

ASSET MANAGEMENT
ABC ARBITRAGE

Présentation groupe ABC arbitrage Revue de graphiques

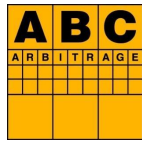
Présentation - comptes 30 juin 2017

Avertissement à l'attention du lecteur

Ce slideshow est un support de communication remis aux participants de la présentation de septembre 2017. commentée oralement par Dominique Ceolin, président-directeur général d'ABC arbitrage.

Ces éléments d'information sont donnés à des fins d'illustration et ne sauraient se substituer aux documents officiels relatifs au premier semestre 2017.

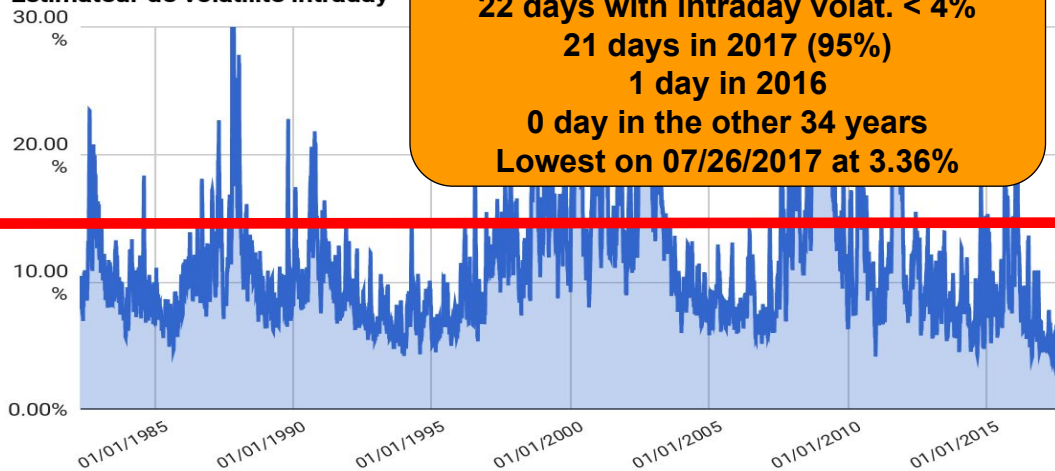




Paramètres de marché

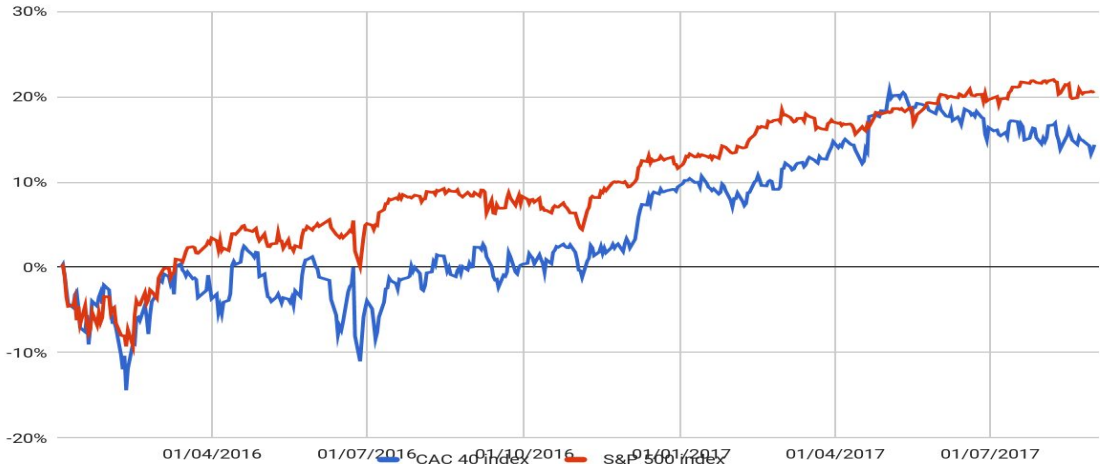


Estimateur de volatilité intraday



Index Performances (S&P 500 vs. CAC 40)

