

# METROPOLE EURO SRI

Sub-fund of French legal umbrella fund METROPOLE Funds




December 2018  
Data at 30 November 2018

FR0013185055 / W

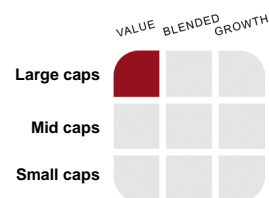
A European UCITS V - Compliant fund  
AMF Classification: Eurozone equities

## Investment strategy

### Main investment cases for undervalued SRI Eurozone stocks

<b>Investment objective</b> To outperform the Euro STOXX Large dividends net reinvested index on an equity investment horizon.	<b>Reference Universe</b> Eurozone stocks with a market capitalisation of more than €5,000 million.
<b>Labels</b> 	<b>Characteristics</b> A pure equity portfolio. Decorrelation from the large indexes. Eligible for French Equity Savings Plan ("PEA").

### EURO ZONE SRI



Blomberg code : METSRII

## 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	07/2008
Sub-fund inception date (*)	31/03/2017
Change in management process	Yes
Recommended investment horizon	5 years

### Sub-fund administration

<b>Total assets</b> (in millions)	<b>EUR 174.4</b>
<b>Net asset value (NAV)</b>	<b>EUR 230.95</b>
Freq. of NAV calculation	Daily
Type of valuation	Closing price
<b>ISIN Code (W)</b>	<b>FR0013185055</b>
Custodian	CACEIS Bank
Fund administration	CACEIS Fund Administration
Type	Capitalisation
Max management fees (W)	0.85 %
Ongoing charges (W)	0.97 %

### Reference Universe

Morningstar Pro category	Eurozone Large-Cap Equity
<b>Benchmark</b>	<b>Euro STOXX Large</b>
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 Value SRI launched on 9/07/2008. The I unit created on 4-July-2016 became the W share class on 31/03/2017. On 29 March 2018, this sub-fund absorbed the METROPOLE Euro sub-fund to become METROPOLE Euro SRI.

## Management comments



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

Eurozone equity markets lost ground slightly over the month. Behind this apparent stability, however, slowing macroeconomic indicators and persistent trade and geopolitical tensions are preying on investors' nerves. In this prevailing climate, the sectors that managed to end the month in the green were utilities, communications and consumer staples, while energy, materials and consumer discretionary stocks saw the steepest falls.

The sub-fund ended the month in line with its benchmark. The main positive contributors to this relative performance were Eutelsat, Orange, Société Bic, Intesa Sanpaolo and Telecom Italia. Negative contributors included Smurfit Kappa, TechnipFMC, Carrefour, thyssenkrupp and Imerys.

We spoke over the course of the month with Schneider Electric and thyssenkrupp, to discuss the controversies in which they are involved. French electrical equipment manufacturer Schneider is under investigation for price-fixing in collusion with other French firms in the sector. Thanks to our dialogue with the group, we were able to assess the scope of the controversy, which involves less than 3% of the group's activity. The company also showed us the pre-existing internal procedures designed to prevent unlawful practices. Germany's thyssenkrupp, for its part, recently set aside a provision to cover a similar affair. In this instance, the facts date back to before 2011, prior to the arrival of Mr. Hiesinger as CEO. He has actively contributed to establishing operational compliance within the group, and no controversy has emerged since. Our discussions enabled us to assess the degree of risk involved in both these controversies. As a result of which, we are retaining both company's stocks in the portfolio but also keeping a close watch on both issues. Apart from any other considerations, these examples illustrate how vital it is for global groups to have robust internal procedures in place.

Over the course of the month, we sold out our holding in Société Bic, as the stock reached its target valuation. We added to our positions in Saint-Gobain and BMW, both undervalued and offering considerable upside potential. The portfolio's ESG rating remained unchanged at AA.

## 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.metropolegestion.com](http://www.metropolegestion.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: [metropoleg@metropolegestion.fr](mailto:metropoleg@metropolegestion.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.metropolegestion.com](http://www.metropolegestion.com). METROPOLE Gestion SA is holding a license from the Autorité des marchés financiers, 17 place de la Bourse, 75002 Paris Cedex 2, France, under whose supervision it is.

