

# MIDAS - Patrimonial Fund B - Acc

Monthly summary report | as at 28 February 2019



## 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                                   | 140,93 |
| 2019 year-to-date return as at 28 February 2019 | 3,04%  |

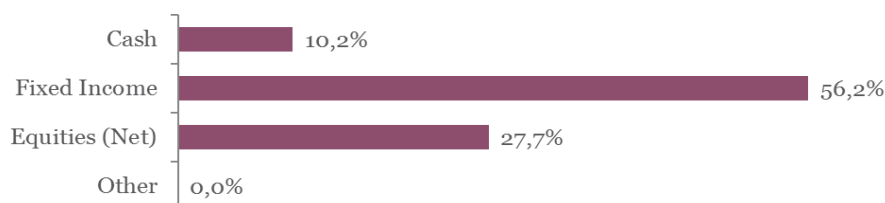
## Performance

|                   | 1M    | YTD   | 2018   | 2017  | 2016  | 3Y     | 5Y     |
|-------------------|-------|-------|--------|-------|-------|--------|--------|
| Midas Patrimonial | 0,61% | 3,04% | -3,97% | 5,50% | 2,35% | 10,04% | 18,31% |

## Fund key facts

|                   |                     |
|-------------------|---------------------|
| Inception date *  | 17 September 2010   |
| ISIN code         | LU0541884556        |
| Asset class       | Diversified         |
| Total fund assets | € 297 million       |
| Base currency     | EUR                 |
| Legal status      | Luxembourg UCITS    |
| Management Fee    | 0,75%               |
| Custodian         | Crédit Suisse Lux   |
| Liquidity         | Daily               |
| Settlement Date   | Trade Date + 2 Days |

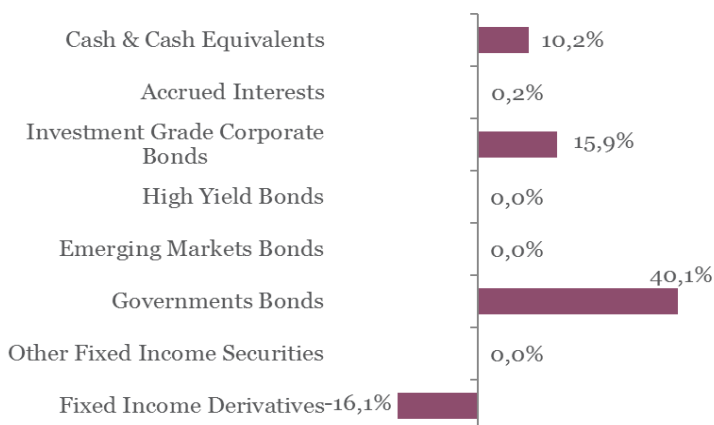
## Asset Allocation



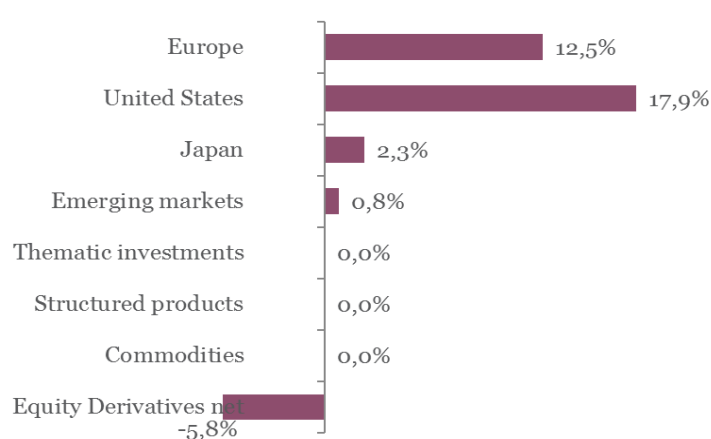
## Currencies

|          | USD   | GBP  | JPY  | CHF  | Other |
|----------|-------|------|------|------|-------|
| Exposure | 18,9% | 1,6% | 4,1% | 1,0% | 0,0%  |

