

# ELEVA Absolute Return Europe - Class I

30/11/2023  
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 :  $\geq 5$  years

## Key figures

Net Asset Value	1 293.37 €
Total Fund Assets	3 630 872 619 €

## 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:** 30/12/2015  
**Share class launch date:** 18/01/2018  
**ISIN Code:** LU1331972494  
**Bloomberg Ticker:** ELARIEA 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

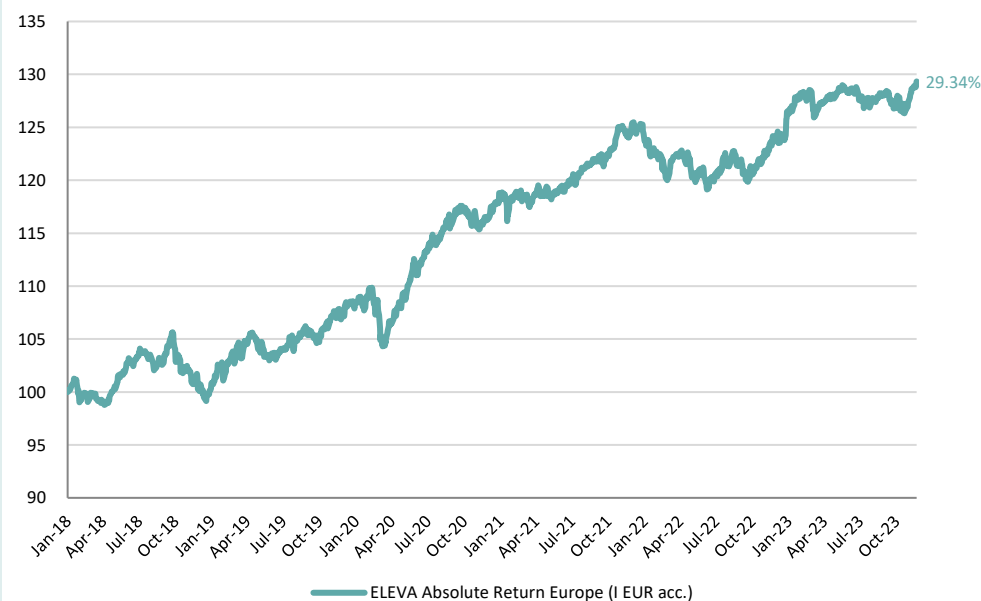
Axel Plichon, Head of Business Development  
axel.plichon@elevacapital.com

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2023	3.18%	0.26%	-0.68%	0.56%	0.57%	0.12%	-0.78%	0.13%	-0.49%	-0.73%	2.32%		4.48%
2022	-2.18%	-1.07%	1.03%	0.14%	-1.56%	-0.51%	1.73%	-0.59%	-1.14%	1.22%	2.07%	-0.19%	-1.15%
2021	-0.91%	1.39%	-0.30%	0.48%	0.20%	0.57%	1.01%	0.80%	0.05%	1.81%	0.12%	0.97%	6.35%
2020	-0.63%	-0.36%	-1.41%	2.42%	2.38%	1.65%	0.96%	2.19%	0.55%	-1.12%	0.30%	1.49%	8.64%
2019	2.66%	0.81%	0.37%	1.32%	-1.54%	0.30%	1.24%	0.82%	-0.53%	0.64%	1.70%	0.53%	8.58%
2018		-1.27%	-0.46%	0.64%	2.13%	1.08%	0.26%	-0.24%	1.75%	-2.41%	-1.09%	-1.41%	-0.18%

## Monthly Comment

Interest rate relief led to a sharp rally in markets in November, with equities and bonds performing very strongly. Inflation data surprised on the downside, and economic surprises ticked positively, increasing the probability of a soft landing for investors.

ELEVA Absolute Return was up 2.32% in November.

The long leg had a positive contribution and behaved better than the main European indices. Cyclical and bond sensitive sectors were favoured by investors. Financials, healthcare, and technology had a positive impact on the fund, while energy choices were a drag to performance.

**Infineon Technologies** was a strong performer as their 2024 guidance reassured, with still very positive growth in autos and datacenters making up for a de-stocking in other divisions. Other cyclical (**Siemens**, **Stellantis**) also did well with investors reassessing upwards their growth expectations. **Ryanair** had a very well received update, highlighting strong demand and limited supply in their main flight routes. **3i** once again surprised investors with the growth coming from their low-cost retailer Action group. Conversely, defensives lagged the index this month. **Pernod Ricard** suffered from a negative read-across after a Diageo profit warning. Oil sensitives (**TotalEnergies**, **Centrica**), were also under pressure after a fall in Brent.

The short book had a negative impact on performance, with intense short covering activity affecting the performance of the short leg, both on single names and on index hedges. Financials, industrials, and technology shorts suffered from this positive economic and interest rate outlook re-assessment.

