

MWM SICAV - Global Equities SRI - I - Acc

Monthly summary report | as at 28 February 2021

Signatory of:



Investment Objective

The fund seeks to achieve capital appreciation over the medium to long term by investing in a portfolio of global equity securities (or related instruments). The fund is actively managed and focuses on companies that should benefit from structural trends identified by the fund's manager.

Latest Update

NAV per share	108.47
2021 year-to-date return as at 28 February 2021	1.58%

Performance

	1M	3M	6M	YTD	SI
Global Equities SRI	2.02%	3.70%	9.53%	1.58%	8.47%

Fund key facts

Inception date*	15 November 2017
ISIN code	LU1715158744
Asset class	Equities
Total fund assets	64.6 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	0.83%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

Monthly comments

By far the best performing stocks last month were those exposed to travel and leisure and to the reflation trade. Indeed, both our European and American exposure to financial companies contributed positively to the fund's performance, as prospects of an economic growth uptick were accompanied by a rapid rise of industrial metals and energy prices, leading in turn to increased inflation expectations. As the banking sector, especially in the eurozone, was one of the worst hit equity sectors last year (-24% in 2020) and has been under pressure most of the time since the Great Financial Crisis, we still see quite some upside in the following months/quarters, despite its +14% since beginning of the year.

As the vaccination campaign progresses rapidly in the US and in other parts of the world, market participants become increasingly optimistic with regards to future consumer spending. The fund is exposed to this thematic through its electronic payment companies **PayPal** and **Global Payments**. Both stocks had a good month, rising 11% and 12% respectively. The former rose to all-time highs, while the latter is still trying to dust off the negative impacts from its pandemic hit exposure to leisure (restaurants) and tourism (hotels). PayPal, specifically, is increasingly becoming a dominant player in the online payment universe. As mentioned, its stock is flirting with all-time highs, but if its management is proven right, Paypal shares still have plenty of headroom. Indeed, management is guiding for a revenue CAGR of over 20% for the next five years and a FCF generation of \$25 billion (for \$ 300bn market cap).

Something interesting happened with both **Check Point Software (CHKP)** and **Akamai Technologies (AKAM)**. Both companies are exposed to secular growth trends, as CHKP is a cybersecurity company and AKAM helps managing global internet traffic. Both companies are also mature and (highly) profitable. However, their growth profile is relatively low (to peers). The lower growth profile should not be a problem, as long as its market valuation reflects this. When both companies published their latest results, there were no major surprises. Results were in line with consensus estimates overall and guidance bore no big surprises, even though guidance for both might have been described as cautious. However, both stocks tumbled over 10% the day of their earnings reports! When we decided to invest in both companies, we accepted a trade-off: a lower return for less risk. Unfortunately, the market is focusing on growth in growth sectors. Those companies that are not able to outperform, are discarded. Therefore, as momentum is an important factor, and the fund is a concentrated one, we decided to reduce our exposure to "out-of-favour" stocks: we sold our CHKP investment and we picked up **Cloudflare** again at about the same valuation as when we sold beginning of the year. It is the cloud on-ramp to the three major cloud hyperscalers and can sell a full suite of transport, security, compute at edge and other services using both a highly disruptive technology and go-to-market strategy.

Characteristics

Characteristics	Fund
Number of Holdings	35
Top 10 Weight	34.9%
Avg Mkt Cap (bn)	301.2
Med Mkt Cap (bn)	48.4
Net equity exposure	99.6%

