

Monthly Comment

The Alken Fund Absolute Return Europe rose 0.3% in December, bringing the year to date to 1.4%. The net exposure was increased to 48.2% whereas the gross exposure was reduced 136.7%.

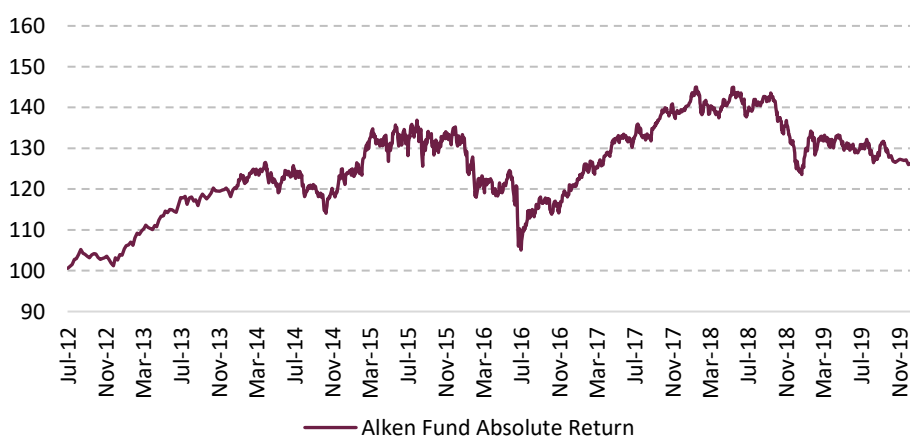
The election result in the UK and the announcement of the “phase one” trade deal between the US and China were the main headlines in December. Financial markets reacted strongly reflecting reduced uncertainty and closing an outstanding year. More recently, the Chinese Central Bank cut its reserve requirement ratio releasing significant liquidity into the financial system.

Atacadao was a material contributor recovering from a subdued performance in previous quarters as it is benefiting from improving economic trends in the Brazilian market. British American Tobacco continued its solid trajectory driven by incremental positive news in the US market. The latest regulatory decision on vaping solutions will limit competitive products and favour the company’s existing product which is already fully compliant.

On the downside, Wirecard was under pressure due to persistent negative press articles. We reiterate, as we have done on several occasions, our conviction on the company and its management team which continues to make strong progress within a very attractive industry. We believe the large dislocation between valuation and fundamentals will dissipate over time.

After a strong year for equity markets, the outlook for 2020 will be influenced by the upcoming election in the US and the negotiations to complete Brexit. Political risks have eased slightly whereas economic conditions seem to be stabilising, a favourable environment for stocks with a cyclical bias.

Performance since inception ¹



(1) Performance of the A share class for the fund

Share Class	A	US3	CH3
NAV	127.57	110.08	99.17
Launch Date	Jun-12	Mar-14	Mar-14
ISIN	LU0572586591	LU1040154095	LU1040153956
Bloomberg Code	ALKAREA LX	ALKAUS3 LX	ALKCH3A LX
Currency Hedging	No	Yes	Yes

Portfolio Managers

Nicolas Walewski



Marc Festa



Investment Objective & Universe

- Provide capital growth and a positive absolute return over the long-term through long and short market exposure in European markets.
- The fund will have flexible net exposure to equity markets by taking long and short exposures on European equities through the use of transferable securities, derivatives and index futures.

Fund Facts

AuM:	EU 346m
Hurdle Rate:	5%
Base Currency:	EUR
Legal Status:	UCITS
Domicile:	Luxembourg
Management Fee ¹ :	2.25%
Performance Fee ¹ :	20%
Settlement:	T+4

(1) For shareclass A

Performance ¹

Performance ²	Fund
Since inception	27.6%
YTD	1.4%
MTD	0.3%
1Y	1.4%
3Y	5.6%
5Y	2.4%
2018	-10.8%
2017	16.7%
2016	-9.2%
2015	6.8%
2014	3.5%

