

MIDAS - Patrimonial Fund I - Acc

Monthly summary report | as at 31 December 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	109,36
2017 year-to-date return as at 31 December 2017	5,98%

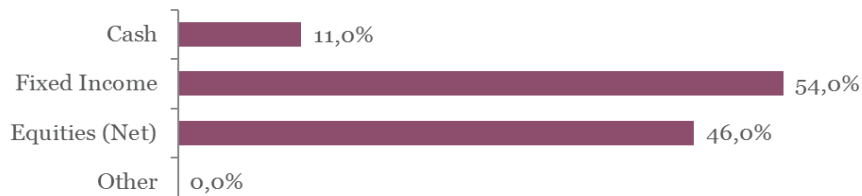
Performance

	1M	3M	YTD	1Y
Midas Patrimonial	0.16%	1.99%	5.98%	5.98%

Fund key facts

Inception date	04 October 2016
ISIN code	LU1452410738
Asset class	Diversified
Total fund assets	€ 367 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	0.50%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

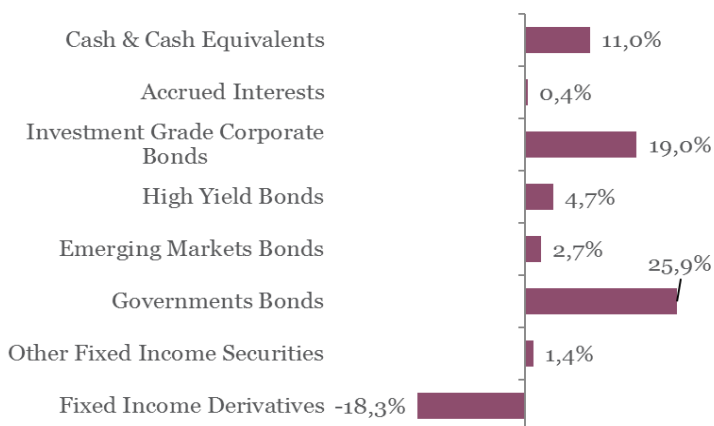
Asset Allocation



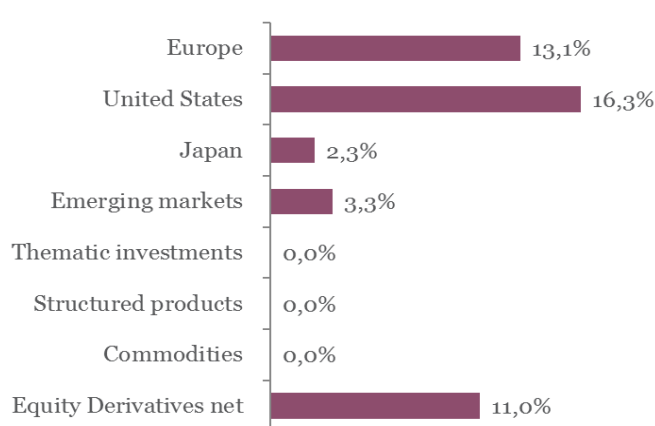
Currencies

	USD	GBP	JPY	CHF	Other
Exposure	14.1%	2.1%	1.0%	0.5%	0.4%

Fixed income asset allocation



Equity and other securities asset allocation



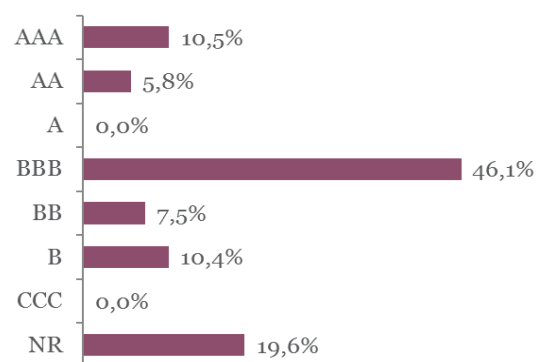
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Top 10 fixed income holdings

