

# MIDAS - Patrimonial Fund B - Acc

Monthly summary report | as at 31 December 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	136,77
2018 year-to-date return as at 31 December 2018	-3,97%

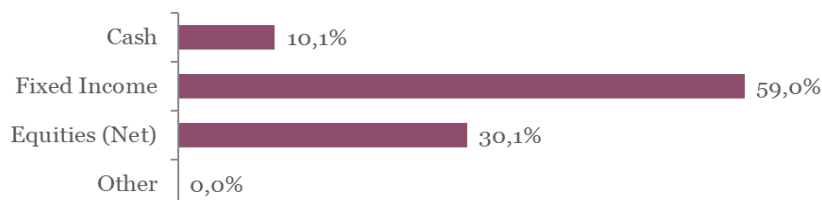
## Performance

	1M	YTD	2017	2016	2015	3Y	5Y
Midas Patrimonial	-2,48%	-3,97%	5,50%	2,35%	2,85%	3,70%	17,02%

## Fund key facts

Inception date *	17 September 2010
ISIN code	LU0541884556
Asset class	Diversified
Total fund assets	€ 305 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	0,75%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

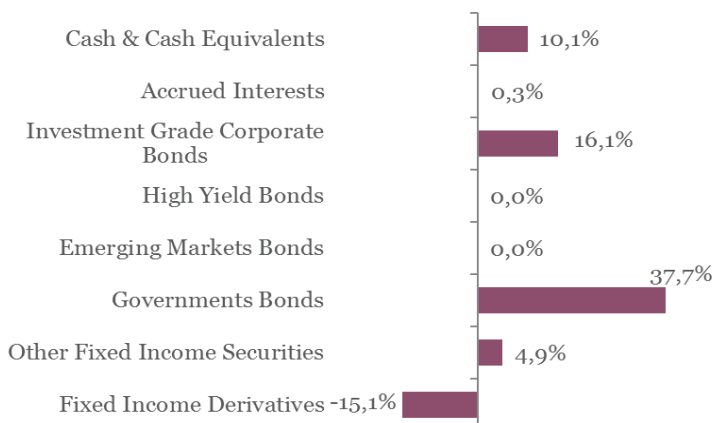
## Asset Allocation



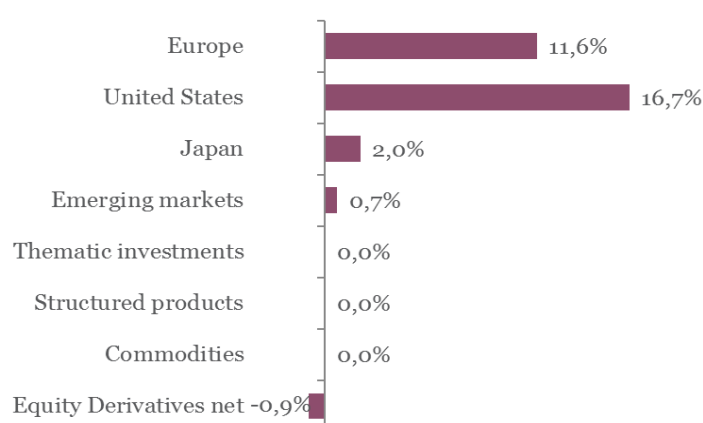
## Currencies

	USD	GBP	JPY	CAD	Other
Exposure	19,3%	1,3%	4,4%	1,5%	0,0%

## Fixed income asset allocation



## Equity and other securities asset allocation

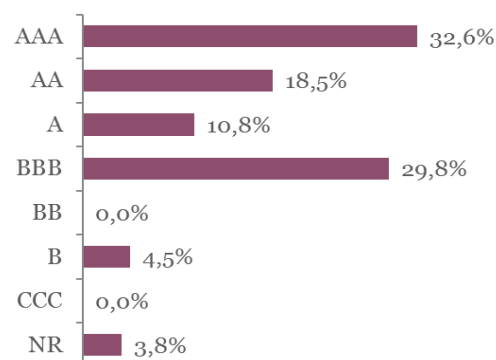


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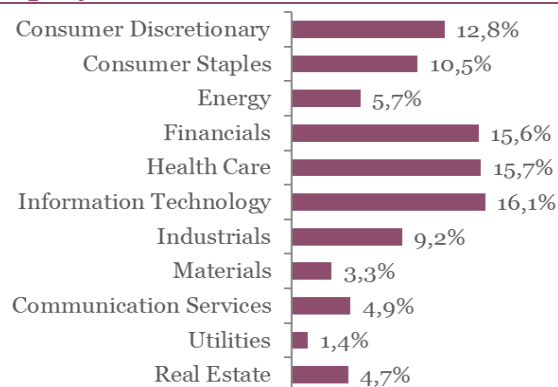
Top 10 fixed income holdings	YTM	Rating	Weight
DEUTSCHLAND REP : DBR 0 1/2 08/15/27	0,1%	AAA	5,5%
NETHERLANDS GOVT : NETHER 0 3/4 07	0,3%	AAA	3,4%
EUROPEAN INVT BK : EIB 0 3/8 07/16/25	0,3%	AAA	2,6%
HELLENIC T-BILL : GTB 0 04/05/19	0,8%	B	2,6%
AGENCE FRANCAISE : AGFRNC 0 1/8 11/11	0,2%	AA	2,6%
BTPS : BTPS 2 02/01/28	2,7%	BBB	2,4%
DEUTSCHLAND REP : DBR 1 1/4 08/15/48	0,8%	AAA	2,1%
ALLIANDER : ALLRNV 0 7/8 04/22/26	0,8%	AA-	2,0%
SPANISH GOVT : SPGB 1.6 04/30/25	0,8%	BBB+	1,8%
NETHERLANDS GOVT : NETHER 2 3/4 01	0,9%	AAA	1,7%

## Fixed income rating breakdown



Top 10 equity holdings	Sector	Weight
PFIZER INC	Health Care	0,9%
MICROSOFT CORP	Information Technolog	0,8%
VISA INC	Information Technolog	0,8%
JOHNSON & JOHNSON	Health Care	0,8%
MEDTRONIC PLC	Health Care	0,7%
FREY	Real Estate	0,7%
BANK OF AMERICA CORP	Financials	0,7%
PEPSICO INC	Consumer Staples	0,7%
JPMORGAN CHASE & CO	Financials	0,7%
ALIBABA GROUP HOLDING-SP ADR	Consumer Discretionar	0,7%

## Equity sector breakdown



## Top 5 funds and other holdings

Amundi Japan TOPIX ETF	2,0%
MM Convertible Europe	1,2%

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## Market Review

December ended the year on pretty much the same footing as the rest of the last quarter. Even the S&P 500, once a resilient market, threw in the towel. Recent concerns (Trade wars, China, Fed, Trumponomics, Italy, ...) continued to build-up creating significant intraday volatility.

