

Finaltis Digital Leaders aims to create long term value by selecting leading companies at the core of global digitalisation. The investment universe comprises of the digital infrastructure, numerical transformation (digital accelerators) and digital invaders performing to all sectors, especially industry, advertising, ecommerce, electronic payment, health and entertainment. The Digital factor must be the key driver of their growth, decorrelating these companies from the growth cycle of the world economy.

Statistics ⁽¹⁾

Evolution ⁽¹⁾

NAV: 1 244.59 EUR AUM: 25 MEUR

Ex-post data Fund Index EUR

NAV since 2009

Annualised Returns +17.9 % +14.3 %

Annualised Volatility +19.3 % +14.5 %

Beta 0.9

Tracking Error 13.7 %



Returns ⁽¹⁾

May: +0.7 % 2017: +10.7 %

	May	3 months	2017	1 year	Annualised returns			2016	2015	2014
					2 years	3 years	5 years			
Finaltis Digital Leaders	+0.7 %	+2.7 %	+10.7 %	+25.4 %	+7.7 %	+17.1 %	+13.7 %	+10.4 %	+11.6 %	+14.9 %
MSCI World NR (in EUR)	-1.1 %	-1.0 %	+3.4 %	+15.3 %	+4.4 %	+12.7 %	+14.6 %	+10.8 %	+10.4 %	+19.5 %

Monthly Comment

Driven by good quarterly results, **Finaltis Digital Leaders** delivered +0.7 % in May, outperforming world equities (MSCI World: -1.1 %) for the fifth month in a row. As mentioned last month, we remain very disciplined and take profits when a fund's holdings weight exceeds the target percentage determined by our model portfolio and stick to a balanced portfolio construction. We have picked RELX, that we sold in May, and **Veeva Systems** as our equity stories of the month.

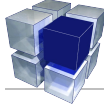
RELX: In the mid-90s, the Wall Street Journal wrote that Reed Elsevier - a scientific, medical and technical information publisher and, incidentally, an organizer of trade fairs - was poised to be disrupted by the Internet. In 2000, two-thirds of the company's sales were generated by paper publications, with digital accounting for 22% only. Instead of which Reed Elsevier defied the odds and proved pundits wrong, by digitally transforming itself. By relying on web technologies, big data and machine learning, Relx reinvented itself and ended up bringing much more value to its customers (universities, scientists, lawyers, insurers, etc). The company changed its corporate name to reflect its new identity, becoming Relx in February 2015. In 2016, Relx's digital business segment accounted for 72% of its revenues. As the CEO puts it, Relx changed "from a publishing group to a technology, content and analytics-driven business". Between 2000 and 2016, sales increased by 80% and the adjusted operating margin increased from 21% to 31%. Relx entered our investment universe as it is benefiting from the digitization of the economy.

In January 2016, the fund initiated a position. Paradoxically, Internet is a risk today as free articles and research papers (Open Access) are increasingly available on the Internet. It may impact Relx's business unit dedicated to the scientific and academic world (36 % of sales in 2016 and 40% of the adjusted EBIT). As the stock rose 21% since entering the portfolio and as part of our risk management process, we decided to sell the position.

VEEVA SYSTEMS: Founded in 2007 and listed since October 2013, **Veeva Systems** is a great example of a company benefiting from the digitization of the economy in the healthcare sector. **Veeva's** mission statement is to digitalize all processes related to the information flow for pharmaceutical laboratories, medical products manufacturers and R&D teams, via a Software-as-a-Service (SaaS) available in the cloud. **Veeva** started by offering pharmaceutical laboratories a CRM solution to manage medical reps' interactions with their customers. It should be noted that the pharmaceutical industry is highly regulated, each interaction with a physician having to meet specific criteria and to be recorded. It's much stricter than in the financial sector... Finaltis Digital Leaders invested in May 2014 in **Veeva** with regards to the major opportunity offered by the digitalization using the cloud of the healthcare sector. The excellence of its management team, former Peoplesoft managers, whose corporate culture is centred on customer satisfaction, employee well-being and speed, was also key in the investment thesis. The company has become dominant in the healthcare CRM market with 60% market share. Some investors thought that **Veeva** was a one trick pony. The company has clearly demonstrated the opposite by extending its portfolio with information management solutions related to the development of new drugs, medical products and clinical trials (Veeva Vault). In 2016, **Veeva** achieved \$544 million in revenues (+ 33% YoY), a non-GAAP operating margin of 29% and a free-cash-flow-to-revenue ratio of 25%. In May, the stock gained 19% (+56% YTD).

Companies in bold were held by the fund as of May 31, 2017.

