

MIDAS - Patrimonial Fund I - Acc

Monthly summary report | as at 31 May 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	109,02
2019 year-to-date return as at 31 May 2019	3,53%

Performance

	1M	6M	YTD	2018	2017	1Y
Midas Patrimonial	-2,45%	0,99%	3,53%	-3,71%	5,98%	-0,86%

Fund key facts

Inception date	04 October 2016
ISIN code	LU1452410738
Asset class	Diversified
Total fund assets	€ 297 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	0,50%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

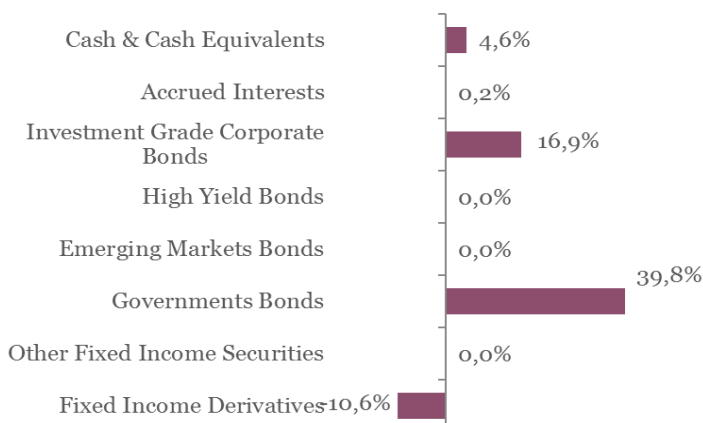
Asset Allocation



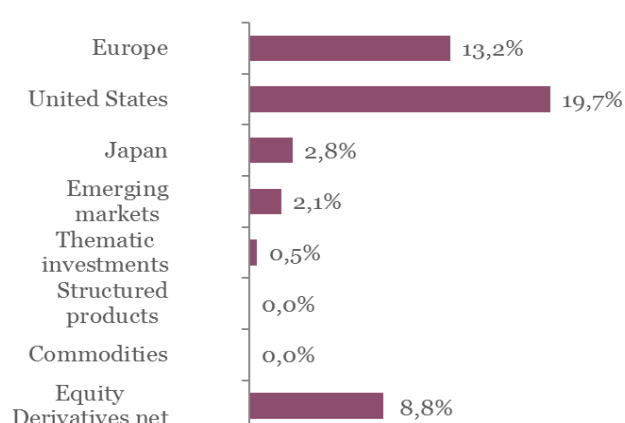
Currencies

	USD	GBP	JPY	CHF	Other
Exposure	21,6%	1,5%	4,3%	1,1%	1,0%

Fixed income asset allocation



Equity and other securities asset allocation

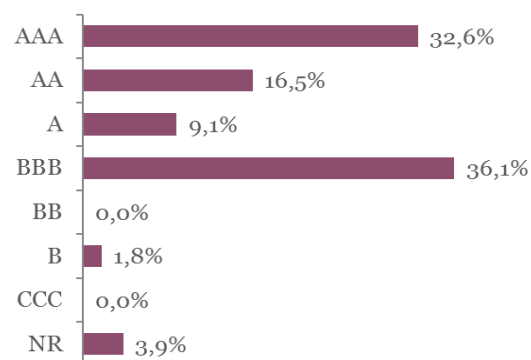


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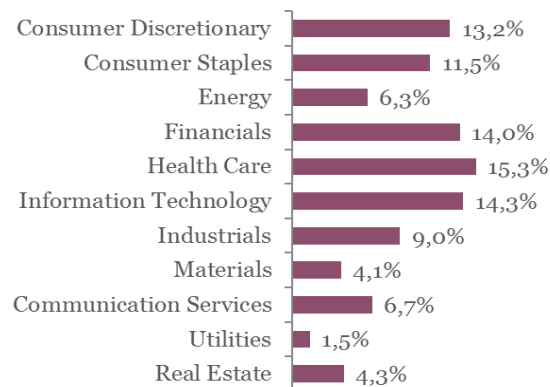
Top 10 fixed income holdings	YTM	Rating	Weight
DEUTSCHLAND REP : DBR 0 1/2 08/15/27	-0,3%	AAA	6,3%
NETHERLANDS GOVT : NETHER 0 3/4 07	-0,1%	AAA	3,6%
BOTS : BOTS 0 02/14/20	0,0%	BBB	3,4%
EUROPEAN INVT BK : EIB 0 3/8 07/16/25	-0,2%	AAA	2,8%
AGENCE FRANCAISE : AGFRNC 0 1/8 11/11	-0,2%	AA	2,7%
BTPS : BTPS 2 02/01/28	2,2%	BBB	2,7%
ALLIANDER : ALLRNV 0 7/8 04/22/26	0,3%	AA-	2,1%
SPANISH GOV'T : SPGB 1.6 04/30/25	0,1%	BBB+	1,9%
DEUTSCHLAND REP : DBR 1 1/4 08/15/48	0,4%	AAA	1,4%
ASFINGAG : ASFING 0 1/4 10/18/24	-0,2%	AA+	1,4%

Fixed income rating breakdown



Top 10 equity holdings	Sector	Weight
PEPSICO INC	Consumer Staples	0,9%
MICROSOFT CORP	Information Technology	0,9%
VISA INC	Information Technology	0,8%
JOHNSON & JOHNSON	Health Care	0,8%
MEDTRONIC PLC	Health Care	0,8%
APPLE INC	Information Technology	0,8%
FREY	Real Estate	0,8%
RAYTHEON COMPANY	Industrials	0,8%
AMAZON.COM INC	Consumer Discretionary	0,7%
ALIBABA GROUP HOLDING-SP ADR	Consumer Discretionary	0,7%

Equity sector breakdown



Top 5 funds and other holdings

Amundi Japan TOPIX ETF	2,8%
Quaero Bamboo	1,4%

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Market Review

