

ELEVA Absolute Return Europe

For professional, qualified and institutional investors

This document should be read in conjunction with the prospectus and the KIID 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.

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
- Target 6-8% volatility and 8-10% expected return over a full market cycle

Fund facts

Manager: Eric Bendahan

Share class: Class S (EUR) acc. (min EUR1m)

Dividend policy: Accumulation

Last NAV: 1 151.97 € as of 31/10/2018

Fund size: 668 690 209 €

Investment zone: Europe

Recommended invest. horizon: Medium-term

Fund base currency: EUR

Share class currency: EUR

Fund inception date: 30th December 2015

Share class inception date: 30th December 2015

Legal structure: Luxembourg SICAV - UCITS V

ISIN code: LU1331974276

Bloomberg code: ELEARSE LX

Registration (S EUR acc.): AT, BE, CH, DE, ES, FI, FR, GB, IT, IS, LU, NL, NO, PT, SE

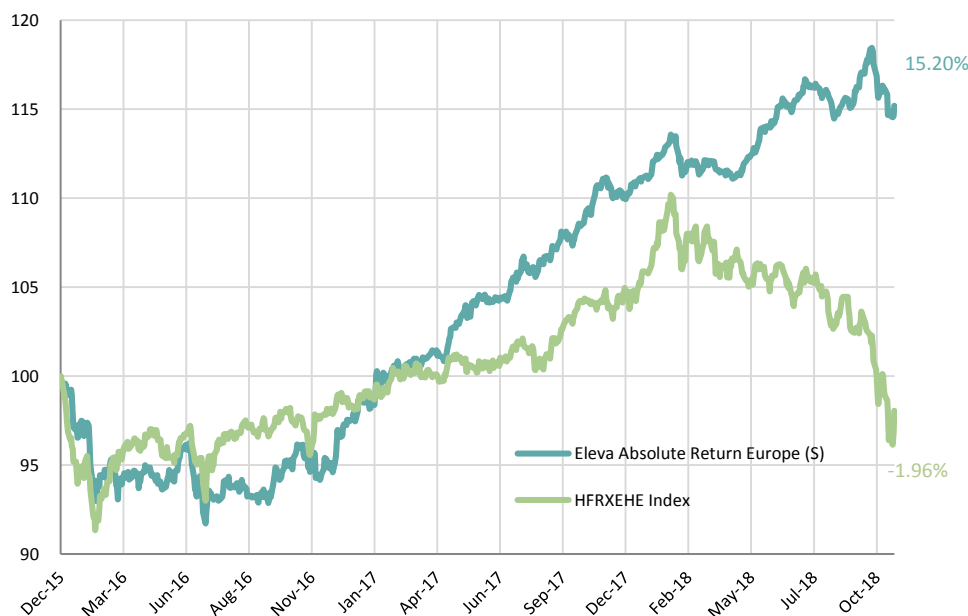
For all available share classes please refer to the Fund prospectus

Risk measures since inception

Volatility	4.94%
VaR (99%, 20 days)	2.19%
Sharpe ratio	1.10
Sortino Ratio	1.37

Source: ELEVA Capital, Bloomberg

Performance and risk measures



Source: ELEVA Capital, Bloomberg

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2018	1.95%	-1.20%	-0.35%	0.56%	1.98%	1.03%	0.32%	-0.20%	1.72%	-2.06%			3.71%
2017	1.82%	0.68%	1.22%	1.52%	1.68%	-0.02%	1.85%	0.71%	0.82%	2.44%	-0.41%	0.89%	13.98%
2016	-2.66%	-2.53%	0.17%	-0.77%	2.07%	-2.47%	0.30%	-0.91%	1.72%	1.19%	-0.61%	2.46%	-2.19%
2015												-0.37%	-0.37%

(*) Class S (EUR) acc: share class launched 30/12/2015

Monthly Comment

Markets were under severe pressure in October. The combination of muted earnings, slowing macro indicators and rising interest rates in the US created an aggressive sell off in the month. Growth, small and mid-caps and cyclical companies underperformed significantly. ELEVA Absolute Return Europe was down -2.06%.

The long book had a negative impact on performance. Materials, Technology and Energy had the poorest contribution with our choices suffering from the heavy rotation which took place. On the contributors, **Masmovil** had a positive impact with the company raising its guidance after very strong commercial momentum in Spain. **Nestle** and **Sanofi** were also in favour posting solid numbers, whilst **Grifols** published some promising early data on Alzheimer's. On the other hand, a number of Materials companies came under severe pressure and in turn reversed some of their September gains, including **UPM Kymmene** and **ArcelorMittal**. Oil and oil services companies also suffered heavily from lower oil prices. In addition, **Schindler's** results were seen as disappointing, although we feel markets over reacted. In addition, our stock picks in the Technology sector suffered heavily from the sector rotation and from their mid-cap status, **Repliy** and **Solutions 30** in particular.

The short book had a positive impact on performance in the month, particularly in Industrials and Financials. A number of shorts in the portfolio had material profit warnings, helping to compensate the short covering moves that took place in this volatile period. We continue to keep a growth and quality bias on the long book of the portfolio, noting further deterioration in our leading indicators in the month. In our view, this is to be weighed against an attractive valuation backdrop for European equities. On the short book, we have covered a number of companies after reaching our price targets, but initiated some new positions in levered companies or those with very high multiples and expectations.

