

# Patrimonial SRI Fund I - Acc

Monthly summary report | as at 31 December 2021

Signatory of:



## 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 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	135.04
2021 year-to-date return as at 31 December 2021	10.38%

## Performance

	1M	YTD	2020	2019	2018	3Y	SI
Midas Patrimonial	1.87%	10.38%	2.69%	13.13%	-3.71%	28.24%	35.04%

## Fund key facts

Inception date	04 October 2016
ISIN code	LU1452410738
Asset class	Diversified
Total fund assets	€333.2 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	0.53%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

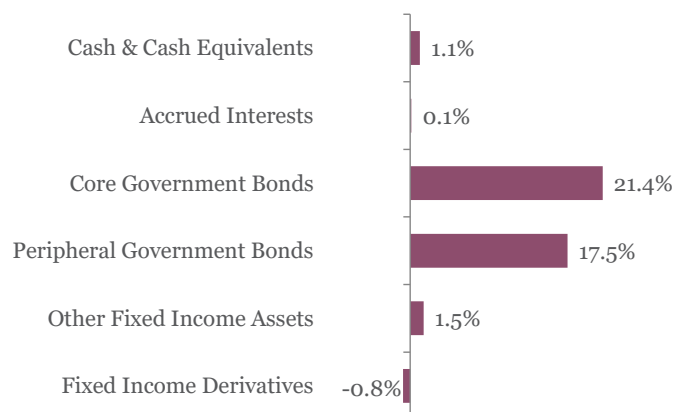
## Asset Allocation



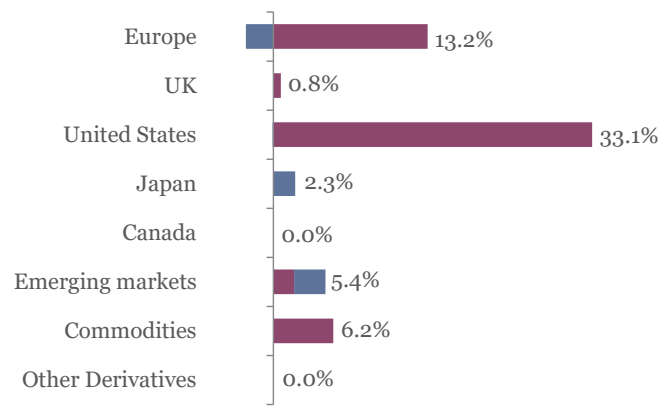
## Currencies

	USD	JPY	GBP	NOK	Other
Exposure	39.6%	2.7%	2.5%	0.0%	0.0%

## Fixed income asset allocation



## Equity and other securities asset allocation



■ Direct Exposure ■ Equity Derivatives

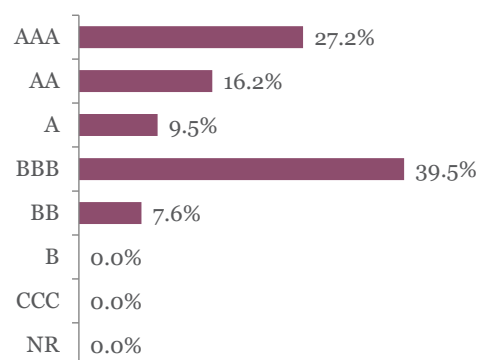
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## Top 10 fixed income holdings

	Rating	Weight
BTPS : BTPS 1 07/15/22	BBB-	3.3%
BUNDESSCHATZANW : BKO 0 03/11/22	AAA	3.3%
HELLENIC REPUBLI : GGB 4 3/8 08/01/22	BB-	3.1%
BTPS : BTPS 0.35 02/01/25	BBB-	2.7%
BUNDESSCHATZANW : BKO 0 06/16/23	AAA	2.4%
SPANISH GOV'T : SPGB 0 01/31/26	BBB+	2.1%
BTPS : BTPS 0 08/01/26	BBB-	1.8%
IRISH GOVT : IRISH 1 05/15/26	A	1.7%
SPANISH GOV'T : SPGB 0.4 04/30/22	BBB+	1.7%
FRANCE O.A.T. : FRTR 0 02/25/22	AA	1.6%

