

AURIS - Evolution Europe Class R USD Hedged

EUROPEAN EQUITIES MULTICAPS

REPORT N°12
OCTOBER 2017

ISIN Code	LU1531731500
Bloomberg	EEVRUSD LX
Launch Date	13/09/2016
Minimum investment	1 share
Subscriptions / Redemptions	Daily Cut off, 12.00 am Luxembourg Time
European equities (R Class)	Quantalys ★★★★★
European equities Flex caps (5 years)	MORNINGSTAR ★★★★★
	Style Rating +++++ EUROPERFORMANCE EDHEC
Pierre Fournier : 3 years : 75th / 412 5 years : 31th / 372	citywire A
Reference Index	DJ STOXX 600 € NRT (dividends reinvested)
Subscription Fees	2.50% (maximum sales commission)
Management Fees (max)	2.15% (tx. incl.) + 20.00% (tx. incl.) of the outperformance above the DJ STOXX EUROPE 600 NRT (if performance > 0)
Redemption fees	None
Sources	Bloomberg & Statpro Révolution
Fund managers	Pierre Fournier Alexis Arquie
Custodian	CACEIS Bank Luxembourg
Statutory auditor	Deloitte & Associés
Legal status	UCITS IV - SICAV, eligible for the PEA savings plan
Domicile	Luxembourg
Countries of distribution	France, Switzerland, Luxembourg, Spain, Belgium
NAV / Assets	\$114.01 / €208M
Mean/Median capitalization	€15,892M / €5,405M
Nb of holdings	46
Net equity exposure	93.27%

The fund is exposed to the following risks : risk of capital loss, equity risk, liquidity risk, risk linked to investing in equities in emerging markets, interest rate risk, credit risk, risks related to the use of speculative (high-yield) securities, exchange rate risk, counterparty risk, risk associated with the use of derivatives and risk associated with the subordination of certain debt securities.

For the investors residing outside the Eurozone, the return may increase or decrease as a result of currency fluctuations.

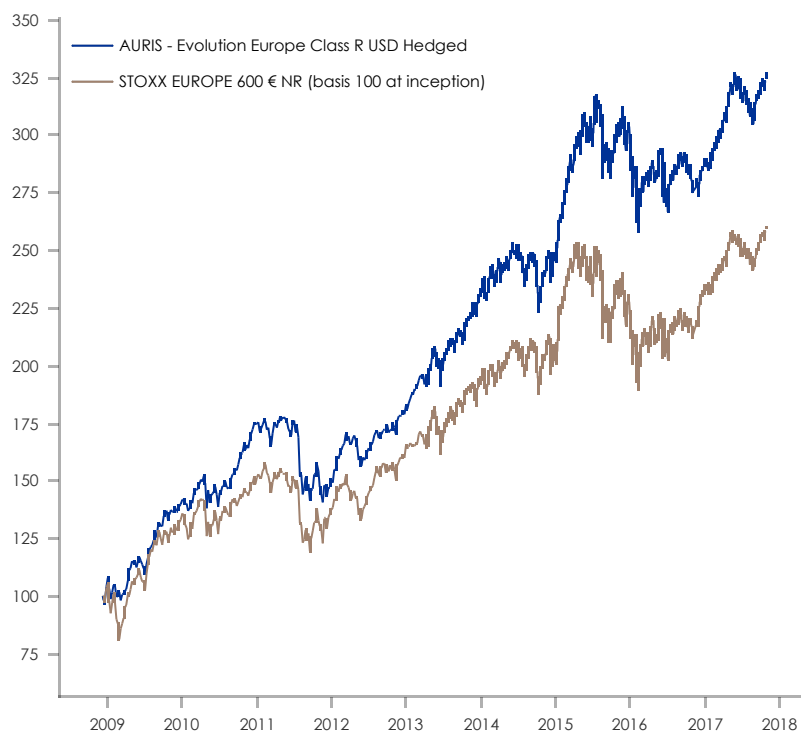
Risk and reward profile **1 2 3 4 5 6 7**

OBJECTIVES

- The fund's investment universe is the European Community's equities.
- The objective is to outperform its reference index over a period exceeding 5 years, with volatility below its index and a source of alpha derived primarily from stock picking.