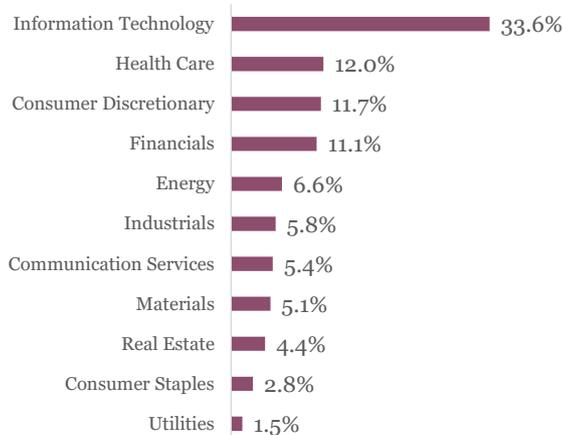
Risk Profile

1	2	3	4	5	6	7
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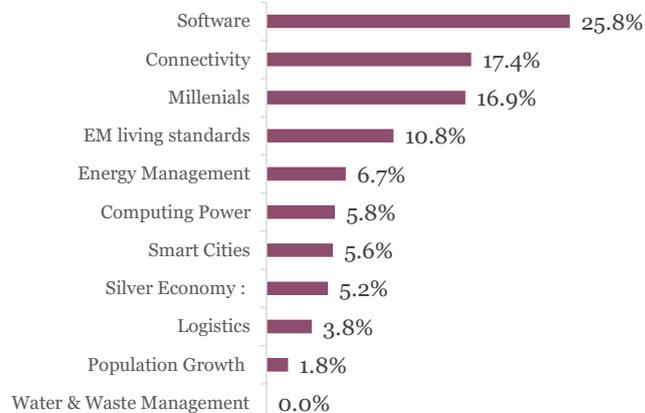
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Sectorial Allocation



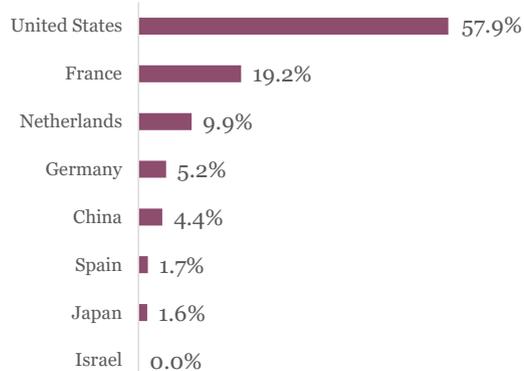
Thematics exposure



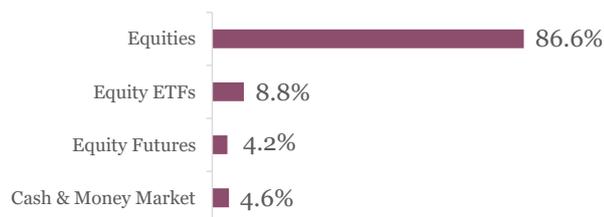
Top 10 Positions

BROADCOM INC	4.2%
AMAZON.COM INC	3.9%
MICROSOFT CORP	3.9%
ALIBABA GROUP HOLDING-SP ADR	3.8%
TOTAL SA	3.5%
PROSUS NV	3.4%
UNITEDHEALTH GROUP INC	3.1%
IQVIA HOLDINGS	3.1%
PAYPAL HOLDINGS INC	3.1%
ASML HOLDING NV	3.0%

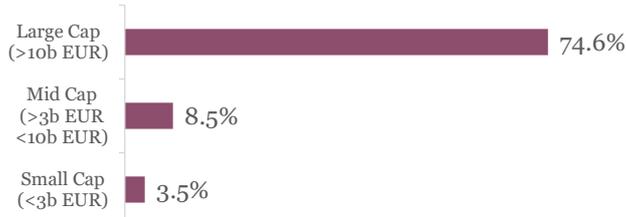
Geographical Allocation



Asset Allocation



Capitalization breakdown



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The LuxFLAG ESG Label is valid for the period ending on 31/12/2021. Investors must not rely on LuxFLAG or the LuxFLAG Label with regard to investor protection issues and LuxFLAG cannot incur any liability related to financial performance or default of Global Equities SRI.

*On the 1st of January 2020, the Fund's name has changed from Midas SICAV Eurozone Equities SRI Fund into Global Equities SRI Fund.