MIDAS WEALTH MANAGEMENT

MIDAS - Patrimonial Fund I - Acc

Monthly summary report | as at 30 September 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	111,75
2018 year-to-date return as at 30 September 2018	2,19%

Performance

	1M	3M	6M	YTD	1Y
Midas Patrimonial	0,37%	2,09%	3,58%	2,19%	4,22%

Fund key facts

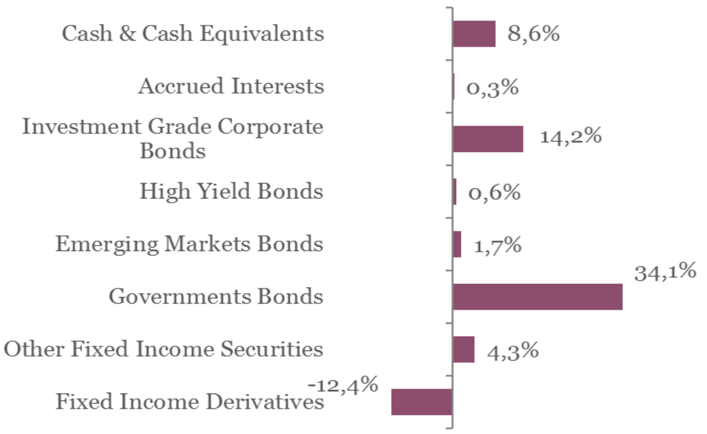
Inception date	04 October 2016
ISIN code	LU1452410738
Asset class	Diversified
Total fund assets	€ 349 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	0,50%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

Asset Allocation

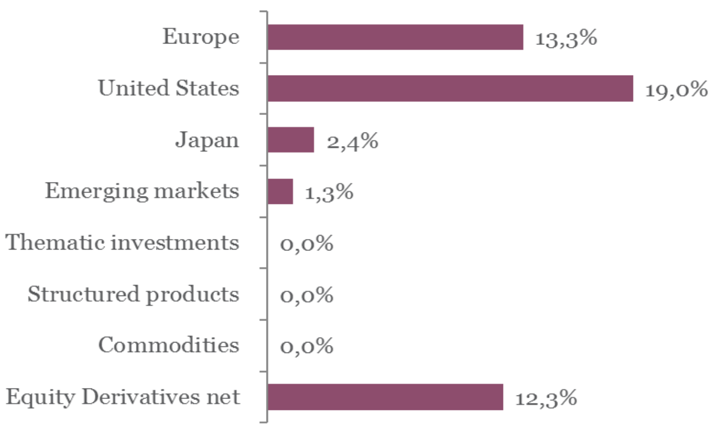
Currencies

	USD	GBP	JPY	CHF	Other
Exposure	21,4%	2,8%	4,0%	0,5%	0,4%

Fixed income asset allocation



Equity and other securities asset allocation



Midas Wealth Management S.A. 26A, Boulevard Royal L-2449 Luxembourg
Tel +352 2629 4641 Fax +352 2629 4640 www.midas-wealth-management.com

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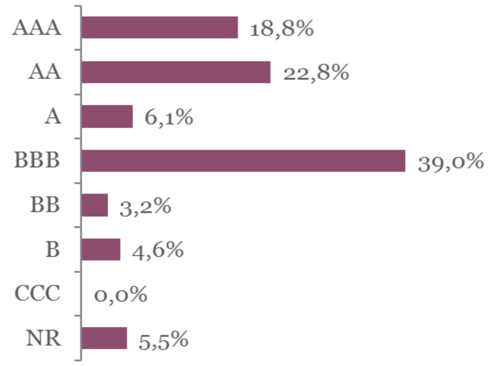
Top 10 fixed income holdings

Top 10 fixed income holdings	YTM	Rating	Weight
DEUTSCHLAND REP : DBR 0 1/2 08/15/27	0,4%	AAA	5,5%
FRANCE O.A.T. : FRTR 0 1/2 05/25/25	0,3%	AA	3,2%
BTPS : BTPS 1.45 11/15/24	2,7%	BBB	2,7%
BTPS : BTPS 2 02/01/28	3,0%	BBB	2,6%
HELLENIC T-BILL : GTB 0 10/05/18	0,7%	B	2,5%
AGENCE FRANCAISE : AGFRNC 0 1/8 11/1	0,3%	AA	2,3%
GAZPROMBANK : GPBRU 3.984 10/30/18	3,3%	BB+	1,7%
SPANISH GOV'T : SPGB 1.6 04/30/25	0,9%	BBB+	1,6%
BNP PARIBAS : BNP 2 1/4 01/11/27	2,2%	BBB+	1,2%
ALLIANDER : ALLRNV 0 7/8 04/22/26	0,9%	AA-	1,1%

