DNCA INVEST VENASQUO

EUROPEAN LONG-HEDGED EQUITIES

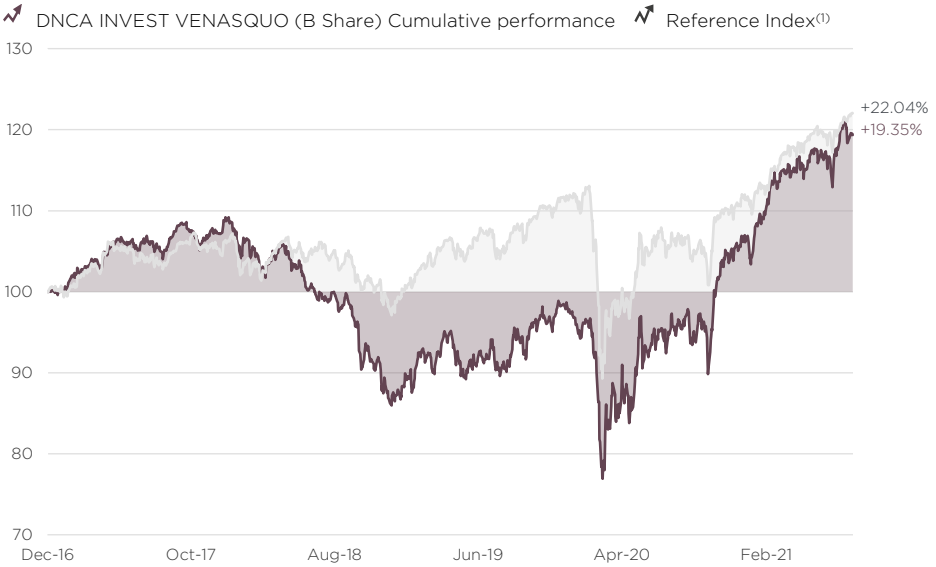
Investment objective

The Sub-Fund seeks to achieve a positive performance higher than the following composite Index: 50% EUROSTOXX 50 Net Return + 50% EONIA. The investment manager's team will try to reach this target with an average annual volatility around 10% in normal market conditions, throughout the recommended investment period.

Financial characteristics

NAV (€)	119.35
Net assets (€M)	144
Gross exposure	125.8%
Net exposure	63.7%
Net exposure (beta adjusted)	79.8%
Long positions	44

Performance (from 28/12/2016 to 31/08/2021)



(1)50% EONIA + 50% EURO STOXX 50 NR. **Past performance is not a guarantee of future performance.**

Annualised performances and volatilities (%)

	1 year	3 years	Since inception
B Share	+24.91	+6.34	+3.86
Reference Index	+15.26	+5.42	+4.35
B Share - volatility	11.58	14.51	12.11
Reference Index - volatility	8.21	10.76	9.28

Cumulative performances (%)

	1 month	3 months	YTD	1 year	3 years	Since inception
B Share	+1.59	+2.91	+13.61	+24.91	+20.24	+19.35
Reference Index	+2.08	+2.81	+10.37	+15.26	+17.17	+22.04

Calendar year performances (%)

	2020	2019	2018	2017
B Share	+7.37	+11.69	-18.24	+7.17
Reference Index	-0.54	+13.24	-6.16	+4.43

Risk and reward profile

Lower risk — Higher risk

1 2 3 4 **5** 6 7

Lower potential reward — Higher potential reward

The risk level of this fund is due to exposure to equity and/or fixed income markets

	1 year	3 years
Sharpe Ratio	2.19	0.47
Tracking error	6.00%	7.75%
Correlation coefficient	0.87	0.85
Information Ratio	1.61	0.12
Beta	1.23	1.15

Main risks: Counterparty risk, equity risk, foreign-exchange risk, interest-rate risk, risk of investing in derivative instruments as well as instruments embedding derivatives, risk relating to discretionary management, risk relating to investments in derivative products

