ECHIQUIER VALUE EURO G

JUNE 2024 (data as of 06/30/2024)

Echiquier Value Euro is a stock-picking fund. The fund invests in eurozone value stocks, strongly under-evaluated according to the fund manager or in a turnaround situation.

371 M€
Net assets

4,493.61 €
NAV

Recommended investment horizon: 5 years

Fund Managers

Maxime Lefebvre, Romain Ruffenach

Characteristics

Type	Sicav (subfund)
Sicav	Echiquier
Creation of the Sicav	12/04/2012
Lifetime	Indefinite
Creation of the subfund	04/05/2002
Date of 1st NAV	04/05/2002
ISIN	FR0007070883
Bloomberg code	BLAR2IB FP
Base currency	EUR
Income allocation	Accumulation
Ref. Indic.	MSCI EMU NET RETURN EUR
SFDR classification	Article 8

Financial information

Entry charge	3% max. not acquired by the subfund
Exit charge	None
Management fees	1.50% incl. taxes
Performance fee	No
Swing pricing	No
Min. subscription	None
Fees as of 03/31/2024	
Management fees and other administrative and operating expenses	1.52%
Transaction costs	0.78%
Outperformance fees	No

Operational information

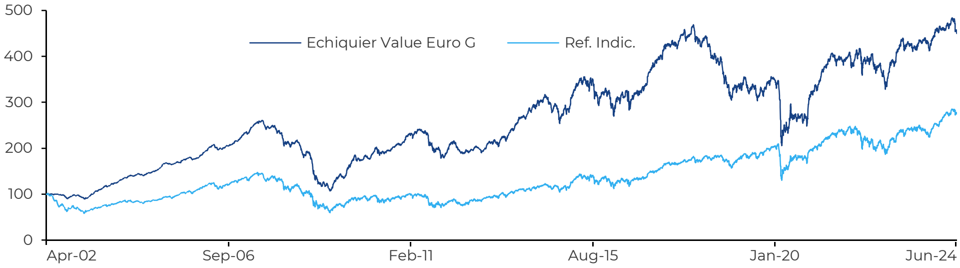
Valorisation frequency	Daily
Cut off	14:30
Settlement	D+2
Fund administrator	Société Générale
Custodian	BNP Paribas SA
Decimalisation	Thousandths

Fund Manager comments

Echiquier Value Euro G turned in a negative monthly performance of -6.26% and of -2.18% year-to-date.

European markets ended the month down, the major event of June being French President Emmanuel Macron's announcement of the dissolution of the National Assembly and consequent early legislative elections. This decision severely disrupted French stocks in a context where the budget trajectory and future legislative projects are becoming uncertain. On the economic front, in the Eurozone, flash PMIs for June showed a sharp slowdown in private sector activity: Manufacturing PMI at just 45.8, Services PMI down to 52.6. Over the past month, our selection of small French stocks was penalized by selling flows in the asset class, as investors attempted to reduce their positions ahead of the elections. At sector level, the automotive sector suffered from a slowdown in volumes, penalizing our positions in CONTINENTAL and AKWEL in particular. Overall, we remain confident about the portfolio's profile in a tightening macroeconomic environment: the companies we hold combine attractive valuations, decent profitability and low debt.

Evolution of the performance of the fund and its reference indicator since inception (base 100)

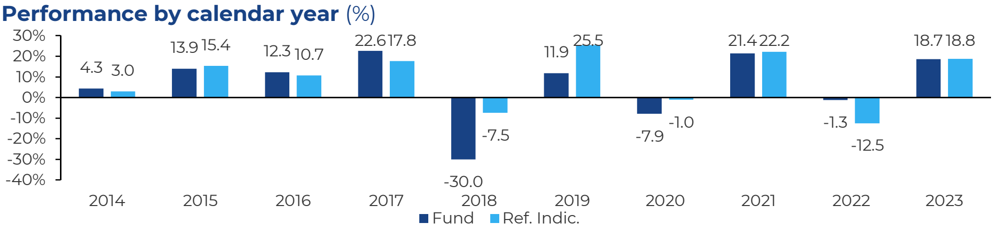


Ref. Indic.: source Bloomberg

Perf. (%)

