

METROPOLE EURO SRI

Sub-fund of French legal umbrella fund METROPOLE Funds


FR0013185055 / W



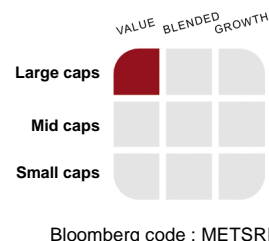
April 2019
Data at 29 March 2019

A European UCITS V - Compliant fund
AMF Classification: Eurozone equities

Investment strategy

Main investment cases for undervalued SRI Eurozone stocks	
Investment objective To outperform the Euro STOXX Large dividends net reinvested index on an equity investment horizon.	Reference Universe Eurozone stocks with a market capitalisation of more than €5,000 million.
Labels 	Characteristics A pure equity portfolio. Decorrelation from the large indexes. Eligible for French Equity Savings Plan ("PEA").

EURO ZONE SRI



Sub-fund characteristics

The team and the sub-fund		Sub-fund administration	
Head of fund management	Isabel LEVY / Ingrid TRAWINSKI / Cédric HERENG	Total assets (in millions)	EUR 147.0
Fund Management	Collegiate fund mngt.	Net asset value (NAV)	EUR 231.23
Managed since	07/2008	Freq. of NAV calculation	Daily
Sub-fund inception date (*)	31/03/2017	Type of valuation	Closing price
Change in management process	Yes	ISIN Code (W)	FR0013185055
Recommended investment horizon	5 years	Custodian	CACEIS Bank
		Fund administration	CACEIS Fund Administration
		Type	Capitalisation
		Max management fees (W)	0.85 %
		Ongoing charges (W)	0.91 %

Reference Universe	
Morningstar Pro category	Eurozone Large-Cap Equity
Benchmark	Euro STOXX Large
Change in benchmark index	No
Frequency of rebalancing	Daily
Net dividends reinvested	Yes

(*) The sub-fund results from the merger-absorption of the FCP METROPOLE Value SRI launched on 9/07/2008. The I unit created on 4 July 2016 became the W share class on 31 March 2017. On 29 March 2018, this sub-fund absorbed the METROPOLE Euro sub-fund to become METROPOLE Euro SRI.

Management comments



The European fund management team: Ingrid TRAWINSKI, Jérémy GAUDICHON, Fredrik BERENHOLT, Isabel LEVY, Thibault MOUREU, Markus MAUS, Cédric HERENG.

Eurozone equity market continued their rally in March. Uncertainties over slowing macroeconomic indicators prompted central banks to issue more accommodating messages. The Fed announced it would rein back on tightening via the unwinding of its balance sheet, while the ECB mentioned the possibility of liquidity support for banks, if necessary. These messages caused a general fall in interest rates, with the German 10-year yield even dropping below zero over the course of the month. The context was unhelpful for financial stocks, which ended the month down, a fate shared by the healthcare sector, impacted by the legal fallout from Bayer's acquisition of Monsanto. In contrast, the consumer staples and utilities sectors benefited from the trend.

The sub-fund underperformed its benchmark over the month. The main negative contributors to performance were Carrefour, Eutelsat and Unicredit. On the positive side, Merck was the biggest positive contributor, ahead of Orange and Sanofi.

Two controversies emerged in the portfolio over the course of the month. Sanofi faces the threat of indictments being brought against a number of its senior staff by the Philippines Department of Justice over the use of its dengue vaccine, in the wake of several deaths caused by its administration to non-eligible patients. Nokia, meanwhile, has disclosed possible fraudulent practices at Alcatel-Lucent, which it acquired in 2016. The group is

currently carrying out an internal investigation to shed further light on the situation. In accordance with our policy for dealing with controversies, we contacted both Sanofi and Nokia to request interviews with the companies in pursuit of further information on which to assess the risks associated with these controversies.

Over the month, we opened a position in real estate investment trust Klépierre, a specialist in shopping centre management. Due to fears over the economic environment and the increasing digitalisation of retail, the stock's asset value is heavily discounted, taking no account of the quality of those assets. We also added to our position in Allianz. Conversely, we reduced our positions in Société Générale, Intesa Sanpaolo, Banco Santander, Unicredit and BNP Paribas.

