MIDAS WEALTH MANAGEMENT

MIDAS - Bond Opportunities I - Acc

Monthly summary report | as at 30 September 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	105,26
2017 year-to-date return as at 30 September 2017	4,81%

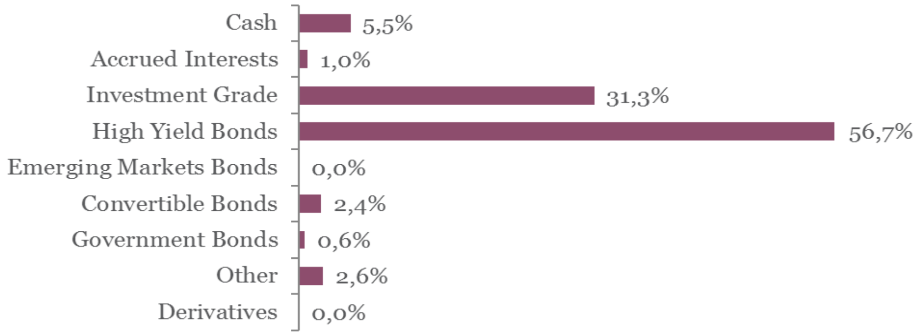
Performance

	1M	3M	YTD	1Y
Midas Bond Opp.	0,12%	1,29%	4,81%	5,66%

Fund key facts

Inception date	31 August 2016
ISIN code	LU1452411033
Asset class	Bonds in EUR
Total fund assets	€ 168 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	0,50%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

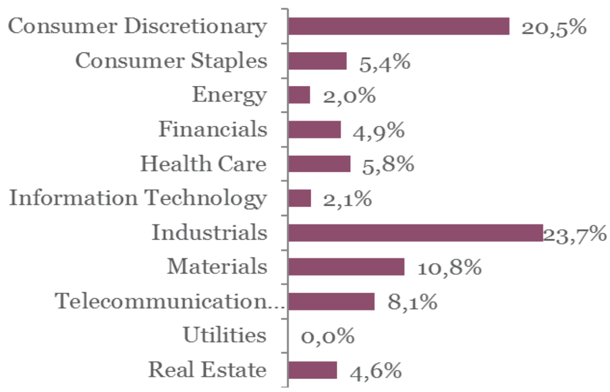
Asset Allocation



Top 10 bond holdings

	YTM	Rating	Weight
ITV PLC : ITVLN 2 1/8 09/21/22	1,0%	BBB-	2,5%
CELLNEX TELECOM : CLNXSM 2 7/8 04/18	2,2%	BBB-	2,5%
ILIAD : ILDFP 2 1/8 12/05/22	1,1%	NR	2,5%
ATF NETHERLANDS : ALATPF 2 1/8 03/13/	1,3%	BBB	2,5%
EUROFINS SCIEN : ERFFP 2 1/4 01/27/22	1,3%	NR	2,5%
BOLLORE SA : BOLFP 2 01/25/22	1,3%	NR	2,4%
BUREAU VERITAS : BVIFP 1 1/4 09/07/23	1,0%	NR	2,4%
ALTICE LX : ATCNA 6 1/4 02/15/25	3,6%	B	1,9%
INEOS GROUP HOLD : INEGRP 5 3/8 08/01	2,7%	B	1,9%
LAGARDERE SCA : MMBFP 2 3/4 04/13/23	1,4%	NR	1,9%

Sector breakdown



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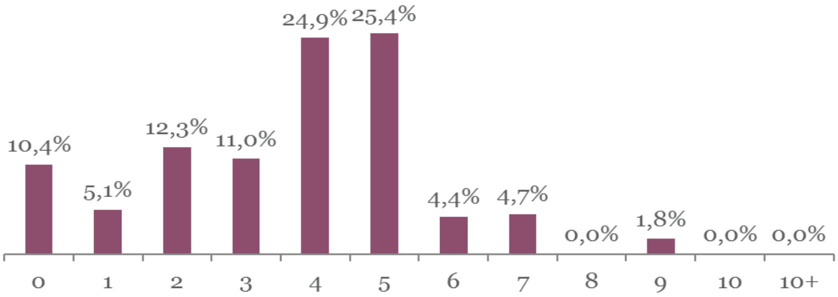
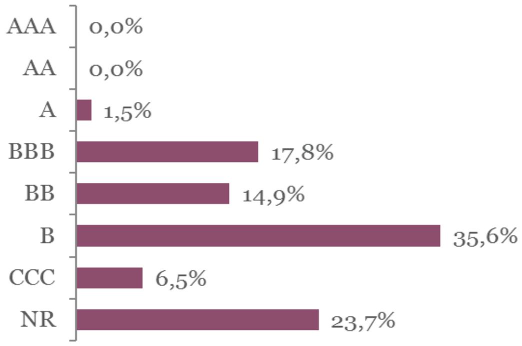
Duration breakdown



Rating breakdown



Top funds holdings

db X-Trackers II iTraxx Crossover 5-Year Short	Short Credit	2,6%
MM Convertible Europe	Convertible Bonds	2,4%

Market Review

September has officially set the tone for central banks towards a less accommodative stance through the announcement of balance sheet reduction from the Federal Reserve and tapering of its asset purchase program to be announced in October by the ECB. Furthermore, we witnessed a rejuvenated “Tax Trade” unfolding in US financial markets as Mr Trump eventually presented a much welcome blueprint of tax reforms. Expectations of wider tax cuts and reforms later this year or early next year rose. This translated into a stronger US dollar and an upbeat risk appetite in global financial markets, shrugging off lingering geopolitical concerns as tensions upon North Korea have abated.

German Bunds suffered from this risk-on mood and the 10Y yield rose from 0.36% to 0.46% during the month. Same path for the 10Y US Treasury who started the period at 2.11% and ended at 2.33%. This positive environment also benefited peripheral countries spreads. Portugal was the best performer following its unexpected upgrade by Standard & Poor’s to the investment grade category. High Yield bonds benefited from the credit spread compression (+0.46% for the iBoxx High Yield Index) whereas the Investment Grade segment suffered from the rise in German yields (-0.29% for the iBoxx Corporates Index).

Portfolio Performance

In September, the fund rose 0.12%, as credit spreads compression offset the increase in interest rates. During the month, a buoyant primary market allowed us to include several new High Yield issues (e.g. Cortefiel, Stada) but also in the Investment Grade segment (e.g. Ingenico). We used this opportunity to reduce some bonds that have performed well.

Market Outlook

Economic data for September came in even stronger than before and we had positive news flow on the fiscal and geopolitical fronts. The global macro environment of increasing growth and low inflation therefore calls for an investment strategy that favors risky assets. The main concern for fixed-income markets remain central bank actions, even if any changes to less accommodative policies should continue to be “telegraphed” in order to avoid harming financial markets.