

# Seven European Equity Fund



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

**[Updated on December 31, 2024]**

SEVEN CAPITAL MANAGEMENT

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

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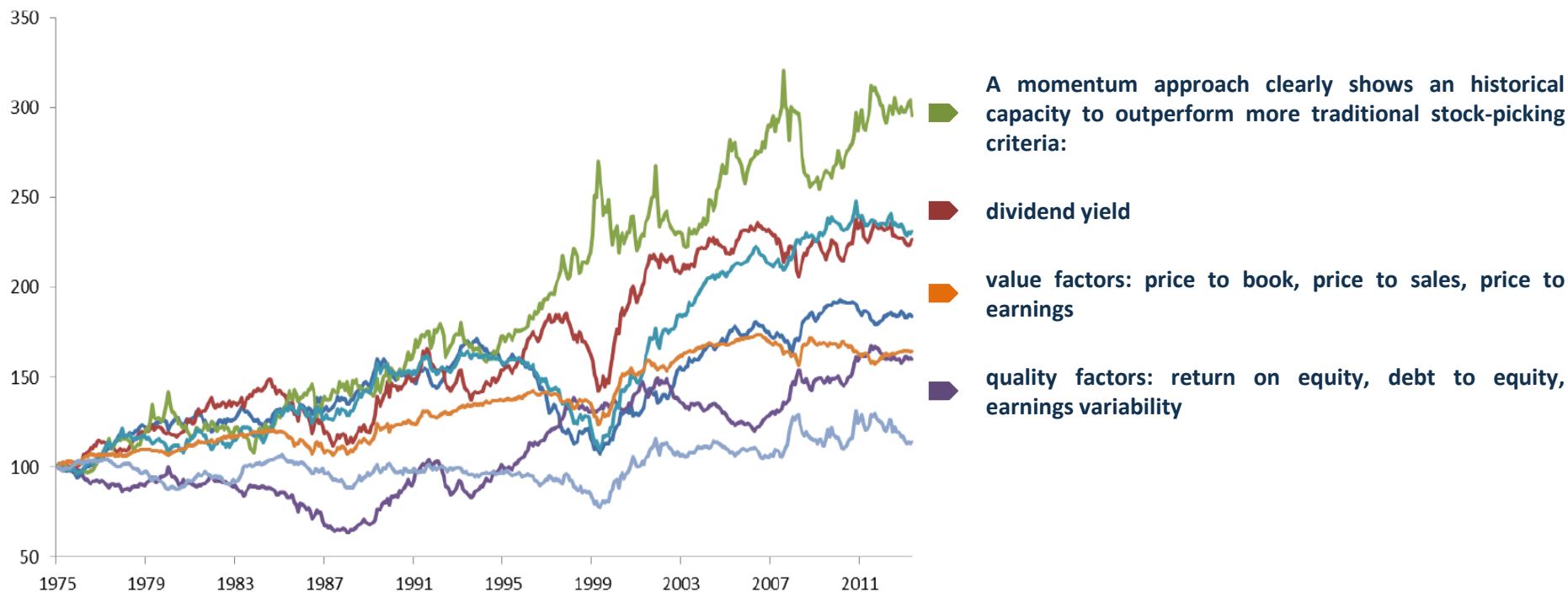
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# MSCI study: over the long term (40 years) and globally, Momentum is the best performer

Outperformance vs. the MSCI World index



Results published in September 2014 by the index creator



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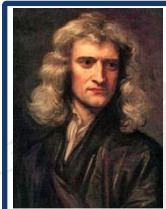
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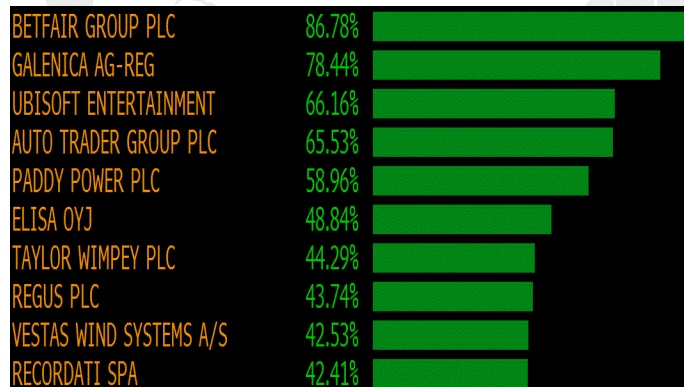
# Momentum investing, or Newton's law applied to finance...



