

SEXTANT GRAND LARGE



Sextant Grand Large Sextant Grand Large is a flexible and diversified fund that invests mainly in equities with a view to capital preservation. The investment process follows three principles:

- 1) Net exposure to equities varies from 0 to 100% depending on market valuations
- 2) The stocks acquired are the team's most defensive ideas
- 3) The fund invests opportunistically in other asset classes, notably bonds when valuations offer a sufficient safety margin.

Sextant Grand Large was almost flat in the second quarter, versus +5.1% for its benchmark index. Low exposure to equities, which protected the fund when markets weakened in Q1, was a handicap in the more recent period. The fund also suffered as a result of outperformance by the US market, to which it has limited exposure due to high valuations.

Asset allocation

Net exposure to equities varies in response to cyclically-adjusted market valuations. The higher the market valuation, the lower the fund's exposure and vice-versa, irrespective of any macroeconomic or stock-market scenario. At the end of Q2, net exposure to equities fell to 27% due to very high market valuations, especially in the US. Gross exposure to equities was 30.4% and coverage was 3% of funds (the latter never exceeds 20%). Hedging is currently minimal because we are close to the end of the cyclical upswing in equities and the defensive stocks that we have selected for the fund tend to underperform issues that are more cyclical, more indebted, or smaller, which makes us less confident about our ability to outperform in this environment.

The rest of the fund comprises bonds (12.3%) and broadly-defined liquidity, which includes arbitrage deals and money market products (57.4%).

Equity investments

From our team's various investment ideas, we select for Sextant Grand Large those whose price/quality profile we believe offers the least long-term downside potential on a fundamental level. We therefore prefer investments that have an attractive valuation, especially in the light of their balance sheet (net cash, WCR etc.) and whose business activity is reasonably predictable. We also look for good diversification in geographic, size and sectoral terms. Of our more recent investments, we single out **Babcock International** as a classic example of the fund's investment policy. This British company

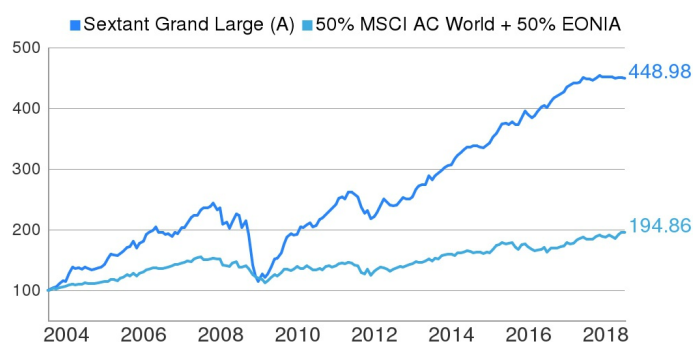
specialises in engineering complex projects for the public sector, such as maintenance of submarines or dismantling of nuclear reactors. Against the backdrop of Brexit, the company's share price has fallen, just as competitors are experiencing operating difficulties and balance sheet problems. This has resulted in profit-warnings and even bankruptcy (Carillon). **Babcock** has experienced slower organic growth, mainly because the British Defence Ministry (50% of revenues) has placed fewer orders. That said, the complex nature of the services provided by Babcock provides some protection (85% of these are considered critical by clients). Moreover, **Babcock** has an excellent reputation and is very rigorous from a financial standpoint. Cash holdings amount to 10% of market capitalisation and the stock yields 4% on our initial purchases. In terms of individual performances, the second-quarter winners were **Shiseido**, **Sixt** and **Rocket Internet**. Other positive contributors were **Criteo** (a stock that retains our confidence despite a rocky stock-market ride in 2017) and **Baidu**. Like in the first quarter, **Iliad** was the main negative contributor. Our confidence in the stock is remains high, as the company should benefit from the launch of its offering in Italy in Q2 and the introduction of a new box before the year-end. **ITE** was the other underperformer of Q2, mainly due to management's decision to make a major acquisition. The deal was controversial for several reasons: the seven trade exhibitions are highly exposed to the UK and may suffer as a result of Brexit, the transaction entails massive dilution of existing shareholders and, more generally, the investment case is shifting from a story of cyclical recovery in Russia to one of global growth. However, we remain convinced that this is a high-quality stock. **ITE's** CEO knows the assets acquired very well and their quality is high, and the acquisition is in line with the strategy of focusing on the world's leading events. As a result, we took advantage of the recent weakness to strengthen our position in the stock.

Bonds and other asset classes

In the bond market, we continue to avoid the interest-rate risk as much as possible. The present portfolio yield 4.7% net of forex hedging for sensitivity of 2.4, which looks satisfactory in the current circumstances. Bond markets remain very strained, as much for « risk-free » sovereign debt as for lines of credit. At a time of negative short-term rates, part of our cash is invested in the money market corporate treasury bills that we know well, to obtain a yield close to zero for an acceptable level of risk.

