

AURIS - Evolution Europe Class R (EUR)

EUROPEAN EQUITIES MULTICAPS

REPORT
FEBRUARY 2018

ISIN Code	LU1250158919
Bloomberg	EEVREUR LX
Launch Date	15/12/2008
Minimum investment	1 share

Subscriptions / Redemptions	Daily Cut off, 12.00 am Luxembourg Time
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European equities (R Class)	
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European equities Flex caps (5 years)	
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Pierre Fournier : 3 years : 86th / 340 5 years : 42th / 270	
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Reference Index	DJ STOXX 600 € NRT (dividends reinvested)
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Subscription Fees	2.50% (maximum sales commission)
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Management Fees (max)	2.15% (tx. incl.) + 20.00% (tx. incl.) of the outperformance above the DJ STOXX EUROPE 600 NRT (if performance > 0)
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Redemption fees	None
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Sources	Bloomberg & Statpro Révolution
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Fund managers	Pierre Fournier Alexis Arquie
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Custodian	CACEIS Bank Luxembourg
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Statutory auditor	Deloitte & Associés
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Legal status	UCITS IV - SICAV, eligible for the PEA savings plan
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Domicile	Luxembourg
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Countries of distribution	France, Switzerland, Luxembourg, Spain
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NAV / Assets	€309.69 / €171M
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Mean/Median capitalization	€14,956M / €4,975M
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Nb of holdings	42
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Net equity exposure	91.76%
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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.

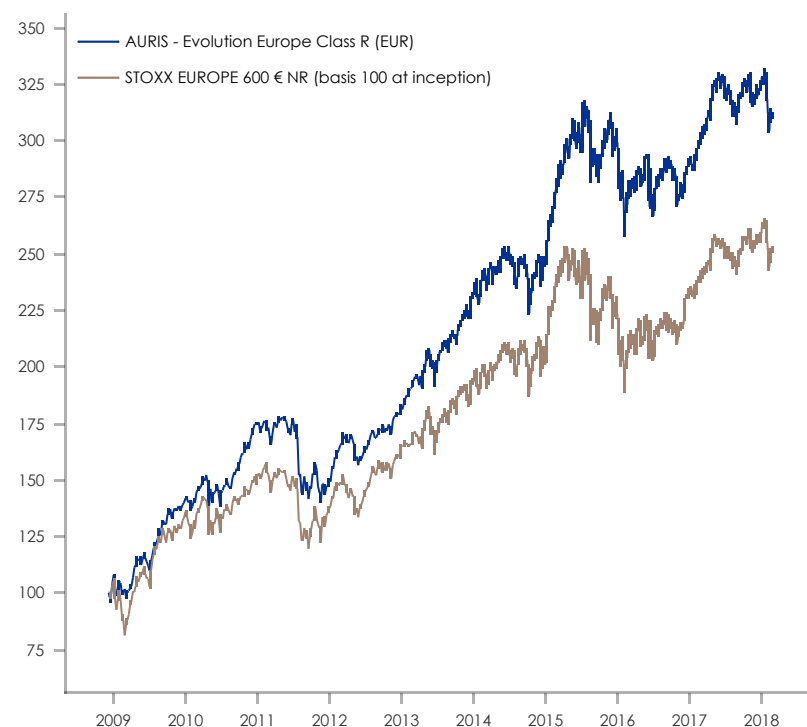
For the investors residing outside the Eurozone, the return may increase or decrease as a result of currency fluctuations.

Risk and reward profile	1 2 3 4 5 6 7
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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 (EUR)	-4.78%	-4.34%
Reference Index	-3.81%	-2.21%



	Cumulative performance (%)				Annualized performance (%)		
	1 year	3 years	5 years	Since Inception	3 years	5 years	Since Inception
AURIS - Evolution Europe Class R (EUR)	3.27%	10.40%	62.74%	209.69%	3.35%	10.19%	13.06%
Reference Index	5.25%	5.07%	50.94%	150.28%	1.66%	8.55%	10.47%

KEY FIGURES / PERFORMANCE INDICATORS

	AURIS - Evolution Europe	Reference index
Volatility 3 years	12.04%	14.92%
Nb positive months	75	68
Nb negative months	36	43
Max. monthly gain	10.99%	13.84%
Max. monthly loss	-13.08%	-14.77%
Average weekly perf. (with positive index)	1.28%	1.68%
Average weekly perf. (with negative index)	-1.15%	-1.75%

AURIS - Evolution Europe Class R (EUR)

