

# MIDAS - Bond Opportunities B - Acc

Monthly summary report | as at 31 October 2017

## Investment Objective

The fund seeks to achieve capital appreciation over the medium term by investing in a diversified portfolio of Euro-denominated fixed income securities (investment-grade corporate bonds, government bonds, high yield and emerging market debt as well as convertible bonds). The main focus is put on bottom-up selection. Interest rate as well as credit risks are managed actively.

## Latest Update

NAV per share	132,52
2017 year-to-date return as at 31 October 2017	5,92%

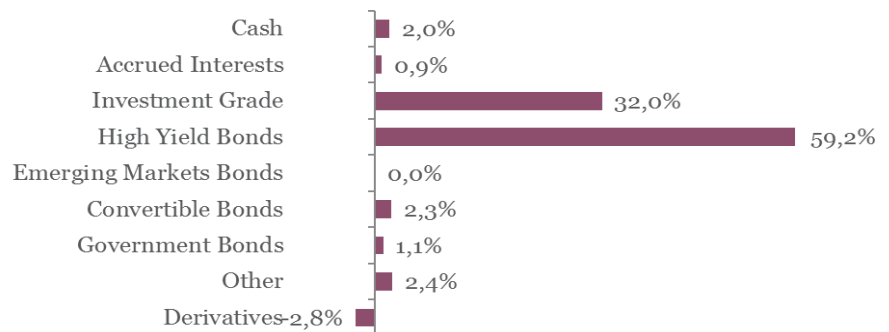
## Performance

	1M	YTD	2016	2015	2014	3Y	5Y
Midas Bond Opp.	1,30%	5,92%	4,11%	0,01%	4,30%	10,31%	25,20%

## Fund key facts

Inception date *	17 September 2010
ISIN code	LU0541880133
Asset class	Bonds in EUR
Total fund assets	€ 177 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	0,75%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

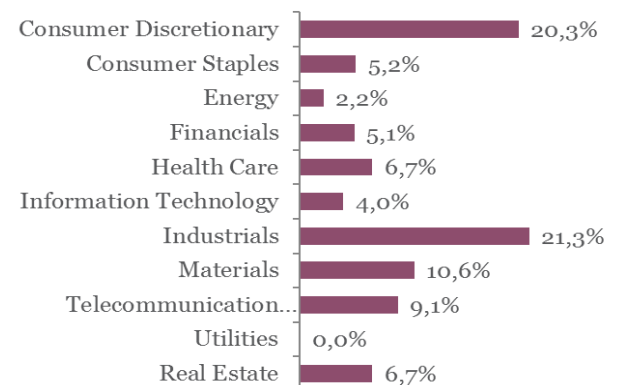
## Asset Allocation



## Top 10 bond holdings

	YTM	Rating	Weight
CELLNEX TELECOM : CLNXSM 2 7/8 04/18	1,9%	BBB-	2,4%
ATF NETHERLANDS : ALATPF 2 1/8 03/13/	0,9%	BBB	2,4%
ITV PLC : ITVLN 2 1/8 09/21/22	0,9%	BBB-	2,4%
EUROFINS SCIEN : ERFFP 2 1/4 01/27/22	1,0%	NR	2,4%
BOLLORE SA : BOLFP 2 01/25/22	1,1%	NR	2,3%
BUREAU VERITAS : BVIFP 1 1/4 09/07/23	0,8%	NR	2,3%
BENI STABILI : BNSIM 1 5/8 10/17/24	1,4%	BBB-	2,3%
INGENICO GROUP : INGFP 1 5/8 09/13/24	1,4%	NR	2,3%
ILIAD : ILDFP 1 1/2 10/14/24	1,3%	NR	2,3%
INEOS GROUP HOLD : INEGRP 5 3/8 08/01	1,8%	B+	1,8%

