MIDAS - Patrimonial Fund B - Acc

Monthly summary report | as at 31 March 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	140,44
2018 year-to-date return as at 31 March 2018	-1,39%

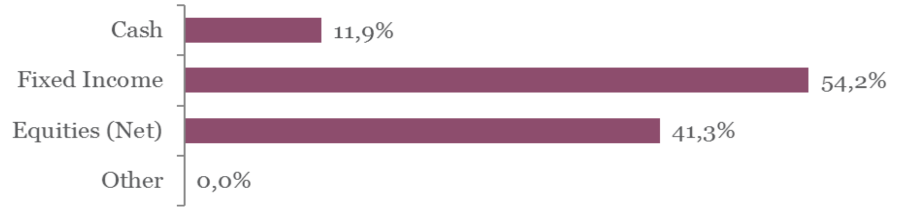
Performance

Performance	1M	YTD	2017	2016	2015	3Y	5Y
Midas Patrimonial	-0,97%	-1,39%	5,50%	2,35%	2,85%	-0,74%	28,28%

Fund key facts

Inception date *	17 September 2010
ISIN code	LU0541884556
Asset class	Diversified
Total fund assets	€ 354 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	0,75%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

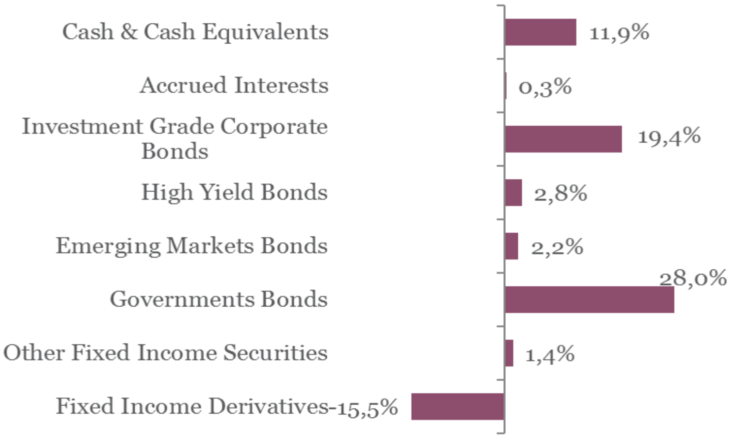
Asset Allocation



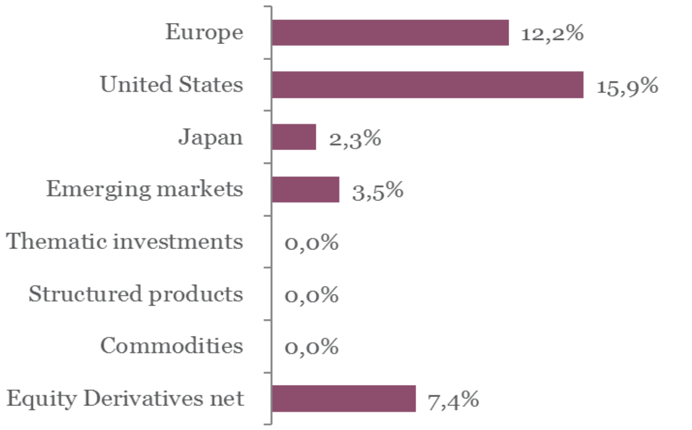
Currencies

Currencies	USD	GBP	JPY	CHF	Other
Exposure	20,2%	2,1%	6,0%	0,5%	0,3%

Fixed income asset allocation



Equity and other securities asset allocation



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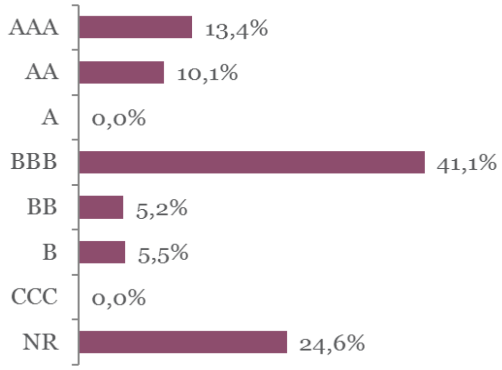
Top 10 fixed income holdings