The portfolio's ESG rating remained unchanged at AA+.

Subscriptions / redemptions

Requests will be centralised with CACEIS Bank Luxembourg branch until 12 p.m. CET/CEST on a daily basis, and processed on the basis of the next net asset value which will be calculated based on the closing prices on the same day, in other words, at unknown price. All related settlements will be made two trading days following the NAV calculation / unit (D+2). **CACEIS Bank Luxembourg branch: Tel. 00 352 47 67 70 63 - Email: FDS-Investor-services@caceis.com.** Please ensure that your financial intermediary gives your company's name and your BIC/BIC1 code to CACEIS Bank.

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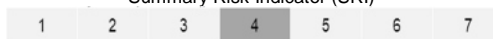
Performances & risks

SINCE (04/07/2016)



Risk indicators	1 year	3 years
Volatility	13.56 %	-
Volatility of benchmark index	13.07 %	-
Tracking error	4.39 %	-
Information ratio	-1.82	-
Sharpe ratio	-0.48	-
Alpha	-0.08	-
Bêta	0.98	-
Morningstar® : n/a		

Summary Risk Indicator (SRI) ¹



Performances	Since inception	Annualised	YTD	1 mo.	3 mos.	6 mos.	1 yr.			
Portfolio	15.61%	5.45%	7.69%	-0.83%	7.69%	-7.28%	-6.86%			
Euro STOXX Large NR	24.44%	8.33%	12.33%	1.56%	12.33%	-1.90%	1.11%			
Performance gap	-8.83	-2.88	-4.64	-2.39	-4.64	-5.37	-7.97			
Peer group average performance*	20.89%	7.13%	11.42%	1.23%	11.42%	-3.94%	-1.77%			
Quartile*	4	4	4	4	4	4	4			

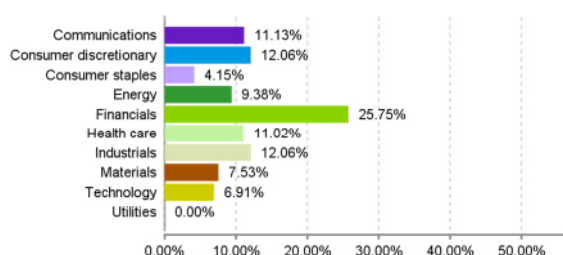
Calendar	2018	2017	2016 (*)							
Portfolio	-15.72%	5.09%	21.21%							
Euro STOXX Large NR	-12.85%	10.81%	14.72%							
Performance gap	-2.87	-5.72	6.49							
Peer group average performance*	-14.73%	12.09%	13.83%							
Quartile*	3	4	1							

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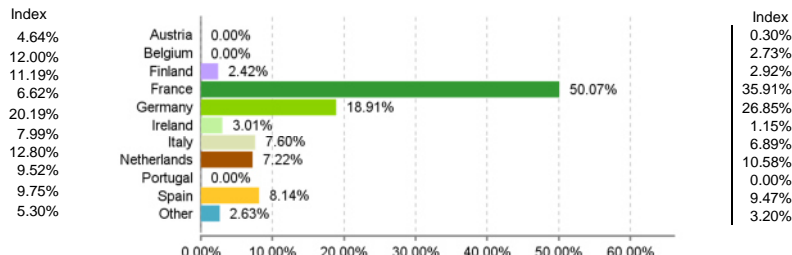
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Portfolio analysis

Sector breakdown



Geographical breakdown

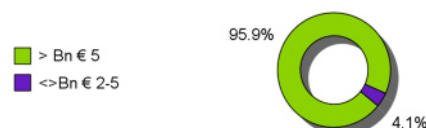


Top Holdings

TOTAL	38.4 %
SIEMENS	5.0 %
SANOFI	4.3 %
BANCO SANTANDER	4.3 %
INTESA SANPAOLO	4.2 %
AXA	3.8 %
UNICREDIT	3.5 %
BNP PARIBAS	3.5 %
MERCK	3.4 %
SAINT-GOBAIN	3.2 %

