

# Seven European Equity Fund



**A highly effective approach that complements traditional equity strategies**

**[Updated on April 30, 2024]**

SEVEN CAPITAL MANAGEMENT

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

Société par Actions Simplifiée SAS (Simplified limited company) – Authorised by the AMF under No. GP 06000045 – With capital of EUR 560,000 – Trade and Companies Register no. B 491 390 464

[www.seven-cm.com](http://www.seven-cm.com)

[www.amf-france.org](http://www.amf-france.org)

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**



### SEVEN CAPITAL MANAGEMENT

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

Société par Actions Simplifiée SAS (Simplified limited company) – Authorised by the AMF under No. GP 06000045 – With capital of EUR 560,000 – Trade and Companies Register no. B 491 390 464

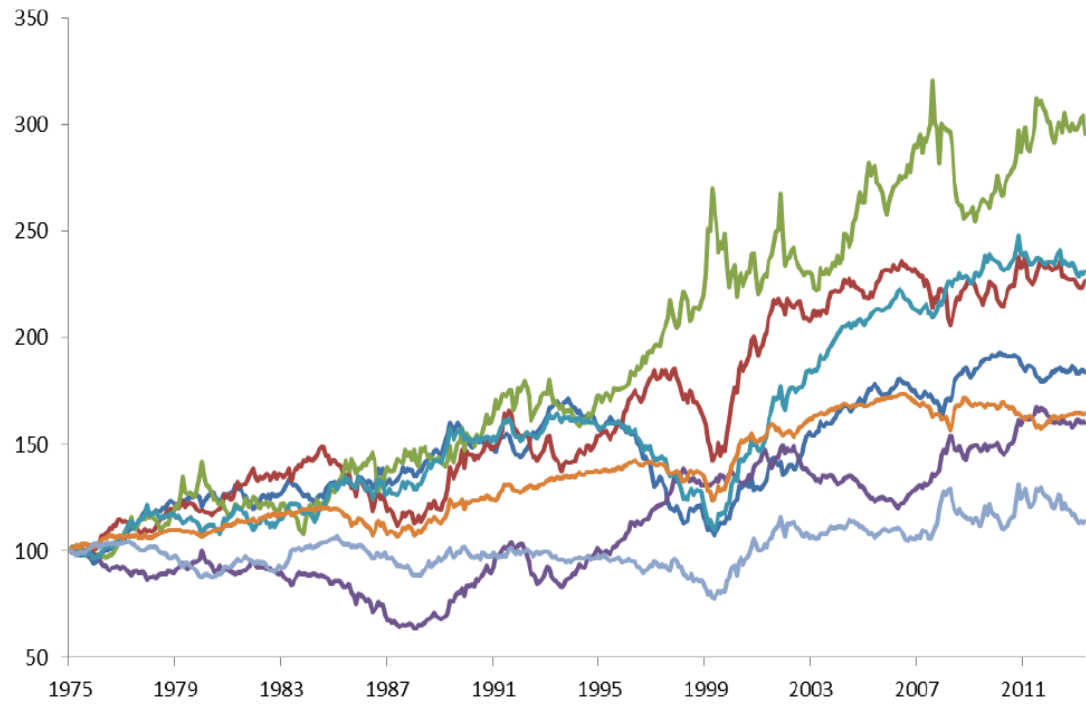
[www.seven-cm.com](http://www.seven-cm.com)

[www.amf-france.org](http://www.amf-france.org)

Past performance is not a reliable indicator of future performance

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

Outperformance vs. the MSCI World index

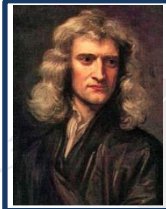


- ▶ A momentum approach clearly shows an historical capacity to outperform more traditional stock-picking criteria:
- ▶ dividend yield
- ▶ value factors: price to book, price to sales, price to earnings
- ▶ quality factors: return on equity, debt to equity, earnings variability

Results published in September 2014 by the index creator



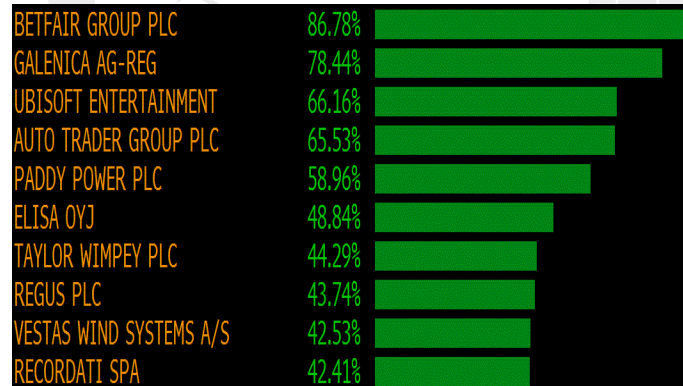
# Momentum investing, or Newton's law applied to finance...



*“ 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...

## SEVEN CAPITAL MANAGEMENT

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

Société par Actions Simplifiée SAS (Simplified limited company) – Authorised by the AMF under No. GP 06000045 – With capital of EUR 560,000 – Trade and Companies Register no. B 491 390 464

[www.seven-cm.com](http://www.seven-cm.com)

[www.amf-france.org](http://www.amf-france.org)

Past performance is not a reliable indicator of future performance

# 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

SEVEN CAPITAL MANAGEMENT

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

Société par Actions Simplifiée SAS (Simplified limited company) - Authorised by the AMF under No. GP 06000045 - With capital of EUR 560,000 - Trade and Companies Register no. B 491 390 464

