

# MIDAS - Bond Opportunities I - Acc

Monthly summary report | as at 28 February 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

|                                                 |        |
|-------------------------------------------------|--------|
| NAV per share                                   | 105,13 |
| 2018 year-to-date return as at 28 February 2018 | -0,37% |

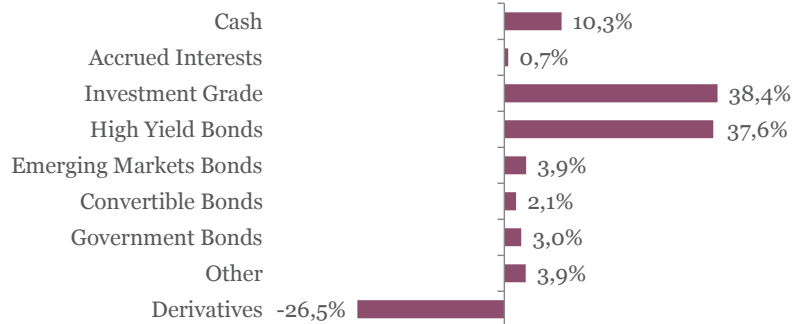
## Performance

|                 | 1M     | 3M     | YTD    | 1Y    | 2017  | SI    |
|-----------------|--------|--------|--------|-------|-------|-------|
| Midas Bond Opp. | -0,61% | -0,86% | -0,37% | 3,56% | 5,07% | 5,13% |

## Fund key facts

|                   |                     |
|-------------------|---------------------|
| Inception date    | 31 August 2016      |
| ISIN code         | LU1452411033        |
| Asset class       | Bonds in EUR        |
| Total fund assets | € 192 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

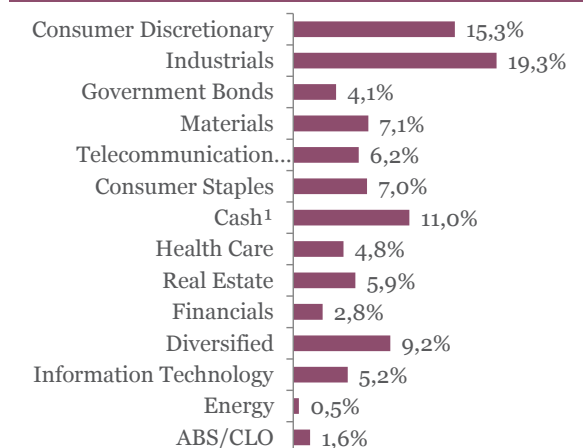


## Top 10 bond holdings

|                                       | YTM  | Rating | Weight |
|---------------------------------------|------|--------|--------|
| CELLNEX TELECOM : CLNXSM 2 7/8 04/1   | 2,4% | BBB-   | 2,7%   |
| ITV PLC : ITVLN 2 1/8 09/21/22        | 0,8% | BBB-   | 2,2%   |
| EUROFINS SCIEN : ERFFP 2 1/4 01/27/22 | 1,0% | NR     | 2,2%   |
| BOLLORE SA : BOLFP 2 01/25/22         | 1,2% | NR     | 2,1%   |
| ILIAD : ILDFP 1 1/2 10/14/24          | 1,5% | NR     | 2,1%   |
| BENI STABILI : BNSIM 1 5/8 10/17/24   | 1,7% | BBB-   | 2,1%   |
| AB INBEV SA/NV : ABIBB 1.15 01/22/27  | 1,3% | A-     | 2,0%   |
| INGENICO GROUP : INGFP 1 5/8 09/13/24 | 1,9% | NR     | 2,0%   |
| BANCO SANTANDER : SANTAN 6 1/4 PERI   | 1,4% | BB+    | 1,6%   |
| GLENCORE FINANCE : GLENLN 1 7/8 09/1  | 1,2% | BBB    | 1,6%   |

