

SEXTANT GRAND LARGE



Sextant Grand Large seeks annual growth in excess of 5% net of management fees over the duration of the recommended investment period, by discretionary asset allocation and stock and bond picking. Management policy is based on three principles:

- 1) Net exposure to equities is 0-100%, depending on market valuations,
- 2) The shares acquired are the team's most defensive ideas,
- 3) The fund invests opportunistically in other asset classes, notably in bonds where valuations offer an adequate safety margin.

Sextant Grand Large slipped 0.4% in Q2, versus +1.2% for its benchmark index. The fund suffered as a result of its low exposure to equities, in a quarter when markets rebounded strongly - notably in June following a slight correction in May. Valuations are still very high both for equities and bonds, prompting us to remain cautious in our allocation. Geopolitical uncertainty is high, and indicators such as an inverted yield curve suggest that a downturn is near.

Asset allocation

Net exposure to equities varies in response to cyclically-adjusted market valuations. The more expensive markets become, the lower the fund's exposure and vice-versa, irrespective of any macroeconomic or stock-market scenario. At end Q2, net exposure to equities was 28.9% versus 27.5% at end March. This comprises gross exposure of 32.1% and hedging which accounts for 3.2% of funds (the latter never exceeds 20%). The rest of the fund comprises bonds (15%) and broadly-defined liquidity, including arbitrage deals and money market products (52.8%). This comfortable reserve of liquidity allows us to raise exposure to equities significantly should equity markets fall.

Equities

For Sextant Grand Large, we look at the team's full range of ideas and select those whose price-quality profile offers, in our opinion, the least long-run downside potential on a fundamental level. We have a preference for stocks whose valuation is low, notably relative their balance sheets (net cash, WCR etc) and whose activity is relatively predictable. We also look for good diversification in terms of regions, size and sectors.

Positive contributors to the fund's Q2 performance included **Rocket Internet**. The German incubator benefited from the New York Stock Exchange IPO of Jumia, of which it owned 20% prior to the deal. This giant of Africa's online retail trade managed to raise nearly USD200 million as a result of the listing, with market capitalisation in the region of USD2 billion thanks to the higher share price. The stock has also benefited from press

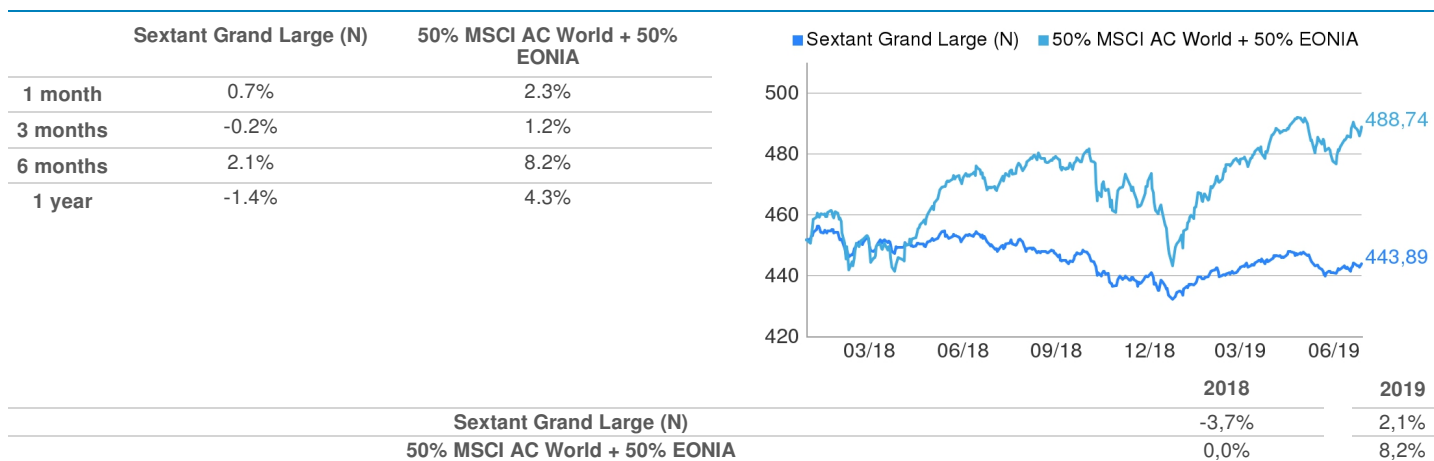
reports mentioning a possible delisting of the company, whose valuation is roughly equal to net cash holdings.