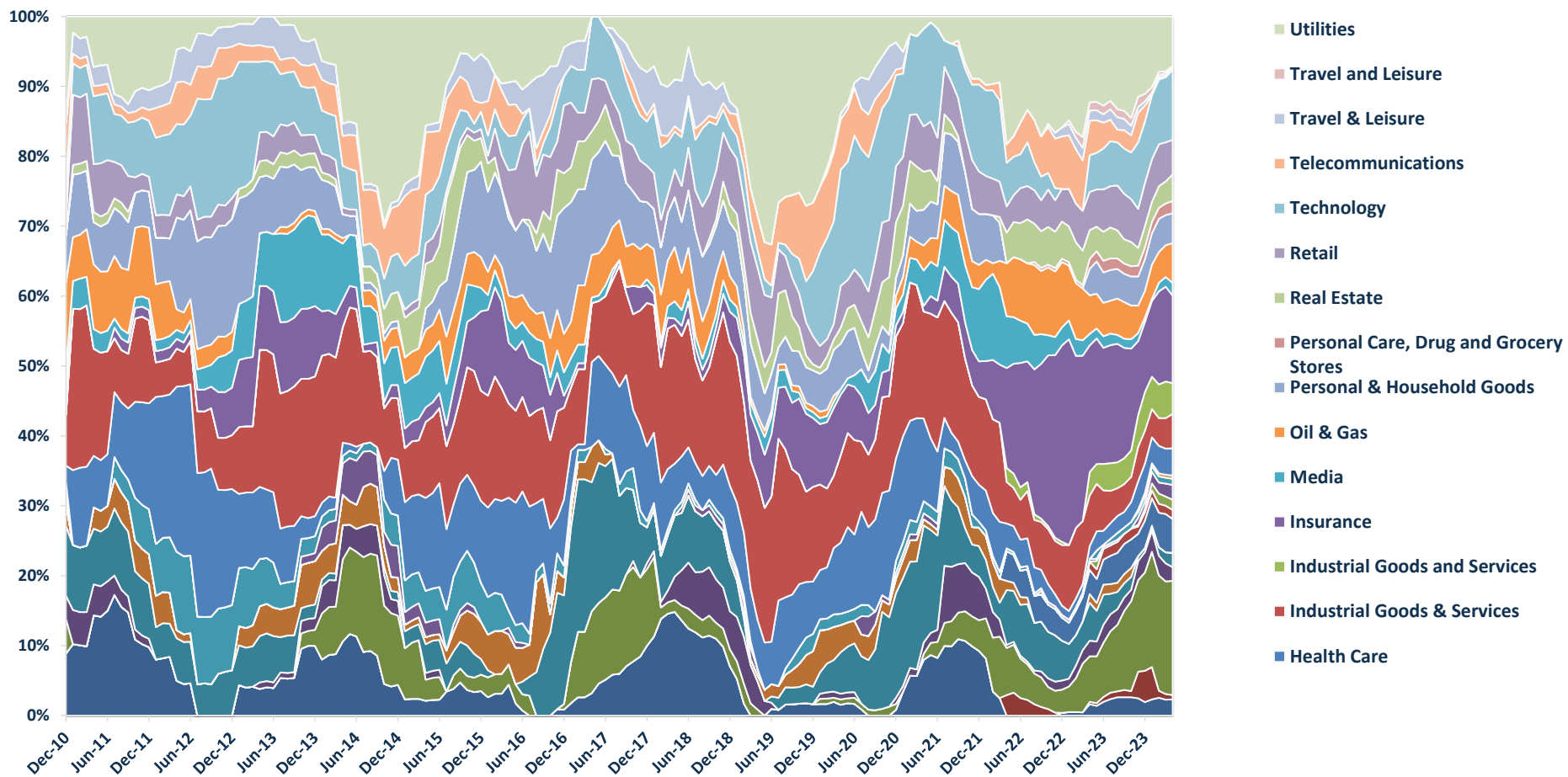
www.seven-cm.com

www.amf-france.org

Past performance is not a reliable indicator of future performance

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

Change in the portfolio's sector structure



Source: Seven Capital Management

SEVEN CAPITAL MANAGEMENT

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

Société par Actions Simplifiée SAS (Simplified limited company) – Authorised by the AMF under No. GP 06000045 – With capital of EUR 560,000 – Trade and Companies Register no. B 491 390 464

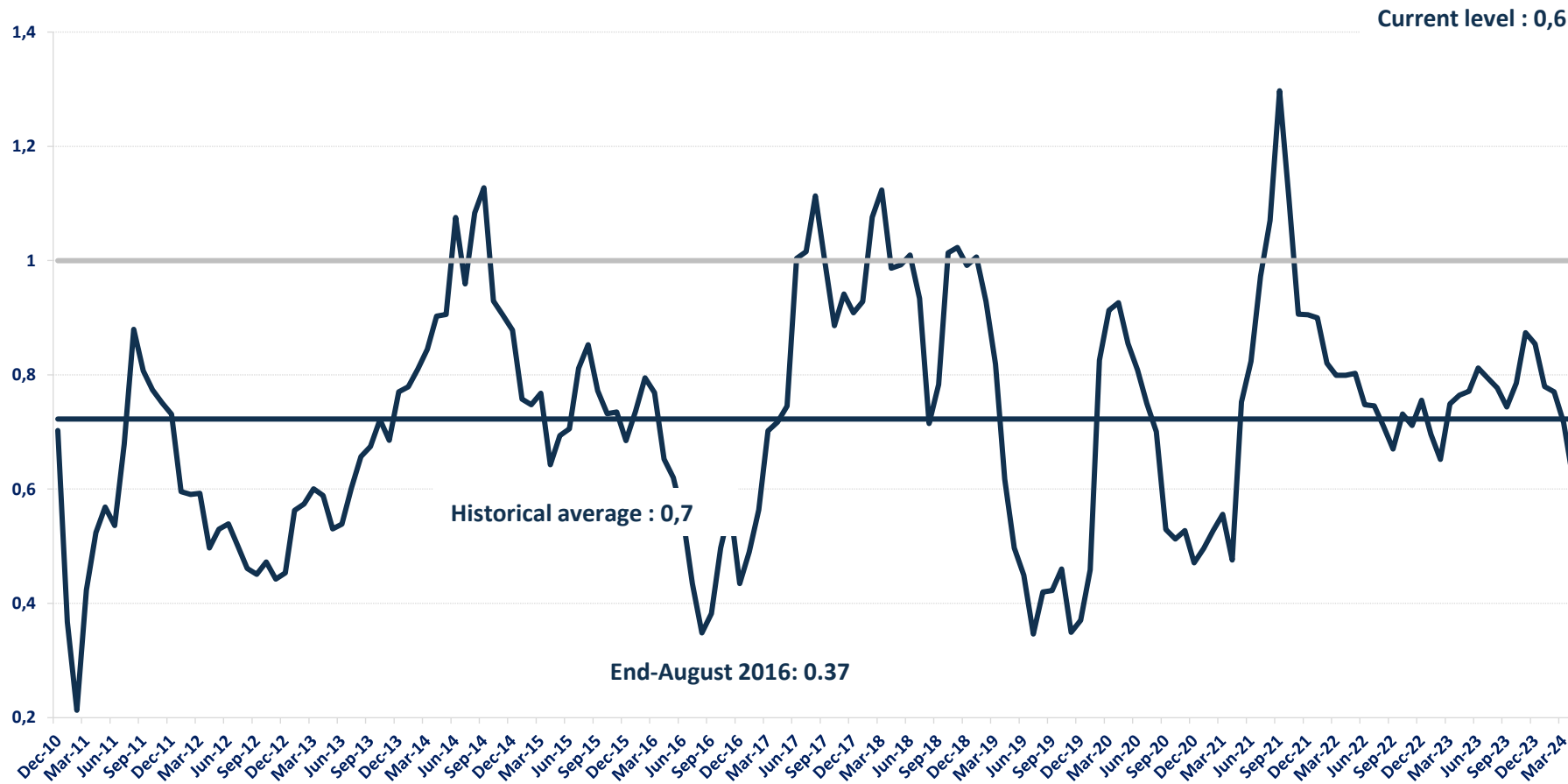
[www.seven-cm.com](http://www.seven-cm.com)

