

ELEVA Absolute Return Europe - Class A1

30/11/2022
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	130.56 €
Total Fund Assets	3 785 683 652 €

Risk and return profile



Fund characteristics

Manager: Eric Bendahan
Legal structure: Luxembourg SICAV - UCITS
Fund launch date: 30/12/2015
Share class launch date: 08/03/2017
ISIN Code: LU1331971769
Bloomberg Ticker: ELEA1EA 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: 2%
Performance fees: 20% of any excess return the NAV achieves over the High Water Mark

Contact

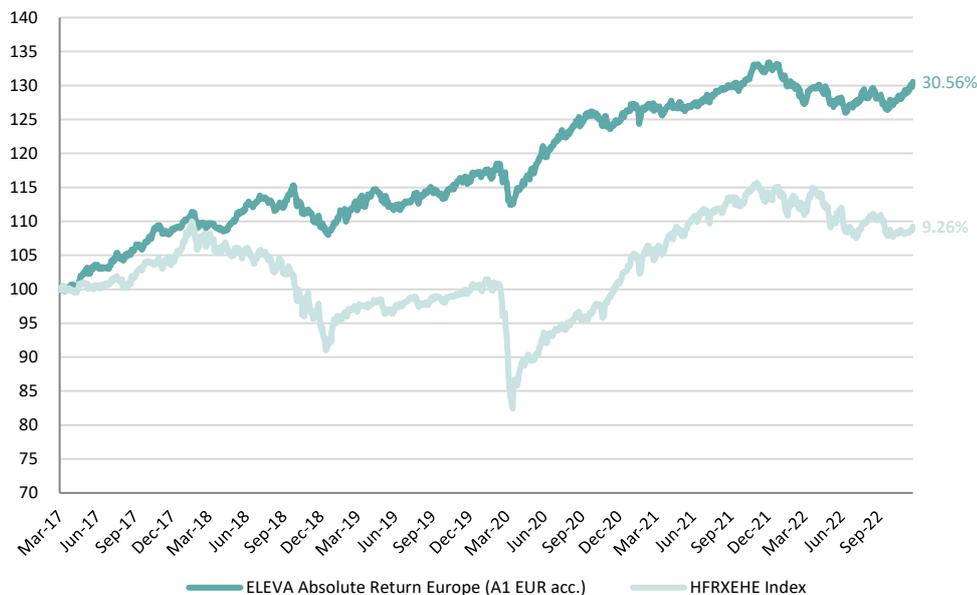
Axel Plichon, Head of Business Development
 axel.plichon@elevacapital.com

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	-2.27%	-1.15%	0.94%	0.05%	-1.66%	-0.60%	1.65%	-0.69%	-1.23%	1.14%	1.98%		-1.91%
2021	-1.00%	1.35%	-0.39%	0.43%	0.13%	0.50%	0.96%	0.73%	-0.02%	1.76%	0.03%	0.89%	5.48%
2020	-0.73%	-0.44%	-1.50%	2.33%	2.35%	1.56%	0.89%	2.15%	0.46%	-1.22%	0.27%	1.49%	7.77%
2019	2.58%	0.78%	0.36%	1.23%	-1.67%	0.28%	1.19%	0.76%	-0.59%	0.56%	1.61%	0.45%	7.72%
2018	1.87%	-1.37%	-0.48%	0.49%	1.93%	0.93%	0.22%	-0.33%	1.68%	-2.45%	-1.17%	-1.50%	-0.29%
2017				1.67%	1.37%	-0.24%	1.76%	0.60%	0.72%	2.35%	-0.58%	0.74%	8.68%

Monthly Comment

November was again a strong month for equity markets. Top down, there were some early signs of macro resilience combined with expectations that inflation was beginning to stabilize, pushing investors to expect a slower pace of rate hikes. Earnings also held up better than expected, thanks to positive surprises on pricing and ultimately on sales. While real growth has been decelerating quickly, nominal growth is strong enough to allow earnings to grow.

