

MIDAS - Eurozone Equities I - Acc

Monthly summary report | as at 28 February 2018

Investment Objective

The Fund's objective is to provide long-term capital growth and to outperform the Euro Stoxx Net Return EUR Index. The Fund is actively managed and invests primarily in companies of countries which are part of the Eurozone.

Latest Update

NAV per share	100.74
2018 year-to-date return as at 28 February 2018	-0.36%

Performance

	1M	YTD	SI
Midas Eurozone Equities	-2.71%	-0.36%	0.74%
Performance Indicator*	-3.79%	-0.65%	-0.55%

* Euro Stoxx Net Return EUR (Bloomberg Code: SXXT <Index>)

Fund key facts

Inception date	15 November 2017
ISIN code	LU1715158744
Asset class	Equities
Total fund assets	45.8 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	0.80%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days
French PEA	Eligible

Monthly comments

At the beginning of the month, the longer part of the yield curve in the US accelerated its rise it had initiated in November last year. This move made many investors nervous and provoked lemmings-like behaviors. The VIX index (a key measure of market expectations of near-term volatility) all of a sudden surged to intraday levels not seen since 2008 and 2015, while global equity markets retreated. Markets feared an overheating of the US economy with inflation getting out of control. The Fed indeed voiced a slightly more hawkish tone under the lead of its new chair Mr J. Powell, but fears of a Fed running behind the curve were somewhat tempered by some macro-indicators coming in lower than expected.

The fund lost 2.71% outperforming its benchmark which lost 3.79%, helped mainly by good stock picking and by outperformance of small and mid over large capitalisations.

Our best performing stocks over the month were **Moncler**, **Vapiano** and **Ipsen**.

Moncler had already strongly performed ahead of its quarterly results and good momentum was confirmed as it delivered by publishing very strong results with 14% same-store sales growth.

Vapiano is a company operating a chain of restaurants serving pasta, pizza, antipasti and salads where chefs prepare the dishes (that can be customized) in front of the clients. Founded in 2002 in Hamburg, Vapiano was one of the pioneers in the fast-casual business, since then it has grown to more than 200 restaurants in over 33 countries on five continents. Vapiano is a rapid growth story (sales CAGR was 28% over the 2014-16 period), which should continue as it aims to almost double its number of stores by 2020, via a mixture of new openings, joint ventures (JVs) and franchise partners, using the proceeds from last year's IPO to fund growth.

Ipsen surged after the publication of very strong 2017 results (sales +21%) and a guidance above consensus of 2018 sales growth superior to 16% with continuing margin improvements. Ipsen's strong prospects, higher than European peers, doesn't seem to be fully priced in.

The fund was negatively impacted by the performance of **Valeo**, **Eurofins** and **Brembo**.

Valeo results were disappointing, clearly falling short of expectations due to weaker-than-expected organic growth. 2018 is likely going to be a transitional year for Valeo but we remain convinced that the growth potential from electric and autonomous cars remains intact, given the strong order book growth and guidance. **Eurofins** and **Brembo** will publish earnings early March.

During the month we initiated a position in **Wirecard**. Wirecard is leader in the European on-line payment market with roughly 20% market share. We see strong upside as it is a structural growth story with organic growth in the 20% range mid-term, good visibility and operating leverage ahead with margins expected to reach 31% by 2020 (versus roughly 27.5% in 2017).