*“ 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

10

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

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

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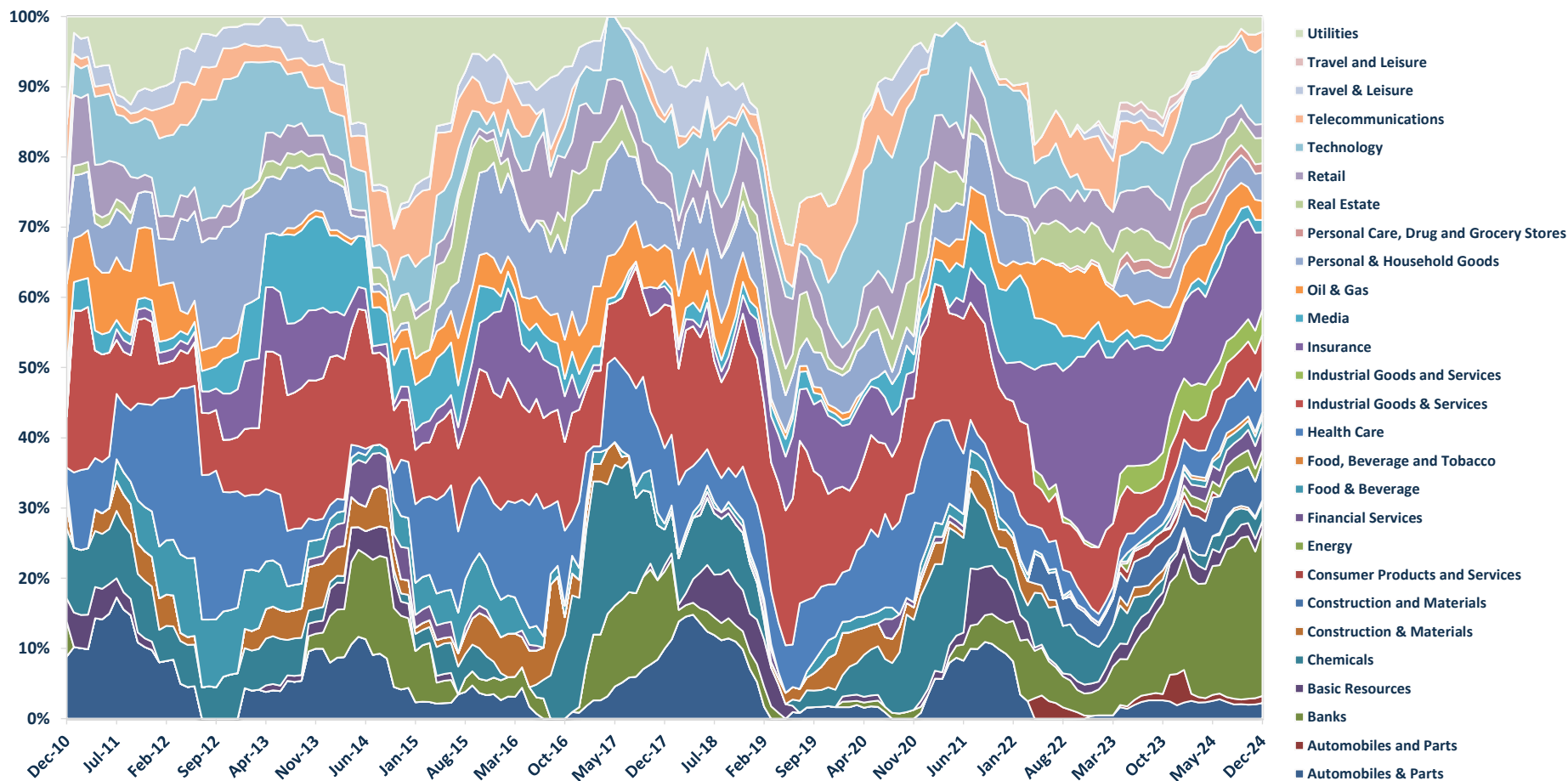
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# Seven European Equity Fund, a fund with a dynamic sector profile

