MIDAS WEALTH MANAGEMENT

# Patrimonial SRI Fund I - Acc

Monthly summary report | as at 28 February 2021

Signatory of: PRI Principles for Responsible Investment

LUXFLAG Label ESG

## 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 40% 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 | 123.10 |
| 2020 year-to-date return<br>as at 28 February 2021 | 0.62% |

## Performance

| Performance | 1M | YTD | 2020 | 2019 | 2018 | 3Y | SI |
|---|---|---|---|---|---|---|---|
| Midas Patrimonial | 0.65% | 0.62% | 2.69% | 13.13% | -3.71% | 13.02% | 23.10% |

## Fund key facts

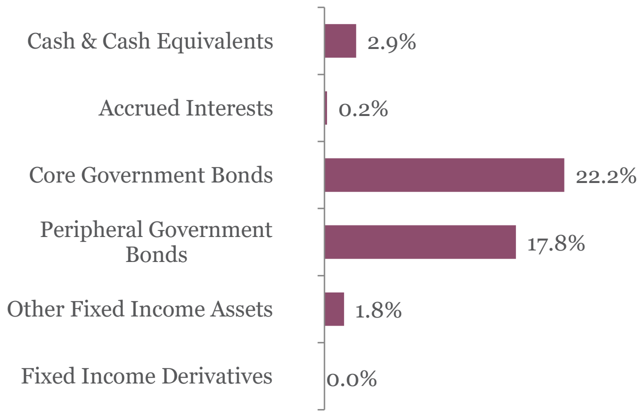
| | |
|---|---|
| Inception date | 04 October 2016 |
| ISIN code | LU1452410738 |
| Asset class | Diversified |
| Total fund assets | €277.7 million |
| Base currency | EUR |
| Legal status | Luxembourg UCITS |
| Management Fee | 0.53% |
| Custodian | Crédit Suisse Lux |
| Liquidity | Daily |
| Settlement Date | Trade Date + 2 Days |

## Asset Allocation

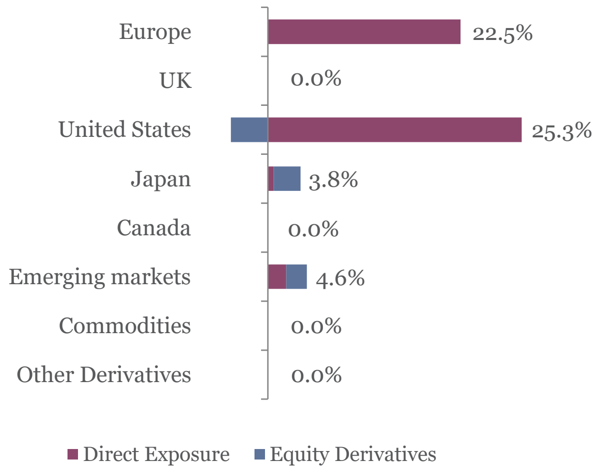

## Currencies

| Currencies | USD | JPY | NOK | GBP | Other |
|---|---|---|---|---|---|
| Exposure | 27.3% | 3.5% | 1.0% | 2.9% | 0.0% |

## Fixed income asset allocation




## Equity and other securities asset allocation





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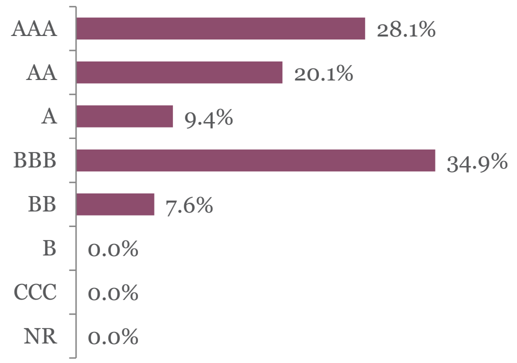
## Top 10 fixed income holdings

| | Rating | Weight |
|---|---|---|
| BTPS : BTPS 0.35 02/01/25 | BBB- | 3.3% |
| BUNDESSCHATZANW : BKO 0 03/11/22 | AAA | 2.9% |
| BTPS : BTPS 1 07/15/22 | BBB- | 2.6% |
| NETHERLANDS GOVT : NETHER 3 1/4 07/15/21 | AAA | 2.5% |
| SPANISH GOV'T : SPGB 0 01/31/26 | BBB+ | 2.5% |
| HELLENIC REPUBLI : GGB 4 3/8 08/01/22 | BB- | 2.3% |
| IRISH GOVT : IRISH 1 05/15/26 | A | 2.1% |
| SPANISH GOV'T : SPGB 0.4 04/30/22 | BBB+ | 2.0% |
| FRANCE O.A.T. : FRTR 0 02/25/22 | AA | 2.0% |
| REP OF POLAND : POLAND 0 02/10/25 | A- | 1.8% |

