Monthly Report - August 2016

DNCA Invest - European Bond Opportunities

Fixed Income Fund

Monthly report | 31 August 2016

Share B : ISIN code LU0392098371 - Ticker Bloomberg LEEUROB LX EQUITY

Inception date: January 2, 2009

Countries of distribution

INVESTMENT OBJECTIVE

The Sub-Fund seeks to outperform the FTSE MTS Global index on the recommended investment period (2 years).

PORTFOLIO MANAGERS COMMENTS

The markets had a fairly quiet summer in the end, despite forecasts for a bumpy ride. The sharp shift in the Fed's stance towards faster monetary tightening than expected has not had any major fall-out. Conversely, inflation figures in the Eurozone are still showing some signs of weakness despite the increase in bank lending, recovering oil prices and the drop in unemployment rate, prompting investors to expect fresh moves from the ECB.

This context is pushing European bond yields to incredible lows but contradictorily it is also attracting ever more capital onto the debt markets. The risk taken by investors on these markets is in no way matched by yield, making the ECB's communication very tricky for the months ahead if a shift becomes necessary.

Against this backdrop, we will not add any further risk on DNCA Invest Bond Opportunities. Our investments this month involved very short-term investments (Rallye 2016) and commercial paper.

At this stage, the fund's risk profile is reasonably balanced, with average yield of 2.29% and sensitivity of 2.39%.

DNCA Invest European Bond Opportunities has gained 3.35% since the start of the year.

Text completed on September 1, 2016.

Philippe CHAMPIGNEULLE - Romain GRANDIS
Adrien LE CLAINCHE - Baptiste PLANCHARD

DATA AS OF 08/31/2016

	Fund	Index*
YTD performance	3.35%	6.13%
Performance 2015	-3.07%	1.67%
5 years annualized perfomance	4.29%	6.70%
1 year volatility	5.30%	4.13%
3 years volatility	3.75%	3.83%
5 years volatility	3.56%	4.22%

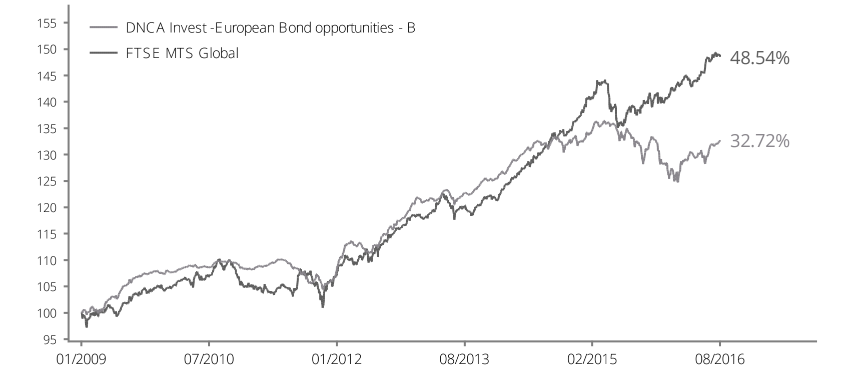
*FTSE MTS Global

Past performance is not a guarantee of future performance

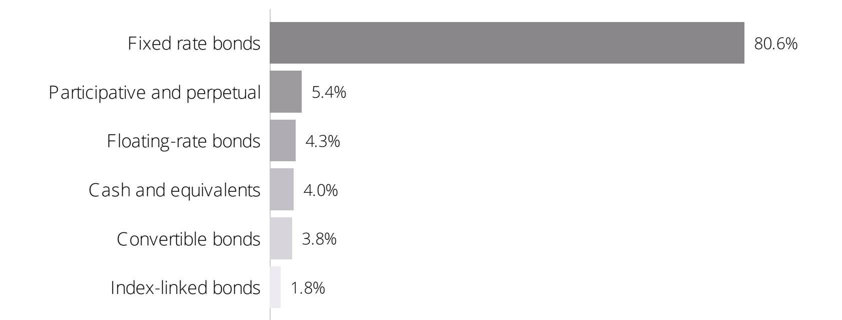
MAIN CHARACTERISTICS AS OF 31/08/2016

NAV	€132.72	Net assets	€63 M
Average yield	2.29%	Average modified duration	2.40
Average maturity (years)	2.78	Bonds and related	96.0%

PERFORMANCE SINCE 01/02/2009



BY ASSETS



RISK AND REWARD PROFILE

Lower risk | Higher risk

Lower potential reward | Higher potential reward

1	2	3	4	5	6	7

The risk level of this fund is due to exposure to fixed income market

DNCA Invest - Convertibles

Convertible Bonds Fund

Monthly report | 31 August 2016

Share A : ISIN code LU0401809073 - Ticker Bloomberg LDNCACA LX EQUITY

Inception date: December 17, 2008

Countries of distribution

INVESTMENT OBJECTIVE

The Sub-Fund seeks to provide capital appreciation with low volatility by investing in convertible bonds. As part of a discretionary management approach, the portfolio composition will not attempt to replicate the composition of a benchmark index from a geographical or sectoral perspective. Even so, the Exane Euro Convertibles Index may be used as ex-post benchmark indicator over the recommended investment duration (5 years).

PORTFOLIO MANAGERS COMMENTS

This year, August was a relatively quiet month on the equity, fixed income and credit markets. Interest rates are now kept well in check by ongoing accommodative monetary policies, particularly in the Eurozone, and no longer offer performance potential as was the case in the past. Stabilizing commodities prices and improved economic momentum on some emerging markets, especially in Latin America, are making investors more confident on world growth trends for 2016, but they are still very jittery as election dates draw close in Europe, and they continue to shun the Eurozone. Unless renewed impetus for European construction and a solution to the Italian banking sector problem emerge, the markets could again experience outbreaks of volatility.

DNCA Convertibles gained 0.33% over the month vs. +0.58% for the benchmark. Over the month, the fund continued to sell Metro/Haniel ahead of the Metro group spin-off, using the funds to finance purchases of issues such as Capgemini 2019 and Maurel & Prom 2019, which should be redeemed at par following the public offer from Indonesian company Pertamina. The fund currently displays an average weighted delta of 25.01% with average weighted yield of 1.06%.

Sovereign bonds have been overvalued for a long time and convertible bonds have not escaped the effects of sparse bond yields. They offer a varied but sometimes more attractive profile than the purely credit market, and admittedly display low and sometimes negative yields, but carry options on stocks on a European equity market that lags behind its US counterpart. However, we should be wary of certain new issues on the primary market as some issuers attempt to take advantage of low interest rates and high valuations for their stocks. Selectiveness will be the watchword over the last few months of the year.

Text completed on September 1, 2016.

