

SEXTANT PEA



Fund quarterly performance was 9.6% versus -1.3% for its benchmark. This brings performance to -3.8% YTD and -17.7% for its benchmark.

Several components of the portfolio benefited from a sharp upturn in interest despite the health crisis, thanks to a model and/or an activity that have been among the winners of the pandemic and the initial lockdown measures. These include **Westwing** and **Home24**, whose respective activities are online sales of home accessories and online furniture sales. Although the initial phase of the lockdown benefited the pure internet retailers due to closure of physical stores, demand remained strong through the summer for two main reasons: (1) a structural rise in penetration of « e-tailing » in a sector that has long been under-penetrated; (2) consumers used their travel/leisure budgets for interior decoration as they spent more time at home. Bolstered by these trends, the **Home24** and **Westwing** stocks continued to rally in Q3. They are now trading on 0.7x and 0.8x sales respectively, far below the IPO multiples [1.3-1.7x] of two years ago. Lastly, although the two stocks have had a rough ride with multiples divided by ten following a series of profit warnings, the change of trend since March should allow them to respect the business plans promised to investors during the IPOs, and thus return to valuation multiples that are in line with online retailers who have a similar profile in terms of growth and profitability expectations.

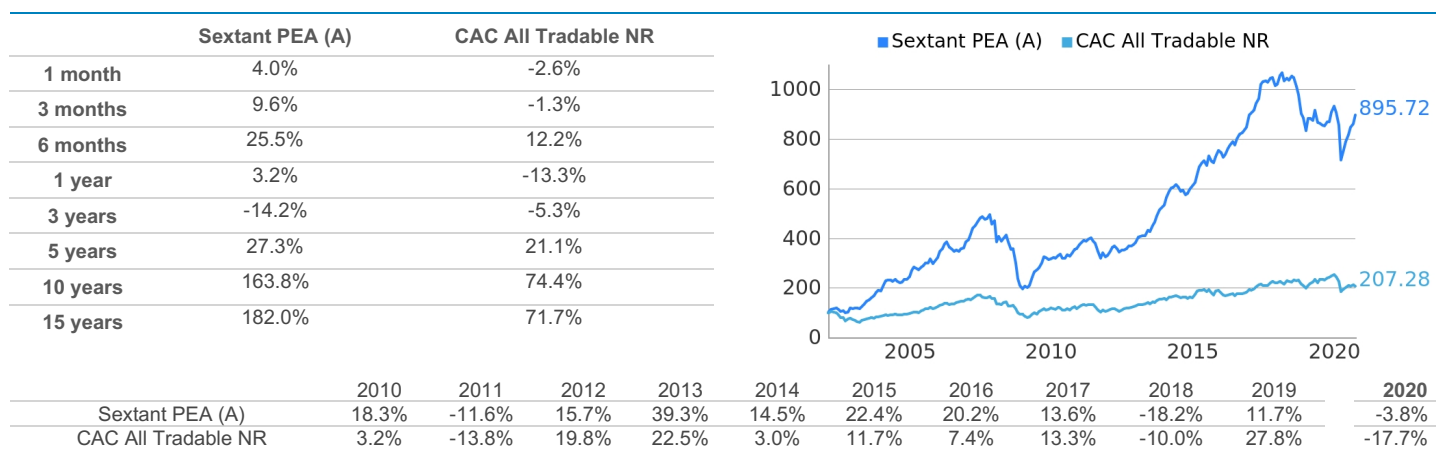
Among the other stocks that benefited from comparable revenue trends, we note French smalls cap **LDLC** (online sales of IT equipment and multimedia) and DIY/gardening retailer **Mr Bricolage**. These two stocks were also among the main contributors to your fund's Q3 performance.

Sextant PEA also benefited from renewed capital market operations, such as digital services company **Groupe Open**. In July, management announced that it would proceed with a takeover bid. **Groupe Open** began major alterations to its structure which should entail favourable development prospects. The offering valuation implies an EV/sales multiple of 0.4x, far below pre-covid-19 sector norms or even transactions involving unlisted companies. We have strengthened this position.

Another example is **SOHU**, a Chinese internet company that is listed on the NASDAQ. The company has many assets of which the main one is a stake in China's second search engine Sogou, and video games developer Changyou whose main franchise is the massively successful MMORPG. What's more, **SOHU** has an office building in Beijing that we estimate is worth over USD1 billion - more than SOHU's current market capitalisation. The stock has attracted little attention because few sell-side analysts follow it, and capital allocation is unconvincing as management has invested in the loss-making Sohu Media and Sohu Video. We began investing in **SOHU** in December 2019 and the price rose sharply following Tencent's bid for Sogou's main asset at a price that values SOHU's stake at nearly USD1.2 billion. This takeover bid has crystallised part of the asset value.