	1 month	YTD	1 year	3 Years	5 Years	10 years	Since inception
			Annualised				
Fund	-6.3	-2.2	+6.8	+4.2	+6.1	+3.9	+7.0
Ref. Indic.	-2.5	+8.3	+11.6	+6.1	+8.0	+8.7	+4.6

Performance by calendar year (%)



Until the 12/31/2012, the reference index was CAC ALL TRADABLE. Then until the 12/31/2014 CAC ALL TRADABLE NR. Then until the 12/31/2018 MSCI EMU MID VALUE NR. And since the 01/01/2019, MSCI EMU NET RETURN EUR.

Other risk indicators

(based on weekly figures)

	1 year	3 Years	5 Years	10 years	Since inception
Fund volatility	10.6	13.6	21.6	18.7	15.5
Ref. indicator volatility	12.4	15.9	20.3	17.7	19.6
Sharpe ratio	0.7	0.4	0.4	0.3	0.5
Beta	0.7	0.8	1.0	1.0	0.6
Correlation	0.8	0.9	0.9	0.9	0.8
Information ratio	-0.7	-0.3	-0.2	-0.6	0.1
Tracking error	7.0	7.7	8.9	8.0	11.9
Max. drawdown of the fund	-7.2	-21.5	-42.3	-56.2	-58.8
Max. drawdown of the benchmark	-10.4	-24.8	-38.1	-38.1	-59.5
Time to recovery (business days)	-	83.0	240.0	1015.0	1180.0

Risk indicator

Lower risk — Highest risk

1 | 2 | 3 | **4** | 5 | 6 | 7

Important risk(s) for the fund not taken into account in this indicator: credit risk, liquidity risk, counterparty risk, guarantees. The risk category associated with this fund is not guaranteed and may change over time.

The synthetic risk indicator shows the level of risk of this product compared with others. It indicates the probability that this product will incur losses in the event of market movements or if we are unable to pay you. We have classified the product in risk class 4 out of 7, which is a low to medium risk class. In other words, the potential losses associated with the future performance of the product are low to medium and, if the situation were to deteriorate on the financial markets, it is unlikely that our ability to pay you would be affected.
This indicator represents the risk profile shown in the KID. The risk indicator assumes that you hold the share for 5 years. Warning: the real risk may be very different if you opt to exit before that time, and you may get less in return.

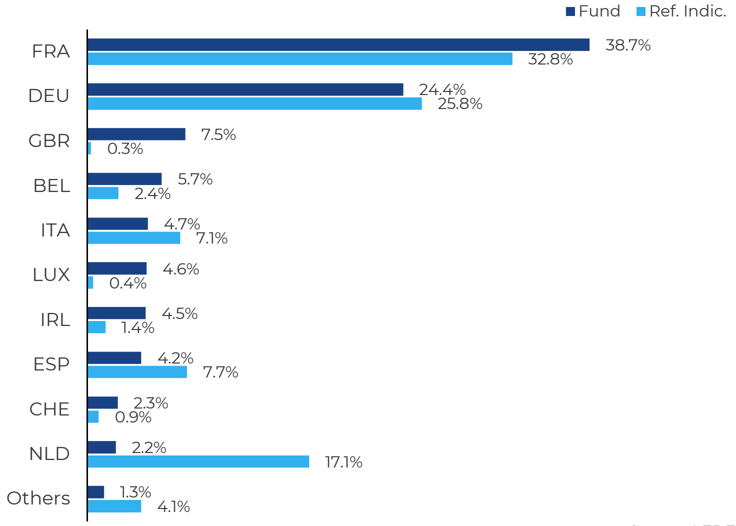
Fund Profile

EV/Sales 2024	0.9
PER 2024	10.5
Yield	4.7%
Active share	89.7%
Cash (% of the net assets)	7.3%
Number of positions	47
Average market capitalization (M€)	23,003
Median market capitalization (M€)	2,818

