

## INVESTMENT OBJECTIVE

The fund seek to outperform the SBF 120, calculated with dividends reinvested, over the recommended investment period (5 years).

## PORTFOLIO MANAGERS COMMENTS

Vigorous momentum on French equities indexes continued during October (SBF120 +2.8%, CAC M&S +2.7%) in a context of stable interest rates in Europe. This increase came against a backdrop of progress in the trade agreement between the US and China, while the risk of a hard Brexit seems to be fading according to the latest surveys. Manufacturing PMIs seem to have reached a low point (44.1 in November vs. 43.8 in October in Germany) and are beginning to pick up. Maintaining favorable macroeconomic conditions seems to rely on the healthy state of the consumption environment, which has so far made up for manufacturing weakness, pending a more significant rebound in manufacturing as geopolitical uncertainty is reabsorbed.

Gallica's YTD performance stood at +10.07%, vs. +perf\_YTD\_bench for the SBF120 dividends reinvested. During November, the fund was up +2.11%, underperforming by /superformance\_1Mbp. The main contributors to the fund's monthly performance were Sopra Steria, Credit Agricole, BNP Paribas, Societe Generale and Elis. In contrast, the fund suffered from its exposure to Renault, Bouygues, Soitec, Spie and TFI. During the month, we removed Fermentalg and Fleury Michon from our selection, while lines in Bureau Veritas, Sacyr and d'Ieteren were opened. Gallica presents an average 2019 net yield of 3.98% for 2020 P/E of 10.43x and prospective growth in 2020 earnings of 9.3%.

Macroeconomic conditions seem to favor ongoing momentum for equities markets in 2020: beneficial monetary policies, easing in geopolitical uncertainty, EPS growth set to be positive (around 8% estimated). This latter more hazardous component is where doubts seem to lie given that downward revisions have been seen in the majority of fiscal years since 2010. However, given the level of multiples (P/E 14x/15x according to estimates for the Stoxx600), the risk-reward profile seems to favor equities whereas more defensive assets (bonds especially) seem to offer no further potential after the levels reached. A reversal in flow momentum in favor of equities could also strengthen this trend after more than a year of outflows.

Text completed on 12/2/2019

Igor de MAACK - Romain AVICE - Olivier HABAUULT











## PERFORMANCE AND VOLATILITY

	Share C	Reference Index <sup>®</sup>
YTD performance	10.07%	26.37%
2018 performance	-21.24%	-9.70%
Annualised performance 5 years	4.75%	8.63%
Volatility 1 year	14.21%	13.67%
Volatility 3 years	12.80%	12.93%
Volatility 5 years	13.74%	15.80%

## PERFORMANCE SINCE 23/02/2001



## MAIN HOLDINGS

 CREDIT AGRICOLE SA	6.51%	 CARREFOUR SA	4.38%
 BOUYGUES	5.19%	 PUBLICIS GROUPE SA	4.13%
 TOTAL	5.08%	 SOPRA GROUP	4.11%
 ELIS	4.57%	 ORANGE	3.98%
 BNP PARIBAS	4.55%	 COFACE	3.49%

Holdings may change over time

## BEST CONTRIBUTIONS IN THE MONTH

	Weight	Contribution
SOPRA GROUP	4.11%	0.42%
CREDIT AGRICOLE SA	6.51%	0.37%
BNP PARIBAS	4.55%	0.36%
SOCIETE GENERALE SA	3.10%	0.33%
ELIS	4.57%	0.25%

## WORST CONTRIBUTIONS IN THE MONTH

	Weight	Contribution
RENAULT SA	3.49%	-0.18%
BOUYGUES	5.19%	-0.13%
SOITEC	2.71%	-0.09%
SPIE SA	2.58%	-0.07%
TFI	2.67%	-0.07%

## MAIN CHARACTERISTICS

NAV	€306.78	Net assets	€54M
Estimated PER 2020	10.4 x	ND/EBITDA 2019	1.9 x
Estimated net yield 2019	3.98%	EV/EBITDA 2020	5.9 x

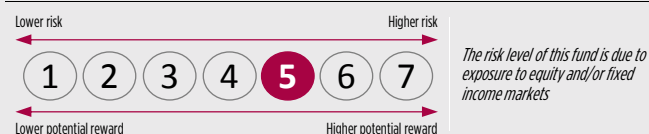
PER (Price Earnings Ratio) is the ratio of market capitalisation to net earnings. It is a way of estimating how expensive a share is.

