

ELEVA Sustainable Impact Europe - Class I

31/08/2022
Monthly report

Investment objective and approach

- Impact strategy investing in European listed companies of all capitalizations and styles
- The sub-fund selects companies with good ESG performance that contribute positively to the achievement of the Sustainable Development Goals through their products and services
- 6 themes in the strategy for solving major environmental and societal challenges: social inclusion, health and well-being, "Tech for good", climate action, water and natural resources, and "Green Cities"
- Use of a macroeconomic vision to guide the positioning of the portfolio
- Recommended investment period: 5 years

Key figures

Net Asset Value in € € 1,017.40
Asset managed in funds in € € 50,045,717

Risk and return profile



Fund characteristics

Managers: Sonia Fasolo - Matthieu Détrouat
Legal structure: Luxembourg SICAV - UCITS
Launch date: 17/12/2020
ISIN Code: LU2210205881
Classification: European stocks
Benchmark: STOXX Europe 600 Net Return - SXXR
Reference currency: EUR
Valuation frequency: Daily

Administrative information

Custodian: HSBC Continental Europe, Luxembourg
Fund admin: HSBC Continental Europe, Luxembourg
Management company: ELEVA Capital SAS
Subscription / redemption cutoff: 12:00 CET
Subscription / redemption settlement: D+2

Fees

Subscription fees: 3% maximum
Redemption fees: 0%
Management fees: 0.9%
Performance fees: 15% of the outperformance to the SXXR with a relative HWM over 5 rolling years

Contact

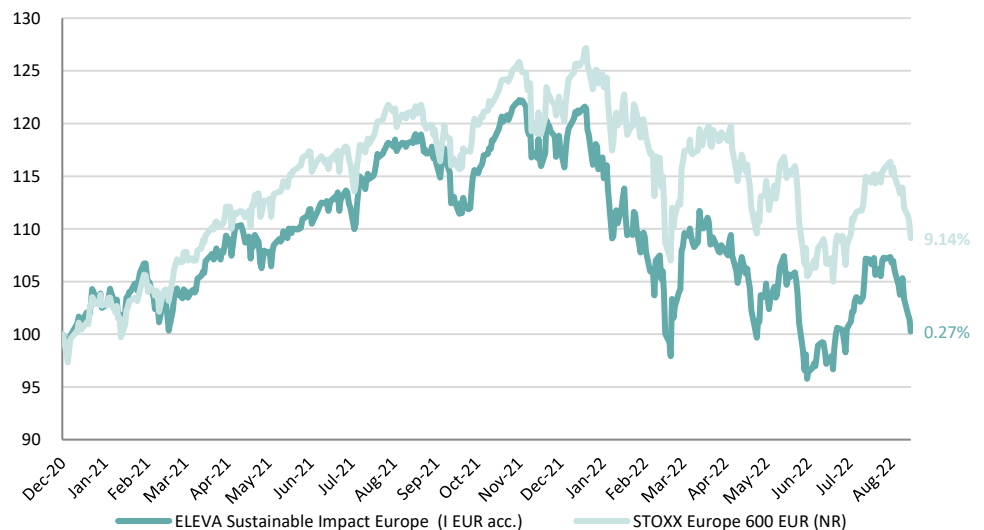
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This document should be read in conjunction with the prospectus and relevant KIIDs which are available on our website www.elevacapital.com.

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.

Performance

Sources: ELEVA Capital



Calendar year performance

	Fund	Index
2020	1.09%	0.45%
2021	19.72%	24.91%
2022	-17.15%	-13.02%

Cumulative performance

	Fund	Index
1 month	-6.44%	-5.05%
3 months	-5.38%	-5.91%
6 months	-6.71%	-6.52%
9 months	-14.11%	-8.30%
1 year	-15.13%	-9.52%
3 years	—	—
5 years	—	—
Since inception	0.27%	9.14%

Monthly Comment

The market rebound that began in early July continued during the first half of August, driven by a wind of optimism following the half-year results of companies, which were generally solid. Negative investor positioning before the summer may have been a little excessive. The tide turned violently in mid-August and the market fell again by 6% in a context of strong risk aversion. Factors of concern are accumulating (inflation, central bank actions, consumer confidence, deterioration of macroeconomic indicators, etc.) and the energy crisis is probably attracting the most attention today. Europe is painfully trying to emancipate itself – at least in part – from Russian gas supplies, but there are many uncertainties about its ability to achieve this (political will, technical capacities, temperatures, etc.). Visibility is therefore low in the short term, both on the supply side (costs and production capacity) and on the demand side (purchasing power). In this context, ELEVA Sustainable Impact fell by 6.4%, underperforming its index.

