

ELEVA Absolute Return Europe - Class R

31/08/2022
Monthly report

Investment objective and approach

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

Key figures

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

Risk and return profile



Fund characteristics

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

Administrative information

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

Fees

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

Contact

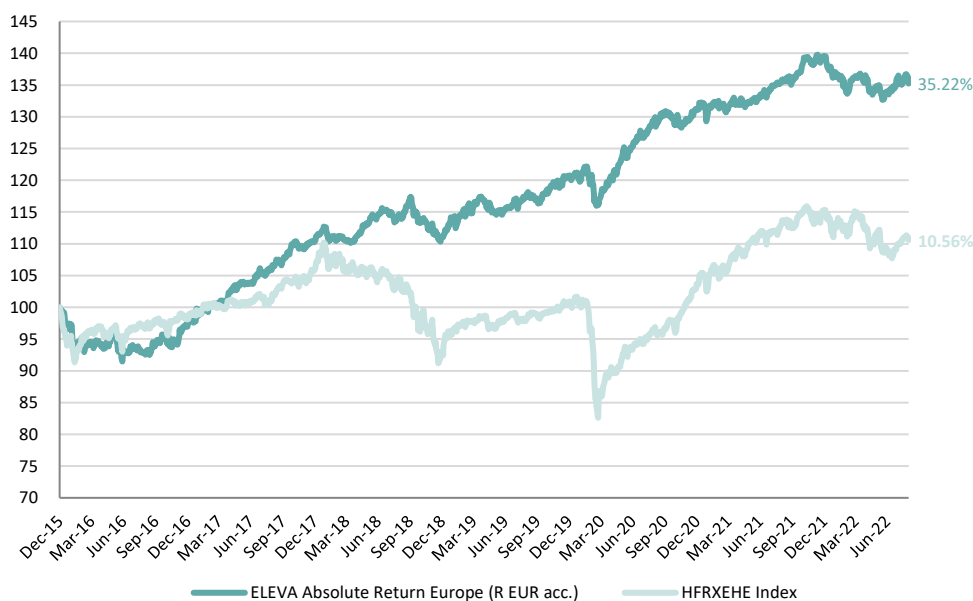
Axel Plichon, Head of Business Development
axel.plichon@elevacapital.com

This document should be read in conjunction with the prospectus and relevant KIIDs which are available on our website www.elevacapital.com.

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

Performance

Sources: ELEVA Capital



Calendar year performance*

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

Monthly Comment

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

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

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

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

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

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

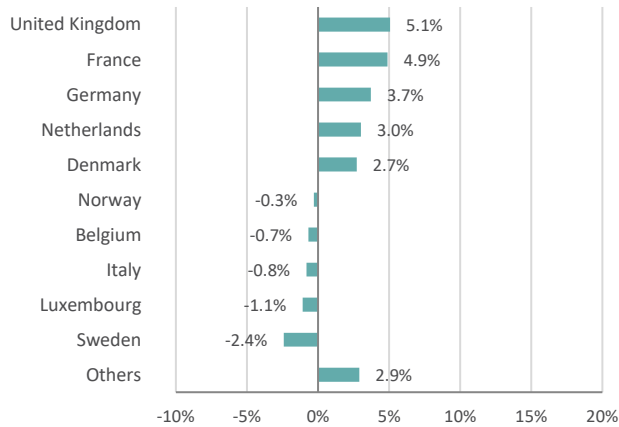
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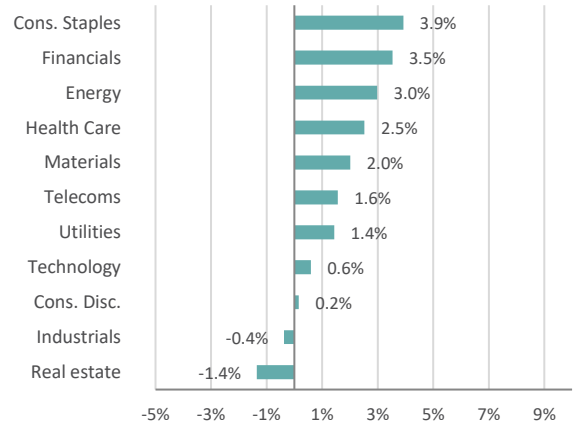
Monthly report

Portfolio analysis

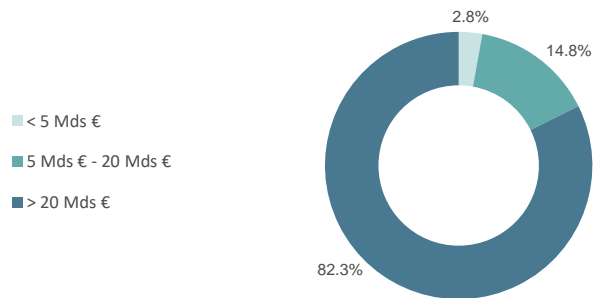
Geographic breakdown (Net %)



Sector breakdown (Net %)



Market Capitalisation (Long Book)



