

The investment objective of the PHILEAS EQUITY EUROPE is to outperform, on an equity horizon, its benchmark, the MSCI Europe net return index. The fund invests in European Union equities through discretionary stock picking.

ISIN : FR0012749927

Launch date : 15 October 2015

Structure : « European Union equities » fund - French FCP

Management team: Ludovic LABAL / Cyril BERTRAND

Benchmark: MSCI Europe NR

Custodian: CACEIS BANK

Administrator: CACEIS FA

Auditor: MAZARS

Fund dealing: daily

Eligible for french equity savings plan: yes

NAV: 120.85€

AUM: 10.37 M€

Management fees: 1.20% TTC

Performance fees: 15% TTC above MSCI Europe NR

Currency: EURO

Performance review

In June, PHILEAS EQUITY EUROPE fell back 0.07% as its benchmark, MSCI Europe net return, fell back 0.69%.

- In Media, portfolio performance was boosted by MTG's decision to spin off its TV operations in a move that should see the Scandinavian crystallise value in its e-sports and video-game business.
- In Services/IT, gains were fuelled by SAP, Bureau Veritas, and Ingenico. We took profit on our SAP position and established a long position in Cap Gemini. Accenture's earnings are underpinning our optimism for second quarter 2018 results, and which may well be an opportunity for Cap Gemini to raise its full-year targets.
- In Food Distribution, Ocado was yet again the start performer and is developing a very promising future in terms of automation and robotics. The online grocery retailer is transforming into a technology company (see May's monthly report) and by the end of 2018 is set to employ over 1,500 IT engineers.
- In the Consumer sector, Maisons du Monde suffered from the company's cautious message over its second-quarter business trends. Although we have scaled back our position slightly, we believe current valuation levels are very attractive.
- In Telecoms, our Masmovil position was responsible for all of the fall. Telefonica's low-cost brand launch in Spain weighed on the share price. Given this new offer's budget product profile, we do not see Masmovil's market share coming under any pressure. For example, when Orange launched its low-cost Sosh brand in France, Bouygues Telecom and Free's mobile businesses were unaffected.
- In Food/Beverages/HPC, unwelcome news came in the shape of the announced departure of Beiersdorf's CEO, doubtless signalling an extremely conservative approach by the company's controlling shareholders towards its development strategy. We had believed that the soon-to-be ex-CEO was the best person to inject fresh momentum, especially in terms of external growth. We have sold our position.

We have established a position in Vonovia. This German residential property company has a highly defensive profile combined with a significant growth outlook, primarily driven by investment to modernise its existing property pool. German regulations allow property owners to invoice tenants for some of the renovation work carried out. As such this type of investment spending becomes earnings accretive and all the more so since a large part of the renovation work is undertaken by in-house craftsmen.

Performance since inception



Performance (%)

	YTD	1 month	6 months	1 year	Annualized performance*
PHILEAS EQUITY EUROPE	3.78%	-0.07%	3.78%	4.20%	7.24%
MSCI EUROPE NR	-0.47%	-0.69%	-0.47%	2.84%	4.89%

* I share launched as of 10/15/2015

Top holdings

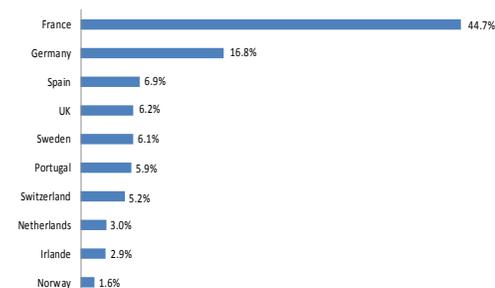
Holdings	%
Modern Times	6.1%
Worldline	5.6%
Nestlé	5.2%
Thales	5.2%
Ocado	5.1%
Number of holdings	29
Investment rate	99.42%

Risk indicators - 1-year data

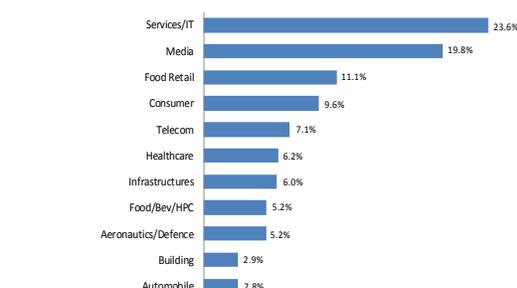
Volatility of the fund	10.79%
Volatility of the benchmark	10.70%
Tracking error	5.73%
Beta	0.86
Information ratio	0.23
Sharpe ratio	0.42

Source : Bloomberg

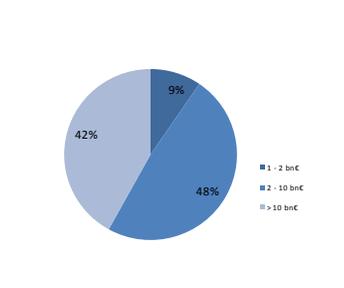
Portfolio exposure by country



Portfolio exposure by sector



Portfolio exposure by market cap



Source: Phileas Asset Management, unless otherwise noted

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