

MIDAS - Eurozone Equities I - Acc

Monthly summary report | as at 31 January 2018

Investment Objective

The Fund's objective is to provide long-term capital growth and to outperform the Euro Stoxx Net Return EUR Index. The Fund is actively managed and invests primarily in companies of countries which are part of the Eurozone.

Latest Update

NAV per share	103,55
2018 year-to-date return as at 31 January 2018	2,42%

Performance

	1M	YTD	SI
Midas Eurozone Equities	2,42%	2,42%	3,55%
Performance Indicator*	3,26%	3,26%	3,37%

* Euro Stoxx Net Return EUR (Bloomberg Code: SXXT <Index>)

Fund key facts

Inception date	15 November 2017
ISIN code	LU1715158744
Asset class	Equities
Total fund assets	35.3 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	0,80%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days
French PEA	Eligible

Monthly comments

At the start of the year, investors have rushed indiscriminately into equities and other risky assets as performance expectations for 2018 increased. The macroeconomic picture is indeed very supportive with synchronized and rising economic growth around the globe coupled with controlled inflation. The economic momentum is especially strong in the Eurozone. More than anecdotally, the Eurozone is currently deleveraging, which is a strong signal after years of worrying about European Debt wobbles.

The Fund rose 2,42%, slightly behind its benchmark, which had another good start of the year. As the momentum was good, passive money made large capitalizations outperform smaller capitalizations. Although earnings season is well underway in the US, it has hardly begun in Europe. So far, European earnings are broadly in line with expectations.

Our best performing stocks over the period were **Ipsen**, **ASML Holding**, and three of our banking stocks (**Banco Santander**, **Credit Agricole** and **Rotschild & Co**). The Ipsen stock rebounded after having been punished following rumours of generic threats arriving. The Ipsen growth story is underpinned by its specialty drug franchise, with Somatuline the main contributor. Somatuline is going off-patent, but the group has ample room to step up its external growth policy while keeping costs under control. Double digit sales growth is expected for the next couple of years.

ASML's fourth quarter order strength made fears about a weakening memory market ebb away. Along with the current strength in memory orders, EUV orders are likely to remain strong as well. EUV growth is seen as both structural and secular. The announcement of a EUR 2,5bn share buyback program was the cherry on the cake.

European banking shares outperformed, with Banco Santander not being an exception. The Spanish banking giant saw its profits rise for a third consecutive year and was helped by a strong recovery from its Brazilian business, where profits jumped 26 percent in the fourth quarter. The economic situation in Brazil continues to evolve in the right direction, with the IMF boosting its 2018 growth outlook to 1.9 percent. The South American country represents about 1/3 of the bank's operating profits.

The fund was negatively impacted by the underperformance of **Kerry Group**, **Maisons du Monde** and **Saras**. The former two suffering from some classic profit-taking behaviour, while Saras suffered on the back of short term margin pressure fears.

Characteristics

	Fund	Index
Number of Holdings	39	301
Top 10 Weight	31,6%	18,0%
Avg Mkt Cap (bn €)	26,0	59,0
Med Mkt Cap (bn €)	11,9	13,8
Index overlap	82,7%	100%
Net equity exposure	100,0%	100%

Risk Profile

1	2	3	4	5	6	7
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During the month we initiated positions in Schoeller-Bleckmann Oilfield Equipment AG, Imerys SA, Valeo and Vapiano, while we cashed on Sanofi, Bouygues and Koninklijke DSM.

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Sectorial Allocation

	Index
Consumer Discretionary	17,8%
Consumer Staples	8,5%
Energy	6,3%
Financials	19,6%
Health Care	8,5%
Information Technology	8,2%
Industrials	13,9%
Materials	7,9%
Telecommunication...	4,4%
Utilities	2,0%
Real Estate	2,5%

Geographical Allocation

	Index
France	43,0%
Germany	17,8%
Spain	3,0%
Netherlands	13,9%
Italy	7,1%
Belgium	2,2%
Ireland	6,0%
Luxembourg	5,2%
Finland	0,0%
Other	1,7%

Top 10 Positions

	Fund	Index
ROTHSCHILD & CO	3,5%	0,0%
IPSEN	3,4%	0,1%
SAFRAN SA	3,2%	0,7%
STROEER SE & CO KGAA	3,2%	0,0%
MONCLER SPA	3,1%	0,1%
SMURFIT KAPPA GROUP PLC	3,1%	0,1%
ELIS SA	3,0%	0,1%
BANCO SANTANDER SA	3,0%	2,1%
ABN AMRO GROUP NV-GDR W/I	3,0%	0,3%
ASML HOLDING NV	3,0%	1,3%

Top 10 overweight

	Fund	Index
ROTHSCHILD & CO	3,5%	0,0%
IPSEN	3,4%	0,1%
STROEER SE & CO KGAA	3,2%	0,0%
MONCLER SPA	3,1%	0,1%
ELIS SA	3,0%	0,1%
SMURFIT KAPPA GROUP PLC	3,1%	0,1%
ABN AMRO GROUP NV-GDR W/I	3,0%	0,3%
COVESTRO AG	3,0%	0,3%
TKH GROUP NV	2,6%	0,0%
BASIC FIT NV	2,6%	0,0%

Asset Allocation

Equities	99,7%
Equity ETFs	0,0%
Equity Futures	0,3%
Cash & Money Market	0,4%

Capitalization breakdown

Large Cap (>10b EUR)	53,1%	89,9%
Mid Cap (>3b EUR <10b EUR)	29,9%	9,6%
Small Cap (<3b EUR)	16,7%	0,4%

■ Fund
■ Index

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