PERFORMANCES

	Monthly	YTD
AURIS - Evolution Europe Class R USD Hedged	2.18%	13.91%
Reference Index	1.91%	12.05%



	Cumulative performance (%)				Annualized performance (%)		
	1 year	3 years	5 years	Since Inception	3 years	5 years	Since Inception
AURIS - Evolution Europe Class R USD Hedged	16.57%	37.50%	90.02%	226.13%	11.19%	13.65%	14.24%
Reference Index	19.74%	27.36%	67.64%	159.35%	8.39%	10.85%	11.33%

KEY FIGURES / PERFORMANCE INDICATORS

	AURIS - Evolution Europe	Reference index
Volatility 3 years	11.96%	15.51%
Nb positive months	73	66
Nb negative months	34	41
Max. monthly gain	10.99%	13.84%
Max. monthly loss	-13.08%	-14.77%
Average weekly perf. (with positive index)	1.31%	1.70%
Average weekly perf. (with negative index)	-1.14%	-1.77%

AURIS - Evolution Europe Class R USD Hedged

EUROPEAN EQUITIES MULTICAPS

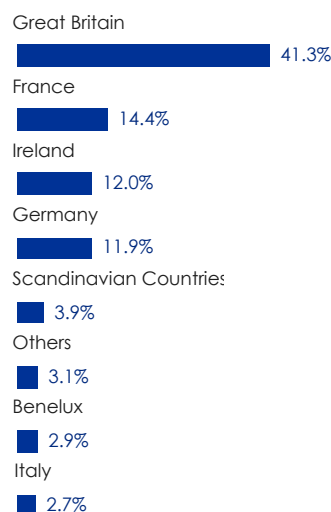
AURIS
INVESTMENT MANAGERS

HISTORICAL PERFORMANCE % (NET OF FEES)

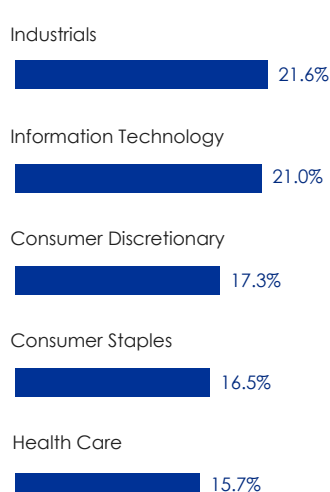
		jan.	feb.	mar.	apr.	may	june	july	aug.	sept.	oct.	nov.	dec.	Annual/YTD
2010	Fund	0.19%	0.09%	4.69%	1.47%	-3.59%	0.20%	2.74%	-0.85%	5.68%	4.74%	1.15%	6.29%	24.75%
	Reference index	-2.68%	-0.28%	7.51%	-0.98%	-5.32%	1.97%	2.94%	-1.43%	5.17%	0.84%	0.45%	3.52%	11.61%
2011	Fund	-1.03%	-0.30%	-0.85%	3.91%	-0.38%	-1.02%	-3.42%	-13.08%	-0.40%	7.38%	-10.42%	4.94%	-15.40%
	Reference index	1.78%	1.48%	-2.63%	3.39%	-0.85%	-1.98%	-2.70%	-14.77%	0.46%	10.16%	-10.80%	10.48%	-8.61%
2012	Fund	4.97%	5.45%	3.65%	0.20%	-5.56%	1.36%	2.80%	0.97%	1.67%	0.20%	3.65%	0.46%	21.17%
	Reference index	4.57%	3.81%	-0.14%	-1.04%	-5.61%	3.93%	3.54%	2.74%	0.99%	0.86%	2.12%	1.15%	17.80%
2013	Fund	3.73%	2.66%	2.80%	1.07%	3.12%	-2.92%	4.91%	-0.41%	2.88%	3.16%	3.25%	1.93%	29.26%
	Reference index	4.04%	-0.27%	2.20%	1.66%	2.04%	-5.07%	5.21%	-0.51%	4.52%	3.93%	1.03%	1.03%	21.18%
2014	Fund	-0.37%	5.42%	0.26%	0.08%	2.18%	-0.62%	-1.67%	1.02%	-0.41%	-3.02%	4.05%	0.62%	7.49%
	Reference index	-1.66%	5.00%	-0.79%	1.57%	2.60%	-0.52%	-1.64%	2.03%	0.41%	-1.74%	3.26%	-1.28%	7.20%
2015	Fund	5.72%	6.86%	1.62%	3.66%	2.82%	-1.94%	4.46%	-5.10%	-2.79%	4.41%	3.80%	-2.47%	22.21%
	Reference index	7.25%	6.98%	1.68%	0.10%	1.67%	-4.49%	4.01%	-8.23%	-4.06%	8.08%	2.81%	-5.03%	9.60%
2016	Fund	-6.12%	-3.53%	2.73%	0.09%	3.72%	-6.82%	3.79%	1.34%	0.60%	-3.18%	-0.86%	3.23%	-5.66%
	Reference index	-6.37%	-2.21%	1.40%	1.75%	2.50%	-4.83%	3.73%	0.74%	-0.11%	-1.03%	1.05%	5.75%	1.73%
2017	Fund	-0.36%	3.73%	2.91%	3.33%	2.57%	-2.01%	-0.83%	-1.37%	3.17%	2.18%			13.91%
	Reference index	-0.31%	3.05%	3.32%	1.98%	1.45%	-2.53%	-0.35%	-0.79%	3.90%	1.91%			12.05%

