

# Auris Investment Fund

## Auris Institutional Evolution Europe Fund Unit I

EUROPEAN EQUITIES MULTICAPS

REPORT  
NOVEMBER 2017

### UCITS EUROPEAN UNION EQUITIES

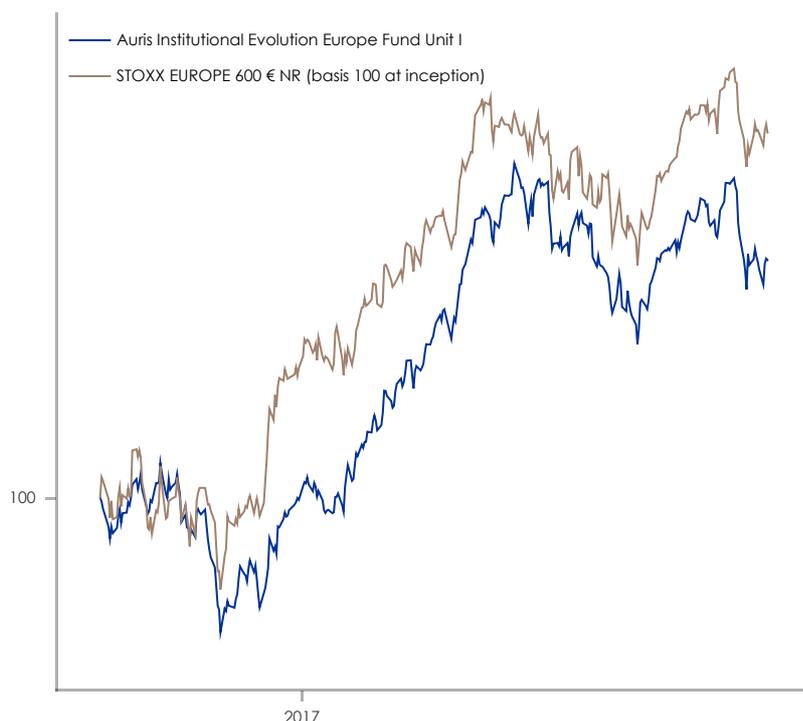
ISIN Code	FR0013157344
Bloomberg	NA
Launch Date	10/08/2016
Minimum investment	10M€
Subscriptions / Redemptions	Daily Cut off, 11.00 am Paris Time
Pierre Fournier : 3 years : th / 5 years : th /	
Reference Index	DJ STOXX 600 € NRT (dividends reinvested)
Subscription Fees	5% (maximum sales commission)
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 Arquié
Custodian	CIC
Statutory auditor	Deloitte & Associés
Legal status	UCITS
Domicile	France
Countries of distribution	France
NAV / Assets	€110,443.60 / €24M
Mean/Median capitalization	€14 525M / €4 808M
Nb of holdings	50
Net equity exposure	90.84%

### 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	-2.99%	10.55%
Reference Index	-2.02%	9.79%



	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	14.56%	NA	NA	10.44%	NA	NA	7.90%
Reference Index	16.10%	NA	NA	16.06%	NA	NA	12.07%

### KEY FIGURES / PERFORMANCE INDICATORS

	Auris Institutional Evolution Europe Fund	Reference index
Volatility 3 years	8.24%	9.57%
Nb positive months	8	9
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)	0.73%	1.00%
Average weekly perf. (with negative index)	-0.68%	-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

