

INVESTMENT STRATEGY



A EUROPEAN EQUITY FUND, blend style, large and mid capitalisations

ROCHE-BRUNE EUROPE 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.

European Equities

Target : to outperform the european equity markets with a reduced volatility



ABOUT THE FUND

Fund managers : Bruno FINE & Grégoire LAVERNE

Net Asset Value per share (I): 1 376,72 EUR

1 month performance: -1,90%

Total AUM: 104 million EUR

Benchmark: STOXX Europe 600 Net Return

Holding duration: 5 - 7 years

Fund type: French Mutual Fund

Changes in management process: September 30, 2005

Inception date: March 17, 2003

Fund's share inception date: February 6, 2014

End of fiscal year: last working day in September

NAV Frequency: Daily

Type of valuation: Closing price

Type : Capitalisation

Settlement and delivery: D + 2

Dealing deadline: Day D before 12:30pm (Paris time)

Custodian: BNP Paribas Securities Services

Fund administrator: BNP Paribas Securities Services

ISIN Code (I) : FR0011686930

Annual Management fees (I): 0,85% TTC max

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

Performance fees: 20% of the outperformance

Bloomberg code: RBCAPAI FP

UCITS V: Yes

Performance engine: M.U.S.T.®

Risk and return profile:

1	2	3	4	5	6	7
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FUND MANAGER COMMENT

In September, it's the same song, but the difference is that the twists and turns are no longer just due to tensions between the United States and China. Brexit, Italy and the Central Banks are back in the spotlight. On the Brexit side, tensions are present and solutions are not apparent. However, the deadline for reaching an agreement is fast approaching and Theresa May is still under pressure. The verdict on the Italian budget fell at the end of September with a budget deficit target of 2.4% of GDP for the next three years, well above the recommendations of Finance Minister Giovanni Tria. This announcement brings back to the forefront concerns about debt sustainability with a crucial issue on Italy's rating by rating agencies. And finally, the Central Banks intervened to reassure about growth and inflation in both the United States and Europe.

On a sectoral basis, our **underweight exposure to the stocks of the financial sector (+1.4%) and the Oil & Gas sector (+5.7%)**, two sectors that performed very well over the month, contributed negatively to our performance. On the other hand, our **underweight exposure to technology stocks, which was down sharply (-3.1%)**, was favourable to us.

In terms of values, **Prysmian (-9.7%) and Krones (-13.7%)** made a negative contribution to the fund's performance. Prysmian, an Italian cablemaker, has entered a declining phase following the release of its 2nd quarter figures. However, the results are better than expected and have been the subject of a reiteration of the 2018 objectives and reassuring news about the Western Link project. Uncertainties about the order book in submarine cables caused the price to fall. But at the beginning of October, new orders reassured the market and suggested that the end of the year would be in line with objectives.

On the side of positive contributors, **Total (+4.9%)** is supporting the rise in oil prices over the month with a favourable news flow: analyst recommendations, macroeconomic environment, completion of the acquisition of Direct Energie, major gas discovery off the United Kingdom...

Acerinox (+6.4%), a Spanish stainless-steel producer, was once again recognized for its ESG commitment by joining the FTSE4Good World Index of Responsible and Sustainable Companies in CSR terms.

CUMULATED PERFORMANCE - I share

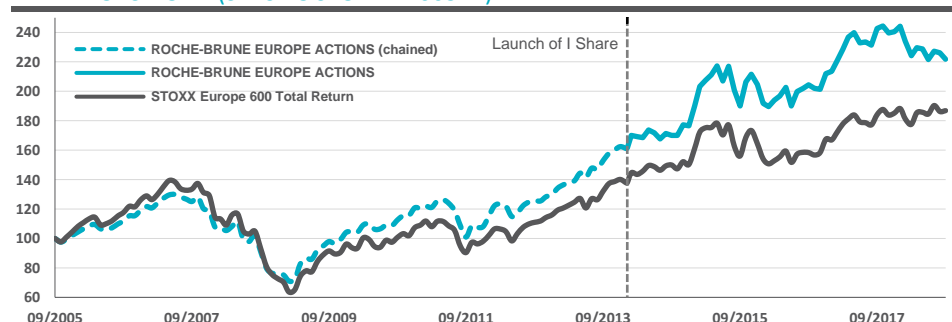
	Fund	Benchmark	Diff.
YTD	-7,77%	0,90%	-8,67%
1 month	-1,90%	0,32%	-2,22%
1 year	-8,58%	1,48%	-10,06%
3 years	16,66%	19,79%	-3,13%
5 years*	45,34%	41,48%	3,86%
10 years*	143,56%	100,22%	43,34%
Inception**	122,22%	86,89%	35,33%

ANNUAL PERFORMANCE - I share

	Fund	Benchmark	Diff.
2018	-7,77%	0,90%	-8,67%
2017	13,44%	10,58%	2,87%
2016	3,56%	1,73%	1,83%
2015	15,94%	9,60%	6,34%
2014*	8,89%	7,20%	1,69%
2013*	25,18%	20,79%	4,39%
2012*	19,94%	18,18%	1,76%

