

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

(Isin : LU0730697348)

31 July 2022

Strategy & Investment Policy: Asset allocation fund

The objective of the Company is to achieve an optimum return for the Shareholders 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 : “ Governments must commit to sound economic and financial policies. This is how we ensure reform in the euro area - and our independence. ” - Mario Draghi

Macro & Politics: “ Markets less fearful of inflation ”

The Fed raised rates by 75 bp but Powell's comments still managed to revive wishful thinking of a Fed pivot once the current inflated environment has been tamed. Bond yields are, so far, supporting this scenario of a cooling growth combined with peaking inflation. The 10-year US bond is currently yielding approx. 2.6% down more than 50 basis points since early June. While these stabilizing yields are giving some relief to a badly wounded Bond market, we feel it's too early to conclude that rising inflation and yields are behind us. With current inflation running close to 10% annually, we do not find current long rates particularly rewarding.

The ECB finally managed to raise its rates by 50 bp's, a welcome decision (its first hike in 15 years) but let's not forget that it only brings it back to a 0 nominal rate. The ECB has fallen so far behind the yield curve that it can barely do anything more as it struggles with exacerbated fragility in Europe due to Russian headwinds and other structural woes. Stagflation is still a probable scenario in Europe. Recent political events are not helping the continent in finding longstanding solutions as Britain and Italian PMs were forced out of their mandates while France faces a Parliament where a majority is impossible to find. Nevertheless, there are some positive signs such as resumed shipments out of Ukraine and resilient labour markets, allowing us to hope for better days ahead.

Markets & Investment decisions: “ Summer rally ”

After a dreadful 2nd quarter and a terrible month of June, all markets enjoyed a welcomed relief rally during the month of July. All Equity indices were up from +5% for the Nikkei to +12 % for the tech biased Nasdaq. The Bloomberg/Barclays pan European Bond index also rebounded by 5.2% but is still down almost 10% YTD. Equity markets are still largely in negative territory YTD (-13.7% for the Eurostoxx 50, -13% for the S&P 500, -16% for the Swedish OMX and -20.8% for the Nasdaq). The Aulien Fund regained 3.8% and is down -6.1% YTD. Short covering can explain some of the recent rally as well as decent earning reports with strong top lines somehow trumping pressures on margins. With the current low visibility, the Bear market could prevail, but for the time being, the path of least resistance is higher.

The fund showed some renewed activity with the purchase of a 5-year Huhtamaki Bond yielding more than 5%, the sale of a CVS USD bond (we start to reduce our USD exposure on the back of recent strength). We were (wrongly) worried before Apple's results and decided to sell. Nevertheless, we did allocate into so far profitable positions in Hennes & Mauritz (attractive historical valuation) and VAT Group (strong profitability remains, we re-enter the stock at a discount). Current investment ideas include Danske Bank (we foresee a manageable settlement with US authorities), X-Vivo (leading transplant technology with improved valuation) and a position in luxury goods (Hermes or Swatch group) as these companies seem to cope well with the current inflationary and purchasing power crisis.

Fund characteristics

Issue date	26.10.2011
Classification	SICAV SIF
Fund type	diversified
Risk level	3/7 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	CF Fund Services
Transfer Agent	CF Fund Services
Auditor	Mazars Luxembourg

Financial Conditions

Subscription fees	0%
Redemption fees	0%
Management fees	1.7%
Performance fees	15%

SFDR Disclosure

This Funds is neither in scope of Article 8 nor Article 9 of the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (“SFDR Regulation”).

Aulien integrates ESG (Environmental, Social and Governance) criteria in its investment process, on the basis of a specific risk assessment methodology / approach allocating to each asset a dedicated ESG scoring.

