

**OCTOBER 2017**

NAV date :

27/10/2017

NAV : 99,17

Perf. 2017 : 1,70%

AUM : 14,76 Mil. €

**OBJECTIVES AND INVESTMENT POLICY**

The aim of the sub-fund is to offer a yield exceeding French sovereign rates by selling equity volatility, thus mimicking "reverse convertible" positions. The sub-fund typically sells deeply out-of-the-money put options on single stocks or stock indices on developed markets (Europe, North America, Japan), with over on year maturity. Hence, the sub-fund receives upfront the option premium and generates P&L along with the time decay. By selling options at times of acute market stress, the sub-fund will benefit of the subsequent sharp decrease in implied volatility.

The sub-fund won't sell digital, rainbow, callable nor barrier options.

At any time, the sub-fund will hold sufficient assets to be able to cover a potential exercise of all options sold and the underlying securities or indices will be liquid enough do so.

The sub-funds aims at outperforming the French sovereign OAT 10Y + 200bp. The recommended investment horizon is 3 years.

The sub-fund's assets are invested in corporate debt securities, sovereign bonds or, within the limit of 20% of the AUMs, in European mutual funds.

However, with the exclusive purpose of hedging its risks and positions, the sub-fund may occasionally use derivative instruments within the constraints outlined in the prospectus,

Should some put options be exercised, the sub-fund may exceptionally be invested in equities. The equity investments will be limited to 33% of the AUMs.

Any foreign exchange exposure will be limited to a maximum 10% of the AUMs.

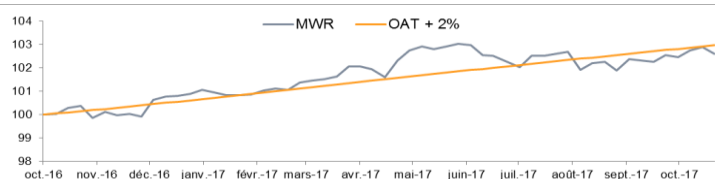
Purchase/redemption requests will be centralized by Caceis Bank Luxembourg before 16h each Friday when a NAV is published, and will be executed on the base of this following NAV on D+2.

**CUMULATIVE PERFORMANCES**

	1 mois	3 mois	YTD	1 an	3 ans	5 ans	Création
MWR	0,06%	0,00%	1,70%	2,23%	-	-	-0,80%
OAT+200bp	0,21%	0,68%	2,36%	2,84%	-	-	6,30%
Spread	-0,15%	-0,68%	-0,66%	-0,61%	-	-	-7,10%

**ANNUAL RETURNS**

	2016					
MWR	-0,56%	-	-	-	-	-
OAT+200bp	2,51%	-	-	-	-	-
Spread	-3,07%	-	-	-	-	-

**PERFORMANCE CHART (1 Year)**

**RISK INDICATORS**

	Volatility		Sharpe Ratio		Info Ratio.
	Fund	Indicator	Fund	Indicator	
1 Y	1,69%	0,03%	1,13	-	- 0,25
3 Y					
5 Y					

**OPTIONS PORTFOLIO INDICATORS**

	In €	As a % of the AUM
Premium	531 463	3,6%
Delta	5 169 153	35,0%
Nb of undelyings		25
Average maturity of the portfolio		179 days

**MAIN MOVEMENTS OVER THE PAST MONTH**
**New positions or positions accrued**

<span style="color: blue;">■</span> Signet	<span style="color: blue;">■</span> Gemalto	<span style="color: blue;">■</span> IAM Gold
<span style="color: blue;">■</span> General Electric	<span style="color: blue;">■</span> Macy's	<span style="color: blue;">■</span>
<span style="color: blue;">■</span> Altice	<span style="color: blue;">■</span> Engie	<span style="color: blue;">■</span>

**Covered or lapsed positions**

<span style="color: orange;">■</span> Royal Dutch	<span style="color: orange;">■</span>	<span style="color: orange;">■</span>	<span style="color: orange;">■</span>
<span style="color: orange;">■</span>	<span style="color: orange;">■</span>	<span style="color: orange;">■</span>	<span style="color: orange;">■</span>
<span style="color: orange;">■</span>	<span style="color: orange;">■</span>	<span style="color: orange;">■</span>	<span style="color: orange;">■</span>

**COMMENTS**

European equity market's performance was remarkably flat in October.

