

MIDAS - Eurozone Equities I - Acc

Monthly summary report | as at 31 July 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	102.9
2018 year-to-date return as at 31 July 2018	1.78%

Performance

	1M	3M	YTD	SI
Midas Eurozone Equities	1.86%	-0.51%	1.78%	2.90%
Performance Indicator*	3.51%	1.12%	3.21%	3.31%

* 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	€ 49,7 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

US and EU stroke an agreement on trade on the 25th of July, sending US President back to the White House trumpeting himself “deal maker of the year” and protector of free and fair trade. Yet, tensions around global trade disputes were already vanishing before Mr Juncker’s visit to Washington, as financial markets attention was mesmerized by earnings releases depicting a solid state of affair for both US and EU companies. In July, resurgence of investor’s risk appetite led to a strong rebound in risky assets.

During the month the fund rebounded 1.86%, behind its performance indicator. The fund has been penalized by some stock specific news and by outperformance of large cap versus small and mid-capitalisations.

Best performers were **ASML**, **Arcelor Mittal** and **Wirecard**.

With a global market share of more than 80% in the lithography market, **ASML** is the leading global lithography equipment supplier for the semiconductor industry. It posted impressive quarterly earnings and showed confidence in the future with management saying that “after an excellent first half of 2018, we expect the second half to be stronger, with improved profitability and continued growth from Q3 to Q4”.

In June **ArcelorMittal** had suffered from US tariffs on steel and aluminium and potential impact of a trade war, it has since then rebounded. We believe that key sectors such as automotive and construction are likely to continue to support steel demand.

Wirecard, our biggest position, has (again) outperformed European market, reaching a year-to-date performance of 72%. It published preliminary results with a 40% yoy growth in sales, still benefiting, among other things, from a dynamic e-commerce market globally.

Performance was negatively impacted by **Beneteau**, **Valeo** and **Kering**.

Beneteau’s stock price suffered from concerns over potential impact of tariffs on imports of US leisure boats and especially in the event of retaliation measures from the US. We think that fears are now priced in considering Beneteau’s exposure (~16% of total sales) to and from the US.

Valeo posted another weaker-than-expected quarter but the growth profile should accelerate as the CEO has confirmed double-digit growth in FY19 (based on the cadence it sees from its strong order book). The main drivers for next year’s growth are Comfort & Driving Assistance, Thermal Systems and Lighting systems. We believe that Valeo is present in fast-growing segments in the auto industry.

Kering’s turnaround story has been very successful over the past few years driven by the divestiture of Puma and by the tremendous momentum for Gucci. Spectacular but slightly lower than anticipated quarterly figures for the white-hot Gucci brand triggered fears the stock may have peaked amid potentially weakening sales to Chinese customers. However, Kering CFO said on the call that they haven’t seen a slowdown in demand from Chinese consumers at this stage. We think that Kering is now a pure luxury vehicle and should be valued as such. Given the good earnings publication (+40% LFL in Q2), the better-than-expected margin and confidence in management comments we have kept our investment in Kering.

Characteristics

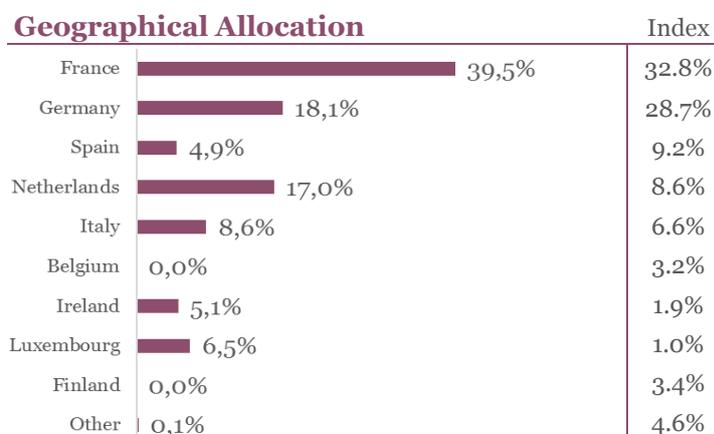
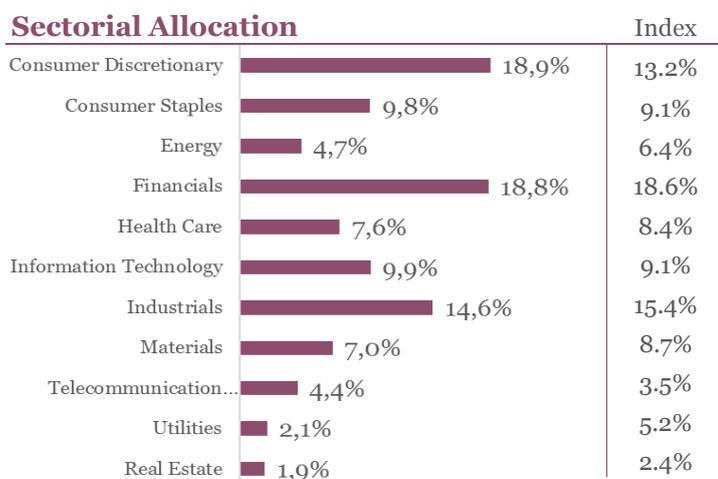
	Fund	Index
Number of Holdings	40	298
Top 10 Weight	33.1%	13.4%
Avg Mkt Cap (bn €)	32.3	60.6
Med Mkt Cap (bn €)	14.1	12.9
Index overlap	21.1%	100%
Net equity exposure	99.9%	100%

Risk Profile



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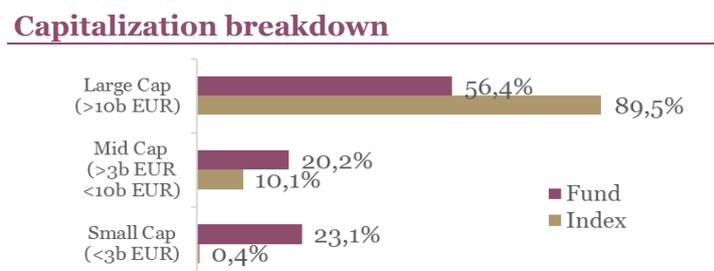


Top 10 Positions

Company	Fund (%)	Index (%)
WIRECARD AG	4.0%	0.4%
AIRBUS GROUP NV	3.7%	1.4%
ASML HOLDING NV	3.6%	1.8%
BANCO SANTANDER SA	3.4%	1.8%
ROTHSCHILD & CO	3.2%	0.0%
COVESTRO AG	3.2%	0.4%
BASIC FIT NV	3.1%	0.0%
TOTAL SA	3.1%	3.4%
KERRY GROUP PLC	3.0%	0.3%
EUROFINS SCIENTIFIC	2.9%	0.1%

Top 10 overweight

Company	Fund (%)	Index (%)
WIRECARD AG	4.0%	0.4%
ROTHSCHILD & CO	3.2%	0.0%
BASIC FIT NV	3.1%	0.0%
TKH GROUP NV	2.9%	0.0%
COVESTRO AG	3.2%	0.4%
EUROFINS SCIENTIFIC	2.9%	0.1%
STROEER SE & CO KGAA	2.7%	0.0%
ABN AMRO GROUP NV-GDR W/I	2.9%	0.3%
KERRY GROUP PLC	3.0%	0.3%
IPSEN	2.8%	0.1%



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