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# PHILEAS L/S EUROPE ANNUAL REPORT

## 31 DECEMBER 2019

*A UCITS-compliant fonds commun de placement (FCP)*

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PHILEAS ASSET MANAGEMENT  
60, rue de Prony  
75017 - Paris

[www.phileas-am.fr](http://www.phileas-am.fr)

Asset management company certified by the French Financial Markets Authority (AMF) under number : GP-11000010

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## ANNUAL MANAGEMENT REPORT

From 31 December 2018 to 31 December 2019 the I share fell back 2.07%, the R share fell back 2.84%, the S share fell back 1.14%, the I GBP share fell back 1.32% and the RD share fell back 1.87%. Performance of the reference indicator EONIA is -0.39%. Past performances are no guarantee of future returns.

Management policy is the same for the five shares. The performance indicated correspond to the I share.

In January, PHILEAS L/S EUROPE fell back 1.97%, recording gains of 0.94% on the long portfolio and losses of 2.91% on the short portfolio as markets gains 6.22% (Stoxx 600).

Performance in January proved disappointing due, on the one hand, to the portfolio being too defensively positioned to take advantage of a rise in risk appetite and, on the other hand, underperformance in our Telecom portfolio.

It is not the first time that the market configuration seen in January, namely a sharp rebound in the wake of a period of steep falls, has penalised fund performance: July 2013, February 2016, November/December 2016 and now January 2019 are all cases in point. Such periods are characterised by significant rotation towards names that fell sharply in the downturn, often value stocks.

Typically, our fund has proved resilient during bear market phases such as those of 2018 and summer 2011, only then to lose ground in the initial phase of the subsequent rebound. We are now focused on regaining this lost ground by adopting our trusted principles for such conditions: reducing the fund's overall exposure and reallocating liquidity across new ideas.

The Consumer and Industry sectors both illustrate particularly well the fund's behaviour during January's rotation.

- In the Consumer sector, short positions in Marks & Spencer, SportsDirect and Kingsfisher proved costly, while our long portfolio disappointed by yielding flat returns (EssilorLuxottica and De Longhi) in a rising market.

- In the Industry sector, a slight fall over the month in our defensive Air Liquide position penalised the fund, as did our short positions in names that had good runs in the market rebound, such as Atlas Copco.

Also, performance from the Telecom portfolio was especially disappointing. Iliad's steep falls came on the back of several cautious brokers' notes. We believe the pessimism is overdone, but nonetheless halved our Iliad holdings at the start of February. We prefer to maintain a disciplined approach during drawdowns and recognise that it is impossible to predict when the price war in France will ease.

The marked underperformance by our long portfolio during the market rebound has resulted in a substantial relative valuation spread between our long and short portfolios. If conditions remain stable, we are optimistic over the outlook for gains from names such as Air Liquide, Thales, and Masmovil. In terms of additions during the month, we returned to Teleperformance, Reckitt Benckiser, CTS Eventim and SAP.

In February, PHILEAS L/S EUROPE gains 1.11%, recording gains of 1.96% on the long portfolio and losses of 0.85% on the short portfolio as markets gains 3.93% (Stoxx 600).

The main positive contributors this month :

- In Services/IT (+92 bps), our long positions performed well, including good runs by Capgemini, Thales, Bureau Veritas and Altran. We took profit on our Altran position following the release of reassuring fourth quarter 2018 earnings. We also scaled back our Capgemini position following a recent rebound in the stock.

- In Media (+39 bps), a rebound in TF1 accounted for half of the segment's performance. Hedge positions proved slightly positive for the short portfolio.

- In the Consumer sector (+27 bps), Kering once again surprised to the upside thanks to a strong fourth quarter 2018 for luxury brand Gucci. We took advantage of an unwarranted fall in Puma's share price to revisit this attractive growth story (see below).

The main negative contributors this month :

- In Telecom (-52 bps), the long portfolio proved disappointing. Iliad continued its fall prompted by negative brokers' notes. We believe that the current valuation level reflects a complete collapse in the company's growth outlook, whereas the BtoB and subsidised mobile markets still represent significant opportunities. Masmovil fell 4% during the month despite satisfactory earnings. The correction reflects a higher-than-expected investment level.

We took advantage of Puma's recent post-earnings-release share price weakness to revisit the stock.

Although the sector's attractive fundamentals remain intact (Asian demand driving growth, an oligopolistic market structure, online opportunities), we did have some reservations over Puma's ability to maintain double-digit growth in light of the tougher environment for 'retro-lifestyle' products. These fears proved unfounded as Puma has been quick to adjust its product offering and European retail operations.

As a result, we see the company as well able to continue growing faster than its market thanks to significant retail gains in both China and the US, where the brand is still little known (+49% in China in 2018), wider product ranges (basketball in the US, eSports, motorsports, womenswear), and a fast-growing online presence (extending its geographical reach). Enhanced growth should boost operating margins that are still significantly below those of its competitors. At 1.2 times expected 2020 business revenues, the company's share price still does not reflect the brand's potential.

In March, PHILEAS L/S EUROPE fell back 0.52%, recording gains of 0.96% on the long portfolio and losses of 1.48% on the short portfolio as markets gained 1.68% (Stoxx 600).

The main negative contributors this month :

- In Telecoms (-40 bps), our contrarian view on Iliad was penalised as the stock continued to underperform the sector. The still-uncertain end to the price war triggered by SFR in late 2017 prompted us to significantly scale back our position at the start of April. Rebounds in both Proximus and Orange proved costly for our hedge positions.

- In Food Retail (-17 bps), we closed our long Carrefour position. While the group's restructuring process under new CEO Alexandre Bompard gives scope for optimism over future operating margins, for a real rerating of the stock to occur the retailer has to recapture French market share, something which still appears to be some way off.

- In Healthcare (-10 bps), hedges on Sartorius and Fresenius Medical Care explain most of the underperformance.

The main positive contributor this month :

- In Media (+11 bps), our short Prosieben position worked well and we are taking our profit.

We have initiated a position in Burberry. After strong growth phases under Rose Marie Bravo and Angela Ahrendts, Burberry's business momentum waned considerably under President and Chief creative officer Christopher Bailey. The arrival of a new team in 2017 – Marco Gobbetti, former Chairman and CEO of Céline and Riccardo Tisci, formerly creative director for Givenchy – marks the beginning of a new era for the brand. Products by the new designer will arrive in Burberry's stores in the upcoming quarters and could set Burberry off on a fresh growth cycle. Current wholesale orders and the brand's online profile are both encouraging signs and although we are not expecting the same stellar turnaround as when Gucci brought in a new designer, we do see expectations for Burberry as particularly modest and the risk-reward ratio as attractive.

In April, PHILEAS L/S EUROPE rose by 1.11%, recording gains of 2.85% on the long portfolio and losses of 1.74% on the short portfolio as markets rose by 3.23% (Stoxx 600).

The main positive contributors this month :

- In Services/IT (+118 bps), Ingenico and Randstad drove most of the gains. We had been expecting Randstad to

publish reassuring quarterly earnings, which it did, giving us an opportunity to take profit in the stock. Ingenico also performed well on the back of its upwardly revised 2019 growth outlook and the publication of some convincing 2021 targets during its Capital Market Day. We believe the stock's rerating is justified and can even see the company bettering its targets.

- In Consumer Discretionary (+21 bps), EssilorLuxottica recovered from heavily discounted levels. We are hopeful for this stock (see below). Puma published very healthy first-quarter earnings, confirming our scenario of growth along with higher operating margins.

The main negative contributor this month :

- In Media (-19 bps), returns were penalised by rebounds in some short positions including ProSieben, Mediaset and WPP. We scaled back gross exposure to this sector as growth remains almost non-existent. Valuations have priced this situation in, hence the lack of buying opportunities.

- In Telecoms (-15 bps), nothing of significance drove sector performance and our trading proved disappointing. Masmovil's quarterly report released at the start of May confirms the Spanish telecommunications operator's ongoing gains in domestic market share.

The start of the month saw us rebuild a long EssilorLuxottica position. The company's governance battle has led to postponed investments and caused the share price to underperform, but even if the merger synergies are set to take longer than expected to materialise, they now represent an almost-free option. Until the governance problem is resolved, the safety margin is reasonable as both companies are currently managed relatively independently and occupy strongholds in a healthy and defensive market.

In May, PHILEAS L/S EUROPE fell back by 0.62%, recording losses of 1.74% on the long portfolio and gains of 1.12% on the short portfolio as markets fell back by 5.69% (Stoxx 600).

The main negative contributors this month :

- In Services/IT (-72 bps), we were penalised by poor runs from Accor, Capgemini, and Bureau Veritas, whereas our hedges held up well during the market downturn. Given the lack of any fresh contributory factors, the recent market weakness has served to raise our portfolio's potential upside and we are maintaining our current positions.

- In Industrials (-16 bps), falls in Saint-Gobain and Rexel were the main performance detractors. We find both companies particularly attractive in terms of valuation given their reassuring results publications.

The main positive contributor this month :

- In Telecoms (+25 bps), the rebound in Iliad following its upbeat Capital Market Day enabled us to take profits. With promotional efforts proving more sustainable than we had expected, we will be constantly monitoring how the competitive environment evolves with a view to seizing an attractive buying opportunity.

- In Healthcare (+15 bps), Amplifon published very promising first-quarter numbers. The various businesses are well positioned, and growth is expected to accelerate over the rest of the year. We used the stock's revaluation to scale back some of our holding.

During the month, we made a return to Siemens Healthineers. Several weak quarters in the Diagnostics division have led to the company underperforming within the MedTech sector.

We believe expectations for this business division have been correctly adjusted in the short-term and the medium-term outlook appears unchanged (higher consumables sales and economies of scale stemming from its new Digital Ecosystem). The medical imaging division, which is the company's main value driver, is progressing well within this upbeat business segment, is winning market share from GE and is well positioned to take advantage of significant opportunities in China. Within the highly priced MedTech sector, both absolute and relative value levels for Siemens Healthineers offer decent entry levels.

In June, PHILEAS L/S EUROPE rose by 0.49%, recording gains of 1.75% on the long portfolio and losses of 1.26% on the short portfolio as markets rose by 4.28% (Stoxx 600).

The main positive contributors this month :

- In Services/IT (+30 bps), Accor contributed 21 bps to overall performance. The stock has weathered market disapproval in recent months over a series of announcements that resulted in a significant derating, notably the subsequently abandoned purchase of a minority stake in Air France (July 2018), some unconvincing diversification (John Paul, OneFineStay), and a sponsorship contract with French football giants Paris Saint-Germain. That said, the French hotel group's core business remains robust and this month's stock price rise has partially corrected some of the excessive investor distrust in the company.

- In the Consumer sector (+27 bps), a good run by EssilorLuxottica drove performance. We expect the company's recent management issues to be short-lived and look forward to a turnaround from the discounting seen in its stock price. Against a backdrop of low interest rates and economic uncertainty, EssilorLuxottica's defensive growth profile together with its reasonable multiples make this stock quite a rarity.

- In Aeronautics/Defence (+16 bps), MTU progressed steadily with visibility from the aftermarket being a main driver for solid growth.

The main negative contributor this month :

- In Industry (-13 bps), our defensive position hindered performance. A strong run by Air Liquide failed to offset losses from our hedge positions on Atlas Copco, CIE, and SKF.