[www.amf-france.org](http://www.amf-france.org)

Past performance is not a reliable indicator of future performance

# Seven European Equity Fund, Portfolio beta vs. SX5T Index

Portfolio beta vs. SX5T Index



Current level : 0,6

Historical average : 0,7

End-August 2016: 0.37

Source : Seven Capital Management & Bloomberg

SEVEN CAPITAL MANAGEMENT

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

Société par Actions Simplifiée SAS (Simplified limited company) - Authorised by the AMF under No. GP 06000045 - With capital of EUR 560,000 - Trade and Companies Register no. B 491 390 464

www.seven-cm.com

www.amf-france.org

Past performance is not a reliable indicator of future performance

# Momentum stocks – a diversification effect for your equity portfolio

## Different investment styles

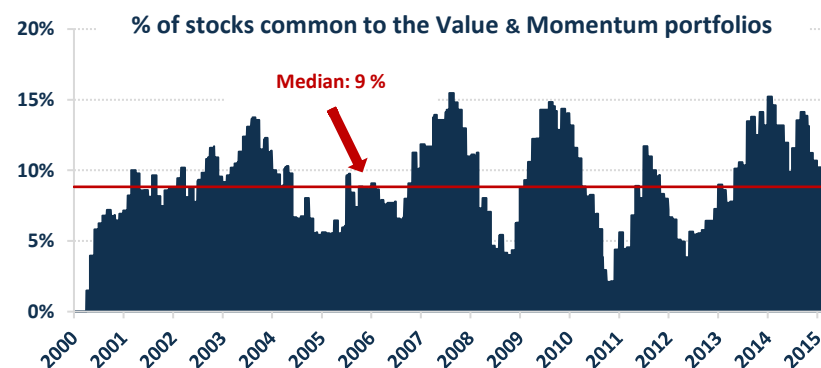
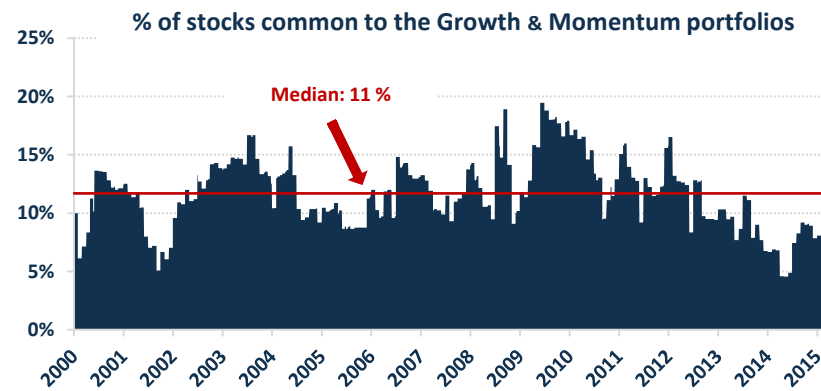
	Value	Growth	Momentum
Total return	+ 155 %	+ 96 %	+ 123 %
Annualised return	+ 6.6 % / year	+ 4.7 % / year	+ 5.6 % / year
January 2001 – February 2015			

Source: Seven Capital Management



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

## Very different portfolio structures



### SEVEN CAPITAL MANAGEMENT

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

Société par Actions Simplifiée SAS (Simplified limited company) – Authorised by the AMF under No. GP 06000045 – With capital of EUR 560,000 – Trade and Companies Register no. B 491 390 464

