

# MIDAS - Patrimonial SRI Fund A - Acc

Monthly summary report | as at 31 October 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	130,45
2019 year-to-date return as at 31 October 2019	9,23%

## Performance

	1M	YTD	2018	2017	2016	3Y	5Y
Midas Patrimonial	-0,06%	9,23%	-4,45%	5,03%	1,86%	13,07%	16,49%

## Fund key facts

Inception date *	31 May 2013
ISIN code	LU0927887843
Asset class	Diversified
Total fund assets	€297,2 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	1,28%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

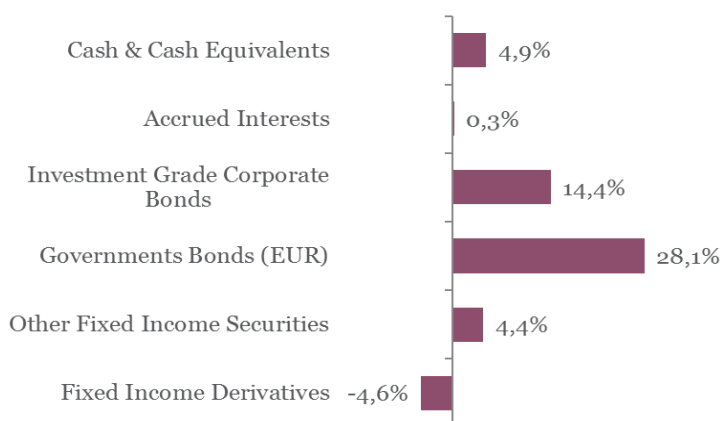
## Asset Allocation



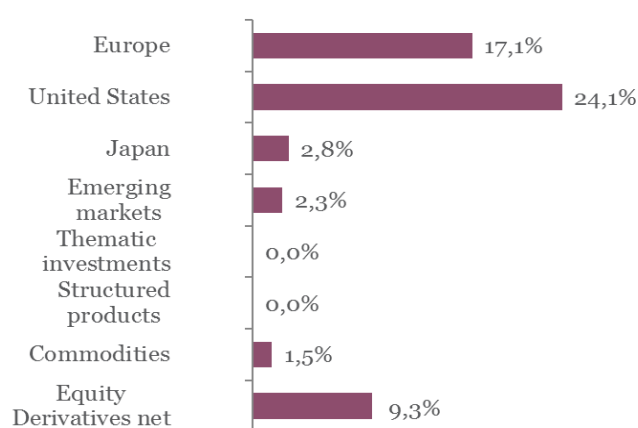
## Currencies

	USD	GBP	JPY	CAD	Other
Exposure	32,6%	2,6%	2,6%	1,6%	2,6%

## Fixed income asset allocation



## Equity and other securities asset allocation



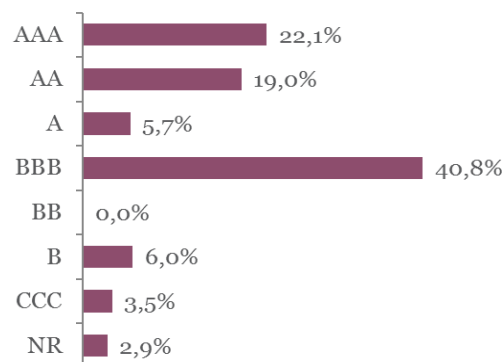
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## Top 10 fixed income holdings

	YTM	Rating	Weight
BTPS : BTPS 2 02/01/28	0,7%	BBB-	3,1%
DEUTSCHLAND REP : DBR 0 08/15/29	-0,4%	AAA	2,3%
ALLIANDER : ALLRNV 0 7/8 04/22/26	0,0%	AA-	2,1%
NETHERLANDS GOV'T : NETHER 0 3/4 07	-0,3%	AAA	2,0%
SPANISH GOV'T : SPGB 1.6 04/30/25	-0,1%	BBB+	2,0%
ALTICE FINCO SA : ALTICE 4 3/4 01/15/28	5,1%	CCC+	1,6%
FRANCE O.A.T. : FRTR 2 05/25/48	0,6%	AA	1,6%
DEUTSCHLAND REP : DBR 1 1/4 08/15/48	0,1%	AAA	1,6%
EUROPEAN INVT BK : EIB 0 3/8 07/16/25	-0,4%	AAA	1,4%
ASFINAG : ASFING 0 1/4 10/18/24	-0,4%	AA+	1,4%

