

Exane Ceres Fund

(share A, Euro)

Long/short actions

Universe: Consumer, Services, Industry

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

the hedge fund journal
UCITS Hedge
Awards
2022

Equity Market Neutral (Europe) – Discretionary
Best Performing Fund over 7 and 10 Years
Exane Ceres Fund
(Exane)



Fund manager : Charles-Henri Nême / Analyst :

Key figures

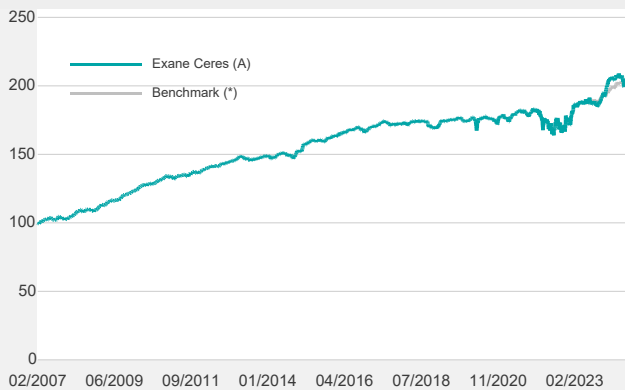
- ▶ Monthly performance: **-0.16%** / Benchmark (*) : **-0.80%**
- ▶ 2024 : **5.08%** / Benchmark (*) : **4.73%**
- ▶ Nav (€): **20 507,17**
- ▶ Net assets (Mio€): **214**

Key points this month

- ▶ The Ceres fund held up well in general in October...
- ▶ ...thanks to a few short positions that functioned well (Sika, DSM-Firmenich).
- ▶ We took advantage of the drop in Caggemini in order to establish a position.

Performance

	Since 22/05/2023	12 months	2 years	3 years	Since inception
Cumulative					
exane ceres (A)	8.59%	10.52%	22.10%	13.58%	105.07%
Benchmark (*)	7.39%				
Annualized					
exane ceres (A)	5.87%	10.52%	10.48%	4.32%	4.14%
Benchmark (*)	5.05%				



(*) 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	7.6%	4.3%
Volatility 12 months min./max.	5.0% / 12.0%	1.5% / 12.0%
Sharpe ratio	0,9	0,8

Fund managers commentary

Performance analysis

October was a satisfactory month in general, as we lost only 16 bps on a market down 3.3%. As could be expected, our principal gains were in short positions that functioned well such as Sika and DSM-Firmenich. Two recent trading ideas, Elis and DSV, were also profitable. We sold both positions as the catalysts had their effect. As not everything was perfect, we posted losses in a few structural positions (ASML, Atlas Copco). We were also hit by the uptick in long-term interest rates in the UK (Segro) and were (marginally) affected by the truly horrible numbers reported by Campari.

Main movements purchases and sales

Over the month, we reinforced our position in Bureau Veritas, which has now become one of Ceres' major long-term convictions alongside Publicis, Saint Gobain and Exor. We would note that none of these four companies is significantly exposed to the Chinese market. Bureau Veritas' organic growth (above 6%), valuation (2025 P/E of 20x) and excellent cash conversion of profits (associated with a value-creating M&A strategy) make it one of our largest medium-term convictions. We also moved back into Caggemini. However, this is more a trading idea. Caggemini's organic growth tends to vary between -2% and +10% and, given its status as a growth cyclical, its P/E is lowest when growth is lowest, as is the case at present. The estimates for 2025 have now been substantially lowered (forecast organic growth close to zero) and we believe that the share price is attractive at around €160 keeping in mind that Caggemini's margin is not at risk. In effect, 57% of its workforce is in India, where restructuring costs are negligible. A drop in business therefore has virtually no effect on Caggemini's margin, in contrast to Alten for example.

We believed that the fall in Sika was a good moment to cover our short position given that, looking beyond its valuation, we appreciate the long-term qualities of the construction chemicals market in general and of Sika in particular. In contrast, we took our profits in Elis (which rebounded in the absence of an acquisition in the United States) and DSV (conditions on the underlying market are not good, as highlighted by the performance of Kuehne & Nagel).

