

# MIDAS - Bond Opportunities I - Acc

Monthly summary report | as at 30 November 2018

## Investment Objective

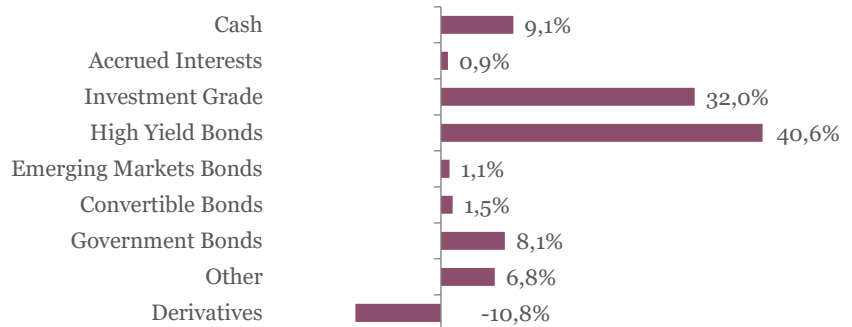
The fund seeks to achieve capital appreciation over the medium term by investing in a diversified portfolio of Euro-denominated fixed income securities (investment-grade corporate bonds, government bonds, high yield and emerging market debt as well as convertible bonds). The main focus is put on bottom-up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

Latest Update		Performance	1M	3M	YTD	1Y	2017	SI
NAV per share	101,38	Midas Bond Opp.	-2,30%	-3,34%	-3,92%	-4,39%	5,07%	1,38%
2018 year-to-date return as at 30 Nov 2018	-3,92%							

## Fund key facts

Inception date	31 August 2016
ISIN code	LU1452411033
Asset class	Bonds in EUR
Total fund assets	€ 132 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

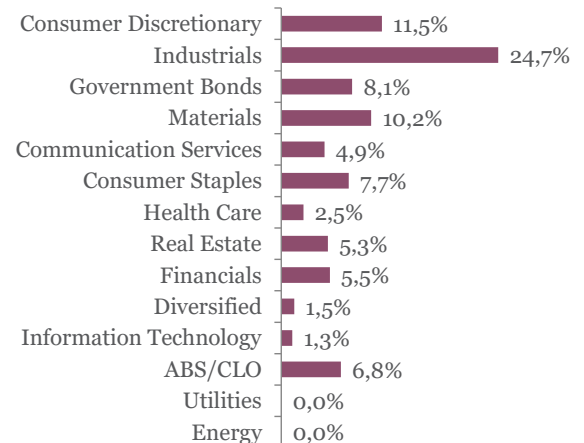


## Top 10 bond holdings

	YTM	Rating	Weight
DEUTSCHLAND REP : DBR 0 1/4 08/15/28	0,3%	AAA	3,8%
VILMORIN ET COMP : RINFP 2 3/8 05/26/	1,0%	NR	2,3%
JUBIL 2014-11X DR : JUBIL 2014-11X DR	1,6%	BBB	2,2%
BTPS : BTPS 2.8 12/01/28	3,2%	BBB	2,2%
EL CORTE INGLES : CRTING 3 03/15/24	2,6%	BB+	1,9%
GLENCORE FINANCE : GLENLN 1 7/8 09/	1,8%	BBB+	1,9%
PRYSMIAN SPA : PRYIM 2 1/2 04/11/22	2,7%	NR	1,9%
BENI STABILI : BNSIM 1 5/8 10/17/24	1,8%	BBB-	1,9%
PROMONTORIA : PRMHLD 6 3/4 08/15/28	7,0%	B	1,9%
SPIE SA : SPIEFP 3 1/8 03/22/24	3,5%	BB	1,9%

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

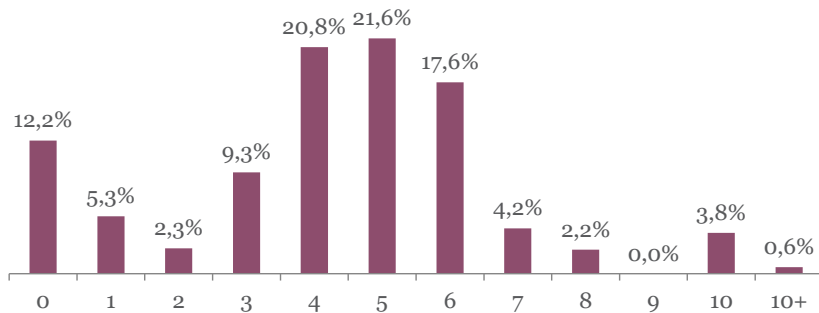
## Sector breakdown



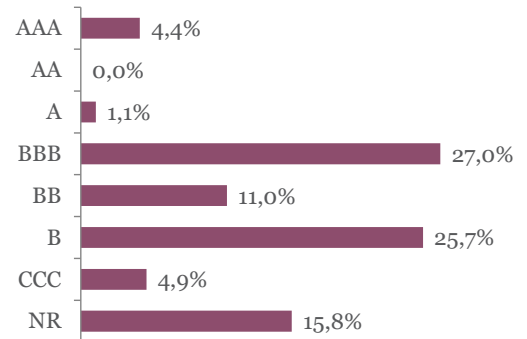
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## Duration breakdown



## Rating breakdown



## Top funds holdings

MM Convertible Europe	Convertible Bonds	1,5%
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## Market Review

Financial markets extended rout in November, with cooling economy and trade war fears. Besides, the Federal Reserve indicated it might pause rate hikes, as it is getting closer to neutral.

German sovereign bonds index increased by +0.42%, with 10Y yield declined by 7 bps to 0.31%. As 2Y yield inched upwards by 2 bps, 2-10 curve flattened by 9 bps to 91 bps. US 10Y yield also dropped by 16 bps to 2,99% and 2-10 curve flattened by 8 bps to 20 bps. Italian 10Y sovereign spread to its German counterpart remained under pressure, but finally tightened by 14 bps to 290 bps (yield=3.21%). Indeed, the Italian government showed a constructive bias towards a 2019 deficit reduction to comply with EU rules. Credit bonds underperformed government bonds, as spreads widening overtook rate drop. In IG, the Bloomberg Barclays IG Corporate bonds index declined by 0.64%, with spreads widening by 23 bps. BBB, financial and subordinated bonds underperformed A, non-financial and senior bonds respectively. In HY, the Bloomberg Barclays HY bonds index slumped by 2.05%, with spreads widening by 74 bps. B underperformed BB. Convertibles bonds were also under pressure: The Bloomberg Barclays EUR Convertibles bonds index dropped by 1.50%.

## Portfolio Performance

The fund lost 2.30% in November. HY bonds contributed the most, as credit spreads (especially B) widened sharply. Some bonds suffered from disappointing earnings release (Fives, Paprec, Thomas Cook, Jaguar, Almaviva) while German sovereign bonds were positive. Convertible bonds and CLOs also contributed negatively.

## Market Outlook

We expect the economy to slow down but to remain positive next year. As HY spreads reached our next year target, we are constructive on this asset class. In the IG segment, spreads are still tight and should suffer from the end of ECB's QE program. Otherwise, we think government bonds shall perform, supported by inflationary pressure fading. Fund duration to worst reached 4.8, while yield to worst decreased to 3.45%, as some IG and HY names were switched towards government bonds.

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