

SEXTANT PME



The fund remains closed to subscriptions since 10th July 2017.

The Sextant PME fund is eligible for the PEA-PME equity-savings plans. It invests in small- and mid-cap stocks, roughly half of which are listed in France and the remainder in other EU countries. Germany and Italy each account for about 10% of invested assets, followed by Greece (8%), Sweden (5%) and Belgium (4%).

In the second quarter, Sextant PME's asset value rose 4.2%, comfortably exceeding its benchmark index, the CAC Small (-0.4%). In general, our stock-picking is more effective when there is no strong trend, and Q2 was not an exception.

The European small-caps index (MSCI Europe Small Cap) is currently trading at a Price/Net assets ratio of 2, which is the median of its extremes (3x in 2007 and just 1x in late 2008). It is thus fair to say that valuations have normalised. We continue to adopt a fundamental and long-term approach to investment that pays little attention to general economic growth, but is focused on finding good-quality companies that are undervalued for specific reasons.

Lumibird, a designer and manufacturer of lasers for medical use and for high-tech industrial applications, was one of the main contributors to the Q2 performance. **Lumibird** was created when Keopsys and Quantel merged. In the wake of the deal, the new management drew up a wide-ranging plan to develop the company and to restore profitability. The latest results published by the new entity already show significant progress, not just in terms of purchasing savings, but also for industrial productivity and commercial opportunities. These initial results augur well for the future of this transformation plan.

Carton manufacturer **Reno de Medici (RDM)** sustained its excellent track record in Q2, thanks to a combination of positive trends: structural recovery by the company following a change of management in late 2016, a very buoyant market, and the acquisition of competitor Barcelona Cartonboard in June in a consolidation deal that we consider a very smart move. This inexpensive acquisition will make the group the leader in the Spanish market and allow it to supply existing clients in France, thus strengthening the group's industrial firepower. The new management team, which took over in November 2016, is currently reviewing the whole organisational process (better coordination within the group, specialisation of plants in certain product types for higher productivity etc.). The newly-acquired Barcelona unit will be included in this reorganisation by the year-end, and should come into line with the group's standards within three years. The share price rose 19% in the second quarter and has risen 78% since the beginning of the year.

Having made a negative contribution to the performance in 2017, **Criteo** is now enjoying brighter prospects. The leader for ad retargeting on internet suffered from an uncertain regulatory environment (e.g. the RGD regulation concerning protection of data, and the Cambridge Analytica scandal in the US) and especially from Apple's decision to block ad retargeting on its Safari navigator. The enforcement of RDPD, which did not have a significant impact, and **Criteo's** success in finding a technical solution on Safari, suggest that growth will resume. The share price rebounded 34% in euros in the second quarter.

Wavestone (+26%) was one of the fund's main contributors in the second quarter and since the beginning of this year. Previously known as Solucom, the consultancy merged with Kurt Salmon in late 2015. The deal had a major strategic objective: to allow the cabinet, renamed **Wavestone**, to move up a division in terms of size (sales growth over 50%) and to improve its expertise and thus offer clients a better service. Given the size of the merger, its initial phases disrupted the organisation of the new entity and squeezed profitability. In spite of these difficulties, we appreciated management's clear vision and clever handling of the merger, which we considered pragmatic. FY 2017 results were very good, confirming excellent management and the wisdom behind the deal. **Wavestone** remains one of the fund's main positions. The group has many development options, both in terms of organic growth and further acquisitions.

Voyageurs du Monde impressed the markets again with excellent results and bright prospects. This bespoke travel organiser for individuals or groups has posted an impressive increase in reservations for 2018. Moreover, the acquisitions of British companies Open Travel and KE Adventure are particularly exciting, because they open up growth avenues in the English-speaking world for the rich offering and tools that **Voyageurs du Monde** has developed in France.

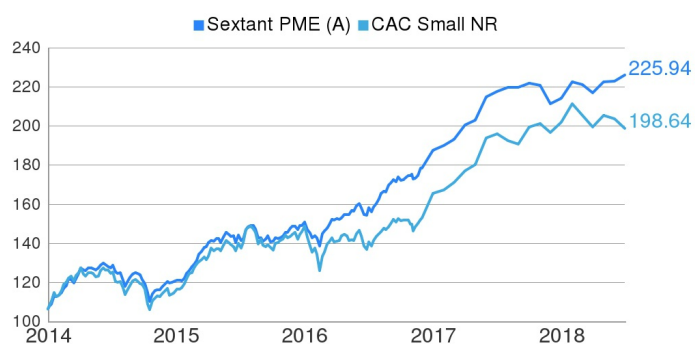
Lastly, negative contributors included **ITE Group**, which saw heavy selling in response to the acquisition of Ascential's trade exhibitions division and the financing of this deal. Although the transaction took place at reasonable multiples and ITE's management has the necessary credentials (ITE's current management was running the target a few months ago), this is a sizeable deal and it entails considerable dilution. The market therefore faces a major capital increase, which explains the share price weakness. However, the outlook is excellent and we enjoy good visibility thanks to the sharp increase in reservations. Moreover, it is significant that management has participated in the funding of the deal. We plan to exercise our warrants.