In conclusion, we consider one particular statistic highly interesting. At the end of October, the fund had marginally outperformed the European indices, on a total-return basis, since the launch at the beginning of 2022 of Ceres' new format, despite having net exposure of only 33%. This is clearly due to the two other performance drivers, namely alpha and cash position remuneration. But returning to this month's investment update, the key news in October was the significant increase in our Bureau Veritas position, making it one of Ceres' four core heavy weightings.

Fund ESG indicators

ESG risk score: 14.7 vs 18.7 for the MSCI Europe

Carbon Intensity (T éq.CO₂/sales in \$m) : 66.3 vs 83.9 for the MSCI Europe

Fund exposure	31 October 2024	12-month average
Long	69.7%	82.5%
Short	-37.1%	-49.4%
gross	106.7%	132.0%
Net/net beta-adjusted	32.6% / 40.7%	33.1% / 38.4%
Top 5 long positions	24.9%	24.7%

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	-0.16%	-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	+5.08%	+13.72%	-6.12%	+2.42%	+2.08%	+2.99%	-1.29%	+2.29%	+2.84%	+7.09%	+2.54%

Since inception

% positive months	67.45%	
Best monthly performance	+5.94%	January 2023
Worst monthly performance	-3.53%	August 2022

	Stoxx Europe 600 Price Index Eur*	Ceres (a)*
Positive months ()	+3.14%	+0.63%
Negative months ()	-3.52%	-0.03%

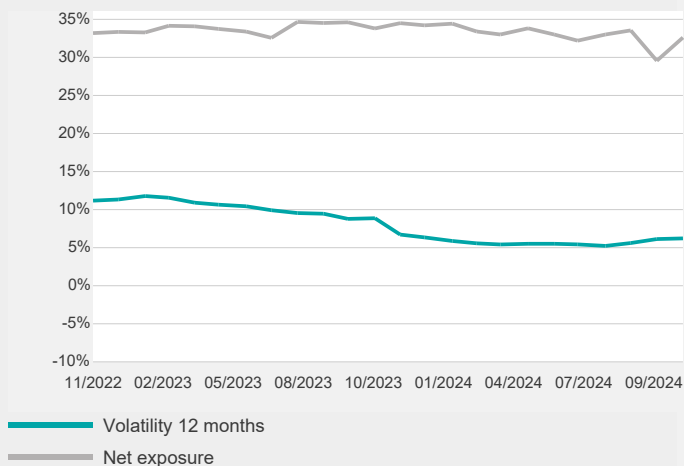
(*) Average monthly return

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

Fund exposure (in % of net assets)

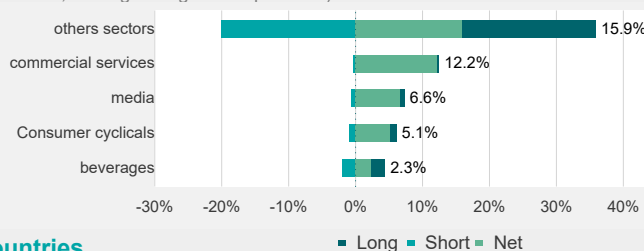
	Market Cap < 5bn€	Market Cap > 5bn€
Long	2.1%	67.6%
Short	-3.2%	-33.9%

Volatility and net exposure over 24 months



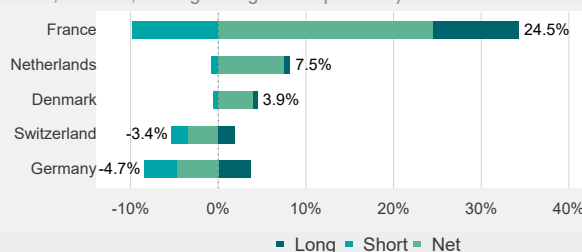
Sectors

(top 5 in %, looking through index products)



Countries

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



Stocks

Long	%	Short	%
publicis groupe	7,3	cosmetics	-1,7
bureau veritas sa	5,4	others sectors	-1,5
compagnie de saint gobain	4,3	others sectors	-1,4
exor nv common stock	4,2	others sectors	-1,4
safran sa	3,7	cosmetics	-1,4

For more information: www.exane-am.com

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