

Exane Ceres Fund

(share A, Euro)

Long/short actions

Universe: Consumer, Services, Industry

ISIN code: LU0284634564 | Inception date: 28th February 2007



Fund manager : Charles-Henri Nême / Analyst :

Key figures

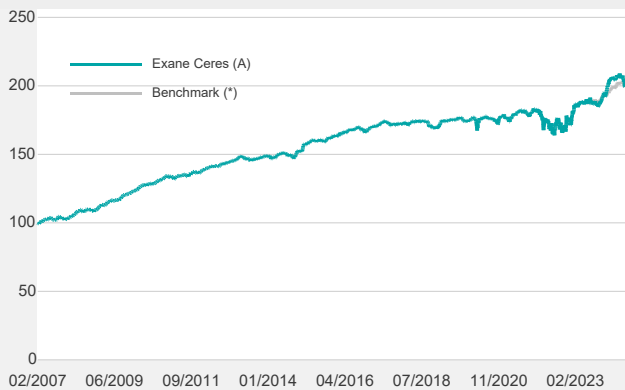
- ▶ Monthly performance: **0.07%** / Benchmark (*) : **0.10%**
- ▶ 2024: **5.25%** / Benchmark (*) : **5.57%**
- ▶ Nav (€): **20 539,76**
- ▶ Net assets (Mio€): **215**

Key points this month

- ▶ The markets were highly volatile in September ...
- ▶ ...providing us with interesting opportunities (Hermès, Elis).
- ▶ We added Bureau Veritas to our strong medium-term convictions.

Performance

	Since 22/05/2023	12 months	2 years	3 years	Since inception
Cumulative					
exane ceres (A)	8.77%	9.71%	22.76%	15.46%	105.40%
Benchmark (*)	8.25%				
Annualized					
exane ceres (A)	6.37%	9.71%	10.78%	4.90%	4.17%
Benchmark (*)	5.99%				



(*) Since May 22, 2023, the performance objective of the Exane Ceres fund has been to outperform its benchmark index over the minimum recommended investment horizon. The benchmark index is composed of 30% MSCI Europe Index net dividends reinvested and 70% capitalized €STER. Prior to this date, the Ceres fund aimed to offer absolute performance uncorrelated with financials markets, and therefore did not have a benchmark index

Source : Exane Asset Management. Past performances are by no means a guarantee of future performance. Net of fees performances. All investments may generate losses or gains.

Risks

	2 years	Since inception
Volatility	7.5%	4.3%
Volatility 12 months min./max.	5.0% / 12.0%	1.5% / 12.0%
Sharpe ratio	1,0	0,8

Fund managers commentary

Performance analysis

September was a complicated and volatile month. Nevertheless, the Ceres fund finished the month in a satisfactory manner with a slightly positive performance, as we succeeded in taking advantage of this volatility. In this regard, two of our principal gains over the month (Hermès and Siemens Healthineers) were posted in stocks that we had not owned at the beginning of the month. What prevented the month from being better was the fact that we lost 75 bps in two stocks in the business services sector: Rentokil, which revised its earnings forecasts significantly downward, and Edenred, which is continuing to be derated in reaction to multiple fears, without any significant revision in earnings forecasts. In this regard, Edenred's P/E has fallen from 30x to 15x in three years based on three themes (regulatory risk in France, legal problems in Italy and the decline in inflation and short-term interest rates). We are maintaining this position, which we believe is highly attractive over the medium-term: excellent management, free cash-flow growth of 10% per year etc. On the sector level, we had a good month in industry (over 100 bps divided between numerous stocks) that was cancelled out by business services and consumer goods (with the resignation of the CEO of Campari costing us).

Main movements purchases and sales

The global situation has been highly volatile for our core investment universe since the beginning of the year, which is highly exposed to France (and therefore affected by the political context) and/or highly exposed to China. We are attempting to profit from this volatility. As such, we took advantage of the collapse in Hermès at the beginning of September to buy shares. Hermès offers at least three qualities that make it unique in its sector: its customers are significantly wealthier than those of other players (outside of Ferrari and Brunello Cucinelli), it raised its prices to a lesser extent during the boom in 2020/2023 and production constraints (opening of workshops) give leather goods (40% of sales) exceptional visibility. We moved back into Elis, where we particularly appreciate management. We believe that the 20% fall in the share price over a few days in reaction to a possible acquisition of Vestis was excessive. The most likely scenario is that this deal will not take place. If the deal does in fact go through, we will subscribe to the capital increase, as we have confidence in the company's management. Lastly, we set up a position in Bureau Veritas as all indicators now appear bullish: organic growth is strong, cash generation is solid and the balance sheet features little debt, potentially allowing the company to reinforce its presence in certain segments such as certification. Additionally (and incidentally), the company may be added to the CAC 40. In valuation terms, the stock is trading only 10% above its historical average over ten years, something that is in no way excessive given the structural acceleration in its growth. Finally, we exited Vinci as we had reached our target price and wish to limit our domestic exposure to France.

Conclusion: our universe is by construction very global and highly exposed to China. It is therefore very volatile in this uncertain period. We profited from this volatility through Hermès and Elis. However, our (new) major medium-term conviction is Bureau Veritas.