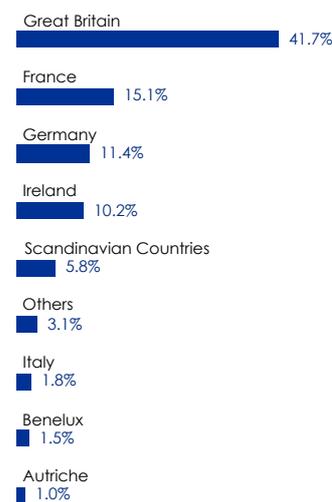
EUROPEAN EQUITIES MULTICAPS

## HISTORICAL PERFORMANCE % (NET OF FEES)

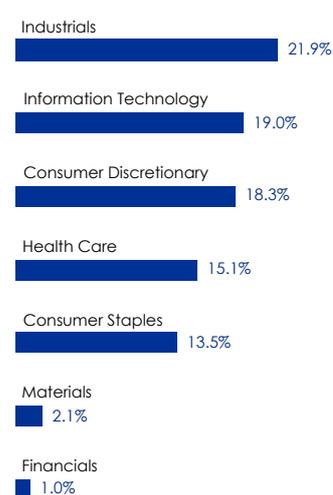
		jan.	feb.	mar.	apr.	may	june	july	aug.	sept.	oct.	nov.	dec.	Annual/YTD
2016	Fund								-0.33%	0.80%	-3.51%	-0.55%	3.63%	-0.09%
	Reference index								0.06%	-0.11%	-1.03%	1.05%	5.75%	5.71%
2017	Fund	-0.53%	4.39%	2.90%	3.30%	2.79%	-1.91%	-0.90%	-1.44%	2.51%	2.27%	-2.99%		10.55%
	Reference index	-0.31%	3.05%	3.32%	1.98%	1.45%	-2.53%	-0.35%	-0.79%	3.90%	1.91%	-2.02%		9.79%

\*Reference index STOXX EUROPE 600 € NR

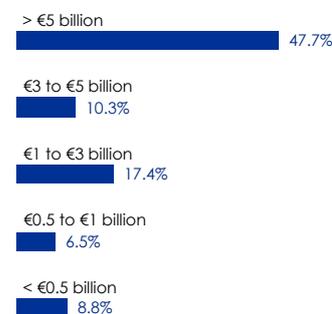
## COUNTRY BREAKDOWN



## INDUSTRY BREAKDOWN



## BREAKDOWN BY MARKET CAPITALIZATION



## TOP HOLDINGS

MICRO FOCUS INTERNATIONAL  
B&M EUROPEAN VALUE RETAIL  
CAP GEMINI  
FRESENIUS  
RECKITT BENCKISER

## RISK INDICATORS (3 YEARS)

Sharpe Ratio 0.83  
Beta 0.70  
Jensen's Alpha NA

## MANAGER'S COMMENTARY

In November, Auris Institutional Evolution Europe is down around 3% and its benchmark is down about 2%. While the fund has been impacted by the decline in growth stocks – the MSCI Europe Growth index is down 2.57% on the month – performance has also been hit by both **Fresenius SE** (Germany, €35bn, healthcare) and **Babcock** (UK, £3.5bn, services). Indeed, rumors of pricing pressure on IV generics in the US lead to a 15% drop in the share price, while Babcock was hit by negative comments on military contracts in the UK despite a good earnings release. For Fresenius, we believe that the market overreacted since Akorn's pipeline seems interesting, as does the potential of the hospital segment whose recent purchase of QuironSalud in Spain is only the beginning of the story. As for Babcock, we believe the valuation offers a strong support as it is a company with good assets and with an internationalizing business.

Among this month's good performance, let's note RHI Magnesita (Austria, €2bn, industry), up about 20% in November. RHI Magnesita is the worldwide leader in refractories, a heat-resistant material used in various industries to protect equipment from extreme heat. We met and followed the company over the last 8 years as well as its competitors. Our view of this industry was that it was largely dependent on the structure of the competition – in our view, there was 1 player too many. RHI, number 2 worldwide, tried to improve on this situation by buying out the number 3, Magnesita in Brazil. The deal failed to materialize as they couldn't agree on price. But this was only a delay as RHI closed the acquisition of Magnesita this year after agreeing with the shareholders. After the announcement of the deal, we evaluated its odds of success and its potential impact on the business and then decided to invest. Indeed, potential cost synergies, improvement in working capital, as well as more rational pricing in an industry previously characterized by a lack of discipline, are powerful drivers of EPS growth in the coming years. The share is up around 90% since our first purchase in April of this year, proving that Evolution Europe's process of closely following leading companies can allow us to be able to quickly make decisions and generate good performance when a catalyst appears.

We will attend several conferences this month and be able to meet with close to 60 companies, to revisit previously known cases or to discover new companies and potential new investments.

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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](http://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](http://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.