

INVESTMENT OBJECTIVE

The Sub-Fund seeks to achieve a positive performance higher than the risk-free rate represented by the EONIA rate. This performance is sought by associating it to a lower volatility than the equity market materialised by the Eurostoxx 50 Index.

PORTFOLIO MANAGERS COMMENTS

The markets rallied in October, with the Eurostoxx 50 edging up 1.1% over the month. Rotation continued to a more moderate extent, promoting industrial sectors (Automotive +6.9%), to the detriment of the more defensive sectors (Food & beverages -5.6%). We see two explanations for this trend towards risk. The first is the approaching first trade agreement between the US and China at a time when the electoral calendar seems to force Donald Trump to make compromises. The second is the latest developments on Brexit. The UK Parliament blocked Boris Johnson's plans, but what we would highlight is that an agreement was reached with Europe and a no-deal Brexit has been ruled out for the short term. European companies have started reporting their third quarter earnings. We have seen cautious stances in services (media, IT) and consumer sectors (agrifood, beer).

DNCA Long Short Equity gained 1.54% in October (benchmark -3bps). Looking to our pair trades, we note outperformances from Bouygues vs. Vinci (+1.6ppt), Engie vs. Iberdrola (+3.5ppt), Accor vs. InterContinental (+6ppt) and ArcelorMittal vs. Rio (+7ppt). Most of these recoveries were a result of valuations catching up amidst a less anxious environment, apart from Accor where business (RevPAR) was more resilient than InterContinental in 3Q.

Meanwhile, we note strong performances from Casino (+11%), Iliad (+8%) and Sopra (+8%). Casino and Sopra were lifted by positive earnings reports and newsflow while Iliad recovered, albeit timidly, in the hope of a sustainable improvement in the price context in France.

Over the month, we ramped up our exposure to the automotive sector and to telecoms in France. We think that the volume outlook is improving in the automotive sector and local and international companies have taken steps to cut back capacity. The projection for an increase in volumes of 3-5% for 2020 is now more credible. We also built up a position on PSA, before the announcement of the merger with FCA. We firmly believe in the continued rerating on a standalone basis and/or with FCA. We think that the synergies announced on this merger are cautious and that PSA will swiftly provide FCA with the benefits of its efficiency experience and its CO2 expertise. On the French telecoms sector, our approaches are based on the improvement in the price environment in France combined with very depressed valuations.

Our net exposure came to 5% at the end of the month and our gross exposure came out at 118%. The market's positioning still looks very defensive in our view, while the likelihood of an imminent recession is decreasing. With gross exposure contained and net exposure neutral, DNCA LSE's performance will continue to be driven by stock-picking rather than market direction.

Text completed on 11/07/2019.

Mathieu PICARD - Alexis ALBERT

RISK AND REWARD PROFILE

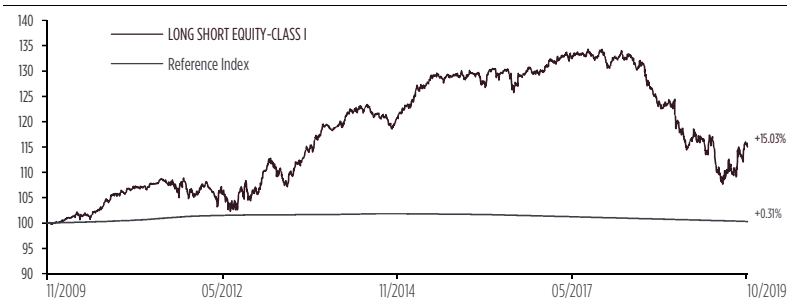


The risk level of this fund is due to exposure to equity and/or fixed income markets

PERFORMANCE AND VOLATILITY

| | Share I | Reference Index [®] |
|--------------------------------|---------|------------------------------|
| YTD performance | -0.36% | -0.32% |
| 2018 performance | -12.88% | -0.37% |
| Annualised performance 5 years | -0.87% | -0.30% |
| Volatility 1 year | 7.65% | 28.18% |
| Volatility 3 years | 5.45% | 14.51% |
| Volatility 5 years | 4.75% | 18.92% |

PERFORMANCE SINCE 16/11/2009



[®]EONIA. Past performance is not a guarantee of future performance.

BEST CONTRIBUTIONS IN THE MONTH

| | Contribution |
|--------------------|--------------|
| Banks | 0.82% |
| Food and Beverage | 0.67% |
| Travel and Leisure | 0.46% |
| Technology | 0.19% |
| Telecommunications | 0.18% |

WORST CONTRIBUTIONS IN THE MONTH

| | Contribution |
|-------------------------------|--------------|
| Media | -0.43% |
| Industrial Goods and Services | -0.36% |
| Health Care | -0.32% |
| Personal and Household Goods | -0.10% |
| Automobiles and Parts | -0.08% |

BEST CONTRIBUTIONS YTD

| | Contribution |
|-----------------------|--------------|
| Retail | 1.70% |
| Automobiles and Parts | 1.37% |
| Technology | 1.11% |
| Banks | 0.67% |
| Health Care | 0.64% |