## Change in the portfolio's sector structure



Source: Seven Capital Management

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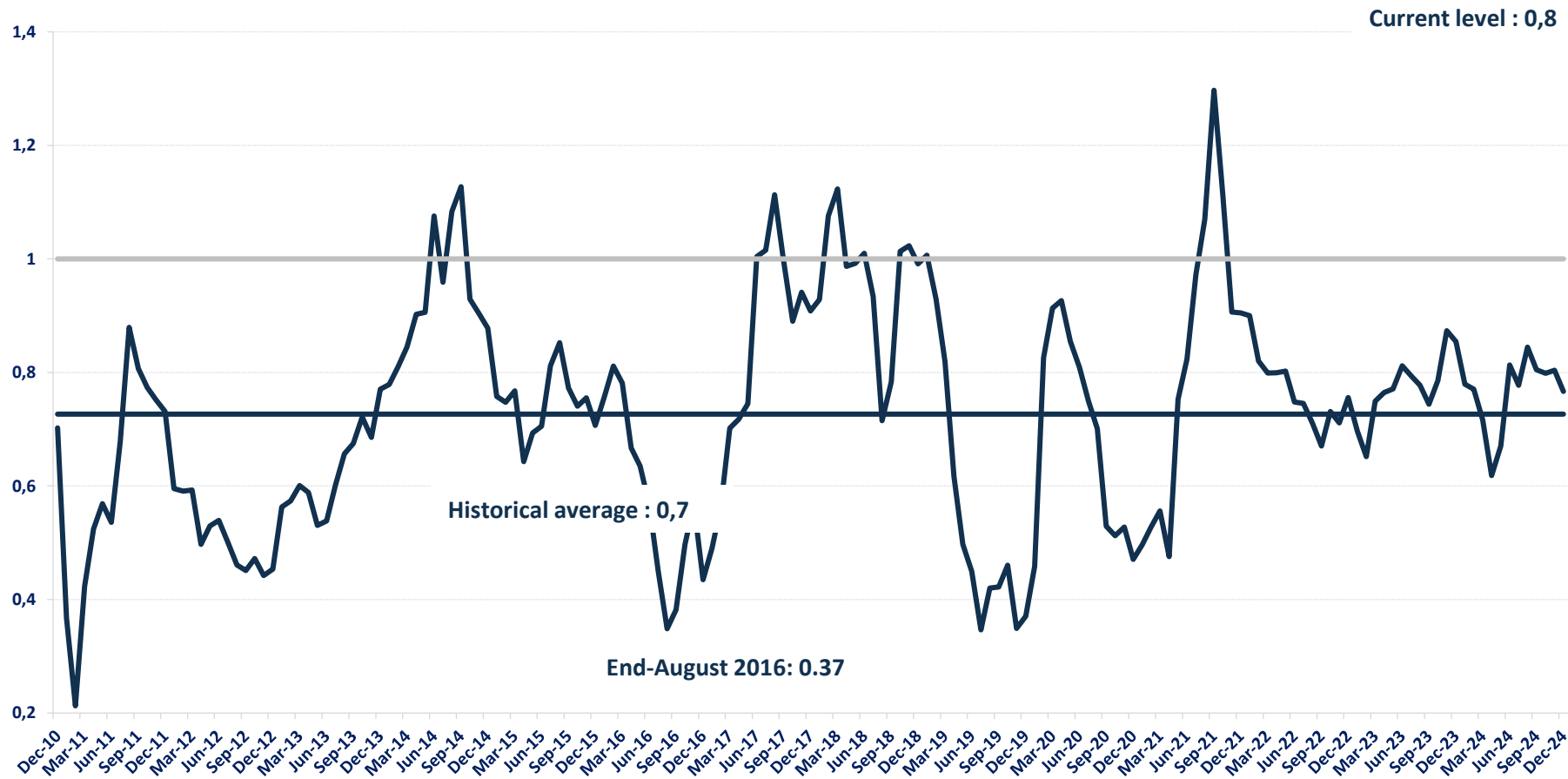
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# Seven European Equity Fund, Portfolio beta vs. SX5T Index

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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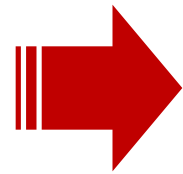
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# Momentum stocks – a diversification effect for your equity portfolio

## Different investment styles

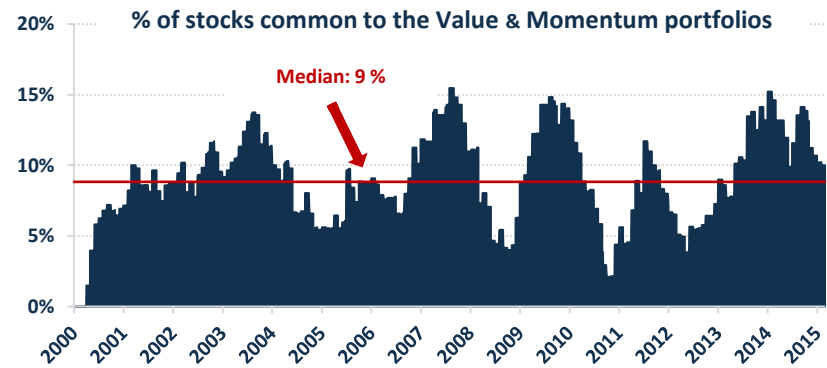
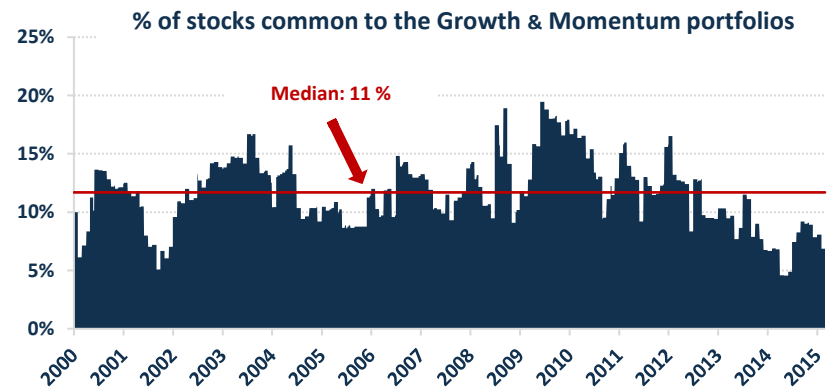
	Value	Growth	Momentum
Total return	+ 155 %	+ 96 %	+ 123 %
Annualised return	+ 6.6 % / year	+ 4.7 % / year	+ 5.6 % / year
January 2001 – February 2015			