The negative performers of Q2 included **Clear Media**. This Hong-Kong specialist in urban advertising issued a profit-warning due to a sharp fall in sales in April. This setback stemmed from reduced advertising budgets at tech companies, which have been hit by the Sino-US trade war. However, we believe that **Clear Media** has a portfolio of high-quality, long-term advertising contracts, and may even benefit from this crisis in the sector. The portfolio constitutes a valuable asset. We have acquired a new position in **Hoshizaki**, Japan's leading supplier of refrigerators and kitchen equipment for professionals. The company has the largest distribution and maintenance network, which allows it to enjoy an extremely high return on capital employed. **Hoshizaki** has also developed some promising positions outside its domestic market by means of organic growth and acquisitions, notably high-end ice machines in the US. The share price has fallen steeply following accounting irregularities at a regional subsidiary in Japan, even though this had only a marginal impact on accounts. At the current share price, we believe that this resilient company offers a good safety margin, with a resilient activity and significant net cash holdings that leave scope for shareholder returns in the future.

Bonds and other asset classes

The fund's bond component yields 5.9% net of forex hedging for sensitivity of 2.2, which looks adequate to us given the low risk. Bond markets currently offer very low risk premiums, and they fell again in Q2 in response to very dovish signals from central banks that have raised fears of a prolonged period of low interest rates. Negative contributors to the second-quarter included the **Casino 2019** subordinated bond, as majority shareholder Rallye filed for bankruptcy protection. Our investment case rests on the Casino group's asset base, which we believe adequately covers the value of debt. In our view, if Rallye's management reaches an agreement on restructuring of its debt, it would have less need of Casino dividends in the near-to-mid-term. If, on the other hand, the creditors take control of Rallye, asset sales or divestment of the group would leave creditors in a favourable position, and the need for high dividends would disappear.

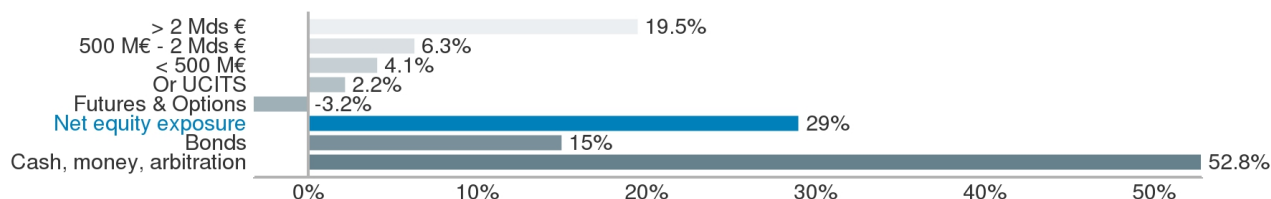
Performances



Since 2 May 2018, for reflecting better the fund's international dimension, we have decided to change the benchmark index : 50% MSCI World +50% Eonia (previously 50% MSCI CAC 40 +50% Eonia).



