

MW RENDEMENT

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

Fund Manager : Cyril DEBLAYE

September 2018

Part CI LU1260576019 09/28/18 94,83 € YTD Perf. -4,29% Fund Size (M€) 11,34 Bloomberg Code MWRNCIP LX Equity



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-fund 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

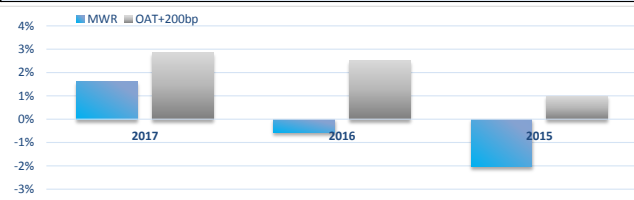
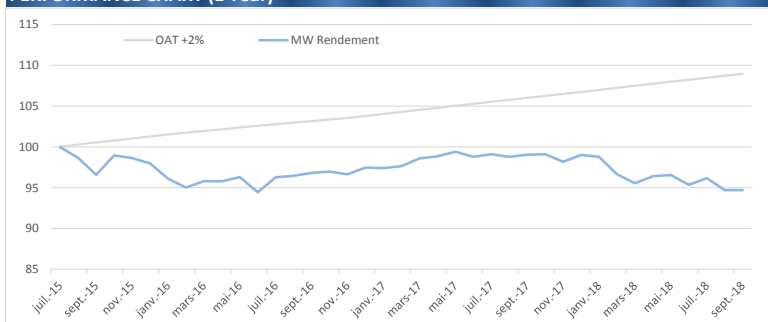
CUMULATIVE PERFORMANCES

	1 month	3 months	YTD	1 year	3 years	5 years	Inception
MWR	0,00%	-0,65%	-4,29%	-4,32%			-5,14%
OAT+200bp	0,21%	0,67%	2,10%	2,80%			9,03%
Spread	-0,21%	-1,32%	-6,39%	-7,12%			-14,18%

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 (1 Year)



RISK INDICATORS

	Volatility		Sharpe Ratio		Info Ratio.
	Fund	Indicator	Fund	Indicator	
1 Y	4,73%	0,68%	-0,84		-0,03
3 Y	4,46%	1,69%	-0,93		
5 Y					

MAIN MOVEMENTS OVER THE PAST MONTH

New positions or positions accrued

ADP	ALTICE USA	AXA
ALLIANZ	ANHEUSER-BUSCH	ILIAD
ALTICE EUROPE	ATHENAHEALTH	LVMH

Covered or lapsed positions

INGENICO	
EUROSTOXX 50	

COMMENTS

In September, the Italian government has announced that its fiscal deficit would be 2.4% of GDP in 2019, far larger than expected by the market as well by European authorities. This announcement demonstrates the lack of a will by the populist coalition to reduce the worrying weight of public debt. Therefore, the pressure is high on the Italian yield curve with a BTP-Bund spread around 300 bps. Also on the subject of political risks, trade tensions between US and China are still very high and on the Brexit issue, there is still no agreement and the likelihood of a "no deal" before March 2019 is now real.

In addition to this uncertain political environment, past weeks has been affected by the ongoing monetary tightening around the world. In the United States, where the growth remains very strong, the Fed has raised its key rates by 25 bps for the third time this year, making the dollar more attractive. Emerging countries, in order to defend their currency, has followed this hawkish monetary stance (in September, The Philippines +25 bps, Indonesia +50 bps). In Europe, as well, this normalisation process begins: +25 bps in Norway. Concerning the Eurozone, it is too early to raise the rates, Mario Draghi has nevertheless, recently mentioned a "forthcoming vigorous pick-up in underlying inflation". This demonstrates the clear will for a future monetary normalisation. These factors which explain the increase of the main interest rates in September (+20 bps for the US 10y at 3.06%, +15 bps for the German 10Y at 0.47%), had almost no impact on risky asset classes. Indeed, risk aversion has remained low in September.

Without much change in the market regime, we are rebalancing the portfolio by diversifying the number of underlyings to 37 from 27 underlyings. At the same time, we reduce the weighted average maturity of the portfolio by lightening the longer term options in order to cope with a potential jump in the volatility. Reducing to 160 days from 190 days the average maturity of the option's portfolio. Following a positive momentum on financials, we will reweight the insurance sector. We are still in a rather defensive mode.

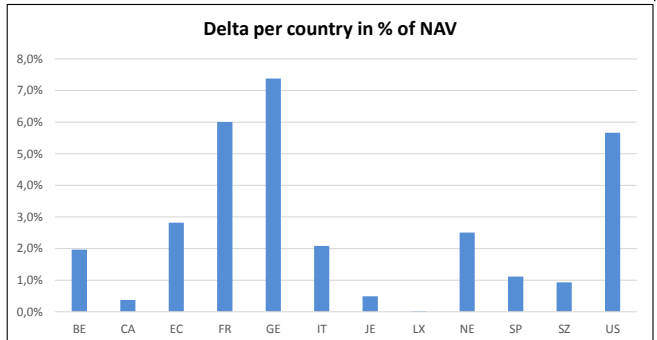
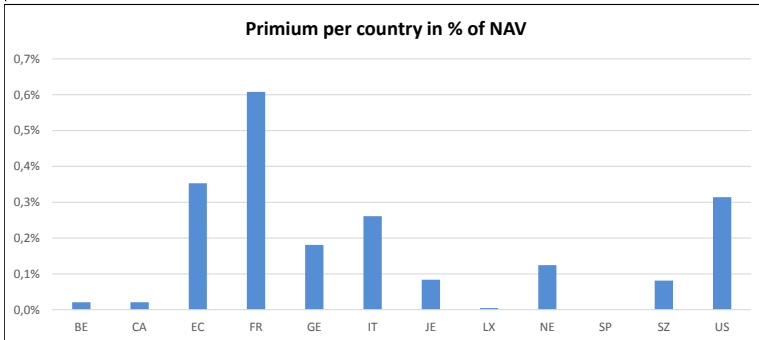
OPTIONS PORTFOLIO INDICATORS