Top 10 fixed income holdings	YTM	Rating	Weight
DEUTSCHLAND REP : DBR 0 1/2 08/15/27	0,5%	AAA	5,4%
BTPS : BTPS 2 02/01/28	1,8%	BBB	3,8%
FRANCE O.A.T. : FRTR 0 1/2 05/25/25	0,3%	AA	3,2%
BTPS : BTPS 1.45 11/15/24	1,2%	BBB	2,8%
BTPS : BTPS 0.9 08/01/22	0,5%	BBB	2,7%
HELLENIC T-BILL : GTB 0 04/10/18	0,7%	B	2,3%
SPANISH GOV'T : SPGB 0.45 10/31/22	0,1%	BBB	1,9%
GAZPROMBANK : GPBRU 3.984 10/30/18	0,8%	BB+	1,7%
ILIAD : ILDFP 1 1/2 10/14/24	1,5%	NR	1,7%
SPANISH GOV'T : SPGB 1.6 04/30/25	0,7%	BBB	1,6%

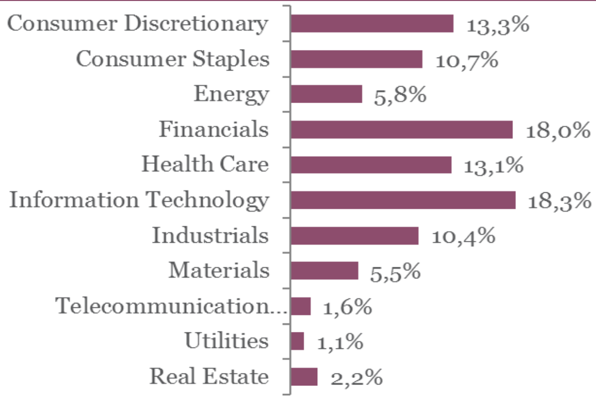
Fixed income rating breakdown



Top 10 equity holdings

Top 10 equity holdings	Sector	Weight
ALIBABA GROUP HOLDING-SP ADR	Information Technolog	0,8%
JPMORGAN CHASE & CO	Financials	0,8%
BANK OF AMERICA CORP	Financials	0,8%
MICROSOFT CORP	Information Technolog	0,8%
ESTEE LAUDER COMPANIES-CL A	Consumer Staples	0,7%
ROYAL CARIBBEAN CRUISES LTD	Consumer Discretionar	0,7%
BROADCOM LTD	Information Technolog	0,7%
AMAZON.COM INC	Consumer Discretionar	0,7%
BREMBO SPA	Consumer Discretionar	0,7%
TOTAL SA	Energy	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	2,3%
MM Convertible Europe	1,4%

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Market Review

Markets sold off sharply in March hopping from trade tensions between US and China to Tech sell-off as excuses to pocket in profits and step up risk aversion gauges. This illustrates the paradox of the current situation where investors have to reconciliate the discrepancy between a good macroeconomic picture and choppy fearful markets.
Equity markets continued their decline, with no outspoken differences between the major indices. Emerging markets stocks declined 2.03%, while the TOPIX dropped 2.94%, the S&P500 2.69% and the Stoxx Europe 600 Index retreated 2.31%.
In the Fixed Income markets, Government bonds outperformed both Investment Grade bonds and High Yields, as we saw a continued increase in credit risk premia.

Portfolio Performance

During the month the Fund has lost 0.97% amid the global market turmoil. Equities were the main detractor and account for most of the downside. Currency exposure also had a small negative contribution while the fixed income part of the portfolio performed positively. As global trade-war fears mounted, we have decided to reduce the global equity exposure from 48% to 41%. Furthermore, the fixed income part of the portfolio has been shifted even more towards government bonds (mainly periphery) with an increase in duration from 3.3 to 4.8.

Market Outlook

Latest macroeconomic data, although showing signs that they might have peaked for this economic cycle, still indicate that global growth remains firmly anchored above trend for the remainder of the year, mostly driven by Fiscal Profligacy from the US and still accommodative monetary conditions.
While both trade tensions and the Tech sell-off are acknowledgeable fears, none has the potential to disrupt a well engaged economic cycle. The former is reigniting fears of stagflation (slower growth and higher inflation) but remains in the rhetoric phase and both parties are already showing desire to negotiate. The latter is linked to more specific stories (risk of tax retaliation after years of abuse, scandals, …) that should have limited impact to global economy.
The return of risk aversion, driven by specific stories, is a classic feature of the late stages of business-cycle expansions. Typically, sharp sell-offs set the stage for blowout rallies. Indeed, a higher risk aversion regime (through the likes of higher implied volatilities) do not prevent financial markets from rising. The most important thing in such late-cycle environment is reactiveness, best expressed by high cash levels easily repositioned after such sell-offs to enjoy fast unfolding rallies.

* 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 Patrimonial Fund on the 1st of August 2016.