ELEVA Absolute Return Europe was up 1.98% this month.

The long leg had a positive impact on performance, and marginally outperformed the rise in broad markets. All sectors contributed positively but Financials, Industrials and Consumer Discretionary had the greater impact. Cyclical (**STM**icroelectronics, **Rio Tinto**) were in favour as investors priced in a greater reopening likelihood in China; valuations are also supportive in our view. **ING Group** upgraded its net interest income guidance and delivered a share buyback. **Novo Nordisk** upgraded its guidance and reassured on supply shortages for their key obesity drug. On the other hand, defensives (**RELX**, **Nestle**) underperformed and suffered from sector rotation this month.

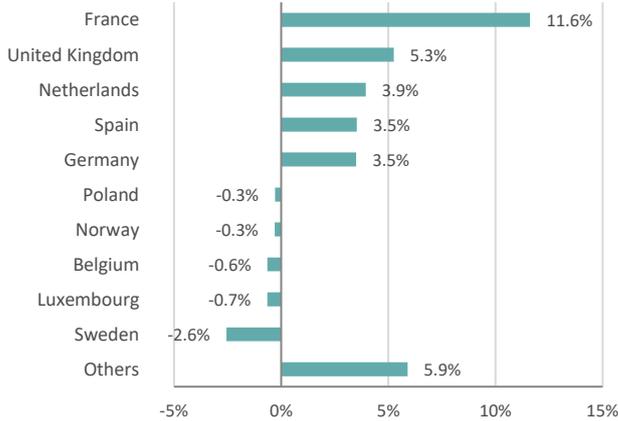
The short leg had a negative impact on performance, coming both from index hedges and single name shorts. The improvement in macro conditions and decent earnings triggered a short covering rally in most sectors, but it was more painful in areas that were under pressure YTD (Consumer cyclicals). Single name shorts on Telecoms helped to soften the blow.

Macro-economic indicators have been deteriorating after a peak in Summer 2021 and a mild recession looks unavoidable. Nevertheless, there are some signs that indicators could be troughing and that earnings could prove to be more resilient than feared. Value exposure is up to 54.2% of the long leg. Net and gross exposure have increased to 29.3% and 107% respectively.

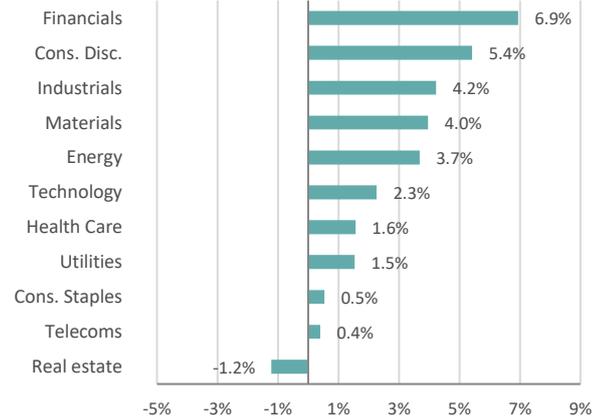
Since inception, ELEVA Absolute return Europe is up 30.56%.

Portfolio analysis

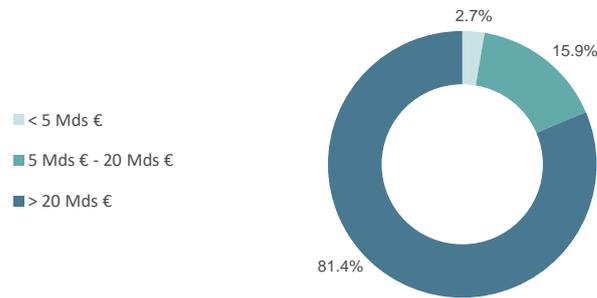
Geographic breakdown (Net %)



Sector breakdown (Net %)



Market Capitalisation (Long Book)