Fund ESG indicators

ESG risk score : 14.8 vs 18,5 for the MSCI Europe

Carbon Intensity (T eq.CO₂/sales in M\$) : 65,3 vs 83,9 for the MSCI Europe

Fund exposure	30 September 2024	12-month average
Long	70.5%	84.1%
Short	-40.9%	-50.9%
gross	111.4%	135.0%
Net/net beta-adjusted	29.6% / 36.2%	33.2% / 38.0%
Top 5 long positions	22.5%	24.6%

Historical returns

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
January	+2.23%	+5.94%	-1.69%	-1.52%	+1.26%	+0.94%	+0.65%	+0.81%	+0.33%	+3.16%	-1.57%
February	+2.34%	+2.33%	-1.60%	-0.95%	-1.33%	+1.30%	-0.87%	+0.79%	+0.66%	+0.46%	+0.82%
March	+1.18%	+1.03%	-1.33%	+1.79%	-0.16%	+0.40%	+0.96%	+0.24%	+0.71%	+0.28%	+0.74%
April	-0.78%	+0.20%	-0.14%	+1.20%	+1.04%	+0.21%	+0.27%	+0.55%	-0.23%	+1.08%	+0.82%
May	+0.31%	-0.83%	-1.29%	+0.94%	+0.37%	+0.21%	+0.43%	+0.75%	+1.08%	-0.31%	+0.62%
June	+0.03%	+1.55%	-3.25%	+0.35%	+0.35%	+0.12%	-0.27%	-0.15%	-0.06%	-0.17%	-0.10%
July	-0.84%	+0.12%	+5.67%	-0.67%	-0.82%	+0.12%	+0.28%	-0.41%	+0.47%	+0.30%	-1.12%
August	+0.64%	-0.87%	-3.53%	+0.16%	-0.14%	+0.84%	-0.04%	-0.55%	+0.68%	-0.39%	+0.12%
September	+0.07%	-0.54%	-1.36%	-1.57%	-0.52%	-0.06%	-0.17%	+0.32%	-0.49%	+1.03%	-1.26%
October	-	-0.90%	+0.38%	+1.50%	-1.76%	-1.30%	-1.82%	-0.01%	-0.04%	+0.79%	+1.83%
November	-	+2.64%	+3.97%	+0.35%	+3.23%	+0.03%	-0.67%	-0.09%	-1.10%	+0.33%	+1.39%
December	-	+2.47%	-1.73%	+0.89%	+0.64%	+0.16%	-0.02%	+0.02%	+0.81%	+0.35%	+0.27%
Year	+5.25%	+13.72%	-6.12%	+2.42%	+2.08%	+2.99%	-1.29%	+2.29%	+2.84%	+7.09%	+2.54%

Since inception

% positive months	67.77%	
Best monthly performance	+5.94%	January 2023
Worst monthly performance	-3.53%	August 2022

Source : Exane Asset Management. Past performances are by no means a guarantee of future performance.

Stoxx Europe 600 Price Index Eur*

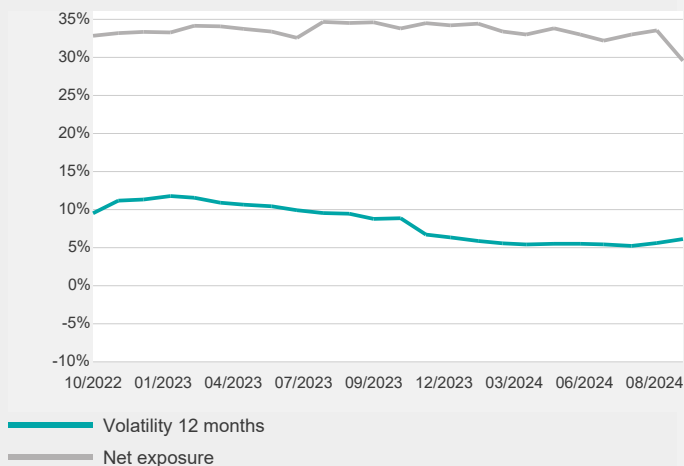
	Stoxx Europe 600 Price Index Eur*	Ceres (a)*
Positive months ()	+3.14%	+0.63%
Negative months ()	-3.55%	-0.03%

(*) Average monthly return

Fund exposure (in % of net assets)

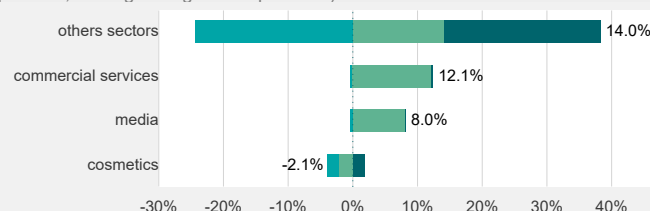
	Market Cap < 5bn€	Market Cap > 5bn€
Long	3.2%	67.2%
Short	-3.1%	-37.9%

Volatility and net exposure over 24 months



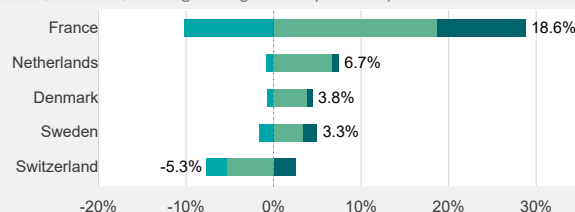
Sectors

(top 5 in %, looking through index products)



Countries

(top 5 in absolute, net in %, looking through index products)



Stocks

Long	%	Short	%
publicis groupe	8,2	others sectors	-1,8
compagnie de saint gobain	4,3	cosmetics	-1,7
safran sa	3,4	others sectors	-1,6
exor nv common stock	3,4	others sectors	-1,6
siemens ag-reg	3,1	Consumer cyclical	-1,6

For more information: www.exane-am.com

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