

MIDAS - Bond Opportunities I - Acc

Monthly summary report | as at 31 May 2019



Investment Objective

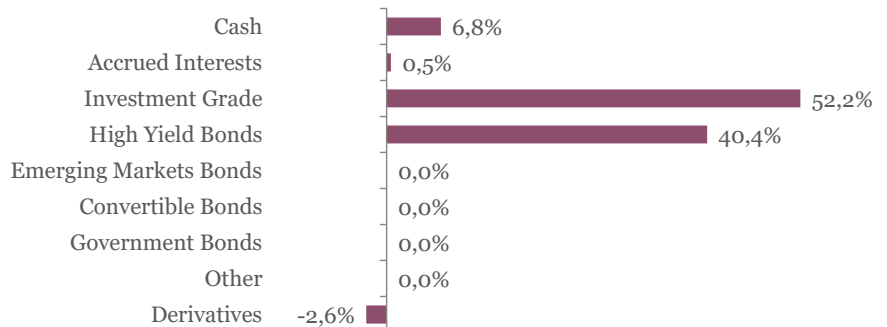
The fund seeks to achieve capital appreciation over the medium term by investing in a diversified portfolio of Euro-denominated fixed income securities (investment-grade corporate bonds, government bonds, high yield and emerging market debt as well as convertible bonds). The main focus is put on bottom-up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

Latest Update		Performance	1M	3M	YTD	1Y	2018	2017	SI
NAV per share	103,44	Bond Opportunities I	-0,77%	1,13%	2,77%	-0,45%	-4,62%	5,07%	3,44%
2019 year-to-date return as at 31/05/2019	2,77%								

Fund key facts

Inception date	31 August 2016
ISIN code	LU1452411033
Asset class	Bonds in EUR
Total fund assets	€ 100 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	0,50%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

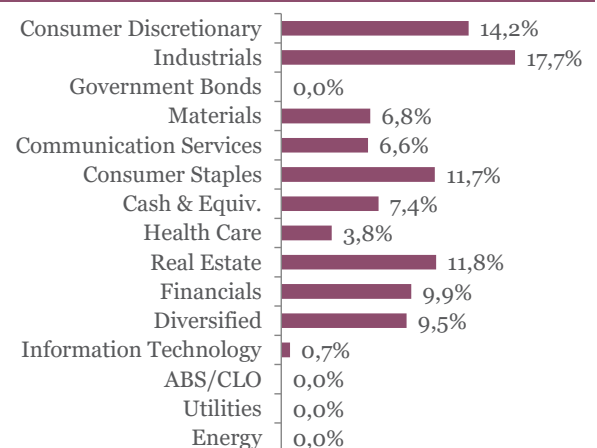
Asset Allocation



Top 10 bond holdings

	YTM	Rating	Weight
BANQ FED CRD MUT : BFCM 1 1/4 01/14/2	0,3%	A	2,1%
WELLS FARGO CO : WFC 1 3/8 10/26/26	0,8%	A-	2,1%
ALIMEN COUCHE : ATDBCN 1 7/8 05/06/2	1,3%	BBB	2,1%
BNP PARIBAS : BNP 1 1/2 11/17/25	0,9%	A-	2,1%
GLENCORE FINANCE : GLENLN 1 7/8 09/1	1,0%	BBB+	2,1%
VILMORIN ET COMP : RINFP 2 3/8 05/26/	0,5%	NR	2,1%
ARCHER-DANIELS : ADM 1 09/12/25	0,5%	A	2,1%
EUROFINS SCIEN : ERFFP 2 1/4 01/27/22	1,1%	NR	2,1%
AT&T INC : T 1.05 09/05/23	0,4%	BBB	2,1%
SEB SA : SKFP 1 1/2 05/31/24	1,0%	NR	2,1%

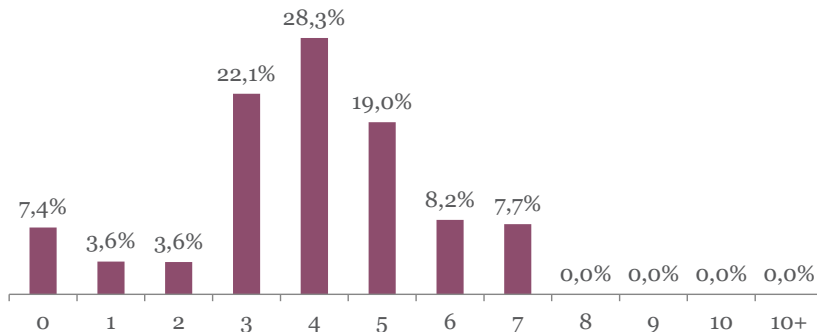
Sector breakdown



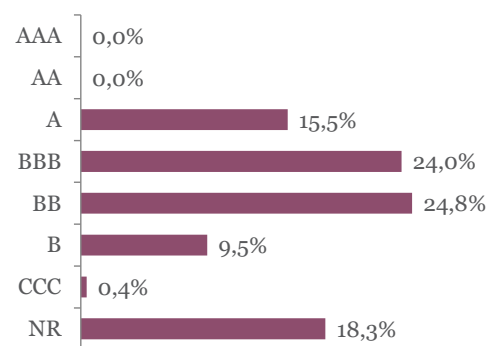
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Duration breakdown



Rating breakdown



Top funds holdings

ISHARES EURO HY	High Yield Bonds	9,5%
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Market Review

Government bond yields tumbled in May as Trade War intensified and Global economy lost momentum. The German 10Y yield dropped 22 bps to a record low of -0.20%, and the curve flattened (2-30 -15 bps). The move was initiated by the US Treasury curve which underwent a sharp parallel shift lower (US 10Y -38 bps to 2.12%). Markets have speculated on a Fed rate cut by the end of the year. The Italian 10Y spread to Germany widened to year-high 287 bps (+33 bps) after the Italian government and the European Commission confronted over mounting budget deficit and potential penalty.

Corporate bonds were mixed in May, as spreads widened in the wake of the equity selloff (Euro Stoxx 50 -5.5%). Investment Grade bonds were stable (Bloomberg Barclays EUR Corporates IG +0.02%) thanks to the yield effect which offset the spread widening (+19 bps). However, High Yield bonds decreased (Bloomberg Barclays EUR Corporates HY -1.35%) due to the spread widening (+56 bps), and single B underperformed.

Portfolio Performance

The fund lost 0.77% in May. IG bonds were quite resilient and some names outperformed (Gecina, Sixt, Seb, IMCD). However, HY bonds contributed negatively, especially single B (Atalian, WFS, CMA CGM, Almaviva, Picard).

Market Outlook

We maintained a balanced approach with a mix of IG and HY corporate bonds. In the meantime, we implemented arbitrages to take of advantage of relative value. In IG, we switched Becton and Fresenius for Alimentation Couche-Tard. In, HY, we reduced positions in Stada and Selecta that recently outperformed. Moreover, as the German government curve flattened, we moved short position in German 2Y towards 10Y one.

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