

SEXTANT PEA



The country of origin of the mutual fund is France. The mutual fund can only be distributed, either in or from Switzerland, to qualified investors, strictly in the sense stipulated by Article 10 al 3, 3bis, and 3rd LPCC. Our representative is ARM Swiss Representatives SA, Route de Cité-Ouest 2, 1196 Gland, Switzerland and our payment service agent in Switzerland is Caceis Bank—Route de Signy 35— CH-1260 Nyon. The place of execution for the acquired parts by Swiss investors, or from Switzerland is the headquarters of the aforementioned representative in Zurich. The prospectus, Key Investor Information Document (KIID), fund regulation, as well as the annual and half-yearly reports can be obtained upon request from our representative in Switzerland.

The PEA fund's asset value rose 11.7% in 2019 (dividends reinvested), versus 27.8% for its benchmark, the CAC All Tradable (dividends reinvested). 2019 was shaped by several strong trends, notably: 1/ a sharp underperformance by small caps relative to the major indices; 2/ significant outflows from the small caps segment, especially from the micro caps; and 3/ an extreme valuation gap between value and growth stocks due to the very low interest-rate environment. The fund's performance should be analysed in the light of several crosswinds.

Let's take a look at the positions that made the largest positive contributions to performance in 2019: **Hellofresh**, **Easyjet**, **Delivery Hero** and **Vivendi**. We have held a position in **Hellofresh**, the world leader for home-delivered meal-kits, since the IPO in late 2017. At €10 per share, we considered the valuation low (1.3x 2018e sales) in the light of growth prospects. In spite of very good quarterly publications, we believe that the stock was persistently handicapped by general market scepticism about the economic model, which featured high attrition. But in 2019, the company reached breakeven at the operating level in both its regional markets, and in addition posted an acceleration in growth. As a result, the status of the Hellofresh stock changed. Despite a sharp increase in the share price to €22, **Hellofresh** still trades close to its IPO valuation of 1.5x 2020e sales. Food-delivery company **Delivery Hero** also rallied strongly in late 2019, thanks to the announcement that it would acquire BaedalMinjok, its main competitor in South Korea. We have followed this company since its IPO in mid-2017, due to our familiarity with the Rocket Internet investment galaxy. As soon as it was first listed, **Delivery Hero** became the clear leader in most of its main markets, the exceptions being Germany (duopoly with Takeaway.com) and Korea (No.2 behind BaedalMinjok). These markets combined account for nearly one-quarter of the group's sales. We are in a typical situation where value creation arising from M&A deals could prove significant, thanks to the reduced cost of winning new clients. Late-2019 brought the acquisition of its Korean rival, and thus the leadership position in Korea where sales are in the region of \$15 billion and high-population density and frequent orders make it one of the world's biggest markets for food delivery. In the wake of this transaction, 75% of the group's revenues are now generated in profitable markets. We estimate that, post the integration of the Korean acquisition and including dilution arising from the deal, the stock trades at less than 0.7x 2021e sales, despite a projected operating margin of 5-8% and very significant growth potential. In first-half 2019, **Easyjet's** valuation fell below the value of its planes net of debt, as a price war raged in the sector. The situation improved later in the year, notably thanks to the Thomas Cook bankruptcy and delayed delivery of Boeing 737 Max, which greatly slowed the introduction of new capacities on intra-Europe routes. This allowed fares to rise, which immediately raised airline profitability. As a result, **Easyjet** rallied to more realistic levels. At end-2019, the stock traded at a 20% premium to the value of its planes, and at 12x 2019/20e earnings. This revaluation prompted us to divest our position. In 2019, **Vivendi** continued to benefit from very good newsflow concerning UMG, both operationally and strategically. Growth and profitability exceeded expectations quarter after quarter. We witnessed an inflexion in both

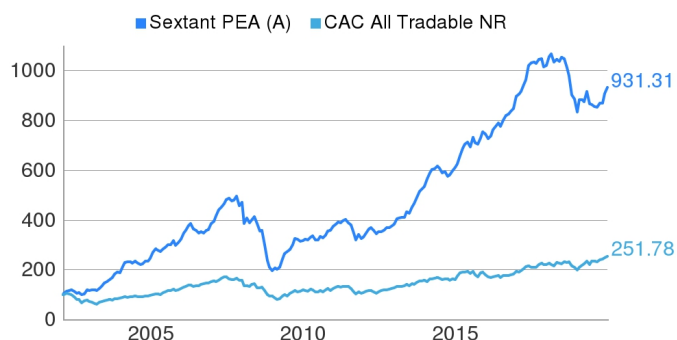
Physical sales (where renewed growth is the result of a well-trying marketing strategy, and some successful withdrawals from the catalogue) and Streaming sales, which delivered very satisfactory growth (20-25%). Strategically, the acquisition by Tencent of 10% of UMG's capital crystallises asset value at €30 billion, far above the €20 billion derived from **Vivendi's** current share price.

