



Bellecour European Fund

June 8th, 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 since 2011 (unaudited data)



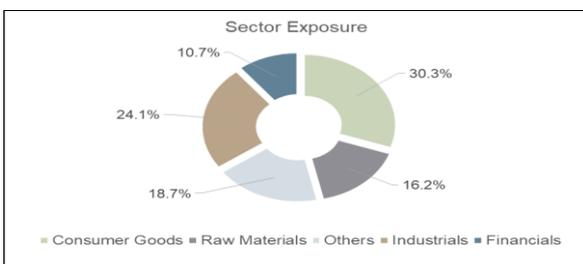
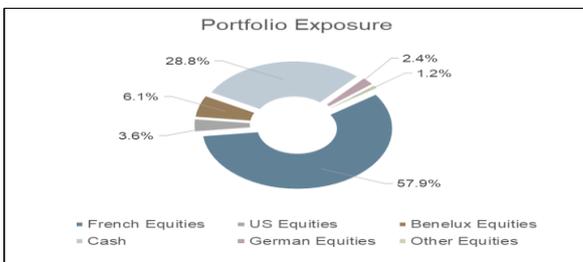
Net performance since inception: **+33.2%**

NAV per share: **€133.2**

Monthly gross performance: **+0.4%**

Performance Review: After the violent rebounds recorded in April, European Equity markets consolidated slightly in May, while Chinese Equities pursued their downward movements with corrections nearing 3%. On the contrary, US and Japanese markets appreciated by 1 to 4% last month. If economic momentum differential and monetary policy divergences pushed the euro lower against the dollar, interest rates barely moved in May, while oil dropped by more than 5% after its recent strong appreciation. The Fund enjoyed a satisfying performance in May, thanks to its limited net exposure and to good stockpicking choices. Over the last month, we have sold out our investments in Iliad, Société Générale, Allianz, KBC and Michelin and initiated only one new position French Aerospace and Defense group Safran.

Market Outlook: The relative calm in the Middle East and easing tensions between China and the US over their commercial conflict pushed markets higher at the beginning of the month. But erratic comments from President Donald Trump and the perspective of normalizing monetary policies in the context of in-line macro-economic data pushed markets lower at the end of the month. In Europe, Equities benefited from the combined effects of lower energy prices and a weakening euro. At this stage, we however reiterate our view that operating leverage should remain rather limited for European companies this year, and that growth has probably already peaked in Europe. Despite the relative attractiveness of Equities as an asset class, we thus reiterate our opportunistic and selective investment strategy.



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

Portfolio Implications: We have kept our net exposure at approximately 60%, 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	+2.0%	+8.3%	+3.7%	+17.4%	+10.6%
CAC40	+1.5%	+9.3%	+4.0%	+9.5%	+1.3%
ESTX50	-2.9%	+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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