



M Convertibles

Eurozone Convertible Bonds



28 FEBRUARY 2019
IC share class

Presentation

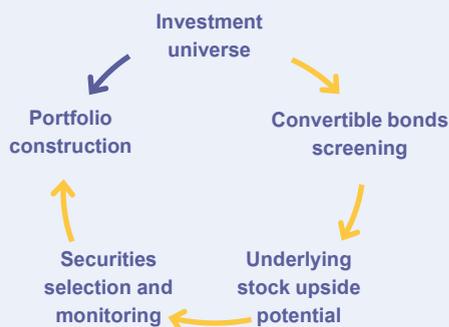
The objective of **M Convertibles** fund, which is based on European bond and equity markets, is to outperform the Exane Eurozone Convertible Bond index over the medium term, through discretionary investment management.

The **M Convertibles** fund aims to capture equity market upside, whilst benefiting from the defensive aspect provided by the bond component of its investments, which mitigates downside market risk.

The **M Convertibles** fund's investments are managed on a discretionary basis. The portfolio managers apply a multi-criteria stock picking approach, combining equity upside potential, credit risk and the technical profile's analysis of convertible bonds.

M Convertibles investment process integrating ESG criteria, focus on **pure Euro zone Convertibles Bonds**.

The **M Convertibles** portfolio construction process is based on **five key tenets** :



Investment universe

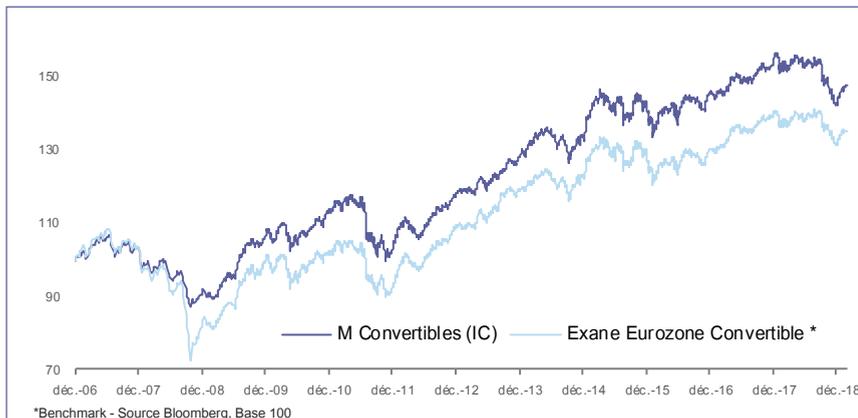
M Convertibles invests in « pure » convertible or exchangeable bonds in Euro.

Risk / Return Profile



Risk associated with discretionary investment management • Risk of loss of capital • Convertible bonds risk • Equity risk • Volatility risk • Interest rate risk • Credit risk • Derivatives market risk • Foreign exchange market risk • High-yield market risk • Default risk • Liquidity risk • Risks on subordinated securities.

NAV (IC)	551,73
Fund Total Assets	555,4M€



Performances & Risk Indicators

	M Convertibles (IC)	Exane ECI Euro
Perf. Inception (a)	254,1%	-
Perf. 2014	4,5%	3,1%
Perf. 2015	7,1%	6,1%
Perf. 2016	1,5%	-0,2%
Perf. 2017	5,4%	7,0%
Perf. 2018	-6,7%	-5,2%
Perf. YTD - 2019	3,4%	2,6%
Perf. 5 years	11,9%	11,5%
Volatility 5 years	5,6%	5,5%
Volatilité 1 year	5,2%	4,5%
Tracking Error*	1,2	

	M Convertibles
Equity Sensitivity **	30,5
Modified Duration	3,1
YTM	-2,3%
Current Yield	0,4%
Premium	39,0%
Credit Spread (bp)	138,3
Rho	-2,3
Vega	0,3

Source Montpensier/Bloomberg / (a) 12/28/1990

* vs benchmark. / Performance calculation: rolling month-end NAV / Volatility and TE calculation: Friday NAV, rolling weekly steps / ** measuring the variation of convertible bond price related to a variation of 1% of the underlying stock price / **Past performance is not indicative of current or future results. The fund undertakes risks that may lead to a loss of capital**

