

Seven European Equity Fund



A highly effective approach that complements traditional equity strategies

[Updated on July 31, 2024]

SEVEN CAPITAL MANAGEMENT

39 rue Marbeuf, 75008 Paris – France – Tel. +33 1 42 33 04 05

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Past performance is not a reliable indicator of future performance

Three equity management styles with different investment philosophies

Value

Buying shares in companies considered to be a **buy opportunity based on their market valuation**



Growth

Buying shares in companies that show **a capacity to grow their revenue and net income**



Momentum

Buying shares that have shown a **historical capacity to outperform the major stock market indices**



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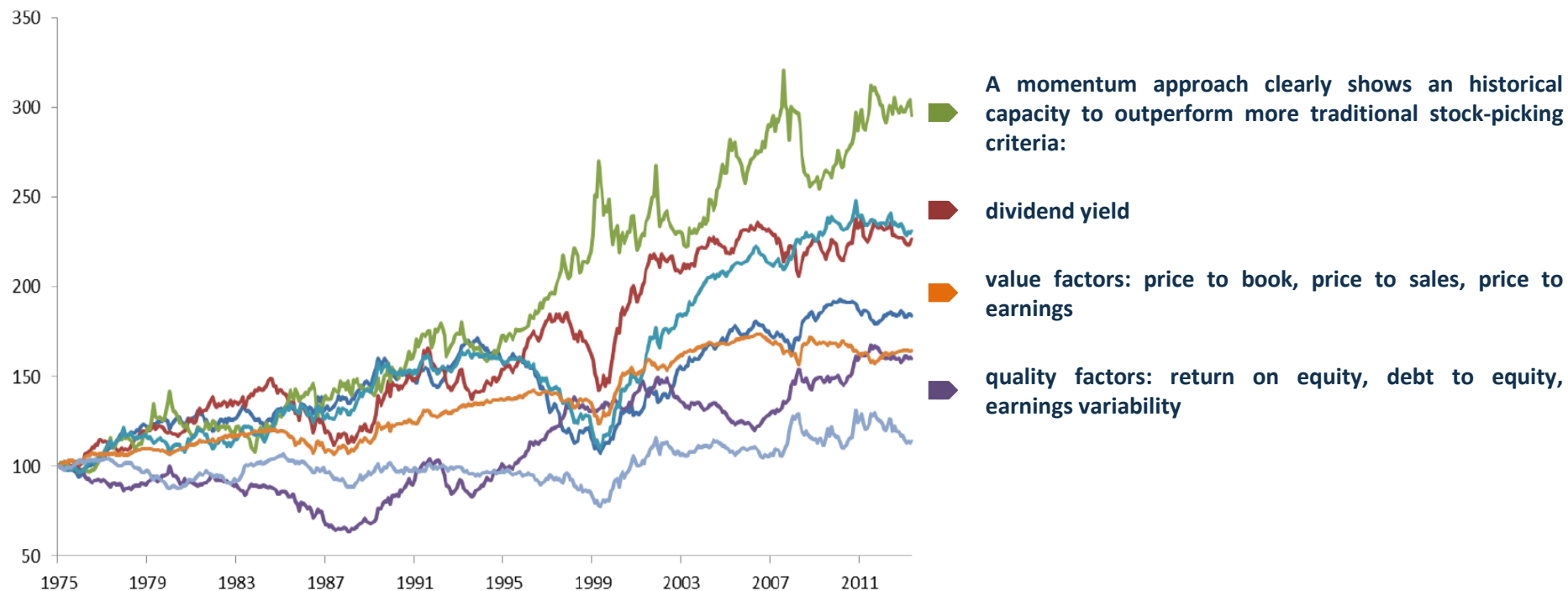
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MSCI study: over the long term (40 years) and globally, Momentum is the best performer

Outperformance vs. the MSCI World index



Results published in September 2014 by the index creator



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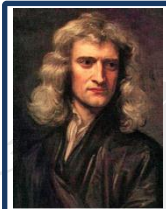
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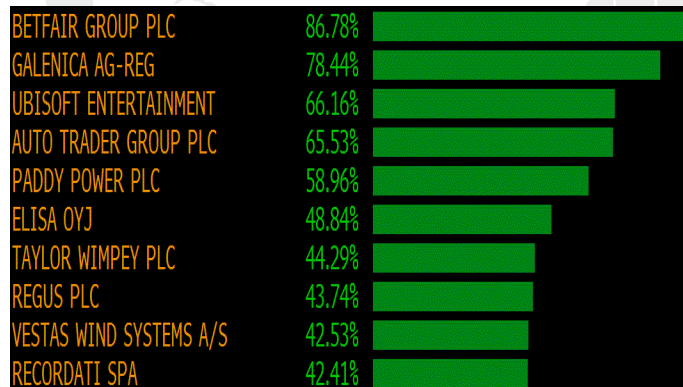
Momentum investing, or Newton's law applied to finance...



“ Unless external forces and factors come into play, the stock market trend of a financial asset should remain the same ”

➔ Will the securities that performed best in the past be tomorrow’s top performers ?

Stoxx 600 Europe, the top performers over the last six months



Source: Bloomberg, data for information purposes

S&P 500 USA, the top performers over the last six months



Source: Bloomberg, data for information purposes

➔ Compelling empirical evidence...

