

MW RENDEMENT

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

Fund Manager : Cyril DEBLAYE - Christophe PEYRAUD

March 2019

Part CI	ISIN	29/03/2019	YTD. 2019	Fund Size	Bloomberg Code
	LU1260576019	92,04 €	8,88%	13,57 M €	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

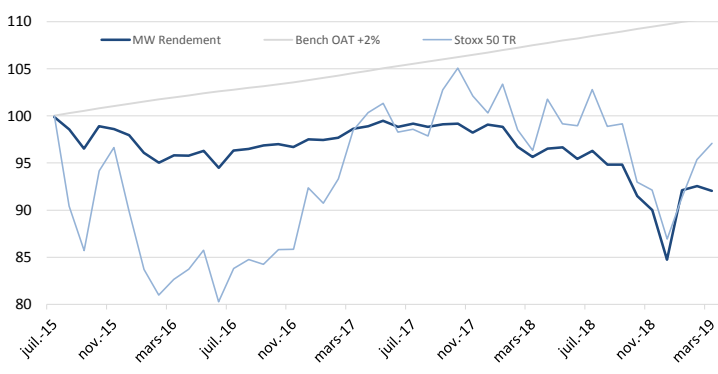
CUMULATIVE PERFORMANCES

	1 month	3 months	YTD	1 year	3 years	5 years	Inception
MWR	-2,51%	8,88%	8,88%	-3,76%	-3,93%		-7,93%
OAT+200bp	0,19%	0,64%	0,64%	2,72%	8,39%		10,49%
Spread	-2,70%	8,24%	8,24%	-6,49%	-12,33%		-18,42%

ANNUAL RETURNS

	2019	2018	2017	2016	2015
MWR	8,88%	-14,32%	1,61%	-0,56%	-2,03%
OAT+200bp	0,64%	2,81%	2,84%	2,51%	0,99%
Spread	8,24%	-17,13%	-1,23%	-3,07%	-3,02%

PERFORMANCE CHART (since inception)



RISK INDICATORS

	Volatility		Sharpe Ratio		Info Ratio.	
	Fund	Indicator	Fund	Indicator		
1 Y	9,13%	0,87%	-0,37		-0,02	
3 Y	6,10%	1,63%	-1,09		0,04	
5 Y						

OPTION & EQUITY PORTFOLIO INDICATORS

	As a % of NAV	Annualized in %	Dvd yield % of NAV
Time decay expected*	1,5%	8,5%	0,6%
Delta	-35,2%		
Nb of undelyings			37
Average maturity of the portfolio			120 days
Weighted average moneyness portfolio			-1,58%

