

## INVESTMENT OBJECTIVE

The Sub-Fund seeks to achieve a positive performance higher than the following composite Index: 25% EURO STOXX 50 NR + 75% EONIA. This performance objective is sought by associating it to a lower annual volatility than 8%.

## PORTFOLIO MANAGERS COMMENTS

The markets continued to make gains in November, with the Euro Stoxx 50 up 2.8% over the month. The rotation witnessed over the past two months came to an end in November. It is difficult to single out any particular reason but the lengthy US-China trade talks, tensions in Hong Kong and Latin America, as well as rallies for some cyclical stocks are most likely among the explanations. It now remains to be seen whether this is a temporary break in this trend towards risk or whether the market has decided to focus back on defensive stocks again. At this stage, we note that several indicators seem to be moving in the right direction. In Europe, Germany managed to stave off recession (GDP>0 in 3Q) and leading indicators are positive (PMI, Ifo, ECB indicators). Similarly in the US we have seen a major upswing in job creation and positive durable goods orders point to an improvement in investment. Lastly, we note that the Chinese composite PMI for November recovered to 53.7 at the very end of the month.

VELADOR gained 0.46% in November (benchmark 75% Eonia/25% Eurostoxx 50 NR +68bps). Two stocks primarily affected the fund's performance in November. The first is Iliad (+24.5%; 5.0% of the portfolio), which announced a hefty share buyback program financed by its main shareholder Xavier Niel. As well as providing some technical support for the stock, we are also hearing positive noises on prices and profits from all French telecom operators. After several years of deflationary pressure in this industry, the shift in pricing staged 12 months ago is beginning to pay off. Faster switchover to fiber is also very good news for operators (better ARPU, fewer fees to pay to Orange). Lastly, commercial success in Italy has an impact in the short term (higher roaming costs) but helps move closer to financial breakeven more quickly than expected. Iliad is our top pick in the telecoms sector, along with Bouygues. This month's main disappointment was Casino (-17.4%; 5.1% of the portfolio). We can attribute this decline to profit-taking following the share's gains over the past several months. We expect major newsflow over the weeks and months ahead, as on the one hand, a refinancing move at parent company Rallye should confirm that Casino's balance sheet is safeguarded, and on the other hand a disposal is on the cards (probably Leader Price) at a higher price tag than expected (for an asset that does not generate free cash-flow).

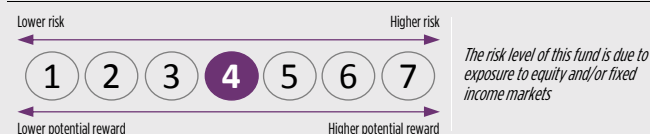
The main change in our fund this month was BAT, which we added to the portfolio. After two years of bad news from US regulators and on e-cigarettes, the skies seem to be clearing. We see three factors that point to a share rerating: 1/ the US authorities no longer mention the target of non-dependence on nicotine; 2/ the drop in volumes in the US has stabilized over the past several quarters, helping the industry's profit pool continue to grow; 3/ BAT confirmed its earnings growth and debt paydown guidance. With P/E of less than 10x, we think that the stock harbors significant upside for the months ahead.

Our net exposure comes to 45.2% at the end of the month. We still think that the market's positioning is highly defensive while most macro-economic indicators are reassuring. VELADOR's relative performance will continue to be driven mostly by stock-picking rather than market trends.

Text completed on 12/05/2019

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## RISK AND REWARD PROFILE



## PERFORMANCE AND VOLATILITY






	Share A	Reference Index <sup>①</sup>
YTD performance	0.92%	5.96%
2018 performance	-14.04%	-3.25%
Annualised performance since inception	-1.31%	0.85%
Volatility 1 year	8.32%	8.00%
Volatility 3 years	5.90%	8.00%
Volatility since inception	5.64%	8.00%

## PERFORMANCE SINCE 18/05/2015



<sup>①</sup>75% EONIA + 25% EURO STOXX 50 NR. Past performance is not a guarantee of future performance.

## MAIN LONG POSITIONS

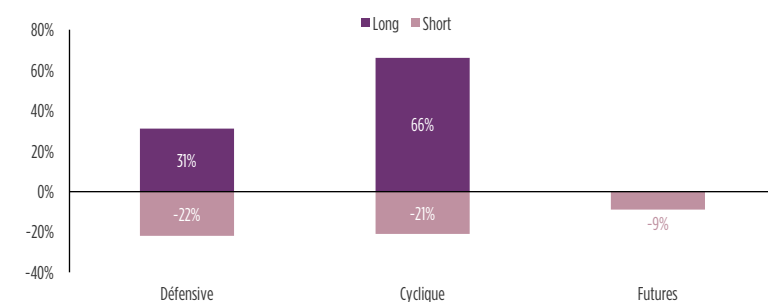
 BOUYGUES	7.1%
 SAINT-GOBAIN	6.8%
 SCHNEIDER	5.7%
 LAFARGEHOLCIM	5.5%
 CASINO	5.1%

Holdings may change over time

## MAIN SHORT POSITIONS

STOXX 600 Technology	9.4%
STOXX 600 Industrial Goods & Services	7.7%
STOXX 600 HPC	7.2%
STOXX 600 Food & Beverage	6.8%
CAC 40	5.0%