Sector Breakdown (Underlying stocks)

	Port.	Index
Industrial Goods & S.	22,9%	21,3%
Real Estate	17,7%	20,0%
Health Care	12,7%	6,9%
Chemicals	9,5%	11,9%
Personal & Household C	7,0%	4,3%
Telecommunications	7,0%	15,2%
Retail	6,5%	2,0%
Technology	4,7%	1,9%
Food & Beverage	3,7%	1,4%
Oil & Gas	3,6%	5,3%
Basic Resources	2,6%	0,0%
Automobiles & Parts	1,2%	0,0%
Financial Services	0,9%	1,4%
Utilities	0,0%	6,4%
Construction & Material	0,0%	2,0%

Country Breakdown (Underlying stocks)

	Port.	Index
Germany	46,5%	39,3%
France	30,7%	25,9%
Italy	7,7%	13,1%
Netherlands	4,2%	6,6%
Austria	3,3%	3,1%
Spain	2,5%	8,9%
Denmark	1,9%	0,0%
Ireland	1,1%	0,0%
Others	2,1%	3,2%

Source Montpensier Finance / Exane / Bloomberg



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

Source Montpensier Finance / Exane / Bloomberg

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



Portfolio

Risky assets across the board extended the rally observed in January, although gains recorded during February were more moderate. The bullish sentiment was driven essentially by the markets anticipating further accommodating monetary policies. Following the turnaround by the Fed in January, several ECB committee members backed fresh initiatives to provide banks with new financing facilities. The Central Bank of China granted commercial banks enormous liquidity facilities and also relaxed reserve requirement constraints.

Meanwhile, on the topic of the trade war, the other major issue currently preoccupying markets, Donald Trump's more empathetic tone triggered hope for de-escalation and a possible deal in March. Against this backdrop, the markets recouped some of the losses recorded in late 2018, while the reporting season was ultimately highly satisfactory on both sides of the Atlantic and the Pacific.

As was the case in January, the bullish equity market and tighter credit spreads drove convertibles higher. We strengthened our Deutsche Wöhnen 2024 and Ubisoft 2021 holdings further. We also capitalised on the market rally to sell Salzgitter 2022 and Figeac 2022, as their profiles were no longer compelling, and we reduced our position in Technip FMC 2021.

Focus : the rebound in consumption values

The reporting season in the consumer sector was anxiously awaited after a highly challenging year-end, when the market was weighed down by fears of a slowdown in China and a significant downturn in global economic conditions. Few companies disappointed investors however. Kering reported a record year with an excellent set of Q4 figures and the management has not observed any marked slowdown in demand, particularly in the Chinese market. Remy Cointreau, which has a non-calendar fiscal year, published healthy Q3 sales and confirmed full-year guidance. GN Store also published good 2018 figures and robust outlook. All of these euro-denominated convertibles rank among the best year-to-date performers in 2019.

Archer/Kering 0 % 2023	Prime 12% / Delta 64 % / perf ytd +9.4 %	
GN Store 0 % 2022	Prime 10 % / Delta 71 % / perf ytd +16 %	
Remy Cointreau 0.125 % 2026	Prime 18 % / Delta 65 % / perf ytd +9.6 %	

Fund data

Legal Status	SICAV UCITS V
Inception date of the FCP M Convertibles	28th December 1990
Inception date of the SICAV from the FCP merger	11th February 2016
Currency	EUR
Approved for public distribution in	France, Belgium Luxembourg, Switzerland, Germany
Management fee	IC : 0.80% ID : 0.80% AC : 1.20% AD : 1.20%
Performance fee	none
Isin	IC : FR0013084357 ID : FR0013084365 AC : FR0013083680 AD : FR0013084340
Bloomberg	IC : MFMCVIC FP ID : MFMCVID FP AC : MFMCVAC FP AD : MFMCVAD FP
Asset Management Company	Montpensier Finance
Custodian	CACEIS Bank
Valuation	Daily (Caceis)
Cut-off	11:00 AM CET
Investment horizon	3 years minimum

Approved for public distribution in:

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