

ELEVA Sustainable Impact Europe - Class R

31/10/2022
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 € € 94.24
Asset managed in funds in € € 49,589,038

Risk and return profile



Fund characteristics

Managers: Sonia Fasolo - Matthieu Détrouat
Legal structure: Luxembourg SICAV - UCITS
Launch date: 17/12/2020
ISIN Code: LU2210207234
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

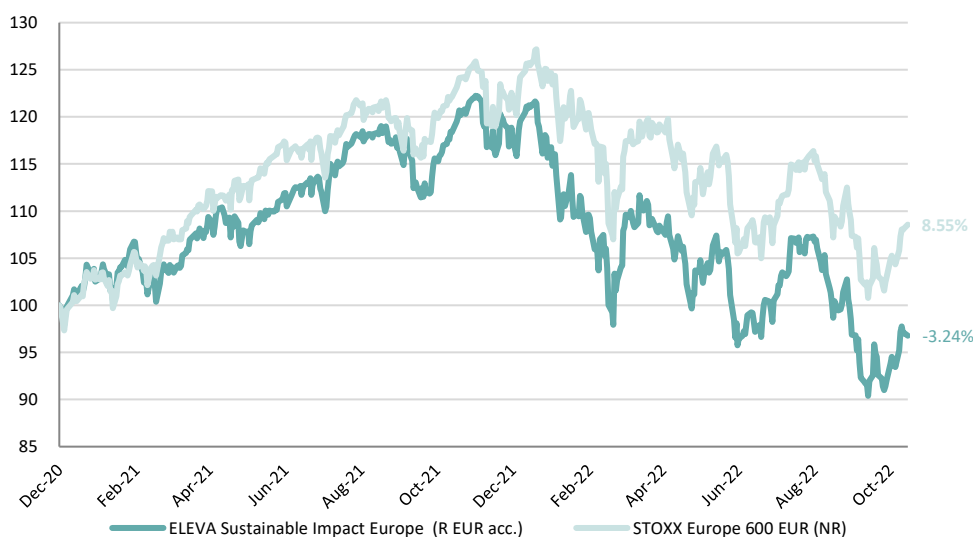
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This document should be read in conjunction with the prospectus and relevant KIIDs which are available on our website www.elevacapital.com.

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		Fund	Index
2020	1.10%	0.45%	1 month	5.21%	6.35%
2021	19.71%	24.91%	3 months	-9.70%	-5.56%
2022	-20.05%	-13.48%	6 months	-9.85%	-7.27%
			9 months	-13.65%	-10.04%
			1 year	-18.27%	-11.10%
			3 years	—	—
			5 years	—	—
			Since inception	-3.24%	8.55%

Cumulative performance

Monthly Comment

The European market (STOXX Europe 600 net return) remains volatile but rebounded sharply in October. In a deteriorating economic backdrop, central banks are continuing to raise interest rates to fight inflation. In Europe, the ECB once again raised its rates by 75bps in October (to 2%), a movement which will no doubt continue at the next meeting in December. The zero-Covid policy in China remains in place. This drag on growth is clearly felt in companies' third quarter results. US 10-year yields continued to rise, returning to 4%, while German and French yields plateaued around 2-2.5%.

Although European GDP grew by 0.2% in the third quarter, the leading indicators still point to a macroeconomic contraction in the short term and for the months to come.

The most cyclical sectors outperformed the rest of the market in October (travel, oil & gas, industry, automotive), their valuations often integrating very weak operational scenarios. Since the beginning of the year, the Oil & Gas sector is the only sector on the rise in Europe (outperforming the market by almost 50%). ELEVA Sustainable Impact Europe rose by 5.2% but underperformed its benchmark in October.

