

MIDAS - Eurozone Equities SRI - I - Acc

Monthly summary report | as at 30 September 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	94,61
2019 year-to-date return as at 30 September 2019	15,45%

Performance

	1M	3M	6M	YTD	SI
Midas Eurozone Equities	2,63%	-0,08%	4,06%	15,45%	-5,39%
Performance Indicator*	3,66%	2,47%	6,80%	19,71%	4,58%

* 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	25.4 millions
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	0,83%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days
French PEA	Eligible

Monthly comments

Last month saw big sector rotations. Through the first half of the month we saw an outperformance of cyclical value-style stocks, while defensive growth stocks performed less. This rotation occurred during a period where market sentiment overall improved amid sustained Central Bank support. While this sector rotation, as is often the case, was short-lived, sectorial differences were still outspoken at month's end: Financials (Mediterranean in particular), Auto and Parts, Basic Resources and Telecom outperformed, while Food & Beverage, Healthcare, Personal and Household Goods all lagged. This is almost the exact opposite of the ranking following YTD performances.

Within the fund, among last months' outperformers were **Altice Europe** (+19%), **Solutions30** (+17%), **ASML** (+12%) and **Unibail-Rodamco-Westfield** (+12%).

As **Altice** had already raised its full year earnings outlook beginning of August, the company continued to improve market perception. Altice initially planned to refinance EUR 1,5 billion of debt, but eventually ended up with EUR 2,55 billion at improved conditions, enabling the company to further reduce its cost of debt.

During the month, we have invested in two french autoparts manufacturers: **CGDE Michelin** and **Plastic Omnium** (POM), only to disinvest out of the latter two weeks later (with a 10% profit). Beginning of the month, the company met with some London based investors, during which the company sounded rather confident on FCF generation. The group is also seeing the first signs of stabilisation in global light-vehicle production. Considering the company's low valuation, and a pick-up of market sentiment towards Original equipment suppliers, we decided to initiate a position into one of the best-run and financially sound companies of the sector. However, as the rebound felt more and more as a classic sector rotation (which historically are short-lived), we decided to take profits. Indeed, the auto-sector is still far from out of the woods and new opportunities will certainly present themselves in the future. We maintained our Michelin position and will consider reinforcing it going further. The tyre maker is currently "faring well in a bad weather environment for the car industry" thanks to the company's firm pricing power and firm grip on costs. During the month, we also added **Indra Sistemas**. After a few difficult quarters, where margins were dragged by delays on two projects, the company now appears more confident and confirmed its guidance for the year. The company operates through 2 segments : IT services (62% of Revenue) and Transport & Defence (38%). Both segments cover a broad range of sectors and provide significant diversification. We see positive trends across these businesses depicted through its growing backlog, now at 1.4x the revenues. For instance, the T&D segment, with higher margins, has landed two major contracts with the Spanish government on the next generation military aircraft. Margins on IT are also expected to grow thanks to automation of low margin businesses. In terms of EV/EBITDA, the stocks treats at the low end of its historical range which does not reflect the improving outlook.

Characteristics

Characteristics	Fund	Index
Number of Holdings	44	306
Top 10 Weight	31,5%	22,0%
Avg Mkt Cap (bn €)	50,2	56,0
Med Mkt Cap (bn €)	17,2	10,4
Index overlap	27,3%	100%
Net equity exposure	98,4%	100%

Risk Profile



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Sectorial Allocation

	Index
Consumer Discretionary	12,3%
Consumer Staples	10,2%
Energy	5,3%
Financials	16,3%
Health Care	7,6%
Information Technology	9,5%
Industrials	15,3%
Materials	8,9%
Communication Services	5,3%
Utilities	6,7%
Real Estate	2,7%

Geographical Allocation

	Index
France	34,0%
Germany	25,5%
Spain	8,7%
Netherlands	9,1%
Italy	6,8%
Belgium	3,7%
Ireland	1,7%
Luxembourg	0,8%
Finland	3,3%
Other	6,4%

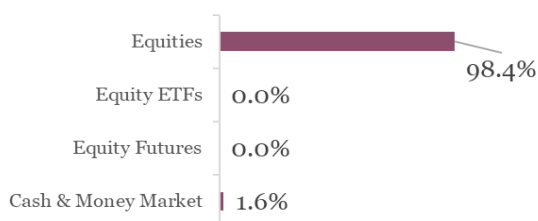
Top 10 Positions

	Fund	Index
TOTAL SA	4,0%	2,9%
SAFRAN SA	3,8%	1,2%
KERRY GROUP PLC	3,3%	0,4%
AIRBUS GROUP NV	3,2%	1,6%
ANHEUSER-BUSCH INBEV SA/NV	3,0%	1,7%
ORPEA	2,9%	0,1%
SAP AG	2,9%	2,7%
L'OREAL	2,9%	2,2%
LVMH	2,9%	0,0%
GRIFOLS SA	2,8%	1,4%

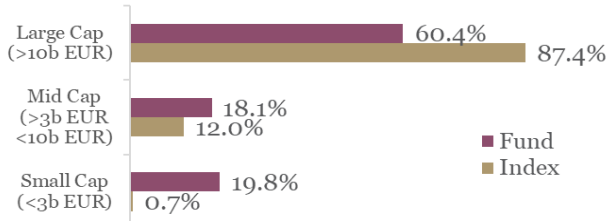
Top 10 overweight

	Fund	Index
KERRY GROUP PLC	3,3%	0,4%
ORPEA	2,9%	0,1%
GRIFOLS SA	2,8%	0,0%
BASIC FIT NV	2,7%	0,0%
AUTOGRILL SPA	2,7%	0,0%
SAFRAN SA	3,8%	1,2%
ALTICE NV -A	2,5%	0,1%
EUROFINS SCIENTIFIC	2,5%	0,1%
SARAS SPA	2,4%	0,0%
BEIERSDORF AG	2,6%	0,2%

Asset Allocation



Capitalization breakdown



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