

MIDAS - Eurozone Equities I - Acc

Monthly summary report | as at 31 December 2017

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	101.1
2017 year-to-date return as at 31 December 2017	1.10%

Performance

	1M	SI
Midas Eurozone Equities	-0.30%	1.10%
Performance Indicator*	-0.99%	0.10%

* 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	25.2 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

Nearly ten years after one of the greatest financial crisis, conditions have finally improved enough to create a strong economic momentum. With the US output getting above potential, the Fed has naturally continued to tighten its monetary policy. In December, we got another 25bps rate increase with further 3 hikes expected for 2018. Additionally, the tax reform bill was passed before year-end, marking arguably the biggest overhaul of the US tax system since the 1980s.

In December the fund outperformed with a performance of -0.30% versus -0.99% for the SXXT Index. The fund clearly benefited from our overweight on small and mid-cap stocks (roughly 45% versus 10% in the SXXT Index) which outperformed larger capitalizations.

Our best performing stocks over the period were **Moncler**, **Maisons du Monde** and **ABN AMRO**. Moncler is one of the fastest growing luxury goods companies in the world. Thanks to its strong tradition and the credibility it has built over the years, Moncler has consolidated its position as worldwide leader in the premium down jacket segment resulting in a very high margin business model. The main drivers of growth for the group are to selectively expand outside its core business into complementary market segments (knitwear, shoes and soft accessories), the development of its retail mono-brand stores and its international expansion, especially in Asia. We think that the company still has significant room with an expected double digit growth over the next three years.

Maisons du Monde is a strong growth story given its unique business model in the decor space (57% decoration and 43% furniture) and online expertise (online represents 19% of sales). While having posted sales CAGR of 21% p.a. between 2001 and 2016, we estimate that the group still has numerous growth sources to exploit, including international markets and the online channel. France could also be a driver of growth as there is still room to gain market share as it offers little in the way of kitchen furnishings, beds or bathroom furnishings which account for respectively 26%, 14% and 3% of the French home furnishings market.

The fund was negatively impacted by the underperformance of **Sanofi**, **TKH** and **Basic Fit**. We saw some profit taking in December after the strong performance of TKH and Basic Fit over the year but we remain firm in our conviction that these companies are interesting given their market positioning and growth profile.

In December we initiated a position in **Saras**, a major independent European downstream player, focused on refining. Saras exploits the largest single-site refinery in the Mediterranean basin. It also has power generating activities (fully integrated power generation plant and wind energy activities). The company has a CAPEX plan to further upgrade its profitability, while it is already well ahead of competition. Saras SpA is in good financial health and is expected to generate significant cash over the next three years on top of an annual dividend of 5%.

