



Bellecour European Fund

April 6^h, 2018

INVESTMENT STRATEGY: Bellecour European Fund aims at delivering strong capital appreciation over a medium and long term horizon, with a high degree of downside protection. To achieve this aim, the Fund managers invest in euro zone public listed companies, with no market capitalization distinction, and hedge the risk totally or partially, through the sale of Index Future contracts or the purchase of Index Short Trackers. In the framework of a stock-picking investment strategy, the Fund managers target companies showing: 1/ superior business models; 2/ attractive valuations; and 3/ short and medium terms catalysts for re-rating (restructuring plans, better than expected results, merger and acquisition plans...). On the basis of the portfolio absolute valuation and upside potential, but also taking into account the perceived macro-economic risks, Fund managers decide to hedge totally or partially the portfolio risk exposure, and adjust the cash level of the portfolio accordingly.

Portfolio Gross Performance (unaudited data)



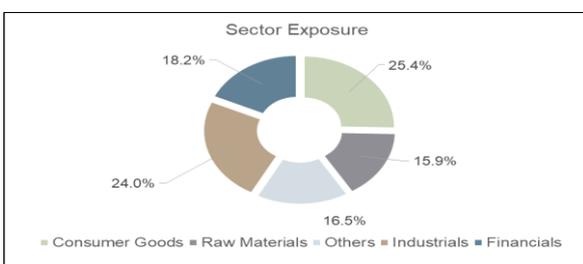
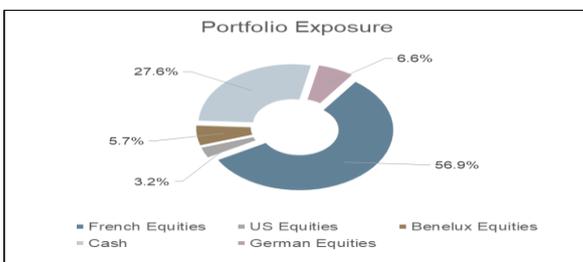
Net performance since inception: **+26.6%**

NAV per share: **€126.6**

Monthly gross performance: **-0.6%**

Performance Review: After the technical rebound experienced in February, European Equity markets suffered from more or less pronounced corrections in March. Similarly, US and Asian markets saw contractions between 3 and 5% last month, on the back of escalating trade tensions between China and the US. This increase in geopolitical risks had a direct impact on interest rates, which decreased significantly in March, but also on oil prices (+7% over the month). The Fund posted a satisfying relative performance in March thanks to its overexposure on French Equities, and to its investments in the Luxury and Oil sectors. Over the last month, we have sold out our position in German cement producer HeidelbergCement, while we initiated a new investment in Pernod Ricard and increased our weighting in French oil major Total.

Market Outlook: New tensions in the Middle East and Donald Trump's willingness to address the structural trade deficit between China and the US had a direct negative impact on Equity Markets. However, recent macro data show strong economic *momentum* across all regions, especially in the US. In Europe, companies should though suffer in the first quarter from the combined negative effects of currency headwinds and high comparison basis. We also anticipate a more limited operating leverage going forward due to labor market tensions and rising raw material prices. We therefore reiterate our view that Equity markets could lack *momentum* in the next few months, and reaffirm our resolutely opportunistic and selective investment strategy, despite the relative attractiveness of Equities as an asset class.



Top Picks: Air Liquide, L'Oréal, LVMH, Schneider Electric, Total.

Portfolio Implications: We have gradually reduced our net exposure to approximately 65%, while our stock-picking investment approach continues to translate into an over-exposure to French Equities, with no specific sector bias.

Gross Performances*	2018	2017	2016	2015	2014
Bellecour Capital	-3.4%	+8.3%	+3.7%	+17.4%	+10.6%
CAC40	-4.2%	+9.3%	+4.0%	+9.5%	+1.3%
ESTX50	-5.9%	+7.1%	+0.6%	+4.8%	+0.8%

*: Unaudited data

Bellecour European Fund

Central Admin: CACEIS Bank Luxembourg
Domiciliation: Luxembourg
Auditors: Deloitte
Depository: CACEIS Bank Luxembourg

ISIN Code: LU0508759890
Bloomberg Code: BELLEUR LX
Daily NAV / Base currency: EUR
Subscriptions/Redemptions: 1-day notice

Management fees: 2%
Performance fees: 20% above 5%
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