Igor de MAACK - Felix HARON - Jean-Charles MERIAUX

** is a measure of the risk, with which the performance of a fund is diverging from its index

DATA AS OF 08/31/2016

	Fund	Index*
YTD performance	-0.85%	-0.60%
Performance 2015	4.44%	6.08%
5 years annualized perfomance	5.06%	6.28%
1 year volatility	4.87%	6.66%
3 years volatility	5.10%	6.06%
5 years volatility	4.70%	6.16%

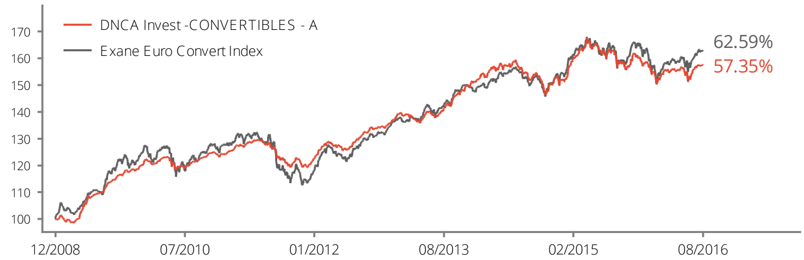
* Exane Euro Convert Index

Past performance is not a guarantee of future performance

MAIN CHARACTERISTICS AS OF 31/08/2016

NAV	€157.35	Net assets	€675 M
Delta	25.01%	Average yield	1.06%
Average modified duration	3.25	Average premium	79.88
Average maturity (years)	4.38	Tracking Error**	2.9
Number of lines	44		

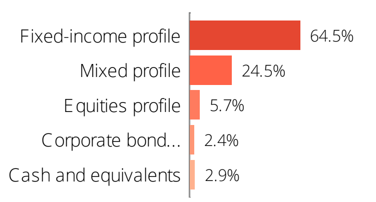
PERFORMANCE SINCE 12/17/2008



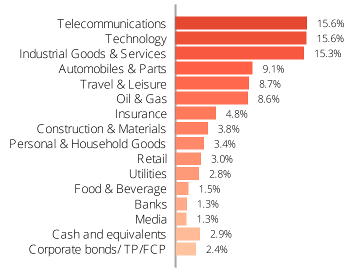
MAIN COUNTRIES

FRANCE	56.6%
ITALY	22.3%
MEXICO	5.4%
SPAIN	3.9%
UNITED KINGDOM	3.7%

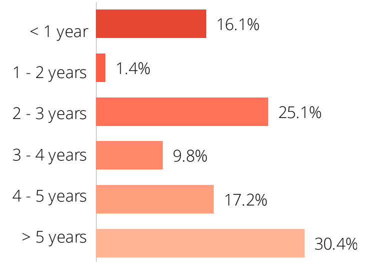
BREAKDOWN BY PROFILE



BREAKDOWN BY SECTOR



BREAKDOWN BY MATURITY



RISK AND REWARD PROFILE

Lower risk — Higher risk

Lower potential reward — Higher potential reward

1	2	**3**	4	5	6	7

The risk level of this fund is due to exposure to equity and/or fixed income markets

DNCA Invest - Miura

Absolute Return Fund

Monthly report | 31 August 2016

Share B : ISIN code LU0462973347 - Ticker Bloomberg LEOMIUB LX EQUITY

Inception date: November 16, 2009

Countries of distribution

INVESTMENT OBJECTIVE

The Sub-Fund seeks to achieve a positive performance higher than the risk-free rate represented by the EONIA rate. This performance is sought by associating is to a lower volatility than the equity market materialised by the Eurostoxx 50 Index.

PORTFOLIO MANAGERS COMMENTS

August was fairly calm, and the equity markets displayed little change, with the EUROSTOXX 50 up 1.1% over the month. After the rebound in July on the back of excellent earnings reports from several companies, the market is adopting a wait-and-see attitude. On the one hand, low interest rates and a slight improvement in worldwide economic growth point to greater optimism. On the other hand, this economic improvement, in particular in the USA, could lead to a slightly faster hike in interest rates that could in turn dent valuations. Furthermore, several major political deadlines are coming up (Italy, USA, France, Germany) and these events may trigger a certain degree of volatility in view of the potential impact of results on the credibility of the economic area in question (USA, Eurozone) and/or on the outlook for world growth.

MIURA dipped 32bp in August. Despite some reassuring earnings reports from companies on the long side of our portfolio (Numéricable, Bouygues and WPP), the fund was dented primarily by the rally on banks (STOXX 600 Banks +8.7%), where we had slightly negative net exposure (-3%). Furthermore, some heavyweights in our portfolio fell sharply (Astrazeneca and Sanofi for the pharma sector, Accor and Casino). We cut back our positions on Casino substantially following the downgrade to cashflow generation projections in France. We also trimmed back our exposure to the pharma sector due to a lack of visibility, in particular on both price trends and earnings in the USA. Conversely, we increased our holding in Accor, as we think that the share price decline is excessive in view of positive catalysts on the share (spin-off of Hotel Invest, interest from Chinese buyers, etc).

Our beta-adjusted net exposure remains moderate at 6.3% vs. 7.9% last month. It remains focused on high-quality companies that can pay out recurring and comfortable dividends, even against a backdrop of weak economic growth. In view of the hazy visibility we describe, we shy away from taking too many risks and continue to base MIURA's performance on a stock-picking approach, rather than on market trends.

Text completed on September 1, 2016.

Cyril FREU - Mathieu PICARD - Boris BOURDET

**(Annualized Fund Performance – Annual Risk Free Rate)/Volatility. This ratio mesures the fund risk-adjusted return.

DATA AS OF 08/31/2016

	Fund	Index*
YTD performance	-0.92%	-0.20%
Performance 2015	4.19%	-0.11%
5 years annualized perfomance	2.66%	0.08%
1 year volatility	3.86%	23.87%
3 years volatility	3.34%	20.71%
5 years volatility	4.75%	22.02%

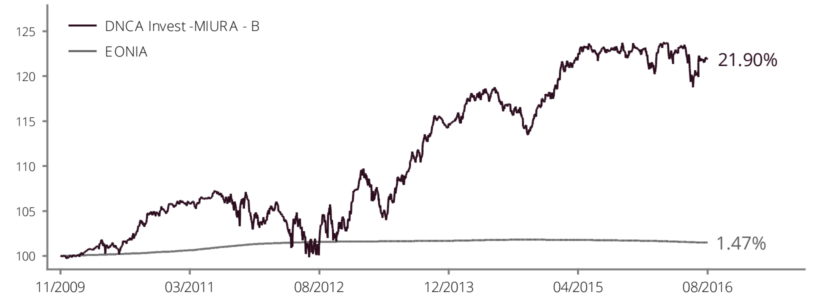
*Performance index: EONIA; Volatility index: Eurostoxx 50

Past performance is not a guarantee of future performance

MAIN CHARACTERISTICS AS OF 31/08/2016

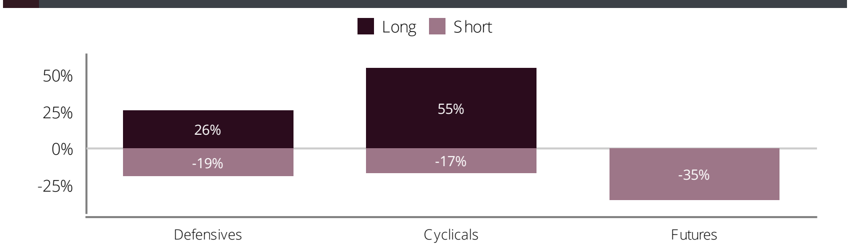
NAV	€121.9	Net assets	€935 M
Gross exposure	152%	Net exposure	9.4%
Net exposure (beta adjusted)	6.3%	Long positions	52

PERFORMANCE SINCE 11/16/2009



Main long positions		Main short positions	
ATOS ORIGIN	5.1%	Travel & Leisure	4.0%
CAP GEMINI	4.6%	STOXX 600 Industrial Goods & Service	3.7%
PUBLICIS GROUPE	4.3%	STOXX Europe 600 Automobiles	3.3%
ORANGE	4.0%	Retail	3.3%
LVMH	3.4%	STOXX 600 Construction & Materials	2.8%

SEGMENT EXPOSURE



RISK INDICATORS

Sharpe ratio** -0.2

RISK AND REWARD PROFILE

Lower risk — Higher risk

Lower potential reward — Higher potential reward

1	2	**3**	4	5	6	7

The risk level of this fund is due to exposure to equity and/or fixed income markets

DNCA Invest - Miuri

Absolute Return Fund

Monthly report | 31 August 2016

Share B : ISIN code LU0641745681 - Ticker Bloomberg DMIURBE LX EQUITY

Inception date: December 14, 2011

Countries of distribution

INVESTMENT OBJECTIVE

The Sub-Fund seeks to achieve a higher annual performance than the risk-free rate represented by the EONIA rate. This performance is sought by associating it to a lower annual volatility than 5%.

