INVESTMENT OBJECTIVE

The Sub-Fund seeks to achieve a higher annual performance than the risk-free rate represented by the EONIA rate. The Investment Manager’s team (hereinafter the “Team”) will try to reach this target with an average annual volatility of around 5% in normal market conditions, throughout the recommended investment period.

PORTFOLIO MANAGERS COMMENTS

The markets continued trading in September in the same range seen over the past four months (3,350-3,350 for the Euro Stoxx 50). The upturn in activity and hopes of a stimulus package are running up against a continued unclear situation for the epidemic, as well as uncertainty on the forthcoming US election. Our view has therefore not changed much over the month in light of the current situation. Our range of meetings with companies’ management teams in September confirmed the clear improvement in activity in the sectors where MIURI primarily invests: construction, manufacturing, IT services, automotive. Conversely, travel-related sectors have taken a nosedive after a short reprieve over the summer.

MIURI shed -0.28% in September, primarily dragged down by profit-taking on large positions, such as Cap Gemini (-5.4%, 4.9% of the portfolio) and Iliad (-12.3%, 4.2%), although we are still convinced that these two stocks harbor upside. Cap Gemini may have been hit by overly lofty expectations at its competitor Accenture but a return to normal in the second half of 2021 seems well in line with expectations in our view. The valuation is also attractive at 15x 21 P/E, or a 45% discount, after the group has proven its margin resilience during times of crisis and with demand for digital transformation still high. Meanwhile looking to Iliad, the acquisition of Polish operator Play and the prospect of a costly auction process in France have definitely dragged on the share price. The cost of S6 spectrum is now well known and limited, and we are further confirmed in our conviction that Iliad is a unique asset for Teleco operators. Beyond the financial appeal of this deal (ROCE > 6.5%), the group’s growth sources point to robust revenue and results growth over the next five years (BBG France, price and fiber in France, subscriber base and network in Italy, fixed-line market in Italy, fixed-line market in Poland). We think that both prospects are currently partly overlooked at a time when controlling investors are stepping up their holdings (Bouygues, Niel, Drai).

We made two major changes in our portfolio this month, removing Lagardère and adding Siemens AG.

Following the spin-off of Siemens Energy, we think that Siemens AG has an attractive profile and can draw the benefits from several buoyant cycles (i.e. manufacturing, energy management, green deals, healthcare access, Siemens’ withdrawal from oil, gas and wind assets has radically transformed the new group’s profile, with a focus on businesses with structural growth (3-6% throughout the cycle), a margin upgraded by >200bps and a better handle on its WCR. The valuation points to a discount of more than 20% to peers, but what we are really interested in are Siemens’ technological successes. The Mindsphere platform is definitely one of the most advanced digital manufacturing projects worldwide, along with the Mobility signal range, which is a real benchmark: we also think that the acquisition of Varan is particularly vital as it offers digital capabilities in diagnosing and treating cancer.

We removed Lagardère from the portfolio at a time when several sharehoders are increasing their stakes with an agenda that is probably not in line with ours. In light of current air traffic, it is hard to justify a valuation of much more than 1x EBITDA. MIURI’s net exposure came to 13.8% at the end of the month. We can see that the cyclical recovery that kicked off at the start of the summer does not have the usual profile as the most cyclical stocks have not started their rerating. Data is improving in several manufacturing sectors, but positioning still remains extremely defensive.

The last quarter will be decisive: in short, our positioning is pro-cyclical while avoiding any tricky stocks (business line, balance sheet, etc.).

Text completed on 06/10/2020.

Mathieu PICARD - Alexis AUBERT

DNCA INVEST LEIUR (Share B) Cumulative performance Share Index

PERFORMANCE SINCE 14/12/2021

<table>
<thead>
<tr>
<th>PERFORMANCE AND VOLATILITY</th>
<th>Share B</th>
<th>Reference Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD performance</td>
<td>0.49%</td>
<td>-0.35%</td>
</tr>
<tr>
<td>2019 performance</td>
<td>-2.52%</td>
<td>-4.80%</td>
</tr>
<tr>
<td>Annualised performance 5 years</td>
<td>-2.16%</td>
<td>-3.37%</td>
</tr>
<tr>
<td>Volatility 1 year</td>
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<td>5.00%</td>
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<tr>
<td>Volatility 5 years</td>
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<td>5.00%</td>
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<tr>
<td>Volatility 5 years</td>
<td>4.99%</td>
<td>5.00%</td>
</tr>
</tbody>
</table>

Risk analysis

Sharpe Ratio: 0.43

Risk and Reward Profile

NAV: €109.17
Net assets: €130.2M
Gross exposure: 152%
Net exposure: 13.8%
Net exposure (beta adjusted): 25.5%
Long positions: 51%
Management Report September 2020

Share class created the 14 December 2011

Data as of 30/09/2020

SECTOR EXPOSURE

GROSS EXPOSURE TO EQUITIES BY CURRENCY

52-WEEK VOLATILITY

MARKET EXPOSURE

PERFORMANCE (%)

Year | January | February | March | April | May | June | July | August | September | October | November | December | Annual
--- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | ---
2015 Share B | 1.24% | 1.01% | -0.19% | 1.59% | 0.20% | -0.07% | 0.52% | -0.01% | -0.02% | 0.20% | 0.09% | -0.01% | -0.02% | -0.01% | 0.33% | Share B Performance index(1) -0.40%

2016 Share B | -0.39% | 0.05% | 0.14% | -1.00% | 0.54% | -1.41% | 1.53% | -0.01% | -0.20% | 0.01% | -0.01% | -0.02% | -0.03% | -0.03% | -0.03% | -0.43%

2017 Share B | 0.34% | 0.40% | 0.71% | -0.01% | 0.31% | -0.30% | 0.09% | -0.01% | -0.03% | 0.20% | -1.34% | -0.58% | 0.60% | -0.24% | -0.50%

2018 Share B | 0.04% | -0.03% | -0.03% | -1.89% | 0.70% | -1.65% | -1.79% | -1.05% | -0.76% | -0.02% | -1.44% | -0.59% | -1.27% | -0.57% | -0.57%

2019 Share B | -1.74% | 0.14% | -2.57% | 1.25% | -2.42% | -0.52% | 0.00% | -1.20% | 2.24% | 0.62% | -0.33% | 1.95% | -2.52% | -0.40%

2020 Share B | -2.50% | 1.20% | -0.71% | 1.61% | -0.01% | 1.01% | -1.38% | 1.66% | -0.20% | -0.04% | -0.04% | -0.04% | 0.49% | -0.35%

(1) Eonia, Past performance is not a guarantee of future performance.

E-mail: dnca@dnca-investments.com - www.dnca-investments.com - dedicated intranet site for independents

An investment management company authorized by the AMF (Financial Market Authorities) under number GP 00-030 on 18 August 2000. Non-independent investment advisor as stipulated by the MiFID II Directive.

Output: Text document with tables and graphs representing the performance and sector exposure of DNCA INVEST Miuri European long-hedged equities. The document includes a management report, sector exposure, gross exposure to equities by currency, 52-week volatility, market exposure, and performance metrics for the class B share. The data is as of September 2020, and the performance index is calculated since inception.