We recently met with the CEO of Salvatore Ferragamo (ex-Gucci CFO) and were convinced by the initiatives taken in the last four fiscal periods to turn the group around. The company has suffered from a strategy that lacked focus, regional heads with too much leeway on brand positioning (which now varies significantly from one region to the other!), and a lag in online presence. In addition, Ferragamo's creative direction had been operating without any real supervision and lacked coherence. The road ahead is clearly still long. The investment required to catch up the accumulated deficiencies (marketing, revamping boutiques) will put pressure on margins in the short-term, but we believe the brand's fundamentals are solid (good reputation in the Asian market, an excellent footwear franchise, renowned leather craftsmanship and a first-class boutique network). However, the market is sceptical as to whether better business management will actually restore the company's growth to within touching distance of sector levels. Should it disappoint again, we could realistically expect the family to lock in the brand's strategic value by opening the door to a divestment. Such optionality is undoubtedly contributing to its still-expensive stock price. Until valuation fully reflects the negative market consensus, we prefer to wait on the sidelines for more headroom before adding to our holding.

In July, PHILEAS L/S EUROPE fell back by 0.35%, recording gains of 0.16% on the long portfolio and losses of 0.51% on the short portfolio as markets rose by 0.23% (Stoxx 600).

The main negative contributors this month :

- In the Consumer sector (-45 bps), gains by EssilorLuxottica fell short of compensating losses by Kering, Seb, and Ferragamo. EssilorLuxottica's half-year results were in line with expectations and unsurprisingly the market welcomed its acquisition of GrandVision. The purchase makes a great deal of financial and strategic sense and also reflects settled governance within the Franco-Italian group. The next key event will be its Investor Day, set for September 25th, that will focus on the synergies created by closer ties between Essilor and Luxottica.

Kering's earnings were a disappointment. Gucci's performance slumped following the brand's stellar performance in the luxury segment. Although absolute growth remains robust at +13% for the second quarter, the landing path looks more unpredictable than ever. We sold our position on the day its earnings were published. We also sold our Seb holding: price pressure is increasing in lockstep with Seb's growing online presence and squeezing the company's operating margins. In contrast, we decided to retain our Ferragamo position since its recovery scenario remains unchanged.

- In Healthcare (-11 bps), we scaled back our Siemens Healthineers position following cautious statements by its

Diagnostics division over its outlook. We missed out on the jump in the company's share price when it announced maintained 2019 guidance targets and a change in leadership.

- In Media (-9 bps), JCDecaux underperformed following its results publication. Although first-half 2019 performance was healthy, especially in terms of operating profits, the market was disappointed with the company's expectations for flat third-quarter 2019 revenues resulting from the Chinese slowdown. Against such an uncertain backdrop, we sold our position.

The main positive contributor this month :

- In Services/IT (+29 bps), we were able to take advantage of good half-year results from Ingenico, Bureau Veritas, Teleperformance and Applus. A cost-cutting exercise by Ingenico's management is already starting to bear fruit and both growth and profit targets have been upwardly revised for 2019. Consolidation in the payments sector means Ingenico is both predator and prey. Work has started to legally separate the payments terminal business from payment services, opening the door to potential partnerships from 2020 onwards.

In August, PHILEAS L/S EUROPE rose by 1.25%, recording gains of 0.33% on the long portfolio and gains of 0.92% on the short portfolio as markets fell back by 1.63% (Stoxx 600).

The main positive contributors this month :

- In the Consumer sector (+61 bps), the long leg of the portfolio was buoyed by a fine performance from EssilorLuxottica on the back of good first-half results. Our hedge strategies proved efficient.
- In Aeronautics/Defence (+22 bps), MTU took advantage of delivering good first-half results and being a well-considered growth stock.
- In Food/Beverages/HPC (+21 bps), we are progressively taking our profits on names like Unilever and Nestlé following good stock market runs.
- In Infrastructures (+13 bps), Vinci was a significant contributor to performance after announcing first-half results in line with targets.

The main negative contributor this month :

- In Telecom (-14 bps), Masmovil underperformed the sector for no particular reason.

We returned to the auto sector during the month with a minor position in Continental to add to our Michelin investment. The auto sector has struggled over the last year and Continental is no exception, hit first by European regulatory disruption and then by the downturn in the Chinese market. The outlook for demand is as uncertain as ever, but the industry pessimism (three quarters of brokers have negative outlooks) and a weak company valuation (enterprise-value-to-sales ratio 30% below historical average) more than reflect this reality. In the wait for demand to improve or stabilise enough for us to strengthen our position, we find that Continental's attractive technological portfolio and enviable position as an award-winning premium tyres manufacturer are factors that are largely undervalued at current levels.

In September, PHILEAS L/S EUROPE fell back by 1.19%, recording gains of 0.05% on the long portfolio and losses of 1.24% on the short portfolio as markets rose by 3.60% (Stoxx 600).

September was dominated by style rotation towards the value/cyclical segment and away from quality stocks, leading us to progressively adjust the portfolio's initially defensive profile over the course of the month. Both the speed and extent of the rotation penalised fund performance, accounting for over 50% of the month's fall. As it stands, the portfolio now has a more balanced profile.

The main negative contributors this month :

- In Services/IT (-52 bps), our long portfolio disappointed. Quality stocks, including Edenred, Ingenico, Teleperformance and Worldline, all fell back as the market rallied
- In the Consumer sector (-33 bps), the EssilorLuxottica Capital Markets Day failed to deliver the expected share-price boost and although the announced targets matched expectations, they were met with profit taking. We

still believe that the current stock price fails to price-in the merger's potential for value-creating synergies.

- In Infrastructure (-17 bps), the lack of performance was chiefly due to a rebound in our commercial-property short positions, which we are maintaining.
- In Food retail (-14 bps), our short positions in UK retailers detracted from performance and we have scaled back our exposure.

In September, we returned to the Luxury sector (Burberry, Moncler), following significant consolidation since this summer. Although these stocks have been understandably pressured by the social unrest in Hong Kong and an escalation in US-Chinese trade tensions (and consequently a lower yuan), we believe that the resulting impact on demand is multifaceted. Firstly, demand for Luxury goods is relatively inelastic and the sector enjoys high pricing power. Secondly, some companies will be worse hit than others by the events in Hong Kong given the sector's diverse nature in terms of both geography (the ability to shift operations to alternative regions) and product mix (hard luxury versus soft luxury).

In October, PHILEAS L/S EUROPE fell back by 1.23%, recording losses of 0.66% on the long portfolio and losses of 0.57% on the short portfolio as markets rose by 0.91% (Stoxx 600).

The main negative contributors this month :

- In Services/IT (-52 bps), Worldline suffered from equity placements by both Atos and Six. The share price fall is purely technical and unrelated to the company's fundamentals, as evidenced by its quarterly earnings report. We took advantage of the dip to add to our position. Sodexo also underperformed the market in the wake of cautious comments by analysts ahead of its third-quarter numbers which, when released at the start of November, proved very reassuring and confirmed our position. Finally, with management at Applus cautious over growth in its Energy & Industry division due to weak investment in the oil and gas sector, we decided to sell our holding.
- In Food/Beverages/HPC (-38 bps), we were surprised by a downward revision in organic growth forecasts for Danone. With the expected improvement in 2020 growth now largely jeopardised, we sold our position.
- In Defence/Aeronautics (-25 bps), performance was hit by falls in Thales. Operating margin targets for the company disappointed the market, especially in its Defence and Security division. We would have liked to see the synergies from its acquisition of Gemalto resulting in a more ambitious plan, a key factor in a prospective re-rating. We decided to close out our holding and avoided further share price falls when the 2019 profit warning was announced. Thales is currently trading at attractive levels, but the risk for disappointing 2020 growth is very real.
- In the Consumer sector (-25 bps), Burberry underperformed for no apparent reason other than a stronger pound. We believe the market has correctly priced-in fears of a third quarter affected by falling sales in Hong Kong. Positive trends driven by collections from new designer Riccardo Tisci should enable the stock to confirm its recovery story.

In spite of Ingenico's strong run, we are retaining our position in the stock. The new management team (CEO and CFO) is implementing a very convincing transformation. The company's new 'Fit for Growth' cost reduction plan will enable it to raise its 2020 operating margin following two years of contraction, and its payments terminals business looks to be stabilising. Separating (both legally and operationally) its payments terminals and services businesses clears the way for closer business links with other actors in what is a consolidating market. We believe conditions are ripe for further progress in the share price.

In November, PHILEAS L/S EUROPE fell back by 0.21%, recording gains of 1.47% on the long portfolio and losses of 1.68% on the short portfolio as markets rose by 2.69% (Stoxx 600).

The main negative contributors this month :

- In Healthcare (-37 bps), performance was penalised by our short Qiagen position following rumours that



Thermo Fisher was considering an acquisition of the Dutch company. We sold our position on the day the rumour first circulated.

- In Industry (-12 bps), we established a position in Schneider as we find analysts' expectations for 2020 very reasonable. In structural terms, the company is well placed to take advantage of the shifting energy mix towards more electricity usage.

The main positive contributor this month :

- In Services/IT (+56 bps), our long positions worked well with noteworthy performances by Atos, Nexi and Indra Sistemas. Indra Sistemas is in the process of improving its IT business's operating margins and in all logic will then implement a strategy that has been approved by the management team to streamline the group's structure and focus on its Transport and Defence markets.

- In Telecom (+10 bps), we benefitted from Iliad's positive earnings and an announcement that its founder, Xavier Niel, is financing a €120 million buyback of 11.7 million of the company's shares. This offer is coming at a turning point in its French business performance. New subscriber numbers for the third quarter are now in positive territory thanks to fibre broadband being rolled out. In the mobile segment, less intense advertising will put the business back on a positive revenue path. In Italy, faster roll-out of the Iliad network should mean that the gross margin break-even point is reached during 2020. Given that the company's valuation level is still low, we are maintaining the position that we recently built and reinforced following Xavier Niel's buyback announcement.

In December, PHILEAS L/S EUROPE rose by 0.22%, recording gains of 0.55% on the long portfolio and losses of 0.33% on the short portfolio as markets rose by 2.06% (Stoxx 600).

Performance proved disappointing in 2019, down 2.07%. The year can be broken down into three different phases:

January: excessively defensive positioning along with sharp falls by Iliad resulted in the portfolio slipping 2.08%;

February - August: the portfolio gained 2.47%, making up for January's losses thanks to successful stock-picking;

September - December: the portfolio was penalised by significant market rotation in both September and October that saw a shift towards the 'value' segment. The fund has been hurt several times before by this type of rotation (July 2013, February 2016, November/December 2016). Furthermore, stock-picking produced mixed results with notable losses arising from long positions in Thales and Danone as well as a short position in Qiagen.

We implemented our mainstay principles for this type of market rotation: neutralising any outstanding style bias, lowering the fund's gross exposure, and switching towards fresh ideas, including the development of a risk management tool that can precisely monitor the portfolio's factor exposure. We believe that under current conditions, monitoring portfolio factor exposure is at least as important as monitoring its sector exposure.

In sector terms, Telecoms proved the most disappointing (-145 bps), sustaining losses from Iliad and Masmovil and paying the price of costly hedge positions on average. Healthcare also detracted from performance (-55 bps) due to short positions including Sartorius and Orpea.

Services/IT (+138 bps) was the best-performing sector for the year. Ingenico (+113 bps) has been one of the strongest contributors to the fund since its inception. In the electronic payments segment, Worldline (+103 bps) remains buoyed by the likelihood of sector consolidation in Europe. Teleperformance (+74 bps) also impressed with a fine performance driven by double-digit organic growth.

