

Groupe ABC arbitrage

*Présentation SFAF - Comptes annuels 2019
"Coronavirus, la fièvre d'un samedi soir ?"*



AVERTISSEMENT

Ce slideshow est un support de communication daté du 24 mars 2020 et publié sur le site abc-arbitrage.com

Ces éléments d'information sont donnés à des fins d'illustration mais ne substituent aux documents officiels relatifs à l'exercice 2019.

S&P 500 vs CAC 40



Market parameters and Historic ABC activity

| | Arbitrages à risques exogènes | Arbitrages ss risques exogènes | ABC arbitrage |
|--------------------------|-------------------------------|--------------------------------|---------------|
| Volatilité | ++ | ++ | ++ |
| Taux ↘ | ++ | - | + |
| Taux ↗ | - | + | = |
| CAC ↘ | = | = | = |
| CAC ↗ | + | + | + |
| CAC ↘↘↘ | + | - | = |
| Opé. / titres ↗ | + | + | + |
| Volumes forts | ++ | ++ | ++ |
| Volumes faibles | - | - | - |
| Euro | = | = | = |
| Crédits corporate | - | + | = |
| Crédit bancaire | - | - | - |
| Régulation "rationnelle" | + | + | + |

Top 3 Market Parameters on ABC activity

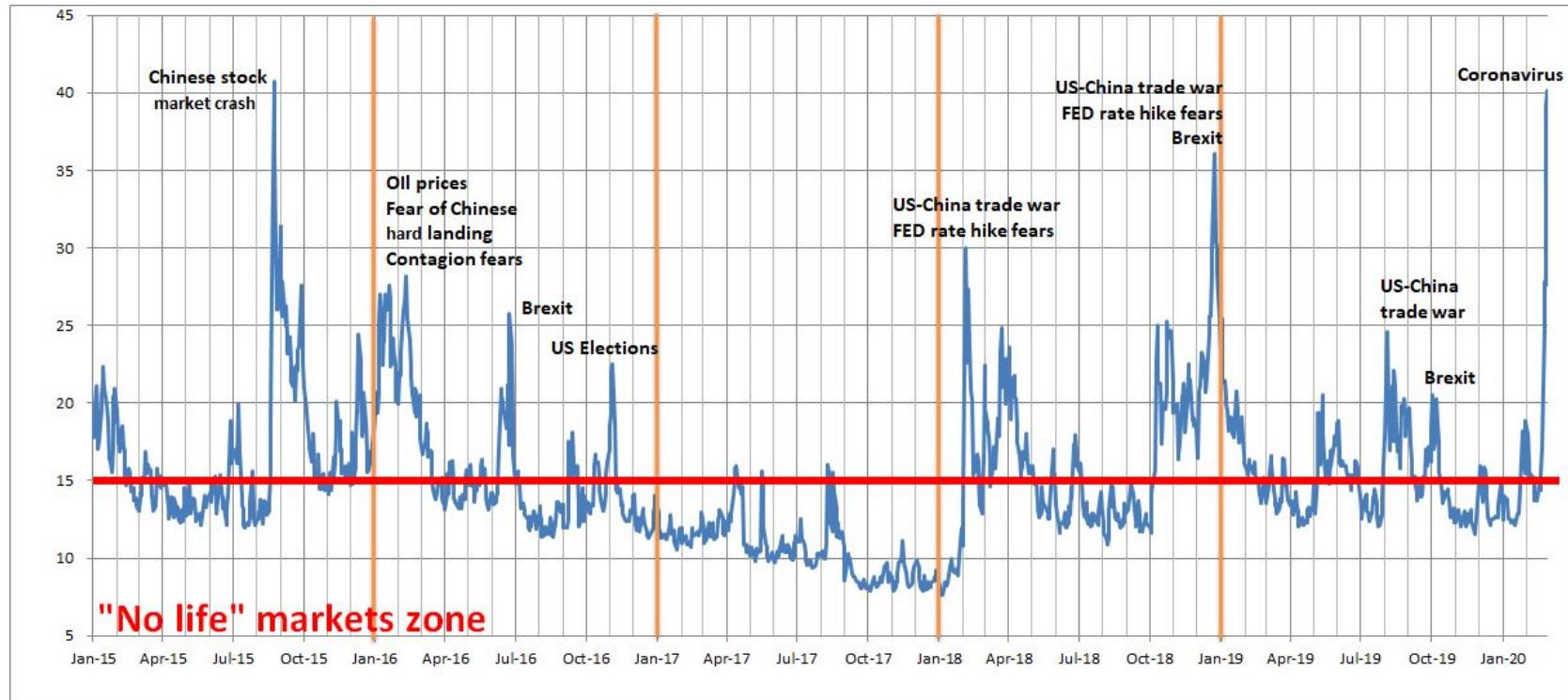
Volatility

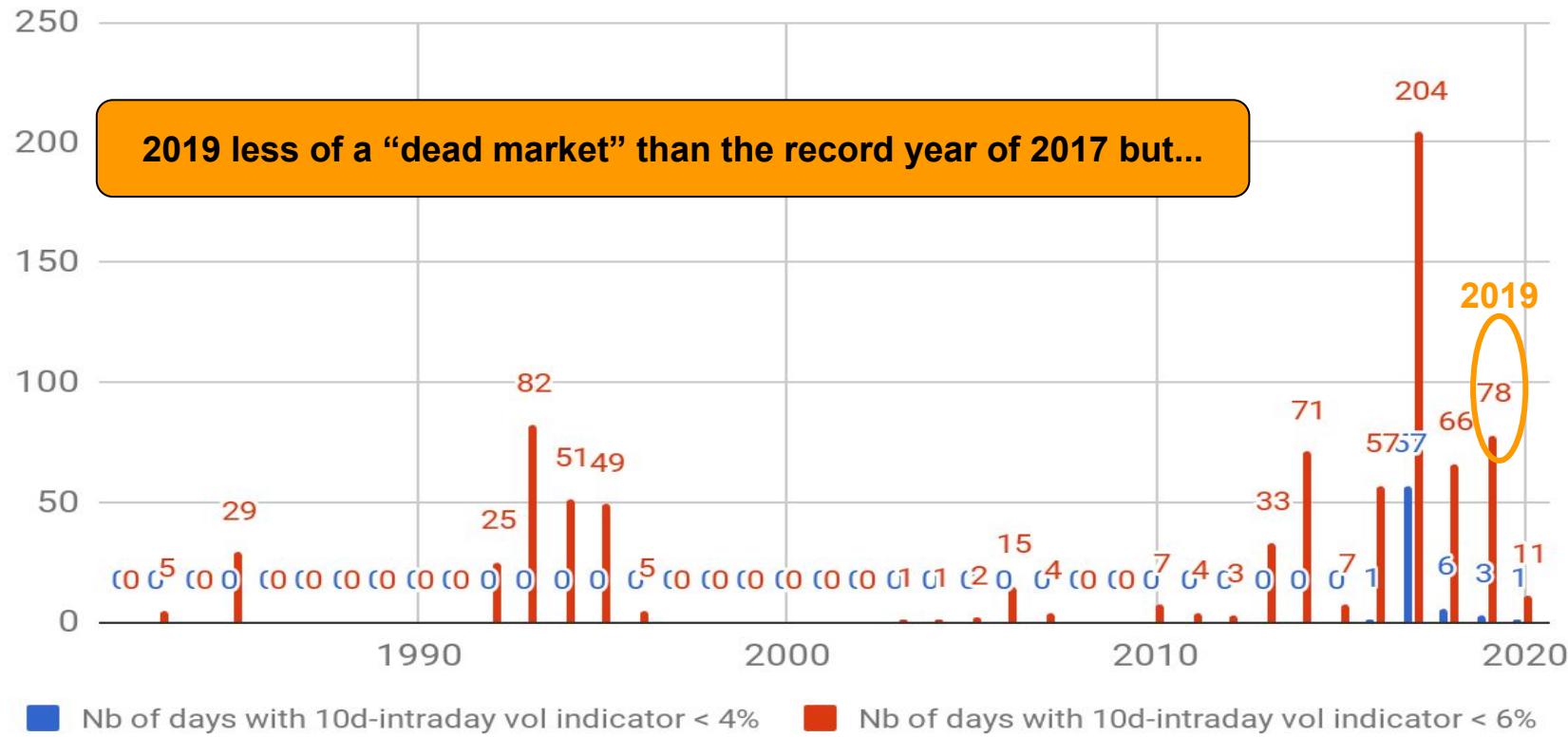
M&A and Corporate Actions

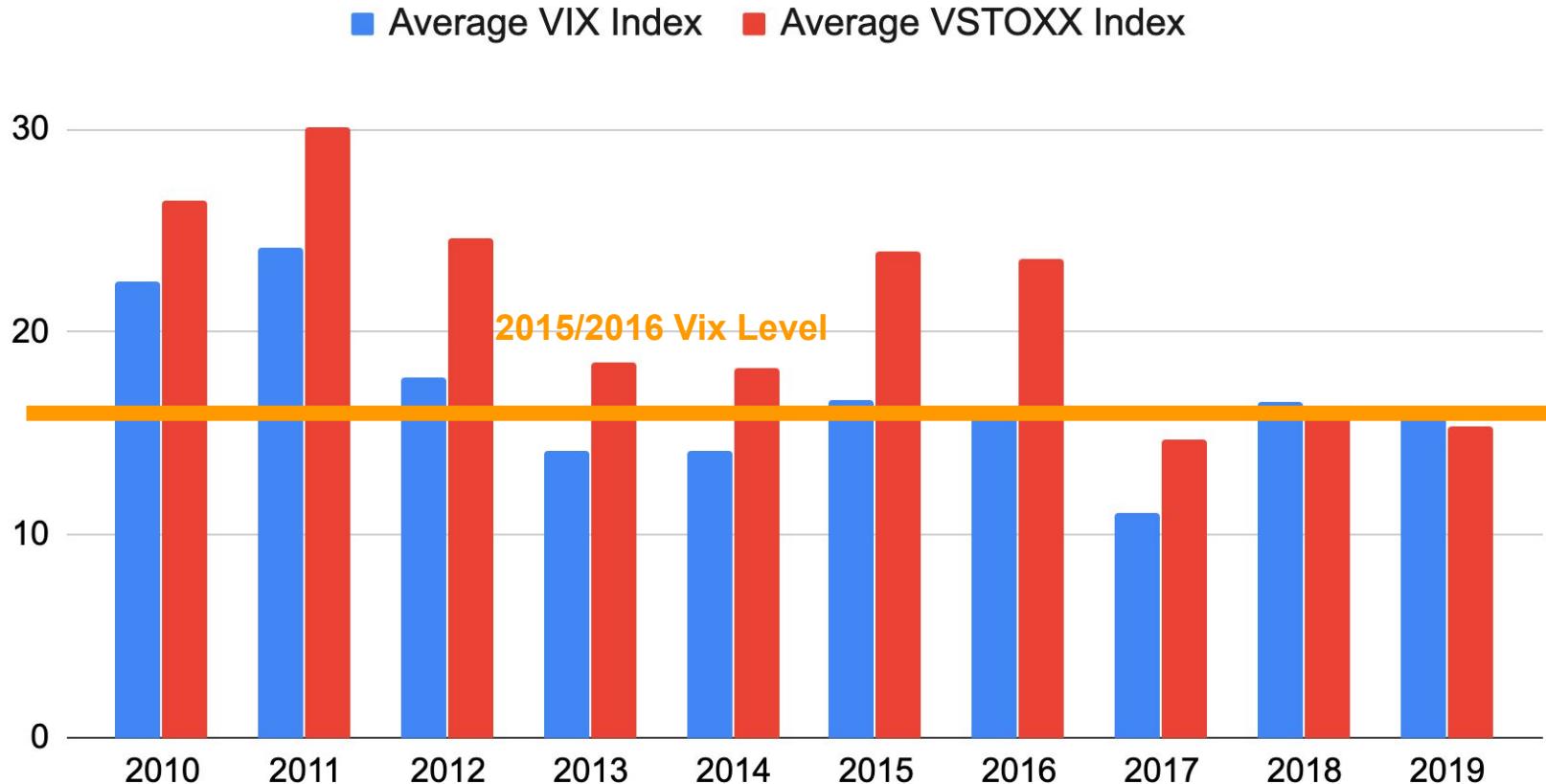
Volumes trades on markets

