





Evolution Europe Class R

EUROPEAN EQUITIES MULTICAPS

REPORT
JULY 2017

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
European equities (R Class)	
European equities Flex caps (5 years)	
	
Pierre Fournier : 3 years : 66th / 335 5 years : 30th / 266	
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
NAV / Assets	€316.70 / €204M
Mean/Median capitalization	€15,353M / €5,725M
Nb of holdings	40
Net equity exposure	81.95%

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.

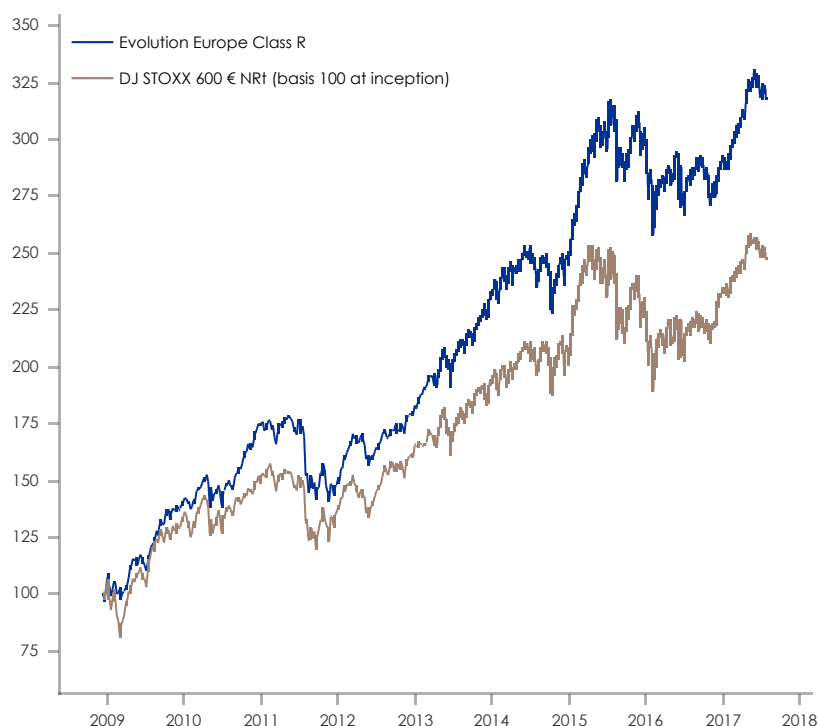
Risk and reward profile 1 2 3 4 5 6 7

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
Evolution Europe Class R	-0.91%	9.66%
Reference Index	-0.35%	6.67%



	Cumulative performance (%)				Annualized performance (%)		
	1 year	3 years	5 years	Since Inception	3 years	5 years	Since Inception
Evolution Europe Class R	11.73%	30.28%	89.81%	216.70%	9.21%	13.64%	14.29%
Reference Index	13.52%	22.06%	67.01%	146.89%	6.86%	10.77%	11.04%

KEY FIGURES / PERFORMANCE INDICATORS

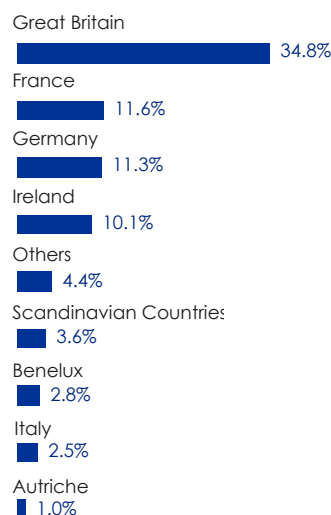
	Evolution Europe	Reference index
Volatility 3 years	12.43%	15.96%
Nb positive months	71	64
Nb negative months	33	40
Max. monthly gain	10.99%	13.84%
Max. monthly loss	-13.08%	-14.77%
Average weekly perf. (with positive index)	1.33%	1.74%
Average weekly perf. (with negative index)	-1.16%	-1.80%

