

MIDAS - Patrimonial Fund I - Acc

Monthly summary report | as at 31 March 2017

Investment Objective

The fund seeks to achieve capital appreciation 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	105.50
2017 year-to-date return as at 31 March 2017	2.24%

Performance

	1M	YTD	2016	2015	2014	3Y	5Y
Midas Patrimonial	-0.09%	2.24%					

Fund key facts

Inception date *	04 October 2016
ISIN code	LU1452410738
Asset class	Diversified
Total fund assets	€ 366 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	0.50%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

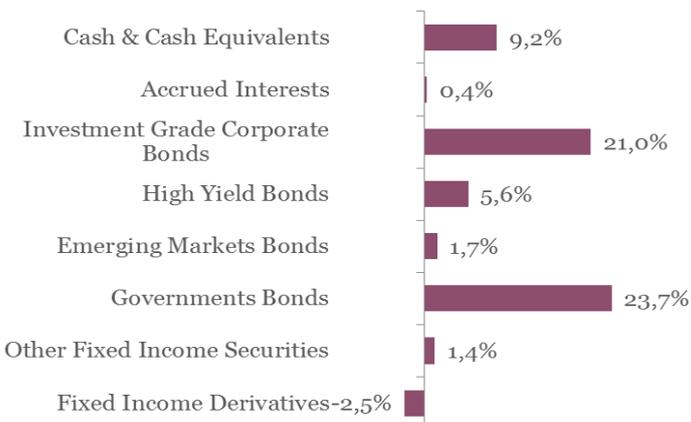
Asset Allocation



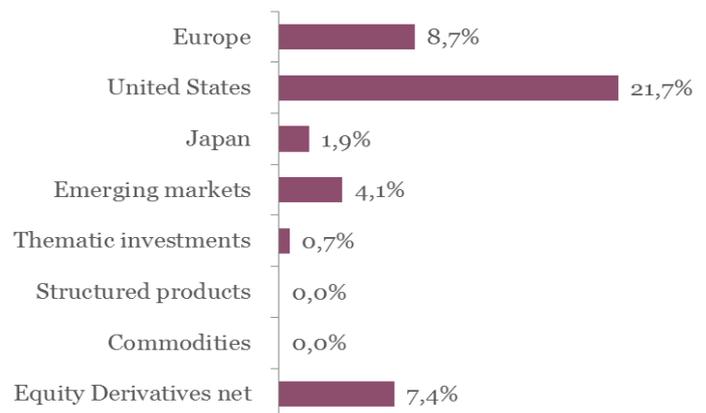
Currencies

	USD	JPY	GBP	CAD	Other
Exposure	24.8%	3.0%	3.0%	1.4%	1.0%

Fixed income asset allocation



Equity and other securities asset allocation



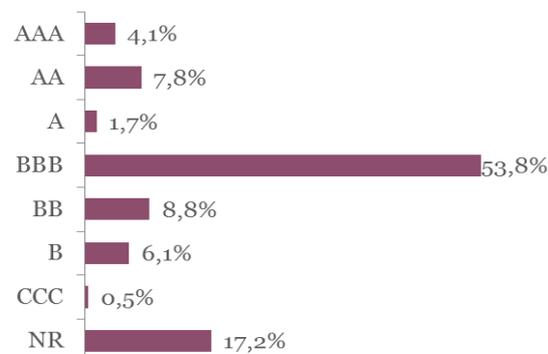
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Top 10 fixed income holdings

	YTM	Rating	Weight
SPANISH GOV'T : SPGB 0 3/4 07/30/21	0.2%	BBB+	7.8%
FRANCE O.A.T. : FRTR 0 1/2 05/25/25	0.7%	AA	4.0%
BTPS : BTPS 0.35 11/01/21	0.8%	BBB	4.0%
BTPS : BTPS 1 1/4 12/01/26	2.1%	BBB	3.8%
DEUTSCHLAND REP : DBR 0 08/15/26	0.2%	AAA	2.1%
GAZPROMBANK : GPBRU 3.984 10/30/18	1.2%	BB+	1.1%
PORTUGUESE OT'S : PGB 2.2 10/17/22	2.2%	BB+	1.1%
ATOS : ATOFP 2 3/8 07/02/20	0.3%	NR	0.9%
AMPLIFON SPA : AMPIM 4 7/8 07/16/18	0.3%	NR	0.9%
SPAIN I/L BOND : SPGBEI 0.3 11/30/21	0.7%	BBB+	0.9%

