

OCTOBER 2019 (data as of 31/10/2019)

Echiquier Positive Impact Europe is a bottom up stock-picking Sicav. It invests in European stocks characterised by their good governance, the quality of their social and environmental policies and who contribute to the United Nations Sustainable Development Goals.

Fund Manager comments

“ Echiquier Positive Impact Europe AP turned in a 1.93% monthly performance and a 24.50% performance year to date. With a positive earnings season and an environment that has remained favourable to growth stocks (with US rates continuing to fall), the SICAV outperformed its index in October. The strongest positive contributor to performance was SVENSKA CELLULOZA. Europe's leading private forest owner published results that were down but still above expectations. The good news concerned the change of methodology for the valuation of forest assets. Previously, these had been carried at historical cost in the balance sheet. Recent transactions in the sector indicate that their value could be twice as high. Our investment philosophy is based precisely on the premise that the value of these assets is set to increase in a world aspiring to carbon neutrality. Among the stocks that lost the most value, we would highlight French names in the advisory and services sector, such as with WAVESTONE and ALTEN. The messages sent out by the clients (automotive and banking sector) and competitors of these companies are sounding more cautious. The *momentum* remains fragile. We had reduced our exposure to these stocks this summer.

Sonia Fasolo

Risk ratios

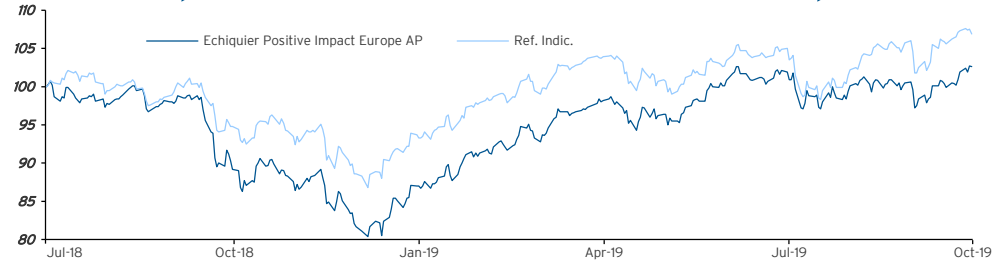
(based on weekly figures)	(in %)	1 year	3 Y	5 Y
Fund volatility	12.4	-	-	-
Ref. indicator volatility	12.1	-	-	-
Sharpe ratio	1.5	-	-	-
Beta	1.0	-	-	-
Information ratio	0.2	-	-	-
Tracking error	4.8	-	-	-



Minimum recommended investment period

5 years 

Evolution of the performance of the fund and its reference indicator since inception (Base 100)



Ref. Indic. : source Bloomberg

Echiquier Positive Impact Europe AP turned in a since inception performance of 2.6% against 6.9% for its reference indicator.

Cumulative performance (%)

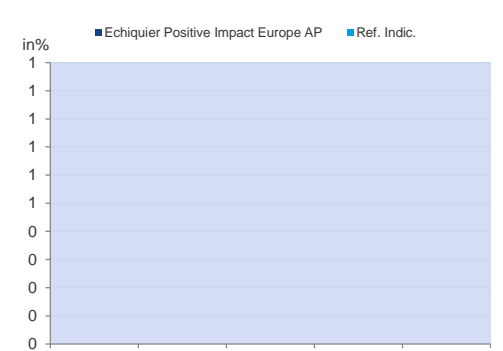
	Fund	Ref. Indic.
1 month	+1.9	+0.9
YTD	+24.5	+20.3
Since inception	+2.6	+6.9

Annualised performance (%)

	Fund	Ref. Indic.
1 year	+14.5	+12.6
Since inception	+2.0	+5.3

NAV	102.56 €	
Performance of the previous month	Fund	Ref. Indic.
	+1.9%	+0.9%
Performance of the last twelve months	Fund	Ref. Indic.
	+14.5%	+12.6%
Assets under management	127 M€	

Annual performances



For more information

The fund is invested on financial markets. It presents a risk of capital loss. Past performance is not a reliable indicator of future performance and is not constant over time. Performance of the fund and the benchmark are calculated net of income (as of the 2013 financial year). Until 2012, however, the performance of the benchmark did not include income. This commercial document aims to inform you in a simple way on the fund's characteristics. For more information about risks and fees, please refer to the KIID, prospectus or contact your usual representative.