The main negative contributors to the fund's performance in 2019 were **TripAdvisor** and **home24**, both of which are internet businesses. **TripAdvisor's** efforts to optimise marketing costs had a strong positive impact on margins, but the company has still not found a satisfactory strategy to monetise its audience (460 million unique visits per month; over 800 million reviews). Two reasons appear to be the cause. The first is internal: **TripAdvisor** is weak in terms of execution, and we think the user experience falls short of the best in the sector. As a result, **TripAdvisor** seems to have fallen behind in terms of taking initiatives which have proved successful for many years. The most striking example is the development of digital advertising, which management has frequently identified as a growth avenue in recent quarters. The second reason for the company's difficulties can be summed up in one word: Google. The US company has altered its algorithm, putting an end to the free selection that **TripAdvisor** previously enjoyed and obliging the company to spend more on marketing. This is common practice at Google, and it has hurt many players in the sector. It highlights the fragility of the company's business model. Lastly, we are very sceptical about the choices made in terms of capital allocation. The most recent was an exceptional dividend, the logic of which we are still at a loss to understand. The fund was also penalised by our premature acquisition of a position in **home24**, one of the largest online furniture distributors in continental Europe and Brazil. The company experienced execution problems in its European business during a change of IT system and warehouse, and this put a severe dent in profitability. **home24** took several quarters to recover, while pursuing investments scheduled during the IPO. As a result, cash holdings shrank greatly and pushed the valuation to a very low level. Now that these logistical issues have been resolved, the company should soon reach breakeven (originally expected in Q4 of 2019). **home24** currently trades on EV/sales of 0.25x 2020e versus 1.5x during the IPO.

Lastly, concerning the fund's largest positions, **Iliad** has rallied nearly 50% from its low of September, thus returning to the level of January 2019. We see three reasons for this upswing: (1) initial price increases in France in both fixed and mobile, which apparently foreshadow an end to the bloody price war of the past two years; (2) a good Q3 publication which confirmed that Free is catching up, thanks to progress in fiber and the exit of subscribers who enjoyed a special deal (« Ventes Privées »); (3) founder Xavier Niel's plan to acquire shares at €120, reflecting his confidence in the group's long-term prospects.

Performances

	Sextant PEA (A)	CAC All Tradable NR
1 month	2.5%	1.3%
3 months	7.3%	5.3%
6 months	7.9%	8.0%
1 year	11.7%	27.8%
3 years	3.8%	30.4%
5 years	52.7%	56.4%
10 years	194.7%	110.4%
15 years	299.6%	165.2%

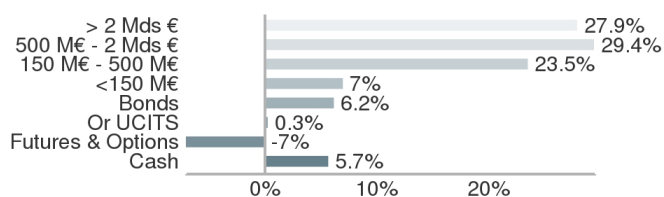


	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sextant PEA (A)	61.8%	18.3%	-11.6%	15.7%	39.3%	14.5%	22.4%	20.2%	13.6%	-18.2%	11.7%
CAC All Tradable NR	29.0%	3.2%	-13.8%	19.8%	22.5%	3.0%	11.7%	7.4%	13.3%	-10.0%	27.8%

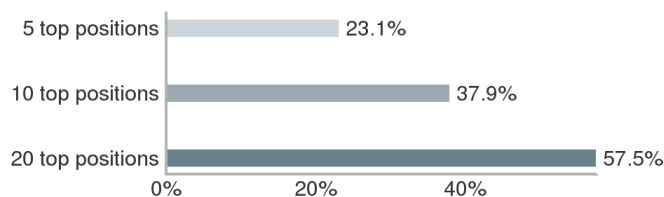
Past performance is not necessarily indicative of future performance. Commissions and charges from the subscription or redemption of shares were not taken into account for this calculation.