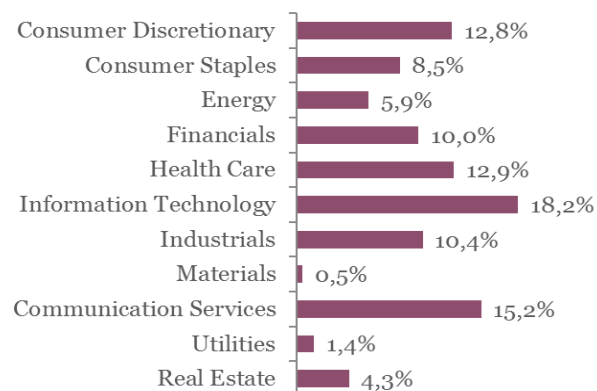
## Fixed income rating breakdown



## Top 10 equity holdings

	Sector	Weight
ALTICE NV -A	Communication Service	3,0%
APPLE INC	Information Technolog	1,1%
MICROSOFT CORP	Information Technolog	1,0%
FREY	Real Estate	1,0%
PEPSICO INC	Consumer Staples	0,9%
ALPHABET INC-CL A	Communication Service	0,9%
VISA INC	Information Technolog	0,9%
RAYTHEON COMPANY	Industrials	0,9%
AMAZON.COM INC	Consumer Discretionar	0,9%
AMGEN INC	Health Care	0,8%

## Equity sector breakdown



## Top 5 funds and other holdings

Amundi Japan TOPIX ETF	2,8%
iShares STOXX Europe 600 Automobiles & Parts UCIT	2,0%
Quaero Bamboo	1,5%
ETFS PHYSICAL GOLD	1,5%
iShares EURO STOXX Banks 30-15 UCITS ETF	1,0%

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## Market Review

While the month started off on a wrong foot, October ended up being a rather decent one, especially from an equity markets point of view. Indeed, all major equity indices were up, ranging by 0,9% for European stocks to 2,0% for US stocks (S&P500) or even 5,0% for the Japanese TOPIX.

Investor sentiment was positively impacted by indications from US and Chinese PMIs that might have reached an inflexion point. PMIs are important leading indicators, and the beforementioned view seems also to have been acknowledged by the US Federal Open Market Committee. Indeed, the Fed has cut rates by a further 25 basis points but it clearly stated that the “mid-cycle” adjustment is over. US Q3 GDP has been published above expectations at +1,9% QoQ annualized (vs. +1,6% expected). Upside surprises can almost be entirely attributed to strong consumption and housing contributions, respectively at +2,9% and +5,1% (QoQ).

The above cheered up an investor sentiment that already was quite high, and was further propelled by 1/ increasing hopes on both the Trade (China and US getting closer to an interim deal) and the Brexit front (general election planned for the 12th of December) and 2/ a (so far) better than expected earnings season for US companies where about 80% of the companies of the S&P500 have reported earnings in line or above analysts’ expectations.

Government yields went up for a second month in a row. Both 10Y German and US government bond yields increased and curves steepened. German Bund Yield for instance went up from -0.57% to -0.41% during the month. Investment grade corporate bonds also suffered (-0.21%), albeit to a lesser degree, benefitting from credit spread tightening (-9bps).

At first sight, Gold didn’t suffer from all those optimistic vibes. Indeed, after a 3.15% drop in September, the Gold spot prices went back up by 2.75% to end the month at \$ 1.513,00 per ounce. However, this might be largely explained by a 2% drop of the USD versus major world currencies.

## Portfolio Performance

The Fund was basically flat (-0.06%) over the month. We saw a typical risk-on movement with Equities contributing positively, the USD declining and bonds suffering from rising yields. August sector rotations continued as well, where auto and parts sector gained a lot and defensive sectors such as food and beverages declined. The Fund outperformed mainly in its equity part, thanks to stock selection. Towards the end of the month, we have started reducing our duration as we expect the recent rise of the longer part of the yield curve to continue. End of month, Duration stood at 6,10.

## Market Outlook

While some economic data have deteriorated globally speaking, we are starting to see signs of an inflexion point being reached (as described above – market review). Supportive monetary policy and perspectives of a trade deal between the USA and China being reached leads us to maintain an above 55% equity exposure. Indeed, we have both reduced exposure to defensive assets and increased equity exposure, most notably with US equities, to benefit from the resilient fundamentals of US companies (as underlined by the current earnings season). That being said, our bond exposure is still largely tilted towards high quality. However, we intend to continue reducing our Fund Duration as market sentiment improves.

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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.