

# Improving European Models

Active Management  
European Equities Large & Mids Caps



28 FEBRUARY 2025

IPC CLASS  
ISIN ON PAGE 2

SFDR  
8

Quantalys  
as of 12/31/2024

## The fund

Improving European Models is invested in European equities with a predominance of large and mid caps, integrating extra-financial criteria in the selection and analysis of the securities in the portfolio. **The fund has been awarded the LuxFlag label.**

## Improving Models investment process

► **Convictions associated with a proprietary methodology and integrating a 'Best in Class' analysis**

► **Focus on attractive valuations of companies with earnings momentum:**

• Regular  
(Steady Improvers)



• New turn  
(Fast Improvers)



## Investment universe

The objective of the Fund is to participate in the rise and fall of the European equity markets by investing at least 75% of the net assets of the Fund in European equities, through a discretionary Bottom-Up management approach favouring the search for intrinsic quality of the securities, integrating ESG criteria in the selection and analysis process of the securities in the portfolio.

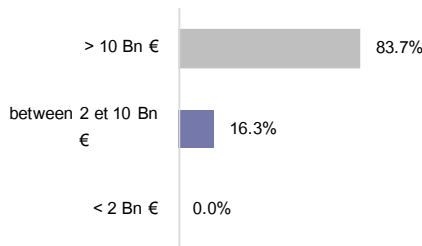
montpensier-arbevel.com  
FOLLOW our market & fund news



## IMPROVING MODELS BREAKDOWN



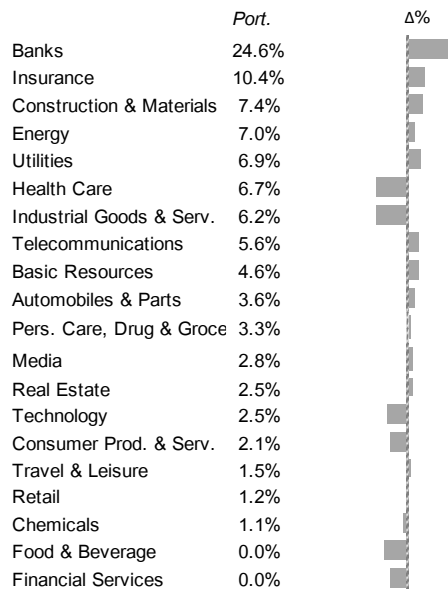
## CAPITALISATION



## NAV

NAV (IPC class) 319.64

## SECTOR BREAKDOWN

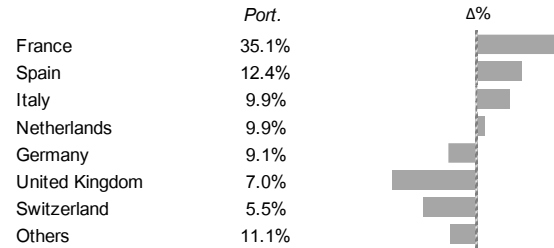


Sources: Montpensier Arbevel / Stoxx

## RISK INDICATOR - SRI



## COUNTRY BREAKDOWN



## MAIN HOLDINGS

Company	Port.	SDG
Vinci	3.9%	SDG 9
Intesa Sanpaolo Spa	3.7%	SDG 8
Iberdrola SA	3.6%	SDG 7
Allianz	3.6%	SDG 8
BNP Paribas	3.5%	SDG 8
TotalEnergies	3.4%	SDG 9
Banco Santander SA	3.3%	SDG 8
Enel SpA	3.1%	SDG 7
KBC Group	3.1%	SDG 8
Axa	2.8%	SDG 8

## PERFORMANCES & RISK INDICATORS

	IEM (IPC)	Stoxx 600	Stoxx 600 NR*
Perf. 2022	-8.2%	-12.9%	-10.6%
Perf. 2023	16.3%	12.7%	15.8%
Perf. 2024	5.4%	6.0%	8.8%
Perf. YTD - 2025	9.8%	9.8%	10.0%
Perf. Inception (a)	27.9%	19.3%	29.6%
Perf. 5 years	-	-	-
Perf. 1 year	16.0%	12.7%	15.6%
Volatility 5 years	-	-	-
Volatility 1 year	11.5%	11.0%	11.1%
Beta 1 year**	0.9		
Tracking error 1 year**	5.0		

Details of annual performance on page 4.

