

MIDAS - Eurozone Equities I - Acc

Monthly summary report | as at 31 October 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	91.41
2018 year-to-date return as at 31 October 2018	-9.58%

Performance

	1M	3M	6M	YTD	SI
Midas Eurozone Equities	-9.01%	-11.17%	-11.62%	-9.58%	-8.59%
Performance Indicator*	-6.62%	-9.28%	-8.26%	-6.37%	-6.27%

* 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	47.0 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

In October, the fund lost 9.01%, behind its performance indicator. Underperformance was due, on the one hand, to our overexposure to small and mid-sized companies which suffered from a sharp sell-off and to our stock selection in some sectors (Consumer Discretionary and Materials) on the other hand.

Worst performers were **Valeo**, **Covestro** and **Arcelor Mittal**.

Cyclicals sectors came under pressure and Materials in particular, with Covestro and Arcelor Mittal strongly underperforming. **Arcelor Mittal**'s share price has been hit by growing concerns about the global economic outlook, particularly regarding China and the supply/demand balance in the Chinese steel markets. Arcelor Mittal's investment case looks intact to us as it continues to see robust real demand and healthy utilisation rates across all steel segments.

The Automotive sector has been hammered as weaker Chinese demand led to several profit warnings, **Valeo** being no exception. Given the magnitude of the Valeo earnings' shortfall and the lack of visibility in the sector, we decided to sell this position as we see better opportunities elsewhere. Indeed we have implemented some arbitrages to seize opportunities arising from what we consider to be a correction and not the beginning of a bear market.

In October best performers were **Grifols**, **Orange** and **Heineken**.

Grifols is a healthcare company, leading producer of plasma-derived medicines (immunoglobulins, albumin...) for the treatment of rare, chronic and sometimes life-threatening conditions. To help ensure a reliable, consistent source of plasma medicines worldwide, Grifols has an all-inclusive process that begins with plasma collection and continues through fractionation, purification and production.

Its Bioscience division (about 80% of the company's revenues) produces these plasma-derived medicines and represents the primary engine of growth for Grifols. The Diagnostic division manufactures products that ensure blood transfusions are safe, test for blood clotting disorders or immune disorders.

With the largest network of plasma donation centers in the world, Grifols is a major player in the high barrier to entry, oligopolistic, blood plasma protein market. In October, Grifols' share price surged after it presented promising results demonstrating a significant reduction in the progression of moderate Alzheimer's disease using its AMBAR (Alzheimer Management by Albumin Replacement) treatment protocol.

During this "Red October", we have seen a sector rotation from cyclicals into defensive sectors. In this context, Consumer Staples and Communications services have been a shelter and companies such as Orange and Heineken have outperformed. On top, both companies have benefited from reassuring results. **Orange** has posted decent results as growth accelerated in France while **Heineken** benefited from positive surprises in all regions, more especially in the Americas and Asia Pacific.