Historical VIX since 01/2015

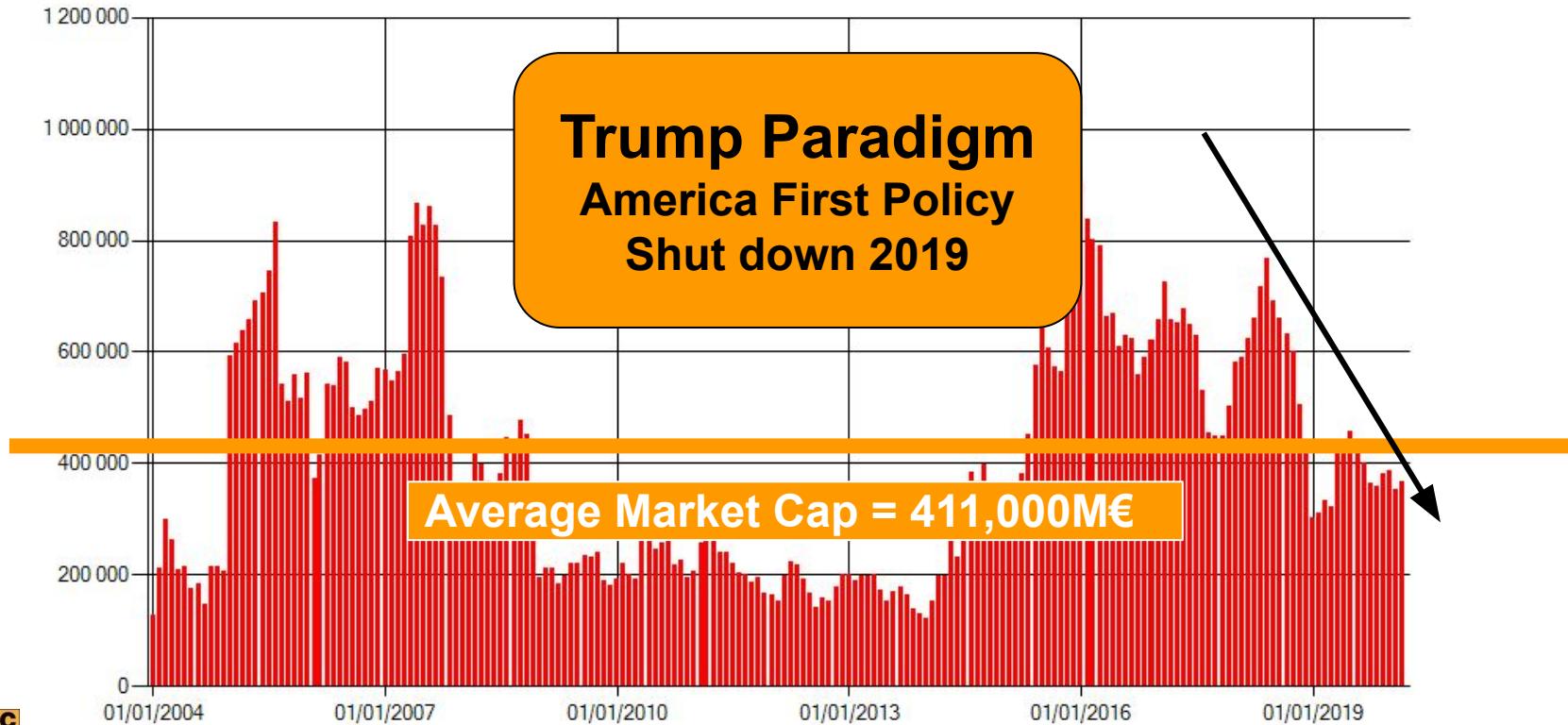
Main Events



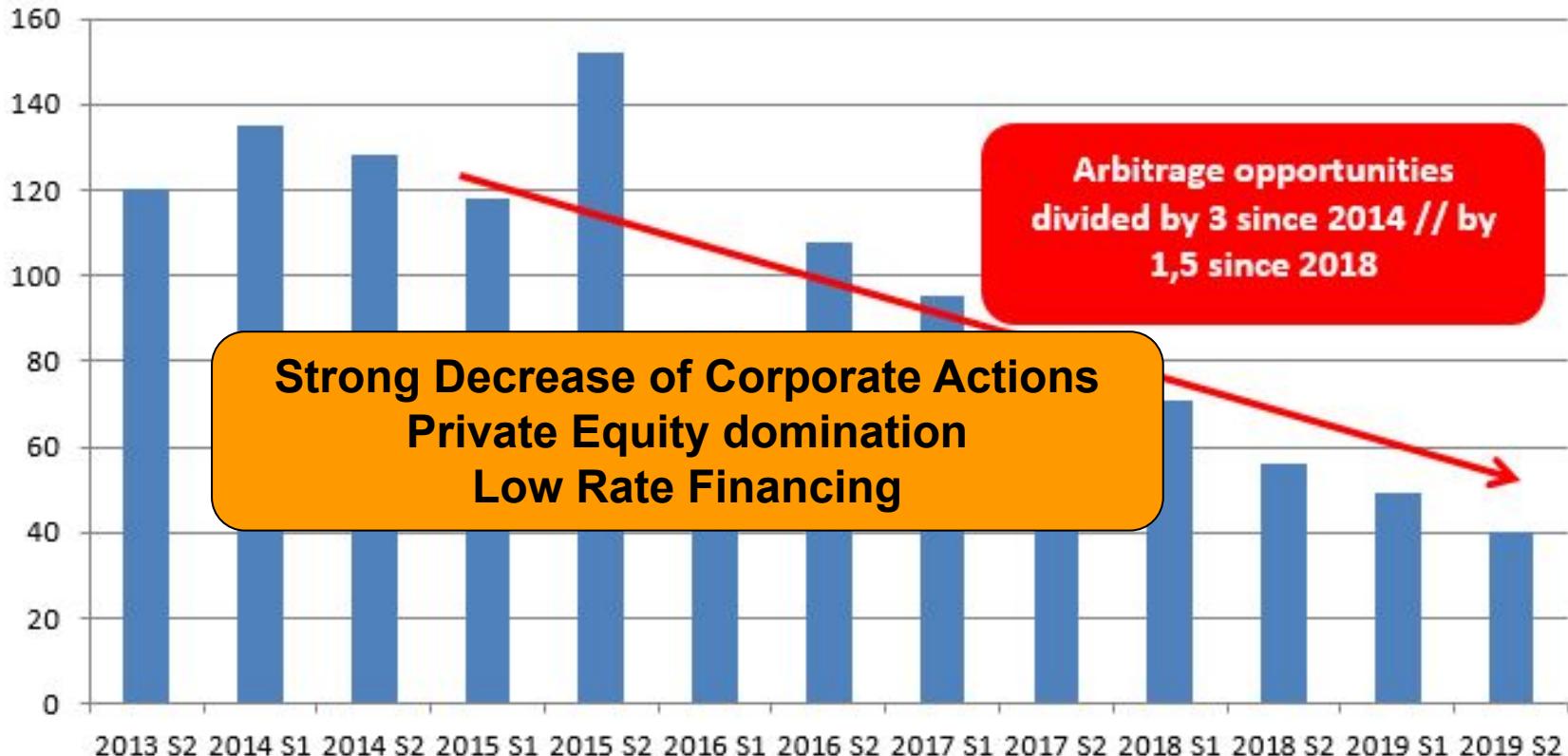




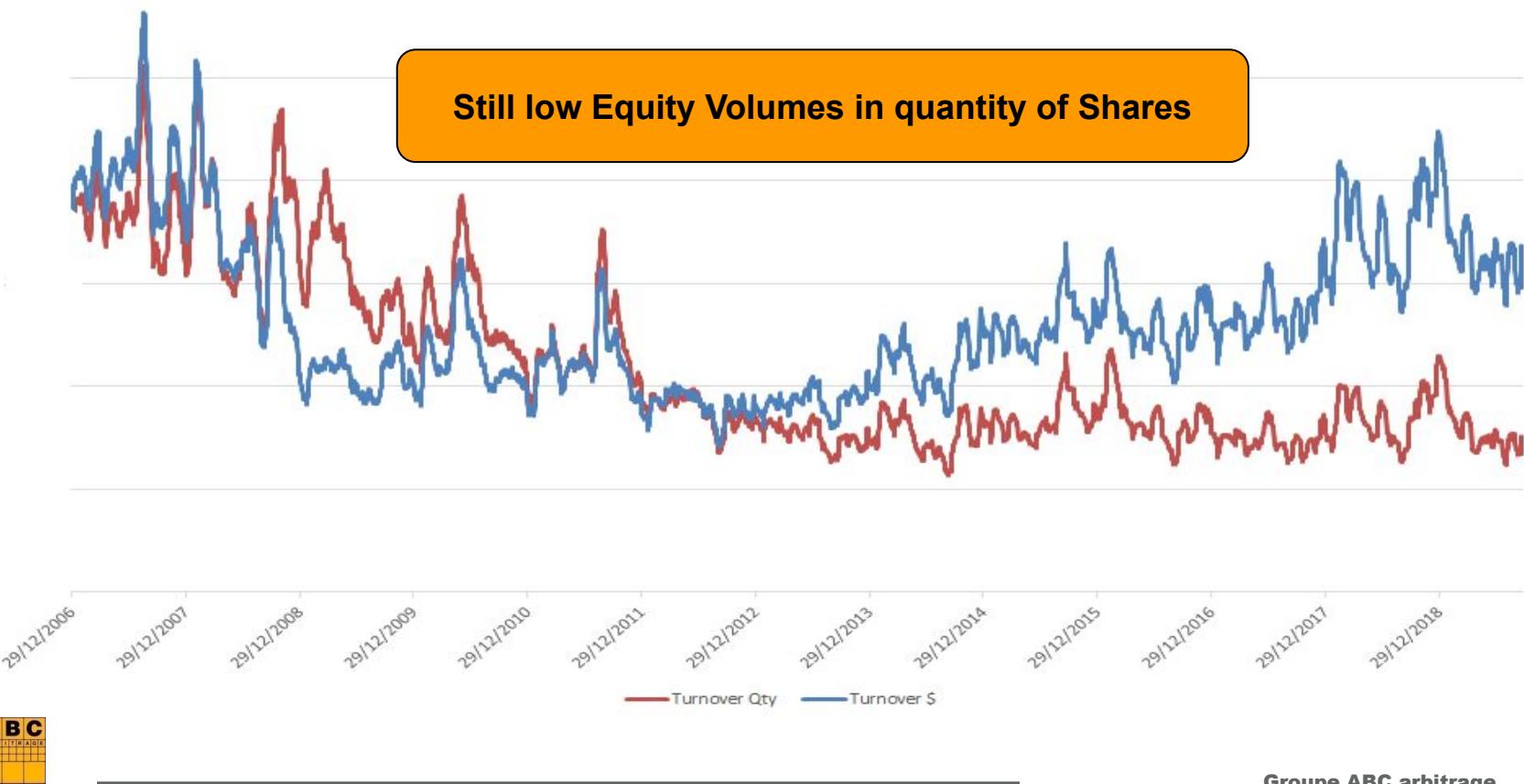
Évolution somme mensuelle des capi en Md€ des offres FUSACQ existantes stables et amicales



Mechanical Corporate actions opportunities



S&P 500 Volumes \$ & Number of Shares



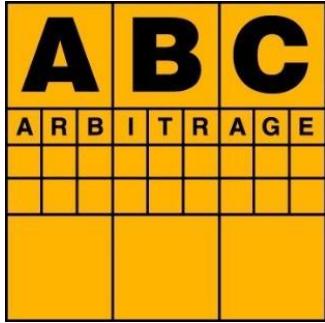
ABC arbitrage - Consolidated Net Profits

| In EUR million | 31/12/2019 IFRS | 31/12/2018 IFRS | Change |
|--|--------------------|--------------------|--------|
| Investment Services Fees | 14,4 | 16,8 | -13,9% |
| Net gains at fair value through profit or loss | 22,6 | 23,3 | -3,2% |
| Net revenues | 37,0 | 40,1 | -7,7% |
| Payroll costs | -12,0 | -13,1 | -8,8% |
| Occupancy costs | -1,3 | -1,6 | -15,7% |
| Other expense | -5,5 | -5,8 | -5,2% |
| Other taxes | -0,1 | -0,2 | -56,7% |
| Total costs | -18,9 | -20,8 | -8,8% |
| Income before tax | 18,1 | 19,3 | -6,5% |
| Net income attributable to equity holders | 18,3 | 19,7 | -6,8% |

**ROE
12.8%**

*Taxes and costs are already in Net Revenues for subsidiaries which are accounted for using the "Net gains at fair value through profit or loss" method (IFRS 10).