	YTM	Rating	Weight
DEUTSCHLAND REP : DBR 0 1/2 08/15/27	0.4%	AAA	5.5%
SPANISH GOV'T : SPGB 1.45 10/31/27	1.6%	BBB+	5.4%
PORTUGUESE OT'S : PGB 2 7/8 07/21/26	1.7%	BBB-	3.9%
BTPS : BTPS 0.35 11/01/21	0.4%	BBB	3.5%
FRANCE O.A.T. : FRTR 0 1/2 05/25/25	0.3%	AA	3.0%
BTPS I/L : BTPS 0.1 05/15/22	1.1%	BBB	2.0%
CELLNEX TELECOM : CLNXSM 2 7/8 04/1	2.4%	BB+	1.7%
GAZPROMBANK : GPBRU 3.984 10/30/18	0.8%	BB+	1.7%
BOLLORE SA : BOLFP 2 01/25/22	1.3%	NR	1.7%
ILIAD : ILDFP 1 1/2 10/14/24	1.5%	NR	1.6%

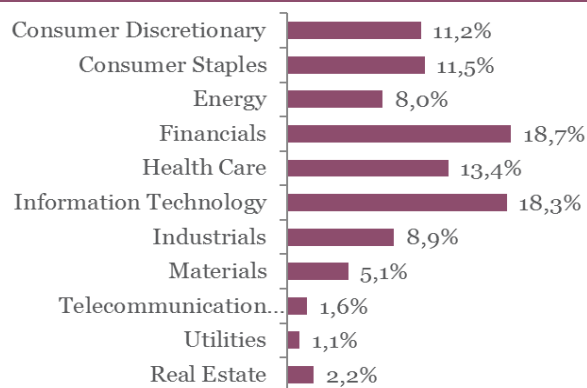
Fixed income rating breakdown



Top 10 equity holdings

	Sector	Weight
CITIGROUP INC	Financials	0.8%
JPMORGAN CHASE & CO	Financials	0.8%
BANK OF AMERICA CORP	Financials	0.8%
AMAZON.COM INC	Consumer Discretionary	0.7%
ABN AMRO GROUP NV-GDR W/I	Financials	0.7%
ING GROEP NV-CVA	Financials	0.7%
ALPHABET INC-CL A	Information Technology	0.7%
CHECK POINT SOFTWARE TECH	Information Technology	0.7%
AXA SA	Financials	0.7%
INTEL CORP	Information Technology	0.6%

Equity sector breakdown



Top 5 funds and other holdings

Nordea Stable Emerging Markets Equity	2.7%
Amundi ETF TOPIX EUR Hedged	2.3%
MM Convertible Europe	1.4%

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Market Review

As we look back at 2017, we can fairly state it was a virtuous year with synchronized growth across the globe. 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.

Equity markets continued their ascent towards new highs, as the S&P 500 gained 0.98% in the final month of the year. Unfortunately, Eurozone equities suffered some profit taking as the strong Euro rebuffed investors. The Eurostoxx 50 lost 1.85% in December. The American 10 Year Treasury was unchanged over the month, whereas the 10 Year Bund yield was up to 0.43% from 0.37%, mainly due to a higher than expected inflation figure in Germany. Peripheral spreads suffered from the political uncertainties in Italy and Spain. It was a relative calm December in the corporate market. The X-over index hovered around 230 basis points and closed the month at 232. Corporate bonds suffered from the slight increase in yields and both iBoxx indices posted negative returns: -0.36% for the Investment Grade index and -0.10% for the High Yield.

Portfolio Performance

During the month, the Fund has gained 0.16%. Generally speaking, equities have been a positive contributor as US and Emerging stocks outweighed the drop in European shares. However, the Fixed Income part has been a drag, albeit to a limited extent thanks to our lower duration profile and strong performance from certain issues (Greece, Gemalto, Altice).

Market Outlook

Global economic activity has strengthened last year. Across the globe, expectations for future economic growth continue to be revised upwards. Business investment enjoyed a strong resurgence, particularly in the second half. With new measures to encourage capex being introduced as part of the tax overhaul, that stronger momentum in business investment should be sustained through the first half of this year.

As major Central Banks are, or at least are reflecting upon, normalizing their monetary policy, it will be key to monitor its impact on financial assets. We definitely appreciate entering the late innings of the current prolonged economic cycle. As in the past, this environment has proven to be a profitable one for financial assets. The above leads us to maintain our optimistic positioning.

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