

# MIDAS - Eurozone Equities I - Acc

Monthly summary report | as at 31 January 2019



## 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	86,43
2019 year-to-date return as at 31 January 2019	5,47%

## Performance

	1M	3M	6M	YTD	SI
Midas Eurozone Equities	5,47%	-5,45%	-16,01%	5,47%	-13,57%
Performance Indicator*	6,25%	-0,96%	-10,15%	6,25%	-7,17%

\* 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	26.6 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

We saw a net rebound after a painful December and a beginning of the year that started on a bad foot with some earnings deceptions. Markets recovered though, with the prospect of a normalization of Sino-US relations, some "accommodating" remarks coming from the FED and China announcing measures to revive its economy.

Cyclical sectors as a whole rebounded with Basic Resources (+13%) and Autos (+11.6%) leading the pack. **Melexis**, a Belgian semiconductor manufacturer, with over 90% of its revenues coming from the automobile sector, rebounded over 21% during the month. We exited one of our last remaining direct exposures to the auto-sector, by selling our **Brembo** stake, anticipating what is expected to be a difficult 2019 (more particularly in terms of lower margins combined with a slowdown in top line growth).

The **Airbus** stock had one of its best months in recent years, rising over 19%, after initial rumours that they would not reach their very ambitious target of 800 plane-deliveries in 2018, were proven wrong.

The Fund profited well from its Materials exposure through **Arcelor Mittal** (+11.3%) and **Covestro** (+11.6%). Covestro initially rebounded in line with peers, but continued to rally as it became apparent that a major rival, Chinese Wanhua, was set to raise prices for polymeric MDI in February. Polymeric MDI prices are an important driver for Covestro's profit margins.

In a market that was risk-on, interest rates were down, allowing the Real Estate sector (11.2%) to perform well. **Grand City Properties** was no exception and rose 14.5%. Benefiting from a temporary weakness in its stock price, we took a position in the fast growing and leading French real estate company **Frey**, specialized in "open air" shopping centers. The company aims to become the European leader within the next ten years. As part of a €200 million capital increase operated in June 2018, Frey has given itself the means to finance its expansion.

With the exception of real estate, defensives underperformed, with the Telecoms sector even down 1.5%. **1&1 Drillisch AG** confirmed its participation to the German 5G spectrum auction. If it succeeds to obtain some spectrum, it will be obliged to roll-out a country-wide network, completely changing its MVNO business-model. The stock exited the portfolio as we consider the risks are still not fully priced-in.

Other defensives as Pharma and HPC (Health & Personal Care) also underperformed. During the month, **L'oreal** made its introduction to the Fund as the stock did not fully reflect the very good momentum that many of its global brands (Lancôme, Yves-Saint-Laurent, Giorgio Armani, Kiehl's..) currently experience. The industry trends towards skincare, e-commerce and general premiumization bode well for L'oreal's margins, especially as L'oreal is outperforming the market on all fronts. Despite some fears for an Asian slowdown L'oreal management did not get any such signal and neither did its competitors.

## Characteristics

	Fund	Index
Number of Holdings	37	305
Top 10 Weight	33,4%	21,1%
Avg Mkt Cap (bn €)	44,0	51,6
Med Mkt Cap (bn €)	28,5	10,5
Index overlap	25,1%	100%
Net equity exposure	100,0%	100%