Fund characteristics

Inception date :	16 July 2018
ISIN :	FR0013348190
Bloomberg code :	ECHPIAP FP
Base currency :	EUR
Income allocation :	Accumulation
Ref. indicator :	MSCI EUROPE NR

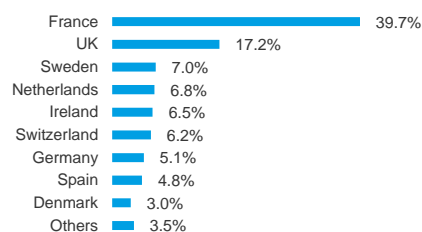
Financial information

Subscription fee :	1% max.
Redemption fee :	None
Yearly management fees :	2.392% incl. taxes
Performance fee :	No
Liquidity :	Daily
Cut off :	Noon
Settlement :	D+2
Fund administrator :	Société Générale
Custodian :	BNP Paribas Securities Services

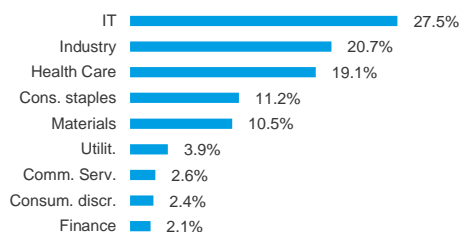
Portfolio Profile

EV/Sales 2019	4.0	Yield	1.4%
PER 2019	19.9	Number of lines	38
Active share	89.5%	Average market capitalization (M€)	46,990

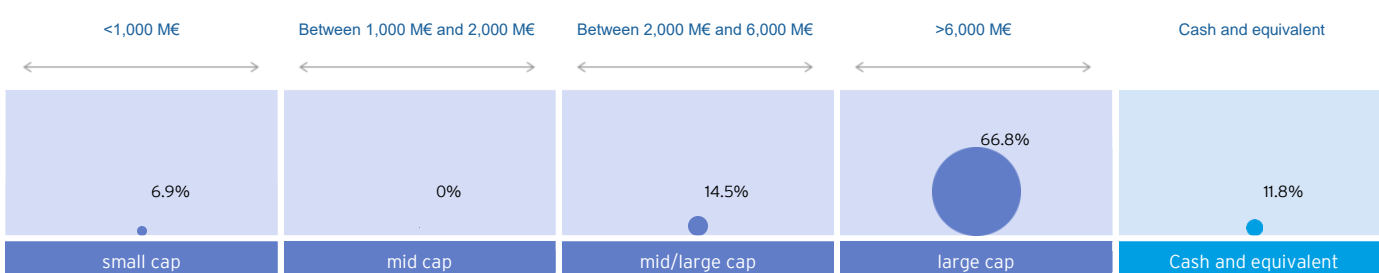
Geographic breakdown



Sector breakdown



Capitalization breakdown



Top holdings

Name	Country	Sector	Weight (% of the fund)	Name	Country	Sector	Weight (% of the fund)
1 RELX	UK	Industry	3.7	6 AIR LIQUIDE	France	Materials	3.3
2 SVENSKA CELLULOSA	Sweden	Materials	3.7	7 SAP	Germany	IT	3.2
3 KERRY	Ireland	Cons. staples	3.5	8 LEGRAND	France	Industry	3.1
4 NEOEN	France	Utilit.	3.5	9 TECAN	Switzerland	Health Care	3.0
5 UNILEVER	UK	Cons. staples	3.3	10 L'OREAL	France	Cons. staples	3.0

