

MWM SICAV - Bond Opportunities I - Acc

Monthly summary report | as at 31 January 2020

Investment Objective

The fund seeks to achieve capital appreciation over the medium term by investing in a diversified portfolio of 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	108,68
2020 year-to-date return as at end of January 2020	0,55%

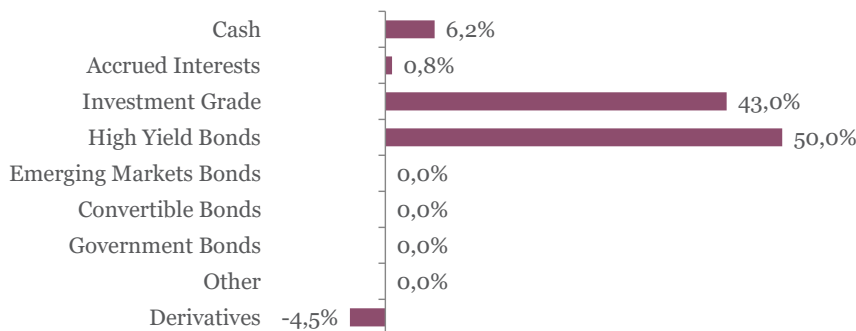
Performance

	1M	3M	YTD	2019	2018	2017	3Y
Bond Opportunities I	0,55%	2,11%	0,55%	7,39%	-4,62%	5,07%	7,86%

Fund key facts

Inception date	31 August 2016
ISIN code	LU1452411033
Asset class	Bonds in EUR
Total fund assets	€ 98 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	0,53%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

Asset Allocation



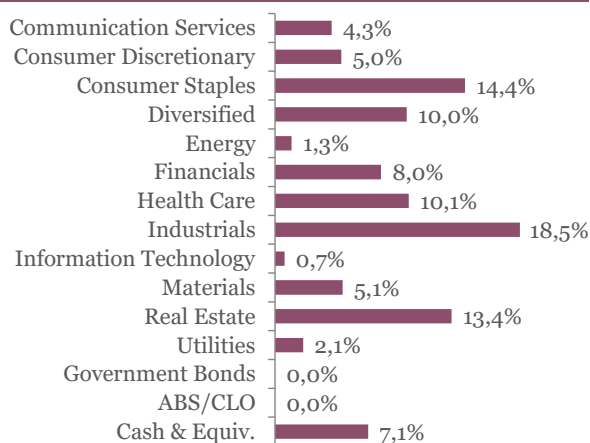
Currency breakdown

	EUR	USD	Other
Exposure	76,4%	23,6%	0,0%

Top 10 bond holdings

	YTM	Rating	Weight
YPSO FINANCE : SFRFP 6 02/15/28	6,1%	CCC+	2,7%
CEETRUS SA : CEETRU 2 3/4 11/26/26	1,6%	BBB-	2,7%
BANQ FED CRD MUT : BFCM 1 5/8 11/15/2	0,8%	BBB+	2,7%
GRAND CITY PROP : GYCGR 1 1/2 02/22/2	0,6%	BBB+	2,7%
ISS GLOBAL A/S : ISSDC 1 1/2 08/31/27	0,8%	BBB	2,7%
ZIMMER BIOMET : ZBH 1.164 11/15/27	0,7%	BBB-	2,6%
BNP PARIBAS : BNP 2 1/4 01/11/27	0,7%	BBB	2,2%
ALIMEN COUCHE : ATDBCN 1 7/8 05/06/2	0,6%	BBB	2,2%
MCKESSON CORP : MCK 1 1/2 11/17/25	0,5%	BBB	2,2%
ELEC DE FRANCE : EDF 3 PERP	2,3%	BB	2,1%

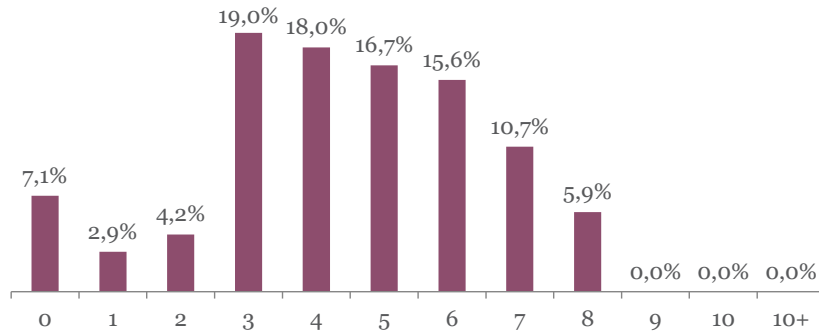
Sector breakdown



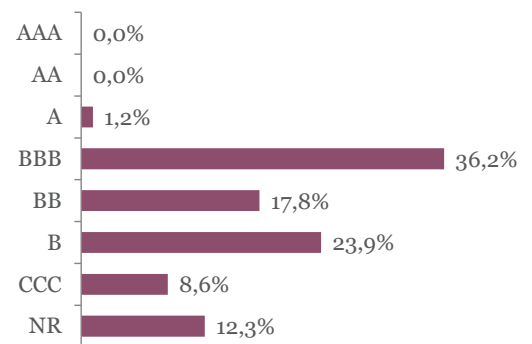
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Duration breakdown



Rating breakdown



Top funds holdings

VANECK EM HIGH YIELD BOND	High Yield Bonds	5,1%
ISHARES EURO HY	High Yield Bonds	4,9%

Market Review

Markets were rocked by the coronavirus that spread fears on the Chinese growth and the global economy. On one hand, equities and high yield bonds declined as investors reduced cyclical assets. On the other hand, gold, government and IG corporate bonds increased as investors looked for safety.

In this context, the Bund and US Treasury yields receded to 3-month low, to -0.43% (-25 bps over January) and 1.51% (-41 bps) respectively. Consequently, Investment Grade bonds benefited from the yield effect, increasing by 1.21%. However, High Yield bonds suffered from spread widening (+38 bps) and increased by 0.07% only.

Portfolio Performance

The fund gained 0.55% in January. Investment Grade bonds contributed the most to the performance thanks to the yield effect and good bonds selection (incl. Ceetrus, Zimmer and ISS). The fund benefited from the currency position initiated at the beginning of the month (USD/EUR +1,08%) and bonds selection with names like IHS, Kernel, Bunge, Sibanye, Thermo Fischer and Sotheby's. However, High Yield bonds contributed negatively as cyclical or China-related names like Paprec, Walnut and CMA neutralized the positive performance of Altice that refinanced to record-low yield.

Market Outlook

We estimate the coronavirus impact will be limited and should not challenge significantly global growth. While markets could suffer from short-term volatility until the situation stabilizes, the economy remains supported by positive outcomes from the US-China trade truce, supportive central banks and the US presidential election context.

Consequently, we maintain a constructive approach on fixed income markets. We favour BBB and High Yield corporate bonds for yield. We also like USD bonds including HY and EMD bonds that offer higher yield than EUR comparable, while being supported by the strong USD. Moreover, we kept a moderate duration with a Bund future short position as central bank are examining adverse effects from negative rates.

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* Performance has been calculated since inception on the 25th of November 2013 of Expert Investor Sicav Midas Bond Opportunities Fund which merged into Midas Sicav Bond Opportunities Fund on the 1st of August 2016.