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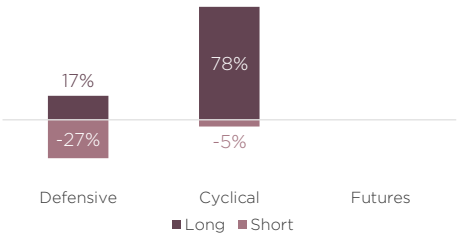
EUROPEAN LONG-HEDGED EQUITIES

Main positions

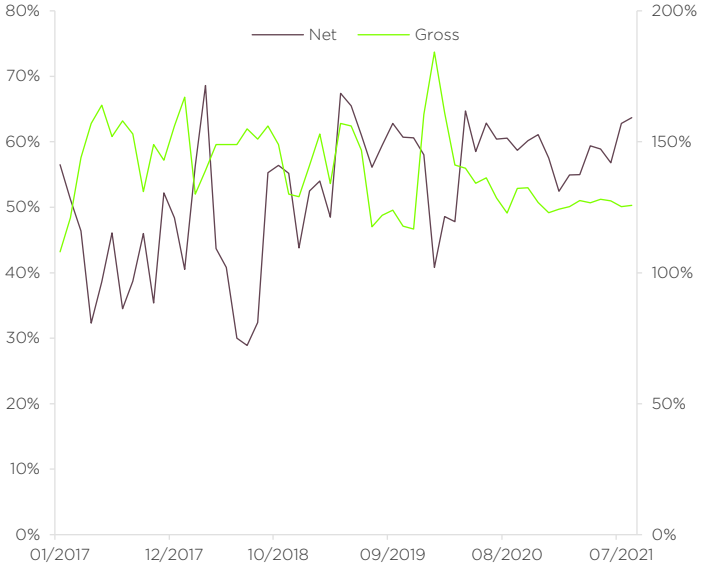
Long	
CAPGEMINI SE	7.52%
STELLANTIS NV	7.29%
COMPAGNIE DE SAINT GOBAIN	6.65%
HOLCIM LTD	4.99%
IPSOS	4.55%

Short	
STOXX 600 Food and Beverage	-7.84%
STOXX 600 Product and Household Goods	-6.44%
STOXX 600 Utilities	-3.90%
STOXX 600 Technology	-3.46%
STOXX 600 Telecommunication	-3.06%

