

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

(Isin : LU0730697348)

31 March 2020

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 : “ Indeed, the hereditary gift of prophecy will go to the grave with me ” - Nostradamus

Macro & Politics: Covid-19 cracks the world economy

Historical standstill.

The 1st quarter of 2020 will go into history books as we currently experience things that never happened before: billions of people are confined at home, not being allowed to move or gather freely. The virus has put the world economy on shock, unemployment figures are skyrocketing and many industries are in complete standstill.

The scope of the consequences is difficult to grasp, as we still don't have a clear picture, as we write, of the length of the necessary confinement measures.

Central banks take unprecedented measures in order to pop-up the economy.

The amount of liquidity created by the Fed and other central banks is mind boggling. With the specter of an economic recession looming, the Fed preemptively cut its interest rates by 150bps (cumulative) in March to a range of 0%-0.25%. It also officially restarted its asset purchase program and pledged to purchase unlimited amounts of Treasury and mortgage-based securities as well as corporate bonds indicating unlimited Quantitative Easing (QE).

We believe all these measures will allow the economy to recover whenever the current epidemic will fade away. A U-shaped recovery is our main scenario with a rebound starting at the end of 2020.

Markets & Investment decisions: intense activity in our Fund

Beware of credit markets.

Recent market returns are probably the worst ever when it comes to volatility, magnitude and pace. The wash out impacted almost all asset classes with major Equity indexes down approx. 30% since their recent peaks and 25% YTD. More worrisome were credit market behaviors with exploding spreads, no liquidity and obviously sharp declines. Despite recent monetary measures, bond markets remain inefficient and under stress. And the coming downgrades and dividend cuts will not help in the short to medium term. It is essential to avoid possible defaults.

Aulien's performance YTD -8.75%.

The sudden Corona crisis has forced many changes in our asset allocation and in our investment picks. We started the month by reducing exposure to duration and some lower rated bonds such as Intrum, Renault Finance and Air France. We didn't expect such a rapid deterioration and have suffered on some of the positions, essentially our bond funds even though our exposure was primarily to low duration and loans. We continue to seek for opportunities in order to switch some positions from uncomfortable sectors to names we feel more at ease. We recently took a loss on a Ford Bond in order to switch into EDF (utilities seem to be better prepared to face a prolonged standstill).

On the Equity part, we were happy to hold some cash from previous sales in February. We managed to buy after a juicy correction shares in sectors we feel will prevail and or even benefit from the current environment such as Deutsche Post, Kinnevik (e-commerce and media), Tencent (Chinese on-line giant), Evolution Gaming and Leo Vegas (on line casino games) and Veolia Environment (cash flow is essential). We sold our position in BAE as well as half our positions in Axa (we want to reduce our Beta) and Elekta.

The current challenges will eventually be met and the world will recover from its current woes. Facing volatility and sharp drops is always hard and difficult but these markets also offer great opportunities for disciplined, patient and courageous investors.

We take this opportunity to thank all of you for your very much appreciated trust and please keep yourselves and family safe.

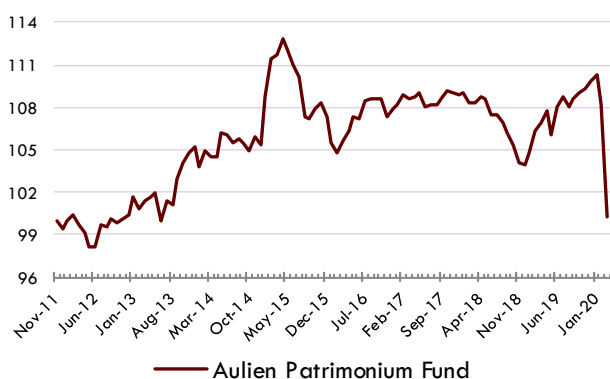
NAV at 31.03.20 : EUR 100.3

AUM (m EUR): 23.3

Performance (in EUR)

	1 m	3 m	6 m	YTD	Since inc.
Aulien Patrimonium	-7.3%	-8.7%	-7.6%	-8.7%	+0.3%

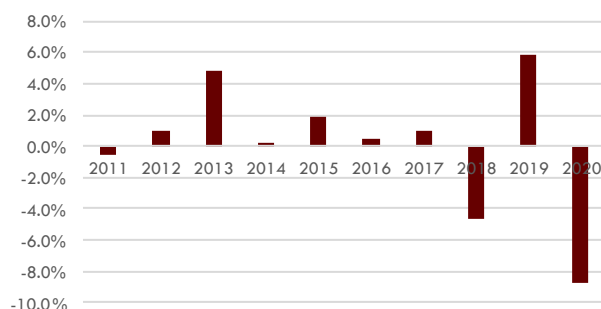
Past performances are not guaranteed of future results



Calendar year performance

	2019	2018	2017	2016	2015	2014
Aulien Patrimonium	5.8%	-4.6%	+1.0%	+0.5%	+1.8%	+0.2%

Calendar years



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Current top positions

Stocks:

AXA	1.5%
Stillfront Group	1.4%
Deutsche Post	1.2%

Bonds:

Netflix Inc 3.625% 15.05.27	2.6%
Sanofi SA 1.875% 04.09.20	2.2%
BNP Paribas SA 1.125% 22.11.23	2.1%

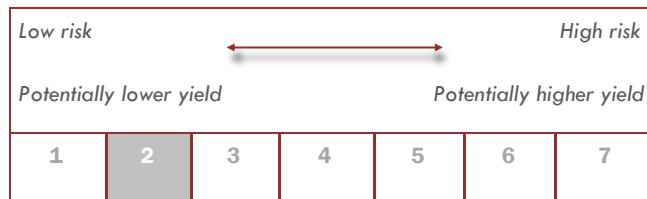
Funds:

Montlake Butler Credit Opp Fd B Cap	3.2%
Capital Four Invest European Loan & Bond Fd A Cap	3.1%

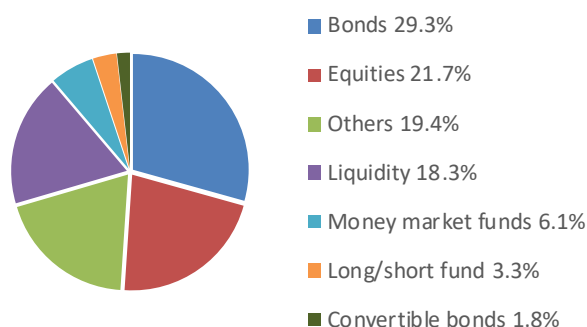
Others:

ZKB Gold ETF AA (USD) Dist	8.2%
UBS Irl Fund Select Money Market EUR	6.1%

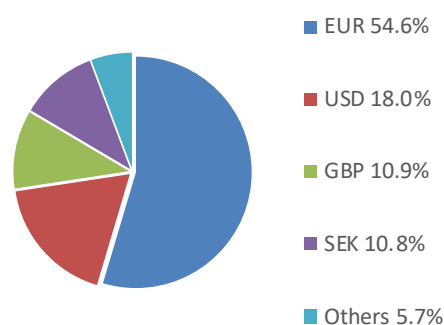
Profil risk & yield



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	CF Fund Services
Transfert Agent	CF Fund Services
Auditor	Mazars Luxembourg

Financial Conditions

Subscription fees	max 2%
Redemption fees	0%
Management fees	1.6%
Performance fees	15%