The risk of a full-fledged trade war has intensified dramatically over the course of May. The decision by the Trump Administration on the 7th to further increase tariffs on Chinese imports has sent markets on the downside. This was quickly followed by a decree signed by President Trump on the 13th banning US companies from sharing technologies with specific Chinese companies, most notably Huawei. China has announced retaliation measures on both fronts: by imposing tariffs on 60 USDbn of US goods, and by threatening to ban exports of rare earths to the US. This has led to the market correction to continue in the last innings of May.

With fears of an intensifying trade war lingering again, the month of May ended up being a down month with equity markets contracting 6 to 7% with barely no difference between regions. The bearish mood has sent government bonds to record lows with the German 10-year bond yields falling to -0.2%.

The US dollar was little changed in May (+0.4%), but other safe haven assets have started to shine again with the Japanese Yen gaining 3.37% and gold advancing by 1.7%.

Portfolio Performance

The Fund has lost 2.45% during the month. The correction in the equity markets was the main driver behind this performance. However, our currency exposure (mainly the US dollar and the Japanese Yen) has contributed positively. This was also the case for our fixed income bucket that benefited from the fall in interest rates thanks to our high duration profile (currently 5.4).

During the month, we have kept our equity exposure roughly unchanged. In the fixed income part of the portfolio, we have also kept the duration profile identical but we have reduced our yield curve flattening positions.

Market Outlook

A moderate trade war as the one that is currently shaping will continue to be damaging and this can already be seen in recently deteriorating macro-economic data. It will also likely trigger reactions from more constrained countries to counteract those economic woes. China could for instance increase stimulus to its own domestic economy while the Fed could deliver an even more dovish message. It remains to be seen but financial markets could welcome both moves as they already did so far this year. Consequently, we have decided to maintain a relatively high equity exposure while at the same time keeping duration rather long as a damper against further shocks.

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