

MIDAS - Bond Opportunities A - Acc

Monthly summary report | as at 31 January 2018

Investment Objective

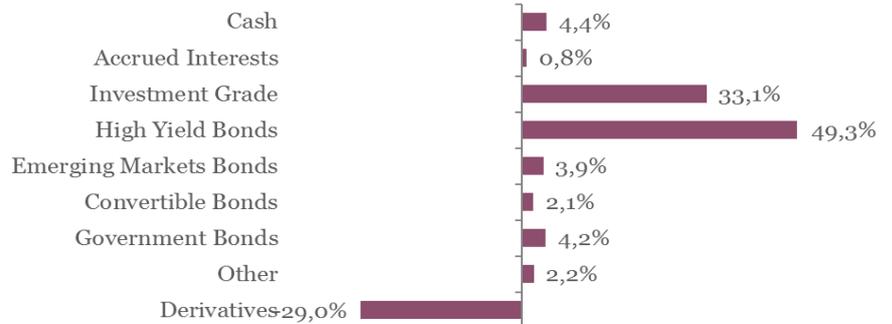
The fund seeks to achieve capital appreciation over the medium term by investing in a diversified portfolio of Euro-denominated fixed income securities (investment-grade corporate bonds, government bonds, high yield and emerging market debt as well as convertible bonds). The main focus is put on bottom-up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

| Latest Update | | Performance | 1M | YTD | 2017 | 2016 | 2015 | 3Y | SI |
|---|--------|-----------------|-------|-------|-------|-------|--------|-------|--------|
| NAV per share | 113,92 | Midas Bond Opp. | 0,21% | 0,21% | 4,87% | 3,81% | -0,29% | 7,45% | 13,92% |
| 2018 year-to-date return as at 31/01/2018 | 0,21% | | | | | | | | |

Fund key facts

| | |
|-------------------|---------------------|
| Inception date * | 25 November 2013 |
| ISIN code | LU0927887504 |
| Asset class | Bonds in EUR |
| Total fund assets | € 200 million |
| Base currency | EUR |
| Legal status | Luxembourg UCITS |
| Management Fee | 1,00% |
| Custodian | Crédit Suisse Lux |
| Liquidity | Daily |
| Settlement Date | Trade Date + 2 Days |

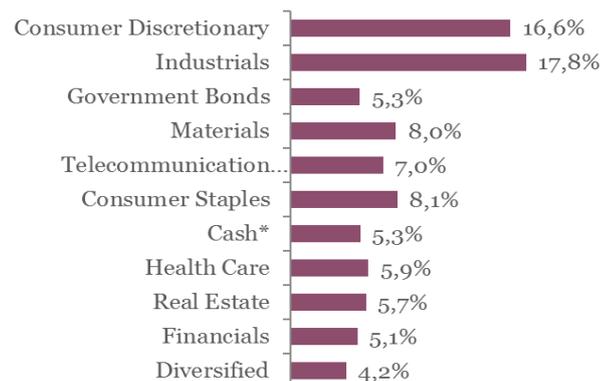
Asset Allocation



Top 10 bond holdings

| | YTM | Rating | Weight |
|---------------------------------------|------|--------|--------|
| BTPS I/L : BTPS 0.1 05/15/22 | 0,9% | BBB | 2,6% |
| CELLNEX TELECOM : CLNXSM 2 7/8 04/1 | 2,4% | BBB- | 2,6% |
| ITV PLC : ITVLN 2 1/8 09/21/22 | 0,8% | BBB- | 2,1% |
| EUROFINS SCIEN : ERFFP 2 1/4 01/27/22 | 1,0% | NR | 2,1% |
| BOLLORE SA : BOLFP 2 01/25/22 | 1,1% | NR | 2,1% |
| ILIAD : ILDFP 1 1/2 10/14/24 | 1,5% | NR | 2,0% |
| BENI STABILI : BNSIM 1 5/8 10/17/24 | 1,6% | BBB- | 2,0% |
| INGENICO GROUP : INGFP 1 5/8 09/13/24 | 1,7% | NR | 2,0% |
| HELLENIC REPUBLI : GGB 4 3/8 08/01/22 | 2,8% | B | 1,6% |
| TEREOS FIN GROUP : TEREOS 4 1/8 06/16 | 3,2% | BB | 1,6% |

