

AURIS - Evolution Europe Class N (EUR)

EUROPEAN EQUITIES MULTICAPS

REPORT
OCTOBER 2018

ISIN Code	LU1746645792 LX
Bloomberg	EEVNEUR LX
Launch Date	19/01/2018
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 ★★
---------------------------------------	-----------------------

Pierre Fournier : 3 years : 329th / 424 5 years : 63th / 375	CITYWIRE
--	-----------------

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 Daniel Fighiera
---------------	------------------------------------

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
---------------------------	--

NAV / Assets	€86.75 / €107M
--------------	----------------

Mean/Median capitalization	€18,713M / €5,871M
----------------------------	--------------------

Nb of holdings	39
----------------	----

Net equity exposure	98.00%
---------------------	--------

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.

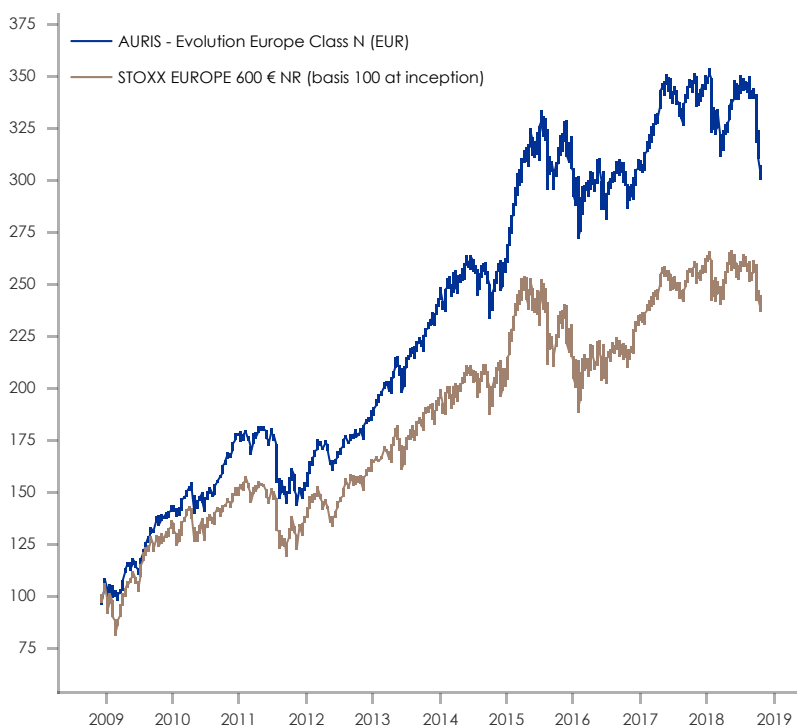
For the investors residing outside the Eurozone, the return may increase or decrease as a result of currency fluctuations.

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 N (EUR)	-10.15%	-11.30%
Reference Index	-5.53%	-4.68%



	Cumulative performance (%)				Annualized performance (%)		
	1 year	3 years	5 years	Since Inception	3 years	5 years	Since Inception
AURIS - Evolution Europe Class N (EUR)	-12.50%	-2.91%	34.25%	206.07%	-0.98%	6.06%	11.99%
Reference Index	-5.93%	4.71%	28.60%	143.98%	1.54%	5.16%	9.45%

L'historique antérieur à la date de création de la classe N (19 janvier 2018) est simulé à partir des performances de la Classe R ajustées du différentiel de frais de gestion.

KEY FIGURES / PERFORMANCE INDICATORS

	AURIS - Evolution Europe	Reference index
Volatility 3 years	12.10%	13.65%
Nb positive months	80	72
Nb negative months	39	47
Max. monthly gain	11.07%	13.84%
Max. monthly loss	-13.03%	-14.77%
Average weekly perf. (with positive index)	1.26%	1.64%
Average weekly perf. (with negative index)	-1.14%	-1.73%

AURIS - Evolution Europe Class N (EUR)

