

**NOVEMBER 2017**
**NAV date :**
**24/11/2017**
**NAV : 98,24**
**Perf. 2017 : 0,75%**
**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.

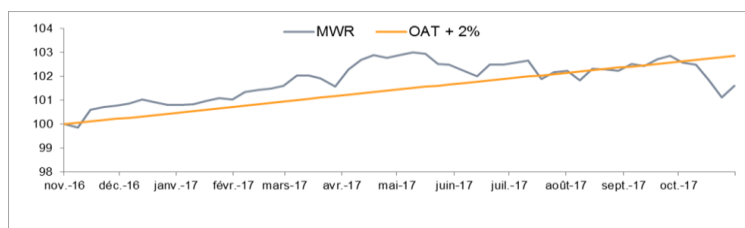
Purchase/redemption requests will be centralized by Caceis Bank Luxembourg before 16h each Friday when a NAV is published, and will be executed on the base of this following NAV on D+2.

**CUMULATIVE PERFORMANCES**

	1 mois	3 mois	YTD	1 an	3 ans	5 ans	Création
MWR	-0,94%	-0,62%	0,75%	1,60%	-	-	-1,73%
OAT+200bp	0,21%	0,69%	2,58%	2,85%	-	-	6,52%
Spread	-1,15%	-1,30%	-1,83%	-1,25%	-	-	-8,25%

**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	592 210	4,0%
Delta	4 217 477	28,6%
Nb of undelyings		32
Average maturity of the portfolio		172 days

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

<input type="checkbox"/> Abercrombie & Fitch	<input type="checkbox"/> General Electric	<input type="checkbox"/>
<input type="checkbox"/> Vallourec	<input type="checkbox"/> Prosieben	<input type="checkbox"/>
<input type="checkbox"/> Signet	<input type="checkbox"/> KPN	<input type="checkbox"/>

**Covered or lapsed positions**

<input type="checkbox"/> Altice	<input type="checkbox"/> Carrefour	<input type="checkbox"/>
<input type="checkbox"/> Signet	<input type="checkbox"/> Tesco	<input type="checkbox"/>
<input type="checkbox"/> Trip Advisor	<input type="checkbox"/> Total	<input type="checkbox"/>

**COMMENTS**

After recording a new high in October, European equities have corrected in the first days of this month as a consequence of mounting anxiety among investors.

Implicit volatility naturally spiked for a few days but, interestingly, could not reach new lows when it eased afterwards.

We will monitor closely the VIX index in the coming weeks. Should the global economic cycle keep on its growth trend, and should Central Banks start to normalize their policies, the volatility regime would naturally be prone to change materially. In this case we would probably witness more frequent volatility spikes and the "no-stressed regime" general level could increase materially. Such a move would offer more investment opportunities for the fund.

This month's performance was hampered by the rise in implicit volatilities, but also by poor performances of several stocks we were exposed to, namely Altice, General Electric, Merck, Cameco and Roche. We have cut the position in Altice, the company becoming financially stressed after the fall of the stock price. We keep the other positions, waiting for a stabilization of the markets.

Apart from that, we continue to believe in a recovery of the luxury/apparel sector in the USA. We have been in and out Signet and we have taken a new position in Abercrombie&Fitch.

We have reinforced our exposure to KPN which remains our favorite European telco name in a sector which has virtually no dynamic. We have also reinforced our exposure to Prosieben whose stock trades now on deep value multiples.

We continue to progressively reduce our investment rate in the expectation of a potential new rise in volatility, which would offer more attractive investment opportunities early 2018.

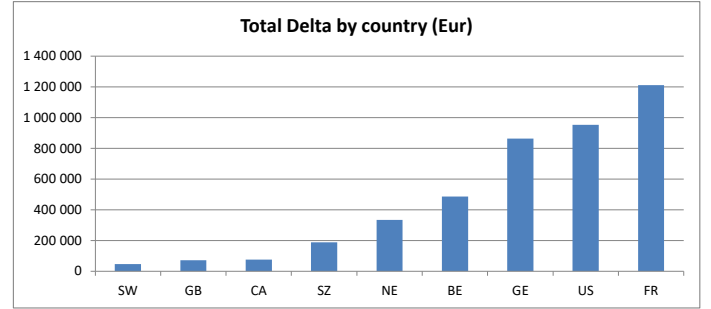
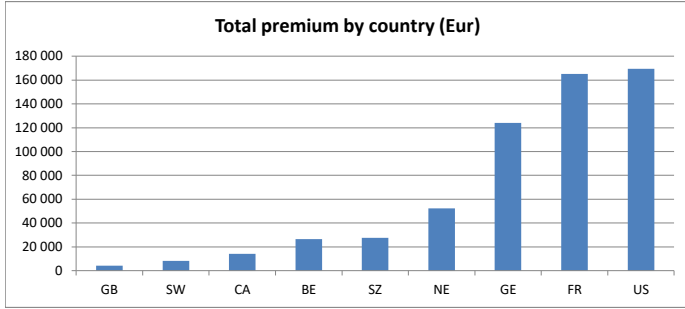
### MAIN OPTION POSITIONS

