

Inception date : October 4, 2002

Countries of distribution



### INVESTMENT OBJECTIVE

The management objective is to seek a higher performance than that on the CAC 40 index over the recommended investment duration (5 years), dividends reinvested. To be able to achieve the management objective, the UCITS investment strategy is based on discretionary management via a stock-picking policy, which does not aim to duplicate the benchmark indicator.

### PORTFOLIO MANAGERS COMMENTS

The European markets are enjoying a surge in confidence, after the French election had a catalyzing effect on international capital flows, as investors felt reassured that the continent had rejected populism and returned en masse to the euro area. Economic indicators remain on a healthy trend and seem to indicate that growth is moving up a gear. The number of financial operations is increasing, driven by an exceptionally favorable monetary context. Meanwhile the euro is gaining ground, reflecting the zone's renewed appeal, and has even started looking like the strongest G10 currency over recent months.

Centifolia has soared 12.43% YTD, as compared with a 10.37% rally on the CAC40 NR. Our portfolio is more exposed to the French and European economies than to world growth, so it is benefiting from renewed interest in domestic stocks and, to a lesser extent, in the value fund management approach. We particularly highlight gains of respectively 30% and 25% for Air France and EDF over the month. We continue to invest in EDF, with the aim of increasing this position to 2% of the fund's assets, while also bolstering exposure to Coface. We financed these moves by cutting back our holdings on Sanofi and Compagnie des Alpes. The fund's equity exposure remains close to 99%.

With P/E of more than 16x for 2017, Centifolia's valuations may look demanding, but current earnings momentum requires us to look ahead to next year. With a multiple of 13.3x and potential earnings upgrades, valuations do not look excessive in view of interest rates. Equities remain the most attractive asset class, particularly in the euro area with an ongoing hefty valuation gap to the US, along with political risk that seems to have travelled across the Atlantic. However, it is likely that deflation of the bubble of optimism that currently characterizes US equities would affect European equities, at least in the short term.

Text completed on 06/01/2017.

**Jean-Charles MERIAUX - Igor de MAACK - Marie-Claire MAINKA**

PER (Price Earnings Ratio) is the ratio of market capitalisation to net earnings. It is a way of estimating how expensive a share is.  
 Net debt is gross financial debt adjusted for the cash pile  
 ND/EBITDA is the ratio between net debt and gross operating profit. It helps estimate a stock's financial leverage.  
 EV/EBITDA is the ratio between enterprise value (market capitalisation + net debt) and gross operating profit. It helps estimate how expensive a share is.

### DATA AS OF 05/31/2017

	Fund	Index*
YTD performance	12.43%	10.37%
Performance 2016	4.64%	7.67%
5 years annualized performance	15.69%	14.65%
1 year volatility	13.28%	14.25%
3 years volatility	16.27%	18.25%
5 years volatility	15.39%	16.80%

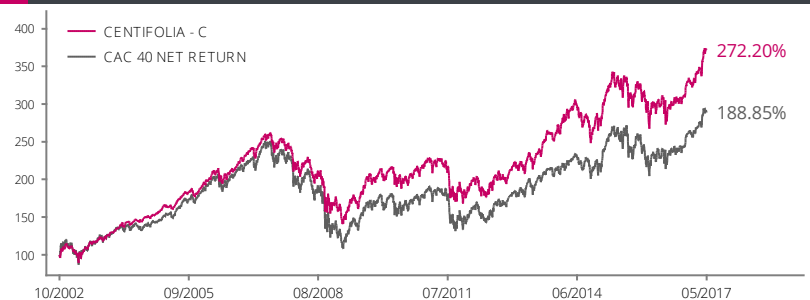
\*CAC 40 NET RETURN

Past performance is not a guarantee of future performance

### MAIN CHARACTERISTICS AS OF 31/05/2017

NAV	€372.20	Net assets	€1,824 M
Net yield 2016	2.74%	ND/EBITDA 2016	1.6 x
Estimated PER 2017	16.0 x	EV/EBITDA 2017	6.4 x

### PERFORMANCE SINCE 10/04/2002



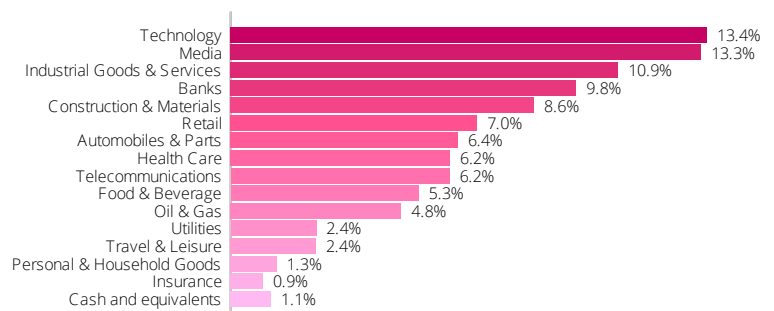
### MAIN HOLDINGS

SANOFI	6.19%
ORANGE	6.18%
VINCI	5.09%
STMICROELECTRONICS	4.87%
THALES	4.74%

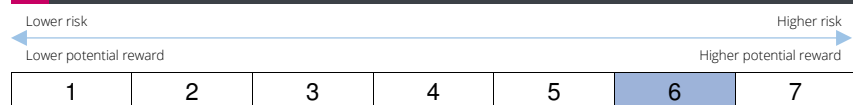
### MAIN COUNTRIES

FRANCE	95.4%
FINLAND	3.4%

### BREAKDOWN BY SECTOR



### RISK AND REWARD PROFILE



The risk level of this fund is due to exposure to equity market