Source: LFDE

Geographic breakdown

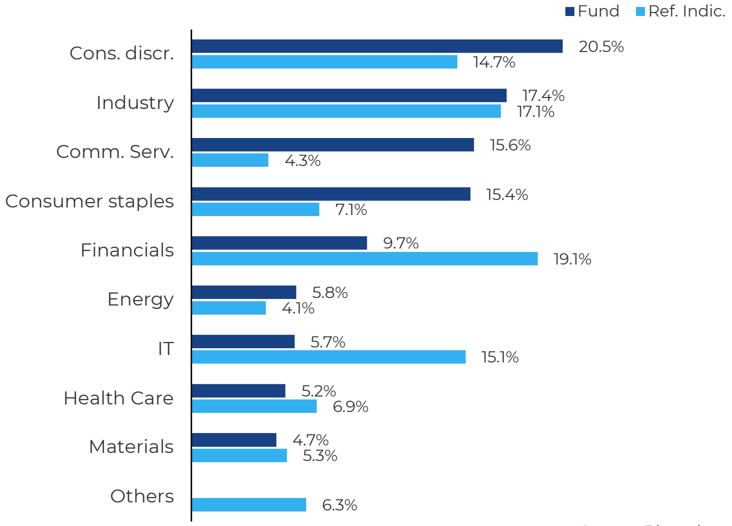
(% of the net assets without cash)



Source: LFDE

Sector breakdown (GICS)

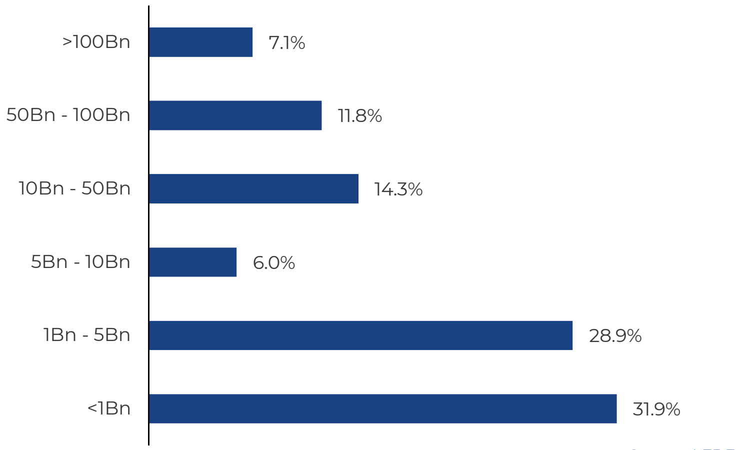
(% of the net assets without cash)



Source: Bloomberg

Capitalization breakdown (€)

(% of the net assets without cash)