Know-how ABC

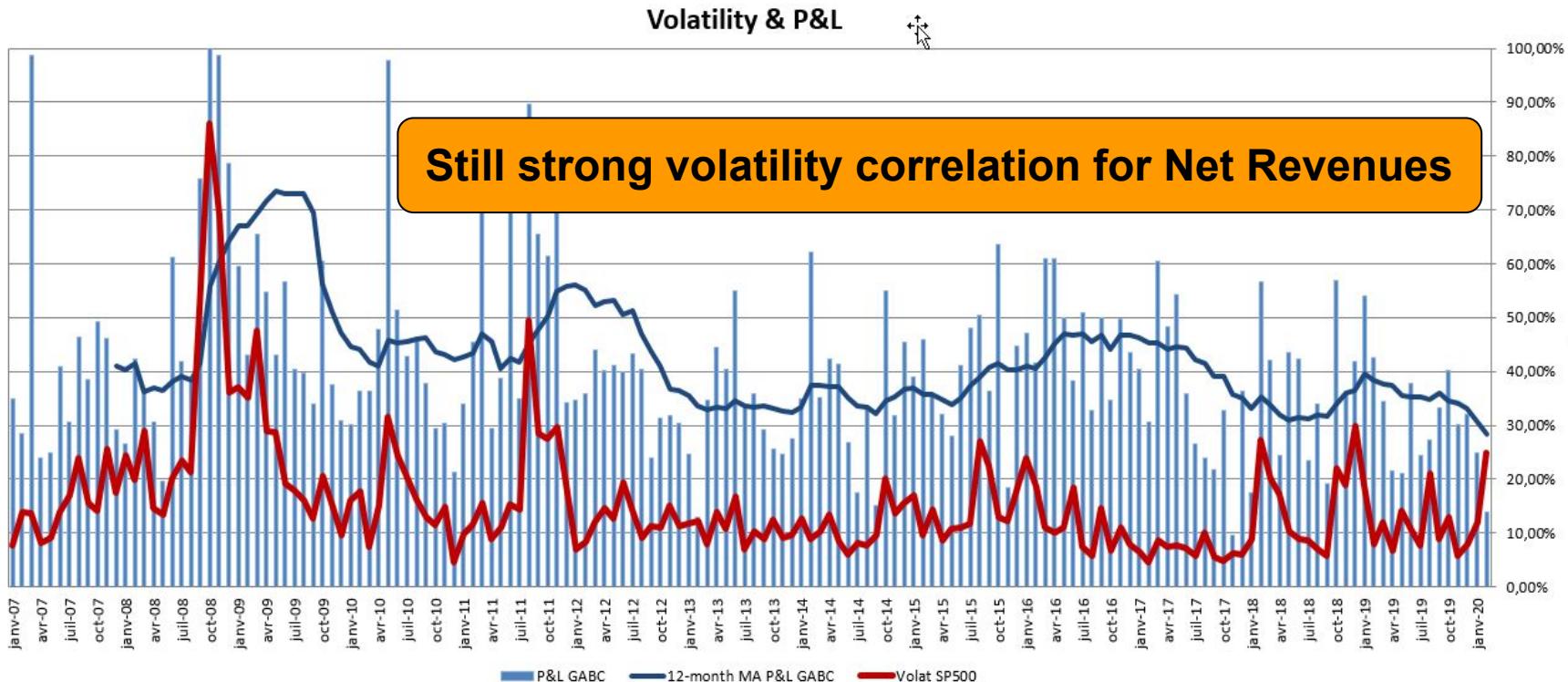
Markets Parameters

| | | | |
|------------------|------------|----------|----------|
| (+4.99) | 189,413.27 | (+12.20) | 5,854.81 |
| 48,829.82 | 185,475.60 | (-2.08) | 5,854.81 |
| (+29.34) | 52,394.62 | (+7.30) | 5,854.81 |
| 777.65 | 58,042.14 | (+10.78) | 5,854.81 |
| (+26.38) | 1,002.66 | (+28.93) | 5,854.81 |
| 15,127.81 | 1,385.27 | (+38.16) | 5,854.81 |
| (+16.63) | 16,696.99 | (-1.89) | 5,854.81 |
| 9,240.74 | 16,381.51 | (+22.22) | 5,854.81 |
| (+20.63) | 11,714.54 | (+26.77) | 5,854.81 |
| | 9,700.89 | (-17.19) | 5,854.81 |

FY2019 & FY2018
Consistent financial results vs Markets parameters

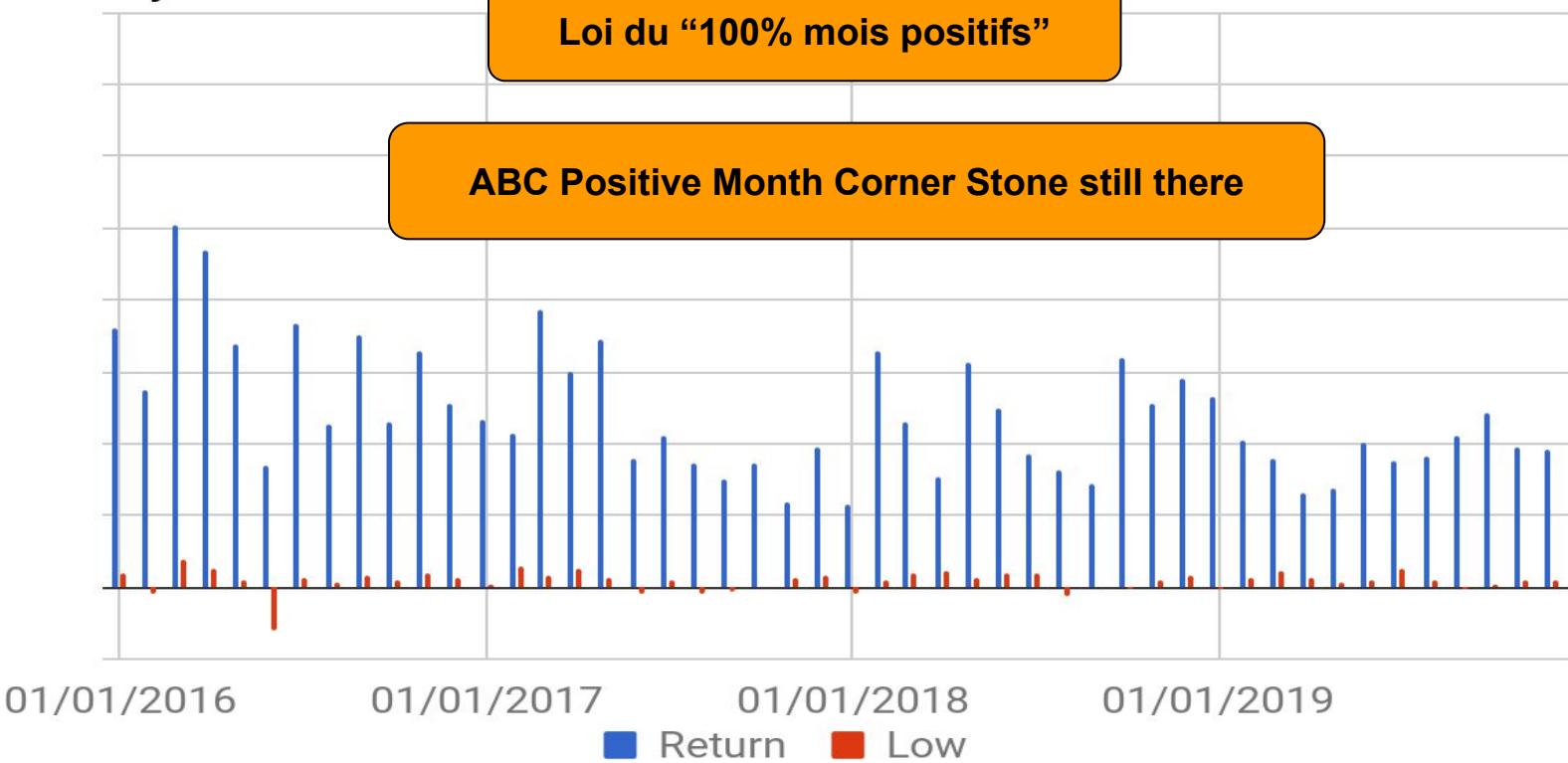


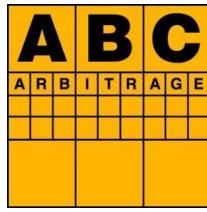
SP500 20 days Volatility and ABC Business Level



ABCG monthly returns

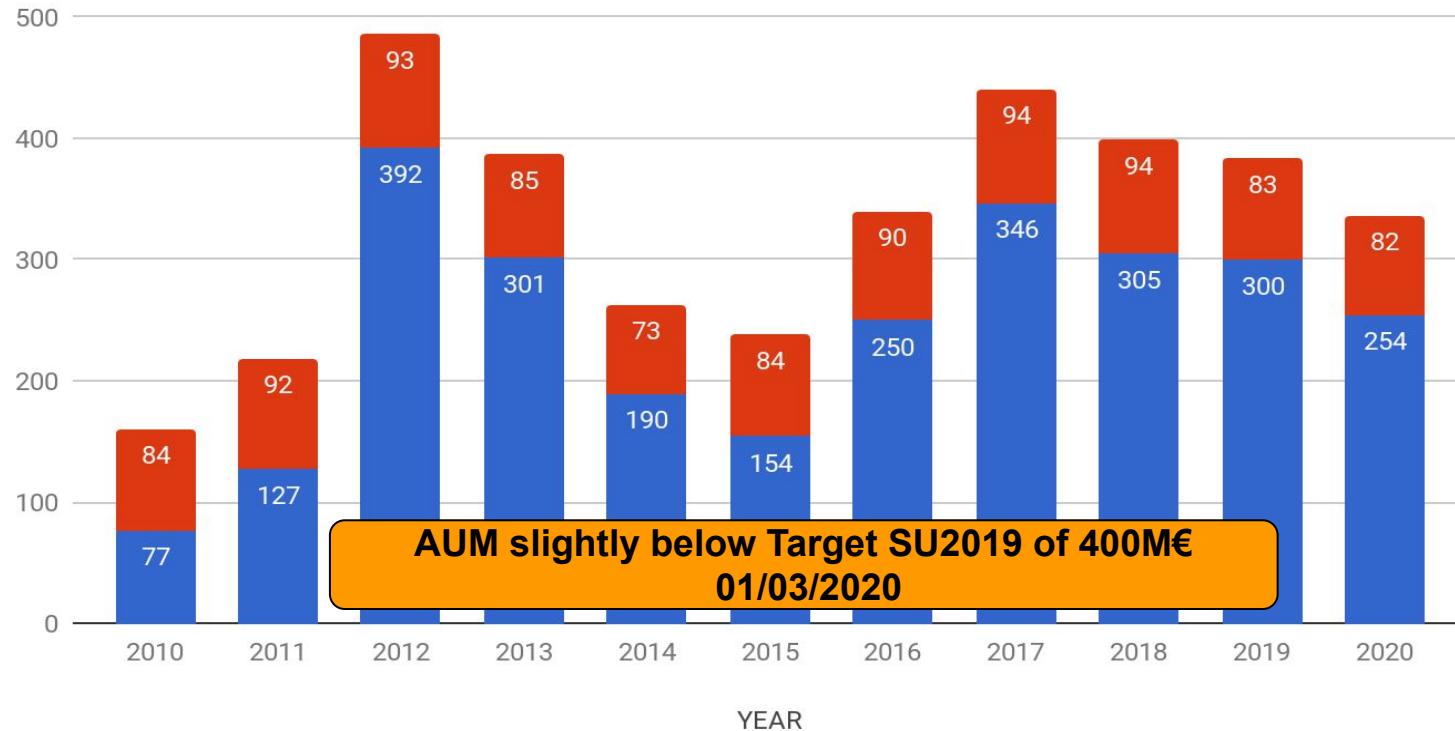
Monthly return





Asset Management

Average of Total AUM ABCA Funds Ireland Plc + "Seed Capital" (mEUR)



■ AVERAGE of Quarts ■ AVERAGE of ABCA FI



ABCA Reversion Fund

Au 29/02/2020

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | Since Launch |
|-----------------------------------|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------------|
| Net Performance / Annualized (\$) | 18.2% | 21.6% | 2.6% | 2.0% | 8.8% | 9.1% | 1.6% | 2.1% | 7.5% | 2.9% | -2.1% | 6.1% |
| Net Performance / Annualized (€) | 18.2% | 21.6% | 2.5% | 1.9% | 8.8% | 8.6% | 0.8% | 0.6% | 5.3% | 0.5% | -2.5% | 6.3% |
| Positive Months | 83% | 83% | 42% | 67% | 92% | 75% | 58% | 58% | 67% | 67% | 67% | 65% |
| Average Negative Mth | -0.5% | -0.9% | -0.4% | -0.5% | -0.7% | -0.6% | -0.9% | -0.3% | -0.3% | -0.4% | -0.4% | -0.5% |
| Average Positive Mth | 1.8% | 2.2% | 1.0% | 0.5% | 0.8% | 1.1% | 0.8% | 0.3% | 0.8% | 0.6% | 0.6% | 1.1% |
| Volatility | 5.3% | 6.0% | 3.1% | 2.2% | 2.6% | 3.6% | 4.0% | 1.0% | 2.7% | 2.0% | 2.3% | 4.1% |
| Sharpe | 3.3 | 3.2 | 0.8 | 3.4 | 2.4 | 0.2 | 0.6 | 1.9 | 0.2 | -1.6 | 1.6 | |
| Leverage (xNAV) Average | 2010 comprises both extrapolated and real performance | | | | | | | | | | | 1.0 |
| Net Exposure (%NAV) Average | 2019 until 28/2 | | | | | | | | | | | 11% |

Consistent returns after first violent days
Classic situation for a liquidity provider

EuroHedge Awards 2018

Winner

EQUITY MARKET NEUTRAL & QUANTITATIVE STRATEGIES

ABCA Reversion

Performance indicators at

18 March 2020

ABCA REVERSION

| Share Class / Bloomberg Id | Launch | NAV | %MtD |
|------------------------------------|---------|------------|-------|
| Class A (EUR) / ABCAREV ID Equity | 2010-05 | 1,936.6812 | 5.80% |
| Class AL (EUR) / ABCAREL ID Equity | 2019-11 | 1,939.1692 | 5.87% |
| Class C (USD) / ABCAREU ID Equity | 2011-06 | 2,989.6129 | 5.79% |
| Class CL (USD) / ABCARUL ID Equity | 2019-10 | 2,994.8387 | 5.79% |
| Class ME (EUR) / ABCAOCL ID Equity | 2011-10 | 2,300.3141 | 6.68% |

ABCA Opportunities Fund

Au 29/02/2020

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | Since 2010 |
|--|--|--------------|--------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|--------------|-------------|
| Net Performance / Annualized (\$) | 16.6% | 17.5% | -1.5% | 1.7% | 4.6% | 9.7% | 13.0% | 4.6% | 4.9% | 7.0% | -1.4% | 6.3% |
| Net Performance / Annualized (€) | 16.6% | 17.5% | -1.6% | 1.6% | 4.6% | 9.2% | 12.3% | 2.9% | 2.8% | 4.6% | -1.7% | 6.7% |
| Positive Months | 100% | 92% | 33% | 58% | 58% | 67% | 83% | 50% | 83% | 83% | 100% | 69% |
| Average Negative Mth | NA | -0.1% | -0.4% | -0.4% | -0.4% | -0.7% | -1.3% | -0.6% | -1.8% | -0.5% | -0.5% | -0.6% |
| Average Positive Mth | 1.3% | 1.5% | 0.4% | 0.5% | 0.9% | 1.5% | 1.4% | 1.1% | 0.7% | 0.7% | 0.7% | 1.1% |
| Volatility | 2.9% | 2.9% | 1.6% | 2.1% | 2.5% | 4.8% | 4.5% | 3.3% | 4.1% | 2.1% | 2.5% | 3.8% |
| Sharpe | 5.0 | 5.1 | -1.2 | 0.7 | 1.8 | 1.9 | 2.5 | 0.8 | 0.7 | 2.1 | 0.4 | 1.8 |
| Leverage (xNAV) Average | Simulated as of 29/02/2020 2019 until | | | | | | | | | | | 2.5 |
| Net Exposure (%NAV) Average | | | | | | | | | | | | 109% |

**Merger Arb. Situation - Decision of deleveraging
Classic situation as 2001/2007/2008...
...even if more severe**

Performance Chart

Simulated Data until september 2011.
Extrapolated Data from Oct 2011 to Sept 2015 (ie ABCA Multi real performance since its launch enhanced with the effect of the dynamic and optimized allocation of capital and the new fee structure).

