

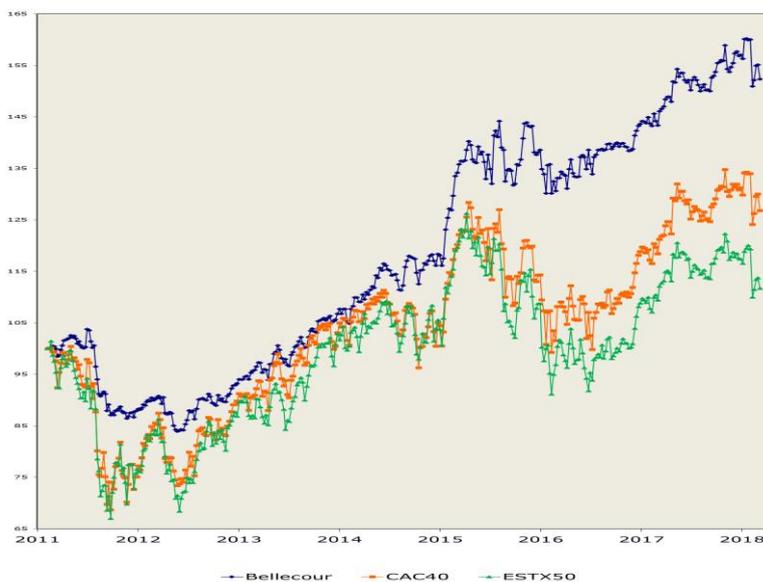


# Bellecour European Fund

March 8<sup>th</sup>, 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)



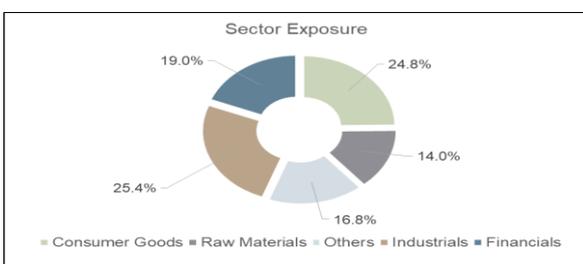
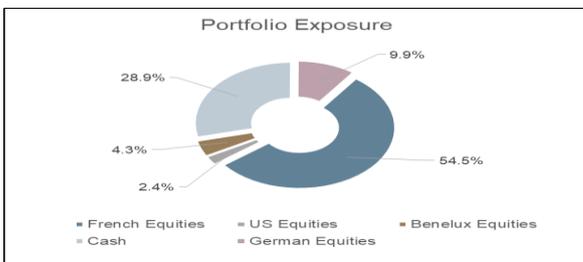
Net performance since inception: **+27.7%**

NAV per share: **€127.7**

Monthly gross performance: **+1.1%**

**Performance Review:** After a correction of nearly 10% in January, Equity markets enjoyed a global technical rebound in February. If European and Asian markets saw only limited appreciations over the month, US equity markets posted increases ranging from 4 to 8%. US interest rates slightly appreciated in February, while European interest rates surprisingly decreased; but the euro still posted a slight increase against the dollar last month. Oil prices appreciated by more than 3% in February, on the back of escalating geopolitical tensions and a potential disruption in Venezuelan exports. The Fund posted a performance in line with European Indexes last month. We took advantage of the rebound to close our investments in French Midcaps Arkema and Ingenico, as well as in ING Group and LafareHolcim, without adding any new investment to our Portfolio.

**Market Outlook:** Recent data continue to confirm the strength of world economic growth. However, the guidance in terms of growth and margins issued by companies for 2018 have slightly disappointed. European companies in particular are seeing headwinds related to wage inflation, raw material increases as well as currency and comparable base negative effects, thus limiting their capacities to leverage their top-line growths. In this context, we consider that Equity markets could lack *momentum* in the next few months, hence becoming more sensitive to any potential exogenous negative factor. Growth should still remain robust, and the US tax reform is a big support to corporate earnings. We therefore reiterate our positive stance on world Equities, while maintaining a resolutely opportunistic and selective investment strategy.



**Top Picks:** Air Liquide, LVMH, Michelin, Schneider Electric, Total.

**Portfolio Implications:** Our net exposure still stands at around 70%, 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
<b>Bellecour Capital</b>	<b>-2.3%</b>	<b>+8.3%</b>	<b>+3.7%</b>	<b>+17.4%</b>	<b>+10.6%</b>
CAC40	-2.4%	+9.3%	+4.0%	+9.5%	+1.3%
ESTX50	-4.2%	+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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