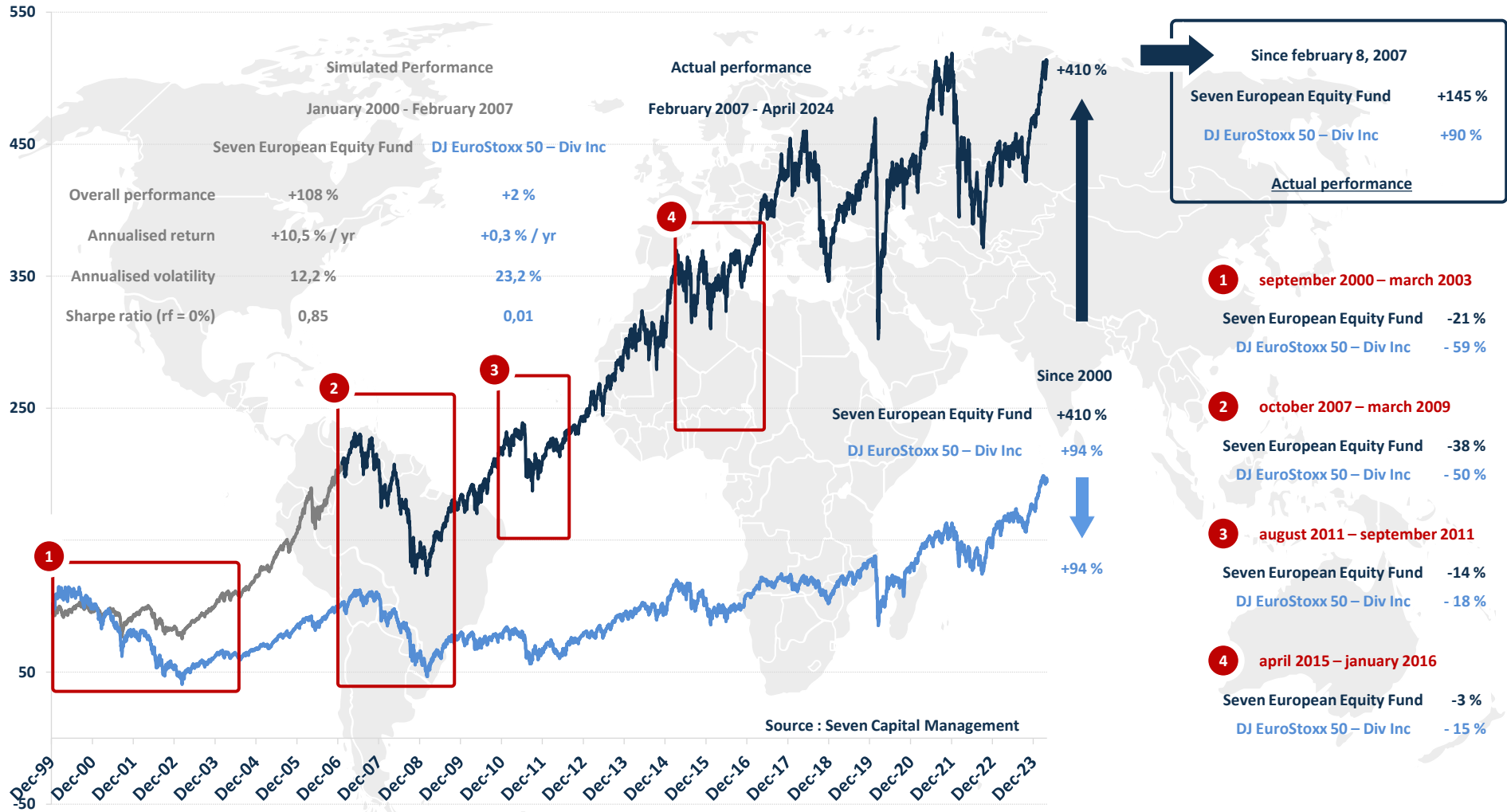
[www.seven-cm.com](http://www.seven-cm.com)

[www.amf-france.org](http://www.amf-france.org)

Past performance is not a reliable indicator of future performance



# Seven European Equity Fund: significant outperformance potential



**SEVEN CAPITAL MANAGEMENT**

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

Société par Actions Simplifiée SAS (Simplified limited company) – Authorised by the AMF under No. GP 06000045 – With capital of EUR 560,000 – Trade and Companies Register no. B 491 390 464

www.seven-cm.com

www.amf-france.org

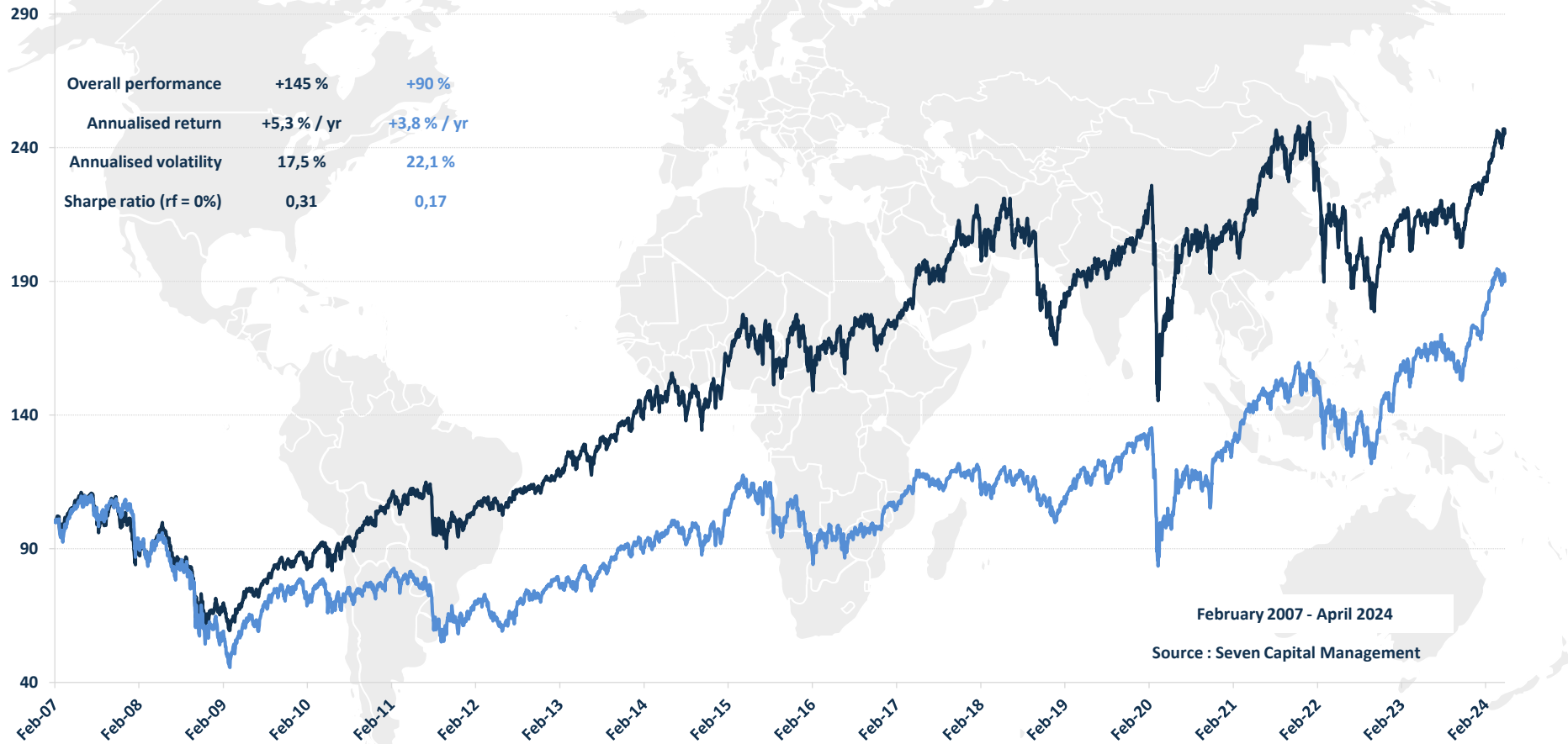
Past performance is not a reliable indicator of future performance