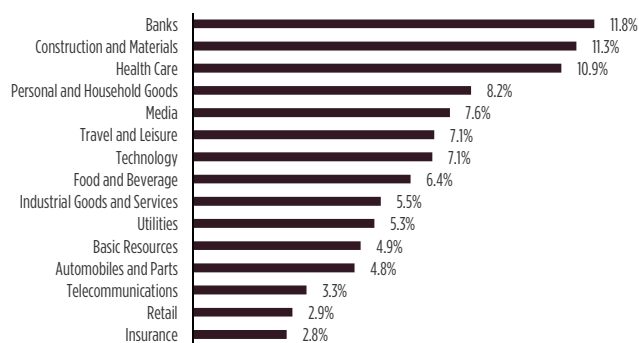
WORST CONTRIBUTIONS YTD

| | Contribution |
|------------------------------|--------------|
| Construction and Materials | -3.29% |
| Insurance | -1.09% |
| Utilities | -0.65% |
| Personal and Household Goods | -0.55% |
| Media | -0.54% |

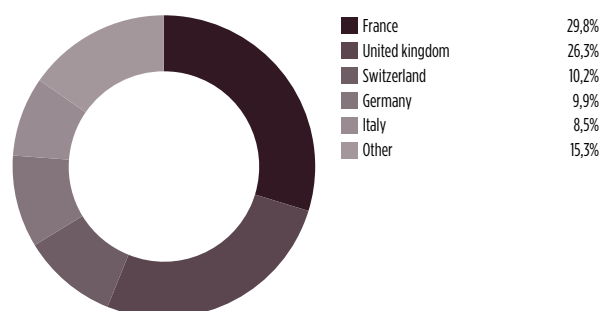
MAIN CHARACTERISTICS

| | | | |
|------------------------------|---------|----------------|-------|
| NAV | €115.03 | Net assets | €224M |
| Gross exposure | 119% | Net exposure | 5.3% |
| Net exposure (beta adjusted) | 20.5% | Number of pair | 37 |

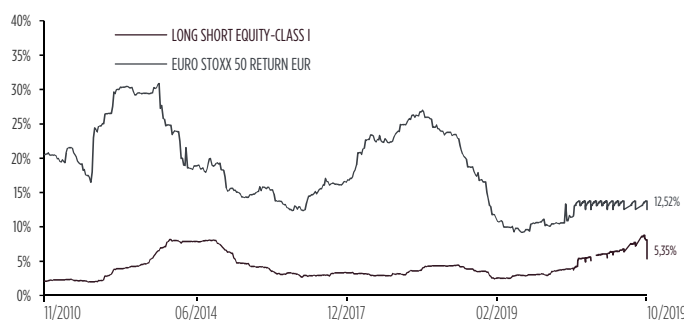
SECTOR EXPOSURE



EXPOSURE BY COUNTRY



52-WEEK VOLATILITY



MARKET EXPOSURE



PERFORMANCE (%)



| | Part I | Performance index ^① |
|-----------------------------|--------|--------------------------------|
| Worst performance 1 month | -5.35% | -0.04% |
| Best performance 1 month | 2.96% | 0.09% |
| Worst performance 1 quarter | -6.29% | -0.10% |
| Best performance 1 quarter | 5.38% | 0.27% |

^①EONIA

Datas calculated since inception

| Year | | january | february | march | april | may | june | july | august | september | october | november | december | Annual |
|------|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|---------------------------------|
| 2014 | LONG SHORT EQUITY - I Index | 0.54% 0.02% | 1.67% 0.01% | 0.27% 0.01% | 0.61% 0.02% | 0.25% 0.02% | -1.23% 0.01% | 0.01% 0.00% | -0.57% 0.00% | -1.36% 0.00% | 0.75% 0.00% | 1.19% 0.00% | 1.40% 0.00% | 3.53% 0.10% |
| 2015 | LONG SHORT EQUITY - I Index | 0.51% 0.00% | 1.74% 0.00% | 0.36% 0.00% | 1.87% -0.01% | 0.11% -0.01% | -0.49% -0.01% | 0.66% -0.01% | 0.00% -0.01% | -0.24% -0.01% | -0.39% -0.01% | 0.90% -0.01% | -0.05% -0.02% | 5.06% -0.11% |
| 2016 | LONG SHORT EQUITY - I Index | -1.11% -0.02% | 1.53% -0.02% | 0.28% -0.03% | -0.54% -0.03% | 0.32% -0.03% | -2.43% -0.03% | 2.02% -0.03% | -0.22% -0.03% | 0.95% -0.03% | -0.50% -0.03% | 0.18% -0.03% | 0.61% -0.03% | 1.00% -0.32% |
| 2017 | LONG SHORT EQUITY - I Index | 0.54% -0.03% | 0.55% -0.03% | 0.94% -0.03% | -0.41% -0.03% | 0.22% -0.03% | 0.14% -0.03% | 0.13% -0.03% | -0.83% -0.03% | 1.06% -0.03% | -1.99% -0.03% | 1.02% -0.03% | -0.08% -0.03% | 1.26% -0.36% |
| 2018 | LONG SHORT EQUITY - I Index | -0.22% -0.03% | 0.82% -0.03% | -1.55% -0.03% | -0.03% -0.03% | -2.67% -0.03% | -1.86% -0.03% | -1.01% -0.03% | -0.17% -0.03% | -0.65% -0.03% | -2.58% -0.03% | -1.26% -0.03% | -2.45% -0.03% | -12.88% -0.37% |
| 2019 | LONG SHORT EQUITY - I Index | 1.89% -0.03% | -1.06% -0.03% | -2.47% -0.03% | 2.52% -0.03% | -5.35% -0.03% | -0.74% -0.03% | 1.21% -0.03% | -0.56% -0.03% | 2.96% -0.03% | 1.54% -0.04% | - | - | -0.36% -0.32% |

^①EONIA. Past performance is not a guarantee of future performance.