DNCA Invest Evolutif
Flexible diversified strategy

MANAGEMENT OBJECTIVE

The fund's management objective is to outperform the following composite index: 60% Eurostoxx 50 NR - 30% Euro MTS 1-3 years - 10% Eonia calculated on the basis of reinvested dividends, while preserving capital during disadvantageous periods thanks to opportunist and flexible asset allocation management.

MANAGER COMMENT

Indefinitely postponing the Greek tragedy…

Despite the relatively insignificant weight of Greece in the global economy, sentiment in international financial markets remained dominated by the debt crisis. By failing to present the vital reforms which are crucial to its return to global economic competition, Greece has instilled fear among investors as it embodies the idea of an ageing Europe in decline.

However, as the efforts undertaken by Portugal, Spain and Italy demonstrate that the opposite is true, a positive outcome to the Greek crisis cannot be ruled out, involving a reformist regime similar to Renzi's Italian government taking over from Tsipras. This solution would provide strong impetus to resolve the problem of the uncompetitive cost structure which affects a significant proportion of European industry and therefore continues to weigh on exports.

Investors are effectively concerned about Europe's ability to gain international market share. As global growth slows (+2.9% estimated GDP growth in 2015) amid heightened competitive pressure, analysts are struggling to anticipate European corporate earnings growth above 7% in 2015, which casts doubt over the high valuation of the DJ STOXX EUROPE 600 (15.9x 12-month earnings forecasts).

We are adopting a broader view however, despite our cautious approach. Support from lower oil prices and favourable exchange rates, albeit temporary and already partially priced-in, will continue to underpin European exporters who have capitalised on the crisis. We also believe that economic modernisation reforms will bear fruit, particularly in France, in a context of monetary easing which enhances economic financing. Furthermore, the eurozone recovery is gathering pace, as illustrated by the latest economic indicators released in May (PMI indices), the increase in the monetary mass and the availability of loans to SMEs, which augurs well for an increase in capex. We believe that consensus earnings forecasts may be revised upwards in Europe once the Greek crisis reaches a conclusion.

Meanwhile, we have continued focusing our investments on equities, which now account for 57% of the fund. The equity portfolio is balanced between cyclicals and value stocks, which each represent one third of our stock picks. The fixed-income portfolio is yielding 2.2% with average maturity of 2.6 years.

We have opportunistically capitalised on market volatility to strengthen our core convictions, including deep cyclicals which are beginning to reveal an uptick in sales momentum and will benefit fully from their strong operating leverage. We remain convinced that earnings upgrades from this type of company will not be postponed indefinitely, unlike the Greek crisis.

Xavier DELAYE   **Augustin PICQUENDAR**

*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.
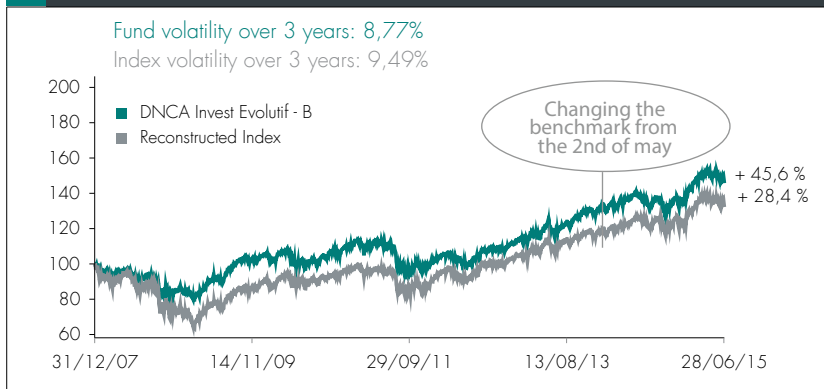
*EV/EBITDA is the ratio between enterprise value (market capitalisation + net debt) and gross operating profit. It helps estimate how expensive a share is.

YTD 06/30/2015

DNCA Invest Evolutif Share B's performance 2009: 22,50 % / 2010: 3,61 % / 2011: -6,79 % / 2012 : 10,38 % / 2013: 18,19% / 2014: 3,59%	**+6,99%**
Recomposed Index Performance* (Net Return) * from 31/12/2007 to 2/05/2014: 40 % CAC 40 - 30 % Euro MTS 3-5 years - 30 % MSCI World then the benchmark has changed: 60% Eurostoxx 50 NR - 30% Euro MTS 1-3 ans - 10% Eonia	**+8,48%**
NAV DNCA Invest Evolutif Share B	**145,63€**
Net Assets DNCA Invest Evolutif	**509,8 M€**

The performance data features represents past performance, which is no guarantee of future results
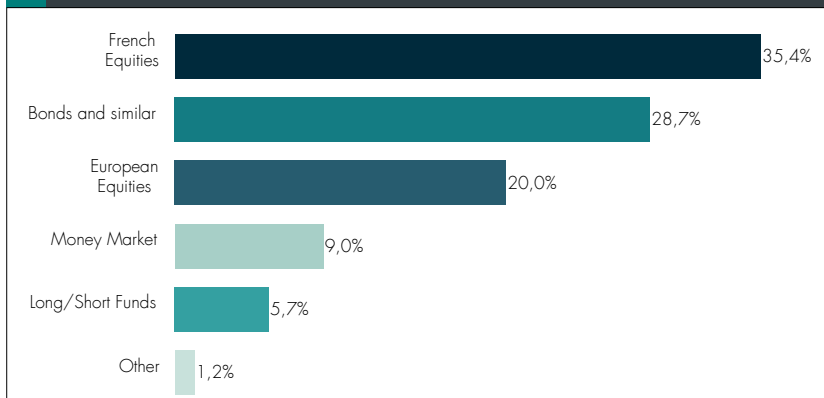
D.I. EVOLUTIF (B) PERFORMANCE SINCE 31/12/07*

Fund volatility over 3 years: 8,77%
Index volatility over 3 years: 9,49%

- DNCA Invest Evolutif - B + 45,6 %
- Reconstructed Index + 28,4 %

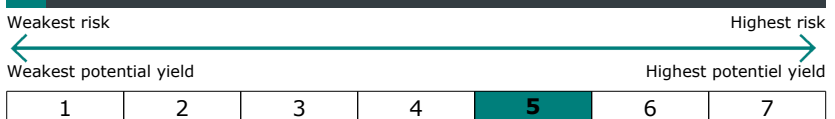Changing the benchmark from the 2nd of may

MAIN HOLDINGS

SAINT GOBAIN	BNP PARIBAS
SANOFI	BAYER
ORANGE	ALCATEL LUCENT
CREDIT AGRICOLE	ALSTOM
ROYAL DUTCH	BABCOCK

SECTOR BREAKDOWN D.I. DNCA EVOLUTIF

French Equities	35,4%
Bonds and similar	28,7%
European Equities	20,0%
Money Market	9,0%
Long/Short Funds	5,7%
Other	1,2%

RISK PROFILE AND YIELD

Weakest risk — Highest risk
Weakest potential yield — Highest potentiel yield

1	2	3	4	**5**	6	7

Exposure to equity market and interest rate explains the level of risk in this fund..