Characteristics

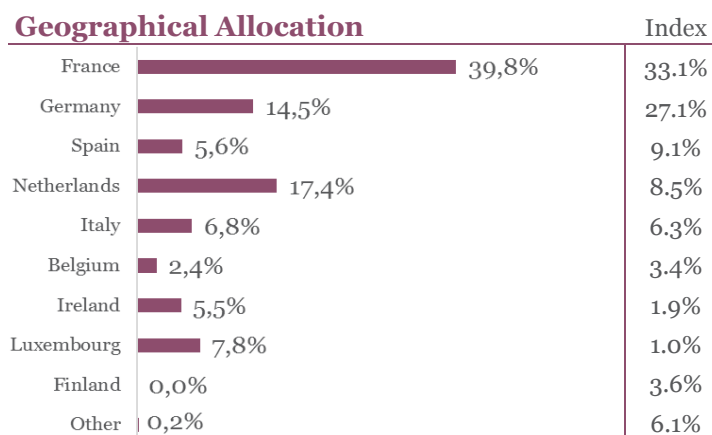
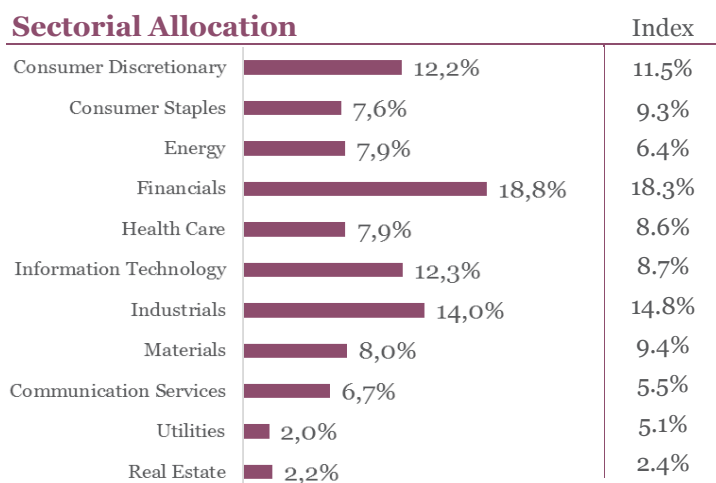
	Fund	Index
Number of Holdings	40	305
Top 10 Weight	31.9%	21.2%
Avg Mkt Cap (bn €)	36.4	52.5
Med Mkt Cap (bn €)	15.8	10.9
Index overlap	78.8%	100%
Net equity exposure	99.9%	100%

Risk Profile



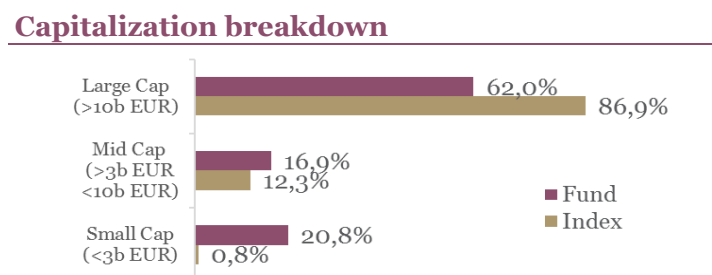
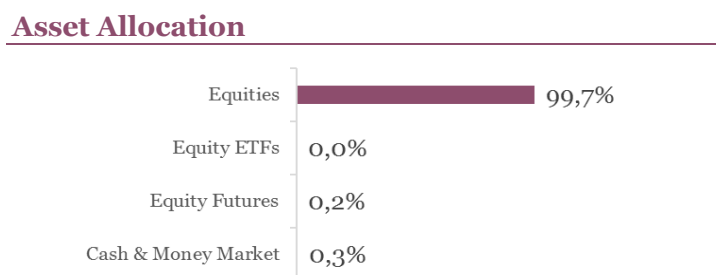
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Top 10 Positions	Fund	Index
LVMH	3.4%	1.8%
TOTAL SA	3.4%	3.4%
ABN AMRO GROUP NV-GDR W/I	3.3%	0.3%
WIRECARD AG	3.3%	0.5%
AIRBUS GROUP NV	3.2%	1.4%
BANCO SANTANDER SA	3.1%	1.7%
KERRY GROUP PLC	3.1%	0.3%
COVESTRO AG	3.1%	0.3%
ASML HOLDING NV	3.0%	1.6%
EUROFINS SCIENTIFIC	3.0%	0.1%

Top 10 overweight	Fund	Index
ABN AMRO GROUP NV-GDR W/I	3.3%	0.3%
BASIC FIT NV	3.0%	0.0%
EUROFINS SCIENTIFIC	3.0%	0.1%
WIRECARD AG	3.3%	0.5%
COVESTRO AG	3.1%	0.3%
KERRY GROUP PLC	3.1%	0.3%
ELIS SA	2.7%	0.1%
1&1 DRILLISCH AG	2.6%	0.0%
ROTHSCHILD & CO	2.5%	0.0%
GRIFOLS SA	2.4%	0.0%



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