

MIDAS - Eurozone Equities SRI - I - Acc

Monthly summary report | as at 31 August 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 | 92,19 |
| 2019 year-to-date return as at 31 August 2019 | 12,50% |

Performance

| | 1M | 3M | 6M | YTD | 2018 | SI |
|-------------------------|--------|-------|-------|--------|---------|--------|
| Midas Eurozone Equities | -2,72% | 3,51% | 3,60% | 12,50% | -18,94% | -7,81% |
| Performance Indicator* | -1,27% | 4,02% | 4,45% | 15,48% | -12,72% | 0,89% |

* 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 | 24,8 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

Beginning of the month, the fund has dropped 6,5%, only to end the month down by 2,7%. It goes without saying that European stock markets were rocked by concerns that the standoff between the USA and China might ultimately lead to a recessionary scenario. Recent actions by both sides have escalated the conflict, with the US president threatening additional tariff increases, and China taking retaliatory measures as well as letting its currency devalue. However, as discussions between US and China seemed to improve, stock markets rebounded towards month's end. Non-cyclicals as Healthcare exposed companies and utilities outperformed the market, while banks and the auto-sector as a whole (OEMs and suppliers) once again lagged.

The Fund suffered from its exposure to retailers as **SMCP** on the one hand and from its exposure to luxury holdings as **LVMH** and **Kering** on the other hand. Luxury goods Companies were caught in the crossfire as HongKong protests continued. Luxury brands that depend on both local and tourist business are collateral damage from the protests. As UBS claims that Hong Kong is responsible for 5% of global luxury sales as well as delivering above-average profitability to luxury brands, the pain is going to be evenly distributed. **TKH** dropped significantly last month (-19%), after publishing disappointing H1 numbers. Disappointment came mainly from the operating earnings miss, just shortly after investor's expectations were buoyed at the company's CMD. The stock is now trading back at the same levels as just before the CMD end of May. Despite weaker H1, management remains upbeat on the prospects for growth in sales and profits. Management was even enthusiastic about the prospects for FY 2020 in relationship to consensus estimates. TKH has a solid track record of organic sales growth, healthy operating margins that have been expanding gradually, and solid FCF which allows for further growth through innovation, M&A, or deleveraging. The company's main growth driver is innovation. Management has increased R&D spendings strongly in the past several years, aimed at new innovative products that are launched in the period until 2020. This should boost sales in the mid-term at premium operating margins. The roadmap suggests organic sales growth is on the cards for several years to come, albeit that sales growth at TKH is typically non-linear.

The fund's best performers during August were **Beiersdorf**, **Eurofins Scientific** and **Frey** : respectively a consumer staples, a bioanalytical testing and a real estate company. The three stocks did not only profit from their apparently defensive characteristics. Indeed, each company rose on its own merits. Beiersdorf rose after mgt raised its consumer top-line guidance for the full year amid decent Q2 numbers. Investors also anticipate margins to be at the top end of mgt guidance. Eurofins also rose on strong half-year results, and reassurance around the cyber-attack that had hit the company in June. The attack had an impact on operations, but a/ all is back to normal and 2/ financial impact is likely to be modest, as insurance coverage has been confirmed. Frey stock continued to perform well, as it is appearing on investors' radars as one of the rare growth stories in European retail development. As a reminder, Frey SA is a property investment company, specializing in open-air shopping centres.

Characteristics

| | Fund | Index |
|---------------------|-------|-------|
| Number of Holdings | 43 | 305 |
| Top 10 Weight | 32,7% | 21,9% |
| Avg Mkt Cap (bn €) | 48,7 | 56,7 |
| Med Mkt Cap (bn €) | 16,5 | 10,7 |
| Index overlap | 27,1% | 100% |
| Net equity exposure | 99,2% | 100% |

Risk Profile



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Sectorial Allocation

| | Index |
|------------------------|-------|
| Consumer Discretionary | 12,4% |
| Consumer Staples | 12,3% |
| Energy | 8,2% |
| Financials | 11,6% |
| Health Care | 15,0% |
| Information Technology | 7,1% |
| Industrials | 11,9% |
| Materials | 3,4% |
| Communication Services | 8,5% |
| Utilities | 3,5% |
| Real Estate | 6,0% |

Geographical Allocation

| | Index |
|-------------|-------|
| France | 50,3% |
| Germany | 7,3% |
| Spain | 3,0% |
| Netherlands | 15,2% |
| Italy | 6,8% |
| Belgium | 3,1% |
| Ireland | 5,0% |
| Luxembourg | 8,5% |
| Finland | 0,0% |
| Other | 0,0% |

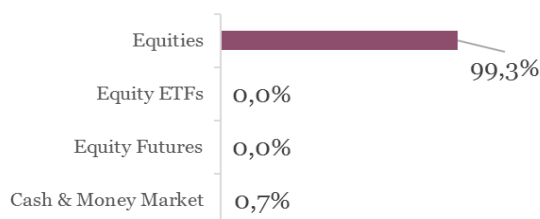
Top 10 Positions

| | Fund | Index |
|----------------------------|------|-------|
| TOTAL SA | 3,8% | 2,9% |
| SAFRAN SA | 3,6% | 1,1% |
| AIRBUS GROUP NV | 3,4% | 1,7% |
| KERRY GROUP PLC | 3,4% | 0,4% |
| ROTHSCHILD & CO | 3,1% | 0,0% |
| ORANGE | 3,1% | 0,7% |
| ANHEUSER-BUSCH INBEV SA/NV | 3,1% | 1,7% |
| ORPEA | 3,1% | 0,1% |
| KONINKLIJKE PHILIPS | 3,0% | 1,0% |
| GRIFOLS SA | 3,0% | 0,0% |

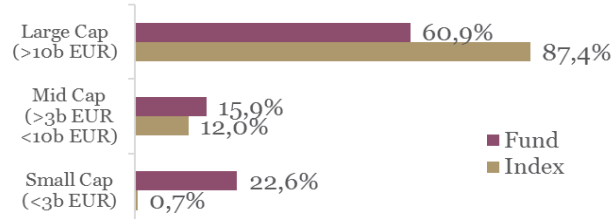
Top 10 overweight

| | Fund | Index |
|-----------------|------|-------|
| ROTHSCHILD & CO | 3,1% | 0,0% |
| GRIFOLS SA | 3,0% | 0,0% |
| KERRY GROUP PLC | 3,4% | 0,4% |
| ORPEA | 3,1% | 0,1% |
| BASIC FIT NV | 2,8% | 0,0% |
| AUTOGRILL SPA | 2,7% | 0,0% |
| BEIERSDORF AG | 2,9% | 0,3% |
| UBISOFT | 2,6% | 0,1% |
| ORANGE | 3,1% | 0,7% |
| SAFRAN SA | 3,6% | 1,1% |

Asset Allocation



Capitalization breakdown



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