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The portfolio construction process of the Seven European Equity Fund

1

Investment universe: eurozone equities with daily transaction volumes > EUR 10 million

2

Stocks in the universe are sorted according to a common criterion

proprietary momentum criterion

Rank 1

Rank 2

Rank 3

Rank 4

Rank n

3

Stocks that have been held in the portfolio for 1 year are sold

The Top 10 is added to the portfolio for 12 months

- 50 stocks in the portfolio, on average
- No sectoral constraints
- No tracking error target
- Fully active management

10

Identification of stocks belonging to the Top 10 of the universe according to our selection criterion

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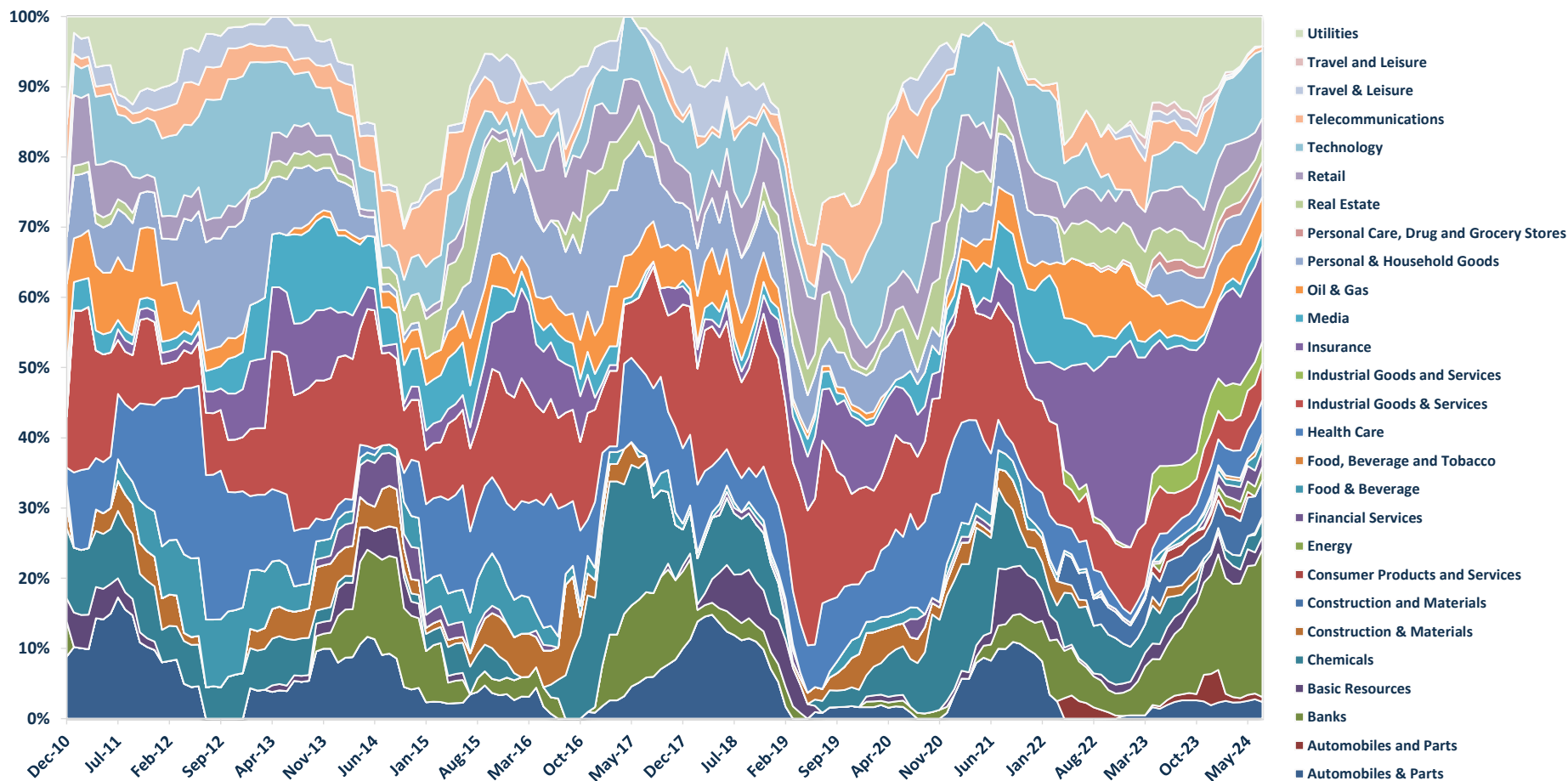
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Seven European Equity Fund, a fund with a dynamic sector profile

Change in the portfolio's sector structure



Source: Seven Capital Management

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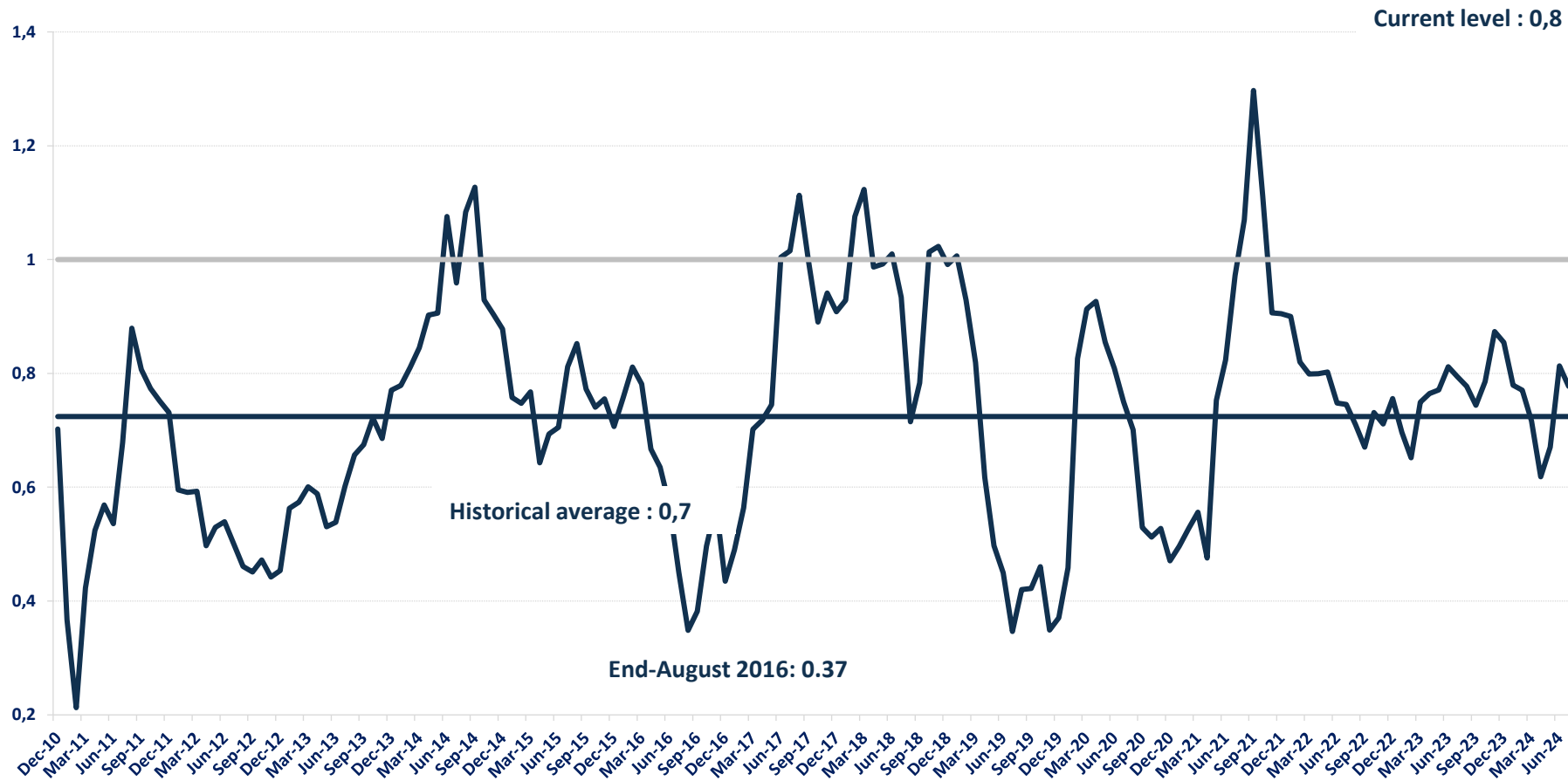
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Seven European Equity Fund, Portfolio beta vs. SX5T Index

