



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 November, Memnon's performance was +5.6% vs. the benchmark at +7.4%. This brings the net year to date performance to +8.8% against a benchmark at +13.2%.

The major event of November was the pullback of the US 10yr rate towards 4.3% after having reached 5% late October. This helped equity markets and cyclical sectors rebound. Fed "pivots" are usually followed by strong equity market returns as it eases financing conditions and supports equity market valuations.

In this context, Memnon's performance was strong in absolute but disappointing in relative terms. Barring Shell (-70bps) which suffered from the oil price pullback, there was no significant large negative contributor. While the fund avoided many of the pitfalls that has marked the Q3 reporting season, the fund essentially suffered from the absence of large outperformers.

During the month, we exited ITV and Bayer. Bayer's relative contribution was 70bps this year. During the Q3 call, we understood that the corporate break-up would probably not be a short-term process and that the more difficult earning environment for crop protection would not recede in the short term. With our thesis unvalidated, we decided to get out. The subsequent Asundexian trial failure confirms that with a now dry pipeline and some debt on the balance sheet, the road to redemption will be long and difficult.

We initiated positions in Smurfit Kappa and Ryanair. Smurfit Kappa is a paper packaging producer whose stock derated as the company announced a large merger with Westrock, a US player. We trust Smurfit's management to deliver synergies and restructuring, and that will benefit from an improvement in volume. We think the stock could be on 8x 2025 pro-forma P/E. We invested in Ryanair as the current background is very favourable for the company. First, the cost gap continues to widen in an inflationary environment between high growth players (with a younger fleet) and legacy carriers. Second, the capacity is under constraint after a recent wave of consolidation as well as recent issues with the GTF engines, to which Ryanair is not exposed. Ryanair is starting to generate strong cashflow and trades on expected 10% FCF yield in 2025.

The recent good news is the slowdown of inflation. The "higher for longer" narrative seems to have quickly become "end of tightening cycle" and "pivot". The last few years have taught us to stay vigilant and not try to foresee the macro trends as unexpected shocks often happen. Instead, we remain disciplined and diversified and assume it is the best way to navigate changing winds.

As of 30/11/2023

#### NAV per Share

Class I EUR (LU0578133935) 309.74

#### Fund AUMs

628 M EUR

#### Strategy AUMs

874 M EUR

#### Firm AUMs

1 216 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

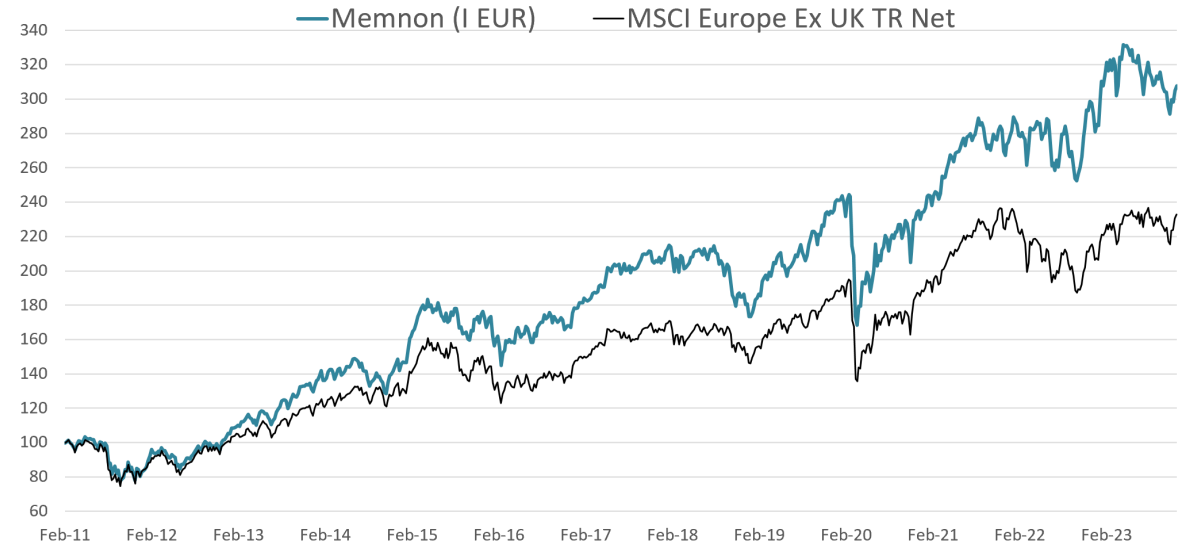
## MEMNON FUND

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.



Performance (Class I EUR) *			
Period	Memnon	Index	Outperformance
November 2023	5.6%	7.4%	-1.8%
YTD	8.8%	13.2%	-4.4%
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	209.7%	134.1%	75.6%

Exposure *	
Equities	98.4%
Cash	1.6%
Investments	21
Top 10	57.6%
Beta	0.96
Largest Holdings *	
Shell	9.0%
Heidelbergcement	6.7%
Merck	6.5%
Carrefour	6.0%
Leonardo	5.9%

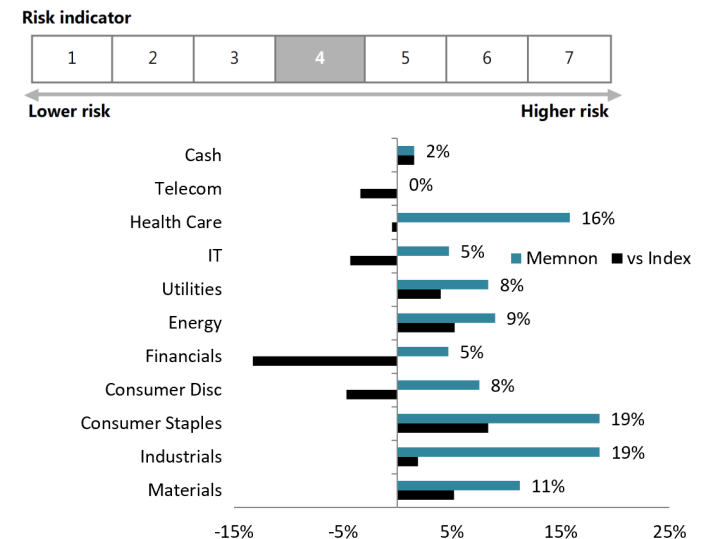
Main Contributions (relative) *	
Positive	%
STMicroelectronics	0.5
Merck	0.4
Teleperformance	0.2
Negative	%
Shell	-0.7
Centrica	-0.5
Leonardo	-0.5

Metrics (3 years, p.a.) *	
Outperformance (p.a.)	2.2%
Tracking error	6.1%
Volatility	14.6%

Market Capitalisations *	
> 10bn EUR	74%
2 to 10bn EUR	26%
< 2bn EUR	0%

Valuation (12 mth fwd) *	
P/E	10.1
Dividend Yield	3.3%
P/BV	1.5

Countries Exposures *		
Country	Expo	vs Index
Benelux	0%	-11%
Nordic	9%	-7%
France	30%	6%
Germany	22%	5%
UK & Ireland	31%	30%
Italy	6%	1%
Spain	0%	-5%
Switzerland	0%	-20%
Rest of EU	0%	-1%
US & Canada	0%	0%
Others	0%	0%
Cash	2%	2%



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

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