## REGULATORY INFORMATION

### Main movements

#### Principales entrées

En valeur absolue EUR

Achats cumulés sur portefeuilles long et ventes cumulées sur portefeuilles short

Achat Long	CAP GEMINI	130 399 835.06
Achat Long	COMPAGNIE DE SAINT-GOE	94 289 668.54
Achat Long	ANHEUSER-BUSCH INBEV	74 221 373.18
Achat Long	SCHNEIDER ELECTRIC SA	69 975 125.03
Achat Long	ACCOR	67 379 343.23
Achat Long	AIR LIQUIDE	63 647 085.53
Achat Long	SAP	58 239 704.71
Achat Long	ESSILOR INTERNATIONAL	54 544 721.91
Achat Long	LVMH MOET HENNESSY LOU	51 993 610.21
Achat Long	KERING	47 345 796

#### Principales sorties

En valeur absolue EUR

Ventes cumulées sur portefeuilles long et achat cumulées sur portefeuilles short

Vente long	CAP GEMINI	(133 123 231.04)
Vente long	COMPAGNIE DE SAINT-GOBAIN	(92 783 657.61)
Vente long	ANHEUSER-BUSCH INBEV	(75 660 772.70)
Vente long	AIR LIQUIDE	(69 659 137.69)
Vente long	SCHNEIDER ELECTRIC SA	(66 864 207.95)
Vente long	ACCOR	(65 377 870.76)
Vente long	ESSILOR INTERNATIONAL	(63 941 129.17)
Vente long	SAP	(58 543 071.71)
Vente long	LVMH MOET HENNESSY LOUIS	(56 312 932.44)
Vente long	KERING	(47 529 453.78)

### Selection and evaluation of intermediaries and counterparties

#### ➤ Forming a relationship

Before forming a relationship, Phileas Asset management checks that intermediaries have the authorisation and capabilities to provide the services that it requires.

Concerning brokers, the Portfolio Management Company ensures that it receives the intermediary's execution policy.

#### ➤ Assessment criteria:

Intermediary selection is formalised at the half-yearly reviews carried out by the fund managers.

The main criteria used for selecting and assessing intermediaries and counterparties are as follows:

- Intermediation costs
- Execution quality (best-execution capacity, in accordance with current regulations),
- The quality of the administrative processes (sending confirmations, quality of the back-office, etc.),
- The quality of the relationship: taking into account the quality of the coverage and the relevance of the intervention by the account manager within the intermediary.

Other criteria may be included in order to improve the assessment.

The Portfolio Management Company's order execution and selection policy is available on request from Phileas Asset Management, 60 rue de Prony 75017 Paris, France, or by email ([contact@phileas-am.fr](mailto:contact@phileas-am.fr)).

### Proxy voting policy

Details of conditions under which the Portfolio Management Company exercises voting rights attached to securities held in the portfolio is available on demand from Phileas Asset Management, 60 rue de Prony 75017 Paris, France, or by email ([contact@phileas-am.fr](mailto:contact@phileas-am.fr)).

### Retrocession and management fees

In compliance with best practice rules applicable to portfolio management activities, the provisions of article 314-80 of the AMF General Regulations prohibit retrocession to the Portfolio Management Company, of management or subscription and redemption fees, regarding investments carried out by the Portfolio Management Company, on behalf of the Fund, in units or shares of a UCITS or investment fund.

The Portfolio Management Company in charge of managing the UCITS has put in place the necessary measures for all retrocessions to be attributed directly to the Fund.

## **Intermediation fees**

Details of the conditions under which the Portfolio Management Company has made use of investment decision-making and order-execution services is available on demand from Phileas Asset Management, 60 rue de Prony 75017 Paris, France, or by email ([contact@phileas-am.fr](mailto:contact@phileas-am.fr)).

## **Efficient portfolio management technique**

The Fund is exposed to derivative financial instruments via long and short equity swap positions and via currency swaps.

- The counterparties are Bank of America Merrill Lynch and Morgan Stanley.
- The Fund doesn't collect collateral.
- The gross underlying equity swap exposure at the end of the fiscal year is 82.19%.

The securities lending does not generate market exposure. It provides additional return to the fund.

- The counterpart is Caceis Bank France.
- Securities lending represent 1.78% of the assets at the end of the fiscal year.
- The collateral takes the form of sovereign bonds
- No costs for the fund
- The generated revenues are 0.10% of asset, fully vested to the fund.

## **Global Risk**

Engagement method

## **SFTR rules**

Securities lending aims at enhancing returns.

- Participants are:
  - Phileas Asset Management – lender on behalf of FCP Phileas L/S Europe
  - Caceis Bank France – custodian
  - Caceis Bank Luxembourg securities lending desk – borrower

Stock lending as of 12.31.2019 amounts to EUR 2,969,690 or 1.78% of the fund net assets.

- Stock lending is collateralized with 105% in EU government bonds.
- No costs for the fund
- Commissions are shared between the fund 70% and Caceis Bank Luxembourg 30%. Commissions added 0.10% to the fund's performance in 2019.
- The fund does not reinvest the collateral.

## **ESG criteria**

The investment policy does not systematically and simultaneously integrate environmental, social and governance (ESG) criteria.

## **Remuneration policy**

Remuneration policy of Phileas Asset Management is compliant with UCITS 5 directive and AMF rules article 314-85-2.

Variable remuneration is paid provided that :

- Performance of the management team, portfolios and personal behavior is above expectations
- Phileas AM generates a positive profit before tax

Remuneration is made of fixed part and variable part, paid in cash or fund shares.

- Remuneration below EUR 100,000 is paid in cash
- Remuneration above EUR 100,000 :
  - 50% is paid in shares of funds managed by Phileas AM
  - 50% is deferred over 3 years. Fund shares must be held at least 2 years for PHILEAS L/S EUROPE and 5 years PHILEAS EQUITY EUROPE.

### **Other Information**

The full prospectus and information notice of the UCITS is available on demand from Phileas Asset Management, 60 rue de Prony 75017 Paris, France, and via the website [www.phileas-am.fr](http://www.phileas-am.fr).

**FCP PHILEAS L/S  
EUROPE**

*Year ended december  
31, 2019*

**Statutory auditor's report on the financial statements  
(Translated from French into English)**

To the shareholders,

**Opinion**

In compliance with the engagement entrusted to us by the management company, we have audited the accompanying financial statements of FCP PHILEAS L/S EUROPE for the year ended December 31, 2019.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the fund as at December 31, 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

**Basis for opinion**

*Audit framework*

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

*Independence*

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 01, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in the French Code of ethics (code de déontologie) for statutory auditors.

### **Justification of assessments**

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you that the most significant assessments we achieved, in our professional judgment, were focused on the appropriate character of the accounting principles applied and the reasonable character of the significant estimates used and the overall presentation of the financial statements, according to the principles and methods applicable to UCITS, particularly with regard to the financial instruments in the portfolio.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

### **Verification of the Management Report and of the Other Documents Provided to shareholders**

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report and in the other documents provided to shareholders with respect to the financial position and the financial statements.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The financial statements were approved by the management company.

## **Statutory Auditors' Responsibilities for the Audit of the Financial Statements**

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

**FCP PHILEAS L/S  
EUROPE**

*Year ended december  
31, 2019*

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

*Courbevoie, date of electronic signature*

*Authenticated document and dated by electronic signature*

*The statutory auditor*

**Mazars :**

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## BALANCE SHEET - ASSET ON 12/31/19 IN EUR

	12/31/19	12/31/18
<b>Fixed Assets, net</b>	<b>0.00</b>	<b>0.00</b>
<b>Deposits</b>	<b>0.00</b>	<b>0.00</b>
<b>Financial instruments</b>	<b>140,837,605.15</b>	<b>201,984,648.53</b>
<b>Equities and similar securities</b>	<b>53,541,978.33</b>	<b>77,372,314.68</b>
Traded in a regulated market or equivalent	53,541,978.33	77,372,314.68
Not traded in a regulated market or equivalent	0.00	0.00
<b>Bonds and similar securities</b>	<b>3,099,982.78</b>	<b>4,611,641.29</b>
Traded in a regulated market or equivalent	3,099,982.78	4,611,641.29
Not traded in a regulated market or equivalent	0.00	0.00
<b>Credit instruments</b>	<b>79,010,213.82</b>	<b>94,010,092.42</b>
Traded in a regulated market or equivalent	70,009,823.79	79,001,871.38
<i>Negotiable credit instruments (Notes)</i>	<i>70,009,823.79</i>	<i>52,996,999.65</i>
<i>Other credit instruments</i>	<i>0.00</i>	<i>26,004,871.73</i>
Not traded in a regulated market or equivalent	9,000,390.03	15,008,221.04
<b>Collective investment undertakings</b>	<b>2,227,366.31</b>	<b>21,567,258.62</b>
General-purpose UCITS and alternative investment funds intended for non-professionals and equivalents in other countries	2,227,366.31	21,567,258.62
Other Funds intended for non-professionals and equivalents in other EU Member States	0.00	0.00
General-purpose professional funds and equivalents in other EU Member States and listed securitisation entities	0.00	0.00
Other professional investment funds and equivalents in other EU Member States and listed securitisation agencies	0.00	0.00
Other non-European entities	0.00	0.00
<b>Temporary transactions in securities</b>	<b>2,958,063.91</b>	<b>4,423,341.52</b>
Credits for securities held under sell-back deals	0.00	0.00
Credits for loaned securities	2,958,063.91	4,423,341.52
Borrowed securities	0.00	0.00
Securities sold under buy-back deals	0.00	0.00
Other temporary transactions	0.00	0.00
<b>Hedges</b>	<b>0.00</b>	<b>0.00</b>
Hedges in a regulated market or equivalent	0.00	0.00
Other hedges	0.00	0.00
<b>Other financial instruments</b>	<b>0.00</b>	<b>0.00</b>
<b>Receivables</b>	<b>24,859,450.50</b>	<b>32,971,963.25</b>
<b>Forward currency transactions</b>	<b>41,486.21</b>	<b>8,083,834.85</b>
<b>Other</b>	<b>24,817,964.29</b>	<b>24,888,128.40</b>
<b>Financial accounts</b>	<b>8,031,635.53</b>	<b>65,822,146.45</b>
<b>Cash and cash equivalents</b>	<b>8,031,635.53</b>	<b>65,822,146.45</b>
<b>Total assets</b>	<b>173,728,691.18</b>	<b>300,778,758.23</b>

## BALANCE SHEET - LIABILITIES ON 12/31/19 IN EUR

	12/31/19	12/31/18
<b>Shareholders' funds</b>		
<b>Capital</b>	<b>174,859,913.90</b>	<b>266,220,393.19</b>
Allocation Report of distributed items (a)	0.00	0.00
Brought forward (a)	0.00	0.00
Allocation Report of distributed items on Net Income (a,b)	-6,040,407.81	18,916,914.06
Result (a,b)	-1,631,149.24	-2,979,023.66
<b>Total net shareholders' funds (net assets)</b>	<b>167,188,356.85</b>	<b>282,158,283.59</b>
<b>Financial instruments</b>	<b>3,099,982.88</b>	<b>4,611,691.36</b>
<b>Transfers of financial instruments</b>	<b>0.00</b>	<b>0.00</b>
<b>Temporary transactions in securities</b>	<b>3,099,982.88</b>	<b>4,611,691.36</b>
Sums owed for securities sold under buy-back deals	0.00	0.00
Sums owed for borrowed securities	0.10	50.07
Other temporary transactions	3,099,982.78	4,611,641.29
<b>Hedges</b>	<b>0.00</b>	<b>0.00</b>
Hedges in a regulated market or equivalent	0.00	0.00
Other hedges	0.00	0.00
<b>Payables</b>	<b>99,228.57</b>	<b>13,996,172.19</b>
<b>Forward currency transactions</b>	<b>41,211.20</b>	<b>8,027,261.40</b>
<b>Other</b>	<b>58,017.37</b>	<b>5,968,910.79</b>
<b>Financial accounts</b>	<b>3,341,122.88</b>	<b>12,611.09</b>
<b>Short-term credit</b>	<b>3,341,122.88</b>	<b>12,611.09</b>
<b>Loans received</b>	<b>0.00</b>	<b>0.00</b>
<b>Total liabilities</b>	<b>173,728,691.18</b>	<b>300,778,758.23</b>

