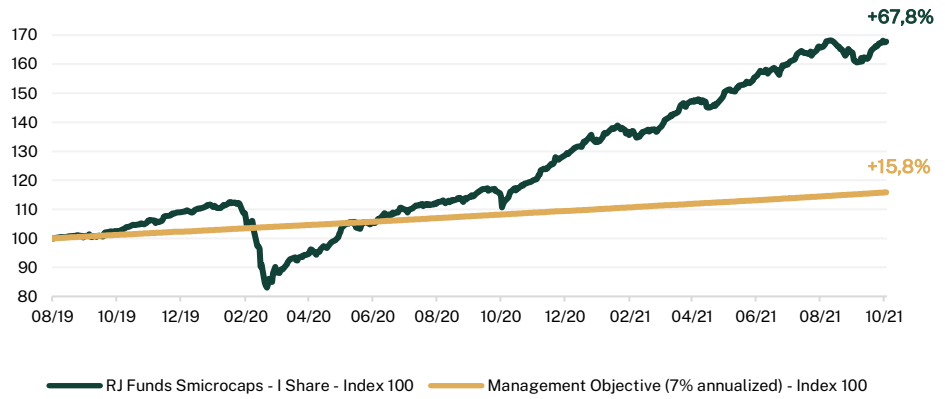


**GENERAL INFORMATIONS**

Custodian	Société Générale
ISIN code (P Share)	LU2022049022
ISIN code (I Share)	LU2022049295
ISIN code (D Share)	LU2022049378
Valuation	Daily
Management fees A Share	2% of Net assets
Management fees I Share	1% of Net assets
Management fees D Share	1% of Net assets
Performance fees (High Water Mark)	12% including tax of the annual perf over 7%
Entry fees	2% maximum
Exit fees (UCITS acquired)	None
NAV (P Share)	<b>246,68 €</b>
NAV (I Share)	<b>251,73 €</b>
NAV (D Share)	<b>\$1 105,91</b>
Inception date (P Share)	27 aug 19
Inception date (I Share)	27 aug 19
Inception date (D Share)	8 jun 21
Net assets	<b>50,94 M€</b>

Performances and statistics on the 29 of october 2021



1 year values (Quantalys Data)	RJ Funds Smicrocaps
Volatility 1Y	8,31%
Max Drawdown	-4,50%
Bearish Beta	0,36
Sharpe Ratio	5,95

	1M	2021	2020	2019	Inception
P Share	4,2%	<b>28,6%</b>	17,4%	8,9%	<b>64,5%</b>
I Share	4,2%	<b>29,5%</b>	18,6%	9,3%	<b>67,8%</b>
D Share*	4,3%	<b>10,6%</b>			<b>10,6%</b>

\*Launch of the D Share on June 8, 2021

**PORTFOLIO EXTRA-FINANCIAL ANALYSIS**

Grade average E*	6,20/10
Grade average S*	6,28/10
Grade average G*	5,68/10
Portfolio grade overall ESG**	<b>6,07/10</b>

\*\*Proportion of the fund's investments for which non-financial data are available and used to complement fundamental analysis.  
\*\*Qualitative scores calculated using the internal ESG analysis model  
Internal coverage rate: 92%.



Principles for Responsible Investment

Gay-Lussac Gestion is a signatory of the **United Nations Principles for Responsible Investment (UN-PRI)** since 2020.



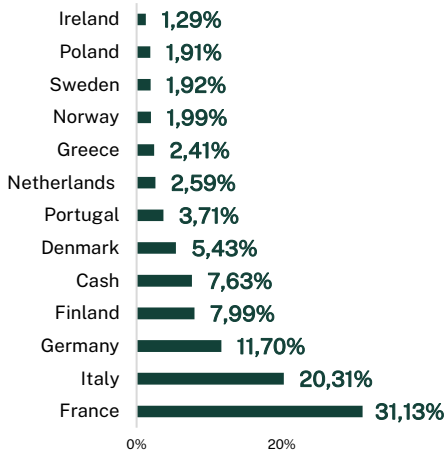
TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Gay-Lussac Gestion is a supporter of the **Task Force on Climate-related Financial Disclosures (TCFD)** since 2021.

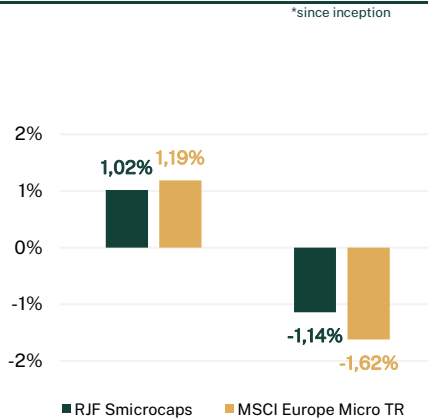


The **Raymond James Fund Smicrocaps** fund obtained the **label Relance** on the **5/10/2021**.