However, investors seem to get more and more anxious as markets look historically high, volatility is particularly low and valuation metrics may look stretched, particularly in the US. The potential reasons for equities keeping on rising look questionable, be it an acceleration of the economic growth, a US tax reform or a moderate return of inflation.

Conversely, European long term rates have been fluctuating in a quite narrow range for most of the year, in spite of the indisputable strengthening macro-economic conditions, raising doubts about a potential surge in rates at some point in the future. Such a move would be detrimental to equity valuations.

In this environment, investors confidence is fragile. Companies releasing disappointing quarterly figures or a prudent forward guidance have been immediately and markedly punished by the market.

This context is still naturally uncomfortable for our strategy as implicit volatility levels are very low and offer no protection should the underlying securities go down. For this reason, we have tried to add positions on underlyings whose implicit volatility were much higher than the average.

As an illustration, we have sold options on IAM Gold, Altice or Signet with volatilities in the range of 40 to 50.

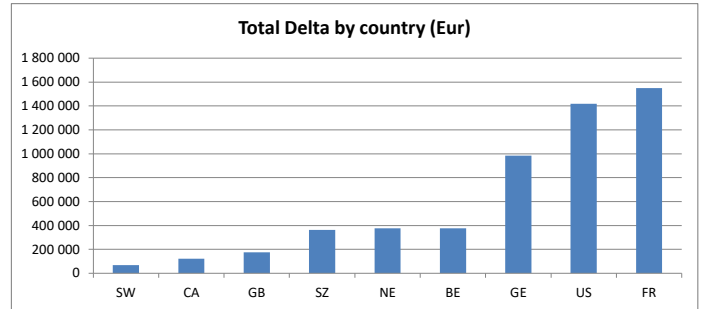
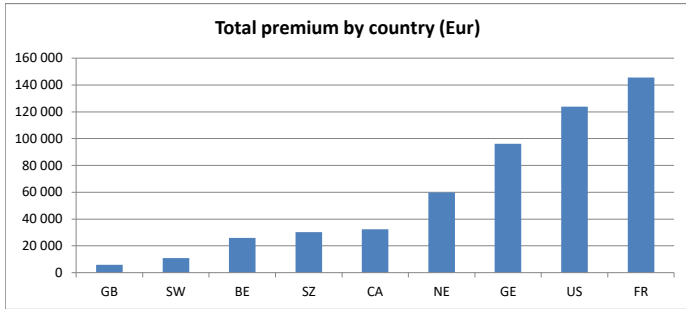
### MAIN OPTION POSITIONS

Underlying	Premium (€)	Delta (% of AUM)	Industry
CARREFOUR SA	70 760	4,1%	FR Distribution
MERCK KGAA	45 200	3,0%	GE Santé Pharma
KLEPIERRE	30 286	2,3%	FR Immobilier
CAMECO CORP	26 012	0,6%	CA Matières premières
KONINKLIJKE AHOLD DEL	22 566	0,8%	NE Distribution
DEUTSCHE EUROSHOP A	17 550	0,9%	GE Immobilier