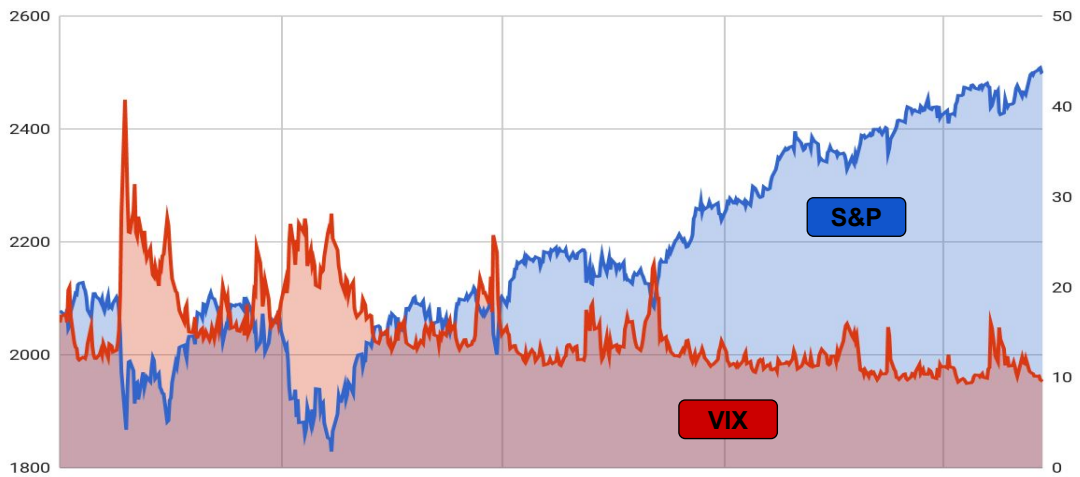
Evolution des indices



ABC arbitrage

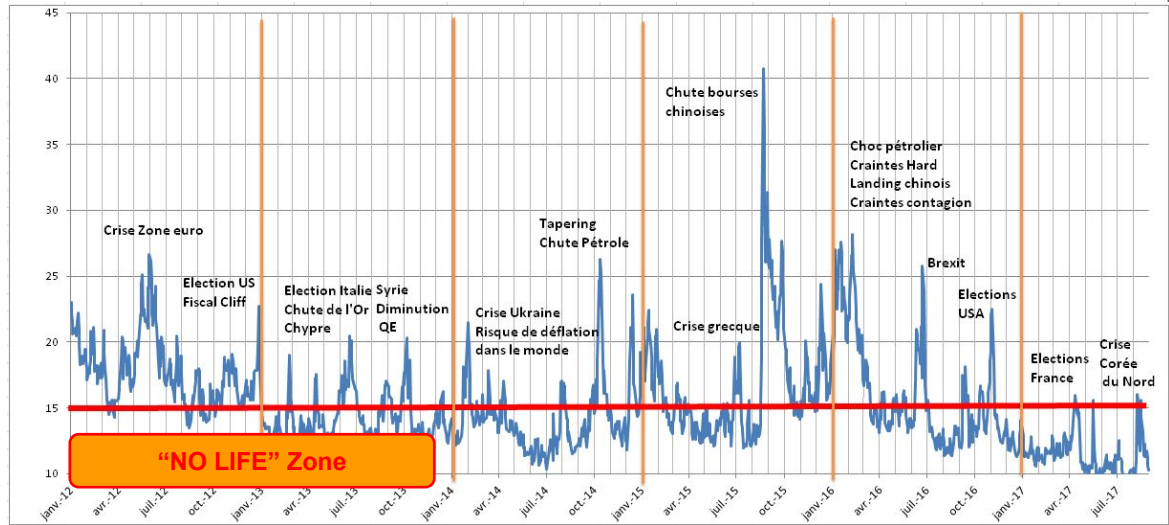
2015/2017 YTD

VIX et S&P index



ABC arbitrage

VIX from 01/2012

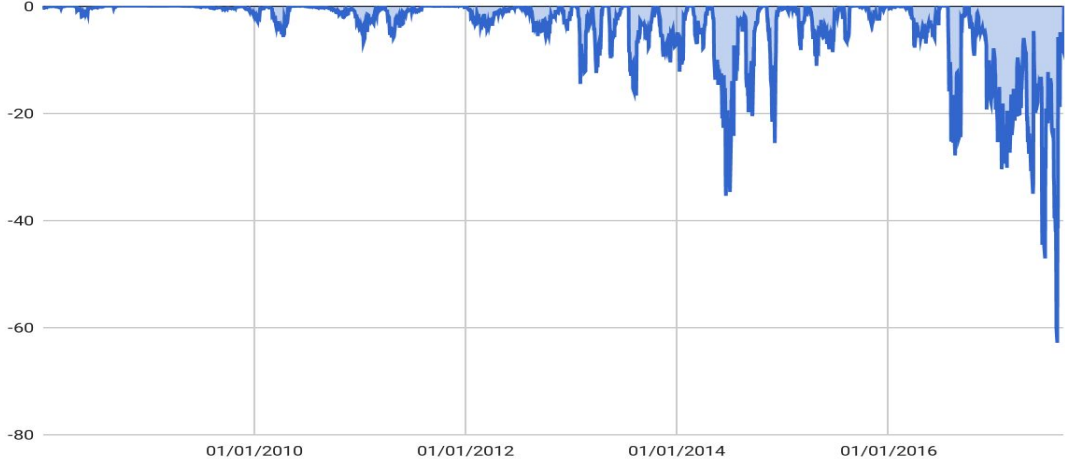


ABC arbitrage

Indicateur de volatilité EVP 5

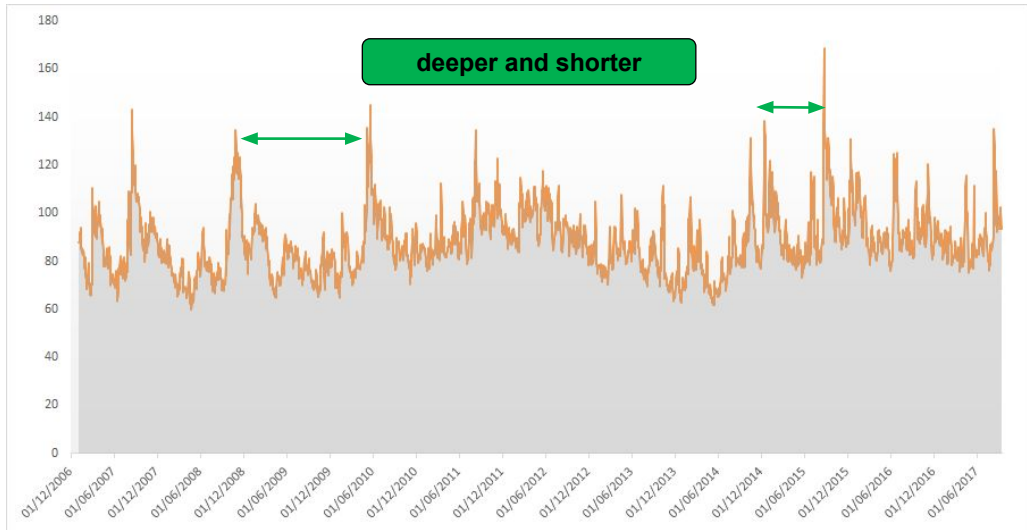
From 30-June-2008

Indicateur de divergence VIX / Vol réalisée



ABC arbitrage

VVIX - Volatility of Volatility



ABC arbitrage

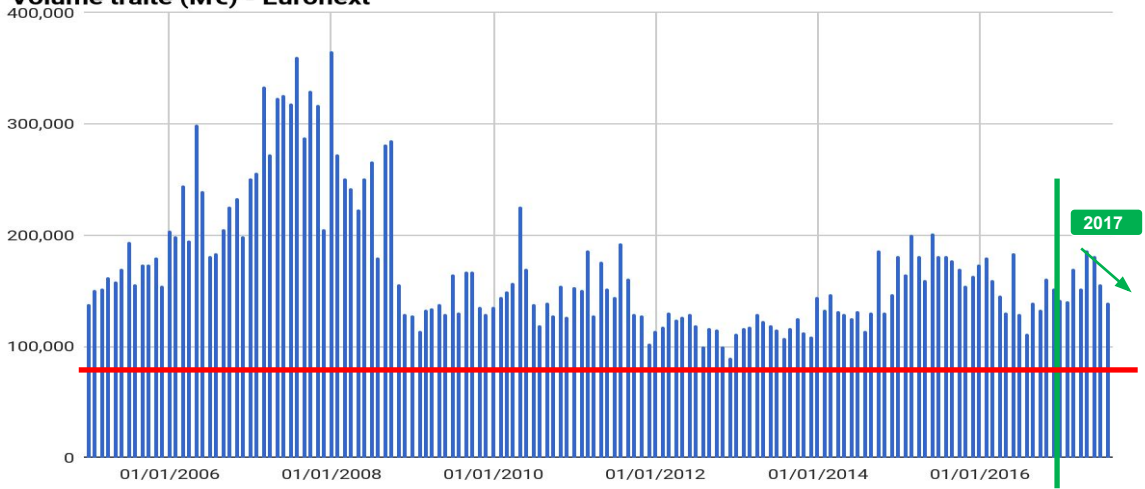
US Volatility / Asian Volatility



ABC arbitrage

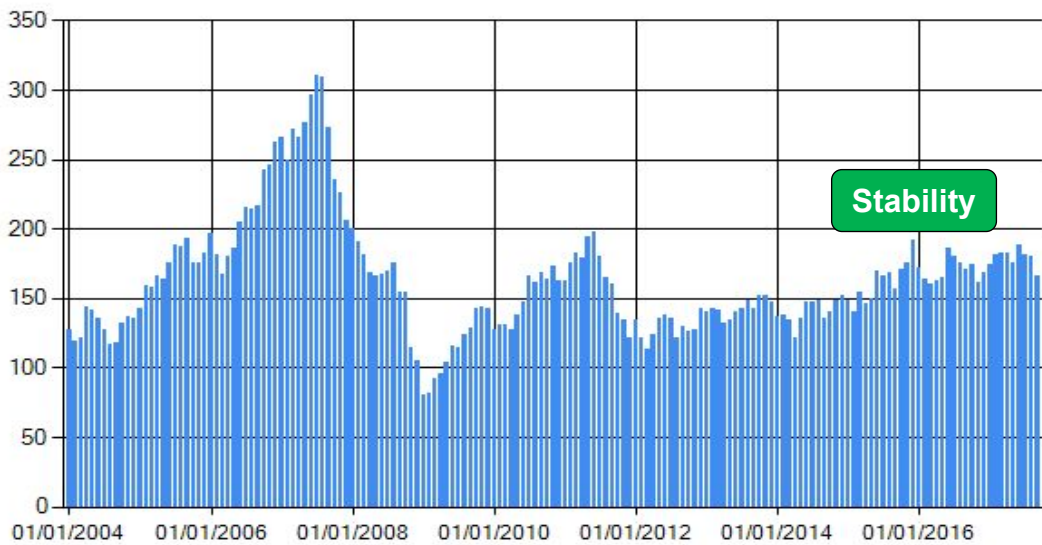
Euronext - Markets Volume - From 2005

Volume traité (M€) - Euronext



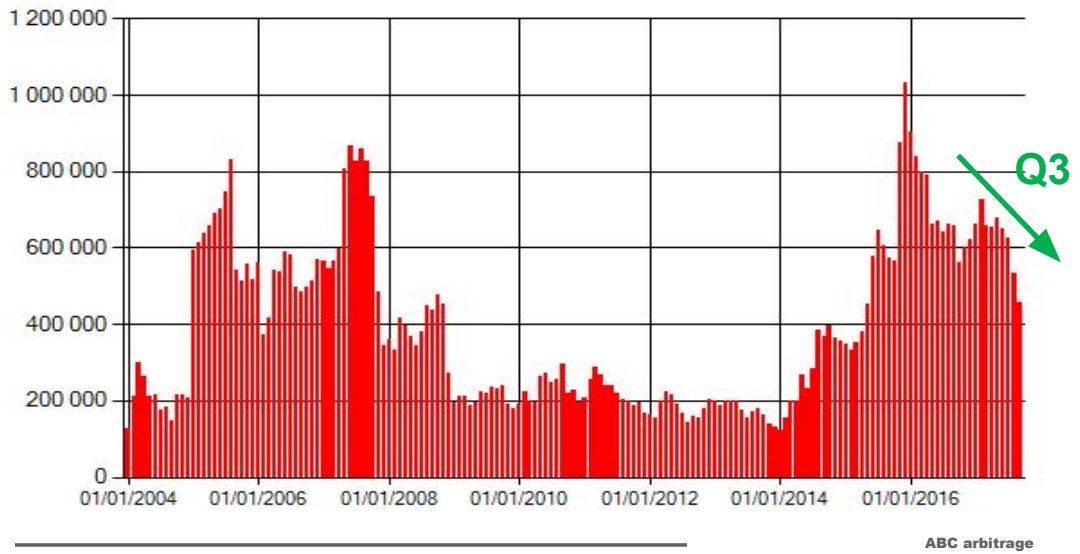
ABC arbitrage

Numbers of “friendly” M&A

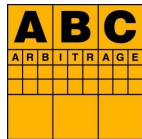


Groupe ABC arbitrage

M&A (in billions € - Monthly total)



ABC arbitrage



ABC arbitrage



Groupe ABC arbitrage

In EUR million	June. 30. 2017 IFRS 6 month	Change %	June. 30. 2017 IFRS 6 month	Dec. 31. 2016 IFRS 12 month
Investment Services Fees ¹	9.5	5.5%	9.0	17.5
Net gains at fair value through profit or loss	13.5	-29.3%	19.1	35.9
Net revenues	23.0	-18.2%	28.2	53.3
Payroll costs	-7.3	-11.8%	-8.2	-16.2
Occupancy costs	-0.8	-0.4%	-0.8	-1.6
Other expense	-2.6	0.2%	-2.6	-5.2
Other taxes	-0.0	136.2%	-0.0	-0.2
Total costs	10.7	-8.2%	11.7	23.1
Income before tax	12.4	-25.2%	16.5	30.2
Net income attributable to equity holders	12.0	-27.2%	16.4	30.5

(1) : Investment Services Fees relate to the services that the Group's management companies bill to Quarys Limited and ABCA Funds Ireland Plc.

