

MIDAS - Patrimonial Fund B - Acc

Monthly summary report | as at 30 June 2018

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 | 142,38 |
| 2018 year-to-date return as at 30 June 2018 | -0,03% |

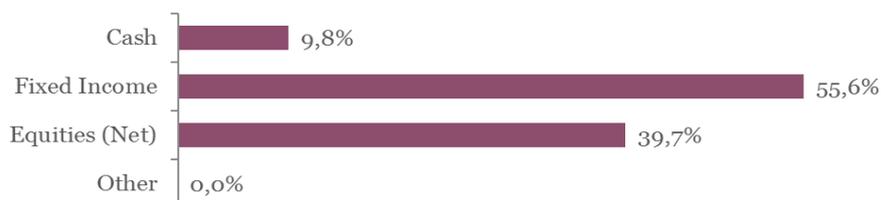
Performance

| | 1M | YTD | 2017 | 2016 | 2015 | 3Y | 5Y |
|-------------------|--------|--------|-------|-------|-------|-------|--------|
| Midas Patrimonial | -0,48% | -0,03% | 5,50% | 2,35% | 2,85% | 5,65% | 31,15% |

Fund key facts

| | |
|-------------------|---------------------|
| Inception date * | 17 September 2010 |
| ISIN code | LU0541884556 |
| Asset class | Diversified |
| Total fund assets | € 341 million |
| Base currency | EUR |
| Legal status | Luxembourg UCITS |
| Management Fee | 0,75% |
| Custodian | Crédit Suisse Lux |
| Liquidity | Daily |
| Settlement Date | Trade Date + 2 Days |

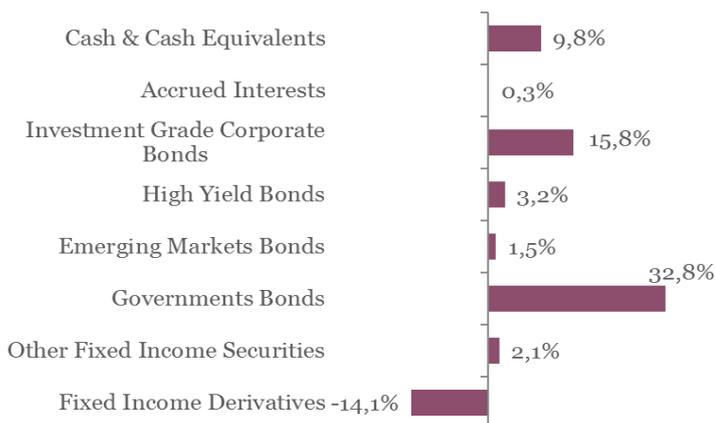
Asset Allocation



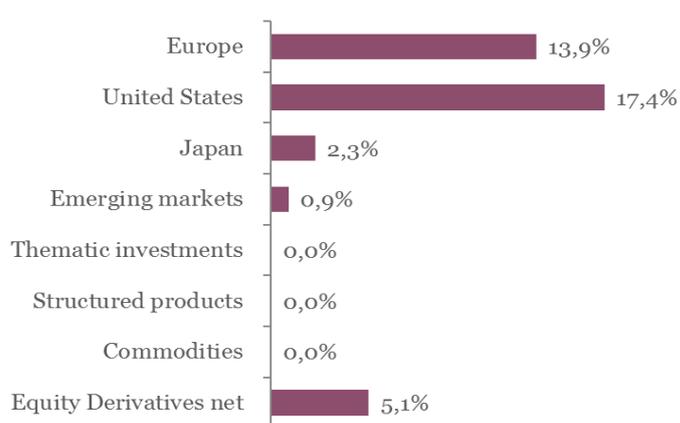
Currencies

| | USD | GBP | JPY | CHF | Other |
|----------|-------|------|------|------|-------|
| Exposure | 25,0% | 2,9% | 4,1% | 0,5% | 0,4% |