<sup>1</sup>Cash & Cash Equivalents

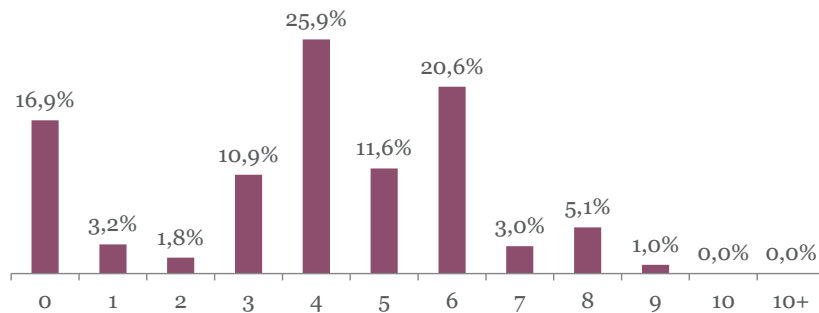
## Sector breakdown



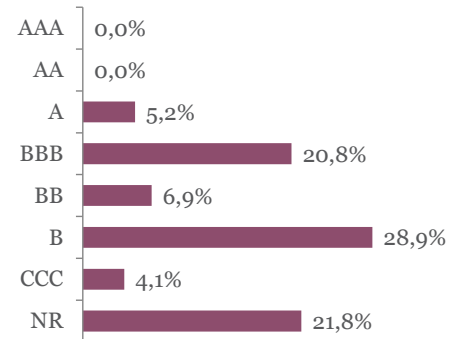
# MIDAS - Bond Opportunities I - Acc

Monthly summary report | as at 28 February 2018

## Duration breakdown



## Rating breakdown



## Top funds holdings

|                                                |                        |      |
|------------------------------------------------|------------------------|------|
| Neuberger Berman Emerging Mark                 | Emerging Markets Bonds | 2,9% |
| db X-Trackers II iTraxx Crossover 5-Year Short | Short Credit           | 2,3% |
| MM Convertible Europe                          | Convertible Bonds      | 2,1% |
| Swisscanto COCOs Bond Fund                     | High Yield Bonds       | 1,9% |

## Market Review

After 18 months of decreasing volatility and historic low levels below 9% in November last year, the month of February brought back the VIX index to levels unseen since August 2015. The rise of the volatility index, initiated by the tryptic of salaries, inflation and rates has been amplified by technical factors such as the wave of forced selling from financial actors using this gauge of risk aversion as a tool to construct portfolios. Markets feared an overheating of the US economy with inflation getting out of control. The Federal Reserve indeed voiced a slightly more hawkish tone under the lead of its new chair J. Powell, but fears of a Fed running behind the curve were somewhat tempered by some macro-indicators coming in lower than expected. Consequently, markets quickly stabilized.

During February, the 10 Year US Treasury yield rose from 2.71% to 2.86% while the 10 Year EU Bund went up and down from 0.70% to 0.76% mid-February and 0.66% end of the month. On the credit side, the iTraxx indices (CDS portfolios) widened the most since June 2016: +9bp to 52bp on the European Main index and +26bp to 264bp on the Cross-Over index.

## Portfolio Performance

During the month, the fund dropped 0.61%, erasing all the gains realised on January. We maintained the duration at a level below 3 and we continued to reduce the bucket of High Yield Bonds from 49% to 37%. In the meantime, we increased the bucket of Investment Grade Bonds from 33% to 38%.

## Market Outlook

Now that bond yields have reached more accurate levels and that inflation remains fairly tame, we suspect yields to hover around current levels, possibly sliding a bit, before resuming their rise later on in 2018. We continue to be prudent keeping the overall duration low and favorising investment grade rather than speculative grade.

This newsletter does not constitute an offer to sell or the solicitation of an offer to purchase any security or investment product. Information herein is believed to be reliable but Midas Wealth Management does not warrant its completeness or accuracy. The opinions expressed within are entirely those of Midas Wealth Management and do not constitute an offer of investment advice. Past performance will not necessarily be repeated and is not indicative of future results. The investments discussed may fluctuate in price or value and you may not get back the amount invested. The indices shown are presented only to allow for comparison of the Midas Wealth Management funds' performance to that of certain widely recognised indices. The volatility of the indices may be materially different from the individual performance attained by a specific fund or investor. In addition, the Midas Wealth Management fund holdings may differ significantly from the securities that comprise the indices shown. Investors cannot invest directly in an index. Performance figures reflect the reinvestment of all dividends and earnings, as well as investment management, administration and performance fees. A description of the specific fee structure and risks of investing for each Midas Wealth Management fund is contained in the fund's prospectus. No part of this document may be reproduced in any manner without the prior written permission of Midas Wealth Management.