



VINCENT  
STEENMAN

## ZADIG ASSET MANAGEMENT S.A.

### Stock Picking at work

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This is a marketing material. Please refer to the prospectus of the UCITS and to the KID before making any final investment decisions.

In September, Memnon's performance was -2.3% vs. the benchmark -2.5%. This brings the net year to date performance to +7.8% against the benchmark at +9.2%.

September was indeed another weak month for European equities. After a series of improving inflation data, a persistently strong oil price over the summer combined with a resilient job market bring challenges to the economy and raise the odds of a stagflation scenario. In their effort to put the "inflation genie" back in the bottle Central Bankers delivered a hawkish "higher for longer" message that pushed bond yields higher (the US 10-year is now yielding 4.75%). A message clearly not liked by equity markets investors.

Shell, still our largest position, continued to perform very well (+80bps contribution in the month). At current oil price levels, it still trades on c. 6.5x PE. The market is still valuing Shell as a declining business with no terminal value. We beg to disagree. Among disappointments, Kering (-70bps) suffered with the luxury sector amid concerns around consumption, but at c. 10x EV/EBIT and a newly appointed creative designer at Gucci, our risk/reward is tilted to the upside even if we have been too early in the name. Bayer underperformed (-50bps) with a lack of news until early next year when William Anderson, the recently appointed CEO, will present his plan for the future of the company. The case for a break-up of the company looks more and more compelling.

We built a new position in Merck, the German pharma and life science company. After the Covid tailwind came to an end in their life-science business, unrealistic earnings expectations had to be rebased. The stock went down 33% since peak. Also, the phase III result of Evobrutinib (multiple sclerosis) due end of this year seems to have been partially written off by the market. Merck should now go back to its mid-single digit top line growth trajectory over the medium term. Trading on a forward P/E of 16x, it strikes us as one of the few attractively valued growth stocks in Europe.

We own a diversified portfolio of companies expected to grow EPS 8% mid-term, with mostly strong balance sheets, at an attractive valuation c. 10x forward P/E. While this is not a guarantee of short-term performance, over the longer term a reasonable valuation is strongly correlated to positive future returns and should protect the portfolio in a negative economic scenario.

As of 29/09/2023

#### NAV per Share

Class I EUR (LU0578133935) 306.82

#### Fund AUMs

660 M EUR

#### Strategy AUMs

950 M EUR

#### Firm AUMs

1 355 M EUR

#### Inception Date

01/02/2011

#### UCITS Fund

Yes

#### Liquidity

Daily (cut-off time 3 PM CET)

#### Auditor

PricewaterhouseCoopers SC

#### Depository Bank

Pictet & Cie (Europe) S.A.

#### Central Administration Agent

FundPartner Solutions (Europe) S.A.

