

ELEVA Sustainable Impact Europe - Class I

30/04/2024
Monthly report

Investment objective and approach

- Impact strategy investing in European listed companies of all capitalizations and styles
- The sub-fund selects companies with good ESG performance that contribute positively to the achievement of the Sustainable Development Goals through their products and services
- 6 themes in the strategy for solving major environmental and societal challenges: social inclusion, health and well-being, "Tech for good", climate action, water and natural resources, and "Green Cities"
- Use of a macroeconomic vision to guide the positioning of the portfolio
- Recommended investment period: 5 years

Key figures

Net Asset Value in € € 1 108.85
Asset managed in funds in € € 55 220 752

Risk Indicator

LOWER RISK				HIGHER RISK			
1	2	3	4	5	6	7	

Fund characteristics

Managers: Sonia Fasolo - Matthieu Détrouyat

Legal structure: Luxembourg SICAV - UCITS

Fund launch date: 17/12/2020

Share class launch date: 17/12/2020

ISIN Code: LU2210205881

Classification: European stocks

Benchmark: STOXX Europe 600 Net Return - SXXR

Reference currency: EUR

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: D+2

Fees

Subscription fees: 3% maximum

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

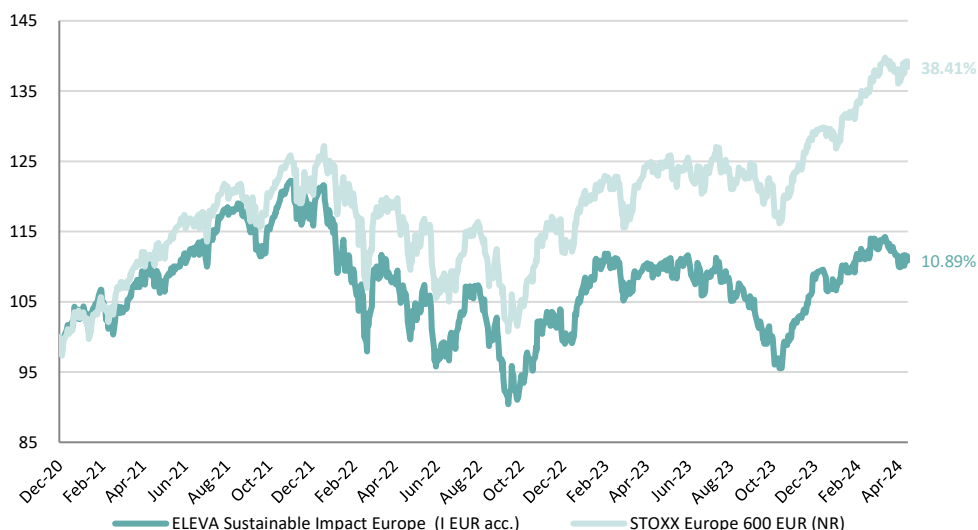
axel.plichon@elevacapital.com

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

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
2020	1.09%	0.45%	1 month	-2.92%	-0.97%
2021	19.72%	24.91%	3 months	0.61%	5.08%
2022	-18.12%	-10.64%	6 months	14.87%	18.03%
2023	10.58%	15.80%	9 months	0.17%	9.03%
2024	1.19%	6.61%	1 year	0.83%	11.18%
			3 years	2.01%	24.59%
			5 years	—	—
			Since inception	10.89%	38.41%

Cumulative performance

Monthly Comment

In April, the European market (Stoxx Europe 600 NR) paused its ascent, declining by 0.8%, following a strong start to the year. By the end of April, the market was up 6.9% in 2024. The upward trajectory of long-term interest rates continued, with the U.S. 10-year rate reaching 4.6% by the end of the month (up 50bps in April), marking an increase of nearly 1 point since the beginning of the year. While global GDP growth is expected to reach 2.7% in 2024, and inflation is normalizing (2/2.5% by year-end), the pace, timing, and extent of rate cuts differ between Europe and the United States but seem to be taking shape. In this context, the fund was down by -2.9%.

