# Patrimonial SRI Fund I - Acc

Monthly summary report | as at 31 August 2022

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 | 121.81 |
| 2022 year-to-date return<br>as at 31 August 2022 | -9.80% |

## Performance

| | 1M | YTD | 2021 | 2020 | 2019 | 3Y | SI |
|---|---|---|---|---|---|---|---|
| Midas Patrimonial | -2.02% | -9.80% | 10.38% | 2.69% | 13.13% | 5.95% | 21.81% |

## Fund key facts

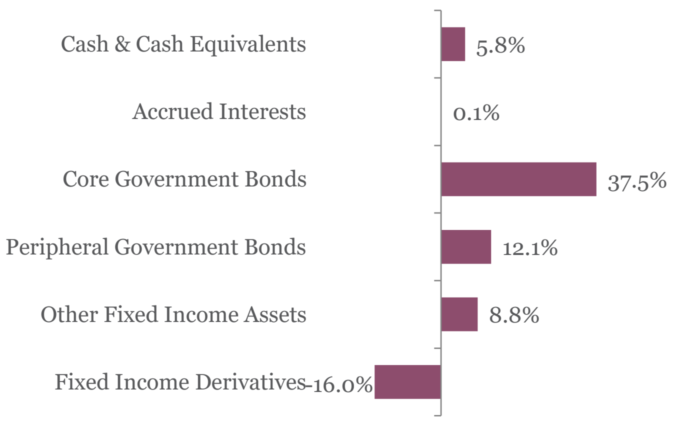
| | |
|---|---|
| Inception date | 04 October 2016 |
| ISIN code | LU1452410738 |
| Asset class | Diversified |
| Total fund assets | €272.0 million |
| Base currency | EUR |
| Legal status | Luxembourg UCITS |
| Management Fee | 0.53% |
| Custodian | Crédit Suisse Lux |
| Liquidity | Daily |
| Settlement Date | Trade Date + 2 Days |
| SFDR | Article 8 |

## Asset Allocation

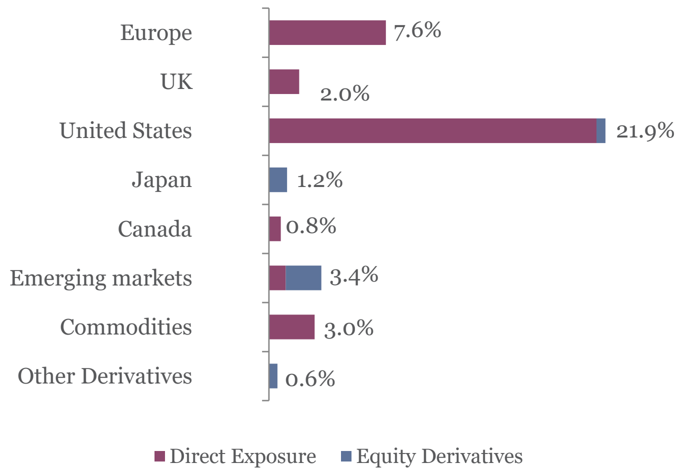

## Currencies

| | USD | JPY | GBP | CHF | Other |
|---|---|---|---|---|---|
| Exposure | 30.3% | 1.8% | 2.6% | 1.1% | 1.4% |

## Fixed income asset allocation




## Equity and other securities asset allocation

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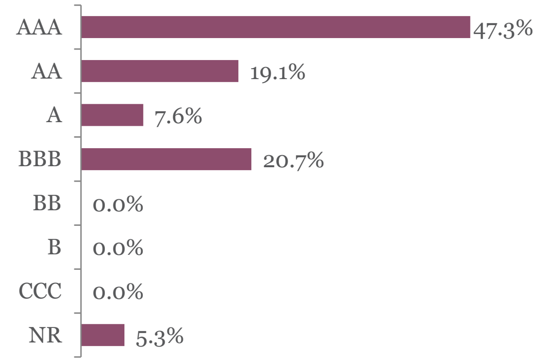
## Top 10 fixed income holdings

| Top 10 fixed income holdings | Rating | Weight |
|---|---|---|
| LUXEMBOURG GOVT : LGB 2 1/8 07/10/23 | AAA | 5.5% |
| FRANCE O.A.T. : FRTR 0 1/2 05/25/25 | AA | 4.3% |
| TREASURY BILL : B 12/08/22 | AAA | 4.0% |
| GERMAN T-BILL : BUBILL 0 02/22/23 | AAA | 3.7% |
| BTPS : BTPS 0 11/29/23 | BBB- | 3.6% |
| DEUTSCHLAND REP : DBR 0 02/15/32 | AAA | 3.2% |
| BTPS : BTPS 0.35 02/01/25 | BBB- | 3.1% |
| ABSOLUTE SECURED : ABTSEC 4 01/15/25 | NR | 3.1% |
| BUNDESSCHATZANW : BKO 0 06/16/23 | AAA | 2.9% |
| SPANISH GOV'T : SPGB 0 01/31/26 | BBB+ | 2.4% |

