

# MIDAS - Bond Opportunities I - Acc

Monthly summary report | as at 31 August 2018

## 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	104,88
2018 year-to-date return as at 31 August 2018	-0,61%

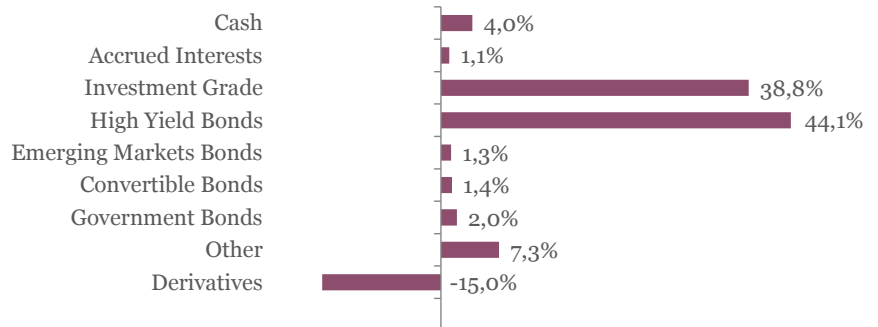
## Performance

	1M	3M	YTD	1Y	2017	SI
Midas Bond Opp.	0,33%	0,93%	-0,61%	-0,24%	5,07%	4,88%

## Fund key facts

Inception date	31 August 2016
ISIN code	LU1452411033
Asset class	Bonds in EUR
Total fund assets	€ 150 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

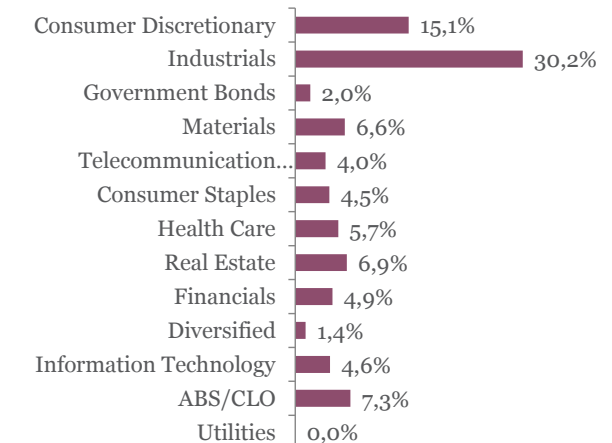


## Top 10 bond holdings

	YTM	Rating	Weight
ALTICE FRANCE : SFRFP 5 7/8 02/01/27	5,1%	B+	2,8%
PRYSMIAN SPA : PRYIM 2 1/2 04/11/22	1,8%	NR	2,0%
GLENCORE FINANCE : GLENLN 1 7/8 09/11/22	1,5%	BBB+	2,0%
BOLLORE SA : BOLFP 2 01/25/22	1,6%	NR	2,0%
SIXT SE : SIXT 1 1/2 02/21/24	1,3%	NR	2,0%
BENI STABILI : BNSIM 1 5/8 10/17/24	1,5%	BBB	2,0%
HELLENIC T-BILL : GTB 0 10/05/18	0,7%	NR	2,0%
JUBIL 2014-11X DR : JUBIL 2014-11X DR	1,6%	BBB	2,0%
WHIRLPOOL FIN : WHR 1 1/4 11/02/26	1,5%	BBB	2,0%
INGENICO GROUP : INGFP 1 5/8 09/13/24	1,9%	NR	2,0%

<sup>1</sup>Cash & Cash Equivalents

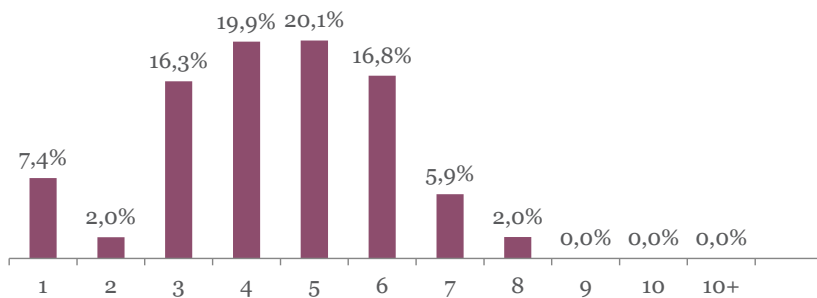
## Sector breakdown



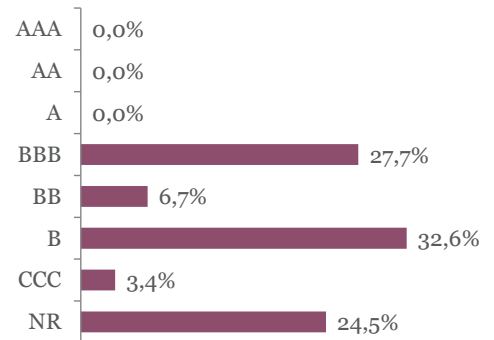
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## Duration breakdown



## Rating breakdown



## Top funds holdings

MM Convertible Europe	Convertible Bonds	1,4%
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## Market Review

Bond markets reacted to the resurgence of both the Italian risk, with concerns about the 2019 budget deficit, and Emerging Market risk, with the Turkish lira rout which spread globally, especially in LatAm.

In spite of the Bund rally (German 10Y rate went down by 12bp to 0.33% over the month), the iBoxx Eurozone Sovereigns Index lost 0.57% in August mainly due to the Italian spread widening. Indeed, the Italy 10Y yield spread compared to Germany jumped by 63bp to 291bp, the highest level since 2013.

On the credit side, the iBoxx € Corporates index increased by 0.08% compared to only 0.02% for the iBoxx € High Yield index. Credit spreads widened slightly, with an increase of 8bp on the European Main index and 19bp on the Cross-Over index, in line with the equity market drop (-3,7% on the Euro Stoxx 50).

## Portfolio Performance

The fund gained 0.33% in August. The performance was driven by the rebound of some high yield issuers (Norican, CMA CGM, Altice, Stada, Schenck) which offset the underperformance of some investment grade (BNP Paribas, Ferrovie dello Stato) and high yield (Refresco, Thomas Cook) names.

We maintained a balanced mix of investment grade and high yield bonds to keep a yield close to 3.3%, while limiting the credit risk. Moreover, we reduced the fund duration to 3.65 to hedge against the interest rate risk.

## Market Outlook

Supported by a resilient but maturing global economic environment and a good earnings season, we maintain a constructive stance towards risky assets, notably the high yield segment which still offer relatively attractive yields. Besides, as the central banks (Fed, ECB) edge towards tightening policies, we prefer sticking to the middle of the interest rate curve.

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