

INVESTMENT STRATEGY

AN INTERNATIONAL EQUITY FUND, ALL STOCK TYPES, MEDIUM TO LARGE CAPS

ROCHE-BRUNE FUNDS CAPITAL BRAIN® is a fund composed by 50 to 65 mid and large cap international stocks which benefit from a profitable growth.  
Objective : Outperform international equity markets with a lower volatility

International  
Equities



FUND MANAGERS' COMMENTARY

In a context of a soft environment in the beginning of the month during which the investors hold their breath with the political drama in Catalonia, the markets embarked on an uptrend at the end of the month, reassured by the ECB's speech. Indeed, the latter succeeded again in its balancing act by announcing the decrease of its asset-buying program, while lengthening the duration of its *Quantitative Easing* policy. By these messages, the central banker managed to convince the market its willingness to support sustainably the European economy.

Over the month, the fund **Capital Brain®** jumped by 1.99% but the STOXX Global 1 800 posts a much better performance with 3.43%.

Since the beginning of the year, the fund has performed by 7.66% generating a cumulated alpha of 36 bps and a 52 weeks volatility at 9.7%, still lower than its benchmark.

Further our monthly M.U.S.T.® committee, we sold our positions in **Alphabet** (USA, Information Technology), **Landstar System** (USA, Supply chain and logistics), **Stryker** (USA, medical equipment), **TJX** (USA, Retail) and **Veolia** (FRA, utilities).

Over the month, our sensitivity to the financial risk increased to 3,9% through Banks and Insurances ETFs vs 3,4% previously.

The turnover rate of the portfolio, on a 12 months rolling basis, reached 216.0%. The weighted average capitalisation of the fund's companies equals to € 31.6 Bn.

Our firm convictions for 66 stocks is well diversified in terms of risk, sector, management style and geographical exposure. We still favor companies with an international reach, a sustained cash flow and a good combination of attractiveness (13,7/20) and expected return. The companies selected need to be eligible to our non-financial criteria (SRI grade > C+). As a result of our approach, the investment rate of Roche Brune Capital Brain rises to 93.9%.

FUND'S CHARACTERISTICS

Fund managers: Bruno FINE & Maud FOUILLOUX

Net Asset Value (FI class): 1 183,44 EUR

Assets Under Management: 5 M EUR

Benchmark: STOXX Global 1800 Net Return EUR

Investment horizon: 5 - 7 years

Legal form: SICAV under Luxembourg Law

Launch Date (Fund): December 18th 2015

Launch Date (Fund): December 18th 2015

End of fiscal year: December 31st

Frequency of valuation: Daily

Type of valuation: Closing Price

Type: Accumulation

Settlement : D + 2

Cut off Before 12:30 PM daily

Custodian: BNP Paribas Securities Services

Fund administration: BNP Paribas Securities Services

ISIN (FI share class): LU1327023658

Management fees (FI share class): 0,60% TTC

Performance fees: 20% of outperformance over the index if the fund has a positive performance

Bloomberg code: RBFCBFI LX

CUMULATIVE PERFORMANCE - FI CLASS

	Fonds	Indice	Ecart
YTD	7,66%	7,29%	0,36%
1 mois	1,99%	3,43%	-1,44%
1 an	14,36%	15,69%	-1,33%
3 ans	-	-	-
5 ans	-	-	-
Origine	18,34%	20,16%	-1,81%

Source : Internal performance (net of fees)

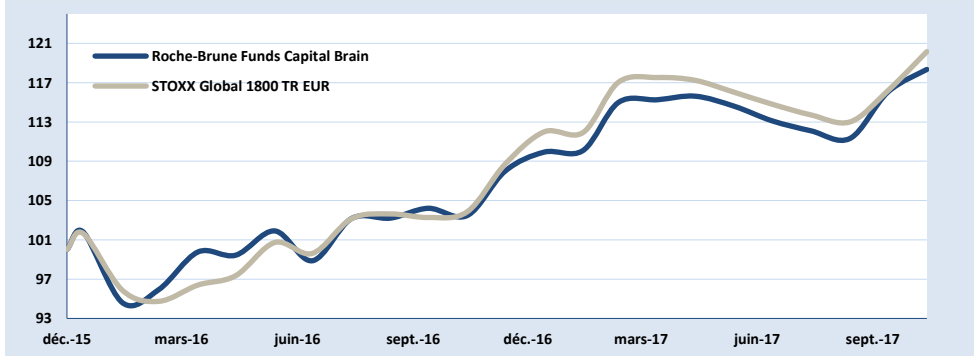
YEARLY PERFORMANCE - FI CLASS

	Fonds	Indice	Ecart
2017	7,66%	7,29%	0,36%
2016	8,00%	10,18%	-2,18%
2015	-	-	-
2014	-	-	-
2013	-	-	-
2012	-	-	-