Total weight of top 10 holdings : **33.3%**

Major monthly performance variations

Best performers					Worst performers				
Name	Country	Sector	Perf.	Weight (% of the fund)	Name	Country	Sector	Perf.	Weight (% of the fund)
1 SVENSKA CELLULOSA	Sweden	Materials	11.8	3.7	1 AIR LIQUIDE	France	Materials	-8.8	3.3
2 SAP	Germany	IT	10.1	3.2	2 WAVESTONE	France	IT	-8.7	1.7
3 GUERBET	France	Health Care	8.2	2.3	3 PHILIPS	Netherlands	Health Care	-7.6	1.5
4 TARKETT	France	Industry	7.6	1.6	4 PRUDENTIAL	UK	Finance	-6.2	1.6
5 LEGRAND	France	Industry	6.9	3.1	5 ALTEN	France	IT	-6.1	1.3

Weight of 5 best performers : **13.9%**

Weight of 5 worst performers : **9.4%**

ESG Data

Selectivity rate*	59%
Minimum ESG score	6,5/10
Number of issuers covered by the ESG analysis	38
% of positions covered by the ESG analysis	100%
Average ESG score	7.3/10

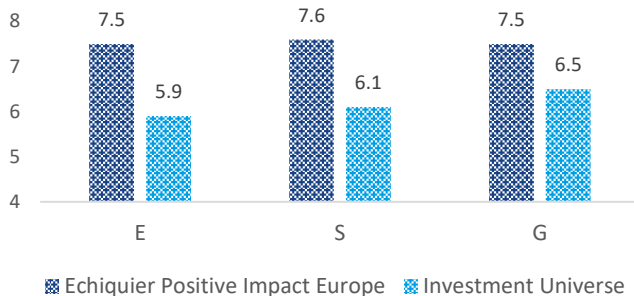
Selectivity rate: percentage of the investment universe excluded due to ESG criteria.

Top ESG ratings of the Fund

	Name	Country	ESG Score	E Score	S Score	G Score
1	WAVESTONE	France	8.2	7.2	8.2	8.5
2	RELX	UK	8.2	7.6	7.8	8.5
3	ASML	Netherlands	8.1	8.2	7.7	8.2
4	SAP	Germany	8.1	8.3	7.2	8.5
5	L'OREAL	France	8.0	8.3	7.8	7.9

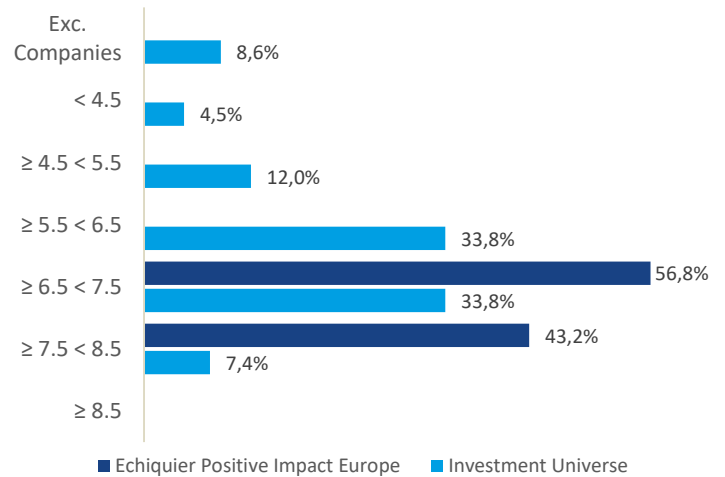
Weight of the 5 best ESG score : **13.8%**

