



MW OBLIGATIONS INTERNATIONALES



This UCITS is a sub-fund of the open-ended investment fund MW ASSET MANAGEMENT

ISIN : LU1061712110

Fund Managers : Vincent LAUREL - Cyril DEBLAYE

JUNE 2016

Bloomberg : MWOBICI LX Equity

NAV : 1617,36
Perf. YTD : 1,83%

GLOBAL NET ASSET : 49,7 Mil. €
NAV DATE : 01/07/2016

OBJECTIVE AND INVESTMENT POLICY

This Sub-Fund is classified as **"Foreign bonds and other debt securities"**.

The aim of this fund is to outperform its benchmark, the **Euro MTS 3-5 years** (denominated in euro – coupons re-invested), representative of government bonds within the Eurozone over the recommended investment period (**2 years**).

The investment strategy involves a dynamic management of the portfolio. The selection of fixed income products is based on the analysis of the issuer's fundamentals.

The Sub-Fund is constantly invested to a minimum of **50% in foreign corporate bonds** with no geographic, sector or type of securities restrictions.

The other debt and related securities making up the portfolio of the Sub-Fund are rated **"investment grade"** (at least BBB+ or equivalent by an accepted rating agency). The Sub-Fund is also allowed to include **"high yield"** securities (rated lower than BBB- or equivalent) up to a maximum of **10%** of assets, and **10%** of **unrated** securities.

The Sub-Fund can also invest in **equities, convertible bonds** and related debt securities up to **20%** of assets.

The **sensitivity** of the Fund shall be **between 0 and 6**.

The UCITS may also invest in **derivative products** or products that may include some derivative element. The Manager will take open or hedge positions on interest rate risks but will systematically hedge currency risks.

Demands for redeeming units must be received by the administrator every Friday, **before 16.00 (4.00 PM)**. They will be carried out based on the Net Asset Value of the same day and settled on **T+2**.

The Sub-Fund will capitalize the income derived from its investments.

PERFORMANCES (Rolling periods) of Part CI

	Year To Date	1 Month	1 Year	3 Year	5 Year	1995*
MWOI	1,83%	0,41%	-4,34%	8,70%	21,20%	112,19%
EURO MTS 3/5	1,62%	0,58%	3,22%	11,62%	23,40%	

(*) Fund inception

ANNUAL PERFORMANCES of Part CI

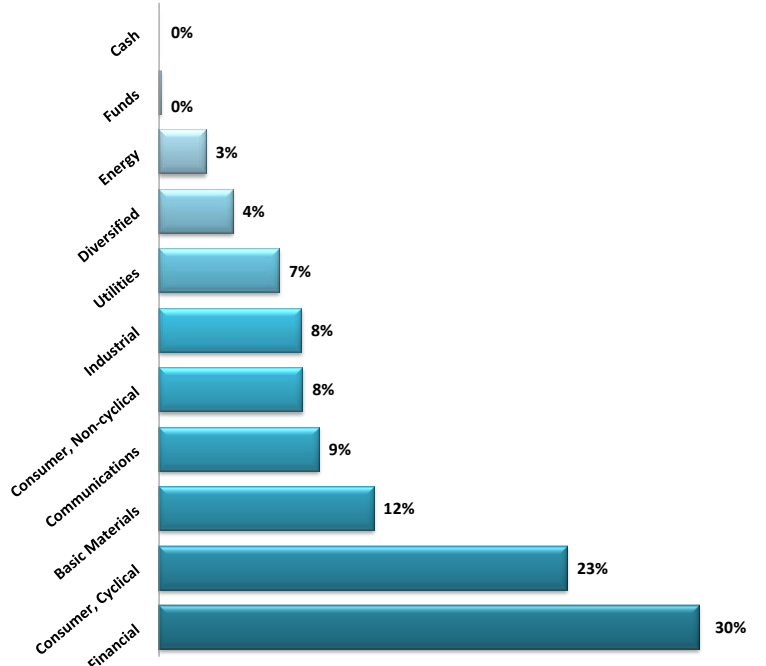
2015	2014	2013	2012	2011	2010	2009	2008
-2,24%	1,41%	8,52%	15,64%	-3,68%	1,47%	18,81%	-10,69%
1,19%	6,12%	2,13%	8,62%	0,83%	1,23%	5,54%	

