

# MIDAS - Patrimonial SRI Fund A - Acc

Monthly summary report | as at 31 August 2019



## 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	129,72
2019 year-to-date return as at 31 August 2019	8,62%

## Performance

	1M	YTD	2018	2017	2016	3Y	5Y
Midas Patrimonial	0,68%	8,62%	-4,45%	5,03%	1,86%	11,73%	16,58%

## Fund key facts

Inception date *	31 May 2013
ISIN code	LU0927887843
Asset class	Diversified
Total fund assets	€ 305 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	1,25%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

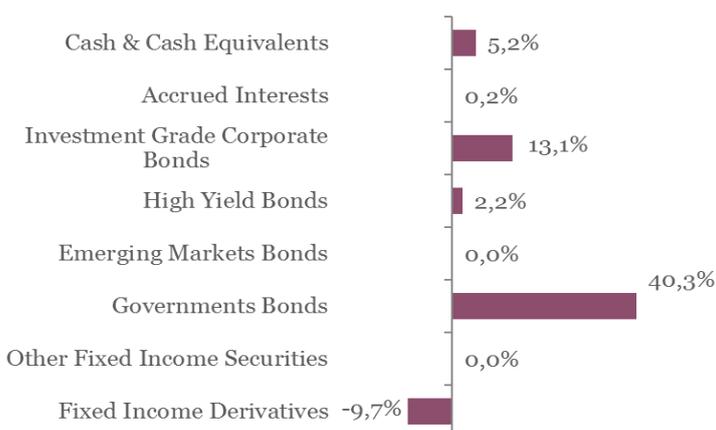
## Asset Allocation



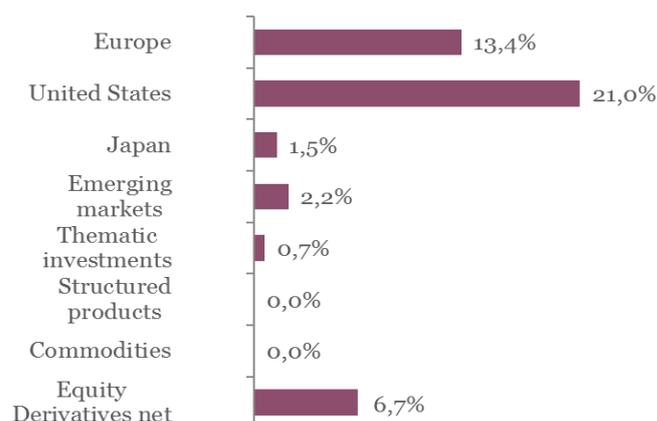
## Currencies

	USD	GBP	JPY	CAD	Other
Exposure	25,3%	1,4%	4,4%	1,7%	2,5%

## Fixed income asset allocation



## Equity and other securities asset allocation

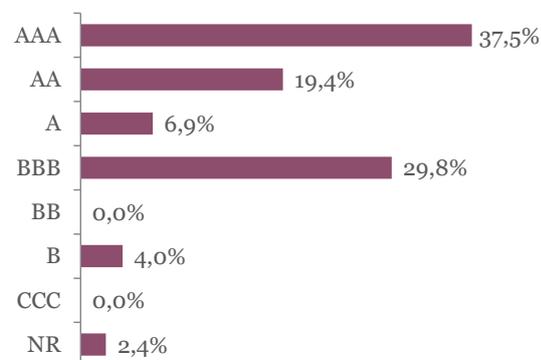


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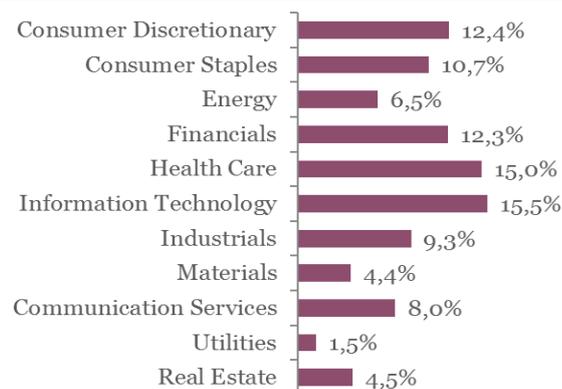
Top 10 fixed income holdings	YTM	Rating	Weight
DEUTSCHLAND REP : DBR 0 1/2 08/15/27	-0,8%	AAA	6,4%
NETHERLANDS GOVT : NETHER 0 3/4 07/15/27	-0,6%	AAA	3,7%
BTPS : BTPS 2 02/01/28	0,8%	BBB	3,0%
EUROPEAN INVT BK : EIB 0 3/8 07/16/25	-0,6%	AAA	2,8%
AGENCE FRANCAISE : AGFRNC 0 1/8 11/15/27	-0,5%	AA	2,7%
ALLIANDER : ALLRNV 0 7/8 04/22/26	-0,3%	AA-	2,1%
US TREASURY N/B : T 2 1/4 08/15/49	2,0%	AAA	2,0%
SPANISH GOVT : SPGB 1.6 04/30/25	-0,3%	BBB+	1,9%
FRANCE O.A.T. : FRTR 2 05/25/48	0,4%	AA	1,9%
DEUTSCHLAND REP : DBR 1 1/4 08/15/48	-0,2%	AAA	1,6%

## Fixed income rating breakdown



Top 10 equity holdings	Sector	Weight
PEPSICO INC	Consumer Staples	0,9%
VISA INC	Information Technolog	0,9%
FREY	Real Estate	0,9%
MICROSOFT CORP	Information Technolog	0,9%
APPLE INC	Information Technolog	0,9%
MEDTRONIC PLC	Health Care	0,8%
JOHNSON & JOHNSON	Health Care	0,8%
RAYTHEON COMPANY	Industrials	0,8%
ALIBABA GROUP HOLDING-SP ADR	Consumer Discretionar	0,8%
ALPHABET INC-CL A	Communication Service	0,7%

## Equity sector breakdown



## Top 5 funds and other holdings

Amundi Japan TOPIX ETF	1,5%
Quaero Bamboo	1,4%

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## Market Review

August was an eventful month dominated by bond markets, where yields plummeted and sovereign bonds had one of their best months ever. Trade uncertainty remains the hot topic as financial markets continue to be driven by concerns that the standoff between the USA and China might ultimately lead to a recessionary scenario. Recent actions by both sides have escalated the conflict, with the US president threatening additional tariff increases, and China taking retaliatory measures as well as letting its currency devalue. Hence, risky assets (corporate bonds, equities) initially tumbled and government bonds emerged as safe haven in the first half of the month. However, as discussions between US and China seemed to improve, most risky assets rebounded towards month's end.

