

INVESTMENT STRATEGY



A EURO ZONE EQUITY FUND, blend style, all capitalisations

ROCHE-BRUNE ZONE EURO ACTIONS is a pure stock picking fund with a portfolio of 50 to 65 European large and mid-cap stocks which benefit from profitable growth and an international presence.

Euro Zone
Equities

Target : to outperform the Euro Zone equity markets with a reduced volatility



ABOUT THE FUND

Fund managers : Bruno FINE & Grégoire LAVERNE

Net Asset Value per share (P): 1 578,39 EUR

1 month performance: -9,36%

Total AUM (million €): 108

Benchmark: Euro STOXX Net Return

Holding duration: 5 - 7 years

Fund type: French FCP (Fonds Commun de Placement)

Changes in management process: No

Inception date: March 1, 2006

End of fiscal year: last working day in June

NAV Frequency: Daily

Type of valuation: Closing price

Type : Capitalisation

Settlement and delivery: D + 2

Dealing deadline: D Day before 11am (Paris time)

Custodian: BNP Paribas Securities Services

Fund administrator: BNP Paribas Securities Services

ISIN Code P share : FR0010283838

Annual Management fees (P): 1,85% TTC max

External administrative fees (P): 0,15% TTC max

Performance fees: 20% of the outperformance

Bloomberg code: RBEURST FP

Reuters code: LP65023415

UCITS V: Yes

Performance engine: M.U.S.T.®

Risk and return profile:

1	2	3	4	5	6	7
---	---	---	---	---	---	---

FUND MANAGER COMMENT

October was a very turbulent month with renewed volatility in the equity markets. This month, Italy will have been in the spotlight with the presentation of its highly controversial budget to the European Commission, which, for the first time in its history, rejected a Member State's budget. Despite a reassuring communication from the Italian government, the debate on the budget continues. Still in Europe, attempts to negotiate Brexit still seem fierce, but discussions could lead to an agreement by the end of the year. On the other side of the Atlantic, Donald Trump's protectionist war continued to make waves in European equity markets, but a meeting is planned with China in late November. On the political side, the mid-term elections could ease tensions if Trump emerged weakened.

In terms of sector allocation, **consumer goods** (-12.6%) penalized our portfolio, with in particular the strong underperformance over the month of automotive equipment manufacturers. On the other hand, our overweight position in **utilities** (+1.06%) and our good stock selection in the sector were favourable.

As regards to values, **Acerinox** (-19.9%) and **Prysmian** (-14.5%) are among the worst contributors to the fund's performance over the month. Spanish steelmaker **Acerinox** published very good figures for the third quarter of 2018, above expectations, but the market remained focused on a potential decline in activity at the end of the year due to macroeconomic uncertainties and lower commodity prices. On the side of **Prysmian**, the Italian cablemaker, there was good news this month: the completion of the Western Link project, which had encountered some technical problems in recent months. This good news, which significantly reduces uncertainty about the company, was quickly forgotten by the market.

As for the few positive contributors this month, the Dutch optician **GrandVision** (+5.4%) published solid quarterly results enabling it to confirm its 2018 objectives while anticipating a favourable trend at the end of the year. Despite a slightly disappointing quarter, **Valmet** expects an improvement in the fourth quarter, driven by a good level of order intake and improved margins.

CUMULATED PERFORMANCE - P share

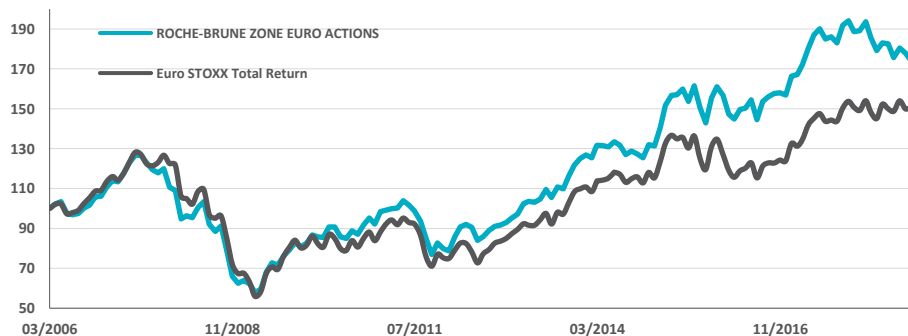
	Fund	Benchmark	Diff.
YTD	-16,58%	-6,37%	-10,22%
1 month	-9,36%	-6,62%	-2,74%
1 year	-18,69%	-9,13%	-9,56%
3 years	1,52%	6,73%	-5,21%
5 years	29,53%	28,75%	0,78%
10 years	139,35%	94,65%	44,70%
Origin	57,84%	39,69%	18,15%

Source: Internal performance (net of fees).