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.

## RISK AND REWARD PROFILE



**PERFORMANCE (%)**

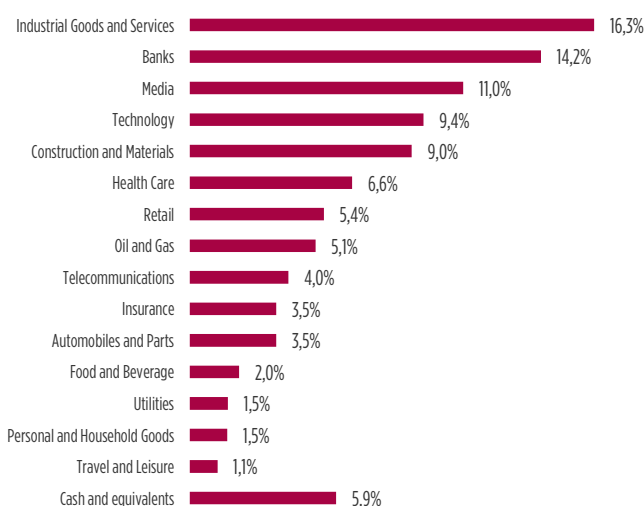
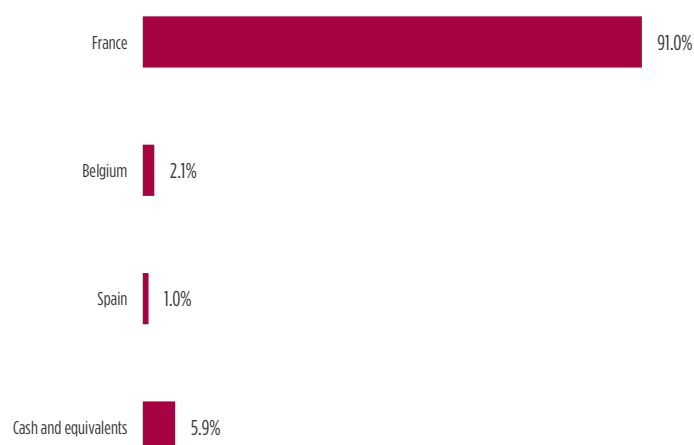
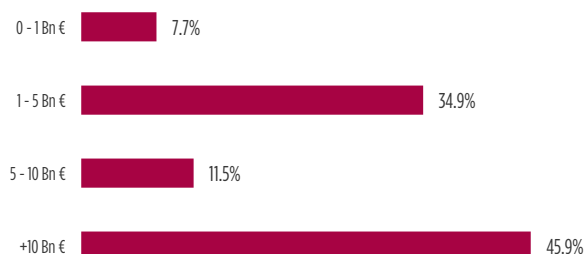
Year	january	february	march	april	may	june	july	august	september	october	november	december	Annual
2014	2.22%	8.31%	1.56%	0.67%	1.63%	-3.00%	-4.27%	-0.04%	-2.53%	-3.75%	7.12%	-0.88%	<b>6.36%</b>
2015	5.97%	7.69%	1.88%	1.23%	1.12%	-4.06%	5.16%	-5.51%	-3.88%	7.10%	3.33%	-2.55%	<b>17.60%</b>
2016	-5.45%	-1.83%	2.13%	0.72%	3.94%	-7.38%	5.48%	2.34%	1.19%	0.58%	1.58%	6.51%	<b>9.26%</b>
2017	0.00%	0.76%	4.72%	2.52%	3.26%	-1.31%	-0.56%	-1.10%	5.44%	0.67%	-1.33%	0.62%	<b>14.27%</b>
2018	2.82%	-2.71%	-2.92%	2.91%	-3.92%	-2.14%	0.62%	-1.32%	-0.28%	-7.03%	-1.98%	-7.12%	<b>-21.24%</b>
2019	5.20%	2.59%	-0.52%	5.86%	-5.71%	4.28%	-1.34%	-2.73%	1.57%	-1.04%	2.11%	-	<b>10.07%</b>

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

AIR FRANCE - KLM  
BUREAU VERITAS  
D IETEREN SA  
SACYR SA

**OUT**

ECONOCOM GROUP  
FNAC DARTY SA  
LVMH  
TARKETT

**BREAKDOWN BY SECTOR**

**BREAKDOWN BY COUNTRY**

**MARKET CAP BREAKDOWN**

**CURRENCY BREAKDOWN**
