

Inception date : October 4, 2002

Countries of distribution



INVESTMENT OBJECTIVE

The management objective is to seek a higher performance than that on the CAC 40 index over the recommended investment duration (5 years), dividends reinvested. To be able to achieve the management objective, the UCITS investment strategy is based on discretionary management via a stock-picking policy, which does not aim to duplicate the benchmark indicator.

PORTFOLIO MANAGERS COMMENTS

After a sharp rally in December, the European equity markets have embarked on a phase of consolidation. Economic indicators remain on a positive trend (GDP in the Eurozone announced at +1.7% in 2016 and inflation 1.8% in January) and confirm that the bloc has kicked off a reflationary cycle, but forthcoming elections are reining in investor risk appetite.

Centifolia shed 2.72% over January compared with a 2.32% drop on the CAC 40 Net Return. The first earnings reported were a mixed bag for the fund: STMicroelectronics pulled off a positive surprise with earnings well ahead of expectations and announced a sound outlook for the current year, but Technicolor was particularly disappointing as it announced a tough 2017 and expectations well below earnings forecasts. The stock was immediately penalized, plummeting 23% over the month, and this decline alone explains the portfolio's counterperformance in January. It is worth remembering that with 11% of assets invested in financial stocks and 33% in TMT, the fund can be subject to severe fluctuations during earnings season, but these are very deliberate sector choices as result of the valuation discount these businesses carry. The fund is still fully invested, and we made only minor adjustments this month: we slightly cut back our holding on STMicroelectronics, which accounts for 5% of assets, and also trimmed our position on Sanofi. After investing in Carrefour in August, Centifolia definitively wound down its holding on Casino.

Pending elections in France, international investors remain cautious on the French market. The slight deterioration in the French credit signature on the fixed income market confirms this stance. However, it is likely that political risk is overestimated at this stage and we will probably see a relief-induced rally after the elections. In this respect, the return of financial transactions (Safran's bid for Zodiac, Essilor-Luxotica merger, rumors on Generali) bodes well for the year.

Text completed on February 1, 2017

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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.

DATA AS OF 01/31/2017

	Fund	Index*
YTD performance	-2.72%	-2.32%
Performance 2016	4.64%	7.67%
5 years annualized performance	10.71%	10.31%
1 year volatility	15.32%	17.40%
3 years volatility	16.12%	18.24%
5 years volatility	15.71%	17.17%

*CAC 40 NET RETURN

Past performance is not a guarantee of future performance

MAIN CHARACTERISTICS AS OF 31/01/2017

NAV	€322.03	Net assets	€1,644 M
Net yield 2016	3.10%	ND/EBITDA 2016	1.4 x
Estimated PER 2017	14.3 x	EV/EBITDA 2017	5.7 x

PERFORMANCE SINCE 10/04/2002



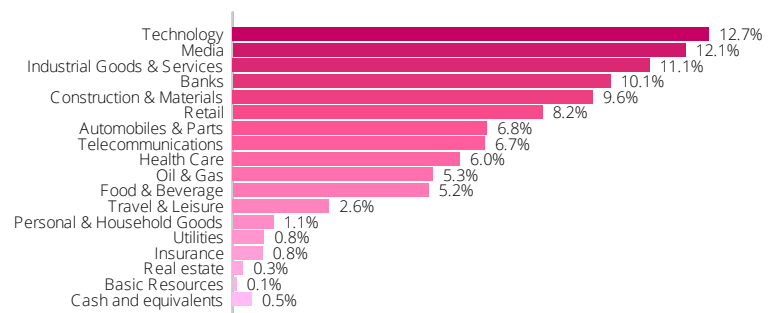
MAIN HOLDINGS

ORANGE	6.71%
SANOFI	6.05%
GROUPE FNAC	5.47%
STMICROELECTRONICS	5.19%
THALES	5.01%

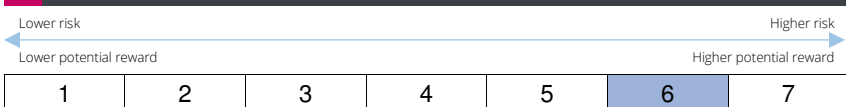
MAIN COUNTRIES

FRANCE	96.5%
FINLAND	3.0%

BREAKDOWN BY SECTOR



RISK AND REWARD PROFILE



The risk level of this fund is due to exposure to equity market