ANNUAL PERFORMANCE - P share

	Fund	Benchmark	Diff.
2018	-16,58%	-6,37%	-10,22%
2017	13,71%	12,55%	1,16%
2016	6,16%	4,15%	2,01%
2015	19,29%	10,33%	8,96%
2014	3,60%	4,14%	-0,55%
2013	30,49%	23,74%	6,75%
2012	23,61%	19,34%	4,28%

NAV EVOLUTION (SINCE INCEPTION)



	January	February	March	April	May	June	July	August	September	October	November	December	Year
2018	2,37%	-4,21%	-3,44%	2,19%	-0,32%	-3,79%	2,81%	-1,44%	-2,12%	-9,36%			-16,58%
2017	0,47%	2,93%	4,69%	3,81%	1,64%	-2,70%	0,58%	-1,60%	4,80%	1,20%	-2,83%	0,31%	13,71%
2016	-6,11%	-1,62%	3,34%	0,46%	2,75%	-6,45%	6,31%	1,56%	1,08%	0,21%	-0,72%	6,05%	6,16%
2015	7,07%	7,84%	3,30%	0,16%	1,91%	-3,96%	5,13%	-6,75%	-5,08%	8,74%	3,56%	-2,65%	19,29%
2014	-1,09%	4,98%	-0,19%	-0,38%	1,92%	-1,35%	-3,55%	1,44%	-1,21%	-1,47%	5,25%	-0,43%	3,60%
2013	5,35%	1,18%	-0,46%	1,56%	4,57%	-3,74%	5,06%	-0,82%	5,81%	4,82%	2,67%	1,39%	30,49%

Source: Internal performance (net of fees).

ROCHE-BRUNE ZONE EURO ACTIONS - October 2018



TOP TEN HOLDINGS

Company	Country	Weight	Attractiveness	RMV
VEOLIA ENVIRONNEMENT	France	3,57%	13,2	10,37%
ALTEN SA	France	3,20%	12,8	8,47%
GRANDVISION NV- W/I	Germany	2,90%	13,2	7,60%
TOTAL SA	France	2,76%	12,6	11,74%
AUTOGRILL SPA	Italy	2,51%	11,4	5,52%
IMERYS SA	France	2,50%	10,1	10,85%
UCB SA	Belgique	2,43%	12,5	7,68%
BREMBO SPA	Spain	2,34%	15,3	11,64%
PRYSMIAN SPA	Italie	2,28%	15,5	11,63%
THALES SA	Italy	2,14%	18,7	5,94%

MAIN MOVES DURING THE MONTH

New	Strengthened	Reduced	Sold
-	ALTEN (FRA) AUTOGRILL (ITA) DEUTSCHE POST (DEU) IMERYS (FRA) PFEIFFER (DEU) RTL GROUP (LUX) UCB (BEL) VEOLIA (FRA)	CARREFOUR (FRA) PRYSMIAN (ITA) SUEZ (FRA) THALES (FRA)	ATRESMEDIA (ESP) HUGO BOSS (DEU)

BEST CONTRIBUTORS

Company	Country	
GRANVISION	Netherlands	+5,4%
VALMET	Finland	+4,7%
SUEZ	France	+4,5%
CARREFOUR	France	+3,9%
VEOLIA	France	+2,5%

RISK INDICATORS (52 weeks) - P share

Fund volatility	13,31%
Benchmark volatility	13,61%
Tracking Error	5,28%
Active Share	83,11%
Information ratio	-1,80
Sharpe ratio	-1,49
Bêta	0,90

WORST CONTRIBUTORS

Company	Country	
RECTICEL	Belgium	-27,3%
ID LOGISTICS	France	-26,5%
VALEO	France	-23,7%
MANITOU	France	-21,7%
NOKIAN RENKAAT	Finland	-20,4%

M.U.S.T.® INDICATORS

Fund attractiveness	13,8/20
Return on Market Value (RMV)	10,55%
Government bonds 10 y yield	1,05%
Required RMV	5,11%
Risk premium	544 bp
Holdings in portfolio	52

SECTOR BREAKDOWN

	Fund	Bench.
Consumer staples	13,8%	17,9%
Financials	3,1%	20,7%
Industry	34,7%	16,2%
Raw materials	10,5%	7,9%
Oil & Gas	3,1%	6,3%
Healthcare	7,4%	8,6%
Utilities	9,4%	5,1%
Consumer discretionary	10,3%	5,5%
Technology	7,7%	8,7%
Telecoms	0,0%	3,2%

COUNTRY BREAKDOWN

	Fund	Bench.
Germany	16,1%	28,4%
Others	5,4%	6,3%
Austria	4,3%	0,8%
Belgium	6,3%	3,5%
Spain	4,1%	8,9%
Finland	3,8%	3,6%
France	39,6%	33,7%
Italy	14,3%	6,3%
Netherlands	6,1%	8,5%

BREAKDOWN BY MARKET CAP

Higher than € 10 Bn	29,7%
From € 5 to 10 Bn	17,1%
From € 1 to 5 Bn	38,8%
Lower than € 1 Bn	14,4%

BREAKDOWN BY ASSET CLASS

Equities	89,8%
ETF Equities	5,6%
Futures on equities	2,8%
Cash	4,7%

RELEVANT INFORMATION

Past performances provide no guide for the future, and nor are they a guarantee of future yields. Performances presented include all fees, excluding potential commissions for subscription and repurchase. This document is not contractual and only provides information indicatively. In no way does it represent an offer to purchase securities or a public request for savings if this fund does not gain prior authorisation. The subscriber, the holder of shares in this fund, acknowledges having received the information note or the prospectus previously required by the AMF. Any additional information may be obtained on request from the asset management company of this fund. © 2018 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. Roche-Brune AM is a signatory to the PRI (Principles for Responsible Investment) - www.unpri.org

This document is a free translation of the French document, which alone is authentic.



An investor initiative in partnership with UNEP FI and the UN Global Compact

