

MIDAS - Bond Opportunities A - Acc

Monthly summary report | as at 31 March 2019

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	110,50
2019 year-to-date return as at 31/03/2019	2,46%

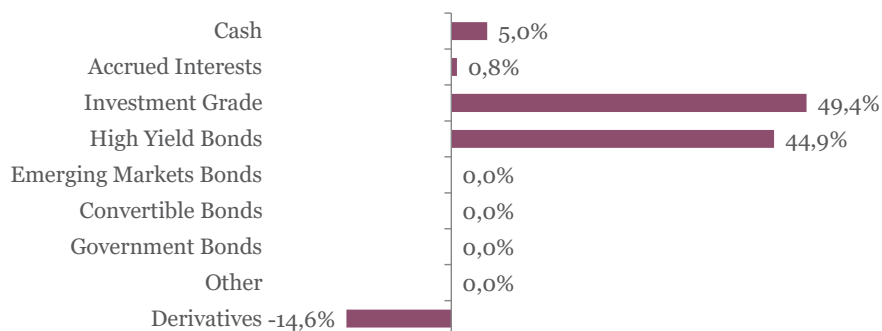
Performance

	1M	YTD	2018	2017	2016	3Y	SI
Bond Opportunities A	0,90%	2,46%	-5,13%	4,63%	3,81%	5,97%	10,50%

Fund key facts

Inception date	25 November 2013
ISIN code	LU0927887504
Asset class	Bonds in EUR
Total fund assets	€ 108 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	1,00%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

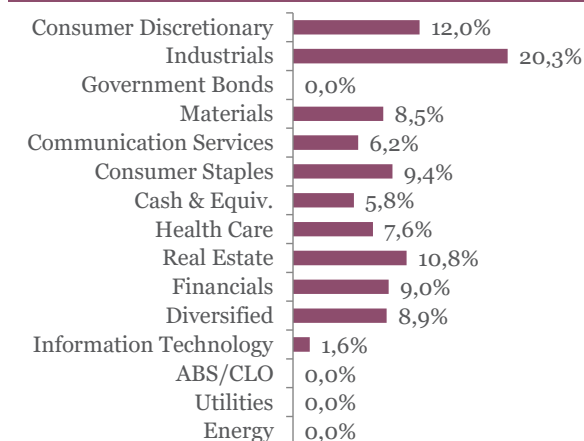
Asset Allocation



Top 10 bond holdings

	YTM	Rating	Weight
AROUNDTOWN SA : ARNDTN 1 01/07/25	1,4%	BBB+	2,3%
AUCHAN SA : AUCHAN 2 5/8 01/30/24	1,6%	BBB	1,9%
EL CORTE INGLES : CRTING 3 03/15/24	1,2%	BB+	1,9%
BANQ FED CRD MUT : BFCM 1 1/4 01/14/2	0,5%	A	1,9%
GLENCORE FINANCE : GLENLN 1 7/8 09/	0,9%	BBB+	1,9%
FRESENIUS FIN IR : FREGR 1 1/2 01/30/2	0,7%	BBB-	1,9%
VILMORIN ET COMP : RINFP 2 3/8 05/26/	0,4%	NR	1,9%
WELLS FARGO CO : WFC 1 3/8 10/26/26	0,9%	A-	1,9%
BECTON DICKINSON : BDX 1.401 05/24/2;	0,7%	BBB	1,9%
BNP PARIBAS : BNP 1 1/2 11/17/25	1,1%	A-	1,9%

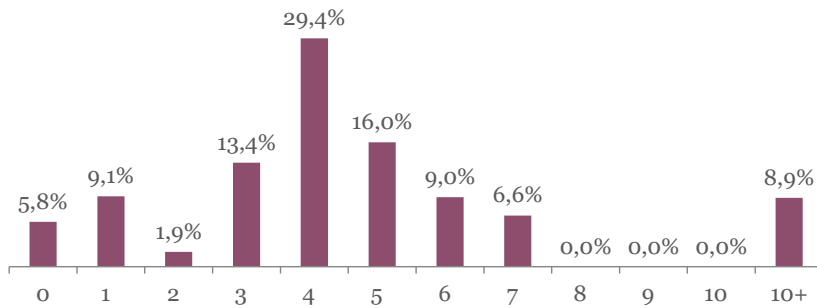
Sector breakdown



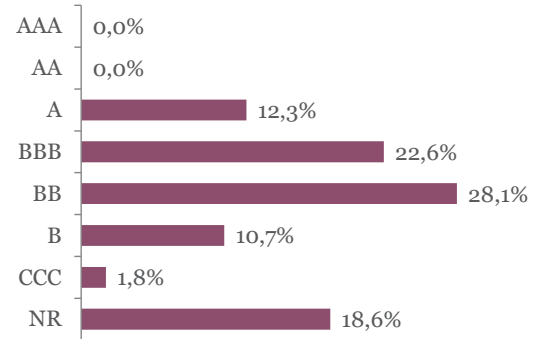
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Duration breakdown



Rating breakdown



Top funds holdings

ISHARES EURO HY

High Yield Bonds

8,9%

Market Review

Government yields sank in March on weak economic data and dovish central banks. US 10Y yield plummeted 31 bps to 2.41% and the German 10Y yield reached its lowest point since 2016, declining 25 bps to -0.07%. The EUR yield curve flattened with the long-end decreasing the most, as the 2-30 German slope decreased by 15 bps to 118 bps. Eurozone government spreads were stable overall, with the exception of Spain which widened by 6 bps vs. Germany.

Corporate bonds performed positively. Both Bloomberg Barclays EUR Corporates IG and HY indices increased, by 1.39% and 0.92% respectively. They were supported by the yield effect, while spreads were mixed (IG -7 bps, HY +11 bps) despite the equity rally (Euro Stoxx 50 +1.82%). In IG, long-dated bonds performed well, while in HY, BB outperformed B.

Portfolio Performance

The fund gained 0.90% in March. IG corporate bonds contributed the most, thanks to the interest rate component and good bond selection (Aroundtown, Glencore, Auchan, Renault, Fresenius). HY bonds also performed well, with single B being the largest contributor (Atalian, Selecta, Almaviva, Sarens, Fives).

Market Outlook

We were more constructive on credit spreads as the macro environment proved to be more resilient, especially with the support of central banks. So, we increased high yield bonds, mostly in favour of BB names. HY now represent about 40% of the fund, compared to about a quarter by the previous month. Instead, we vanished government bonds and cash & equivalent as yields turned negative. We also increased investments in private debt through Midas Short Duration fund and a direct investment in commercial real estate in the city centre of Bordeaux (FIB Gambetta).

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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.