Performance indicators at

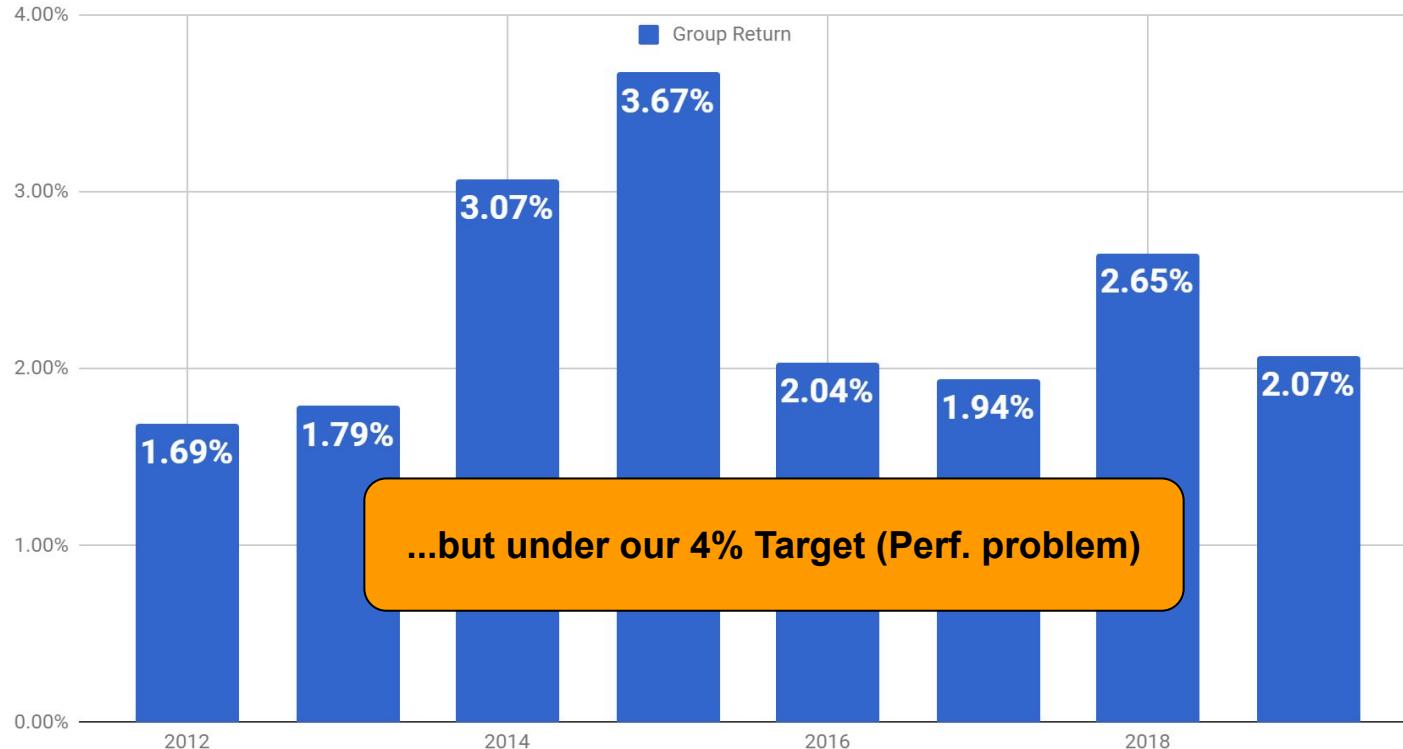
18 March 2020

ABCA OPPORTUNITIES

| Share Class / Bloomberg Id | Launch | NAV | %MtD |
|------------------------------------|---------|------------|---------|
| Class A (EUR) / ABCAOPP ID Equity | 2015-10 | 1,896.2747 | -14.32% |
| Class AL (EUR) / ABCAOAL ID Equity | 2015-10 | 1,930.5858 | -14.30% |
| Class C (USD) / ABCAOPU ID Equity | 2016-5 | 2,528.6433 | -14.02% |
| Class CL (USD) / ABCAOCL ID Equity | 2020-01 | 2,531.4284 | -14.00% |

