


Auris Investment Fund

Auris Institutional Evolution Europe Fund Unit I

EUROPEAN EQUITIES MULTICAPS

REPORT
DECEMBER 2017

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 Arquíé
Custodian	CIC
Statutory auditor	Deloitte & Associés
Legal status	UCITS
Domicile	France
Countries of distribution	France
NAV / Assets	€112,066.00 / €24M
Mean/Median capitalization	€14 913M / €5 463M
Nb of holdings	50
Net equity exposure	86.52%

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	1.47%	12.17%
Reference Index	0.72%	10.58%



	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	12.17%	NA	NA	12.07%	NA	NA	8.56%
Reference Index	10.58%	NA	NA	16.89%	NA	NA	11.92%

KEY FIGURES / PERFORMANCE INDICATORS

	Auris Institutional Evolution Europe Fund	Reference index
Volatility 3 years	NA	NA
Nb positive months	9	10
Nb negative months	8	7
Max. monthly gain	4.39%	5.75%
Max. monthly loss	-3.51%	-2.53%
Average weekly perf. (with positive index)	0.75%	0.99%
Average weekly perf. (with negative index)	-0.65%	-0.85%

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

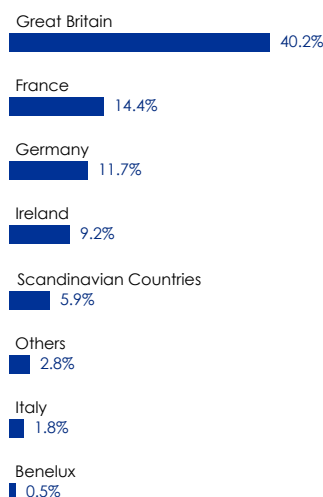
EUROPEAN EQUITIES MULTICAPS

HISTORICAL PERFORMANCE % (NET OF FEES)

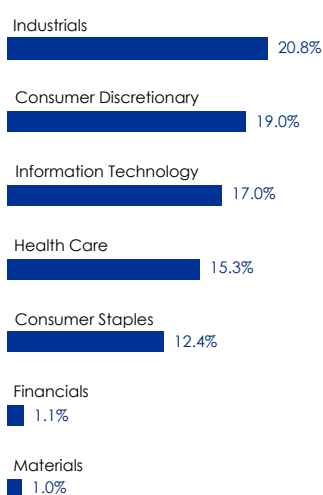
	jan.	feb.	mar.	apr.	may	june	july	aug.	sept.	oct.	nov.	dec.	Annual/YTD
2016 Fund								-0.33%	0.80%	-3.51%	-0.55%	3.63%	-0.09%
Reference index								0.06%	-0.11%	-1.03%	1.05%	5.75%	5.71%
2017 Fund	-0.53%	4.39%	2.90%	3.30%	2.79%	-1.91%	-0.90%	-1.44%	2.51%	2.27%	-2.99%	1.47%	12.17%
Reference index	-0.31%	3.05%	3.32%	1.98%	1.45%	-2.53%	-0.35%	-0.79%	3.90%	1.91%	-2.02%	0.72%	10.58%

*Reference index STOXX EUROPE 600 € NR

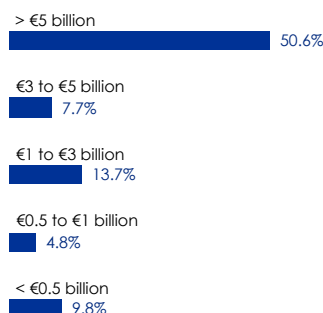
COUNTRY BREAKDOWN



INDUSTRY BREAKDOWN



BREAKDOWN BY MARKET CAPITALIZATION



TOP HOLDINGS

B&M EUROPEAN VALUE RETAIL
FRESENIUS
FRESENIUS MEDICAL CARE
RECKITT BENCKISER
SHIRE

RISK INDICATORS (3 YEARS)

Sharpe Ratio NA
Beta NA
Jensen's Alpha NA

MANAGER'S COMMENTARY

Auris Institutional Evolution Europe ends the year above its benchmark and is up double digit in a quiet market, favorable to stock picking. Amid high valuations, we have been extremely careful about the price we paid for securities. We kept a low exposure to small caps as their valuations seemed too high given limited liquidity, even considering their superior growth profile.

Among our best performers, we find **Wirecard** (online payment), **RHI** (refractories, +92%), **Paysafe** (online gaming, +67%), **LNA santé** (retirement homes, +67%), **Cancom** (IT reseller, +55%). Let's also note some valuation trades on companies that we know well such as **Paddy Power** (online gaming), **Ingenico** (payment), and **Berendsen** (services, bought out by Elis).

We were disappointed in the performance of **Allergan** (specialty pharma), **Babcock** (services) or **Shire** (specialty pharma). We kept holding these companies as their decline – probably due in large part to market disinterest towards these types of stocks – only strengthen their attractiveness. **Technicolor** (technology) was sold at the beginning of the year after a bad earnings release; the following months gave us confidence we made the right call. For the same reason, we also sold **Pandora**, bought during the year. In all cases, an investment has to offer an attractive risk-reward; when it doesn't, we always sell.

European markets seem interesting currently. We can see several attractive themes and sectors at attractive valuations (outsourced R&D, aerospace, digitalization, externalization of non-core functions). Let's also not forget growing niche industries (gyms, skills management, food-away-from-home). Thanks to those, we are confident for future performance. As we are always careful when it comes to valuations, we believe we should be able to benefit from future opportunities while staying away from parts of the markets (highly valued growth companies with actual low EPS growth, industrial companies) that are quite sensitive to movements in bonds markets that could surprise in 2018.

We wish you a happy new year!

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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.