

# ELEVA European Selection - Class I

31/03/2023  
Monthly report

## Investment objective and approach

- Aiming to achieve superior long-term risk adjusted returns
- Investing primarily in European equities and equity related securities
- Conviction investing using bottom-up stock-picking with high active weight of 80%+ and tracking error target of 6%
- Flexible, opportunistic, and pragmatic approach, with no sector/country bias and style/market cap agnostic
- Using a macroeconomic overlay to support sector positioning
- Recommended investment horizon :  $\geq 5$  years

## Key figures

|                   |                 |
|-------------------|-----------------|
| Net Asset Value   | 1 866.82 €      |
| Total Fund Assets | 4 778 546 310 € |

## Risk Indicator

|            |   |   |             |   |   |   |
|------------|---|---|-------------|---|---|---|
| LOWER RISK |   |   | HIGHER RISK |   |   |   |
| 1          | 2 | 3 | 4           | 5 | 6 | 7 |

## Fund characteristics

**Manager:** Eric Bendahan  
**Legal structure:** Luxembourg SICAV - UCITS  
**Fund launch date:** 26/01/2015  
**Share class launch date:** 26/01/2015  
**ISIN Code:** LU1111643042  
**Bloomberg Ticker:** ELVESIE LX  
**Classification:** European Equity  
**Benchmark:** STOXX Europe 600 Net Return - SXXR  
**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:** 0.9%  
**Performance fees:** 15% of the outperformance to the SXXR with a relative HWM over 5 rolling years

## Contact

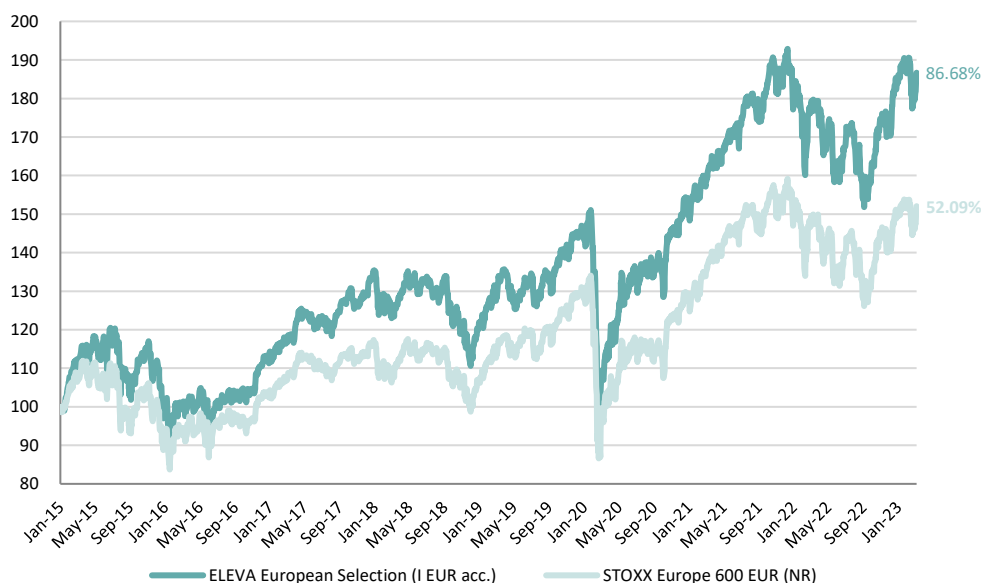
Axel Plichon, Head of Business Development  
 axel.plichon@elevacapital.com

This document should be read in conjunction with the prospectus and relevant KIDs 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\*

|      | Fund    | Index   |                 | Fund   | Index  |
|------|---------|---------|-----------------|--------|--------|
| 2015 | 11.33%  | 0.76%   | 1 month         | -1.01% | -0.32% |
| 2016 | -0.52%  | 1.73%   | 3 months        | 9.63%  | 8.39%  |
| 2017 | 16.48%  | 10.58%  | 6 months        | 21.44% | 19.06% |
| 2018 | -11.88% | -10.77% | 9 months        | 16.04% | 13.91% |
| 2019 | 26.81%  | 26.82%  | 1 year          | 5.00%  | 3.06%  |
| 2020 | 3.17%   | -1.99%  | 3 years         | 70.53% | 53.13% |
| 2021 | 28.33%  | 24.91%  | 5 years         | 49.36% | 40.00% |
| 2022 | -10.77% | -10.64% | Since inception | 86.68% | 52.09% |
| 2023 | 9.63%   | 8.39%   |                 |        |        |

