

December 30, 2016

Oddo Avenir Euro

ODDO MERITEN
ASSET MANAGEMENT

Unit P-EUR - Eur | Small and mid-cap equities Euro Zone

NAV of the fund 261 M€
NAV per Unit 141909.02€

1 2 3 4 **5** 6 7
Risk/return scale (1)

Morningstar™ ★★★★★

Rating at Nov 30, 2016
Category Eurozone Mid-Cap Equity

Countries in which the fund is authorised for distribution to the public:

FR AUT IT CHE DEU NLD ESP SGP

Portfolio Managers

Pascal RIEGIS, Grégory DESCHAMPS, Frédéric
DOUSSARD, Sébastien MAILLARD

Key features

Benchmark : MSCI EMU SMID Cap (Net Return)

Recommended investment horizon : 5 Years

Inception date (1st NAV) : 28/10/2013

Comparison index 1 : Euro Stoxx 50 (Net return)

Legal structure	UCITS fund
ISIN code	FR0011571371
Bloomberg code	ODDAEB3 FP
Currency	Euro
Dividend policy	Accumulation units
Minimum (initial) investment	100 EUR
Subscription fees	4 % (maximum)
Redemption fees	Nil
Management fees	Up to 0.80% (inclusive of tax) of the net assets
Performance fees	20% of the FCP's outperformance relative to the benchmark index provided that the FCP's performance is positive.
Ongoing charges (²)	1.10%
Management company	Oddo Meriten AM SAS
Custodian	Oddo & Cie France (Paris)
Administration and Accounting	EFA
Subscriptions/ redemptions	Daily until 11:15, at an unknown price
NAV calculation frequency	Daily

Investment strategy

Oddo Avenir Euro is a Euro Zone equity fund invested in small and mid caps with a maximum of 10% in companies domiciled outside the Euro Zone. It aims to be permanently invested in equities, targeting long-term capital growth. It selects some of the best performing cyclical and non-cyclical companies in the Euro Zone, which often have an international presence, where the price is considered attractive taking long-term prospects into account.

Annual performance (rolling 12 months)

from		10/28/13	12/31/13	12/31/14	12/31/15
to		12/31/13	12/31/14	12/31/15	12/30/16
Fund		4.3%	4.5%	24.1%	4.9%
Benchmark		3.5%	3.8%	19.9%	3.7%
Comparison index 1		3.1%	4.0%	6.4%	3.7%

Past performance is not an indication of future results. Performance may vary over time.

The comparison indices eventually featured in this report are provided for information purposes only.

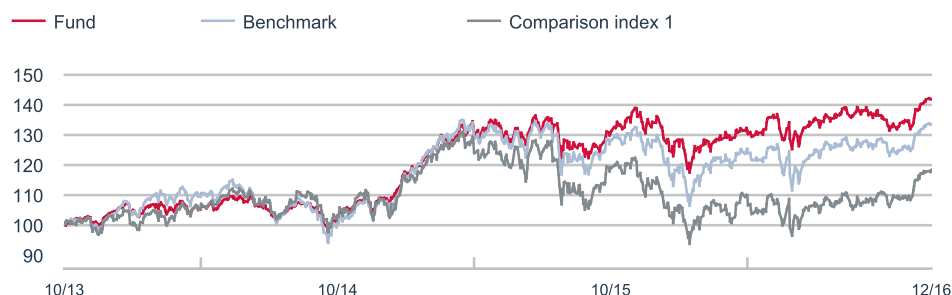
Calendar performance (from January 01 to December 31)

	2012	2013	2014	2015	2016
Fund			4.5%	24.1%	4.9%
Benchmark			3.8%	19.9%	3.7%
Comparison index 1			4.0%	6.4%	3.7%

Performance Analysis

	Annualised performance			Cumulative performance					
	3 years	5 years	Inception	1 month	YTD	1 year	3 years	5 years	Inception
Fund	10.8%		11.6%	5.3%	4.9%	4.9%	36.0%		41.9%
Benchmark	8.9%		9.6%	5.8%	3.7%	3.7%	29.1%		33.6%
Comparison index 1	4.7%		5.5%	7.9%	3.7%	3.7%	14.8%		18.4%

Change in performance since inception (base 100)



Technical and risk indicators

	1 year	3 years
Jensen's Alpha	2.51%	4.02%
Sharpe ratio	0.43	0.83
Information ratio	0.27	0.35
Tracking Error	5.77%	5.59%
Beta	0.79	0.77
Correlation	0.94	0.95

Annualised volatility

	1 year	3 years	5 years
Fund	13.85%	13.17%	
Benchmark	16.58%	16.20%	

Definitions of the financial indicators used are available for download on the website www.oddomeriten.eu under the heading "Regulatory information".

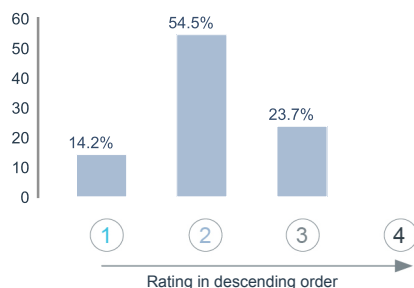
Sources : Oddo Meriten AM, Bloomberg, Morningstar®

(1) The risk profile is not constant and may vary over time. The lowest category does not mean a risk-free investment. Historical data, such as is used to calculate the risk/return ratio, may not be a reliable indication of the future risk profile of the Fund. There is no guarantee that the management objectives in terms of risk and return will actually be met.

(²) The ongoing charges are based on the charges for the previous period. Estimates are drawn up for all funds that have not yet closed their first accounting period.