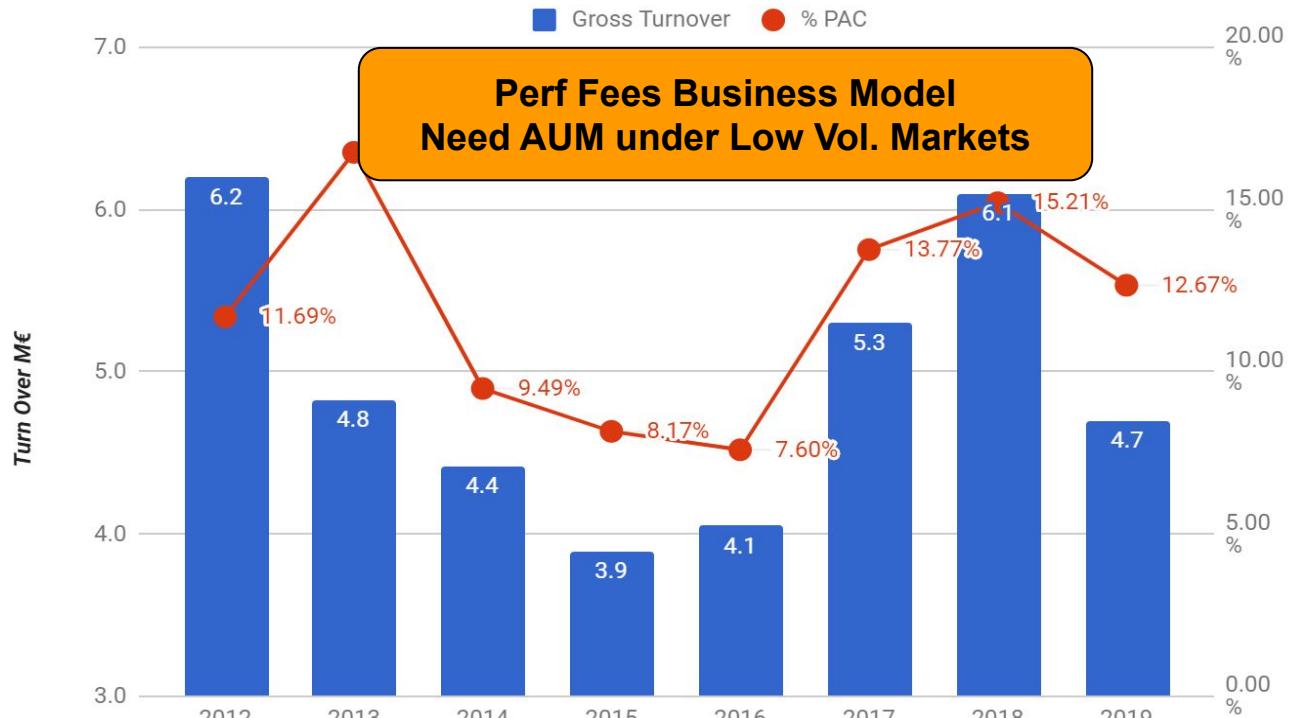
Return on AUM

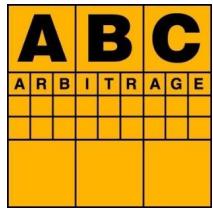
ABCG Return on External AUM



Clients Revenue

Turnover outsourced clients

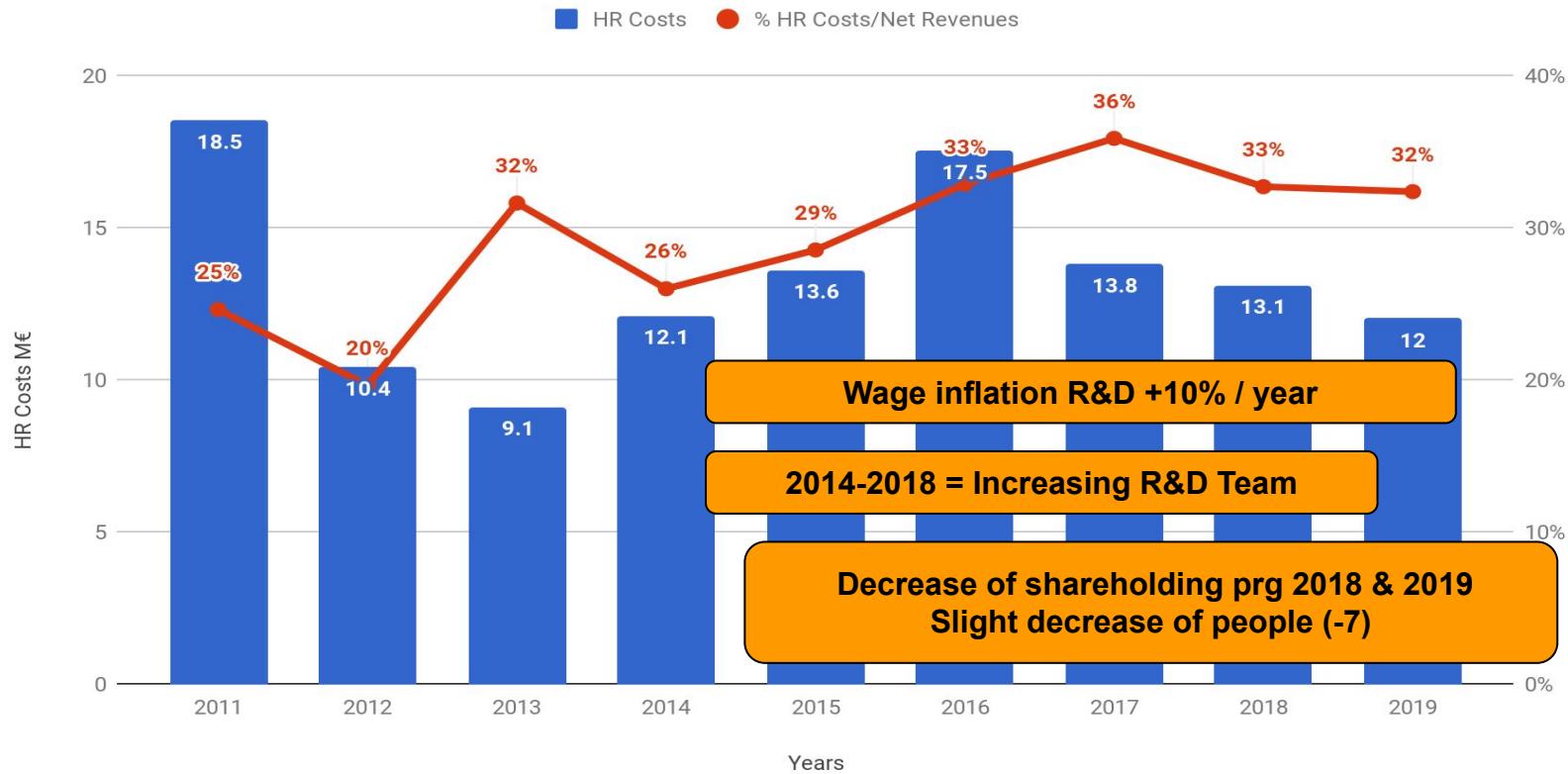




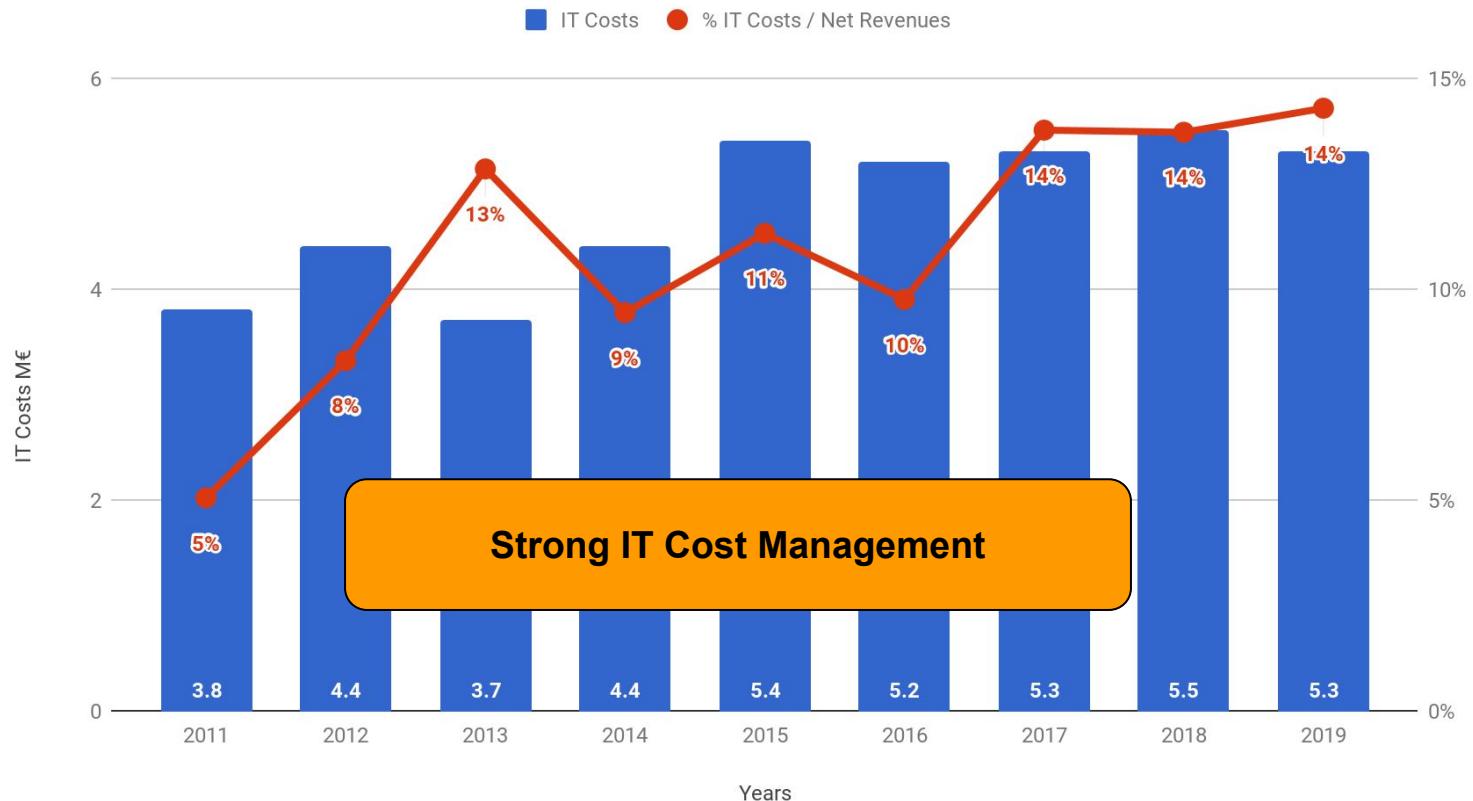
Costs

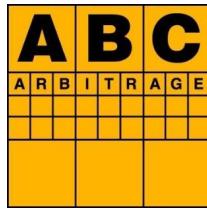


HR Costs € and % of Activity Level



IT Costs € - % of Net Revenues



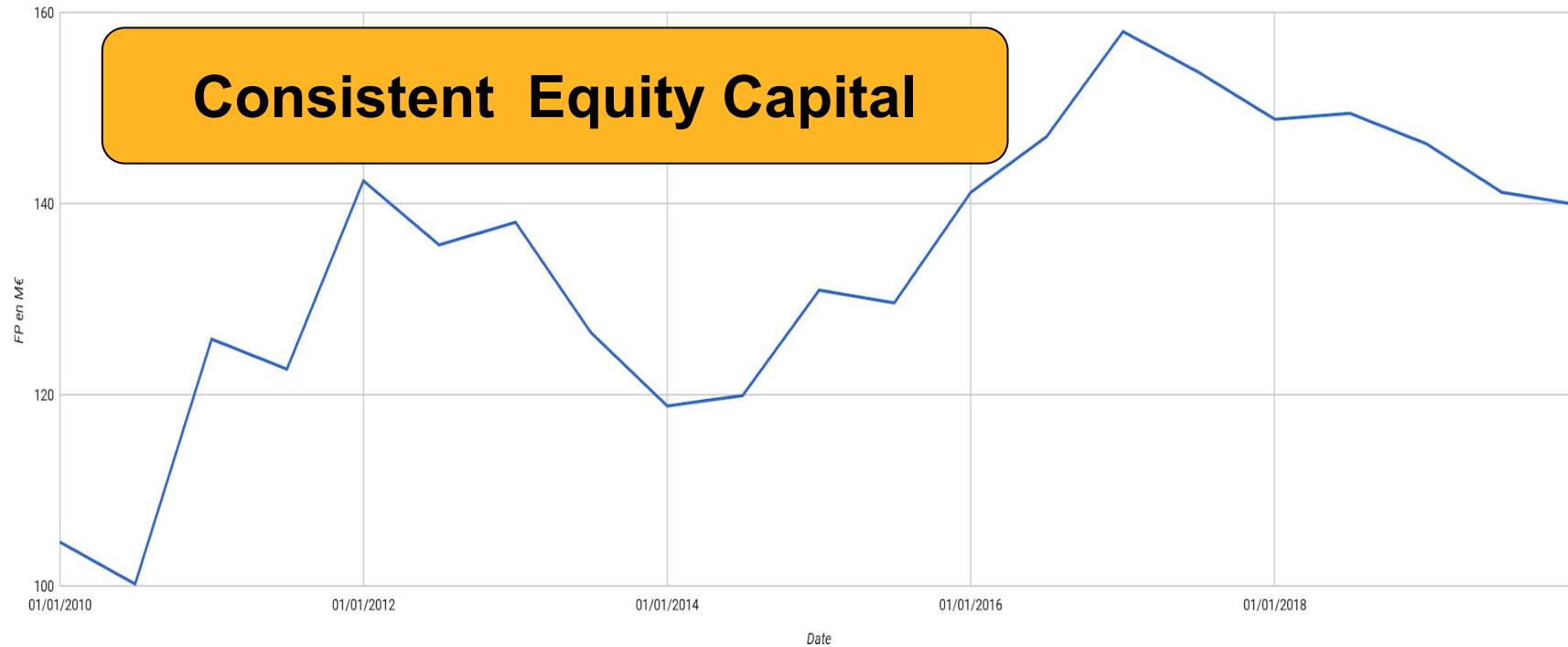


2019 Situation



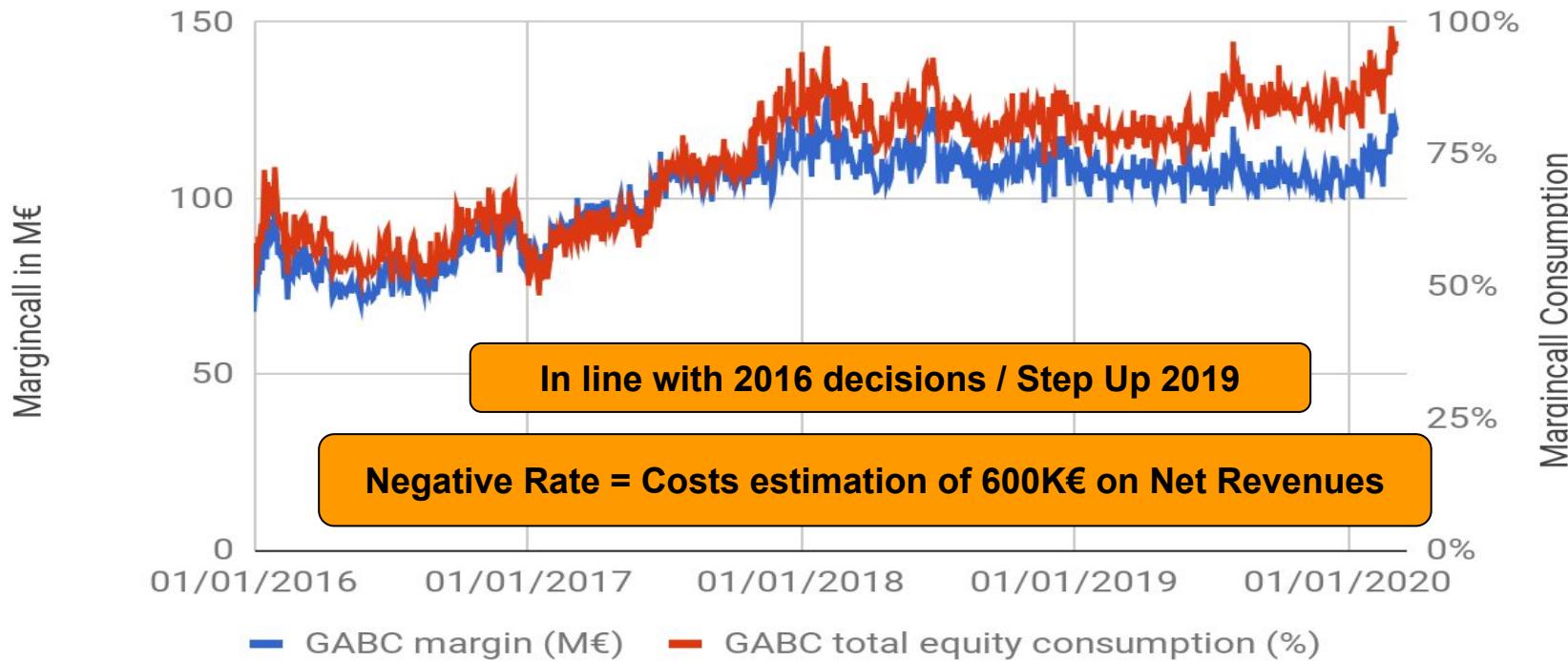
Consolidated Equity Capital - Since 01/01/2010