HISTORICAL PERFORMANCE % (NET OF FEES)

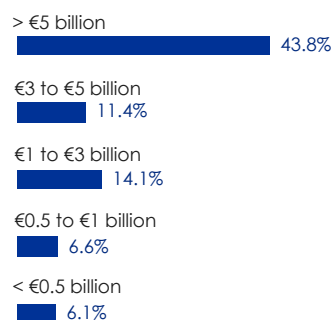
		jan.	feb.	mar.	apr.	may	june	july	aug.	sept.	oct.	nov.	dec.	Annual/YTD
2010	Fund	0.19%	0.09%	4.69%	1.47%	-3.59%	0.20%	2.74%	-0.85%	5.68%	4.74%	1.15%	6.29%	24.75%
	Reference index	-2.68%	-0.28%	7.51%	-0.98%	-5.32%	1.97%	2.94%	-1.43%	5.17%	0.84%	0.45%	3.52%	11.61%
2011	Fund	-1.03%	-0.30%	-0.85%	3.91%	-0.38%	-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%	0.68%	-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%						9.66%
	Reference index	-0.31%	3.05%	3.32%	1.98%	1.45%	-2.53%	-0.35%						6.67%

*Reference index DJ STOXX 600 € NRT

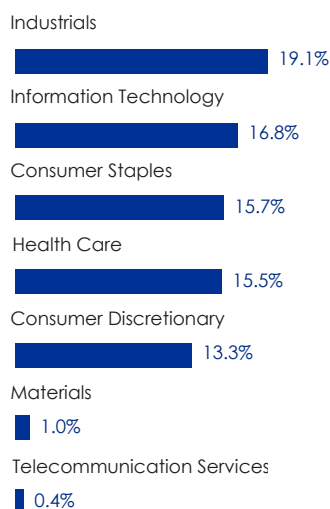
COUNTRY BREAKDOWN



BREAKDOWN BY MARKET CAPITALIZATION



INDUSTRY BREAKDOWN



TOP HOLDINGS

MICRO FOCUS INTERNATIONAL
RECKITT BENCKISER
ALLERGAN
FRESENIUS
CAP GEMINI

RISK INDICATORS (3 YEARS)

Sharpe Ratio 0.74
Beta 0.73
Jensen's Alpha 5.88%

MANAGER'S COMMENTARY

In July, Evolution Europe was slightly down, as was its benchmark despite being helped by basic resources and financials, both sectors being significantly up on the month. Earnings releases were mixed, with some disappointments that are largely timing issues in our view. Among those, let's note **Reckitt Benckiser** (UK, staples, £52bn) which will soon start the integration of a high-quality asset in Mead Johnson, and whose short-term growth has disappointed. Nevertheless, this company still sits on strong fundamentals and is superbly run – it just sold its Food business for a price that was 50% above most estimates. Towards the end of the month, the fund suffered from the decline in the share price of **BAT** (UK, staples, £110bn), following new potential regulation in the US (40% of profits). Thus, we sold about 2/3 to be prudent, but we believe the long-term impact to be manageable.

Several earnings releases were quite good, among which **Geox** (Italy, consumer discretionary, €900m), a new position. The manufacturer of "breathable" shoes is indeed engaging in several strategic changes under the management of its new CEO, appointed at the beginning of the year. Results are quick to emerge with the first half operating margin going from 1% to 5.3%! Distribution channels, products, manufacturing processes, marketing, and international development are all topics that are tackled by the new management, which will allow for higher growth and higher margins in our view. Profitability should come back to industry-level, i.e. around 10%, which means the stock is still attractive despite going on a recent 16% run.

Among recent transactions, let's note that we sold **Wirecard** (Germany, payment, €8bn), which reached our price target after a good earnings release and a very strong run (+50% since our first buy in February 2016). In the buoyant payment sector, we keep our holding in **Paysafe** (+60% YTD) since we believe the bid from Bain and Cinven could be sweetened.

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