Source: Seven Capital Management



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

## Very different portfolio structures



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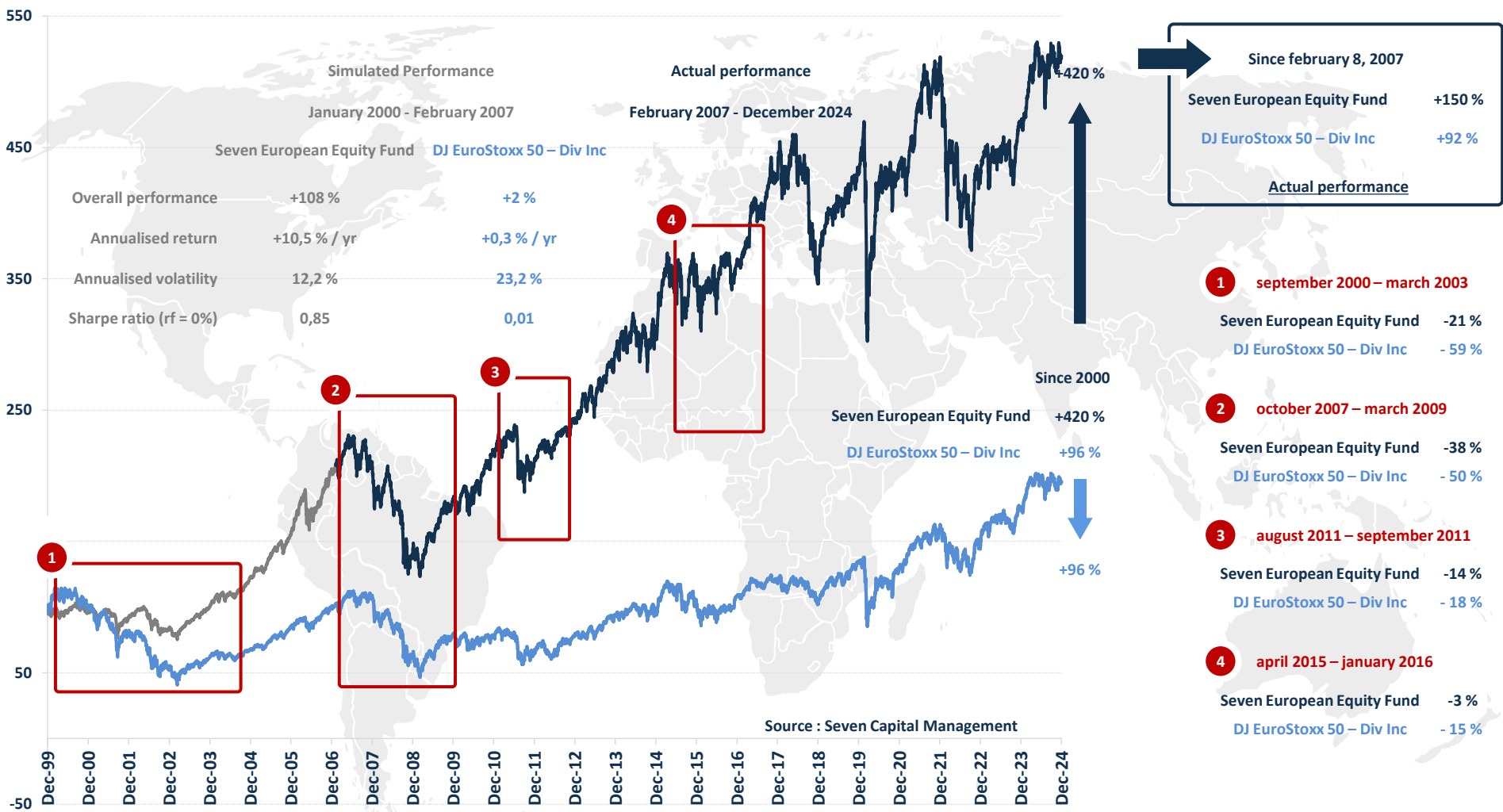
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# Seven European Equity Fund: significant outperformance potential



