

## SEXTANT PEA



In response to news that several Covid 19 vaccines are proving effective, markets performed very strongly in late 2020 and the small caps segment was particularly buoyant. The CAC Small (the fund's benchmark) rose 24.5% in Q4, versus +15.6% for the CAC 40. Over the full year the CAC Small was up 7.5%, versus roughly -7% for the CAC 40. A similar trend (small-cap indices up; large-cap indices down) was visible across Europe. The catch-up phase, which began timidly in October 2019, has thus continued after two years of purgatory for small caps.

Having risen 23.4% and pulled far ahead of the indices, Sextant PME performed very well in 2020. This was mainly thanks to some good opportunities uncovered in the early part of the year, involving stocks that had been overlooked by the market and which were sometimes major beneficiaries of the health crisis. For example, **Westwing** (online decoration) soared 831% in 2020 and was the German stock market's top performer. Admittedly the stock was starting from a very low base, as the valuation was less than net cash on the balance sheet. **Home 24** (+358% in 2020) also benefited from strong demand for its furniture via the internet. In spite of a very solid stock-market performance in 2020, the share price is still below that of the summer-2018 IPO, although we are now convinced that penetration of furniture sales via the internet will gain momentum. Although sales rose sharply in 2020, we think it would be a mistake to assume there is a major risk of a fall post the pandemic. In fact, the company was unprepared (in terms of inventories) for such strong demand, as production and delivery times are long. In our opinion, therefore, it has significant growth reserves as penetration remains low in this sector. The valuation remains very attractive despite the strong performance of 2020 and the stock is still one of the fund's largest positions.

Mr Bricolage, Focus Home Interactive (video games) and Bourse Directe (the leading online broker) all saw their share prices surge 160 to 175%, spurred by the increased time that people spent at home.

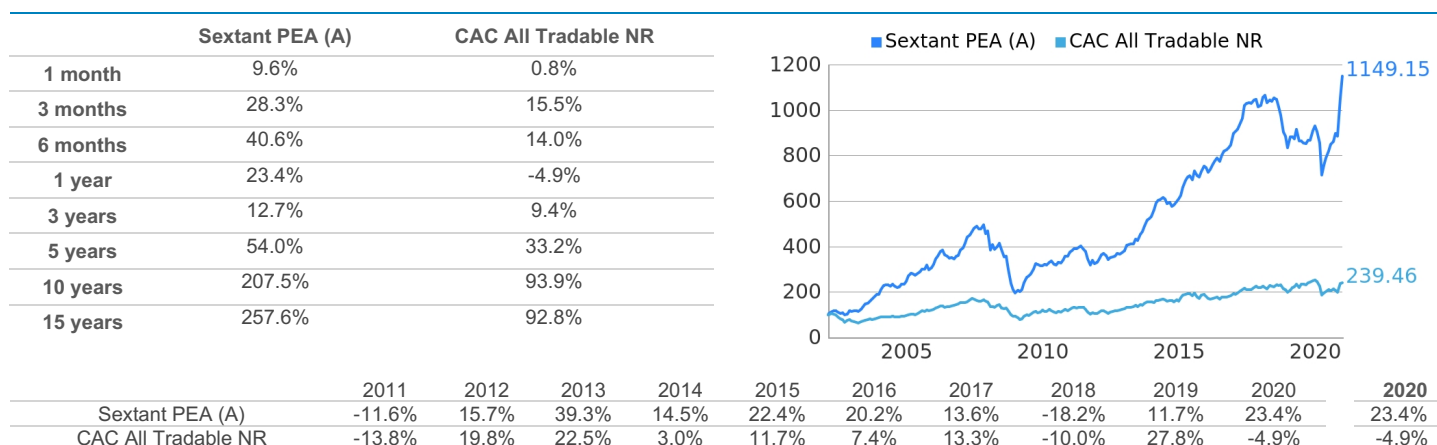
On the other hand, several of our stocks underperformed as a result of the pandemic. The biggest mistake we made in 2020 was to keep **Hyve** in the portfolio in March. We thought the balance sheet was strong enough to come through this very difficult period without a

