

MIDAS - Bond Opportunities B - Acc

Monthly summary report | as at 31 October 2019



Investment Objective

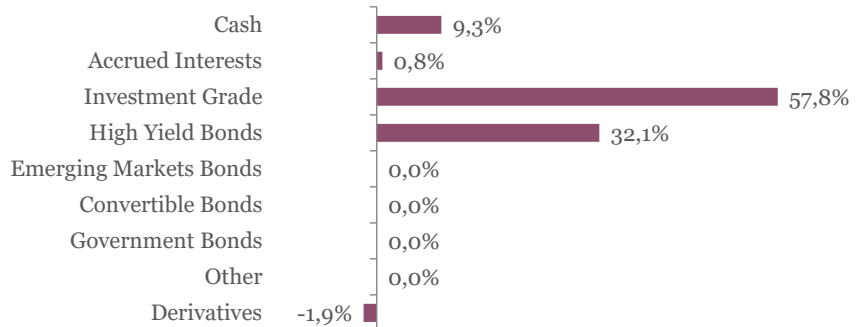
The fund seeks to achieve capital appreciation over the medium term by investing in a diversified portfolio of Euro-denominated fixed income securities (investment-grade corporate bonds, government bonds, high yield and emerging market debt as well as convertible bonds). The main focus is put on bottom-up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

Latest Update		Performance	1M	YTD	2018	2017	2016	3Y	5Y
NAV per share	131,64	Bond Opportunities b	-0,42%	5,49%	-4,89%	4,87%	4,11%	5,79%	9,58%
2019 year-to-date return as at end of October 2019	5,49%								

Fund key facts

Inception date	17 September 2010
ISIN code	LU0541880133
Asset class	Bonds in EUR
Total fund assets	€ 90 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	0,78%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

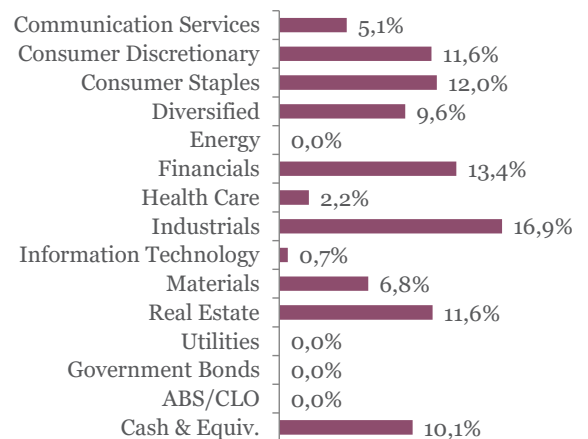
Asset Allocation



Top 10 bond holdings

	YTM	Rating	Weight
ALIMEN COUCHE : ATDBCN 1 7/8 05/06/2	0,5%	BBB	2,4%
BNP PARIBAS : BNP 1 1/2 11/17/25	0,4%	BBB+	2,4%
WELLS FARGO CO : WFC 1 3/8 10/26/26	0,5%	A-	2,4%
ACCOR : ACFP 1 3/4 02/04/26	0,8%	BBB-	2,4%
UNIBAIL-RODAMCO : ULFP 1 02/27/27	0,4%	A	2,3%
SEB SA : SKFP 1 1/2 05/31/24	0,6%	NR	2,3%
BUREAU VERITAS : BVIFP 1 1/4 09/07/23	0,5%	NR	2,3%
SIXT SE : SIXT 1 1/2 02/21/24	0,8%	NR	2,3%
BPCE : BPCEGP 0 7/8 01/31/24	0,2%	BBB	2,3%
G4S INTL FIN PLC : GFSLN 1 1/2 01/09/23	0,7%	BBB-	2,3%

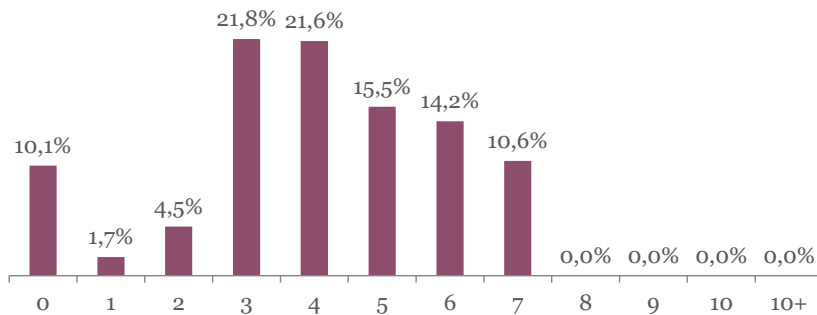
Sector breakdown



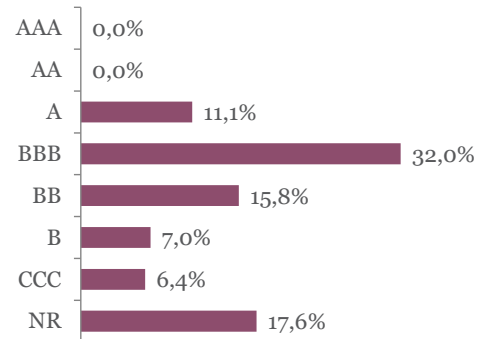
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Duration breakdown



Rating breakdown



Top funds holdings

ISHARES EURO HY	High Yield Bonds	9,6%
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Market Review

Government yields went up for a second month in a row. Both 10Y German and US government bond yields increased and curves steepened. They reacted to prospects of a trade deal between the USA and China, easing monetary policy and Brexit development, which supported the macro outlook. Moreover, while cutting rates by 25 bps, the Federal Reserve indicated the current stance of monetary policy was appropriate, suggesting a pause in rate cuts.

Consequently, government bonds performed negatively (-1.12%) due to yield and duration effects. Conversely, Eurozone peripheral bonds outperformed core ones thanks to spread tightening, Greece and Portugal. IG Corporate bonds, which returned -0.21% m/m, benefited from credit spread tightening (-9 bps). Despite positive equity performance, HY bonds declined -0.15% as spreads receded from tight levels (+20 bps). Single-B bonds underperformed BB.

Portfolio Performance

The fund lost 0.42% in October. Both Investment Grade and High Yield bonds contributed negatively. In the IG segment, long-dated bonds and a couple of auto names (Schaeffler, Renault) declined the most. In the HY segment, the outperformance of some issues, namely Almaviva, Coty, Altice, Diamond and Norican did not compensate for the underperformance of Casino, Loxam, Atalian, Walnut and Promontoria. YTD, the fund has returned 5.49%.

Market Outlook

While some economic data have deteriorated, supportive monetary policy and perspectives of a trade deal between the USA and China are constructive. Consequently, we maintained a balanced approach with a mix of IG and HY corporate bonds. We reduced the portfolio duration to take profit of increasing yields, by selling 10Y Bund futures. In the HY segment, we closed positions in Coty and Atalian for specific reasons. We switched Altice Europe into Altice International for relative value. We also subscribed on the primary market to Summer (Kantar) which offers attractive risk/return profile.

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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.