As of 31st October 2018, gross exposure is 96.3% while net exposure is at 20%. Since inception, EleVA Absolute Return Europe is up 15.20%.

Fund manager

Eric Bendahan is the Portfolio Manager of Eleva European Selection, Eleva Euroland Selection and Eleva Absolute Return Europe Funds. Prior to founding Eleva Capital, Eric worked for 9 years at Banque Syz & Co where he was responsible for managing Oyster European Opportunities and Oyster European Selection funds. Eric is a CFA Charterholder and has a Master's in Business and Economics at ESSEC.

Administrative information

Central administration:

Brown Brothers Harriman (Luxembourg) S.C.A.

Transfert agent:

Brown Brothers Harriman (Luxembourg) S.C.A.

Custodian bank:

Brown Brothers Harriman (Luxembourg) S.C.A.

Auditor:

PricewaterhouseCoopers

Management Company:

Lemanik Asset Management S.A.

Subscription / Redemption Cut off:

12:00 CET

Subscription / Redemption Settlement:

T+2

Fees

Subscription fee: Up to 3%

Redemption fee: 0%

Management fee: 0.6%

Performance fee: 20% of any excess return the NAV achieves over the High Water Mark

Investment Manager

Firm name:

ELEVA Capital SAS

Address:

15 avenue Matignon, 75008 Paris

Telephone:

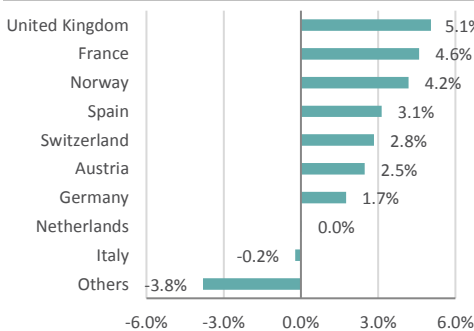
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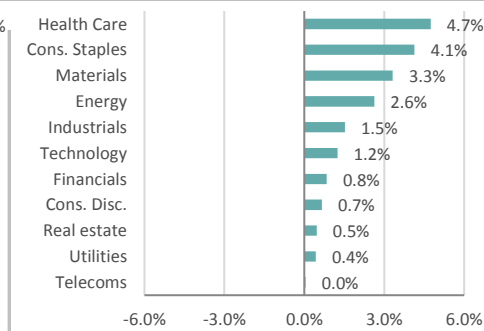
Portfolio analysis

Geographic breakdown (Net %)



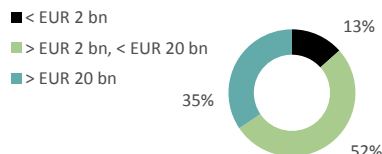
Source: ELEVA Capital

Sector breakdown (Net %)



Source: ELEVA Capital

Market Capitalisation (Long Book)



Portfolio Breakdown

Portfolio Exposure	Exposure (%)
Long Exposure	58.2%
Short Exposure	38.1%
Net Exposure	20.0%
Gross Exposure	96.3%

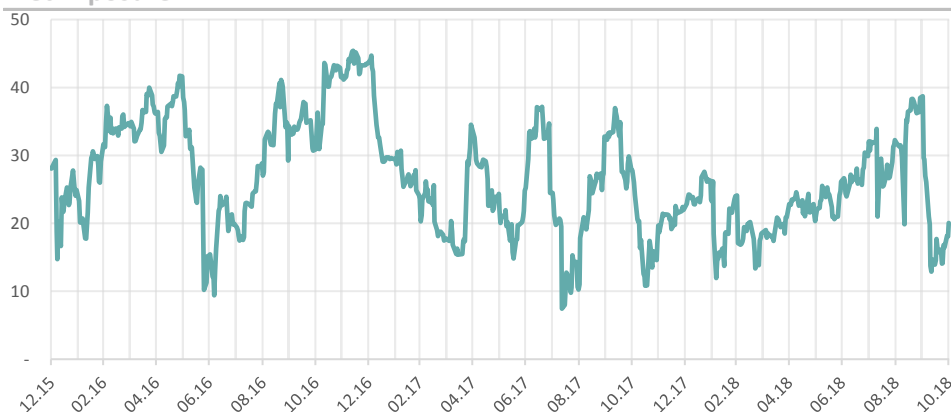
Top 5 Long Holdings

Company	Weight (%)
ASTRAZENECA PLC	1.94%
SCHINDLER HOLDING	1.89%
SANOFI	1.81%
NESTLE SA-REG	1.68%
SOUTH32 LTD	1.63%

Top 5 Short Holdings

Company	Weight (%)
STOXX EUROPE 600 INDEX	10.20%
STOXX EUROPE 600 INDUST.	1.97%
STOXX EUROPE 600 TECHNO.	1.37%
EURO STOXX BANKS	1.08%
MATERIALS CO.	0.85%

Net Exposure



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Product(s) described herein is/are not available to all persons in all geographic locations. There are significant risks associated with investment in the Fund. Investment may not be suitable for all investors and is intended for sophisticated investors who have fully understood the risks associated with such an investment and can accept a substantial or complete loss of their investment.

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.

Past performance is not a guarantee of future results and no assurance can be given that product(s) described herein will yield favourable investment results or that the Fund's investment objectives will be achieved or that the investor will receive a return of all or part of their investment.