MAIN MOVEMENTS

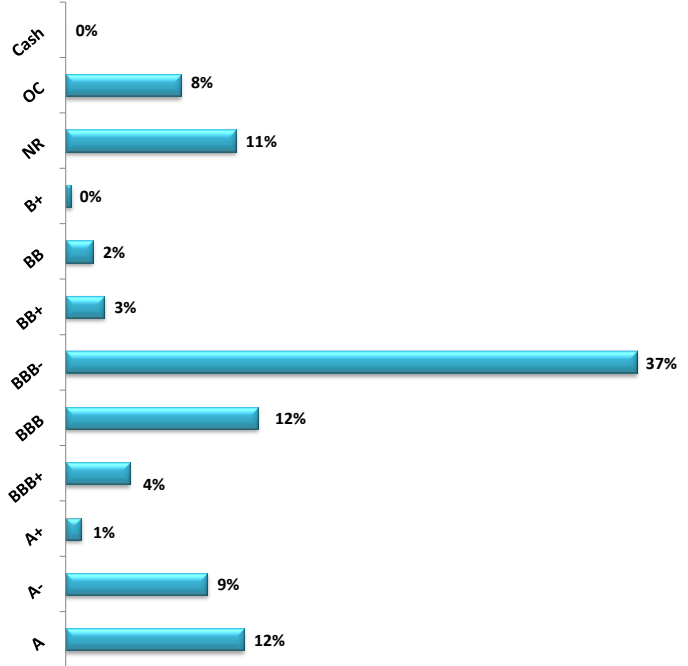
■ New Positions	■ Strengthened Position	■ Reduced	■ Sold
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ALLIED IRISH BANK 2025
BANK OF IRELAND 2024

SECTOR BREAKDOWN



CREDIT RATING BREAKDOWN



FINANCIAL DATA

Yield	Duration*	Sensitivity	Average Rating	Nber of holdings	Volatility (1 Year)	Sharpe Ratio Year)	(1
3,46%	1,44	1,68	BBB	27	4,95%	-0,75%	

*including the hedge

CURRENCIES (% of net asset)*

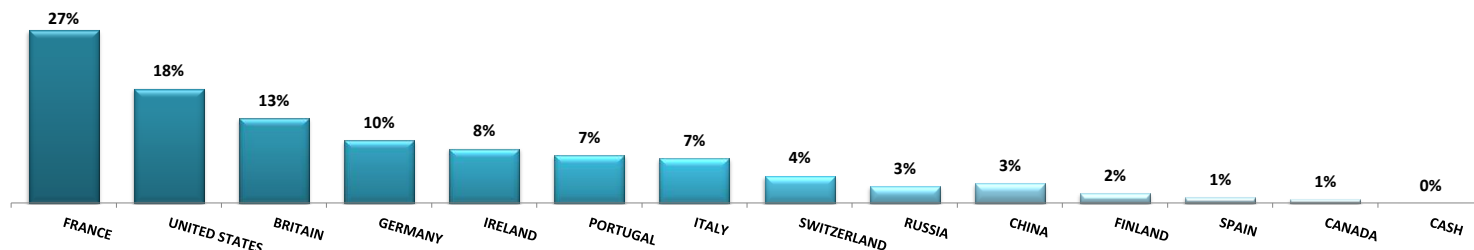
Currency	Percentage
EUR	66,65%
USD	32,34%
CHF	1,01%
GBP	0,00%

(*) Foreign currency are hedged

TOP HOLDINGS

Value	Sector	Country	% Assets
EDP 2021	Utilities	PORTUGAL	6,64%
BANK OF IRELAND 2016	Financial	IRELAND	6,62%
ALCOA 2020	Basic Materials	UNITED STATES	5,58%
RENAULT SA 2017	Consumer, Cyclical	FRANCE	4,39%
EI TOWERS SPA 2018	Communications	ITALY	4,29%

