

MIDAS - Patrimonial Fund B - Acc

Monthly summary report | as at 30 June 2017

Investment Objective

The fund seeks to achieve capital appreciation over the medium to long-term by investing in a diversified portfolio of primarily fixed income and equity securities (or related instruments). The fund will at all times be at least 50% invested in bonds while the remaining will be invested according to market opportunities. The fund may also be indirectly invested in commodities (including precious metals) and related thematic plays.

Latest Update

NAV per share	137,62
2017 year-to-date return as at 30 June 2017	1,95%

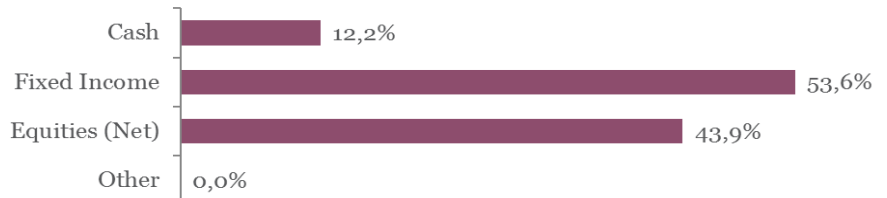
Performance

	1M	YTD	2016	2015	2014	3Y	5Y
Midas Patrimonial	-0,54%	1,95%	2,35%	2,85%	9,72%	12,54%	39,52%

Fund key facts

Inception date *	17 September 2010
ISIN code	LU0541884556
Asset class	Diversified
Total fund assets	€ 360 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	0,75%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