## Cumulative performance\*

## Monthly Comment

Markets were under heavy pressure in March with three regional banks failing in the US, precipitating the demise of Credit Suisse. Markets nevertheless staged a recovery in the month thanks to good corporate news flow and expectations that the Fed will be more dovish going forward with a material shift in interest rate expectations in the period. ELEVA European Selection is down 1.01% vs the index down 0.32%, an underperformance of 69 bps.

Sector allocation had a slightly negative impact, because of the underweight in consumer staples and the overweight in energy, only slightly offset by the underweight in financials. Stock picking also had a negative impact, mostly because of Cyclical. Our investment choices in financials, technology and industrials underperformed, but were positive in energy. Quality Growth companies were in favour this month. **Novo Nordisk** continues to show outstanding sales for their diabetes and anti-obesity drugs. **L'Oréal** benefited from its defensive status and the very solid top line momentum for their brands worldwide. There was also more appetite for the defensive attributes of utilities (**Iberdrola**, **National Grid**). Financials were under heavy selling pressure with investors reassessing interest rate expectations and their equity valuations with increasing spreads on AT1 securities. **ING**, **Prudential** and **Lloyds TSB** weighed on the performance this month, and gave back some of their YTD gains. While there is no direct read across from the demise of Credit Suisse, we reduced exposure to financials to take into account a higher risk premium for the sector.

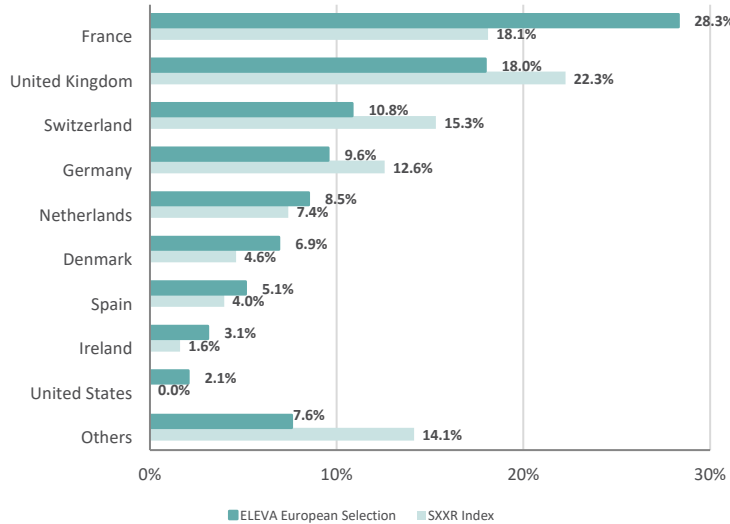
We believe that leading indicators troughed in the summer of last year and that earnings might prove to be more resilient than feared. That said, the financial instability in the US increases the risk of a more pronounced economic downturn in the region and needs to be monitored. Value exposure is down to 42.1%.

Since inception, ELEVA European Selection is up 86.68% vs the index up 52.09%, an outperformance of 3,459 bps.

