

## Monthly Comment

The Alken Fund Small Cap Europe rose 0.6% in December against 4.7% for the STOXX Europe TMI Small Net Return benchmark. This brings the relative performance to -20.81% for the year to date.

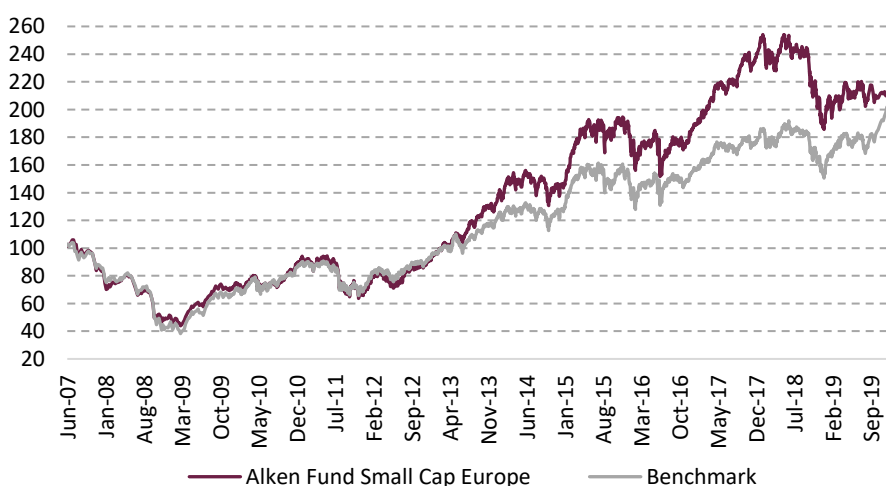
The election result in the UK and the announcement of the “phase one” trade deal between the US and China were the main headlines in December. Financial markets reacted strongly reflecting reduced uncertainty and closing an outstanding year. More recently, the Chinese Central Bank cut its reserve requirement 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. Corestate Capital, a real estate company, soared after its founder decided to step back and sell down 12% of his stake in the company. The departure was well received as he was associated with risky governance matters.

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 <sup>1</sup>



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

Share Class	R	A	EU1
NAV	214.13	180.36	180.36
Launch Date	Jun-07	Jun-13	Sep-13
ISIN	LU0300834669	LU0524465548	LU0953331096
Bloomberg Code	ALKSMEU LX	ALKSMEA LX	ALKSEU1 LX
Currency Hedging	No	No	No

## Portfolio Managers

Nicolas Walewski



Marc Festa



## Investment Objective & Universe

- Achieve annualised capital appreciation in the long-term through a risk adjusted outperformance of the benchmark.

- The fund will invest at least 75% of its assets in equity and equity related securities issued by companies headquartered in Europe, with a market capitalisation below €5 billion.

## Fund Facts

AuM:	EUR 218m
Index:	STOXX Europe TMI Small Net Return
Base Currency:	EUR
Legal Status:	UCITS
Domicile:	Luxembourg
Management Fee <sup>1</sup> :	1.75%
Performance Fee <sup>2</sup> :	10%
Settlement:	T+4

(1) For shareclass R

(2) Above reference benchmark

Performance <sup>1</sup>	Fund	Benchmark
<b>Since inception <sup>2</sup></b>	<b>114.1%</b>	<b>104.5%</b>
YTD	11.2%	32.0%
MTD	0.6%	4.7%
1Y	11.2%	32.0%
3Y	14.5%	31.0%
5Y	46.6%	58.9%
2018	-21.0%	-13.8%
2017	30.4%	15.2%
2016	-2.2%	-0.2%
2015	30.8%	21.6%
2014	9.5%	6.1%

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

(2) 08 June 2007

Risk Indicators <sup>1</sup>	Fund	Benchmark
Volatility	18.9%	18.9%
Alpha	1.0%	
Tracking Error	7.8%	
Information Ratio	0.1	
Active Share	97.9%	