Economic growth is uneven, with weak growth in Europe and in China balanced by resilience in the US and good growth elsewhere. Falling inflation expectations reduce the risks of a Central Bank mistake. European macro surprises are now improving from a low level in our view. In that environment we believe that corporates will still be able to grow at a moderate pace. Value and cyclical on the long leg were at 49.8% and 63.1% of the fund respectively. The cyclical exposure was increased materially this month. Net exposure is up to 34.1%, gross exposure at 134.6%.

Since inception, ELEVA Absolute Return Europe is up 29.34%.

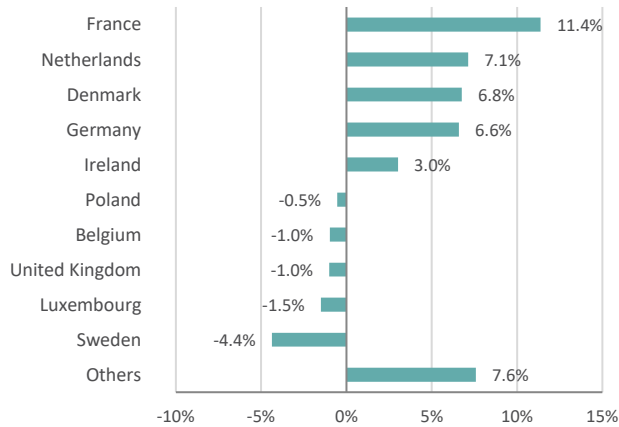
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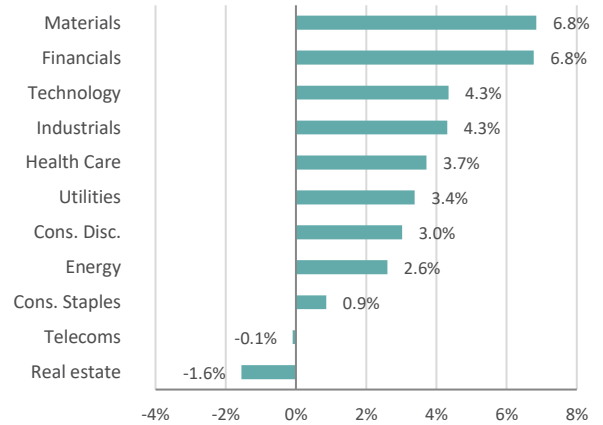
Monthly report

## Portfolio analysis

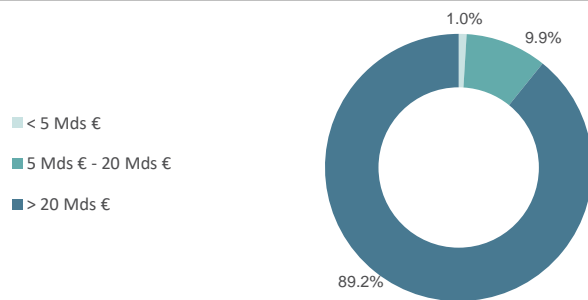
### Geographic breakdown (Net %)



### Sector breakdown (Net %)



### Market Capitalisation (Long Book)



### Risk measures

Indicator	Value
Equity Long Exposure	84.32%
Equity Short Exposure	50.24%
Equity Net Exposure	34.08%
Equity Gross Exposure	134.57%
Volatility (since inception)	4.09%
Sharpe ratio (since inception)	1.0
Sortino Ratio (since inception)	1.4

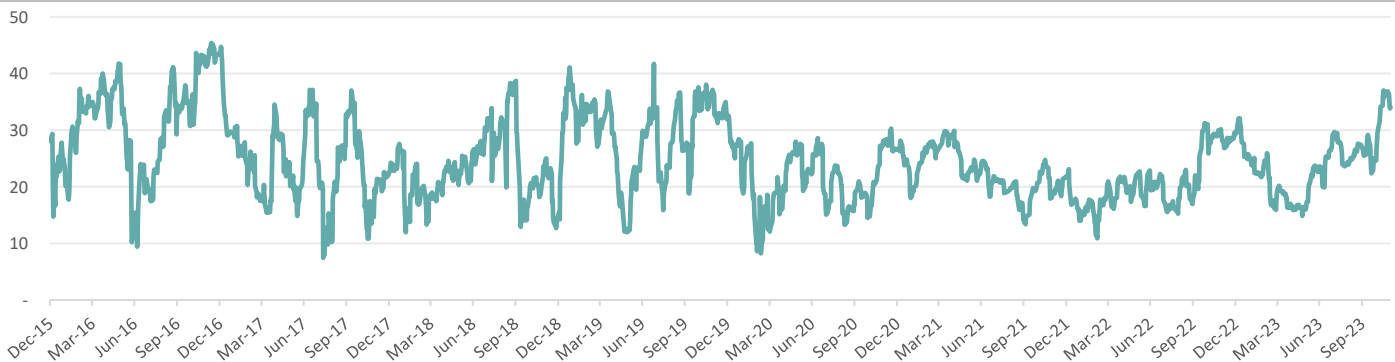
### Top 5 Long Holdings

Company	Weight (%)
NOVO NORDISK A/S-B	3.93%
ASML HOLDING NV	3.76%
TOTAL SA	2.93%
NOVARTIS AG-REG	2.80%
UNICREDIT SPA	2.72%

