

MIDAS - Eurozone Equities I - Acc

Monthly summary report | as at 30 June 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	94,69
2019 year-to-date return as at 30 June 2019	15,55%

Performance

	1M	3M	6M	YTD	2018	SI
Midas Eurozone Equities	6,32%	4,15%	15,55%	15,55%	-18,94%	-5,31%
Performance Indicator*	5,23%	4,22%	16,83%	16,83%	-12,72%	2,06%

* 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	27,6 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

Amid falling yields and renewed hope for a market-friendly outcome to trade negotiations between the US and China, Eurozone equities gained 5,2%. Basic resources and chemicals were the sectors gaining most, while real estate sector was a laggard. Arcelor Mittal and Covestro were among the fund's best performers, as were Altran Technologies and TKH Group, both rising over 30%. Those stocks were partially responsible for the fund's good performance (+6,3%).

TKH Group surprised markets positively during its Capital Market Day, raising its margin target above 15%, from 12-13% previously and giving a reassuring outlook for some of its new products. Further, the company also mentioned that it has now attained a sufficiently large scale that it can now start to target corporate simplification. About 10-15 legal entities will cease to exist as various companies will be integrated in larger clusters, allowing for a more efficient cost structure and preparing the company for its accelerating growth.

Altran Technologies rose following the announcement that the boards of directors of both Altran and Capgemini unanimously approved a takeover by Capgemini. As some shareholders, representing over 11% of its outstanding shares, have already sold out, we believe the deal is done. We took profit, as we saw limited further upside.

While both **Arcelor Mittal** and **Covestro** rebounded strongly in June, they are still a long way off from their respective heights reached during the summer of last year. Both stocks are also trading at historically low multiples, reflecting the big risk premium market participants are still demanding for those companies with highly cyclical end markets exposure.

As the Senate of Berlin agreed upon a rent freeze of 5 years, which is probably going to be approved by the city's House of representatives, "real estate"-linked equity reacted negatively. With over 20% of its portfolio exposed to Berlin, it comes as no surprise that **Grand City Properties** suffered. While we expect the rest of the German real estate market to remain resilient and there remain plenty of opportunities to be seized, this news is likely to continue to weigh on the Grand City stock. As a consequence, we significantly reduced our exposure.

During the month, we added **Solocal** to the portfolio. The group is currently at the end of its transition initiated in 2017, switching from its traditional phone directories yellow pages into a fully digital business. Management team has been completely replaced, including its CEO, which is the former director of Microsoft France. The whole organization is now fully dedicated to becoming a digital company providing a unique one-stop shop for small and medium sized companies looking to establish their internet presence.

Characteristics

Characteristics	Fund	Index
Number of Holdings	42	306
Top 10 Weight	32,2%	22,4%
Avg Mkt Cap (bn €)	51,0	61,2
Med Mkt Cap (bn €)	16,9	11,2
Index overlap	73,6%	100%
Net equity exposure	99,9%	100%

Risk Profile

1	2	3	4	5	6	7
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Sectorial Allocation

	Index
Consumer Discretionary	17,8%
Consumer Staples	10,7%
Energy	7,0%
Financials	14,3%
Health Care	13,6%
Information Technology	7,2%
Industrials	12,8%
Materials	5,0%
Communication Services	6,4%
Utilities	1,2%
Real Estate	3,8%

Geographical Allocation

	Index
France	51,1%
Germany	5,7%
Spain	5,3%
Netherlands	14,9%
Italy	4,1%
Belgium	2,5%
Ireland	4,6%
Luxembourg	8,3%
Finland	0,0%
Other	3,4%

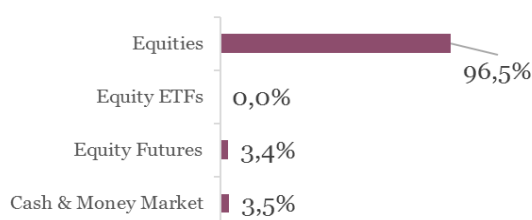
Top 10 Positions

	Fund	Index
LVMH	3,8%	2,4%
BASIC FIT NV	3,5%	0,0%
TOTAL SA	3,5%	3,1%
GRIFOLS SA	3,3%	0,0%
SAFRAN SA	3,1%	1,1%
ROTHSCHILD & CO	3,1%	0,0%
AIRBUS GROUP NV	3,1%	1,7%
KERRY GROUP PLC	3,0%	0,4%
L'OREAL	2,9%	1,4%
ASML HOLDING NV	2,9%	1,9%

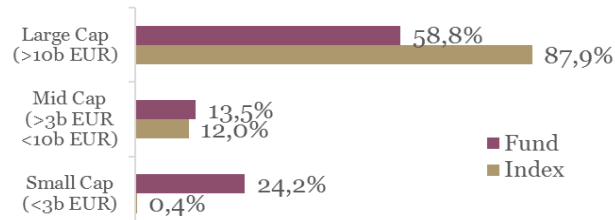
Top 10 overweight

	Fund	Index
BASIC FIT NV	3,5%	0,0%
GRIFOLS SA	3,3%	0,0%
ROTHSCHILD & CO	3,1%	0,0%
KERRY GROUP PLC	3,0%	0,4%
EUROFINS SCIENTIFIC	2,6%	0,1%
ORPEA	2,5%	0,1%
SMCP	2,4%	0,0%
DERICHEBOURG	2,3%	0,0%
MAISONS DU MONDE	2,3%	0,0%
ORANGE	2,8%	0,7%

Asset Allocation



Capitalization breakdown



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