* excluding management fees

MAIN MOVEMENTS OVER THE PAST MONTH

New positions or positions accrued

■ ANHEUSER-BUSCH	■ ILIAD	■ VIVENDI
■ BAYER	■ LVMH	■ WIRECARD
■ FIAT	■ OSRAM LICHT	

Covered or lapsed positions

■ ATLICE EUROPE	■
■ GECONOMY	■
■	■

COMMENTS

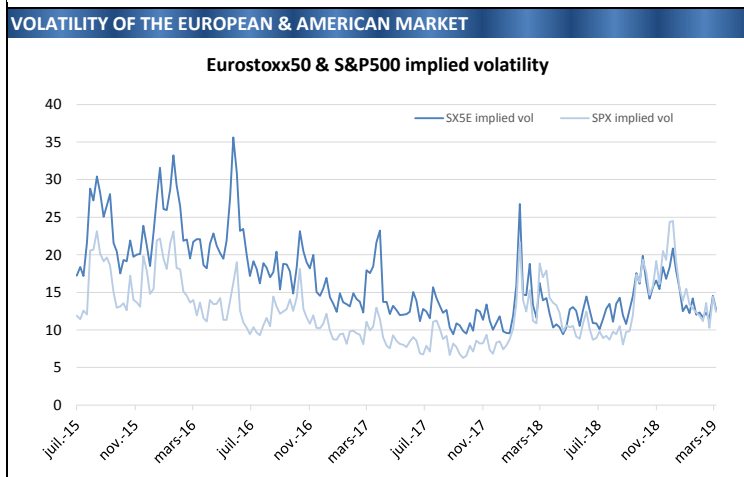
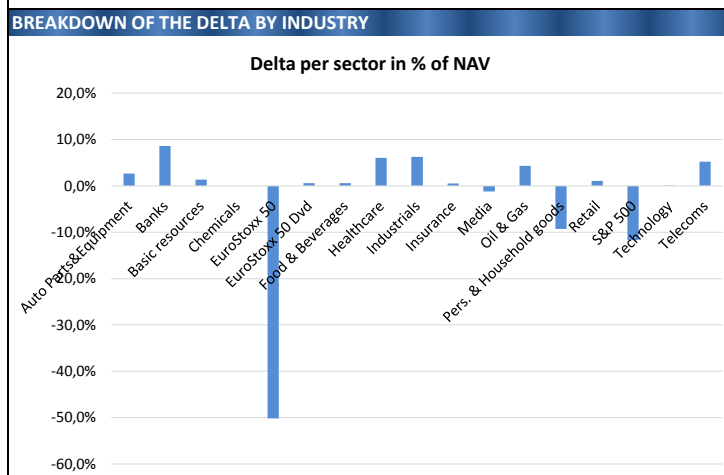
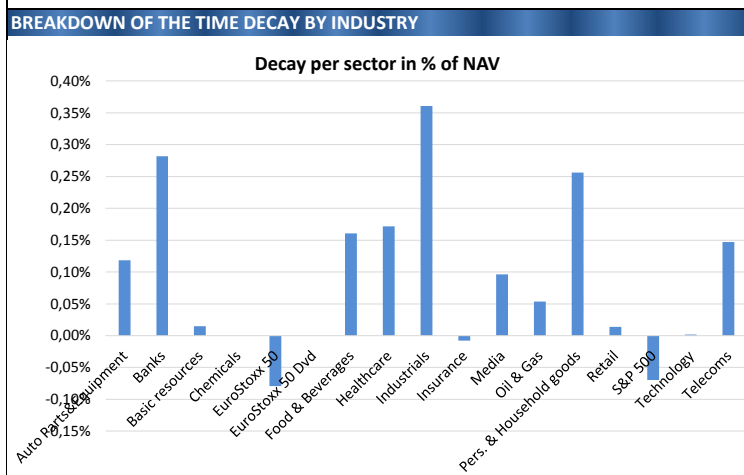
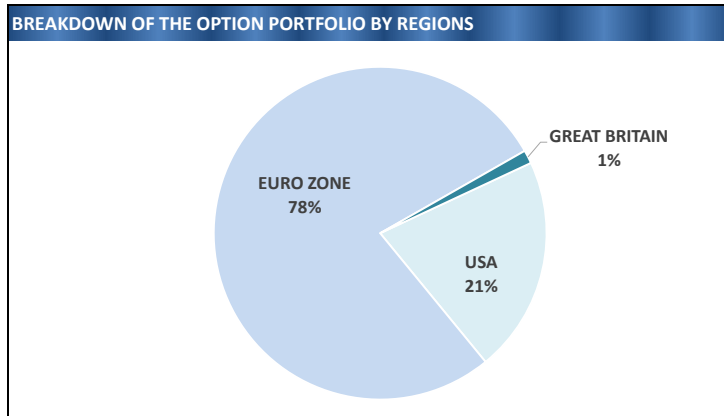
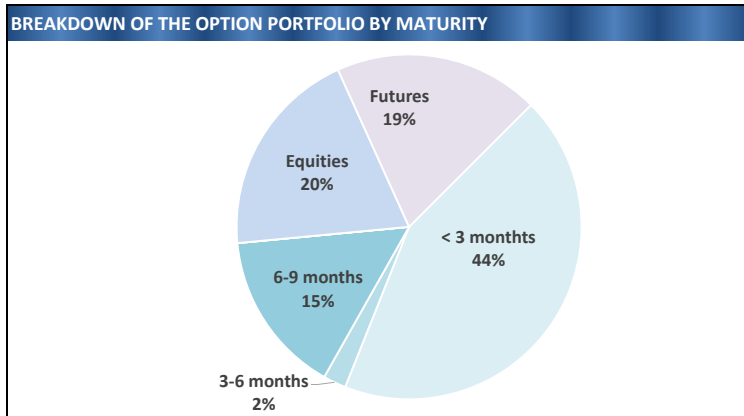
The latest statistics released in March confirmed the current slowdown in the global economy. This trend, particularly pronounced in Asia and Europe is mainly focused on cyclical activities and particularly on industrial sectors. The "trade war" that the United States and China have been engaged in for more than a year is obviously one of the explanatory factors for this situation. The thick fog that surrounds the incredible divorce between the European Union and the United Kingdom is an additional element of concern. This context has led to downward revisions of the economic outlook by both international institutions (OECD and the IMF in particular) and major central banks which at their last meeting, in March, delivered very accommodating speeches. This "monetary" kindness, particularly from the ECB and the Fed, is currently a major support for the financial markets which have continued the positive trend set during January and February.

Volatility levels in March have remained stable and the upward movement of the equity market continues with the same amplitude seen in January and February. Our indicators are still in "risk off" mode. With the March expiry, we mechanically reduced the size of the option portfolio. We have increased the global portfolio protection to be fully protected in the event of a market downturn. As a result, our directional delta equity exposure has decreased to -35% from 13%. The average maturity of the option portfolio has increased to 120 days from 77 days the previous month. Our portfolio construction allows us to better protect the year to date performance in the event of a fall in the equity markets, to maintain an annualized expected return of more than 8% and thus to increase our ability to intervene and to seize future opportunities on stock market volatility jumps.

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			
	Mar-19	Feb-19	Jan-19
% of NAV	57,8%	56,4%	61,5%
Number of securities	33	28	25
Yield to Maturity	0,31	0,43	0,57
Modified Duration (MD)	0,77	0,79	0,80
Spread vs Gov.	49	64	83
Average Rating	A-	A	A-

MAIN EQUITY AND OPTION POSITIONS (% of NAV)			
Underlying	Delta	Premium	Industry
#N/A Connection	4,1%	0,08%	Banks
#N/A Connection	3,6%	0,09%	Telecoms
#N/A Connection	2,6%	0,00%	Industrials
#N/A Connection	2,2%	0,07%	Oil & Gas
#N/A Connection	2,0%	0,03%	Banks
#N/A Connection	1,7%	-0,05%	Telecoms



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: Time value of the option / Strike

Annualized expected return: Expected yield x (365days) / 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	
Investment category		Subscription	1,5% max.
Inception date	July 22, 2015	Redemption	0%
Valuation frequency	Weekly	Management	1,5% TTC
Custodian	CACEIS Luxembourg Branch	Performance	10% of outperformance over the benchmark (OAT 10 years + 200bp)
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