Portfolio beta vs. SX5T Index



Current level : 0,8

Historical average : 0,7

End-August 2016: 0.37

Source : Seven Capital Management & Bloomberg

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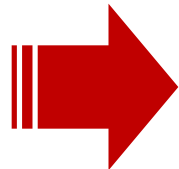
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Momentum stocks – a diversification effect for your equity portfolio

Different investment styles

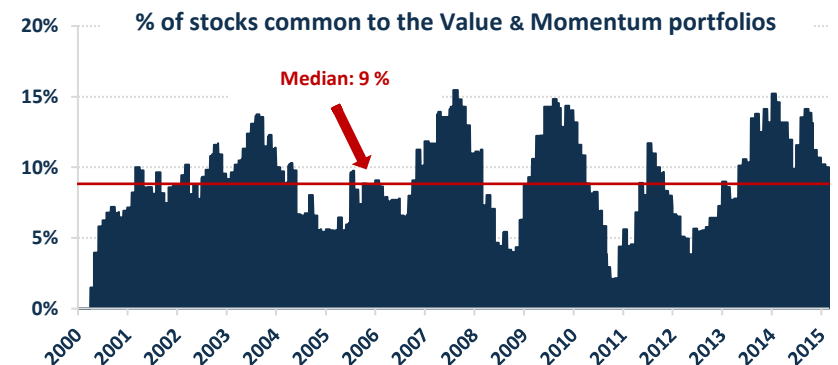
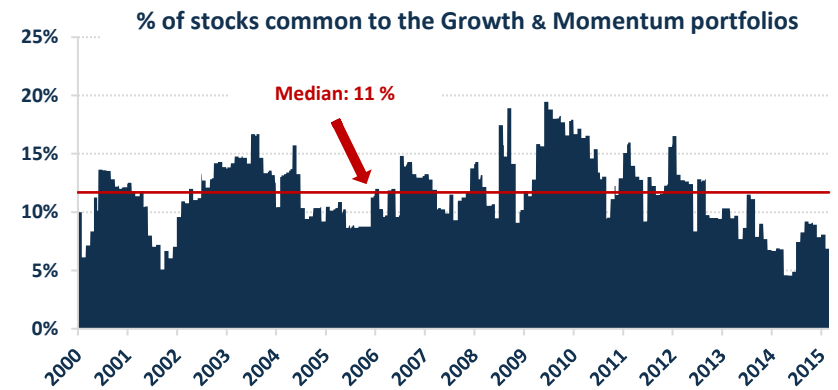
	Value	Growth	Momentum
Total return	+ 155 %	+ 96 %	+ 123 %
Annualised return	+ 6.6 % / year	+ 4.7 % / year	+ 5.6 % / year
January 2001 – February 2015			

Source: Seven Capital Management



The addition of momentum strategies allows investors to diversify their portfolios advantageously.