Sector breakdown

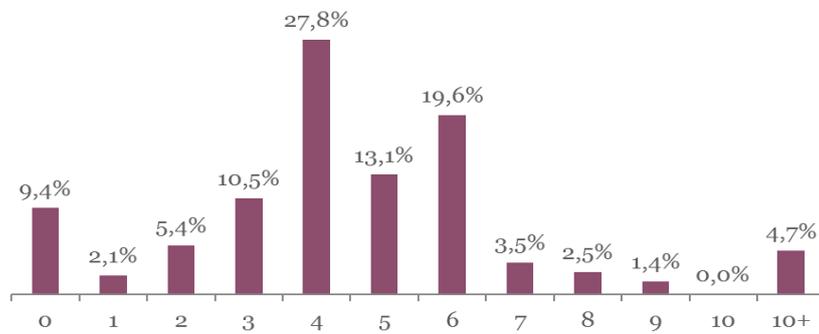


* Cash & Cash Equivalents

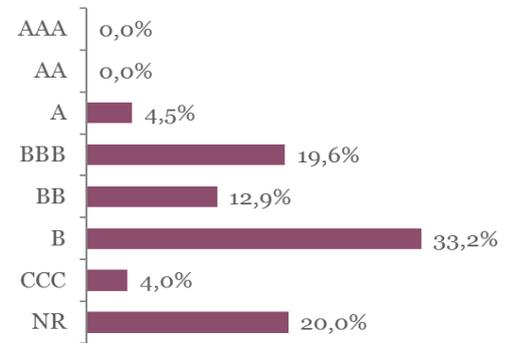
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Duration breakdown



Rating breakdown



Top funds holdings

| | | |
|--|------------------------|------|
| Neuberger Berman Emerging Mark | Emerging Markets Bonds | 2,9% |
| db X-Trackers II iTraxx Crossover 5-Year Short | Short Credit | 2,2% |
| MM Convertible Europe | Convertible Bonds | 2,1% |
| Swisscanto COCOs Bond Fund | High Yield Bonds | 1,9% |

Market Review

At the start of the year, investors have rushed indiscriminately into risky assets as performance expectations for 2018 increased. Macroeconomic picture is indeed very supportive with synchronized and rising economic growth around the globe coupled with controlled inflation. The economic momentum is especially strong in the Eurozone. More than anecdotally, the Eurozone is currently deleveraging, which is a strong signal after years of worrying about European Debt wobbles.

One corollary of the strong economic momentum is its impact on global interest rates as investors have retrenched from bonds to invest into equities. G4 government yields have indeed witnessed in January a heightened pace of repricing in comparison with a tamed 2017, largely overshooting on the upside. The American 10 Year Treasury yield was up to 2.71% from 2.41% and the Bund 10 Year yield was up to 0.70% from 0.42%. The Citi Euro Investment Grade Index lost 0.49%. Only High Yield managed to remain in the black with slightly positive returns (+0.18% on iBoxx Liquid High Yield Index) even though the X-over index was up to 238 basis points from 232.

Portfolio Performance

In January, the fund rose 0.23%. Despite rising interest rates and a slight spread widening, the fund managed to post positive returns mainly thanks to its running yield. During the period, we gradually decreased the duration of the fund from 3.5 to 2.8 (vs 4.5 for the benchmark). We also decreased our proportion of High Yield Bonds and we replaced them with Investment grade issuers and with Emerging Markets and Contingent Convertible Bonds.

Market Outlook

The period of repricing has started in Fixed-Income markets, strongly hurting long dated government bonds in the process. We maintain the interest rate risk of fixed income investments in the lower bound and look to protect this part to rising rates by increased hedging positions and inflation-linked bonds. Concerning corporates, it is time to focus on the strongest issuers.

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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.