Average portfolio capitalisation : **45,054 M€**

Breakdown by capitalisation



Equities

Cash

97.5 % (96.5 % m-1)

2.5 %

Number of holdings: 40

Month purchases : KLEPIERRE

Month sales : -

Source : METROPOLE Gestion

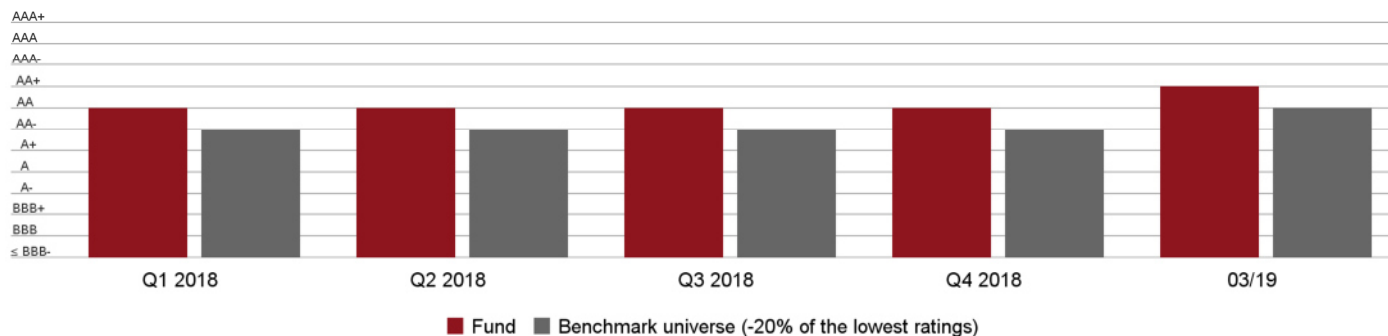
(1) Summary Risk Indicator PRIIPs (SRI): Risk scale from 1 (lowest risk) at 7 (highest risk); Risk 1 does not mean a risk-free investment.

Carbon footprint (t eq. CO2/year/€m. of revenue)

Portfolio	110.74
Benchmark	226.61

ESG/ISR analysis

Overall rating portfolio



Best-in-class / Best effort breakdown



Methodology and glossary

Our SRI analysis is based on a multi-sector Best-in-Class/Best Effort approach that encourages companies to make improvements in the three key extra-financial ESG areas (Environment, Social, Governance).

The Best-in-Class approach involves selecting European companies above the average of their sector based on ESG criteria. The Best in Class rating scale ranges from AAA+ to CCC-.

The Best Effort approach involves selecting European companies that have made efforts to develop their ESG performance. The Best Effort rating scale ranges from 1 to 5 stars.

We select stocks:

- discounted against their industrial value,
- in sound financial health commensurate with their activity and the economic cycle,
- demonstrating strong extra-financial conviction: companies rated above or equal to BBB- (Investment grade) may be selected with no Best effort condition; companies rated below or equal to BB+ may be selected subject to a minimum +++ Best effort rating; companies rated in the CCC bucket are ruled out.

METROPOLE Gestion excludes any companies directly or indirectly linked to the financing of controversial weapons, as provided for by international conventions. Are also excluded mining companies that generate more than 30% of their revenue through coal production, energy-producing companies more than 30% of whose production comes from coal, companies linked to tobacco production and companies linked to pornography.

Our Responsible Value management process aims to maintain a weighted average ESG rating for the portfolio higher than that of the universe of Eurozone listed companies with a market capitalisation in excess of €5 billion (some 280 companies), after deduction of 20% of the lowest ratings.

The overall SRI rating of the portfolio is calculated as a weighted average.

Carbon footprint is calculated in tonnes of CO₂ equivalent annually and in millions of euros of revenues. The scope of calculation includes scope 1 and scope 2 emissions.

Scope 1 (direct emissions) covers greenhouse gas (GHG) emissions directly linked to the manufacture of a product. If, for example, manufacturing a product requires the use of oil or the burning of fuel, or results in CO₂ or methane emissions, all such emissions are included in scope 1.

Scope 2 (indirect emissions) covers GHG emissions arising from the energy consumption required to manufacture a product (such as the electricity used to power the plants where the product is designed).