



**SEBASTIEN  
MAILLARD**

## Zadig Asset Allocation at work

**Contact**  
Pierre Philippon  
investor@zadig.lu  
+352 26 47 6305

ARP is a proprietary all-weather process aiming at generating a high single digit return over the medium term with no or low correlation with Equities and Government Bonds. Risk is monitored to achieve a realized volatility below 8%. It combines Global Macro directional strategies and Style Premia to get exposure to equity indices, government bonds, commodities and credit through a fully-framed process. Risk and diversification are at the core of the process which relies on hundreds of fundamental and technical variables to generate buy and sell signals for various assets classes and regions.

### Market commentary as of the end of June 2021

ARP was flat in June (+3.5% YTD).

Markets said amen to FED Jerome Powell's statement that inflation is transitory and that it would soon flow back to remain under control. No matters, dot plot proved surprisingly hawkish now anticipating two interest rate hikes by the end of 2023, up from zero. It first baffled investors that was finally seen as an additional indicator that inflation would be curbed, serendipitously prolonging the accommodative FED policy in place. The US 30-year bonds even surged on the FOMC statement. Equities rose marginally in June with low conviction: the S&P (+2%) outperformed, while Europe, Japan and Emerging markets were broadly flat. US performance was buoyed by Tech stocks (+6% for the Nasdaq) as the reflation rotation halted and reversed. The dollar also appreciated (3% vs. the Euro), weighting on Gold (-7%). The picture was mixed for commodities as illustrated by the solid performance of Oil (+8%) and turmoil on Copper (-9%).

In June, bonds were the main contributor (+0.3%) to performance. The contribution of equities (+0.0%) and commodities (-0.0%) was not significant. Credit & Satellite costs 0.4%: our short-bias strategies (-0.25%) aiming at hedging against an equity crash suffered from the dollar reappreciation and from a VIX declining strongly on complacent levels (15.5). We keep these strategies in place.

The fund's exposure to equities was reinforced in June:

- The exposure to bonds is stable at 80%. The reasoning remained unchanged: inflation is indeed more and more salient, but the US surprise indicator is still decreasing suggesting high uncertainty regarding the macro statistics to come. As illustrated by the FED balance sheet which expanded again to a new high of \$8.1trn (+2% in June), quantitative easing is still in place, supporting bonds.
- The exposure to equities was reinforced to 47% (+12%). Our macro indicators turned neutral from negative. The pause in the reflation trade, the decline of bas materials, and here again the continuing support of central banks explain why we became somewhat more constructive. Our long VIX exposures are kept in place and should help should the environment surprisingly darken.
- The exposure to commodities is reduced to 19% (-6%), still a very constructive exposure.

The reflation rotation suddenly halted in June after Powell's intervention and the unexpected interest rate hikes to be triggered in 2022. The resurgence of Covid cases in Europe gives another argument to inflation sceptics. The goldilocks period of low rates and massive liquidity support can therefore prevail for now: we aim at continuing to capitalize on the equity performance while preparing the portfolio for difficult times that may escape the control of central banks.

As of 30/06/2021

#### NAV per Share:

Class I Euro (LU0940441628)	126.38
Class R Euro (LU0940650541)	118.87
Class R USD (LU0940650624)	131.71

#### Fund AUMs

21 M EUR

#### Firm AUMs

2099 M EUR

#### Inception Date

18/09/2013 (I and R)

#### UCITS Fund

Yes

#### Liquidity

Daily (3 PM CET)

#### Auditor:

PWC

#### Custodian/Administrator:

PICTET

#### Management Fee

1.00% (I) - 1.50% (R)

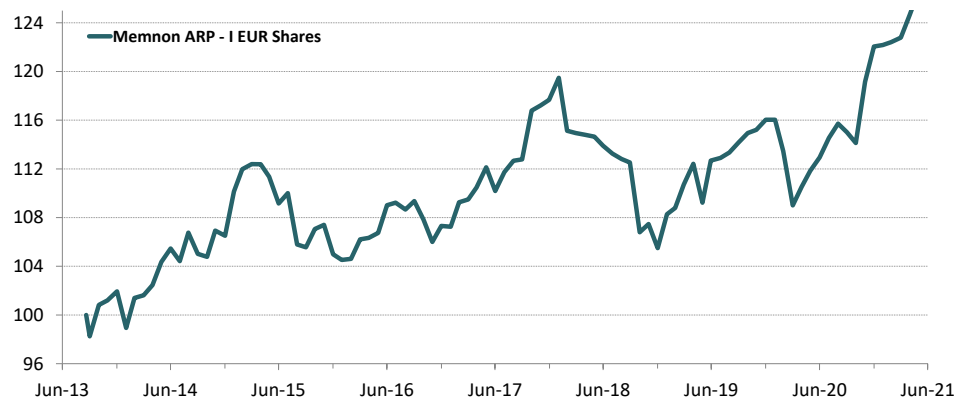
#### Performance Fee

10% of Outperformance  
above High Water Mark

Note: Memnon Fund is only registered for sale in Luxembourg and Italy. For other countries, local regulations are applicable.

