

MW RENDEMENT

This UCITS is a sub-fund of the SICAV MW ASSET MANAGEMENT

Fund Manager : Cyril DEBLAYE - Christophe PEYRAUD

NOVEMBER 2018

Part CI ISIN 30/11/2018 YTD Perf. Fund Size (M€) Bloomberg Code

LU1260576019 90,00 € -9,16% 11,85 MWRNCIP LX Equity



OBJECTIVES AND INVESTMENT POLICY

The objective of the sub-fund is to generate a return higher than its benchmark (OAT + 200bp) by taking positions on volatility products. Among the various possible strategies on optional products, the management of the sub-fund is mainly focused on the sale of put options (out of the money) on equities and / or equity indices in Western markets (Europe, North America and Japan). The target maturities of the strategies for the sale of options are between 1 and 18 months and are mostly out of the money.

This type of management is similar to a "reverse convertible" strategy. With the objective of collecting premiums sold, the manager seeks to take advantage of the decay in the time value of the option which is similar to a return. This potential return may be greater or smaller depending on periods of rise or fall in equity market volatility.

The recommended investment period is 3 years.

The liquid assets of the fund are invested in private and government bonds and in commercial paper and possibly in European UCITS or mutual funds up to a limit of 20% of the net assets. The Sub-Fund may be invested in equities in the event that certain options are exercised. The equity pocket cannot exceed 33% of the net assets.

However, within the investment limits defined in the prospectus, the sub-fund may use derivatives for the sole purpose of hedging the portfolio for the purpose of sound management. Currency risk will be limited to 10% of net assets. The sub-fund will not invest in digital or binary options, "Rainbow", "Callable" or barrier options, or in credit derivatives.

Subscription / redemption requests will be centralized before 4pm on each Friday of the establishment of a weekly NAV at Caceis Bank Luxembourg and will be executed on the basis of the next NAV at

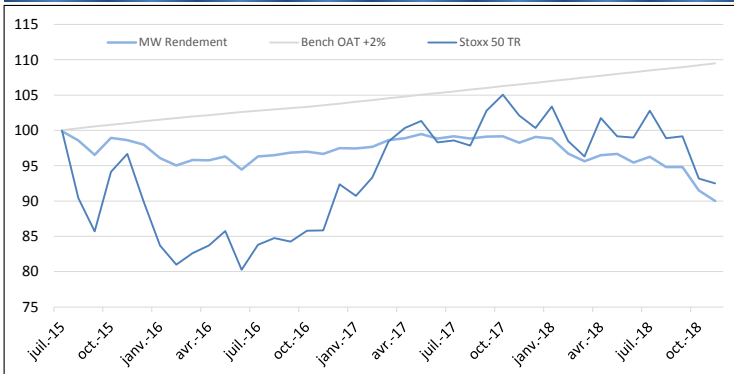
CUMULATIVE PERFORMANCES

	1 month	3 months	YTD	1 year	3 years	5 years	Inception
MWR	-1,63%	-5,09%	-9,16%	-8,39%	-8,73%		-9,97%
OAT+200bp	0,26%	0,70%	2,59%	2,86%	8,45%		9,56%
Spread	-1,89%	-5,79%	-11,76%	-11,24%	-17,18%		-19,53%

ANNUAL RETURNS

	2017	2016	2015
MWR	1,61%	-0,56%	-2,03%
OAT+200bp	2,84%	2,51%	0,99%
Spread	-1,23%	-3,07%	-3,02%

PERFORMANCE CHART (since inception)



RISK INDICATORS

	Volatility		Sharpe Ratio		Info Ratio.	
	Fund	Indicator	Fund	Indicator		
1 Y	5,30%	0,69%	-1,14		-0,04	
3 Y	4,10%	1,65%	-1,75		-0,05	
5 Y						

OPTION PORTFOLIO INDICATORS

	As a % of NAV	Annualized in %
Time decay expected*	1,7%	5,8%
Delta	59,2%	
Nb of undelyings		39
Average maturity of the portfolio		106 days
Weighted average moneyness portfolio		-0,55%