Very different portfolio structures



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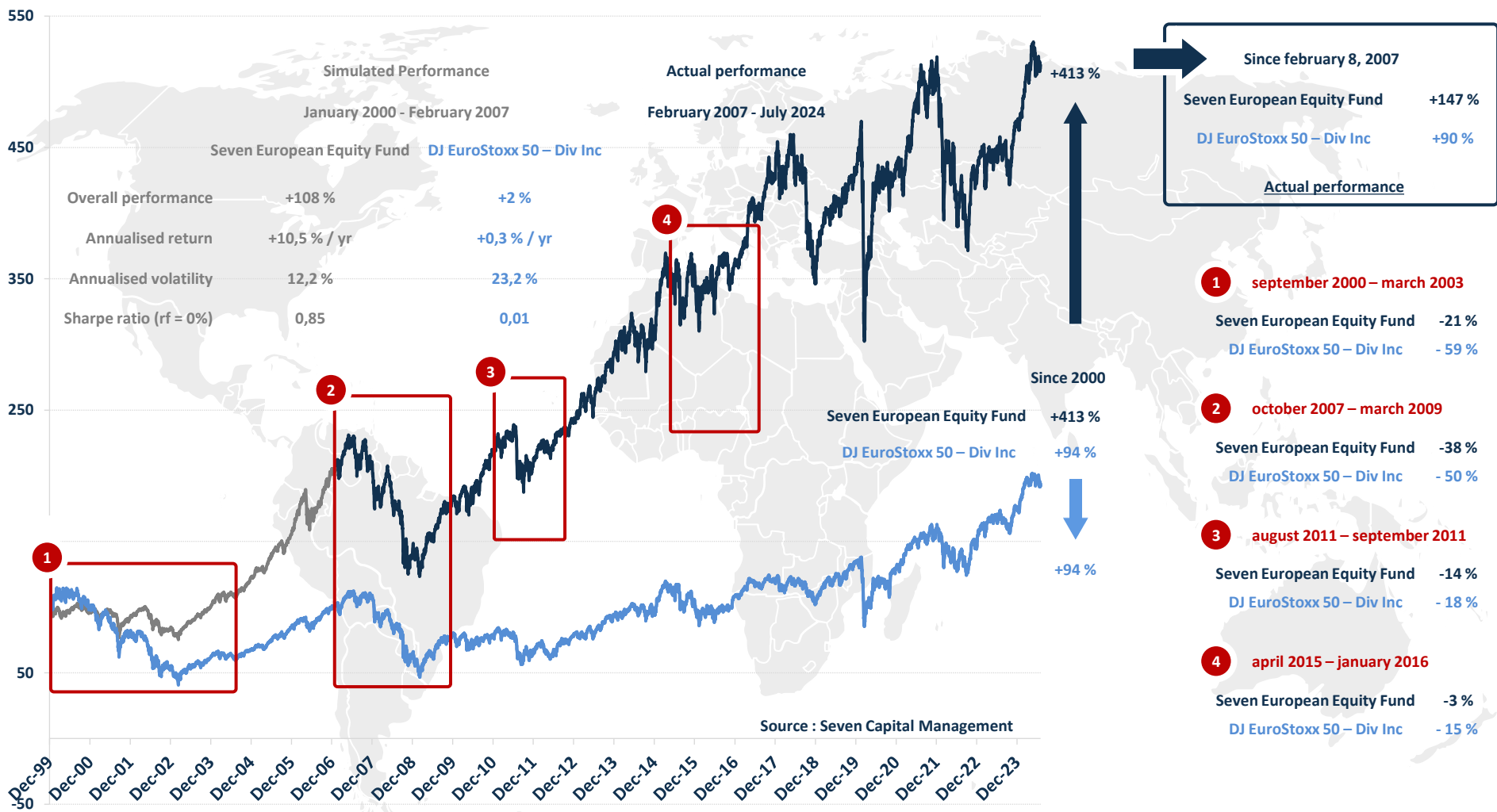
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Seven European Equity Fund: significant outperformance potential



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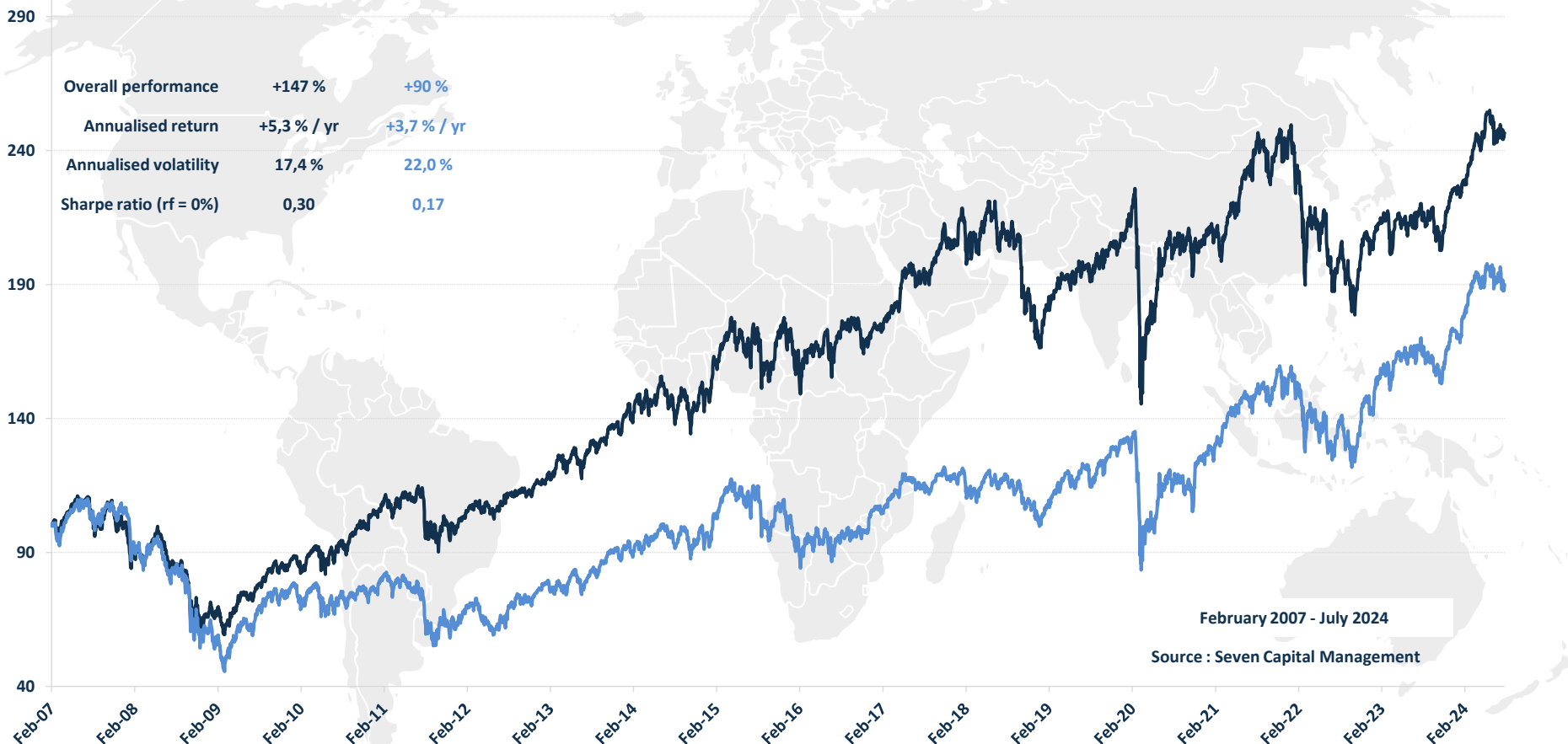
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A highly effective strategy that complements traditional equity strategies