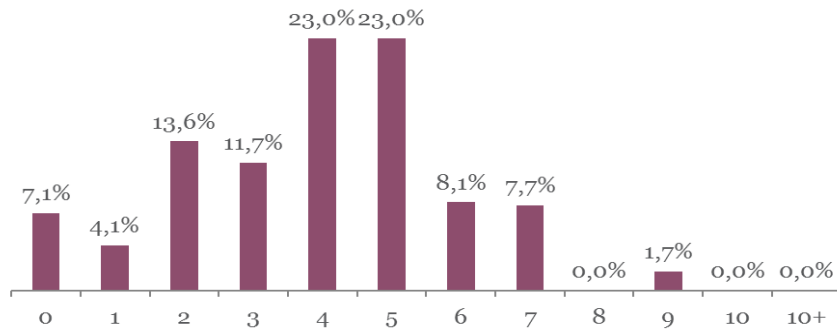
## Sector breakdown



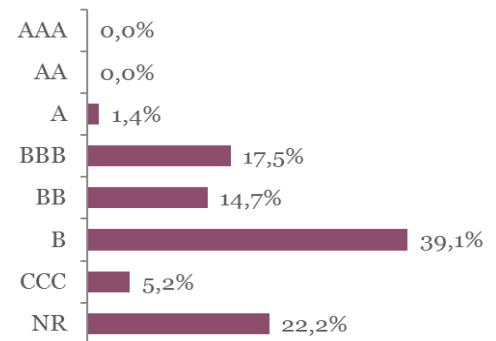
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## Duration breakdown



## Rating breakdown



## Top funds holdings

db X-Trackers II iTraxx Crossover 5-Year Short	Short Credit	2,4%
MM Convertible Europe	Convertible Bonds	2,3%

## Market Review

Another “all thumbs up” to all major economies in October! The US economy, for instance, confirmed its decent shape with a 3% GDP growth over the 3rd Quarter. It is also getting a step closer towards a major tax reform, as Congress approved a Bill which authorizes a Budget of USD1.5 trillion to finance tax cuts over the next decade. In Japan, Mr Abe got his hoped-for landslide election victory, paving the way for a continuation of his “three-arrow” project. In Europe finally, the ECB has communicated on how it intends to reduce its monthly asset purchases. It will continue to buy back assets by another nine months as of January 2018. Instead of the current EUR60bn however, the monthly amount will be reduced to EUR30bn. In other words, the ECB continues its (very) accommodative policy for much longer. German Bunds benefited from the ECB decision and the 10Y yield fell from 0.46% to 0.36% during the month. The 10Y US Treasury, who started the period at 2.33%, was under pressure by the ongoing tax reform: it finally ended the period almost flat at 2.36%. This positive environment was also supportive for peripheral countries spreads. Portugal was again the best performer and Spain performed very well regardless of the political situation in Catalonia. High Yield bonds profited from the credit spread compression (+0.87% for the iBoxx High Yield Index) while the Investment Grade segment also took advantage of the fall in German yields (+1.04% for the iBoxx Corporates Index).

## Portfolio Performance

In October, the fund rose 1.30%, benefiting from spreads compression and falling interest rates. During the month, a buoyant primary market allowed us to include several new High Yield issues (e.g. Europcar, CMA CGM) but also in the Investment Grade segment (e.g. Iliad). We used this opportunity to reduce some bonds that have performed well.

## Market Outlook

While high valuations for most asset classes and end-of-cycle fears are acknowledgeable, we cannot ignore the momentum currently unfolding in financial markets, nor trying to bet against it. Regarding the fixed income markets, we also run a carry strategy with a preference for high yield bonds as we expect spreads to stick to their low levels and rates to remain tame, backed by still accommodative monetary policies.

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\* Performance has been calculated since inception on the 17th of September 2010 of Expert Investor Sicav Midas Bond Opportunities Fund which merged into Midas Sicav Bond Opportunities Fund on the 1st of August 2016.