EUROPEAN EQUITIES MULTICAPS

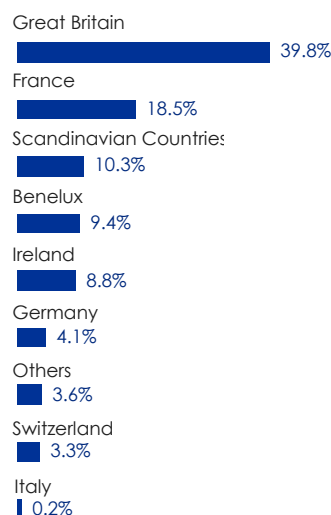
AURIS
INVESTMENT MANAGERS

HISTORICAL PERFORMANCE % (NET OF FEES)

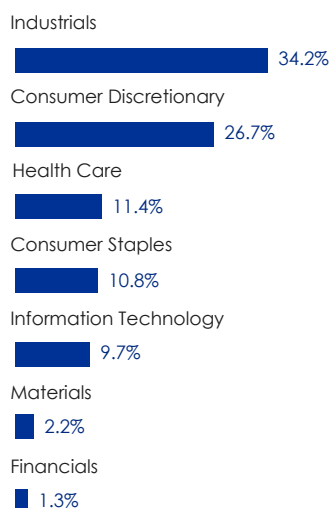
		jan.	feb.	mar.	apr.	may	june	july	aug.	sept.	oct.	nov.	dec.	Annual/YTD
2011	Fund	-0.97%	-0.24%	-0.79%	3.99%	-0.32%	-0.95%	-3.36%	-13.03%	-0.32%	7.44%	-10.36%	5.02%	-14.72%
	Reference index	1.78%	1.48%	-2.63%	3.39%	-0.85%	-1.98%	-2.70%	-14.77%	0.46%	10.16%	-10.80%	10.48%	-8.61%
2012	Fund	5.03%	5.52%	3.73%	0.26%	-5.50%	1.43%	2.87%	1.05%	1.73%	0.27%	3.73%	0.52%	22.14%
	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	3.79%	2.72%	2.87%	1.14%	3.17%	-2.87%	4.97%	-0.36%	2.94%	3.22%	3.30%	1.99%	30.14%
	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	-0.32%	5.47%	0.31%	0.13%	2.23%	-0.57%	-1.62%	1.07%	-0.36%	-2.97%	4.10%	0.67%	8.16%
	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	5.78%	6.91%	1.68%	3.72%	2.87%	-1.89%	4.51%	-5.05%	-2.74%	4.46%	3.85%	-2.42%	22.97%
	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	-6.08%	-3.48%	2.79%	0.14%	3.78%	-6.78%	3.84%	1.39%	0.73%	-3.28%	-0.54%	3.98%	-4.24%
	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	-0.49%	4.46%	2.93%	3.30%	2.56%	-2.06%	-0.86%	-1.39%	3.11%	2.18%	-3.09%	1.79%	12.79%
	Reference index	-0.31%	3.05%	3.32%	1.98%	1.45%	-2.53%	-0.35%	-0.79%	3.90%	1.91%	-2.02%	0.72%	10.58%
2018	Fund	0.49%	-4.72%	-3.86%	1.92%	3.43%	2.16%	1.40%	0.14%	-1.94%	-10.15%			-11.30%
	Reference index	1.66%	-3.81%	-1.99%	4.49%	0.13%	-0.63%	3.14%	-2.14%	0.32%	-5.53%			-4.68%

*Reference index

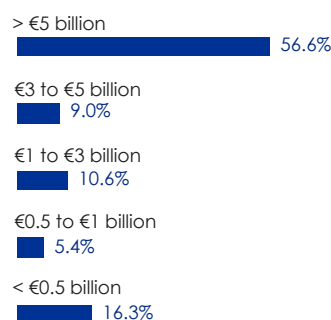
COUNTRY BREAKDOWN



INDUSTRY BREAKDOWN



BREAKDOWN BY MARKET CAPITALIZATION



TOP HOLDINGS

GVC HLDGS
SCHIBSTED B
RYANAIR HOLDINGS
KONINKLIJKE PHILIPS NV
MICRO FOCUS INTERNATIONAL

RISK INDICATORS (3 YEARS)

Sharpe Ratio -0.19
Beta 0.80

MANAGER'S COMMENTARY

Evolution Europe ended October lower in a bear market that fell, victim to macroeconomic concerns. In that irrational market, the fund underperformed its benchmark index, despite market conditions that are usually beneficial to the defensive nature of our investments.

