

# MIDAS - Bond Opportunities I - Acc

Monthly summary report | as at 31 August 2017

## 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	105.13
2017 year-to-date return as at 31 August 2017	4.68%

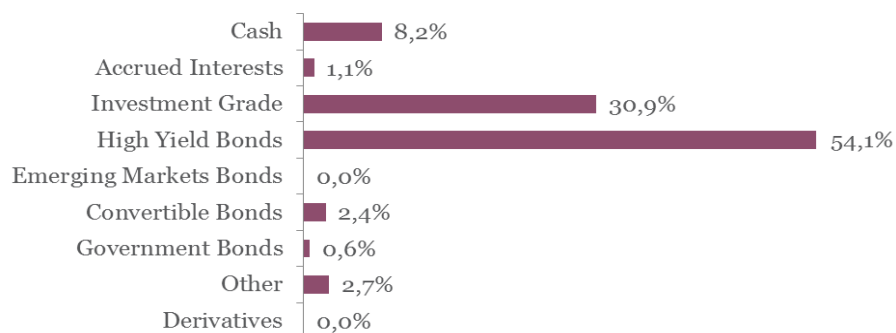
## Performance

	1M	3M	YTD	1Y
Midas Bond Opp.	0.29%	1.40%	4.68%	5.13%

## Fund key facts

Inception date	31 August 2016
ISIN code	LU1452411033
Asset class	Bonds in EUR
Total fund assets	€ 167 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	0.50%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

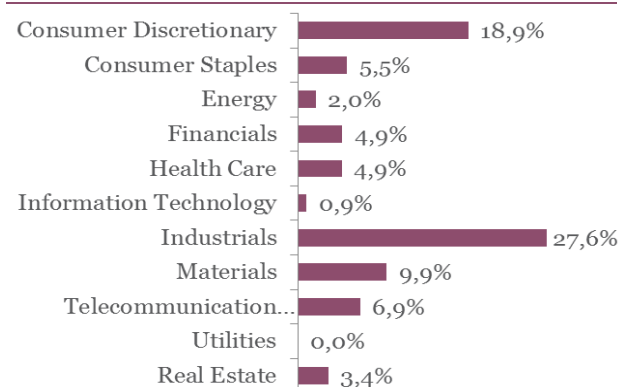
## Asset Allocation



## Top 10 bond holdings

	YTM	Rating	Weight
CELLNEX TELECOM : CLNXSM 2 7/8 04/18	2.1%	BBB-	2.5%
ITV PLC : ITVLN 2 1/8 09/21/22	1.0%	BBB-	2.5%
ILIAD : ILDFP 2 1/8 12/05/22	1.1%	NR	2.5%
ATF NETHERLANDS : ALATPF 2 1/8 03/13/	1.3%	BBB	2.5%
EUROFINS SCIEN : ERFFP 2 1/4 01/27/22	1.3%	NR	2.5%
BOLLORE SA : BOLFP 2 01/25/22	1.4%	NR	2.4%
BUREAU VERITAS : BVIFP 1 1/4 09/07/23	0.9%	NR	2.4%
BOMBARDIER INC : BBDBCN 6 1/8 05/15/2	3.2%	B-	2.0%
ALTICE LX : ATCNA 6 1/4 02/15/25	3.7%	B	2.0%
BISOHO SAS : SMCPPF 5 7/8 05/01/23	2.1%	B	1.9%

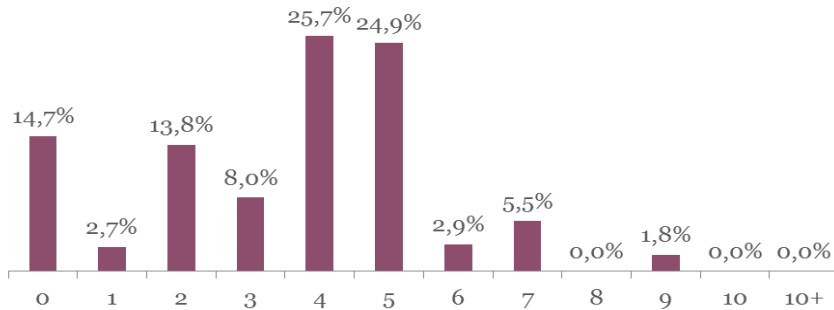
## Sector breakdown



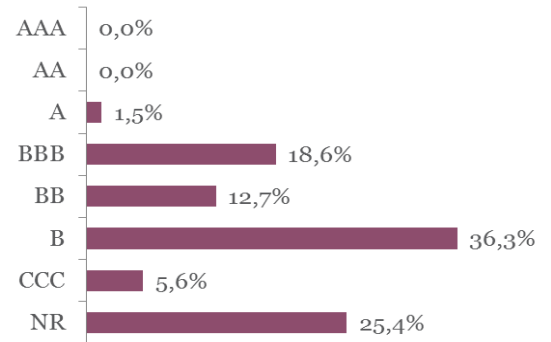
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## Duration breakdown



## Rating breakdown



## Top funds holdings

db X-Trackers II iTraxx Crossover 5-Year Short	Short Credit	2.7%
MM Convertible Europe	Convertible Bonds	2.4%

## Market Review

Anxiety surrounding the geopolitical risks reached a climax with the escalation of military tensions between the US and North Korea. It was rapidly followed by heightened political risks from the US as President Trump was forced to the disbandment of two of his key advisory councils after the much criticized comments around the protests in Charlottesville.

Financial Markets were not immune to this increased level of stress surrounding geopolitical and political risks. German Bunds played their role of safe haven assets and the 10Y yield fell from 0.54% to 0.36% during the month. Same path for the 10Y US Treasury which started the period at 2.30% and ended at 2.12%. The lack of any material comment by the main Central Bankers at the Jackson Hole Summit exacerbated this move. The risk aversion provoked a small widening of peripheral countries spreads. Corporate bonds resisted well and both iBoxx indices posted positive returns: +0.53% for the Investment Grade index and +0.25% for the High Yield.

## Portfolio Performance

In August, the fund rose 0.29%. The high yield portion of the portfolio performed in line with the market; its investment grade bucket benefited less from the fall in yields due to the average bond rating and a slightly lower duration. During the month, we increased the overall duration of the portfolio from 3.4 to 3.85 as we currently do not anticipate strong upward moves of the yield curve.

## Market Outlook

Global Macro environment calls for an investment strategy that favors risky assets. Nevertheless, Fixed-Income markets remain exposed to changing dynamics in geopolitics and to central bank actions. As long as inflation remains low and economic growth is steady, corporate bonds should continue to perform well (spreads should continue to tighten and the risk of rising yields seems to be moving away).

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