



BBM V-FLEX

Eurozone Equity – Large & Mid Caps
Exposure Range : 0% - 100%

NAV (AD Share class) 2 314,01

Presentation

The BBM V-Flex fund aims to reunite **two performance drivers** : a positive Alpha from stock-picking and an evolutionary Beta as a function of market dynamics.

Managed pursuant to our proprietary Best Business Models investment process, the BBM V-FLEX fund invest in Euro zone equities, predominantly in large and Mid Caps. Its equity exposure is flexibly managed within a 0%-100% range.

BBM V-Flex's equity exposure is actively managed as a function of market outlook and the investment team's convictions.

Allocation strategy relies on the 4 pillars of the **MMS – Montpensier Market Scan – method**:

- Economic Momentum
- Monetary policies dynamics
- Market valuation
- Market dynamics

The **BBM V-FLEX** fund is managed pursuant to our proprietary Best Business Models® investment process, integrating ESG criteria, that aims at identifying each and every picked company within its lifecycle. The related stocks are then ranked according to 4 segments:

- Business Model in Rapid Growth
- Business Model in Mature Growth
- Business Model Transition
- Business Model in Recovery

Finally, the portfolio construction targets the companies/stocks with the most upside potential (relatively to their Business Models segment).

Investment universe

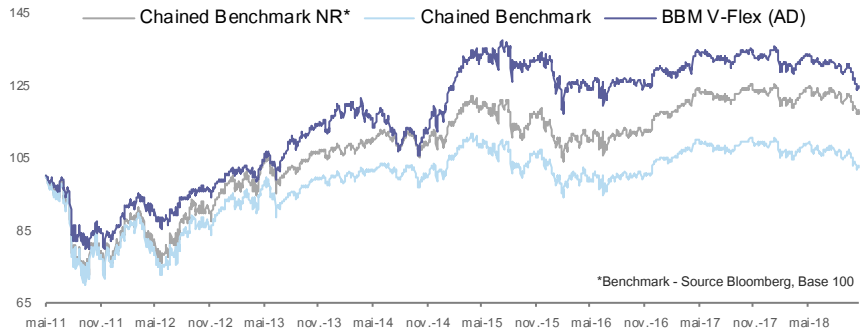
BBM V-Flex is invested in Eurozone equities with a large and medium stocks predominance combined with a flexible allocation strategy of equity exposure.

Risk / Return Profile



Risk of loss of capital • Risk associated with discretionary investment management • Equity risk • Small caps risk • Derivatives market risk • Interest rate risk • Credit risk • Default risk • Foreign exchange market risk • Liquidity risk.

Evolution



*The fund return is benchmarked to EuroStoxx Net Return Index (SXXT) until 28th June 2013 and then to a composite index composed by 50% EuroStoxx 50 Total Return index (SX5T) and 50% Eonia Index capitalised.

Equity Flexible Exposure



Performances & Risk Indicators

	BBM V-Flex (AD)	Chained Bench.	Chained Bench. NR*
Perf. 2013	18,5%	10,4%	13,1%
Perf. 2014	0,8%	1,0%	2,4%
Perf. 2015	12,3%	2,5%	3,8%
Perf. 2016	-2,0%	0,8%	2,3%
Perf. 2017	1,9%	3,1%	4,4%
Perf. YTD - 2018	-5,2%	-4,4%	-3,3%
Perf. 5 years	9,8%	3,6%	10,8%
Volatility 5 years	9,3%	8,4%	8,4%
Volatility 1 year	7,3%	7,2%	7,2%
Beta**	0,98		
Tracking error**	1,9		

Source Bloomberg - Montpensier Finance / (a) 05/12/2011

*Benchmark Net return. ** vs chained benchmark NR / Performance calculation : rolling month-end NAV. Volatility and TE calculation : Friday NAV, rolling weekly steps. **Past performance is not indicative of current or future results. The fund undertakes risks that may lead to a loss of capital**

Sector Breakdown

	% equity portfolio
Banks	14,8%
Industrial Goods & Serv.	9,3%
Technology	9,0%
Personal & Household G.	7,7%
Oil & Gas	7,7%
Health Care	7,2%
Automobiles & Parts	6,5%
Insurance	6,2%
Chemicals	5,3%
Telecommunications	5,2%
Utilities	5,0%
Construction & Materials	4,1%
Food & Beverage	3,6%
Retail	3,2%
Media	2,5%
Financial Services	1,8%
Real Estate	0,9%
Basic Resources	0,0%
Travel & Leisure	0,0%

