

## Investment objectives

- o Long only fund that invests in European equities with a superior return on capital employed (ROCE) at attractive valuations.
- o Bottom-up, research-intensive stock picking approach.
- o Main objective is to seek a performance that exceeds that of its benchmark, MSCI EUROPE Net Total Return (dividends reinvested) over the recommended investment period of at least 5 years.
- o Past performance is not a guarantee of future results.

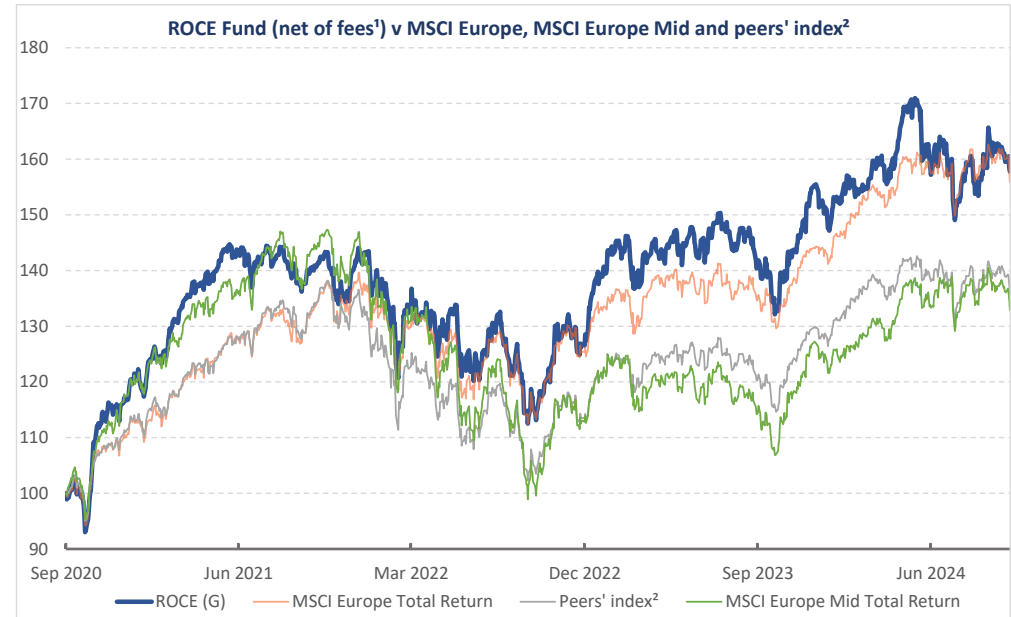
## Yearly performance v benchmarks and peers<sup>2</sup>

Year	2020*	2021	2022	2023	2024		Since inception
					Oct	YTD	
<b>ROCE Fund (G)<sup>1</sup></b>	<b>17%</b>	<b>21%</b>	<b>(10%)</b>	<b>22%</b>	<b>(2.8%)</b>	<b>1%</b>	<b>58%</b>
MSCI Europe Total Return	10%	25%	(9%)	16%	(3.3%)	8%	56%
Outperformance/(under)	7%	(4%)	(1%)	6%	0.5%	(7%)	2%
MSCI Europe Mid Total Return	17%	24%	(23%)	13%	(4.5%)	5%	33%
Outperformance/(under)	(1%)	(3%)	12%	9%	1.7%	(3%)	25%
Peers' index <sup>2</sup>	11%	22%	(16%)	15%	(3.2%)	5%	36%
Outperformance <sup>2</sup> /(under)	6%	(0%)	6%	7%	0.4%	(3%)	22%
<b>% peers beaten<sup>2</sup></b>	<b>84%</b>	<b>47%</b>	<b>73%</b>	<b>97%</b>	<b>67%</b>	<b>30%</b>	<b>83%</b>

\* 2020 includes performance from inception date (September 28th, 2020) until December 31st, 2020.

Note: Chart on the right illustrates performance of ROCE Fund (class G net of fees) v its benchmark (MSCI Europe Net Total Return)

