

# DORVAL CONVICTIONS

April 29, 2016

Document intended for professional clients and non professional clients (in accordance with MIFID)



## EURO ZONE EQUITIES FLEXIBLE FUND 0 to 100%

NAV Share P : 135.41 €

NAV Share I : 1,452.12 €

Assets Under

Management : 275,176,996.95 €

ISIN Code Share P : FR0010557967

ISIN Code Share I : FR0010565457

BLOOMBERG Code Share P : DORCONV FP EQUITY

BLOOMBERG Code Share I : DORCONI FP EQUITY

Fund Managers : Louis Bert, Stéphane Furet

Morningstar Rating :

## MANAGEMENT PHILOSOPHY

Created on 31 December 2007, DORVAL CONVICTIONS is a diversified Eurozone fund. Its equity component may vary between 0% and 100%. The asset management approach seeks to limit capital losses in periods of market decline while increasing exposure to equities in periods of recovery. The benchmark index is composed of 50% the overnight reference rate (capitalised EONIA) and 50% the 50 largest listed European companies (EUROSTOXX 50 NR), total return since January 1st, 2013.

The process involves 4 steps: determining the equity exposure rate, identifying investment themes, determining the equity allocation per capitalisation and selecting individual companies. The remainder of the portfolio is invested in money market and fixed income funds in order to preserve the capital and reduce the portfolio's overall volatility.

## RISK AND REWARD PROFILE



The risk-return scale (profile) is an indicator with a score from 1 to 7. It corresponds to an increasing level of risk and return. It is the result of a regulatory methodology based on annualised volatility, calculated over 5 years. Checked on a periodic basis, the indicator can vary.

## PERFORMANCE

|                         | 1Mth | 3Mths | 6Mths | YTD  | 1Yr   | 3Yrs | 5Yrs | Since 31/12/2007 |
|-------------------------|------|-------|-------|------|-------|------|------|------------------|
| Performance DC Share P  | 1.7  | 0.9   | -4.4  | -4.3 | -6.4  | 23.1 | 27.4 | 35.4             |
| Performance DC Share I  | 1.8  | 1.1   | -4.1  | -4.0 | -5.7  | 26.1 | 32.0 | /                |
| Performance Indicateur  | 0.7  | 0.2   | -5.1  | -3.1 | -6.6  | 11.6 | 8.7  | -4.1             |
| Performance EuroStoxx50 | 1.3  | 0.1   | -10.5 | -6.6 | -14.0 | 20.9 | 10.0 | -24.7            |

|                         | 2016 | 2015 | 2014 | 2013 | 2012 | 2011  | 2010 |
|-------------------------|------|------|------|------|------|-------|------|
| Performance DC Share P  | -4.3 | 9.4  | 2.5  | 15.8 | 10.9 | -9.6  | 1.1  |
| Performance DC Share I  | -4.0 | 10.1 | 3.4  | 16.5 | 11.5 | -8.9  | 1.8  |
| Performance Indicateur  | -3.1 | 3.8  | 2.4  | 10.7 | 7.4  | -7.6  | -2.0 |
| Performance EuroStoxx50 | -6.6 | 6.4  | 4.0  | 21.5 | 13.8 | -17.1 | -5.8 |

## MONTHLY COMMENTARY

In April, European markets continued their rebound that had started in mid-February. While the Eurostoxx50 rose 1.3%, Dorval Convictions was up 1.7%. The exposure rate to equities is higher than 80% because of several indications of economic improvement over the last few weeks:

The first of them is the very pronounced pickup in oil prices, which have now risen more than 25% year-to-date. The excessive fears of systemic crisis linked to the collapse of the oil price have actually been dispelled. As a result, the market situation for US High Yield improved sharply (rapid decline in required yields)

Furthermore, the European corporate bond market also improved because of the ECB's announcement of its corporate bond purchase programme. The Chinese growth rate was 6.7% for the first quarter, which shows there is no drastic collapse in activity. The publication of economic data in Europe shows that the growth rate will remain at at least 1.5% in 2016. US growth is likely to be close to 2% (with a less vigorous dollar and a gradual recovery in the US oil industry in the second half).

Also, the beginning of the reporting season for the first quarter is starting, and it looks promising for mid-caps (+15% earnings growth expected), which are more sensitive to European consumption.

Lastly, the increase in the number of mergers, such as the recent stock market struggle around Darty, should be a significant support factor for the market.

