



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 January, Memnon European Fund returned 1.2% while the benchmark returned 1.9%.

The beginning of the year started on a strong note following the Q4 rally, despite a slight increase in government yields. The Growth segment of the European market outperformed due to some heavyweights (ASML, SAP, LVMH) posting strong results in the month. So far the earnings season is relatively benign for the market overall even if misses are severely punished at the stock level.

During the quarter, among the detractors, STM (70bps negative contribution) published disappointing guidance for Q1 with the semiconductors cycle taking a bit longer than expected to turn. This doesn't change the secular trends nor the company specific internal transformation that should see the margin continue its trend upwards. Shell was slightly down (-50bps) despite Brent being up 6% amid rising Middle East tensions. On the positive side, Leonardo (+50bps) continued to rerate; despite the recent good performance, its discount to peers continues to be significant (c. 30/50% depending on metrics). GSK posted a solid set of 2023 numbers and marginally increased its medium-term guidance (operating profit growth is expected to be more than 10% until 2026).

We initiated a position in Philips (-30bps) which sells hospital equipment (imaging and patient care) and personal hygiene products. The company suffered from recall on their sleep apnea machine due to the degradation of the device's sound-deadening foam. The enterprise value lost 13bn EUR on this, while we expect the financial impact to be closer to 4-5bn EUR in a worst case scenario. They announced in January that they have reached an agreement with the FDA on a consent decree to remedy the issue. The market seems to be focused on the impact of this on the 1bn EUR sleep and respiratory business (out of 19bn EUR total sales). Factoring 5bn litigation costs means the company is trading on 10x ebit 2025 while offering >5% Free Cash Flow. The c. 50% discount to sector peers should narrow as uncertainties around litigation progressively fade during the year and offer an attractive investment opportunity.

After a strong run up in the end of 2023, the market has started well but we remain vigilant on risk/reward metrics to avoid being carried away. We take comfort in the high single digit eps growth forecast for our portfolio valued at 10x forward earnings.

From 1st of March 2024, the benchmark of the Memnon European Fund will be the MSCI Europe TRI Net instead of the MSCI Europe Ex UK TRI Net. This is to align the benchmark with the investment strategy and reflect the fact that the fund will continue to be invested in the UK market.

As of 31/01/2024	
NAV per Share	
Class I EUR (LU0578133935)	319.00
Fund AUMs	
584 M EUR	
Strategy AUMs	
844 M EUR	
Firm AUMs	
1 178 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	

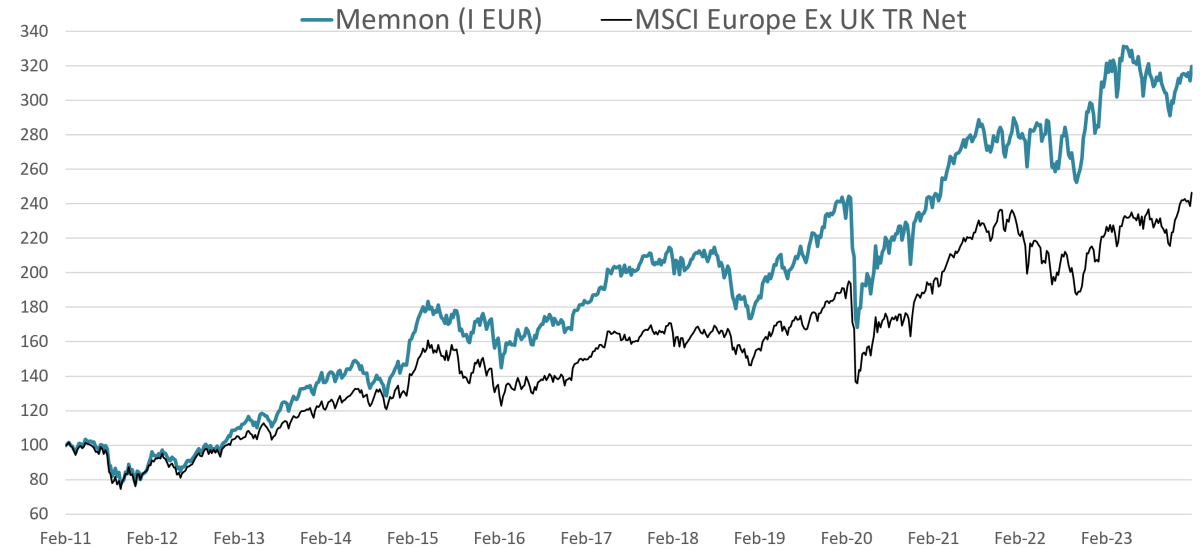
MEMNON FUND

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
January 2024	1.2%	1.9%	-0.8%
2023	10.7%	17.6%	-6.8%
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	219.0%	147.9%	71.1%

Exposure *	
Equities	98.7%
Cash	1.3%
Investments	22
Top 10	58.3%
Beta	1.04

Largest Holdings *	
Shell	9.6%
HeidelbergCement	7.8%
Leonardo	6.4%
Merck	5.9%
Carrefour	5.4%

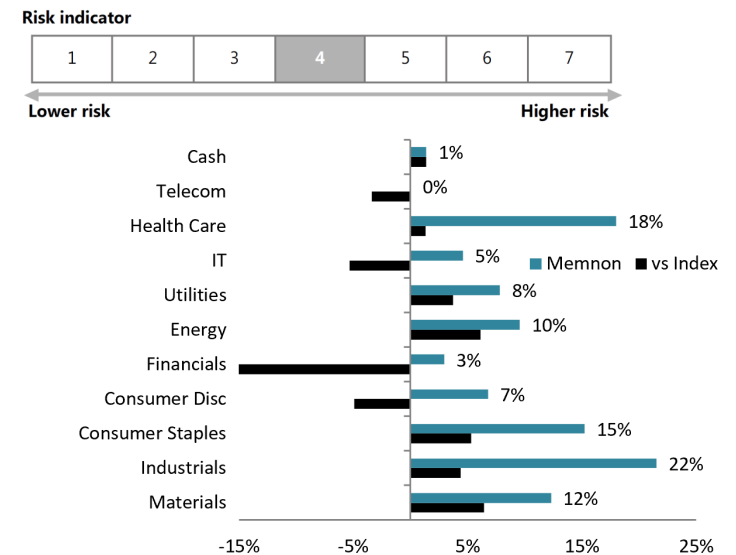
Market Capitalisations *	
> 10bn EUR	75%
2 to 10bn EUR	25%
< 2bn EUR	0%

Main Contributions (relative) *	
Positive	%
Leonardo	0.5
GSK	0.4
Teleperformance	0.3
Negative	%
STMicroelectronics	-0.7
Shell	-0.5
Philips	-0.3

Metrics (3 years, p.a.) *	
Outperformance (p.a.)	0.6%
Tracking error	6.2%
Volatility	14.6%

Valuation (12 mth fwd) *	
P/E	10.5
Dividend Yield	3.2%
P/BV	1.5

Countries Exposures *		
Country	Expo	vs Index
Benelux	3%	-9%
Nordic	7%	-9%
France	26%	2%
Germany	21%	5%
UK & Ireland	33%	32%
Italy	7%	2%
Spain	0%	-5%
Switzerland	2%	-18%
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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