

## MW RENDEMENT

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

Fund Manager : Sébastien BOUCHER - Christophe PEYRAUD

September 2019

	ISIN	27/09/2019	YTD. 2019	Fund Size	Bloomberg Code
Share CIP	LU1260576019	95,97 €	13,53%	18,07 M €	MWRNCIP 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 50% 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.

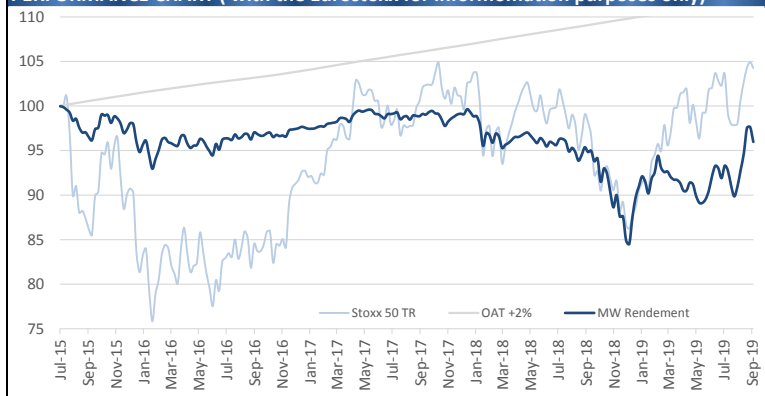
### CUMULATIVE PERFORMANCES

	1 month	3 months	YTD	1 year	3 years	5 years	Inception
MWR	3,42%	4,20%	13,53%	1,20%	-0,92%		-4,00%
OAT+200bp	0,13%	0,45%	1,67%	2,37%	8,18%		11,62%
Spread	3,28%	3,75%	11,87%	-1,17%	-9,10%		-15,62%

### ANNUAL RETURNS

	2019	2018	2017	2016	2015
MWR	13,53%	-14,32%	1,61%	-0,56%	-2,03%
OAT+200bp	1,67%	2,81%	2,84%	2,51%	0,99%
Spread	11,87%	-17,13%	-1,23%	-3,07%	-3,02%

### PERFORMANCE CHART ( with the Eurostoxx for information purposes only)



### RISK INDICATORS

	Volatility		Sharpe Ratio		Info Ratio.
	Fund	Indicator	Fund	Indicator	
1 Y	10,50%	2,81%	0,15		0,00
3 Y	6,92%	2,39%	0,02		-0,02
5 Y					

### OPTION & EQUITY PORTFOLIO INDICATORS

	As a % of NAV	Annualized in %	Dvd yield % of NAV
Time decay expected*	5,3%	23,5%	1,3%
Delta	62,3%		
Nb of undelyings			86
Average maturity of the portfolio			135 days
Weighted average moneyness portfolio			-4,67%