dilutive capital increase. However, we believe that the board of directors was excessively cautious when it voted to do otherwise in May. As a result, the share price of this organiser of trade shows tumbled 80%. We partially offset the damage by exercising our warrants during the capital increase, and thus acquired the shares for 40% less than the price on 31 December 2020. Since May, although the trade shows business has been at a standstill, the company has received significant compensation from insurance companies, leaving it in good shape for the rebound expected in 2021. Our analysis suggests that the current valuation is very low in the light of capacity to generate earnings in a normal year. Although there is uncertainty around the level of post-pandemic activity, we are confident that trade shows are an important element of the business models of most clients, for whom they are major marketing and networking tools.

Among the other stocks that suffered very badly in 2020 (accounting for about one quarter of the portfolio), we find **Iktinos** (white marble quarries in Greece). The stock fell 35% due to the global economic slowdown and the fact that its international clients have been unable to travel. Fourlis (the IKEA and Intersport franchise in Greece and the Balkans) has obviously been hit by the closure of physical stores, and the share price fell 33%.

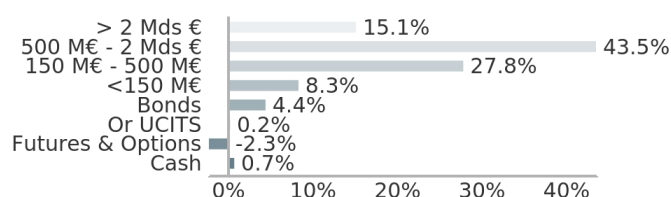
A number of stocks rebounded very smartly in Q4, making up some of the lost ground: speciality steels distributor **Jacquet Metals** (-9% in 2020, but +69% in the fourth quarter), or cashpoints and tactile screens producer Aures Technologies (-14% in 2020, but +57% in Q4). The latter company is suffering from high exposure to physical distribution, but won valuable contracts in 2020 (including Subway globally) which should fuel growth in future years. In this segment, some recent additions to the portfolio such as Marr, Italy's leading catering group (food sales to restaurants and hotels) or SAF Holland (truck parts and world leader in its product categories) also contributed to the fund's Q4 performance.