Performances

	Sextant PME (A)	CAC Small NR
1 month	1.4%	-2.4%
3 months	4.2%	-0.4%
6 months	5.5%	-1.7%
1 year	3.8%	1.4%
3 years	59.9%	45.4%

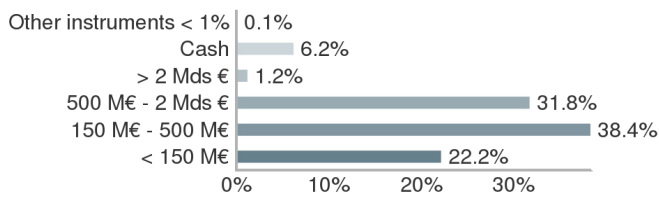
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sextant PME (A)	-57.9%	73.2%	29.7%	-17.9%	5.0%	25.3%	13.5%	24.7%	24.5%	14.2%	5.5%
CAC Small NR	--	--	--	--	--	--	8.4%	28.7%	11.3%	22.1%	-1.7%

Since January 1st 2014, the index of reference is the CAC Small reinvested net dividends index.

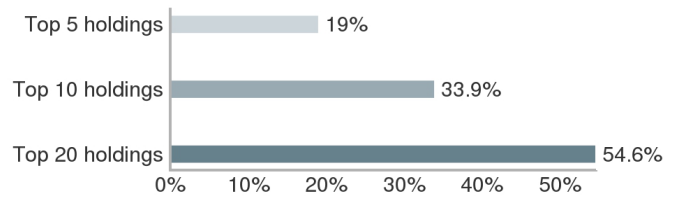




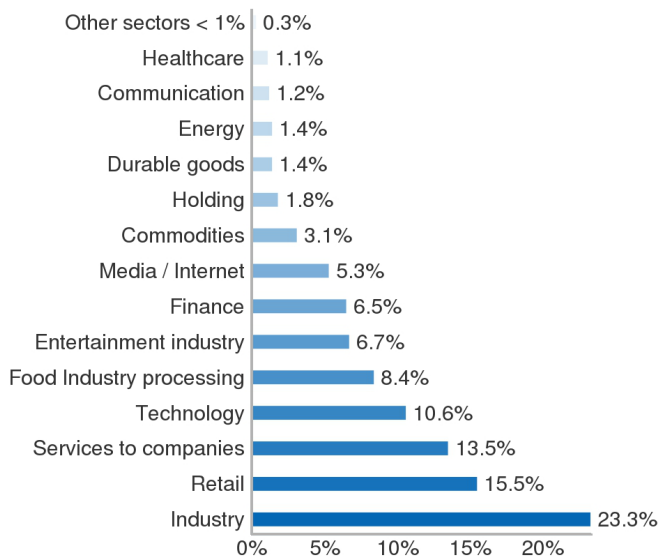
Distribution by capitalisation size



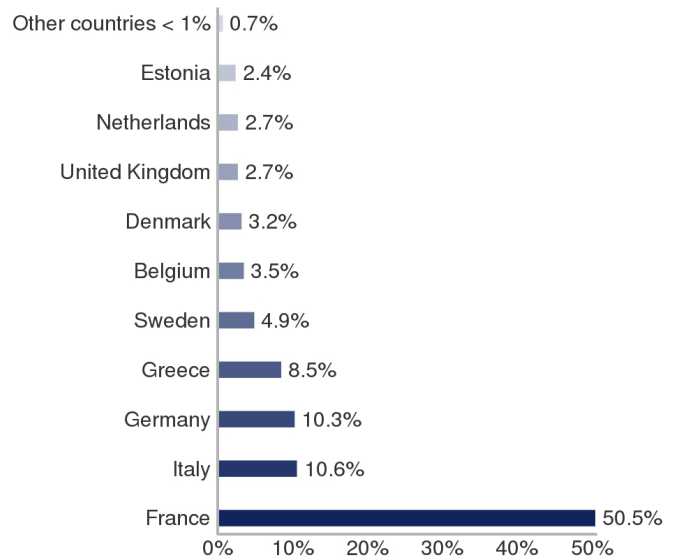
Weight of the main holdings



Distribution of holdings by sector



Geographical distribution of holdings



Main holdings

Name	Sector	Country	Net asset %	Contrib. to quarterly performance
Ringmetall	Industry	Germany	4.3%	45 bps
Groupe Guillin	Food Industry processing	France	4.0%	-19 bps
Reno de Medici	Industry	Italy	4.0%	68 bps
Criteo	Media / Internet	France	3.4%	90 bps
Picanol	Industry	Belgium	3.3%	-11 bps

Indicators

3-years volatility	Fund : 9.4% Benchmark : 13.4%
Number of lines	66
Average cap. of equities	435 M€
Median cap. of equities	339 M€

Main contributions to performance

Name	Contrib.	Name	Contrib.
Lumibird	97 bps	ITE group	-43 bps
Criteo	90 bps	Focus Home Interactive	-23 bps
Voyageurs du Monde	72 bps	Showroomprivé (SRP Groupe)	-22 bps
Wavestone	69 bps	Groupe Guillin	-19 bps
Reno de Medici	68 bps	Manutan International	-18 bps

Main characteristics

Legal form	UCITS / French mutual fund
Share category	Unit A all subscribers
ISIN code	FR0010547869
Bloomberg code	AMPEAK FP
AMF classification	"European Equities" UCITS
Benchmark	CAC Small NR
NAV / Net assets	225.94 € / 195.53 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 : 17/12/2007 Unit : 01/01/2014
Recom. invest. duration	Over 5 years
Centralis.-Settlem. /Delivery	D at 10 AM / D + 2
Custodian	CACEIS Bank
Transfert agent	CACEIS Bank
Tax provisions	Eligible for PEA (French personal eq. savings plan) Eligible for PEA-PME (French personal eq. savings plan)
Entry charge	2.00% including tax maximum
Exit charge	1.00% including tax maximum
Fixed management fee	2.2% including tax
Performance fee	15%, including taxes of the common fund's positive performance beyond its performance index per calendar year

Source: Amiral Gestion at 29/06/2018

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.