

ELEVA Sustainable Impact Europe - Class R

31/08/2022
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 € € 97.73
Asset managed in funds in € € 50,045,717

Risk and return profile



Fund characteristics

Managers: Sonia Fasolo - Matthieu Détrouyat
Legal structure: Luxembourg SICAV - UCITS
Launch date: 17/12/2020
ISIN Code: LU2210207234
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

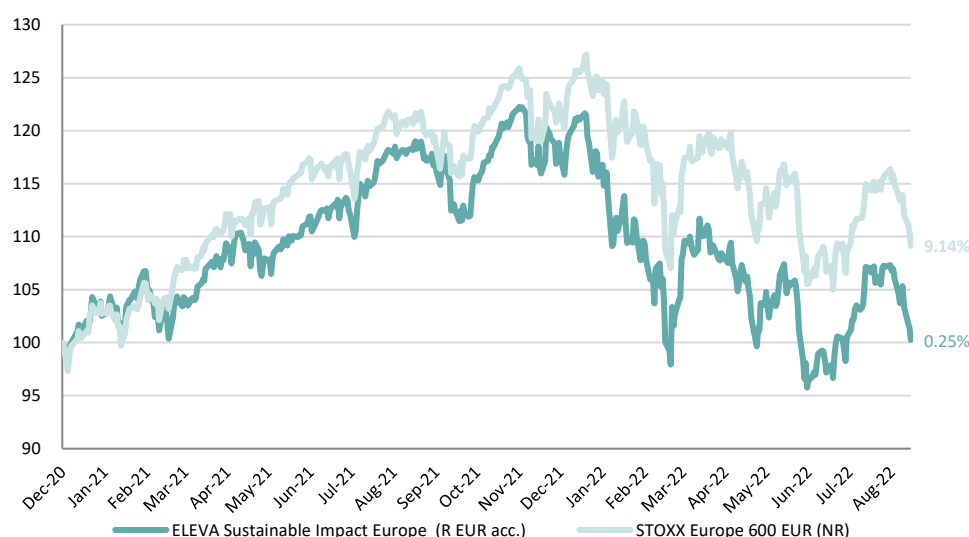
Axel Plichon, Head of Business Development
axel.plichon@elevacapital.com

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

| | Fund | Index | | Fund | Index |
|------|---------|---------|-----------------|---------|--------|
| 2020 | 1.10% | 0.45% | 1 month | -6.44% | -5.05% |
| 2021 | 19.71% | 24.91% | 3 months | -5.39% | -5.91% |
| 2022 | -17.17% | -13.02% | 6 months | -6.73% | -6.52% |
| | | | 9 months | -14.13% | -8.30% |
| | | | 1 year | -15.15% | -9.52% |
| | | | 3 years | — | — |
| | | | 5 years | — | — |
| | | | Since inception | 0.25% | 9.14% |

Cumulative performance

Monthly Comment

The market rebound that began in early July continued during the first half of August, driven by a wind of optimism following the half-year results of companies, which were generally solid. Negative investor positioning before the summer may have been a little excessive. The tide turned violently in mid-August and the market fell again by 6% in a context of strong risk aversion. Factors of concern are accumulating (inflation, central bank actions, consumer confidence, deterioration of macroeconomic indicators, etc.) and the energy crisis is probably attracting the most attention today. Europe is painfully trying to emancipate itself – at least in part – from Russian gas supplies, but there are many uncertainties about its ability to achieve this (political will, technical capacities, temperatures, etc.). Visibility is therefore low in the short term, both on the supply side (costs and production capacity) and on the demand side (purchasing power). In this context, ELEVA Sustainable Impact fell by 6.4%, underperforming its index.

Financial stocks such as **Munich Re**, **Zurich Assurance** and **BNP** were among the main contributors to performance in August against a backdrop of rising rates. These continue to rise with a 10-year American rate at 3.2% (curve of 10-2-year rates reversed for the 2nd consecutive month), German at 1.5% and Italian at nearly 4%. **Coloplast** showed good resilience, driven by its good Q3 results (8% growth in sales despite an unfavorable Chinese environment) and its encouraging outlook, particularly with regard to the launch of new products. **Alfen**, a specialist in electrical networks and charging solutions for electric vehicles, published excellent results for its first half and once again raised its growth prospects (implying 75% growth in sales for 2022, etc.).

