

plp

pleiade performance

exane pleiade performance fund (P)

self invested fund of
long/short equity funds

key points this month:

- a robust monthly performance in a highly turbulent market,
- the fund generated alpha in the telecoms and energy sectors,
- marginal losses among tech stocks.

fund manager



Eric Lauri

performance

monthly: 1,14%

2014: 3,31%

characteristics

structure of the fund:

Generalist Investment feeder fund for exane pleiade fund

inception date:

31st January 2007

investment horizon:

3 years minimum

currency:

euro

codes

isin: FR0010402990

bloomberg: EXPLE8P FP

reuters: LP65124226

In October exane pleiade performance fund (P) gained 1,14%.

Performance analysis

October was a highly satisfactory month:

- Given the turbulent equity market context, the monthly performance delivered by the fund adds credibility to its positioning as a versatile “all-terrain” investment vehicle.
- YTD performance is now in line with our annual target, establishing the fund as a reliable alternative to diminishing government bonds yields.

Telecoms(67bps), energy (62bps) and the healthcare sector (37bps) contributed positively to the fund’s performance, whereas the technology (-22bps) food retail (-19bps) and capital goods (-14bps) sectors generated losses.

Main positive contributors:

- Fugro (43bps) issued a hefty profit warning at its investor day. We were short of the stock, which fell sharply after the company slashed its earnings forecasts and expressed doubts over the sustainability of its balance sheet and its capacity to pay dividends.
- Deutsche Telekom (30bps) which we had set up as a hedge against T mobile US, fell heavily during the first half of the month (~-20%). We seized on this opportunity to close out our short position and initiate a long play instead. Reversing our position in this way as a trading play made a significant contribution to the fund’s performance, despite its relatively low weighting.
- Mobistar (27bps) published earnings which finally reflected an increase in the number of subscribers. Furthermore, the market is still speculating on a takeover by Telenet, which cited “intense competition” as the reason behind its decision not to pay a dividend.

Main negative contributors:

- Jeronimo Martins (-18bps) issued another profit warning due to food price deflation in Poland, exacerbated by more severe competition,
- Nutreco (-14bps) one of the fund’s hedge positions, was the target of a takeover bid at a 40% premium to the market price,
- Abengoa (-14bps), was hit by weaker oil prices and a Fitch downgrade. As the company is highly leveraged, the stock is vulnerable to this type of setback.

Key portfolio changes

Among telecoms, we significantly strengthened our Telecom Italia position in order to play forthcoming consolidation in the Brazilian market.

In the utilities sector, we reduced our RWE position as the company has scaled back its electricity hedging policy and is therefore betting on a hike in the electricity price, which we consider unlikely in the current economic context.

We set up a long Inditex vs short H&M pair-trade. We believe that the broader business model adopted by Inditex will prove more successful over the medium term, as it is better suited to emerging markets and more adaptable to e-commerce.

In the healthcare sector, we initiated a position in Smith & Nephew as a play on sector consolidation (Stryker may potentially revive its bid project) and cost cutting which should boost earnings momentum.

Among financials, following the asset quality review (AQR) and stress tests, we added to our positions in euro zone banks (Germany, Austria and Benelux). We offset these investments by reducing our exposure to Spanish banks.

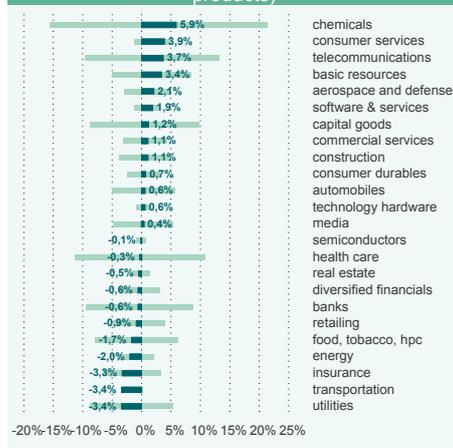
The fund maintained positive exposure to the mining sector via Rio Tinto, which is highly likely to announce a cash return to shareholders within the next few months.

We adjusted our sector weightings by strengthening our short insurance position, given the difficulties arising from the low interest-rate environment, whilst investing in the aerospace sector, which is the main beneficiary of the dollar rally, while the long-term fundamental outlook for the industry also remains highly promising.