Equity in m€ vs Date

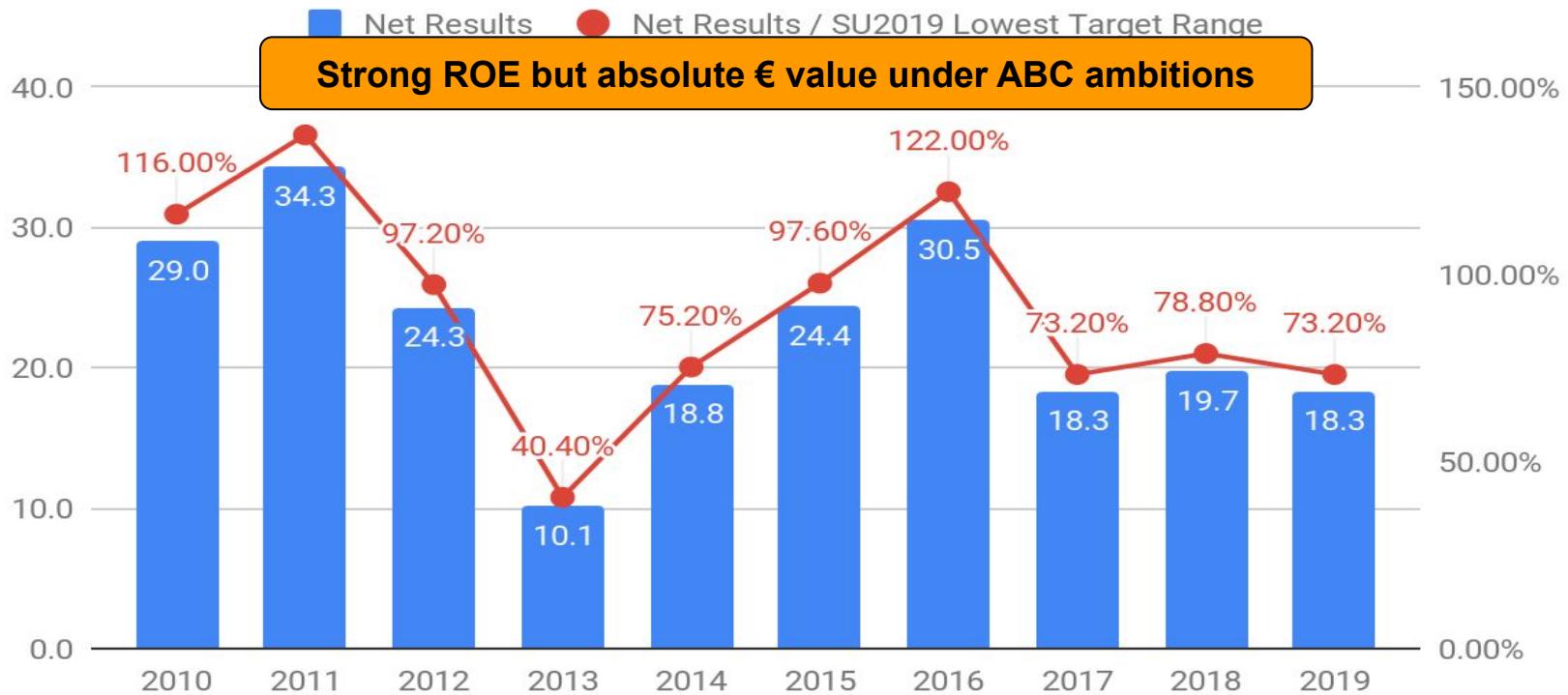


Indicator of the Employment of Capital

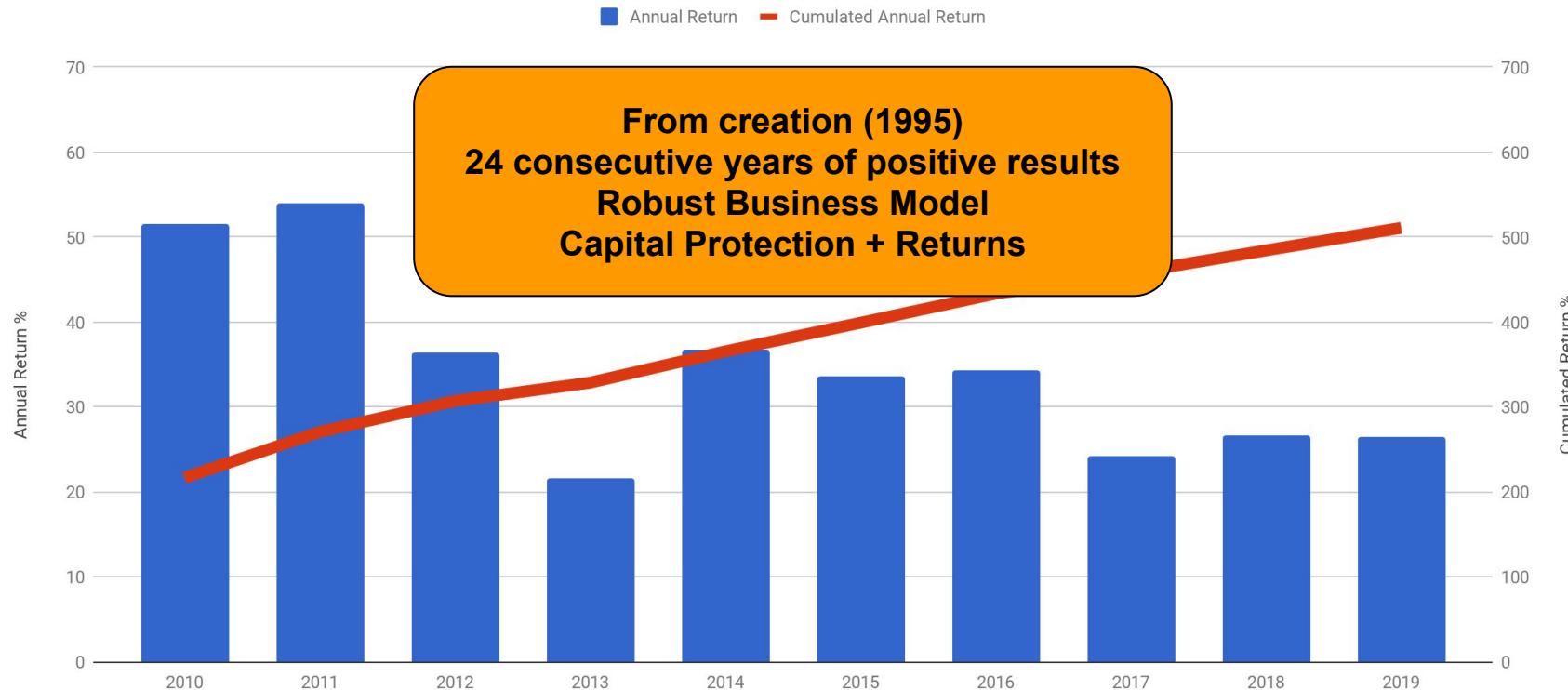
GABC

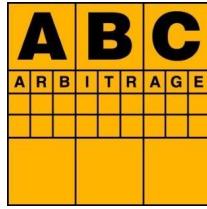


Net Results vs Ambitions



Gross Performances ABC arbitrage Group - From 2010 to 2019





2020 - End of Low Volatility Era ?



* from a french song of Claude François “ça s'en va et ça revient” (it does go away and comes back) - <https://youtu.be/nBSY4mNznzk>

2012-2019-New volatility era...2020 end of free lunch ?

Before Central Banks

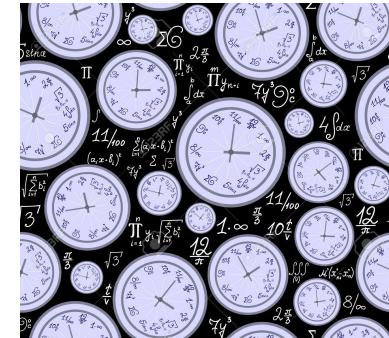


Central Banks Era



Strong personal convictions

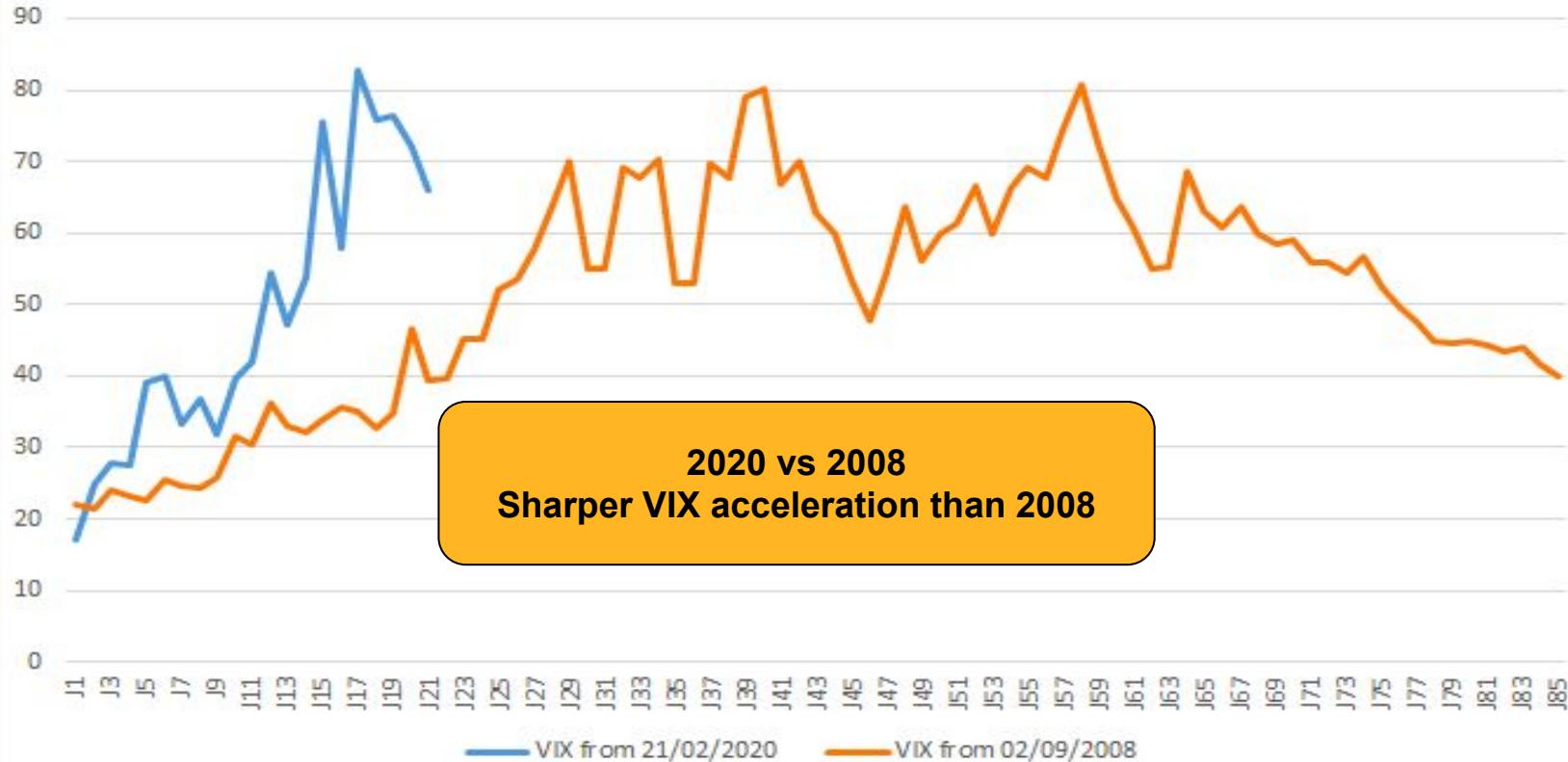
Le jour sans fin des
banquiers centraux



La cigale et la fourmi ...
et la BCE



VIX index



35%

SP500 (Close) on 20th March 2020

30%

25%

20%

15%

10%

5%

0%

2020 vs worst past markets crash
 2020 =so far the worst DD for modern markets era

5d

6d

7d

8d

9d

10d

11d

12d

13d

14d

15d

16d

17d

18d

19d

20d

21d

22d

worst DD 2020

worst DD 1987

worst DD 2008

SPX:IND
S&P 500 Index

+ ADD TO WATCHLIST

MARKET OPEN

AS OF 02:54 PM EDT 03/23/2020 EDT

2,238.01 USD -66.91 -2.90% ▼

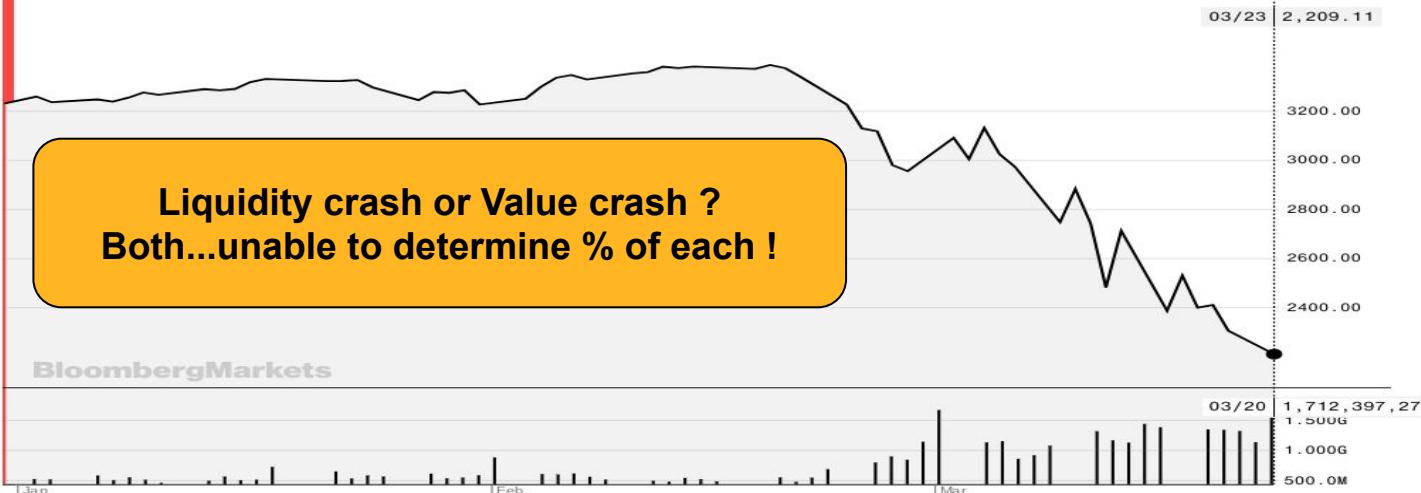
1D 1M 6M **YTD** 1Y 5Y

MINIMIZE CHART

🔍 Add a comparison

Liquidity crash or Value crash ?
Both...unable to determine % of each !

