



CM-CIC
Asset Management
Gagner en performance
& maîtriser les risques

TEAM MANAGED

CM-CIC

Euro Equity Fully Invested Mandate

★ **How do you manage the Euro Zone portfolio? What is the underlying process of your "team managed" approach?**

This portfolio is managed like our blended equity assets focused on a geographic area. The assets of the fund are divided among four analyst-managers (each responsible for managing up to four pan European sectors). Each manager invests according to his or her own convictions. These managers make independent investment decisions and manage their portions as though they were separate funds.

I prefer to refer to our investment philosophy than to a process. Process is more consistent with specific fund objectives. That said, the key beliefs of our investment philosophy are stockpicking, sector diversification and team synergies. As we believe in a long term approach the team gathers information on companies around Europe favouring one-on-one meetings. A classic bottom-up strategy coupled with risk control enables the stock picking.

★ **Could you give us an update on the strategies implemented by the team?**

Caroline Lamy (Banks, Construction, medias & technology) seeks exposure to good asset quality and well capitalized banks –BNP and Deutsche Bank- and still maintain her holdings in Santander for low valuation and emerging markets exposure. Within the construction sector her first choice is St Gobain for its long term growth strategy and Vinci for the visibility of its toll road operations (prices annually fixed and directly correlated to inflation) and strong order book. Finally she picked up Nokia (upside and “the worse might be over” story) and Vivendi (7% div yield, recurring business and asset simplification) within the media sector.

Carl Auffret (Health care, financial services, consumer: luxury, household and personal care) concentrates his holdings on companies delivering high free cash flows and with large emerging markets exposure (LVMH, Amadeus, Bureau Veritas, Sodexo). He remains cautious on pharmaceuticals and bought Bayer, Fresenius and recently added Qiagen. And finally Sampo and Wendel were his defensive picks within the financial services sector.

Damien Dierickx (Auto, capital goods, utilities) persists on automakers like Peugeot regarding the discount on valuation ground. He is now buying Alstom, DSM – late cyclical stocks- versus MAN. Within the utilities sector he still invests in waste management (Veolia) and is now more interested in EDF than GDF.

Eric Vogelsinger (Retail, food and beverage, telecom and oil & gas) core holdings are Danone and AB Inbev, Casino, Metro and PPR. His top pick within the oil sector was Shell, but did not belong to the index so he built a stake in Repsol and had picked up KPN and Telefonica within the telecommunication sector.

★ **Roadmap in 2011**

We remain confident that our investment philosophy can continue to deliver consistently superior long-term relative investment returns. After a year of recovery, 2010 was a stockpicker's market and we believe this will still be the trend for coming months.