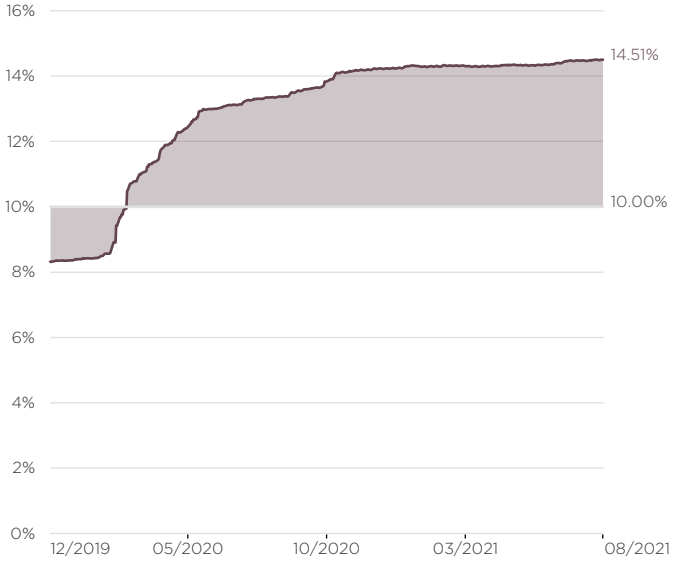
Segment exposure



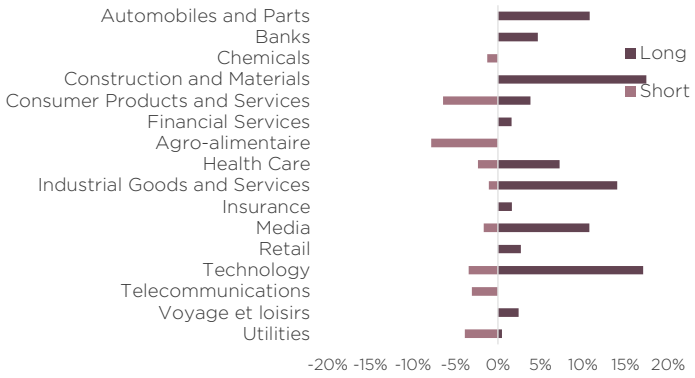
Market exposure



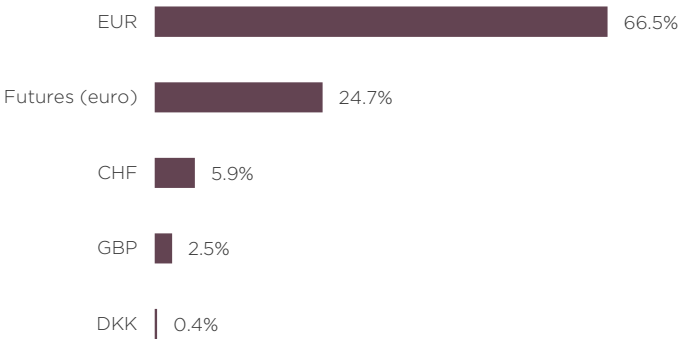
3 years volatility evolution



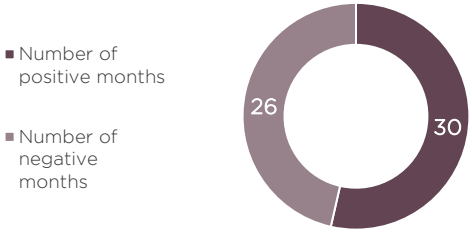
Sector exposure



Gross exposure to equities by currency



Performance



	B Share	Index(1)
Worst performance 1 month	-8.96%	-7.92%
Best performance 1 month	13.15%	8.73%
Worst performance 1 quarter	-14.52%	-13.52%
Best performance 1 quarter	11.60%	8.41%

(1)50% EONIA + 50% EURO STOXX 50 NR

Portfolio managers comments

Equity markets resumed their advance in August, with the Eurostoxx 50 rising 2.6% over the month. After a half-year earnings season that brought new upward revisions of results (Stoxx 600 EPS 21 +5.7% over mid-July/August), questions about market positioning remain. Indeed, the economic environment (travel restrictions, production constraints, inflation, etc.) has led the markets to favour defensive sectors (agri-business, consumer discretionary, healthcare) since last April. This phase of the market, which is pro international growth, seems to us to be losing its intensity and we see two reasons for this. The first is from China. The Chinese government's talk of shared prosperity and tighter control over certain sectors is a question mark for many companies. At this stage, we do not have a view on the evolution of taxation in China, but we will be attentive to the impact on the upper middle class. It is the upper middle class that has made European companies successful over the past 15 years in the luxury, cosmetics, sports and automotive industries. The second point concerns inflation and the impact on earnings momentum in the coming quarters. We note that the ability to raise prices differs from one sector to another and that, counter-intuitively, the most cyclical sectors (construction, industry, automotive) show low price elasticity, while consumer goods are revising their margins downwards at the same time.

VENASQUO increased by 1.59% against 2.08% for its benchmark index (50% Eonia / 50% Eurostoxx 50 NR). Our investments in the semiconductor sector (STM, Infineon, ASM Int) were our main source of performance over the month (+52bp). We have maintained our exposure to the sector (>6%), taking into account several favourable points: 1/ our discussions with management have confirmed that we have good visibility of demand over the next 18 months. Beyond that, we are convinced that the sales momentum will be confirmed thanks to the central role of this industry within several verticals: automotive (electrification, assistance), industry (IoT), infrastructure (5G) and consumer electronics. 2/ The consensus on sales seems relatively conservative for 2022, although two elements will support growth. Firstly, the commissioning of capacity and secondly, the price increases that have been accelerating over the past month. 3/ This increased visibility seems to us to be more favourable to semiconductor manufacturers on the stock market, whereas it is already well taken into account by equipment manufacturers.