PORTFOLIO MANAGERS COMMENTS

August was fairly calm, and the equity markets displayed little change, with the EUROSTOXX 50 up 1.1% over the month. After the rebound in July on the back of excellent earnings reports from several companies, the market is adopting a wait-and-see attitude. On the one hand, low interest rates and a slight improvement in worldwide economic growth point to greater optimism. On the other hand, this economic improvement, in particular in the USA, could lead to a slightly faster hike in interest rates that could in turn dent valuations. Furthermore, several major political deadlines are coming up (Italy, USA, France, Germany) and these events may trigger a certain degree of volatility in view of the potential impact of results on the credibility of the economic area in question (USA, Eurozone) and/or on the outlook for world growth.

MIURI edged down 20bp in August. Despite some reassuring earnings reports from companies on the long side of our portfolio (Numéricable, Bouygues and WPP), the fund was dented primarily by the rally on banks (STOXX 600 Banks +8.7%), where we had slightly negative net exposure (-3%). Furthermore, some heavyweights in our portfolio fell sharply (Astrazeneca and Sanofi for the pharma sector, Accor and Casino). We cut back our positions on Casino substantially following the downgrade to cashflow generation projections in France. We also trimmed back our exposure to the pharma sector due to a lack of visibility, in particular on both price trends and earnings in the USA. Conversely, we increased our holding in Accor, as we think that the share price decline is excessive in view of positive catalysts on the share (spin-off of Hotel Invest, interest from Chinese buyers, etc).

Our beta-adjusted net exposure remains moderate at 9.7% vs. 12.8% last month. It remains focused on high-quality companies that can pay out recurring and comfortable dividends, even against a backdrop of weak economic growth. In view of the hazy visibility we describe, we shy away from taking too many risks and will continue to base MIURI's performance primarily on a stock-picking approach, rather than on market trends.

Text completed on September 1, 2016.

Cyril FREU - Mathieu PICARD - Boris BOURDET

**(Annualized Fund Performance – Annual Risk Free Rate)/Volatility. This ratio mesures the fund risk-adjusted return.

DATA AS OF 08/31/2016

	Fund	Index*
YTD performance	-0.20%	-0.20%
Performance 2015	3.33%	-0.11%
Performance annualized since inception	4.49%	0.03%
1 year volatility	3.37%	23.87%
3 years volatility	3.25%	20.72%
Volatility since inception	3.80%	20.34%

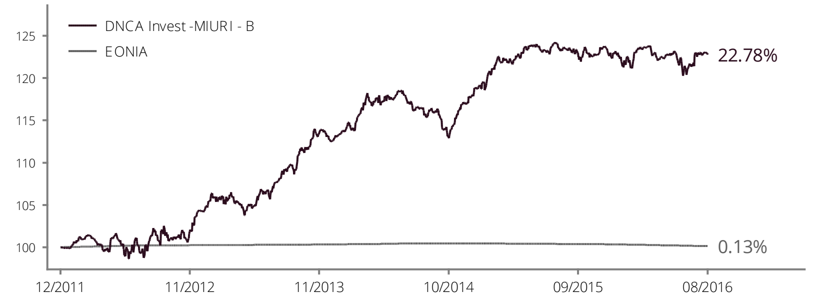
*Performance index: EONIA; Volatility index: Eurostoxx 50

Past performance is not a guarantee of future performance

MAIN CHARACTERISTICS AS OF 31/08/2016

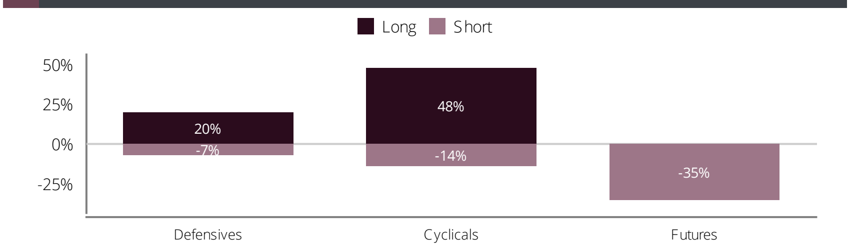
NAV	€122.78	Net assets	€2,730 M
Gross exposure	124%	Net exposure	11.5%
Net exposure (beta adjusted)	9.7%	Long positions	55

PERFORMANCE SINCE 12/14/2011



Main long positions		Main short positions	
CAP GEMINI	5.2%	EURO STOXX 50	15.2%
ORANGE	4.2%	CAC 40 INDEX	12.4%
LVMH	3.9%	DAX INDEX	7.5%
PUBLICIS GROUPE	3.8%	STOXX Europe 600 Automobiles	3.8%
ATOS ORIGIN	3.6%	STOXX 600 Industrial Goods & Service	3.0%

SEGMENT EXPOSURE



RISK INDICATORS

Sharpe ratio** -0.1

RISK AND REWARD PROFILE

Lower risk — Higher risk

Lower potential reward — Higher potential reward

1	2	3	4	5	6	7

The risk level of this fund is due to exposure to equity and/or fixed income markets

DNCA Invest - Velador

Absolute Return Fund

Monthly report | 31 August 2016

Share B : ISIN code LU1209145611 - Ticker Bloomberg LEOVEBA LX EQUITY

Inception date: May 18, 2015

Countries of distribution

INVESTMENT OBJECTIVE

The Sub-Fund seeks to achieve a positive performance higher than the following composite Index: 25% EURO STOXX 50 NR + 75% EONIA. This performances objective is sought by associating it to a lower annual volatility than 8%.

PORTFOLIO MANAGERS COMMENTS

August was fairly calm, and the equity markets displayed little change, with the EUROSTOXX 50 up 1.1% over the month. After the rebound in July on the back of excellent earnings reports from several companies, the market is adopting a wait-and-see attitude. On the one hand, low interest rates and a slight improvement in worldwide economic growth point to greater optimism. On the other hand, this economic improvement, in particular in the USA, could lead to a slightly faster hike in interest rates that could in turn dent valuations. Furthermore, several major political deadlines are coming up (Italy, USA, France, Germany) and these events may trigger a certain degree of volatility in view of the potential impact of results on the credibility of the economic area in question (USA, Eurozone) and/or on the outlook for world growth.

VELADOR posted a flat performance (-2bp) in August. Despite some reassuring earnings reports from companies on the long side of our portfolio (Numéricable, Bouygues and WPP), the fund was dented primarily by the rally on banks (STOXX 600 Banks +8.7%), where we had slightly negative net exposure (-3%). Furthermore, some heavyweights in our portfolio fell sharply (Astrazeneca and Sanofi for the pharma sector, Accor and Casino). We cut back our positions on Casino substantially following the downgrade to cashflow generation projections in France. We also trimmed back our exposure to the pharma sector due to a lack of visibility, in particular on both price trends and earnings in the USA. Conversely, we increased our holding in Accor, as we think that the share price decline is excessive in view of positive catalysts on the share (spin-off of Hotel Invest, interest from Chinese buyers, etc).

Our beta-adjusted net exposure remains moderate at 20.5% vs. 23.2% last month and 25% for the benchmark. It remains focused on high-quality companies that can pay out recurring and comfortable dividends, even against a backdrop of weak economic growth. In view of the uncertain effects of forthcoming political and electoral events, we remain cautious and will endeavor to base VELADOR'S performance moreso on a stock-picking approach than on market trends.

Text completed on September 1, 2016.