ROE 6 month = 7.32%



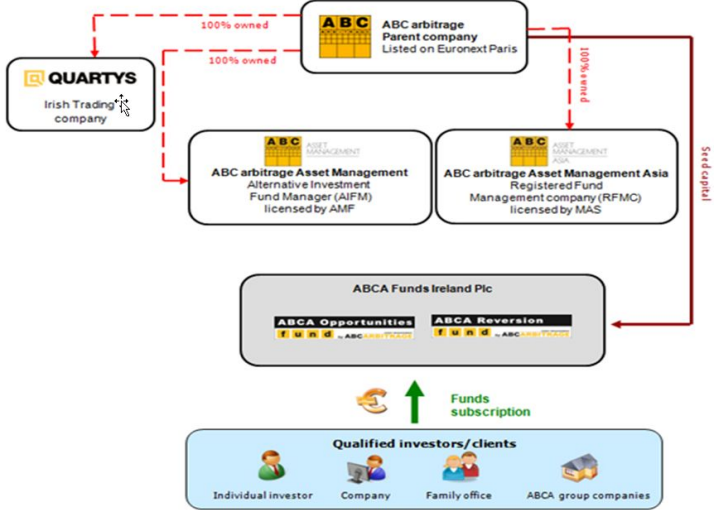
Key Financial Parameters for ABC

	Event Driven *	Stat arb on Equity *	Stat arb on Volatility *	Stat arb on Commodities *	ABCA Reversion	ABCA Opportunities	ABC arbitrage (global)
High Volatility	= / -	++	+	-	++	+	++
High Correlation	=	++	+	+	++	+	+
Low Correlation	=	-	=	-	-	-	=
Stock Markets Up	+	+	=	=	=	=	=
Stock Markets Down	=	=	=	=	=	=	+
Stock Markets Sharp Drop	-	+	+	-	+	+	=
High Volumes	+	++	++	+	++	+	+
Low Volumes	=	= / -	/ -	-	= / -	= / -	++
Exchange Rates Movements	=	=	=	=	=	=	-
Central Banks Rates Down	+	=	=	=	=	=	=
Central Banks Rates Up	-	=	=	=	=	=	=
Corp Credit Spreads Up	-	+	=	=	+	+	=
Credit Crunch	-	-	=	=	-	-	-
Regulatory Reinforcement	+	=	+	=	=	=	+

ABC = Still a strong correlation to the volatility



Group Structure - september 2017



Group Structure - september 2017

Net revenues	23.0	-18.2%	28.2	53.4
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QUARTYS Taxes & Expenses are included in Net Revenues (IFRS 10)



Group Structure - september 2017

Investment Services Fees	9.5	+5.5%	9.0	17.5
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Investment Services Fees relate to the services that the Group's management companies bill to Quartys Limited and ABCA Funds Ireland Plc.



ABCA Funds

ABCA Funds Ireland 347M€ (01/09/2017)

ABCA Reversion
198M€ (01/09/17)

Systematic Market Neutral - Futures.

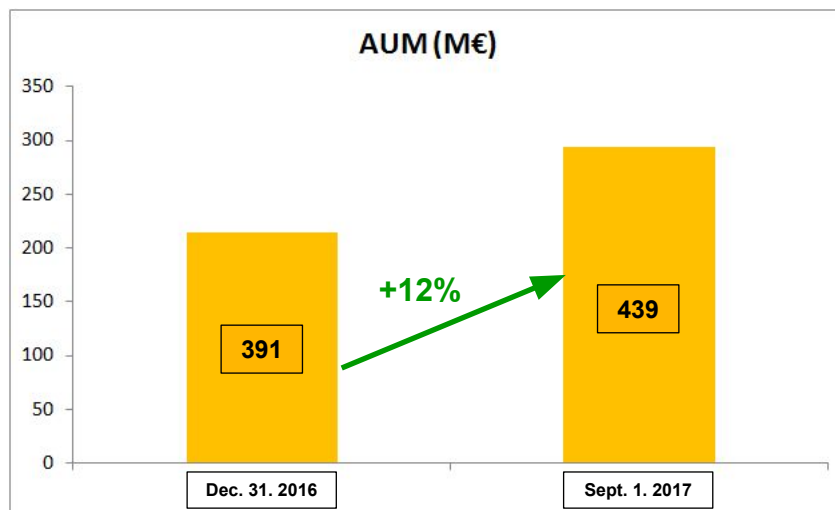
ABCA Opportunities
188M€ (01/09/17)

Multi strategy fund

N.B. : Du fait des investissements croisés, la sommes des AUM de chaque fonds est supérieure aux AUM de ABCA Funds Ireland.



Asset Under Management



Funds Performances

Performance indicators at Wednesday, 20 September 2017

ABCA REVERSION

Share Class	Launch	NAV	%1m	%YTD	%12m	%Launch	AUM (m€)
Class A (EUR)	2010-05	1,775.4147	-0.02%	0.75%	1.08%	77.54%	48.2
Class C (USD)	2011-06	2,601.9956	0.10%	1.81%	2.48%	38.32%	112.1
Class ME (EUR)	2011-10	1,987.6927	0.06%	2.05%	2.84%	35.08%	37.9

Volatility 12 month	1.65%
Sharpe 12 month	0.63
Fund's AUM in mEUR - Current Month/Last Month	198 198
Leverage MTD - Max/Average	2.2 0.97
Net Expo MTD - Max/Average	34% 11%
VaR 99% - 10 days	1.7%

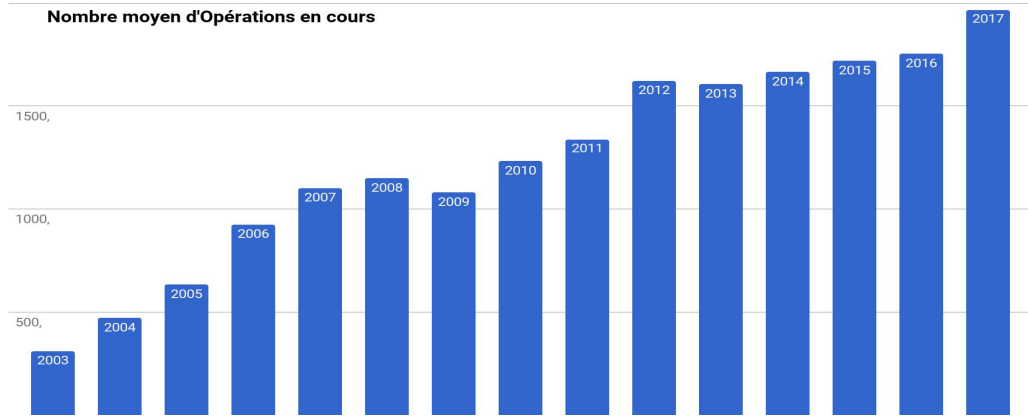
ABCA OPPORTUNITIES

Share Class	Launch	NAV	%1m	%YTD	%12m	%Launch	AUM (m€)
Class A (EUR)	2015-10	2,136.0953	0.04%	4.93%	6.83%	22.48%	87.2
Class AL (EUR)	2015-10	2,152.5438	0.07%	5.24%	7.25%	23.43%	17.8
Class C (USD)	2016-05	2,699.1247	0.16%	6.21%	8.38%	12.87%	62.1

Volatility 12 month	2.64%
Sharpe 12 month	2.4
Fund's AUM in mEUR - Current Month/Last Month	189 189
Leverage MTD - Max/Average	3.8 3.5
Net Expo Equity MTD - Max/Average	190% 163%
Net Expo Commodities MTD - Max/Average	0.2% 0.2%
Vega - Max/Average (3)	1.0% 0.7%
VaR 99% - 10 days	5.0%



