

METROPOLE SELECTION

Sub-fund of French legal umbrella fund METROPOLE Funds



September 2019
Data at 30 August 2019

FR0011468602 / W

A European UCITS V - Compliant fund
AMF Classification: EU equities

Investment strategy

Main investment cases for undervalued European stocks

EUROPE

Investment objective

On an equity horizon to outperform the average of European equities benchmarked funds and the STOXX Europe Large 200 dividends net reinvested.

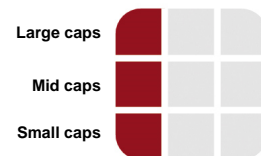
Reference Universe

Stocks from the European union, Switzerland and Norway. All capitalisations.

Characteristics

A pure equity portfolio. Decorrelation from the large indexes in the short and medium term. Eligible for French Equity Savings Plan ("PEA").

VALUE BLENDED GROWTH



Bloomberg code : METSELW FP

Sub-fund characteristics

The team and the sub-fund

Head of fund management	Isabel LEVY / Ingrid TRAWINSKI / Cédric HERENG
Fund Management	Collegiate fund mngt.
Managed since	11/2002
Sub-fund inception date (*)	31/03/2017
Change in management process	No
Recommended investment horizon	5 years

Sub-fund administration

Total assets (in millions)	EUR 837.2
Net asset value (NAV)	EUR 244.73
Freq. of NAV calculation	Daily
Type of valuation	Closing price
ISIN Code (W)	FR0011468602
Custodian	CACEIS Bank
Fund administration	CACEIS Fund Administration
Type	Capitalisation
Max management fees (W)	0.85 %
Ongoing charges (W)	0.87 %

Reference Universe

Morningstar Pro category	Europe Large-Cap Value Equity
Benchmark	Stoxx Europe Large 200
Change in benchmark index	No
Frequency of rebalancing	Daily
Net dividends reinvested	Yes

(*) The sub-fund results from the merger-absorption of the FCP METROPOLE SELECTION launched on 29/11/2002. The W unit created on 15/05/2013 became the W share class on 31/03/2017.

Management comments



The European fund management team: Ingrid TRAWINSKI, Jérémie GAUDICHON, Fredrik BERENHOLT, Isabel LEVY, Thibault MOUREU, Markus MAUS, Cédric HERENG.

European equity markets lost ground in August, as risk aversion grew more pronounced. Flagging second quarter corporate earnings, with profits down by 1% in Europe, plus worsening trade relations between the US and China and, most of all, the inversion of the yield curve in the US are stoking fears that a global economic recession lies ahead.

This anxiety triggered a massive surge in sector rotation. So-called defensive sectors such as utilities, real estate, food & beverage and healthcare all performed positively, while cyclical stocks in the raw materials, finance and automotive sectors all fell sharply, irrespective of their valuations. Valuation gaps on equity markets widened to a degree almost rivalling that of the dotcom bubble in the 2000s. Against this background, the METROPOLE Sélection sub-fund underperformed against its benchmark.

Among the main movements in the portfolio, we made some changes in the banking sector, selling Lloyds on a prospect of worsening profitability, and adding to Banco Santander and Credit Suisse, both of which are trading at very heavily discounted valuations. We also added to our position in Nokia, which is set to benefit from the 5G deployment cycle, as well as in Rio Tinto and Telia, both offering high and sustainable dividend yields. Finally, we took profits on Carlsberg, which is approaching our valuation target.

Subscriptions / redemptions

Requests will be centralised with CACEIS Bank Luxembourg branch until 12 p.m. CET/CEST on a daily basis, and processed on the basis of the next net asset value which will be calculated based on the closing prices on the same day, in other words, at unknown price. All related settlements will be made two trading days following the NAV calculation / unit (D+2). **CACEIS Bank Luxembourg branch: Tel. 00 352 47 67 70 63 - Email: FDS-Investor-services@caceis.com.** Please ensure that your financial intermediary gives your company's name and your BIC/BIC1 code to CACEIS Bank.

This document is for information purposes only and represents neither 1) an invitation or solicitation to invest in, or offer to sell the financial instruments described herein, 2) nor any form of investment advice. It is important to read the most recent version of the prospectus and KIID (Key Investor Information Document) before making any investment decision with regard to the financial instruments described in the present document. Future investors must take the necessary steps to determine how much they can invest on the basis of the legal, tax and accounting considerations which apply to their specific situation. The distribution of the present document or the prospectus may be restricted by law in certain territories, countries or jurisdictions and investors are required to inform themselves and to comply with any such restrictions in any relevant territory, country or jurisdiction. The opinions expressed in the present document may be modified without prior notice. Investors are responsible for ensuring that they are in possession of the most recent available version of the present document. Past performance is not a reliable indicator of current or future results. Performance data does not take into account the fees that are charged for the issue and redemption of shares. The value of investments and the income from them can go down as well as up and investors may get back less than the amount they invest. The risks, fees and ongoing charges are described in the KIID. The prospectus, KIIDs, NAV and annual reports are available at www.metroplegestion.com or upon request at METROPOLE Gestion. METROPOLE Gestion is approved by the French Financial Markets Authority (AMF). For more information, please contact us at the following e-mail address: metropleg@metroplegestion.fr. This document was published by the asset management company: METROPOLE Gestion SA 9, rue des Filles Saint-Thomas, 75002 Paris, France - Tel +33 (0) 1 58 71 17 00 - Fax: +33 (0) 1 58 71 17 93 - www.metroplegestion.com. METROPOLE Gestion SA is holding a license from the Autorité des marchés financiers, 17 place de la Bourse, 75082 Paris Cedex 2, France, under whose supervision it is.