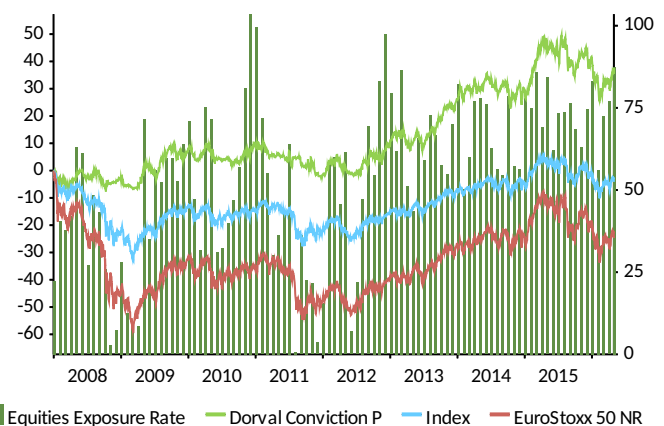
## RISK ANALYSIS

| Ratio                  | 1 Yr  | 3 Yrs | 5 Yrs |
|------------------------|-------|-------|-------|
| Alpha                  | 0.02  | 0.06  | 0.07  |
| Beta                   | 1.05  | 1.08  | 0.78  |
| Sharpe Ratio           | -0.45 | 0.64  | 0.45  |
| Tracking Error         | 6.42  | 5.13  | 7.17  |
| Information Ratio      | 0.03  | 0.67  | 0.46  |
| Volatility DC Share P  | 13.6  | 11.1  | 10.5  |
| Volatility Indicateur  | 10.5  | 8.3   | 9.3   |
| Volatility EuroStoxx50 | 25.0  | 19.9  | 22.1  |

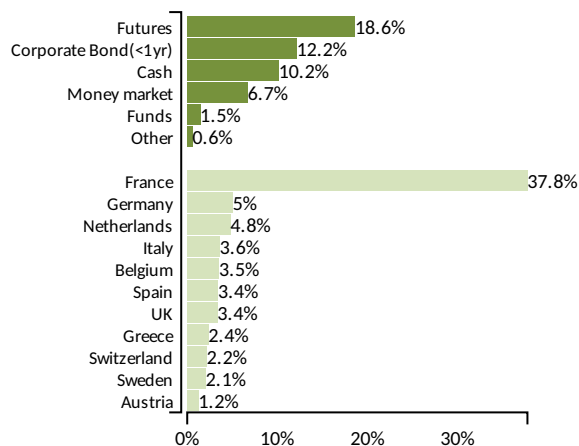
| Ratio             | Value  |                           |
|-------------------|--------|---------------------------|
| Max performance   | 62.0%  | from 10/10/08 to 20/07/15 |
| Max drawdown      | -16.1% | from 20/07/15 to 12/02/16 |
| Recovery period   | -      | Days                      |
| Profitable months | 56.0%  | monthly                   |

## MONTHLY EXPOSURE SINCE INCEPTION



Past performance is not a reliable indicator of future performance. Performance calculation takes into account net dividend re-invested for the fund and net dividend re-invested for the benchmark since 1st January 2013.

## PORTFOLIO BREAKDOWN



| Equities Exposure Rate |  | 88%    |
|------------------------|--|--------|
| Equities               |  | 69%    |
| Futures & Options      |  | 18%    |
| Sectorial Breakdown    |  | % AUM  |
| Technology             |  | 17.8   |
| Industrials            |  | 17.6   |
| Consumer               |  | 14.3   |
| Consumer Services      |  | 11.7   |
| Financials             |  | 4.0    |
| Oil & Gas              |  | 2.6    |
| Basic Materials        |  | 1.3    |
| Capitalisation Size    |  | % AUM  |
| > 5 Bi €               |  | 26.3   |
| From 1 to 5 Bi €       |  | 25.8   |
| From 500 Mi to 1 Bi €  |  | 3.9    |
| < 500 Mie              |  | 13.5   |
| Number of holdings :   |  | 41     |
| Top 5 holdings :       |  | 20.0 % |
| Top 10 holdings :      |  | 31.9 % |

### Main portfolio holdings

- 1 - GEMALTO
- 2 - INGENICO
- 3 - SOLUTIONS 30
- 4 - FAURECIA
- 5 - ALTRAN TECH

- 6 - DARTY PLC
- 7 - FOLLI FOLLIE GRO
- 8 - DIA
- 9 - TARKETT
- 10- SOPRA GROUP

### Main holdings changes

- |                        |         |
|------------------------|---------|
| GEMALTO                | REDUCED |
| ZODIAC AEROSPACE       | BOUGHT  |
| WIRECARD AG            | BOUGHT  |
| ACKERMANS & VAN HAAREN | BOUGHT  |
| CFE                    | BOUGHT  |

## CHARACTERISTICS

|                        |  |                               |  |
|------------------------|--|-------------------------------|--|
| ISIN Code Share P      | FR0010557967                               | Custodian                     | Caceis Bank France   |
| ISIN Code Share I      | FR0010565457                               | Delegated Financial Manager   | Caceis Bank France   |
| Bloomberg Code Share P | DORCONV FP EQUITY                          | Initial Minimum Subscription  | 1 share  |
| Bloomberg Code Share I | DORCONI FP EQUITY                          | Cut Off (local time)          | 13h00  |
| Inception Date         | December 31st, 2007                        | Recommended investment period | 3 years  |
| Legal Form             | Mutual Fund french law                     | Index                         | 50%EuroStoxx50 NR (EUR) + 50% Eonia capitalization                           |
| AMF Classification     | Balanced                                   | Subscription fees             | Index 7D   |
| Investment Universe    | European Equities, all capitalization size | Management fees share I       | 2,00% max  |
| Eligible to PEA        | NO   | Management fees share P       | 0,80 %   |
| UCITS Compliant        | YES  | Redemption fees               | 1,60 %   |
| NAV Frequency          | Daily (market closure)                     | Performance fees              | 0,00 %   |
| Management Company     | DORVAL ASSET MANAGEMENT                    |                               | 20% of outperformance above its index if the fund's performance is positive. |

Nous attirons votre attention sur le fait, qu'à compter du 02 janvier 2016, par décision de l'assemblée générale extraordinaire, la société de gestion a changé de dénomination :DORVAL FINANCE est devenue DORVAL ASSET MANAGEMENT.