Sectoral performances did not favour Evolution Europe, since the most resilient sectors were utilities and telecoms, which the fund is absent from, whereas service companies, which we are highly invested in, trailed the pack at -9.26%.

There are other reasons for this underperformance, however. As convinced investors, a point explained in our previous reports, we have started taking positions in companies that had already been impacted, losing up to 50% of their value in some cases (Tarkett and Maisons du Monde). That said, it is never possible to identify when a stock will bottom out, even when it has very high upside potential. For example we invested in Sopra at €70 when it bought Steria, and it reached €180 this year, but it had begun falling at €50 (i.e. -30%) in the months following the acquisition. We bought into the stock again at between €125 and €150 this year, consequently suffering from the sell-off following the recent profit warning (impact: -85bps). Tarkett's share price also fell despite a decent trading update, but we preferred to sell this position because the business environment (prices/raw materials) appeared less supportive. We remain confident in the success of the reinvestments made during the sell-off, some of which are already in positive territory.

Micro Focus International lost 14% after rallying strongly in the previous months, costing the fund around 80bps. Its recent results were slightly ahead of forecasts, and the stock has since rebounded. To illustrate how jittery the markets are, Philips lost 16% (impact: -75bps) despite reporting results ahead of forecasts at constant exchange rates, with an investment case that has not changed one iota.

The only real disappointments were Fresenius SE and Fresenius Medical Care, whose respective results revealed difficulties that appear structural to us, prompting us to divest our stakes in the two companies, with a negative impact on the fund of approximately 50bps.

While the current market environment is prone to anxiety, it represents an opportunity for us since, for the first time in several years, we are able to reinvest in quality and value-creating companies with high upside potential of over 40% in some cases. We therefore buy from "weak hands", who sell for technical reasons (funds outflows) or for lack of understanding of the stocks they hold, while taking a close look at the macroeconomic and liquidity risks. We truly believe that our current investments will pay off handsomely. For illustrative purposes, the fund's upside potential is at a five-year high of over 40%. The fund has clawed back ground relative to its benchmark index in November at the time of writing this investment commentary.

DISCLAIMER. This document is established by Auris Gestion, an asset management company incorporated in Paris under French law. It contains information, opinions and data which Auris Gestion believes to be pertinent and accurate as of the date of their production and taking into account the economic, financial and market environment. It is produced for the sole purpose of information and should not be considered as an offer for sale or a recommendation.

It does not constitute a convention or a commitment of whatsoever nature. This document is furnished without our knowledge of your risk profile, which shall be established upon a test of adequacy prior to any contractual commitment. Prior to any investment decision you should: (i) read carefully the Key Investor Information Document or the Prospectus established under the control of the supervisory authority (Autorité des Marchés Financiers « AMF ») and available upon request to Auris Gestion or any other distributors of the fund, (ii) enquire about the detailed rules of the fund, including its last available periodical disclosures established by the asset management company, Auris Gestion, (iii) consult your own legal and tax advisors to validate the suitability of a subscription in the fund with your own financial situation and objectives.

Taking into account economic and market's risks Auris Gestion cannot guarantee any objective of performance. The value of your investment can as well go up or down and past performances are not an indicator of future performances.

AURIS INVESTMENT MANAGERS is a trade name for the fund management activity of AURIS GESTION.

Additional Information for Switzerland : The prospectus and the Key Investor Information Documents for Switzerland, the fund contract, the annual and semi-annual report, in French, and further information can be obtained free of charge from the representative in Switzerland: Carnegie Fund Services S.A., 11, rue du Général-Dufour, CH-1204 Geneva, Switzerland, web: www.carnegie-fund-services.ch. The Swiss paying agent is: Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva. The last unit prices can be found on www.fundinfo.com. For the units of the Funds distributed to non-qualified investors in and from Switzerland and for the units of the Funds distributed to qualified investors in Switzerland, the place of performance is Geneva.