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AURELIEN  
FAVRE

## ZADIG ASSET MANAGEMENT S.A.

### Convictions 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.*

The Memnon Opportunities Fund was up 0.8% in July, as compared to the 1.4% gain of its benchmark. Year-to-date, the Fund is up 4.3%, trailing significantly behind its benchmark, which is up by 14.9%.

Equity markets kept their momentum in July, primarily driven by a rebound in the US dollar and resilient US macro data (e.g. GDP, retail sales). By sector, Banks & Travel & Leisure performed well, while Media & Real Estate stocks underperformed. The hit-rate for our portfolio was near 50%. Industrials (+130bps alpha) did well but, on the other hand, Healthcare underperformed again (-210bps) on renewed negative newsflow in the US.

Our top gainer Pfisterer (+130bps alpha), the German “electrification” player, performed strongly as it was increasingly discovered by the market. We have reduced our position as the shares doubled since the mid-May IPO, although valuation remains attractive. Barry Callebaut (+60bps), the Swiss chocolate outsourcer, rebounded strongly as cocoa prices declined sharply, with weather improving harvest prospects and price elasticity lowering consumption. Entain (+50bps) performed well as BetMGM, its US business, increased guidance again after strong Q2 results - the effect of last year’s decision to increase marketing with the aim of regaining market share, which burdened profits but is now paying off.

Among detractors, Convatec (-110bps) suffered despite releasing good H1 results, the new “overhang” being a proposed reimbursement change which puts at risk 1-2% of sales in 2027. Whilst this is not welcome news, reimbursement changes are part of doing business for Convatec that do not jeopardize their 5-7% topline growth target. Billerud (-60bps) underperformed after issuing a profit warning as its European operations suffered a drop in demand at the end of Q2. The market is now forecast to remain weak until the end of the year. We exited the position despite the attractive valuation as we think that consensus forecasts have not been adjusted sufficiently. Aalberts (-40bps) performed poorly post-earnings as the growth rebound which was anticipated in H2 is now seen as delayed.

During the month we started a position in Munters, the Swedish industrial cooling and humidity control specialist. We think Munters is attractive due to its exposure to data center cooling (40% of sales but c. 65% of EBITA), which has grown extremely fast (it was less <10% of sales/ EBITA in 2022). This division should grow 25% this year, benefitting from the ever-increasing spending on AI data centers, which require even more cooling than traditional ones. Munters trades on 15x ’25 EBITA, dropping to 10x in ’27, hardly demanding in the context of data center capex peers on 25-30x. We also like that Munters is seen as a leader in its niche - cooling in dry/ harsh environments - which is why hyperscalers work with them despite their relatively small size. There is also optionality on the recovery of the rest of the business, which suffered from the downturn in battery production capex.

July was mainly driven by macro data and newsflow around US tariffs, but so far there is no sign of major impacts arising from the latter. While we are somewhat cautious about the potential headwind on world trade in the rest of H2, we remain optimistic on the prospects for our portfolio. European mid-caps have outperformed for five months in a row and, given the large relative underperformance in the last 5 years, we think this trend ought to continue. We believe our focus on style neutrality and idiosyncratic stories is key to outperforming in this highly volatile but fertile environment for stock-picking in Europe.

As of 31/07/2025

#### NAV per Share

Class I EUR (LU2158603378) 158.53

#### Fund AUMs

22 M EUR

#### Strategy AUMs

22 M EUR

#### Firm AUMs

1 009 M EUR

#### Inception Date

06/01/2021

#### UCITS Fund

Yes

#### Liquidity

Daily (cut-off time 11 AM 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

1.51%

#### Performance Fees

15% of Outperformance above relative High Water Mark

#### Reference Index

MSCI Europe Net TR EUR Index until 05/08/2021, MSCI Europe Mid Cap Net Return EUR Index since 06/08/2021

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

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

The above table relates 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.

Lower risk Higher risk

Largest Holdings *	
Canal+	5.9%
Fresenius	5.5%
Entain	5.3%
Robertet	4.7%
Swedish Orphan	4.7%

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