

Exane Ceres Fund

(share A, Euro)

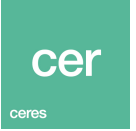
Long/short actions

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

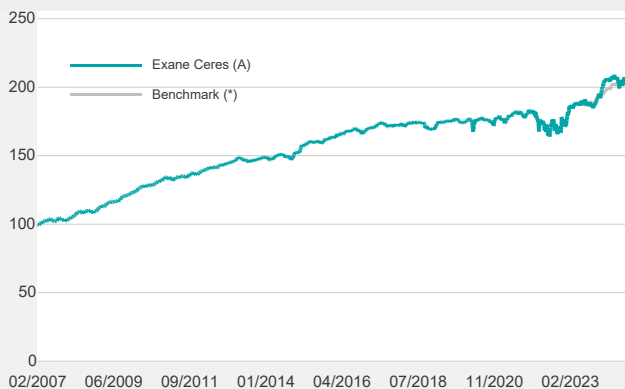
- ▶ Monthly performance: **1.21%** / Benchmark (*) : **0.46%**
- ▶ 2024: **6.35%** / Benchmark (*) : **5.21%**
- ▶ Nav (€): **20 754,86**
- ▶ Net assets (Mio€): **205**

Key points this month

- ▶ The Ceres fund posted an excellent performance in November...
- ▶ ...driven by the three sectors which have supported the fund throughout the year (media, industry and diversified financials),
- ▶ We have included two contrarian investments in the portfolio (Eurofins and WDP)

Performance

	Since 22/05/2023	12 months	2 years	3 years	Since inception
Cumulative					
exane ceres (A)	9.91%	8.98%	18.85%	14.55%	107.55%
Benchmark (*)	7.88%				
Annualized					
exane ceres (A)	6.39%	8.98%	9.02%	4.63%	4.20%
Benchmark (*)	5.10%				



(*) 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	6.4%	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

November was a challenging month as the results of the forthcoming US election had to be navigated, along with the fragile political situation in France and a complete lack of outlook visibility in China. These factors had to be taken into account, but without straying from the fund's bottom-up approach. Although the French market massively underperformed the other indices, we nonetheless generated 75bps of alpha, despite heavy net exposure to France. Four of our five biggest winners in the long portfolio were French stocks. Most of our strongest gains during the month were highly domestic US profiles however, namely Publicis, Relx and, to a lesser extent, Pandora and Saint-Gobain.

Main movements purchases and sales

At year-end, we usually review the stocks which have fallen sharply and choose one or two of them for the medium term. We have selected Eurofins and WDP. Eurofins has been hit by successive selloffs, particularly in response to four different factors, including the post-Covid euphoria coming to an end, the delay in passing-on surging wage inflation to clients, the attack by Muddy Waters and the deceleration in the biopharma business in 2024. The stock was derated heavily as a result.

Margins began to be restored in H1 2024 however and we believe that this process will continue over the next few half years. It is a defensive business, which is highly exposed to the US (50% of Ebitda), yet the stock is reasonably valued, even when severely restated. In short, this is one of our contrarian ideas for 2025. WDP is the other contrarian play for the coming year. The FFO yield (a type of available real-estate cashflow yield) is 7%, which is much higher than Segro. The financial structure is highly reasonable, which will enable the group to continue with its real estate developments, one of the key growth drivers in logistics. In addition, although the company is sensitive to the economic climate, this factor is overestimated. Besides adding these two new positions, we also scaled-back our gross exposure to the automotive sector, by reducing our holding in Exor. Ferrari, which represents 50% of Exor's NAV, is effectively trading at a significant premium to Hermès, while the capital markets day has been postponed and no further share buybacks are scheduled in the near term, although this policy has helped drive the stock's steady performance. We reduced our corresponding hedge position in the German automotive sector (through BMW) to the same extent.

In conclusion, November was a satisfactory month as French stocks underperformed heavily. The Ceres fund has now outperformed its benchmark by 115bps year-to-date, after outperforming by more than 660bps in 2023. Although highly exposed to the French market, the fund has nonetheless played the best segments, as reflected by the three strongest gains on the year, Publicis, Schneider and Saint-Gobain. Our best-performing non-French stock, Relx, ranked fourth.