Cyril FREU - Mathieu PICARD - Boris BOURDET

**(Annualized Fund Performance – Annual Risk Free Rate)/Volatility. This ratio mesures the fund risk-adjusted return.

DATA AS OF 08/31/2016

	Fund	Index*
YTD performance	0.14%	-1.05%
Performance 2015	1.01%	-1.77%
Performance annualized since inception	0.89%	-2.22%
1 year volatility	5.46%	6.00%
Volatility since inception	5.13%	6.21%

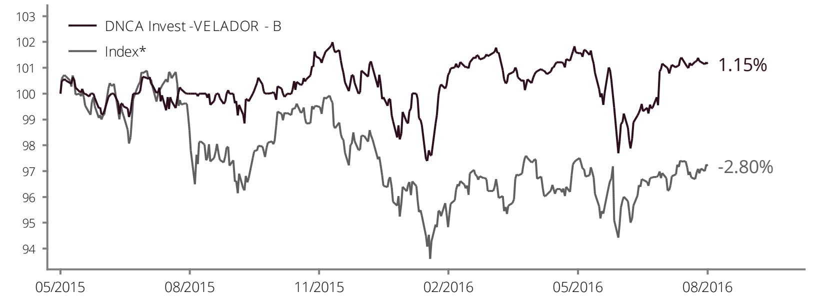
*75% EONIA + 25% EURO STOXX 50 NR

Past performance is not a guarantee of future performance

MAIN CHARACTERISTICS AS OF 31/08/2016

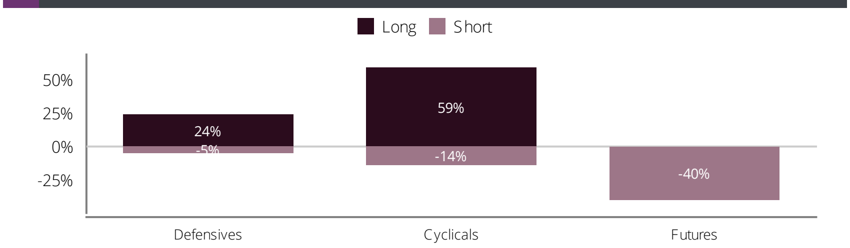
NAV	€101.15	Net assets	€267 M
Gross exposure	143%	Net exposure	24.3%
Net exposure (beta adjusted)	20.5%	Long positions	57

PERFORMANCE SINCE 05/18/2015



Main long positions		Main short positions	
ORANGE	4.9%	EURO STOXX 50	17.0%
CAP GEMINI	4.7%	CAC 40 INDEX	15.1%
LVMH	4.3%	DAX INDEX	7.8%
PUBLICIS GROUPE	3.6%	STOXX Europe 600 Automobiles	4.3%
ATOS ORIGIN	3.0%	STOXX 600 Travel & Leisure	4.2%

SEGMENT EXPOSURE



RISK INDICATORS

Sharpe ratio** 0.3

RISK AND REWARD PROFILE

Lower risk — Higher risk

Lower potential reward — Higher potential reward

1	2	3	4	5	6	7

The risk level of this fund is due to exposure to equity and/or fixed income markets

DNCA Invest - Eurose

Diversified Fund

Monthly report | 31 August 2016

Share A : ISIN code LU0284394235 - Ticker Bloomberg LEODEFA LX EQUITY

Inception date: September 28, 2007

Countries of distribution

INVESTMENT OBJECTIVE

The Sub-Fund seeks to outperform the 80% FTSE MTS Global + 20% EURO STOXX 50 Net Return composite index calculated with dividends reinvested, over the recommended investment period (2 years).

PORTFOLIO MANAGERS COMMENTS

The markets had a fairly quiet summer in the end, despite forecasts for a bumpy ride. The sharp shift in the Fed's stance towards faster monetary tightening than expected has not had any major fall-out. Conversely, inflation figures in the Eurozone are still showing some signs of weakness despite the increase in bank lending, recovering oil prices and the drop in unemployment rate, prompting investors to expect fresh moves from the ECB.

This context is pushing European bond yields to incredible lows but contradictorily it is also attracting ever more capital onto the debt markets. The risk taken by investors on these markets is in no way matched by yield, making the ECB's communication very tricky for the months ahead if a shift becomes necessary.

Against this backdrop, we again cut back bond risk for DNCA Invest Eurose. The share of cash has been increased by more than 2 points to close to 8% of assets via the sale of shares carrying negative yield.

Last month's equity investment policy involved an increase in exposure to defensive stocks, as we added Carrefour to our stock selection. Despite solid half-year earnings, the market refuses to believe the group's reassuring message, and its valuation currently carries a discount to European competitors. The stock boasts one of the most defensive profiles in its sector in Europe and its financial outlook is set to improve. Conversely, DNCA Invest Eurose reduced its stake in Alstom, Eurotunnel, Michelin and Thalès, cutting back exposure to cyclical stocks.

The fund has shed 0.78% since the start of the year, and indices in the Eurozone remain in the red with the EURO STOXX 50 Net Return down 5.09%. Against a backdrop of reasonable valuations, recovering economic growth and easing political risks, DNCA Invest Eurose maintains its offensive stance on equities with investment of 29.4%, still close to historical highs.

Text completed on September 1, 2016.

Jean-Charles MERIAUX - Philippe CHAMPIGNEULLE
Romain GRANDIS - Adrien LE CLAINCHE - Baptiste PLANCHARD

DATA AS OF 08/31/2016

	Fund	Index*
YTD performance	-0.78%	4.14%
Performance 2015	2.85%	3.06%
5 years annualized perfomance	5.11%	7.53%
1 year volatility	6.58%	5.30%
3 years volatility	5.71%	5.23%
5 years volatility	5.45%	5.71%

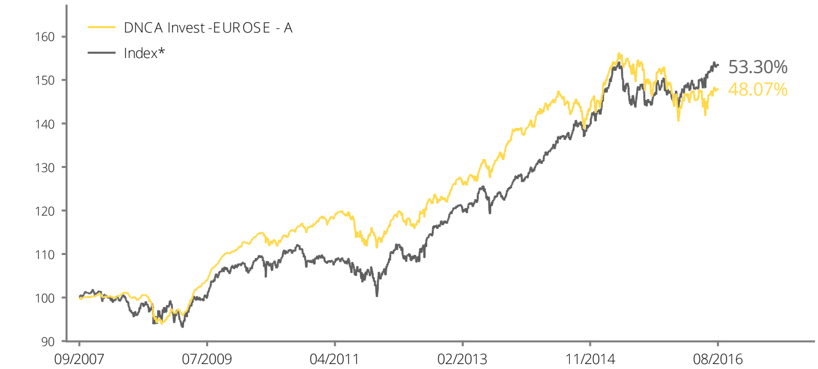
*80% FTSE MTS Global + 20% EURO STOXX 50 Net Return

Past performance is not a guarantee of future performance

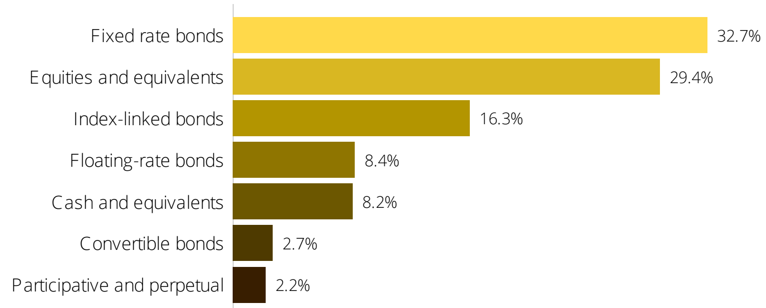
MAIN CHARACTERISTICS AS OF 31/08/2016

NAV	€148.07	Net assets	€4,420 M
Average yield	0.98%	Average modified duration	2.12
Average maturity (years)	3.35	Bonds and related	62.4%

PERFORMANCE SINCE 09/28/2007



BY ASSETS



RISK AND REWARD PROFILE

Lower risk / Higher risk

Lower potential reward / Higher potential reward

1	2	3	4	5	6	7

The risk level of this fund is due to exposure to equity and/or fixed income markets

DNCA Invest - Evolutif

Diversified Fund

Monthly report | 31 August 2016

Share B : ISIN code LU0284394821 - Ticker Bloomberg LEOFLXB LX EQUITY

Inception date : July 24, 2007

Countries of distribution

INVESTMENT OBJECTIVE

The Sub-Fund seeks to outperform the 60% EURO STOXX 50 Net Return, 30% FTSE MTS EMU GOV BOND 1-3 years, 10% EONIA composite index calculated dividends reinvested, over the recommended investment period, while protecting the capital during adverse periods through opportunistic management and flexible asset allocation.

