

MIDAS - Eurozone Equities I - Acc

Monthly summary report | as at 31 March 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	97.64
2018 year-to-date return as at 31 March 2018	-3.42%

Performance

	1M	YTD	SI
Midas Eurozone Equities	-3.08%	-3.42%	-2.36%
Performance Indicator*	-2.12%	-2.75%	-2.66%

* 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	44,5 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

Markets sold off sharply in March hopping from trade tensions between US and China to Tech sell-off as excuses to pocket in profits and step up risk aversion gauges. This illustrates the paradox of the current situation where investors have to reconcile the discrepancy between a good macroeconomic picture and choppy fearful markets.

During the month, the fund dropped 3.08%, behind its performance indicator, hurt by some violent market reactions which was particularly true for **Bpost**, **Direct Energie** and **Axa**.

Bpost published better than expected 4Q results but 2018 outlook disappointed sending shares tumbling. Main reasons for this move were the mail volume decline which is expected to accelerate to 7% and uncertainty around recently acquired Radial as it is reportedly losing customers and as the rollout in Europe will be delayed.

Axa agreed to buy XL Group Ltd. for \$15.3 billion, seeking to capture a bigger slice of the U.S. property and casualty market just as premiums rise after last year's hurricanes and California wildfires. Investors were not very enthusiastic and the stock got hammered as 1/ the management had previously indicated that it would wait to receive the IPO proceeds of its US operations before making an acquisition, and that it was unlikely to be a large deal and as 2/the price is at the upper end of expectations. The market has implicitly given no credit to targeted synergies and applied a significant additional discount. We believe the IPO of the US Life & Savings operations will be the main positive catalyst as AXA should finally be seen as one of the higher quality plays in the sector.

Smurfit Kappa, **Brembo** and **Moncler** have been strong contributors over the month.

On 06/03/2018 Europe's largest cardboard-box maker Smurfit Kappa has received and rejected an unsolicited cash and shares offer from International Paper, describing the approach as "fundamentally opportunistic and conditional". The board said the offer does not reflect the group's true intrinsic business worth or its prospects.

Smurfit Kappa has later received a second proposal on March 22, 2018 from International Paper. In rejecting the second offer, Smurfit Kappa's board cited that the offer still fundamentally undervalues the company and determined the best strategy going forward would be to pursue a future as an independent company.

We then took some profits but we think the investment thesis remains intact given the high growth profile relative to the sector and market leadership in a fragmented global market.

Brembo stock rallied in March after good quarterly results and a positive outlook of 8% growth in 2018. Given Brembo's positioning as the global leader in design, development and production of braking systems we think the growth story remains intact.

Characteristics

	Fund	Index
Number of Holdings	40	301
Top 10 Weight	33.6%	15.5%
Avg Mkt Cap (bn €)	23.6	58.1
Med Mkt Cap (bn €)	10.1	13.3
Index overlap	17.5%	100%
Net equity exposure	100.0%	100%

Risk Profile

1	2	3	4	5	6	7
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Sectorial Allocation

		Index
Consumer Discretionary	19,1%	13,9%
Consumer Staples	9,2%	9,2%
Energy	5,9%	5,6%
Financials	18,8%	20,4%
Health Care	8,5%	7,6%
Information Technology	8,9%	8,3%
Industrials	13,1%	15,5%
Materials	7,2%	8,6%
Telecommunication...	4,2%	3,6%
Utilities	1,7%	5,1%
Real Estate	2,9%	2,2%

Geographical Allocation

		Index
France	35,8%	32,0%
Germany	20,6%	28,6%
Spain	4,9%	9,6%
Netherlands	16,5%	8,4%
Italy	7,7%	6,9%
Belgium	1,8%	3,6%
Ireland	5,2%	1,9%
Luxembourg	5,5%	0,8%
Finland	0,0%	3,4%
Other	2,0%	4,8%

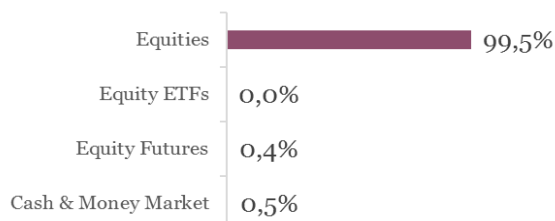
Top 10 Positions

	Fund	Index
IPSEN	4.0%	0.1%
MONCLER SPA	3.9%	0.1%
ASML HOLDING NV	3.5%	1.7%
ROTHSCHILD & CO	3.4%	0.0%
BANCO SANTANDER SA	3.3%	2.1%
SAFRAN SA	3.2%	0.7%
STROEER SE & CO KGAA	3.1%	0.0%
TKH GROUP NV	3.1%	0.0%
BASIC FIT NV	3.1%	0.0%
DANONE	3.0%	1.0%

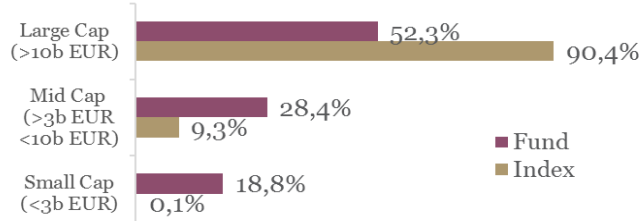
Top 10 overweight

	Fund	Index
IPSEN	4.0%	0.1%
MONCLER SPA	3.9%	0.1%
ROTHSCHILD & CO	3.4%	0.0%
STROEER SE & CO KGAA	3.1%	0.0%
TKH GROUP NV	3.1%	0.0%
BASIC FIT NV	3.1%	0.0%
GRAND CITY PROPERTIES	2.9%	0.0%
MTU AERO ENGINES AG	2.9%	0.2%
WIRECARD AG	3.0%	0.3%
ABN AMRO GROUP NV-GDR W/I	3.0%	0.3%

Asset Allocation



Capitalization breakdown



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