MIDAS - Patrimonial Fund I - Acc

Monthly summary report | as at 31 July 2019

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	114,12
2019 year-to-date return as at 31 July 2019	8,38%

Performance

	1M	6M	YTD	2018	2017	1Y
Midas Patrimonial	1,65%	5,80%	8,38%	-3,71%	5,98%	3,05%

Fund key facts

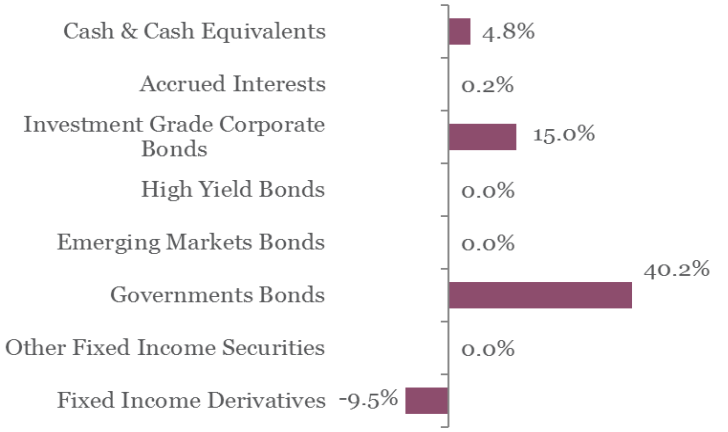
Inception date	04 October 2016
ISIN code	LU1452410738
Asset class	Diversified
Total fund assets	€ 304 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	0,50%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

Asset Allocation

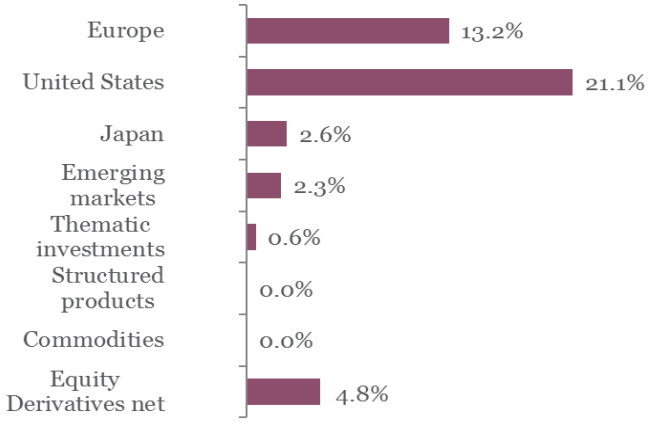
Currencies

	USD	GBP	JPY	CAD	Other
Exposure	23,7%	1,4%	4,3%	1,6%	2,6%

Fixed income asset allocation



Equity and other securities asset allocation



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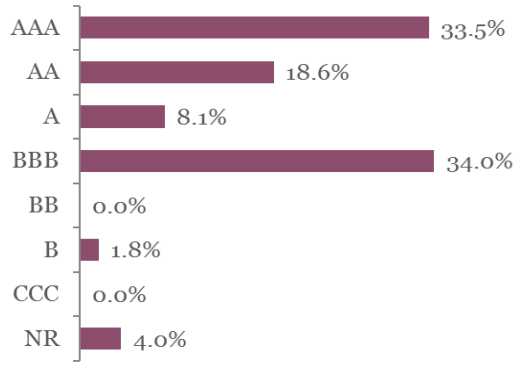
Top 10 fixed income holdings

	YTM	Rating	Weight
DEUTSCHLAND REP : DBR 0 1/2 08/15/27	-0,6%	AAA	6,3%
NETHERLANDS GOVT : NETHER 0 3/4 07	-0,4%	AAA	3,6%
BTPS : BTPS 2 02/01/28	1,3%	BBB	2,9%
EUROPEAN INVT BK : EIB 0 3/8 07/16/25	-0,5%	AAA	2,8%
AGENCE FRANCAISE : AGFRNC 0 1/8 11/1	-0,4%	AA	2,7%
BOTS : BOTS 0 02/14/20	-0,2%	BBB	2,1%
ALLIANDER : ALLRNV 0 7/8 04/22/26	-0,1%	AA-	2,1%
SPANISH GOV'T : SPGB 1.6 04/30/25	-0,2%	BBB+	1,9%
DEUTSCHLAND REP : DBR 1 1/4 08/15/48	0,1%	AAA	1,5%
FRANCE O.A.T. : FRTR 2 05/25/48	0,7%	AA	1,4%