Comparison of average scores with the investment universe*

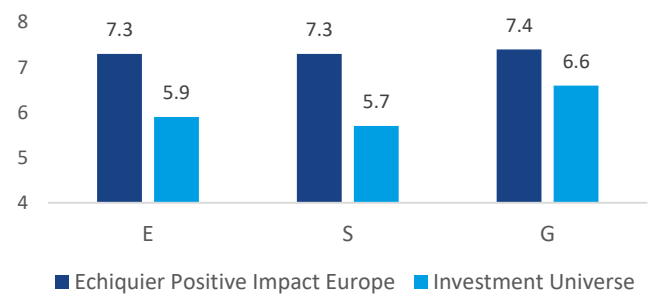


September 2018

Distribution of ESG ratings of the Fund and the investment universe*



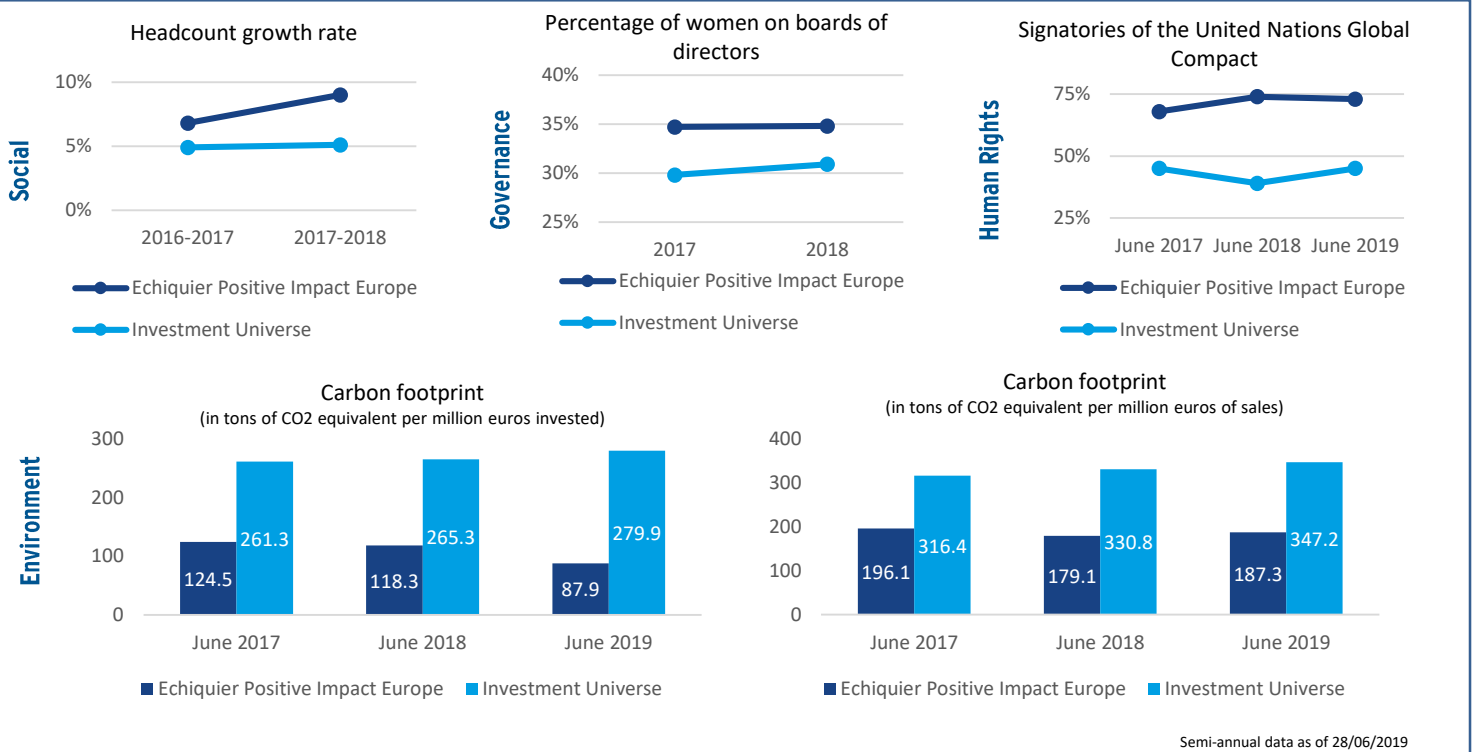
■ Echiquier Positive Impact Europe ■ Investment Universe



September 2019

*Quarterly data as of 28/06/2019

Impact Data



Semi-annual data as of 28/06/2019

Contribution to UN Sustainable Development Goals (SDGs)

