

# MWM SICAV - Bond Opportunities A - Acc

Monthly summary report | as at 31 August 2020



## Investment Objective

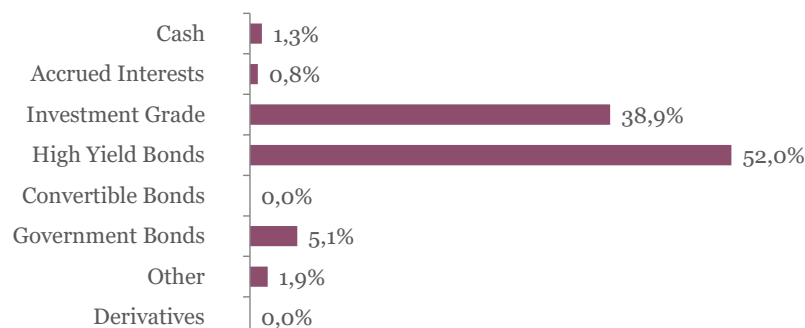
The fund seeks to achieve capital appreciation over the medium term by investing in a diversified portfolio of fixed income securities (investment-grade corporate bonds, government bonds, high yield and emerging market debt as well as convertible bonds). The main focus is put on bottom-up selection. Interest rate as well as credit risks are managed actively.

Latest Update		Performance	1M	3M	YTD	2019	2018	2017	5Y
NAV per share	111,26	Bond Opportunities A	0,96%	3,50%	-3,43%	6,82%	-5,13%	4,63%	5,10%
2020 year-to-date return as at end of August 2020	-3,43%								

## Fund key facts

Inception date	25 November 2013
ISIN code	LU0927887504
Asset class	Bonds in EUR
Total fund assets	€ 109 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



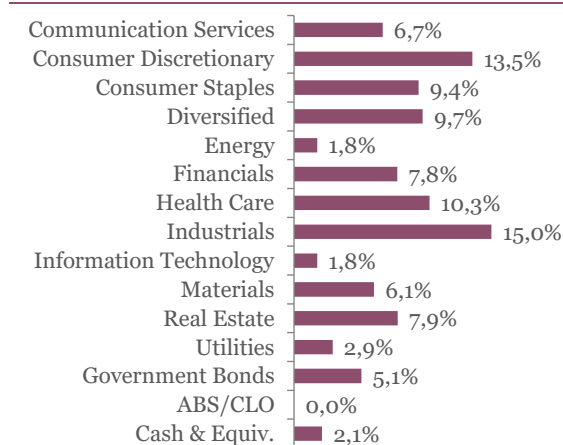
## Currency breakdown

	EUR	USD	JPY
Exposure	90,4%	4,9%	4,7%

## Top 10 bond holdings

	YTM	Rating	Weight
US TREASURY N/B : T 0 1/8 06/30/22	0,1%	AA+	3,1%
BANQ FED CRD MUT : BFCM 1 5/8 11/15/2	1,0%	BBB+	2,4%
ISS GLOBAL A/S : ISSDC 1 1/2 08/31/27	1,1%	BBB	2,4%
SEB SA : SKFP 1 3/8 06/16/25	1,2%	NR	2,3%
WHIRLPOOL EMEA : WHR 0 1/2 02/20/28	1,2%	BBB	2,2%
BTPS : BTPS 2 1/2 11/15/25	0,5%	BBB-	2,0%
FEDEX CORP : FDX 1 5/8 01/11/27	0,5%	BBB	2,0%
AB INBEV SA/NV : ABIBB 1 1/8 07/01/27	0,4%	BBB+	1,9%
GRAND CITY PROP : GYCGR 1 1/2 02/22/2	0,7%	BBB+	1,9%
SIG COMBIBLOC PU : SIGCBL 2 1/8 06/18/	1,3%	BB	1,9%

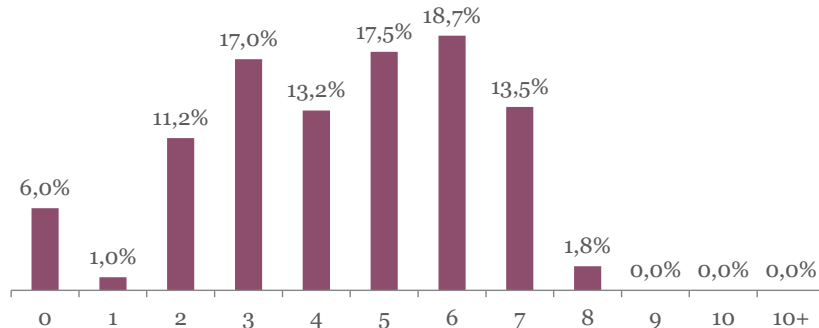
## Sector breakdown



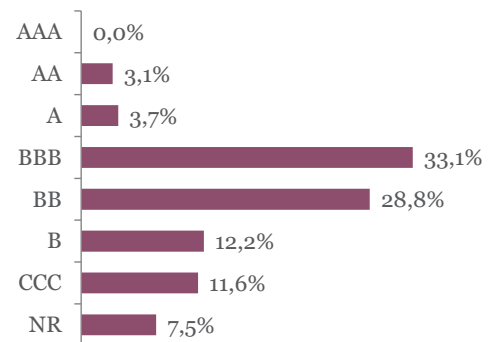
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## Duration breakdown



## Rating breakdown



## Top funds holdings

ISHARES EURO HY	High Yield Bonds	9,7%
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## Market Review

Markets reacted positively to the improvement of the global economy that continued to recover from the coronavirus pandemic. The Eurozone composite PMI jumped by 6.4 pts m/m to 54.9 pts, above the 50 no-change mark for the first time since February. Indeed, despite a second wave taking shape around the globe, governments decided to implement targeted measures instead of lockdowns, which supported economic activity. Furthermore, the Fed announced a new strategy that will be even more dovish by allowing inflation to rise modestly above its 2% target for some time.

In this context, safe havens receded. The German 10Y yield increased by 13 bps to -0.40% and the yield curve steepened (2-30Y +10 bps). The US yield curve shifted even further (10Y +18 bps to 0.70%, 2-30Y +26 bps). Conversely, peripheral spreads tightened (Spain -6 bps, Italy -5 bps). Corporate bonds benefited from this economic momentum. As demonstrated by the equity rally, credit spreads tightened (IG-8 bps, HY -37 bps).

## Portfolio Performance

The fund gained 0.96% in August. High yield bonds contributed the most, including Almaziva and Loxam that posted reassuring results. Subordinated bonds also posted good results (notably Santanter, VW, EDF and Eurofins). Investment grade performed moderately due to the negative yield effect, while selection was accretive (especially IMCD, Fedex and Ceetrus). Foreign currencies (USD, JPY) performed negatively due to the EUR strength.

During the month, we took advantage of the bond market's reopening to introduce new bonds (Vodafone Perp, Belden) that offered interesting relative value. We also reduced Italy after its good performance (country spread: -99 bps since May, to 149 bps).

## Market Outlook

In our view, fiscal and monetary support coupled with selective measures to cope with a second wave are supportive to the economic activity. While valuations have normalized for the past six months, credit spreads remain attractive, especially in a context of low rates for longer. Therefore, we continue to focus on credit with a slight bias towards the high-yielding bonds (BBB, high yield) and maintained a moderate duration.

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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.