PORTFOLIO MANAGERS COMMENTS

Flying in the face of all concerns surrounding Brexit, the summer ended with weak volatility across all markets, apart from oil, which was down 5% over the summer period.

However, this calm remains fragile: on the one hand, what the Bank of International Settlements calls the risky trinity (productivity growth that is unusually low, global debt levels that are historically high, and room for policy maneuver that is remarkably narrow) has not disappeared; on the other hand, the coming weeks and months are set to be busy as the upcoming presidential elections in the USA, a potential rate hike from the Fed, the referendum in Italy on constitutional reform and macro-economic publications in China are all poised to set off investor jitters.

Expected volatility on financial assets should not overshadow the fact that fundamentals in Europe, which are highly reliant on domestic consumer spending, remain sound. Meanwhile, the latest round of PMI leading indicators (industrial & services) suggests that corporates' recovery in this market is marching steadily on – a market that incidentally harbors potential among the highest across the various zones, with the growth gap with the USA for 2016 close to zero.

Yet in spite of all this, European equities remain severely undervalued (12.9x expected EPS for 2017 vs. 16.3x for the S&P500), dragged down by earnings growth projections that we deem excessively pessimistic (-3% for the Eurostoxx 50 in 2016) and by severe market swings as a result of political dithering, geopolitical blunders and anxiety on the macro-economic outlook.

Our portfolio is 59% invested in equities and maintains some room for maneuver to be able to react in the event of renewed volatility. In view of negative yields on the Bund (-0.09%) and the OAT at 0.14%, we would welcome any openings to take positions on the equity market, which carries yield of 3.6% (well covered by FCF yield of 8%).

Text completed on August 31, 2016.

Xavier DELAYE - Augustin PICQUENDAR - Thomas PLANELL

DATA AS OF 08/31/2016

	Fund	Index*
YTD performance	-2.78%	-2.53%
Performance 2015	5.39%	4.68%
5 years annualized perfomance	6.86%	7.50%
1 year volatility	11.74%	12.36%
3 years volatility	10.36%	11.20%
5 years volatility	10.31%	11.49%

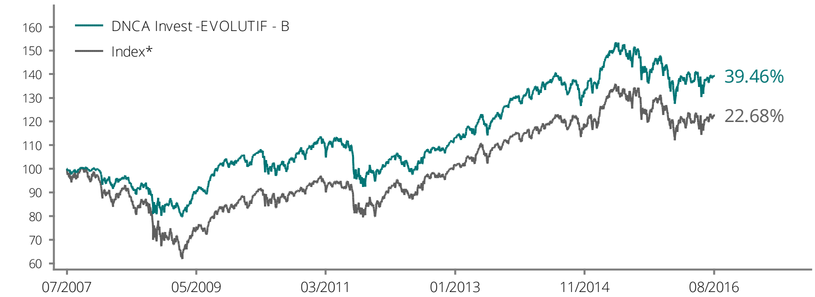
*60% EURO STOXX 50 NR + 30% FTSE MTS EMU GOV BOND 1-3 years + 10% EONIA

Past performance is not a guarantee of future performance

MAIN CHARACTERISTICS AS OF 31/08/2016

NAV	€139.46	Net assets	€555 M
Net yield 2015	3.91%	ND/EBITDA 2015	1.2 x
Estimated PER 2016	14.8 x	EV/EBITDA 2016	6.9 x

PERFORMANCE SINCE 07/24/2007



Changing the index as of May 2, 2014

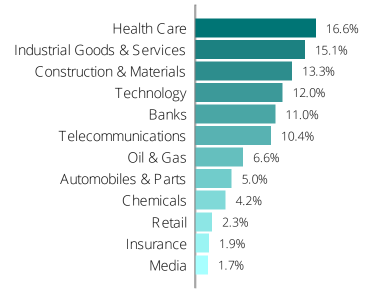
MAIN HOLDINGS

SAINT GOBAIN	4.34%
ORANGE	4.02%
SANOFI	3.97%
ROCHE HOLDING BJ	3.38%
AIR LIQUIDE	2.42%

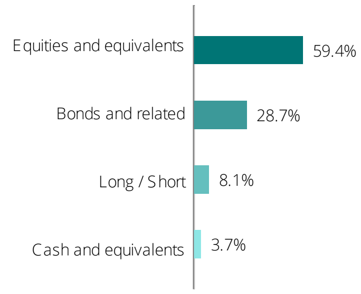
MAIN COUNTRIES

FRANCE	55.7%
LUXEMBOURG	10.3%
THE NETHERLANDS	7.7%
ITALY	4.5%
GERMANY	3.7%

BREAKDOWN BY SECTOR



BY ASSETS



Rebased over the equity portfolio

RISK AND REWARD PROFILE

Lower risk — Higher risk

Lower potential reward — Higher potential reward

1	2	3	4	**5**	6	7

The risk level of this fund is due to exposure to equity and/or fixed income markets

PER (Price Earnings Ratio) is the ratio of market capitalisation to net earnings. It is a way of estimating how expensive a share is.
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DNCA Invest - Value Europe

European Equities Fund

DNCA INVESTMENTS

Monthly report | 31 August 2016

Share B : ISIN code LU0284396289 - Ticker Bloomberg LEOVLUB LX EQUITY

Inception date : March 4, 2008

Countries of distribution

INVESTMENT OBJECTIVE

The Sub-Fund seeks to outperform the following index: Stoxx Europe 600 Net Return, over the recommend investment term.

PORTFOLIO MANAGERS COMMENTS

Corporates' Q2 earnings reassured the markets, which enjoyed something of a calm period over the month of August. The banking sector rallied on the back of sound Q2 earnings reports as well as the increasing likelihood of easier Basel IV regulations than expected: governments are concerned about excessively strict regulation that would prevent the effects of monetary policy being passed onto the real economy. Growth in lending to SMEs is showing small signs of an increase against a backdrop of negative interest rates, which are already denting banks' profitability, not to mention the increase in new payment/transaction models and online banking.

M&A activity stepped up a pace this month with talks between Linde and Praxair, Thyssen and Tata Steel and the Teleperformance's acquisition of LLS in the USA. Meanwhile, authorities approved Chemchina's acquisition of Syngenta, an agrochemicals player in Switzerland. This renewed M&A activity also continued on smaller companies.

The Fed's current stance points to a greater likelihood of monetary tightening, although it is set to be moderate if Clinton wins, with her accommodative outlook. US growth figures remain disappointing despite employment at 4.8% and reasonable retail sales. The Bank of England has again reiterated its accommodative monetary policy by cutting interest rates to 0.25% in order to shore up economic activity in view of the expected post-Brexit slowdown. Economic activity remains solid in Spain, despite the country's failure to form a government, which could trigger fresh elections at the end of the year. The market remains focused on the Italian referendum in November against a backdrop of concerns on the banking sector and slowing economic activity.

We recently took positions on Alstom, which boasts an order book amounting to five years of sales, thereby providing a degree of visibility on future growth. The group also displays a healthy balance sheet and the improvement in its product mix should enable it to expand margins by 200bp in the medium term. The company's valuation of 7x 2018 EV/EBITDA is particularly attractive in our view.

