

MIDAS - Patrimonial Fund A - Acc

Monthly summary report | as at 30 November 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	122,52
2018 year-to-date return as at 30 November 2018	-1,98%

Performance

	1M	YTD	2017	2016	2015	3Y	5Y
Midas Patrimonial	0,11%	-1,98%	5,03%	1,86%	2,31%	1,83%	17,56%

Fund key facts

Inception date *	31 May 2013
ISIN code	LU0927887843
Asset class	Diversified
Total fund assets	€ 317 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	1,25%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

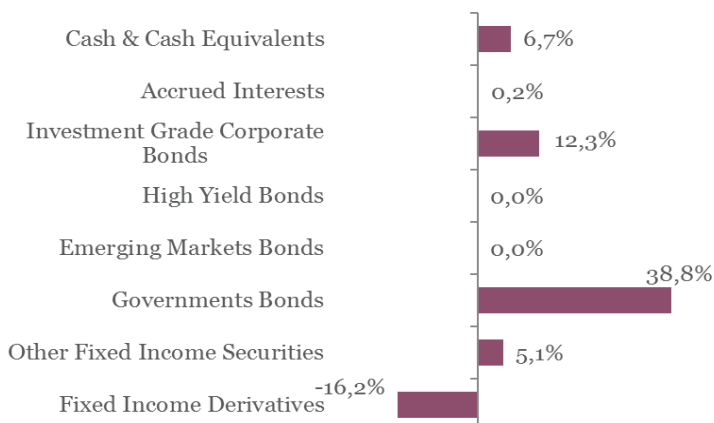
Asset Allocation



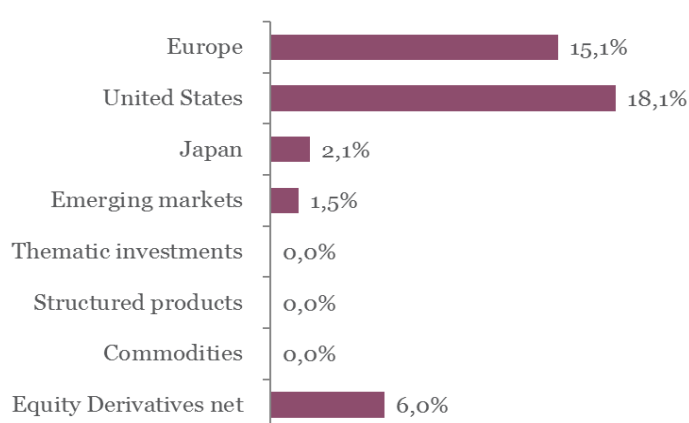
Currencies

	USD	GBP	JPY	CHF	Other
Exposure	19,8%	2,7%	5,0%	0,0%	0,0%

Fixed income asset allocation



Equity and other securities asset allocation



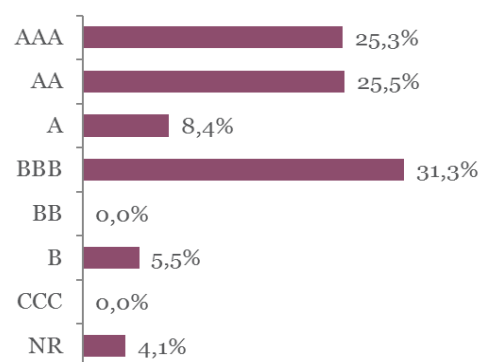
MIDAS - Patrimonial Fund B - Acc

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Top 10 fixed income holdings

	YTM	Rating	Weight
DEUTSCHLAND REP : DBR 0 1/2 08/15/27	0,2%	AAA	6,2%
BTPS : BTPS 2 02/01/28	3,0%	BBB	4,6%
HELLENIC T-BILL : GTB 0 04/05/19	0,9%	B	3,0%
FRANCE O.A.T. : FRTR 0 1/2 05/25/25	0,2%	AA	2,9%
AGENCE FRANCAISE : AGFRNC 0 1/8 11/11	0,2%	AA	2,5%
DEUTSCHLAND REP : DBR 1 1/4 08/15/48	1,0%	AAA	2,5%
KFW : KFW 0 3/8 04/23/25	0,3%	AAA	1,9%
ALLIANDER : ALLRNV 0 7/8 04/22/26	0,8%	AA-	1,9%
SPANISH GOV'T : SPGB 1.6 04/30/25	0,9%	BBB+	1,8%
ASFINAG : ASFING 0 1/4 10/18/24	0,2%	AA+	1,3%