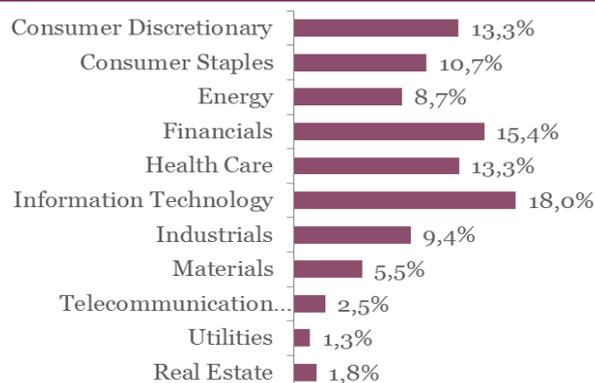
Fixed income rating breakdown



Top 10 equity holdings

	Sector	Weight
WELLS FARGO & CO	Financials	0.7%
BANK OF AMERICA CORP	Financials	0.7%
PEPSICO INC	Consumer Staples	0.7%
JPMORGAN CHASE & CO	Financials	0.7%
PROCTER & GAMBLE	Consumer Staples	0.6%
ALTICE NV -A	Consumer Discretionary	0.6%
ALPHABET INC-CL A	Information Technology	0.6%
CHECK POINT SOFTWARE TECH	Information Technology	0.6%
RAYTHEON COMPANY	Industrials	0.6%
JOHNSON & JOHNSON	Health Care	0.6%

Equity sector breakdown



Top 5 funds and other holdings

Nordea Stable Emerging Markets Equity	2.2%
Robeco US Select Opportunities Equities	2.0%
Amundi ETF TOPIX EUR Hedged	1.9%
iShares MSCI Emerging Markets	1.9%
MM Convertible Europe	1.4%

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Market Review

The first quarter is behind us and we can fairly state that it was a rather smooth ride. We saw new record highs, strong macro-economic numbers, M&A activity and even rumors about QE tapering in Europe. The American economy is expanding path with the latest strong consumer confidence data being a good indicator. As expected, the Federal Reserve has raised interest rates. While some panic was felt after the failed health care reform and Trump's credibility getting beaten down, the US equity market remained flat for the month as investors kept faith in the Trumponomics's reflation trade. Conversely, European equities were propelled higher as strong macro-economic data eclipsed political risks. The Eurostoxx 600 gained 2.94% in March with the periphery clearly outperforming. The fixed income market was particularly sensitive as interest rates increased for all countries and across the yield curve. The market went as far as to start speculating on the ECB's exit strategy from the highly loose monetary policy. Consequently, the Citi Euro Investment Grade Bond index lost 0.52% in March. Even High Yield bonds corrected in March with the iBoxx High Yield index losing 0.18%. In the currencies market, the US dollar experienced a slight drop during the month amid Trump's setback and worries that he might not be able to deliver as fast as hoped. Oil was also quite volatile as American shale producers continued to pump faster. Investors' doubts about OPEC's ability to control prices has pushed the WTI 6.3% lower in March.

Portfolio Performance

The fund was down 0.09% during the month. Equities had a positive contribution to the overall performance mainly thanks to European and Emerging Markets stocks. On the other hand, the rise in interest rates had a negative impact on the fixed income part of the portfolio. Finally, currencies had a negative contribution to the performance as well mainly because of the US dollar which depreciated 0.74% in March.

During the month, we have reduced the overall exposure to the US dollar from 30% to 25% amid Trump's political setbacks. On the equity side, we had already reduced equity exposure last month after a strong start of the year and we kept overall exposure around 44% in March, below the 50% maximum threshold.

On the Fixed income part of the portfolio, we have again reduced our duration bringing it down to 3.9 towards the end of the month.

Market Outlook

So what can we expect in the second quarter? While there is still a lot of unknowns surrounding Trump's future policy success, one thing is sure: markets will remain highly sensitive to that topic. The European political scene will also be active with the upcoming French presidential elections. Bottom line is, the second quarter will be loaded in events and markets could get wobbly after a strong first quarter. We acknowledge this and have already slightly reduced the risk profile of the portfolio. However, given the strong macro-economic background and further cycle synchronization across the globe we remain overall constructive on risky assets and see any Q2 correction as an opportunity to increase exposure again.

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* Performance has been calculated since inception on the 31st of May 2013 of Expert Investor Sicav Midas Global Balanced Fund which merged into Midas Sicav Patrimonial Fund on the 1st of August 2016.