



Alken Fund Absolute Return Europe

Factsheet as at 30th September 2019

Fund information for professional investors use only

Monthly Comment

The Alken Fund Absolute Return Europe rose 0.45% in September, bringing the year to date to 3.48%. The net exposure was reduced to 32.62% whereas the gross exposure increased to 152.65%.

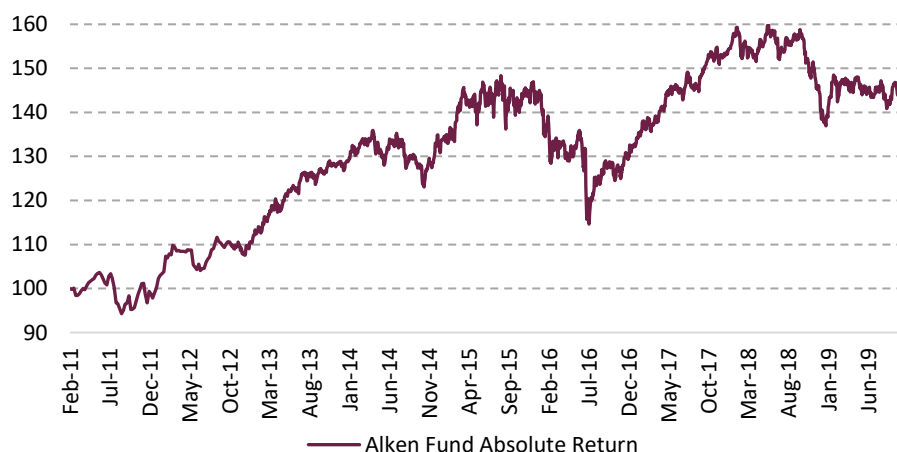
Financial markets finished strong in the third quarter amidst several political developments and worries about the outlook for the global economy. During the month, the European Central Bank announced additional stimulus and a rate cut based on a weakening economic environment as evidenced by the latest economic data. Manufacturing activity continued to contract led primarily by the German external sector.

The auto names were the strongest contributors this month. Peugeot benefited from further share gains in a consolidating European car market which is experiencing a favourable pricing environment. The group has improved their brand which has enhanced the product mix. Valeo released good results providing relief to investors after confirming its full year profit and cash guidance. We expect the current innovation cycle, electrification and future regulation on emissions to enhance the earnings potential of the company in the years to come

On the downside, Wacker Chemie was under pressure due to persisting weakness in the polysilicon price as a result of a surge in capacities that coincided with a period of regulatory uncertainty that depressed demand in China. With the regulatory framework now clear, the combination of higher seasonal demand next quarter and the lack of new supply should support the price in the future.

Despite an uncertain market environment with global trade suffering from political instability, domestic demand across major economies is robust and central banks remain committed to provide support when needed. We believe there are increasingly more attractive opportunities in value stocks as the valuation dispersion versus growth is becoming wider than ever; the recent reversal of this trend could continue.

Performance since inception ¹



(1) Performance of the I share class for the fund

Share Class	I	US2	CH2
NAV	144.29	122.64	111.36
Launch Date	Jan-11	Jul-13	Jul-13
ISIN	LU0572586674	LU0866837924	LU0866838146
Bloomberg Code	ALKAREI LX	ALKAUS2 LX	ALKACH2 LX
Currency Hedging	No	Yes	Yes

Portfolio Managers

Nicolas Walewski



Marc Festa



Investment Objective & Universe

- Provide capital growth and a positive absolute return over the long-term through long and short market exposure in European markets.
- The fund will have flexible net exposure to equity markets by taking long and short exposures on European equities through the use of transferable securities, derivatives and index futures.

Fund Facts

AuM:	EUR 490m
Hurdle Rate:	5%
Base Currency:	EUR
Legal Status:	UCITS
Domicile:	Luxembourg
Management Fee ¹ :	1.50%
Performance Fee ¹ :	20%
Settlement:	T+4

(1) For shareclasses I, US2, CH2

Performance ¹	Fund
Since inception ²	44.3%
YTD	3.5%
MTD	0.4%
1Y	-8.1%
3Y	12.7%
5Y	12.6%
2018	-10.1%
2017	17.2%
2016	-8.5%
2015	7.6%
2014	4.2%

