

MIDAS - Eurozone Equities I - Acc

Monthly summary report | as at 30 September 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	100.46
2018 year-to-date return as at 30 September 2018	-0.63%

Performance

	1M	3M	6M	YTD	SI
Midas Eurozone Equities	-2.21%	-0.55%	2.89%	-0.63%	0.46%
Performance Indicator*	-0.23%	0.57%	3.11%	0.27%	0.37%

* 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	51.4 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

Global economy is entering a period of growth de-synchronization with US firing on all cylinders while the other zones are struggling to keep the positive momentum going. The Eurozone economy still has not found a good balance between boosting its meagre short-term outlook while keeping its debt at acceptable levels. Italy currently represents a big risk as it is not willing to comply with fiscal discipline imposed by Europe.

Over the month the fund lost 2.21%, behind its performance indicator. The fund has been penalized by some specific news and by strong outperformance of large cap versus small and mid-capitalisations across Europe (+1.6% for the CAC40 versus -1.61% for the CAC Small & Mid Index for example).

In September best performers were **Rothschild, Safran** and **Axa**.

Rothschild published impressive results in every division and provided a pretty confident outlook which led the stock price to surge. Global Advisory has posted good quarterly earnings, outperforming the market and gaining market share versus peers while restructuring in Wealth & Asset Management division seems to be bearing fruits. After its strong outperformance we have reduced our exposure. However, Rothschild remains one of our top positions.

Safran reported a strong set of half-year results across all divisions, leading the company to raise guidance for the second time this year, now targeting organic sales growth of 7-9% (from 2-4%) on the back of strong civil aftermarket.

Characteristics

	Fund	Index
Number of Holdings	41	305
Top 10 Weight	31.8%	21.1%
Avg Mkt Cap (bn €)	38.4	58.0
Med Mkt Cap (bn €)	15.1	12.5
Index overlap	22.0%	100%
Net equity exposure	100.0%	100%

Performance was negatively impacted by **Rubis, Melexis, Trigano** and **Vapiano**.

Rubis published disappointing results, impacted by situation in Turkey and sanctions against Iran. The company has been impacted by under-utilisation of the Turkish storage terminal (which could be recurring) on one hand and by one-offs on the other hand such as the provision related to the ongoing sale of the Iranian bitumen business.

Melexis has suffered given concerns about outlook for both semiconductors and automotive sectors. We remain convinced that the increasing use for sensors in the automotive sector and the development of Internet-of-Things represent significant opportunities for Melexis.

Trigano has suffered post publication given weak LFL growth as sales of caravans were down 9%, dented by the downturn of the UK market, and garden equipment down 10% reflecting a tightening of the competition in France. When asked about expected growth in 2019, the group gave no specific guidance but did say it is confident that the market has the potential for growth and that it will continue to gain market share. We remain invested as we think that the share-price correction has been exaggerated.

