

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

(Isin : LU0730697348)

31 August 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 : “ ‘You ain’t black’ if you have trouble deciding between Trump and me.” - Joe Biden

Macro & Politics: “Sharpening political rhetoric ahead of US elections”

The forthcoming US presidential election will have an immense impact on how the world and the economy will evolve in the coming years. The current opposition between Republicans and Democrats has rarely been as harsh as it is today with Trump stigmatizing disagreements and breaking many political consensuses. The tension is increasing as polls predict a tight race. Current health environment, with the persistent presence of the Covid virus is also making the election process very awkward as gatherings are very much restricted. Social unrest is also contributing to a general feel of nervousness.

The traditional Jackson Hole Fed meeting, virtually held this year, did confirm that 0% yields are here to stay. The 10-year T-note remains at 0.73% and does not anticipate any sudden improvement of overall economy. The central bank embodied a revolution in its principles as inflation is no longer the main enemy (but perhaps a desired outcome?) and focus has now been turned to achieve full employment. A major consequence of the current monetary policy is the weakening USD who reached 1.2 vs EUR, a level not reached since 2018.

Overall, most macro figures are showing a rapid recovery from the doldrums (Improving German IFO, strong Chinese PMI) but the forthcoming months will be essential to reach a swift post virus “normalization” as new confinement measure would probably have devastating consequences.

Markets & Investment decisions: “Risk signals flashing red”

Fed’s generosity has helped markets reach bubbly waters as valuations do not seem to matter. The Nasdaq and FANG’s continue their frenzy run, Apple and Tesla increasing their market caps with billions just by splitting their stocks (seems like a dollar bill is nowadays worth 5 quarters...). The Dow Jones had its best month of August since 1984 and US markets were up for the 5th straight month as market players continue to price an optimistic scenario and ignore risk factors. Major equity indices were all positive in the month (Eurostoxx +3.1% (YTD -12.6%); Nikkei +6.6%; S&P 500 +7% and Nasdaq +9.6% and +31% YTD!). Bond indexes had a more difficult run with some rebound on most yields. The Barclay Pan European was down 0.7% and is up 1.3% YTD. Aulien was up 1.2% in August and is up 1% in 2020.

We feel some unease as market breadth, Tilted Put/Call ratios (on calls), and valuations (PE ratio of Apple > 40) are all running into thin air. This being said, we’re quite pleased to be invested and will continue to ride this wave: as they say: “don’t fight the market”. We still believe that stock picking and sector selection will be the key for capital preservation and steady appreciation in the coming months / years. We have strengthened our holdings in CS Asia Bond Fund, in both our Long/Short funds (Eleva Global Return and Stars and Stripes) and Iliad 2021 Bond. We have also initiated new positions in Swissquote (Swiss internet bank), an Invesco agricultural product ETF and Tigo (Mobile operations in Latin America with an interesting yield).

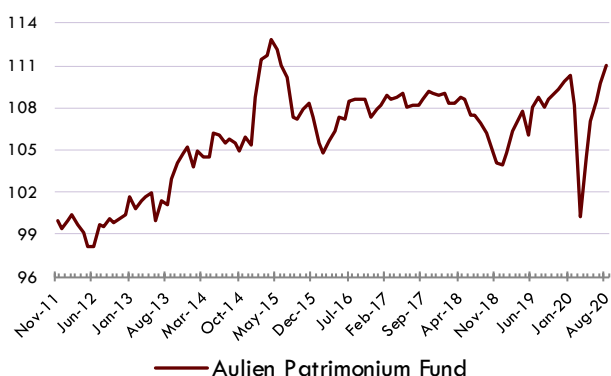
We hold a substantial amount of cash that can be used in case of a sound market correction. Our current investment ideas include ASML (semiconductors), XVivo Perfusion (preservation of organs for transplant) and Boliden (copper mining).

NAV at 28.08.20 : EUR 111.03 AUM (m EUR): 27.5

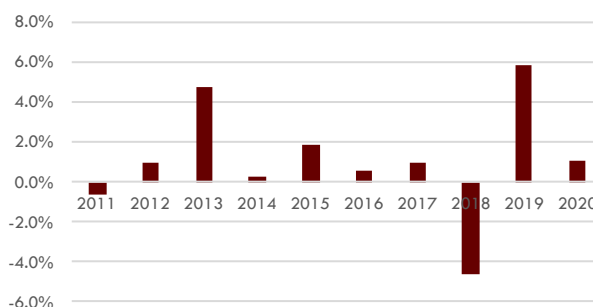
Performance (in EUR)

	1 m	3 m	6 m	YTD	Calendar year performance						
					2019	2018	2017	2016	2015	2014	2013
Aulien Patrimonium	+1.2%	+3.7%	+2.6%	+1.0%	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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Current top positions

Stocks:

Stillfront Group	2.0%
Enea	1.8%
Evolution Gaming	1.4%

Bonds:

Netflix Inc 3.625% 15.05.27	2.4%
BNP Paribas SA 1.125% 22.11.23	1.9%
Eircom Finance DAC 3.5% 15.05.26	1.7%

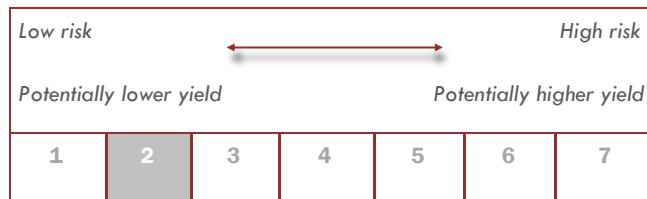
Funds:

Eleva Absolute Return Europe I Cap	3.0%
Clients Sverige Fokus A	2.9%

Others:

UBS Irl Fund Select Money Market EUR	13.1%
ZKB Gold ETF AA (USD) Dist	7.8%

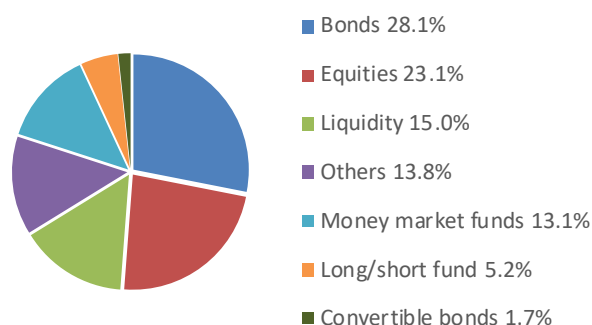
Profil risk & yield



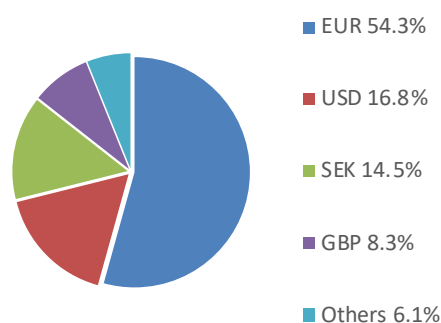
Time to liquidate (CSSF circular 19/733)

- 98,80% of the total assets composing the portfolio of the fund can be liquidated in less than 7 days during normal market conditions
- 98,04% 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



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%

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