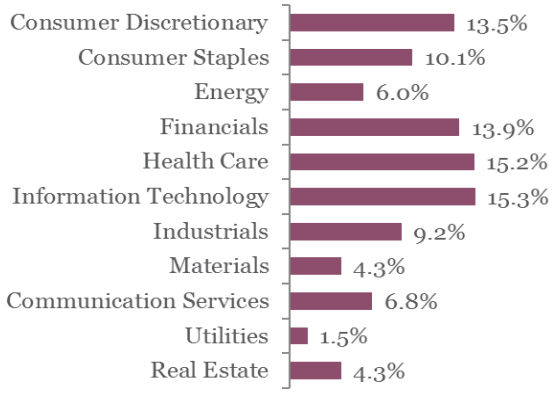
Fixed income rating breakdown



Top 10 equity holdings

	Sector	Weight
MICROSOFT CORP	Information Technolog	1,0%
APPLE INC	Information Technolog	1,0%
VISA INC	Information Technolog	0,9%
MEDTRONIC PLC	Health Care	0,9%
PEPSICO INC	Consumer Staples	0,9%
FREY	Real Estate	0,9%
JOHNSON & JOHNSON	Health Care	0,8%
RAYTHEON COMPANY	Industrials	0,8%
ALIBABA GROUP HOLDING-SP ADR	Consumer Discretionar	0,8%
ALPHABET INC-CL A	Communication Servic	0,8%

Equity sector breakdown



Top 5 funds and other holdings

Amundi Japan TOPIX ETF	2,6%
Quaero Bamboo	1,5%

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Market Review

Latest economic data indicated continued slowdown, especially in the manufacturing sector that suffered from trade tensions between US and China. Consequently, major central banks provided further support to prevent the situation from deteriorating. The Fed cut rates for the first time since the financial crisis. The ECB also provided a dovish speech, with the possibility to cut rates and resume quantitative easing.
The German 10Y dropped 11 bps to a record-low of -0.44% and Eurozone countries' spread to Germany tightened (France -7 bps, Italy -45 bps). Investment grade corporate bonds also benefited from this supportive environment (credit spreads -10 bps).
Developed equity markets reacted modestly positive to central banks' actions with the S&P 500 adding 1.3%, the Japanese TOPIX 1.1% and Europe (STOXX Europe 600) +0.2%. Emerging markets on the contrary dropped 1.7%, following the USD strengthening of 2.5% versus all other major currencies.
Oil was slightly positive over the month (Brent -2.07%), with geopolitical tensions in the strait of Hormuz being offset by economic slowdown fears.
Gold remained at elevated levels (above USD 1400 per ounce) during the month in tandem with Iranian tensions.

Portfolio Performance

The fund advanced 1.65% during the month, benefiting from both rising equities and bonds. Towards the end of the month, equity exposure has been reduced from around 49% to 45% amid new trade rhetoric being ratcheted up. New US taxes on Chinese imports risk to put an end to this year's rally.
Duration of the fixed income part of the fund was increased from 5.9 to a record level of 6.3, as the FOMC expressed its willingness to prolong the current economic expansion intact (J. Powell referred to a similar action Mr Greenspan took in 1995-96). The ECB will have no choice but to soften its monetary policy even further.

Market Outlook

Markets being supported by both the US Central Bank and Chinese authorities stimulating their respective economies, one could quickly jump to the conclusion that investment environment remains "market-friendly". Indeed, both countries are constrained by the potential impact a full-blown commercial war could have to their respective domestic economies.
However, current markets are consistent with the interpretation that, the losses sustained in late-2018 having been recovered, there is little further upside potential for equity values world-wide in this end-cycle period. Therefore, we prefer to slightly reduce our risk exposure as volatility is expected to increase short term. This volatility will create new investment opportunities.

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* Performance has been calculated since inception on the 17th of September 2010 of Expert Investor Sicav Midas Global Balanced Fund which merged into Midas Sicav