

# Evolution Europe Class R

EUROPEAN EQUITIES MULTICAPS

REPORT  
JUNE 2017

ISIN Code	LU1250158919
Bloomberg	EEVREUR LX
Launch Date	15/12/2008
Minimum investment	1 share

Subscriptions / Redemptions	Daily Cut off, 12.00 am Luxembourg Time
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European equities (R Class)	
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European equities Flex caps (5 years)	
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Style Rating	
	EUROPERFORMANCE EDHEC

Pierre Fournier : 3 years : 68th / 328 5 years : 43th / 262	
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Reference Index	DJ STOXX 600 € NRT (dividends reinvested)
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Subscription Fees	2.50% (maximum sales commission)
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Management Fees (max)	2.15% (tx. incl.) + 20.00% (tx. incl.) of the outperformance above the DJ STOXX EUROPE 600 NRT (if performance > 0)
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Redemption fees	None
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Sources	Bloomberg & Statpro Révolution
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Fund managers	Pierre Fournier Alexis Arquie
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Custodian	CACEIS Bank Luxembourg
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Statutory auditor	Deloitte & Associés
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Legal status	UCITS IV - SICAV, eligible for the PEA savings plan
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Domicile	Luxembourg
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Countries of distribution	France, Switzerland, Luxembourg, Spain
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NAV / Assets	€319.61 / €205M
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Mean/Median capitalization	€19,640M / €5,074M
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Nb of holdings	44
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Net equity exposure	86.56%
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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.

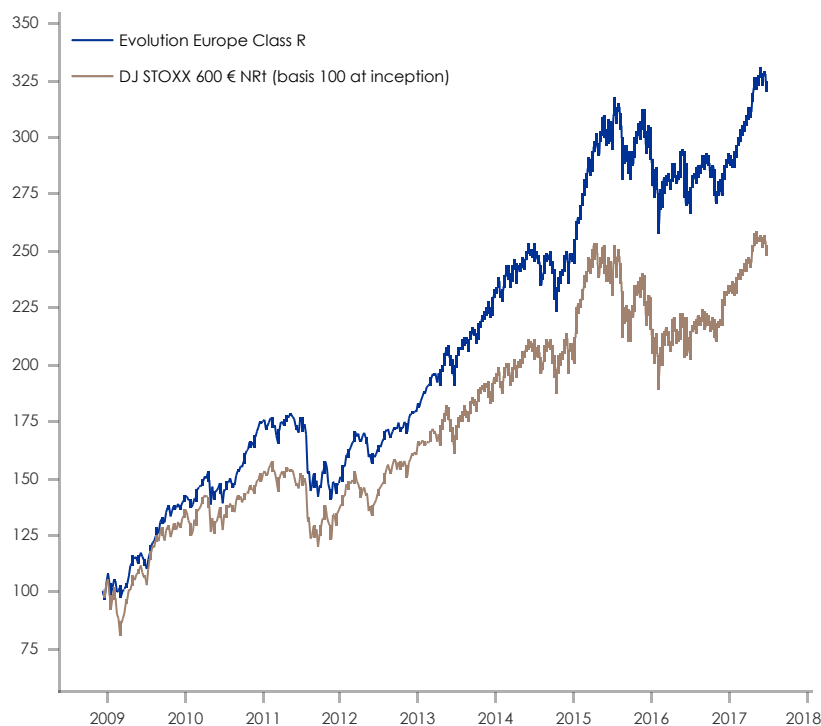
For the investors residing outside the Eurozone, the return may increase or decrease as a result of currency fluctuations.

Risk and reward profile	1 2 3 4 5 6 7
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## 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
Evolution Europe Class R	-2.11%	10.67%
Reference Index	-2.53%	7.04%



	Cumulative performance (%)				Annualized performance (%)		
	1 year	3 years	5 years	Since Inception	3 years	5 years	Since Inception
Evolution Europe Class R	17.03%	29.28%	96.93%	219.61%	8.93%	14.50%	14.57%
Reference Index	18.17%	20.48%	73.54%	147.76%	6.40%	11.64%	11.20%

## KEY FIGURES / PERFORMANCE INDICATORS

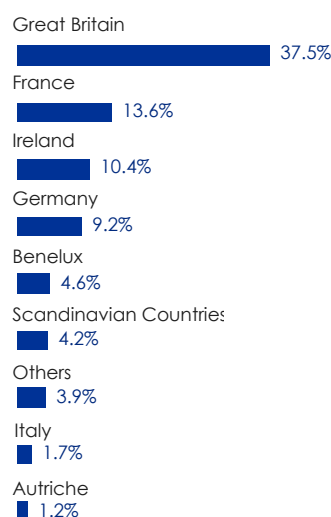
	Evolution Europe	Reference index
Volatility 3 years	12.55%	16.05%
Nb positive months	71	64
Nb negative months	32	39
Max. monthly gain	10.99%	13.84%
Max. monthly loss	-13.08%	-14.77%
Average weekly perf. (with positive index)	1.34%	1.74%
Average weekly perf. (with negative index)	-1.17%	-1.82%