Risks and exposure

exane pleiade performance fund (P) gross exposure based on full look-through to the underlying assets is 265,6%. Net capital exposure is 9,9% compared to 10,4% and 11,0% compared to 10,6% beta-adjusted. 10-day Var stands at -1,6% compared to -1,6%. The fund holds 193 long positions and 188 exits.

long/short exposure by sector and country (in % of net assets, looking through index products)



exposure by market capitalization (bn€) (in % of net assets)

(bn eur)	>20	20-5	5-1,5	<1,5
long	58,8%	50,6%	20,8%	7,5%
short	-58,4%	-43,4%	-22,0%	-4,1%
net	0,4%	7,2%	-1,2%	3,4%

equity exposure (in % of net assets)

	capital weighted	beta
long	137,7%	137,4%
short	-127,9%	-126,4%
gross	265,6%	ns
net	9,9%	11,0%
VaR 99% 10 days		-1,6%

top 5 long positions /193 12,6%

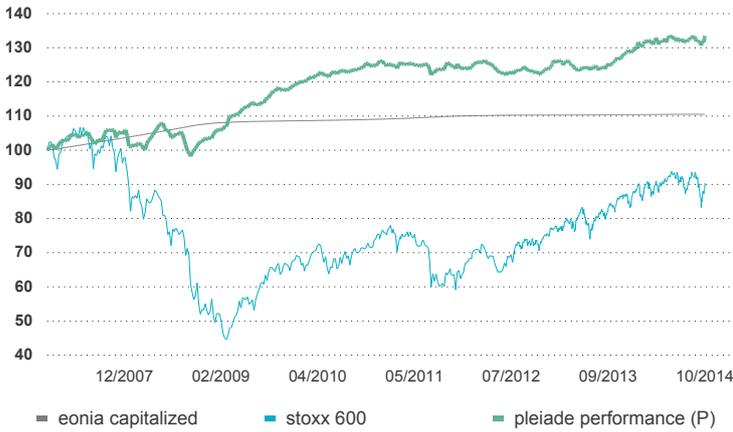
linde	2,8%
sodexo	2,5%
e.on	2,5%
lanxess	2,4%
continental	2,3%

top 5 short positions /188 -6,6%

utilities	-1,5%
utilities	-1,3%
utilities	-1,3%
telecommunications	-1,3%
utilities	-1,2%

(1) we obtain the following analysis for the exane pleiade performance fund positions by looking through the investments in the underlying funds (full transparency). Each position in Index Future or Index Swaps is integrated in the analysis with their sector or country breakdown. Numbers are expressed in percentage of the net asset of the fund.
warning: past performances are by no means a guarantee of future performance. All investments may generate losses or gains. The present informative document does not constitute the full Mutual fund prospectus and must not be considered as a commercial offer, an investment solicitation or an investment advice support. Any subscription to the Mutual fund can only be carried out on the basis of the full prospectus and based on the review of the KIID. Investors are invited to consult the risk factors section of the prospectus. The prospectus is available from the investment management company upon simple request. In particular, this generalist investment fund cannot be offered or sold, directly or indirectly, in the United States in the profit or for one US PERSON, according to the definition of the “regulation S”. Before 15 June 2009 the fund existed under French law as an FCP with reduced constraints.

historical monthly returns													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	year
2007	-	+0,90%	+1,60%	+0,87%	+0,87%	-0,04%	-0,23%	-1,71%	+1,08%	+2,41%	-0,96%	+1,09%	+5,95%
2008	-4,67%	+1,07%	-1,89%	+4,35%	+2,91%	-1,66%	-1,27%	+0,95%	-5,82%	+1,32%	+1,85%	+1,46%	-1,93%
2009	+1,85%	+0,27%	+3,45%	+0,89%	+1,22%	+1,34%	-0,25%	+1,33%	+2,17%	+0,28%	-0,13%	+1,35%	+14,62%
2010	+0,76%	+0,44%	+1,13%	+0,25%	-0,54%	+0,72%	+0,69%	-0,10%	+0,37%	+1,00%	-0,10%	+1,16%	+5,93%
2011	-1,28%	+0,07%	+0,83%	-0,39%	-0,12%	-0,20%	-0,02%	-0,91%	-0,07%	+1,06%	+0,34%	-0,75%	-1,47%
2012	-0,12%	+1,35%	+0,25%	-1,20%	-1,56%	-0,09%	+0,12%	+0,76%	+0,01%	-0,78%	+0,22%	+0,73%	-0,35%
2013	+1,74%	-0,91%	+0,46%	-1,55%	+0,69%	-0,12%	-0,46%	+0,53%	+0,93%	+0,95%	+1,79%	+0,23%	+4,30%
2014	+0,92%	+1,05%	+0,30%	-0,18%	+1,18%	-1,07%	+0,07%	+0,31%	-0,44%	+1,14%	-	-	+3,31%