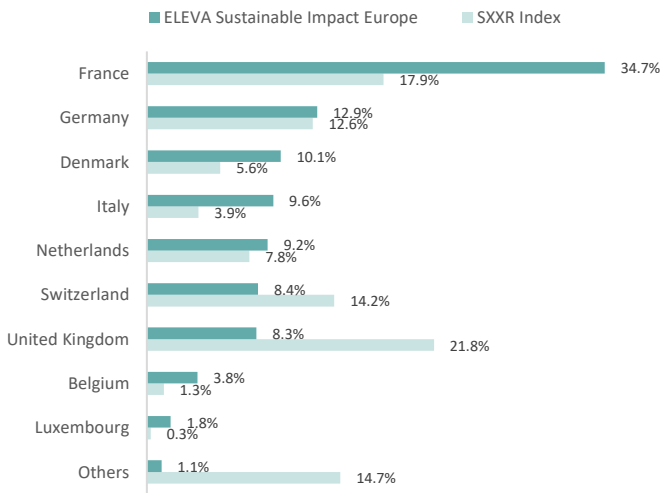
Among the main contributors to performance, the banking sector (**Intesa Sanpaolo** and **BNP Paribas**) benefited from a more favorable interest rate environment and management teams displayed a good level of confidence in their earnings trajectory (and redistribution to shareholders) for the coming quarters. **BNP Paribas'** results especially demonstrated good cost management and solid performance in financing activities. **Ashtead**, a specialist in equipment rental, primarily in the United States (90% of its business), advanced ahead of the presentation of its new 5-year strategic plan at the end of the month. Ashtead operates in a growing rental market (strong trend of rental vs ownership) undergoing consolidation (3 major players consolidating the industry) and fully benefiting from the acceleration of U.S. 'mega projects' related to the repatriation of value chains for geopolitical reasons or the desire to regain independence by investing heavily in infrastructure, data centers, etc. **Elis** continues its strong operational trajectory with a valuation that remains low. **Saint-Gobain's** first-quarter results, showing a decline in volumes (for the eighth consecutive quarter), likely mark the activity's low point. Management is optimistic about a recovery in activity in the coming quarters and confident in its ability to maintain a positive price/cost ratio.

Among the detractors, **Befesa**, a specialist in steel dust recycling, reported results below expectations and forecasts for 2024 that seem cautious. After a particularly difficult 2023, we believe the tide is turning favorably for the group, which will notably benefit in the coming quarters from higher zinc prices and lower energy costs; we retain the stock in the portfolio. **Sartorius Stedim** and **Alfen** have been divested. Alfen's CFO, who arrived at the beginning of the year, did not shine in terms of longevity (1 month...); this, combined with corrosion issues on its base stations and the sluggishness of the environment regarding electric vehicle sales, prompted us to divest. Finally, Sartorius Stedim reported declining sales below expectations and made concerning comments about the outlook for equipment order intake in a context of overcapacity among its clients.

Portfolio analysis

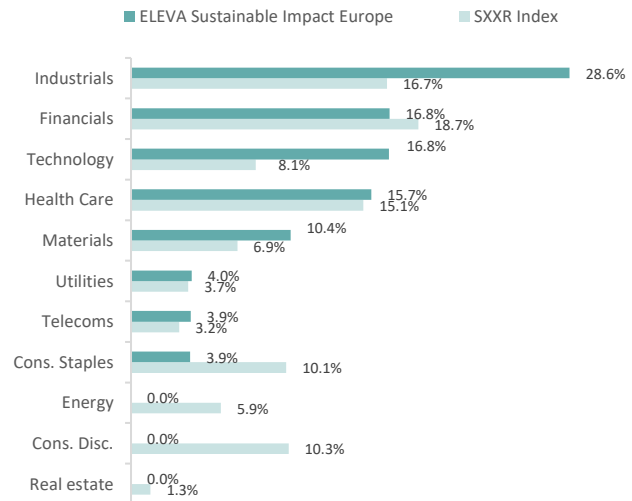
Geographic breakdown

cash excluded



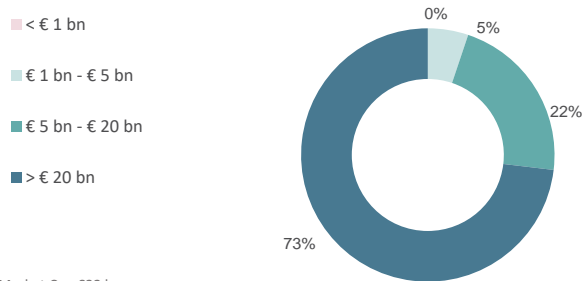
Sector breakdown

cash excluded



Market capitalisation

cash excluded



Median Market Cap €32 bn

Risk indicators

	Sub-fund	Benchmark
Active Weight	81.6%	
Volatility*	15.55%	14.26%
Beta*	1.03	
Tracking error*	5.33%	
Sharpe ratio*	0.12	0.63
Sortino ratio*	0.18	0.84
Information ratio*	-1.32	

