

Evolution Europe Class R

EUROPEAN EQUITIES MULTICAPS

REPORT
MAY 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	
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Pierre Fournier : 3 years : 84th / 327 5 years : 42th / 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	€326.50 / 209M€
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Mean/Median capitalization	20 283M€ / 5 934M€
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Nb of holdings	45
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Net equity exposure	86.90%
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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.

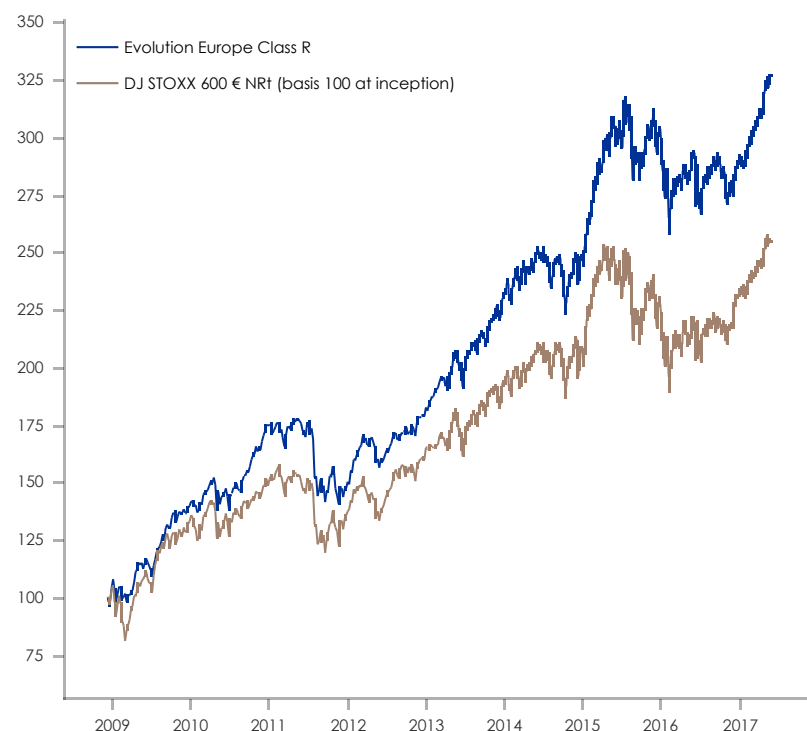
For the investors residing outside the Eurozone, the return may increase or decrease as a result of currency fluctuations.

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	2.50%	13.05%
Reference Index	1.45%	9.82%



	Cumulative performance (%)				Annualized performance (%)		
	1 year	3 years	5 years	Since Inception	3 years	5 years	Since Inception
Evolution Europe Class R	11.40%	31.25%	103.90%	226.50%	9.47%	15.25%	15.01%
Reference Index	15.37%	22.96%	85.03%	154.18%	7.12%	13.04%	11.65%

KEY FIGURES / PERFORMANCE INDICATORS

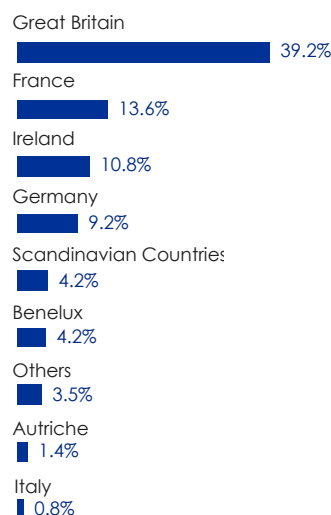
	Evolution Europe	Reference index
Volatility 3 years	12.58%	16.17%
Nb positive months	71	64
Nb negative months	31	38
Max. monthly gain	10.99%	13.84%
Max. monthly loss	-13.08%	-14.77%
Average weekly perf. (with positive index)	1.34%	1.75%
Average weekly perf. (with negative index)	-1.17%	-1.83%

HISTORICAL PERFORMANCE % (NET OF FEES)

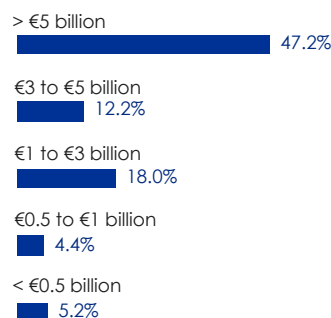
		jan.	feb.	mar.	apr.	may	june	july	aug.	sept.	oct.	nov.	dec.	Annual/YTD
2010	Fund	0.19%	0.09%	4.69%	1.47%	-3.59%	0.20%	2.74%	-0.85%	5.68%	4.74%	1.15%	6.29%	24.75%
	Reference index	-2.68%	-0.28%	7.51%	-0.98%	-5.32%	1.97%	2.94%	-1.43%	5.17%	0.84%	0.45%	3.52%	11.61%
2011	Fund	-1.03%	-0.30%	-0.85%	3.91%	-0.38%	-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%								13.05%
	Reference index	-0.31%	3.05%	3.32%	1.98%	1.45%								9.82%

*Reference index DJ STOXX 600 € NRT

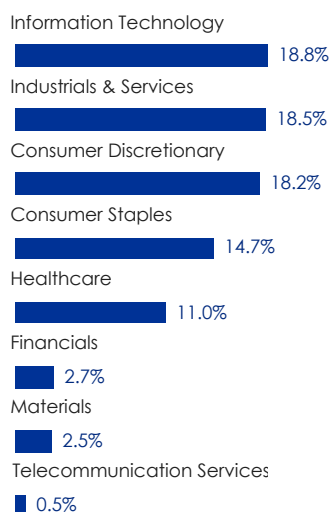
COUNTRY BREAKDOWN



BREAKDOWN BY MARKET CAPITALIZATION



INDUSTRY BREAKDOWN



TOP HOLDINGS

BAT	
FRESENIUS MEDICAL CARE	
MICRO FOCUS INTERNATIONAL	
CAP GEMINI	
BABCOCK INTERNATIONAL	

RISK INDICATORS (3 YEARS)

Sharpe Ratio	0.75
Beta	0.68
Jensen's Alpha	5.68%

MANAGER'S COMMENTARY

In May, Evolution Europe is up around 2.5% 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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