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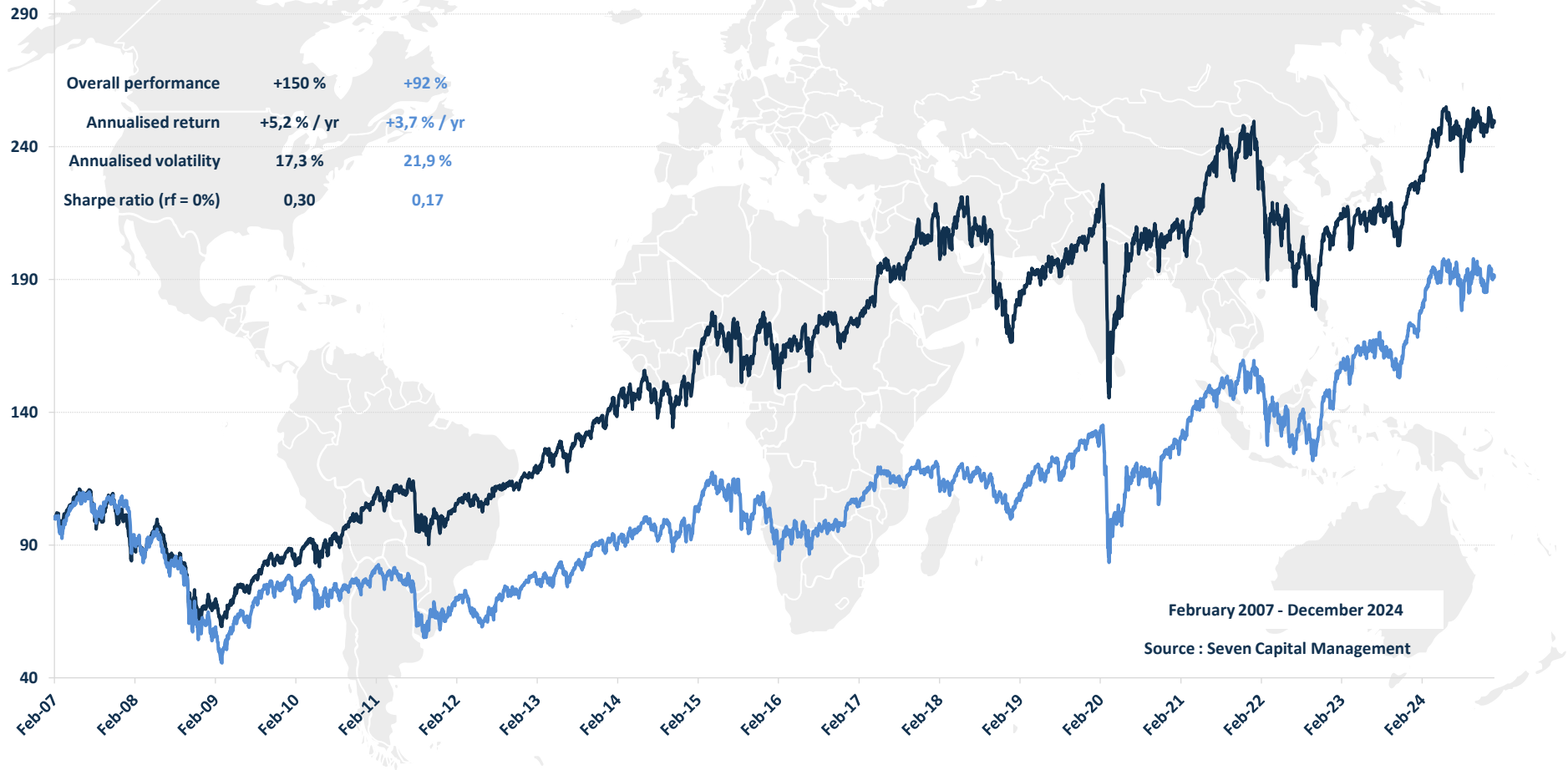
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# A highly effective strategy that complements traditional equity strategies

## Seven European Equity Fund

### DJ EuroStoxx 50 – Div Inc

Overall performance	+150 %	+92 %
Annualised return	+5,2 % / yr	+3,7 % / yr
Annualised volatility	17,3 %	21,9 %
Sharpe ratio (rf = 0%)	0,30	0,17



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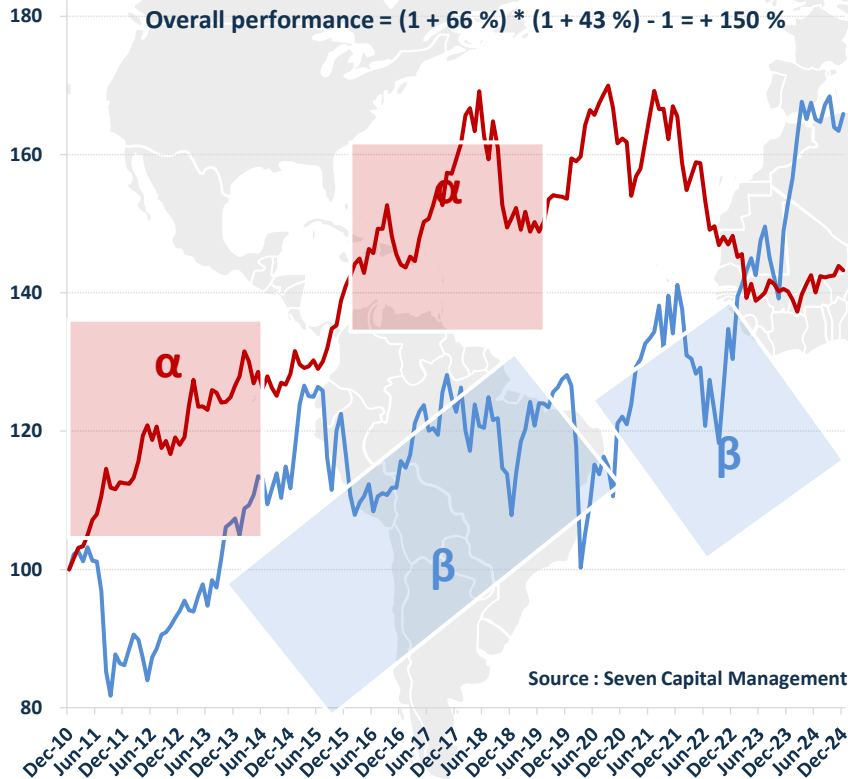
# Generating alpha when we can, capturing beta when it is appropriate to do so...

