

MWM SICAV - Bond Opportunities I - Acc

Monthly summary report | as at 31 October 2020



Investment Objective

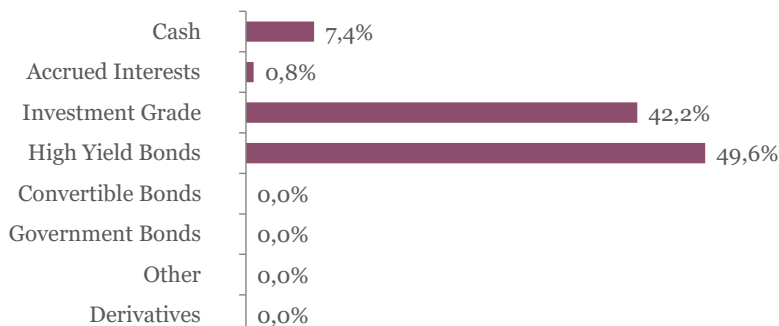
The fund seeks to achieve capital appreciation over the medium term by investing in a diversified portfolio of fixed income securities (investment-grade corporate bonds, government bonds, high yield and emerging market debt as well as convertible bonds). The main focus is put on bottom-up selection.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

Latest Update		Performance	1M	3M	YTD	2019	2018	2017	3Y
NAV per share	105,39	Bond Opportunities I	0,52%	1,61%	-2,50%	7,39%	-4,62%	5,07%	-1,11%
2020 year-to-date return as at end of October 2020	-2,50%								

Fund key facts

Inception date	31 August 2016
ISIN code	LU1452411033
Asset class	Bonds in EUR
Total fund assets	€ 109 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



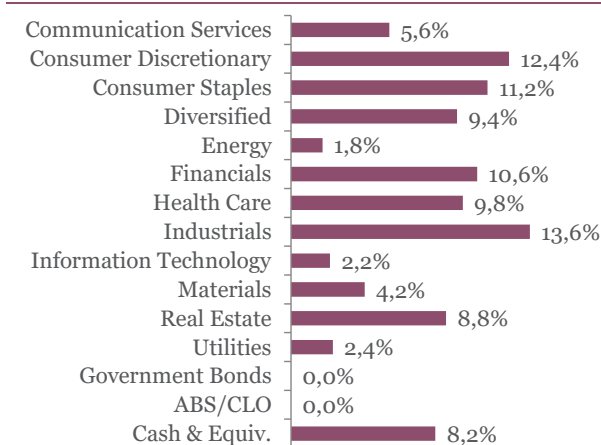
Currency breakdown

	EUR	USD	JPY
Exposure	90,3%	4,8%	4,9%

Top 10 bond holdings

	YTM	Rating	Weight
BANQ FED CRD MUT : BFCM 1 5/8 11/15/2	0,9%	BBB+	2,4%
SEB SA : SKFP 1 3/8 06/16/25	0,9%	NR	2,3%
ISS GLOBAL A/S : ISSDC 1 1/2 08/31/27	1,3%	BBB	2,3%
LVMH MOET HENNES : MCFP 0 1/8 02/11,	-0,1%	A+	2,3%
WHIRLPOOL EMEA : WHR 0 1/2 02/20/28	0,6%	BBB	2,3%
AB INBEV SA/NV : ABIBB 1 1/8 07/01/27	0,1%	BBB+	2,0%
GRAND CITY PROP : GYCGR 1 1/2 02/22/2	0,5%	BBB+	1,9%
IMCD NV : IMCDNA 2 1/2 03/26/25	1,8%	NR	1,9%
SIG COMBIBLOC PU : SIGCBL 2 1/8 06/18/	1,6%	BB	1,9%
CEETRUS SA : CEETRU 2 3/4 11/26/26	2,4%	BBB-	1,9%

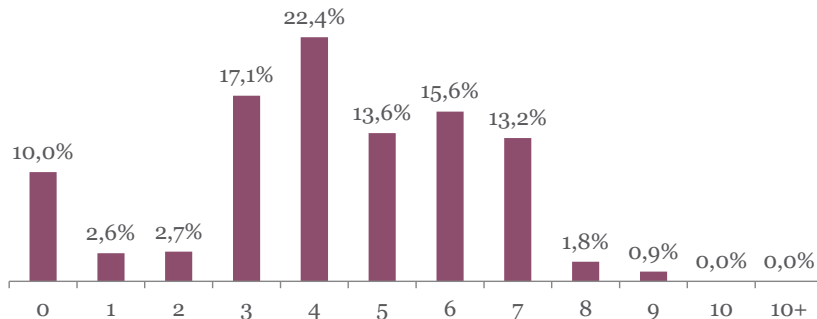
Sector breakdown



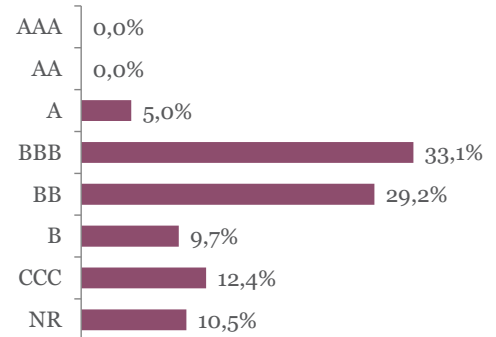
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Duration breakdown



Rating breakdown



Top funds holdings

ISHARES EURO HY

High Yield Bonds

9,4%

Market Review

Fixed income markets were mixed in October due to the coronavirus development and uncertainties around U.S. elections. On the one hand, government bonds posted strong performance as rates declined (10Y Bund -11 bps to -0.63%) and peripheral spreads were stable. They benefited from the ECB support which increased weekly asset purchases. On the other hand, corporate bonds lagged (IG +0.91%, HY +0.28%) as the positive effect from falling interest rates was somewhat offset by widening credit spreads (Crossover +24 bps).

Portfolio Performance

The fund gained 0.52% in October. Investment grade contributed positively with Whirlpool, Ceetrus and Zimmer being the most-performing ones. Conversely, low rated high yield bonds declined, especially single B (incl. Burger King France, Parts Europe, Sigma) and Santander AT1. The EUR was weak on new lockdown in Europe. Consequently, our exposure to JPY and USD contributed positively to the overall performance.

During the month, we introduced new issues (Eni perp, Primo Water, La Mondiale, Inwit, CMA CGM, Unipol perp, Adevinta) as the primary activity was particularly intense. We sold the 5Y BTP position after the Italian spread vs. Germany reached a 2½ year low. Last but not least, we decided to reduce the fund's overall high yield exposure after new lockdowns were implemented in Europe.

Market Outlook

While the coronavirus situation has deteriorated in the recent weeks, we expect the economic impact will be lower than the first wave with continued support from governments and central banks. Indeed, the ECB announced it will "recalibrate" its monetary-policy instruments as appropriate at its December meeting in response to the economic deterioration. Moreover, the U.S. elections will offer more clarity on the future path of interest rates and inflation.

As a result, we slightly reduced the fund's high yield exposure to hedge versus short-term volatility and maintain a balanced mix with IG. On the medium-term, we remain constructive on corporate bonds that offer attractive yield, especially compared to government bonds that generate negative yield, while being very selective. We also keep a moderate duration as interest rates reached 7-month low in Europe.

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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.