Source: LFDE

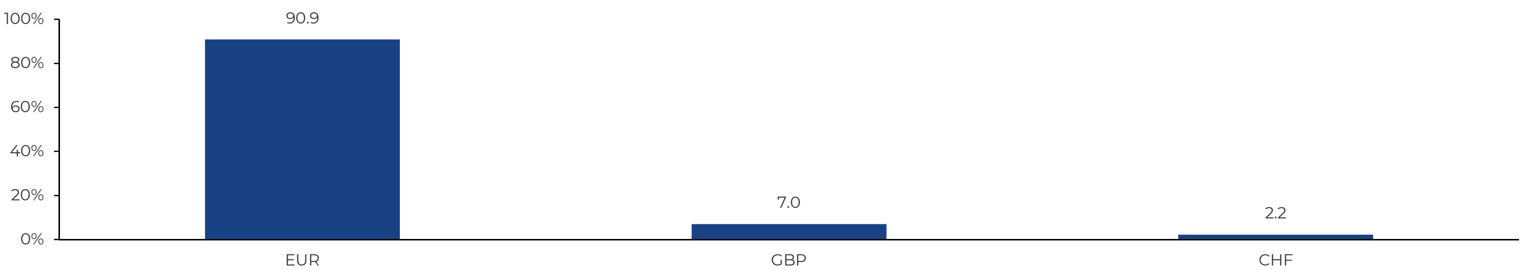
Top holdings

Holdings	Country	Sector	% of the net assets
TotalEnergies	FRA	Energy	4.5
BNP Paribas	FRA	Financials	3.9
Banco Santander	ESP	Financials	3.9
ITV	GBR	Comm. Serv.	3.5
RTL	LUX	Comm. Serv.	3.4
United Internet	DEU	Comm. Serv.	3.1
Continental	DEU	Cons. discr.	3.0
Jost Werke	DEU	Industry	2.9
Proximus	BEL	Comm. Serv.	2.7
Vicat	FRA	Materials	2.7

Total weight of the top 10 holdings: **33.6%**

Source: LFDE

Currency breakdown



Source: LFDE

Performance analysis (monthly)

Top 3 contributors

Holdings	Performance	Contribution
Roche	10.2	0.1
Origin Entreprises	5.2	0.1
Kering	6.7	0.1

Weight of the 3 contributors: **4.2%**

Flop 3 contributors

Holdings	Performance	Contribution
Continental	-15.0	-0.5
BNP Paribas	-12.1	-0.5
Banco Santander	-10.4	-0.4

Weight of the 3 contributors: **10.7%**

Source: LFDE

ESG Data

ESG Data

Coverage rates for ESG analysis*	Fund		Universe	
	95%		55%	
Weighted average scores	E	S	G	ESG
Fund	**6.7**	**5.4**	**6.6**	**6.2**
Universe	6.1	5.3	6.4	6.0

*Percentage of net assets covered by ESG analysis.
Source: LFDE, MSCI ESG Research

The Governance score accounts for around 60% of the ESG rating. The coverage rates for ESG analysis vary from fund to fund and may change over time.

Intensity of induced emissions

(in tons of CO_2 equivalent per million euro of enterprise value)

Fund	290.8
Ref. Indic.	151.5

$$\text{Carbon intensity of the portfolio} = \sum_{i=1}^{n}\left(\frac{\text{Investment Value}_i}{\text{Fund Net Asset Value}} \times \frac{\text{Carbon Emissions Scope 1,2 e 3}}{\text{Enterprise Value}_i}\right)$$

Source: Carbon4 Finance

Methodologies

Extra-financial objective of the fund

The fund's extra-financial objective includes consideration of environmental, social and governance (ESG) criteria. When constructing the portfolio, the management team systematically incorporates an extra-financial approach, although this is not a determining factor in investment decisions.
The fund's extra-financial objective complies with the provisions of article 8 of the SFDR Regulation.

The initial investment universe is made up of a combination of assets represented by the three market indices that make up the fund's benchmark index. This SRI fund systematically integrates environmental, social and governance criteria into its financial management. This has an impact on the selection of securities in the portfolio.

The following are examples of indicators for each of the E, S and G criteria:
- **Environmental indicators**: environmental policy and actions, results of action plans put in place by the company, exposure of suppliers to environmental risks, positive or negative impact of products on the environment.
- **Social indicators**: attractiveness of employer brand, employee retention, anti-discrimination, employee protection, supplier exposure to social risks, relations with civil society.
- **Governance indicators**: competence of the management team, checks and balances, respect for minority shareholders, business ethics.

The ESG rating is out of 10 and is awarded to each issuer. The ESG rating of issuers in the portfolio must always be higher than 90%.

This ESG rating constitutes a minimum ESG exclusion filter to ensure that the riskiest companies from an ESG point of view cannot be invested in. This filter was added to the management of UCIs subject to ESG integration at the beginning of 2021 as part of the strengthening of our approach, following the application of AMF Doctrine 2020 03 on the application of extra-financial criteria.