Among the main contributors, **Carbios**, a position in our "Scale up" pocket rebounded strongly, partly driven by expectations of an upcoming European regulatory change aimed at requiring the integration of recycled plastic in plastic packaging in high proportions. Carbios, which has developed a promising technology allowing infinite recycling of PET plastic, would greatly benefit from this. The slightly stronger positioning of the portfolio in recent weeks towards cyclical and financial companies contributed to performance.

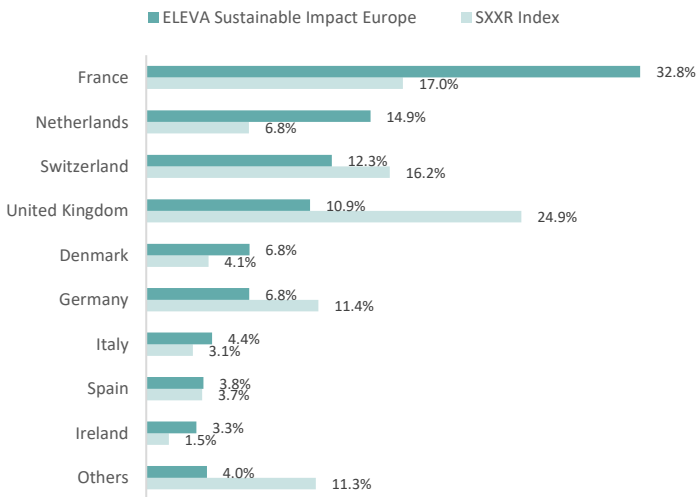
The main detractors are generally companies whose short-term activity show some signs of normalization such as **DSM**, whose valuations remain relatively rich (**Dassault Systèmes**, **Sartorius**), or whose operational trajectory for 2023 is difficult to anticipate. Among these, **Amplifon**, a distributor of hearing aids, which entered the portfolio this year continues to suffer from a lack of visibility for 2023. Nonetheless, the group has historically been able to weather such difficult market phases in this fundamentally buoyant sector.

The fund's positioning continues to evolve in favor of more cyclical stocks and financials, whose valuations are already factoring in a very poor macroeconomic scenario. We reinforced these two exposures during the month of October.

Portfolio analysis

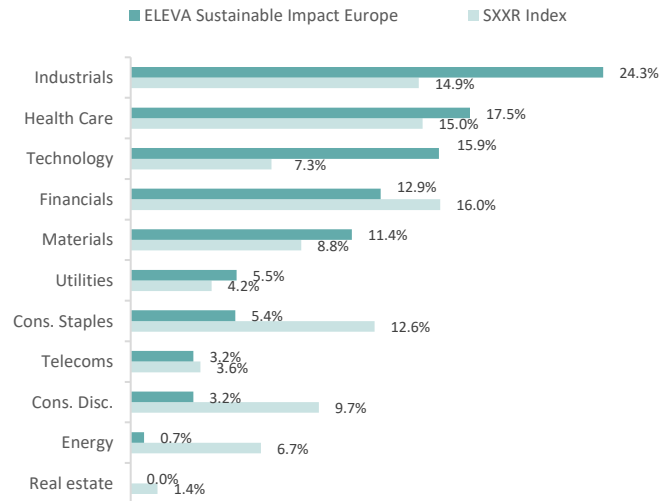
Geographic breakdown

cash excluded



Sector breakdown

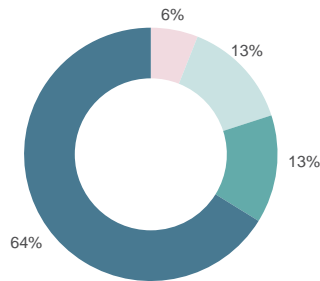
cash excluded



Market capitalisation

Risk indicators

- < € 1 bn
- € 1 bn - € 5 bn
- € 5 bn - € 20 bn
- > € 20 bn



Median Market Cap €23 bn

	Sub-fund	Benchmark
Active Weight	85.3%	
Volatility	17.34%	16.12%
Beta	1.02	
Tracking error	5.65%	
Sharpe ratio	-0.08	0.30
Sortino ratio	-0.12	0.42
Information ratio	-1.10	