Financial stocks such as **Munich Re**, **Zurich Assurance** and **BNP** were among the main contributors to performance in August against a backdrop of rising rates. These continue to rise with a 10-year American rate at 3.2% (curve of 10-2-year rates reversed for the 2nd consecutive month), German at 1.5% and Italian at nearly 4%. **Coloplast** showed good resilience, driven by its good Q3 results (8% growth in sales despite an unfavorable Chinese environment) and its encouraging outlook, particularly with regard to the launch of new products. **Alfen**, a specialist in electrical networks and charging solutions for electric vehicles, published excellent results for its first half and once again raised its growth prospects (implying 75% growth in sales for 2022, etc.).

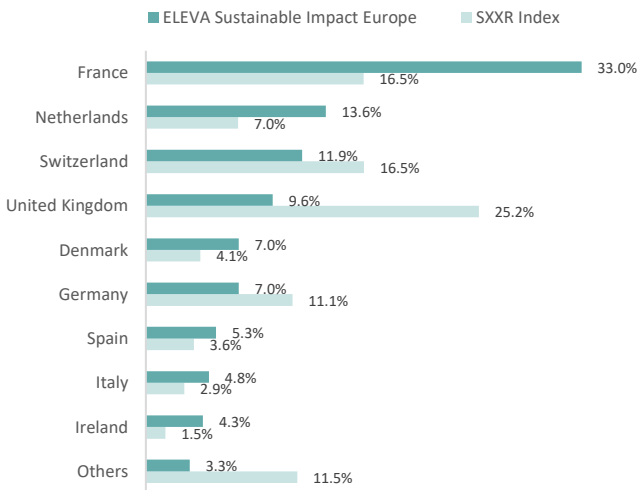
Among the main detractors, **DSM** is suffering from the deterioration of the macroeconomic environment (fears linked to inflation and the deterioration of consumer confidence) and probably also from a certain wait-and-see attitude linked to its very structuring rapprochement with Firmenich in the coming months. In the hearing aid segment, **Amplifon** is suffering from industry commentary about moderating demand. **Elis**, for its part, which has benefited from a normalization of post-covid demand since the start of the year, is marking time in a less obvious context.

Although we note the general weakening of valuations, which in some cases have become attractive, we continued to strengthen our positioning in large defensive and quality stocks during the month, which we believe are capable of holding up better in a delicate macroeconomic environment.

Portfolio analysis

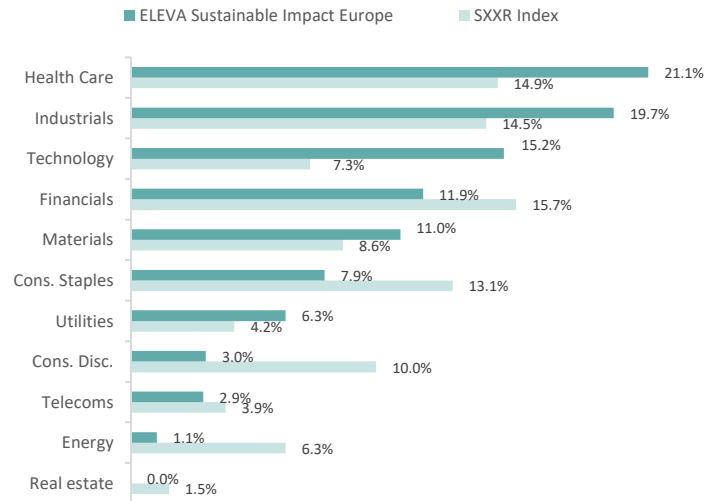
Geographic breakdown

cash excluded



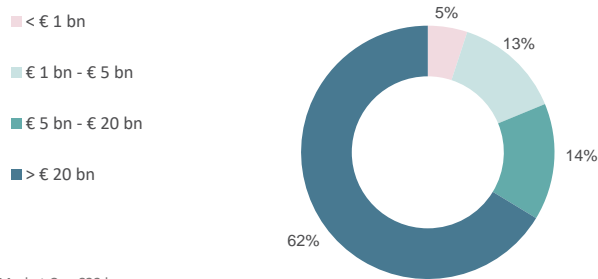
Sector breakdown

cash excluded



Market capitalisation

Risk indicators



Median Market Cap €23 bn

	Sub-fund	Benchmark
Active Weight	85.5%	
Volatility	16.94%	15.85%
Beta	1.01	
Tracking error	5.59%	
Sharpe ratio	0.04	0.36
Sortino ratio	0.06	0.48
Information ratio	-0.91	