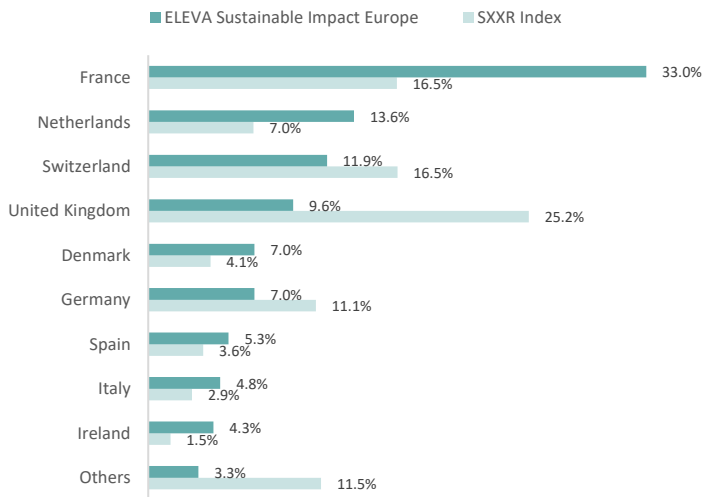
Among the main detractors, **DSM** is suffering from the deterioration of the macroeconomic environment (fears linked to inflation and the deterioration of consumer confidence) and probably also from a certain wait-and-see attitude linked to its very structuring rapprochement with Firmenich in the coming months. In the hearing aid segment, **Amplifon** is suffering from industry commentary about moderating demand. **Elis**, for its part, which has benefited from a normalization of post-covid demand since the start of the year, is marking time in a less obvious context.

Although we note the general weakening of valuations, which in some cases have become attractive, we continued to strengthen our positioning in large defensive and quality stocks during the month, which we believe are capable of holding up better in a delicate macroeconomic environment.

Portfolio analysis

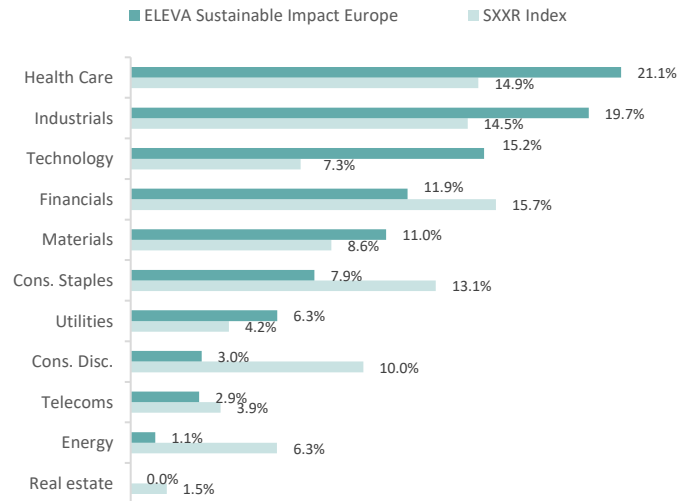
Geographic breakdown

cash excluded



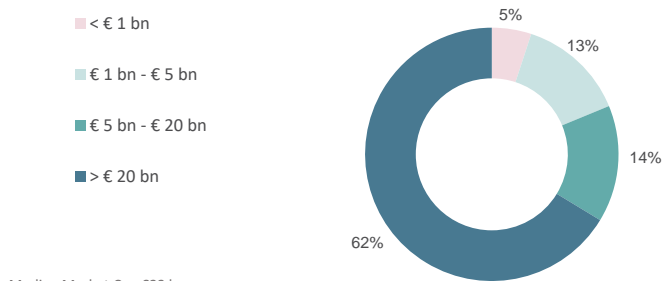
Sector breakdown

cash excluded



Market capitalisation

Risk indicators



| | Sub-fund | Benchmark |
|-------------------|----------|-----------|
| Active Weight | 85.5% | |
| Volatility | 16.94% | 15.85% |
| Beta | 1.01 | |
| Tracking error | 5.59% | |
| Sharpe ratio | 0.04 | 0.36 |
| Sortino ratio | 0.06 | 0.48 |
| Information ratio | -0.92 | |

