

MIDAS - Eurozone Equities I - Acc

Monthly summary report | as at 31 March 2019



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	90,92
2019 year-to-date return as at 31 March 2019	10,95%

Performance

	1M	6M	YTD	1Y	SI
Midas Eurozone Equities	2,17%	-9,50%	10,95%	-6,88%	-9,08%
Performance Indicator*	1,39%	-2,43%	12,09%	0,60%	-2,07%

* 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	27,1 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

While global economy is showing tentative signs of stabilisation, Central Banks are not reassured. Indeed, the Federal Reserve is now expecting a mere 0.25% rate hike at the 2020 horizon, versus three rate hikes this year only one month ago. The ECB also acted by pre-announcing plans for a new Long Term Refinancing Operations (LTRO) and postponing rate hikes for the foreseeable future.

Financials, and banks at the forefront, were the worst performing sector in this falling interest rate environment. After a good year-to-date performance, we have reduced our exposure to this segment. Instead, we increased our exposure to the IT sector, with the addition of an IT Services and a software company, respectively **Altran** and **SAP**.

Altran is the largest R&D provider, with recognized expertise across different segments such as aerospace, automotive, defense, energy, finance, life sciences, railway and telecommunications. Despite market scepticism and issues around Aricent's acquisition in 2018, we think the new company is now well on track to deliver organic growth and to further improve margins. Altran ex-Aricent has been performing very well (improving situation in Germany) and Aricent has recently posted several positive signals (higher than expected margins) allowing the combined company to generate higher FCF and to deleverage more rapidly than expected. We believe we saw the inflexion point and seized the opportunity to add Altran to the portfolio given its attractive valuation versus peers. **SAP** is the largest European software vendor. SAP's priority for 2019-20 is unchanged: accelerate top-line growth thanks to its cloud business with a margin increase to follow. Recurring revenue should continue to rise steadily from 65% of total sales in 2018 to 80% targeted by 2023 thanks to the fast-growing Cloud business (CAGR 2018-23 c.+30%). With a strong installed base of customers, high visibility of revenues, a solid balance sheet, we believe SAP remains a beacon of growth and stability.

Ubisoft was the best performer, gaining +25% in March amid a regain of confidence in the strength of developers' franchises despite the Fortnite's success. First sales figures of The Division 2 suggest that the game is being well received by gamers, with a stronger start than its predecessor. Ubisoft stock price also benefited from Google's major move: it unveiled its cloud-based gaming service, called Stadia. Stadia offers instant gaming (no download) and cross-play of high-quality games across all platforms including Smart TVs, tablets, smartphones, PCs, laptops. We believe this service is a strong positive for developers like Ubisoft: 1) it lowers barriers to entry for gaming (no need for expensive hardware) and broadens the total addressable audience from about 200m consoles/PC gaming owners to billions of owners of connected devices; 2) it is a first step toward a console-free world and a fully digital video games world, which is strongly beneficial for developers' profitability and earnings/FCF seasonality.

Beiersdorf also contributed positively to the performance. It fully recovered (+13.7% in March) from the lows of February, which we considered as overdone, after the company had announced a new program impacting the margin on the short term.

Characteristics

	Fund	Index
Number of Holdings	42	307
Top 10 Weight	34,2%	21,3%
Avg Mkt Cap (bn €)	48,7	55,4
Med Mkt Cap (bn €)	20,1	11,0
Index overlap	72,4%	100%
Net equity exposure	100,1%	100%

Risk Profile



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Sectorial Allocation

	Index
Consumer Discretionary	12,3%
Consumer Staples	9,9%
Energy	6,3%
Financials	17,4%
Health Care	7,5%
Information Technology	8,8%
Industrials	15,0%
Materials	9,1%
Communication Services	5,4%
Utilities	5,8%
Real Estate	2,5%

Geographical Allocation

	Index
France	33,6%
Germany	26,0%
Spain	9,2%
Netherlands	8,8%
Italy	6,6%
Belgium	3,5%
Ireland	1,8%
Luxembourg	0,8%
Finland	3,6%
Other	6,1%

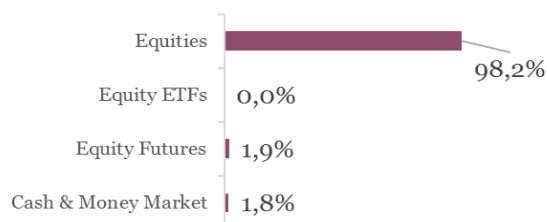
Top 10 Positions

	Fund	Index
TOTAL SA	3,6%	3,2%
SAFRAN SA	3,6%	1,1%
ASML HOLDING NV	3,5%	1,7%
LVMH	3,5%	2,1%
AIRBUS GROUP NV	3,5%	1,6%
BASIC FIT NV	3,5%	0,0%
GRAND CITY PROPERTIES	3,4%	0,0%
GRIFOLS SA	3,3%	0,0%
KERRY GROUP PLC	3,2%	0,4%
IPSEN	3,1%	0,1%

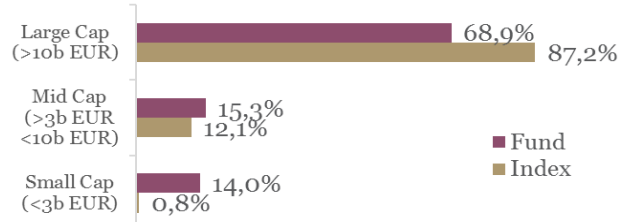
Top 10 overweight

	Fund	Index
BASIC FIT NV	3,5%	0,0%
GRAND CITY PROPERTIES	3,4%	0,0%
GRIFOLS SA	3,3%	0,0%
IPSEN	3,1%	0,1%
KERRY GROUP PLC	3,2%	0,4%
EUROFINS SCIENTIFIC	2,7%	0,1%
SAFRAN SA	3,6%	1,1%
HEINEKEN NV	3,0%	0,5%
BEIERSDORF AG	2,6%	0,2%
ABN AMRO GROUP NV-GDR W/I	2,6%	0,2%

Asset Allocation



Capitalization breakdown



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