

MIDAS - Bond Opportunities B - Acc

Monthly summary report | as at 31 August 2018

Investment Objective

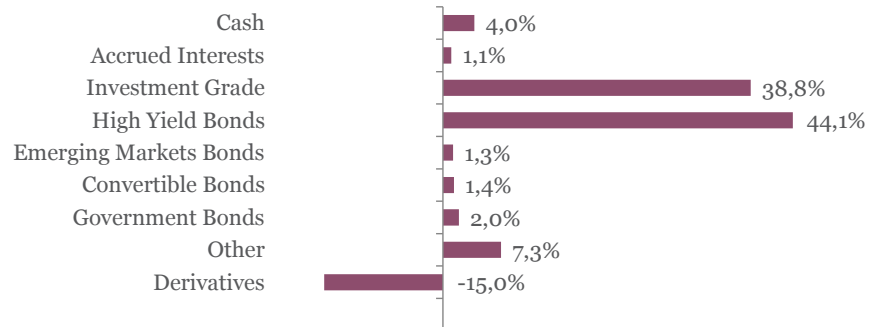
The fund seeks to achieve capital appreciation over the medium term by investing in a diversified portfolio of Euro-denominated fixed income securities (investment-grade corporate bonds, government bonds, high yield and emerging market debt as well as convertible bonds). The main focus is put on bottom-up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

| Latest Update | | Performance | 1M | YTD | 2017 | 2016 | 2015 | 3Y | 5Y |
|---|--------|-----------------|-------|--------|-------|-------|-------|-------|--------|
| NAV per share | 130,16 | Midas Bond Opp. | 0,30% | -0,79% | 4,87% | 4,11% | 0,01% | 7,18% | 18,02% |
| 2018 year-to-date return as at 31 August 2018 | -0,79% | | | | | | | | |

Fund key facts

| | |
|-------------------|---------------------|
| Inception date* | 17 September 2010 |
| ISIN code | LU0541880133 |
| Asset class | Bonds in EUR |
| Total fund assets | € 150 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

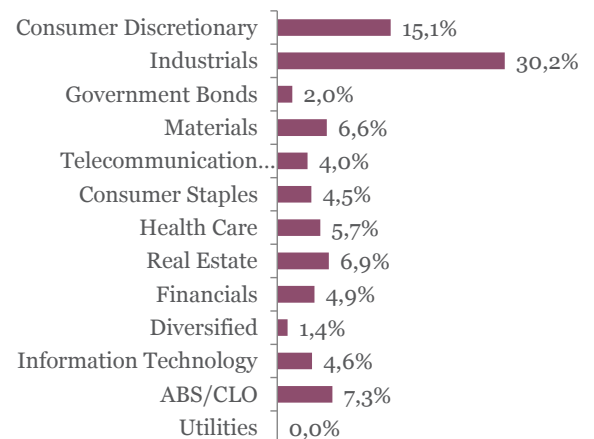


Top 10 bond holdings

| | YTM | Rating | Weight |
|---|------|--------|--------|
| ALTICE FRANCE : SFRFP 5 7/8 02/01/27 | 5,1% | B+ | 2,8% |
| PRYSMIAN SPA : PRYIM 2 1/2 04/11/22 | 1,8% | NR | 2,0% |
| GLENORE FINANCE : GLENLN 1 7/8 09/13/24 | 1,5% | BBB+ | 2,0% |
| BOLLORE SA : BOLFP 2 01/25/22 | 1,6% | NR | 2,0% |
| SIXT SE : SIXT 1 1/2 02/21/24 | 1,3% | NR | 2,0% |
| BENI STABILI : BNSIM 1 5/8 10/17/24 | 1,5% | BBB | 2,0% |
| HELLENIC T-BILL : GTB 0 10/05/18 | 0,7% | NR | 2,0% |
| JUBIL 2014-11X DR : JUBIL 2014-11X DR | 1,6% | BBB | 2,0% |
| WHIRLPOOL FIN : WHR 1 1/4 11/02/26 | 1,5% | BBB | 2,0% |
| INGENICO GROUP : INGFP 1 5/8 09/13/24 | 1,9% | NR | 2,0% |

*Cash & Cash Equivalents

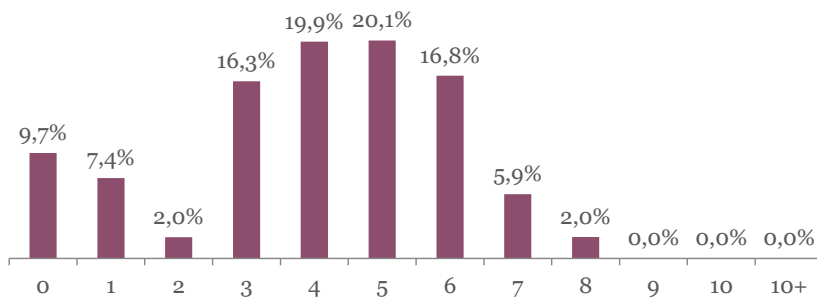
Sector breakdown



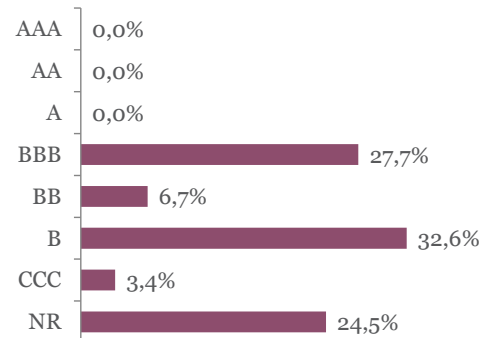
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Duration breakdown



Rating breakdown



Top funds holdings

| | | |
|-----------------------|-------------------|------|
| MM Convertible Europe | Convertible Bonds | 1,4% |
|-----------------------|-------------------|------|

Market Review

Bond markets reacted to the resurgence of both the Italian risk, with concerns about the 2019 budget deficit, and Emerging Market risk, with the Turkish lira rout which spread globally, especially in LatAm.

In spite of the Bund rally (German 10Y rate went down by 12bp to 0.33% over the month), the iBoxx Eurozone Sovereigns Index lost 0.57% in August mainly due to the Italian spread widening. Indeed, the Italy 10Y yield spread compared to Germany jumped by 63bp to 291bp, the highest level since 2013.

On the credit side, the iBoxx € Corporates index increased by 0.08% compared to only 0.02% for the iBoxx € High Yield index. Credit spreads widened slightly, with an increase of 8bp on the European Main index and 19bp on the Cross-Over index, in line with the equity market drop (-3.7% on the Euro Stoxx 50).

Portfolio Performance

The fund gained 0.30% in August. The performance was driven by the rebound of some high yield issuers (Norican, CMA CGM, Altice, Stada, Schenck) which offset the underperformance of some investment grade (BNP Paribas, Ferrovie dello Stato) and high yield (Refresco, Thomas Cook) names.

We maintained a balanced mix of investment grade and high yield bonds to keep a yield close to 3.3%, while limiting the credit risk. Moreover, we reduced the fund duration to 3.65 to hedge against the interest rate risk.

Market Outlook

Supported by a resilient but maturing global economic environment and a good earnings season, we maintain a constructive stance towards risky assets, notably the high yield segment which still offer relatively attractive yields. Besides, as the central banks (Fed, ECB) edge towards tightening policies, we prefer sticking to the middle of the interest rate curve.

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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.