*Reference index STOXX EUROPE 600 € NR

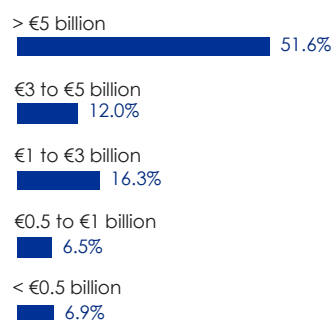
COUNTRY BREAKDOWN



INDUSTRY BREAKDOWN



BREAKDOWN BY MARKET CAPITALIZATION



TOP HOLDINGS

MICRO FOCUS INTERNATIONAL
FRESENIUS
CAP GEMINI
RECKITT BENCKISER
BABCOCK INTERNATIONAL

RISK INDICATORS (3 YEARS)

Sharpe Ratio 0.94
Beta 0.70
Jensen's Alpha 5.80%

MANAGER'S COMMENTARY

In October, Evolution Europe is up a bit north of 2% and outperforms its benchmark thanks to several good earnings releases and despite having no exposure to the mining and energy sectors, both strong performers. **Ryanair** is back in the market's good graces after confirming its guidance for the year and showing 16% EPS growth. After a somewhat weak release, we sold our position in **Unilever** (Netherlands, Staples, €145bn) at a price 35% higher than when we first bought it in December 2016.

Among this month's best performers, we find a UK-listed company with UK-centric operations – proving once again that picking securities with underlying businesses which are uncorrelated from macro forces allows us to avoid the consequences of events like Brexit.

Just Eat (UK, consumer discretionary, £5bn) has indeed just published a 47% top line growth in the third quarter and the stock has gone up 17% this month. We met with the company one year ago, in November 2016 in London. We were impressed by its business model, similar to Schibsted – another good performance in the portfolio! – meaning that the leader becomes so entrenched as to be undisputable. Yet, we waited for March 2017 to invest at price of around 500p, as the stock lost 20% following a change of CEO, which in our view did not weaken the investment case.

This platform for food order and delivery has operations in a number of countries (for example it operates under the Allo Resto brand in France). It allows the consumer to choose, order, and pay for his meal through the Internet – the restaurant itself being responsible for the delivery. For the restaurant, Just Eat is an essential intermediary through which it can be more visible and generate a large part – 30% on average – of its sales. Thanks to this dominant position, Just Eat can charge a commission rate of up to 14% of the amount ordered through its platform. Furthermore, Just Eat offers numerous advantages to its restaurants-partners - significant discounts at a large food wholesaler for example. Even in a relatively mature country like the UK, Just Eat still benefits from the structural shift of orders previously going through the telephone and now going online – still around 50% of orders are made through the telephone. In this context, it is not surprising that the number of orders going through the Just Eat platform in the UK were up 22% in the 3rd quarter.

Recent publications were mainly positive and allowed us to make several adjustments by selling companies which reached their price targets (Unilever) and adding to those that did not appreciate or even declined since our first purchase. We shall continue to be opportunistic in a month of November that is set to see even more earnings releases.

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