ESG Rating

Fund



Portfolio Rating : 2.09

For more information, please consult the Fund's transparency code on the following website: www.oddomeriten.eu :

Portfolio manager comment

2016 was an eventful year and ended finally on a positive note despite having started in the most inauspicious of circumstances. The combined threats of a decline in the Chinese economy, slowing growth in the US and the effects of falling oil prices on high yield credit had sent the European equity indices tumbling by 20% in mid-February. Economic data then came as reassurance for investors. In fact, US growth remains robust, China's black box economy continues to generate growth in the region of 6% and the oil price rally has restored confidence on the credit markets. The three votes scheduled from summer onwards, which in theory each had an unfavourable outcome for the financial markets (Brexit, Donald Trump's election and the Italian prime minister's resignation), were not enough to hinder the recovery. The election of Donald Trump to the White House, with his raft of reforms (fiscal stimulus, tax cuts, protectionism and lower regulatory burden), symbolises the dawn of a new era: higher inflation, interest rate hikes and a rising dollar. In the second half of the year,

US 10-year Treasury bill yields increased from 1.4% to 2.4%, the dollar rose against all global currencies and the prices of metal and oil soared.

Although ultimately the European equity indices only posted a modest annual gain (+0.65% for the DJ Stoxx 50 NR, +3.72% for the Euro Stoxx 50 NR and +0.82% for the MSCI Europe Smid Cap NR), the difference in sector performances was remarkable and clearly confirms that guiding themes are undergoing rotation. At the top of the leader board were raw materials and energy, surging 62% and 23% respectively, and construction and industrials posted gains of 9%. Conversely, telecoms, health care and real estate suffered losses of 16%, 10% and 8%.

Confidence abounds as we enter 2017. Growth is prevalent in the United States, Europe and China. Oil and commodity producing nations are regaining their equilibrium and even Brazil appears to have seen the worst of its recession. While they are bound to rise, interest rates remain low and are a continuing boost to the economy and equity valuations. The dollar's appreciation is another positive factor for European companies.

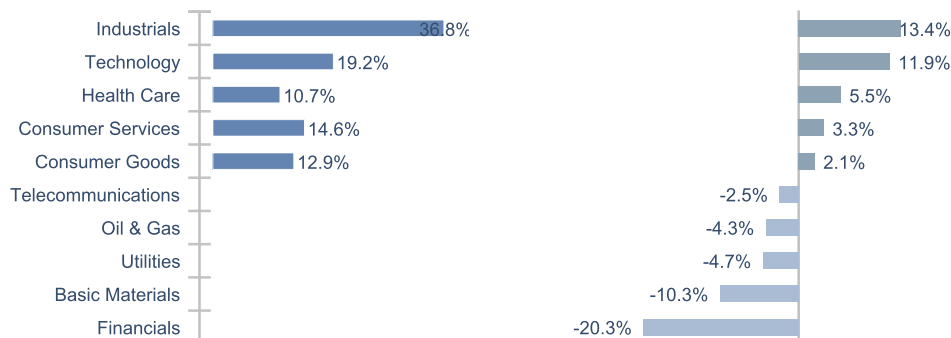
Unaffected by these certainly dramatic, yet still cyclical, changes, we remain committed to our investment philosophy and continue to seek out successful companies that generate value regardless of the economic conditions, with attractive valuations.

Sector breakdown: portfolio vs benchmark

Fund

Overweight

Underweight

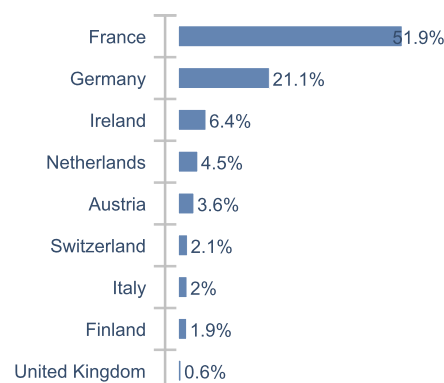


Money market component 5.8%

MSCI EMU SMID Cap (Net Return)

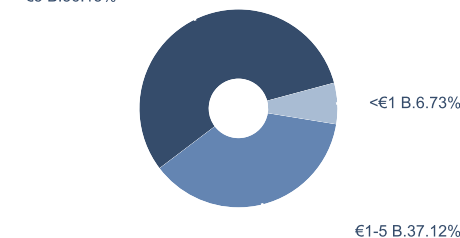
Geographic breakdown

Fund



Market cap breakdown

>€5 B.56.15%



Median capitalization

5.7 Billions €

Main equity portfolio holdings

Security name	Weight*	Weight**	Sector	Country
Michelin (Cgde)	5.72%		Consumer Goods	France
Sodexo	5.72%	0.93%	Consumer Services	France
Safran Sa	5.53%		Industrials	France
Ipsen	5.41%	0.24%	Health Care	France
Mtu Aero Engines Ag	5.33%	0.53%	Industrials	Germany
Ingenico	4.23%	0.39%	Technology	France
Alstom	3.75%	0.37%	Industrials	France
Kion Group Ag	3.75%	0.32%	Industrials	Germany
Total Produce Plc	3.61%		Consumer Services	Ireland
Gemalto	3.19%	0.41%	Technology	Netherlands

Number of equity holdings

40

* Fund

** Benchmark

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The fund is exposed to the following risks: risk of capital loss, equity risk, risk associated with holding small and mid caps, interest rate risk, credit risk, risk associated with commitments made in forward financial instruments, risk associated with discretionary management, counterparty risk and currency risk.

Oddo Meriten Asset Management SAS

Portfolio management company incorporated as a société par actions simplifiée (simplified joint -stock company), with capital of €7,500,000. Approved by the AMF under number GP 99011.

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