

MIDAS - Eurozone Equities I - Acc

Monthly summary report | as at 31 July 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	94,77
2019 year-to-date return as at 31 July 2019	15,64%

Performance

	1M	3M	6M	YTD	2018	SI
Midas Eurozone Equities	0,08%	-0,38%	9,65%	15,64%	-18,94%	-5,23%
Performance Indicator*	0,12%	-0,64%	10,09%	16,97%	-12,72%	2,19%

* 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 millions
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

Eurozone equities were slightly up in July. While trade negotiations and geopolitical tensions monopolized news flow, central bankers are still occupying the driving seat. Amid dropping interest yields and a global manufacturing slump, defensive sectors as Real Estate, Consumer Staples and Utilities outperformed. For pretty much the same reasons, Banks and Car OEMs and suppliers underperformed. The start of the earnings season gave some rhythm to equity markets with disparities across companies even within the same sectors. On average, market reactions were positive. The fund gained 0.08% during the month.

Last month, there were some notable underperformers. **Maisons du Monde** dropped sharply following its earnings release as some investors were disappointed regarding the margins level (EBITDA margin of 8.1% on H1 vs 12% expected). We are still confident regarding MDM as it depicts the best story of growth and profitability within the French retail sector and the drop in margins was mainly due to some exceptionals. **Solocal** suffered when a hedge fund announced its new short position on the stock. This does not change our view on the company, we still believe that the chosen strategy is the right one, it will just need some time.

Top performers during the month were **AB Inbev**, **Grifols** and **Saras**.

Recently, we had taken profit on our **Heineken** investment and immediately reinvested in **Anheuser-Busch Inbev**. Last year, investors had penalized AB Inbev shares heavily as the company had become highly indebted after years of acquisitions and a slowdown in its end markets started to become a risk. Management took notice and started to focus on debt reduction. These efforts recently started to take shape and resulted in plans to IPO Budweiser APAC (Asian Brewery) and the sale of its Australian activities (Carlton and United). While this effort to tackle its high leverage was appreciated by investors, the low rate environment clearly is also beneficial to AB Inbev. Furthermore, the company has positively surprised the market during its recent earnings release, lowering the voices of those who saw a persistent slowdown of global beer consumption.

For the second month in a row, **Grifols** figures amongst the Fund's top performers, rising another 12,3% in July. The approval of its Xembify by the FDA and the progress realized on Ambar to treat Alzheimer were two triggers. The latter was already noticed by some investors end of last year but investors clearly needed more time before being convinced that this axis of development could add a strong upside for the stock's shares.

Saras was another outperformer last month, benefiting from high mid-distillates. Indeed, Saras' high share of middle distillates and low exposure to fuel oil in its output slate positions it well before the International Maritime Organization's 2020 deadline for lower-sulfur fuel oil. Saras reported a solid set of earnings as strong throughput, following a heavy 1Q turnaround period, helped to offset a refining margin environment that's weak vs. the year-earlier period. Margin should improve further in 2H, we believe, with some boost expected from IMO 2020 regulations, especially in 4Q.

Characteristics

Characteristics	Fund	Index
Number of Holdings	42	306
Top 10 Weight	32,4%	22,4%
Avg Mkt Cap (bn €)	51,8	61,2
Med Mkt Cap (bn €)	17,4	11,2
Index overlap	26,3%	100%
Net equity exposure	99,9%	100%

Risk Profile



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Sectorial Allocation

	Index
Consumer Discretionary	16.9%
Consumer Staples	11.1%
Energy	7.0%
Financials	14.1%
Health Care	14.4%
Information Technology	7.4%
Industrials	12.5%
Materials	4.9%
Communication Services	6.3%
Utilities	1.3%
Real Estate	4.0%

Geographical Allocation

	Index
France	50.0%
Germany	5.4%
Spain	5.6%
Netherlands	15.0%
Italy	4.2%
Belgium	2.9%
Ireland	4.6%
Luxembourg	8.2%
Finland	0.0%
Other	4.0%

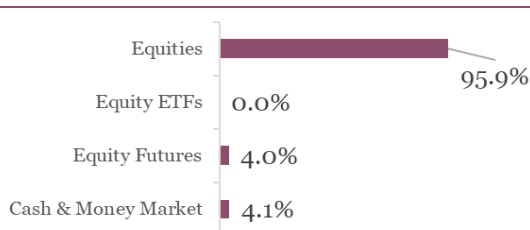
Top 10 Positions

	Fund	Index
LVMH	3,8%	2,4%
GRIFOLS SA	3,8%	0,0%
TOTAL SA	3,3%	3,1%
BASIC FIT NV	3,2%	0,0%
ASML HOLDING NV	3,2%	1,9%
AIRBUS GROUP NV	3,1%	1,7%
SAFRAN SA	3,1%	1,1%
ROTHSCHILD & CO	3,1%	0,0%
KERRY GROUP PLC	3,0%	0,4%
ANHEUSER-BUSCH INBEV SA/NV	2,9%	1,5%

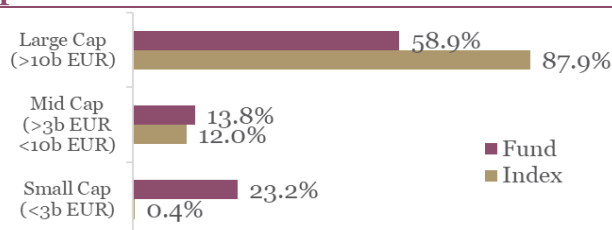
Top 10 overweight

	Fund	Index
GRIFOLS SA	3,8%	0,0%
BASIC FIT NV	3,2%	0,0%
ROTHSCHILD & CO	3,1%	0,0%
ORPEA	2,7%	0,1%
KERRY GROUP PLC	3,0%	0,4%
EUROFINS SCIENTIFIC	2,6%	0,1%
UBISOFT	2,4%	0,1%
SMCP	2,3%	0,0%
TKH GROUP NV	2,1%	0,0%
ROYAL DUTCH SHELL PLC-A SHS	2,1%	0,0%

Asset Allocation



Capitalization breakdown



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