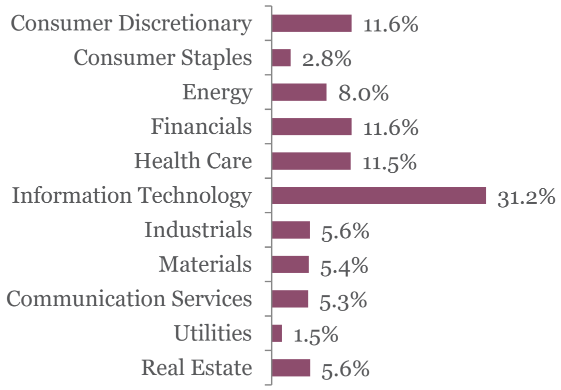
## Fixed income rating breakdown



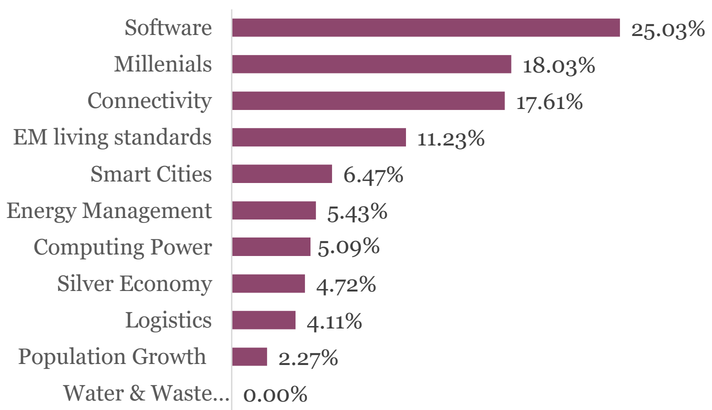

## Top 10 equity holdings

| | Sector | Weight |
|---|---|---|
| BROADCOM INC | Information Technology | 2.3% |
| AMAZON.COM INC | Consumer Discretionary | 2.2% |
| ALIBABA GROUP HOLDING-SP ADR | Consumer Discretionary | 2.1% |
| PROSUS NV | Consumer Discretionary | 2.0% |
| PAYPAL HOLDINGS INC | Information Technology | 1.9% |
| UNIBAIL-RODAMCO-WESTFIELD | Real Estate | 1.7% |
| MICROSOFT CORP | Information Technology | 1.7% |
| IQVIA HOLDINGS INC | Health Care | 1.7% |
| ASML HOLDING NV | Information Technology | 1.6% |
| AKAMAI TECHNOLOGIES INC | Information Technology | 1.6% |

## Equity sector breakdown




## Thematics breakdown




## Top 5 funds and other holdings

| | |
|---|---|
| iShares STOXX Europe 600 Oil & Gas UCITS | 2.3% |
| iShares EURO STOXX Banks 30-15 UCITS ET | 2.2% |
| iShares S&P 500 Financials Sector UCITS ETI | 1.7% |
| iShares STOXX Europe 600 Basic Resources U | 1.0% |

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## Market Review

Investors enjoyed a full swing reflation trade in the first weeks of February. Pretty much everything progressed, sometimes exponentially. The move came as no surprise as vaccination campaigns added momentum. Economic recovery gained traction as seen for instance in recent Purchasing Managers Indices (PMI) studies for many countries, particularly for the buoyant manufacturing sectors.
Awkwardly, what often comes with recovery is higher inflation expectations moving forward. While still tamed, the idea of higher inflation prompted a sharp increase in interest rates. The 10-year US Treasury yield jumped by 34bps to 1.40% and the German 10-year Bund yield rose 26 bps to -0.26%. Indeed, the rise in commodity prices (oil +18%), which was very steep in February, exacerbated the move and spooked the markets. This led to a correction in global equities towards the end of the month. As an illustration, the MSCI Emerging Markets index finished the month at +0.7% after rising as much as +8% during February. European and American stocks finished at +2.3% and +2.6% respectively.

## Portfolio Performance

During the month, the Fund gained +0.65%. Performance was mainly driven by solid equity returns. We have witnessed strong rotation movements with cyclical sectors benefiting the most. In our portfolio, we have profited from our exposure to the energy sectors, financials, industrials and materials, which we have implemented on the turn of the year. In other sectors, performances were mixed, but we can note that interest rate sensitive sectors (like for instance real estate) have underperformed, as well as some of the growth stocks, which were leaders in 2020 (like Amazon, Alibaba).
Contrary to equities, the fixed income part of the portfolio was a drag during the month as interest rates increased. However, our lower duration profile mitigated the impact on the overall portfolio.

## Market Outlook

Following recent moves in interest rates, central banks appear to be caught between having to boost and support the recovery on the one hand and reassure markets concerning inflation prospects on the other hand. This is a thin line indeed, but it seems that they are managing to play two sides of the same coin in a very determined manner. In fact, they have been very active in the last weeks of February, reassuring that policy would continue to be supportive and look beyond a temporary pick-up in inflation, especially from a low base. Consequently, we believe that any rise in inflation should be temporary and that central banks will continue to manifest strong commitment in maintaining accommodative policies.
Furthermore, we are witnessing sustained economic momentum, which should continue to gather pace in the months to come as vaccinations accelerate and reopenings become reality. As a result, we keep our positive view toward equity markets and keep our portfolios fully invested.