

# Patrimonial SRI Fund B - Acc

Monthly summary report | as at 31 January 2020



## 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 40% 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	155.66
2020 year-to-date return as at 31 January 2020	0.89%

## Performance

	1M	YTD	2019	2018	2017	3Y	5Y
Midas Patrimonial	0.89%	0.89%	12.81%	-3.97%	5.50%	15.53%	16.94%

## Fund key facts

Inception date *	17 September 2010
ISIN code	LU0541884556
Asset class	Diversified
Total fund assets	€ 313 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	0.78%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

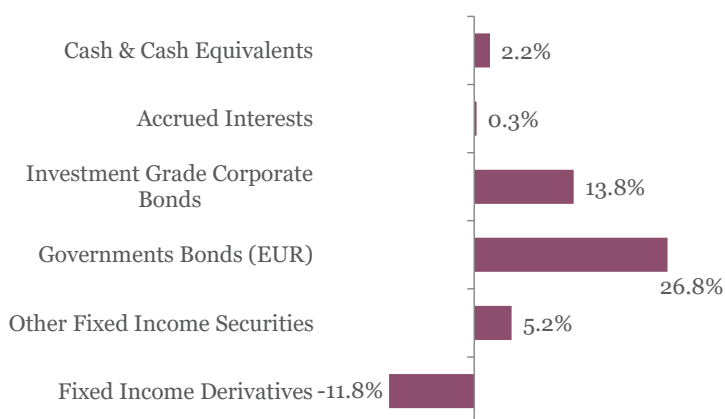
## Asset Allocation



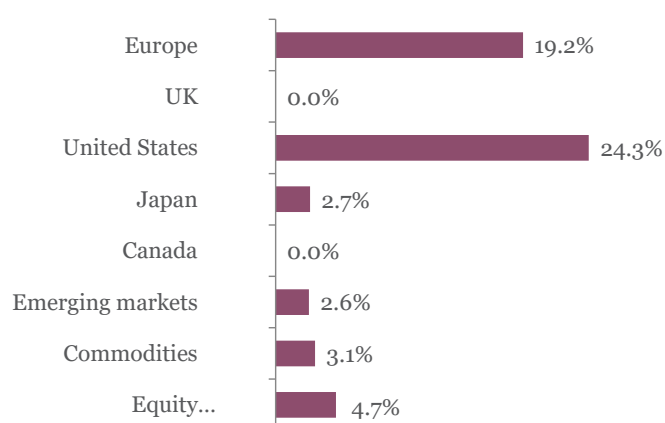
## Currencies

	USD	GBP	JPY	CAD	Other
Exposure	34.9%	2.6%	2.5%	1.6%	2.2%

## Fixed income asset allocation



## Equity and other securities asset allocation

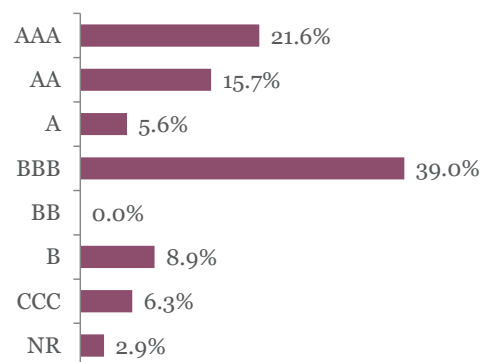


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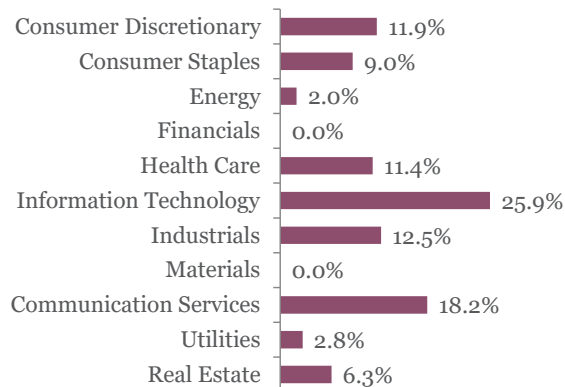
Top 10 fixed income holdings	YTM	Rating	Weight
ALTICE FINCO SA : ALTICE 4 3/4 01/15/28	4.6%	CCC+	2.3%
DEUTSCHLAND REP : DBR 0 08/15/29	-0.5%	AAA	2.2%
ALLIANDER : ALLRNV 0 7/8 04/22/26	-0.1%	AA-	2.0%
NETHERLANDS GOVT : NETHER 0 3/4 07	-0.4%	AAA	1.9%
BTPS : BTPS 2 02/01/28	0.7%	BBB-	1.9%
HELLENIC REPUBLI : GGB 4 3/8 08/01/22	0.1%	B+	1.8%
BTPS : BTPS 1 07/15/22	-0.1%	BBB-	1.6%
FRANCE O.A.T. : FRTR 2 05/25/48	0.6%	AA	1.5%
DEUTSCHLAND REP : DBR 1 1/4 08/15/48	0.0%	AAA	1.5%
EUROPEAN INVT BK : EIB 0 3/8 07/16/25	-0.4%	AAA	1.3%