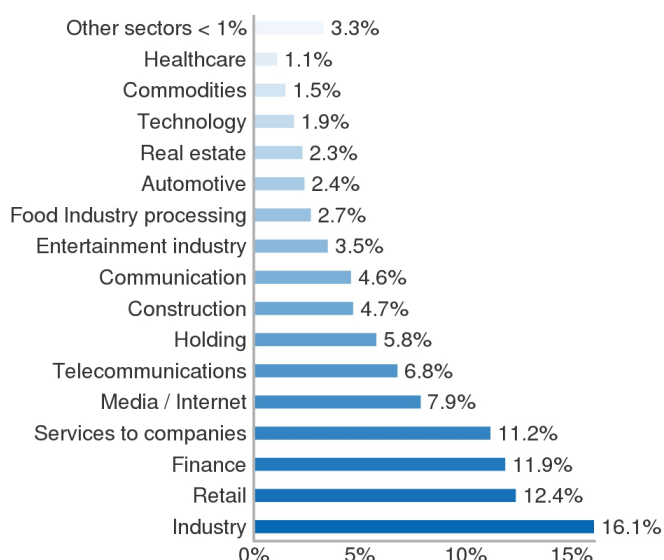
Distribution by capitalisation size



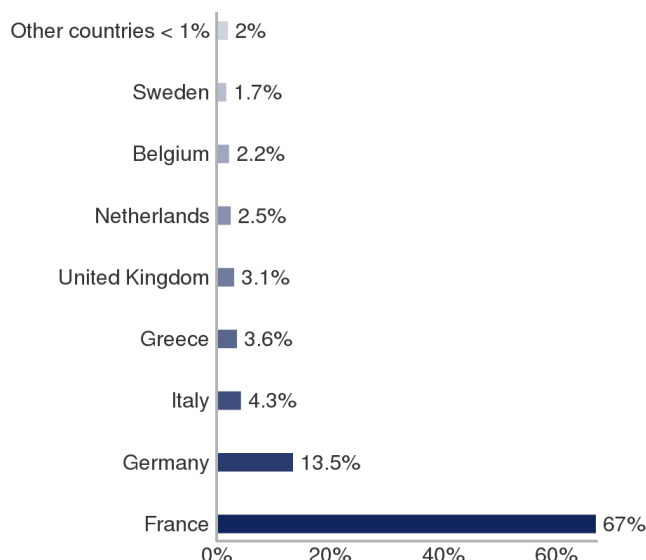
Weight of the main holdings



Distribution of holdings by sector (equity portfolio)



Geographical distribution of holdings (equity portfolio)



Main holdings

Name	Sector	Country	Net asset %	Contrib. to quarterly performance
Iliad	Telecommunications	France	6.4%	163 bps
Casino TSSDI 2049	Retail	France	6.1%	-64 bps
Financière Odet	Holding	France	3.7%	-19 bps
Vivendi	Communication	France	3.6%	6 bps
Jacquet Metal Services	Industry	France	3.2%	6 bps

Indicators

3 years volatility	Fund : 10.5% Benchmark : 12.5%
Number of lines	86
Average cap. of equities	11 783 M€
Median cap. of equities	787 M€

Main contributions to performance

Name	Contrib.	Name	Contrib.
HelloFresh	190 bps	Casino TSSDI 2049	-64 bps
Iliad	163 bps	TripAdvisor	-47 bps
Delivery Hero	133 bps	Funding Circle	-28 bps
Easyjet	95 bps	Groupe Guillin	-26 bps
Home24	58 bps	Financière Odet	-19 bps

Main characteristics

Legal form	UCITS / French mutual fund
Share category	Unit A all subscribers
ISIN code	FR0010286005
Bloomberg code	AMSEPEA FP
AMF classification	"International Equities" UCITS
Benchmark	CAC All Tradable NR
Unit NAV / Net assets Fund	931.31 € / 252.75 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 : 18/01/2002 Unit : 18/01/2002
Recom. invest. duration	Over 5 years
Centralis.-Settlem. /Delivery	D at 10 AM / D + 2
Custodian	CACEIS Bank
Transfert agent	
Tax provisions	Eligible for PEA (French personal equity savings plan)
Entry charge	2.00% including tax maximum
Exit charge	1.00% including tax maximum
Fixed management fee	2.20% including tax maximum
Performance fee	15% including taxes from the fund performance, above 5% per year

Source: Amiral Gestion at 31/12/2019

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.

Amiral Gestion - 103 rue de Grenelle - 75007 Paris - T. +33 (0)1 47 20 78 18 - F. +33 (0)1 40 74 35 64 - www.amiralgestion.com

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