The fund gained 1.67% this month, while the benchmark rose 0.74%.

Text completed on September 5, 2016.

Isaac CHEBAR - Don FITZGERALD - Maxime GENEVOIS

DATA AS OF 08/31/2016

	Fund	Index*
YTD performance	-5.64%	-3.71%
Performance 2015	16.14%	9.60%
5 years annualized perfomance	11.97%	10.83%
1 year volatility	17.37%	18.03%
3 years volatility	16.03%	16.26%
5 years volatility	15.49%	16.27%

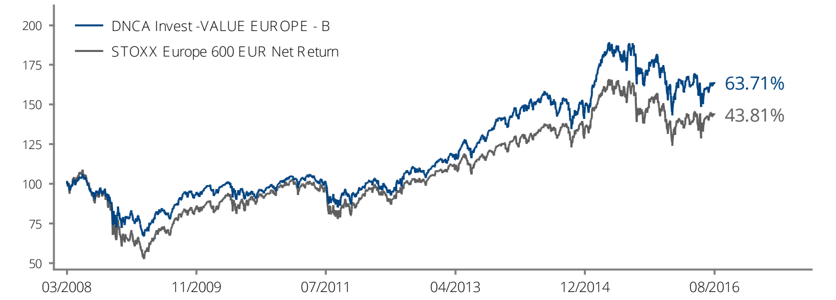
* STOXX Europe 600 EUR Net Return

Past performance is not a guarantee of future performance

MAIN CHARACTERISTICS AS OF 31/08/2016

NAV	€163.71	Net assets	€626 M
Net yield 2015	3.50%	ND/EBITDA 2015	1.4 x
Estimated PER 2016	15.7 x	EV/EBITDA 2016	7.2 x

PERFORMANCE SINCE 03/04/2008



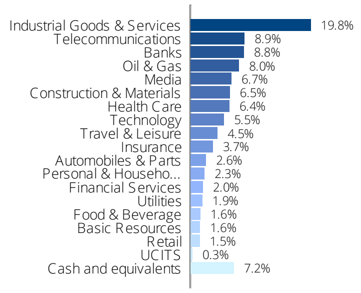
MAIN HOLDINGS

SOCIETE GENERALE	2.86%
CNH INDUSTRIAL NV	2.84%
FINMECCANICA	2.72%
PUBLICIS GROUPE	2.70%
SMITHS GRP PLC	2.52%

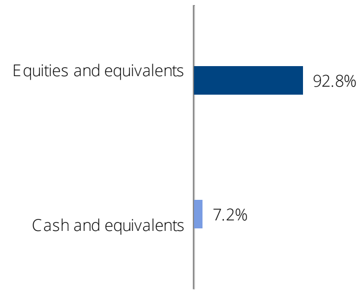
MAIN COUNTRIES

FRANCE	28.1%
ITALY	15.9%
UNITED KINGDOM	12.0%
GERMANY	11.1%
THE NETHERLANDS	9.1%

BREAKDOWN BY SECTOR



BY ASSETS



RISK AND REWARD PROFILE

Lower risk — Higher risk

Lower potential reward — Higher potential reward

1	2	3	4	5	**6**	7

The risk level of this fund is due to exposure to equity market

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DNCA Invest - Europe Growth

European Equities Fund

DNCA INVESTMENTS

Monthly report | 31 August 2016

Share B : ISIN code LU0870553459 - Ticker Bloomberg DIEGRBE LX EQUITY

Inception date : December 28, 2012

Countries of distribution

INVESTMENT OBJECTIVE

The Fund's objective is to outperform pan-European equity markets over the recommended investment period (5 years). The STOXX EUROPE 600 Net Return EUR reference indicator, calculated with dividends reinvested, is provided for a posteriori comparison purposes.

PORTFOLIO MANAGERS COMMENTS

The latest earnings reports during August revealed some good news in the Healthcare sector, as Fresenius SE, Shire, Biomérieux and Merck Kga all upgraded their guidance. However, the sector has been underperforming for several weeks due to concerns on the outcome of the US presidential elections and the ensuing impact on the sector. This is a fairly typical situation that occurs at each election, and while we should remain vigilant, it seems unlikely that the law will change in the USA as the new president would have to hold a majority in both the House of Representatives and the Senate, which looks unlikely at this stage. However, it would be advisable for the legislator to put an end to certain pricing practices on existing older products in the industry.

Meanwhile, Novo Nordisk (world leader in diabetes treatments) disappointed market expectations due to pressure on prices required by private health insurers in the USA. This situation is not a surprise in itself as Sanofi has had to deal with this situation for several quarters, but Novo Nordisk's recent new launch (Tresiba) was not sufficient to resolve the issue. We maintain our holding in the Danish pharma company as it boasts an extensive pipeline, particularly for oral treatments (GLP1 & Insulin).

The fund's main top pick, Teleperformance, announced the acquisition of LanguageLine Solutions (LLS), US leader in telephone and video translation and interpreting services. This is a major deal for Teleperformance in a new business, carrying a price tag of $1.5bn. LanguageLine Solutions displays strong growth potential (8-10% vs. 5-6%), operating margin three times higher (30% vs 10.5%) and lower capex use (2% of sales vs. 5% at Teleperformance). The deal will probably be financed at a rate of 3.5%, and is set to have a hefty accretive impact on EPS (>15% as of 2017): the management team boasts a solid reputation on previous acquisitions (TLS, Aegis US). The market logically welcomed this deal and the share has rallied 16% since the announcement.

Over the past month, the fund slightly underperformed its benchmark (+0.29% and +0.74% respectively), bringing the outperformance since the start of the year to 1.88 points.

Text completed on September 2, 2016.

Carl AUFFRET, CFA - YingYing WU, CFA

DATA AS OF 08/31/2016

	Fund	Index*
YTD performance	-1.83%	-3.71%
Performance 2015	23.36%	9.60%
Performance annualized since inception	14.84%	8.96%
1 year volatility	15.74%	18.03%
3 years volatility	14.72%	16.26%
Volatility since inception	13.94%	15.60%

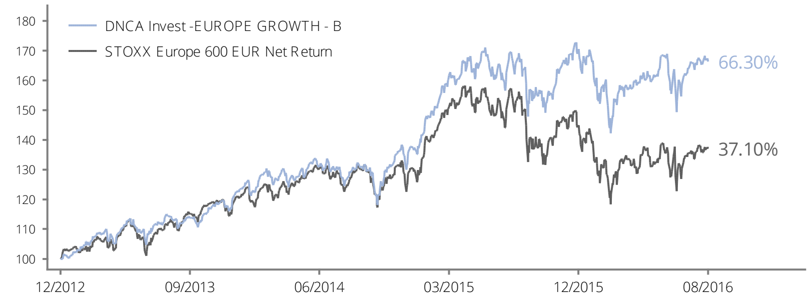
* STOXX Europe 600 EUR Net Return

Past performance is not a guarantee of future performance

MAIN CHARACTERISTICS AS OF 31/08/2016

NAV	€166.30	Net assets	€541 M
Net yield 2015	1.47%	ND/EBITDA 2015	1.3 x
Estimated PER 2016	19.2 x	EV/EBITDA 2016	11.6 x