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

★ "Beta-specific" performance: + 66 %

★ "Alpha-specific" performance: + 43 %

Overall performance = (1 + 66 %) × (1 + 43 %) - 1 = + 150 %



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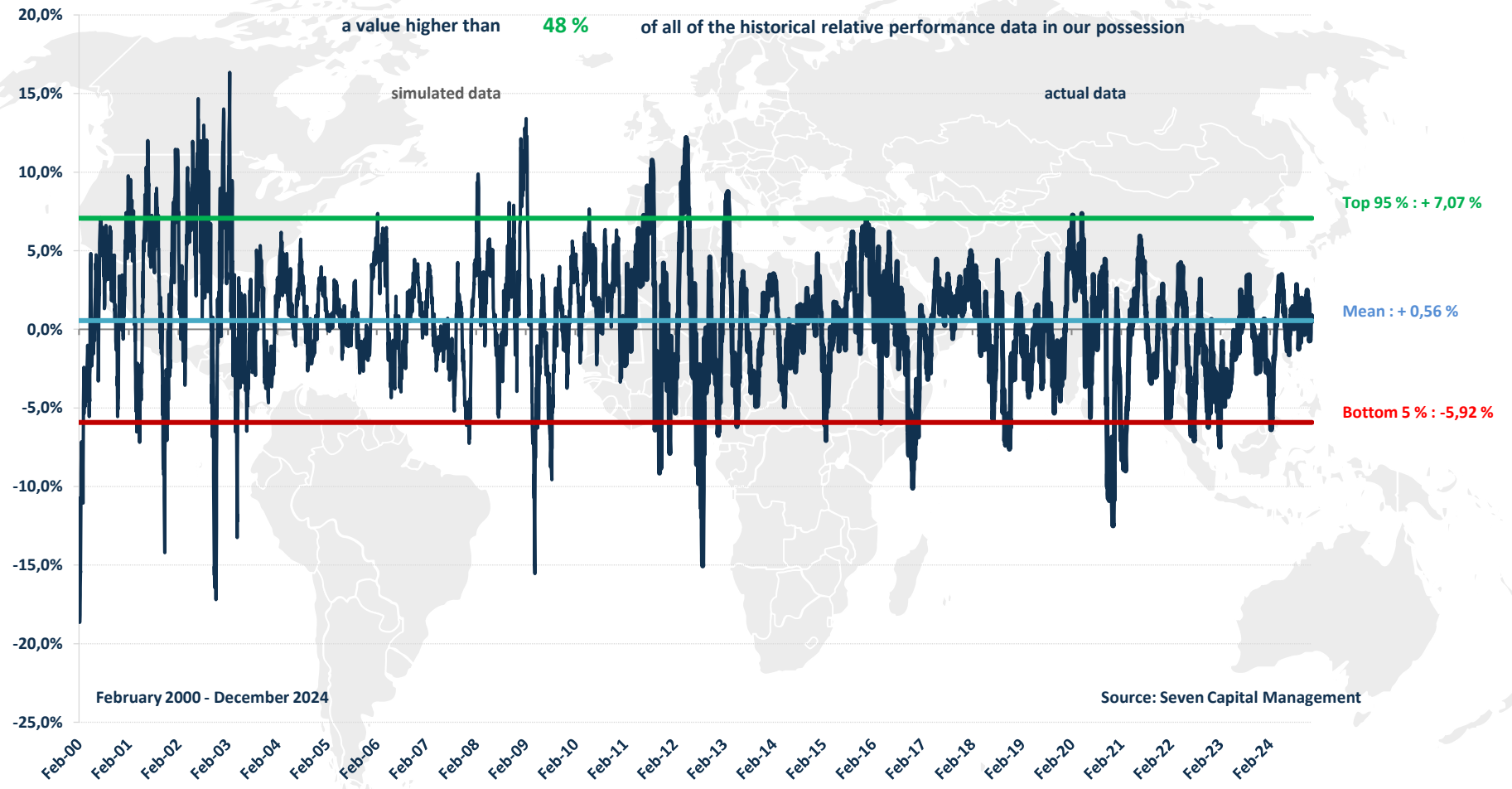
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# Detailed analysis of the fund's relative performance vs. the SX5T

At 31/12/2024, the fund's 2-month relative performance was **+ 0,50 %** vs. the SX5T index  
 a value higher than **48 %** of all of the historical relative performance data in our possession