This rating is determined by a methodology internal to the management company and is composed as follows:
- **Governance**: the Governance rating represents approximately 60% of the overall ESG rating. This is a historical bias of La Financière de l'Echiquier, which has attached particular importance to this subject since its creation.
- **Environment and Social**: social and environmental criteria are combined into a Responsibility score. The calculation of this takes account of the type of company concerned:
  - **for industrial stocks**: social and environmental criteria are equally weighted within the Responsibility score.
  - **for service values**: the "Social" score contributes 2/3 to the "Responsibility" score while the "Environment" score accounts for 1/3 of the "Responsibility" score.

The methodological limitations of the ESG approach mainly concern the reliability of the extra-financial data published by the issuers and the subjective nature of the ratings used by the management company.

La Financière de l'Echiquier carries out ESG ratings on at least 90 % of the securities in its portfolio, with particular attention paid internally to corporate governance and the support of MSCI ESG Research on environmental and social issues.
The E and S ratings are derived from an MSCI ESG Research database. The G rating is an internal rating. A minimum ESG rating of 4.0/10 is required to integrate ESG-managed UCIs. In addition, these funds undertake to ensure that their weighted average ESG rating is higher than that of their investment universe at all times. The securities making up the benchmark index are not selected on the basis of their environmental or social characteristics. The index is not adapted to the social or environmental characteristics promoted by the UCI.

The data on which our various exclusions are based (excluding thermal coal) comes from MSCI ESG Research and is updated monthly.

For further information related to the methodologies used to calculate ESG indicators, please refer to our transparency code available on www.lfde.com/en/responsible-investment/to-find-out-more/.

LA FINANCIERE DE L'ECHIQUIER - ASSET MANAGEMENT COMPANY - 53, AVENUE D'IÉNA - 75116 PARIS - Phone : +33(0)1.47.23.90.90 - FAX : +33(0)1.47.23.91.91 - www.lfde.com/en-int
S.A. with a share capital of 10 047 500 € - SIREN 352 045 454 - R.C.S. PARIS - AMF approval N° 91004

Glossary

Lexicon of risk indicators

Volatility	Measure of the amplitude of variations in the price of a share, a market or a fund. It is calculated over a given period and is used to assess the regularity of the performance of a share, market or fund.
Sharpe ratio	Indicator of the (marginal) return obtained per unit of risk taken. If the ratio is negative: less profitability than the benchmark. If the ratio is between 0 and 1: outperformance with too much" risk taken.
Bêta	If the ratio is greater than 1: outperformance that does not come at the cost of "too much" risk."Indicator which corresponds to the fund's sensitivity in relation to its benchmark index. For a beta of less than 1, the fund is likely to fall less than its index; if the beta is greater than 1, the fund is likely to fall more than its index.
Information ratio	Synthetic indicator of the effectiveness of the risk/return trade-off. A high indicator means that the fund regularly outperforms its benchmark index.
Tracking error	An indicator that compares the fund's volatility with that of its benchmark index. The higher the tracking error, the further the fund's average performance is from its benchmark index.
Max. drawdown	Max drawdown measures the biggest fall in the value of a portfolio.
Time to recovery (business days)	Recovery time, which corresponds to the time needed for the portfolio to return to its highest level (before the "max drawdown").
Sensitivity	Variation in the value of an asset when another factor varies at the same time. For example, the interest-rate sensitivity of a bond corresponds to the variation in its price caused by a rise or fall in interest rates of one basis point (0.01%).

Lexicon of financial analysis

EV/Sales	Enterprise valuation ratio: enterprise value/sales.
PER	Company valuation ratio: Price Earning Ratio = market capitalisation/net profit.
Consumer discretionary	In contrast to basic consumption, it represents all goods and services considered non-essential.
Basic consumption	As opposed to discretionary consumption, it represents goods and services considered essential.
Communication Services	This sector includes telecoms network operators and providers of communications and data transmission services.
Emerging countries	Emerging countries are countries whose economic situation is in the process of development. This growth is calculated on the basis of GDP, new businesses and infrastructure, and the standard of living and quality of life of the inhabitants.
Commodities	A natural resource used in the production of semi-finished or finished products, or as a source of energy.