PERFORMANCE SINCE 12/28/2012



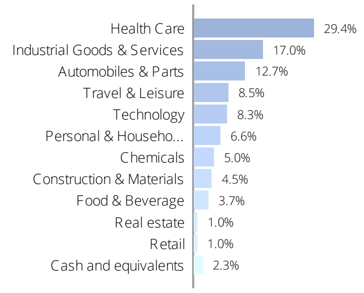
MAIN HOLDINGS

TELEPERFORMANCE	6.22%
SARTORIUS STEDIM	4.75%
SHIRE PLC	4.65%
FRESENIUS SE	4.46%
INGENICO	4.31%

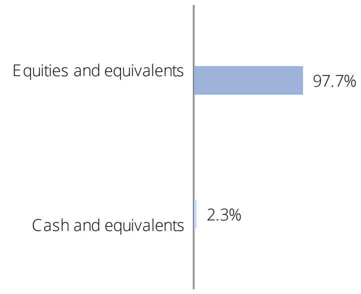
MAIN COUNTRIES

FRANCE	33.3%
UNITED KINGDOM	13.5%
SWITZERLAND	12.8%
GERMANY	11.8%
SWEDEN	8.6%

BREAKDOWN BY SECTOR



BY ASSETS



RISK AND REWARD PROFILE

Lower risk — Higher risk

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1	2	3	4	5	**6**	7

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DNCA Invest - South Europe Opportunities

Southern Europe Equities Fund

Monthly report | 31 August 2016

Share A : ISIN code LU0284395638 - Ticker Bloomberg LEOVALA LX EQUITY

Inception date : November 11, 2009

Countries of distribution

INVESTMENT OBJECTIVE

The Fund seeks to outperform the following composite Index Net Return: 55% FTSE MIB, 40% IBEX, 5% PSI20 calculated with dividends reinvested, over the recommended investment term (5 years).

PORTFOLIO MANAGERS COMMENTS

The markets of Southern Europe held up well in August despite political uncertainty in the zone: a constitutional referendum is slated for November in Italy and could weaken prime minister Matteo Renzi if the No camp wins, meanwhile Mariano Rajoy failed to form a government in the Spanish parliament triggering fresh elections at the end of December. These factors create uncertainty on these countries' ability to hit Brussels' targets. The Portuguese prime minister meanwhile reassured audiences on the country's ability to meet budget deficit and growth targets in 2016. Growth was solid in Spain in Q2 at 3.2% yoy, and more fragile in Italy and Portugal at 0.8% and 0.9% respectively. We also note the first signs of a recovery in Greece with 0.2% growth qoq.

The fund gained 2.43% this month, outperforming the benchmark by 154bp. Among the main contributors to the fund's performance we highlight Spanish oil services company Tecnicas Reunidas (+16%) following high new orders and financials Intesa Sanpaolo, Banco Santander, BBVA and Mediobanca, up more than 6%. We also note the rebound for Fiat, buoyed by the potential sale of its equipment maker Magneti Marelli and by Telecom Italia as a result of possible interest from Orange and an encouraging outlook on revenues and costs.

This month we took profits on Tecnicas Reunidas and Galp Energia, and increased our holdings in Banca Popolare di Milano and Euskaltel.

After a tough start to the year, we remain confident that Southern European markets are attractive. Economic fundamentals continue to improve and several companies display attractive valuations in view of the extremely appealing operating leverage they display after several years spent shoring up their financial and competitive situations.

Text completed on September 5, 2016.

Lucy BONMARTEL - Isaac CHEBAR

DATA AS OF 08/31/2016

	Fund	Index*
YTD performance	-14.35%	-13.31%
Performance 2015	11.39%	7.17%
5 years annualized perfomance	8.08%	5.17%
1 year volatility	21.01%	21.80%
3 years volatility	19.66%	20.46%
5 years volatility	20.73%	23.13%

*55% FTSE MIB + 40% IBEX + 5% PSI20 Net Return

Past performance is not a guarantee of future performance

MAIN CHARACTERISTICS AS OF 31/08/2016

NAV	€76.31	Net assets	€203 M
Net yield 2015	3.65%	ND/EBITDA 2015	2.4 x
Estimated PER 2016	14.3 x	EV/EBITDA 2016	5.6 x

PERFORMANCE SINCE 11/11/2009

Change of strategy as of May 2, 2014

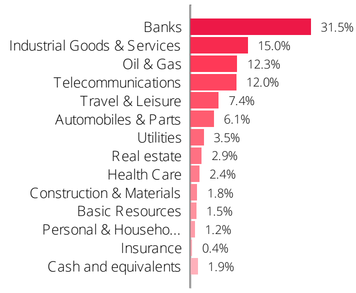
MAIN HOLDINGS

ENI	6.82%
TELEFONICA SA	6.20%
BANCO SANTANDER SA	5.16%
INTESA SANPAOLO	4.89%
BBVA	4.24%

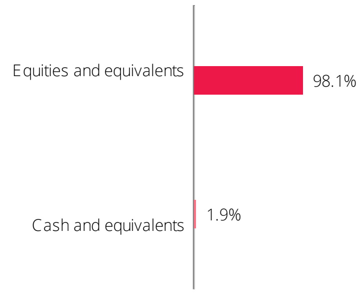
MAIN COUNTRIES

SPAIN	49.0%
ITALY	47.4%
PORTUGAL	1.6%
GREECE	0.1%

BREAKDOWN BY SECTOR



BY ASSETS



RISK AND REWARD PROFILE

Lower risk — Higher risk

Lower potential reward — Higher potential reward

1	2	3	4	5	6	7

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DNCA Invest - Infrastructures (LIFE)

European Equities Fund

Monthly report | 31 August 2016

Share B : ISIN code LU0309082799 - Ticker Bloomberg LEOIBBC LX EQUITY

Inception date : October 12, 2007

Countries of distribution

INVESTMENT OBJECTIVE

The Sub-Fund seeks to outperform the Macquarie Global Infrastructure Index Europe Local Total Return on the recommended investment term (5 years).

PORTFOLIO MANAGERS COMMENTS

The summer's seeming peace and stabilization on the financial markets did not stop investors continuing to move away from the Eurozone and towards emerging markets in record numbers. Fear of a break-up of Europe and in particular the Eurozone, has been the most common reaction from non-European residents since the Brexit vote. Yet, the recovery in the Eurozone has not faltered. US growth is admittedly less impressive but still remains robust, as do employment figures. Emerging markets (Brazil and Russia) were buoyed by easing commodities prices. Lastly, China has still not slumped despite a real issue over debt. As a result of political uncertainties, European equities are still trading at a discount, which is difficult to fully quantify. However, investors adopting a selective approach can still unearth earnings growth, value creation during M&A deals and comfortable dividends on the European equity markets.

DNCA Infrastructures – LIFE gained 1.22% this month vs. 3.37% for the benchmark. The fund took advantage of weak share prices on Paris airport operator Aéroports de Paris to increase its stake. After a temporary decline in the wake of the terrorist attacks, air traffic should recover in the months ahead. We rounded out our positions on Vinci and Enel following sound earnings reports, and the two stocks also boast sound yield.

Calls are increasingly being made for political and budgetary moves to kickstart economies in both Europe and the USA; monetary stimulus measures from central banks are coming to an end in the USA, while in the Eurozone, these types of moves are not having the full effects expected as the area is still hampered by uncertainty over forthcoming elections. The infrastructure sector could be one of the main beneficiaries of these vast pubic investment programs. Low interest rates provide a valuation floor for this asset class.

Text completed on September 1, 2016.