Underlying	Premium (€)	Delta (% of AUMs)	Industry
GENERAL ELECTRIC CO	121 687	4,0%	US Industrielles
CARREFOUR SA	78 230	3,1%	FR Distribution
MERCK KGAA	50 856	3,2%	GE Santé Pharma
VALLOUREC SA	39 472	1,1%	FR Pétrole & Gaz
PROSIEBENSAT.1 MEDIA	39 168	1,0%	GE Médias
KLEPIERRE	19 276	1,5%	FR Immobilier

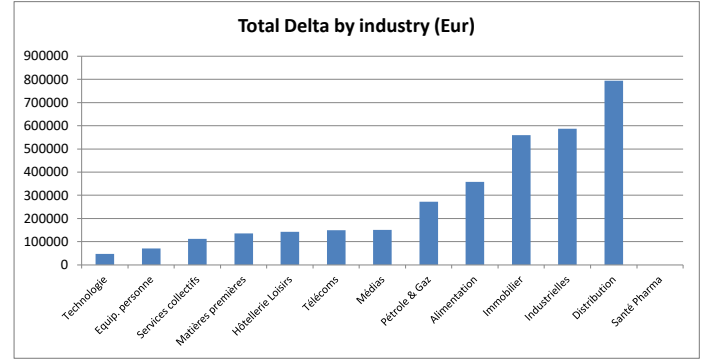
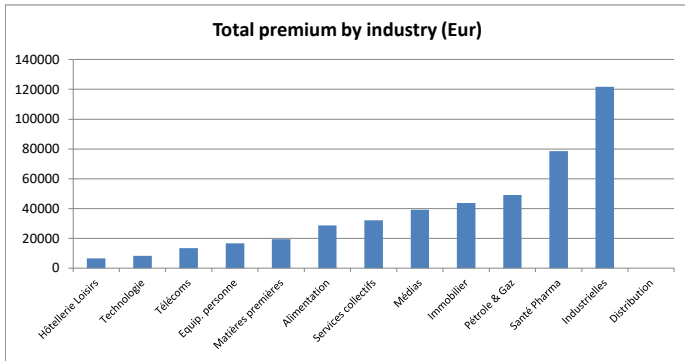
### MAIN CONTRIBUTORS TO PERFORMANCE

Gains	(% of AUMs)	Losses	(% of AUMs)
SHIRE	0,10%	ALTICE	-0,65%
MACY'S	0,10%	GENERAL ELECTRIC	-0,40%
KLEPIERRE	0,07%	PROSIEBEN	-0,16%
AHOLD	0,05%	CARREFOUR	-0,06%
ROCHE	0,05%	MERCK KGAA	-0,04%
DEUTSCHE EUROSHOP	0,04%	GEMALTO	-0,03%

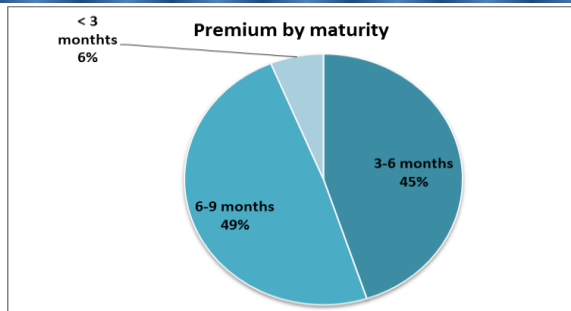
### BREAKDOWN OF OPTION PORTFOLIO BY COUNTRY



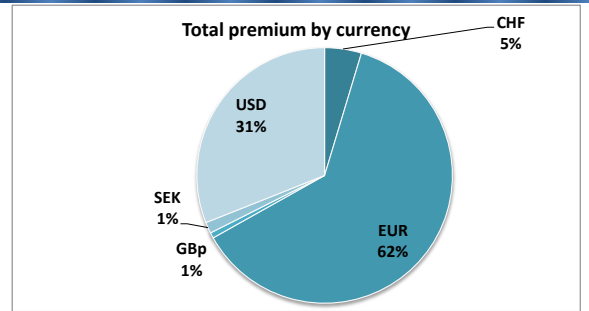
### BREAKDOWN OF OPTION PORTFOLIO BY INDUSTRY



### 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% Tax included
Depository	CACEIS Luxembourg Branch	Performance	10% of outperformance over the benchmark
Settlement	D+2	Benchmark	OAT 10 years + 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)  
 MW GESTION - AMF-accredited GP 92 - 014 - 7 Rue Royale - 75008 PARIS - RCS Paris B 388 455 321  
 Tel : 01 42 86 54 45 - Fax : 01 47 03 45 97 - contact@mwgestion.com - www.mwgestion.com

Non contractual document