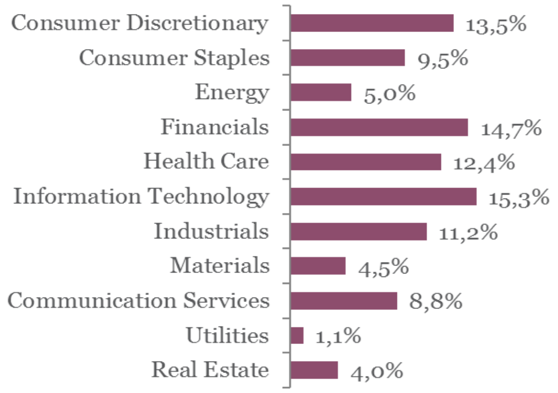
Fixed income rating breakdown



Top 10 equity holdings

Top 10 equity holdings	Sector	Weight
AMAZON.COM INC	Consumer Discretionar	0,9%
APPLE INC	Information Technolog	0,9%
BROADCOM INC	Information Technolog	0,8%
ROYAL CARIBBEAN CRUISES LTD	Consumer Discretionar	0,8%
MICROSOFT CORP	Information Technolog	0,8%
VISA INC	Information Technolog	0,8%
JPMORGAN CHASE & CO	Financials	0,8%
BANK OF AMERICA CORP	Financials	0,8%
ALPHABET INC-CL A	Communication Service	0,7%
MEDTRONIC PLC	Health Care	0,7%

Equity sector breakdown



Top 5 funds and other holdings

Amundi Japan TOPIX ETF	2,5%
MM Convertible Europe	1,5%

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Market Review

Global economy is entering a period of growth de-synchronization with US firing on all cylinders while the other zones are struggling to keep the positive momentum going.
The Eurozone economy still has not found a good balance between boosting its meagre short-term outlook while keeping its debt at acceptable levels. Italy currently represents a big risk as it is not willing to comply with fiscal discipline imposed by Europe.
The same is somehow true for China, which is trying to curb credit growth and to reduce some of its excess industrial capacities, while at the same time it does not want to endanger growth prospects too much. The latter however, is currently being complicated as the US is doing everything in its power to reduce Chinese competitiveness.
Equity markets were positive overall, with Japanese TOPIX (+4.7%) excelling. US markets were positive as well with the broad S&P 500 Index adding another 0.4% to its already excellent performance since the beginning of the year. European markets were positive overall, but with big notable differences between the Italian MIB (+2.2%) and the Dutch AEX (-1.6%). Emerging markets declined another 0.8%.
Driven by recent central banks' policy actions, interest rates edged upwards. The US Federal Reserve hiked rates by 25bps to 2-2.25% as expected, but the FOMC now sees the long-run median Fed funds rate at 3.0% (vs. prior 2.9%). The European Central Bank also confirmed the end of its QE program by the end of the year. In this context, the German 10Y yield increased by 14bps to 0.47%, tracking the 20bps increase of the US 10Y yield to 3.06%.
On the credit side, Investment Grade underperformed High Yield. In IG, the iBoxx € Liquid Corporates index lost 0.37%. In HY, the iBoxx € High Yield index increased by 0.12%, with credit spreads tightening (-25bp on the Crossover index).

Portfolio Performance

During the month the fund rose 0.37%. While Equities contributed positively, Investment Grade corporate bonds were a small drag on overall performance. Rising interest rates were partially hedged by our short positioning via futures contracts. Its almost complete absence beginning of the month from emerging markets also safeguarded the fund from worse.
The fund has gradually increased its equity exposure, from 40.8% to 48.1%, Firstly by increasing its European exposure and secondly by increasing its emerging markets exposure. To compensate, the credit exposure within the funds' fixed income part has been scaled down. Its duration has been reduced to 4.7 from 5.3 end of last month.

Market Outlook

While some risks are resurging (trade war, Italian debt), the global economic environment remains resilient (US growth at 4-year high, contained inflation…). We therefore maintain a decent exposure to risky assets but prefer developed over emerging regions. With China still singled out as the US administration's preferred target in its fight against "unfair trade agreements", which is not abating, we are willing to accept being slightly overweight European markets compared to emerging markets, even when both regions are cheaply valued relative to the US. We will continue to maintain a reduced risk profile in the fixed income part.

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