* excluding management fees

MAIN MOVEMENTS OVER THE PAST MONTH

New positions or positions accrued

- ALTICE EUROPE
- ILIAD
- RENAULT
- KPN NV
- VALLOUREC

Covered or lapsed positions

- ALLIANZ
- ATHENAHEALTH
- AKORN INC
- INTESA SANPAOLO

COMMENTS

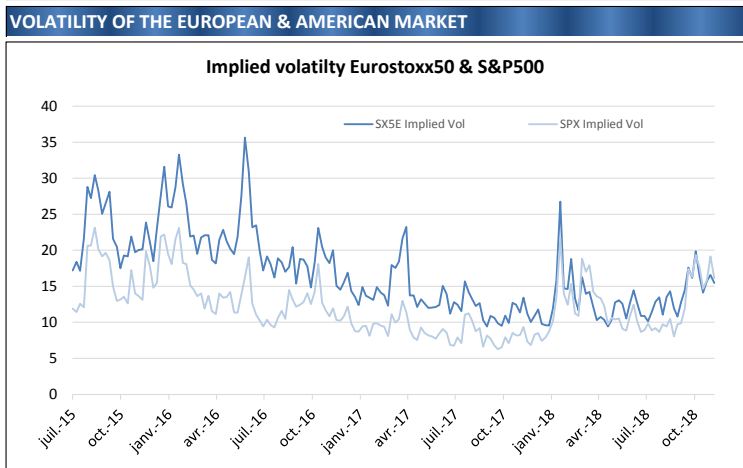
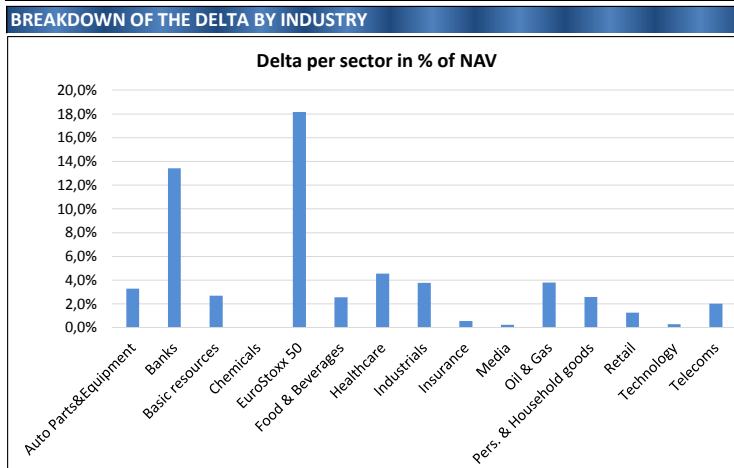
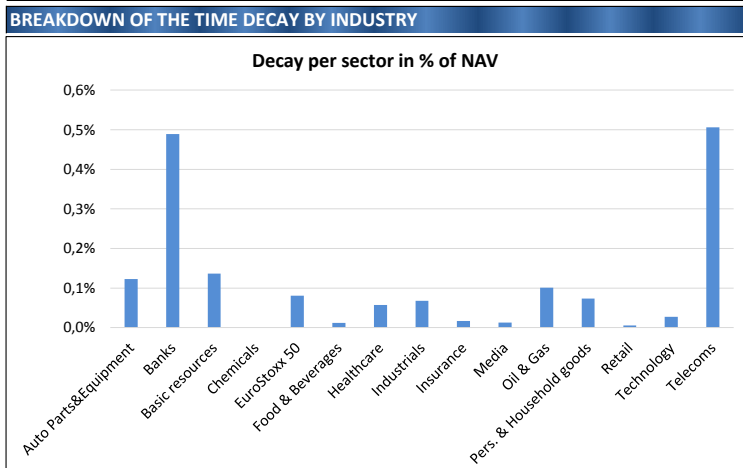
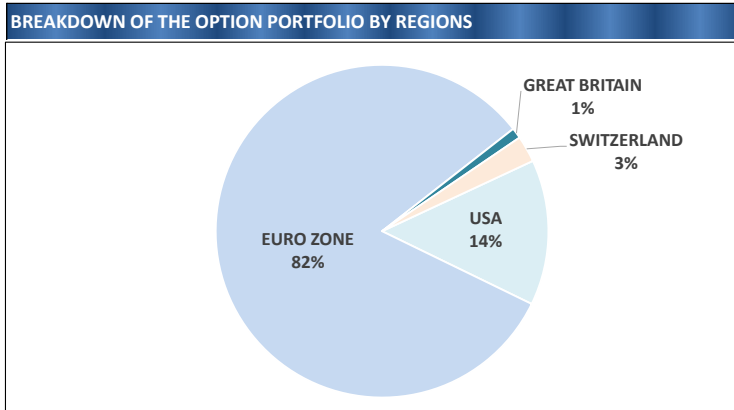
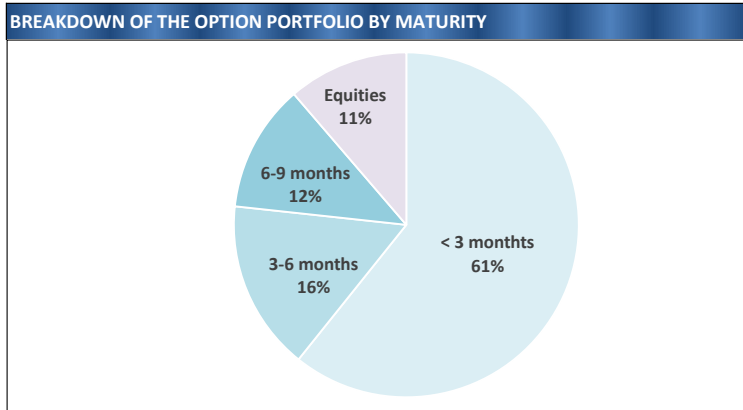
In November, nervousness remained in the financial markets. The political context is still anxiety-provoking. As for Brexit, the outcome is totally uncertain and the risk of political and economic chaos is real. Similarly, trade tensions between China and the United States remain intact and cause great concerns. To these "political" fears, signs of increasing slowdown in all economic zones and especially in the United States were added last month. This environment has prompted central banks and especially the US Federal Reserve to soften their rhetoric. The global movement of monetary tightening could mark a pause.