Top 5 Holdings

Company	Sector	Country	Weight	Impact themes	ESG Score*
NOVO NORDISK A/S-B	Health Care	Denmark	4.9%	Health & well being	76
ASTRAZENECA PLC	Health Care	United Kingdom	4.1%	Health & well being	72
ALLIANZ SE-REG	Financials	Germany	3.9%	Health & well being	71
CAPGEMINI SE	Technology	France	3.9%	Tech for good	68
AIR LIQUIDE SA	Materials	France	3.5%	Green Cities	67

* ELEVA proprietary score from 0 to 100

Top 3 contributors

Top 3 detractors

Name	Absolute Contribution
CARBIOUS	52 bps
ALLIANZ SE-REG	46 bps
AIR LIQUIDE SA	40 bps

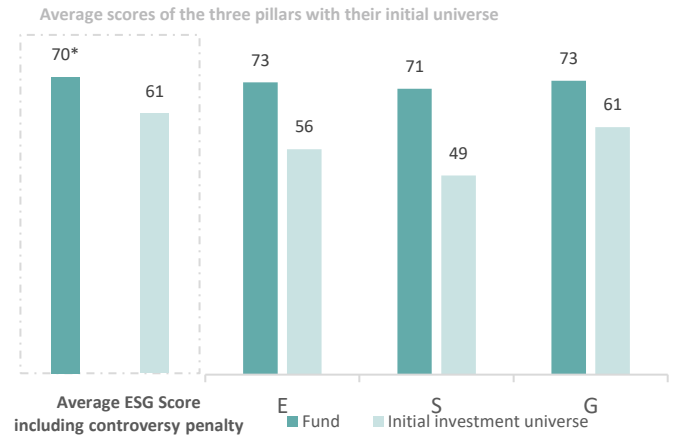
Name	Absolute Contribution
AMPLIFON SPA	-15 bps
DASSAULT SYSTEMES SE	-13 bps
KERRY GROUP PLC-A	-12 bps

ESG data

Investment process	nb of companies
European companies with an ESG score	1456
1. Universe post Exclusions*	1292
2. Universe post ESG selection (score ≥ 60/100)	673
Universe reduction related to exclusions and ESG selection	54%
3. Universe post Impact analysis**	226
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

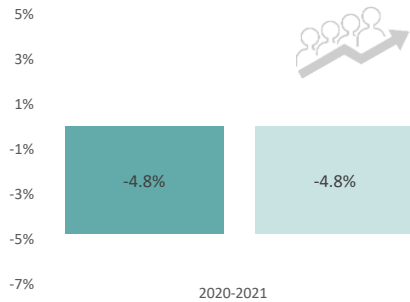
Name	Sector	Country	ESG Score
ASML HOLDING NV	Technology	Netherlands	84
RELX PLC	Industrials	United Kingdom	79
SCHNEIDER ELECTRIC SE	Industrials	France	78

The three worst ESG ratings of the sub-fund

Name	Sector	Country	ESG Score
STMICROELECTRONICS NV	Technology	Switzerland	61
CARBIOS	Materials	France	61
WAGA ENERGY SA	Energy	France	62

