

INVESTMENT OBJECTIVE

The sub-fund's investment strategy is based on discretionary management on the recommended investment term (5 years). The stock-picking policy does not seek to replicate an index but rather seeks to identify discounted stocks that offer high dividends and the prospect of steady growth (a "value" approach).

PORTFOLIO MANAGERS COMMENTS

2019 ended with a few brighter patches on the horizon. The US administration reached a first agreement in principle (phase 1) with China, in which China pledged to buy more US farming and manufacturing products and in return Donald Trump agreed to suspend fresh import tariffs on China and to halve the latest customs duties concerning \$120bn in Chinese goods. In the UK, Boris Johnson won the UK elections and gained a solid majority to vote in favor of the Brexit withdrawal deal negotiated with Brussels. Although this had the advantage of clarifying a massive vote in favor of Brexit, negotiations concerning the future deal are already looking complicated. In Spain, the likely left-wing coalition could bring the country of its electoral deadlock.

The fund's underperformance during 2019 was due to its sector biases with a few stock-picking errors and the investment rate. The fund is underweighted in sectors that performed well despite their high valuations: Agri-food and beverages up 33% (2% vs. 7.5%), technology up 40% (0% vs. 5.5%) and hygiene and personal care products at +32% (1.5% vs. 8.3%). In contrast, we are overweight in a sector that performed sluggishly, namely telecoms at +6% (6.8% vs. 3.1%). The fund suffered from its exposure to the Fresnillo, Origin Enterprises and Publicis stocks. In a very dynamic market (+28% in 2019), the fund's investment rate at around 93% affected the performance.

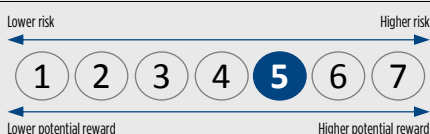
Despite zero remuneration on credit, we observed that certain stocks were not protected by high dividend yields (5%). Sales growth is indeed the favored factor. Multiples in sectors considered as visible and defensive grew further to stand at 23-25x earnings. The very (overly) accommodative policies of central banks favored significant risk taking. As long as this situation lasts (the perverse effects of this zero rates policy is raising more and more questions), investors will not have to worry much about multiples and will be able to continue focusing on sales growth.

It's worth noting that the recent surge in banking or cyclical stocks was correlated with the rise in 10-year German yield, despite a still negative rate in absolute terms. Catching up potential for the value investment looks significant to us: high risk premiums, the lack of flows in this asset class, high dividend yields and a valuation discount of 50% relative to the growth style.

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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 E	Reference Index [®]
YTD performance	-	26.82%
2018 performance	-	-10.77%
Annualised performance 5 years	-	6.88%
Volatility 1 year	-	10.63%
Volatility 3 years	-	11.09%
Volatility 5 years	-	14.02%

PERFORMANCE SINCE 29/05/2009



MAIN HOLDINGS

 SANOFI	3.51%	 GLAXOSMITHKLINE	2.80%
 NEXANS	3.07%	 BABCOCK INTL	2.79%
 UNICREDIT SPA	2.92%	 TOTAL	2.74%
 BNP PARIBAS	2.88%	 CNH INDUSTRIAL NV	2.71%
 COMPAGNIE DE SAINT GOBAIN	2.86%	 AGGREKO	2.69%

Holdings may change over time

BEST CONTRIBUTIONS IN THE MONTH

	Weight	Contribution
NEXANS	3.07%	0.57%
FRESNILLO PLC	2.40%	0.25%
BABCOCK INTL	2.79%	0.23%
SBM OFFSHORE	2.67%	0.21%
SANOFI	3.51%	0.21%

WORST CONTRIBUTIONS IN THE MONTH

	Weight	Contribution
ORANGE	2.33%	-0.29%
TUI AG-DI	2.45%	-0.23%
DASSAULT AVIATION	2.51%	-0.14%
KONINKLIJKE KPN	2.13%	-0.14%
AUTOGRILL	2.36%	-0.10%