(a) Including adjustment

(b) Decreased interim distribution paid during the business year

## OFF-BALANCE SHEET ON 12/31/19 IN EUR

	12/31/19	12/31/18
<b>Hedges</b>		
<b>Contracts in regulated markets or similar</b>		
<b>OTC contracts</b>		
<b>Other commitments</b>		
<b>Other operations</b>		
<b>Contracts in regulated markets or similar</b>		
<b>OTC contracts</b>		
<b>Other commitments</b>		
<b>CFD</b>		
BT/A BTGRP ML 1230	0.00	2,585,401.77
CFD BO ADIDAS 1230	2,418,091.20	0.00
CFD BO RECKITT 1230	1,388,907.28	0.00
CFD BO SODEXO 1230	4,039,844.70	0.00
CFD BOFA ACCOR 1230	1,859,085.75	0.00
CFD BOFA AENA S 1230	1,157,695.00	0.00
CFD BOFA FRAP A 1230	128,901.78	0.00
CFD BOFA INGENI 1230	4,024,072.80	0.00
CFD BOFA MICHEL 1230	2,657,894.20	0.00
CFD BSE BURBERR 1230	991,814.13	0.00
CFD BSE CONTINE 1230	2,323,526.34	0.00
CFD CAP MS CAP 1230	0.00	5,666,217.20
CFD CFD HENKEL 1230	0.00	2,301,715.80
CFD CFD ILIAD 1230	2,908,162.40	0.00
CFD CFD ML DIAG 1230	1,870,820.39	0.00
CFD CFD ML LHN 1230	0.00	2,478,877.45
CFD CFD MS ALCO 1230	1,331,836.61	0.00
CFD CFD MS L'OREAL 1	0.00	2,458,664.00
CFD CPG ML COMPAS 1	3,892,014.87	1,429,197.26
CFD DLG DE LON 1230	980,614.70	0.00
CFD DSV SAMME M 1230	4,537,340.94	0.00
CFD DSY MS DASSAU 1	0.00	3,765,035.90
CFD EAM ML AMAD 1230	0.00	2,506,425.48
CFD EDEN MS EDENR 1	0.00	3,256,564.09
CFD EN BOUYG MS 1230	2,947,139.76	0.00
CFD GNVV GRDVI 1230	0.00	3,085,439.44
CFD H51 MS RENT 1230	0.00	2,316,711.08
CFD ITALGAS SPA 1230	764,016.40	0.00
CFD KER KERING 1230	2,059,904.00	0.00
CFD LOGN LOGIT 1230	0.00	2,199,548.21

# OFF-BALANCE SHEET ON 12/31/19 IN EUR

	12/31/19	12/31/18
CFD MAI ML AIR 1230	1,450,164.20	7,158,242.25
CFD M_G ML GIVD 1230	1,522,471.02	1,405,711.24
CFD ML AMADEUS 1230	1,526,616.00	0.00
CFD ML CARL ZEI 1230	1,418,634.90	0.00
CFD ML DE LONGH 1230	0.00	3,245,296.60
CFD ML DEUTSCHE 1230	1,275,778.34	2,421,336.06
CFD ML DIAGEO 1230	0.00	5,654,180.21
CFD ML DOMETIC 1230	0.00	2,048,273.80
CFD ML FIELMANN 1230	1,713,600.00	0.00
CFD ML HENKEL A 1230	3,660,985.40	0.00
CFD ML KINGFISH 1230	371,413.55	0.00
CFD ML KLEPIERR 1230	1,057,237.05	0.00
CFD ML KONINKLI 1230	1,268,965.50	0.00
CFD ML KONINKLI 1230	0.00	2,871,262.83
CFD ML KONINKLI 1230	0.00	3,837,495.93
CFD ML MC 1230	0.00	5,044,453.40
CFD ML MILICOM 1230	7,513.84	0.00
CFD ML PPR 1230	1,675,612.80	0.00
CFD ML PROXIMUS 1230	1,819,473.92	0.00
CFD ML SARTORIUS 1230	1,105,876.80	0.00
CFD ML SCHNEIDE 1230	1,233,054.00	0.00
CFD ML SODEXO S 1230	0.00	2,899,442.00
CFD ML SUEZ SA 1230	931,206.68	2,084,082.09
CFD ML TELEPE 1230	936,994.00	2,645,838.80
CFD ML TRAS ELE 1230	998,801.36	0.00
CFD ML UNIBAIL- 1230	801,283.05	0.00
CFD ML UNILEVER 1230	1,310,975.70	0.00
CFD ML VINCI SA 1230	907,533.00	0.00
CFD ML VONOVIA 1230	738,480.00	0.00
CFD ML WILLIAM 1230	0.00	2,767,807.40
CFD ML WOLTERS 1230	1,835,969.74	2,434,322.52
CFD M_M MS MEDI 1230	0.00	2,342,890.31
CFD MMK ML MARK 1230	0.00	2,386,758.62
CFD MMT METROP 1230	0.00	2,421,198.00
CFD MS ACCOR 1230	0.00	1,535,426.25
CFD MS ALTEN 1230	0.00	504,828.80
CFD MS AMPLIFON 1230	1,295,230.24	1,487,066.05
CFD MS ATOS 1230	1,847,297.92	0.00
CFD MS BAE SY 1230	1,517,038.07	0.00

## OFF-BALANCE SHEET ON 12/31/19 IN EUR

	12/31/19	12/31/18
CFD MS BECHTLE 1230	1,362,927.20	2,469,468.60
CFD MS BIOMERIE 1230	0.00	2,056,487.50
CFD MS BUREAU V 1230	685,588.50	0.00
CFD MS CARREFOUR 123	0.00	3,468,453.66
CFD MS CIE 1230	0.00	2,070,953.92
CFD MS CIE FINA 1230	2,330,780.68	0.00
CFD MS CITYCON 1230	0.00	1,710,963.30
CFD MS DASSAULT 1230	939,825.15	0.00
CFD MS DEUTSCHE 1230	1,200,339.86	1,715,213.92
CFD MS DUFREY AG 1230	808,175.69	0.00
CFD MS EDENRED 1230	950,443.70	0.00
CFD MS ELIOR 1230	10,886.10	0.00
CFD MS ELIS 1230	1,988,750.00	2,327,796.30
CFD MS EUR ILIA 1230	0.00	5,617,615.30
CFD MS GEBERIT 1230	1,354,252.07	0.00
CFD MS GESTVISIO 123	0.00	1,428,613.29
CFD MS HAYS 1230	0.00	1,467,430.23
CFD MS HENKEL 1230	2,257,885.80	0.00
CFD MS INDITEX 1230	0.00	2,265,932.40
CFD MS INFORMA 1230	0.00	1,277,131.85
CFD MS JCDECAUX 1230	2,593,589.88	3,382,950.84
CFD MS KERING 1230	805,235.20	0.00
CFD MS KONINKLI 1230	0.00	3,837,495.93
CFD MS LEGRAND 1230	942,504.00	0.00
CFD MS LEONARDO 1230	0.00	1,912,689.61
CFD MS MERCIALLY 1230	0.00	1,963,822.14
CFD MS METRO AG 1230	0.00	862,008.44
CFD MS MICHELIN 1230	2,657,894.20	0.00
CFD MS MONCLER 1230	1,758,592.16	0.00
CFD MS NEXI SPA 1230	425,896.76	0.00
CFD MS OCADO GR 1230	3,569,275.65	0.00
CFD MS REMY COI 1230	1,269,433.50	0.00
CFD MS RENTOKIL 1230	2,650,740.98	0.00
CFD MS REXEL SA 1230	449,340.08	0.00
CFD MS SCHNEIDE 1230	1,233,054.00	0.00
CFD MS SEB 1230	0.00	2,510,928.00
CFD MS SEB 1230	1,218,344.80	0.00
CFD MS SIKA AG 1230	1,007,117.76	0.00
CFD MS SMITH AN 1230	913,600.79	0.00

## OFF-BALANCE SHEET ON 12/31/19 IN EUR

	12/31/19	12/31/18
CFD MS SONOVA H 1230	1,480,606.26	0.00
CFD MS SOPRA ST 1230	4,014,556.00	0.00
CFD MS SWATCH 1230	2,263,827.05	0.00
CFD MS SWISSCOM 1230	1,431,696.04	2,590,873.37
CFD MS TALK 1230	0.00	3,708,207.35
CFD MS VALEO 1230	1,334,108.34	0.00
CFD MS VEOLIA E 1230	2,027,892.59	2,312,963.10
CFD MS WERELDHA 1230	722,388.48	1,752,042.03
CFD MS WIRECARD 1230	0.00	2,959,315.20
CFD MTS ML TESC 1230	0.00	2,544,260.44
CFD MUH ML UHR 1230	0.00	2,031,247.49
CFD MWH MS WHIT 1230	0.00	2,253,252.67
CFD M01 MS SPOR 1230	0.00	1,369,323.17
CFD OR ML L OREAL 1	1,664,784.00	0.00
CFD RMS HERMES 1230	1,753,438.40	0.00
CFD RXL REXEL B 1230	437,495.08	0.00
CFD SECU ML SS 1230	790,490.79	0.00
CFD SGSN SGS MS 1230	2,177,868.45	0.00
CFD SPIE SPIE M 1230	1,965,493.12	3,533,072.42
CFD SRT3 START 1230	0.00	927,283.50
CFD SYMRISE MS 1230	1,521,905.00	1,276,132.50
CFD S85 BAP DSV 1230	5,327,180.84	0.00
CFD TIT TELECO 1230	216,023.41	0.00
CFD VERITAS 1230	0.00	4,612,695.34
CFD WPP WPP ML 1230	1,981,498.73	0.00
CPR CAMPAR MS 1230	0.00	2,183,397.41
DEUTSCHE POST CFD	1,300,780.47	0.00
GPS PEARSON 1230	1,422,885.17	0.00
GP7 MS PROSIEBEN 123	0.00	3,272,170.95
GXI GERRES MS 1230	0.00	1,437,490.25
KER KERING ML 1230	0.00	1,811,451.60
KGF KINGFI MS 1230	0.00	2,198,771.77
KNEBV KONE ML 1230	0.00	1,953,332.40
KNIN KUEHN MS 1230	1,580,202.39	0.00
LVMH MOET CFD	12,426.00	0.00
MAT MS ACCNTR UN 123	1,087,835.57	2,839,812.99
MCF MS RICHEM 1230	0.00	1,922,537.05
MDI ADIDAS MS 1230	654,658.20	2,461,852.80
MDU DUFY MS 1230	0.00	1,762,578.40