Top 5 Holdings

Company	Sector	Country	Weight	Impact themes	ESG Score*
NOVO NORDISK A/S-B	Health Care	Denmark	5.2%	Health & well being	73
ASTRAZENECA PLC	Health Care	United Kingdom	4.3%	Health & well being	67
KERRY GROUP PLC-A	Cons. Staples	Ireland	4.0%	Social Inclusion	71
SPIE SA	Industrials	France	3.6%	Climate actions	70
SARTORIUS STEDIM BIOTECH	Health Care	France	3.6%	Health & well being	77

* ELEVA proprietary score from 0 to 100

Top 3 contributors

Top 3 detractors

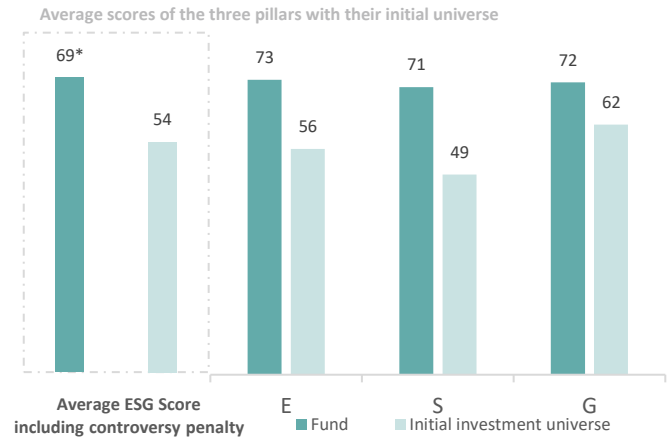
Name	Absolute Contribution	Name	Absolute Contribution
MUENCHENER RUECKVER AG-REG	22 bps	KONINKLIJKE DSM NV	-54 bps
AFYREN SAS	11 bps	AMPLIFON SPA	-46 bps
ZURICH INSURANCE GROUP AG	8 bps	ELIS SA	-44 bps

ESG data

Investment process	nb of companies
European companies with an ESG score	1456
1. Universe post Exclusions*	1291
2. Universe post ESG selection (score ≥ 60/100)	662
Universe reduction related to exclusions and ESG selection	55%
3. Universe post Impact analysis**	206
4. Portfolio post fundamental research***	42

Methodology
 * Fossil fuel/Tobacco/Alcohol/Weapons/Gaming/adult entertainment/Violation of global Compact
 ** Proprietary SDG methodology. SDG contribution ≥ 20% of revenues + green light from business operations
 *** Fundamental analysis, ESG analysis (ELEVA Capital methodology) & valuation

Source: ELEVA Capital



Sources: ELEVA Capital, MSCI

The three best ESG ratings of the sub-fund

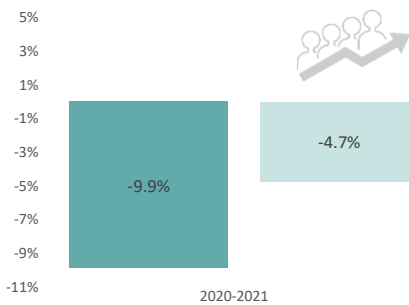
Name	Sector	Country	ESG Score
ASML HOLDING NV	Technology	Netherlands	84
RELX PLC	Industrials	United Kingdom	79
SARTORIUS STEDIM BIOTECH	Health Care	France	77

The three worst ESG ratings of the sub-fund

Name	Sector	Country	ESG Score
STMICROELECTRONICS NV	Technology	Switzerland	61
WAGA ENERGY SA	Energy	France	62
STEICO SE	Industrials	Germany	62