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### - MEMNON ARP FUND - I EUR Shares -



### - MONTHLY PERFORMANCE -

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2021	0.1%	0.2%	0.3%	1.5%	1.5%	-0.1%							3.5%
2020	-	-2.2%	-3.9%	1.4%	1.2%	1.0%	1.4%	1.0%	-0.6%	-0.8%	4.4%	2.4%	5.2%
2019	2.6%	0.5%	1.8%	1.5%	-2.8%	3.2%	0.2%	0.4%	0.7%	0.7%	0.2%	0.7%	10.0%
2018	1.5%	-3.6%	-0.2%	-0.1%	-0.1%	-0.6%	-0.6%	-0.4%	-0.3%	-5.1%	0.6%	-1.8%	-10.4%
2017	-0.1%	1.9%	0.2%	0.9%	1.5%	-1.7%	1.4%	0.8%	0.1%	3.6%	0.4%	0.4%	9.7%
2016	-0.4%	0.1%	1.5%	0.1%	0.4%	2.1%	0.2%	-0.5%	0.6%	-1.4%	-1.7%	1.2%	2.2%
2015	3.4%	1.7%	0.4%	-0.0%	-0.9%	-2.0%	0.8%	-3.8%	-0.2%	1.4%	0.3%	-2.2%	-1.4%
2014	-2.9%	2.5%	0.2%	0.8%	1.9%	1.1%	-1.0%	2.2%	-1.6%	-0.2%	2.1%	-0.4%	4.5%
2013									-1.8%	2.6%	0.4%	0.7%	1.9%

\* I Shares launched September the 18<sup>th</sup>

### - MARKET PERFORMANCE & VIEWS -

		Performance *		Tactical Signals		
		MtD	YtD	MOM	VAL	TOTAL
Govt Bond	N.America	+0.4%	-2.6%	n+	n-	n+
	Europe	+0.6%	-2.1%	n-	n-	n-
	Japan	+0.2%	+0.1%	+	n-	n+
Equity	N.America	+2.2%	+14.4%	++	n-	+
	Europe	+0.6%	+14.4%	++	n+	+
	Japan	-0.2%	+4.9%	+	n+	n+
	Emerging	-0.1%	+6.5%	++	n-	+
Commodity	Diversified	+1.9%	+21.1%	++	+	++
Credit	HY	+1.1%	+3.0%	++	--	+
	Emerg. Debt	+0.9%	-1.0%	++	-	n+

\* Source Bloomberg, non-annualized return of the T-Note 10Y (TY1), Eurex Bund (RX1), JGB (JB1), S&P 500 (SPX), Eurostoxx (SXSE), Nikkei (NKKY), MSCI emerging (MXEF), DJUBS

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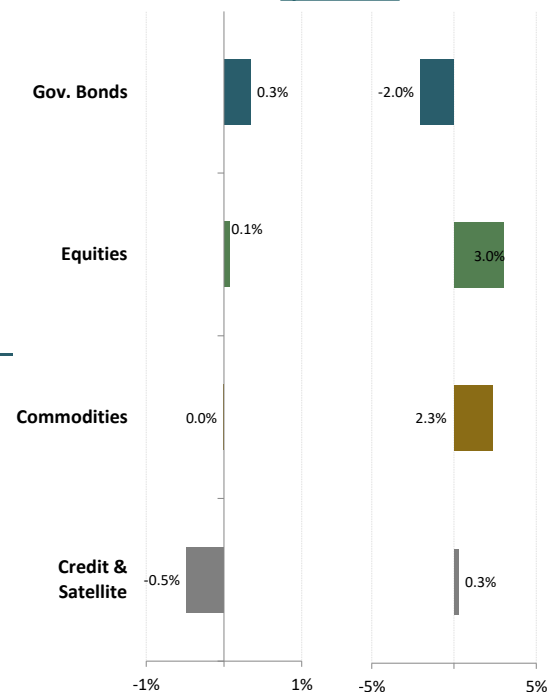
### - PERFORMANCE (Class I EUR) -

Period	Memnon ARP
Jun-21	-0.1%
YTD	3.5%
2020	5.2%
2019	10.0%
2018	-10.4%
2017	9.7%
2016	2.2%
2015	-1.4%
2014	4.5%
2013	1.9%
Since Launch *	26.4%

### - PERFORMANCE CONTRIBUTOR -

Jun 21: -0.1% YTD: 3.5%

By asset class



### - STATISTICS, SINCE LAUNCH -

Ann. Performance	3.2%
Ann. Performance	3.2%
Ann. Volatility	6.2%
Max. Drawdown	-11.7%

Statistic computed on monthly returns

### - PORTFOLIO EXPOSURES -

		Exposures		Δ
		May-21	Jun-21	
Govt Bond	N.America	33%	35%	+3%
	Europe	28%	33%	+5%
	Japan	18%	11%	-7%
Equity	N.America	8%	13%	+6%
	Europe	13%	14%	+0%
	Japan	9%	9%	+1%
	Emerging	6%	11%	+5%
Commodity	Diversified	25%	19%	-5%
Credit	HY	6%	6%	+0%
	Emerg. Debt	3%	3%	+0%
Total		148%	156%	+7%