## Performances

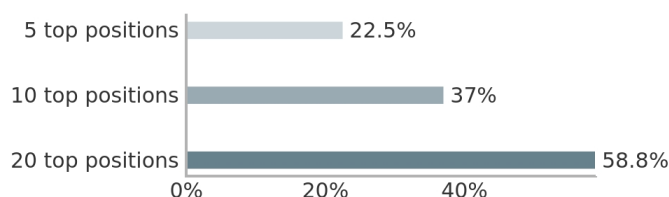




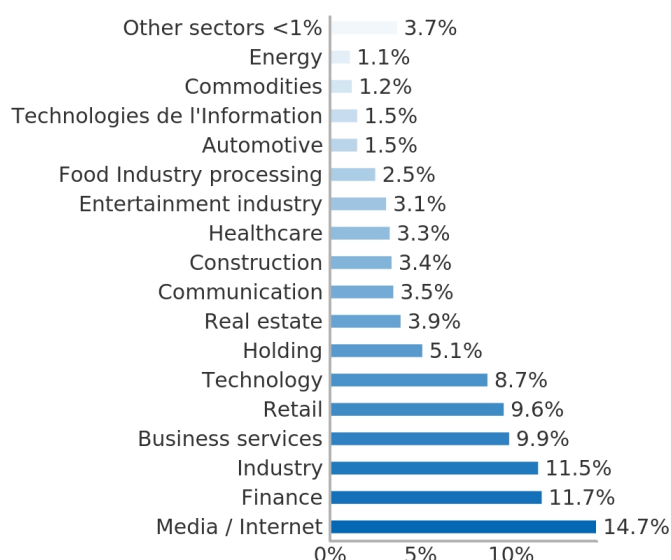
## Distribution by capitalisation size



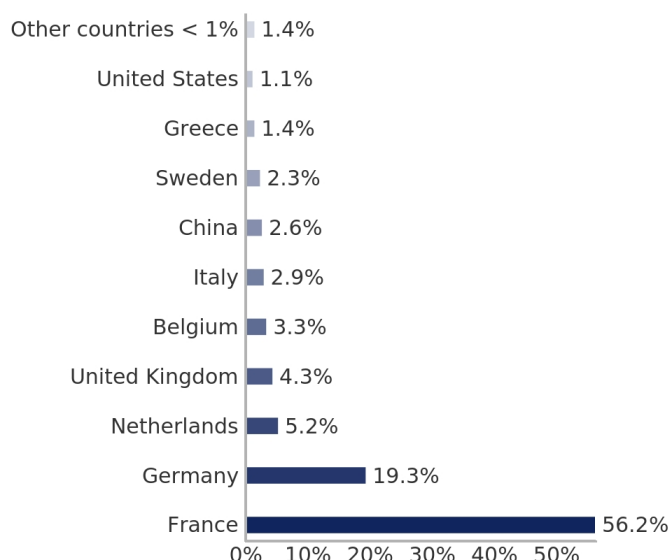
## Weight of the main holdings



## Distribution of holdings by sector (equity portfolio)



## Geographical distribution of holdings (equity portfolio)



## Main holdings

Name	Sector	Country	Net asset %	Contrib. to quarterly performance
Westwing	Media / Internet	Germany	6.5%	383 bps
Derichebourg	Industry	France	4.8%	248 bps
Home24	Media / Internet	Germany	3.9%	199 bps
Casino TSSDI 2049	Retail	France	3.8%	109 bps
Financière Odet	Holding	France	3.5%	60 bps

## Indicators

3 years volatility	Fund : 16.8% Benchmark a posteriori : 23.3%
Number of lines	93
Average cap. of equities	1 487 M€
Median cap. of equities	649 M€

## Main contributions to performance

Name	Contrib.	Name	Contrib.
Westwing	383 bps	Sohu.com	-63 bps
Derichebourg	248 bps	Novagold	-25 bps
Home24	199 bps	Audiovalley	-21 bps
Nanobiotix	182 bps	Econocom	-5 bps
Unibail	177 bps	The Nature Holdings	-3 bps

## Main characteristics

Legal form	UCITS / French mutual fund
Share category	Unit A all subscribers
ISIN code	FR0010286005
Bloomberg code	AMSEPEA FP
AMF classification	"International Equities" UCITS
Benchmark a posteriori	CAC All Tradable NR
Unit NAV / Net assets Fund	1 149.15 € / 234.06 M€
Share NAV period	Daily based on prices at market close
Risk profile	1 2 3 4 <b>5</b> 6 7

Scale from 1 (lowest risk) to 7 (highest risk); category-1 risk does not mean a risk-free investment. This indicator may change over time.

Launch date	Fund : 18/01/2002 Unit : 18/01/2002
Recommended investment duration	Over 5 years
Centralis.-Settlement./Delivery	D at 10 AM / D + 2
Custodian	CACEIS Bank
Transfert agent	CACEIS Bank
Tax provisions	Eligible for PEA (French personal equity savings plan)
Entry charge	2.00% including tax maximum
Exit charge	1.00% including tax maximum
Fixed management fee	2.20% including tax maximum
Performance fee	15% including taxes from the fund performance, above 5% per year Source: Amiral Gestion at 31/12/2020

## Notice

This commercial document aims to present the characteristics of the fund on a simplified basis. For further information, you may refer to the key information document for investors and to the prospectus, which are legal documents available on the management company's internet site or by request to the management company. The performances shown are not a reliable guide to future performance. Performance may vary over time.

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