# MIDAS - Patrimonial Fund I - Acc

Monthly summary report | as at 31 January 2018

## Investment Objective

The fund seeks to achieve capital apreciation 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 | 110,78 |
| 2018 year-to-date return<br>as at 31 January 2018 | 1,30% |

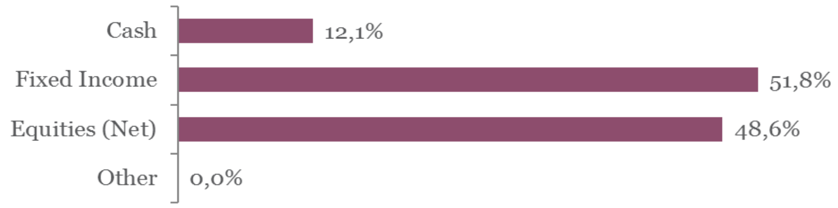
## Performance

| | 1M | 3M | YTD | 1Y |
|---|---|---|---|---|
| Midas Patrimonial | 1,30% | 1,10% | 1,30% | 7,54% |

## Fund key facts

| | |
|---|---|
| Inception date | 04 October 2016 |
| ISIN code | LU1452410738 |
| Asset class | Diversified |
| Total fund assets | € 361 million |
| Base currency | EUR |
| Legal status | Luxembourg UCITS |
| Management Fee | 0,50% |
| Custodian | Crédit Suisse Lux |
| Liquidity | Daily |
| Settlement Date | Trade Date + 2 Days |

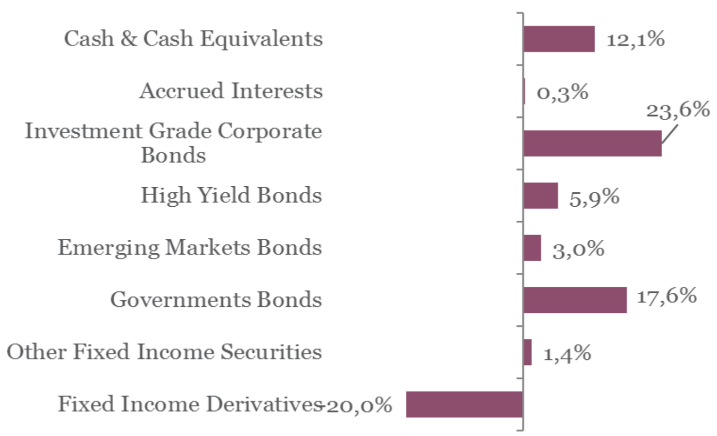
## Asset Allocation



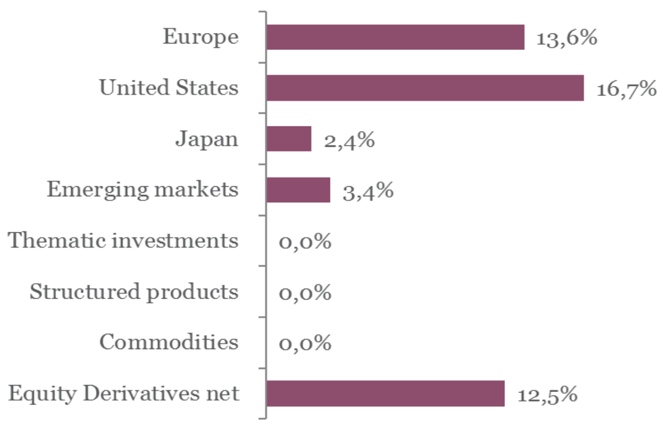

## Currencies

| | USD | GBP | JPY | CAD | Other |
|---|---|---|---|---|---|
| Exposure | 14,0% | 2,1% | 4,0% | 1,6% | 2,2% |

## Fixed income asset allocation




## Equity and other securities asset allocation





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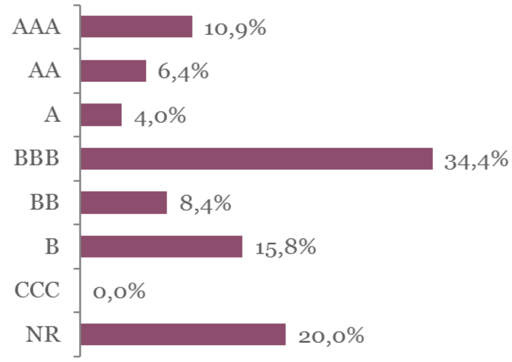
## Top 10 fixed income holdings