Risk measures

Indicator	Value
Equity Long Exposure	68.14%
Equity Short Exposure	38.82%
Equity Net Exposure	29.32%
Equity Gross Exposure	106.97%
Volatility (3 years)	4.36%
Sharpe ratio (3 years)	1.0
Sortino Ratio (3 years)	1.3

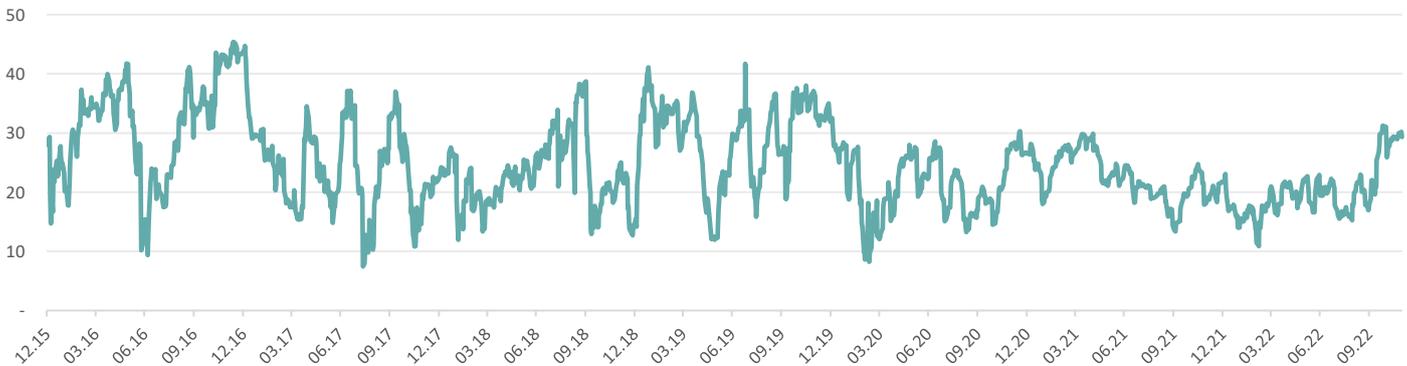
Top 5 Long Holdings

Company	Weight (%)
NOVO NORDISK A/S-B	2.71%
TOTAL SA	2.67%
ING GROEP NV	2.08%
UNICREDIT SPA	2.00%
LVMH MOET HENNESSY LOUIS VUI	1.99%

Top 5 Short Holdings

Indexes and Companies	Weight (%)
STOXX EUROPE 600	13.63%
STOXX EUROPE 600 DEC22	9.75%
FINANCIALS COMPANY	0.53%
FINANCIALS COMPANY	0.49%
INDUSTRIALS COMPANY	0.46%

Net Exposure



Additional data

Share class	Launch date	ISIN	Bloomberg Ticker	Distribution policy	NAV
A1 (EUR) dis.	30/04/2018	LU1543705369	ELAA1ED LX	Distribution	117.55
A1 (CHF) acc. Hdg	23/05/2017	LU1331972064	ELARA1C LX	Accumulation	124.81
A1 (GBP) acc. Hdg	07/02/2017	LU1331971926	ELEA1UA LX	Accumulation	119.16
A1 (USD) acc. Hdg	07/03/2019	LU1716218950	ELARA1G LX	Accumulation	143.70
A1 (USD) acc. Unhdg	07/03/2019	LU1331971843	ELA1UAH LX	Accumulation	103.77

