

ELEVA European Selection

31/12/2018
Monthly report

This document should be read in conjunction with the prospectus and relevant 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 superior long-term risk adjusted returns
- Medium-term time horizon
- 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

Fund facts

Manager: Eric Bendahan

Legal structure: Luxembourg SICAV - UCITS V

Fund launch date: 26th January 2015

Total Fund Assets: 2 900 915 285 €

Last NAV: as of 31/12/2018

Class I (EUR) acc. : 1 136.76 €

Class I (EUR) dis. : 920.95 €

Class I (CHF) acc. (hedged) : 945.83 CHF

Class I (GBP) acc. (hedged) : 929.81 GBP

Class I (USD) acc. (hedged) : 1 111.59 USD

Distribution policy:

Class I (EUR) acc. : Accumulation

Class I (EUR) dis. : Distribution

Class I (CHF) acc. (hedged) : Accumulation

Class I (GBP) acc. (hedged) : Accumulation

Class I (USD) acc. (hedged) : Accumulation

Benchmark: STOXX Europe 600 EUR (net return)

ISIN & Bloomberg code:

Class I (EUR) acc. : LU1111643042 | ELVESIE LX

Class I (EUR) dis. : LU1111643638 | ELEURSI LX

Class I (CHF) acc (hedged) : LU1111643398 | EESFICH LX

Class I (GBP) acc. (hedged) : LU1111643471 | ELVIGAH LX

Class I (USD) acc. (hedged) : LU1111643125 | EESFUA LX

Share class launch date:

Class I (EUR) acc. : 26th January 2015

Class I (EUR) dis. : 4th May 2017

Class I (CHF) acc. (hedged) : 7th August 2015

Class I (GBP) acc. (hedged) : 27th July 2017

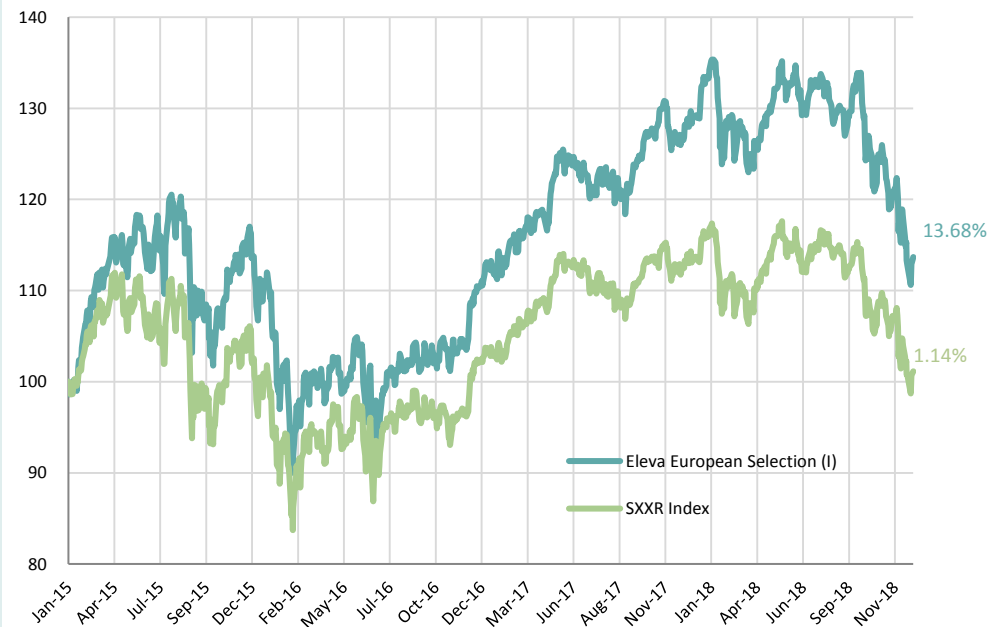
Class I (USD) acc. (hedged) : 5th October 2015

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

For all available share classes please refer to the Fund prospectus

PEA Eligible

Performance and risk measures



Source: ELEVA Capital, Bloomberg

Calendar year performance*

| | Fund | Index |
|------|---------|---------|
| 2015 | 11.33% | 0.76% |
| 2016 | -0.52% | 1.73% |
| 2017 | 16.48% | 10.58% |
| 2018 | -11.88% | -10.77% |

(* Class I (EUR) acc: Share class launch 26/01/2015

Fund Performance (Net)*

| | Fund | Index |
|-----------------|---------|---------|
| 1 month | -5.76% | -5.46% |
| 3 months | -14.47% | -11.57% |
| 6 months | -12.70% | -10.46% |
| 9 months | -9.05% | -6.90% |
| 1 year | -11.88% | -10.77% |
| 2 years | 2.64% | -1.33% |
| 3 years | 2.11% | 0.38% |
| Since inception | 13.68% | 1.14% |

Monthly Comment

Markets fell sharply in December with increasing concerns on the impact of global macro deceleration on corporate results, at a time of reduced central bank actions. Indeed, credit spreads continued to widen adding to downside pressures. ELEVA European Selection was down 5.76%, underperforming the index by 31bps.

