

MIDAS - Bond Opportunities A - Acc

Monthly summary report | as at 30 June 2017

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

NAV per share	112,11
2017 year-to-date return as at 30 June 2017	3,18%

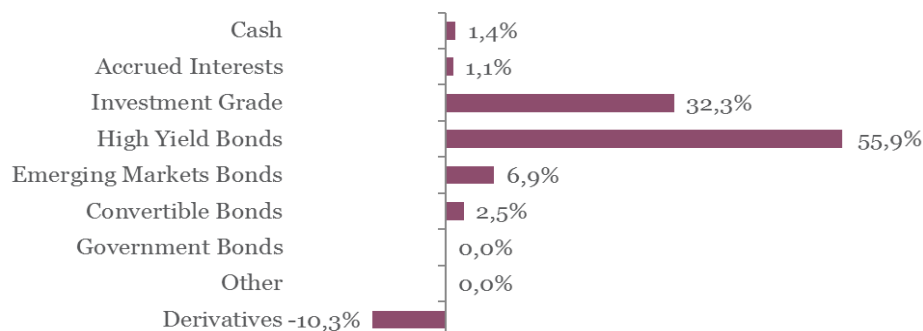
Performance

	1M	YTD	2016	2015	2014	3Y
Midas Bond Opp.	0,19%	3,18%	3,81%	-0,29%	4,03%	5,52%

Fund key facts

Inception date *	25 November 2013
ISIN code	LU0927887504
Asset class	Bonds in EUR
Total fund assets	€ 157 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	1,00%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

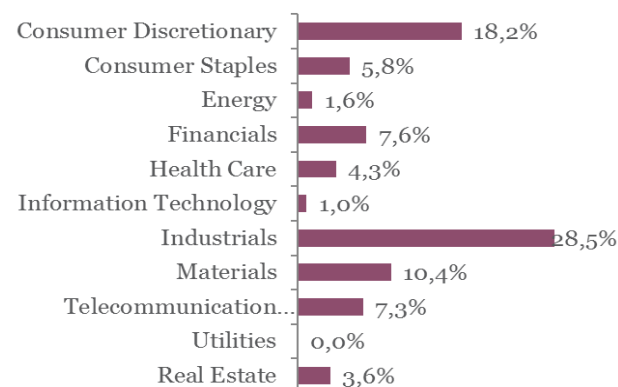
Asset Allocation



Top 10 bond holdings

	YTM	Rating	Weight
ILIAD : ILDFP 2 1/8 12/05/22	1,3%	NR	2,6%
ITV PLC : ITVLN 2 1/8 09/21/22	1,3%	BBB-	2,6%
EUROFINS SCIEN : ERFFP 2 1/4 01/27/22	1,3%	NR	2,6%
ATF NETHERLANDS : ALATPF 2 1/8 03/13/	1,5%	BBB	2,6%
AMER INTL GROUP : AIG 1 1/2 06/08/23	1,2%	BBB+	2,6%
BOLLORE SA : BOLFP 2 01/25/22	1,6%	NR	2,6%
BUREAU VERITAS : BVIFP 1 1/4 09/07/23	1,2%	NR	2,5%
ALTICE LX : ATCNA 6 1/4 02/15/25	3,6%	B	2,1%
BISOHO SAS : SMCPPF 5 7/8 05/01/23	2,3%	B	2,1%
BOMBARDIER INC : BBDBCN 6 1/8 05/15/2	3,8%	B-	2,1%

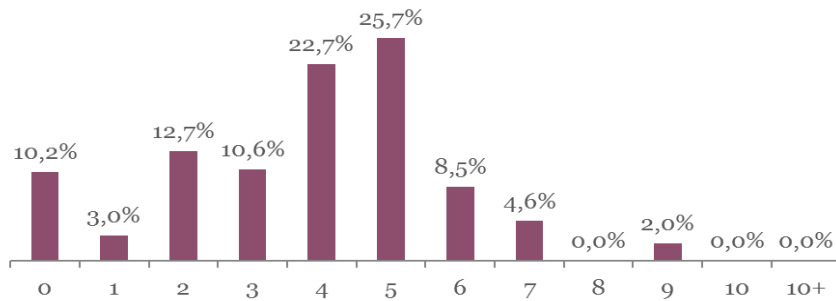
Sector breakdown



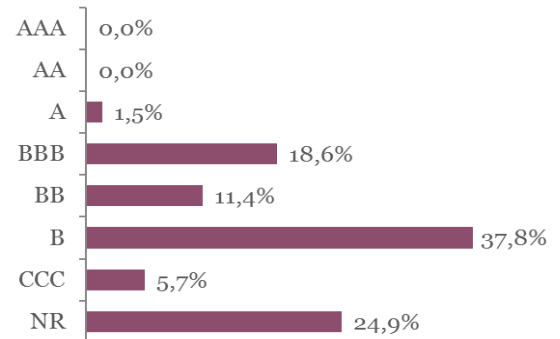
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Duration breakdown



Rating breakdown



Top funds holdings

Ashmore Emerging Markets Short Duration	Emerging Markets Bonds	6,9%
MM Convertible Europe	Convertible Bonds	2,5%

Market Review

While the meetings of the ECB and the Fed at the beginning of the month produced no major surprises, Mr. Draghi still managed to take centerstage towards the end of the month. A simple statement from his part that deflationary forces have been replaced by inflationary ones, rocked currencies, bonds and stocks. Coming from the generally dovish Draghi, investors could only conclude that the tide of central bank largesse has definitely turned and that the ECB may announce a tapering of its package of extraordinary stimulus measures as early as autumn. ECB people immediately tried to minimize the significance of Mr. Draghi's remarks, but markets preferred to turn a deaf ear.

Interest rates moved violently, with the German Bund yield rising from 25bp to 46bp in only a couple of days. Earlier during the month, we saw a reduction in spreads between the European periphery and the core. Signs that a rescue of the ailing Venetian banks was imminent materialized and this consequently made short term financial risk disappear. Italian 10 Year bonds ended the month at 2.14%, slightly up. Good macro-economic data continued to be beneficial for High Yield corporate bonds, which largely outperformed investment grade bonds, the latter being more impacted by its longer duration profile.

Portfolio Performance

During the month, the fund rose 0.19%. The portfolio has been performing steadily as spreads contracted further between the periphery and the core. The high yield component also contributed positively to the funds' performance.

We have equally cut duration from 3.6 to 2.7 in the second half of the month, anticipating further upward moves of the yield curve.

Market Outlook

As economic conditions remain largely favorable in most parts of the world and weakness in the US economy is still considered temporary, we continue to be positioned towards risk-taking. The upward revision of first quarter GDP growth in the US to 1.4% is a clear sign of its economic robustness. Our positioning is equally supported by rising corporate earnings both in the US and in Europe. Volatility is to be expected though, as valuations remain rich overall. The change in tone of Mr. Draghi further strengthened our belief that the fund's duration profile needs to be kept low for months to come.

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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.