EUROPEAN EQUITIES MULTICAPS

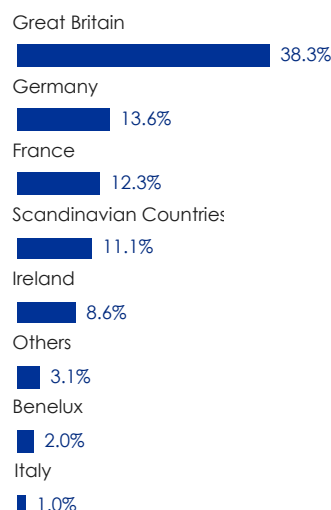
AURIS
INVESTMENT MANAGERS

HISTORICAL PERFORMANCE % (NET OF FEES)

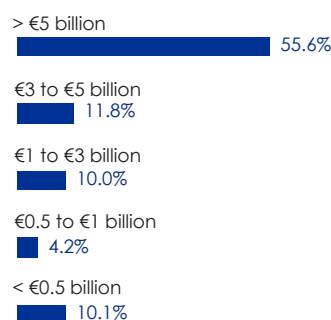
		jan.	feb.	mar.	apr.	may	june	july	aug.	sept.	oct.	nov.	dec.	Annual/YTD
2011	Fund	-1.03%	-0.30%	-0.85%	3.91%	-0.38%	-1.02%	-3.42%	-13.08%	-0.40%	7.38%	-10.42%	4.94%	-15.40%
	Reference index	1.78%	1.48%	-2.63%	3.39%	-0.85%	-1.98%	-2.70%	-14.77%	0.46%	10.16%	-10.80%	10.48%	-8.61%
2012	Fund	4.97%	5.45%	3.65%	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%	0.68%	-3.33%	-0.59%	3.93%	-4.83%
	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	-0.55%	4.41%	2.88%	3.25%	2.50%	-2.11%	-0.91%	-1.44%	3.06%	2.13%	-3.14%	1.73%	12.10%
	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	0.47%	-4.78%											-4.34%
	Reference index	1.66%	-3.81%											-2.21%

*Reference index STOXX EUROPE 600 € NR

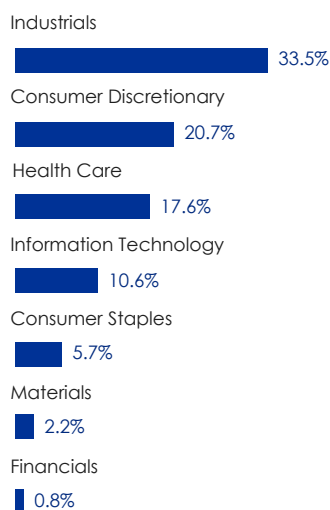
COUNTRY BREAKDOWN



BREAKDOWN BY MARKET CAPITALIZATION



INDUSTRY BREAKDOWN



TOP HOLDINGS

MICRO FOCUS INTERNATIONAL
 RYANAIR HOLDINGS
 FRESENIUS
 FRESENIUS MEDICAL CARE
 B&M EUROPEAN VALUE RETAIL

RISK INDICATORS (3 YEARS)

Sharpe Ratio 0.25
 Beta 0.72
 Jensen's Alpha

MANAGER'S COMMENTARY

In February, Evolution Europe is down, like its benchmark while equities saw a rise in volatility and were impacted by rising rates. In the portfolio, most of the stocks that performed poorly didn't do so because of underlying companies' performance, thus increasing their appreciation potential. Nonetheless, good releases were recognized by the market: **Equinix** (UK, services, £1bn), **Cancom** (Germany, IT services, €1.4bn) or **Bravida** (Sweden, services, SEK12bn) for example. Let's not forget **Téléperformance** (France, services, €7bn) which continues its faultless run with very good 2017 results and solid expectations for 2018.

Téléperformance is the global leader of call centers. The company, mainly European at first, has strongly grown internationally to follow its clients – Europe is now only 30% of revenues while the US is 40% and the rest of the World is 30%. Téléperformance is thus the player with the most global presence and the only one to offer domestic, nearshore and offshore solutions. In this scale business (IT investments, cybersecurity etc.), the company benefits from its size and keeps on outperforming its market – which is growing 4% annually. While the trend is clearly towards more outsourcing, these services are still largely done in-house (75%) despite being complex and not very profitable. Téléperformance is also consolidating the industry and adding value-added services, most notably through acquisitions of specialized services companies with a strong opportunity to cross-sell to existing clients. These companies usually operate in high margins niches and should contribute to expand group's margins in the coming years.

In this beginning of the year, marked by rising rates, financial markets are keen on cyclical companies and largely neglect growth stocks. Nevertheless, it is important in our view to differentiate between bond proxies like Nestlé, highly valued because of the resilience and visibility of their – relatively low (<10%) - earnings growth and companies that may be fully valued but whose strong earnings growth (>20%) will allow them to compound value in the coming years, regardless of rising or falling rates. Thus, the importance of margin of safety in our investment process. We took advantage of the good performance of Plastic Omnium and a temporary rebound of Greencore to exit these two companies that represent two themes we largely want to avoid: the cycle and the UK consumer.

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