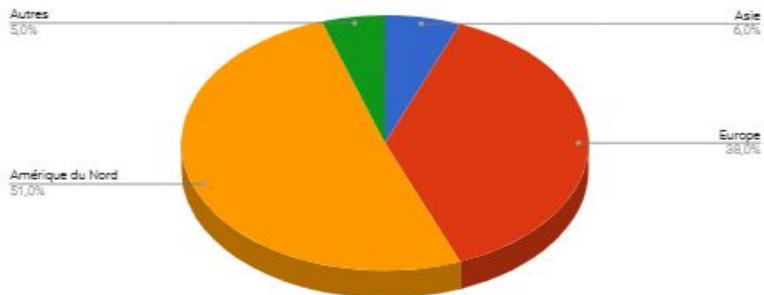
Average number of arbitrage in ABC's portfolio



Groupe ABC arbitrage

Geographic distribution of ABC portfolio HY17

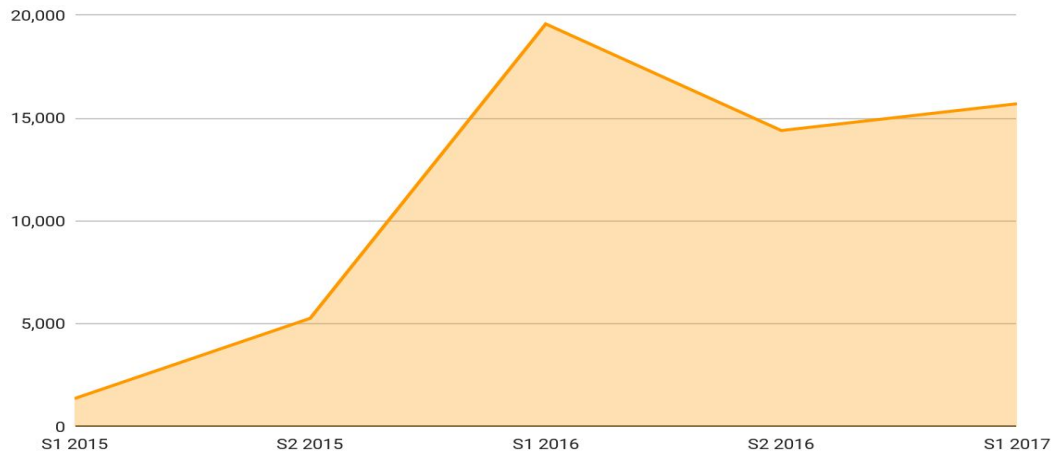
Ventilation géographique des Expositions au S1 2017



Groupe ABC arbitrage

ABC arbitrage AM Asia - Traded volume (HY)

Volumes traités (en m€) par ABAA par semestre



Groupe ABC arbitrage

Key indicators for ABC's Net Revenue (RA)

RA -18%

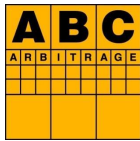
IOP
< 0.8% of RA

No specific
month or special
trades

VaR 99% 1j
2M€
(vs 4.6M€ 31/12/2016)



Groupe ABC arbitrage



Costs



2014/2017 - Intensive recruiting process

≈ +35 people

R&D



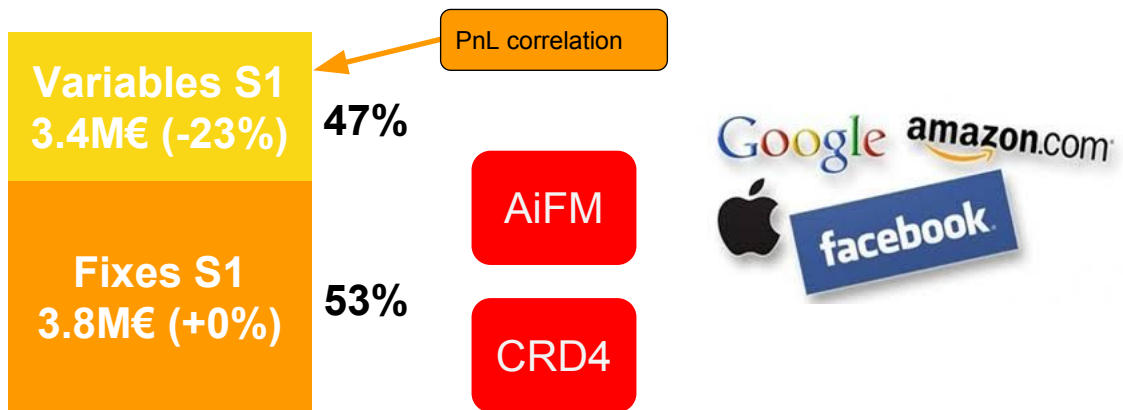
85 employees (15/09/2017)



“Added Value” Target



Creating Added Value = Our People



IT investments “Step Up 2019” - Projections

EXCHANGES

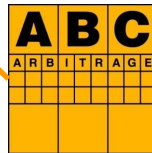


HARD/SOFTWARE



+10% each year of SU2019 *

*Estimations - To Be Confirmed



Rising Costs

Exhibit 7:
BATS, ICE/NYSE and Nasdaq Quarterly Revenue Split Transactional vs. Data, Access and Technology (in US\$ millions)



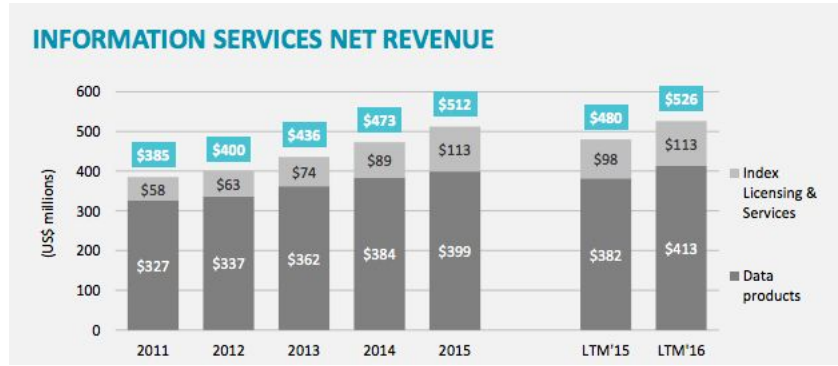
Source: Company data
 * NASDAQ Information Services Revenues Estimated Q1 2010-Q4 2011 based upon years figures from 2012-2015
 ** BATS Info & Tech Revenues spread evenly by quarter



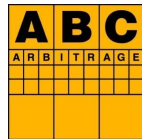
Rising Costs - We Confirm !