Sector allocation had a slight positive impact in the month, the Fund benefitting from the underweight in Financials and Energy. On the contrary, stock picking had a negative impact overall; negative in Healthcare, Financials and Energy, but positive in Materials and Consumer Staples. On the contributors, **Burford Capital**, the litigation finance specialist, revealed a funding structure for the next \$1.6 bn of investments which was well received by the market. In addition, family owned miner **Fresnillo** followed the positive performance in gold and silver prices in the month. On detractors, Austrian banks were under pressure with an unexpected announcement of a bank tax in Romania. There was also some profit taking on **Lonza** as investments will likely pressure the margin in the near term.

We continue to keep a growth bias in the Fund. At this stage, we do not see signs of improvement in our leading indicators. In our view, this is to be weighed against a very attractive valuation backdrop for European equities.

Since inception, EleVa European Selection is up 13.68%, an outperformance of 1254 bps to the STOXX 600 Total Return (SXXR).

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: 0.9%

Performance fee: 10% of outperformance to Stoxx 600 total return (SXXR)

Investment Manager

Firm name:

ELEVA Capital SAS

Address:

15 avenue Matignon, 75008 Paris

Telephone:

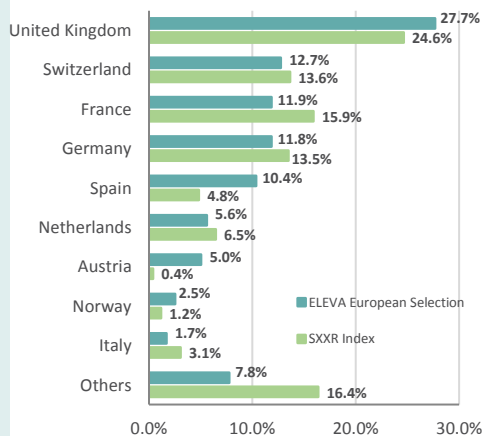
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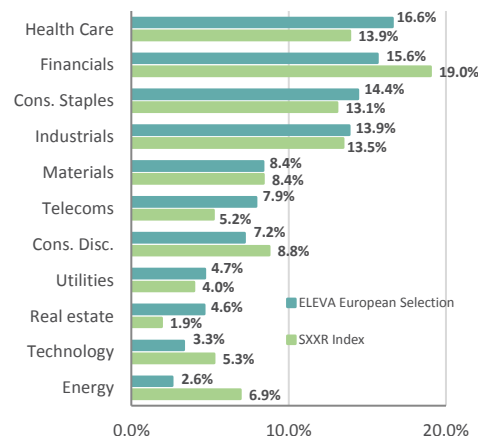
Portfolio analysis

Geographic breakdown



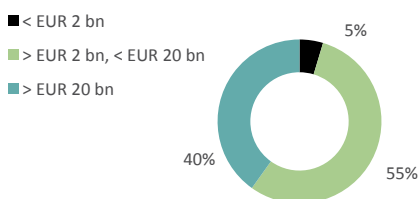
Source: ELEVA Capital

Sector breakdown



Source: ELEVA Capital

Market Capitalisation



Average Market Cap €37.04 bn

Risk Indicator (3 years)

| Risk | Fund | Benchmark |
|-------------------|--------|-----------|
| Active Weight | 80.0% | |
| Volatility | 15.01% | 14.25% |
| Beta | 1.02 | |
| Tracking Error | 3.99% | |
| Sharpe ratio | 0.07 | 0.03 |
| Sortino Ratio | 0.09 | 0.04 |
| Information Ratio | 0.14 | |

Top 5 holdings

| Company | Sector | Weight |
|---------------------|---------------|---------------|
| NESTLE SA-REG | Cons. Staples | 3.78% |
| COCA-COLA HBC AG-DI | Cons. Staples | 3.29% |
| ASTRAZENECA PLC | Health Care | 3.21% |
| SANOFI | Health Care | 3.16% |
| ERSTE GROUP BANK AG | Financials | 2.75% |
| TOTAL | | 16.17% |

Top 3 contributors

| Name | Contribution Absolute |
|-----------------|-----------------------|
| Fresnillo | 17 bps |
| Burford Capital | 15 bps |
| Kering | 15 bps |

Source : ELEVA Capital

Top 3 detractors

| Name | Contribution Absolute |
|----------------------|-----------------------|
| Erste Group Bank | -50 bps |
| Lonza Group | -47 bps |
| Raiffeisen Int. Bank | -38 bps |

The information contained in this document does not constitute any recommendation or investment proposal. This material has been prepared for informational purposes only. This document is neither an offer to sell nor a solicitation of an offer to buy any securities or other investment product described herein.

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.