# OFF-BALANCE SHEET ON 12/31/19 IN EUR

	12/31/19	12/31/18
MD3 MS DO PUB 1230	0.00	0.00
MD4 MS DO CAR 1230	0.00	0.00
ME3 MS ELIOR 1230	0.00	5,665,532.48
ML ATLAS COP 1230	649,797.87	2,902,532.26
ML BAE SYSTEM	0.00	1,266,073.05
ML ESSILOR INTL 1230	0.00	5,059,493.60
ML RELX PLC	944,061.18	0.00
MMB LAGARD MS 1230	1,854,787.80	4,260,892.02
MPG PUBLI6 MS 1230	965,532.28	0.00
MS INTERCONTINENTAL	0.00	2,063,056.22
MS OMNICOM G 1230	1,439,882.39	3,158,581.11
MS ORPEA 1230	2,171,014.20	0.00
MS PERNOD R. 1230	0.00	2,021,246.50
MS SOFTWARE AG 1230	1,142,645.10	0.00
MS TELECOM I 1230	0.00	2,178,713.50
MS WORLDLINE 1230	167,031.75	0.00
MSK BIC MS 1230	0.00	2,251,483.25
ORA ORANGE ML 1230	1,800,720.00	2,459,657.73
ORP ORPEA ML 1230	0.00	3,172,395.54
PSM PROSIE ML 1230	170,773.07	0.00
RRTL RTL MS 1230	546,979.26	2,133,676.30
RXL REXEL MS 1230	0.00	2,184,700.20
SGE SAGE MS 1230	0.00	3,066,828.43
SU SCHN EL ML 1230	0.00	3,254,680.28
S48 MS BIC 1230	891,374.00	0.00
TEF TELEFO ML 1230	366,147.60	2,381,857.77
TFI TF1 MS 1230	0.00	4,956,948.72
TMP ROLLS BOF 1230	0.00	0.00
TOD TOD MS 1230	0.00	1,146,097.92

## INCOME STATEMENT ON 12/31/19 IN EUR

	12/31/19	12/31/18
<b>Revenues from financial operations</b>		
Revenues from deposits and financial accounts	414.60	1,934.59
Revenues from equities and similar securities	883,433.05	1,570,923.58
Revenues from bonds and similar securities	0.00	0.00
Revenues from credit instruments	52,193.05	38,748.33
Revenues from temporary acquisition and disposal of securities	14,825.21	84,235.15
Revenues from hedges	0.00	0.00
Other financial revenues	0.00	0.00
<b>Total (1)</b>	<b>950,865.91</b>	<b>1,695,841.65</b>
<b>Charges on financial operations</b>		
Charges on temporary acquisition and disposal of securities	80,187.74	73.45
Charges on hedges	0.00	0.00
Charges on financial debts	172,124.03	172,969.93
Other financial charges	0.00	0.00
<b>Total (2)</b>	<b>252,311.77</b>	<b>173,043.38</b>
<b>Net income from financial operations (1 - 2)</b>	<b>698,554.14</b>	<b>1,522,798.27</b>
Other income (3)	0.00	0.00
Management fees and depreciation provisions (4)	2,993,422.58	3,671,662.80
<b>Net income of the business year (L.214-17-1) (1-2+3-4)</b>	<b>-2,294,868.44</b>	<b>-2,148,864.53</b>
Revenue adjustment (5)	663,719.20	-830,159.13
Interim Distribution on Net Income paid during the business year (6)	0.00	0.00
<b>Net profit (1 - 2 + 3 - 4 + 5 + 6)</b>	<b>-1,631,149.24</b>	<b>-2,979,023.66</b>



### ACCOUNTING RULES AND METHODS

The annual accounts are presented as provided by the ANC Regulation 2014-01 repealing Regulation CRC 2003-02 as amended.

The regulation includes the new AIFM classification of mutual funds, but does not alter the applicable accounting standards or the methods for evaluating assets and liabilities. As indicated in the introductory note of the French accounting standards authority (ANC), the terminology and the distribution of the mutual fund heading under assets in the statement of financial position were amended as follows and can be detailed in the following way:

- The sub-heading "UCITS and general-purpose investment funds intended for non-professionals and equivalents in other countries" corresponds to the former sub-heading "Coordinated European UCITS and general-purpose French UCITS".
- The sub-heading "Other Funds for non-professionals and equivalents in other Member States of the European Union" corresponds to the former sub-heading "UCITS reserved for certain investors - venture capital funds - futures funds".
- The sub-heading "General-purpose professional funds and equivalents in other Member States of the European Union and listed securitisation entities" corresponds to the former sub-heading "Investment funds and listed SPVs."
- The sub-heading "Other professional funds and equivalents in other Member States of the European Union and unlisted securitisation entities" corresponds to the former sub-heading "Investment funds and unlisted SPVs."
- The sub-heading "Other non-European entities" was introduced by Regulation 2014-01.

General accounting principles apply, viz:

- fair picture, comparability, ongoing business,
- proper practice & trustworthiness,
- prudence,
- no unreported change in methods from one period to the next.

Revenues from fixed-yield securities are recognized on the basis of accrued interest

Acquisitions and disposals of securities are recognized exclusive of costs. The accounting currency of the portfolio is the EURO.

The accounting period reported on is 12 months.

#### Asset valuation rules:

Financial instruments are initially recognized at historic cost and carried on the Balance Sheet at their current value: this is their latest known market value or, in the absence of a market, is determined by any external means or by recourse to financial models.

Differences between the securities' current values determined as above and their original historic cost are recognized in the accounts as "differences on estimation".

Securities denominated in a currency other than that of the portfolio are valued in accordance with the above principle and then converted into the currency of the portfolio at the exchange rate obtained on the valuation date.

#### Deposit:

Deposits maturing in three months or sooner are valued according to the linear method.

#### Equities, bonds and other securities traded in a regulated market or equivalent:

When calculating the NAV, the equities and other securities traded in a regulated market or equivalent are valued based on the day's closing market price.

Bonds and similar securities are valued at the closing price notified by various financial service providers. Interest accrued on bonds and similar securities is calculated up to the date of asset valuation.

**Equities, bonds and other securities not traded in a regulated market or equivalent:**

Securities not traded in a regulated market are valued by the Fund Manager using methods based on net equity and yield, taking into account the prices retained in significant recent transactions.

**Negotiable credit instruments (Notes):**

Negotiable credit instruments which are not actively traded in significant amounts are actuarially valued on the basis of a reference rate as specified below, plus any enhancement to represent the issuer's intrinsic characteristics:

Notes maturing in one year's time or less: euro interbank offered rate (Euribor);

Notes maturing in more than one year's time: the prevailing rate on medium-term interest-bearing Treasury notes (BTAN) or, for the longest Notes, on near-term fungible Treasury bonds (OAT);

Negotiable credit instruments maturing in three months or sooner may be valued according to the linear method.

French Treasury notes are valued using the market rate published daily by the Banque de France.

**UCITS held:**

UCITS units or shares are valued at the latest known NAV.

**Temporary transactions in securities :**

Securities held under sell-back deals are carried in Assets under "credits for securities held under sell-back deals" at the amount provided for in the contract, plus accrued interest receivable.

Securities sold under buy-back deals are booked to the buying portfolio at their current value. The corresponding debt is booked to the selling portfolio at the value set in the contract plus accrued interest payable.

Loaned securities are valued at their current value and carried in Assets under "credits for loaned securities" at their current value plus accrued interest receivable.

Borrowed securities are carried in Assets under "borrowed securities" at the amount provided for in the contract, and in Liabilities under "debts for borrowed securities" at the amount provided for in the contract plus accrued interest payable.

***Hedges:*****Hedges traded in a regulated market or equivalent:**

Hedge instruments traded in regulated markets are valued at the day's settlement price.

**Hedges not trades in a regulated market or equivalent:****Swaps:**

Rate swaps and/or forward currency transactions are valued at their market value according to the price calculated by discounting future interest streams at market interest (and/or exchange) rates. This price is adjusted for default risk.

Index swaps are valued actuarially on the basis of a reference rate provided by the counterparty.

Other swaps are valued at their market value or are estimated as specified by the Fund Manager.

**Off-Balance Sheet Commitments:**

Firm hedging contracts are stated among "Off-Balance Sheet Commitments" at their market value at the rate used in the portfolio.

Conditional hedges are converted into their underlying equivalents.

Swap commitments are stated at their nominal value or at an equivalent amount, where there is no nominal value.

## Management fees:

Management fees are calculated on the nominal capital on each valuation.

These fees are imputed to the fund's Income Statement.

Management fees are paid in full to the Fund Manager, which bears all the fund's operating costs.

The management fees do not include dealing costs.

The percentage of nominal capital charged is :

I Share : 1.20% including taxes

R Share : 2.00% including taxes

S Share : 0.25% including taxes

RD Share : 1.00% including taxes

I GBP Share : 1.20% including taxes

The performance fee is based on the relative performance of the Fund compared to the benchmark rate over the benchmark period of the Fund, as defined below:

- The benchmark NAV used to calculate performance is NAV, net of administrative and management fees, and before outperformance commission.

- The benchmark rate is the EONIA +1%

- In the event that the Fund has outperformed the benchmark rate since the beginning of the financial year, a provision is established upon NAV calculation. This provision corresponds to a maximum of 20% tax-inclusive of the calculated outperformance.

Where units are redeemed during the financial year, a share of the calculated provision for outperformance commissions is levied and retained by the Portfolio Management Company, on a pro-rata basis for the number of units redeemed.

## Allocation of net profit:

The net profit (loss) for the period is the total of interest, arrears, premiums, allotments and dividends, plus income on ready cash, minus management fees and financial dealing costs. Latent or realised capital gains or losses are not counted as revenue; nor are subscription/redemption fees.

The amounts available for distribution are the net profit for the period, plus any sums brought forward, plus or minus the balance of any revenue adjustment accounts relating to the financial period in question.

## Gains and losses:

The net realised gains (deducted from management fees and realised losses) from the financial year will increase the same type of net realized gains from earlier financial years, if the fund hasn't distributed or accumulated its gains and will also increase or reduce the equalization accounts for realised gains.

## Appropriation methods for the distributable amounts:

<i>Distributable amounts</i>	<i>Unit:</i>
Appropriation of the net income	Accumulation and/ or distribution and / or carry forward a decision taken by the management
Appropriation of the net realized gains and losses	Accumulation and/ or distribution and / or carry forward a decision taken by the management

## 2. CHANGES IN NET ASSETS 12/31/19 IN EUR

	12/31/19	12/31/18
<b>Net assets in start of period</b>	<b>282,158,283.59</b>	<b>171,902,907.82</b>
Subscriptions (including subscription fees received by the fund)	80,411,605.27	180,289,226.05
Redemptions (net of redemption fees received by the fund)	-189,855,669.41	-76,239,694.46
Capital gains realised on deposits and financial instruments	20,722,888.95	17,164,343.35
Capital losses realised on deposits and financial instruments	-13,143,028.73	-22,646,139.55
Capital gains realised on hedges	71,648,740.71	88,084,442.34
Capital losses realised on hedges	-88,601,690.14	-68,792,269.71
Dealing costs	-45,253.43	-78,799.12
Exchange gains/losses	79,196.97	669,259.86
Changes in difference on estimation (deposits and financial instruments)	6,108,151.51	-6,046,128.46
Difference on estimation, period N	2,352,351.30	-3,755,800.21
Difference on estimation, period N-1	3,755,800.21	-2,290,328.25
Changes in difference on estimation (hedges)	0.00	0.00
Difference on estimation, period N	0.00	0.00
Difference on estimation, period N-1	0.00	0.00
Net Capital gains and losses Accumulated from Previous business year	0.00	0.00
Distribution on Net Capital Gains and Losses from previous business year	0.00	0.00
Net profit for the period, before adjustment prepayments	-2,294,868.44	-2,148,864.53
Allocation Report of distributed items on Net Income	0.00	0.00
Interim Distribution on Net Income paid during the business year	0.00	0.00
Other items	0.00	0.00
<b>Net assets in end of period</b>	<b>167,188,356.85</b>	<b>282,158,283.59</b>