Top 5 Holdings

| Company | Sector | Country | Weight | Impact themes | ESG Score* |
|--------------------------|---------------|----------------|--------|---------------------|------------|
| NOVO NORDISK A/S-B | Health Care | Denmark | 5.2% | Health & well being | 73 |
| ASTRAZENECA PLC | Health Care | United Kingdom | 4.3% | Health & well being | 67 |
| KERRY GROUP PLC-A | Cons. Staples | Ireland | 4.0% | Social Inclusion | 71 |
| SPIE SA | Industrials | France | 3.6% | Climate actions | 70 |
| SARTORIUS STEDIM BIOTECH | Health Care | France | 3.6% | Health & well being | 77 |

* ELEVA proprietary score from 0 to 100

Top 3 contributors

Top 3 detractors

| Name | Absolute Contribution |
|----------------------------|-----------------------|
| MUENCHENER RUECKVER AG-REG | 22 bps |
| AFYREN SAS | 11 bps |
| ZURICH INSURANCE GROUP AG | 8 bps |

| Name | Absolute Contribution |
|--------------------|-----------------------|
| KONINKLIJKE DSM NV | -54 bps |
| AMPLIFON SPA | -46 bps |
| ELIS SA | -44 bps |

ESG data

| Investment process | nb of companies |
|--|-----------------|
| European companies with an ESG score | 1456 |
| 1. Universe post Exclusions* | 1291 |
| 2. Universe post ESG selection (score ≥ 60/100) | 662 |
| Universe reduction related to exclusions and ESG selection | 55% |
| 3. Universe post Impact analysis** | 206 |
| 4. Portfolio post fundamental research*** | 42 |

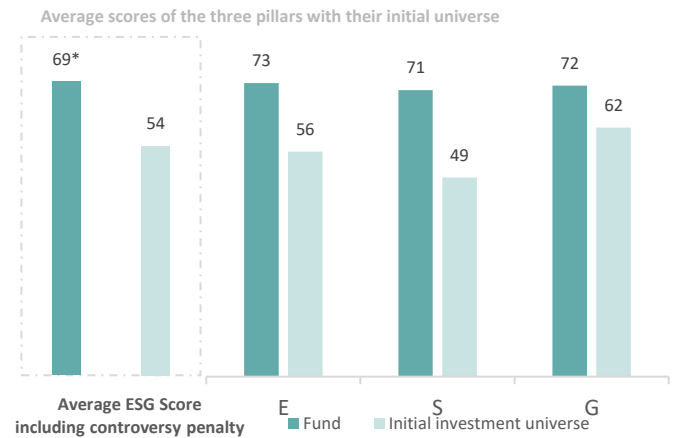
Methodology

* Fossil fuel/Tobacco/Alcohol/Weapons/Gaming/adult entertainment/Violation of global Compact

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

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

Source: ELEVA Capital



Sources: ELEVA Capital, MSCI

The three best ESG ratings of the sub-fund

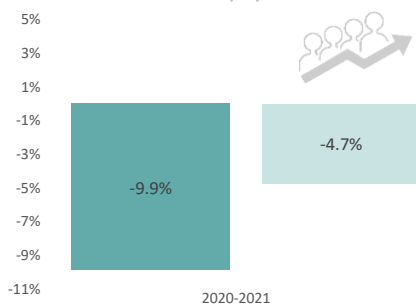
| Name | Sector | Country | ESG Score |
|--------------------------|-------------|----------------|-----------|
| ASML HOLDING NV | Technology | Netherlands | 84 |
| RELX PLC | Industrials | United Kingdom | 79 |
| SARTORIUS STEDIM BIOTECH | Health Care | France | 77 |

The three worst ESG ratings of the sub-fund

| Name | Sector | Country | ESG Score |
|-----------------------|-------------|-------------|-----------|
| STMICROELECTRONICS NV | Technology | Switzerland | 61 |
| WAGA ENERGY SA | Energy | France | 62 |
| STEICO SE | Industrials | Germany | 62 |