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Current top positions

Stocks:

Swedish Match	1.5%
Investor B	1.3%
Essity	1.1%

Bonds:

Netflix Inc 3.625% 15.05.27	1.8%
BNP Paribas 1.125% 22.11.23	1.5%
Piaggio & C. 3.625% 30.04.25	1.5%

Funds:

Quantex Global Value Eur I Dist	2.9%
Prosper Stars & Stripes USD I Cap	2.7%

Others:

UBS Irl Fund Select Money Market EUR	10.7%
ZKB Gold ETF AA (USD) Dist	5.3%

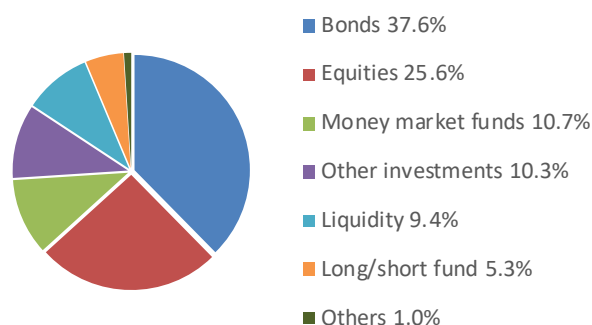
Profil risk & yield



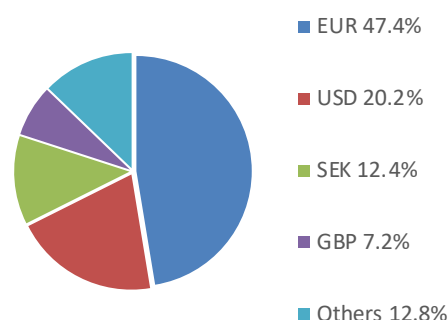
Time to liquidate (CSSF circular 19/733)

- 99.18% of the total assets composing the portfolio of the fund can be liquidated in less than 7 days during normal market conditions
- 98,70% of the total assets composing the portfolio of the fund can be liquidated in less than 7 days during stressed market conditions

Asset class allocation



Currency allocation



NAV at 29.07.22 : EUR 112.65

AUM (m EUR): 33.3

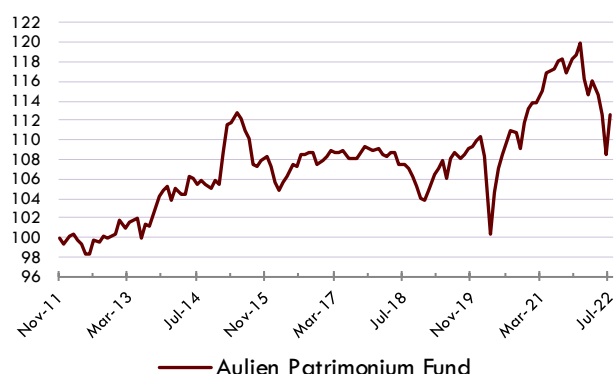
Performance (in EUR)

	1 m	3 m	6 m	YTD
Aulien Patrimonium	+3.8%	-1.7%	-3.2%	-6.1%

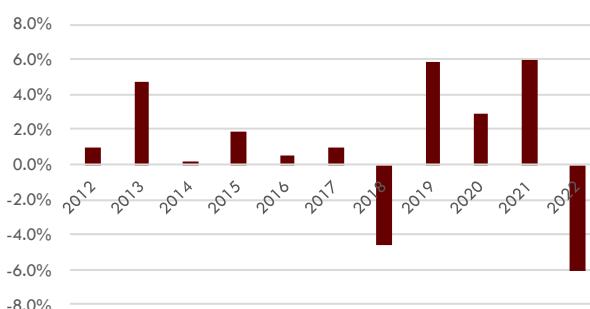
Calendar year performance

	2021	2020	2019	2018	2017	2016	2015	2014	2013
Aulien Patrimonium	+6.0%	+2.9%	+5.8%	-4.6%	+1.0%	+0.5%	+1.8%	+0.2%	+4.8%

Past performance is no guarantee of future results



Calendar years



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