### 3. FURTHER DETAILS

#### 3.1. BREAKDOWN OF FINANCIAL INSTRUMENTS BY LEGAL OR COMMERCIAL TYPE

	Amount	%
<b>Assets</b>		
<b>Bonds and similar securities</b>		
Fixed-rate bonds traded on a regulated or similar market	3,099,982.78	1.85
<b>Total bonds and similar securities</b>	<b>3,099,982.78</b>	<b>1.85</b>
<b>Credit instruments</b>		
Certificate of deposit	70,009,823.79	41.87
Euro-Commercial Paper	9,000,390.03	5.38
<b>Total credit instruments</b>	<b>79,010,213.82</b>	<b>47.26</b>
<b>Liabilities</b>		
<b>Transactions involving transfer of financial instruments</b>		
<b>Total transactions involving transfer of financial instruments</b>	<b>0.00</b>	<b>0.00</b>
<b>Off-balance sheet</b>		
<b>Hedges</b>		
<b>Total hedges</b>	<b>0.00</b>	<b>0.00</b>
<b>Other operations</b>		
Other	162,175,151.72	97.00
<b>Total other operations</b>	<b>162,175,151.72</b>	<b>97.00</b>

### 3.2. BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS, BY TYPE

	Fixed rate	%	Variable rate	%	Rate subject to review	%	Other	%
<b>Assets</b>								
Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bonds and similar securities	3,099,982.78	1.85	0.00	0.00	0.00	0.00	0.00	0.00
Credit instruments	79,010,213.82	47.26	0.00	0.00	0.00	0.00	0.00	0.00
Temporary transactions in securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial accounts	0.00	0.00	0.00	0.00	0.00	0.00	8,031,635.53	4.80
<b>Liabilities</b>								
Temporary transactions in securities	3,099,982.78	1.85	0.00	0.00	0.00	0.00	0.00	0.00
Financial accounts	0.00	0.00	0.00	0.00	0.00	0.00	3,341,122.88	2.00
<b>Off-balance sheet</b>								
Hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

### 3.3. BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS, BY TIME TO MATURITY

	< 3 Months	%	[3 Months - 1 Year]	%	[1 - 3 Years]	%	[3 - 5 Years]	%	> 5 Years	%
<b>Assets</b>										
Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bonds and similar securities	0.00	0.00	0.00	0.00	2,310,094.33	1.38	789,888.45	0.47	0.00	0.00
Credit instruments	57,998,856.43	34.69	21,011,357.39	12.57	0.00	0.00	0.00	0.00	0.00	0.00
Temporary transactions in securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial accounts	8,031,635.53	4.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Liabilities</b>										
Temporary transactions in securities	0.00	0.00	0.00	0.00	2,310,094.33	1.38	789,888.45	0.47	0.00	0.00
Financial accounts	3,341,122.88	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Off-balance sheet</b>										
Hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

All hedges are shown in terms of time to maturity of the underlying securities.

### 3.4. BREAKDOWN OF ASSET, LIABILITY AND OFF-BALANCE SHEET ITEMS, BY LISTING OR VALUATION CURRENCY

	GBP		CHF		DKK		Other currencies	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Assets</b>								
Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equities and similar securities	3,025,925.65	1.81	2,902,904.88	1.74	5,456,304.15	3.26	0.00	0.00
Bonds and similar securities	0.00	0.00	0.00	0.00	0.00	0.00	3,099,982.78	1.85
Credit instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mutual fund units	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Temporary transactions in securities	2.38	0.00	42.22	0.00	0.00	0.00	0.00	0.00
Liabilities	62,075.99	0.04	0.00	0.00	0.00	0.00	0.00	0.00
Financial accounts	0.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Liabilities</b>								
Transactions involving transfer of financial instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Temporary transactions in securities	0.02	0.00	0.08	0.00	0.00	0.00	3,099,982.78	1.85
Debts	10.76	0.00	0.00	0.00	0.00	0.00	11,551.76	0.01
Financial accounts	215,269.20	0.13	27,290.00	0.02	2,676,805.43	1.60	421,758.25	0.25
<b>Off-balance sheet</b>								
Hedges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other operations	20,570,009.61	12.30	17,288,834.02	10.34	9,864,521.78	5.90	3,975,520.46	2.38

### 3.5. RECEIVABLES AND PAYABLES: BREAKDOWN BY TYPE

	12/31/19
<b>Receivables</b>	
Forward foreign exchange purchase	41,486.21
Sales deferred settlement	2,608,447.51
Coupons and dividends in cash	20,589.78
Collateral	22,188,927.00
<b>Total receivables</b>	<b>24,859,450.50</b>
<b>Payables</b>	
Forward foreign exchange sale	41,211.20
Management fees	45,887.55
Variable management fees	540.13
Coupons and dividends in cash	11,551.76
Other payables	37.93
<b>Total of Payables</b>	<b>99,228.57</b>

### 3.6. SHAREHOLDERS' FUNDS

#### 3.6.1. Number of units issued or redeemed

	Units	Value
<b>PHILEAS L/S EUROPE I GBP</b>		
Units subscribed during the period	0.0000	0.00
Units redeemed during the period	-58,987.0000	-8,095,174.83
Net Subscriptions / Redemptions	-58,987.0000	-8,095,174.83
<b>PHILEAS L/S EUROPE I</b>		
Units subscribed during the period	422,185.4686	50,062,041.82
Units redeemed during the period	-858,476.5615	-101,412,827.34
Net Subscriptions / Redemptions	-436,291.0929	-51,350,785.52
<b>PHILEAS L/S EUROPE R</b>		
Units subscribed during the period	94,599.5308	10,650,475.11
Units redeemed during the period	-215,544.1558	-24,143,593.82
Net Subscriptions / Redemptions	-120,944.6250	-13,493,118.71
<b>PHILEAS L/S EUROPE RD</b>		
Units subscribed during the period	171,831.2919	19,684,088.34
Units redeemed during the period	-489,167.1754	-55,908,699.94
Net Subscriptions / Redemptions	-317,335.8835	-36,224,611.60
<b>PHILEAS L/S EUROPE S</b>		
Units subscribed during the period	112.4775	15,000.00
Units redeemed during the period	-2,218.3698	-295,373.48
Net Subscriptions / Redemptions	-2,105.8923	-280,373.48

#### 3.6.2. Subscription and/or redemption fees

	Value
<b>PHILEAS L/S EUROPE I</b>	
Total of redemption fees received	0.00
Total of subscription fees received	0.00
<b>Total of subscription and/or redemption fees received</b>	<b>0.00</b>
<b>PHILEAS L/S EUROPE I GBP</b>	
Total of redemption fees received	0.00
Total of subscription fees received	0.00
<b>Total of subscription and/or redemption fees received</b>	<b>0.00</b>
<b>PHILEAS L/S EUROPE RD</b>	
Total of redemption fees received	0.00
Total of subscription fees received	0.00
<b>Total of subscription and/or redemption fees received</b>	<b>0.00</b>



### 3.6.2. Subscription and/or redemption fees

	Value
<b>PHILEAS L/S EUROPE R</b>	
Total of redemption fees received	0.00
Total of subscription fees received	0.00
<b>Total of subscription and/or redemption fees received</b>	<b>0.00</b>
<b>PHILEAS L/S EUROPE S</b>	
Total of redemption fees received	0.00
Total of subscription fees received	0.00
<b>Total of subscription and/or redemption fees received</b>	<b>0.00</b>

### 3.7.MANAGEMENT FEES

	12/31/19
<b>PHILEAS L/S EUROPE I GBP</b>	
Underwriting commission	0.00
Fixed management fees	30,125.08
Percentage of management charges	1.19
Variable management fees	0.00
Trailer fees	0.00
<b>PHILEAS L/S EUROPE I</b>	
Underwriting commission	0.00
Fixed management fees	1,626,515.90
Percentage of management charges	1.19
Variable management fees	0.00
Trailer fees	0.00
<b>PHILEAS L/S EUROPE RD</b>	
Underwriting commission	0.00
Fixed management fees	658,346.96
Percentage of management charges	0.99
Variable management fees	540.13
Trailer fees	0.00
<b>PHILEAS L/S EUROPE R</b>	
Underwriting commission	0.00
Fixed management fees	676,797.55
Percentage of management charges	1.98
Variable management fees	0.00
Trailer fees	0.00
<b>PHILEAS L/S EUROPE S</b>	
Underwriting commission	0.00
Fixed management fees	1,096.96
Percentage of management charges	0.25
Variable management fees	0.00
Trailer fees	0.00

### **3.8. COMMITMENTS RECEIVED AND GIVEN**

#### **3.8.1. Guarantees received by the fund :**

**None**

#### **3.8.2. Other commitments received and/or given :**

**None**

### 3.9.FURTHER DETAILS

#### 3.9.1. Stock market values of temporarily acquired securities

	12/31/19
Securities held under sell-back deals	0.00
Borrowed securities	0.00

#### 3.9.2. Stock market values of pledged securities

	12/31/19
Financial instruments pledged but not reclassified	0.00
Financial instruments received as pledges but not recognized in the Balance Sheet	0.00

#### 3.9.3. Group financial instruments held by the Fund

	Isin code	Name of security	12/31/19
Equities			0.00
Bonds			0.00
Notes			0.00
UCITS			2,227,366.31
	FR0012749927	PHILEAS EQUITY EUROPE I	888,643.30
	FR0012749935	PHILEAS EQUITY EUROPE R	66,622.76
	FR0012749943	PHILEAS EQUITY EUROPE S	1,272,100.25
Hedges			0.00

### 3.10. TABLE OF ALLOCATION OF THE DISTRIBUTABLE

**Table of allocation of the distributable share of the sums concerned to profit (loss)**

	12/31/19	12/31/18
<b>Sums not yet allocated</b>		
Brought forward	0.00	0.00
Profit (loss)	-1,631,149.24	-2,979,023.66
<b>Total</b>	<b>-1,631,149.24</b>	<b>-2,979,023.66</b>

  

	12/31/19	12/31/18
<b>C4 PHILEAS L/S EUROPE I GBP</b>		
<b>Allocation</b>		
Distribution	0.00	0.00
Brought forward	0.00	0.00
Capitalized	-362.90	-109,832.81
<b>Total</b>	<b>-362.90</b>	<b>-109,832.81</b>

  

	12/31/19	12/31/18
<b>C1 PHILEAS L/S EUROPE I</b>		
<b>Allocation</b>		
Distribution	0.00	0.00
Brought forward	0.00	0.00
Capitalized	-930,275.22	-1,808,783.89
<b>Total</b>	<b>-930,275.22</b>	<b>-1,808,783.89</b>

  

	12/31/19	12/31/18
<b>C5 PHILEAS L/S EUROPE RD</b>		
<b>Allocation</b>		
Distribution	0.00	0.00
Brought forward	0.00	0.00
Capitalized	-282,690.35	-487,916.10
<b>Total</b>	<b>-282,690.35</b>	<b>-487,916.10</b>

  

	12/31/19	12/31/18
<b>C2 PHILEAS L/S EUROPE R</b>		
<b>Allocation</b>		
Distribution	0.00	0.00
Brought forward	0.00	0.00
Capitalized	-417,961.30	-575,828.36
<b>Total</b>	<b>-417,961.30</b>	<b>-575,828.36</b>

