

Auris Investment Fund

Auris Institutional Evolution Europe Fund Unit I

REPORT
MAY 2017

EUROPEAN EQUITIES MULTICAPS

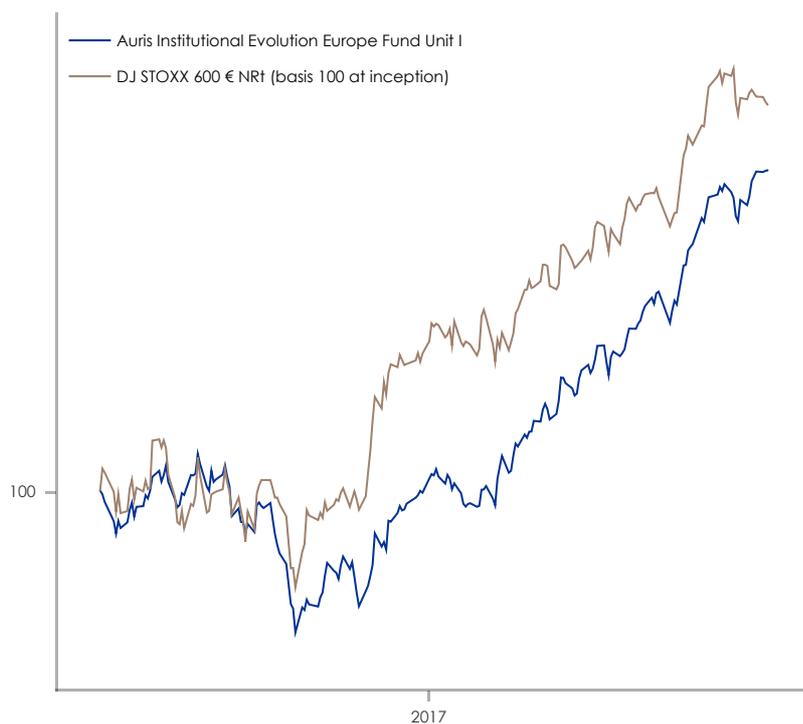
UCITS EUROPEAN UNION EQUITIES

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 : 84th / 327 5 years : 42th / 262	
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	€113,351.60 / 16M€
Mean/Median capitalization	20 014M€ / 5 934M€
Nb of holdings	51
Net equity exposure	85.12%

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	2.79%	13.46%
Reference Index	1.45%	9.82%



	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	NA	NA	NA	13.35%	NA	NA	16.83%
Reference Index	NA	NA	NA	16.09%	NA	NA	20.35%

KEY FIGURES / PERFORMANCE INDICATORS

	Auris Institutional Evolution Europe Fund	Reference index
Volatility 3 years	8.73%	10.42%
Nb positive months	6	7
Nb negative months	4	3
Max. monthly gain	4.39%	5.75%
Max. monthly loss	-3.51%	-1.03%
Average weekly perf. (with positive index)	0.89%	1.14%
Average weekly perf. (with negative index)	-0.68%	-0.93%

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

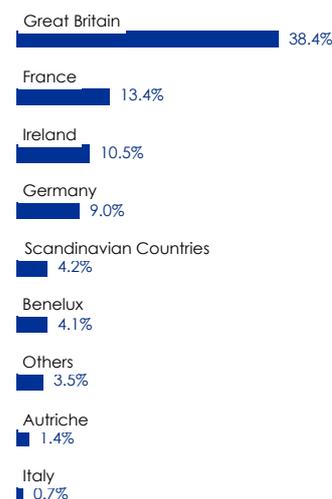
EUROPEAN EQUITIES MULTICAPS

HISTORICAL PERFORMANCE % (NET OF FEES)

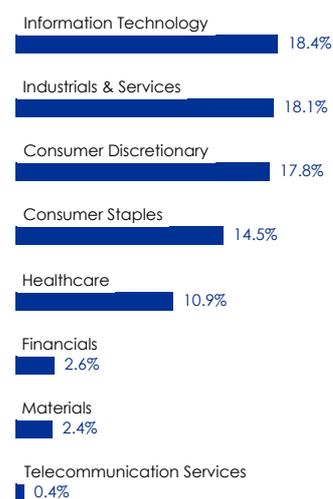
	jan.	feb.	mar.	apr.	may	june	july	aug.	sept.	oct.	nov.	dec.	Annual/YTD
2016 Fund								-0.33%	0.80%	-3.51%	-0.55%	3.63%	-0.09%
Reference index								0.06%	-0.11%	-1.03%	1.05%	5.75%	5.71%
2017 Fund	-0.53%	4.39%	2.90%	3.30%	2.79%								13.46%
Reference index	-0.31%	3.05%	3.32%	1.98%	1.45%								9.82%

*Reference index DJ STOXX 600 € NRT

COUNTRY BREAKDOWN



INDUSTRY BREAKDOWN



BREAKDOWN BY MARKET CAPITALIZATION



TOP HOLDINGS

BAT
FRESENIUS MEDICAL CARE
MICRO FOCUS INTERNATIONAL
CAP GEMINI
BABCOCK INTERNATIONAL

RISK INDICATORS (3 YEARS)

Sharpe Ratio NA
Beta NA
Jensen's Alpha NA

MANAGER'S COMMENTARY

In May, Auris Institutional Evolution Europe is up around 2.8% thanks to good performances from companies that previously published their results, such as **Reckitt Benckiser** (UK, staples, £56bn) or **Ryanair** (Ireland, airlines, £22bn), whose growth prospects keep improving as traditional players struggle. The fund has benefited from the market's renewed optimism regarding two companies in the portfolio: **Ipsos** (France, market research, €1.5bn) and **Berendsen** (UK, textile maintenance services, £1.9bn). We took advantage of the move to take our profits (>20%).

We know the textile maintenance industry quite well as we have studied several companies in Europe. We met with Berendsen in their office in 2011 and Johnson Service Group, another local player. Understanding the drivers of value creation in this sector allowed us to invest in Elis' IPO in January 2015. We also kept on following Berendsen, co-leader in the UK, and took advantage of a 50% decline in the share price to invest in this company with strong market positions in concentrated markets.

While the company had some issues in its domestic market, it was still co-leader, with trough margins in a quasi-duopoly. Furthermore, the UK is only 22% of profits. We believed the market undervalued Berendsen's other markets, especially in the Nordics (close to 50% of profits) but also in Germany or the Netherlands. We built our valuation model with a bear case in mind that still gave us 20% upside. Less than a month later, **Elis** was bidding on the company. We decided to sell our shares and booked a 25% profit while reinvesting on Elis, which, in our view, was unjustifiably down on the back of the news.

The end of political fears regarding France and Europe has pushed European valuations closer towards those of the US. Still, we manage to find new opportunities and inefficiencies thanks to an ever-expanding database of companies. We strive to exploit those opportunities whenever we can identify a catalyst. Recent political developments as well as good earnings releases are good signs for the remainder of the year.

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Taking into account economic and market's risks Auris Gestion cannot guarantee any objective of performance. The value of your investment can as well go up or down and past performances are not an indicator of future performances.

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.