| Top 10 fixed income holdings | YTM | Rating | Weight |
|---|---|---|---|
| DEUTSCHLAND REP : DBR 0 1/2 08/15/27 | 0,6% | AAA | 5,2% |
| BTPS : BTPS 0.35 11/01/21 | 0,4% | BBB | 3,6% |
| FRANCE O.A.T. : FRTR 0 1/2 05/25/25 | 0,5% | AA | 3,0% |
| BTPS I/L : BTPS 0.1 05/15/22 | 0,9% | BBB | 2,0% |
| BOLLORE SA : BOLFP 2 01/25/22 | 1,1% | NR | 1,7% |
| CELLNEX TELECOM : CLNXSM 2 7/8 04/1 | 2,4% | BB+ | 1,7% |
| GAZPROMBANK : GPBRU 3.984 10/30/18 | 0,9% | BB+ | 1,7% |
| ILIAD : ILDFP 1 1/2 10/14/24 | 1,5% | NR | 1,7% |
| ICCREA BANCA SPA : ICCREA 1 1/2 10/11/2 | 1,7% | BBB- | 1,6% |
| SPAIN I/L BOND : SPGBEI 0.3 11/30/21 | 0,2% | B | 1,5% |

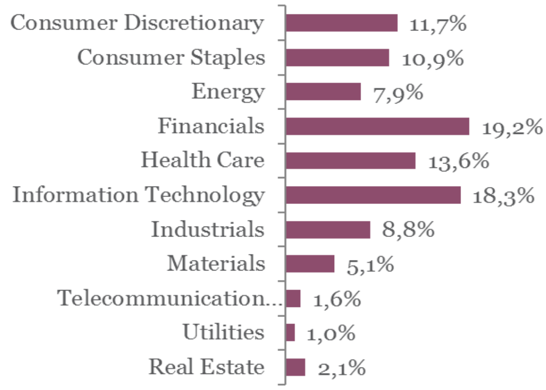
## Fixed income rating breakdown




## Top 10 equity holdings

| Top 10 equity holdings | Sector | Weight |
|---|---|---|
| CITIGROUP INC | Financials | 0,9% |
| JPMORGAN CHASE & CO | Financials | 0,9% |
| BANK OF AMERICA CORP | Financials | 0,8% |
| AMAZON.COM INC | Consumer Discretionar | 0,8% |
| ALPHABET INC-CL A | Information Technolog | 0,7% |
| ING GROEP NV-CVA | Financials | 0,7% |
| ABN AMRO GROUP NV-GDR W/I | Financials | 0,7% |
| AXA SA | Financials | 0,7% |
| ALIBABA GROUP HOLDING-SP ADR | Information Technolog | 0,7% |
| INTEL CORP | Information Technolog | 0,7% |

## Equity sector breakdown




## Top 5 funds and other holdings

| | |
|---|---|
| Nordea Stable Emerging Markets Equity | 2,7% |
| La Francaise Sub Debt | 2,5% |
| Amundi ETF TOPIX EUR Hedged | 2,4% |
| MM Convertible Europe | 1,4% |

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## Market Review

At the start of the year, investors have rushed indiscriminately into equities and other risky assets as performance expectations for 2018 increased. 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. Japan is also expressing a strong momentum with first tentative signs of inflation picking up and a reminiscent job markets that will help drive domestic demand. Equity markets were strong with Emerging stocks at the forefront with 8.3% gain in January, while US equities increased 5.6% and the Euro Stoxx 50 added 3%.
One corollary of the strong economic momentum is its impact on global interest rates as investors have retrenched from bonds to invest into equities. In January, G4 government yields have indeed witnessed a heightened pace of repricing in comparison with a tamed 2017, largely overshooting on the upside. The Citi Euro Investment Grade Index lost 0.49%. Only High Yield managed to remain in the black with slightly positive returns (+0.18% on iBoxx Liquid high Yield Index).
In the Currencies market, we can note the continued underperformance of the US dollar which lost 3.3% against the Euro in January alone, moving further back towards purchasing power parity.

## Portfolio Performance

During the month, the Fund has gained 1.30% on the back of high equity exposure and low duration in the Fixed Income part of the portfolio. The only drag came from the US dollar even though to a lesser extent as we had reduced it significantly many months ago.
We continued with high equity exposure at almost 50% which is our maximum. During the month we have further reduced duration to 2.9 years and introduced a small position in Subordinated Financial Debt where we see the biggest potential in 2018. We have also increased our exposure on the Japanese Yen to 4% as it remains undervalued and could act as protection in case of corrections on the one hand and on the other hand we have added commodity related currencies for 3%, the Canadian dollar and the Australian dollar.

## Market Outlook

Strong economic momentum and revived investors' appetite reassert our positive positioning for the beginning of this year. Zones with a valuation catch up potential should do better. Both Eurozone and Japanese equities should benefit from a pick-up in their respective domestic recoveries, reducing the valuation gap with the US equity market.
Recent USD weakness has propelled the greenback out of unattractive level territories, yet we think the correction still has some way to go before it looks attractive again.
In Fixed Income, the period of repricing has started, strongly hurting long dated government bonds in the process. We maintain the interest rate risk of fixed income investments in the lower bound and look to protect this part to rising rates by increased hedging positions and inflation-linked bonds.