	12/31/19	12/31/18
<b>C3 PHILEAS L/S EUROPE S</b>		
<b>Allocation</b>		
Distribution	0.00	0.00
Brought forward	0.00	0.00
Capitalized	140.53	3,337.50
<b>Total</b>	<b>140.53</b>	<b>3,337.50</b>

**Table of allocation of the distributable share of the sums concerned to capital gains and losses**

	12/31/19	12/31/18
<b>Sums not yet allocated</b>		
Net Capital gains and losses Accumulated from Previous business year	0.00	0.00
Net Capital gains and losses of the business year	-6,040,407.81	18,916,914.06
Allocation Report of distributed items on Net Capital Gains and Losses	0.00	0.00
<b>Total</b>	<b>-6,040,407.81</b>	<b>18,916,914.06</b>

	12/31/19	12/31/18
<b>C1 PHILEAS L/S EUROPE I</b>		
<b>Allocation</b>		
Distribution	0.00	0.00
Net capital gains and losses accumulated per share	0.00	0.00
Capitalized	-3,673,701.06	10,542,303.46
<b>Total</b>	<b>-3,673,701.06</b>	<b>10,542,303.46</b>

	12/31/19	12/31/18
<b>C4 PHILEAS L/S EUROPE I GBP</b>		
<b>Allocation</b>		
Distribution	0.00	0.00
Net capital gains and losses accumulated per share	0.00	0.00
Capitalized	-41,899.42	502,741.72
<b>Total</b>	<b>-41,899.42</b>	<b>502,741.72</b>

	12/31/19	12/31/18
<b>C5 PHILEAS L/S EUROPE RD</b>		
<b>Allocation</b>		
Distribution	0.00	0.00
Net capital gains and losses accumulated per share	0.00	0.00
Capitalized	-1,432,302.42	5,201,892.11
<b>Total</b>	<b>-1,432,302.42</b>	<b>5,201,892.11</b>

	12/31/19	12/31/18
<b>C2 PHILEAS L/S EUROPE R</b>		
<b>Allocation</b>		
Distribution	0.00	0.00
Net capital gains and losses accumulated per share	0.00	0.00
Capitalized	-880,148.63	2,627,635.33
<b>Total</b>	<b>-880,148.63</b>	<b>2,627,635.33</b>

	12/31/19	12/31/18
<b>C3 PHILEAS L/S EUROPE S</b>		
<b>Allocation</b>		
Distribution	0.00	0.00
Net capital gains and losses accumulated per share	0.00	0.00
Capitalized	-12,356.28	42,341.44
<b>Total</b>	<b>-12,356.28</b>	<b>42,341.44</b>

### 3.11. TABLE OF PROFIT (LOSS) AND OTHER TYPICAL FEATURES OF THE FUND OVER THE PAST FIVE FINANCIAL PERIODS

	12/31/15	12/30/16	12/29/17	12/31/18	12/31/19
<b>Global Net Assets in EUR</b>	<b>118,063,008.94</b>	<b>194,699,506.57</b>	<b>171,902,907.82</b>	<b>282,158,283.59</b>	<b>167,188,356.85</b>
<b>PHILEAS L/S EUROPE I GBP</b>					
Net assets in GBP Number	11,922.38	6,190,214.13	7,314,052.02	7,283,831.53	35,160.53
of shares/units NAV per	100.0000	53,425.0000	62,165.0000	59,277.0000	290.0000
share/unit in GBP	119.22	115.86	117.65	122.87	121.24
Net Capital Gains and Losses Accumulated per share in EUR	24.24	-21.04	-1.57	8.48	-144.48
Net income Accumulated per share in EUR	-3.49	-1.31	-1.01	-1.85	-1.25
<b>PHILEAS L/S EUROPE I</b>					
Net assets in EUR Number	93,380,353.76	141,658,538.69	126,591,412.00	157,026,481.69	102,422,896.57
of shares/units NAV per	783,781.2206	1,234,034.3189	1,092,693.8619	1,306,420.5298	870,129.4369
share/unit in EUR	119.14	114.79	115.85	120.19	117.70
Net Capital Gains and Losses Accumulated per share in EUR	10.70	-3.94	2.84	8.06	-4.22
Net income Accumulated per share in EUR	-2.45	-1.10	-0.88	-1.38	-1.06
<b>PHILEAS L/S EUROPE RD</b>					
Net assets in EUR Number	0.00	0.00	8,224,205.42	77,458,746.32	39,994,851.74
of shares/units NAV per	0.0000	0.0000	74,068.5519	669,746.6852	352,410.8017
share/unit in EUR	0.00	0.00	111.03	115.65	113.48
Net Capital Gains and Losses Accumulated per share in EUR	0.00	0.00	1.48	7.76	-4.06
Net income Accumulated per share in EUR	0.00	0.00	-0.16	-0.72	-0.80
<b>PHILEAS L/S EUROPE R</b>					
Net assets in EUR Number	22,218,649.44	43,260,098.65	27,671,482.18	38,923,979.48	24,381,992.98
of shares/units NAV per	192,354.1185	391,794.9706	250,287.1584	340,418.2521	219,473.6271
share/unit in EUR	115.50	110.41	110.55	114.34	111.09
Net Capital Gains and Losses Accumulated per share in EUR	10.41	-3.80	2.72	7.71	-4.01
Net income Accumulated per share in EUR	-3.10	-1.96	-1.73	-1.69	-1.90

### 3.11. TABLE OF PROFIT (LOSS) AND OTHER TYPICAL FEATURES OF THE FUND OVER THE PAST FIVE FINANCIAL PERIODS

	12/31/15	12/30/16	12/29/17	12/31/18	12/31/19
<b>Global Net Assets in EUR</b>	<b>118,063,008.94</b>	<b>194,699,506.57</b>	<b>171,902,907.82</b>	<b>282,158,283.59</b>	<b>167,188,356.85</b>
<b>PHILEAS L/S EUROPE S</b>					
Net assets in EUR Number	2,447,829.93	2,528,978.26	1,176,015.49	633,838.48	347,120.87
of shares/units NAV per	19,064.3727	20,245.3727	9,241.3727	4,721.5104	2,615.6181
share/unit in EUR	128.39	124.91	127.25	134.24	132.71
Net Capital Gains and Losses Accumulated per share in EUR	11.38	-4.28	3.10	8.96	-4.72
Net income Accumulated per share in EUR	0.56	0.03	0.21	0.70	0.05



### 3.12. PORTFOLIO LISTING IN EUR

Name of security	Currency	Quantity	Market value	%
<b>Equities and similar securities</b>				
<b>Listed equities &amp; similar securities</b>				
<b>BELGIUM</b>				
ANHEUSER BUSCH INBEV SA/NV	EUR	46,515	3,382,105.65	2.02
<b>TOTAL BELGIUM</b>			<b>3,382,105.65</b>	<b>2.02</b>
<b>DENMARK</b>				
COLOPLAST B	DKK	26,267	2,904,924.56	1.73
DSV	DKK	10	1,027.50	0.00
ROCKWOOL INTERNATIONAL AS B	DKK	12,077	2,550,352.09	1.53
<b>TOTAL DENMARK</b>			<b>5,456,304.15</b>	<b>3.26</b>
<b>FRANCE</b>				
ATOS	EUR	21,814	1,621,216.48	0.97
BUREAU VERITAS	EUR	245,830	5,718,005.80	3.42
CAPGEMINI SE	EUR	36,057	3,926,607.30	2.35
ILIAD	EUR	317	36,629.35	0.02
INGENICO	EUR	13,571	1,313,672.80	0.79
LVMH (LOUIS VUITTON - MOET HENNESSY)	EUR	3,196	1,323,783.20	0.79
REXEL	EUR	8,678	102,790.91	0.06
SAINT-GOBAIN	EUR	97,503	3,558,859.50	2.13
SCHNEIDER ELECTRIC SA	EUR	40,323	3,689,554.50	2.21
SPIE SA	EUR	154,894	2,812,875.04	1.68
THALES	EUR	72,755	6,731,292.60	4.03
<b>TOTAL FRANCE</b>			<b>30,835,287.48</b>	<b>18.45</b>
<b>GERMANY</b>				
HEIDELBERGER ZEMENT	EUR	26,099	1,695,391.04	1.01
MTU AERO ENGINES HOLDINGS AG	EUR	42	10,693.20	0.01
PUMA SE	EUR	27,490	1,878,941.50	1.12
<b>TOTAL GERMANY</b>			<b>3,585,025.74</b>	<b>2.14</b>
<b>SPAIN</b>				
INDRA SISTEMAS	EUR	408,524	4,158,774.32	2.48
MASMOVIL IBERCOM SA	EUR	9,619	195,650.46	0.12
<b>TOTAL SPAIN</b>			<b>4,354,424.78</b>	<b>2.60</b>
<b>SWITZERLAND</b>				
ABB LTD	CHF	134,200	2,885,238.27	1.73
SCHINDLER HOLDING AG	CHF	78	17,666.61	0.01
<b>TOTAL SWITZERLAND</b>			<b>2,902,904.88</b>	<b>1.74</b>

Name of security	Currency	Quantity	Market value	%
<b>UNITED KINGDOM</b>				
BURBERRY GROUP PLC	GBP	116,282	3,025,925.65	1.81
<b>TOTAL UNITED KINGDOM</b>			<b>3,025,925.65</b>	<b>1.81</b>
<b>TOTAL listed equities &amp; similar securities traded in a regulated market or equivalent</b>			<b>53,541,978.33</b>	<b>32.02</b>
<b>Total equities &amp; similar securities</b>			<b>53,541,978.33</b>	<b>32.02</b>
<b>Credit instruments</b>				
<b>Credit instruments traded in a regulated market or equivalent</b>				
<b>FRANCE</b>				
ALTAREA ZCP 07-02-20	EUR	8,000,000	8,001,405.62	4.79
BELLON ZCP 06-02-20	EUR	9,000,000	8,998,292.21	5.38
BISOHO SAS ZCP 04-02-20	EUR	4,000,000	3,999,339.18	2.39
BISOHO SAS ZCP 16-01-20	EUR	3,000,000	2,999,781.35	1.79
FAURECIA ZCP 10-01-20	EUR	7,000,000	7,000,166.29	4.19
FIMALAC ZCP 07-02-20	EUR	10,000,000	9,999,075.43	5.99
KORIAN ZCP 07-01-20	EUR	5,000,000	5,000,062.51	2.99
LOCCITANE SA ZCP 17-01-20	EUR	5,000,000	5,000,300.10	2.99
MERSEN ZCP 29-01-20	EUR	4,000,000	4,000,217.81	2.39
VENCIA ZCP 15-01-20	EUR	3,000,000	3,000,215.93	1.79
VICAT ZCP 03-04-20	EUR	7,000,000	7,001,628.25	4.19
VICAT ZCP 05-08-20	EUR	5,000,000	5,009,339.11	3.00
<b>TOTAL FRANCE</b>			<b>70,009,823.79</b>	<b>41.88</b>
<b>Total credit instruments traded on a regulated or similar market</b>			<b>70,009,823.79</b>	<b>41.88</b>
<b>Credit instruments not traded in a regulated market or equivalent</b>				
<b>GERMANY</b>				
METRO AG ZCP 14-04-20	EUR	9,000,000	9,000,390.03	5.38
<b>TOTAL GERMANY</b>			<b>9,000,390.03</b>	<b>5.38</b>
<b>Total credit instruments not traded on a regulated or similar market</b>			<b>9,000,390.03</b>	<b>5.38</b>
<b>Total credit instruments</b>			<b>79,010,213.82</b>	<b>47.26</b>
<b>Collective investment undertakings</b>				
<b>General-purpose UCITS and alternative investment funds intended for non-professionals and equivalents in other countries</b>				
<b>FRANCE</b>				
PHILEAS EQUITY EUROPE I	EUR	6,910.1345	888,643.30	0.53
PHILEAS EQUITY EUROPE R	EUR	526.8704	66,622.76	0.04
PHILEAS EQUITY EUROPE S	EUR	9,530.2686	1,272,100.25	0.76
<b>TOTAL FRANCE</b>			<b>2,227,366.31</b>	<b>1.33</b>
<b>TOTAL General-purpose UCITS and alternative investment funds intended for non-professionals and equivalents in other countries</b>			<b>2,227,366.31</b>	<b>1.33</b>
<b>Total collective investment undertakings</b>			<b>2,227,366.31</b>	<b>1.33</b>

