

The investment objective of the PHILEAS L/S EUROPE Fund is to generate absolute performance, over the recommended 2-year investment horizon, decorrelated from equity markets (Stoxx 600 index), with lower volatility. The Fund invests in long and short equity positions, through discretionary stock picking mainly in Europe.

ISIN : FR0011023910  
Launch date : 11 april 2011  
Structure : UCITS V - French FCP  
Management team : Ludovic LABAL /Cyril BERTRAND  
Benchmark : EONIA

Custodian : CACEIS BANK  
Administrator : CACEIS FA  
Auditor : MAZARS  
Fund dealing : daily  
Dividend policy : accumulation

NAV : 116.51€  
AUM : 176 M€  
Management fee : 1.20% TTC  
Performance fee : 20% TTC above EONIA + 100 bps  
Currency : EURO

### Performance review

In November, PHILEAS L/S EUROPE rose 0.36%, recording losses of 0.13% on the long portfolio and gains of 0.49% on the short portfolio as markets fell back 2.15% (Stoxx 600).

The main positive contributors this month :

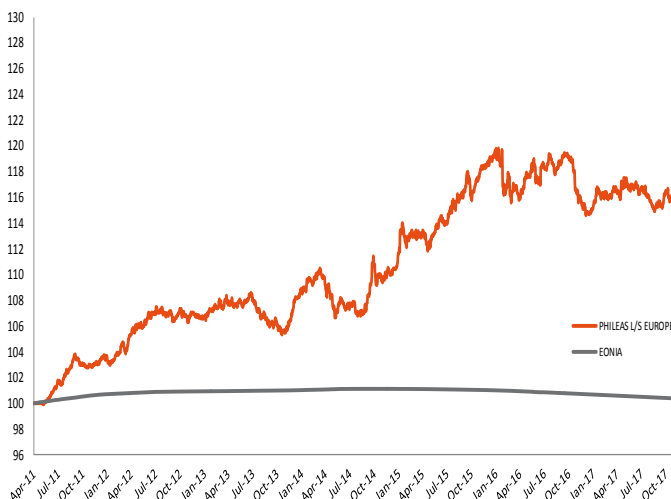
- In Media (+69 bps), we reaped the benefits of outperformance by French TV names TF1 and M6 over RTL, Prosieben, and Mediaset Espana. We believe that private sector operators will benefit from French audiovisual regulatory shifts, with likely lifts or advertisers bans for food retail or cinema. Fresh taxation initiatives targeting internet giants would also support audiovisual production and no doubt ease the burden currently shouldered by the TV broadcasters.
- In Food Retail (+26 bps), Ahold's recovery accounts for the month's positive performance. The company's third-quarter earnings reassured investors on the competitive landscape in the United States.
- In Healthcare (+19 bps), our Fresenius and Elekta hedges proved efficient. Fears over price pressure in the generic injectables market weighed on Fresenius, while Elekta's shares fell following reports of delays to certification for a line of products that is key for its future commercial (and stock market) success. We took profits in both positions.

The main negative contributors this month :

- In the Consumer sector (-39 bps), following overdone corrections in Adidas and Maisons du Monde, we have added to both positions. In parallel, we closed out our remaining luxury goods positions, namely Richemont, which reached our target valuation, and Burberry, following the announcement of a lengthy and costly brand repositioning.
- In Services/IT (-23 bps), falls in Cap Gemini and Atos were detrimental. Given its higher potential for external growth, we decided to bolster our Atos position at the expense of Cap Gemini.

We have rebuilt a long position in SEB. Several factors are driving growth at the company, including a solid innovation strategy, strong presence in emerging markets (40% of revenues) especially in China, and a healthy online presence. Moreover, in the years ahead, SEB should benefit from synergies resulting from the German WMF acquisition, including broader distribution (65% of WMF's revenues are generated in Western Europe) and higher margins on WMF's consumer products (currently 3% versus 9% for SEB). This should propel earnings growth of over 10% per year and fuel another rerating.

