

# MWM SICAV - Bond Opportunities A - Acc

Monthly summary report | as at 31 March 2020

## Investment Objective

The fund seeks to achieve capital appreciation over the medium term by investing in a diversified portfolio of 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	100,61
2020 year-to-date return as at end of March 2020	-12,67%

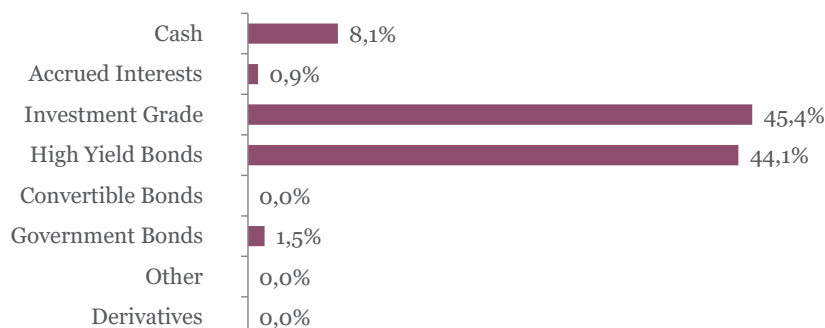
## Performance

	1M	3M	YTD	2019	2018	2017	5Y
Bond Opportunities A	-11,85%	-12,67%	-12,67%	6,82%	-5,13%	4,63%	-7,44%

## Fund key facts

Inception date	25 November 2013
ISIN code	LU0927887504
Asset class	Bonds in EUR
Total fund assets	€ 86 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	1,03%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

## Asset Allocation



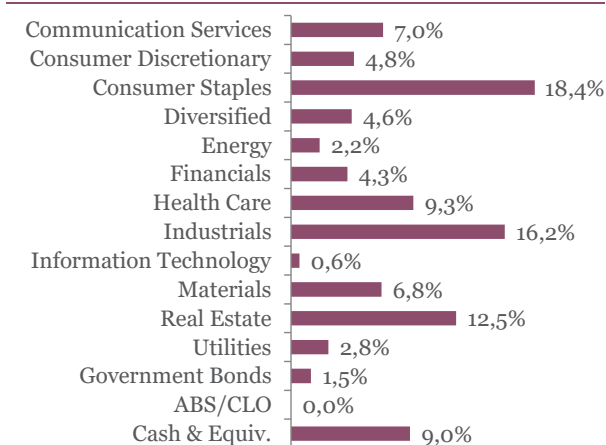
## Currency breakdown

	EUR	USD	JPY
Exposure	76,6%	18,7%	4,7%

## Top 10 bond holdings

	YTM	Rating	Weight
CEETRUS SA : CEETRU 2 3/4 11/26/26	3,3%	BBB-	2,8%
ALTICE FRANCE : ALFHLU 6 02/15/28	8,3%	CCC+	2,8%
ZIMMER BIOMET : ZBH 1.164 11/15/27	2,2%	BBB-	2,7%
BANQ FED CRD MUT : BFCM 1 5/8 11/15/2	2,8%	BBB+	2,7%
ISS GLOBAL A/S : ISSDC 1 1/2 08/31/27	3,1%	BBB	2,6%
G4S INTL FIN PLC : GFSLN 1 1/2 01/09/23	2,1%	BBB-	2,3%
ALIMEN COUCHE : ATDBCN 1 7/8 05/06/2	2,3%	BBB	2,3%
GRAND CITY PROP : GYCGR 1 1/2 02/22/2	2,0%	BBB+	2,3%
IMCD NV : IMCDNA 2 1/2 03/26/25	3,0%	NR	2,2%
SIXT SE : SIXT 1 1/2 02/21/24	2,8%	NR	2,2%