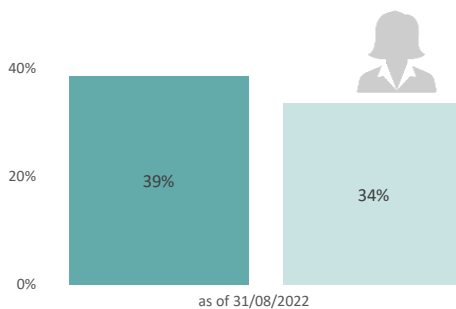
ESG Performances

Growth in the number of employees



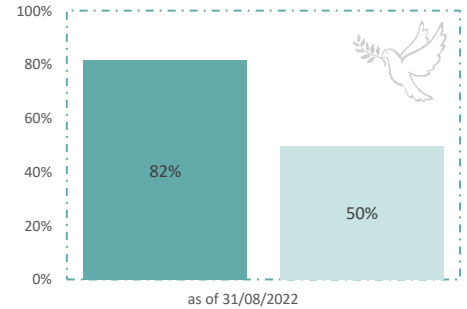
Source: ELEVA Capital

Percentage of women on board



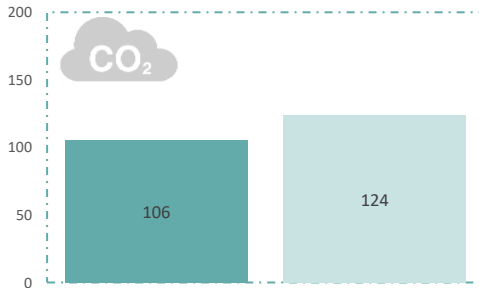
Sources: MSCI, ELEVA Capital

Signatories of the United Nations Global Compact



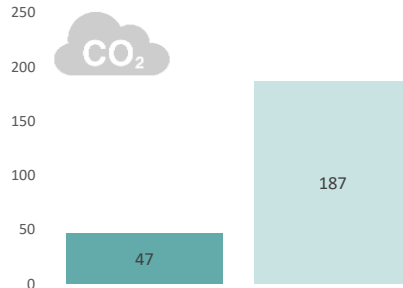
Source: Global compact

Average carbon intensity (in tons of CO₂ equivalent per million € of sales)



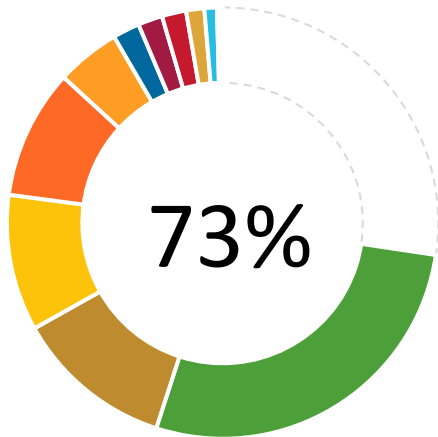
Source: MSCI

Carbon footprint (in tons of CO₂ equivalent per million € invested)



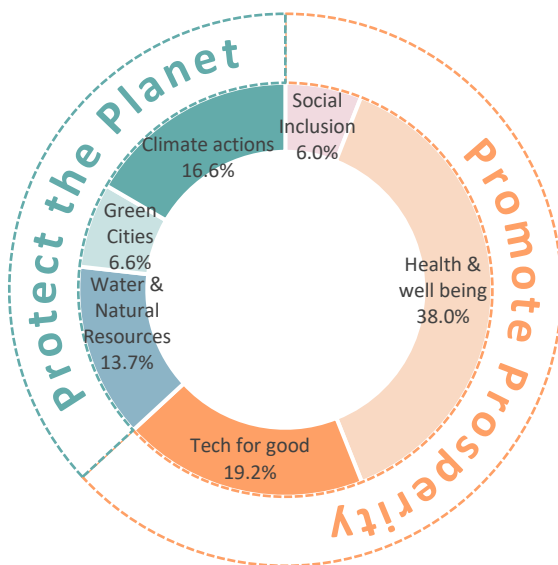
Source: MSCI

Alignment with the Sustainable Development Goals (SDGs) as a percentage of revenues



1	0.0%	No poverty	9	11.9%	Industry, innovation, infrastructure
2	1.4%	Zero hunger	11	4.8%	Sustainable cities
3	27.6%	Good health & well being	12	9.7%	Responsible consumption & prod.
4	1.8%	Quality education	13	1.8%	Climate actions
5	0.2%	Gender equality	14	0.0%	Life below water
6	0.2%	Clean water & sanitation	15	0.0%	Life on land
7	10.2%	Affordable & clean energy	16	2.0%	Peace, justice, strong institutions
8	0.9%	Decent work & economic growth	0	27.4%	No exposure to SDG

Exposure to the 6 sustainable themes



ELEVA Sustainable Impact Europe is exposed to 6 themes, grouped into two main families:

- Protect the environment:

- Climate action (SDG 7, 13): Solutions to adapt to climate change, low-carbon products, renewable energy...
- Water & natural resources (SDGs 6, 12, 14, 15): Access to clean water, water treatment, sustainable forestry...
- Sustainable cities (SDG 11): affordable housing, sustainable transportation, waste management...

- Promote Prosperity:

- Social Inclusion (SDGs 1, 2, 4, 5, 8): Essential and affordable products, access to financial services...
- Health & Wellness (SDG 3): Medicines, health insurance, medical devices, road safety equipment...
- Tech for good (SDGs 9, 16): Transformational technologies, improving the efficiency of public institutions, fighting cybercrime...

Coverage rate of ESG indicators

	Growth in the number of employees	% women on board	% Signatories of the United Nations Global Compact	Carbon intensity	CO ₂ emissions scope 1 and 2
Fund	90%	100%	99%	98%	98%
Initial universe	92%	98%	87%	94%	94%

Methodology: the formulas for calculating the ESG performance indicators can be consulted in our Transparency Code available on our website

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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.

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