### Performance since inception



Source: Phileas Asset Management

### Performance (%)

	YTD	1 month	1 year	3 years	Annualized performance*
<b>PHILEAS L/S EUROPE</b>	1.49%	0.36%	0.95%	5.64%	2.32%
<b>EONIA</b>	-0.32%	-0.02%	-0.35%	-0.75%	0.05%

\* I share launched as of 04/11/2011

### Risk indicators - 1-year data

	Beta	Volatility	Sharpe ratio	Maximum drawdown	Calmar ratio *
<b>PHILEAS L/S EUROPE</b>	0.09	2.58%	0.50	-2.19%	0.42

\* Calmar ratio computed over the last 3 years

Source: Bloomberg

### Historical monthly returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2011</b>				+0.01%	+0.32%	+0.83%	+0.72%	+1.07%	+0.09%	-0.27%	+0.41%	+0.50%	+3.73%
<b>2012</b>	-0.47%	+0.72%	+0.95%	+0.73%	+0.68%	+0.46%	+0.15%	+0.04%	-0.33%	+0.07%	+0.12%	-0.39%	+2.75%
<b>2013</b>	+0.58%	+0.17%	+0.58%	-0.48%	+0.16%	+0.71%	-1.22%	-0.53%	-0.35%	-0.55%	+0.85%	+1.79%	+1.67%
<b>2014</b>	+1.16%	+0.09%	-0.01%	-1.24%	-0.47%	-0.40%	-0.18%	-0.13%	+2.29%	+0.47%	+0.22%	+0.23%	+2.01%
<b>2015</b>	+2.21%	+0.38%	-0.16%	-0.98%	+1.43%	+0.23%	+1.46%	+0.37%	+0.90%	+0.17%	+0.97%	+0.52%	+7.78%
<b>2016</b>	-0.17%	-1.35%	-0.81%	+0.95%	+1.01%	-0.16%	+0.73%	-0.77%	+0.73%	-0.99%	-2.26%	-0.53%	-3.65%
<b>2017</b>	+1.36%	-0.13%	+0.24%	+0.33%	-0.23%	-0.24%	-0.08%	-0.96%	+0.38%	+0.48%	+0.36%		+1.49%

### Portfolio exposure

	%
<b>Gross exposure</b>	115.3%
<b>Net exposure</b>	4.9%
<b>Net beta-adjusted exposure</b>	8.9%

Source: Phileas Asset Management, unless otherwise noted

### Portfolio exposure by instrument

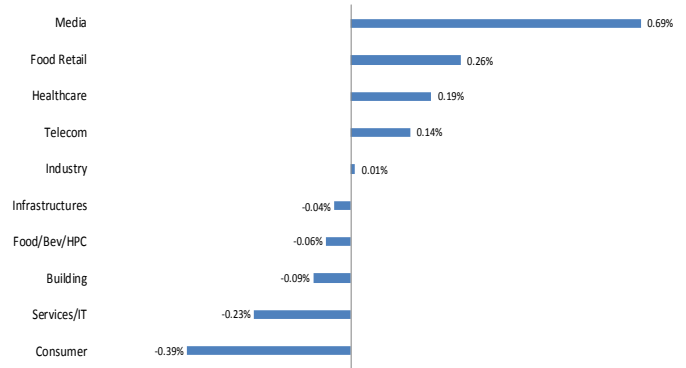
	%	N° of positions
<b>Long equity</b>	60.1%	31
<b>Short equity</b>	55.2%	71
<b>Short indices</b>	0.0%	0

Warning: Past performances are no guarantee of future returns. This document has been published for information purposes only and does not constitute a commercial offer or investment proposal. The reader is invited to consult the full prospectus

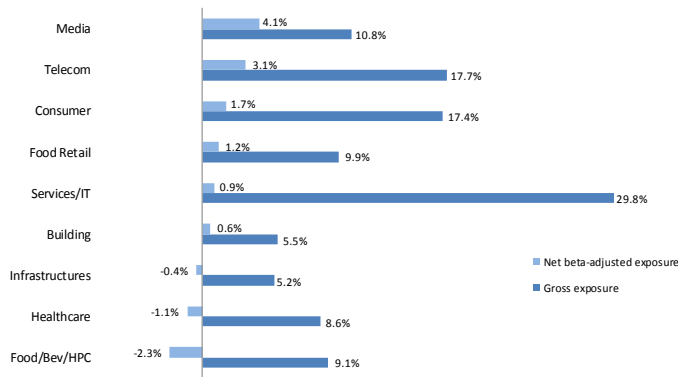
**Top holdings**

Long	%	Short	%
Iliad	3.8%	Services/IT USA	1.5%
TF1	3.5%	Services/IT Spain	1.4%
Randstad	3.4%	Telecom France	1.4%
Bouygues	3.2%	Telecom Switzerland	1.3%
Lagardere	3.0%	Telecom UK	1.3%