# A highly effective strategy that complements traditional equity strategies

Seven European Equity Fund

DJ EuroStoxx 50 – Div Inc

Overall performance	+145 %	+90 %
Annualised return	+5,3 % / yr	+3,8 % / yr
Annualised volatility	17,5 %	22,1 %
Sharpe ratio (rf = 0%)	0,31	0,17



**SEVEN CAPITAL MANAGEMENT**

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

Société par Actions Simplifiée SAS (Simplified limited company) – Authorised by the AMF under No. GP 06000045 – With capital of EUR 560,000 – Trade and Companies Register no. B 491 390 464

[www.seven-cm.com](http://www.seven-cm.com)

[www.amf-france.org](http://www.amf-france.org)

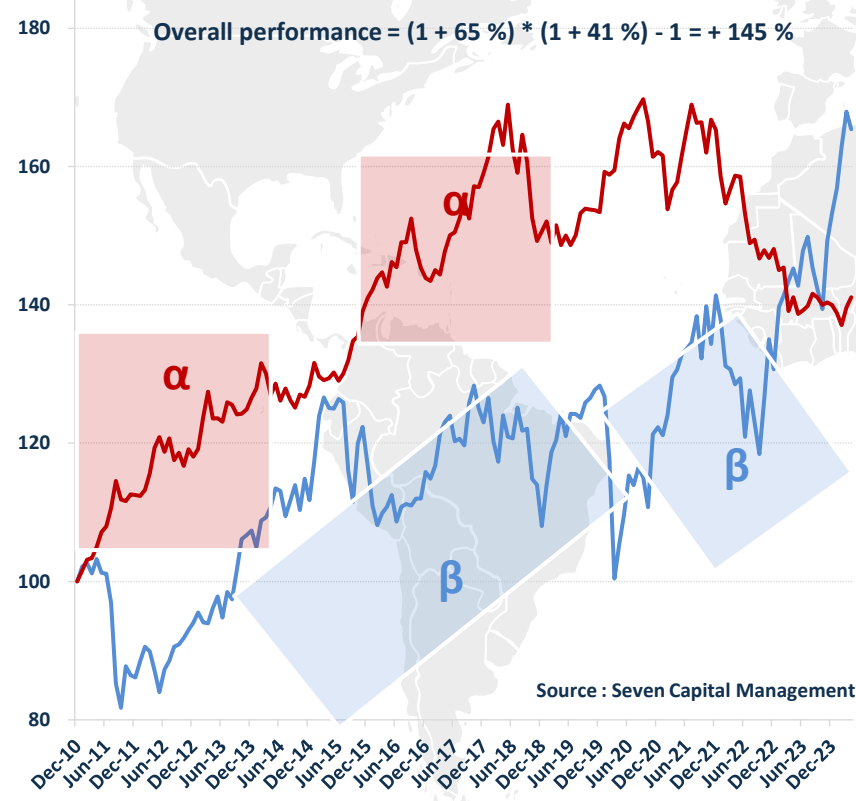
Past performance is not a reliable indicator of future performance

# 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: + 41 %

Overall performance = (1 + 65 %) \* (1 + 41 %) - 1 = + 145 %



★ 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

SEVEN CAPITAL MANAGEMENT

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

Société par Actions Simplifiée SAS (Simplified limited company) - Authorised by the AMF under No. GP 06000045 - With capital of EUR 560,000 - Trade and Companies Register no. B 491 390 464

