

# ELEVA European Selection - Class A2

31/05/2022  
Monthly report

## Investment objective and approach

- Aiming to achieve superior long-term risk adjusted returns
- Investing primarily in European equities and equity related securities
- Conviction investing using bottom-up stock-picking with high active weight of 80%+ and tracking error target of 6%
- Flexible, opportunistic, and pragmatic approach, with no sector/country bias and style/market cap agnostic
- Using a macroeconomic overlay to support sector positioning
- Recommended investment horizon : ≥ 5 years

## Key figures

Net Asset Value 141.93 €  
Total Fund Assets 4 278 492 445 €

## Risk and return profile



## Fund characteristics

**Manager:** Eric Bendahan  
**Legal structure:** Luxembourg SICAV - UCITS  
**Fund launch date:** 26/01/2015  
**Share class launch date:** 16/06/2015  
**ISIN Code:** LU1111642820  
**Bloomberg Ticker:** EESRCA2 LX  
**Classification:** European Equity  
**Benchmark:** STOXX Europe 600 Net Return - SXXR  
**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:** 15% of the outperformance to the SXXR with a relative HWM over 5 rolling years

## Contact

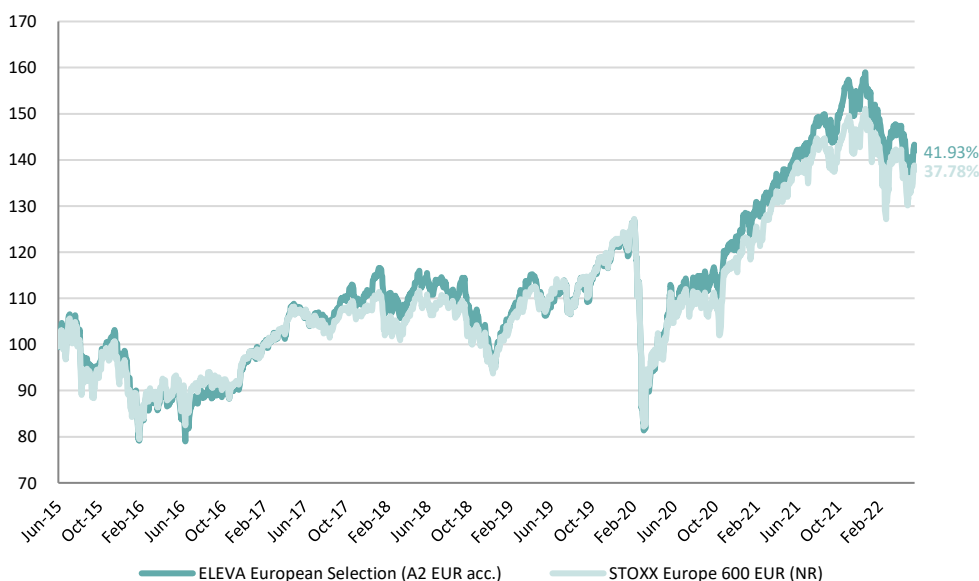
Axel Plichon, Head of Business Development  
axel.plichon@elevacapital.com

This document should be read in conjunction with the prospectus and relevant KIIDs which are available on our website [www.elevacapital.com](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\*

Year	Calendar year performance*		Cumulative performance*	
	Fund	Index	Fund	Index
2015	-1.95%	-4.36%	1 month	-2.50%
2016	-1.65%	1.73%	3 months	-1.42%
2017	15.30%	10.58%	6 months	-5.09%
2018	-12.92%	-10.77%	9 months	-4.30%
2019	25.34%	26.82%	1 year	2.74%
2020	2.05%	-1.99%	3 years	33.67%
2021	27.06%	24.91%	5 years	32.36%
2022	-9.79%	-7.55%	Since inception	41.93%

(\* ) Class A2 (EUR) acc: Share class launch 16/06/2015 - Past performance is not a reliable indicator of future results.

## Monthly Comment

Markets were under pressure in May driven by continued concerns on the impact of the Ukraine conflict on commodity prices and on growth in a rising interest rate environment. Credit spreads widened in the month. There was some improvement in market levels towards the end of the month on hopes of a slower pace of interest rate increases by the Fed. ELEVA European Selection was down -2.50% vs the index at -0.92%, an underperformance of 158 bps.

Sector allocation had a neutral impact, the overweight in energy counterbalanced the impact of the underweight in financials. Stock picking was negative, in particular in healthcare, staples and financials. Defensives were under pressure, in our view incorrectly, after the Walmart profit warning and growth names continue to struggle on a relative basis.