Exposition



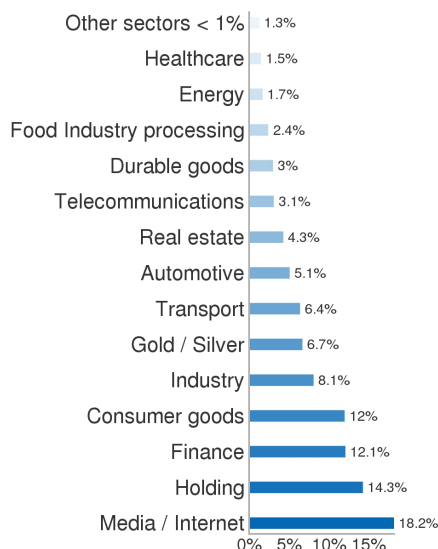
Indicators

1 year volatility	Fund : 2,9%
	Benchmark : 7,2%
Number of lines	87
Average cap. of equities	22 161 M€
Median cap. of equities	2 940 M€

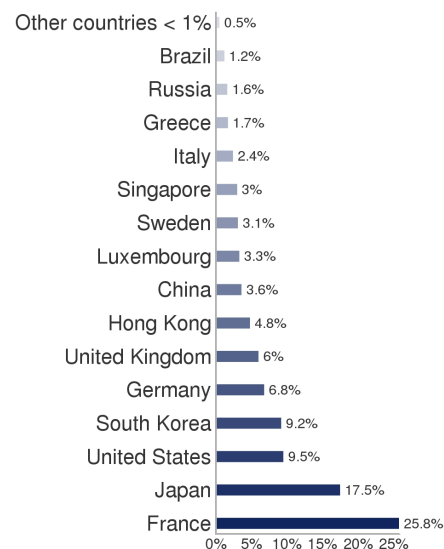
Bonds Indicators

	Fixed income part	Total assets
Gross yield	6,3%	0,9%
Yield after cost of forex hedging	5,9%	0,9%
Spread (basis point)	571	85
Residual duration (years)	3,0	0,4
Interest-rate sensitivity	2,2	0,3

Distribution by sector *



Geographical distribution *



Main holdings

Name	Sector	Country	Net asset %	Contribution to quarterly performance
Berkshire A	Holding	United States	3.0%	13 bps
Rocket Internet	Media / Internet	Germany	2.2%	24 bps
Hyundai Mobis	Automotive	South Korea	1.6%	18 bps
Toyota Industries	Industry	Japan	1.5%	17 bps
Casino TSSDI 2049	Retail	France	1.2%	-37 bps

Bonds Allocations

Bonds	Percentage
o/w sovereign	0.0%
o/w corporate	10.4%
o/w financials	3.0%
o/w convertibles	1.5%

Main contributions to performance

Name	Contrib.	Name	Contrib.
Rocket Internet	24 bps	Casino TSSDI 2049	-37 bps
Haw Par	22 bps	Clear media	-28 bps
Hyundai Mobis	18 bps	Baidu ADR	-18 bps
Iliad	18 bps	Easyjet	-18 bps
Toyota Industries	17 bps	Danieli pref.	-13 bps

Main characteristics

Legal form	UCITS / French mutual fund
Share category	Unit N
ISIN code	FR0013306404
Bloomberg code	
AMF classification	N/A
Benchmark	50% MSCI AC World + 50% EONIA
NAV / Net assets	443,89 € / 2 203,12 M€
Share NAV period	Daily based on prices at market close
Risk profile	1 2 3 4 5 6 7

Scale from 1 (lowest risk) to 7 (highest risk); category-1 risk does not mean a risk-free investment. This indicator may change over time.

Launch date	Fund : 11/07/2003 Unit : 29/12/2017
Recom. invest. duration	Over 5 years
Centralis.-Settlem. /Delivery	D at 10 AM / D + 2
Custodian	CACEIS Bank
Transfert agent	CACEIS Bank
Tax provisions	- -
Entry charge	5,0% including tax maximum
Exit charge	1,0% including tax maximum
Fixed management fee	1,0% including tax
Performance fee	15% including taxes of the performance exceeding 5% per calendar year

Source: Amiral Gestion at 28/06/2019

* of net assets invested

Notice

This commercial document aims to present the characteristics of the fund on a simplified basis. For further information, you may refer to the key information document for investors and to the prospectus, which are legal documents available on the management company's internet site or by request to the management company. The performances shown are not a reliable guide to future performance. Performance may vary over time.

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