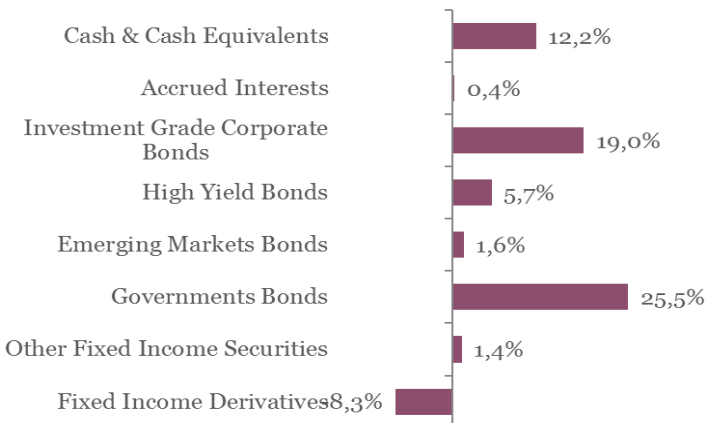
Asset Allocation



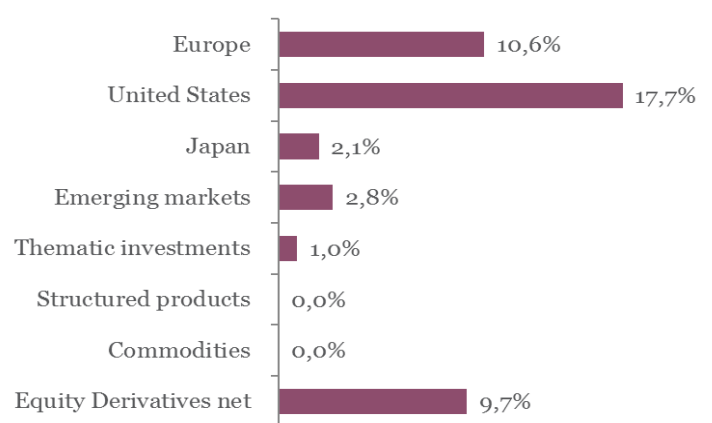
Currencies

	USD	JPY	GBP	CAD	Other
Exposure	11,0%	1,1%	1,3%	0,6%	0,7%

Fixed income asset allocation



Equity and other securities asset allocation

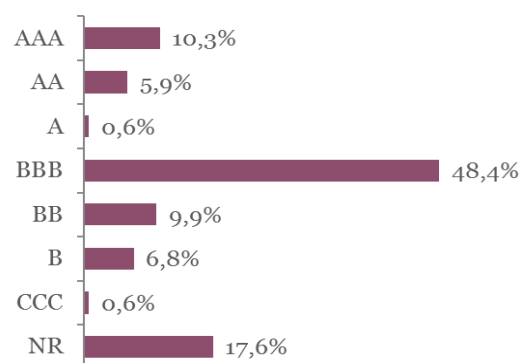


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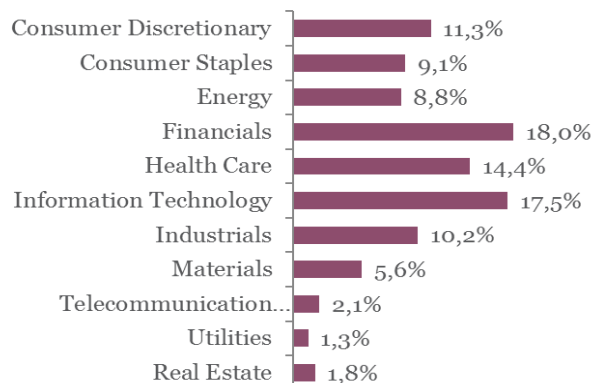
Top 10 fixed income holdings	YTM	Rating	Weight
SPANISH GOV'T : SPGB 0 3/4 07/30/21	0,0%	BBB+	6,3%
DEUTSCHLAND REP : DBR 0 08/15/26	0,4%	AAA	5,4%
BTPS : BTPS 0.35 11/01/21	0,6%	BBB	3,6%
FRANCE O.A.T. : FRTR 0 1/2 05/25/25	0,4%	AA	3,1%
BTPS : BTPS 0.05 10/15/19	0,1%	BBB	3,0%
PORTUGUESE OT'S : PGB 4 3/4 06/14/19	0,1%	NR	3,0%
BOLLORE SA : BOLFP 2 01/25/22	1,6%	NR	1,7%
PRYSMIAN SPA : PRYIM 2 1/2 04/11/22	1,3%	NR	1,5%
CNP ASSURANCES : CNPFP 1 7/8 10/20/22	1,0%	BBB+	1,4%
ATF NETHERLANDS : ALATPF 1 1/2 07/15/15	1,8%	BBB	1,4%

Fixed income rating breakdown



Top 10 equity holdings	Sector	Weight
BANK OF AMERICA CORP	Financials	0,7%
ING GROEP NV-CVA	Financials	0,7%
JPMORGAN CHASE & CO	Financials	0,7%
ALPHABET INC-CL A	Information Technology	0,6%
ALTICE NV -A	Consumer Discretionary	0,6%
CHECK POINT SOFTWARE TECH	Information Technology	0,6%
RAYTHEON COMPANY	Industrials	0,6%
JOHNSON & JOHNSON	Health Care	0,6%
PROCTER & GAMBLE	Consumer Staples	0,6%
PFIZER INC	Health Care	0,6%

Equity sector breakdown



Top 5 funds and other holdings

Nordea Stable Emerging Markets Equity	2,6%
Amundi ETF TOPIX	2,1%
MM Convertible Europe	1,4%

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Market Review

While the meetings of the ECB and the Fed at the beginning of the month produced no major surprises, Mr. Draghi still managed to take centerstage towards the end of the month. A simple statement from his part that deflationary forces have been replaced by inflationary ones, rocked currencies, bonds and stocks. Coming from the generally dovish Draghi, investors could only conclude that the tide of central bank largesse has definitely turned and that the ECB may announce a tapering of its package of extraordinary stimulus measures as early as autumn. ECB people immediately tried to minimize the significance of Mr. Draghi's remarks, but markets preferred to turn a deaf ear.

Interest rates moved violently, with the German Bund yield rising from 25bp to 46bp in only a couple of days. US 10 Year Treasury bonds followed suit and ended the month at 2.30%, up from 2.20%. Earlier during the month, we saw a reduction in spreads between the European periphery and the core. Signs that a rescue of the ailing Venetian banks was imminent materialized and this consequently made short term financial risk disappear. Italian 10 Year bonds ended the month at 2.14%, slightly up.

Mr. Draghi's comments caused mainly European equity indices to go down, with the Euro Stoxx 50 Index dropping 3.17%. Not only did interest yields pick up, the common Eurozone currency equally strengthened versus the USD and the JPY by 3.08% and 1.62% respectively. US markets remained in positive territory, with the S&P 500 Index up 0.48%, although technology values caused the NASDAQ Composite Index to give back 0.94%. The Japanese TOPIX index added 2.78%, while Emerging Markets as a whole were up 0.54%.

As the expected decline in oil inventories didn't take place as quickly as anticipated by market participants, the dollar price of Brent oil initially crashed by over 10% to end the month down 4.5%.

Portfolio Performance

During the month, the fund retreated 0.54%. Global equities had a slightly negative contribution to the overall performance while the EUR continued its appreciation and therefore had a negative effect on our foreign currency exposure. As for the fixed income part of the portfolio, the High Yield component of the portfolio contributed positively to the performance, while the rise of interest rates in mainly the core countries had a negative impact. The spread reduction between European core countries and the periphery somehow served as a cushion. We have reduced the funds' exposure to US and Emerging market equity while we slightly increased its European equity exposure. This was largely an arbitrage driven decision as European equities had recently underperformed. We equally further decreased our foreign currency exposure as changing European monetary policy is suggesting a further strengthening of the EUR. In the fixed income part of the portfolio we have cut duration to 3 from around 4.3 in the second half of the month, anticipating further upward moves of the yield curve.

Market Outlook

As economic conditions remain largely favorable in most parts of the world and weakness in the US economy is still considered temporary, we continue to be positioned towards risk-taking. The upward revision of first quarter GDP growth in the US to 1.4% is a clear sign of its economic robustness. Our positioning is equally supported by rising corporate earnings both in the US and in Europe. Volatility is to be expected though, as valuations for equities and bonds remain rich overall. However, as long as this global economic upswing momentum remains well in place, every correction will be treated as an investment opportunity.

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* Performance has been calculated since inception on the 17th of September 2010 of Expert Investor Sicav Midas Global Balanced Fund which merged into Midas Sicav Patrimonial Fund on the 1st of August 2016.