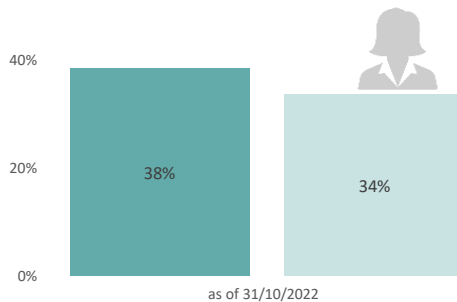
ESG Performances

Growth in the number of employees



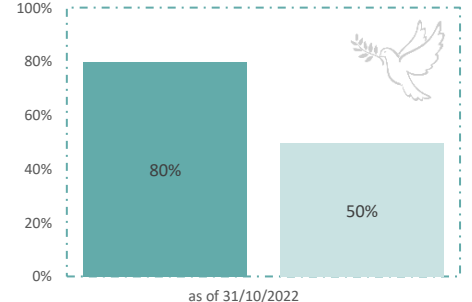
Source: ELEVA Capital

Percentage of women on board



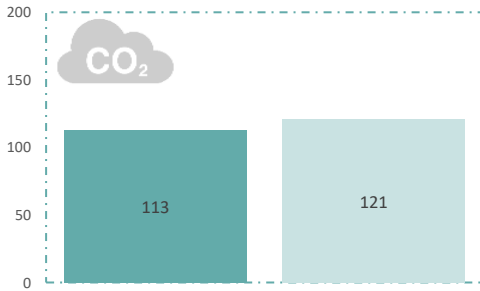
Sources: MSCI, ELEVA Capital

Signatories of the United Nations Global Compact



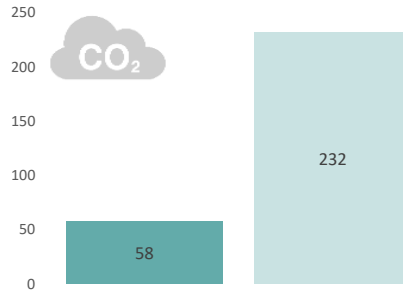
Source: Global compact

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



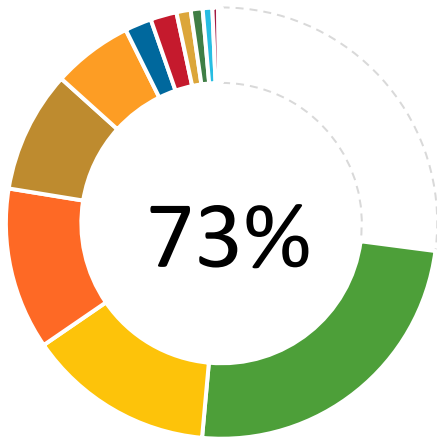
Source: MSCI

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



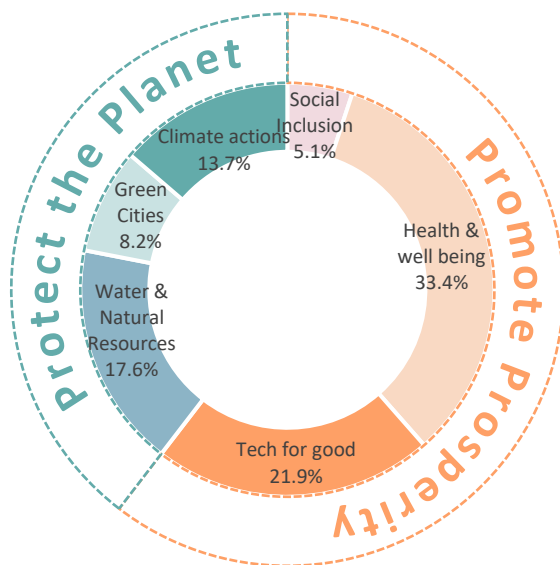
Source: MSCI

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



1	0.0%	No poverty	9	14.0%	Industry, innovation, infrastructure
2	1.1%	Zero hunger	11	6.0%	Sustainable cities
3	24.4%	Good health & well being	12	12.1%	Responsible consumption & prod.
4	2.0%	Quality education	13	0.9%	Climate actions
5	0.2%	Gender equality	14	0.0%	Life below water
6	0.7%	Clean water & sanitation	15	0.0%	Life on land
7	9.1%	Affordable & clean energy	16	2.0%	Peace, justice, strong institutions
8	0.4%	Decent work & economic growth	0	27.1%	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	100%	100%	98%	98%	98%
Initial universe	92%	98%	90%	93%	93%

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

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