MAIN CHARACTERISTICS

NAV	€210.76	Net assets	€591M
Estimated PER 2020	11.9 x	ND/EBITDA 2019	1.8 x
Estimated net yield 2019	4.11%	EV/EBITDA 2020	6.3 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 (%)

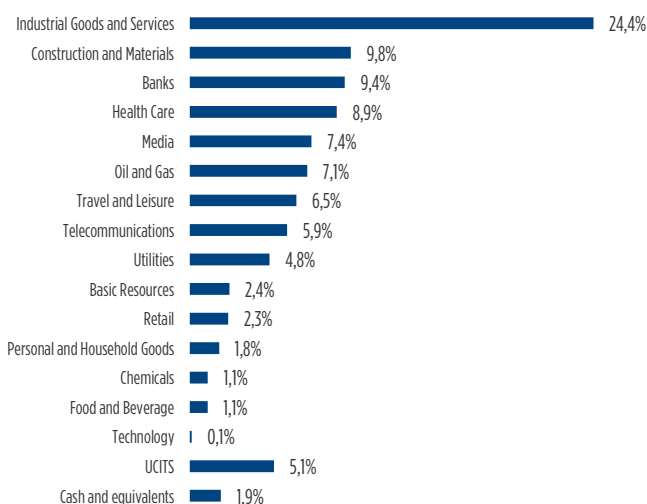
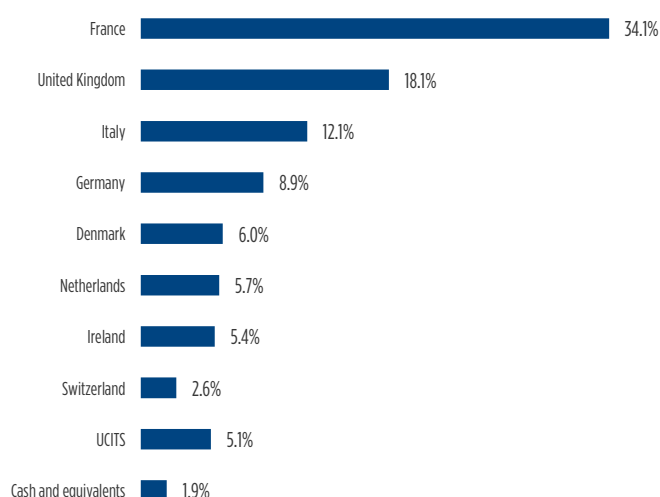
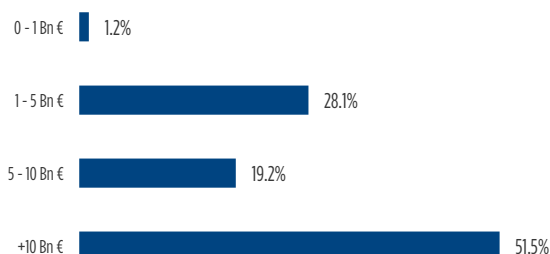
Year	january	february	march	april	may	june	july	august	september	october	november	december	Annual
2014	0.21%	3.99%	2.00%	-0.19%	3.09%	-2.27%	-2.80%	0.84%	0.91%	-3.39%	3.41%	-1.28%	4.27%
2015	7.66%	9.11%	3.11%	0.40%	0.62%	-3.41%	4.37%	-5.97%	-4.64%	6.23%	3.70%	-4.34%	16.55%
2016	-6.27%	-2.07%	2.63%	0.82%	2.16%	-7.23%	2.59%	1.75%	-1.10%	1.15%	1.69%	5.91%	1.25%
2017	-0.60%	1.42%	3.47%	2.15%	1.80%	-2.46%	-0.26%	-1.58%	5.00%	-0.45%	-1.51%	0.96%	7.95%

Past performance is not a guarantee of future performance.
CHANGES TO PORTFOLIO HOLDINGS
IN

NONE

OUT

 DEUTSCHE BOERSE
OSRAM LICHT AG

BREAKDOWN BY SECTOR

BREAKDOWN BY COUNTRY

MARKET CAP BREAKDOWN

CURRENCY BREAKDOWN