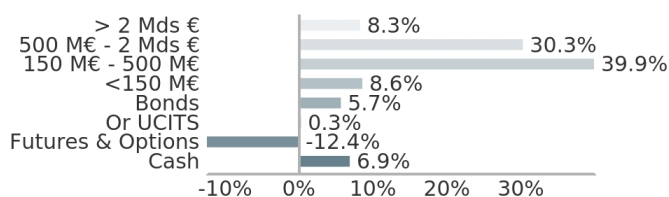
The main negative contributors to the Q3 performance included **Jacquet Metal**. This steel distributor's share price fell post publication of interim results reflecting the current economic difficulties, especially its presence in Germany and exposure to the car market. We nevertheless estimate that the group's current valuation is below the value of physical assets on the balance sheet i.e. warehouses and steel inventories.

Performances

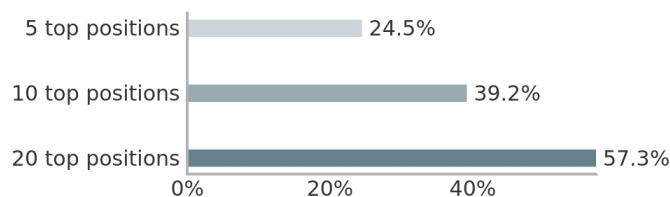




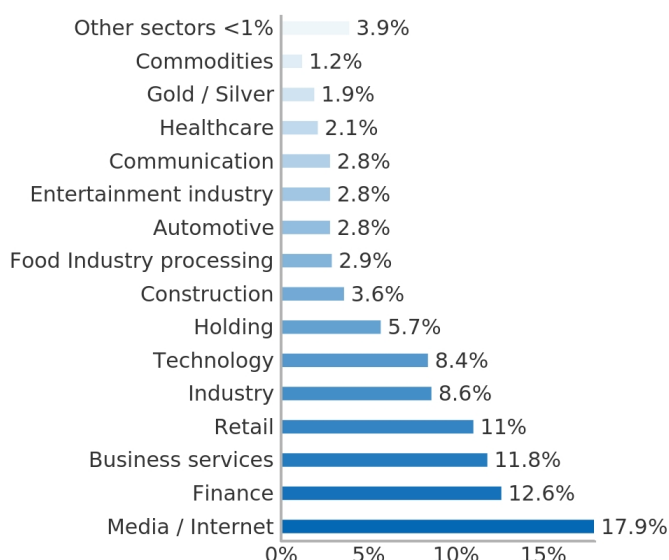
Distribution by capitalisation size



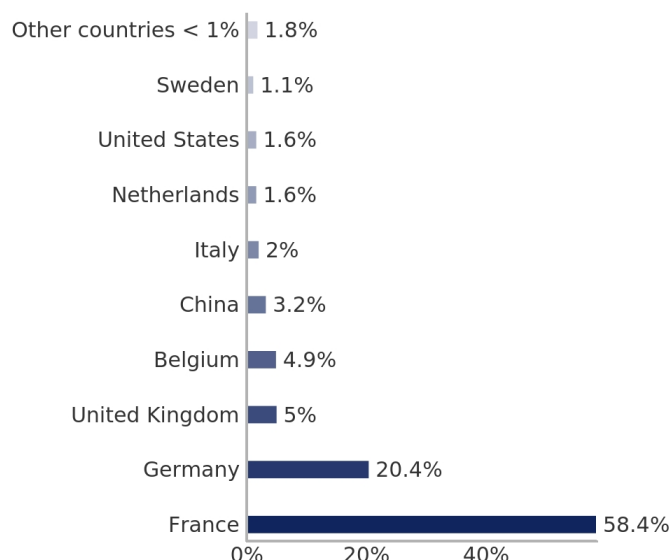
Weight of the main holdings



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	7.8%	626 bps
Home24	Media / Internet	Germany	4.8%	261 bps
Casino TSSDI 2049	Retail	France	4.0%	-117 bps
Viel & Cie	Finance	France	4.0%	32 bps
Financière Odet	Holding	France	3.8%	21 bps

Indicators

3 years volatility	Fund : 15.4%
	Benchmark a posteriori : 22.0%
Number of lines	86
Average cap. of equities	909 M€
Median cap. of equities	404 M€

Main contributions to performance

Name	Contrib.	Name	Contrib.
Westwing	626 bps	Casino TSSDI 2049	-117 bps
Home24	261 bps	Jacquet Metal	-49 bps
Sohu.com	137 bps	HYVE group	-37 bps
Econocom	106 bps	Lumibird	-24 bps
Ceconomy	95 bps	Groupe Guillin	-20 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	895.72 € / 188.39 M€
Share NAV period	Daily based on prices at market close
Risk profile	1 2 3 4 5 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 30/09/2020

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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