



Richelieu CityZen



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The **Bloomberg Eurozone Developed Markets Large & Mid Caps index** continued its upward trajectory with a gain of **1.51%** in April, supported by positive surprises on first-quarter company publications, particularly from luxury groups, which are absent from the **Richelieu CityZen fund** universe. The fund closed the month slightly down by 0.31%.

Monthly contributors: fears of a slowdown in investment in semiconductor machinery weighed on the mega-cap **ASML** (-8%) and thus on the Green Tech bucket (12% of the fund), which detracted the monthly performance by 0.87bps. The first quarterly publications in the Sustainable Materials (7%) and Circular Economy (9%) minority buckets did not meet expectations, hence also weighed negatively on the fund's net asset value, with respectively **Corbion** (-6%: volumes below expectations as the recovery of the bioplastics JV is delayed despite the reopening of the Chinese economy) and **Verallia** (-7%: profit-taking as earnings growth momentum normalizes). Contrary to last month, the easing of fears in the financial sector enabled the Financing of Transitions bucket (17.5%) to contribute positively (**Hannover Re** +7%, **BNP Paribas** +6%).

Monthly purchases / sales: we sold some of the **MTU Aero** and **SPIE** shares, whose share prices outperformed nicely, which enabled us to redeploy capital into **Kingspan**. The latter's stock price is trading at the bottom of its valuation range over the last five years, even though the company has established itself as a leader in high-performance insulation products, outperforming its underlying construction market. With a healthy balance sheet, the group should be able to pursue targeted acquisitions at reasonable prices. We also added to the **Siemens Energy** investment as we believe that the noticeable improvement in operational execution will highlight the leading position in offshore wind turbines, and help for a valuation multiple rerating.

Theme allocation: hierarchy between the eight buckets were hardly changed this month. Renewable Energy (20%), Energy Efficiency (19%) and then Green Tech (12%) make up half of the exposure. The remainder is split between Circular Economy, Sustainable Materials, Environmental Safety, Green Mobility and Financing of Transitions.

Finally, net cash remains at slightly below 3%.

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