## Portfolio analysis

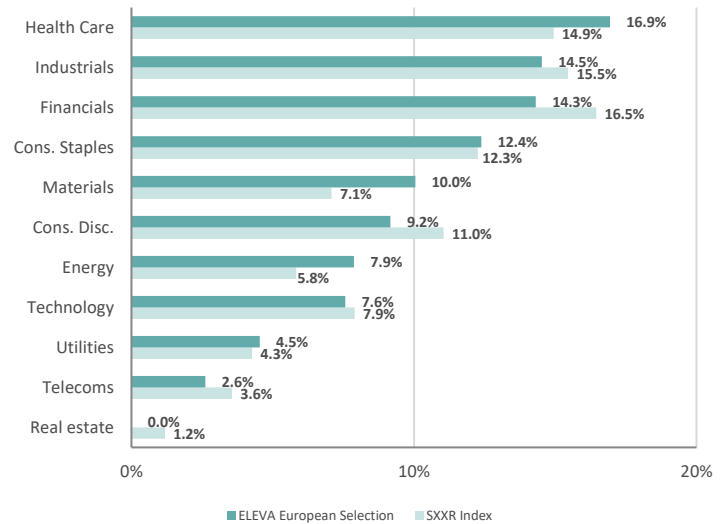
### Geographic breakdown

cash excluded



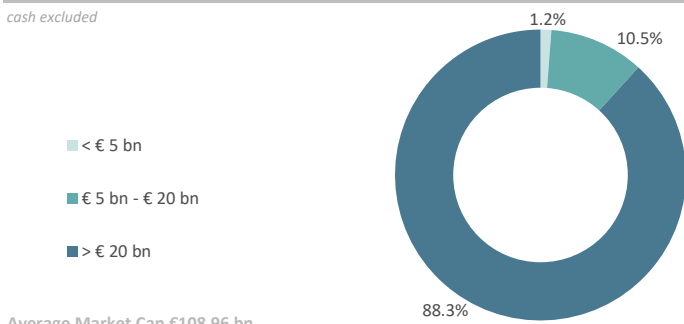
### Sector breakdown

cash excluded



### Market capitalisation

cash excluded



Average Market Cap €108.96 bn

### Risk Indicators

|                             | Fund   | Benchmark |
|-----------------------------|--------|-----------|
| Active Weight               | 68.60% |           |
| Volatility (3 years)        | 16.82% | 17.28%    |
| Beta (3 years)              | 0.95   |           |
| Tracking Error (3 years)    | 3.46%  |           |
| Sharpe ratio (3 years)      | 1.16   | 0.89      |
| Sortino Ratio (3 years)     | 1.62   | 1.23      |
| Information Ratio (3 years) | 1.22   |           |

### Top 5 Holdings

| Company            | Sector        | Country        | Weight | ESG Score* |
|--------------------|---------------|----------------|--------|------------|
| NOVO NORDISK A/S-B | Health Care   | Denmark        | 5.20%  | 76         |
| ASTRAZENECA PLC    | Health Care   | United Kingdom | 4.14%  | 72         |
| ASML HOLDING NV    | Technology    | Netherlands    | 3.28%  | 84         |
| NESTLE SA-REG      | Cons. Staples | Switzerland    | 3.03%  | 61         |
| SIEMENS AG-REG     | Industrials   | Germany        | 2.81%  | 61         |

\* ELEVA proprietary score from 0 to 100

### Top 3 contributors

| Company            | Absolute Contribution |
|--------------------|-----------------------|
| NOVO NORDISK A/S-B | 48 bps                |
| L'OREAL            | 24 bps                |
| ASML HOLDING NV    | 21 bps                |

### Top 3 detractors

| Company        | Absolute Contribution |
|----------------|-----------------------|
| ING GROEP NV   | -45 bps               |
| PRUDENTIAL PLC | -29 bps               |
| BNP PARIBAS    | -27 bps               |

### Additional data

| Share class      | Launch date | ISIN         | Bloomberg Ticker | Distribution policy | NAV     |
|------------------|-------------|--------------|------------------|---------------------|---------|
| I (EUR) dis.     | 04/05/2017  | LU1111643638 | ELEURSI LX       | Distribution        | 1418.89 |
| I (CHF) acc. Hdg | 07/08/2015  | LU1111643398 | EESFICH LX       | Accumulation        | 1522.08 |
| I (GBP) acc. Hdg | 27/07/2017  | LU1111643471 | ELVIGAH LX       | Accumulation        | 1546.90 |
| I (USD) acc. Hdg | 05/10/2015  | LU1111643125 | EESFUA LX        | Accumulation        | 1965.78 |