Source : Internal performance (net of fees). Inception of the I Share the 6th February of 2014. *Performances and NAV before inception of Part I have been chained with the ones of the oldest Part (P), adjusted for the management fees of this share. ** Since 30/09/2005, shift to a European Index

NAV EVOLUTION* (SINCE OCTOBER 2005**)



*Performances and NAV before inception of Part I have been chained with the ones of the oldest Part (P), adjusted for the management fees of this share. ** Since 30/09/2005, shift to a European Index

MONTHLY RETURN - I share

	January	February	March	April	May	June	July	August	September	October	November	December	Year
2018	1,59%	-4,22%	-4,21%	2,43%	-0,32%	-3,20%	2,60%	-0,54%	-1,90%				-7,77%
2017	0,78%	3,30%	3,59%	3,62%	1,27%	-2,88%	0,28%	-0,91%	4,80%	0,73%	-1,92%	0,33%	13,44%
2016	-6,25%	-1,23%	2,36%	1,46%	3,01%	-6,29%	5,17%	1,14%	1,10%	-1,11%	-0,32%	5,26%	3,56%
2015	7,63%	7,01%	2,03%	1,80%	2,88%	-4,74%	4,82%	-7,50%	-5,27%	8,56%	2,56%	-3,30%	15,94%
2014*	-0,81%	5,72%	-0,47%	-0,41%	3,05%	-1,04%	-2,40%	2,16%	-0,71%	-0,01%	4,19%	-0,39%	8,89%
2013*	3,43%	1,61%	1,25%	0,82%	3,75%	-2,07%	4,49%	-0,51%	3,99%	3,23%	1,51%	1,39%	25,18%

Source : Roche-Brune (net of fees).

ROCHE-BRUNE EUROPE ACTIONS - September 2018



TOP TEN HOLDINGS

Company	Country	Weight	Attractiveness	RMV
ALTEN SA	France	2,65%	12,7	7,69%
VEOLIA ENVIRONNEMENT	France	2,53%	13,4	10,53%
TOTAL SA	France	2,50%	12,6	11,53%
PRYSMIAN SPA	Italy	2,45%	15,7	9,80%
BREMBO SPA	Italy	2,44%	14,9	9,47%
THALES SA	France	2,33%	18,6	5,20%
GRANDVISION NV- W/I	Netherlands	2,33%	13,1	7,84%
UCB SA	Belgium	1,95%	12,6	7,21%
FNAC DARTY SA	France	1,95%	15,8	15,05%
IMERYS SA	France	1,92%	10,2	10,36%

BEST CONTRIBUTORS

Company	Country	Performance
DORMAKABA	Switzerland	+8,7%
CARREFOUR	France	+7,4%
ACERINOX	Spain	+6,4%
TED BAKER	###	+4,8%
BT GROUP	###	+3,7%

WORST CONTRIBUTORS

Company	Country	Performance
KRONES	Germany	-13,7%
ATRESMEDIA	Spain	-13,0%
TARKETT	France	-12,4%
CONZZETA	Switzerland	-11,7%
PRYSMIAN	Italy	-9,7%

MAIN MOVES DURING THE MONTH

New	Strengthened	Reduced	Sold
COVESTRO (DEU)	-	DE LONGHI (ITA)	-
HENKEL (DEU)			

RISK INDICATORS (52 weeks) - I share

Fund volatility	11,51%
Benchmark volatility	11,29%
Tracking Error	4,66%
Active Share	81,91%
Information ratio	-2,17
Sharpe ratio	-0,72
Bêta	0,94

M.U.S.T.® INDICATORS

	M.U.S.T.®
Fund attractiveness	13,9/20
Return on Market Value (RMV)	9,56%
Government bonds 10 y yield	1,05%
Required RMV	5,25%
Risk premium	431 pb

SECTOR BREAKDOWN

	Fund	Bench.
Consumer staples	15,5%	17,8%
Financials	8,6%	21,5%
Industry	30,8%	14,5%
Raw materials	8,4%	7,0%
Oil & Gas	3,9%	7,3%
Healthcare	7,4%	13,6%
Utilities	7,1%	3,5%
Consumer discretionary	11,5%	6,6%
Technology	4,4%	5,2%
Telecoms	2,4%	3,0%

COUNTRY BREAKDOWN

	Fund	Bench.
Germany	14,7%	14,4%
Others	3,9%	3,9%
Benelux	10,2%	8,2%
Spain	5,5%	4,5%
Finland	3,5%	1,9%
France	31,6%	17,1%
Italy	12,0%	3,2%
Danemark, Norway, Sweden	4,9%	8,3%
United-Kingdom	6,3%	24,5%
Switzerland	7,2%	13,9%

BREAKDOWN BY MARKET CAP

Higher than € 10 Bn	36,09%
From € 5 to 10 Bn	24,29%
From € 1 to 5 Bn	39,22%
Lower than € 1 Bn	0,41%

BREAKDOWN BY ASSET CLASS

Equities	85,60%
Bank & Insurance ETF	8,01%
Cash	6,39%

RELEVANT INFORMATION

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