Country Breakdown

	% equity portfolio
France	38,5%
Germany	30,0%
Spain	10,4%
Netherlands	10,2%
Italy	5,0%
Belgium	2,9%
Ireland	1,5%
Others	1,5%

Source Montpensier Finance / Ex ETF

Main Holdings

Total	4,7%
SAP	3,3%
Siemens	3,2%
Banco Santander SA	2,7%
Allianz	2,5%
BASF SE	2,5%
BNP Paribas	2,4%
Anheuser-Busch InBev	2,3%
Unilever NV	2,1%
LVMH	2,0%

■ BM Mature Growth ■ BM Rapid Growth ■ BM Transition ■ BM Recovery
Source Montpensier Finance

Source Montpensier Finance / Stoxx

BEFORE ANY INVESTMENT, PLEASE CAREFULLY READ THE KIID AND PROSPECTUS OF THE UCIT
Presented performance refer to AD Share class. See full disclaimer overleaf



Portfolio

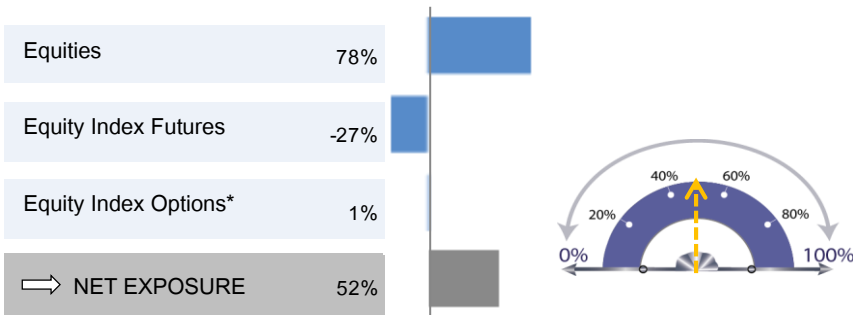
Despite a rally during the last trading session of the month, October was impacted by geopolitical issues (Italy/ the Khashoggi affair / trade war) and confirmation of an economic slowdown in Europe. The CAC40 index returned -7.2%, the EuroStoxx -6.6% and the Dax -6.5%, posting their worst monthly performances since August 2015.

At the start of the month, the IMF revised its global economic growth outlook downwards from 3.9% to 3.7% for 2019. Our eurozone economic momentum indicator remains very low at 33 (min 0 and max 100). The slight improvement in the Italian unemployment rate was offset by a decline in business confidence in France and Spain.

Mature Growth Business Models proved the most resilient during the month, with support from defensives such as Sanofi and Unilever. In contrast, Rapid Growth BMs corrected heavily, notably Valeo, which lowered its growth guidance, impacted by the introduction of new WLTP approval standards and by the Chinese market, along with SAP, despite the group publishing strong quarterly earnings.

Transition BMs returned ambivalent performances. Nokia posted gains on the month, buoyed by accelerating demand in the 5G market and after the group reiterated its cost-cutting targets, whereas Sopra Steria announced difficulties in its Sopra Banking Software division. Similarly, among Recovery BMs, Telefonica returned +6.2%, while Kering was impacted by fears of a slowdown in China, along with the entire luxury sector.

Equity Flexible Exposure



* Net delta hedge

Source : Montpensier Finance, as at 10/31/2018

We increased the fund's equity exposure from 47% to 52% during the market correction.

Fund data

Legal Status	SICAV UCITS V
Inception date	10th June 1998
Currency	EUR
Approved for public distribution in	France, Belgium Luxembourg, Switzerland
Management fee	APC : 1,0% APD : 1,0% AC : 1,794% AD : 1,794% RPC : 2,0% RPD : 2,0%
Performance fee	APC / APD / RPC / RPD (cf. prospectus)
Isin	APC : FR0011522341 APD : FR0011522333 AC : FR0000286072 AD : FR0011020130 RPC : FR0011522358 RPD : FR0011522366
Bloomberg	APC : BFLXAPC FP APD : BFLXAPD FP AC : MONVLEU FP AD : BFLXAD FP RPC : MOBVRPC FP RPD : MOBVRPD FP
Asset Management Comp.	Montpensier Finance
Custodian	CACEIS Bank
Valuation	Daily (Caceis)
Cut-off	11:00 AM CET
Investment horizon	5 years minimum
PEA - Eligible (applicable in France only)	Yes

Approved for public distribution in:



Montpensier Finance is a signatory to the PRI (Principles for Responsible Investment)

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