## HISTORICAL PERFORMANCE % (NET OF FEES)

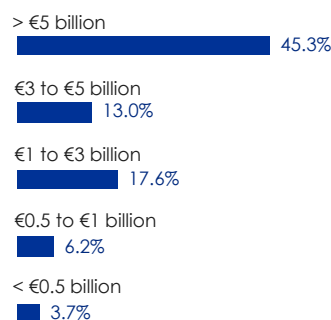
		jan.	feb.	mar.	apr.	may	june	july	aug.	sept.	oct.	nov.	dec.	Annual/YTD
2010	Fund	0.19%	0.09%	4.69%	1.47%	-3.59%	0.20%	2.74%	-0.85%	5.68%	4.74%	1.15%	6.29%	24.75%
	Reference index	-2.68%	-0.28%	7.51%	-0.98%	-5.32%	1.97%	2.94%	-1.43%	5.17%	0.84%	0.45%	3.52%	11.61%
2011	Fund	-1.03%	-0.30%	-0.85%	3.91%	-0.38%	-1.02%	-3.42%	-13.08%	-0.40%	7.38%	-10.42%	4.94%	-15.40%
	Reference index	1.78%	1.48%	-2.63%	3.39%	-0.85%	-1.98%	-2.70%	-14.77%	0.46%	10.16%	-10.80%	10.48%	-8.61%
2012	Fund	4.97%	5.45%	3.65%	0.20%	-5.56%	1.36%	2.80%	0.97%	1.67%	0.20%	3.65%	0.46%	21.17%
	Reference index	4.57%	3.81%	-0.14%	-1.04%	-5.61%	3.93%	3.54%	2.74%	0.99%	0.86%	2.12%	1.15%	17.80%
2013	Fund	3.73%	2.66%	2.80%	1.07%	3.12%	-2.92%	4.91%	-0.41%	2.88%	3.16%	3.25%	1.93%	29.26%
	Reference index	4.04%	-0.27%	2.20%	1.66%	2.04%	-5.07%	5.21%	-0.51%	4.52%	3.93%	1.03%	1.03%	21.18%
2014	Fund	-0.37%	5.42%	0.26%	0.08%	2.18%	-0.62%	-1.67%	1.02%	-0.41%	-3.02%	4.05%	0.62%	7.49%
	Reference index	-1.66%	5.00%	-0.79%	1.57%	2.60%	-0.52%	-1.64%	2.03%	0.41%	-1.74%	3.26%	-1.28%	7.20%
2015	Fund	5.72%	6.86%	1.62%	3.66%	2.82%	-1.94%	4.46%	-5.10%	-2.79%	4.41%	3.80%	-2.47%	22.21%
	Reference index	7.25%	6.98%	1.68%	0.10%	1.67%	-4.49%	4.01%	-8.23%	-4.06%	8.08%	2.81%	-5.03%	9.60%
2016	Fund	-6.12%	-3.53%	2.73%	0.09%	3.72%	-6.82%	3.79%	1.34%	0.68%	-3.33%	-0.59%	3.93%	-4.83%
	Reference index	-6.37%	-2.21%	1.40%	1.75%	2.50%	-4.83%	3.73%	0.74%	-0.11%	-1.03%	1.05%	5.75%	1.73%
2017	Fund	-0.55%	4.41%	2.88%	3.25%	2.50%	-2.11%							10.67%
	Reference index	-0.31%	3.05%	3.32%	1.98%	1.45%	-2.53%							7.04%

\*Reference index DJ STOXX 600 € NRT

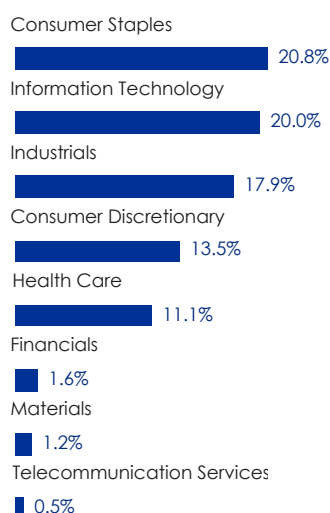
## COUNTRY BREAKDOWN



## BREAKDOWN BY MARKET CAPITALIZATION



## INDUSTRY BREAKDOWN



## TOP HOLDINGS

BAT
RECKITT BENCKISER
FRESENIUS MEDICAL CARE
MICRO FOCUS INTERNATIONAL
CAP GEMINI

## RISK INDICATORS (3 YEARS)

Sharpe Ratio	0.71
Beta	0.76
Jensen's Alpha	5.88%

## MANAGER'S COMMENTARY

Evolution Europe ends the first half of the year up more than 10%, versus a benchmark up around 7%. The end of the reflation trade that dominated 2016 allowed the fund's alpha to fully reemerge.

Among the positive contributions, let's note **Unilever** (Netherlands, staples, €140bn) which, along with a strong-performing staples sector, in which we invested massively at the end of 2016, was up 30%, thanks to a reshuffling of its portfolio, the downsizing of its cost base, and further cash returns to shareholders. **Ryanair** (Ireland, airline, €22bn) also continues on its growth path despite its relatively subdued underlying industry, thanks to its market share gains versus dying competitors. Same goes for **B&M European Value Retail** (UK, retail, £3bn) and **Just Eat** (UK, e-commerce platform, £5bn) in retail and consumer discretionary, proving that companies with disruptive business models can create value even in adverse conditions. Finally, as we talked about in previous comments, we sold several of our small caps holdings. After some very good performance these last few years the valuation of this asset class has come back up to a reasonable level.

Among our disappointments let's note **Pandora** (Denmark, jewelry, DKK78bn), down 25% since we started our position in February, **Technicolor** (France, technology, €1.5bn) and **Gemalto** (France, technology, €5bn), the latter two going down respectively 25% and 7% between the start of the year and when we closed our positions.

This first half of the year, with more than 3 points of outperformance, rewarded good stock picking from the fund management team. Earnings releases from our companies were quite good on average which reinforces our optimism at the start of this second half. With an average upside of 18% in our holdings, we believe the portfolio to be as attractive as ever. Enjoy the summer!

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