## ESG data

### Investment process

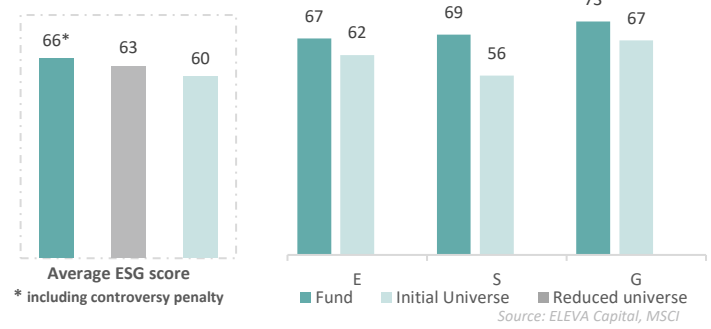
| Steps                                                                | nb of companies |
|----------------------------------------------------------------------|-----------------|
| Initial universe (financial criterias and existence of an ESG score) | 806             |
| 1. Universe post Exclusions*                                         | 794             |
| 2. Universe reduced by 20% of issuers with the lowest ESG score      | 632             |
| Initial universe reduction related to exclusions and ESG selection   | 22%             |
| 3. Portfolio post fundamental research**                             | 49              |

\* Tobacco / Nuclear weapons / Controversial weapons / Violation of the UN Global Compact or ILO conventions or UN guiding principles on Business and Human Rights or OECD guidelines for Multinational Enterprises / 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

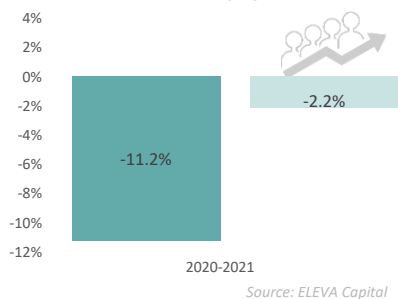
| Name                  | Sector      | Country        | ESG Score |
|-----------------------|-------------|----------------|-----------|
| ASML HOLDING NV       | Technology  | Netherlands    | 84        |
| NATIONAL GRID PLC     | Utilities   | United Kingdom | 81        |
| SCHNEIDER ELECTRIC SE | Industrials | France         | 80        |

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

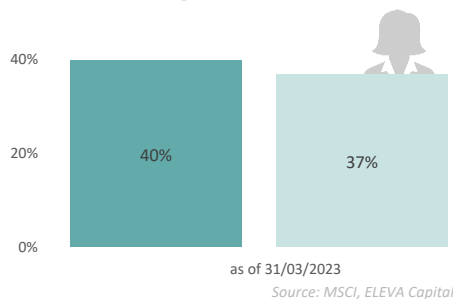
| Name                   | Sector      | Country        | ESG Score |
|------------------------|-------------|----------------|-----------|
| RYANAIR HOLDINGS PLC   | Industrials | Ireland        | 50        |
| RIO TINTO PLC          | Materials   | United Kingdom | 53        |
| MERCEDES-BENZ GROUP AG | Cons. Disc. | Germany        | 53        |

## ESG Performances

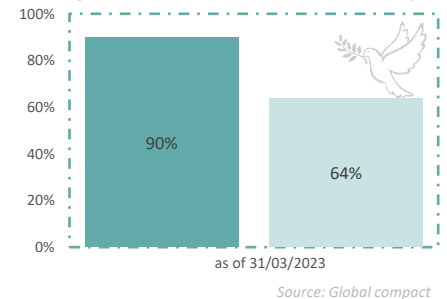
### Growth in the number of employees



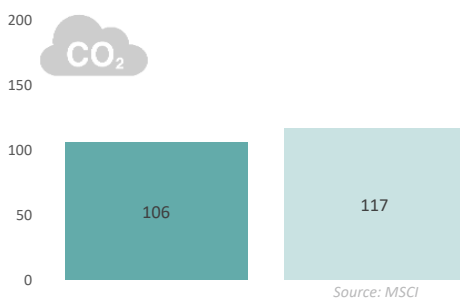
### Percentage of women on the board



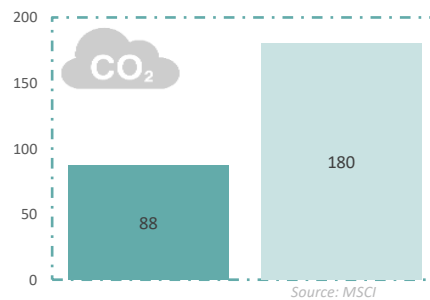
### Signatories of the United Nations Global Compact



### 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)



Binding ESG KPI

Fund

Global universe

## 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%                               | 98%                  | 98%                                                | 97%              | 97%                                    |
| Initial universe | 91%                               | 94%                  | 93%                                                | 100%             | 100%                                   |

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