## Performances & risks

SINCE (04/07/2016)



Risk indicators	1 year	3 years
Volatility	12.21 %	-
Volatility of benchmark index	12.54 %	-
Tracking error	4.40 %	-
Information ratio	-0.20	-
Sharpe ratio	-0.77	-
Alpha	-0.02	-
Bêta	0.91	-
Morningstar®	n/a	

Summary Risk Indicator (SRI) <sup>1</sup>



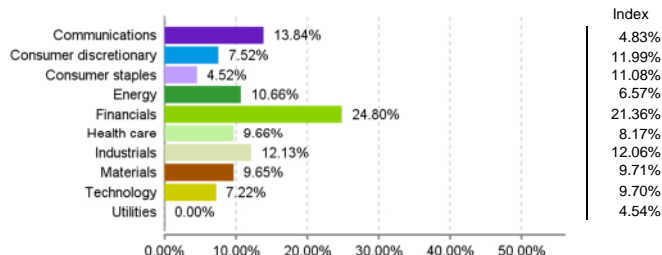
Performances	Since inception	Annualised	YTD	1 mo.	3 mos.	6 mos.	1 yr.
<b>Portfolio</b>	<b>15.47%</b>	<b>6.16%</b>	<b>-9.35%</b>	<b>-0.89%</b>	<b>-6.48%</b>	<b>-8.95%</b>	<b>-9.67%</b>
Euro STOXX Large NR	17.52%	6.93%	-7.55%	-0.86%	-7.38%	-7.66%	-8.81%
Performance gap	-2.04	-0.77	-1.80	-0.03	0.90	-1.29	-0.86
Peer group average performance* Quartile*	15.80% 3	6.24% 3	-9.03% 3	-1.11% 3	-8.31% 1	-8.95% 3	-9.65% 3

Calendar	2017	2016 (*)
<b>Portfolio</b>	<b>5.09%</b>	<b>21.21%</b>
Euro STOXX Large NR	10.81%	14.72%
Performance gap	-5.72	6.49
Peer group average performance* Quartile*	12.07% 4	13.83% 1

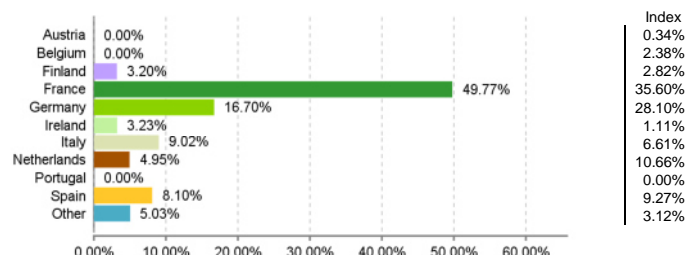
The sub-fund results from the merger-absorption of the FCP METROPOLE Value SRI launched on 09/07/2008. The I unit created on 04/07/2016 became the W share class on 31/03/2017. On 29/03/2018, this sub-fund absorbed the METROPOLE Euro sub-fund to become METROPOLE Euro SRI. \*Category "Eurozone Large-Cap 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



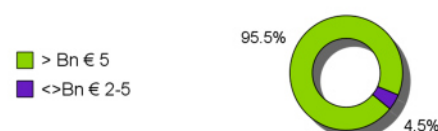
### Top Holdings

39.3 %

TOTAL	4.6 %
SIEMENS	4.6 %
BANCO SANTANDER	4.4 %
SANOFI	4.3 %
INTESA SANPAOLO	3.7 %
BNP PARIBAS	3.7 %
SOCIETE GENERALE	3.6 %
UNICREDIT	3.6 %
MERCK	3.5 %
PUBLICIS GROUPE	3.3 %

Average portfolio capitalisation : 43,245 M€

### Breakdown by capitalisation



Equities

Cash

96.7 % (97.1 % m-1)