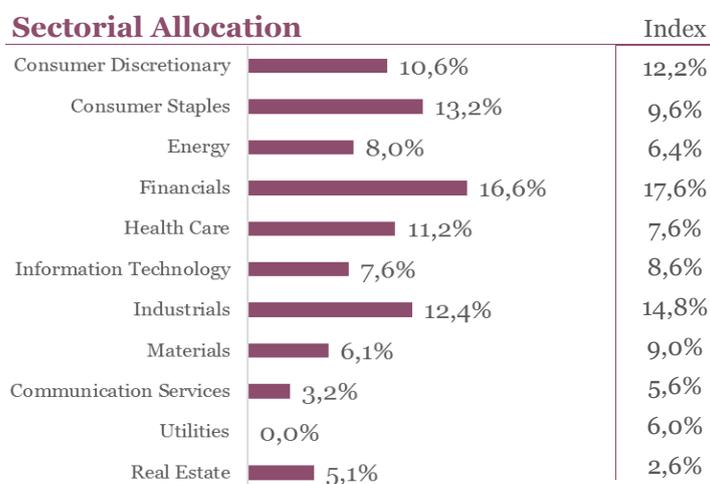
## Risk Profile

1	2	3	4	5	6	7
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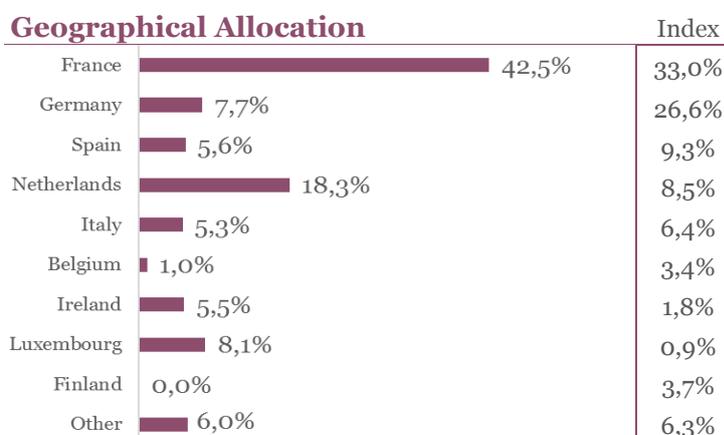
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## Sectorial Allocation



## Geographical Allocation



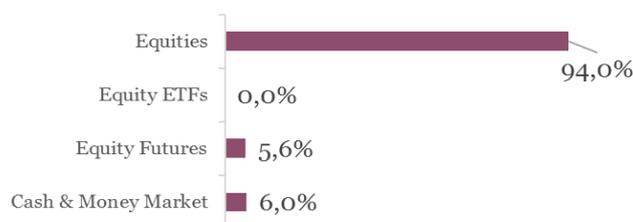
## Top 10 Positions

Position	Fund (%)	Index (%)
TOTAL SA	3,5%	3,3%
AIRBUS GROUP NV	3,5%	1,5%
GRAND CITY PROPERTIES	3,5%	0,0%
SAFRAN SA	3,4%	1,1%
ASML HOLDING NV	3,3%	1,7%
AXA SA	3,3%	1,1%
KERRY GROUP PLC	3,3%	0,3%
WIRECARD AG	3,3%	0,4%
ORANGE	3,2%	0,7%
BASIC FIT NV	3,1%	0,0%

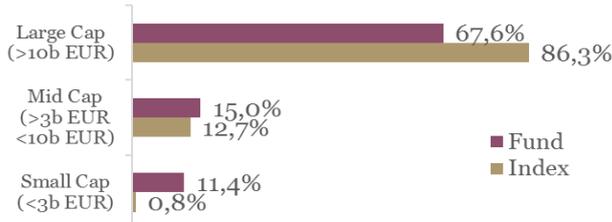
## Top 10 overweight

Position	Fund (%)	Index (%)
GRAND CITY PROPERTIES	3,5%	0,0%
BASIC FIT NV	3,1%	0,0%
GRIFOLS SA	3,0%	0,0%
KERRY GROUP PLC	3,3%	0,3%
WIRECARD AG	3,3%	0,4%
ABN AMRO GROUP NV-GDR W/I	3,0%	0,3%
IPSEN	2,8%	0,1%
EUROFINS SCIENTIFIC	2,6%	0,1%
ORANGE	3,2%	0,7%
HEINEKEN NV	2,9%	0,5%

## Asset Allocation



## Capitalization breakdown



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