

MIDAS - Bond Opportunities B - Acc

Monthly summary report | as at 31 December 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.

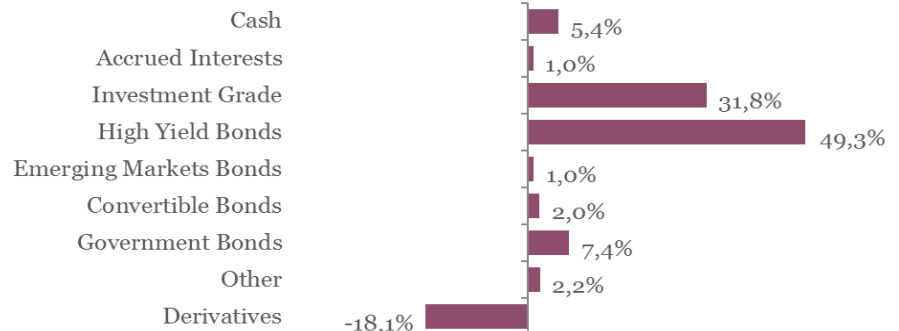
Latest Update

		Performance	1M	YTD	2016	2015	2014	3Y	5Y
NAV per share	131,20	Midas Bond Opp.	-0,51%	4,87%	4,11%	0,01%	4,30%	9,19%	20,91%
2017 year-to-date return as at 31 December 2017	4,87%								

Fund key facts

Inception date *	17 September 2010
ISIN code	LU0541880133
Asset class	Bonds in EUR
Total fund assets	€ 199 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

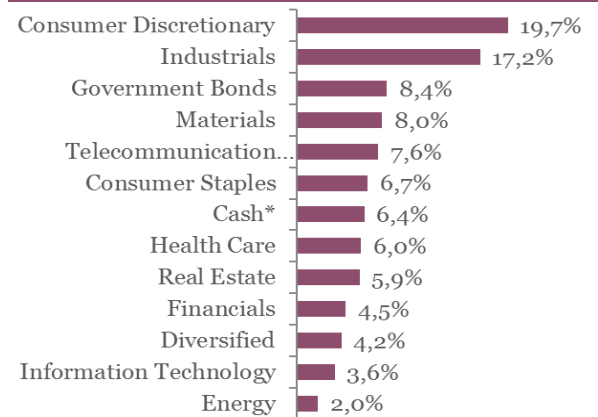


Top 10 bond holdings

	YTM	Rating	Weight
BTPS I/L : BTPS 0.1 05/15/22	1,1%	BBB	2,7%
CELLNEX TELECOM : CLNXSM 2 7/8 04/1	2,4%	BBB-	2,6%
ITV PLC : ITVLN 2 1/8 09/21/22	1,0%	BBB-	2,1%
EUROFINS SCIEN : ERFFP 2 1/4 01/27/22	1,0%	NR	2,1%
BOLLORE SA : BOLFP 2 01/25/22	1,3%	NR	2,1%
BENI STABILI : BNSIM 1 5/8 10/17/24	1,6%	BBB-	2,0%
INGENICO GROUP : INGFP 1 5/8 09/13/24	1,6%	NR	2,0%
ILIAD : ILDFP 1 1/2 10/14/24	1,4%	NR	2,0%
PORTUGUESE OT'S : PGB 2 7/8 07/21/26	1,8%	BB+	1,6%
TEREOS FIN GROUP : TEREOS 4 1/8 06/16	2,8%	BB	1,6%

*Cash & Cash Equivalents

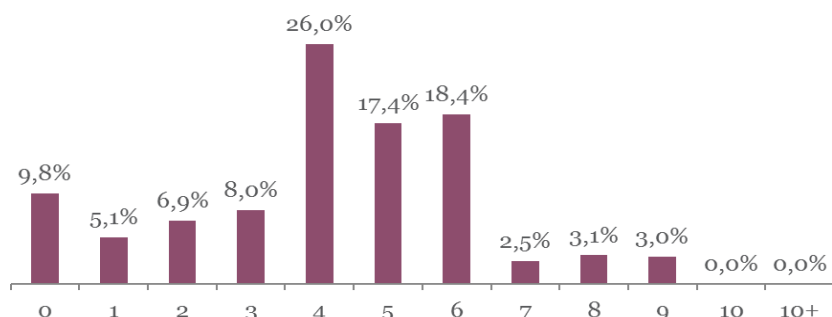
Sector breakdown



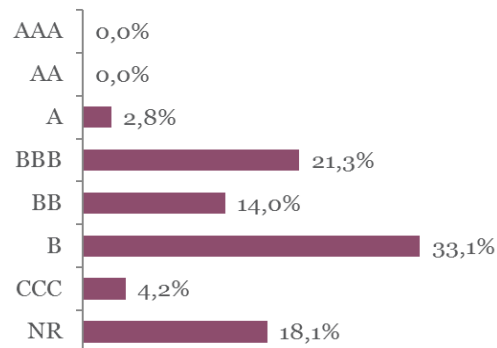
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Duration breakdown



Rating breakdown



Top funds holdings

db X-Trackers II iTraxx Crossover 5-Year Short	Short Credit	2,2%
MM Convertible Europe	Convertible Bonds	2,0%

Market Review

As we look back at 2017, we can fairly state it was a virtuous year with synchronized growth across the globe. Nearly ten years after one of the greatest financial crisis, conditions have finally improved enough to create a strong economic momentum. With the US output getting above potential, the Fed has naturally continued to tighten its monetary policy. In December, we got another 25bps rate increase with further 3 hikes expected for 2018. Additionally, the tax reform bill was passed before year-end, marking arguably the biggest overhaul of the US tax system since the 1980s.

The American 10 Year Treasury was unchanged over the month, whereas the Bund 10 Year yield was up to 0.43% from 0.37%, mainly due to a higher than expected inflation figure in Germany. Peripheral spreads suffered from the political uncertainties in Italy and Spain. It was a relative calm December in the corporate market. The X-over index hovered around 230 basis points and closed the month at 232. Corporate bonds suffered from the slight increase in yields and both iBoxx indices posted negative returns: -0.36% for the Investment Grade index and -0.10% for the High Yield.

Portfolio Performance

In December, the fund lost 0.51%. The increase in yields and the spread widening of some specific names (Cellnex, Norican) had a negative impact on the fund. But the main source of underperformance came from the Steinhoff 1.75% 2025 bond. A remaining one million position was sold at a price of 54% after the announcement of the accountancy problems, creating a -20 basis points impact on the value of the fund. During the period, we initiated a long trade in the Bund 30 Year and shorted the 2 Year to benefit from the flattening of the yield curve.

Market Outlook

Global economic activity has strengthened last year. Across the globe, expectations for future economic growth continue to be revised upwards. Corporates should benefit from this current prolonged economic cycle. As major Central Banks are, or at least are reflecting upon, normalizing their monetary policy, it will be key to monitor its impact on fixed income assets.

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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.