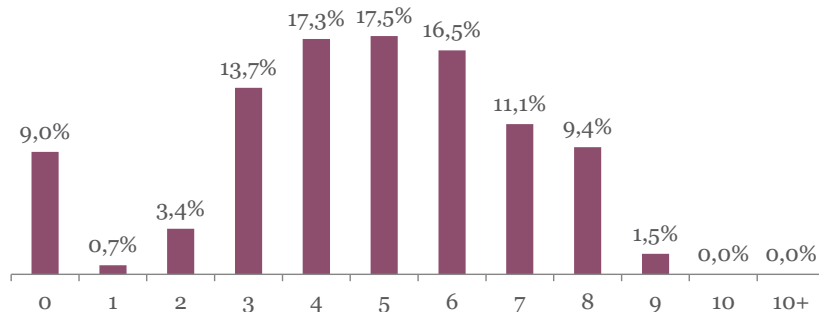
## Sector breakdown



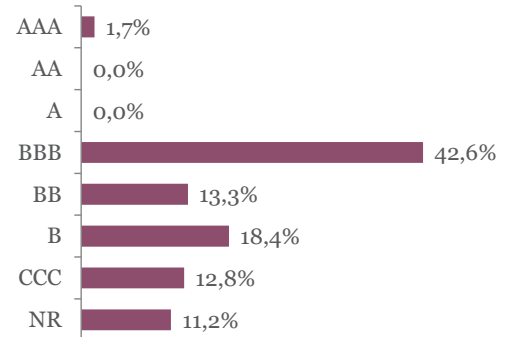
# MWM SICAV - Bond Opportunities A - Acc

Monthly summary report | as at 31 March 2020

## Duration breakdown



## Rating breakdown



## Top funds holdings

ISHARES EURO HY High Yield Bonds 4,6%

## Market Review

As the coronavirus expanded and more and more countries imposed containment measures, financial markets crashed on fears of a rapid and strong recession. Even “safe havens” like the German bund declined (yield: +14 bps m/m, to -0.47%) as investors fled into cash. Most Eurozone government bonds declined even more (Portuguese, Italian and French 10Y spreads widened by 38 bps, 28 bps and 14 bps respectively). The ECB, in coordination with major central banks, had to announce additional measures to calm the markets. The new Pandemic Emergency Purchase Programme (PEPP) was designed to buy 750bn€ of government and corporate bonds until at least the end of the year. In this context, corporate bonds plummeted, as investors became worried about the impact on earnings and more importantly short-term liquidity. The decline was magnified by large fund outflow and low primary market. Hence, Investment Grade and High Yield posted significant drops (iBoxx EUR Investment Grade -6.85% m/m, iBoxx EUR High Yield -13.34%) and spreads widened substantially (iTraxx Crossover 5Y +275 bps to 573 bps).

## Portfolio Performance

The fund lost 11.85% in March. Both Investment Grade and High Yield bonds contributed negatively. Companies impacted by containment measures (incl. Loxam, Vivion, Banijay, WFS, Sotheby’s), leveraged ones (incl. Diversy) and Emerging Markets bonds (incl. Kernel, IHS) declined the most. By contrast, companies from the food industry performed relatively well (incl. Bel, Casino, Upfield, Refresco, Picard). The FX exposure and 10Y US Government bond contributed positively.

## Market Outlook

We expect the situation to stabilize progressively as 1/the coronavirus outbreak is approaching peak in Europe and 2/many governments and central banks have announced massive stimulus measures. Moreover, as markets plunged, valuation metrics have become more attractive. Consequently, we maintained a constructive approach with a mix of IG and HY corporate bonds. The fund’s duration was also kept moderate. However, we have made some switches to reduce exposure to the most impacted companies in this situation. We reduced positions in EQT, Dufry, Accor, Banijay, Daimler and BNP Paribas. Conversely, we reinforced positions in “defensive” profiles, including Redexis, O-I and Eurofins. We also bought US 10Y government bond and increased the fund’s cash holdings. As the market reopened by the end of the month, we participated in new issues (AB-InBev, Carrefour). Lastly, part of the US Dollar exposure was switched into Japanese Yen.

This newsletter does not constitute an offer to sell or the solicitation of an offer to purchase any security or investment product. Information herein is believed to be reliable but Midas Wealth Management does not warrant its completeness or accuracy. The opinions expressed within are entirely those of Midas Wealth Management and do not constitute an offer of investment advice. Past performance will not necessarily be repeated and is not indicative of future results. The investments discussed may fluctuate in price or value and you may not get back the amount invested. The indices shown are presented only to allow for comparison of the Midas Wealth Management funds’ performance to that of certain widely recognised indices. The volatility of the indices may be materially different from the individual performance attained by a specific fund or investor. In addition, the Midas Wealth Management fund holdings may differ significantly from the securities that comprise the indices shown. Investors cannot invest directly in an index. Performance figures reflect the reinvestment of all dividends and earnings, as well as investment management, administration and performance fees. A description of the specific fee structure and risks of investing for each Midas Wealth Management fund is contained in the fund’s prospectus. No part of this document may be reproduced in any manner without the prior written permission of Midas Wealth Management.

\* 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.