Risk measures

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

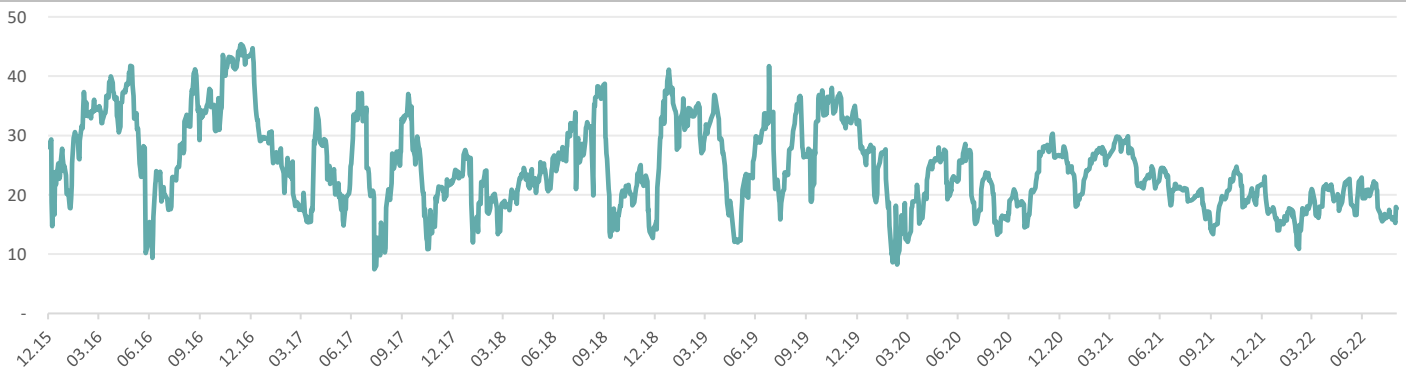
Top 5 Long Holdings

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

Top 5 Short Holdings

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

Net Exposure



Additional data

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

ESG data Long Book

Investment process

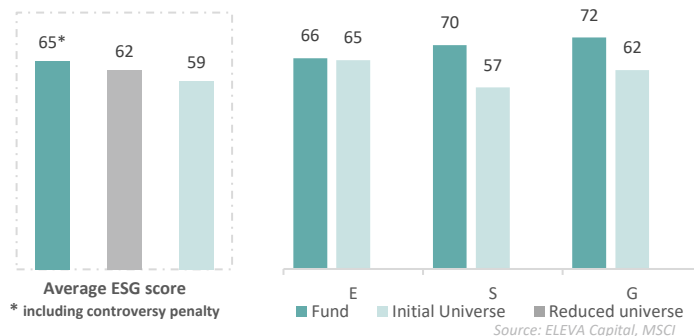
Steps	nb of companies
Initial universe (financial criterias and existence of an ESG score)	505
1. Universe post Exclusions*	496
2. Universe reduced by 20% of issuers with the lowest ESG score	395
Initial universe reduction related to exclusions and ESG selection	22%
3. Portfolio post fundamental research**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

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

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

Source: ELEVA Capital

Average scores of the three pillars with their initial universe



The three best ESG ratings of the sub-fund

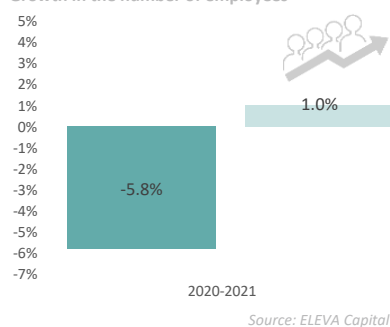
Name	Sector	Country	ESG Score
ASML HOLDING NV	Technology	Netherlands	84
RELX PLC	Industrials	United Kingdom	79
TRYG A/S	Financials	Denmark	78

The three worst ESG ratings of the sub-fund

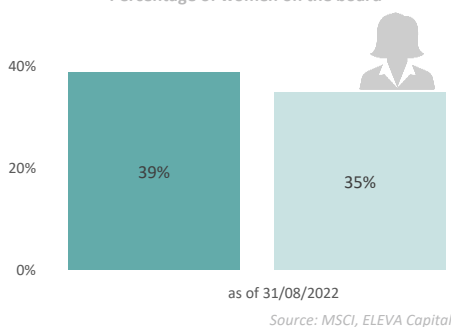
Name	Sector	Country	ESG Score
RIO TINTO PLC	Materials	United Kingdom	48
MERCEDES-BENZ GROUP AG	Cons. Disc.	Germany	48
RIO TINTO PLC	Materials	United Kingdom	48

ESG Performances

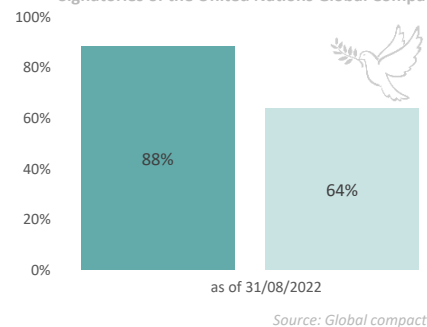
Growth in the number of employees



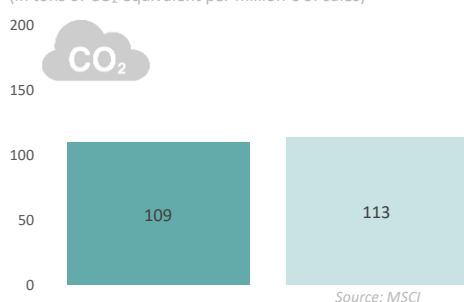
Percentage of women on the board



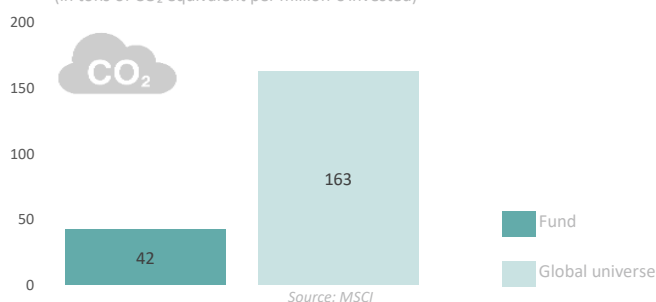
Signatories of the United Nations Global Compact



Average carbon intensity (in tons of CO₂ equivalent per million € of sales)



Carbon footprint (in tons of CO₂ equivalent per million € invested)



Coverage rate of ESG indicators

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

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