(1) Performance of the A share class for the fund

(2) 27 June 2012

Risk Indicators ¹

Risk Indicators ¹	Fund
Volatility	9.6%
Sharpe Ratio	0.4
Sortino Ratio	0.5

(1) Since inception

Key Contributors	Exp	Contribution
Atacadao SA	2.2%	0.4%
British American Tobacco PLC	5.0%	0.4%
B&M European Value Retail SA	3.5%	0.3%

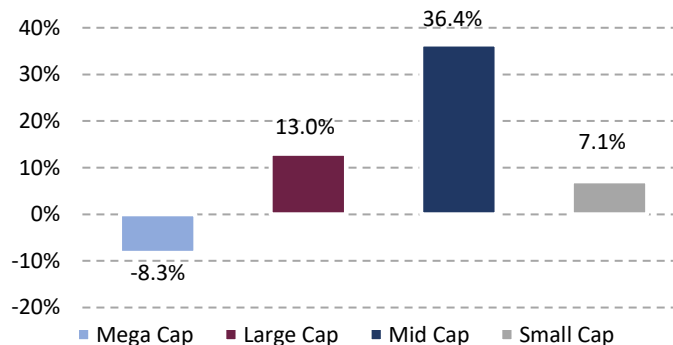
Key Detractors	Exp	Contribution
Wirecard AG	5.3%	-0.6%
Hurricane Energy	1.5%	-0.6%
Valeo	2.5%	-0.3%

Contribution	MTD	YTD
Index	-0.4%	-10.5%
Longs	0.9%	13.3%
Shorts	-0.1%	-0.7%
Bonds	0.0%	0.0%

Top 5 Holdings	Exp
Wirecard AG	5.3%
British American Tobacco PLC	5.0%
Aroundtown Property Holdings PLC	4.7%
Elis SA	4.1%
Eiffage SA	4.0%

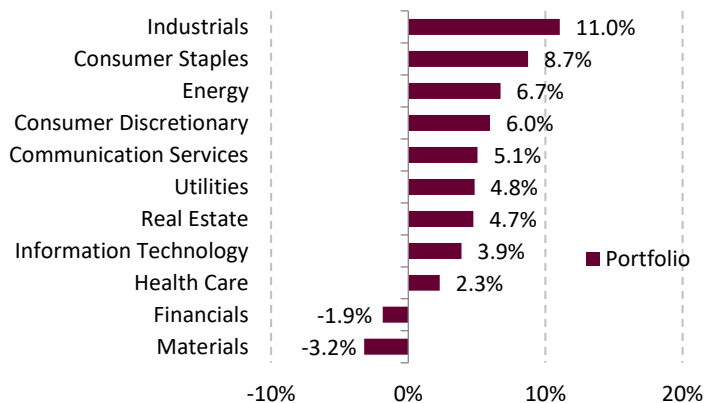
Portfolio Breakdown	Fund
Top 10 Holdings	39.8%
Number of Holdings	73
Long Exposure	92.4%
Short Exposure	-44.2%
Net Exposure	48.2%
Gross Exposure	136.7%

Market Capitalisation¹

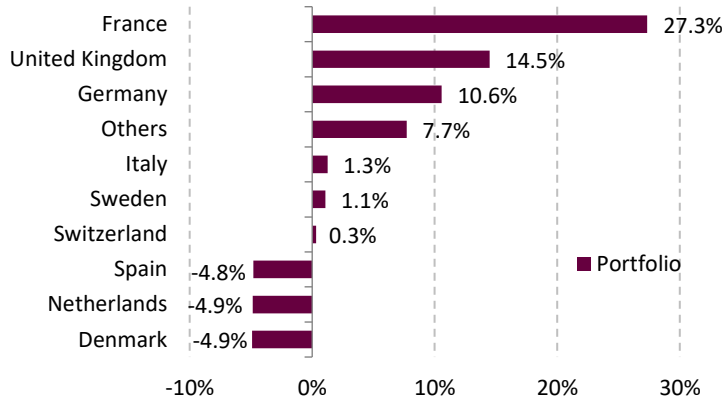


(1) Mega Cap > €50 bn, Large Cap <€50 bn, Mid Cap <€10bn, Small Cap <€2 bn

Sector Breakdown



Country Breakdown



Exposure: end of month exposures

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