#### Annual Management Fees

1.25%

#### Ongoing Charges

1.42%

#### Performance Fees

15% of Outperformance above relative High Water Mark

#### Reference Index

MSCI Europe Ex UK TRI Net

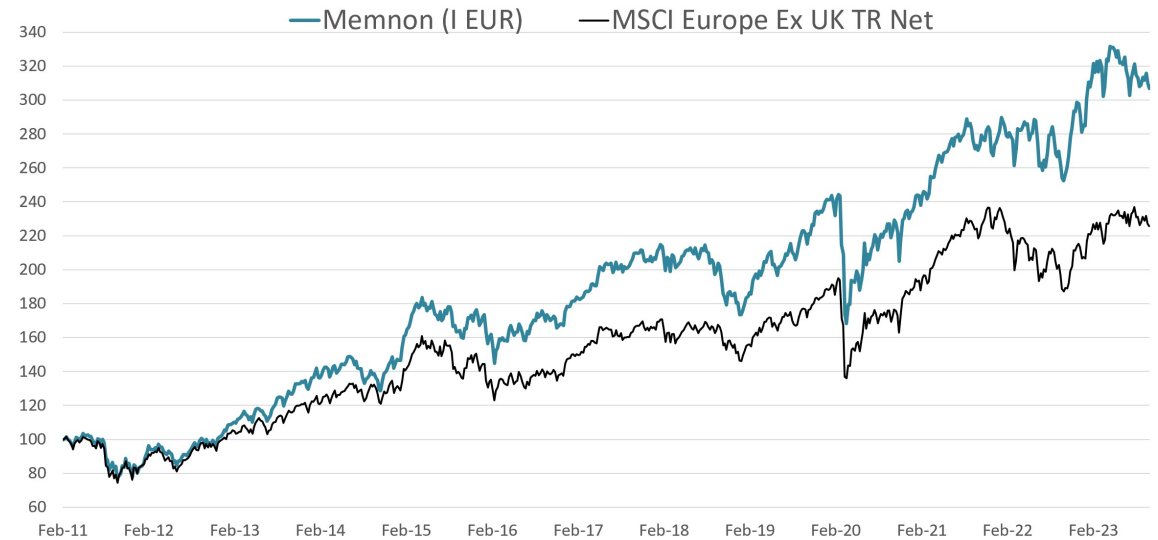
## MEMNON FUND

European Equities concentrated portfolio of best ideas only, with sector, country and thematic diversification

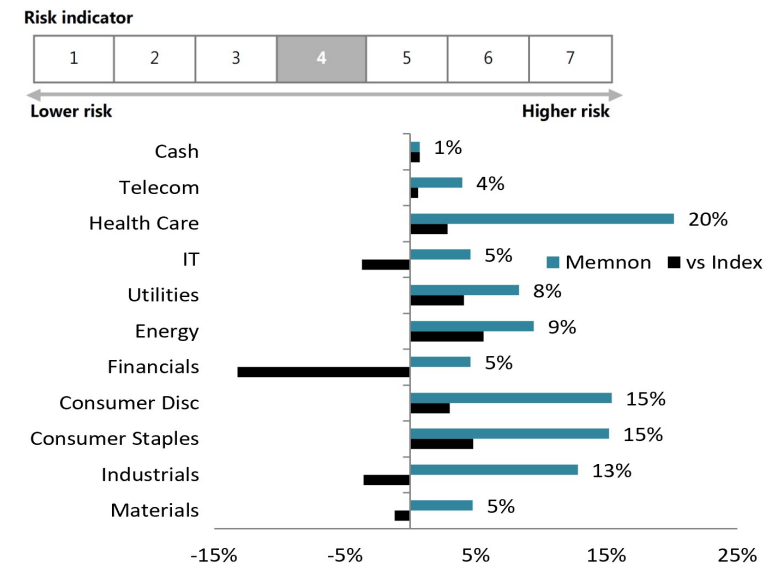
## OBJECTIVE

To outperform the Equity market every year and by 5 to 10% on average over the long term.

The table on the left as well as the below chart relate to past performance which is not a reliable indicator of current or future performance and should not be the sole factor of consideration when selecting a product or strategy. This product has been classified as 4 out of 7, which is a medium risk class. Please refer to the prospectus and KID for more information on the specific risks relevant to this product not included in this document.



Countries Exposures *		
Country	Expo	vs Index
Benelux	0%	-11%
Nordic	12%	-4%
France	29%	5%
Germany	26%	10%
UK & Ireland	27%	25%
Italy	5%	0%
Spain	0%	-5%
Switzerland	0%	-20%
Rest of EU	0%	-1%
US & Canada	0%	0%
Others	0%	0%
Cash	1%	1%



\* Source of all tables and charts in this document: Zadig Asset Management S.A.

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Exposure *	
Equities	99.4%
Cash	0.6%
Investments	20
Top 10	58.1%
Beta	0.99
Largest Holdings *	
Shell	9.5%
Continental	6.4%
Kering	6.2%
Merck	6.1%
Carrefour	6.0%
Market Capitalisations *	
> 10bn EUR	72%
2 to 10bn EUR	28%
< 2bn EUR	0%

Main Contributions (relative) *	
Positive	%
Shell	0.8
Glaxosmithkline	0.3
Leonardo	0.2
Negative	%
Kering	-0.7
Bayer	-0.5
Carrefour	-0.4
Metrics (3 years, p.a.) *	
Outperformance (p.a.)	1.9%
Tracking error	6.2%
Volatility	15.9%
Valuation (12 mth fwd) *	
P/E	9.5
Dividend Yield	3.7%
P/BV	1.5