“And costs have increased 20% a year for the last five years. according to some estimates”

[Matt Turner](#) - 3 Nov 2016. 12:34 - Business Insider



Groupe ABC arbitrage



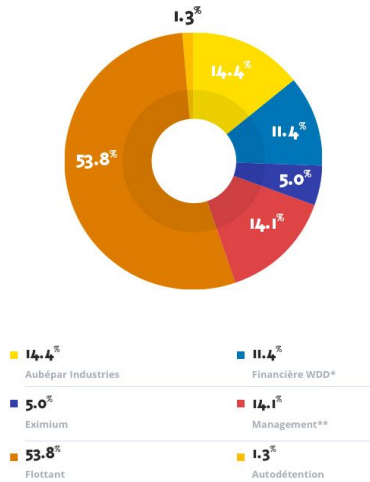
Shareholders



Groupe ABC arbitrage

Actionnariat

Situation au 31/12/2016 - Capital composé de 58.051.067 actions ordinaires

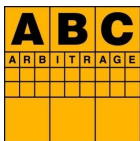


* Holding détenue à 50.01% par Dominique Ceolin
 ** Dirigeants opérationnels et responsables de département du groupe



ABC arbitrage

Distribution from "Share Premium Account"



0.20€/action

EPS 0.21€*



Ex Date = November 23. 2017
 Pay Date = November 27. 2017



* Consolidated EPS Half Year

Groupe ABC arbitrage

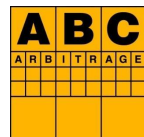
To Remember

IOP < 0.8%
Process Quality

Projected RoE
S1 2017 15%

EPS S1
0.21€

Client Assets
439M€

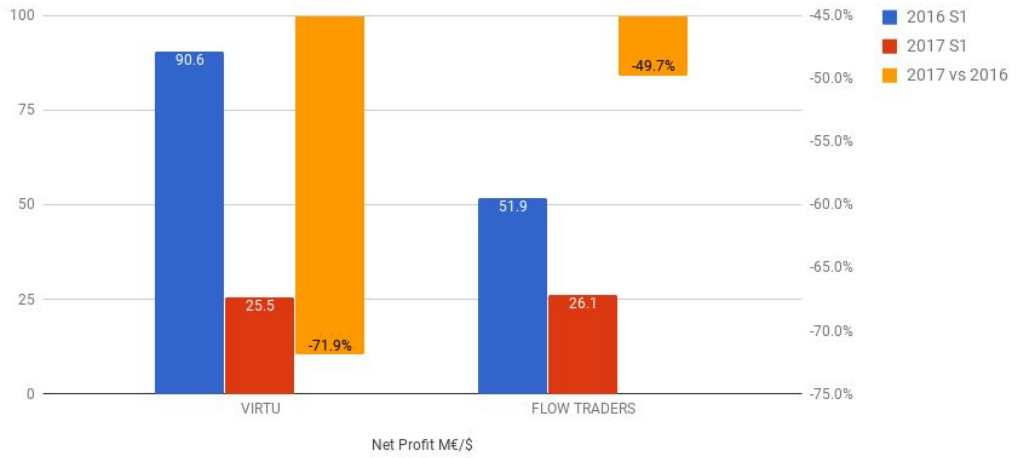


Perspectives



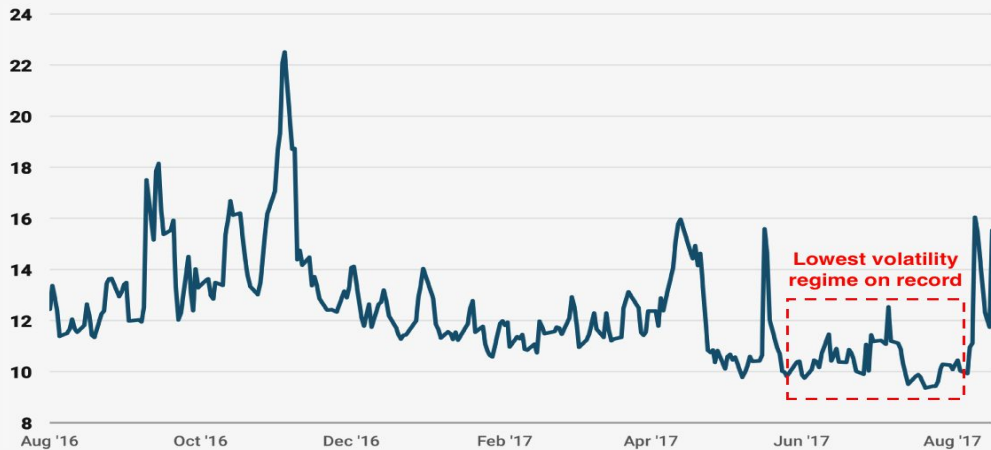
And other competitors ??