\* excluding management fees

### MAIN MOVEMENTS OVER THE PAST MONTH

#### New positions or positions accrued

BAYER AG-REG	LVMH
ILIAD SA	OSRAM LICHT
IMPERIAL BRANDS	

#### Covered or lapsed positions

HALIBURTON	SOCIETE GENERALE SA	UNICREDIT
INTESA SANPAOLO	SCHLUMBERGER LTD	
NATIXIS	UNIBAIL-RODAMCO	

### COMMENTS

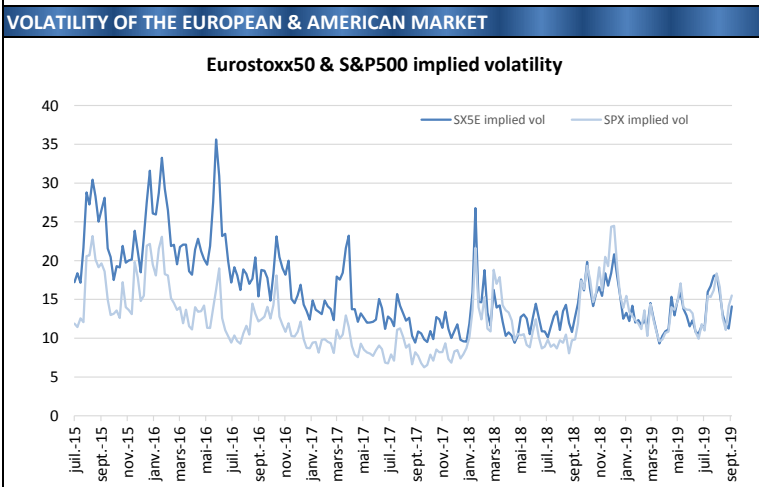
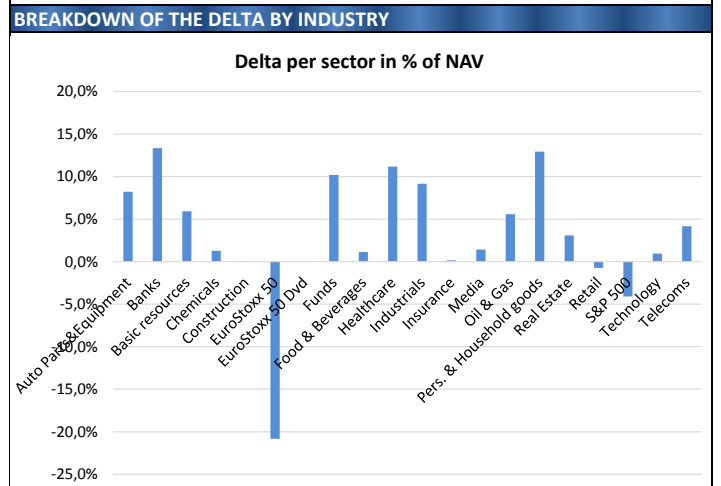
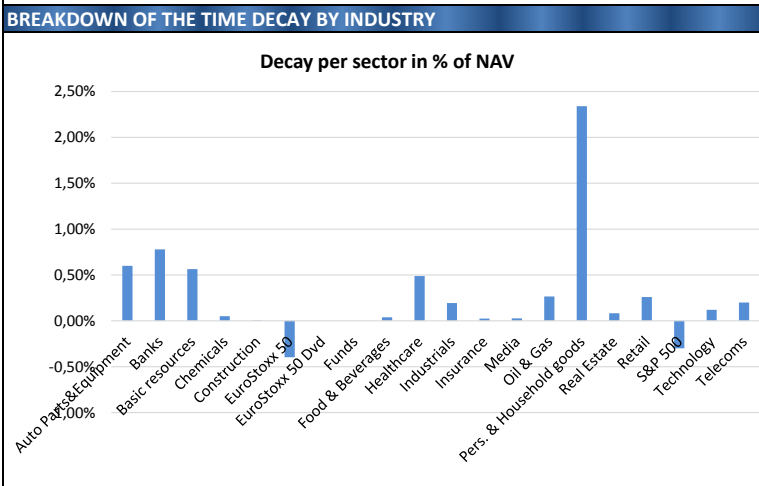
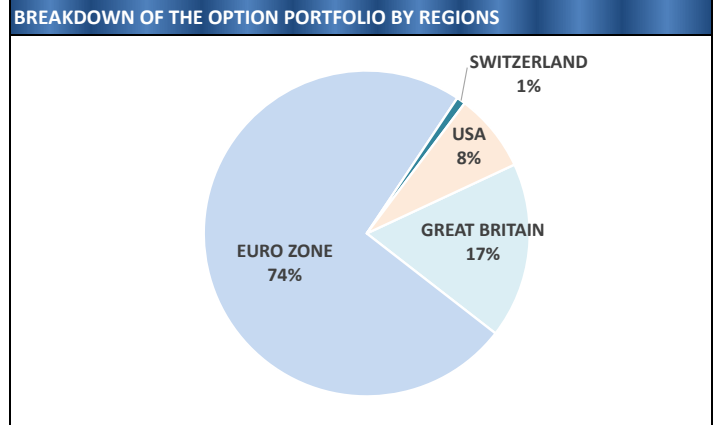
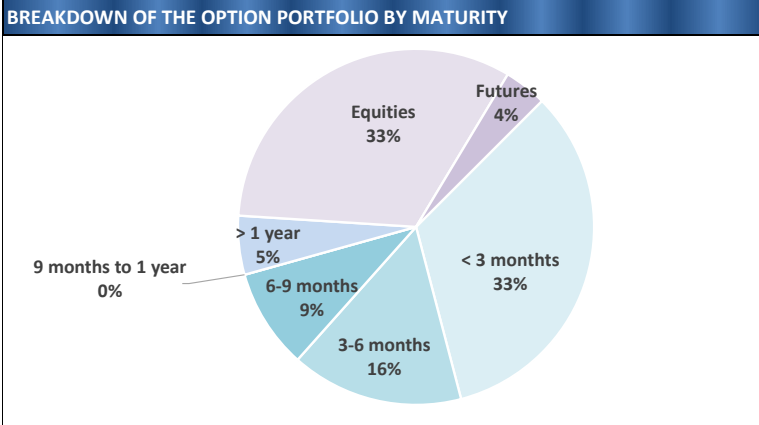
In September, economic news was still largely dominated by the various political conflicts. In the Sino-US trade dispute, despite some statements of goodwill, there is still no agreement in sight. In the United Kingdom, the Brexit psychodrama still does not find a way out after more than three years post referendum. A new postponement is now very likely. Finally, in the middle of the month, as a result of increasing tensions in the Persian Gulf, Saudi oil production sites were destroyed after a drone attack. This context weighs heavily on world trade and explains the overall contraction observed in manufacturing activities. The manufacturing sector's share is relatively small in developed economies, but signs of contagion are appearing today for services. Last month, central banks again eased their monetary policy. Fed rate cuts of 25bp and 10bp for the ECB with a resumption of the public and private debt purchase program to the tune of 20bn / month. These decisions have - at least temporarily - reassured investors. The main equity indices rose between 3% and 5%.