The Federal Reserve delivered a relatively less hawkish message by acknowledging tightening financial conditions and by lowering both its rate hike objectives and its neutral rate expectation. Markets took this as a validation from the Fed of a more difficult environment ahead. A weak macro-economic data flow from China also heightened lingering fears about its ability to control its soft (or hard?) landing. Indeed, although tariffs have been postponed by three months, this still remains a big question mark.

2018 thus closed on a very pessimistic and highly volatile note. Equities were down around the globe, with Japanese equities losing 10.5% amid a higher Yen and American stocks falling 9.2%. Europe and Emerging markets outperformed losing “only” 5.6% and 2.9% respectively.

Only government bonds and (at last) a rejuvenated gold acted as real safe havens alongside the Japanese Yen. The 10-year German government rates fell from 0.31% to 0.24% at the end of the month.

## Portfolio Performance

The Fund has lost 2.48% during the month. Equities were the main contributor to the negative performance especially in the US. We have reduced the equity exposure from 43% to as low as 21% during the month. Following the correction, we have slightly increased the risk profile of the fund, ending the month with 30% equities.

The fixed income exposure has performed well, and we continue to keep a high duration profile with yield curve flatteners.

Currencies had a slightly negative impact as the US dollar gave back some of its past performance. The Japanese Yen, however, had a pretty decent run in the last weeks of the year.

## Market Outlook

Financial markets are still reflecting a scenario of a global downshift in growth for 2019. As market participants are strongly focusing on risks, we expect risky assets to remain under stress. One can expect more bad news in the pipeline either in the form of deceitful news flow from China or in the form of slowly reacting Central Banks.

Consequently, we intend to maintain a more prudent positioning, despite the strong December sell-off. Government bonds should benefit from this risk-off environment and fading inflationary pressures. We see a moderate equity exposure, coupled with high duration and some Japanese Yen, as an adequate positioning given the overall uncertainty.

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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.