Seven European Equity Fund

DJ EuroStoxx 50 – Div Inc

Overall performance	+147 %	+90 %
Annualised return	+5,3 % / yr	+3,7 % / yr
Annualised volatility	17,4 %	22,0 %
Sharpe ratio (rf = 0%)	0,30	0,17



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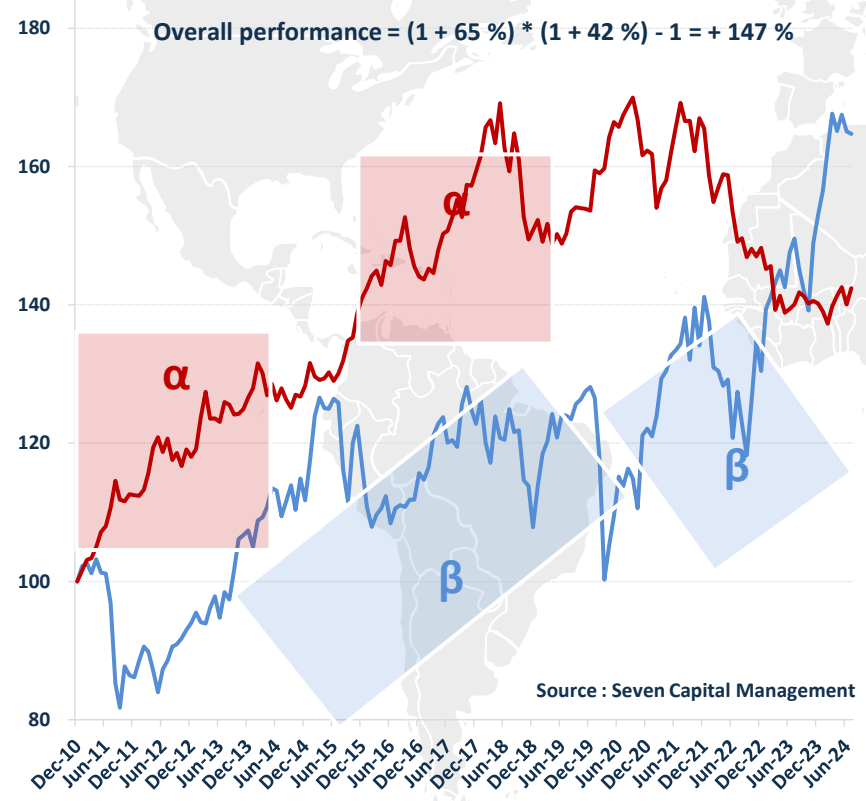
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Generating alpha when we can, capturing beta when it is appropriate to do so...

Overall performance by a fund = (1 + fund performance related to its beta) × (1 + fund performance related to its alpha) - 1

- ★ "Beta-specific" performance: + 65 %
- ★ "Alpha-specific" performance: + 42 %

Overall performance = (1 + 65 %) * (1 + 42 %) - 1 = + 147 %



★ Our methodology tends to generate the most alpha during periods of market stress

★ When there are fewer opportunities for alpha, our process tends to benefit fully from the market's beta

Switching regularly between high-beta and low-beta stocks in line with market conditions is an inherent feature of our investment process

Source : Seven Capital Management

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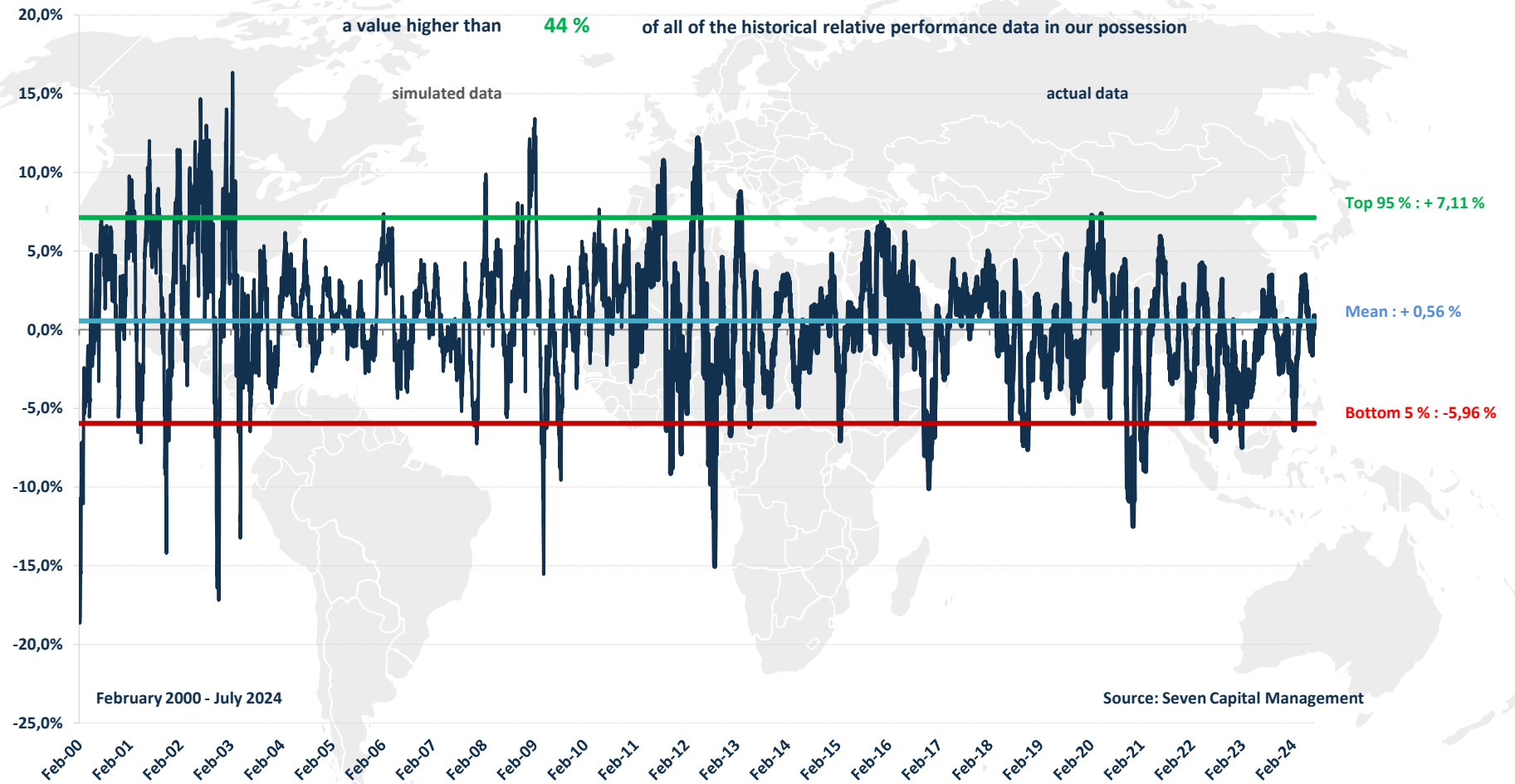
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Detailed analysis of the fund's relative performance vs. the SX5T