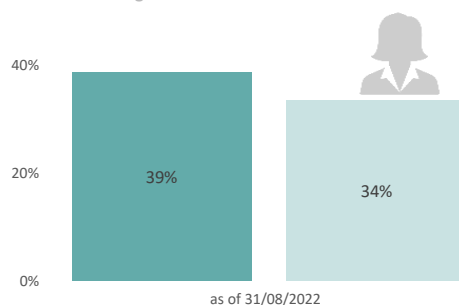
ESG Performances

Growth in the number of employees



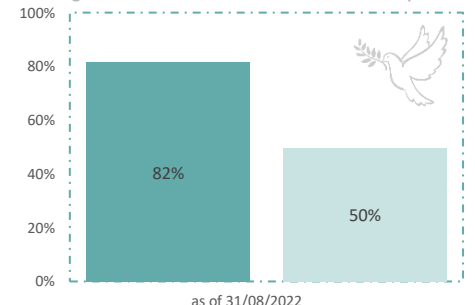
Source: ELEVA Capital

Percentage of women on board



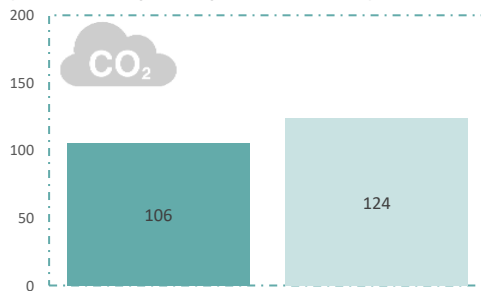
Sources: MSCI, ELEVA Capital

Signatories of the United Nations Global Compact



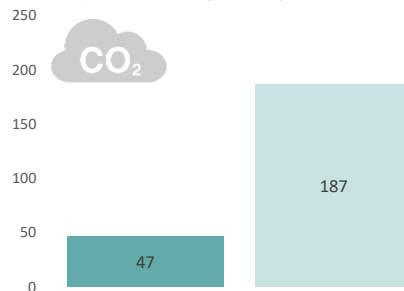
Source: Global compact

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



Source: MSCI

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



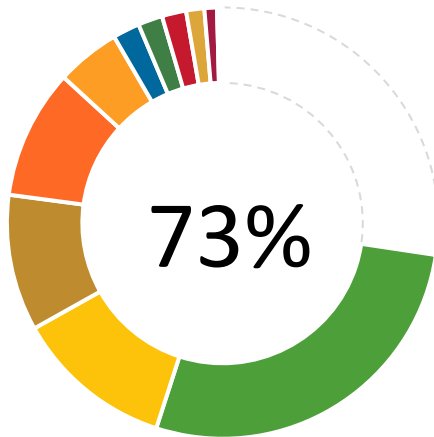
Source: MSCI

Binding ESG KPI

Fund

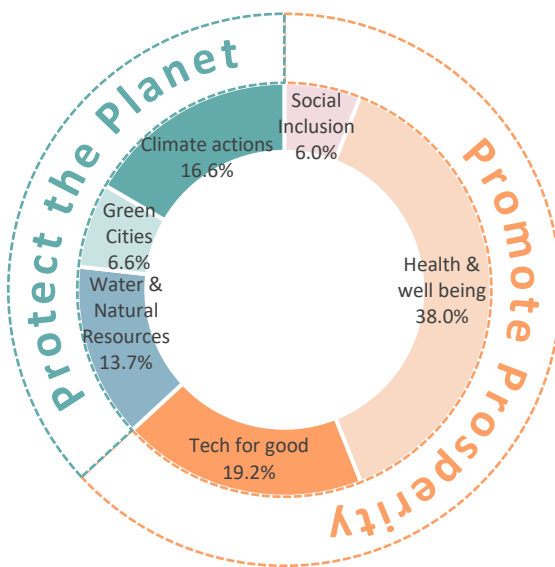
Initial investment universe

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



| | | | | | |
|---|-------|-------------------------------|----|-------|--------------------------------------|
| 1 | 0.0% | No poverty | 9 | 11.9% | Industry, innovation, infrastructure |
| 2 | 1.4% | Zero hunger | 11 | 4.8% | Sustainable cities |
| 3 | 27.6% | Good health & well being | 12 | 9.7% | Responsible consumption & prod. |
| 4 | 1.8% | Quality education | 13 | 1.8% | Climate actions |
| 5 | 0.2% | Gender equality | 14 | 0.0% | Life below water |
| 6 | 0.2% | Clean water & sanitation | 15 | 0.0% | Life on land |
| 7 | 10.2% | Affordable & clean energy | 16 | 2.0% | Peace, justice, strong institutions |
| 8 | 0.9% | Decent work & economic growth | 0 | 27.4% | No exposure to SDG |

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 | 90% | 100% | 99% | 98% | 98% |
| Initial universe | 92% | 98% | 87% | 94% | 94% |

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

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Each prospective investor should review the Prospectus of the Fund which contains important information concerning risk factors, past performance and material aspects of the Fund and which must be read carefully before any decision to invest is made.

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