Performances & risks

SINCE (15/05/2013)



Risk indicators	1 year	3 years
Volatility	14.05 %	11.83 %
Volatility of benchmark index	12.45 %	10.99 %
Tracking error	5.29 %	4.54 %
Information ratio	-2.36	-0.99
Sharpe ratio	-0.56	0.17
Alpha	-0.13	-0.14
Bêta	1.04	0.99

Morningstar®: ★★★

Summary Risk Indicator (SRI) ¹



Performances	Since inception	Annualised	YTD	1 mo.	3 mos.	6 mos.	1 yr.	3 yrs.	5 yrs.
Portfolio	22.36%	3.26%	8.14%	-2.70%	1.50%	-1.18%	-8.35%	4.94%	9.82%
STOXX Europe Large 200 NR	41.83%	5.71%	15.91%	-1.25%	3.69%	4.91%	4.11%	19.49%	24.34%
Performance gap	-19.47	-2.45	-7.77	-1.45	-2.19	-6.09	-12.46	-14.55	-14.52
Peer group average performance* Quartile*	30.64% 3	4.26% 3	8.43% 2	-2.66% 2	0.97% 2	-1.68% 2	-5.55% 4	9.59% 3	12.39% 3

Calendar	2018	2017	2016	2015	2014	2013 (*)
Portfolio	-17.74%	8.70%	0.09%	9.88%	0.62%	14.36%
STOXX Europe Large 200 NR	-10.53%	8.92%	1.88%	7.70%	7.09%	6.86%
Performance gap	-7.21	-0.22	-1.79	2.18	-6.47	7.50
Peer group average performance* Quartile*	-15.07% 4	9.25% 3	3.28% 3	8.68% 2	3.46% 3	23.63% 1

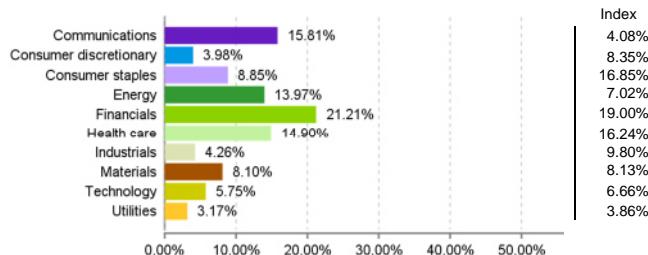
The sub-fund results from the merger-absorption of the FCP METROPOLE SELECTION launched on 29/11/2002. The W unit created on 15/05/2013 became the W share class on 31/03/2017. *Category "Europe Large-Cap Value Equity" and Quartile Morningstar.

Past performances are no guarantee of current or future results.

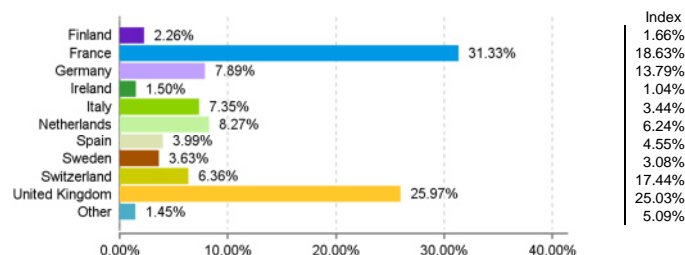
©2018 Morningstar, Inc. All rights reserved. The information contained in this document: (1) is the proprietary material of Morningstar and/or its information providers; (2) may not be reproduced or redistributed; (3) is presented without guarantee as to its accuracy, completeness or correctness. Neither Morningstar nor its information providers may be held liable for any damage or loss resulting from the use of this data.

Portfolio analysis

Sector breakdown



Geographical breakdown



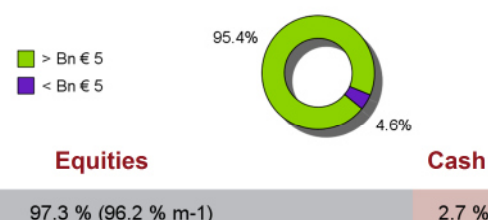
Top Holdings

39.7 %

ROYAL DUTCH SHELL	5.1 %
BP	5.0 %
GLAXOSMITHKLINE	4.5 %
INTESA SANPAOLO	4.0 %
SANOFI	3.8 %
BANCO SANTANDER	3.8 %
SAINT-GOBAIN	3.5 %
NOVARTIS	3.4 %
CAPGEMINI	3.3 %
ALLIANZ	3.3 %

Average portfolio capitalisation : 57,667 M€

Breakdown by capitalisation



Number of holdings: 35

Month purchases : -

Month sales : LLOYDS

Carbon footprint (t eq. CO2/year/€m. of revenue)

Portfolio	146.58
Benchmark	182.56

Source : METROPOLE Gestion

(1) Summary Risk Indicator PRIIPs (SRI): Risk scale from 1 (lowest risk) at 7 (highest risk); Risk 1 does not mean a risk-free investment.