At 31/07/2024, the fund's 2-month relative performance was **+0,18 %** vs. the SX5T index
 a value higher than **44 %** of all of the historical relative performance data in our possession



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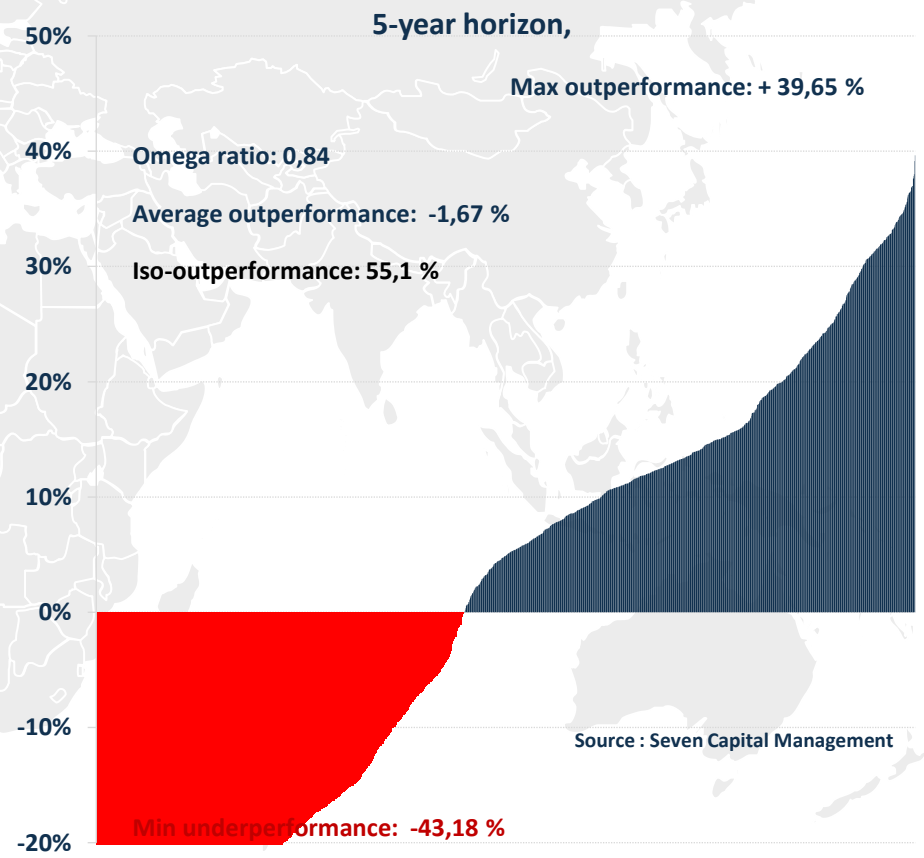
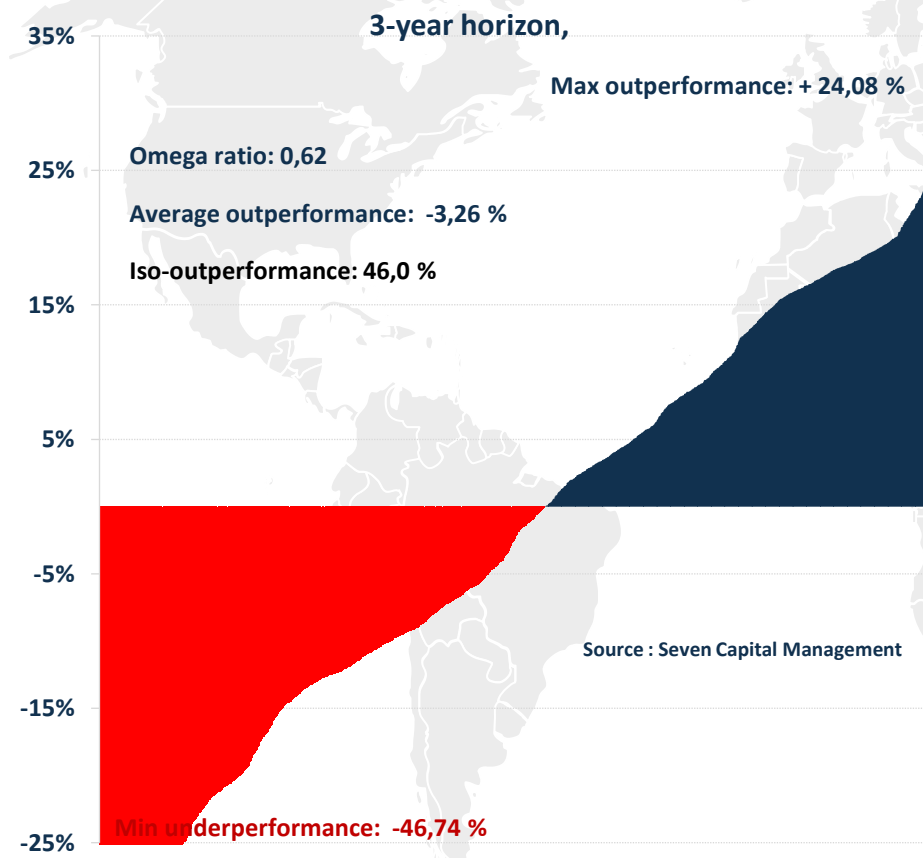
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Detailed analysis of the fund's relative performance vs. the SX5T - actual data