Igor de MAACK - Romain AVICE

DATA AS OF 08/31/2016

	Fund	Index*
YTD performance	1.22%	3.27%
Performance 2015	7.76%	1.57%
5 years annualized perfomance	9.49%	7.18%
1 year volatility	14.10%	16.47%
3 years volatility	14.48%	15.13%
5 years volatility	14.59%	16.27%

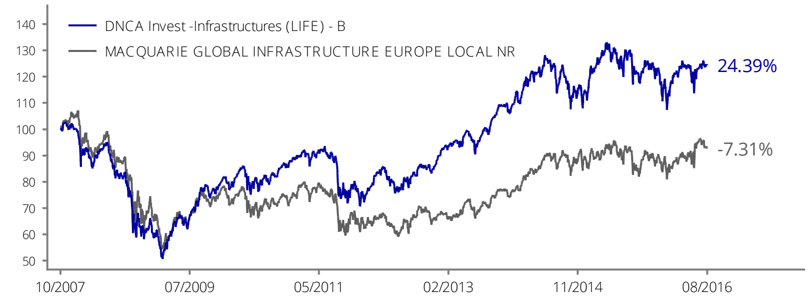
* Macquarie Global Infrastructure Europe Local NR

Past performance is not a guarantee of future performance

MAIN CHARACTERISTICS AS OF 31/08/2016

NAV	€124.39	Net assets	€129 M
Net yield 2015	3.19%	ND/EBITDA 2015	3.0 x
Estimated PER 2016	16.9 x	EV/EBITDA 2016	7.4 x

PERFORMANCE SINCE 10/12/2007



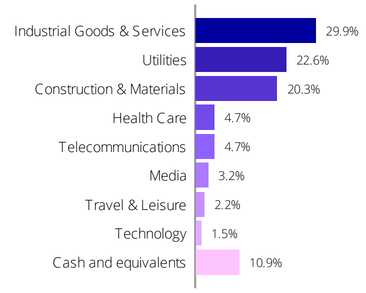
MAIN HOLDINGS

VINCI	6.36%
ENEL SPA	5.20%
EIFFAGE	4.88%
AENA	4.32%
KORIAN	3.53%

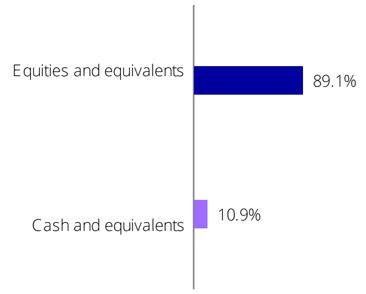
MAIN COUNTRIES

FRANCE	29.3%
ITALY	24.9%
SPAIN	14.5%
GERMANY	7.5%
BRAZIL	5.5%

BREAKDOWN BY SECTOR



BY ASSETS



RISK AND REWARD PROFILE

Lower risk | Higher risk

Lower potential reward | Higher potential reward

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DNCA Invest - Global Leaders

International Diversified Equities Fund

Monthly report | 31 August 2016

Share B : ISIN code LU0383784146 - Ticker Bloomberg LGLBLCE LX EQUITY

Inception date : November 15, 2010

Countries of distribution

INVESTMENT OBJECTIVE

The Sub-Fund seeks to outperform the MSCI All Countries World Index (MSCI ACWI Index) calculated with dividends reinvested on the recommended investment term (5 years).

PORTFOLIO MANAGERS COMMENTS

"You have to have your heart in the business and the business in your heart" – An Wang

August...For once, investors actually were able to rest and relax this month, without the volatility that has been characterized this month, these last few years – and in particular 2015 where there was an intra-month decline of 14%...

Results season came and went, with few surprises. Generally the season was better than expected, but expectations were low, so it would have been difficult not to beat them anyway – however that might just be the cynic in me appearing.

Emerging markets continued to perform. The MSCI Emerging Markets Index as of the writing of this monthly was up more than 10% YTD. It is important to point out a few things. 1. Asian economies on average continue to show steady growth, and China worries have receded, 2. One can see the light at the end of the tunnel for Latin American economies, and 3. EM valuations, after years of underperformance remain cheap. Whether the flow of money into EM equities and fixed income continues when (no more talk of if) the Fed hikes rates, is to be closely monitored. But it is important to realize that the worries of a real collapse in EM growth were largely unfounded. And just as importantly, the radical reforms in Mexico, Indonesia, and now India, will help medium and long term growth in three of the largest EM economies. I remain positive in EM and continue to search for quality names. I also remain positive on Japan, partly because the BoJ has become the largest buyer of the equity market, and partly because a strong US$ will lead to a weaker JPY, and as such benefit the exporters in the portfolio.

Once again this month, one of the holdings has been acquired at a large premium. This time it was Medivation – a US biotechnology company that will be acquired by Pfizer. The fund invested in the company not because of the potential of it being acquired, but because of the quality of its drug Xtandi - which is the best drug for prostate cancer - and potentially can be used for other indications as well. Our focus is to buy the best drug companies. The large pharmaceutical companies have a tough time with new discoveries as they are too big and slow moving. In addition overall growth is slow - so what they do is start acquiring biotech companies that already have blockbuster drugs on the market. As a result, Medivation became a perfect target. As the proverb goes, "You have to have your heart in the business and the business in your heart"

I remain confident in the existing portfolio. The fund remains unchanged.

Text completed on August 31, 2016.

Rajesh VARMA - YingYing WU, CFA

DATA AS OF 08/31/2016

	Fund	Index*
YTD performance	0.40%	3.34%
Performance 2015	9.91%	7.24%
5 years annualized perfomance	11.53%	12.09%
1 year volatility	15.99%	17.29%
3 years volatility	14.50%	15.42%
5 years volatility	13.35%	14.53%

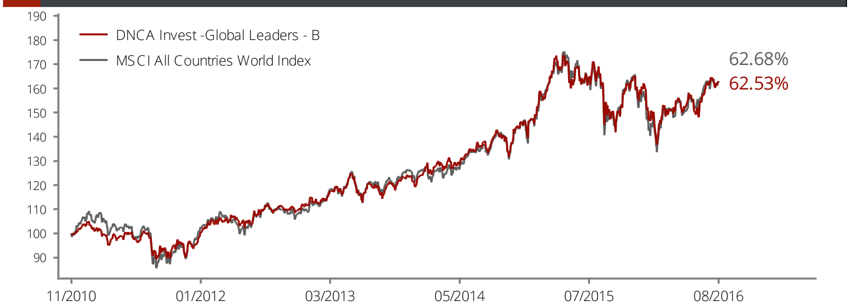
* MSCI All Countries World Index (MSCI ACWI) Net Return

Past performance is not a guarantee of future performance

MAIN CHARACTERISTICS AS OF 31/08/2016

NAV	€162.53	Net assets	€159 M
Net yield 2015	1.05%	ND/EBITDA 2015	0.6 x
Estimated PER 2016	26.6 x	EV/EBITDA 2016	14.2 x

PERFORMANCE SINCE 11/15/2010



Changing the index as of September 1, 2015

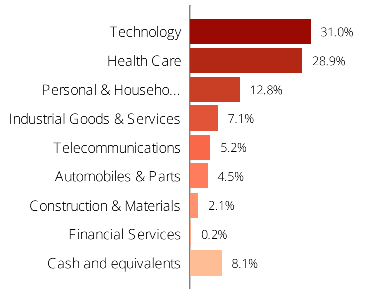
MAIN HOLDINGS

MEDIVATION INC	4.54%
SOFTBANK GROUP C	2.95%
INGENICO	2.77%
APPLE INC	2.63%
TELEPERFORMANCE	2.63%

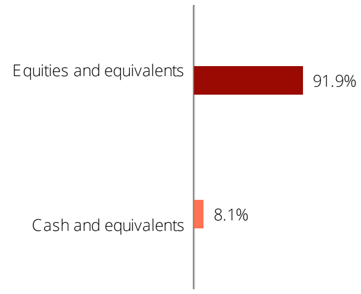
MAIN COUNTRIES

USA	26.3%
JAPAN	16.5%
SWITZERLAND	7.9%
FRANCE	5.4%
AUSTRALIA	5.2%

BREAKDOWN BY SECTOR



BY ASSETS



RISK AND REWARD PROFILE

Lower risk | Higher risk

Lower potential reward | Higher potential reward

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DNCA Finance - 19 place Vendôme 75001 Paris
An investment management company authorised by the AMF (Financial Market Authorities)
under number GP 00-030 on 18 August 2000
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www.dnca-investments.com
Dedicated intranet site for independents

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