Portfolio SDG profile		Focus on the 9 « Solutions » SDGs			
	Average score	SDG	Title	Number of companies	Examples of companies
Solutions Score	37/50	SDG 3	Good health and well-being	12	AstraZeneca
i.e. SDGs sales	74.8%	SDG 4	Quality education	1	Relx
Initiatives Score	28/50	SDG 6	Clean water and sanitation	2	Tecan
Impact Score	65/100	SDG 7	Affordable and clean energy	7	Neoen
		SDG 8	Decent work and economic growth	4	Dassault Systèmes
		SDG 9	Industry, innovation and infrastructure	7	ASML
		SDG 11	Sustainable cities and communities	6	Halma
		SDG 12	Responsible consumption and production	8	Svenska Cellulosa
		SDG 16	Peace, justice and strong institutions	7	Worldline

Solutions Score: This dimension scores the contribution of a company in terms of revenue from its products and services that address any of the nine business-oriented SDGs, as defined by La Financière de l'Echiquier's methodology 5 points = 10% of sales contributing to SDGs.

Initiatives Score: This dimension scores a company on the significant initiatives it implements that contribute towards the SDGs. Point reward companies for different initiatives across all seventeen SDGs, such as investment in research, tiered product pricing for lower income customers or recycling initiatives.

Impact Score: Solutions Score + Initiatives Score

For further information, please refer to the impact report of Echiquier Positive Impact Europe available at: www.lfde.com/en Semi-annual data as of 28/06/2019

Fund News

Last five ESG meetings (in the investment universe)					
	Name	Country	Invested company?	ESG Score	Evolution of the rating
1	LONZA	Switzerland	YES	7.7/10	↑
2	AALBERTS	Netherland	NO	6.2/10	First rating
3	BELIMO	Switzerland	NO	6.1/10	First rating
4	LONDON STOCK EXCHANGE	UK	NO	7.4/10	↑
5	VAISALA	Finland	YES	7.0/10	First rating

The ESG score is not the only criteria taken into account to invest in a company. Other criterias are also taken into account.

Comment

According to an IFOP survey for Vigeo Eiris and the FIR in September 2019, while 60% of bank advisors say they value the social and environmental impact of their investments, only 6% of them have already offered SRI to their clients. This observation highlights the lack of training and information for bank advisors on the subject. Faced with this situation, La Financière de l'Echiquier (LFDE) launched L'École de l'ISR: a free training program for these advisors, clients of LFDE. This training is organised around three main topics: better understanding of SRI concepts and acronyms, combating prejudices on the subject and learning how to select the best SRI funds. In two hours, these training sessions focus on answering all the questions advisors have about responsible investing in order to help them take ownership of the subject and encourage them to talk more about it to end clients. To date, 550 people have already been trained internally and externally, for no less than 80 hours of training and this is just the beginning.

Methodology

	2015 - 2016	2016 - 2017	2017 - 2018		2016	2017	2018		
Headcount growth rate	Coverage of the portfolio	-	94.7%	94.4%	Percentage of women on board of directors	Coverage of the portfolio	-	100%	100%
	Coverage of the investment universe	-	92.5%	91.3%		Coverage of the investment universe	-	67.0%	66.8%
<i>Calculation method: (Headcount year N/Headcount year N-1) - 1</i>				<i>Calculation method: (Number of women on board/Total number of board members)</i>					
	June 2017	June 2018	June 2019		June 2017	June 2018	June 2019		
Percentage of UN GC signatories	Coverage of the portfolio	100%	100%	100%	Carbon data	Coverage of the portfolio	93%	100%	96.4%
	Coverage of the investment universe	100%	100%	100%		<i>Data communicated provided > 80% of the portfolio covered by Trucost</i>			

The table above shows the data coverage rates for each impact indicator presented above.

We found no difficulty in measuring those impact indicators. ESG: Environmental, Social and Governance criteria. At La Financière de l'Echiquier, the Governance score accounts for 60% of the ESG score. Investment universe: companies that can be invested according to the fund prospectus, before ESG filters.

For further information related to the methodologies used to calculate ESG indicators above and on our approach as a responsible investor, please refer to our transparency code and other documents available on La Financière de l'Echiquier's website at the following link: <https://www.lfde.com/en/responsible-investment/to-find-out-more/>

Sources: La Financière de l'Echiquier, Bloomberg, The United Nations Global Compact, Trucost