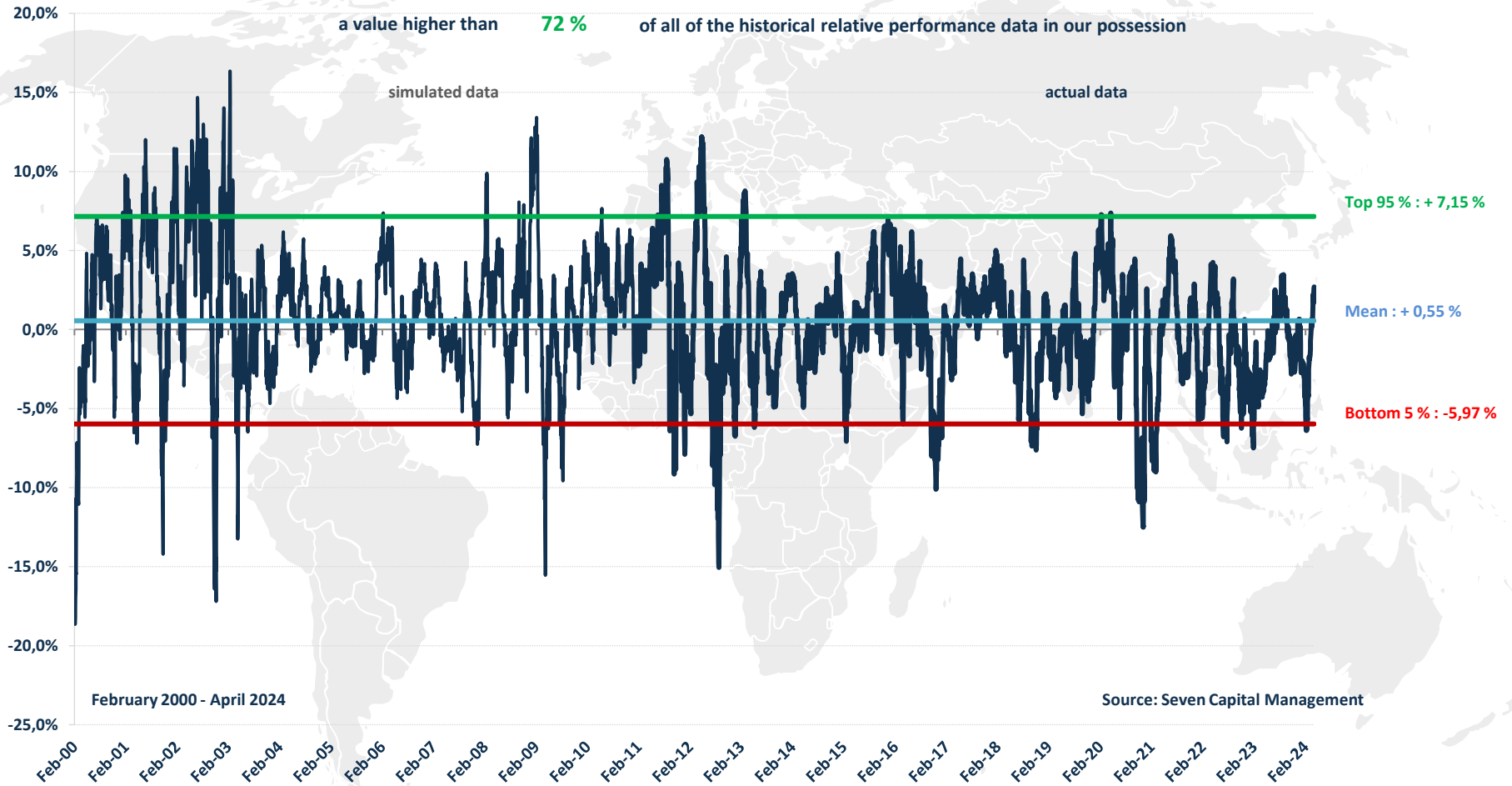
www.seven-cm.com

www.amf-france.org

Past performance is not a reliable indicator of future performance

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

At 30/04/2024, the fund's 2-month relative performance was **+ 2,69 %** vs. the SX5T index  
 a value higher than **72 %** of all of the historical relative performance data in our possession



Source: Seven Capital Management

SEVEN CAPITAL MANAGEMENT

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

Société par Actions Simplifiée SAS (Simplified limited company) – Authorised by the AMF under No. GP 06000045 – With capital of EUR 560,000 – Trade and Companies Register no. B 491 390 464

[www.seven-cm.com](http://www.seven-cm.com)

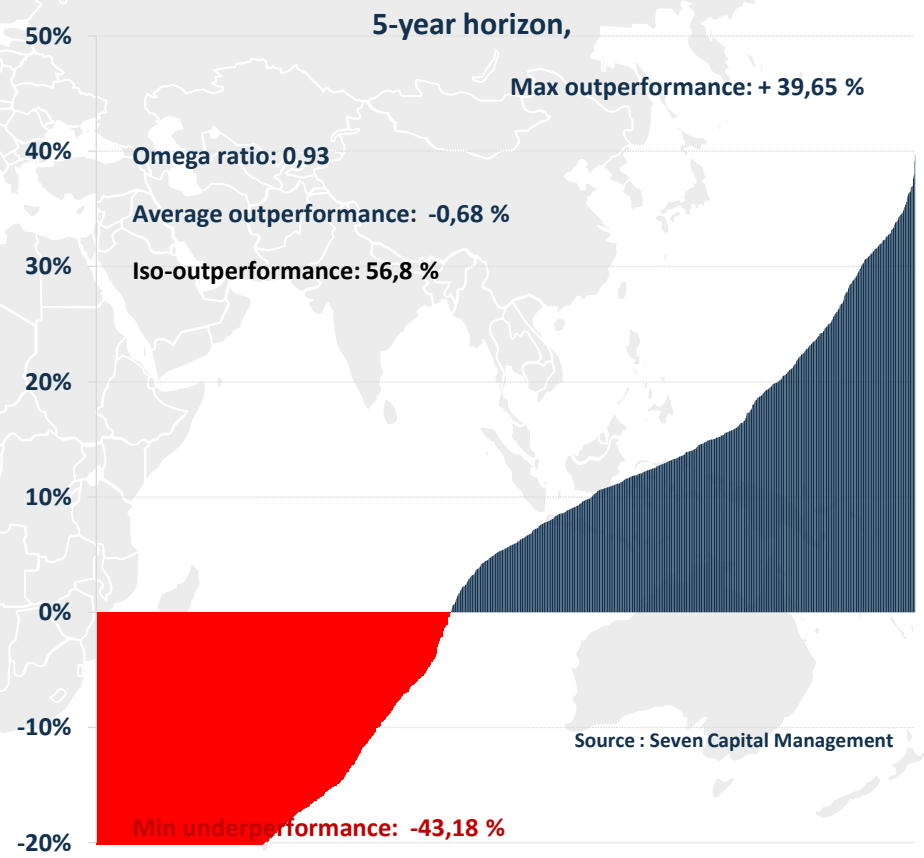
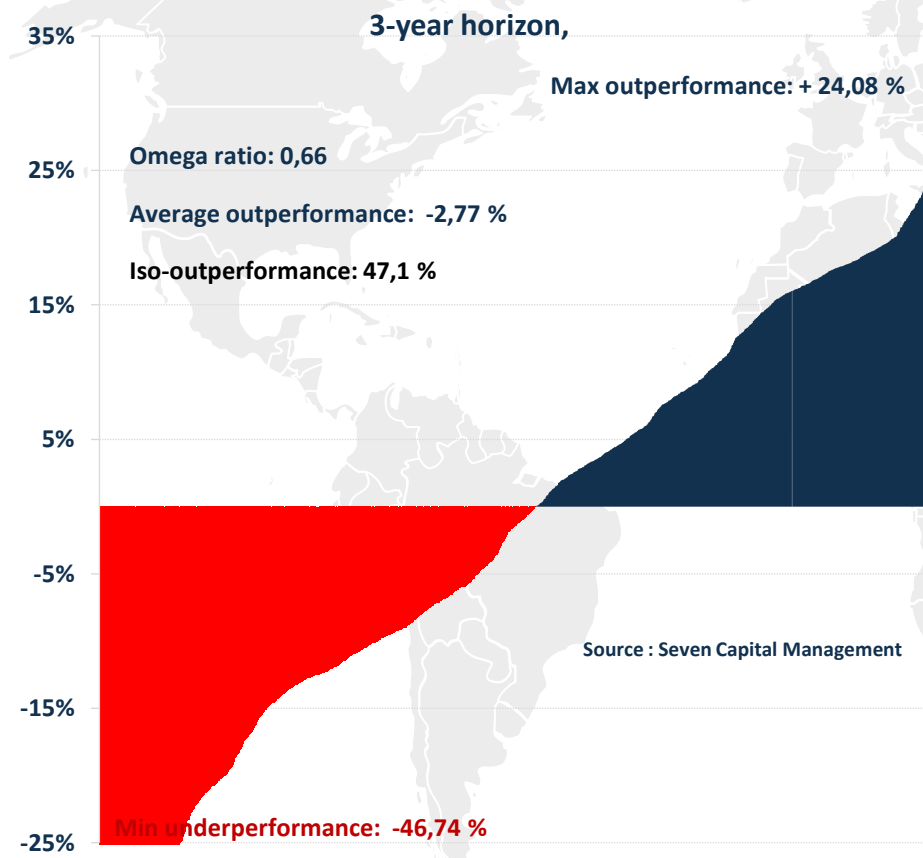
[www.amf-france.org](http://www.amf-france.org)

