

MW RENDEMENT

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

Fund Manager : Sébastien BOUCHER - Christophe PEYRAUD

June 2019

	ISIN	28/06/2019	YTD. 2019	Fund Size	Bloomberg Code
Share CIP	LU1260576019	92,10 €	8,96%	16,56 M €	MWRNCP LX Equity
Share CRP	LU1987728018				



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 strategy has 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 10% 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.

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 unknown rate. The settlement takes place on D+2.

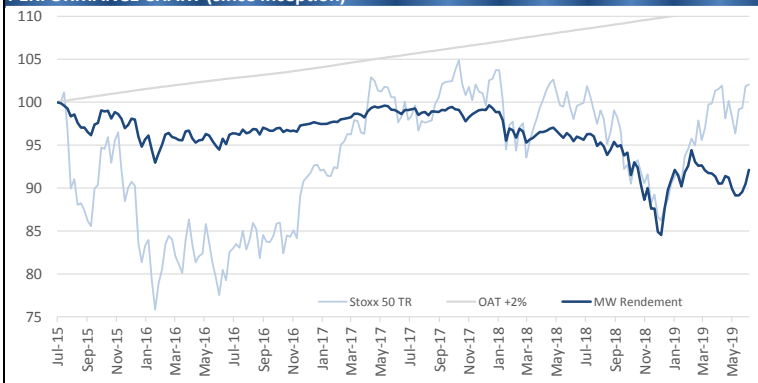
CUMULATIVE PERFORMANCES

	1 month	3 months	YTD	1 year	3 years	5 years	Inception
MWR	3,32%	0,07%	8,96%	-3,51%	-2,51%		-7,87%
OAT+200bp	0,16%	0,57%	1,21%	2,60%	8,33%		11,12%
Spread	3,16%	-0,50%	7,74%	-6,11%	-10,84%		-18,99%

ANNUAL RETURNS

	2019	2018	2017	2016	2015
MWR	8,96%	-14,32%	1,61%	-0,56%	-2,03%
OAT+200bp	1,21%	2,81%	2,84%	2,51%	0,99%
Spread	7,74%	-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	9,54%	1,62%	-0,33		-0,02
3 Y	6,24%	1,79%	-1,07		0,04
5 Y					

OPTION & EQUITY PORTFOLIO INDICATORS

	As a % of NAV	Annualized in %	Dvd yield % of NAV
Time decay expected*	2,8%	8,1%	1,3%
Delta	24,0%		
Nb of undelyings			64
Average maturity of the portfolio			125 days
Weighted average moneyness portfolio			-7,20%

* excluding management fees

MAIN MOVEMENTS OVER THE PAST MONTH

New positions or positions accrued			Covered or lapsed positions		
ADP	HALLIBURTON	TEVA	MEDIDATA SOLUTIONS		
ARCELORMITTAL	OSRAM LICHT	UNIBAIL	WIRECARD		
BAYER	SOCIETE GENERALE	VALLOUREC			