* since inception

Top 5 Holdings

Company	Sector	Country	Weight	Impact themes	ESG Score**
ASML HOLDING NV	Technology	Netherlands	5.0%	Tech for good	83
NOVO NORDISK A/S-B	Health Care	Denmark	4.8%	Health & well being	69
RELX PLC	Industrials	United Kingdom	4.7%	Social Inclusion	76
DSM-FIRMENICH AG	Materials	Switzerland	4.3%	Social Inclusion	68
SAP SE	Technology	Germany	4.3%	Social Inclusion	73

** ELEVA proprietary score from 0 to 100

Top 3 contributors

Name	Absolute Contribution
INTESA SANPAOLO S.P.A.	19 bps
ASHTAD GROUP PLC	15 bps
BNP PARIBAS S.A. CLASS A	14 bps

Top 3 detractors

Name	Absolute Contribution
BEFESA SA	-46 bps
ALFEN NV	-38 bps
ASML HOLDING NV	-37 bps

ESG data

Investment process	nb of companies
European companies with an ESG score	1456
1. Universe post Exclusions*	1306
2. Universe post ESG selection (score ≥ 60/100)	549
Universe reduction related to exclusions and ESG selection	62%
3. Universe post Impact analysis**	206
4. Portfolio post fundamental research***	32

Methodology

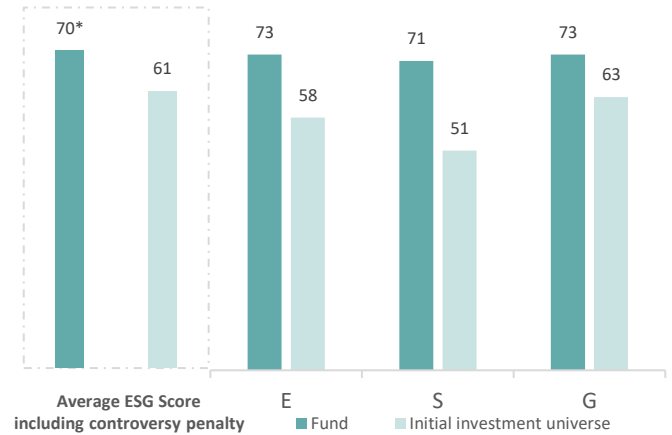
* Fossil fuel/Tobacco/Alcohol/Weapons/Gaming/adult entertainment/Violation of the UN Global Compact or ILO conventions or UN guiding principles on Business and Human Rights or OECD guidelines for Multinational Enterprises

** Proprietary SDG methodology. SDG contribution ≥ 20% of revenues + green light from business operations

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

Source: ELEVA Capital

Average scores of the three pillars with their initial universe



Sources: ELEVA Capital, MSCI

The three best ESG ratings of the sub-fund

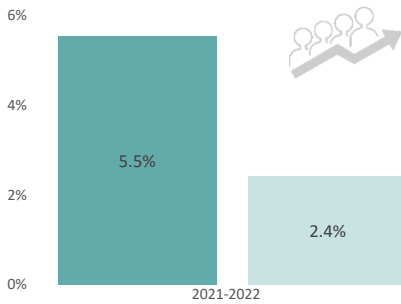
Name	Sector	Country	ESG Score
ASML HOLDING NV	Technology	Netherlands	83
SCHNEIDER ELECTRIC SE	Industrials	France	80
RELX PLC	Industrials	United Kingdom	76

The three worst ESG ratings of the sub-fund

Name	Sector	Country	ESG Score
ESSILORLUXOTTICA	Health Care	France	61
COMPAGNIE DE SAINT GOBAIN	Industrials	France	63
BNP PARIBAS	Financials	France	64