The other sector that benefited VENAQUSO was industry. Siemens (4.2% of the portfolio; +7.0%) published results that showed promising trends in its flagship Digital Industries division, but also in the Smart Infrastructure part (short cycle, electrification, construction). We still consider Siemens to be a low-valued company, given the quality of its assets, the growth of its markets and the simplification of its structure. Adjusted for its stakes in Siemens Healthineers and Siemens Gamesa, its EV/EBIT ratio stands at 10x, i.e. a 30% discount to Alstom, 45% to Schneider-Electric and 80% to Dassault-Systemes.

VENASQUO's exposure stood at 63.7% at the end of the month. We made few moves during the month. The results season has generally confirmed our convictions, but we will be able to validate them again during the first half of September, when we will meet with all the companies in the portfolio, as well as their competitors. Automobiles, building materials, IT services, seeds, media and industry remain favoured in the portfolio.

Text completed on 06/09/2021.



Mathieu Picard



Alexis Albert

Administrative information

Name: DNCA INVEST Venasquo
ISIN code (Share B): LU1526313249
SFDR classification: Art.6
Inception date: 28/12/2016
Investment horizon: Minimum 5 years
Currency: Euro
Country of domicile: Luxembourg
Legal form: SICAV
Reference Index: 50% EONIA + 50% EURO STOXX 50 NR
Valuation frequency: Daily
Management company: DNCA Finance

Portfolio Managers:
Mathieu PICARD
Alexis ALBERT

Minimum investment: 0 part
Subscription fees: 2%max
Redemption fees: -
Management fees: 2%
Ongoing charges as of 31/12/2020: 2.16%
Performance fees: 20% of the positive performance net of any fees above the index: 50% EONIA + 50% EURO STOXX 50 NR

Custodian: BNP Paribas Securities Services, Luxembourg Branch
Settlement: T+2
Cut off: 12:00 Luxembourg time

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Glossary

Beta. Measures the average extent to which a fund moves relative to the broader market. The beta of a market is 1. A fund with a beta of more than 1 moves on average to a greater extent than the market. A fund with a beta of less than 1 moves on average to a lesser extent. If beta is a minus number, it is likely that the stock and the market move in opposite directions.
CFD (Contract For Differences). An arrangement made in a futures contract whereby differences in settlement are made through cash payments, rather than the delivery of physical goods or securities.
Correlation coefficient. The correlation coefficient is a measure of correlation. It is used to determine the relationship between two assets over a given period. A positive coefficient means that the two assets move in the same direction. Conversely, a negative coefficient means that the assets move in the opposite direction. The correlation or decorrelation can be more or less strong and varies between -1 and 1.
Derivatives. The collective name used for a broad class of financial instruments that derive their value from other underlying financial instruments. Futures, options and swaps are all types of derivative.
Sharpe Ratio. The Sharpe ratio measures the excess return over the risk-free money rate of an asset portfolio divided by the standard deviation of that return. It is therefore a measure of the marginal return per unit of risk. It is used to measure the performance of managers with different risk policies.
Sharpe Ratio. A way of measuring the historical risk-adjusted return on an investment. It is the average previous return minus the risk-free return, divided by the standard deviation (a measure of risk that looks at the diversion of actual returns from expected returns).
Tracking error. Tracking Error is a measure of how closely an investment portfolio follows the index against which it is benchmarked. It is the difference in the return earned by a portfolio and the return earned by the benchmark against which the portfolio is constructed. For example, if a bond portfolio earns a return of 5.15% during a period when the portfolio's benchmark (say, for example, the Lehman Brothers Index) produces a return of 5.06%, the tracking error is .09%, or 9 basis points.

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