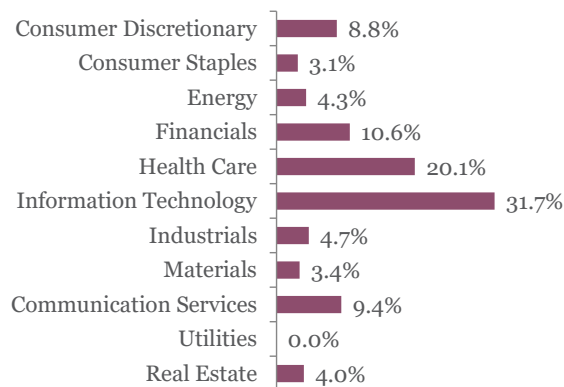
## Fixed income rating breakdown



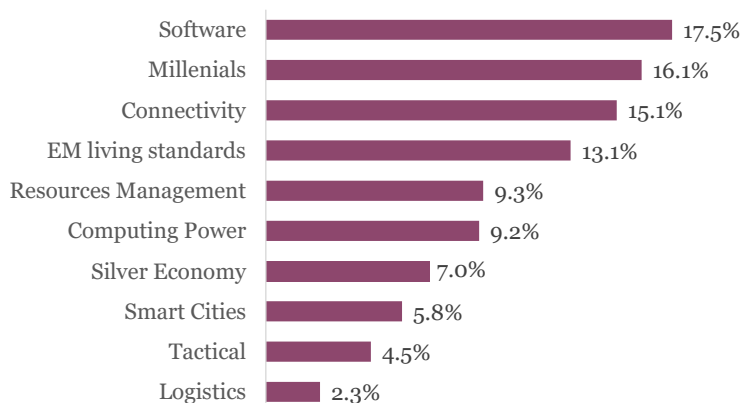
## Top 10 equity holdings

	Sector	Weight
BROADCOM INC	Information Technology	3.6%
MICROSOFT CORP	Information Technology	3.0%
MARVELL TECHNOLOGIES	Information Technology	2.4%
IQVIA HOLDINGS INC	Health Care	2.4%
JPMORGAN CHASE & CO	Financials	2.4%
AMAZON.COM INC	Consumer Discretionary	2.4%
UNITEDHEALTH GROUP INC	Health Care	2.3%
APPLE INC	Information Technology	2.1%
ASML HOLDING NV	Information Technology	1.9%
L'OREAL	Consumer Staples	1.6%

## Equity sector breakdown



## Thematics breakdown



## Top 5 funds and other holdings

ETFs PHYSICAL GOLD	6.2%
iShares EURO STOXX Banks 30-15 UCITS ET	1.5%
Allianz China A-Shares	1.0%

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## Market Review

The year ended on a positive note despite resurging Covid-19 cases. The new strain, initially detected in South Africa, spread at an alarming rate throughout Europe and North America. Skipping some letters due to risk of confusion, the new variant was labelled Omicron and initial studies suggested that it was significantly more contagious, but supposedly with less risk of hospitalization. New restrictions were implemented across countries and vaccine booster shots were sped up.

Despite degrading sanitary environment, central banks overall felt that it was high time to start reducing their monetary support as economic activity remained robust and inflation increased. The Federal reserve decided to accelerate the tapering of their asset purchase program which would give them room for potentially as many as three interest rate hikes in 2022. The ECB is also preparing to stop its pandemic purchase program (PEPP) in march, even though it's worth noting the other program (APP) will temporarily be increased in order to smooth out the reduction.

Economic activity remained strong, prompting more risk taking amongst investors, despite Omicron spreading and central banks changing their tone. Equities exhibited a typical year-end rally, with the MSCI World Index gaining 4.2% in December. Returns were strong across all geographies, with Europe in the lead (+5.4%) and Emerging markets lagging (only +1.6%). The American S&P 500 Index appreciated by 4.4%.

Amid central banks shifting gear, interest rates were on the rise during the month penalizing sovereign debt (-1.6% for the Bloomberg Euro-Aggregate treasury Index). The 10-year US Treasury increased to 1.5% (+7bps) while the 2-year rates increased to 0.73% (+16bps) leading to yield curve flattening. In Europe, interest rates moved also higher as the 10-year German Bund rates shot up to -0.18% (+17bps) and Italian BTP rates increased to 1.17% (+20bps).

In the currency space, the British pound continued to appreciate on the back of the latest central bank decision to increase interest rates (+1.4% vs the Euro) while the Japanese Yen depreciated (-2% vs the Euro). The US dollar was relatively stable (-0.3% vs the Euro), remaining strong at the end of the year.

## Portfolio Performance

During the month, the Fund gained 1.87%. Equities were the main driver of this performance, particularly the exposure to the semiconductor space which was very beneficial.

The fixed income part of the portfolio was a drag as interest rates increased, penalizing the portfolio. However, the impact was rather limited as the overall duration contribution on the Fund level was 1.65 (or 3.3 if measured for 50% of the portfolio).

Gold rebounded by 3% during the month contributing positively to the overall performance. Finally, the foreign exchange exposure contributed negatively as the US dollar and the Japanese Yen fell, while the British pound offset some of the fall.

## Market Outlook

Omicron was the main topic in December and will likely continue to be so at the beginning of the year. Indeed, inflation fears can be exacerbated in the short term by further outbreaks of the virus. But early studies suggest that we are not dealing with the same type of disease anymore and that there should be some decoupling between new cases and hospitalization rates. Consequently, we should continue to see strong economic growth (albeit lower than in 2021) on the back of strong investment trends and spending of accumulated excess savings from consumers.

We continue to favor equities in this environment while keeping duration low on the fixed income part of the portfolio. While we remain highly optimistic for the beginning of the year, we acknowledge that central banks will have a difficult task in 2022 as their policies become less accommodative. Other than the appearance of new variants, the risk of miscommunication is probably the most important factor to follow in 2022.

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