February 2000 - December 2024

Source: Seven Capital Management

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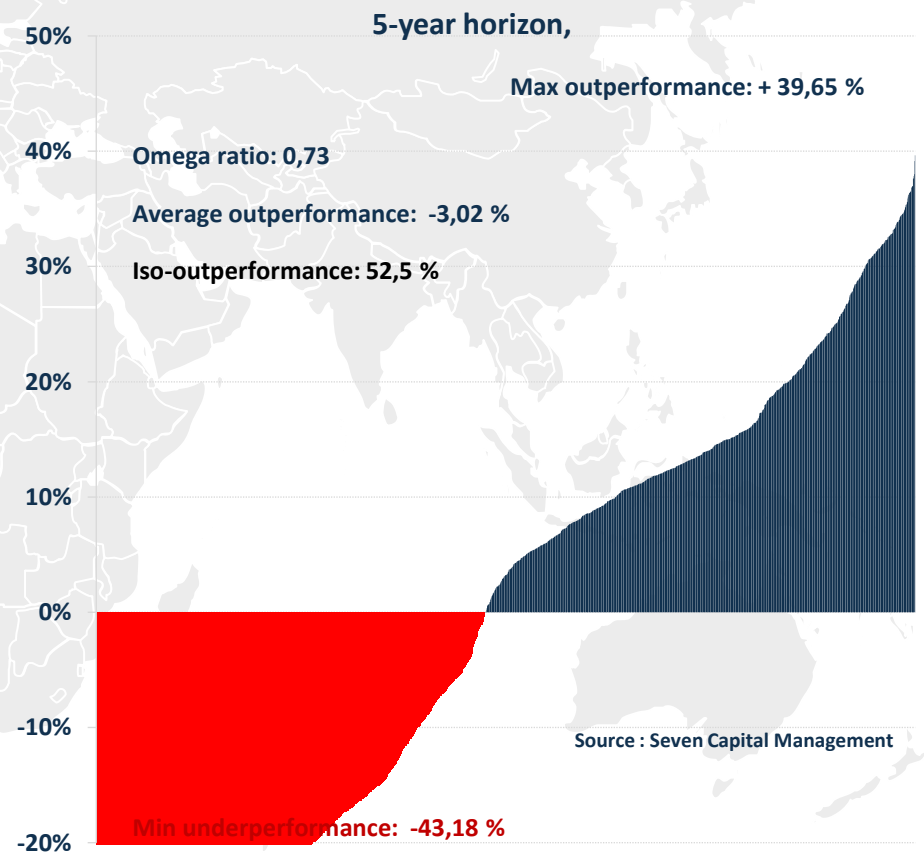
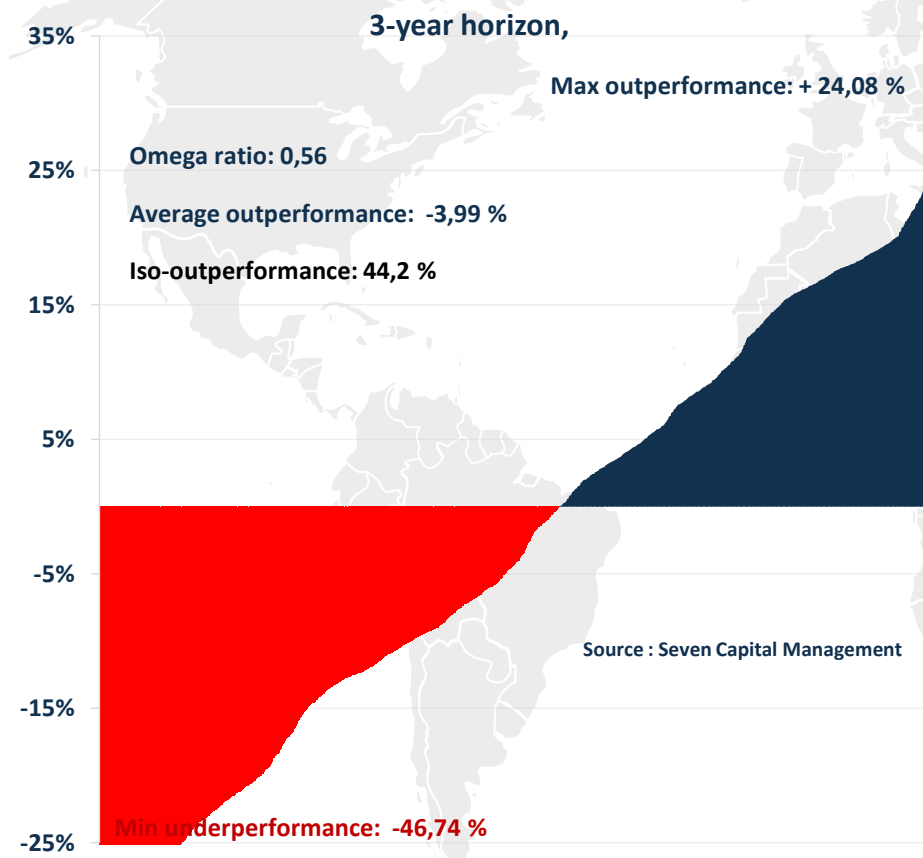
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# Detailed analysis of the fund's relative performance vs. the SX5T - actual data