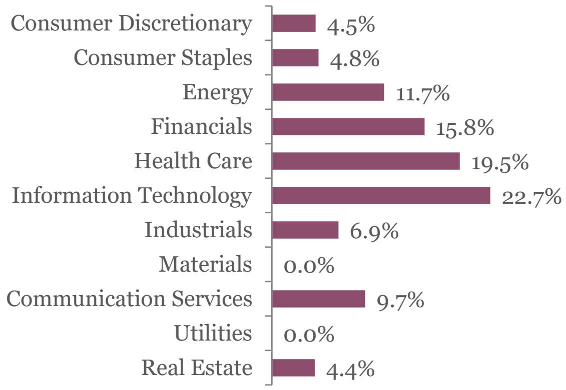
## Fixed income rating breakdown



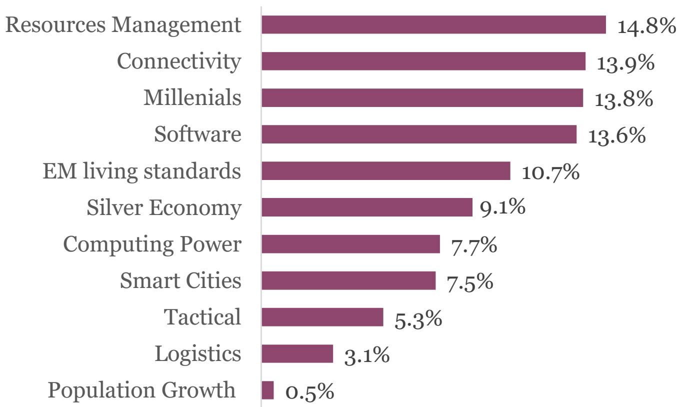

## Top 10 equity holdings

| Top 10 equity holdings | Sector | Weight |
|---|---|---|
| JPMORGAN CHASE & CO | Financials | 2.0% |
| BROADCOM INC | Information Technology | 1.8% |
| UNITEDHEALTH GROUP INC | Health Care | 1.7% |
| BANK OF AMERICA CORP | Financials | 1.6% |
| MICROSOFT CORP | Information Technology | 1.5% |
| UNION PACIFIC CORP | Industrials | 1.5% |
| IQVIA HOLDINGS INC | Health Care | 1.5% |
| FREY | Real Estate | 1.5% |
| SHELL PLC | Energy | 1.3% |
| ALPHABET INC-CL A | Communication Services | 1.2% |

## Equity sector breakdown




## Thematics breakdown

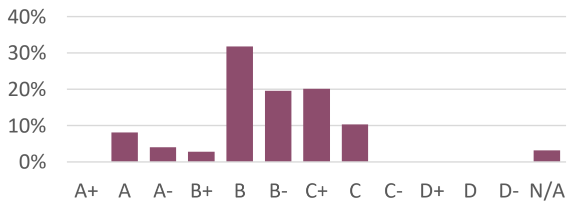



## Top other holdings

| | |
|---|---|
| ETFS PHYSICAL GOLD | 3.0% |

## ESG Ratings

Breakdown of holdings (datasource: Thomson Reuters, ISS)



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## Market Review

The rebound in the equity markets was short-lived. Investor optimism was quickly eroded in reaction to the speech by J. Powell at the Jackson Hole symposium, to the rising risk of an energy crisis and, more generally, to the deterioration of the macroeconomic outlook. This episode of volatility at the end of the month cost almost all of the rebound observed the previous month. In detail, Japan was the only market that settled in positive territory (Topix +1.2%), the emerging markets remained stable (+0%), while the S&P500 (-4.2%) and the Stoxx 600 finished down (-5.3%).
Central bankers on both sides of the Atlantic have decided to lay their cards on the table: fighting inflation at all cost, even if it means having to keep a tight rein on the economy. Furthermore, the energy crisis was a substantially aggravating factor. Gas, which represents about 24% of the EU's energy mix (considering the share of electricity produced by gas-fired power plants), combined with drought, an aging nuclear infrastructure and OPEC's desire to keep the price of oil at high levels, have led to a surge in future electricity and gas prices in Europe (above EUR 1000/MWh and EUR 335/MWh respectively).
Rising interest rates wreaked havoc in the financial markets. By segment, sovereign debt lost 5.1%, investment grade credit contracted by 5.0% and high yield credit fell by 0.8% (less impacted thanks to spreads tightening and coupon clipping). At the same time, the US dollar continued to strengthen against the euro (+1.7%). The deterioration of the euro zone's trade balance and the interest rate differential between central banks are the main reasons for this movement.
Finally, both oil and gold suffered, posting respectively -9.2% and -3.1%.

## Portfolio Performance

During the month, the Fund lost 2.02% on the back of falling equities mainly. The fixed income part of the portfolio was also negative but to a lesser extent given lower duration while our foreign currency exposure contributed positively.
Due to the darkening macroeconomic horizon, we have slightly lowered our equity exposure to 37% and taken profits on the observed rebound.
On the bond side, we remain on short duration strategies. The rise in interest rates and the widening of credit spreads should soon offer buying opportunities in the various bond segments.
Our exposure to gold remains unchanged in order to benefit from the defensive nature of this asset, particularly in this period of uncertainty.

## Market Outlook

A pivotal point in the Fed's rate hike is probably not as close as the market expected. Similarly, the ECB's reluctance to raise rates in order to spare peripheral countries no longer seems so obvious. The tightening of the monetary stance should logically continue while the pressure on the energy market is expected to bring a new wave of uncertainty to the markets. On a more positive note, tight labor market should provide a cushion which points to a mild recession rather than a significant drop in the overall activity.
Consequently, we remain rather prudently positioned and will be looking for entry points on correction both in equity and the fixed income markets. Indicators to follow include any signs of macroeconomic strength and any “pivot” from central banks.