Iso-outperformance: Historical probability of a fund outperforming a benchmark by more than zero for a given horizon

Omega ratio: Ratio between the surface area of a fund's outperformances and the surface area of this fund's underperformances for a given horizon



Seven European Equity Fund, the missing piece of your equity portfolio

	1	2	3	4	5	6	7	8	9	10	11	12	Total	SX5E Index
2007		-2,63%	4,13%	3,95%	4,84%	-1,97%	-2,34%	-2,66%	0,75%	5,41%	-6,33%	-1,10%	1,31%	6,71%
2008	-12,30%	1,30%	-1,47%	6,09%	3,03%	-8,72%	-2,69%	0,98%	-9,10%	-11,31%	-6,41%	3,10%	-33,24%	-42,40%
2009	-0,80%	-6,16%	1,76%	9,16%	6,10%	-0,63%	5,28%	3,50%	4,65%	-1,41%	0,25%	5,15%	29,21%	25,65%
2010	-2,34%	-1,22%	7,06%	0,24%	-4,90%	1,56%	5,77%	-1,78%	7,55%	1,33%	-0,45%	5,68%	19,10%	-2,81%
2011	3,08%	1,93%	-1,19%	3,60%	0,14%	0,62%	-1,72%	-8,51%	-6,47%	7,15%	-0,59%	-0,47%	-3,36%	-14,10%
2012	2,66%	3,13%	1,34%	0,11%	-2,30%	2,15%	3,09%	-0,29%	1,23%	-0,59%	3,35%	0,21%	14,84%	18,06%
2013	2,53%	2,41%	2,78%	-0,67%	1,77%	-3,56%	6,23%	-1,38%	3,23%	4,50%	1,07%	1,96%	22,54%	21,51%
2014	-1,17%	6,49%	-0,69%	-1,06%	3,77%	-2,23%	-1,84%	0,71%	1,13%	-1,64%	3,87%	-1,43%	5,63%	4,01%
2015	7,63%	4,05%	1,77%	-1,00%	0,58%	0,17%	0,43%	-6,35%	-1,76%	8,03%	4,65%	-3,20%	14,95%	6,42%
2016	-4,05%	-1,38%	2,16%	-0,57%	4,00%	-3,91%	4,43%	0,39%	2,07%	-2,05%	-1,74%	2,43%	1,36%	3,72%
2017	-1,14%	2,71%	3,51%	3,74%	2,33%	-2,73%	1,62%	0,86%	3,51%	5,07%	-2,67%	-0,29%	17,40%	9,15%
2018	4,31%	-2,42%	-1,83%	3,73%	1,05%	-4,02%	1,58%	0,80%	-2,12%	-11,05%	-2,90%	-4,31%	-16,73%	-12,03%
2019	6,51%	2,05%	3,21%	1,41%	-1,82%	1,77%	0,94%	1,68%	2,22%	0,40%	0,91%	0,26%	21,13%	28,20%
2020	2,58%	-7,25%	-14,37%	7,79%	5,38%	4,75%	-0,19%	3,02%	-0,51%	-5,64%	6,45%	1,28%	0,89%	-3,21%
2021	-1,24%	-2,43%	6,22%	1,58%	4,25%	2,84%	2,85%	1,25%	-4,38%	3,08%	-0,99%	4,37%	18,23%	23,34%
2022	-6,57%	-7,33%	0,98%	-0,42%	0,63%	-9,93%	2,75%	-3,27%	-5,55%	7,45%	6,16%	-2,36%	-17,49%	-9,49%
2023	4,82%	1,51%	-2,89%	2,71%	-3,42%	3,90%	1,84%	-1,71%	-2,45%	-2,86%	7,28%	2,48%	11,06%	22,23%
2024	1,48%	2,61%	4,93%	-0,44%	2,32%	-3,15%	1,43%						9,34%	10,09%

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Portfolio review

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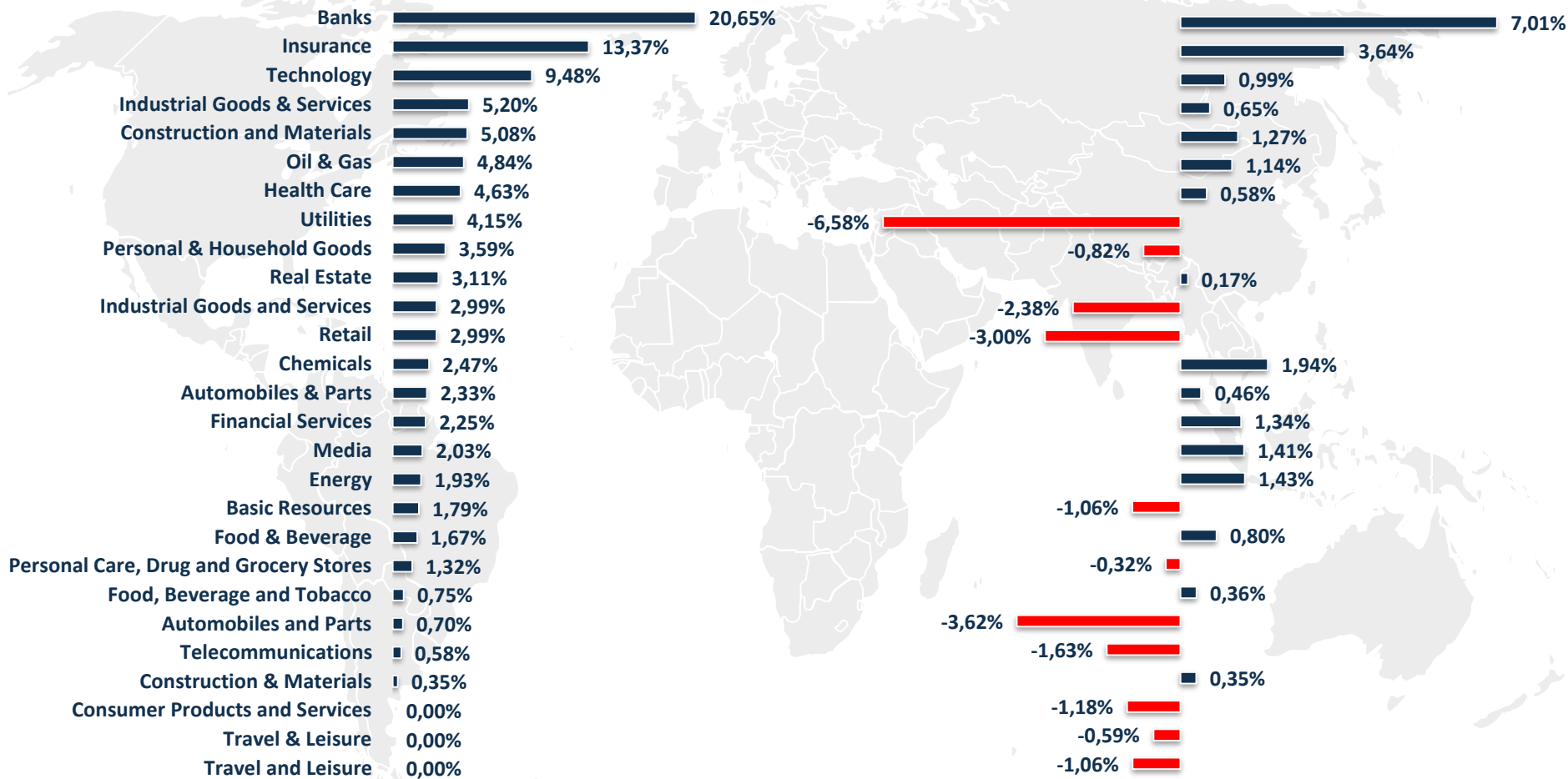
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29 December 2023 - 31 July 2024 : sector exposure review