Volatility levels have been steady since October. Despite many uncertainties raised by the markets, our technical indicator is in risk mode on. As a result, we keep our equity delta close to 60%. This month, we slightly reduced the number of underlying from 44 to 39 on a profit taking on certain securities of the opportunist pocket including Athenahealth which was subject of a takeover. In terms of sector exposure, we are gradually divesting the insurance sector to reweight ourselves in the telecom sector, which is enjoying a better trend. We keep our exposure to the banking sector ex UK, which in our opinion has a very good risk-return ratio on current valuation levels.

To guide the option portfolio, we focus on four complementary approaches. The first is a risk on/off approach where we use our investment capacity preferably in periods of high risk aversion. The second is a selection of options sales of single stocks based on their risk/reward ratio. The third is a sector-based approach based on trend analysis. The fourth is opportunistic on the analysis of specific situations.

MAIN CHARACTERISTICS OF THE FIXED INCOME PORTFOLIO			
	Nov 18	Oct 18	Sept 2018
Number of securities	29	29	29
Yield to Maturity	0,62	0,39	0,34
Modified Duration (MD)	0,89	0,84	0,87
Spread vs Gov.	96	77	72
Average Rating	BBB	BBB	BBB

MAIN EQUITY AND OPTION POSITIONS (% of NAV)			
Underlying	Delta	Premium	Industry
Euro Stoxx 50 Pr	18,2%	0,08%	EuroStoxx 50
BAYER AG-REG	4,5%	0,06%	Healthcare
GENERAL ELECTRIC CO	3,4%	0,03%	Industrials
INTESA SANPAOLO	3,1%	0,15%	Banks
ANHEUSER-BUSCH INBEV	2,6%	0,01%	Food & Beverages



LEXICON

Call: option to buy at a fixed price (**Strike**) with a predetermined date (**Maturity**)

Put: option to sell at a fixed price (**Strike**) with a predetermined date (**Maturity**)

Strike: the exercise price of an option

Maturity: maturity of an option is the space of time that separates today from the final date of maturity of this security, date at which it will disappear definitively.

Premium: price of the option

Intrinsic Value = Underlying Asset Price - Exercise Price (**Strike**)

Time value of an option = Price of the option (**Premium**) - the **Intrinsic value**

Expected yield: $\frac{\text{Time value of the option}}{\text{Strike}}$

Annualized expected return: $\frac{\text{Expected yield} \times (365 \text{ days})}{\text{weighted average maturity of the option portfolio}}$

In the money: if the price of the underlying is higher than the **Strike** for a **Call** or respectively lower than the **Strike** for a **Put**

At the money: if the underlying quotes the **Strike**

Out of the money: if the price of the underlying is lower than the **Strike** for a **Call** respectively higher than the **Strike** for a **Put**

Delta: measures the sensitivity of the value of an option to fluctuations of the spot of its underlying. Its value is always between 0 and 1 for a call option (between -1 and 0 for a put option).

Theta: measures the impact of time on the value of an option, it represents the sensitivity of the price of an option in relation to a variation of the time horizon on which this option is based. Theta actually represents the gain or loss of value that the option undergoes for each day that passes as it is sold or purchased. For an at the money option, the closer the maturity, the greater the Theta will be.

CHARACTERISTICS OF SHARE CLASS		Fees	
Information		Subscription	1,5% max.
Investment category		Redemption	0%
Inception date	July 22, 2015	Management	1,5% TTC
Valuation frequency	Weekly	Performance	10% of outperformance over the benchmark (OAT 10 years + 200bp)
Custodian	CACEIS Luxembourg Branch		
Settlement	D+2		

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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Non contractual document