

INVESTMENT OBJECTIVE

The Sub-Fund seeks to outperform the 60% EURO STOXX 50 Net Return, 30% FTSE MTS EMU GOV BOND 1-3 years, 10% EONIA composite index calculated dividends reinvested, over the recommended investment period, while protecting the capital during adverse periods through opportunistic management and flexible asset allocation.

PORTFOLIO MANAGERS COMMENTS

Over recent weeks, risks dragging on the markets have piled up i.e. on the equity markets, the earnings recession for 2019 was borne out and all eyes are now on the scope for a recovery in 2020. This will obviously depend on the trade war, which continues to worry and revives the specter of a worldwide recession (economic this time) each time talks run into difficulties. There is now concern on a war of attrition that could continue beyond the US elections. Yet the equity asset class has held up very well. The European market has admittedly seen its 2019 EPS growth projection halved, but this has not stopped the Euro Stoxx 50 posting a flat performance over the past 12 months, and a positive showing if we factor in 3.5% net dividend yield. The market has therefore automatically gained one point of P/E, and is now trading on more than 14x 2019 earnings vs. 12.9x at the end of January and 13x a year ago: this is a half percent decrease in earnings yield. The equity market is now dictated by neither optimism nor pessimism, but rather mediocrity in the Voltairean sense (neither too much, nor too little), which makes it even more difficult to take opportunity-driven positions.

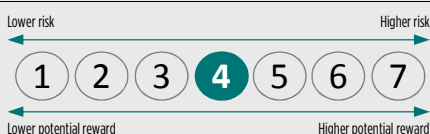
On the fixed income market, the showing from risk-free assets with long duration is both worrying (US yield curve inverted) and reassuring (Italian spreads have narrowed) but it is difficult to find further sources of exposure - with Japan even admitting it had started selling its stock of European sovereign debt to buy equities - particularly when we remember that inflationary risk can no longer be ruled out. Inflation in the US is beginning to take root at the Fed's target, as shown by the latest publication of the consumer price index excluding energy and food, while in Europe inflation projections are even beginning to stabilize. With this mismatch between the recovery and the central banks' accommodative stance (particularly the ECB at Sintra), along with inflation taking between three and four months to materialize, we cannot totally rule out a risk on the bond rally in the third quarter. To be followed...

We are currently standing at a crossroads in terms of equity positioning, risk of an end to the bond rally, and a recessionary or expansionary macroeconomic scenario. There are also the questions of the emergence of a world currency war (first and foremost the Yuan/Dollar, but this should not overshadow happenings in the rest of the emerging world), Brexit risk still alive and kicking, and the central banks' increasingly difficult exercise in maintaining credibility: all the pieces of the puzzle are in place to make for severe volatility for the rest of the year. Against this backdrop, we have decided to include a decorrelation position in our portfolio via a gold fund, which we will continue to weight over time depending on opportunities, while we have also decided to reduce our emerging exposure. We are getting the third quarter off to a start with moderately aggressive equity exposure (62%) while also keeping some safeguards via options on indices. This approach is increasing useful in light of the current "twittification" of the key geopolitical issues of our time.

Text completed on 08/30/2019.

Augustin PICQUENDAR - Thomas PLANELL

RISK AND REWARD PROFILE

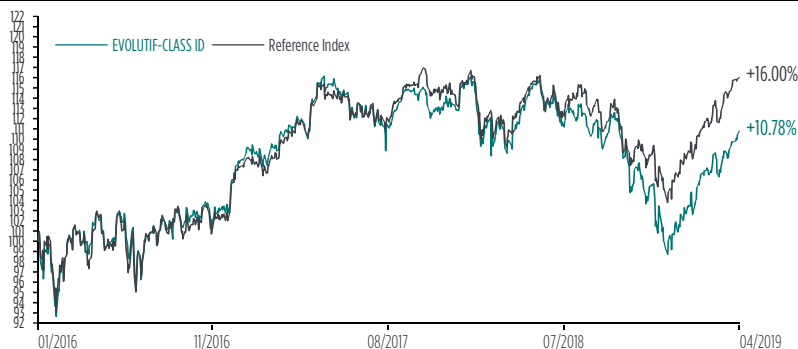


The risk level of this fund is due to exposure to equity and/or fixed income markets

PERFORMANCE AND VOLATILITY

	Share ID	Reference Index [®]
YTD performance	-	10.19%
2018 performance	-	-7.31%
Annualised performance since inception	-	4.13%
Volatility 1 year	-	8.79%
Volatility 3 years	-	8.20%
Volatility since inception	-	9.13%

PERFORMANCE SINCE 11/01/2016



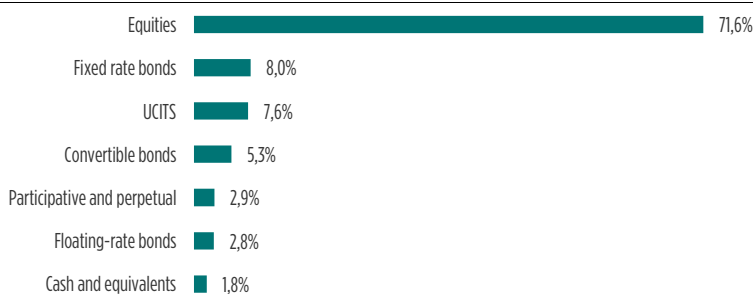
[®]60% EURO STOXX 50 NR + 30% FTSE MTS Index 1-3 years + 10% EONIA. Past performance is not a guarantee of future performance.