## Performance since inception v benchmark and peers



## Monthly performance (net of fees) v MSCI Europe Total Return

Year		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	Inception
2020	ROCE Fund (G) <sup>1</sup>										(0.4%)	(5.6%)	20.1%	3.4%	16.6%
	Outperformance/(under) v peers' index <sup>2</sup>										(0.2%)	(1.1%)	6.7%	0.6%	5.7%
	Outperformance/(under) v MSCI Europe Total Return										0.3%	(0.6%)	6.1%	1.0%	6.6%
2021	ROCE Fund (G) <sup>1</sup>	0.6%	5.0%	8.3%	3.0%	3.2%	0.7%	(0.7%)	0.9%	(3.0%)	1.5%	(4.3%)	5.1%	21.3%	
	Outperformance/(under) v peers' index <sup>2</sup>	1.4%	2.0%	3.0%	0.4%	1.0%	(1.1%)	(2.9%)	(1.7%)	0.2%	(2.4%)	(1.6%)	1.6%	(0.5%)	
	Outperformance/(under) v MSCI Europe Total Return	1.3%	2.5%	1.8%	0.9%	0.6%	(1.0%)	(2.6%)	(1.1%)	0.0%	(3.1%)	(1.8%)	(0.5%)	(3.8%)	
2022	ROCE Fund (G) <sup>1</sup>	(2.3%)	(3.4%)	(0.4%)	(0.1%)	0.0%	(8.3%)	6.2%	(4.8%)	(7.7%)	6.3%	7.9%	(2.4%)	(10.0%)	
	Outperformance/(under) v peers' index <sup>2</sup>	3.6%	0.7%	(1.3%)	1.8%	1.3%	0.3%	(2.3%)	0.6%	(0.1%)	(0.1%)	1.7%	1.1%	6.5%	
	Outperformance/(under) v MSCI Europe Total Return	0.9%	(0.4%)	(1.2%)	0.5%	0.8%	(0.5%)	(1.4%)	0.1%	(1.4%)	0.1%	1.0%	1.1%	(0.5%)	
2023	ROCE Fund (G) <sup>1</sup>	9.6%	2.9%	(0.4%)	0.6%	(2.0%)	3.2%	3.4%	(1.9%)	(3.9%)	(5.8%)	8.6%	7.2%	22.1%	
	Outperformance/(under) v peers' index <sup>2</sup>	2.3%	0.9%	(0.1%)	(0.4%)	(0.7%)	1.3%	1.7%	0.3%	(1.0%)	(1.2%)	1.0%	3.3%	7.6%	
	Outperformance/(under) v MSCI Europe Total Return	2.8%	1.1%	(0.3%)	(1.9%)	0.5%	0.8%	1.4%	0.6%	(2.3%)	(2.2%)	2.2%	3.5%	6.3%	
2024	ROCE Fund (G) <sup>1</sup>	(1.5%)	(0.0%)	4.3%	(0.9%)	7.6%	(7.6%)	1.8%	0.3%	1.1%	(2.8%)			1.5%	57.8%
	Outperformance/(under) v peers' index <sup>2</sup>	(2.7%)	(2.3%)	0.8%	1.1%	4.4%	(5.7%)	0.6%	(0.4%)	1.4%	0.4%			(3.1%)	21.9%
	Outperformance/(under) v MSCI Europe Total Return	(3.0%)	(1.9%)	0.3%	(0.0%)	4.3%	(6.7%)	0.7%	(1.3%)	1.5%	0.5%			(6.5%)	1.9%

## Monthly comment

**ROCE Fund was down 2.8% in October 2024**, outperforming its benchmark, MSCI Europe which was down 3.3% over the same period.

European equity markets were weak last month, weighed down by several disappointing Q3 results from major blue-chip companies, including **ASML**, **LVMH**, and **L'Oreal**, each dropping over 10% in October.

Our top performer for the month was **Nexity**, the French real estate developer, which gained 21% after a somewhat reassuring Q3 trading update that confirmed its 2024 guidance and showed early signs of recovery following 3 rate cuts. This suggests the market may be in the early stages of a rebound after two very challenging years.

Our second-largest contributor was **Trigano**, the leading European recreational vehicle manufacturer, which rose by 10% as French antitrust authorities finally approved its ongoing acquisition of **Beneteau's** mobile home division. With an estimated acquisition multiple of around 5x EBIT pre-synergies and fully financed by Trigano's cash reserves, this transaction is expected to create significant value for Trigano's shareholders, with an anticipated EPS accretion of over 5% in the first year.

Our main detractor in October was **Ipsos**, the market research company, which fell by 20% following a profit warning due to a softer U.S. market amid election uncertainty and management turnover. After speaking with the CEO, we believe this is a temporary setback, and we find the market's reaction excessive. Ipsos remains a quality business, generating a solid 18% pre-tax ROCE and a strong balance sheet, with an attractive valuation of 7x EV/EBIT.

**Edenred**, the leading corporate vouchers operator, also detracted, down 16% last month after news that the Italian government is considering capping fees charged to restaurants and retailers by meal voucher issuers at 5.0%. Edenred estimated this could impact annual EBITDA by €120 million, nearly 10% of the group's total. The scale of this potential impact surprised both the market and us. Despite this, a reassuring meeting with the CEO, CFO, and Edenred Italy's director left us confident in their ability to deliver 10% organic growth in 2025. The stock now trades at a P/E of 13x, with a free cash flow yield near 10% and a dividend yield of 4.5%. We remain shareholders and may consider adding on weakness in the coming weeks.

Our portfolio remains appealing, with a valuation of only 12.5x PE v 14.5x for MSCI Europe, while boasting a superior median ROCE of 20%.