⁽¹⁾ Returns and statistics are based on Digital Leaders' NAV (I share), a sub-fund of Finaltis Funds SICAV and the MSCI World NR (Ticker Bloomberg : NDDUWI Index) daily returns from 2009 (date at which the current management team was formed) to this report's date.



Equity Portfolio

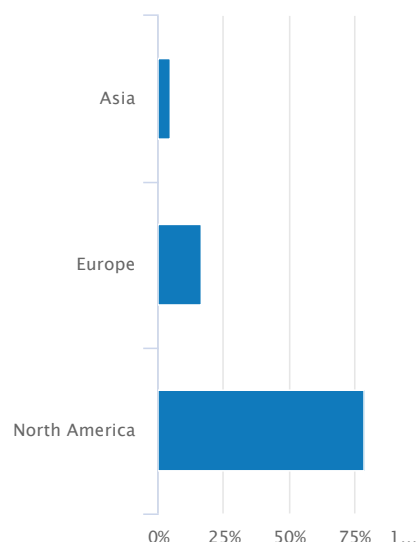
Number of companies: 43

Listing	Largest holdings	Digital Class	Weight
	Nice Systems	Digital Accelerator	+3.2 %
	Cognizant Tech. solutions	Digital Accelerator	+3.2 %
	Ingenico	Digital Invader	+3.1 %
	Accenture	Digital Accelerator	+3.0 %
	Alphabet	Digital Invader	+2.9 %
	Visa	Digital Invader	+2.9 %
	Aspen Technology	Digital Accelerator	+2.9 %
	Genpact	Digital Accelerator	+2.9 %
	Publicis	Digital Invader	+2.8 %
	Cap Gemini	Digital Accelerator	+2.8 %

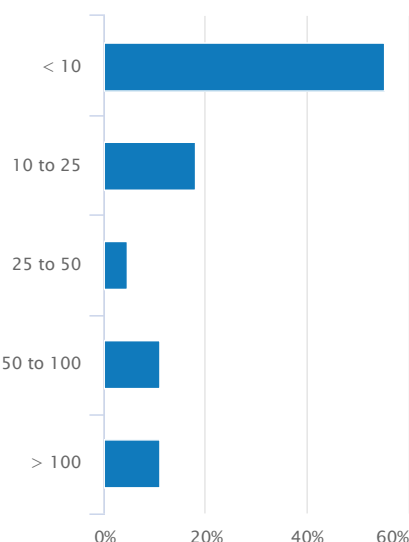
Listing	Main contributors	Digital Class	P&L
	Mercadolibre	Digital Invader	+0.4 %
	Nice Systems	Digital Accelerator	+0.4 %
	Veeva Systems	Digital Accelerator	+0.4 %
	Ansys	Digital Accelerator	+0.4 %
	Cognizant Tech. solutions	Digital Accelerator	+0.4 %
	Nielsen Holdings	Digital Invader	-0.1 %
	Avigilon	Digital Invader	-0.2 %
	Pandora Media	Digital Invader	-0.2 %
	IMAX	Digital Invader	-0.4 %
	Akamai Technologies	Digital Accelerator	-0.6 %

Exposure

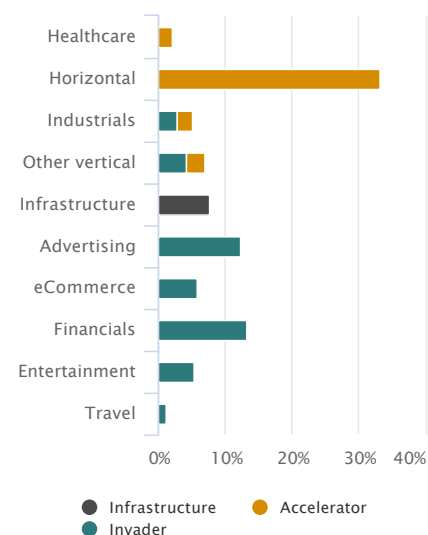
Geographical area



Market capitalisation (Mds \$)



Digital Class by sector



Investment Team



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Characteristics

UCITS IV

Risk Profile	1 2 3 4 5 6 7
Investment Horizon	5 years
ISIN	LU0100548261
Bloomberg Ticker	ITTEGLO LX Equity
Domicile	Luxembourg
Inception	16 July 1999
Investment manager	Finaltis (Paris)
SICAV Asset Manager	Degroof Petercam Asset Services
Liquidity	Daily
Minimum subscription	500 000€
Cut off	10:30 a.m. on D
Settlement	D+3
Custodian and administrator	Degroof Petercam Luxembourg
Management and Performance Fees	+ 15% of performance over index