Past performance is not a reliable indicator of future performance

# 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%									8,79%	10,06%

## SEVEN CAPITAL MANAGEMENT

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

Société par Actions Simplifiée SAS (Simplified limited company) – Authorised by the AMF under No. GP 06000045 – With capital of EUR 560,000 – Trade and Companies Register no. B 491 390 464

[www.seven-cm.com](http://www.seven-cm.com)

[www.amf-france.org](http://www.amf-france.org)

Past performance is not a reliable indicator of future performance



# Portfolio review

**SEVEN CAPITAL MANAGEMENT**

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

*Société par Actions Simplifiée SAS (Simplified limited company) – Authorised by the AMF under No. GP 06000045 – With capital of EUR 560,000 – Trade and Companies Register no. B 491 390 464*

[www.seven-cm.com](http://www.seven-cm.com)

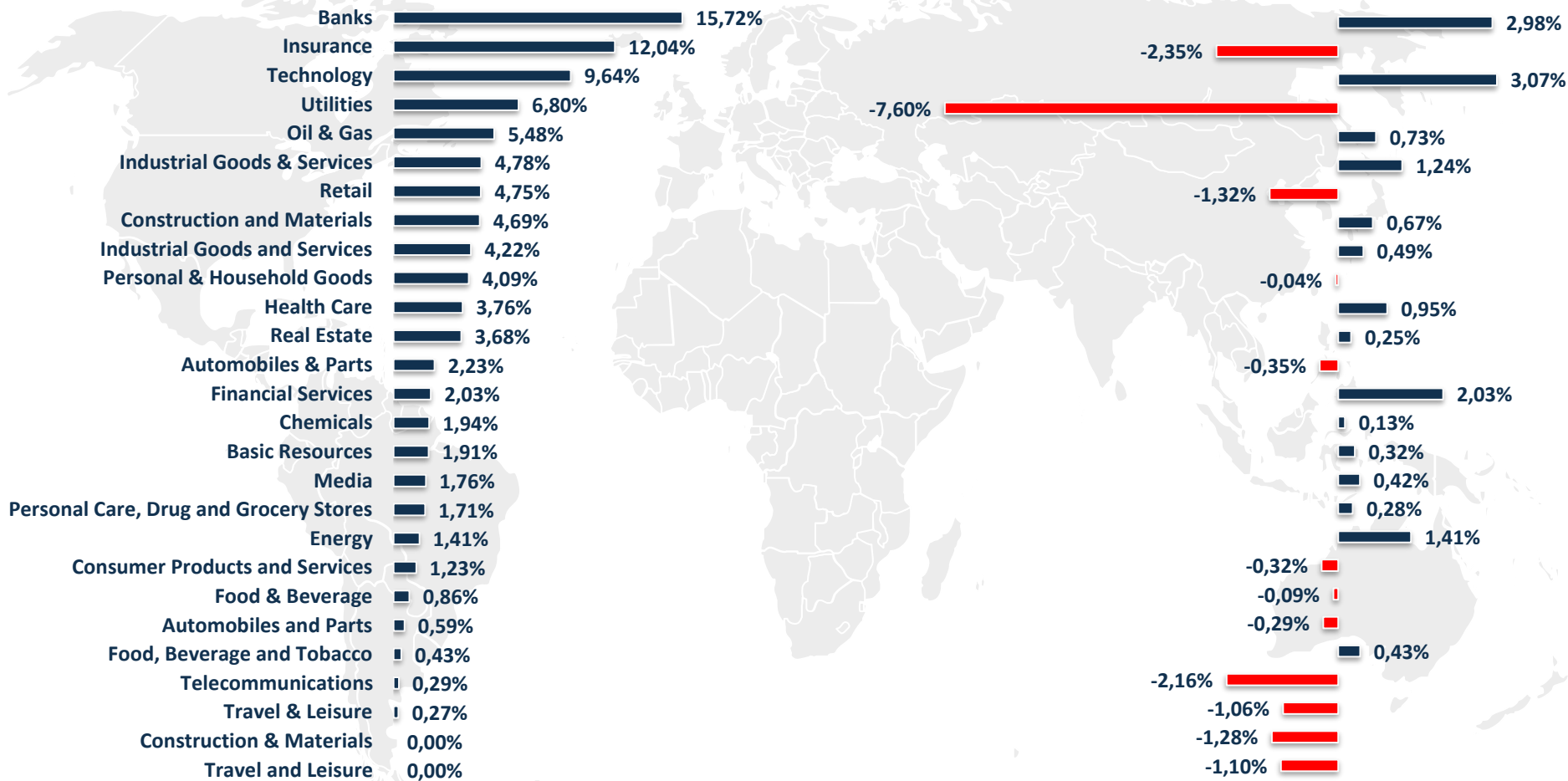
[www.amf-france.org](http://www.amf-france.org)