GEOGRAPHICAL BREAKDOWN



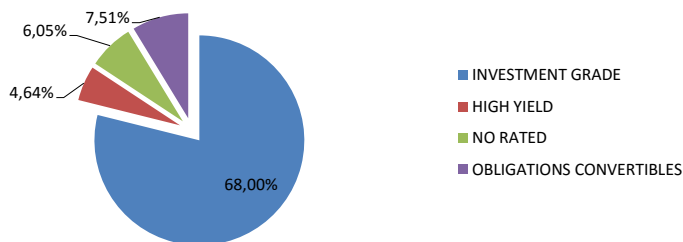
POSITIVE CONTRIBUTORS OF THE MONTH

Value	Sector	Weight	Perf
BANCO ESPIRITO SANTO	Financial	0,72%	13,75%
AREVA SA	Industrial	0,37%	6,30%
GAZPROM NEFT	Energy	2,59%	1,54%
ALCOA	Basic Materials	5,58%	1,45%
BANQUE PSA	Consumer, Cyclical	2,27%	1,18%

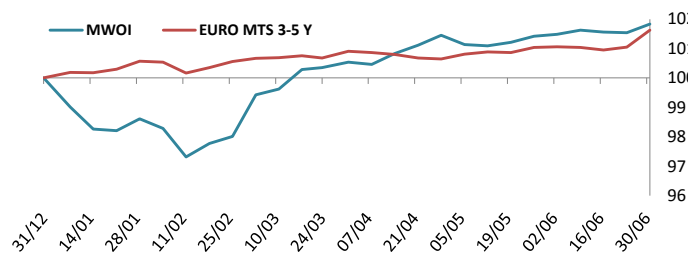
NEGATIVE CONTRIBUTORS OF THE MONTH

Value	Sector	Weight	Perf
SACYR	Industrial	0,89%	-3,49%
ROYAL BK OF SCO	Financial	2,87%	-1,38%
BANK OF IRELAND	Financial	6,62%	-0,91%
FIDELITY INTERNA	Financial	2,14%	-0,70%
AIR France	Consumer, Cyclical	3,85%	-0,65%