### Top 5 Short Holdings

Indexes and Companies	Weight (%)
EUX STOXX EUROPE 600 DEC23	28.33%
FINANCIALS COMPANY	0.66%
HEALTH CARE COMPANY	0.63%
FINANCIALS COMPANY	0.60%
MATERIALS COMPANY	0.59%

### Net Exposure



### Additional data

Share class	Launch date	ISIN	Bloomberg Ticker	Distribution policy	NAV
I (EUR) dis.	12/01/2018	LU1331973112	ELARIED LX	Distribution	1287.48
I (CHF) acc. Hdg	11/08/2017	LU1331972817	ELEICAH LX	Accumulation	1325.18
I (GBP) acc. Hdg	19/06/2018	LU1331972908	ELEIGAH LX	Accumulation	1308.34
I (USD) acc. Hdg	23/08/2018	LU1331972650	ELAIUAH LX	Accumulation	1352.73

## ESG data Long Book

### Investment process

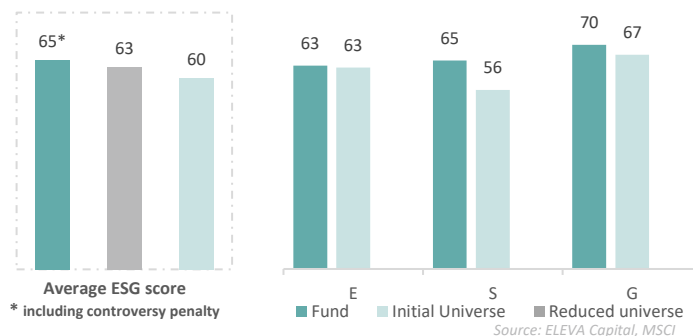
Steps	nb of companies
Initial universe (financial criterias and existence of an ESG score)	828
1. Universe post Exclusions*	815
2. Universe reduced by 20% of issuers with the lowest ESG score	649
Initial universe reduction related to exclusions and ESG selection	22%
3. Portfolio post fundamental research**	51

\* 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

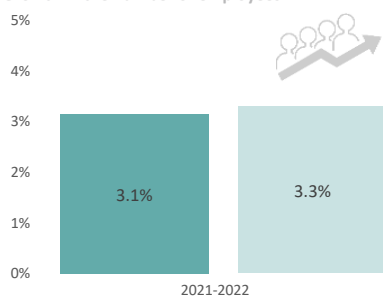
Name	Sector	Country	ESG Score
ASML HOLDING NV	Technology	Netherlands	84
SCHNEIDER ELECTRIC SE	Industrials	France	80
SSE PLC	Utilities	United Kingdom	77

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

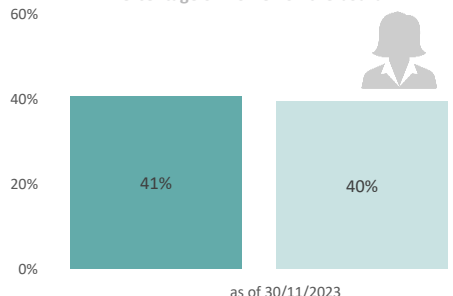
Name	Sector	Country	ESG Score
SHELL PLC	Energy	United Kingdom	42
STELLANTIS NV	Cons. Disc.	Netherlands	47
RYANAIR HOLDINGS PLC	Industrials	Ireland	50

## ESG Performances

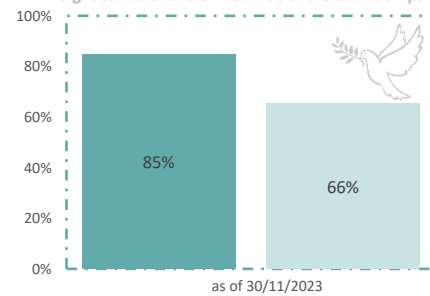
### Growth in the number of employees



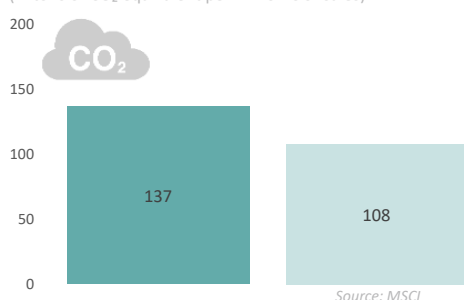
### Percentage of women on the board



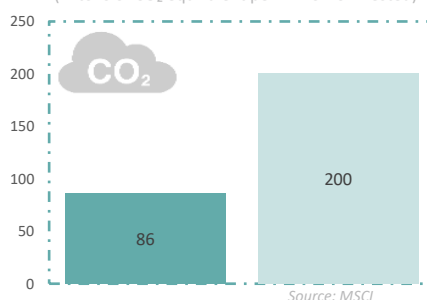
### Signatories of the United Nations Global Compact



### 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	99%	99%	99%	100%	100%
Initial universe	89%	91%	91%	99%	99%

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