Performances

	Sextant Grand Large (A)	50% MSCI AC World + 50% EONIA
1 month	-0.4%	-0.3%
3 months	0.0%	5.1%
6 months	-0.6%	3.8%
1 year	0.2%	5.9%
3 years	20.9%	13.0%
5 years	59.1%	31.8%
10 years	100.8%	41.6%

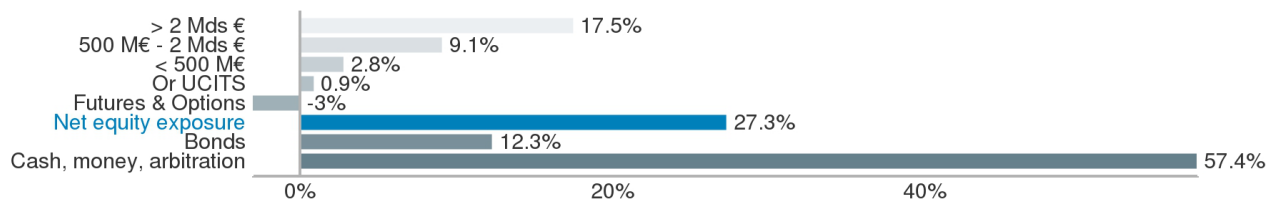


	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sextant Grand Large (A)	-49.2%	61.7%	24.1%	-8.4%	15.2%	21.0%	11.7%	13.6%	11.2%	3.9%	-0.6%
50% MSCI AC World + 50% EONIA	-19.6%	14.3%	0.7%	-6.1%	9.7%	10.4%	1.2%	5.9%	4.2%	5.6%	3.8%

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



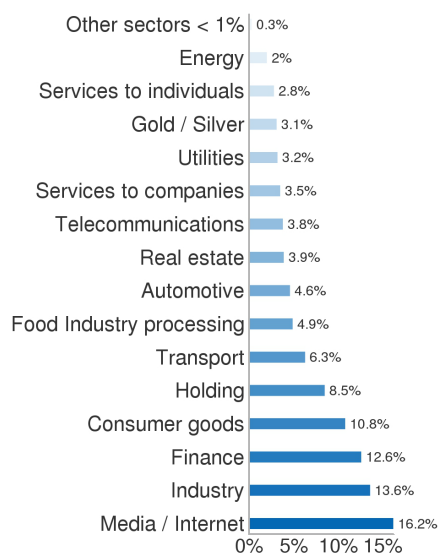
Indicators

3-years volatility	Fund : 4.2%
	Benchmark : 8.5%
Number of lines	88
Average cap. of equities	11 156 M€
Median cap. of equities	951 M€

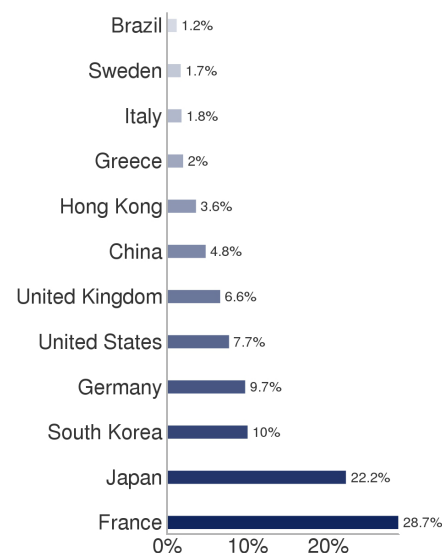
Bonds Indicators

	Fixed income part	Total assets
Gross yield	5.2%	0.7%
Yield after cost of forex hedging	4.7%	0.6%
Spread (basis point)	387	49
Residual duration (years)	2.8	0.4
Interest-rate sensitivity	2.4	0.3

Distribution by sector *



Geographical distribution *



Main holdings

Name	Sector	Country	Net asset %	Contribution to quarterly performance
Toyota Industries Corp	Industry	Japan	2.5%	-3 bps
Berkshire Hathaway CL A	Holding	United States	2.0%	-2 bps
Rocket Internet	Media / Internet	Germany	1.7%	17 bps
Hyundai Mobis	Automotive	South Korea	1.4%	-17 bps
LG H & H	Consumer goods	South Korea	1.3%	3 bps

Bonds Allocations

Bonds	Percentage
o/w sovereign	12.3%
o/w corporate	7.1%
o/w financials	2.7%
o/w convertibles	2.9%

Main contributions to performance

Name	Contrib.	Name	Contrib.
Criteo	32 bps	Iliad	-22 bps
Shiseido	25 bps	ITE group	-20 bps
Baidu	19 bps	Hyundai Mobis	-17 bps
Rocket Internet	17 bps	Vipshop	-11 bps
Sixt pref.	15 bps	GP Investments	-10 bps

Main characteristics

Legal form	UCITS / French mutual fund
Share category	Unit A all subscribers
ISIN code	FR0010286013
Bloomberg code	AMSEGLA FP
AMF classification	N/A
Benchmark	50% MSCI AC World + 50% EONIA
NAV / Net assets	448.98 € / 2 371.64 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 : 11/07/2003
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	2.00% including tax maximum
Exit charge	1.00% including tax maximum
Fixed management fee	1.70% including tax
Performance fee	15% including taxes of the performance exceeding 5% per calendar year

Source: Amiral Gestion at 29/06/2018

* 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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Asset management company authorised by the Financial Markets Authority under the number GP-04000038 / Insurance broker company registered with ORIAS under the number 12065490 / Simplified joint-stock company with capital of €629 983 - RCS Paris 445 224 090 - VAT: FR 33 445 224 090