COMMENTS

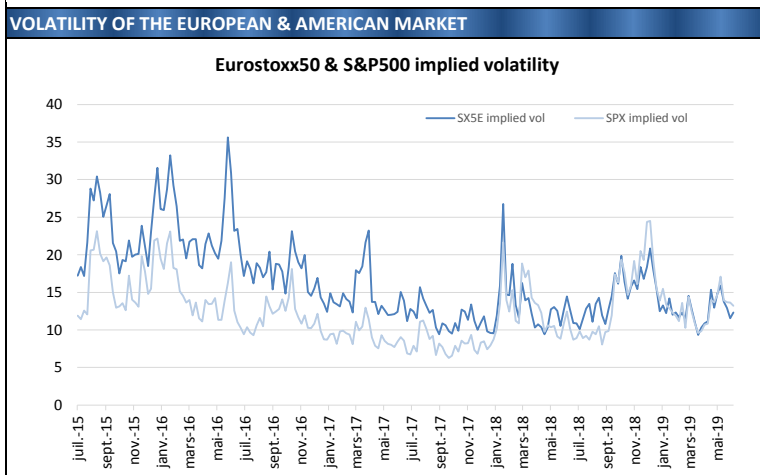
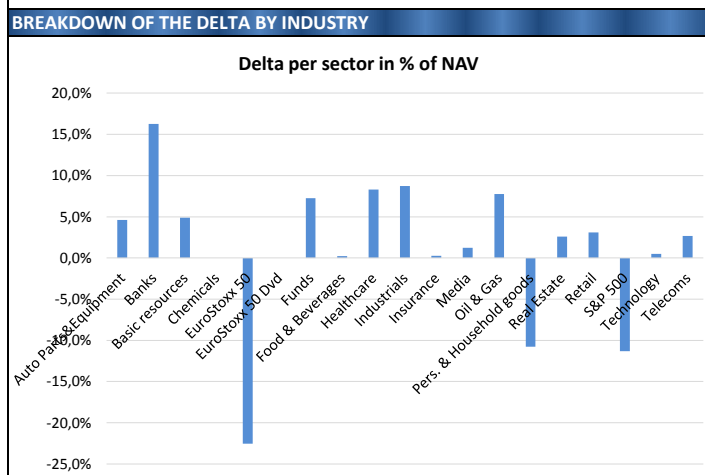
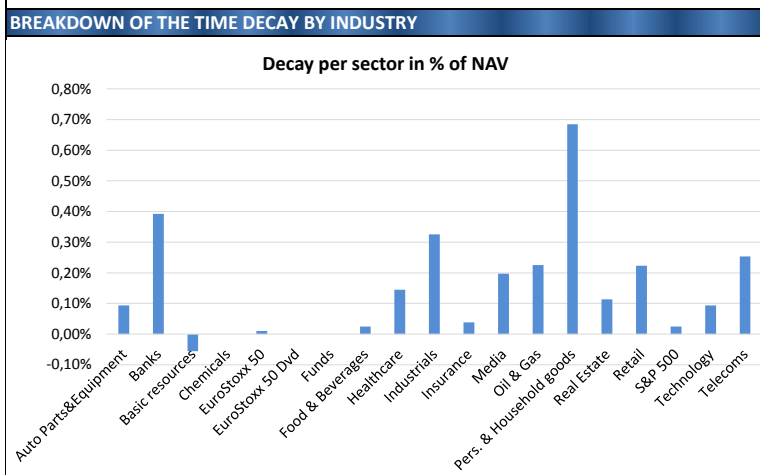
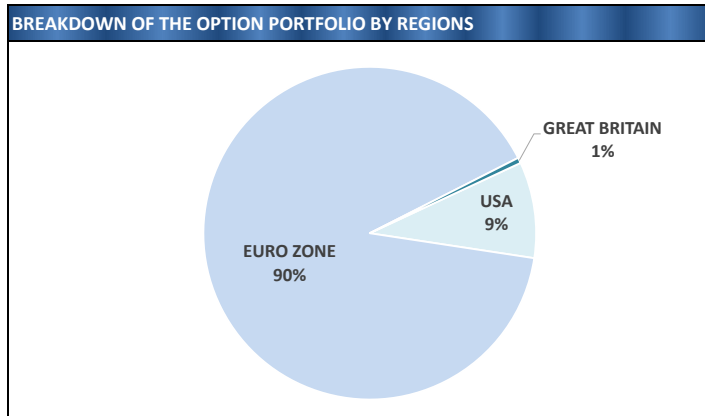
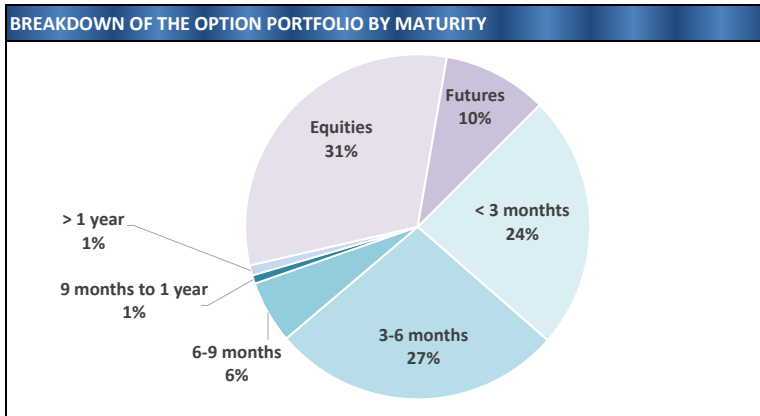
The resurgence in early May of the trade dispute between China and the United States is today the main source of concern about the dynamics of world trade. Added to this is an absolute blur over Brexit and a rise in geopolitical tensions in the Persian Gulf. Today, this context is weighing on companies' morale and prospects, as evidenced by the sharp drop in the most recent confidence indicators. In June, these uncertainties were largely relayed by the main central banks, which delivered very accommodating messages, saying they were ready to ease their monetary policy. This benevolence and the prospect of abundant liquidity, reinforced by the current absence of inflationary pressures, once again largely reassured investors.

Following the sharp rise in the equity markets in June, volatility levels dropped. Our indicators are in neutral risk mode. Our directional equity delta exposure moved slightly from +29.8% to +24%. The average maturity of the option portfolio increases to 125 days from 86 days the previous month after June's expiry. Opportunities taken in May performed well in June as we benefited from both the equity market rally and the drop in volatility. Our annualized expected return is at good levels given the volatility levels of equity indices, standing at 8.1% versus 17.6% the previous month. On June's expiry, the portfolio increased its weighting in the Autos, Banks, Oil and Health sectors. These four sectors now represent 37.6% of portfolio equity delta. The momentum on these sectors is particularly negative. However, the dividend yield as the bonus on volatility levels as well as valuation levels seem to be a particularly attractive combination. The portfolio could therefore also perform in the event of normalization in relative to the Eurostoxx 50 index.

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			
	Jun-19	May-19	Apr-19
% of NAV	53,1%	61,51%	53,6%
Number of securities	39	39	37
Yield to Maturity	0,45	0,41	0,34
Modified Duration (MD)	0,48	0,85	0,78
Spread vs Gov.	43	64	63
Average Rating	AA-	A	A

MAIN EQUITY AND OPTION POSITIONS (% of NAV)			
Underlying	Delta	Premium	Industry
NATIXIS	7,3%	0,17%	Banks
BAYER AG-REG	4,8%	0,00%	Healthcare
SOCIETE GENERALE SA	4,7%	0,05%	Banks
HALLIBURTON CO	4,4%	0,01%	Oil & Gas
OSRAM LICHT AG	4,2%	0,14%	Industrials
TEVA PHARMACEUTICAL-S	3,0%	0,20%	Healthcare



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	
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