

MWM SICAV - Bond Opportunities I - Acc

Monthly summary report | as at 29 February 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	107,17
2020 year-to-date return as at end of February 2020	-0,85%

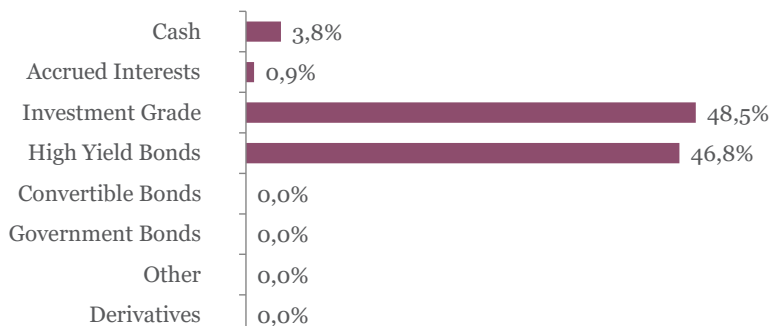
Performance

	1M	3M	YTD	2019	2018	2017	3Y
Bond Opportunities I	-1,39%	0,00%	-0,85%	7,39%	-4,62%	5,07%	5,57%

Fund key facts

Inception date	31 August 2016
ISIN code	LU1452411033
Asset class	Bonds in EUR
Total fund assets	€ 96 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



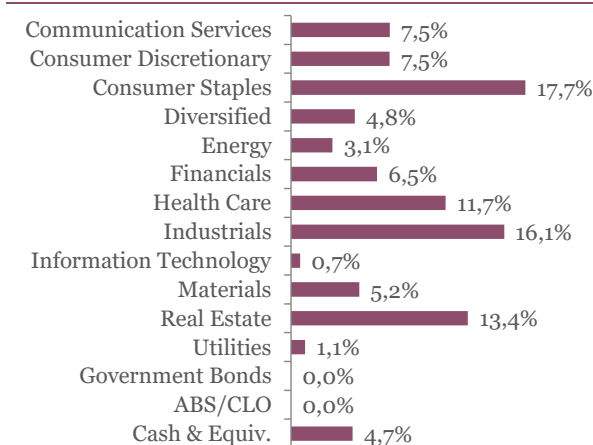
Currency breakdown

	EUR	USD	Other
Exposure	77,1%	22,9%	0,0%

Top 10 bond holdings

	YTM	Rating	Weight
CEETRUS SA : CEETRU 2 3/4 11/26/26	1,5%	BBB-	2,8%
GRAND CITY PROP : GYCGR 1 1/2 02/22/2	0,6%	BBB+	2,7%
BANQ FED CRD MUT : BFCM 1 5/8 11/15/2	0,9%	BBB+	2,7%
YPSO FINANCE : SFRFP 6 02/15/28	6,6%	CCC+	2,7%
ISS GLOBAL A/S : ISSDC 1 1/2 08/31/27	0,9%	BBB	2,7%
ZIMMER BIOMET : ZBH 1.164 11/15/27	0,8%	BBB-	2,7%
BANIJAY GROUP : BANIJA 6 1/2 03/01/26	6,1%	CCC+	2,4%
BNP PARIBAS : BNP 2 1/4 01/11/27	0,9%	BBB	2,3%
MCKESSON CORP : MCK 1 1/2 11/17/25	0,4%	BBB	2,2%
ALIMEN COUCHE : ATDBCN 1 7/8 05/06/2	1,0%	BBB	2,2%

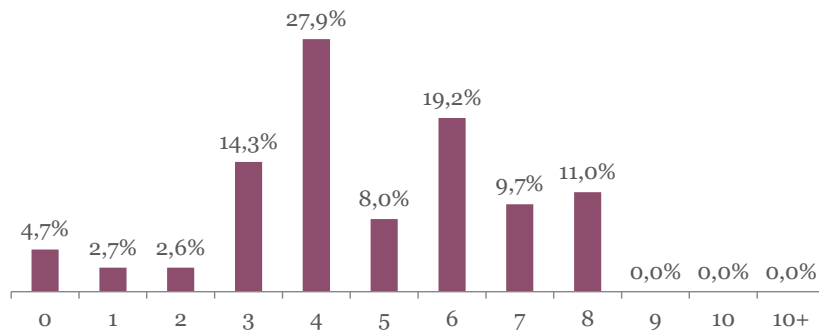
Sector breakdown



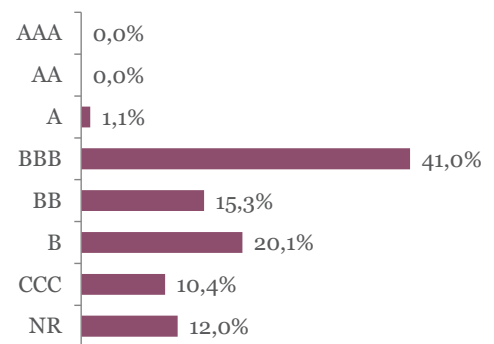
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Duration breakdown



Rating breakdown



Top funds holdings

ISHARES EURO HY	High Yield Bonds	4,8%
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Market Review

Fixed income markets feared the coronavirus development around the World. Core government yields plummeted in February, as investors looked for safe havens and expectations for central banks' support increased. The Bund reached -0.62% (-17 bps m/m) and the US Treasury 10Y yield closed at record low of 1.15%. On the contrary, spread of peripheral countries widened, such as Italy (+34 bps to 171 bps) and Greece (+33 bps to 207 bps).

In this context, corporate bonds declined. Credit spreads widened (iTraxx Crossover 5Y +73 bps to 303 bps), as investors fled risky assets sensitive to the economic activity. High yield bonds were the most impacted (iBoxx EUR High Yield -1.86%), although Investment Grade bonds also posted negative returns (iBoxx EUR Investment Grade -0.48%) despite the positive yield effect.

Portfolio Performance

The fund lost 1.39% in February. Both Investment Grade and High Yield bonds contributed negatively. Cyclical names (incl. EQT Corp, CMA CGM, Oriflame, WFS, Accor) and leveraged issuers (incl. Casino, Picard, Upfield) declined the most, while we benefited from the positive performance of specific issues (Ceetrus, Fosun, Banco Santander AT1). The USD exposure also contributed positively during the month as the USD appreciated vs. the EUR (+0.60%).

Market Outlook

While monitoring the coronavirus situation closely, we remain constructive on fixed income markets. We expect the impact will be short-lived and that monetary and fiscal policies will remain supportive. Consequently, we slightly reduced our exposure to hybrid and high yield bonds and increased the fund's duration to hedge against short-term volatility.

Furthermore, we continued searching for relative value opportunities by entering new issues (Banijay, Isabel Marant, Teraga). As the downturn stepped up, we seized the opportunity to initiate new positions in names that suffered (Upfield, Dufry).

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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.