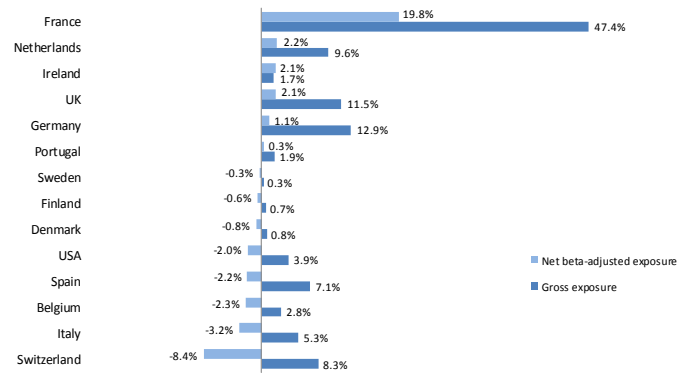
**Gross performance contributors by sector - 1 month**



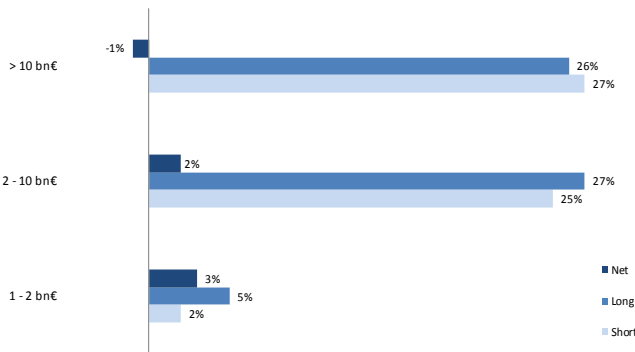
**Portfolio exposure by sector**



**Portfolio exposure by country**



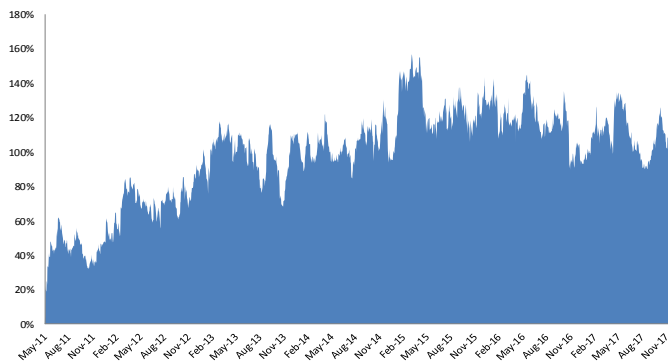
**Portfolio exposure by market cap**



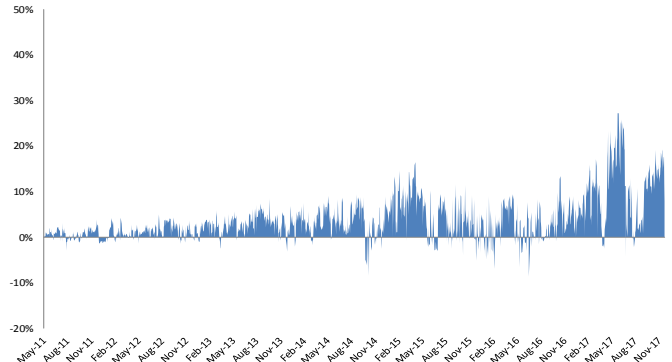
**Performance analysis**

Number of positive months	50
Number of negative months	30
% positive months	62%
Best month	+2.29%
Worst month	-2.26%

**Gross exposure**



**Net beta-adjusted exposure**



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