



VINCENT  
STEENMAN

## ZADIG ASSET MANAGEMENT S.A.

### Stock Picking at work

#### CONTACT

investor@zadig.lu  
+352 26 47 6305

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

In October, Memnon’s performance was -4.4% vs. the benchmark at -3.4%. This brings the net year to date performance to +3.0% against the benchmark at +5.4%.

October was a rocky month for equity markets with the US 10-year rate hitting 5% (a level last seen in 2007) on the back of persistent strong economic data combined with tragic events in the Middle East. The main question seems only to revolve around the possibility of seeing “higher for longer” interest rates. While the Fed has been trying to keep inflation under control, one must notice the agreement between the 3 big US auto manufacturers and the UAW union seeing workers get a headline 25-30% pay rise over 4 years as an example of potential wage-price spiral. October has also seen the first half of the earnings season with a wide dispersion of outcomes and some outsized moves to the downside for companies disappointing on numbers.

Memnon was penalised by a slightly lower than 50% hit ratio. On the disappointment side, Merck (-50bps) which hasn’t yet reported, suffered along with life science equipment peers; Kering (-40bps) published disappointing numbers (-9% organic in the quarter) and we reduced our position. We have to admit that despite an attractive valuation, we were probably too optimistic on the timing of the turnaround in what is a more difficult market for luxury goods. In terms of winners, Shell (+40bps) and Leonardo (+40bps) outperformed due to geopolitical uncertainties. Pandora, the affordable jewellery manufacturer (+40bps) outperformed on the back of the hike of targets given at their CMD. We profited from the share price’s strength to exit a name that has performed well this year in what remains a challenging discretionary spending category.

We started a position in Pernod Ricard, which had recently highlighted more difficult US and Chinese markets. The subsequent derating gave us an entry point at 18x 2024 earnings (a multiple last seen 5y ago) for a mid-to-high single digit top line grower with pricing power.

For the last few months, the equity market participants seem to mainly care about the direction of interest rates and of the economy. On our side, we continue to focus on diversifying our investments while looking beyond the valley with companies that grow and generate cash. Our portfolio is currently valued at 9.5x forward earnings for an estimated forward eps growth of 9%. Despite the macro uncertainties we think these are reassuring metrics.

As of 31/10/2023	
NAV per Share	
Class I EUR (LU0578133935)	293.29
Fund AUMs	
609 M EUR	
Strategy AUMs	
846 M EUR	
Firm AUMs	
1 193 M EUR	
Inception Date	
01/02/2011	
UCITS Fund	
Yes	
Liquidity	
Daily (cut-off time 3 PM CET)	
Auditor	
PricewaterhouseCoopers SC	
Depositary 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	