**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%	1,39%	0,84%	-2,58%	0,68%	1,02%	10,78%	11,01%

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# Portfolio review

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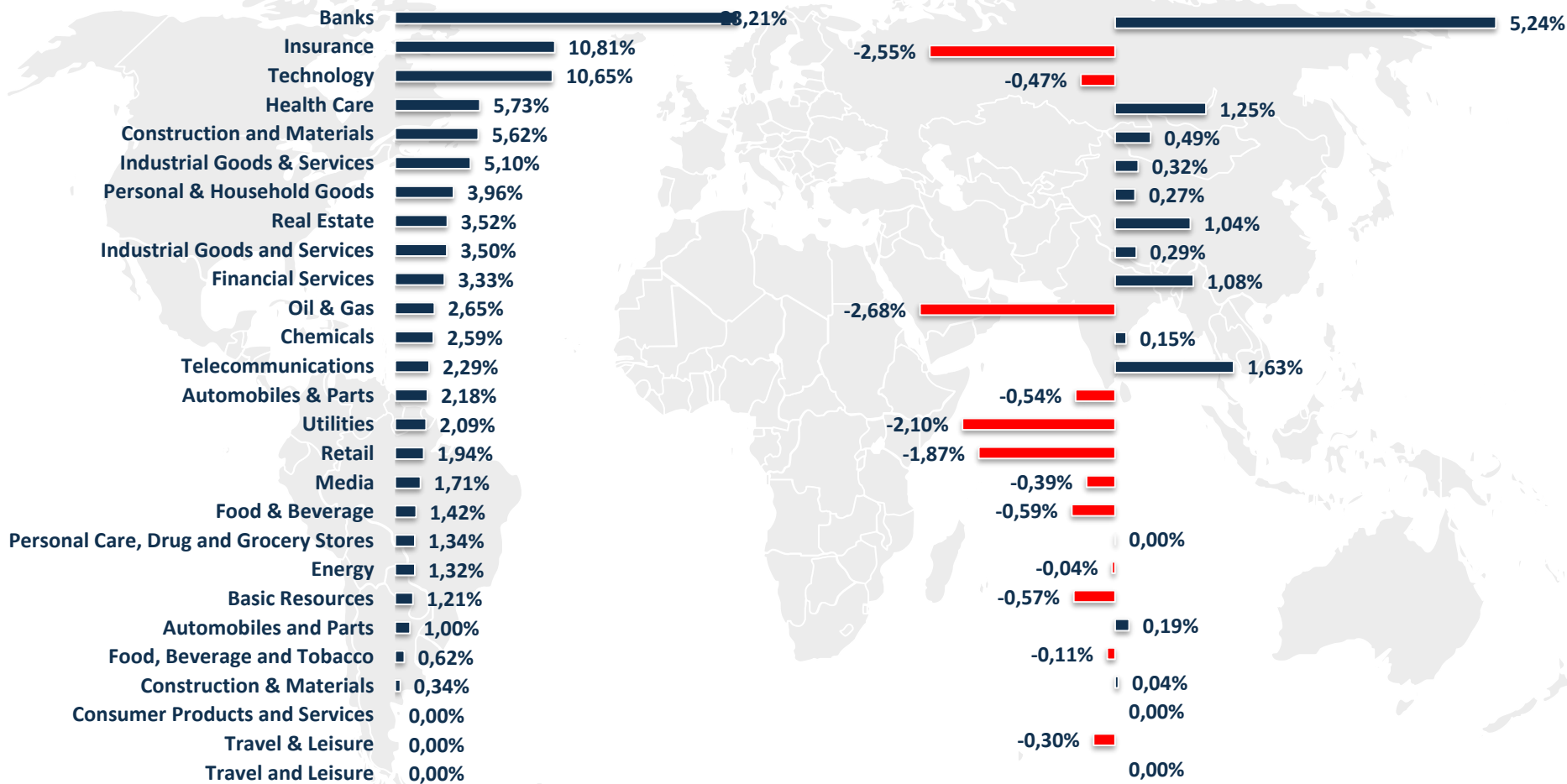
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# 28 June 2024 - 31 December 2024 : sector exposure review

## End of period sector exposure

## Change in sector exposure during the period



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# 28 June 2024 - 31 December 2024 : portfolio entries & exits

## Portfolio entries

	Weighting	Company	Sector	Country
1	2,15%	Bnp paribas	Banks	France
2	0,95%	Bper banca	Banks	Italy
3	0,58%	Azimut holding spa	Financial Services	Italy
4	0,57%	Bankinter sa	Banks	Spain
5	0,55%	Merlin properties socimi sa	Real Estate	Spain
6	0,53%	Iberdrola sa	Utilities	Spain
7	0,52%	Endesa sa	Utilities	Spain
8	0,34%	Erste group bank ag	Banks	Austria
9	0,29%	Fresenius se & co kгаа	Health Care	Germany
10	0,27%	Scout24 se	Technology	Germany
11	0,27%	Kesko oyj-b shs	Personal Care, Drug and Grocery Stores	Finland
12	0,23%	Buzzi unicem spa	Construction and Materials	Italy

## Portfolio exits

	Weighting	Company	Sector	Country
1	2,36%	Eni spa	Energy	Italy
2	1,86%	taly		Rest of the world
3	0,93%	E.on se	Utilities	Germany
4	0,87%	Naturgy energy group sa	Utilities	Spain
5	0,65%	Muenchener rueckver ag-reg	Insurance	Germany
6	0,57%	Fresenius medical care ag &	Health Care	Germany
7	0,52%	Jeronimo martins	Personal Care, Drug and Grocery Stores	Portugal
8	0,52%	Banco bpm spa	Banks	Italy
9	0,47%	Credit agricole sa	Banks	France
10	0,46%	Engie	Utilities	France
11	0,32%	Ferrovial sa	Construction and Materials	Spain
12	0,31%	Hannover rueck se	Insurance	Germany
13	0,30%	Koninklijke philips nv	Health Care	Netherlands
14	0,30%	Accor sa	Travel and Leisure	France
15	0,29%	Ipsen	Health Care	France

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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.

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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](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.

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