Name of security	Currency	Quantity	Market value	%
<b>Securities take in guarantee</b>				
<b>Listed bonds and similar securities</b>				
STATE BANK OF INDIA LONDON BRANCH 4.375% 24-01-24	USD	827,000	789,888.45	0.47
UPL CORP LTD 3.25% 13-10-21	USD	2,560,000	2,310,094.33	1.38
<b>Total listed bond and similar securities</b>			<b>3,099,982.78</b>	<b>1.85</b>
<b>Total securities take in guarantee</b>			<b>3,099,982.78</b>	<b>1.85</b>
<b>Receivables on securities lent</b>				
<b>FRANCE</b>				
ILIAD	EUR	21,400	2,472,770.00	1.48
INGENICO	EUR	5,000	484,000.00	0.29
<b>TOTAL FRANCE</b>			<b>2,956,770.00</b>	<b>1.77</b>
<b>Total receivables on securities lent</b>			<b>2,956,770.00</b>	<b>1.77</b>
<b>Revenues from securities lent</b>			<b>1,293.91</b>	<b>0.00</b>
<b>Indemnités sur titres empruntés</b>			<b>-0.10</b>	<b>0.00</b>
<b>Debts on securities take in guarantee</b>			<b>-3,099,982.78</b>	<b>-1.85</b>
<b>Hedges</b>				
<b>Other hedges</b>				
<b>CFD</b>				
CFD BO ADIDAS 1230	EUR	-8,344	0.00	0.00
CFD BO RECKITT 1230	GBP	-19,202	0.00	0.00
CFD BO SODEXO 1230	EUR	38,238	0.00	0.00
CFD BOFA ACCOR 1230	EUR	44,529	0.00	0.00
CFD BOFA AENA S 1230	EUR	-6,790	0.00	0.00
CFD BOFA FRAP A 1230	EUR	-1,701	0.00	0.00
CFD BOFA INGENI 1230	EUR	41,571	0.00	0.00
CFD BOFA MICHEL 1230	EUR	-24,362	0.00	0.00
CFD BSE BURBERR 1230	GBP	38,114	0.00	0.00
CFD BSE CONTINE 1230	EUR	20,159	0.00	0.00
CFD CFD ILIAD 1230	EUR	25,168	0.00	0.00
CFD CFD ML DIAG 1230	GBP	-49,531	0.00	0.00
CFD CFD MS ALCO 1230	CHF	-26,418	0.00	0.00
CFD CPG ML COMPAS 1	GBP	174,492	0.00	0.00
CFD DLG DE LON 1230	EUR	-52,022	0.00	0.00
CFD DSV SAMME M 1230	DKK	44,159	0.00	0.00
CFD EN BOUYG MS 1230	EUR	77,802	0.00	0.00
CFD ITALGAS SPA 1230	EUR	-140,341	0.00	0.00
CFD KER KERING 1230	EUR	-3,520	0.00	0.00
CFD MAI ML AIR 1230	EUR	-11,491	0.00	0.00
CFD M_G ML GIVD 1230	CHF	-546	0.00	0.00

Name of security	Currency	Quantity	Market value	%
CFD ML AMADEUS 1230	EUR	-20,970	0.00	0.00
CFD ML CARL ZEI 1230	EUR	-12,477	0.00	0.00
CFD ML DEUTSCHE 1230	EUR	-87,562	0.00	0.00
CFD ML FIELMANN 1230	EUR	-23,800	0.00	0.00
CFD ML HENKEL A 1230	EUR	-39,707	0.00	0.00
CFD ML KINGFISH 1230	GBP	-145,031	0.00	0.00
CFD ML KLEPIERR 1230	EUR	-31,233	0.00	0.00
CFD ML KONINKLI 1230	EUR	-482,313	0.00	0.00
CFD ML MILICOM 1230	SEK	176	0.00	0.00
CFD ML PPR 1230	EUR	-10,512	0.00	0.00
CFD ML PROXIMUS 1230	EUR	-71,296	0.00	0.00
CFD ML SARTORIUS 1230	EUR	-5,796	0.00	0.00
CFD ML SCHNEIDE 1230	EUR	13,476	0.00	0.00
CFD ML SUEZ SA 1230	EUR	-69,055	0.00	0.00
CFD ML TELEPE 1230	EUR	-4,310	0.00	0.00
CFD ML TRAS ELE 1230	EUR	-167,753	0.00	0.00
CFD ML UNIBAIL- 1230	EUR	-5,697	0.00	0.00
CFD ML UNILEVER 1230	EUR	-25,590	0.00	0.00
CFD ML VINCI SA 1230	EUR	-9,167	0.00	0.00
CFD ML VONOVIA 1230	EUR	-15,385	0.00	0.00
CFD ML WOLTERS 1230	EUR	-28,237	0.00	0.00
CFD MS AMPLIFON 1230	EUR	-50,516	0.00	0.00
CFD MS ATOS 1230	EUR	24,856	0.00	0.00
CFD MS BAE SY 1230	GBP	-227,596	0.00	0.00
CFD MS BECHTLE 1230	EUR	-10,886	0.00	0.00
CFD MS BUREAU V 1230	EUR	29,475	0.00	0.00
CFD MS CIE FINA 1230	CHF	-33,310	0.00	0.00
CFD MS DASSAULT 1230	EUR	-6,413	0.00	0.00
CFD MS DEUTSCHE 1230	EUR	-45,433	0.00	0.00
CFD MS DUFREY AG 1230	CHF	-9,149	0.00	0.00
CFD MS EDENRED 1230	EUR	-20,617	0.00	0.00
CFD MS ELIOR 1230	EUR	-831	0.00	0.00
CFD MS ELIS 1230	EUR	107,500	0.00	0.00
CFD MS GEBERIT 1230	CHF	-2,710	0.00	0.00
CFD MS HENKEL 1230	EUR	24,489	0.00	0.00
CFD MS JCDECAUX 1230	EUR	94,381	0.00	0.00
CFD MS KERING 1230	EUR	1,376	0.00	0.00
CFD MS LEGRAND 1230	EUR	-12,975	0.00	0.00
CFD MS MICHELIN 1230	EUR	24,362	0.00	0.00

Name of security	Currency	Quantity	Market value	%
CFD MS MONCLER 1230	EUR	43,888	0.00	0.00
CFD MS NEXI SPA 1230	EUR	34,402	0.00	0.00
CFD MS OCADO GR 1230	GBP	236,468	0.00	0.00
CFD MS REMY COI 1230	EUR	-11,593	0.00	0.00
CFD MS RENTOKIL 1230	GBP	-495,829	0.00	0.00
CFD MS REXEL SA 1230	EUR	37,935	0.00	0.00
CFD MS SCHNEIDE 1230	EUR	-13,476	0.00	0.00
CFD MS SEB 1230	EUR	-9,202	0.00	0.00
CFD MS SIKA AG 1230	CHF	-6,020	0.00	0.00
CFD MS SMITH AN 1230	GBP	-42,245	0.00	0.00
CFD MS SONOVA H 1230	CHF	-7,266	0.00	0.00
CFD MS SOPRA ST 1230	EUR	27,976	0.00	0.00
CFD MS SWATCH 1230	CHF	-9,114	0.00	0.00
CFD MS SWISSCOM 1230	CHF	-3,036	0.00	0.00
CFD MS VALEO 1230	EUR	-42,474	0.00	0.00
CFD MS VEOLIA E 1230	EUR	-85,529	0.00	0.00
CFD MS WERELDHA 1230	EUR	-35,904	0.00	0.00
CFD OR ML L OREAL 1	EUR	-6,306	0.00	0.00
CFD RMS HERMES 1230	EUR	-2,632	0.00	0.00
CFD RXL REXEL B 1230	EUR	-36,935	0.00	0.00
CFD SECU ML SS 1230	SEK	-51,448	0.00	0.00
CFD SGSN SGS MS 1230	CHF	-893	0.00	0.00
CFD SPIE SPIE M 1230	EUR	108,232	0.00	0.00
CFD SYMRISE MS 1230	EUR	-16,225	0.00	0.00
CFD S85 BAP DSV 1230	DKK	-51,846	0.00	0.00
CFD TIT TELECO 1230	EUR	-388,252	0.00	0.00
CFD WPP WPP ML 1230	GBP	-157,433	0.00	0.00
DEUTSCHE POST CFD	EUR	-38,247	0.00	0.00
GPS PEARSON 1230	GBP	-189,275	0.00	0.00
KNIN KUEHN MS 1230	CHF	-10,525	0.00	0.00
LVMH MOET CFD	EUR	-30	0.00	0.00
MAT MS ACCNTR UN 123	USD	-5,799	0.00	0.00
MDI ADIDAS MS 1230	EUR	2,259	0.00	0.00
ML ATLAS COP 1230	SEK	-18,276	0.00	0.00
ML RELX PLC	EUR	-42,033	0.00	0.00
MMB LAGARD MS 1230	EUR	95,460	0.00	0.00
MPG PUBLI6 MS 1230	EUR	-23,923	0.00	0.00
MS OMNICOM G 1230	USD	-19,949	0.00	0.00
MS ORPEA 1230	EUR	-18,994	0.00	0.00

Name of security	Currency	Quantity	Market value	%
MS SOFTWARE AG 1230	EUR	-36,741	0.00	0.00
MS WORLDLINE 1230	EUR	2,645	0.00	0.00
ORA ORANGE ML 1230	EUR	-137,250	0.00	0.00
PSM PROSIE ML 1230	EUR	-12,277	0.00	0.00
RRTL RTL MS 1230	EUR	-12,437	0.00	0.00
S48 MS BIC 1230	EUR	-14,377	0.00	0.00
TEF TELEFO ML 1230	EUR	-58,800	0.00	0.00
TMP ROLLS BOF 1230	GBP	-12,978	0.00	0.00
<b>TOTAL CFD</b>			<b>0.00</b>	<b>0.00</b>
<b>Total other hedges</b>			<b>0.00</b>	<b>0.00</b>
<b>Total hedges</b>			<b>0.00</b>	<b>0.00</b>
<b>Receivables</b>			<b>24,859,450.50</b>	<b>14.87</b>
<b>Debts</b>			<b>-99,228.57</b>	<b>-0.06</b>
<b>Financial accounts</b>			<b>4,690,512.65</b>	<b>2.81</b>
<b>Net assets</b>			<b>167,188,356.85</b>	<b>100.00</b>

PHILEAS L/S EUROPE I GBP	GBP	290.0000	121.24
PHILEAS L/S EUROPE I	EUR	870,129.4369	117.70
PHILEAS L/S EUROPE RD	EUR	352,410.8017	113.48
PHILEAS L/S EUROPE R	EUR	219,473.6271	111.09
PHILEAS L/S EUROPE S	EUR	2,615.6181	132.71