

Auris Investment Fund

Auris Institutional Evolution Europe Fund Unit I

REPORT
JULY 2017

EUROPEAN EQUITIES MULTICAPS

UCITS EUROPEAN UNION EQUITIES

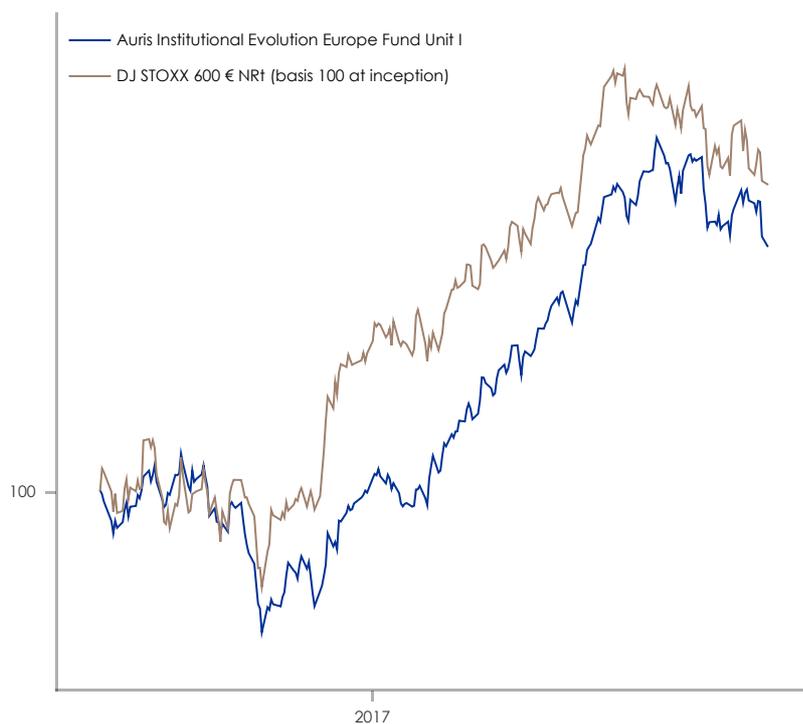
ISIN Code	FR0013157344
Bloomberg	NA
Launch Date	10/08/2016
Minimum investment	10M€
Subscriptions / Redemptions	Daily Cut off, 11.00 am Paris Time
Pierre Fournier : 3 years : 66th / 335 5 years : 30th / 266	
Reference Index	DJ STOXX 600 € NRt (dividends reinvested)
Subscription Fees	5% (maximum sales 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	€110,179.10 / €15M
Mean/Median capitalization	€15 328M / €5 725M
Nb of holdings	42
Net equity exposure	81.78%

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	-0.90%	10.28%
Reference Index	-0.35%	6.67%



	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	10.18%	NA	NA	10.18%	NA	NA	10.48%
Reference Index	12.76%	NA	NA	12.76%	NA	NA	13.14%

KEY FIGURES / PERFORMANCE INDICATORS

	Auris Institutional Evolution Europe Fund	Reference index
Volatility 3 years	NA	NA
Nb positive months	6	7
Nb negative months	6	5
Max. monthly gain	4.39%	5.75%
Max. monthly loss	-3.51%	-2.53%
Average weekly perf. (with positive index)	0.86%	1.11%
Average weekly perf. (with negative index)	-0.67%	-0.89%

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

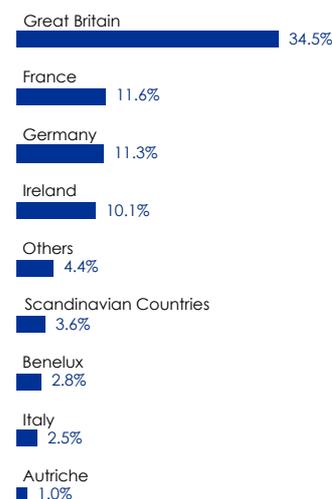
EUROPEAN EQUITIES MULTICAPS

HISTORICAL PERFORMANCE % (NET OF FEES)

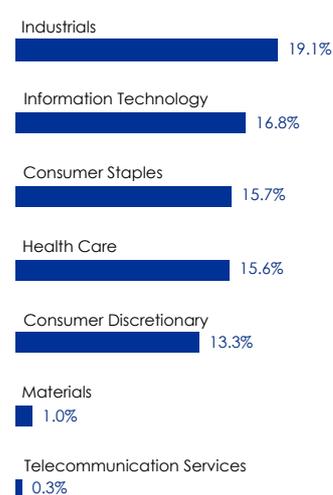
	jan.	feb.	mar.	apr.	may	june	july	aug.	sept.	oct.	nov.	dec.	Annual/YTD
2016 Fund								-0.33%	0.80%	-3.51%	-0.55%	3.63%	-0.09%
Reference index								0.06%	-0.11%	-1.03%	1.05%	5.75%	5.71%
2017 Fund	-0.53%	4.39%	2.90%	3.30%	2.79%	-1.91%	-0.90%						10.28%
Reference index	-0.31%	3.05%	3.32%	1.98%	1.45%	-2.53%	-0.35%						6.67%

*Reference index DJ STOXX 600 € NRT

COUNTRY BREAKDOWN



INDUSTRY BREAKDOWN



BREAKDOWN BY MARKET CAPITALIZATION



TOP HOLDINGS

MICRO FOCUS INTERNATIONAL
RECKITT BENCKISER
ALLERGAN
FRESENIUS
CAP GEMINI

RISK INDICATORS (3 YEARS)

Sharpe Ratio NA
Beta NA
Jensen's Alpha NA

MANAGER'S COMMENTARY

In July, Auris Institutional 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. 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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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.