ESG data Long Book

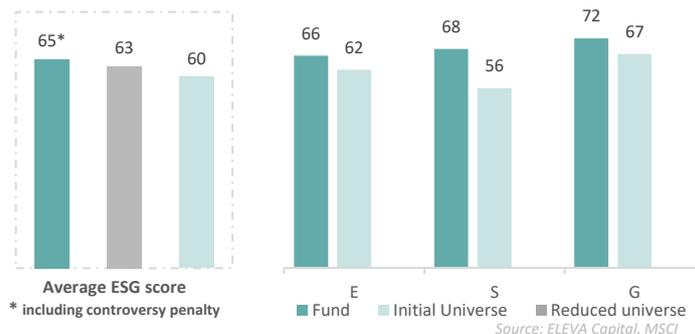
Investment process

Steps	nb of companies
Initial universe (financial criterias and existence of an ESG score)	813
1. Universe post Exclusions*	802
2. Universe reduced by 20% of issuers with the lowest ESG score Initial universe reduction related to exclusions and ESG selection	639 21%
3. Portfolio post fundamental research**	53

* 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

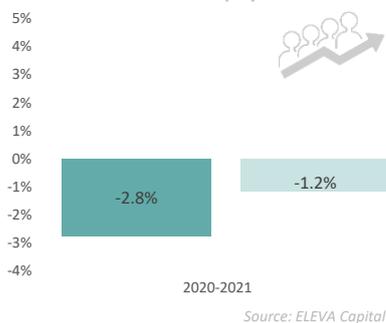
Name	Sector	Country	ESG Score
ASML HOLDING NV	Technology	Netherlands	84
NATIONAL GRID PLC	Utilities	United Kingdom	81
SCHNEIDER ELECTRIC SE	Industrials	France	78

The three worst ESG ratings of the sub-fund

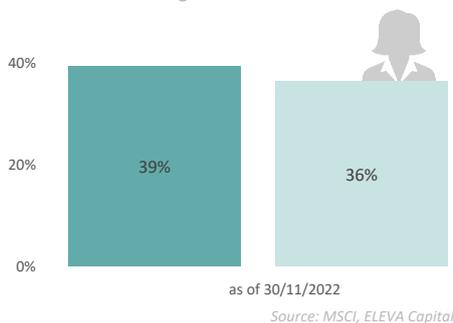
Name	Sector	Country	ESG Score
RIO TINTO PLC	Materials	United Kingdom	53
RENAULT SA	Cons. Disc.	France	53
MERCEDES-BENZ GROUP AG	Cons. Disc.	Germany	53

ESG Performances

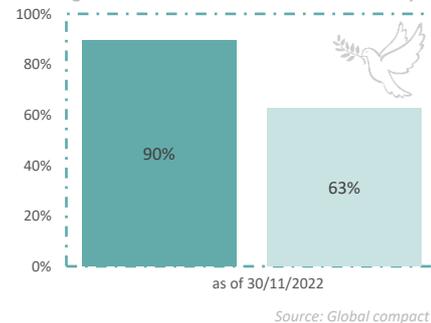
Growth in the number of employees



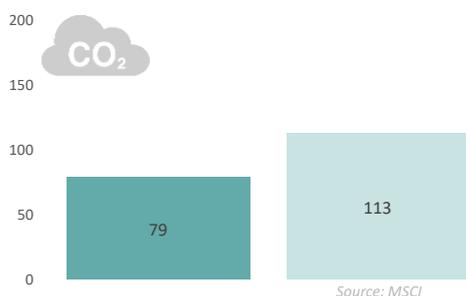
Percentage of women on the board



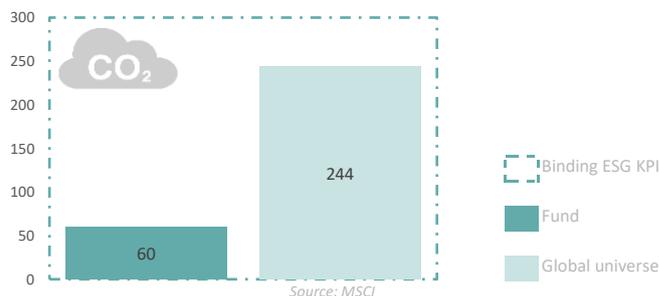
Signatories of the United Nations Global Compact



Average carbon intensity (in tons of 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	98%	100%	100%	100%	100%
Initial universe	89%	95%	92%	100%	100%

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