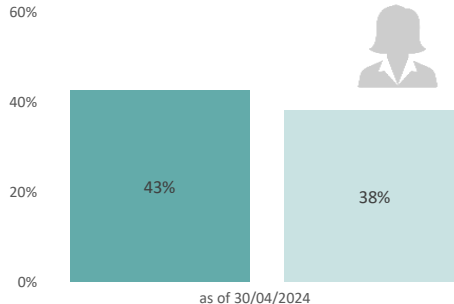
ESG Performances

Growth in the number of employees



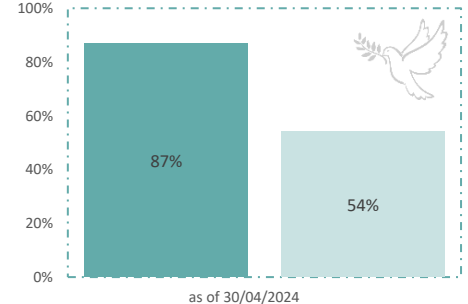
Source: ELEVA Capital

Percentage of women on board



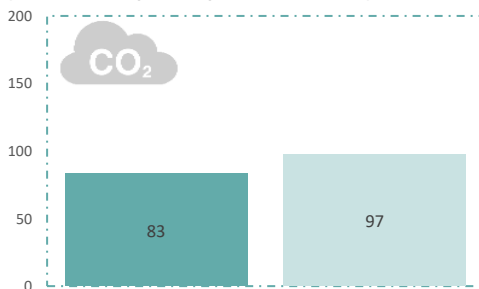
Sources: MSCI, ELEVA Capital

Signatories of the United Nations Global Compact



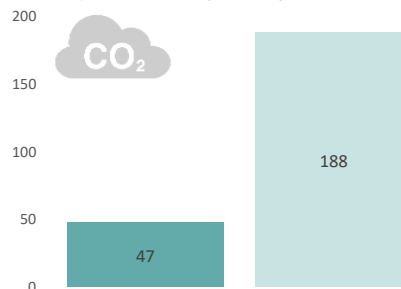
Source: Global compact

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



Source: MSCI

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



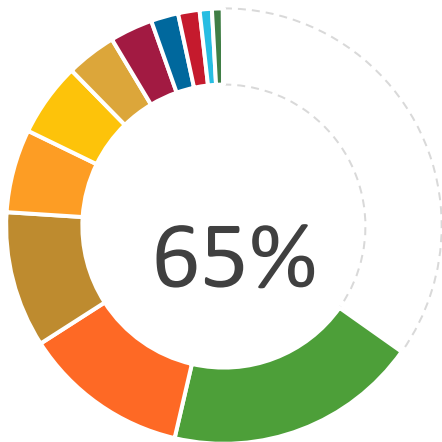
Source: MSCI

Binding ESG KPI

Fund

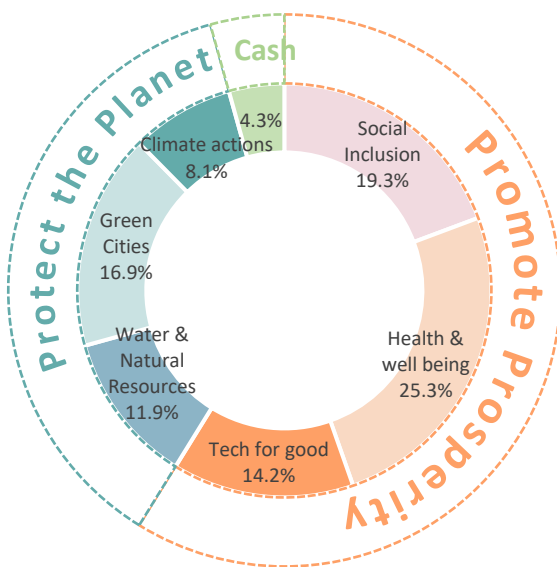
Initial investment universe

Alignment with the Sustainable Development Goals (SDGs) as a percentage of revenues



1	0.1%	No poverty	9	12.3%	Industry, innovation, infrastructure
2	3.7%	Zero hunger	11	6.2%	Sustainable cities
3	18.8%	Good health & well being	12	10.1%	Responsible consumption & prod.
4	1.6%	Quality education	13	0.8%	Climate actions
5	0.0%	Gender equality	14	0.0%	Life below water
6	0.9%	Clean water & sanitation	15	0.0%	Life on land
7	5.5%	Affordable & clean energy	16	2.0%	Peace, justice, strong institutions
8	3.2%	Decent work & economic growth	0	34.8%	No exposure to SDG, including cash

Exposure to the 6 sustainable themes



ELEVA Sustainable Impact Europe is exposed to 6 themes, grouped into two main families:

- Protect the environment:

- Climate action (SDG 7, 13): Solutions to adapt to climate change, low-carbon products, renewable energy...
- Water & natural resources (SDGs 6, 12, 14, 15): Access to clean water, water treatment, sustainable forestry...
- Sustainable cities (SDG 11): affordable housing, sustainable transportation, waste management...

- Promote Prosperity:

- Social Inclusion (SDGs 1, 2, 4, 5, 8): Essential and affordable products, access to financial services...
- Health & Wellness (SDG 3): Medicines, health insurance, medical devices, road safety equipment...
- Tech for good (SDGs 9, 16): Transformational technologies, improving the efficiency of public institutions, fighting cybercrime...

Coverage rate of ESG indicators

	Growth in the number of employees	% women on board	% Signatories of the United Nations Global Compact	Carbon intensity	CO ₂ emissions scope 1 and 2
Fund	100%	100%	95%	100%	100%
Initial universe	90%	81%	83%	85%	85%

Methodology: the formulas for calculating the ESG performance indicators can be consulted in our Transparency Code available on our website

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