During the month, the German 10Y yield dropped 26 bps to a new record-low of -0.70% and its US equivalent decreased even further (-52 bps to 1.50%). Both curves flattened and the US 2-10 inverted for the first time since 2007. Corporate bonds performed well, with Investment grade bonds increasing +0.69%.

Precious metals had another good month, with spot prices increasing 7.5% to \$1.520 per Troy Ounce of gold.

The MSCI Developed World lost 2.2% during the month, pushing it back into the red over a 12-month period and the more cyclically exposed Emerging markets dropped 5.1%. EM was not alone, weakness was widespread. In the US for example, the Russell 2000 slid 5.1% versus a decline of just 1.8% for the S&P 500. The broader European Index (Europe STOXX 600) finally dropped 1.6%, after having been down 6.2% first half of the month.

## Portfolio Performance

Despite global equities being negative over the month, the fund has gained 0.68%, benefitting mainly from the very good performance of its bond part. With yields falling around the globe, the Fund was indeed positively impacted by its high duration, which stood at 6.4 at month's end. As the fund's exposure to equities was lowered end of July from 49% to 44% and to 39% the following days, the biggest drawdown coming from equity markets was partially avoided. The equity exposure was increased again in the second half, albeit remained mainly underweight emerging market equities.

## Market Outlook

In this context of prolonged trade uncertainty and henceforth the appearance of a recessionary scenario, global monetary easing is a positive factor that flows into our strategy considerations. Indeed, the US Federal Reserve (Fed) has remained under pressure to deliver more rate cuts, and we now assume that the Fed will cut rates at least twice this year. The European Central Bank as well is expected to intervene by lowering its refinancing rates and by increasing its balance sheet again. Therefore, we remain exposed to both safe haven assets (longer part of sovereign yield curve) as well as to equity markets, which offer on a relative basis (earnings yield minus government yields) still interesting returns.

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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.