Source Bloomberg, Montpensier Arbevel / (a) 10/18/2021

\*Benchmark Net return. The reference to this index does not constitute an objective or a limitation in the management and composition of the portfolio, and the Fund does not restrict its universe to the components of the index.  
/ \*\*vs Benchmark / Volatility and TE calculation : Friday NAV, rolling weekly steps / Performance calculation: rolling month-end NAV | **Past performance is not indicative of current or future results. The fund undertakes risks that may lead to a loss of capital.**

**Discretionary management risk • Capital loss risk • Equity risk • Small cap risk • Sustainability risk • Emerging equity risk • Derivatives risk • Interest rate risk • Credit risk • Speculative securities risk • Convertible bonds risk • Counterparty risk • Currency risk • Liquidity risk.**

Errors and omissions excepted. BEFORE ANY INVESTMENT, PLEASE CAREFULLY READ THE KID, FUND PROSPECTUS AND SFDR PRE-CONTRACTUAL DOCUMENT IF APPLICABLE. The decision to invest takes into account all the characteristics, objectives and risks of the UCITS. See full disclaimer on the last page.



## PORTFOLIO

European markets recorded a second consecutive month of gains, supported by a solid annual earnings season. Most companies reported an improvement in activity at the end of 2024 and provided slightly better-than-expected outlooks for 2025. At the same time, the period was marked by Donald Trump's tariff upheavals and his push to force other NATO members to increase their military spending.

In this context, **our Fast Improvers** outperformed the market, driven by the banking sector (Société Générale, Banco Santander, Standard Chartered...) as well as Metso, whose earnings report confirmed an acceleration in order intake.

Among **our Steady Improvers**, defensive stocks stood out, particularly Jeronimo Martins and Deutsche Telekom, which reported strong results and highlighted the potential of T-Mobile US.

During the month, we took some profits on our banking positions (Standard Chartered, Bawag) and increased our exposure to the telecommunications sector (Deutsche Telekom, KPN), while continuing to build our position in GTT.

## FOCUS: SOCIETE GENERALE

SDG 8



**SOCIETE GENERALE** A few months after taking over as CEO of Société Générale, replacing Frédéric Oudéa, Slawomir Krupa unveiled an ambitious strategic plan in September 2023, aimed at restoring the bank's profitability by 2026.

However, the first year of execution proved challenging, with quarterly earnings reports generally falling short of the announced trajectory.


In Q3 2024, the CEO decided to take decisive action, personally overseeing the French retail banking division, which is central to the 2026 plan's objectives. Under his leadership, the cost-to-income ratio of this division is expected to drop below 60% by 2026 (vs. 76.6% in 2024), a massive effort to be achieved in just two years. This will primarily be driven by cost savings in external and IT expenses, along with a simplification of the bank's organizational structure.

If successful, the group could more than double its profitability in three years, with a 2026 ROTE target of 9-10% (vs. 4.2% in 2023). Additionally, a strong capital position (>13% CET1) could lead to the redistribution of excess capital to shareholders through dividends or share buybacks.

If the transformation unfolds as planned, this Fast Improver holds significant upside potential.

## FUND DATA

Legal Status	FCP UCITS V
Inception date	18 October 2021
PEA – Eligible (applicable in France only)	No
Currency	EUR
Approved for public distribution in	France
Isin	IPC: FR0014004PD8 RPC: FR0014008KS8
Bloomberg	IPC: MFIEMPC FP equity RPC: -
Asset Management Company	Montpensier Arbevel
Custodian	CACEIS Bank
Valuation	Daily
Cut-off	11:30 AM CET
Investment horizon	5 years minimum
SFDR	8

 Principles for Responsible Investment | Montpensier Arbevel is a signatory to the PRI (Principles for Responsible Investment)

Details of fees are available in the prospectus.



Approved for public distribution in:





## Comment on Impact Indicators

The impact of the portfolio is being monitored as we want to contribute positively to the development of a sustainable economy.

### ► Breakdown by Rating ESG

We have no stocks with a rating below BB.