3.3 %

Number of holdings: 38

Month purchases : -

Month sales : BIC

Source : METROPOLE Gestion

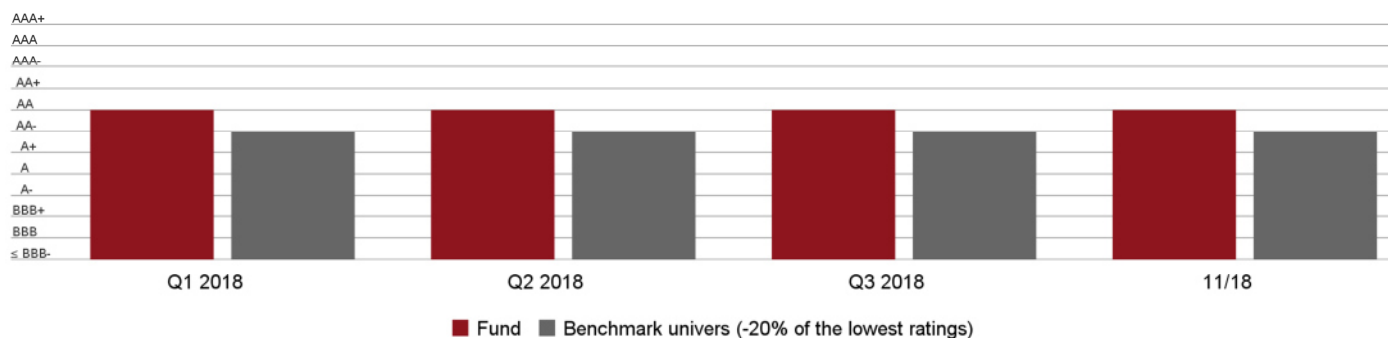
(1) Summary Risk Indicator PRIIPs (SRI): Risk scale from 1 (lowest risk) at 7 (highest risk); Risk 1 does not mean a risk-free investment.

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

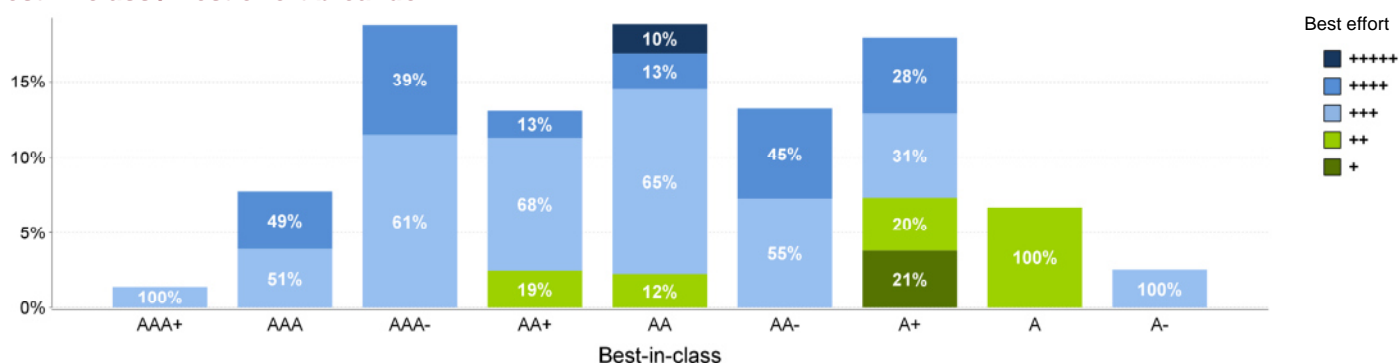
Portfolio	144.50
Benchmark	211.63

## ESG/ISR analysis

### Overall rating portfolio



### Best-in-class / Best effort breakdown



## Methodology and glossary

Our SRI analysis is based on a multi-sector Best-in-Class/Best Effort approach that encourages companies to make improvements in the three key extra-financial ESG areas (Environment, Social, Governance).

The Best-in-Class approach involves selecting European companies above the average of their sector based on ESG criteria. The Best in Class rating scale ranges from AAA+ to CCC-.

The Best Effort approach involves selecting European companies that have made efforts to develop their ESG performance. The Best Effort rating scale ranges from 1 to 5 stars.

#### We select stocks:

- discounted against their industrial value,
- in sound financial health commensurate with their activity and the economic cycle,
- demonstrating strong extra-financial conviction: companies rated above or equal to BBB- (Investment grade) may be selected with no Best effort condition; companies rated below or equal to BB+ may be selected subject to a minimum +++ Best effort rating; companies rated in the CCC bucket are ruled out.

Our Responsible Value management process aims to maintain a weighted average ESG rating for the portfolio higher than that of the universe of Eurozone listed companies with a market capitalisation in excess of €5 billion (some 280 companies), after deduction of 20% of the lowest ratings.

The overall SRI rating of the portfolio is calculated as a weighted average.

Carbon footprint is calculated in tonnes of CO<sub>2</sub> equivalent annually and in millions of euros of revenues. The scope of calculation includes scope 1 and scope 2 emissions.

Scope 1 (direct emissions) covers greenhouse gas (GHG) emissions directly linked to the manufacture of a product. If, for example, manufacturing a product requires the use of oil or the burning of fuel, or results in CO<sub>2</sub> or methane emissions, all such emissions are included in scope 1.

Scope 2 (indirect emissions) covers GHG emissions arising from the energy consumption required to manufacture a product (such as the electricity used to power the plants where the product is designed).