MAIN HOLDINGS

Bonds	Equities	
AIR FRANCE-KLM 0.13% 2026 CV	2.03% VINCI	3.32%
AIR FRANCE-KLM 3.88% 2021	1.65% SANOFI	3.26%
AIR FRANCE-KLM 2049 PERP	1.49% THALES	3.22%
ACCOR SA 2049 PERP	1.38% ATOS ORIGIN SA	3.22%
ILIAD SA 0.63% 2021	1.30% SIKA NOM.	3.12%

Holdings may change over time

BREAKDOWN BY ASSETS



MAIN CHARACTERISTICS

NAV	€101.16	Net assets	€247M
Estimated PER 2019	15.9 x	ND/EBITDA 2018	1.2 x
Estimated net yield 2018	2.93%	EV/EBITDA 2019	8.6 x

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.

PERFORMANCE (%)

Year	january	february	march	april	may	june	july	august	september	october	november	december	Annual
2017	-0.77%	1.81%	2.73%	1.24%	1.38%	-2.39%	-0.21%	-1.00%	3.04%	0.36%	-1.57%	-0.19%	4.35%

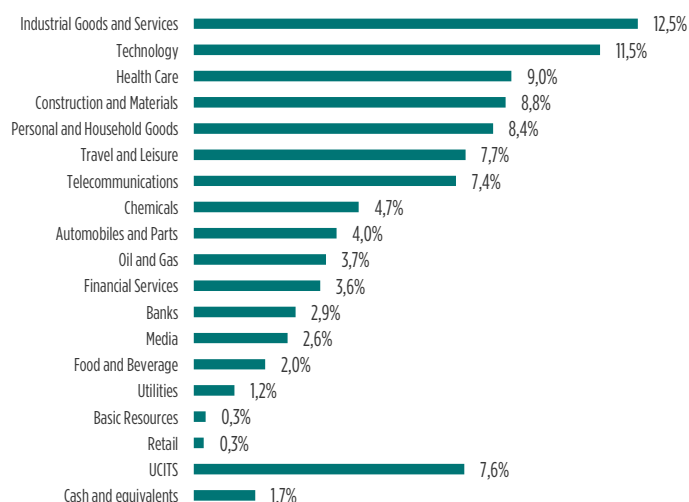
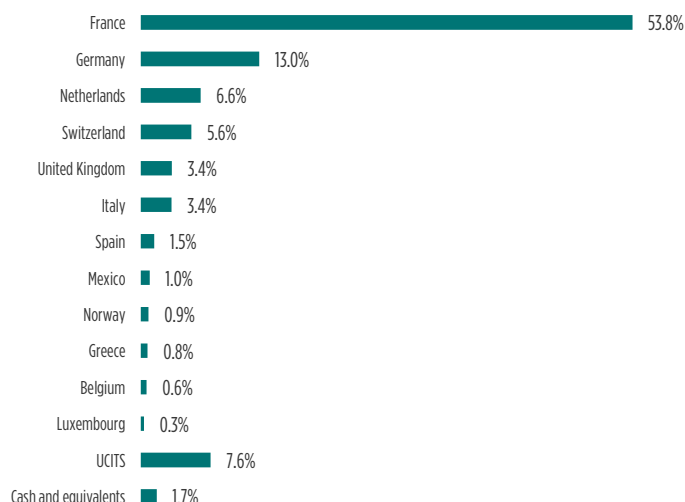
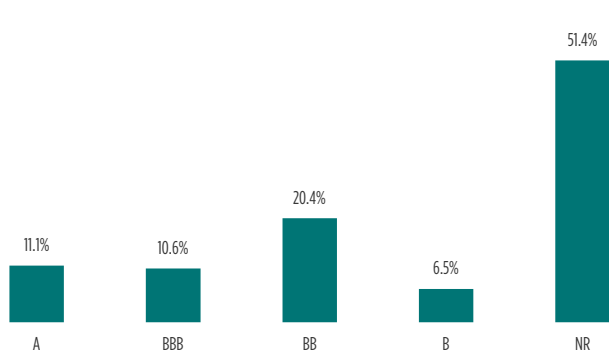
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CHANGES TO PORTFOLIO HOLDINGS
IN

AMADEUS IT HOLDING
AMERICA MOVIL SAB DE CV 0% 2020
CV

OUT

FIAT CHRYSLER FINANCE EUROPE SA
4.75% 2021
FIAT CHRYSLER FINANCE EUROPE SA
6.75% 2019
OTE PLC 4.38% 2019
SOCIETE GENERALE SA 2049 PERP

BREAKDOWN BY SECTOR

BREAKDOWN BY COUNTRY

BOND'S PORTFOLIO RATING

CURRENCY BREAKDOWN