## SEGMENT EXPOSURE

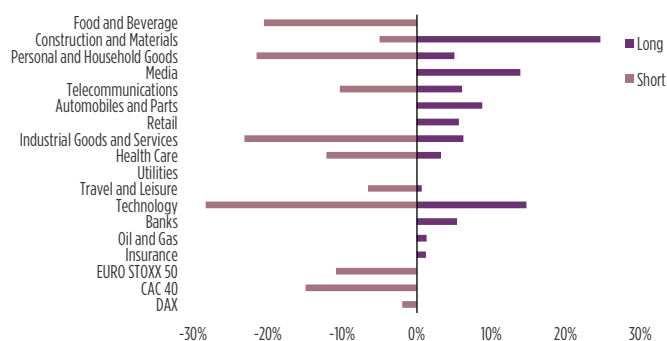
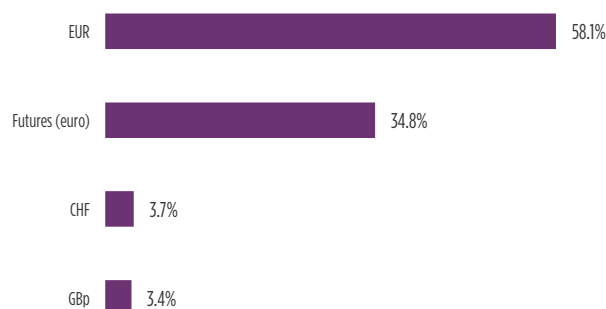
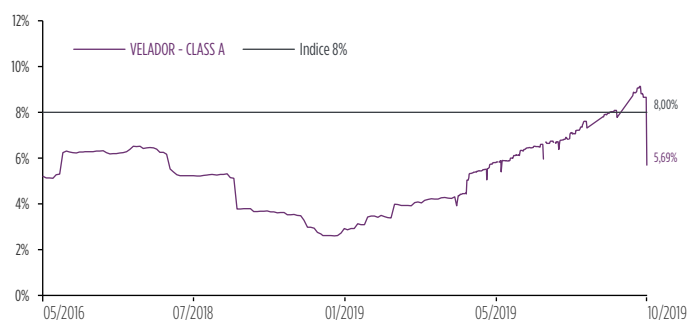
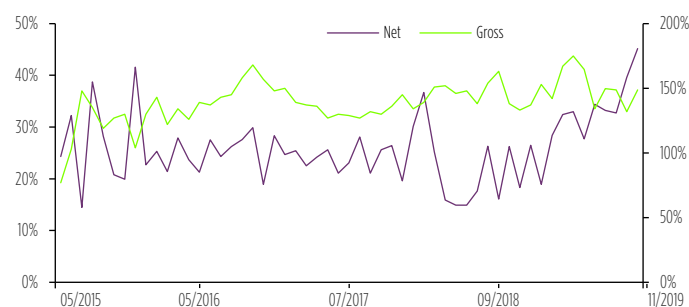
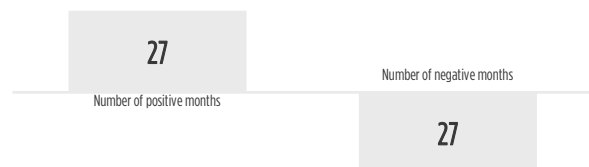


## RISK ANALYSIS

Sharpe Ratio -0.17

## MAIN CHARACTERISTICS

NAV	€94.20	Net assets	€149M
Gross exposure	149%	Net exposure	45.2%
Net exposure (beta adjusted)	54.9%	Long positions	36

**SECTOR EXPOSURE**

**GROSS EXPOSURE TO EQUITIES BY CURRENCY**

**52-WEEK VOLATILITY**

**MARKET EXPOSURE**

**PERFORMANCE (%)**


	Part A	Performance index <sup>(1)</sup>
Worst performance 1 month	-4.18%	-2.27%
Best performance 1 month	2.36%	2.51%
Worst performance 1 quarter	-7.11%	-3.03%
Best performance 1 quarter	3.82%	2.86%

<sup>(1)</sup>75% EONIA + 25% EURO STOXX 50 NR  
Datas calculated since inception

Year		january	february	march	april	may	june	july	august	september	october	november	december	Annual
2016	VELADOR - A	-0.98%	0.99%	0.62%	-0.67%	0.68%	-2.60%	2.31%	-0.01%	1.36%	-0.80%	-0.12%	1.78%	2.50%
	Index	-1.66%	-0.75%	0.52%	0.34%	0.61%	-1.48%	1.11%	0.28%	-0.15%	0.45%	-0.01%	1.91%	1.13%
2017	VELADOR - A	0.79%	1.46%	1.57%	0.56%	0.65%	-0.50%	0.41%	-0.77%	1.57%	-1.03%	-0.28%	0.09%	4.55%
	Index	-0.45%	0.70%	1.37%	0.48%	0.23%	-0.76%	0.06%	-0.19%	1.25%	0.54%	-0.72%	-0.45%	2.04%
2018	VELADOR - A	-0.26%	-0.19%	-2.44%	0.92%	-2.11%	-1.75%	-0.95%	-0.48%	-0.56%	-3.70%	-0.70%	-2.71%	-14.04%
	Index	0.75%	-1.17%	-0.55%	1.41%	-0.65%	-0.06%	0.95%	-0.95%	0.06%	-1.51%	-0.19%	-1.34%	-3.25%
2019	VELADOR - A	0.17%	1.73%	-2.03%	2.25%	-4.18%	0.89%	0.26%	-1.42%	2.36%	0.61%	0.46%	-	0.92%
	Index	1.34%	1.08%	0.44%	1.29%	-1.41%	1.45%	-0.04%	-0.26%	1.03%	0.26%	0.67%	-	5.96%

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