Past performance is not a reliable indicator of future performance

# 31 October 2023 - 30 April 2024 : sector exposure review

## End of period sector exposure

## Change in sector exposure during the period



**SEVEN CAPITAL MANAGEMENT**

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

Société par Actions Simplifiée SAS (Simplified limited company) – Authorised by the AMF under No. GP 06000045 – With capital of EUR 560,000 – Trade and Companies Register no. B 491 390 464

[www.seven-cm.com](http://www.seven-cm.com)

[www.amf-france.org](http://www.amf-france.org)

Past performance is not a reliable indicator of future performance



# 31 October 2023 - 30 April 2024 : portfolio entries & exits

## Portfolio entries

	Weighting	Company	Sector	Country
1	2,03%	Euronext nv	Financial Services	Netherlands
2	1,36%			Rest of the world
3	1,15%	Oci nv	Chemicals	Netherlands
4	1,15%	Capgemini se	Technology	France
5	1,12%			Rest of the world
6	1,05%	Schneider electric se	Industrial Goods and Services	France
7	1,00%	Recordati industria chimica	Health Care	Italy
8	0,97%			Rest of the world
9	0,95%	Thales sa	Industrial Goods and Services	France
10	0,95%			Rest of the world
11	0,95%	Bechtle ag	Technology	Germany
12	0,43%			Rest of the world
13	0,33%	Upm-kymmene oyj	Basic Resources	Finland
14	0,31%			Rest of the world
15	0,29%	Deutsche telekom ag-reg	Telecommunications	Germany

## Portfolio exits

	Weighting	Company	Sector	Country
1	2,12%	Telefonica deutschland holdi	Telecommunications	Germany
2	1,28%	Crh plc	Construction and Materials	Ireland
3	1,25%	Henkel ag & co kga v-pref	Consumer Products and Services	Germany
4	1,10%	Deutsche lufthansa-reg	Travel and Leisure	Germany
5	1,03%	Sodexo sa	Travel and Leisure	France
6	0,88%	Voestalpine ag	Basic Resources	Austria
7	0,72%	ustria		Rest of the world
8	0,64%	Orion oyj-class b	Health Care	Finland
9	0,61%	Akzo nobel n.v.	Chemicals	Netherlands
10	0,35%	Dassault aviation sa	Industrial Goods and Services	France
11	0,33%	Mtu aero engines ag	Industrial Goods and Services	Germany
12	0,33%	Caixabank sa	Banks	Spain
13	0,33%	pain		Rest of the world
14	0,33%	Erste group bank ag	Banks	Austria
15	0,33%	Proximus	Telecommunications	Belgium

### SEVEN CAPITAL MANAGEMENT

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

Société par Actions Simplifiée SAS (Simplified limited company) – Authorised by the AMF under No. GP 06000045 – With capital of EUR 560,000 – Trade and Companies Register no. B 491 390 464

[www.seven-cm.com](http://www.seven-cm.com)

[www.amf-france.org](http://www.amf-france.org)

Past performance is not a reliable indicator of future performance

# 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

## SEVEN CAPITAL MANAGEMENT

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

Société par Actions Simplifiée SAS (Simplified limited company) – Authorised by the AMF under No. GP 06000045 – With capital of EUR 560,000 – Trade and Companies Register no. B 491 390 464

[www.seven-cm.com](http://www.seven-cm.com)

[www.amf-france.org](http://www.amf-france.org)

Past performance is not a reliable indicator of future performance

## Legal information

This document was drafted by Seven Capital Management, a management company authorised by the AMF (French Financial Markets Authority - AMF, <http://www.amf-france.org>) in France on 13 September 2006 as a portfolio management company under number GP-06000045 with its registered office at 39, rue Marbeuf - 75008 Paris, France.

This document was prepared for information purposes only and does not represent an offer, a personalised recommendation or a solicitation to purchase the products or services presented in it. Investors are the sole judge of the validity of the transactions which they conclude.

Seven Capital Management cannot be held liable for any investment or disinvestment decision made on the basis of information contained on this site. The information, services and products presented are subject to change without notice.

The subscription of UCITS units or shares may entail a degree of risk. UCITS are neither guaranteed nor protected, their net asset value may increase or decrease depending on market fluctuations and it is possible that investors may not get back their original investment.

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](mailto:info@seven-cm.com) or from the company's website: [www.seven-cm.com](http://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.

Document for information purposes only and not contractually binding.

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](http://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](mailto:info@oligofunds.ch). The fund's payment service in Switzerland is the Neue Helvetische Bank.

### SEVEN CAPITAL MANAGEMENT

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

Société par Actions Simplifiée SAS (Simplified limited company) - Authorised by the AMF under No. GP 06000045 - With capital of EUR 560,000 - Trade and Companies Register no. B 491 390 464

[www.seven-cm.com](http://www.seven-cm.com)

[www.amf-france.org](http://www.amf-france.org)

Past performance is not a reliable indicator of future performance