In accordance with regulations, upon written request, the customer may receive details of the compensation relating to the distribution of this product.

## CONTACTS

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## LEGAL INFORMATION

All data relating to the fund are obtained from the book inventory and data relating to the indices and the characteristics of securities held in the portfolio are obtained from Bloomberg. The figures indicated relate to previous years. Past performance is not a reliable indicator of future performance. Investors are reminded that the composition of the portfolio may differ considerably from that of its benchmark index. As the management style is discretionary, the portfolio will never seek to reproduce the composition of the benchmark index either on a geographical or sector level. The benchmark index is therefore simply an a posteriori performance indicator. The risks and costs relating to investment in UCITS are described in the relevant prospectus. The prospectus and periodic reports are available on request from Dorval Asset Management. The prospectus must be provided to investors prior to subscription. The definition of risk indicators mentioned in this document may be found on the website: [www.dorval-am.com](http://www.dorval-am.com). Prior to any investment, it should be verified that the investor is legally authorised to invest in a UCITS. The UCITS is not authorised for distribution in jurisdictions other than the countries in which it is registered. Performance data does not take into account fees and commissions received in respect of the issue and redemption of units or tax costs imposed by the client's country of residence. If a UCITS is subject to a specific tax regime, it should be noted that this regime depends on the individual situation of each client and may be liable to change. This document is intended for professional and non-professional clients. It may not be used for any purpose other than that for which it was designed and may not be reproduced, distributed or transmitted to third parties, either in whole or in part, without the prior written authorisation of Dorval Asset Management. The information contained in this document may not be deemed to have any contractual value whatsoever. Dorval Asset Management may not be held responsible for any decision taken on the basis of information contained in this document. Dorval Asset Management, société anonyme (public limited company) with share capital of EUR 296,747.50 registered in the Paris trade and companies register under number B 391 392 768 - APE 6630 Z, AMF approval no. GP 93-08

## Definitions

|                                  |   |
|----------------------------------|---|
| <b>Flexible fund:</b>            | Financial product for which the allocation between asset classes varies over time in order to adapt to new market configurations at any time.   |
| <b>Alpha:</b>                    | A fund's outperformance compared with its benchmark, expressed as a percentage. This is an indicator of the manager's ability to create value, by excluding the market effect. Therefore, the higher the alpha, the better the fund's performance compared with that of its benchmark.  |
| <b>Beta:</b>                     | Measure of a fund's sensitivity to market movements (represented by its benchmark). A beta higher than 1 indicates that the fund amplifies the trends of its reference market on the upside as well as on the downside. Conversely, a beta lower than 1 means that the fund tends to react less to movements in its reference market.   |
| <b>Sharpe ratio:</b>             | Indicator of a product's outperformance relative to a risk-free interest rate, given the risk taken (the product's volatility). The higher it is, the better the fund.  |
| <b>Volatility:</b>               | Magnitude of the variation of a security, a fund, a market or of an index over a given period. A high volatility means that the price of the security varies significantly, and therefore that the security's associated risk is high.  |
| <b>Maximum performance:</b>      | Maximum gain historically recorded by the fund.   |
| <b>Maximum drawdown:</b>         | Maximum loss historically recorded by the fund.   |
| <b>Recovery period:</b>          | Time expressed in number of days the fund takes to exceed the highest net asset value over the indicated period.  |
| <b>Gain frequency:</b>           | Calculation over the fund's history since its creation representing the ratio of the number of positive observations to the total number of observation in the period.  |
| <b>Exposure as a percentage:</b> | The fund's overall exposure takes into account the sum of the physical and off-balance sheet positions. As opposed to positions called of net assets: "physical"(those booked in the portfolio's inventory of assets), off-balance sheet positions include those taken in forward financial instruments, such as derivatives. Examples of derivatives: futures contracts, swaps, option contracts. A maximum limit to off-balance sheet exposure is stated in the prospectus. |

## Morningstar methodology

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Past performance is no guarantee of future results. References to rankings, awards and/or ratings are not an indicator of future performance by the fund or the fund manager.

The Morningstar rating applies to funds with a history of at least three years. It takes into account subscription fees, the risk-free return and the fund's volatility in order to calculate the MRAR (Morningstar Risk Adjust Return) ratio for each fund. The funds are then ranked by decreasing order of MRAR: the first 10% receive 5 stars, the next 22.5% 4 stars, the next 35% 3 stars, the next 22.5% 2 stars, and the last 10% receive 1 star. The funds are ranked within 180 European categories.

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