


Auris Investment Fund

Auris Institutional Evolution Europe Fund Unit I

REPORT
AUGUST 2018

EUROPEAN EQUITIES MULTICAPS

UCITS EUROPEAN UNION EQUITIES

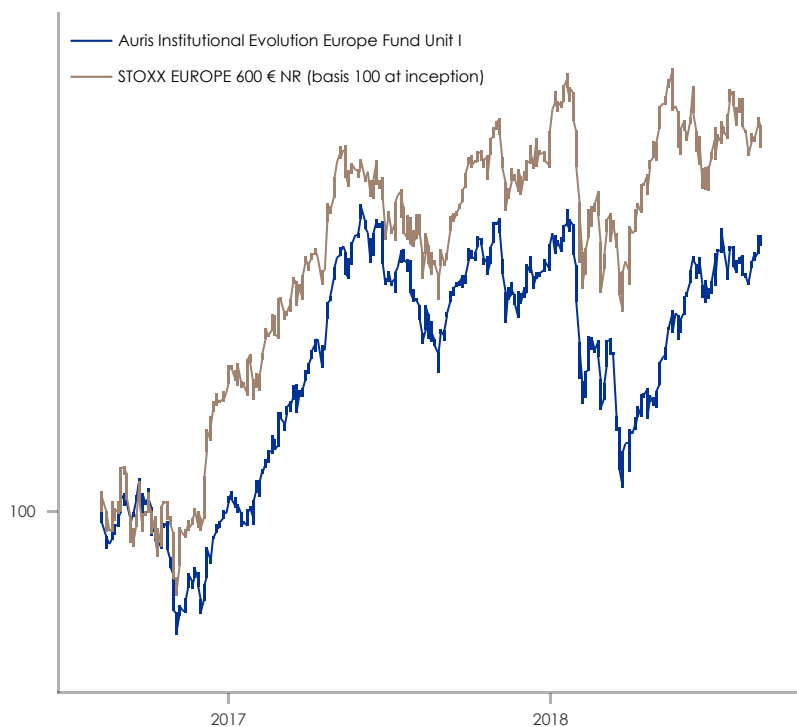
ISIN Code	FR0013157344
Bloomberg	NA
Launch Date	10/08/2016
Minimum investment	10M€
Subscriptions / Redemptions	Daily Cut off, 11.00 am Paris Time
Pierre Fournier : 3 years : th / 5 years : th /	
Reference Index	DJ STOXX 600 € NRt (dividends reinvested)
Subscription Fees	5% (maximum sales commission)
Management Fees (max)	1.25% (tx. incl.) + 20.00% (tx. incl.) of the outperformance above the DJ STOXX EUROPE 600 NRt (if performance > 0)
Redemption fees	None
Sources	Internals
Fund managers	Pierre Fournier Alexis Arquié
Custodian	CIC
Statutory auditor	Deloitte & Associés
Legal status	UCITS
Domicile	France
Countries of distribution	France
NAV / Assets	€112,854.30 / €24M
Mean/Median capitalization	€24 474M / €7 119M
Nb of holdings	43
Net equity exposure	95.50%

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 Institutional Evolution Europe Fund Unit I	0.42%	0.70%
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 Institutional Evolution Europe Fund Unit I	3.93%	NA	NA	12.85%	9.75%	NA	6.05%
Reference Index	5.10%	NA	NA	17.57%	10.59%	NA	8.18%

KEY FIGURES / PERFORMANCE INDICATORS

	Auris Institutional Evolution Europe Fund	Reference index
Volatility 3 years	NA	NA
Nb positive months	15	14
Nb negative months	10	11
Max. monthly gain	4.39%	5.75%
Max. monthly loss	-4.40%	-3.81%
Average weekly perf. (with positive index)	0.77%	1.03%
Average weekly perf. (with negative index)	-0.74%	-1.00%

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**

Auris Institutional Evolution Europe Fund Unit I

AURIS
INVESTMENT MANAGERS

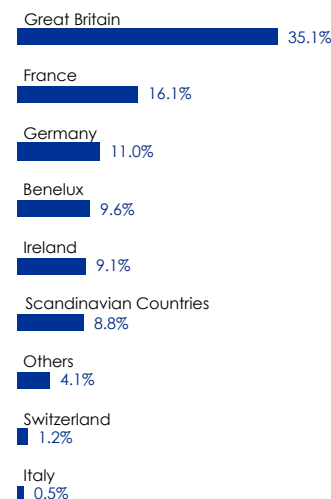
EUROPEAN EQUITIES MULTICAPS

HISTORICAL PERFORMANCE % (NET OF FEES)

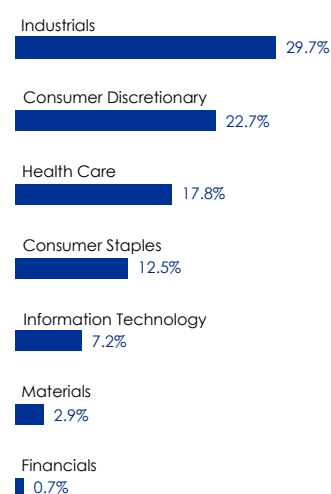
	jan.	feb.	mar.	apr.	may	june	july	aug.	sept.	oct.	nov.	dec.	Annual/YTD
2016 Fund								-0.33%	0.80%	-3.51%	-0.55%	3.63%	-0.09%
Reference index								0.06%	-0.11%	-1.03%	1.05%	5.75%	5.71%
2017 Fund	-0.53%	4.39%	2.90%	3.30%	2.79%	-1.91%	-0.90%	-1.44%	2.51%	2.27%	-2.99%	1.47%	12.17%
Reference index	-0.31%	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	0.33%	-4.40%	-3.93%	1.87%	3.33%	2.20%	1.17%	0.42%					0.70%
Reference index	1.66%	-3.81%	-1.99%	4.49%	0.13%	-0.63%	3.14%	-2.14%					0.58%

*Reference index STOXX EUROPE 600 € NR

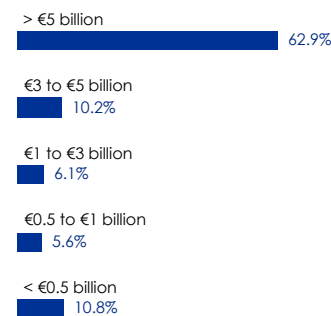
COUNTRY BREAKDOWN



INDUSTRY BREAKDOWN



BREAKDOWN BY MARKET CAPITALIZATION



TOP HOLDINGS

GVC HLDGS
MICRO FOCUS INTERNATIONAL
RYANAIR HOLDINGS
ALLERGAN
ELIS

RISK INDICATORS (3 YEARS)

Sharpe Ratio 0.59
Beta 0.79
Jensen's Alpha NA

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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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.