BloombergMarkets



OPEN
2,290.71

PREV CLOSE
2,304.92

1 YEAR RETURN
-18.47%

YTD RETURN
-30.73%

DAY RANGE
2,191.86 - 2,300.73

52 WEEK RANGE
2,191.86 - 3,393.52

YoY

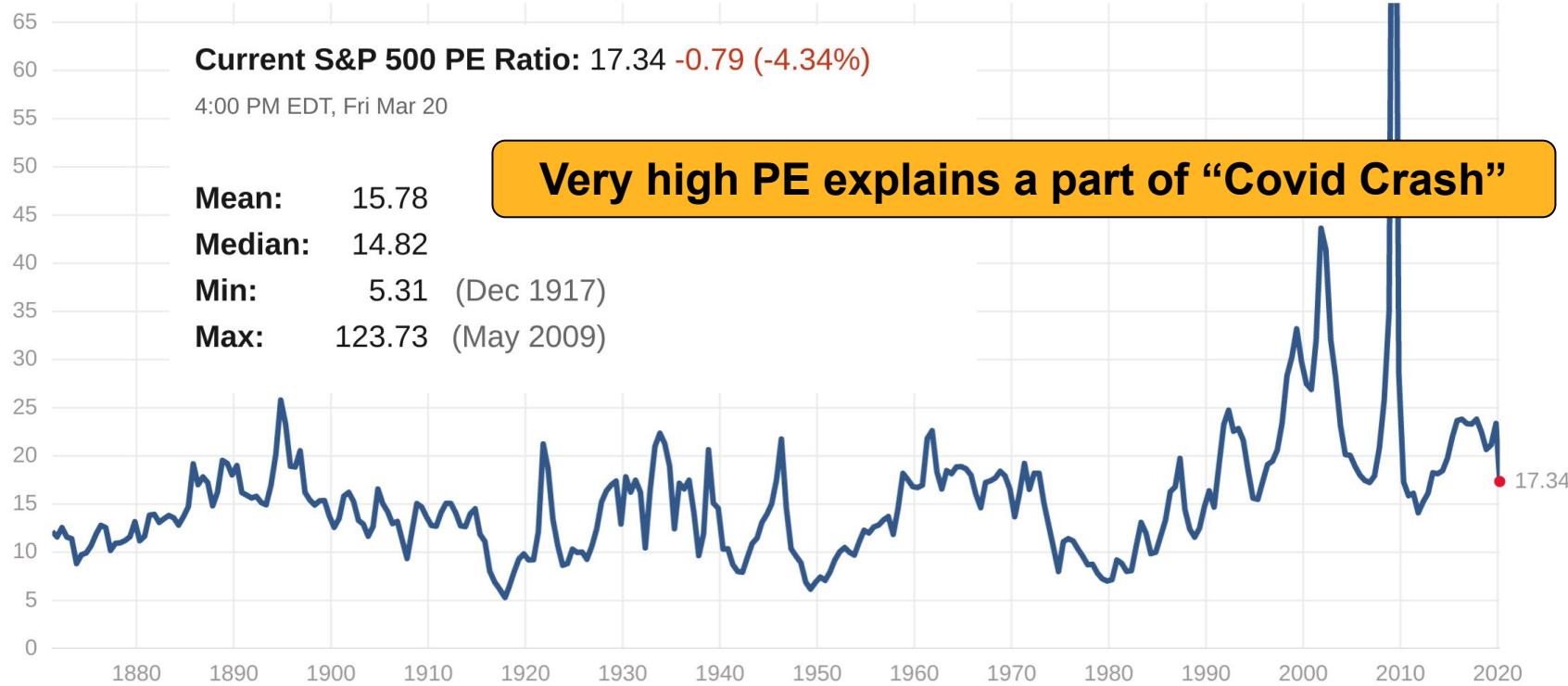
E

A

E



Major Differences with 2008 - 1/3

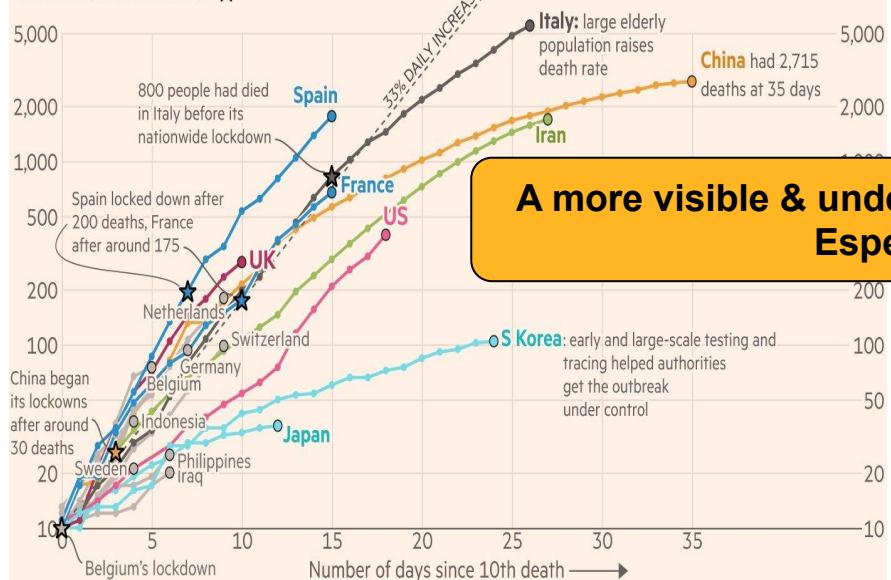


Major Differences with 2008 - 2/3

Coronavirus deaths in Italy, Spain and the UK are increasing much more rapidly than they did in China

Cumulative number of deaths, by number of days since 10th death

Nationwide lockdowns: ★

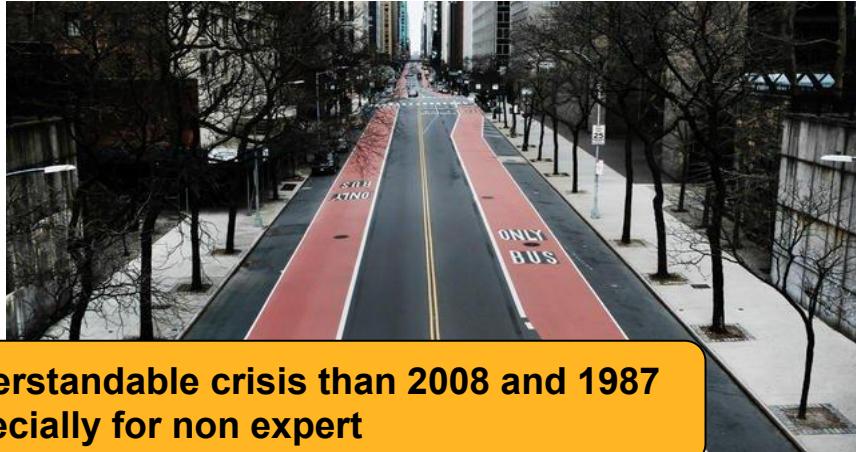


A more visible & understandable crisis than 2008 and 1987
Especially for non expert

FT graphic: John Burn-Murdoch / @jburnmurdoch

Source: FT analysis of Johns Hopkins University, CSSE; Worldometers. Data updated March 22, 19:00 GMT

© FT



Major Differences with 2008 - 3/3



Consequences of 2008 was a “Demand” crisis...
...2020 could be a “Supply and Demand” crisis!

Billionaire Ray Dalio says world's largest hedge fund 'didn't know how to navigate' coronavirus stock-market selloff and should have 'cut all risk' but failed to react

Published: March 15, 2020 at 7:10 p.m. ET

By Mark DeCambre

'We're disappointed because we should have made money rather than lost money in this move the way we did in 2008': Dalio



Ken Griffin's fund Citadel rumored in shocking drop in Tiffany shares

By Josh Kosman and Thornton McEnery

March 20, 2020



Renaissance Technologies [+ Add to myFT](#)

Renaissance tripped up by coronavirus-induced market upheaval

Secretive quant hedge fund endures one of its worst months in more than a decade

MARCH 17, 2020 by **Ortena Aliaj** in New York, **Robin Wigglesworth** in Oslo and **Miles Kruppa** in San Francisco

Renaissance Technologies, one of the world's biggest hedge funds, has been tripped up by the market turmoil unleashed by the coronavirus outbreak, underscoring how even the industry's brightest names are struggling to navigate the financial chaos.

It has been a rocky year for the \$75bn computer-powered "quantitative" hedge fund. Renaissance's stocks-focused fund had one of its worst months in more than a decade in February after losing more than 7 per cent. It managed to pare back some of those losses in the first week of March but suffered another setback when the turmoil worsened last week.

The Renaissance Institutional Equities fund is down 12 per cent year-to-date, while Renaissance's Institutional Diversified Alpha fund has declined by 10 per cent.

Les hedge fund dans la tempête mondiale du Coronavirus

Les fonds d'investissement alternatif ont été pris dans la tempête mondiale provoquée par la crise du coronavirus. Comme en 2008, le secteur des hedge fund devrait connaître une année moins marquée par des fermetures et la faute des clients.

[Lire plus](#) [Marchés financiers](#) [Twitter](#) [Facebook](#) [LinkedIn](#) [Commenter](#)



Par Nessim Aït-Kacihi

Publié le 17 mars 2020 à 13h36

12 ans après la crise de 2008, les hedge fund, ces fonds d'investissement alternatifs, affrontent une nouvelle rupture économique majeure qui les a pris de court. Peu d'entre eux parviennent à ne pas sombrer. Même le hedge fund star du monde quantitatif, Renaissance Technology fondé par Jim Simons, traverse une période difficile. Son fonds investit sur les actions et son fonds diversifié perdent respectivement 12 % et 10 % cette année. Par le passé, le hedge fund le plus emblématique du monde quantitatif est toutefois parvenu à renflouer la barre grise à l'intelligence de ses algorithmes et chercheurs.

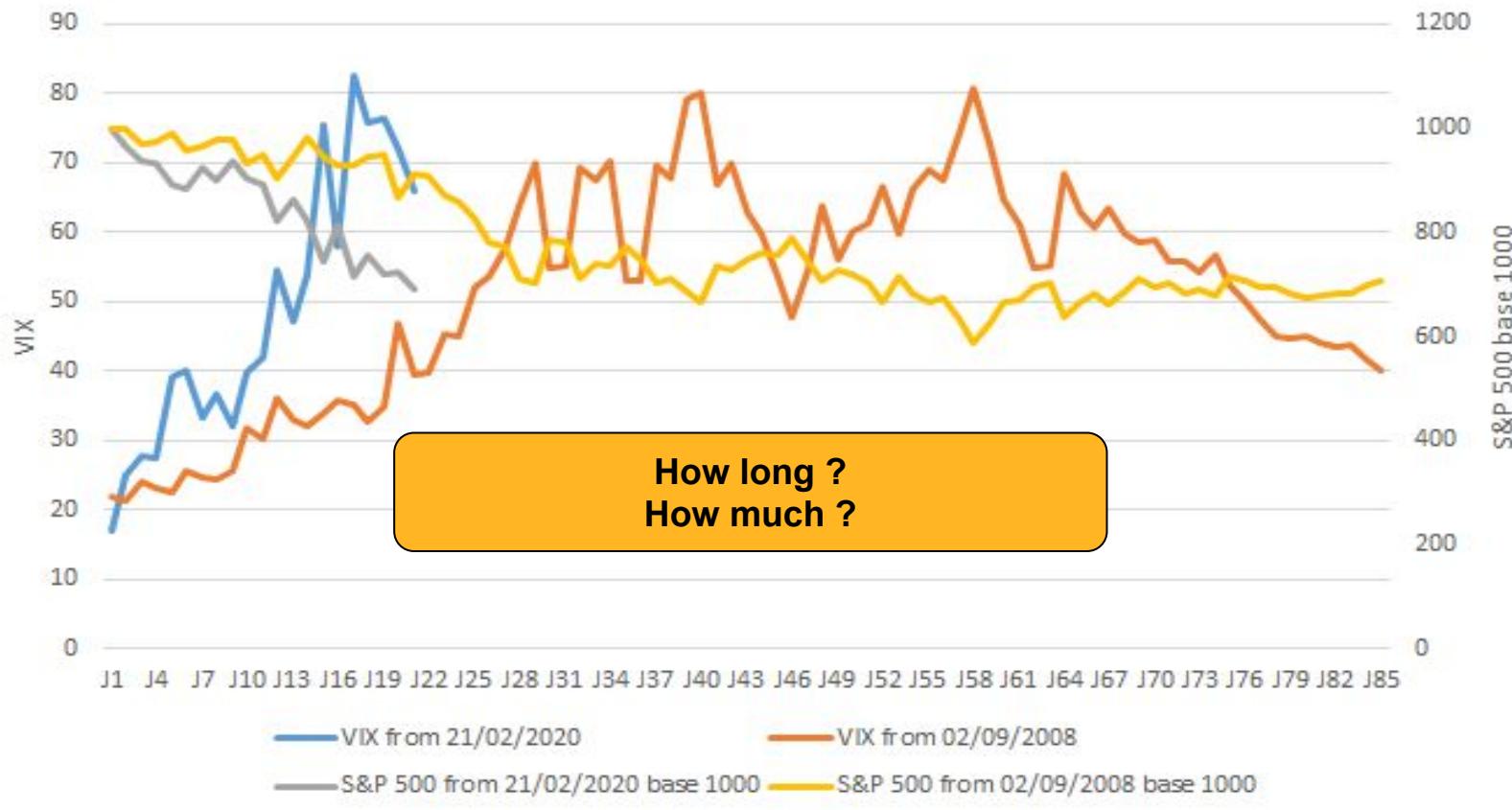
**Even Hedge Fund Stars has been trapped ??
Too soon to say...**

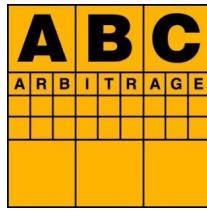
Hedge fund Millennium shuts several 'trading pods' over virus turmoil

Lay-offs expected as market swings wreak havoc on fixed-income and relative-value strategies

MARCH 19, 2020 by **Ortena Aliaj**, **Robin Wigglesworth** and **Henny Sender**

VIX index

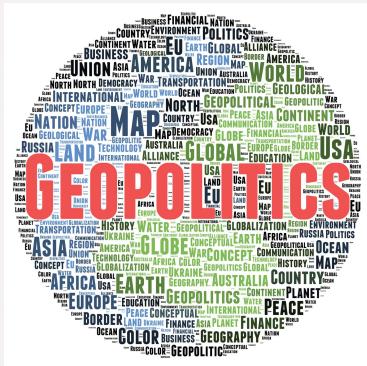
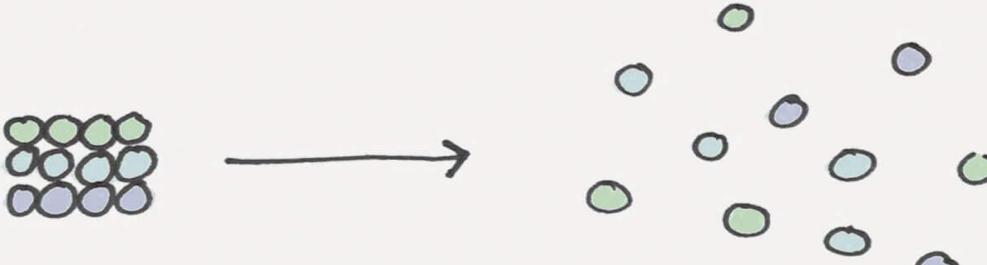




Strategic Plan ABC 2022

2019 Conviction

New Paradigm = a world of entropy.