VIRTU and FLOW TRADERS

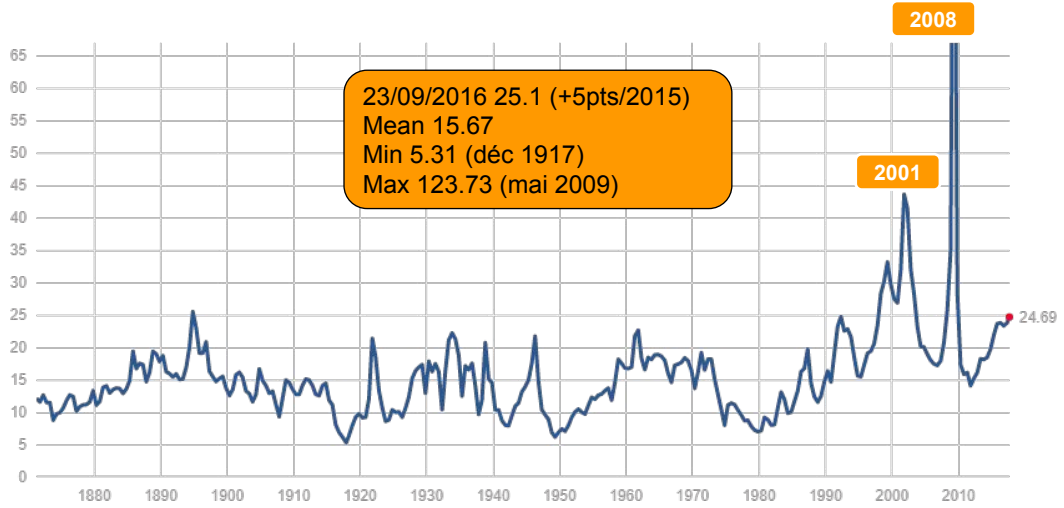


Low Volatility modern world record

CBOE S&P 500 VOLATILITY INDEX



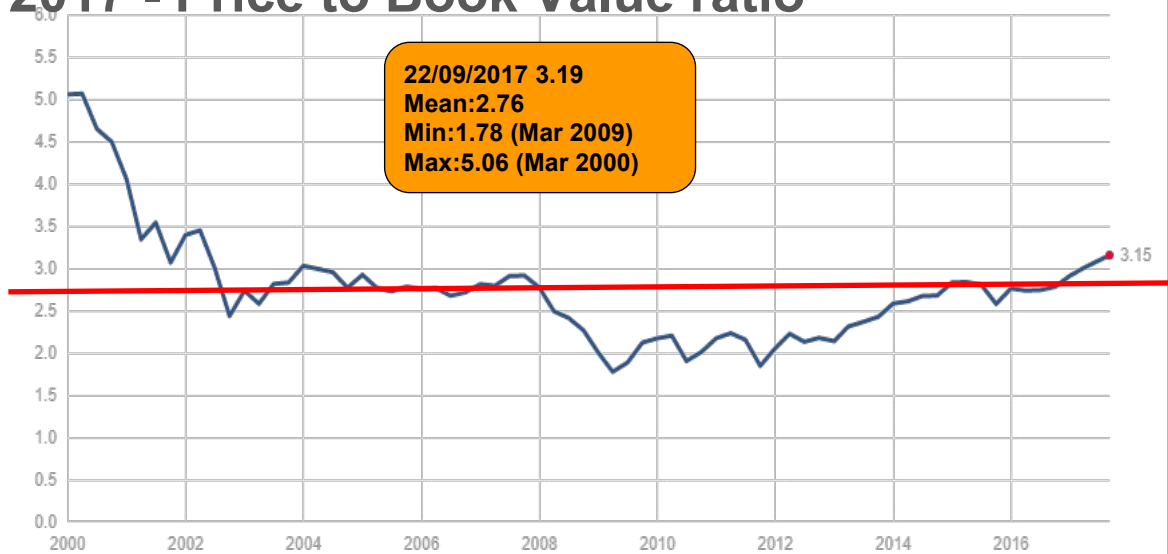
PER



<http://www.multip.com/>

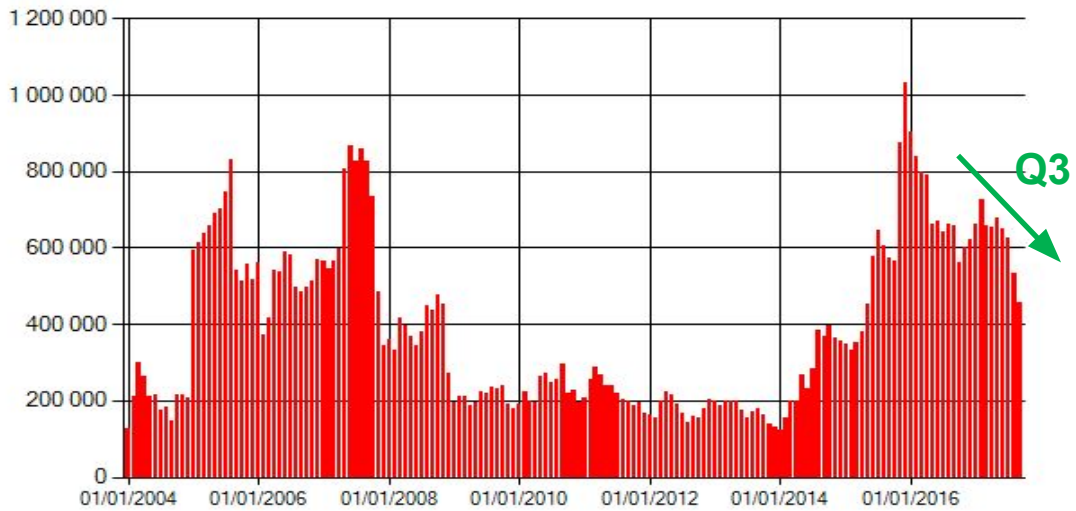
ABC arbitrage

2017 - Price to Book Value ratio



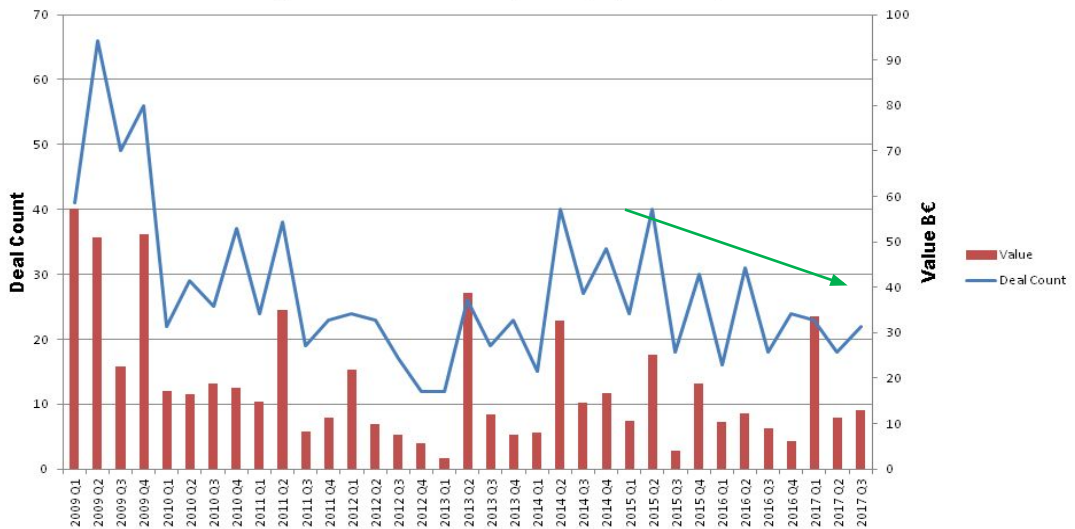
ABC arbitrage

M&A (in billions € - Monthly total)