Lexicon of credit analysis

Investment grade bond	A bond is said to be "investment grade", i.e. if its financial rating by the rating agencies is higher than BB+.
High yield bond	A high-yield bond is one rated below BBB- by the rating agencies.
Duration	The average life of its cash flows weighted by their present value. All other things being equal, the higher the duration, the greater the risk.
Yield to worst	The worst return a bond can achieve without the issuer defaulting.
Yield (all calls exercised)	The yield on a bond includes any call dates incorporated into the bond. These "call" dates correspond to intermediate maturities which give the possibility of redeeming the bond before its final maturity date.

Non-financial analysis lexicon

Selectivity rate	Selectivity rate: percentage of the initial universe excluded for ESG reasons.
Investment universe	Investment universe ("investible universe") meeting the constraints of the prospectus.
Controversy score	This controversy score ranging from 0 to 10 (0 being the worst) is provided to us by MSCI ESG Research. We want to measure whether the companies invested in our UCIs are better than those in their benchmark index in terms of management and occurrence of ESG controversies on themes such as the environment, consumer rights, human rights, labour rights, supplier management as well as governance.
Carbon data	A set of raw data (source Carbon4 Finance) used to calculate the various ratios linked to the fund's carbon footprint: Carbon impact ratio: CO_2 emissions saved and CO_2 emissions induced. Carbon intensity: Scope 1, 2 and 3 carbon emissions (scope 1 represents direct emissions, 2 indirect energy-related emissions, 3 all other indirect emissions).
Carbon Impact Ratio (CIR)	Emissions saved to emissions induced ratio calculated by Carbon4 Finance, which corresponds to the ratio between GHG emissions avoided and GHG emissions induced by a company (in tonnes of CO_2 equivalent), known as the CIR. The higher the CIR, the more relevant the company is to the transition to a low-carbon economy. This indicator enables us to assess the relevance of a company's activity to the challenges of combating climate change. For a given company, a CIR greater than 1 means that the activity avoids more greenhouse gas emissions than it induces.
Weighted average carbon intensity (WACI)	Carbon intensity is the weighted average of our UCIs (compared with their benchmark index) using Carbon4 Finance's WACI (Weighted Average Carbon Intensity) methodology. The calculation formula is given in the ESG methodology insert.

For more information

The SICAV was created on December 4, 2012 for an indefinite period. The subfund was launched on April 5, 2002.

This document, which is of a commercial nature, is above all a monthly report on the management and risks of the sub-fund. It is also intended to provide you with simplified information on the characteristics of the sub-fund.

For further information on the characteristics and costs of this sub-fund, we invite you to read the regulatory documents (prospectus available in English and French and DIC in the official languages of your country) available free of charge on our website www.lfde.com.

Investors or potential investors are informed that they can obtain a summary of their rights in the official language of their country or in English on the Regulatory Information page of the management company's website www.lfde.com or directly via the link below: https://cdn.lfde.com/upload/partner/Droitsdelinvestisseur.pdf

Information on withholding tax rates: for distribution units, dividends paid are taxed at 30%. For capitalization units of funds investing more than 10% of their net assets in debt securities, taxation at 30% on income derived directly or indirectly from the yield on debt securities.

Investors or potential investors may also file a claim in accordance with the procedure laid down by the management company. This information is available in the official language of the country or in English on the Regulatory Information page of the management company's website www.lfde.com or directly via the link below: https://cdn.lfde.com/upload/partner/Droitsdelinvestisseur.pdf

Finally, the investor's attention is drawn to the fact that the manager or the management company may decide to terminate the marketing agreements for its collective investment schemes in accordance with Article 93a of Directive 2009/65/EC and Article 32a of Directive 2011/61/EU.

LA FINANCIERE DE L'ECHIQUIER - ASSET MANAGEMENT COMPANY - 53, AVENUE D'IÉNA - 75116 PARIS - Phone : +33(0)1.47.23.90.90 - FAX : +33(0)1.47.23.91.91 - www.lfde.com/en-int
S.A. with a share capital of 10 047 500 € - SIREN 352 045 454 - R.C.S. PARIS - AMF approval N° 91004