## Fund characteristics

AUMs:	€109m	Legal structure:	French SICAV – UCITS V
Currency:	EUR	Fund launch date:	28 September 2020
NAV (G share) as of 5 Nov 2024:	€1,583.2	Benchmark:	MSCI EUROPE Net Total Return
Number of positions:	55	Custodian/Valuation:	CIC/CMAM
Average weight:	1.8%	Auditor:	Mazars
Weight's standard deviation:	0.8%	Liquidity:	Daily before 12pm
Median market cap:	€3,547m	Management fee:	0.70% (G), 0.85% (H), 1.00% (I)
ISIN: <a href="#">FR0013518958 (G)</a> , <a href="#">FR0013518974 (H)</a> , <a href="#">FR0013519022 (I)</a>		Performance fee:	10% above M7EU with HWM

## ESG accreditations & characteristics

- o Inclusive and rigorous ESG policy.
- o Article 8 SFDR.
- o 10% of performance fees redistributed to childhood cancer research.
- o Signatory of principles for responsible investing.



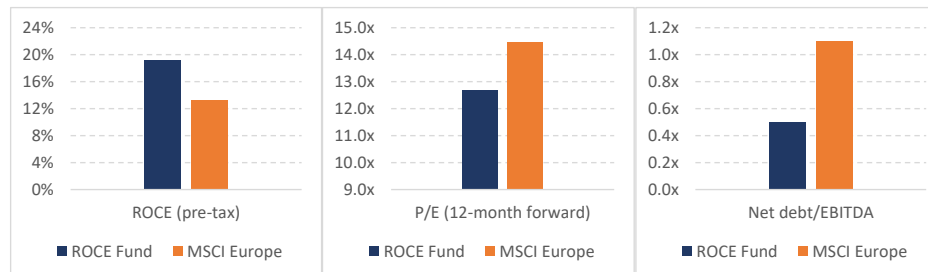
Source: ROCE Capital, Bloomberg, CGP Conseils.

<sup>1</sup> Share class G net of management and performance fees.

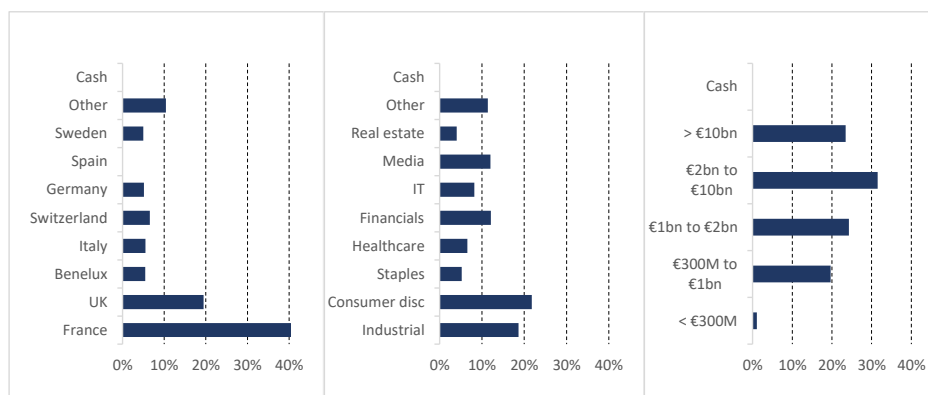
<sup>2</sup> Peers' index defined by the average of 95 long only funds invested in European equities.

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## Portfolio key financial metrics



## Portfolio breakdowns by country, sector (GICS) and market cap



## Top 5 positions

Company name	Weight	Market cap	Country	Sector	ROCE	P/E
TRIGANO SA	4.0%	€2,423m	FRANCE	Consumer Discretionary	30%	7x
NEXITY	4.0%	€800m	FRANCE	Real Estate	12%	NA
VICAT	3.1%	€1,513m	FRANCE	Materials	11%	6x
FUTURE PLC	2.8%	€1,185m	BRITAIN	Communication Services	16%	7x
EDENRED	2.7%	€7,269m	FRANCE	Financials	30%	14x

Note: Data above (top 5 positions, portfolio breakdowns and key financial metrics) as of date of this report.

Key financial metrics based on median data for ROCE Fund and average data for MSCI Europe.

## Contact

Name	Position	Email
Matthieu Bordeaux-Groult	CEO/Development	<a href="mailto:mbg@rocecapital.com">mbg@rocecapital.com</a>
Michael Niedzielski	Fund manager	<a href="mailto:mn@rocecapital.com">mn@rocecapital.com</a>
Management company:	ROCE Capital SAS, 63, Avenue des Champs-Élysées, 75008 Paris, France	
<a href="http://www.rocecapital.com">www.rocecapital.com</a>	Telephone: +33 1 55 27 27 90	



This UCITS is classified in category 4 due to its exposure to international equity markets that may experience significant fluctuations. Indeed, the net asset value may be subject to variations induced by the maturity of the securities, the portfolio's sensitivity and the volatility of the equity market.