(1) Performance of the I share class for the fund

(2) 28 January 2011

Risk Indicators ¹	Fund
Volatility	4.2%
Sharpe Ratio	0.2
Sortino Ratio	0.3

(1) Since inception



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Key Contributors	Exposure	Contribution
Rwe AS	5.2%	0.5%
Peugeot SA	3.8%	0.4%
Valeo SA	2.1%	0.3%

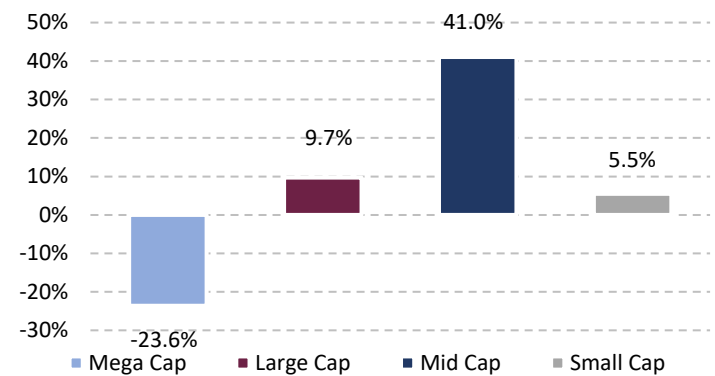
Key Detractors	Exposure	Contribution
Wacker Chemie	1.0%	-0.2%
Trigano SA	1.0%	-0.2%
Ald SA	3.0%	-0.1%

Contribution	MTD	YTD
Index	-2.0%	-8.2%
Longs	2.4%	11.8%
Shorts	0.0%	-0.1%
Bonds	0.0%	0.0%

Top 5 Holdings	Exposure
Wirecard AG	7.0%
Aroundtown SA	5.5%
Rwe AG	5.2%
Carrefour SA	4.9%
British American Tobacco PLC	4.5%

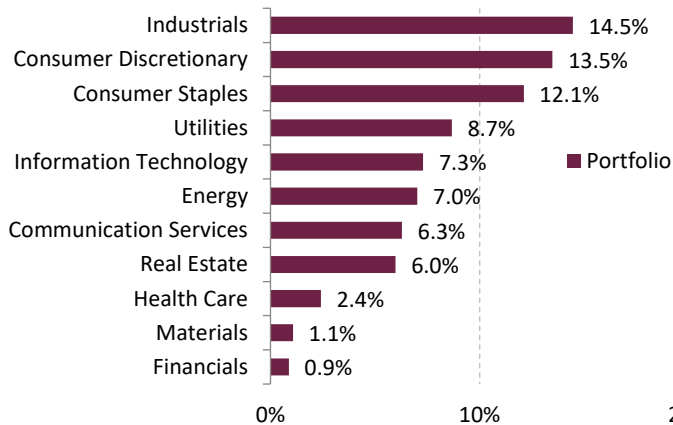
Portfolio Breakdown	Fund
Top 10 Holdings	46.2%
Number of Holdings	67
Long Exposure	92.6%
Short Exposure	-60.0%
Net Exposure	32.6%
Gross Exposure	152.7%

Market Capitalisation¹

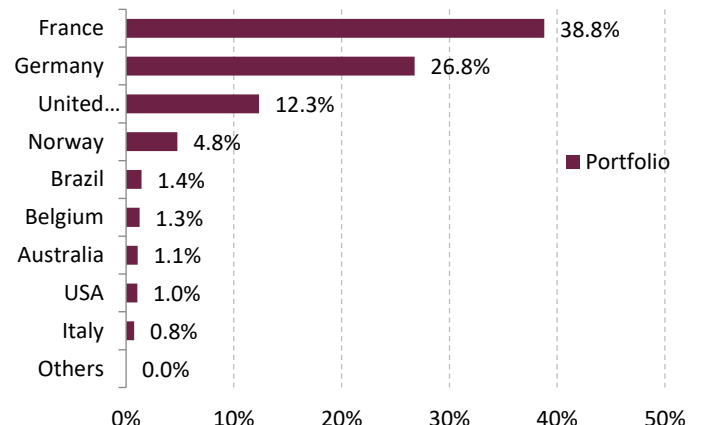


(1) Mega Cap > €50 bn, Large Cap <€50 bn, Mid Cap <€10bn, Small Cap <€2 bn

Sector Breakdown



Country Breakdown



Exposure: end of month exposures

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