

# ELEVA European Selection

31/12/2018  
Monthly report

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.

## 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 R (EUR) acc. : 112.90 €

Class R (EUR) dis. : 88.77 €

Class R (CHF) acc. (hedged) : 97.29 CHF

Class R (GBP) acc. (hedged) : 106.55 GBP

Class R (USD) acc. (hedged) : 97.30 USD

### Distribution policy:

Class R (EUR) acc. : Accumulation

Class R (EUR) dis. : Distribution

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

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

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

**Benchmark:** STOXX Europe 600 EUR (net return)

### ISIN & Bloomberg code:

Class R (EUR) acc. : LU1111643711 | ELVESRE LX

Class R (EUR) dis. : LU1716217044 | ELESRED LX

Class R (CHF) acc. (hedged) : LU1148164426 | EESRCAH LX

Class R (GBP) acc. (hedged) : LU1111643802 | EESRGAH LX

Class R (USD) acc. (hedged) : LU1148156323 | ELERUAH LX

### Share class launch date:

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

Class R (EUR) dis. : 19th February 2018

Class R (CHF) acc. (hedged) : 15th June 2015

Class R (GBP) acc. (hedged) : 24th February 2015

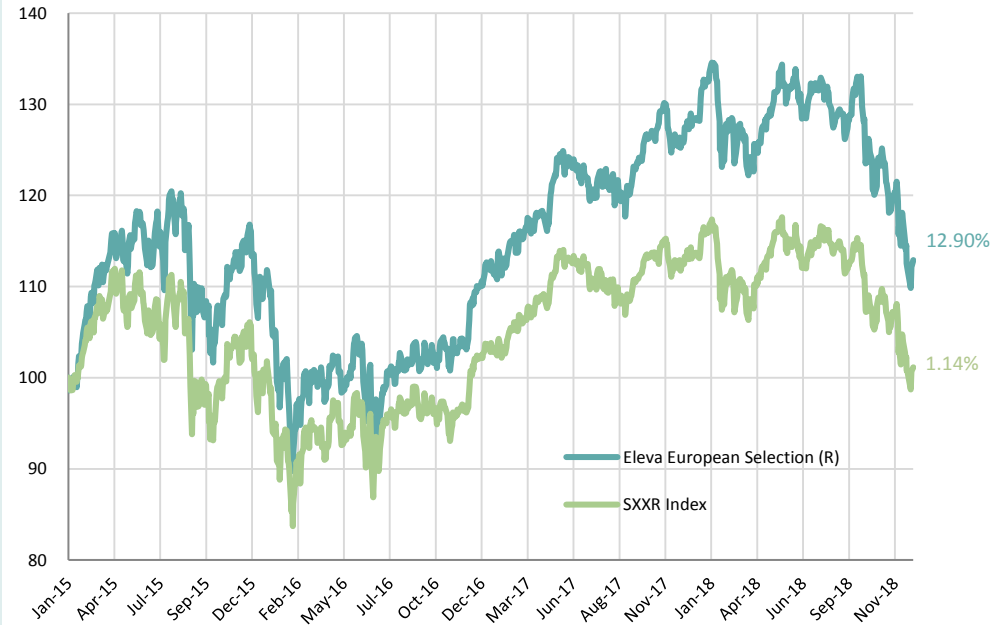
Class R (USD) acc. (hedged) : 3rd July 2017

**Registration (R EUR acc.) :** BE, CH, DE, DK, FI, FR, GB, IS, LU, NL, NO, PT, SE

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	11.11%	0.76%
2016	-0.73%	1.73%
2017	16.31%	10.58%
2018	-12.00%	-10.77%

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

### Fund Performance (Net)\*

	Fund	Index
1 month	-5.77%	-5.46%
3 months	-14.52%	-11.57%
6 months	-12.76%	-10.46%
9 months	-9.11%	-6.90%
1 year	-12.00%	-10.77%
2 years	2.36%	-1.33%
3 years	1.61%	0.38%
Since inception	12.90%	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 5.77%, underperforming the index by 31 bps.

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 12.90%, an outperformance of 1176 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:

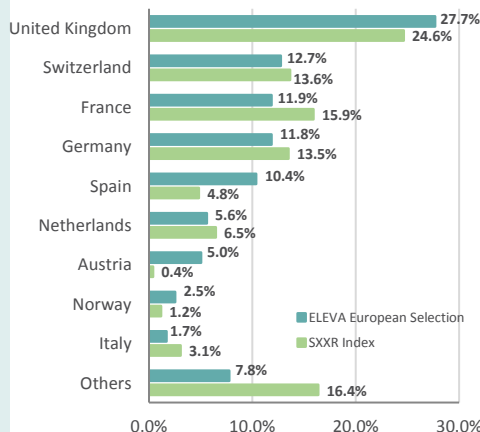
+33(0) 1 86 26 68 25

### Contact:

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axel.plichon@elevacapital.com

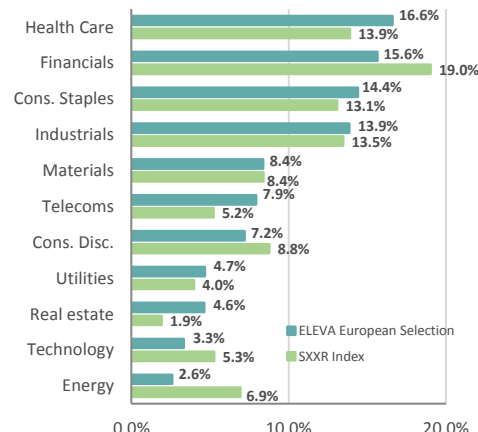
## Portfolio analysis

### Geographic breakdown



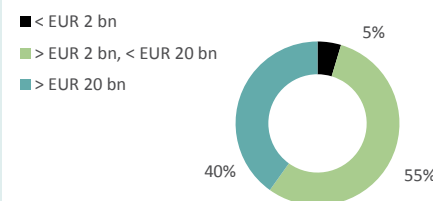
Source: ELEVA Capital

### 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	15.02%	14.25%
Beta	1.02	
Tracking Error	4.02%	
Sharpe ratio	0.06	0.03
Sortino Ratio	0.07	0.04
Information Ratio	0.10	

## 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%
<b>TOTAL</b>		<b>16.17%</b>

## 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

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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.