

MIDAS - Bond Opportunities A - Acc

Monthly summary report | as at 31 August 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	114,33
2019 year-to-date return as at end of August 2019	6,01%

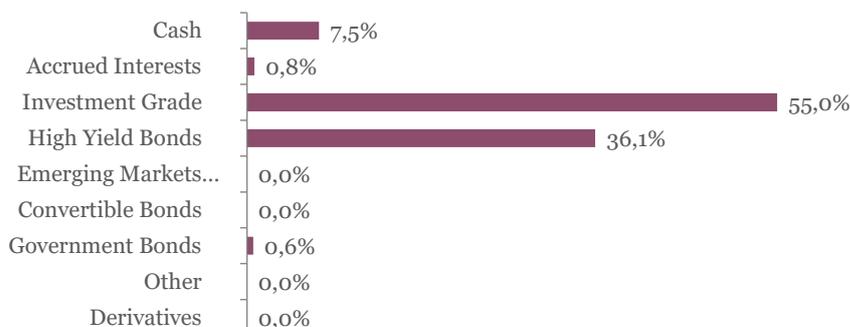
Performance

	1M	YTD	2018	2017	2016	3Y	SI
Bond Opportunities A	0,73%	6,01%	-5,13%	4,63%	3,81%	5,52%	14,33%

Fund key facts

Inception date	25 November 2013
ISIN code	LU0927887504
Asset class	Bonds in EUR
Total fund assets	€ 94 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	1,00%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

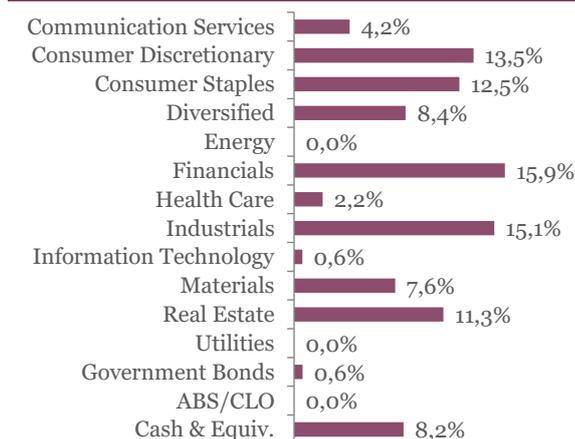
Asset Allocation



Top 10 bond holdings

	YTM	Rating	Weight
ALIMEN COUCHE : ATDBCN 1 7/8 05/06/2	0,3%	BBB	2,4%
WELLS FARGO CO : WFC 1 3/8 10/26/26	0,1%	A-	2,3%
BNP PARIBAS : BNP 1 1/2 11/17/25	0,2%	A-	2,3%
ACCOR : ACFP 1 3/4 02/04/26	0,6%	BBB-	2,3%
UNIBAIL-RODAMCO : ULFP 1 02/27/27	0,1%	A	2,3%
SEB SA : SKFP 1 1/2 05/31/24	0,4%	NR	2,2%
BPCE : BPCEGP 0 7/8 01/31/24	0,0%	A-	2,2%
SIXT SE : SIXT 1 1/2 02/21/24	0,6%	NR	2,2%
BUREAU VERITAS : BVIFP 1 1/4 09/07/23	0,3%	NR	2,2%
G4S INTL FIN PLC : GFSLN 1 1/2 01/09/23	0,5%	BBB-	2,2%

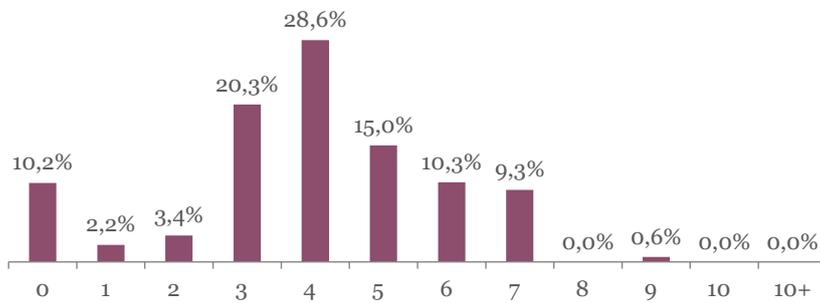
Sector breakdown



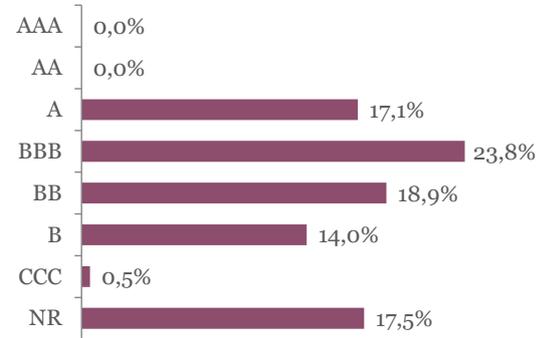
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Duration breakdown



Rating breakdown



Top funds holdings

ISHARES EURO HY	High Yield Bonds	8,4%
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Market Review

Global markets were rocked by the US-China trade war in August. A new round of tariffs imposed by the US President Trump and Chinese retaliation casted a shadow on economic growth outlook. Therefore, risky assets (corporate bonds, equities) tumbled and government bonds emerged as safe haven in the first half of the month. However, as discussions between US and China improved, risky assets bounced back in the second half of the month. Government yields remained low as central bank stood supportive.

During the month, the German 10Y yield dropped 26 bps to a new record-low of -0.70% and its US equivalent decreased further (-52 bps to 1.50%). Both curves flattened and the US 2-10 inverted for the first time since 2007. The Italian 10Y spread to Germany rallied 28 bps to 170 bps in the hope of a new government without fresh elections. Corporate bonds performed well. Investment grade bonds increased +0.69%, benefiting from the yield effect, and high yield ones returned +0.74%, as credit spreads tightened 14 bps. Hybrids and subordinated debt outperformed senior ones.

Portfolio Performance

The fund gained 0.73% in August. IG and HY bonds contributed similarly. Top contributors were Altice Europe, Dometic, Vodafone (hybrid), Diamond, Eurofins (hybrid), Walnut and Alimentation Couche-Tard. Worst contributors were Almaviva, Promontoria, Norican and Schaeffler.

Market Outlook

We maintained a balanced approach with a mix of IG and HY corporate bonds. As initiated in July, we slightly shifted towards HY names to enhance the fund's yield and we maintained moderate duration in IG as a hedge.

In the meantime, we implemented arbitrages to take advantage of relative value. In HY, we reduced Dometic and the iShares Euro HY ETF to take positions in Chemours, Ardagh and Casino. We also switched part of Bayer and Vodafone hybrids to reinforce Arountown one. We also reduced Italian government bonds in the recent rally.

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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.