**UCB** was the largest negative contributor and affected by the FDA's complete response letter for their drug Bimzelx that is likely to delay their US launch by six to twelve months. There was also some profit taking on other pharmaceutical names (**AstraZeneca, Novo**). Spirits were also under pressure after the Walmart profit warning, even though it was driven by non-food and elevated costs so did not offer a direct read across in our view. On the positives, commodity names (**Total, Anglo American**) continued to react well to the tight supply/demand balance. Banks (**BNP**) and telecoms (**Deutsche Telekom**) also outperformed.

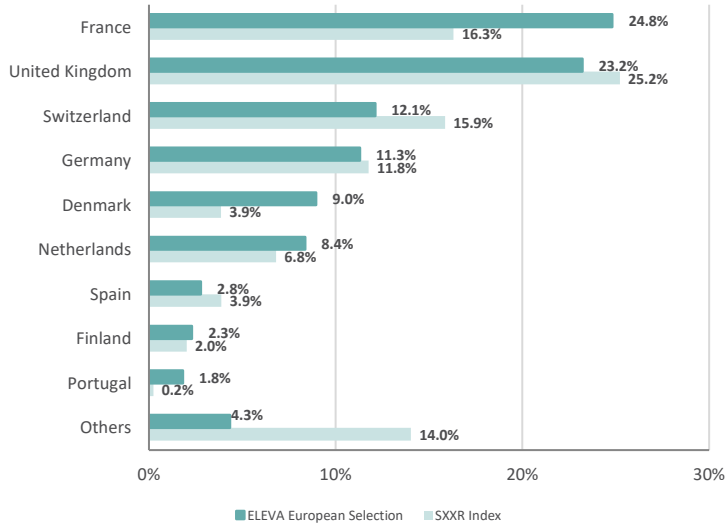
After a V shaped economic recovery, macroeconomic indicators are weakening again, and we expect defensives to outperform until there is more visibility. The Ukrainian war situation clouds the economic recovery with weakness expected in consumer spending and adds to inflation concerns. Value exposure is slightly up at 38.7%

Since inception, ELEVA European Selection is up 41.93% vs the index at 37.78%, an outperformance of 415 bps.

## Portfolio analysis

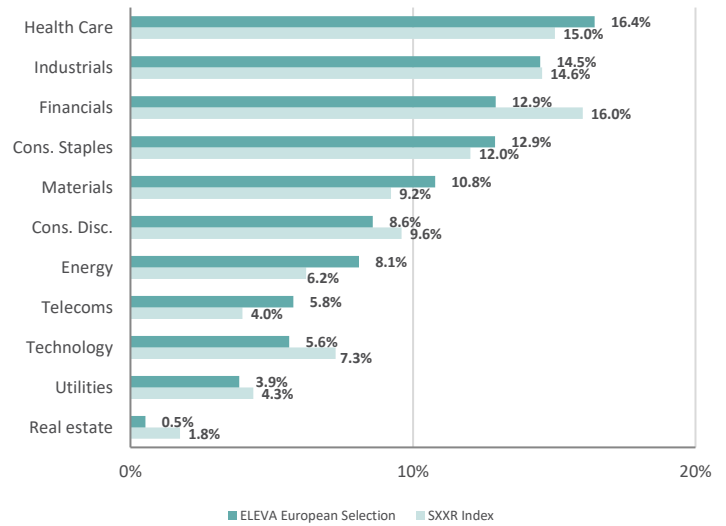
### Geographic breakdown

cash excluded



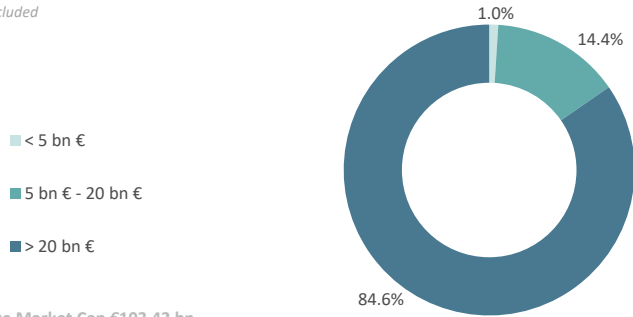
### Sector breakdown

cash excluded



### Market capitalisation

cash excluded



Average Market Cap €103.42 bn

### Risk Indicators (3 years)

	Fund	Benchmark
Active Weight	69.71%	
Volatility	19.65%	20.12%
Beta	0.96	
Tracking Error	3.92%	
Sharpe ratio	0.54	0.46
Sortino Ratio	0.60	0.51
Information Ratio	0.35	

### Top 5 Holdings

Company	Sector	Country	Weight	ESG Score*
ASTRAZENECA PLC	Health Care	United Kingdom	4.65%	67
NOVO NORDISK A/S-B	Health Care	Denmark	4.40%	73
NESTLE SA-REG	Cons. Staples	Switzerland	4.35%	56
LINDE PLC	Materials	United Kingdom	3.97%	62
ROCHE HOLDING AG-GENUSSCHEIN	Health Care	Switzerland	3.60%	59

