

## November 2017

### Monthly management comment

**Quote of the month : "When you look into an abyss, the abyss also looks into you " - Friedrich Nietzsche (1844-1900)**

#### Macro & Politics: "Central banks standing at crucial crossroads"

In a rather undramatic move, President Trump nominate Fed Board Governor Jerome Powell as Fed Chairman on November 2. The choice of Powell stands for a continuation of the status quo.

Current macro figures continue to improve and will increasingly put pressure on central bankers to reduce the liquidity tsunami in which global markets have been living for many years. As usual the challenge is risky: tightening too fast can choke future growth and make shareholders anxious; a relaxed and dovish stance will allow inflation and price instability. So far central banks have made a lot of talking but not initiated much action. With growth reaching 3% in the US and Europe 2% and accelerating, tightening is now unavoidable.

Bank of England, 1<sup>st</sup> in line in Europe raised borrowing costs for the 1<sup>st</sup> time since 2007 on November 2<sup>nd</sup>, sending the GBP down, while gilts and stocks rallied. Similar steps are due in the forthcoming months from the Fed but also the ECB. In our opinion volatility will rise.

#### Markets: "3<sup>rd</sup> quarter earnings managed to meet expectations"

The majority of listed companies managed to deliver quality results matching or even beating very high hopes. A symptomatic example is Amazon reaching 34 % of quarterly revenue growth. High growth technology stocks have rallied significantly in the last few months, hugely outperforming defensive shares such as Roche or Nestlé. There are signs showing the current rally is getting mature in particular a reduced market breath (less number of shares reaching new highs). Most indexes were up approx. 2% for the month with the Nikkei roaring a spectacular 8% on the back of Abe's reelection.

Bond yields have so far not adjusted to the improved environment, probably because of all the various automatic purchase programs. We should not underestimate the possible impact of tapering on Bond prices and the consequences on other asset classes. We continue to have a very cautious stance to medium to long term bonds and would buy TBT:US (a certificate short on 20+ year Treasury Fund) as a hedge in bond portfolios.

#### Investment Themes & Favorite stocks: "China & Robots"

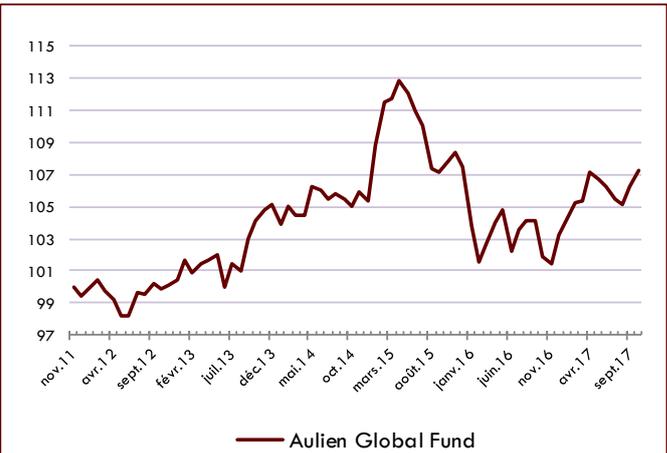
We continue to increase some trading activity and have sold Assa Abloy (uninspiring report) & Roche (lack of momentum) / reduced some exposure (BABA et Evolution) before quarterly earnings (our cautious approach was costly) / purchase of Boliden and Royal Dutch (we continue to favor commodities), Shimano (technical breakout) and Intuitive Surgical ISRG:US. Intuitive is a world leader in surgical devices using robotic technologies. We feel that these new technologies are here to stay and their use will continue to increase.

Many of our favorite stocks are linked to the robotic theme (ISRG:US and Fanuc 6954:JP) but also to the Chinese market (BABA continues to deliver growth and strong share performance / CAF:US a useful ETF with risk diversification).

NAV at 27.10.17 : EUR 107.23

AUM (m EUR): 11.6

### Performance until 27.10.17



1 month	+0.9%
YTD	+3.9%
Since inception	+7.2%

### Performance (in EUR)

	1 m	3 m	6 m	YTD	2016	2015	2014	2013
Aulien Fund	+0.9%	+1.7%	+0.1%	<b>+3.9%</b>	-4%	2%	0.2%	4.8%

Past performances are not guaranteed of future results

### Strategy & Investment Policy

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 Scandinavian stocks.

Fund characteristics	
Issue date	26.10.2011
Classification	SICAV SIF
Fund type	diversified
Risk level	4/7 medium-high
Maturity invest. recomm.	5 years
Currency	EUR
Isin Code EUR class	LU1311561465
Isin Code GBP class	LU1311561549
Isin Code CHF class	LU1311561978
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%
Performance fees	1.5%
Management fees	1.5%

Current top positions	
<b>Stocks:</b>	
ZKB Gold ETF EUR	3.6%
Evolution Gaming	2.6%
Boliden	2.6%
Yara Intl ASA	2.5%
Saab	2.3%
Royal Dutch Shell	2.3%
<b>Bonds:</b>	
Bank of America Corp 06.05.19	3.5%
RCI Banque SA FRN Sen 12.04.21	3.0%
Air France KLM 3.875% 18.06.21	2.8%
<b>Funds:</b>	
Promepar Obli Court Terme I Cap	4.4%
Cliens Sverige Fokus A SEK Dist	3.7%
<b>Cash:</b>	21%