The fund' ESG indicators

ESG risk score : 15.6 vs 18.8 for the MSCI Europe index

Carbon intensity (T éq.CO₂/CA in M\$) : 56.0 vs 83.9 for the MSCI Europe index

Fund exposure	29 November 2024	12-month average
Long	80.5%	81.5%
Short	-46.2%	-48.4%
gross	126.7%	129.9%
Net/net beta-adjusted	34.2% / 40.9%	33.1% / 38.5%
Top 5 long positions	25.3%	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	-0.16%	-0.90%	+0.38%	+1.50%	-1.76%	-1.30%	-1.82%	-0.01%	-0.04%	+0.79%	+1.83%
November	+1.21%	+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	+6.35%	+13.72%	-6.12%	+2.42%	+2.08%	+2.99%	-1.29%	+2.29%	+2.84%	+7.09%	+2.54%

Since inception

% positive months	67.61%	
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.

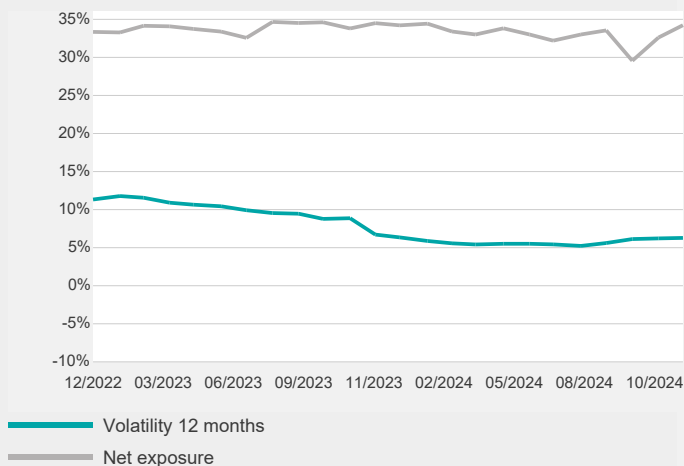
	Stoxx Europe 600 Price Index Eur*	Ceres (a)*
Positive months ()	+3.14%	+0.63%
Negative months ()	-3.51%	-0.03%

(*) Average monthly return

Fund exposure (in % of net assets)

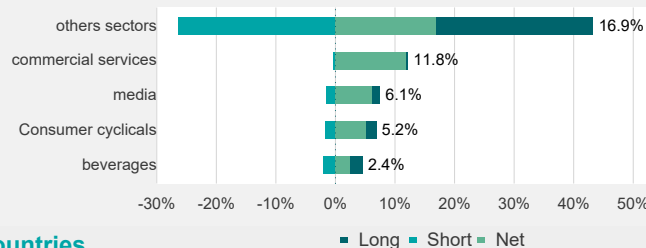
	Market Cap < 5bn€	Market Cap > 5bn€
Long	6.8%	73.7%
Short	-3.9%	-42.4%

Volatility and net exposure over 24 months



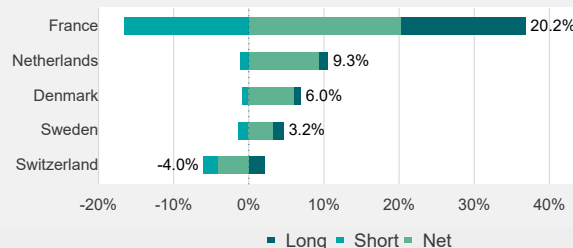
Sectors

(top 5 in %, looking through index products)



Countries

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



Stocks

Long	%	Short	%
publicis groupe	7,5	others sectors	-1,9
bureau veritas sa	5,7	cosmetics	-1,8
compagnie de saint gobain	4,7	others sectors	-1,5
relx nv	3,8	others sectors	-1,5
safran sa	3,6	others sectors	-1,4

For more information: www.exane-am.com

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