\* ELEVA proprietary score from 0 to 100

### Top 3 contributors

Company	Absolute Contribution
TOTAL SA	51 bps
BNP PARIBAS	36 bps
DEUTSCHE TELEKOM AG-REG	21 bps

### Top 3 detractors

Company	Absolute Contribution
ROCHE HOLDING AG-GENUSSCHEIN	-40 bps
NESTLE SA-REG	-36 bps
UCB NPV	-33 bps

## ESG data

### Investment process

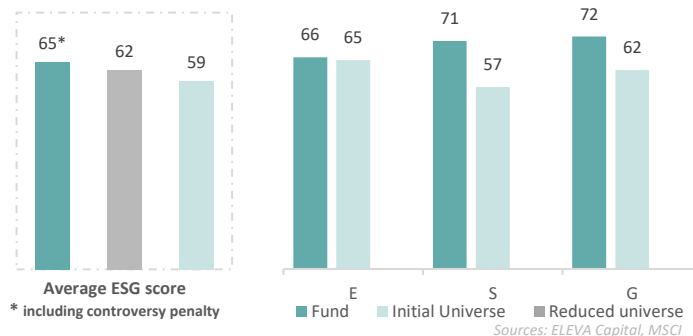
Steps	nb of companies
Initial universe (financial criterias and existence of an ESG score)	505
1. Universe post Exclusions*	495
2. Universe reduced by 20% of issuers with the lowest ESG score	394
Initial universe reduction related to exclusions and ESG selection	22%
3. Portfolio post fundamental research**	45

\* 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

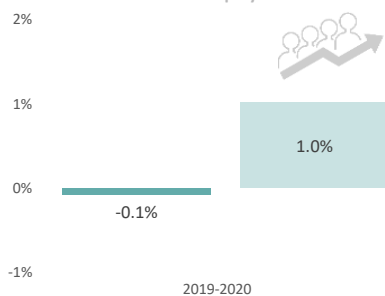
Name	Sector	Country	ESG Score
ASML HOLDING NV	Technology	Netherlands	84
RELX PLC	Industrials	United Kingdom	79
TRYG A/S	Financials	Denmark	78

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

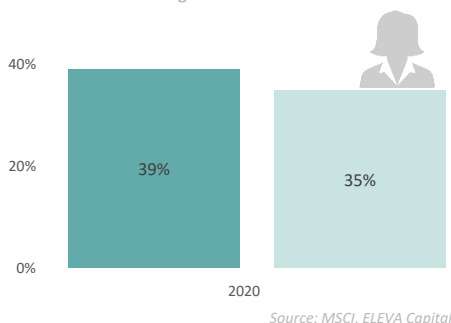
Name	Sector	Country	ESG Score
ENI SPA	Energy	Italy	47
MERCEDES-BENZ GROUP AG	Cons. Disc.	Germany	48
UCB NPV	Health Care	Belgium	55

## ESG Performances

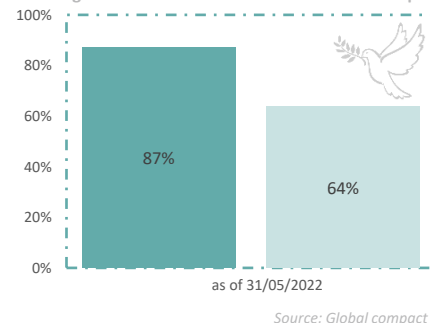
### Growth in the number of employees



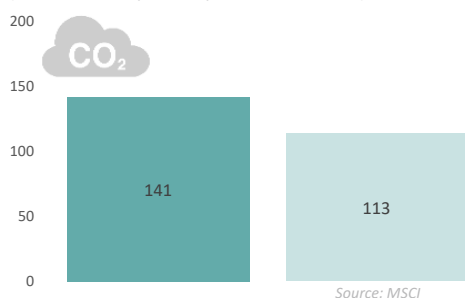
### Percentage of women on the board



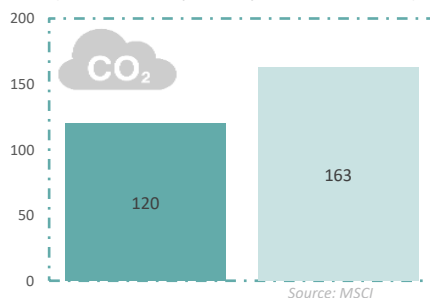
### Signatories of the United Nations Global Compact



### 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	98%	98%	98%	98%	98%
Initial universe	97%	97%	95%	100%	100%

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