

AULIEN S.C.A., Sicav - SIF / PATRIMONIUM

(Isin : LU0730697348)

31 August 2019

Strategy & Investment Policy: Asset allocation fund

The objective of the Company is to achieve for the Shareholders an optimum return by undertaking directly or indirectly investments while reducing investment risk through diversification.

The Sub-Fund will predominantly invest in a diversified portfolio of equities, government and corporate bonds, commodities (through financial derivative instruments), currencies, structured products and alternative investment products. The sub-Fund will allocate a significant portion of its equity allocation into international stocks.

Monthly management comment

Quote of the month : "A government that robs Peter to pay Paul can always depend on the support of Paul" - George Bernard Shaw (1856-1950)

Tumbling interest rates and manufacturing recession

Bond yields continued to drop into unexplored territory, many of them in negative territory (German 10-year Bund now at -0.7%). The US yield curve is also dropping fast with a risk of an inverted bias (2-year bond at 1.55 vs 1.59 for the 10 year), usually indicating a forthcoming recession. Bond markets are anticipating trouble and the debate continues: will central banks save investors once again and can they keep things under control? The Fed will surely drop rates by at least 25 basis points later this week but other regions and notably Europe do not have the same options with their rates being at zero for the last decade. It seems like further digging into negative territory will not have any impact on investments nor consumption and purchase plans continue to artificially twist traditional risk models (where is the risk premium on Greek bonds yielding 1%?).

We are concerned about this financial environment lacking any kind of risk-free yield and will continue to minimize allocation to Financials and Long duration (even tough, there seems to be no limit to how low negative rates can reach).

Germany continues to struggle (industrial new orders were down 5% in July) potentially opening the door for an unprecedented German Keynesian stimulus package?

Sectorial rotation: cyclicals are (temporarily?) back

Despite the current gloomy environment and depressed sentiments, we continue to favour a consistent exposure to Equities. We feel, one needs to be contrarian (the amount of cash in institutional portfolios has reached historical highs) and unfortunately there is probably nowhere else to allocate if you want to get returns. This being said, we continue to allocate approx. 15 to 20% into long/short strategies allowing to reduce volatility.

August showed brilliant Bond returns (The Barclays Pan Eur Agg up more than 2% and + 9% YTD!). But Equity indices showed some resilience with corrections between 1 to 3%, keeping healthy YTD performances. Aulien dropped 60 basis points and is up 4% YTD.

We took the opportunity of some corrections to increase some positions like Axa, Leo Vegas, Elekta and Enea. Some of our cheap cyclical stocks (Boliden, a copper mining company and Stora Enso, Pulp and paper) have strongly rebounded in the last few days; is Doctor copper anticipating better days?

Our current favourite picks are, Elekta, Axa and Leo Vegas.

NAV at 30.08.19 : EUR 108.01

AUM (m EUR): 23.9

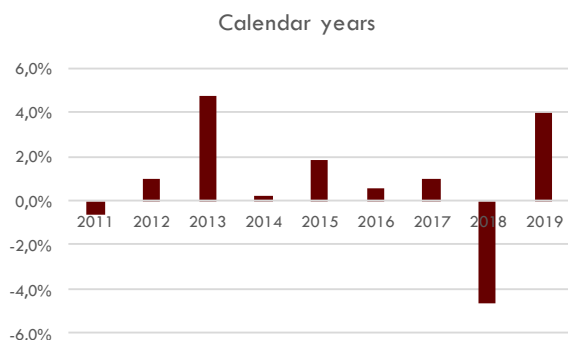
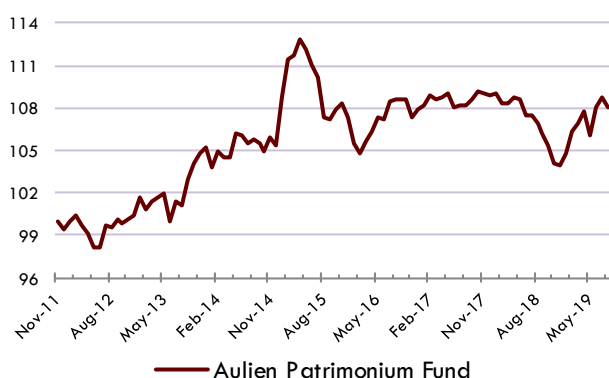
Performance (in EUR)