	In €	As a % of NAV
Premium	232 695	2,1%
Time decay	193 382	1,7%
Delta	3 556 923	31%
Nb of undelyings		37
Average maturity of the portfolio		160 days

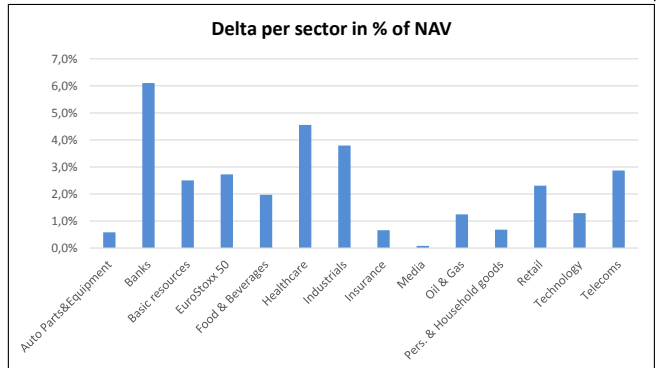
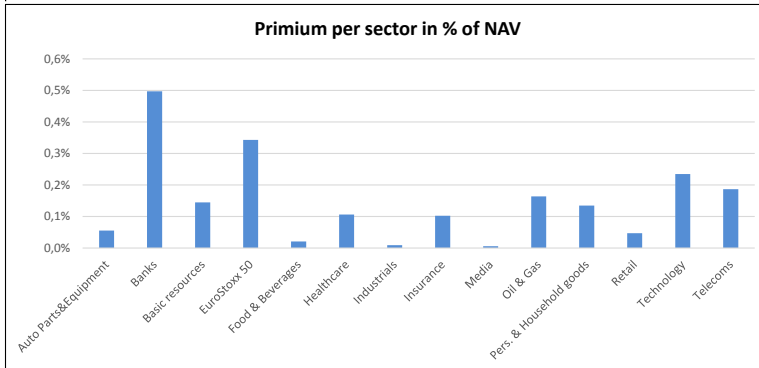
MAIN OPTION POSITIONS (% of NAV)

Underlying	Delta	Premium	Industry
BAYER AG-REG	4,0%	0,03%	Healthcare
GENERAL ELECTRIC	3,3%	-0,03%	Industrials
Euro Stoxx 50 Pr	2,7%	0,34%	EuroStoxx 50
KONINKLIJKE KPN NV	2,0%	0,01%	Telecoms
ANHEUSER-BUSCH II	2,0%	0,02%	Food & Beverages
SOCIETE GENERALE	1,7%	0,05%	Banks

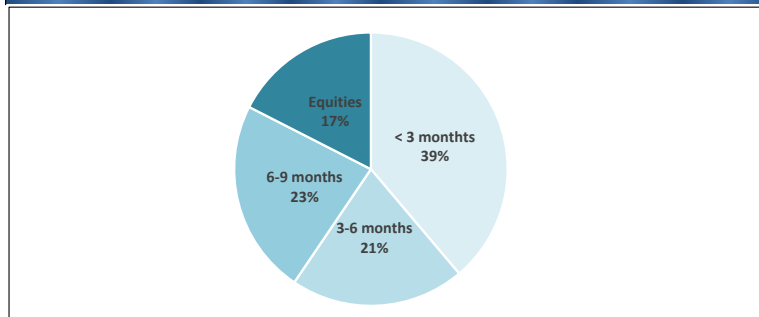
BREAKDOWN OF OPTION PORTFOLIO BY COUNTRY



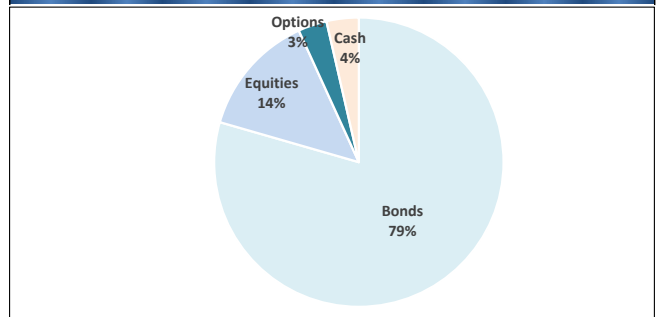
BREAKDOWN OF OPTION PORTFOLIO BY INDUSTRY



BREAKDOWN OF OPTION PORTFOLIO BY MATURITY



BREAKDOWN OF PORTFOLIO BY ASSET CLASS



CHARACTERISTICS OF SHARE CLASS

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 years + 200 bp

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