





AURIS - Evolution Europe Class R (EUR)

EUROPEAN EQUITIES MULTICAPS

REPORT
NOVEMBER 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
European equities (R Class)	
European equities Flex caps (5 years)	
	
Pierre Fournier : 3 years : 67th / 339 5 years : 33th / 264	
Reference Index	DJ STOXX 600 € NRT (dividends reinvested)
Subscription Fees	2.50% (maximum sales commission)
Management Fees (max)	2.15% (tx. incl.) + 20.00% (tx. incl.) of the outperformance above the DJ STOXX EUROPE 600 NRT (if performance > 0)
Redemption fees	None
Sources	Bloomberg & Statpro Révolution
Fund managers	Pierre Fournier Alexis Arquie
Custodian	CACEIS Bank Luxembourg
Statutory auditor	Deloitte & Associés
Legal status	UCITS IV - SICAV, eligible for the PEA savings plan
Domicile	Luxembourg
Countries of distribution	France, Switzerland, Luxembourg, Spain
NAV / Assets	€318.22 / €195M
Mean/Median capitalization	€14,915M / €4,808M
Nb of holdings	50
Net equity exposure	93.64%

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.

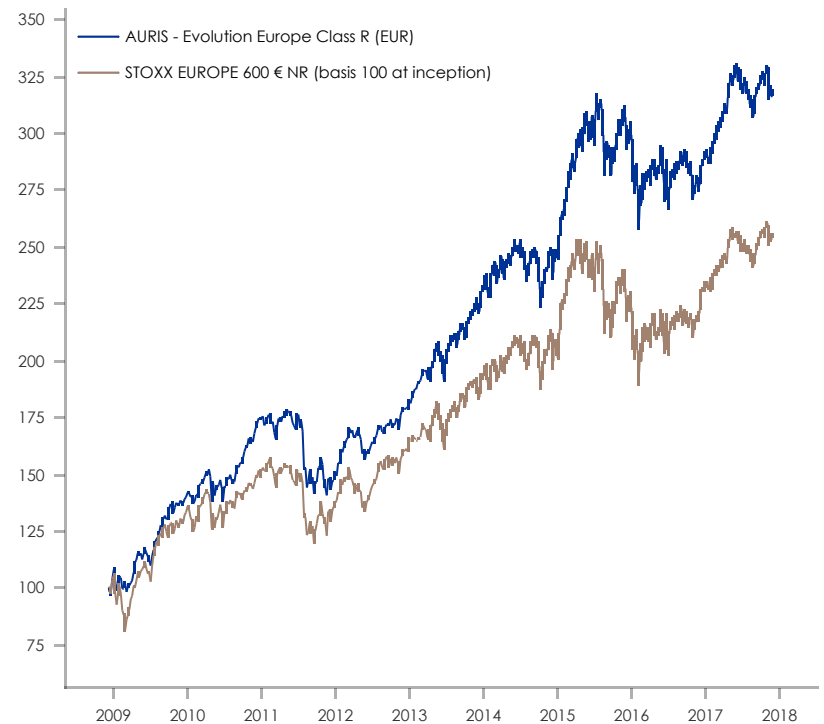
For the investors residing outside the Eurozone, the return may increase or decrease as a result of currency fluctuations.

Risk and reward profile **1 2 3 4 5 6 7**

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 - Evolution Europe Class R (EUR)	-3.14%	10.19%
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 - Evolution Europe Class R (EUR)	14.52%	28.94%	78.89%	218.22%	8.82%	12.33%	13.78%
Reference Index	16.10%	20.85%	60.85%	154.11%	6.50%	9.97%	10.96%

KEY FIGURES / PERFORMANCE INDICATORS

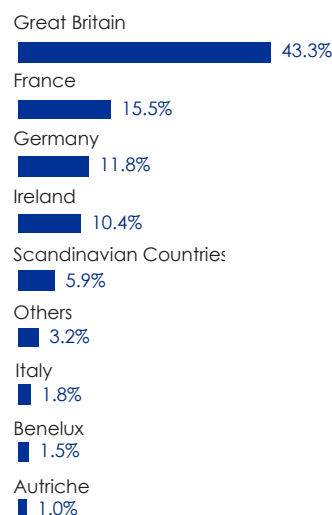
	AURIS - Evolution Europe	Reference index
Volatility 3 years	11.97%	15.51%
Nb positive months	73	66
Nb negative months	35	42
Max. monthly gain	10.99%	13.84%
Max. monthly loss	-13.08%	-14.77%
Average weekly perf. (with positive index)	1.29%	1.69%
Average weekly perf. (with negative index)	-1.15%	-1.77%

HISTORICAL PERFORMANCE % (NET OF FEES)

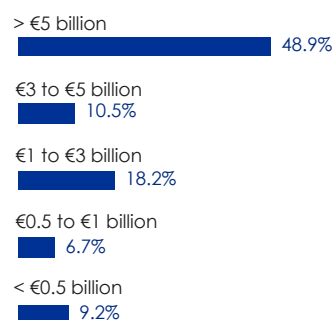
		jan.	feb.	mar.	apr.	may	june	july	aug.	sept.	oct.	nov.	dec.	Annual/YTD
2010	Fund	0.19%	0.09%	4.69%	1.47%	-3.59%	0.20%	2.74%	-0.85%	5.68%	4.74%	1.15%	6.29%	24.75%
	Reference index	-2.68%	-0.28%	7.51%	-0.98%	-5.32%	1.97%	2.94%	-1.43%	5.17%	0.84%	0.45%	3.52%	11.61%
2011	Fund	-1.03%	-0.30%	-0.85%	3.91%	-0.38%	-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%	-0.91%	-1.44%	3.06%	2.13%	-3.14%		10.19%
	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

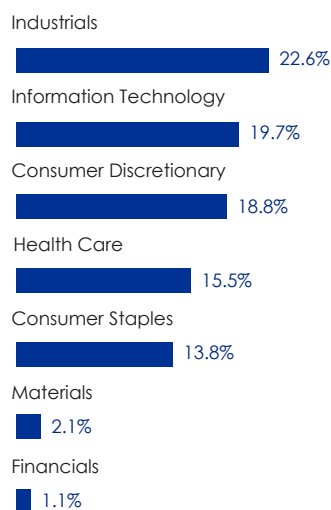
COUNTRY BREAKDOWN



BREAKDOWN BY MARKET CAPITALIZATION



INDUSTRY BREAKDOWN



TOP HOLDINGS

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

RISK INDICATORS (3 YEARS)

Sharpe Ratio 0.70
Beta 0.70
Jensen's Alpha

MANAGER'S COMMENTARY

In November, 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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