	1 m	3 m	6 m	YTD	Since inc.
Aulien Patrimonium	-0.6%	+1.9%	+1.5%	+4.0%	+8.0%

Past performances are not guaranteed of future results

Calendar year performance

	2018	2017	2016	2015	2014
Aulien Patrimonium	-4.6%	+1.0%	+0.5%	+1.8%	+0.2%



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Current top positions

Stocks:

Elekta B	2.0%
AXA	1.4%
Hermes Intl SA	1.3%

Bonds:

Nordea Bank Abp 4.5% 26.03.20	2.2%
Nederlandse Waterschapsbank NV 3.875% 17.02.20	2.2%
Sanofi SA 1.875% 04.09.20	2.2%

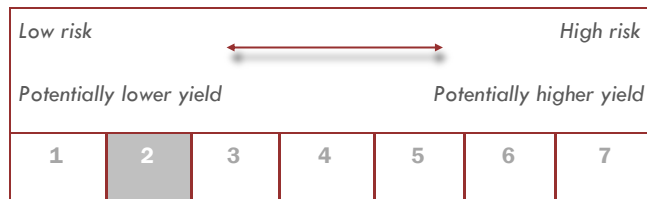
Funds:

Montlake Butler Credit Opp Fd B Cap	3.3%
Capital Four Invest European Loan & Bond Fd A Cap	3.2%

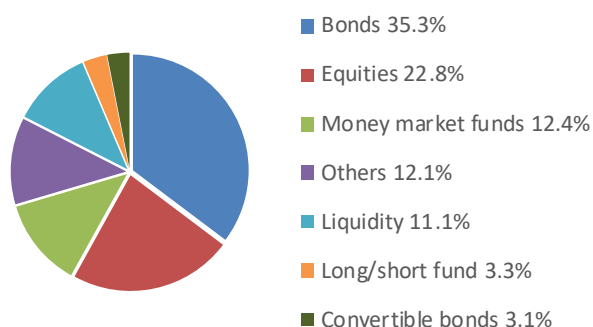
Others:

UBS Irl Fund Select Money Market EUR	12.4%
ZKB Gold ETF AA (USD) Dist	7.5%

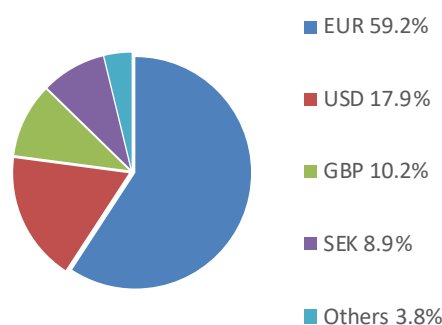
Profil risk & yield



Asset class allocation



Currency allocation



Fund characteristics

Issue date	26.10.2011
Classification	SICAV SIF
Fund type	diversified
Risk level	2/7 low
Holding investment recommendation	5 years
Currency	EUR
Isin Code EUR class	LU0730697348
Isin Code GBP class	LU0837061125
Isin Code CHF class	LU1939276702
Nav calculation	Weekly
Domicile	Luxembourg
General Partner	Aulien Partners S.à.r.l.
Custodian	CBP Quilvest
Fund Administrator	EFA Luxembourg
Transfert Agent	EFA Luxembourg
Auditor	Mazars Luxembourg

Financial Conditions

Subscription fees	max 5%
Redemption fees	0%
Management fees	1.6%
Performance fees	15%