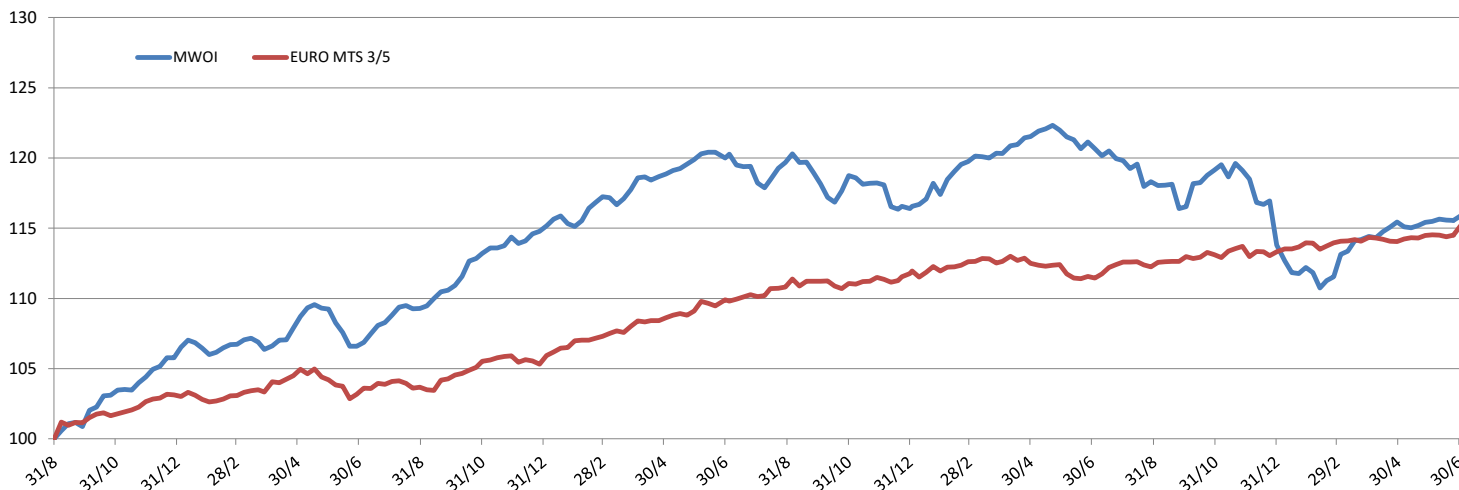
CREDIT RATING TYPE BREAKDOWN



PERFORMANCE CHART SINCE 2016



PERFORMANCE CHART SINCE SEPTEMBRE 2012 (Fund manager movement)



MANAGEMENT COMMENT

Brexit or not Brexit ? That was the question that obsessed markets and investors during the month of June, all being fed by polls, one day in favor of a Brexit, the other putting the « Remain » camp ahead. At the end of the day, Brits decided to leave the EU. The announcement of the results during the night of June 23rd led to a violent drop in equity markets on Friday June 24th (down 10%) and a sharp drop in bonds yields (up to -0.25 on the 10 year German Bund). These moves were all the more evident as the last poll showed the « Remain » camp leading and had pushed sovereign bond yields up. Today's drop on long term yields in « safe » countries (the UK, the Eurozone and the US) expressed a move toward « safe » asset classes, but also a change in monetary policies expectations, which should be more accommodative. Indeed the uncertain environment should penalize growth in the UK as soon as this year, forcing the Bank of England to ease its monetary policy for a long time to come. In response the ECB should also expand its repurchase program. The FED will also show some cautiousness in its plan to raise rates. In the Eurozone, yields on « peripheral » countries should on the other hand firm up with concerns of a « domino » effect following the exit from the EU by the UK.

Before the British vote, German rates suffered from the low underlying inflation for the past two months (+0.8% in May as against + 0.7% in April) as well as from the accommodating statement by the ECB following its June 2nd meeting. Despite the set of measures agreed upon in the last few months and stable oil prices within a range of \$ 45-50 per bbl, the ECB has barely revised upwards its growth and inflation forecasts, stressing the labor market in the Eurozone (except for Germany) despite a sustained level of activity, driven by domestic private consumption and above all by capital spending. It also is concerned about the lack of higher salaries thus higher inflation in the long run. In Spain, parliamentary elections held at the end of June were disappointing for the extreme parties, hence pushing rates on government bonds below Italian ones.

In the USA, Janet Yellen underlined her commitment to remain on a wait and see attitude before the Brexit vote, meaning not to raise rates in June. Furthermore, Mario Draghi has clearly repeated his concerns on a long lasting degraded economy within Europe especially due to the slow implementation of structural reforms. This only confirms that the ECB is far from tightening its monetary policy and will remain present for a long time. The shift toward corporate bonds, away from sovereign bonds, that began this week, has been well anticipated by markets and didn't provoke any particular reaction.

Due to the current volatile period, we were not that active but opened two new positions with 2025 ALLIED IRISH BANK and 2024 BANK OF IRELAND with call options in 2020 and 2019 respectively. The Fund ended the month up 0.41% as against + 0.58% for its benchmark.

N.B. Reporting were done on July 1st 2016. As a reminder, the last Net Asset Values for the MWOI Fund have been calculated on June 24th, the day of the Brexit (1612,74).

FEATURES of Part CI

Informations	Obligations Internationales	Fees
Investment Category	09/18/1995	Purchase 1% max.
Fund inception	Weekly	Redemption 0,5% max.
Valuation	CACEIS Luxembourg	Management 1% TTC
Depositary	T+2	Performance None
Settlement		

Legal form : Sub-funds of an open-ended investment fund incorporated in Luxembourg, intended for institutional investors particularly

*Benchmark : Euro MTS 3-5 ans

These UCITS are approved and regulated by the Surveillance Commission of the Financial Sector (CSSF) in Luxembourg

Non contractual document

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