Characteristics

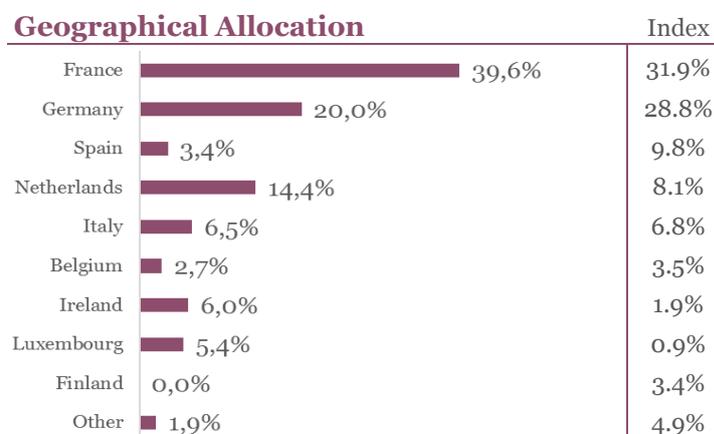
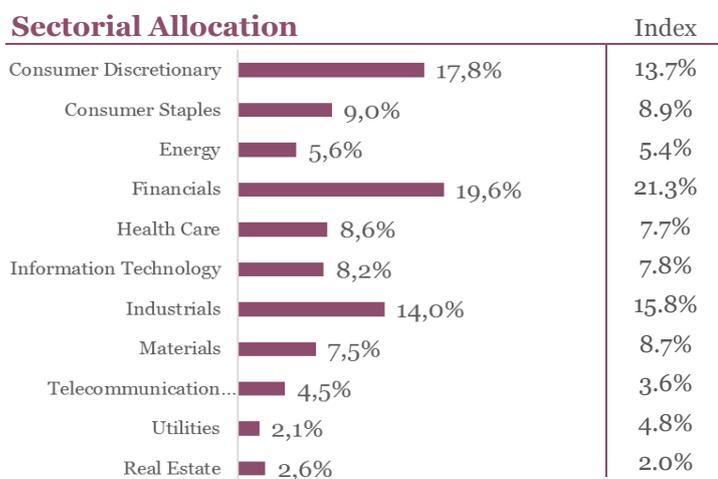
	Fund	Index
Number of Holdings	39	301
Top 10 Weight	33.2%	17.6%
Avg Mkt Cap (bn €)	25.1	62.2
Med Mkt Cap (bn €)	11.2	14.5
Index overlap	17.9%	100%
Net equity exposure	100.0%	100%

Risk Profile



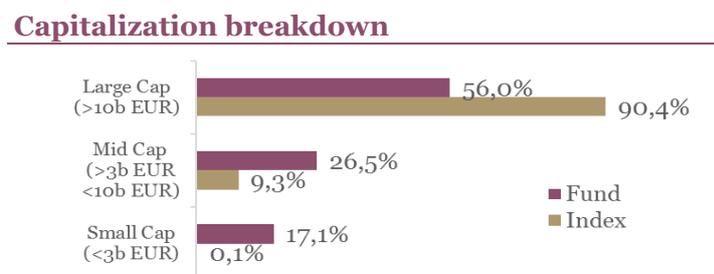
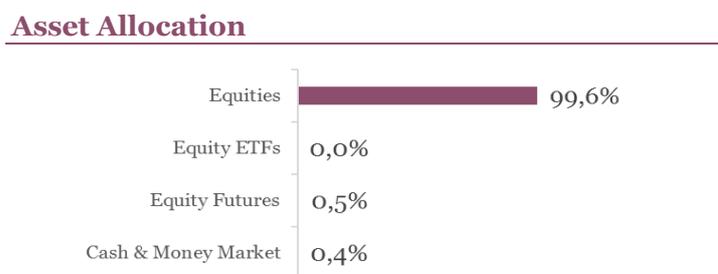
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Top 10 Positions	Fund	Index
IPSEN	3.8%	0.1%
BANCO SANTANDER SA	3.4%	2.2%
ROTHSCHILD & CO	3.4%	0.0%
ASML HOLDING NV	3.4%	1.4%
MONCLER SPA	3.4%	0.1%
SAFRAN SA	3.3%	0.7%
PERNOD-RICARD SA	3.2%	0.6%
STROEER SE & CO KGAA	3.2%	0.0%
SMURFIT KAPPA GROUP PLC	3.2%	0.1%
DRILLISCH AG	3.0%	0.1%

Top 10 overweight	Fund	Index
IPSEN	3.8%	0.1%
ROTHSCHILD & CO	3.4%	0.0%
MONCLER SPA	3.4%	0.1%
STROEER SE & CO KGAA	3.2%	0.0%
SMURFIT KAPPA GROUP PLC	3.2%	0.1%
TKH GROUP NV	3.0%	0.0%
DRILLISCH AG	3.0%	0.1%
ABN AMRO GROUP NV-GDR W/I	3.0%	0.3%
MTU AERO ENGINES AG	2.9%	0.2%
BASIC FIT NV	2.7%	0.0%



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