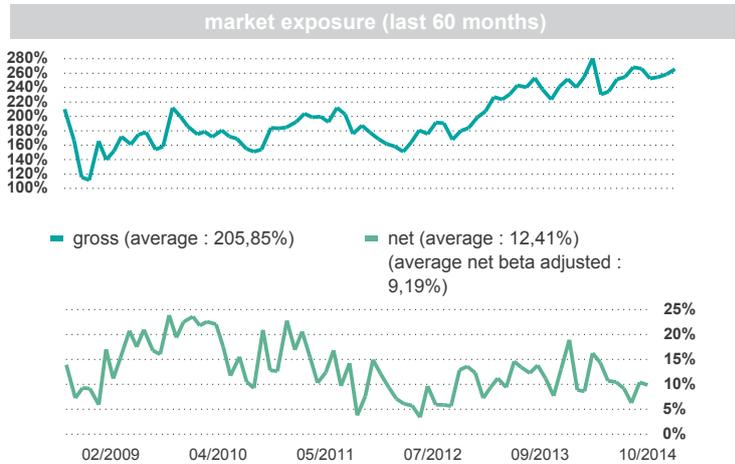
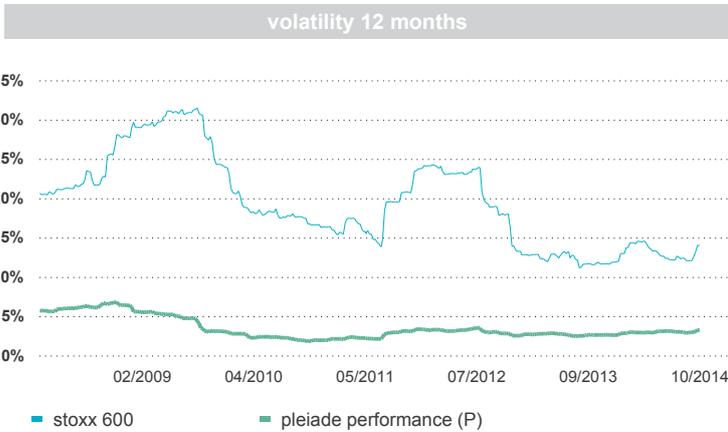
cumulative performance					
	12 months	2 years	3 years	5 years	since inception
exane pleiade performance (P)	5,41%	8,79%	6,93%	13,43%	33,48%
eonia capitalized (*)	0,12%	0,21%	0,55%	1,83%	10,53%
stoxx 600 (*)	4,48%	24,60%	38,33%	41,91%	-9,64%

annualized performance				
	2 years	3 years	5 years	since inception
exane pleiade performance (P)	4,30%	2,26%	2,55%	3,79%
eonia capitalized (*)	0,10%	0,18%	0,36%	1,30%
stoxx 600 (*)	11,63%	11,41%	7,23%	-1,30%

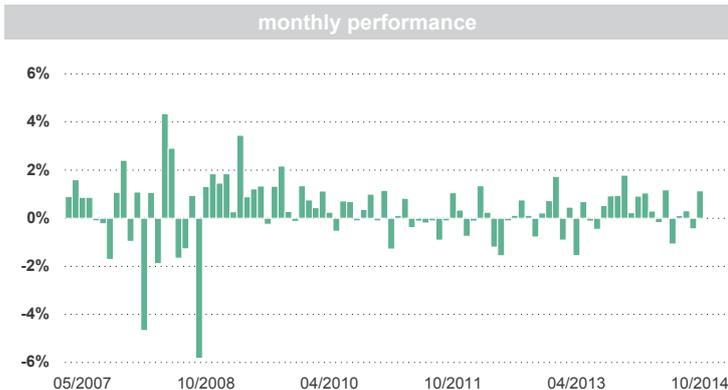
volatility		Sharpe ratio		
	2 years	since inception	2 years	since inception
exane pleiade performance (P)	3,00%	3,83%	1,40	0,65
stoxx 600 (*)	12,91%	19,86%	0,89	-0,13

(*) The fund aims to offer regular and absolute performance with little correlation to the traditional assets classes. Eonia, Stoxx 600 are not the fund's benchmarks.

risk indicators



monthly return analysis



market impact analysis			
average monthly return			
	stoxx 600	pleiade performance (P)	participation
52 positive months	+3,16%	+0,67%	+21,35%
41 negative months	-4,00%	-0,13%	+3,20%
% positive months	63,44%		
worst month	-5,82%		September 2008
best month	+4,35%		April 2008

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characteristics

management fees / liquidity

fixed management fees:

variable performance fees:

not applicable

subscription:

initial minimum : none
daily

redemption:

daily

indirect management fees:

master investment fund:

0,10% fixed fees

(underlying funds)

fixed management fees:

between 1,2% and 1,5% including all taxes

variable performance fees:

maximum 20%, including all taxes, of
performance exceeding the capitalised Eonia +
1% of annual performance

(*) except administrative fees

(**) for more details on the performance fee, please refer to the
prospectus of the fund on our website "www.exane-am.com"

Investors relation

<https://www.exane-am.com/en/contacts>

service providers

auditors:

PwC Sellam

valuation agent:

Société Générale Securities Services Net Asset Value

custodian:

Société Générale