

MIDAS - Bond Opportunities A - Acc

Monthly summary report | as at 28 February 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

NAV per share	113,18
2018 year-to-date return as at 28 February 2018	-0,44%

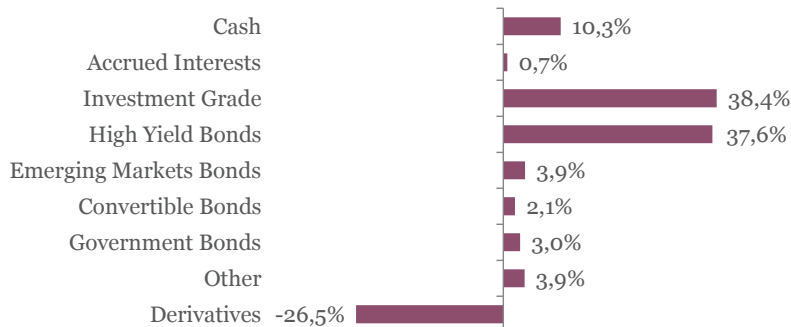
Performance

	1M	YTD	2017	2016	2015	3Y	SI
Midas Bond Opp.	-0,65%	-0,44%	4,63%	3,81%	-0,29%	4,40%	13,18%

Fund key facts

Inception date*	25 November 2013
ISIN code	LU0927887504
Asset class	Bonds in EUR
Total fund assets	€ 192 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

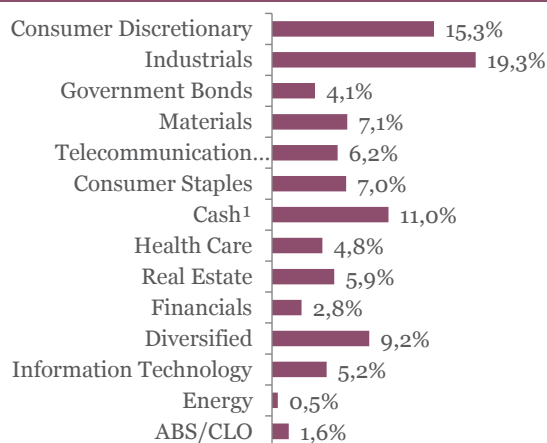


Top 10 bond holdings

	YTM	Rating	Weight
CELLNEX TELECOM : CLNXSM 2 7/8 04/1	2,4%	BBB-	2,7%
ITV PLC : ITVLN 2 1/8 09/21/22	0,8%	BBB-	2,2%
EUROFINS SCIEN : ERFFP 2 1/4 01/27/22	1,0%	NR	2,2%
BOLLORE SA : BOLFP 2 01/25/22	1,2%	NR	2,1%
ILIAD : ILDFP 1 1/2 10/14/24	1,5%	NR	2,1%
BENI STABILI : BNSIM 1 5/8 10/17/24	1,7%	BBB-	2,1%
AB INBEV SA/NV : ABIBB 1.15 01/22/27	1,3%	A-	2,0%
INGENICO GROUP : INGFP 1 5/8 09/13/24	1,9%	NR	2,0%
BANCO SANTANDER : SANTAN 6 1/4 PERI	1,4%	BB+	1,6%
GLENCORE FINANCE : GLENLN 1 7/8 09/1	1,2%	BBB	1,6%

¹Cash & Cash Equivalents

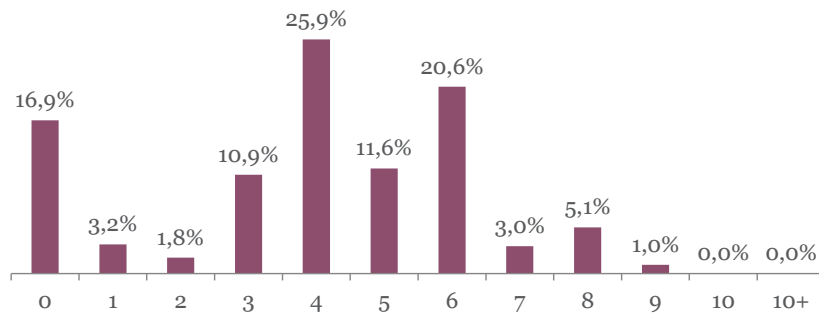
Sector breakdown



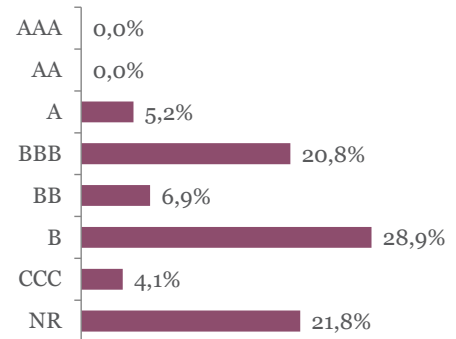
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Duration breakdown



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	2,3%
MM Convertible Europe	Convertible Bonds	2,1%
Swisscanto COCOs Bond Fund	High Yield Bonds	1,9%

Market Review

After 18 months of decreasing volatility and historic low levels below 9% in November last year, the month of February brought back the VIX index to levels unseen since August 2015. The rise of the volatility index, initiated by the tryptic of salaries, inflation and rates has been amplified by technical factors such as the wave of forced selling from financial actors using this gauge of risk aversion as a tool to construct portfolios. Markets feared an overheating of the US economy with inflation getting out of control. The Federal Reserve indeed voiced a slightly more hawkish tone under the lead of its new chair J. Powell, but fears of a Fed running behind the curve were somewhat tempered by some macro-indicators coming in lower than expected. Consequently, markets quickly stabilized.

During February, the 10 Year US Treasury yield rose from 2.71% to 2.86% while the 10 Year EU Bund went up and down from 0.70% to 0.76% mid-February and 0.66% end of the month. On the credit side, the iTraxx indices (CDS portfolios) widened the most since June 2016: +9bp to 52bp on the European Main index and +26bp to 264bp on the Cross-Over index.

Portfolio Performance

During the month, the fund dropped 0.65%, erasing all the gains realised on January. We maintained the duration at a level below 3 and we continued to reduce the bucket of High Yield Bonds from 49% to 37%. In the meantime, we increased the bucket of Investment Grade Bonds from 33% to 38%.

Market Outlook

Now that bond yields have reached more accurate levels and that inflation remains fairly tame, we suspect yields to hover around current levels, possibly sliding a bit, before resuming their rise later on in 2018. We continue to be prudent keeping the overall duration low and favorising investment grade rather than speculative grade.

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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.