## Fixed income asset allocation



## Equity and other securities asset allocation

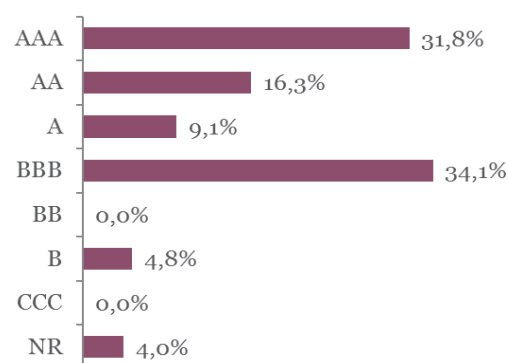


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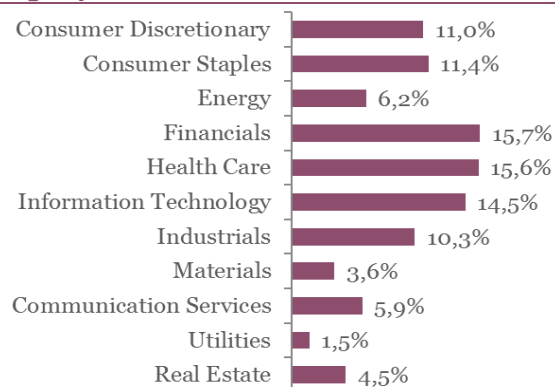
| Top 10 fixed income holdings          | YTM   | Rating | Weight |
|---------------------------------------|-------|--------|--------|
| DEUTSCHLAND REP : DBR 0 1/2 08/15/27  | 0,0%  | AAA    | 6,1%   |
| NETHERLANDS GOVT : NETHER 0 3/4 07    | 0,3%  | AAA    | 3,5%   |
| BOTS : BOTS 0 05/31/19                | -0,2% | BBB    | 3,4%   |
| EUROPEAN INVT BK : EIB 0 3/8 07/16/25 | 0,2%  | AAA    | 2,7%   |
| AGENCE FRANCAISE : AGFRNC 0 1/8 11/11 | 0,2%  | AA     | 2,7%   |
| HELLENIC T-BILL : GTB 0 04/05/19      | 0,5%  | B      | 2,7%   |
| BTPS : BTPS 2 02/01/28                | 2,5%  | BBB    | 2,5%   |
| ALLIANDER : ALLRNV 0 7/8 04/22/26     | 0,6%  | AA-    | 2,0%   |
| SPANISH GOVT : SPGB 1.6 04/30/25      | 0,5%  | BBB+   | 1,9%   |
| ASFINGAG : ASFING 0 1/4 10/18/24      | 0,1%  | AA+    | 1,4%   |

## Fixed income rating breakdown



| Top 10 equity holdings       | Sector                 | Weight |
|------------------------------|------------------------|--------|
| JOHNSON & JOHNSON            | Health Care            | 0,8%   |
| ALIBABA GROUP HOLDING-SP ADR | Consumer Discretionary | 0,8%   |
| FREY                         | Real Estate            | 0,8%   |
| MICROSOFT CORP               | Information Technology | 0,8%   |
| MEDTRONIC PLC                | Health Care            | 0,8%   |
| PEPSICO INC                  | Consumer Staples       | 0,8%   |
| APPLE INC                    | Information Technology | 0,8%   |
| VISA INC                     | Information Technology | 0,8%   |
| SAFRAN SA                    | Industrials            | 0,7%   |
| ALPHABET INC-CL A            | Communication Service  | 0,7%   |

## Equity sector breakdown



## Top 5 funds and other holdings

|                        |      |
|------------------------|------|
| Amundi Japan TOPIX ETF | 2,3% |
|------------------------|------|

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## Market Review

Postponing deadlines has become the common theme since the beginning of the year. The first of March milestone in US/China trade talks, that should have seen an increase from 10 to 25% of tariffs imposed by US authorities upon \$200m of Chinese goods, has been erased to grant some time for negotiations. This was a clear sign that the latter were progressing in the right direction and was the main source of relief for financial markets. This element remains the key of the utmost importance for China, as recent economic figures still point to a slowdown in activity.

Mrs. May has also tried to buy some time by postponing the exit date, a proposal that has been massively approved by the House of Commons. This left her more time to engage in a new negotiation round with the EU.

More importantly, Central Banks (Federal Reserve at the forefront) have also been buying some time in the sense that they are offering themselves the luxury of being “patient” and adopting a “wait-and-see” attitude. They have acknowledged both the future developments on the inflation front and the implications on global trade of currently ongoing negotiations.

Equity markets have continued to rise in February albeit at a slower pace. The S&P 500 appreciated by 3%, the Japanese TOPIX by 2.6%, the Eurostoxx 600 by 3.9% while Emerging Markets remained flat (+0.1%) after a strong January performance.

Long Term rates sled slightly on the upside, leading to negative performances for government bonds. The 10-year German Bund rates increased from 15bps to 18bps, while Italian BTP suffered a heavier blow from 259bps to 275bps amid worsening economic conditions. The credit markets remained solid with the IBOXX Euro Liquid Corporates gaining 0.8% amid continued tightening in credit spreads. In the currency markets, the US dollar continued to gain some ground (+0.7% vs the Euro) while the safe haven Japanese Yen detracted (-1.6% vs the Euro). The main winner was the British Pound (+1.8% vs the Euro) amid renewed optimism on the Brexit deal.

## Portfolio Performance

During the month, the Fund has gained 0.61%. The main driver of the performance was our equity exposure, while currencies and bonds were little changed. During the month, we have continued to take some chips off the table as equity markets extended their rebound. The overall equity exposure was reduced from 30% to 28%.

On the currencies front, we have reduced our exposure to the Japanese Yen from 6% to 4% amid stabilizing markets and to materialize some profits after a strong run.

In the fixed income part of the portfolio, we have kept a high duration profile albeit to a lesser extent as we took some profits on our curve flattening trades.

## Market Outlook

It has been a remarkable start of the year with all asset classes performing well. Positive correlation periods between Equities and Government bonds do not last long and are often followed by a strong divergence phase in the form of either a correction in equity markets prices or a period of rising rates.

Given the uncertainty in the overall macro-economic and geo-political picture, we continue to have a moderate equity exposure, coupled with high duration on the fixed income part, the idea being to offer the best possible risk adjusted return.

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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.