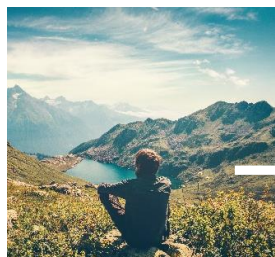


The Key Investor Information Document should be read before making any investment decision. The full prospectus of the fund, the KIID, the periodic reports, the annual financial statements as well as the articles of association are available free of charge on www.sgpwm.societegenerale.com.



MOOREA FUND EURO FIXED INCOME

Management Review

June 10, 2020

Bertrand Durnez, Head of Fixed Income Management
Société Générale Private Wealth Management

Like the rest of the market, the fund was unprepared to the burst of the coronavirus and to what became the worst pandemic of the century. The year started on a strong footing and Fixed Income markets benefited from strong inflows, as investors chased yields in an environment carried over by central bank purchases and low interest rates. Thus, January registered a record of new issues which have been easily absorbed by the market. The fund took advantage of this strong momentum and posted a solid performance in January.

However, portfolio managers acknowledged that market was entering expensive territory, in particular on riskier assets such as high yield bonds. Exposure to this asset class have been reduced in 2019 and early 2020, portfolio have been refocused towards investment grade names and government bond exposure has been increased. These defensive moves have helped the portfolio in the midst of the crisis but remained insufficient to prevent the fund for dropping severely in March, as all fixed income asset class posted a counter performance. Even the German Government Bonds in the portfolio usually considered as a safe haven failed to provide a shelter in this

In March valuation of bonds in the portfolio sank, reflecting the risk of severe recession but also a worsening of liquidity conditions on the bond market. In term of liquidity, some funds and ETFs had to face large outflows in March and were forced sellers in a market with almost no buyers. On top of that, trading conditions were disturbed by the pandemic situation and the homeworking trend. Such a liquidity crisis has been witnessed several times in recent years (as in 2011

and 2016), and we knew that the situation could normalize quickly. Our first reaction was to refrain acting under those circumstances, as according to our analysis, none of our issuers was facing immediate risks.

In terms of changes in risk perception, credit spreads have reached 2011 level and approached 2008 levels, however we believed that companies were in much better conditions than in 2008 (in term of leverage, liquidity or corporate governance) and these valuation levels seemed excessive to us. We therefore remained positive on our corporate exposure but reduced our exposure to non-core European government debt. Thus, we quickly reduced in the first days of March our exposure to Italy, Spain and Greek government bonds and reinforced our exposure to German Government bonds, considered as the safest assets in Europe.

On the credit side, we have reviewed the financial situation of all our issuers and the impact of both the lockdown due to the pandemic situation and the oil crisis. Our analysts performed an in depth review of our issuers with strong focus on the liquidity situation analysing the cash at sight, credit lines (drawn or undrawn), cash burning expectation, maturities, refinancing risks, likelihood of a state support... This review supported the decision to hold the positions during the crisis and the fund did not have to sell under distress conditions during the crisis. The fund had very little exposure to the tourism sector or oil related issuers. Positions could be then easily managed, and we waited that the liquidity came back to the market in May to reduce our exposure to this sector by selling Selecta and Air France.

MOOREA FUND – EURO FIXED INCOME

The fund had exposure to the banking sector and to the insurance sector on what we considered as national champions. The positions suffered significantly in March, but unlike 2008, we estimated that it was an economic rather than a financial crisis. We concluded that the correction of the financial sector was unjustified regarding to the strong balance sheets of the issuers, in particular those of the banks, and the role they had to play in the support to the economy. Accordingly, we decided to hold the positions. The last 2 weeks witnessed a good rebound of the sector.

On top of that the fund did not suffer any redemption which would have forced him to sell during the crisis which would have clearly destroy value and prevent the fund to rebound in the future. On the contrary, assets grew from 126M to 162M EUR between March and April.

Part of this cash helped first to stabilize the funds and seize some opportunities on the market. End of March we started to reinvest on solid investment grade names that came to the market. The measures put in place by central banks and the states provide a considerable support to companies and the fixed income

instruments. Our view was that then to focus our first investments towards solid companies directly concerned by the ECB asset purchase program (PEPP- Pandemic Emergency Purchase Program). In the final days March and the first of April the fund participate to the reopening of the primary market by taking exposure to bonds issued by Saint Gobain, Heineken, Bouygues, SNCF or Carrefour. Since then, we have maintained this approach and have continued to be very active on the primary market to seize the premium offered by these bonds. Since end of March, we purchased more than 24 newly issued bonds. Our preference still goes towards investment grade names but we also seize some opportunities in the High yield spectrum on names such as Rexel, Spie or Fnac.

Finally, we acknowledged that the recent measures took by the governments, increase the debt at the country level and pose a risk of inflation returning. In this context, we have started to increase our exposure to inflation linked bonds.

MOOREA FUND – EURO FIXED INCOME

HISTORICAL PERFORMANCE OF MOOREA FUND – EURO FIXED INCOME

	YTD	2019	2018	2017	2016	2015
Net performance of the Retail Euro share class	-5,21%	6,11%	-3,12%	4,15%	2,73%	0,76%

Source: SGPWM, Bloomberg – 09/06/2020

Past performances are not a reliable indication of future performances

KEY INFORMATION

UCITS Risk/return grading	1 2 3 4 5 6 7
Legal structure	UCITS Luxembourg Sicav
Management company	Société Générale Private Wealth Management S.A.
Custodian / ValuationAgent	Société Générale Luxembourg
Reference currency	EUR
Initial Net Asset Value	EUR 250
Date of launch	March 2014
Valuation - Subscriptions / redemptions	Daily

AVAILABLE SHARE CLASSES

		ISIN Code	Ongoing charges*	of which management fees
RE	Retail EUR Acc	LU1023727867	1,00%	0,80%
RE-D	Retail EUR Dis	LU1023727941	1,00%	0,80%
RUHE	Retail USD Acc	LU1137258932	1,00%	0,80%
RUHE-D	Retail USD Dis	LU1137259153	1,00%	0,80%
IE	Instit EUR Acc	LU1023728089	0,77%	0,60%

*Ongoing charges are based on the expenses for the last financial year. They may vary from year to year.

MOOREA FUND – EURO FIXED INCOME

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Regarding the UCITS Risk scale from 1 (lowest risk) to 7 (highest risk), the lowest category does not mean a risk-free investment. The risk and reward category shown is not guaranteed to remain unchanged and the categorisation of the fund may shift over time.

The prospectuses, KIID (Key Investor Information Document) and annual reports are available on request or on the website www.sgpwm.societegenerale.com

POTENTIAL RISKS IN CASE OF AN INVESTMENT

Counterparty risk, liquidity risk, credit risk, operational risk, market risk, concentration risk.

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