Source : Internal performance (net of fees)

\* 18/12/2015 to 31/12/2015

NAV EVOLUTION (SINCE INCEPTION)



MONTHLY RETURNS - FI share

	January	February	March	April	May	June	July	August	September	October	November	December	Year
2017	0,16%	4,43%	0,24%	0,31%	-0,88%	-1,29%	-0,90%	-0,69%	4,24%	1,99%			7,66%
2016	-7,05%	1,40%	3,98%	-0,32%	2,49%	-2,98%	4,34%	0,05%	0,97%	-0,70%	4,36%	1,79%	8,00%
2015												1,78%	1,78%
2014													
2013													
2012													

Source : Internal performance (net of fees)

## ROCHE-BRUNE FUNDS CAPITAL BRAIN® - October 2017

### Top 10 Holdings

Name	Country	Weight	Attractiveness	RMV
FEDEX CORP	United States	2,63%	15,8	8,74%
WILLIAMS-SONOMA INC	France	2,47%	15,0	10,91%
IMERYS SA	France	2,42%	13,2	9,45%
NETGEAR INC	Germany	2,18%	13,6	8,58%
DEUTSCHE POST AG-REG	United States	2,17%	16,5	7,53%
NEXANS SA	Japan	2,13%	13,0	11,28%
TS TECH CO LTD	United States	2,05%	14,9	16,40%
SALINI IMPREGILO SPA	United States	1,99%	14,1	12,37%
FAURECIA	United States	1,99%	16,7	13,24%
THALES SA	France	1,85%	17,9	7,98%

### Top performers of the month

Name	Country	Performance
TOKYO ELECTRON	United States	+14,3%
NEXANS	United States	+12,0%
MICROSOFT	United States	+11,7%
WW Grainger	United States	+10,0%
3M	United States	+9,7%

### Flops of the month

Name	Country	Performance
CELESTICA	United States	-16,1%
DIA	Japan	-14,9%
ULTA BEAUTY	Switzerland	-10,7%
MCKESSON	United States	-10,2%
DICK'S SPORTING	United States	-9,4%

SECTOR BREAKDOWN	Fund	Bench
Consumer Goods	16,6%	12,7%
Finance	4,2%	22,1%
Industry	33,6%	13,9%
Commodities	4,0%	4,8%
Oil and Gas	0,0%	5,6%
Health	4,3%	11,3%
Utilities	0,0%	3,3%
Consumer services	25,6%	10,6%
Technology	9,3%	12,6%
Telecommunications	2,4%	3,0%

GEOGRAPHICAL BREAKDOWN	Fund	Bench
United States	60,5%	55,2%
Japan	14,2%	10,5%
Germany	4,2%	3,8%
France	13,1%	4,1%
United Kingdom	1,5%	6,7%
Switzerland	2,5%	3,6%
North Europe	1,5%	2,5%
Other Europe (OECD)	1,4%	5,2%
Other (OECD)	1,1%	6,2%
Non OECD	0,0%	2,1%

MARKET CAP BREAKDOWN	
Greater than 10 billion €	48,81%
5 to 10 billion €	19,49%
1 to 5 billion €	31,70%
Less than 1 billion €	0,00%

ASSET CLASS BREAKDOWN	
Equities	89,97%
Finance ETF	3,94%
Cash	6,09%

### MAIN MOVEMENTS OVER THE MONTH

Entry	Reinforced	Reduced	Sold
-	ANDRITZ (AUT) DICKS SPORTING (USA) IMERYS (FRA) LOWE'S (USA) NETGEAR (USA) OMNICOM (USA) RALPH LAUREN (USA) TECH DATA (USA) THALES (USA) ...	DEUTSCHE POST (DEU) DORMA+KABA (CHE) FAURECIA (FRA) WW GRAINGER (USA) HUMANA (USA) NABTESCO (JAP) SOUTHWEST (USA) STEELCASE (USA)	ALPHABET (USA) LANDSTAR (USA) STRYKER (USA) TJX (USA) VEOLIA (FRA)

### RISK INDICATORS (52 weeks) - FI share class

Fund Volatility	9,70%
Benchmark Volatility	10,46%
Tracking Error	3,53%
Active Share	0,0%
Information Ratio	-0,26
Sharpe ratio	1,59
Beta*	0,87

\*Weighted portfolio Beta

### M.U.S.T.® INDICATORS

Fund attractiveness	13,7/20
Return on Market Value (RMV)	8,98%
Government Bond (10Y)-RB Composite	2,00%
RMV requirement	5,93%
Risk Premium	305 bp



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