(1) Since inception

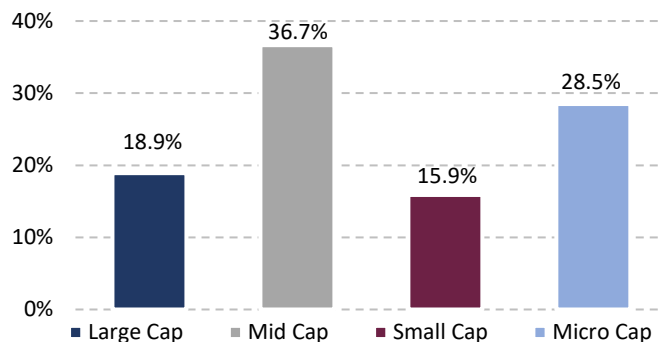
Key Contributors	Exposure	Contribution
Atacadao SA	4.8%	1.0%
Corestate Capital	3.4%	0.4%
B&M European Value Retail SA	4.5%	0.4%

Key Detractors	Exposure	Contribution
Hurricane Energy	3.8%	-1.4%
Wirecard AG	9.3%	-1.1%
1&1 Drillisch AG	0.2%	-0.1%

Top 5 Holdings	Exposure
Wirecard AG	9.3%
Aroundtown Property Holdings PLC	6.3%
Ald SA	6.0%
Energiean Oil & Gas PLC	5.6%
Atacadao SA	4.8%

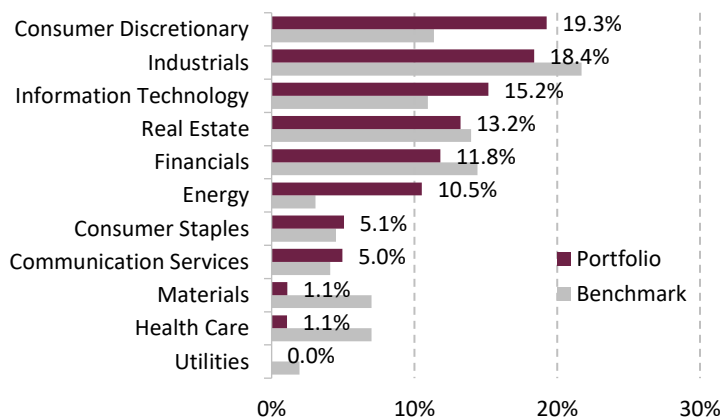
Concentration	Fund	Benchmark
Top 10 Holdings	54.2%	5.2%
Top 20 Holdings	83.7%	9.1%
Number of Holdings	46	834
Cash Holding	4.3%	

## Market Capitalisation<sup>1</sup>



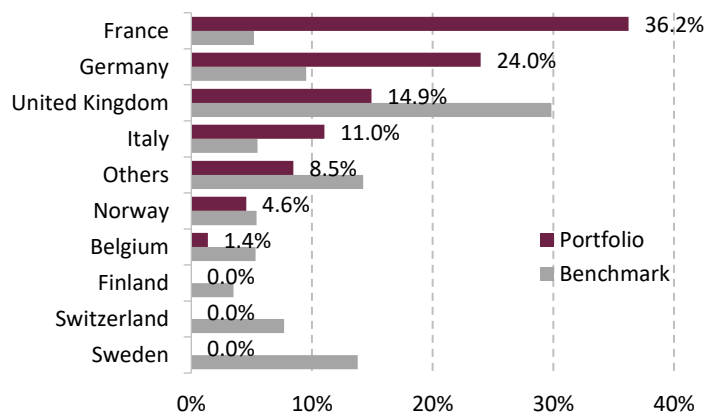
(1) Large Cap > €10 bn, Mid Cap < €10 bn, Small Cap < €2 bn, Micro Cap < €1 bn

## Sector Breakdown



Exposure: end of month exposures

## Country Breakdown



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