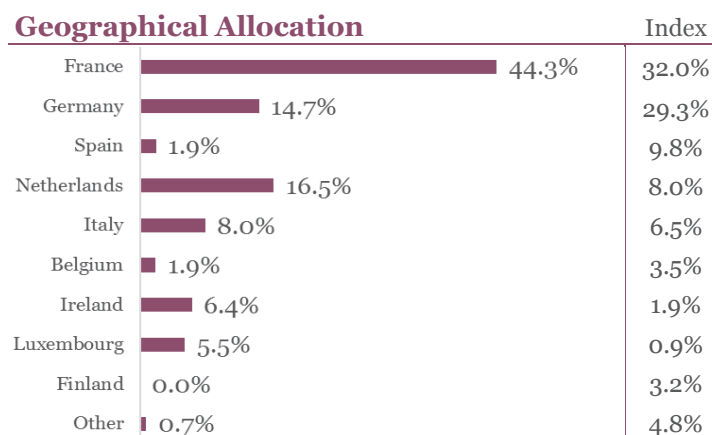
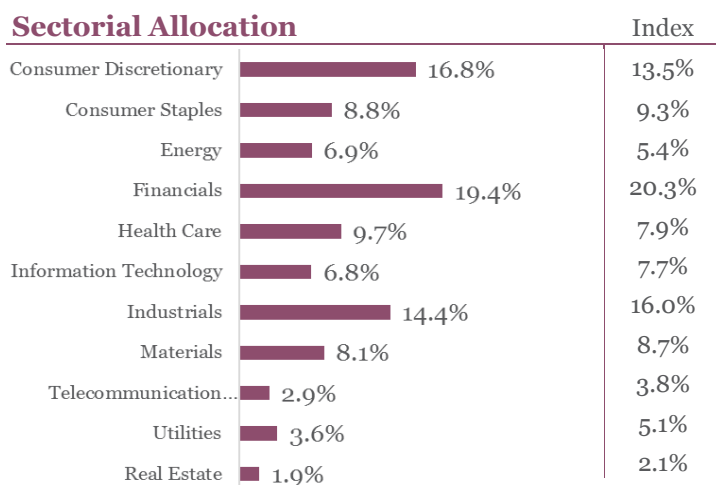
Characteristics	Fund	Index
Number of Holdings	38	301
Top 10 Weight	34.3%	18.0%
Avg Mkt Cap (bn €)	26.8	59.0
Med Mkt Cap (bn €)	14.9	13.8
Index overlap	18.7%	100%
Net equity exposure	100.0%	100%

Risk Profile



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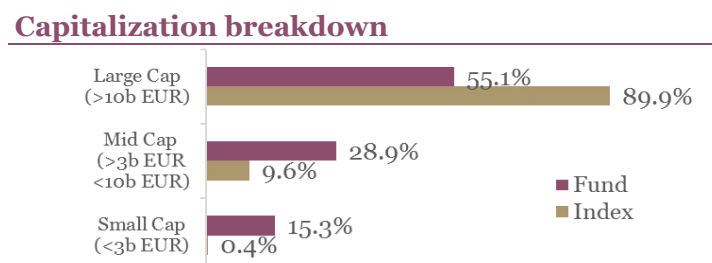
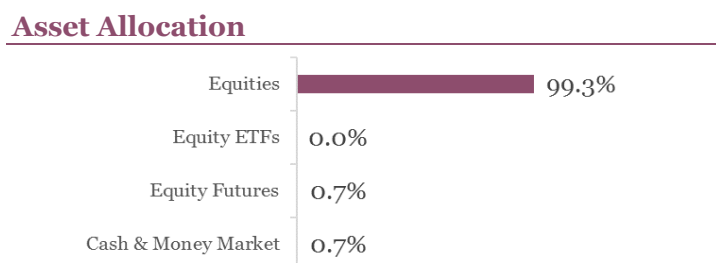


Top 10 Positions

Position	Fund (%)	Index (%)
TOTAL SA	5.0%	2.7%
ROTHSCHILD & CO	3.4%	0.0%
ABN AMRO GROUP NV-GDR W/I	3.4%	0.3%
IPSEN	3.4%	0.1%
MONCLER SPA	3.3%	0.1%
SMURFIT KAPPA GROUP PLC	3.3%	0.1%
ELIS SA	3.3%	0.1%
STROEER SE & CO KGAA	3.2%	0.0%
KERRY GROUP PLC	3.1%	0.3%
AXA SA	3.0%	1.2%

Top 10 overweight

Position	Fund (%)	Index (%)
ROTHSCHILD & CO	3.4%	0.0%
IPSEN	3.4%	0.1%
STROEER SE & CO KGAA	3.2%	0.0%
MONCLER SPA	3.3%	0.1%
ELIS SA	3.3%	0.1%
SMURFIT KAPPA GROUP PLC	3.3%	0.1%
ABN AMRO GROUP NV-GDR W/I	3.4%	0.3%
BASIC FIT NV	2.9%	0.0%
GRAND CITY PROPERTIES	2.9%	0.0%
BREMBO SPA	2.8%	0.0%



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