## Fixed income rating breakdown

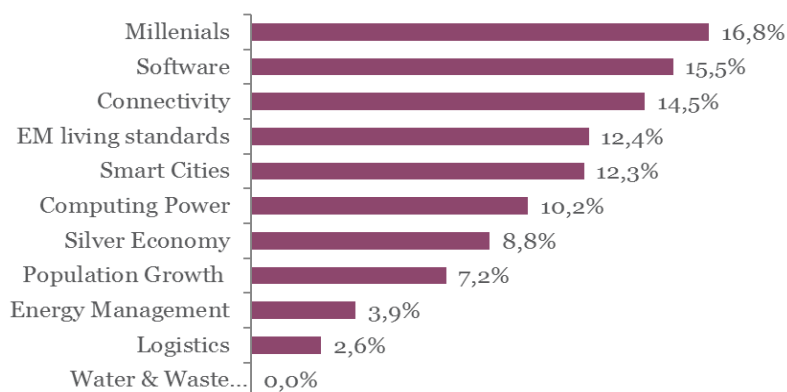


Top 10 equity holdings	Sector	Weight
ALTICE NV -A	Communication Services	4.3%
FREY	Real Estate	1.6%
APPLE INC	Information Technology	1.3%
LOCKHEED MARTIN CORP	Industrials	1.2%
MICROSOFT CORP	Information Technology	1.2%
SEMPRA ENERGY	Utilities	1.2%
ALPHABET INC-CL A	Communication Services	1.2%
MASTERCARD INC-CLASS A	Information Technology	1.2%
VISA INC	Information Technology	1.2%
CHECK POINT SOFTWARE TECH	Information Technology	1.1%

## Equity sector breakdown



## Thematics breakdown



## Top 5 funds and other holdings

ETFs PHYSICAL GOLD	3.1%
Amundi Japan TOPIX ETF	2.7%
iShares STOXX Europe 600 Automobiles & P	1.7%
Quaero Bamboo	1.6%
ISHR STOXX EUR 600 BANKS	0.9%

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## Market Review

After a strong start of the year on the back of phase 1 “deal-signing” between the US and China, the coronavirus outbreak abruptly halted surging optimism. Global equities initially slumped on rising fears that the virus would hurt Chinese/global growth. Indeed, Chinese GDP growth numbers for Q1 are already being revised to below 4.5% growth, down from around 6%. On the one hand, equities and high yield bonds declined as investors reduced exposure to cyclical/risky assets. On the other hand, gold, government and IG corporate bonds performed well as investors looked for safety.

In this context, the Bund and US Treasury yields receded to 3-month low, to -0.44% (-25 bp m/m) and 1.52% (-40 bps) respectively. Consequently, Investment Grade bonds benefited from the yield effect, increasing by 1.21% m/m. However, High Yield bonds suffered from spreads widening (+38 bps m/m), increasing by 0.07% only.

While all major equity indices initially were up between +2.1% (Europe) and +4.8% (Nasdaq), the virus outbreak in China briefly shocked markets. The Emerging Markets Index understandably was the hardest hit and ended the month down 4.7%, followed by the Japanese TOPIX (-2.1%) and the Europe STOXX 600 Index (-1.2%). The S&P 500 just slipped below the 0% threshold (-0.2%), mainly supported by the outperformance of its IT exposure.

While Middle East tensions (killing of Iranian general Soleimani by US missiles) turned gold into January’s best performing asset (+4.7%), this clearly was not enough to keep oil prices at elevated levels. Indeed, while the Brent price briefly passed the \$70 mark, it ended the month down almost 12%, impacted by fears of a Chinese/global demand slump.

## Portfolio Performance

The fund was up 0.89% in January. Amid renewed market volatility, the fund has benefited from falling interest rates and the stronger US dollar. On the equity part of the portfolio, returns were mixed. Strong performances from US technology companies have managed to offset sharp declines in emerging markets.

Furthermore, we have reduced the overall equity exposure mid-month to 53% which turned out to be the right call. Also, we have initiated a position in gold of 3% as a hedge.

## Market Outlook

After a strong run-up in the last months, equity markets were poised for a correction that came on the back of renewed Iran-US war threat and more recently on the back of the new coronavirus outbreak in China. We believe that the impact from this latest threat should be containable and prove to be a one-off in hindsight. This in turn should pave the way for global recovery and the market should focus on more rational issues along the road. Consequently, we have not modified our investment strategy significantly.

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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.