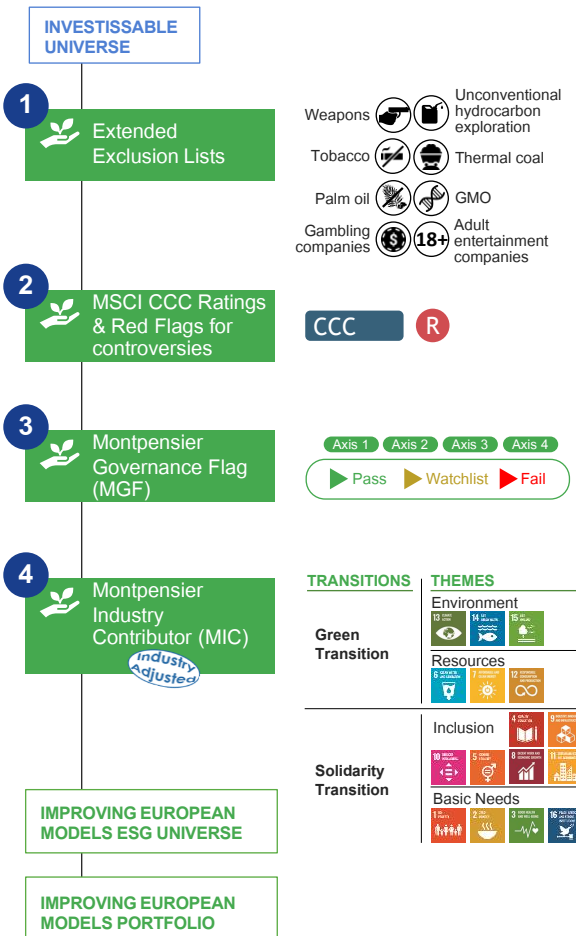
### ► SDG Impact Analysis

Our proprietary Montpensier Industry Contributor method allows us to analyse the environmental and social impact of our stocks in line with the 17 UN SDGs. This month, for example, we find that the portfolio has a particularly positive impact on SDGs 8, 9 and 13.

### ► Environmental performance

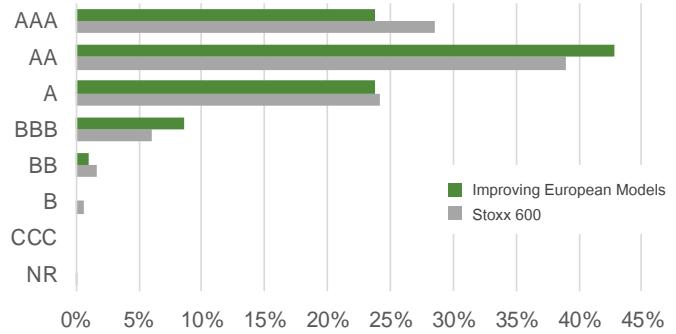
The portfolio's carbon intensity and footprint are lower than those of the index.

Select **responsible** values with a **positive impact** on the environment and society



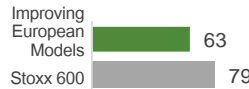
The approach of taking into account extra-financial criteria is a selective approach, based on the proprietary 4-step extra-financial analysis methodology, developed by Montpensier Arbevel, with the objective of mitigating sustainability risks, without however being able to guarantee that sustainability risks are totally neutralized. The data used is mainly supplied by MSCI ESG Research and may be supplemented, modified or updated by the Management Company from other sources.

## BREAKDOWN BY ESG RATING



## ENVIRONMENTAL PERFORMANCE

**WEIGHTED AVERAGE CARBON INTENSITY** Scope 1 et 2  
(Tons of carbon emissions/\$M Turnover)



**CARBON FOOTPRINT** Scope 1 et 2 (Tons of carbon emissions/€M invested)\*



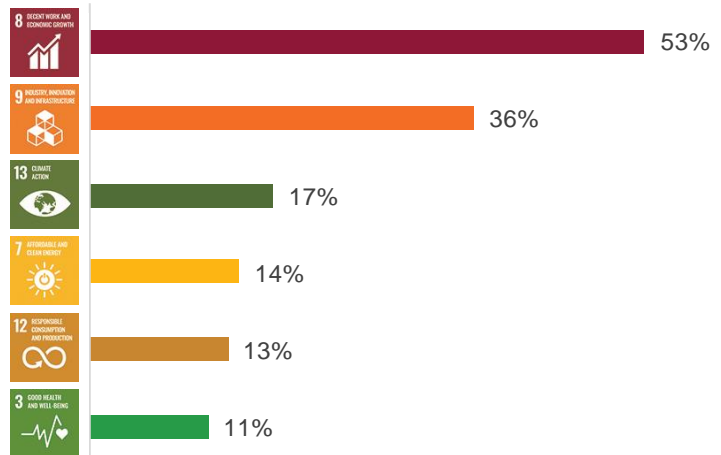
Available data for 100.00% of Improving European Models and 99.94% of Stoxx 600

At the date of the report, 41 companies, that is 9.11% of funds positions, accounting for 92.81% of the invested portfolio weight, officially disclose quantitative data about their GHG emissions (Scope 1 and 2). Other data are based on MSCI ESG Research estimations.