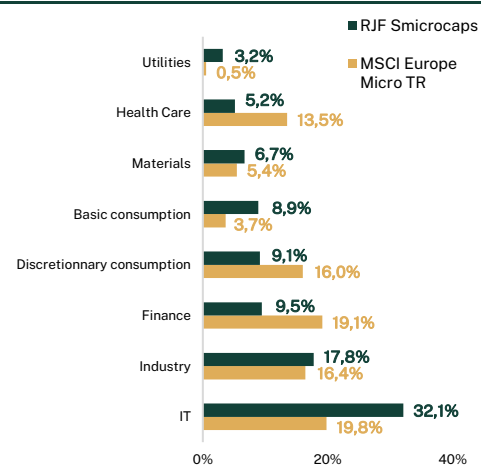
**COUNTRY BREAKDOWN**



**THE FUND'S WEEKLY AVERAGE ON ↑ AND ↓\***



**INDUSTRY BREAKDOWN**



**INVESTMENT PROCESS**

- Two defensive criteria, **Low Volatility** and **Low Beta** and one performance criterion, **Momentum** to quantitatively filter the investment universe.
- Selection of 3 to 4 major structural and/or cyclical themes by a quarterly Macroeconomic Committee bringing together economists, strategists, fund managers and financial analysts.
- Definition of the investable universe through the selection of stocks in line with the themes selected and validated by the fundamental analysis of the companies.
- Construction and follow-up of the portfolio in risk budget.

**INVESTMENT OBJECTIVE**

- An **annualized performance of more than 7% over an investment horizon of at least 5 years.**
- The investment themes defined by the Macroeconomic Committee determine the selection of stocks in which we invest.

**MANAGEMENT TEAM**

Louis de FELS	Daphné PARANT
Hugo VOILLAUME, CFA	Paul EDON
Guillaume BUHOURS	Thibaut MAISSIN

**RISK EXPOSURE**



## Macroeconomic review

October has been marked by a return to positive territory for all markets, with a slight outperformance of US equities compared to Europe CAC 40 TR +4,76%, S&P500 +6,91%, STOXX 600 TR +4,67%.

In Europe, the resurgence of the epidemic threatens to jeopardize the economic recovery, particularly in Eastern Europe. Leading indicators point to a slowdown in economic activity in the fourth quarter, consequence of inflationary pressures and tensions on the supply chain. Inflation in the euro zone has reached a new high since 2008. Driven by electricity and gas prices, rolling 12-months inflation stood at 4,1% versus 3,7% expected, while core inflation came in at 2,1% (+20bps). Christine Lagarde acknowledged that prices could remain high for longer than expected, but that inflation is expected to fall back below 2% in the mid-term, meaning a policy rate hike would not be necessary for the time being. Not willing to repeat previous mistakes, the ECB should remain cautious in reducing its monetary support, and thus should continue to support the economic recovery. Despite a reduction of the PEPP, the ECB is maintaining a high level of asset purchases in recent weeks, with about 30,3bn€ and 31,8bn€ in the last two weeks.

In the United States, after a sharp slowdown in the third quarter, economic activity seems to be back on the right track in October. Leading activity indicators remain at a high level. Service PMI came out at 58,2 in October, against 55,3 expected and the manufacturing PMI stood at 59,2. However, approval of the two fiscal stimulus bills remains necessary to support consumption, engine of economic growth for the US. The total envelope was again revised downward to \$1,75bn from \$3,50bn initially proposed by Joe Biden. According to the latter, these new measures would already have the approval of the Democratic representatives of both houses of Congress, making it possible to find a common ground in the near future. Although the situation in the energy market is a tad less problematic in the US than in Europe, tensions in the employment market are more prevalent. The much anticipated job creation figures came out below expectations (+194K vs. +500K expected) and the NFIB and JOLTS surveys underlined that hiring difficulties remain. In this context, the Federal Reserve will have to wait for a normalization of the labor market, and a return to full employment before raising its policy rates. Members of the FOMC remain divided on the degree of persistence of inflation but the majority stands ready to react in the event that it proves being more persistent than expected. Consequently, the sharp rise in long-term sovereign rates slowed at the end of October and the US 10-year treasury ended the month at 1,552%, after breaking through the 1,70% threshold earlier in the month.

### KEY RATIOS

Investment rate (direct lines)	92,37%
Number of lines	53
PER median 2021	25,06
VE/CA median 2021	2,01
VE/EBIT median 2021	17,50

### TOP FIVE POSITIONS

Name	% net asset
DIGITAL VALUE SPA	4,11%
ROBERTET SA	4,10%
GERARD PERRIER ELECTRIC	3,77%
NOVABASE SGPS SA	3,71%
EXCEET GROUP SE	3,50%

### BREAKDOWN BY MARKET CAPS

Name	% Net asset
More than 500M€	31,13%
From 150 to 500M€	54,95%
Less than 150M€	13,93%
Average Capitalisation (M€)	511,31
Median Capitalisation (M€)	338,43

## Management review

During October, we increased our positions in several high convictions such as French company **Graines Voltz** and initiated lines in **Abitare In** and **Harvia**. The leading French distributor of vegetable seeds and seedlings, **Graines Voltz**, is pursuing its strategy of consolidating the European distribution market and has recently announced its expansion into the vertical farming market, which is expected to double in size by 2024. We are convinced of the potential for margin appreciation through the internalisation of production and the increase in proprietary products in the mix. The growth potential over the next few years is also very strong. We took advantage of a capital increase in **Abitare In** to initiate a line. The Italian group specialises in property development in the second and third Milanese crowns. **Abitare In** has excellent visibility and recently announced that it had secured seven new projects financed by the capital increase in which we participated. We took advantage of the transitory directing of **Harvia** to reinitiate a line in this Finnish company, which is specialised in the sauna and spa industry for over 70 years. In line with our risk budgeting process, we took profits on companies such as **Pharmanutra** and Italian Wine Brands. We also sold our **Fabasoft AG** line due to a very slow recovery that has severely impacted the group's profitability since the beginning of the year.

### MAIN MOVEMENTS OF THE MONTH

Buy	Sell
Graines Voltz	Pharmanutra
Abitare In	Italian Wine Brands
Harvia	Fabasoft AG