Fixed income asset allocation



Equity and other securities asset allocation

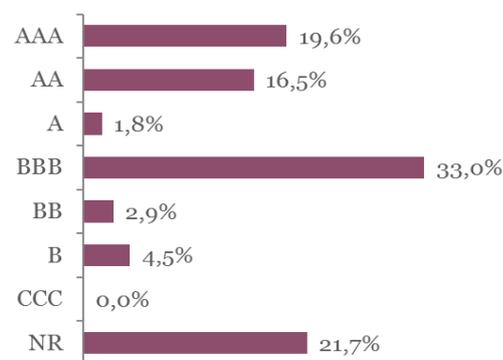


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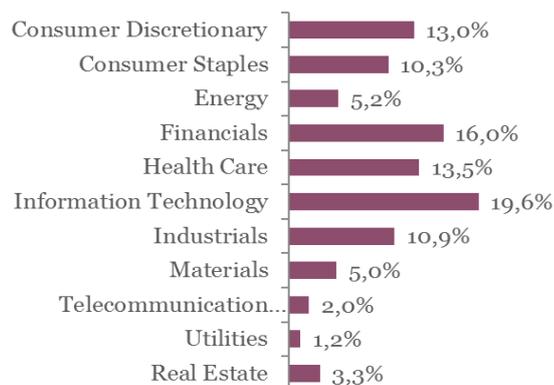
| Top 10 fixed income holdings | YTM | Rating | Weight |
|--|------|--------|--------|
| DEUTSCHLAND REP : DBR 0 1/2 08/15/27 | 0,2% | AAA | 5,7% |
| BTPS : BTPS 2 02/01/28 | 2,7% | BBB | 4,7% |
| FRANCE O.A.T. : FRTR 0 1/2 05/25/25 | 0,2% | AA | 3,3% |
| BTPS : BTPS 1.45 11/15/24 | 2,2% | BBB | 2,8% |
| AGENCE FRANCAISE : AGFRNC 0 1/8 11/15/25 | 0,1% | AA | 2,3% |
| HELLENIC T-BILL : GTB 0 10/05/18 | 0,8% | B | 2,3% |
| US TREASURY N/B : T 2 7/8 05/15/28 | 2,8% | AAA | 2,0% |
| SPANISH GOV'T : SPGB 1.6 04/30/25 | 0,7% | BBB | 1,6% |
| GAZPROMBANK : GPBRU 3.984 10/30/18 | 1,5% | BB+ | 1,5% |
| AROUNDTOWN SA : ARNDTN 1 1/2 07/15/25 | 1,5% | BBB+ | 1,5% |

Fixed income rating breakdown



| Top 10 equity holdings | Sector | Weight |
|------------------------------|------------------------|--------|
| JPMORGAN CHASE & CO | Financials | 0,9% |
| AMAZON.COM INC | Consumer Discretionary | 0,8% |
| LYONDELLBASELL INDU-CL A | Materials | 0,8% |
| BANK OF AMERICA CORP | Financials | 0,7% |
| VISA INC | Information Technology | 0,7% |
| APPLE INC | Information Technology | 0,7% |
| MICROSOFT CORP | Information Technology | 0,7% |
| ALPHABET INC-CL A | Information Technology | 0,7% |
| ALIBABA GROUP HOLDING-SP ADR | Information Technology | 0,7% |
| BROADCOM INC | Information Technology | 0,7% |

Equity sector breakdown



Top 5 funds and other holdings

| | |
|------------------------|------|
| La Francaise Sub Debt | 2,5% |
| Amundi Japan TOPIX ETF | 2,3% |
| MM Convertible Europe | 1,5% |

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Market Review

After the February to April soft patch, we saw somewhat better oriented macroeconomic numbers hitting the tapes last month. Those reassuring numbers were to no avail however, as “Trumponomics” as well as a less accommodative monetary stance by the Federal Reserve dominated financial markets. The United States are trying to put some protectionist measures into place by increasing duties levied on a number of imported goods on the one hand and by protecting strategically important assets against foreign (read “Chinese”) interference on the other hand.

By far the worst region to be invested in were the emerging markets. Emerging currencies, bonds and equities all suffered from rising refinancing rates, multiple country specific issues (eg Argentine, Turkey, Brazil, Iran...) and US protectionism. The MSCI Emerging Markets Equity Index dropped 4.6%, as heavyweight China bore the brunt of Mr President Trump’s protectionist measures. European and Japanese equities also ended the month lower with respectively 0.82% and 0.95%. Only the US stock market managed to perform positively; with the S&P 500 rising 0.48%.

In a context of increasing commercial tensions and a normalization of US monetary policy, investors were looking for safe haven assets such as the German Bund which saw its yields go down to 0.30%. In the same context, the iBoxx EUR Liquid High Yield Index (IBOXXMJA) lost 0.41%; while the investment grade EUR corporate bonds Index (IB8A) even slightly rose (+0.10%).

As Italian politics left front stage, the Euro halted last month’s drop versus the USD (+0.06%) and the JPY even gave back 1.66% to the EUR.

Portfolio Performance

The fund recorded a negative performance of -0.48% for the month, behind its performance indicator as most risky assets lost ground. Equities contributed negatively to the fund performance as did its credit exposure. Indeed, higher yielding bonds continued to suffer from a decreasing appetite for riskier assets. As market sentiment evolved unfavorably, the fund’s exposure to top rated government bonds was increased further. The duration profile of its fixed income part was only slightly reduced to 4.7. The fund suffered little from the underperformance of emerging assets as its already low exposure was further reduced during the month.

Market Outlook

While we still remain positioned favorably towards risky assets, we prefer to remain cautious by keeping our exposure to emerging market assets to a minimum and remain tactically exposed to lower yielding but safer assets such as US Treasury Notes. This has to be seen in a context of still solid global economic expansion with expected higher corporate earnings to come but also with a highly unpredictable interventionism weighing on market sentiment. Expectations on corporate earnings might well be revised downwardly. For there is only one possible outcome in the case of a global commercial trade war: the winner is who loses least. It now remains to be seen whether rhetoric will translate into action.

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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.