End of period sector exposure

Change in sector exposure during the period



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29 December 2023 - 31 July 2024 : portfolio entries & exits

Portfolio entries

	Weighting	Company	Sector	Country
1	1,97%	Eni spa	Energy	Italy
2	1,75%			Rest of the world
3	1,44%	Oci nv	Chemicals	Netherlands
4	1,26%			Rest of the world
5	0,97%	Ucb sa	Health Care	Belgium
6	0,70%			Rest of the world
7	0,63%			Rest of the world
8	0,62%	Enagas sa	Energy	Spain
9	0,59%	Anheuser-busch inbev sa/nv	Food, Beverage and Tobacco	Belgium
10	0,58%	Wolters kluwer	Media	Netherlands
11	0,58%	Eurazeo se	Financial Services	France
12	0,57%	Reply spa	Technology	Italy
13	0,56%	Assicurazioni generali	Insurance	Italy
14	0,53%	Asml holding nv	Technology	Netherlands
15	0,52%	Orion oyj-class b	Health Care	Finland

Portfolio exits

	Weighting	Company	Sector	Country
1	3,41%	Volkswagen ag-pref	Automobiles and Parts	Germany
2	2,21%	Telefonica deutschland holdi	Telecommunications	Germany
3	1,39%	Snam spa	Energy	Italy
4	1,37%	Fortum oyj	Utilities	Finland
5	1,22%	Repsol sa	Energy	Spain
6	1,06%	Deutsche lufthansa-reg	Travel and Leisure	Germany
7	0,90%	Bayerische motoren werke ag	Automobiles and Parts	Germany
8	0,89%	Voestalpine ag	Basic Resources	Austria
9	0,87%	Leonardo spa	Industrial Goods and Services	Italy
10	0,87%	taly		Rest of the world
11	0,86%	Thales sa	Industrial Goods and Services	France
12	0,83%	Rheinmetall ag	Industrial Goods and Services	Germany
13	0,58%	Poste italiane spa	Insurance	Italy
14	0,57%	Amadeus it group sa	Technology	Spain
15	0,31%	Hugo boss ag -ord	Consumer Products and Services	Germany

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Principal characteristics – Seven European Equity Fund

ISIN code	• EuroClass I: LU 1229130585/ EuroClass R: LU 1229130742
Format	• UCITS Luxembourg SICAV
Classification	• European Equity Fund
Strategy	• Momentum Investing
Valuation	• Daily
Currency	• EUR – USD – CHF
Depository	• CACEIS Bank Luxembourg, 5 Allée Scheffer, L-2520 Luxembourg
Valuation agent	• CACEIS Bank Luxembourg, 5 Allée Scheffer, L-2520 Luxembourg
Auditor	• Deloitte Audit, 560 Rue Neudorf, L-2220 Luxembourg
Minimum investment	• Class I: EUR 100,000 – USD 100,000 – CHF 100,000/Class R: EUR 100 – USD 100 – CHF 100
Management fee	• Class I: maximum 1%/Class R: maximum 1.75%
Performance fee	• Max. 15% above the EuroStoxx 50 Net Return

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In addition, prior to any transaction, investors must:

- become familiar with the key investor information document and the prospectus for each UCITS, and understand the nature, characteristics and risks of the selected investment.
- ensure that the selected investments are appropriate, whether in terms of their financial situation, their investment objectives or the risks investors are prepared to accept.

Please note that results refer to simulated past performance and past performance is not an indication of future performance. Consequently, investment decisions must not be based primarily on past performance: other items outlined in the factsheet for each UCITS must be considered. The key investor information documents and the UCITS prospectuses presented may be obtained from Seven Capital Management on written request sent to info@seven-cm.com or from the company's website: www.seven-cm.com

Lastly, the taxation to which any investment in UCITS units or shares is subject depends on the individual circumstances of each investor. As such, investors are advised to consult their tax advisers.

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For further information please refer to the Prospectus, available for french and english speakers and KIID (Key Investor Information Document), available for french, english, german, spanish and italian speakers on our website : www.seven-cm.com. In Switzerland, the Fund appointed as representative Oligo Swiss Fund Services SA, Av. Villamont 17, 1005 Lausanne, Switzerland, Tel : +41 21 311 17 77, Email : info@oligofunds.ch. The fund's payment service in Switzerland is the Neue Helvetische Bank.

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