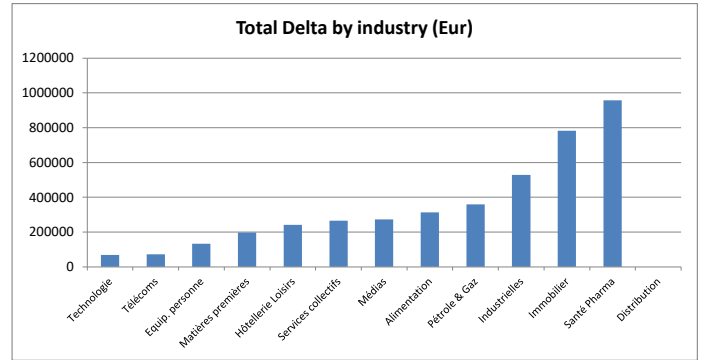
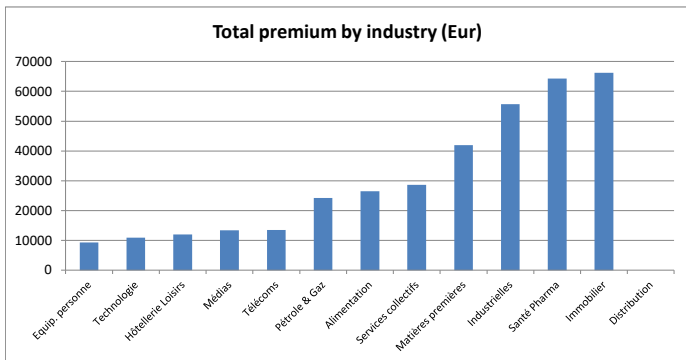
### PRINCIPAUX CONTRIBUTEURS A LA PERFORMANCE

Gains	As a % of the AUM	Losses	As a % of the AUM
SCHLUMBERGER	0,09%	GENERAL ELECTRIC	-0,18%
SHIRE	0,05%	CAMECO	-0,06%
ERICSSON	0,05%	ROCHE	-0,03%
CARREFOUR	0,04%	VALLOUREC	-0,02%
GEMALTO	0,04%	MACYS	-0,02%
KLEPIERRE	0,04%		

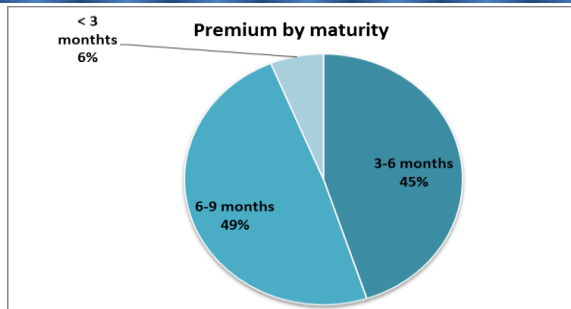
### BREAKDOWN OF OPTION PORTFOLIO BY COUNTRY



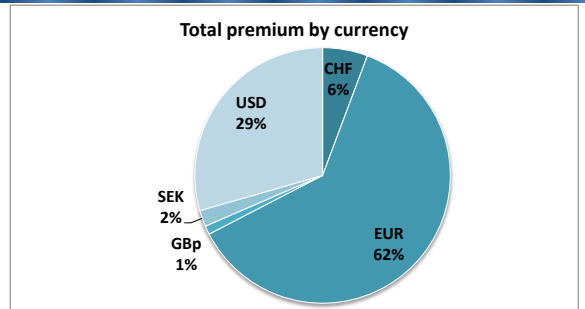
### BREAKDOWN OF OPTION PORTFOLIO BY INDUSTRY



### BREAKDOWN OF OPTION PORTFOLIO BY MATURITY



### BREAKDOWN OF OPTION PORTFOLIO BY CURRENCY



### CARACTERISTICS OF THE SHARE

Information		Fees	
Investment category		Subscription	1,5% max.
Inception date	July 22, 2015	Redemption	0%
Valuation frequency	Weekly	Management	1,5% TTC
Depository	CACEIS Luxembourg Branch	Performance	10% of outperformance over the benchmark
Settlement	D+2	Benchmark	OAT 10 yeras + 200bp

Legal form : Sub-Fund of the Luxembourg SICAV MW Gestion AM, intended particularly for institutional investors

These UCITS are authorized in Luxembourg and are regulated by Commission de Surveillance du Secteur Financier (CSSF)  
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