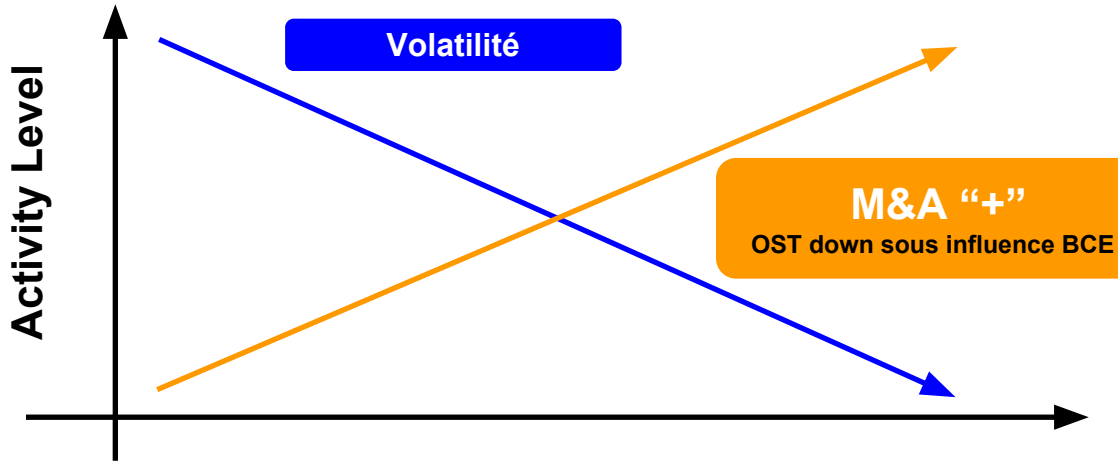
ABC arbitrage

Rights issues Northam / Europe / Developed Asia



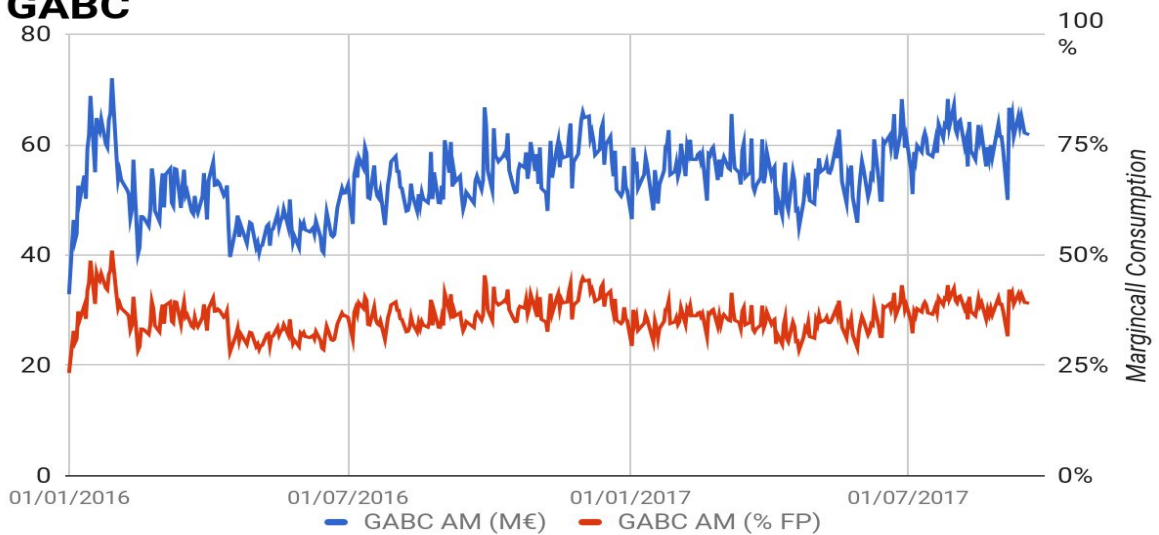
ABC arbitrage

Business Models are changing...

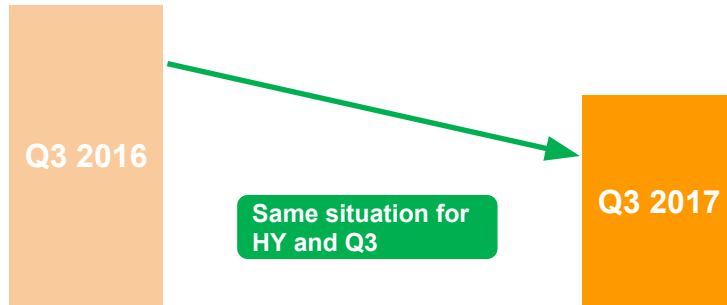


ABC Shareholders Equity ratio

GABC



ABC arbitrage Group - Q3 2017

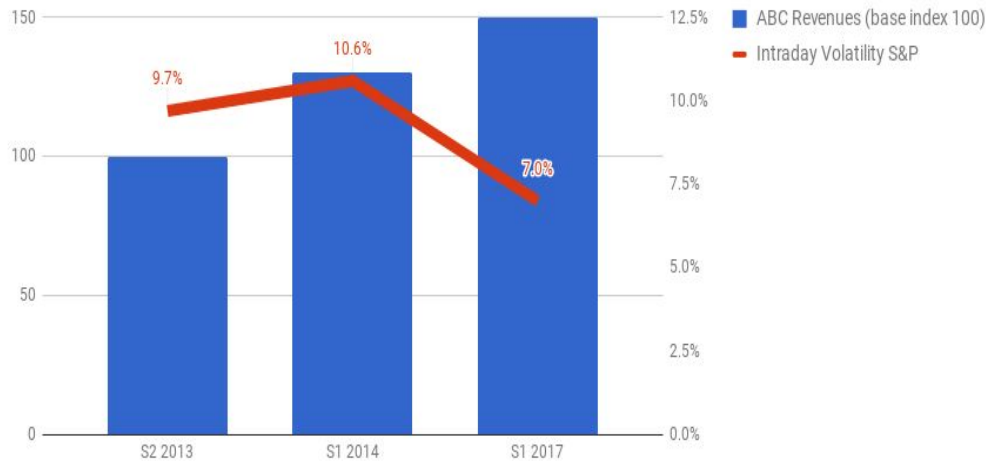


N.B.: The scale of each histogram do not represent a real level of revenue - It is used only for illustration purposes.



Beating the “lowest” volatility !

ABC Evolution of revenue (base iex 100)



“Step up 2019”

Extract of March 2017 communication

“The “Step Up 2019” plan has been launched [...] with the primary objective of preparing for the next decade. This new plan focuses on the continued development of low-volatility strategies and [...]the Group’s historic strategies, in order to continually move forward against the backdrop of the market environment observed since 2012. [...]To meet these objectives, the Group is anticipating a significant rise in expenses over the next three years, which will weigh on results. Nonetheless, ABC arbitrage confirms its determination to achieve significant returns, with the goal of generating at least €90 million in cumulative consolidated net income over the coming three-year period. This figure will be adjusted according to market conditions, as there is still a significant correlation between the Group’s businesses and volatility.”