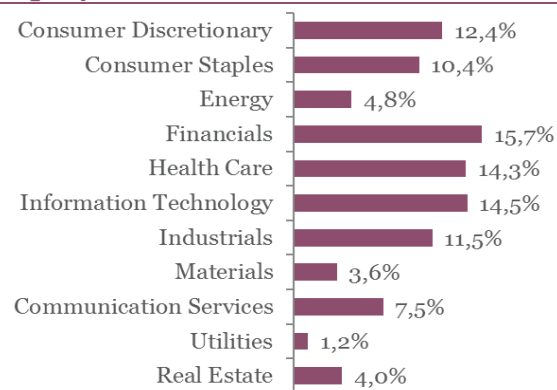
Fixed income rating breakdown



Top 10 equity holdings

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

Equity sector breakdown



Top 5 funds and other holdings

Amundi Japan TOPIX ETF	2,1%
MM Convertible Europe	1,5%

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Market Review

Markets were shaky in November, amid increasing trade war fears and its already visible impact on global economic activity. Indeed, a global economic slowdown has become very consensual, with only the question of the pace of this slowdown remaining unanswered it seems. We got some relief towards the end of the month as Fed Chair J. Powell delivered a slightly less “hawkish” message at the latest Federal Open Market Committee and indicated it might pause rate hikes as it is getting closer to neutral. The G20 meeting saw a “cease fire” between China and the US. While not a deal per se, it helped reinvigorate hopes that both parties would resolve their issues. The Fed’s message translated into US rates receding from their previous highs, hereby downsizing selling pressures on credit markets (US high yield and emerging debt). However, this move was not transposed to European credit markets where spreads continued to widen. Credit bonds underperformed government bonds, as spreads widening outpaced the rates drop. The MSCI Emerging Markets Index recovered 4.1%, and both the American S&P500 (+1.8%) as the Japanese TOPIX index (+1.30%) ended the month in positive territory as well. Brexit fears prevented European equities from rebounding as much and ended the month down another 1.1%. Crude oil prices crashed by over 20% in November, its worst monthly performance since 2008, amid concerns over rising global supplies and growing fears of an economic slowdown. OPEC and its allies are set to meet on Dec. 6 to discuss supply cuts.

Portfolio Performance

After October’s sell-off, the Fund was slightly positive, rising 0.11%. Markets stabilized in November, where the fund’s US and Emerging Markets’ exposure contributed positively to performance as did its government bonds. The fund’s equity exposure was reduced during the month, both in absolute as in relative terms. Indeed, given the rapid deterioration of investor’s sentiment, a portfolio shift towards a more defensive and value-style approach was implemented, lowering its beta. On the fixed income part of the fund, credit quality was further improved, mainly by adding AAA and reducing lower-quality govies. As we foresee a flattening of the yield curve, some very long-dated government bonds were added while simultaneously the Schatz was shorted and other shorter dated govies were reduced as well. The funds duration profile remained largely unchanged at 5.7.

Market Outlook

At current market prices, financial markets are fully reflecting a scenario of a downshift in global growth for 2019, yet risks remain skewed to the downside for the months to come (Trade war, Fed, China), reinforcing us to maintain a prudent stance towards equities and other risky asset classes.

So far, such a prudent positioning was expressed through a lower weight granted to those asset classes and a preference for developed markets.

Taking it one step further, we foresee to continue reshuffling the inner composition of those assets by increasingly focusing on more defensive positions either in terms of investments characteristics as in sectoral preferences.

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* Performance has been calculated since inception on the 31st of May 2013 of Expert Investor Sicav Midas Global Balanced Fund which merged into Midas Sicav Patrimonial Fund on the 1st of August 2016.