ABC 2022 - Same Target...

**90M€ cumulative income over next 3 years
For almost all market conditions**

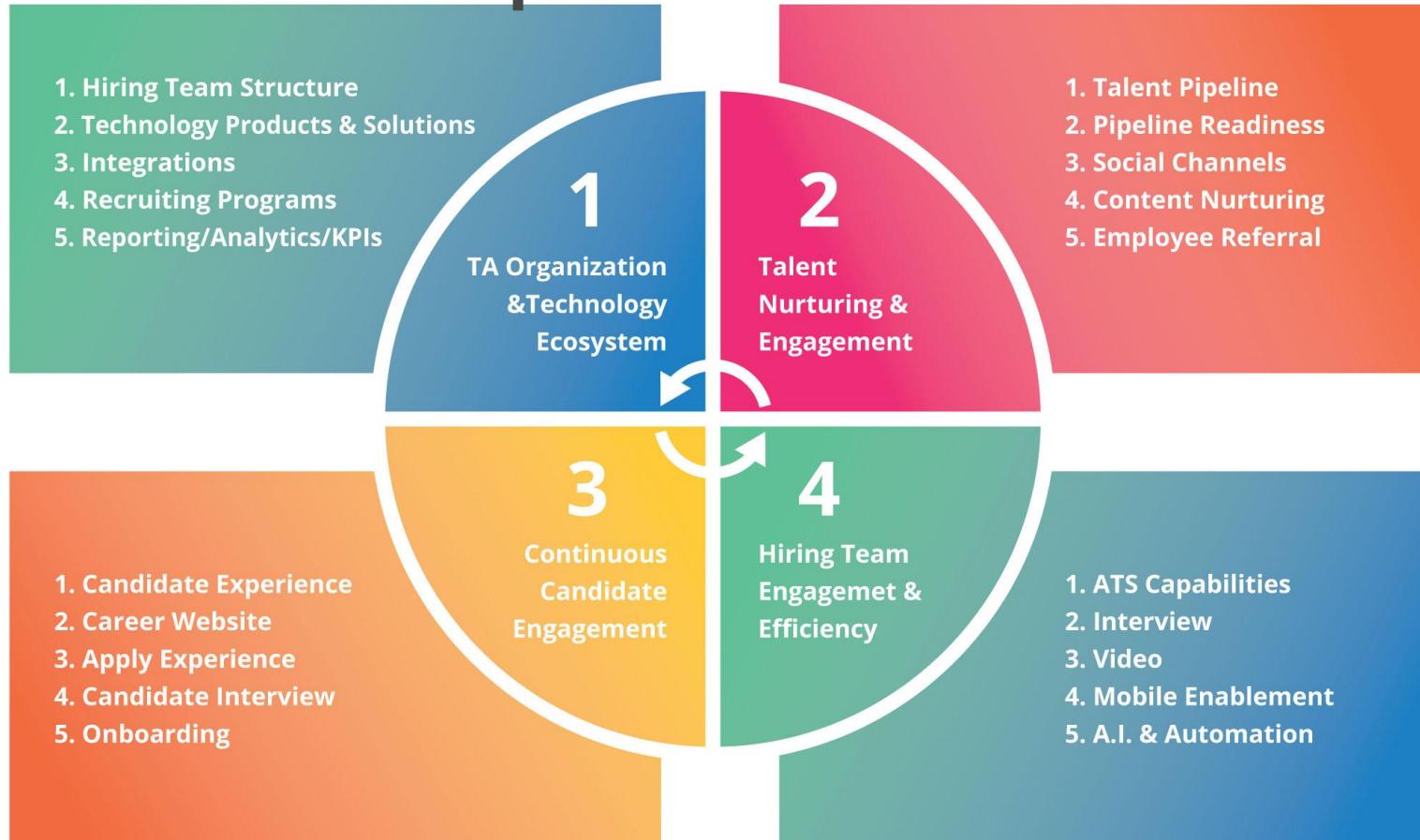
...Alternative solutions - Top 3 for ABC 2022

Strong increase of AUM up to 1B€

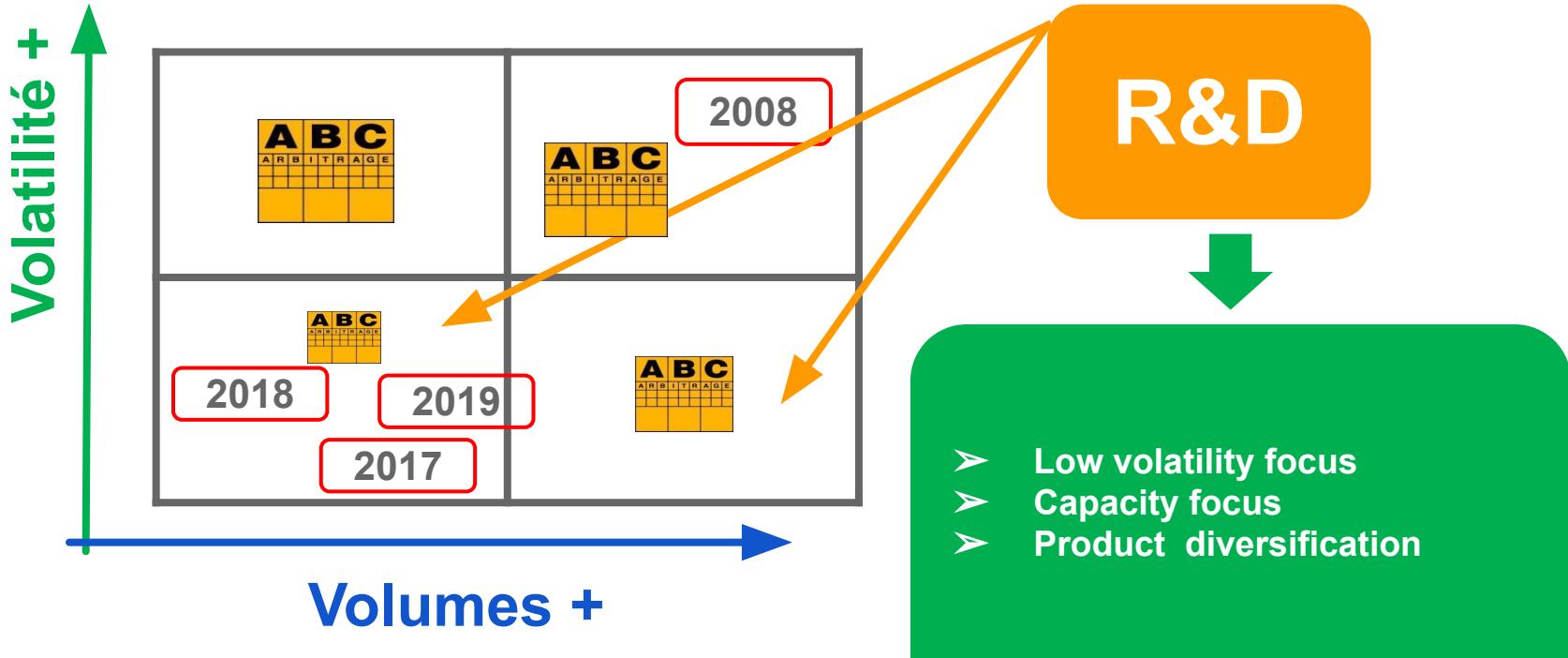
**Strong increase of AUM Capacity
Beyond 1B€**

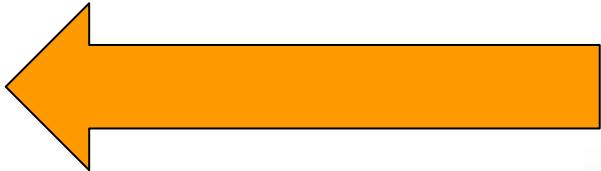
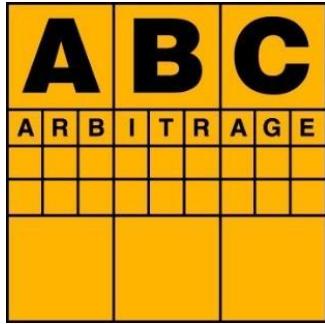
Improvement of our historic knowhow

2022 - Talent Acquisition



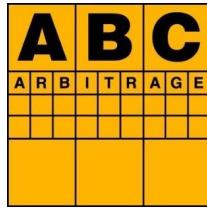
R&D 2022 - Low Volatility PnL





External Expertise Integration - Speed up our evolution
Already several recruitments in 2019/2020
Some others for the end of the HY
R&D - IT - Sales team





Les actions ABC arbitrage

ABC ARBITRAGE · W · EURONEXT PARIS 5.55 -0.35 (-5.93%)

Vol 20 51.873K 244.72K

CACMS, EURONEXT PARIS 8833.92

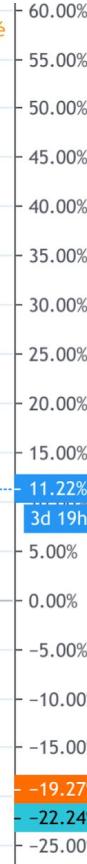
PX1, EURONEXT PARIS 3914.31

VENDRE
5.55

0.10

ACHETER
5.65

i + -

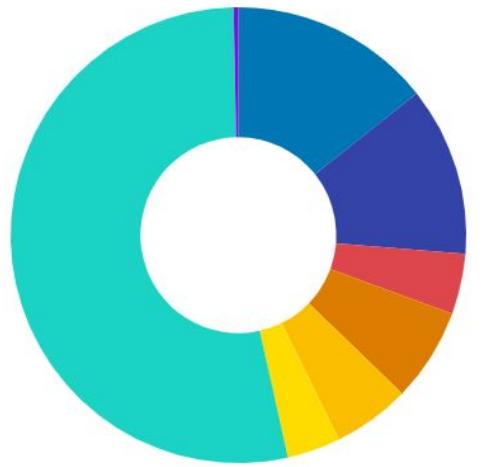


For last 5 years
ABCA = +11.22% + Distributions = 2.08€
CAC Mid Small = -19.27%
CAC40 = -22.24%



Répartition du capital

Mis à jour annuellement, dernière mise à jour : 23 mars 2020

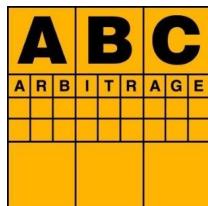


| | |
|----------|---------------------------|
| ■ 14.3% | Aubépar Industries |
| ■ 12.02% | Financière WDD* et IPA ** |
| ■ 4.29% | Dominique Ceolin |
| ■ 6.62% | Exilmium |
| ■ 5.49% | David Hoey |
| ■ 3.79% | Autre Management*** |
| ■ 53.15% | Flottant |
| ■ 0.34% | Autodétenion |



Distributions and Share Buyback Program

New Quarter Distribution Program



0,53€ since last July

0.23€ - Ex-date 9 Jul. 2019*
0.10€ - Ex-date 8 Oct. 2019*
0.10€ - Ex-date 10 Dec. 2019*

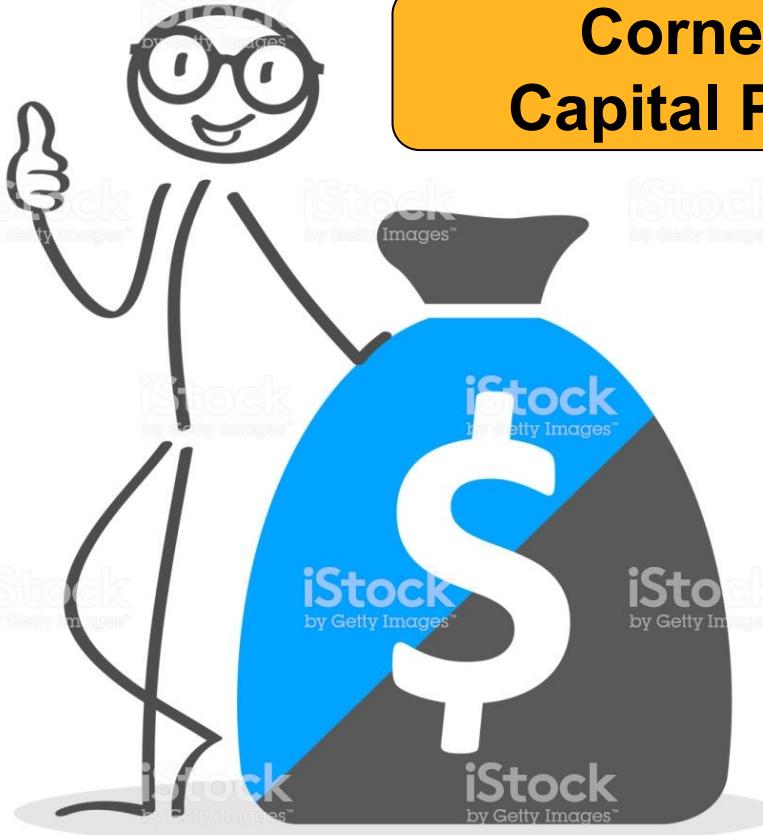
**0.10€ - interim dividend - 23 April 2020
2019 dividend - to be announced 24 April 2020**

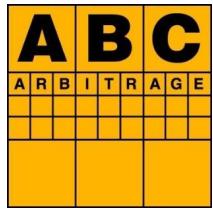


Distribution from 2000 = 9.35€

* voted in Annual General Meeting - 14 June 2019

Corner Stone Capital Protection





Q&A