

AURIS - Evolution Europe Class N (EUR)

EUROPEAN EQUITIES MULTICAPS

REPORT
AUGUST 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
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European equities (R Class)	Quantalys ☆☆☆☆
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European equities Flex caps (5 years)	MORNINGSTAR ☆☆☆
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Pierre Fournier :	
3 years : 218th / 355	
5 years : 63th / 280	

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	€98.46 / €141M
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Mean/Median capitalization	€24,977M / €7,119M
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Nb of holdings	42
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Net equity exposure	98.13%
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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.

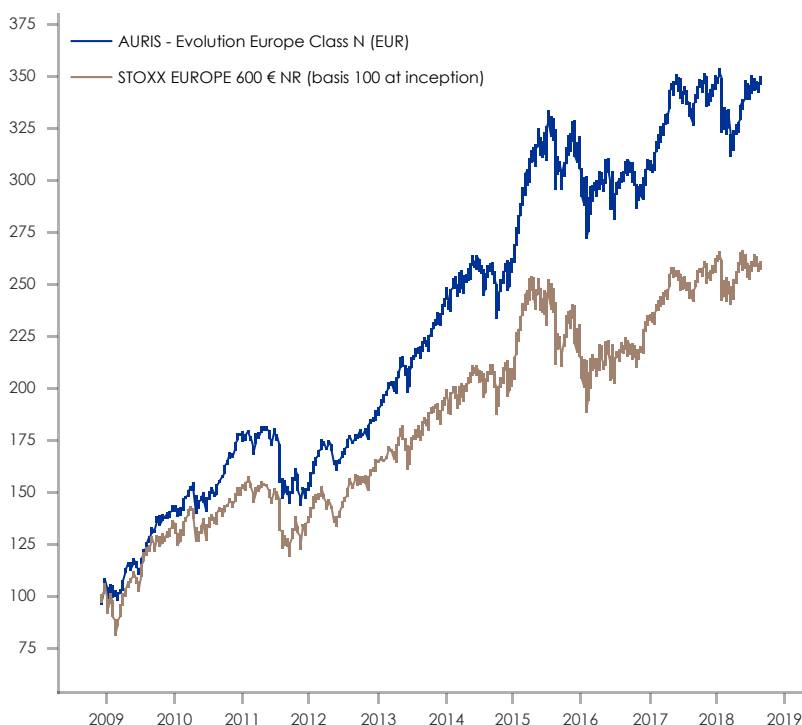
For the investors residing outside the Eurozone, the return may increase or decrease as a result of currency fluctuations.

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 N (EUR)	0.14%	0.68%
Reference Index	-2.14%	0.58%



	Cumulative performance (%)				Annualized performance (%)		
	1 year	3 years	5 years	Since Inception	3 years	5 years	Since Inception
AURIS - Evolution Europe Class N (EUR)	4.63%	11.95%	61.89%	247.39%	3.83%	10.10%	13.68%
Reference Index	5.10%	14.56%	47.39%	157.43%	4.63%	8.06%	10.22%

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	11.54%	13.58%
Nb positive months	80	71
Nb negative months	37	46
Max. monthly gain	11.07%	13.84%
Max. monthly loss	-13.03%	-14.77%
Average weekly perf. (with positive index)	1.27%	1.64%
Average weekly perf. (with negative index)	-1.11%	-1.72%

AURIS - Evolution Europe Class N (EUR)

EUROPEAN EQUITIES MULTICAPS

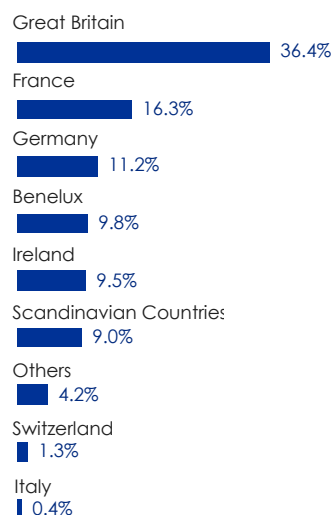
AURIS
INVESTMENT MANAGERS

HISTORICAL PERFORMANCE % (NET OF FEES)

