

# MIDAS - Bond Opportunities A - Acc

Monthly summary report | as at 30 June 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	111,04
2018 year-to-date return as at 30 June 2018	-2,32%

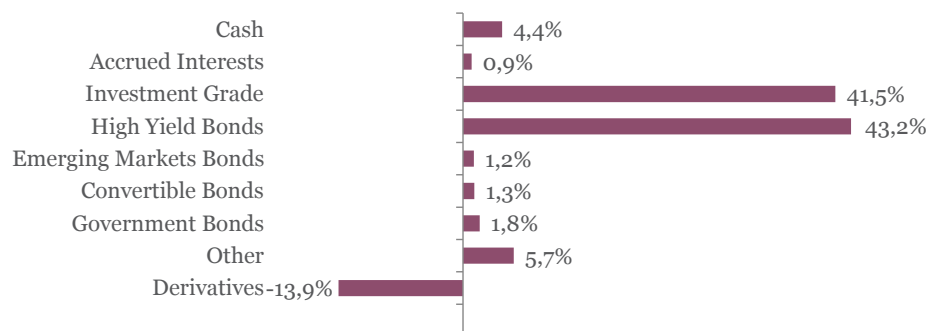
## Performance

	1M	YTD	2017	2016	2015	3Y	SI
Midas Bond Opp.	-0,59%	-2,32%	4,63%	3,81%	-0,29%	4,83%	11,04%

## Fund key facts

Inception date*	25 November 2013
ISIN code	LU0927887504
Asset class	Bonds in EUR
Total fund assets	€ 162 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

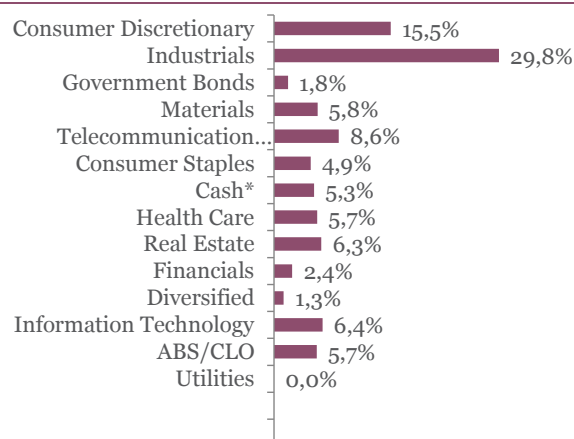


## Top 10 bond holdings

	YTM	Rating	Weight
CELLNEX TELECOM : CLNXSM 2 7/8 04/1	2,6%	BBB-	3,1%
SIXT SE : SIXT 1 1/2 02/21/24	1,3%	NR	2,5%
BOLLORE SA : BOLFP 2 01/25/22	1,8%	NR	2,5%
UBISOFT ENTERTAI : UBIFP 1.289 01/30/:	1,2%	NR	2,5%
INGENICO GROUP : INGFP 1 5/8 09/13/24	1,8%	NR	2,4%
ILIAD : ILDFP 1 1/2 10/14/24	2,1%	NR	2,4%
EUROFINS SCIEN : ERFFP 2 1/4 01/27/22	1,3%	NR	1,9%
GLENCORE FINANCE : GLENLN 1 7/8 09/:	1,4%	BBB+	1,9%
JUBIL 2014-11X DR : JUBIL 2014-11X DR	1,6%	BBB	1,9%
PRYSMIAN SPA : PRYIM 2 1/2 04/11/22	2,1%	NR	1,9%

\*Cash & Cash Equivalents

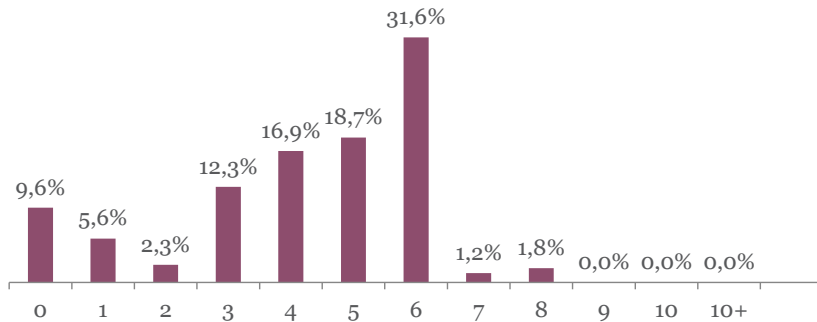
## Sector breakdown



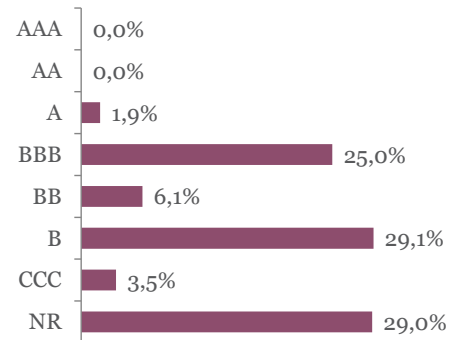
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## Duration breakdown



## Rating breakdown



## Top funds holdings

MM Convertible Europe

Convertible Bonds

1,3%

## Market Review

While H1 is now officially closed, time for a lookback is due. Global analysis of the performance of financial assets over the first part of the year delivers a lacklustre message where almost all asset classes underperformed cash returns and give back some - if not all – of 2016 & 2017 spectacular results.

June did not escape this reality. Despite a good start, it ended up with a difficult investment environment as fears about trade wars resurged. The expected move towards a less accommodative monetary policy stance by the Federal Reserve that hiked rates by 0,25% also pressured asset prices. This is commanded by a buoyant job market that could reinforce inflationary pressures in the system. It reduces the support of Central Banks around the world, which operated hawkish moves over last month with the Fed 5th rate hike and the ECB tapering communication.

In this context, the 10 Year US Treasury yield ended June at the exact same level it started it, at 2,86%, while the 10 Year German Bund yield decreased by 4 additional basis points to terminate the month at 0,30%. On the credit side, the iTraxx indices (CDS portfolios) widened by +4bp to 73bp on the European Main index and +25bp to 320bp on the Cross-Over index.

## Portfolio Performance

During the month, the fund lost 0.59%. We maintained the duration at a level close to 4 in order to maintain our hedge against a tightening in the 10-Year German Bund rate. We lowered the more volatile part of our risky exposure, selling half our convertible bonds investments (via MM Convertible bond fund) and selling the contingent convertible bonds (via the SwissCanto CoCo's bond fund).

## Market Outlook

On the front of US protectionism, in some more electoral moves towards Mid Term elections, the US president could once again be shaking things upside down by engaging further down into trade wars. This would result in uncertain times for financial markets in the tune of this late June episode. We continue to be prudent and favour investment grade rather than speculative grade, and short defensive names versus cyclical bonds.

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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.