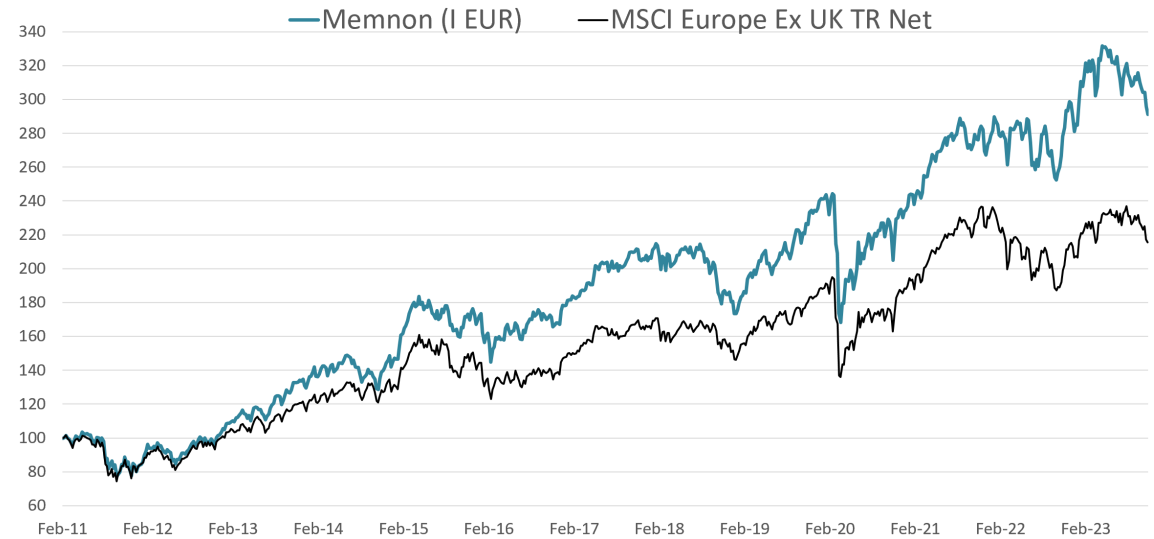
## MEMNON FUND

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.



Performance (Class I EUR) *			
Period	Memnon	Index	Outperformance
October 2023	-4.4%	-3.4%	-1.0%
YTD	3.0%	5.4%	-2.4%
2022	1.1%	-12.6%	13.7%
2021	18.9%	24.4%	-5.5%
2020	-1.1%	1.7%	-2.8%
2019	36.6%	27.1%	9.5%
2018	-15.0%	-10.9%	-4.2%
2017	15.6%	11.4%	4.2%
2016	2.9%	2.4%	0.5%
2015	17.9%	10.7%	7.2%
2014	7.9%	6.4%	1.5%
2013	29.7%	22.1%	7.5%
2012	25.4%	19.4%	6.0%
2011 (Feb to Dec)	-16.2%	-15.9%	-0.4%
Since Inception	193.3%	118.1%	75.2%

Exposure *	
Equities	99.9%
Cash	0.1%
Investments	21
Top 10	58.5%
Beta	0.96

Largest Holdings *	
Shell	9.4%
Heidelbergcement	6.5%
Carrefour	6.4%
Leonardo	6.3%
Merck	6.1%

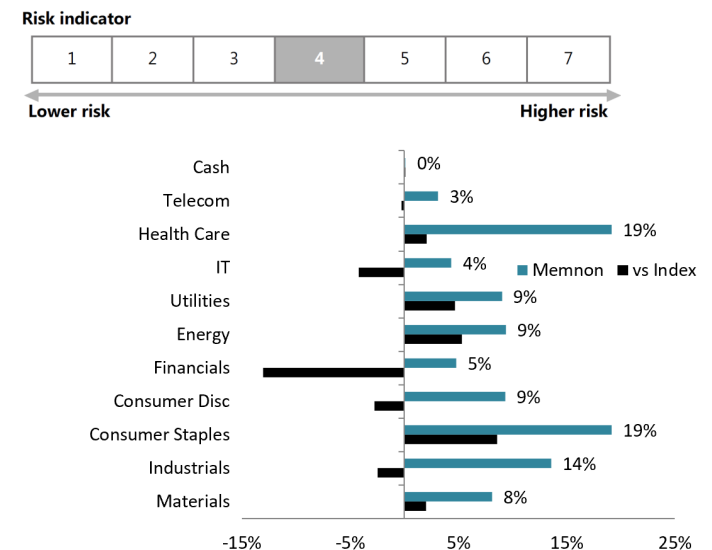
Market Capitalisations *	
> 10bn EUR	73%
2 to 10bn EUR	27%
< 2bn EUR	0%

Main Contributions (relative) *	
Positive	%
Shell	0.4
Leonardo	0.4
Pandora	0.4
Negative	%
Merck	-0.5
Kering	-0.4
Bayer	-0.4

Metrics (3 years, p.a.) *	
Outperformance (p.a.)	2.6%
Tracking error	6.1%
Volatility	15.2%

Valuation (12 mth fwd) *	
P/E	9.2
Dividend Yield	3.8%
P/BV	1.4

Countries Exposures *		
Country	Expo	vs Index
Benelux	0%	-11%
Nordic	9%	-7%
France	31%	7%
Germany	26%	9%
UK & Ireland	28%	26%
Italy	6%	2%
Spain	0%	-5%
Switzerland	0%	-20%
Rest of EU	0%	-1%
US & Canada	0%	0%
Others	0%	0%
Cash	0%	0%



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

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