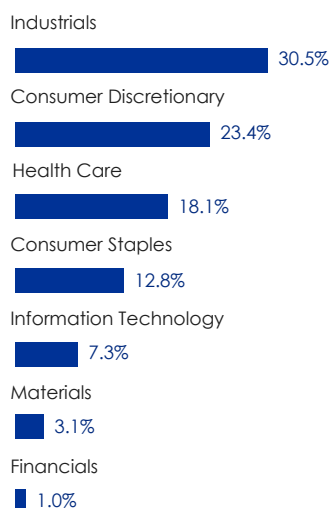
		jan.	feb.	mar.	apr.	may	june	july	aug.	sept.	oct.	nov.	dec.	Annual/YTD
2011	Fund	-0.97%	-0.24%	-0.79%	3.99%	-0.32%	-0.95%	-3.36%	-13.03%	-0.32%	7.44%	-10.36%	5.02%	-14.72%
	Reference index	1.78%	1.48%	-2.63%	3.39%	-0.85%	-1.98%	-2.70%	-14.77%	0.46%	10.16%	-10.80%	10.48%	-8.61%
2012	Fund	5.03%	5.52%	3.73%	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%					0.68%
	Reference index	1.66%	-3.81%	-1.99%	4.49%	0.13%	-0.63%	3.14%	-2.14%					0.58%

*Reference index

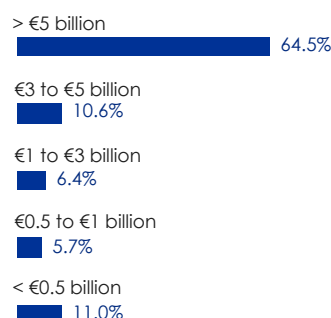
COUNTRY BREAKDOWN



INDUSTRY BREAKDOWN



BREAKDOWN BY MARKET CAPITALIZATION



TOP HOLDINGS

GVC HLDGS
MICRO FOCUS INTERNATIONAL
RYANAIR HOLDINGS
ALLERGAN
ELIS

RISK INDICATORS (3 YEARS)

Sharpe Ratio 0.26
Beta 0.77

MANAGER'S COMMENTARY

The Evolution Europe fund closed higher in August in a market down more than 2%. While the fund benefited from its lack of exposure to underperforming sectors, such as banks, telecoms, commodities and automotive subcontractors, it was also boosted by the good results reported by **Gym Group plc** (£ 450m, discount gym clubs, UK), and the continued strong performance of stocks such as **Teleperformance** and **Thalès**.

The market punished many quality companies, and we took advantage of this indiscriminate summer sell-off to invest in stocks we know well after they had returned to more attractive prices, such as **Maisons du Monde** (France, € 1bn, furniture and interior decoration) and **Tarkett** (France, flooring, € 1.6bn), among others.

Over the past three years, the Tarkett group has suffered from its high exposure to Russia, where it once had bumper margins. Since then, profits generated in this country have more than halved. Commodity prices and exchange rates also adversely impacted Tarkett over the same period, without it having time to offset these effects by raising prices. This situation is now starting to be reversed thanks to the stable oil price and the first price hikes in Q2, which are set to continue over future quarters.

Although earnings have been sharply eroded, the group is also trading on historically low multiples, despite the reasonable ROCE (stable at 12-13% before tax), good cash generation and a healthy balance sheet that creates leeway for acquisitions. This materialised at the end of the month with the acquisition of Lexmark, a US group specialising in the niche market of hotel flooring. Margins and multiples appear to us to have bottomed out today, providing this European leader with two re-rating levers.

Thanks to its numerous investments, the fund is 100% invested today for the first time in a long while. The sharp increase in the share prices of several holdings at the end of this summer prompted us to make a number of disposals – we will discuss these next month – allowing us to realise substantial capital gains. The markets appear jittery in a geopolitical context driven by the US President. We will capitalise on any opportunity that results from this.

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