\*Under Delegated Regulation (EU) 2022/1288, starting from December 2023, the carbon footprint is standardized by EVIC (Enterprise Value + Cash). Previously, this standardization was conducted using market capitalization.

Source: Montpensier Arbevel / MSCI

## SDG IMPACT ANALYSIS



Distribution of the involvement of portfolio companies in the UN-defined **Sustainable Development Goals**. A company may be involved in several SDGs.

\* 1 Poverty. 2 Zero hunger. 3 Good health and well-being. 4 Quality education. 5 Gender equality. 6 Clean water and sanitation. 7 Affordable and clean energy. 8 Decent work and economic growth. 9 Industry, innovation and infrastructure. 10 Reduced inequalities. 11 Sustainable cities and communities. 12 Responsible consumption and production. 13 Climate action. 14 Live below water. 15 Life on land. 16 Peace, justice and strong institutions.

Source: Montpensier Arbevel



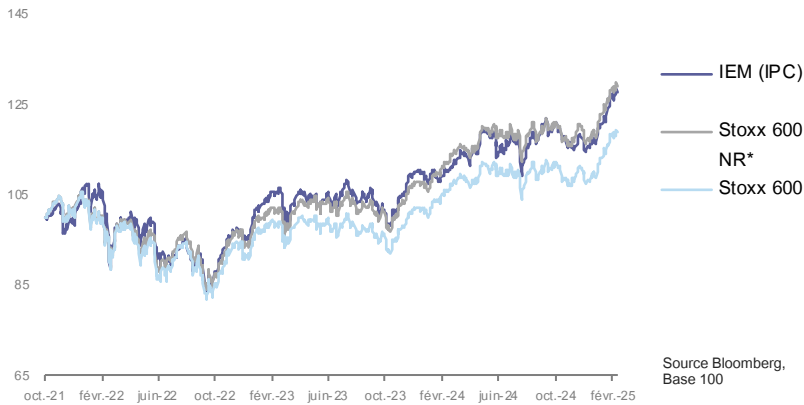
## PERFORMANCES & RISK INDICATORS (cont.)

	Improving European Models IPC	Stoxx 600 NR*
Performance 2021	-	-
Performance 2022	-8.2%	-10.6%
Performance 2023	16.3%	15.8%
Performance 2024	5.4%	8.8%

Source Bloomberg, Montpensier Arbevel / Share class launched on 10/18/2021.

\*Benchmark Net return. The reference to this index does not constitute an objective or a limitation in the management and composition of the portfolio, and the Fund does not restrict its universe to the components of the index.

**Past performance is not indicative of current or future results. The fund undertakes risks that may lead to a loss of capital.**



## RISK INDICATOR - SRI



FOLLOW our market & fund news →



[montpensier-arbevel.com](https://montpensier-arbevel.com)



Follow the Montpensier Arbevel Eye



X.com: @Montpensier Arbevel



LinkedIn: Montpensier Arbevel

**LEGAL NOTICES:** This is a marketing communication. The present document is for simplified informative purposes only and represents 1) neither a proposal, purchase offer or any other type of transaction relating to the financial instruments described herein; 2) nor a form of investment advice. It is important to READ THE MOST RECENT VERSION OF THE PROSPECTUS, THE KID AND THE SFDR PRE-CONTRACTUAL DOCUMENT IF APPLICABLE (available on our website: [www.montpensier-arbevel.com](https://www.montpensier-arbevel.com)) before making any investment decisions with regard to the financial instruments described in the present document. The decision to invest takes into account all the characteristics, objectives and risks of the UCITS as described in its regulatory documentation: prospectus, KID, SFDR pre-contractual document if applicable, which should be referred to before making any final investment decision. Future investors must take the necessary steps to determine how much they can invest, on the basis of their knowledge of financial markets, the legal, tax and accounting considerations which apply to their specific situation. The opinions expressed in the present document may be modified without prior notice. Investors are responsible for ensuring that they are in possession of the most recent available version of the present document. PAST PERFORMANCES ARE NO GUARANTEE OF CURRENT OR FUTURE RESULTS. THERE IS NO GUARANTEE ON CAPITAL. Performance data do not reflect the fees that may be charged on issue and redemption of shares. Morningstar™ and Quantalys rating are not guaranteed to be accurate, complete or timely. This document is not certified by the auditors, and will not involve the responsibility of Montpensier Arbevel. Applicants for the subscription of the Fund will be required not to be Private Customers in the sense of current regulations in force in the United Kingdom.