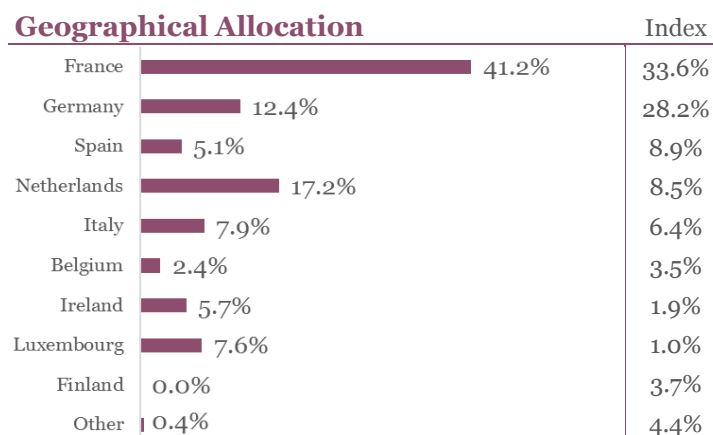
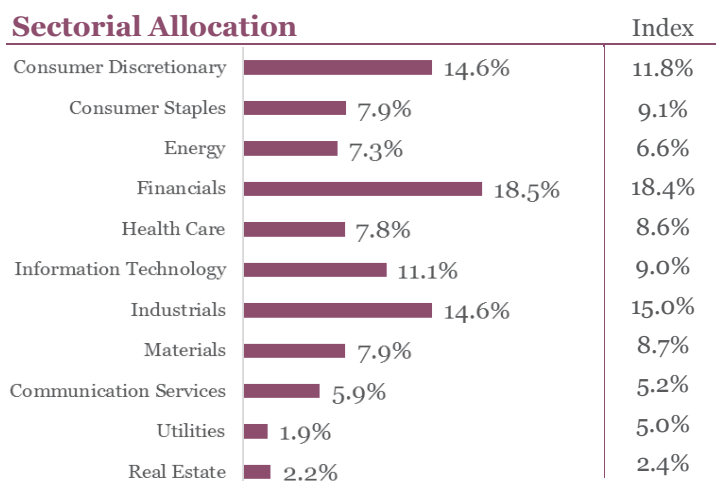
Vapiano released a sales and profit warning adjusting its outlook due to a "significantly weaker development in Sweden" as well as an "exceptionally long and hot summer reducing footfall frequency in European city centres". Given the low visibility for the coming months we have decided to sell the position as we see better opportunities in the market on the short run.

Risk Profile



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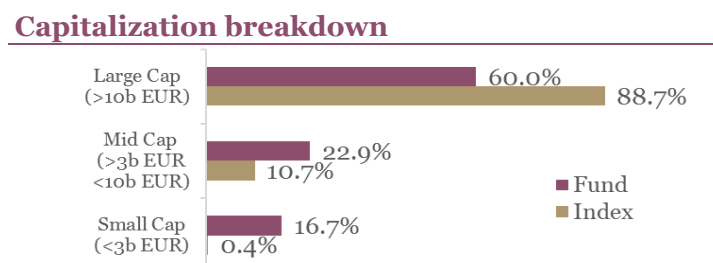
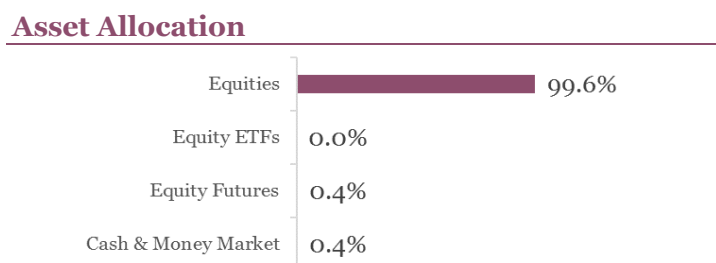


Top 10 Positions

Company	Fund (%)	Index (%)
AIRBUS GROUP NV	3.6%	1.5%
TOTAL SA	3.5%	3.5%
WIRECARD AG	3.5%	0.5%
ASML HOLDING NV	3.3%	1.6%
ABN AMRO GROUP NV-GDR W/I	3.3%	0.3%
EUROFINS SCIENTIFIC	3.0%	0.1%
BANCO SANTANDER SA	3.0%	1.7%
KERRY GROUP PLC	3.0%	0.3%
BASIC FIT NV	2.9%	0.0%
ROTHSCHILD & CO	2.8%	0.0%

Top 10 overweight

Company	Fund (%)	Index (%)
ABN AMRO GROUP NV-GDR W/I	3.3%	0.3%
WIRECARD AG	3.5%	0.5%
BASIC FIT NV	2.9%	0.0%
EUROFINS SCIENTIFIC	3.0%	0.1%
ROTHSCHILD & CO	2.8%	0.0%
INTERPUMP GROUP SPA	2.7%	0.0%
KERRY GROUP PLC	3.0%	0.3%
SMURFIT KAPPA GROUP PLC	2.8%	0.2%
IPSEN	2.7%	0.1%
ELIS SA	2.6%	0.1%



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