Following this rise, our indicators returned late September in "neutral risk" mode. We were able to partially take profits in the banking and oil sectors, which were reweighted in August. As a result, our equity directional delta exposure declined from + 82% to + 62%. The average maturity of the option portfolio decreased to 135 days from 165 days the previous month after the September's expiry. Our portfolio is expected to continue to perform relatively well by year end. Our annualized expected return is at very good levels, at 23.5% versus 15% the previous month. As a result of our profit taking, weighting on the Autos, Banks, Oil and Health sectors declines. These four sectors now represent 38% of portfolio delta. Momentum on these sectors has started there trend reversal. In addition, the dividend yield, the volatility premium and the valuation levels are a particularly attractive combination. The portfolio could therefore also continue to perform in the event of normalization in relation 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			
	Sep-19	Aug-19	Jul-19
% of NAV	42,06%	42,10%	49,51%
Number of securities	32	30	38
Yield to Maturity	0,62	0,75	0,33
Modified Duration (MD)	0,22	0,19	0,32
Spread vs Gov.	74	86	33
Average Rating	BBB-	BBB-	AA

MAIN EQUITY AND OPTION POSITIONS (% of NAV)			
Underlying	Delta	Premium	Industry
IMPERIAL BRANDS PLC	8,8%	0,80%	Pers. & Household go
NATIXIS	6,0%	0,20%	Banks
OSRAM LIGHT AG	5,6%	0,00%	Industrials
BAYER AG-REG	5,5%	0,14%	Healthcare
ILIAD SA	4,4%	0,18%	Telecoms
LVMH MOET HENNESSY	4,1%	1,53%	Pers. & Household go



**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	
<b>Information</b>	<b>Fees</b>
Investment category	Subscription 1,5% max.
Inception date	Redemption 0%
Valuation frequency	Management 1,5% TTC
Custodian	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