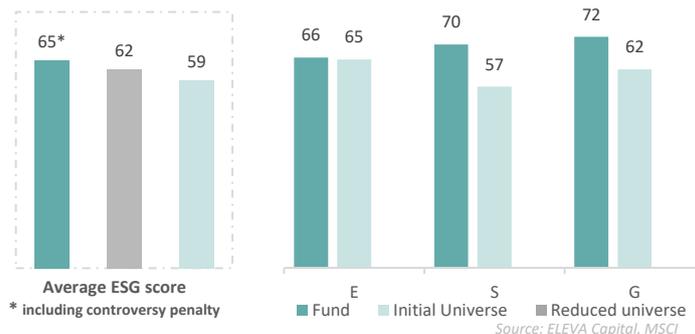
| Steps   | nb of companies |
|---|-----------------|
| Initial universe (financial criterias and existence of an ESG score)  | 505             |
| 1. Universe post Exclusions*  | 496             |
| 2. Universe reduced by 20% of issuers with the lowest ESG score<br>Initial universe reduction related to exclusions and ESG selection | 395<br>22%      |
| 3. Portfolio post fundamental research**  | 48              |

\* Tobacco / Nuclear weapons / Controversial weapons / Violation of the UN Global Compact / Coal (threshold defined by ELEVA's coal policy)

\*\* Fundamental analysis, ESG analysis (ELEVA Capital methodology) & valuation

Source: ELEVA Capital

### Average scores of the three pillars with their initial universe



### The three best ESG ratings of the sub-fund

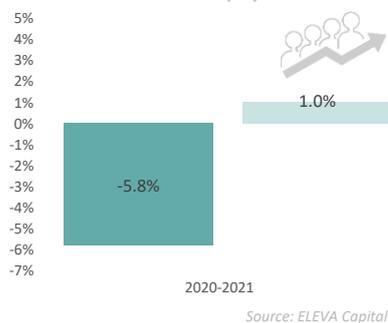
| Name            | Sector      | Country        | ESG Score |
|-----------------|-------------|----------------|-----------|
| ASML HOLDING NV | Technology  | Netherlands    | 84        |
| RELX PLC        | Industrials | United Kingdom | 79        |
| TRYG A/S        | Financials  | Denmark        | 78        |

### The three worst ESG ratings of the sub-fund

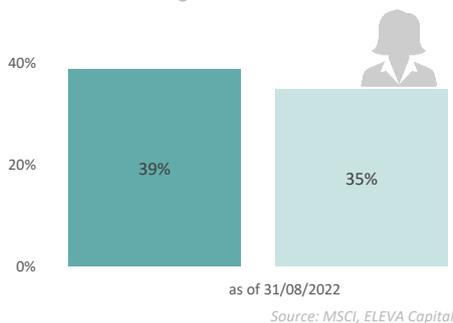
| Name                   | Sector      | Country        | ESG Score |
|------------------------|-------------|----------------|-----------|
| RIO TINTO PLC          | Materials   | United Kingdom | 48        |
| MERCEDES-BENZ GROUP AG | Cons. Disc. | Germany        | 48        |
| RIO TINTO PLC          | Materials   | United Kingdom | 48        |

## ESG Performances

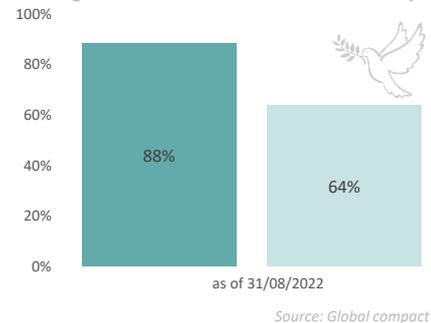
### Growth in the number of employees



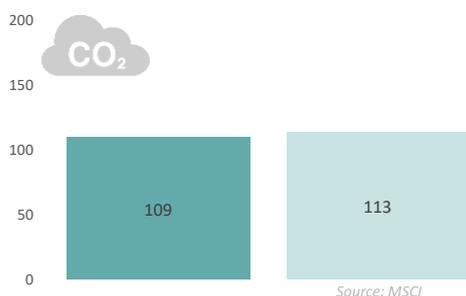
### Percentage of women on the board



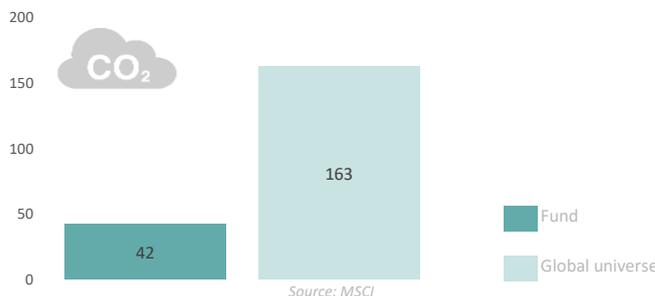
### Signatories of the United Nations Global Compact



### Average carbon intensity (in tons of CO<sub>2</sub> equivalent per million € of sales)



### Carbon footprint (in tons of CO<sub>2</sub> equivalent per million € invested)



## Coverage rate of ESG indicators

|                  | Growth in the number of employees | % women on the board | % Signatories of the United Nations Global Compact | Carbon intensity | Scope 1 et 2 CO <sub>2</sub> emissions |
|------------------|-----------------------------------|----------------------|--|------------------|--|
| Fund             | 94%                               | 100%                 | 100%   | 100%             | 100%                                   |
| Initial universe | 97%                               | 97%                  | 95%  | 100%             | 100%                                   |

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