

# MIDAS - Bond Opportunities B - Acc

Monthly summary report | as at 31 January 2019

## Investment Objective

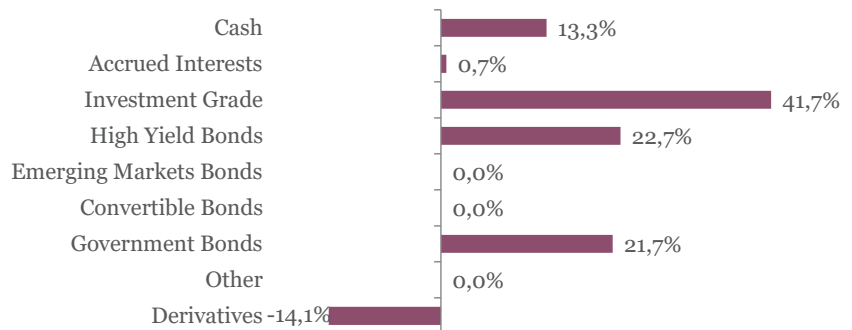
The fund seeks to achieve capital appreciation over the medium term by investing in a diversified portfolio of Euro-denominated fixed income securities (investment-grade corporate bonds, government bonds, high yield and emerging market debt as well as convertible bonds). The main focus is put on bottom-up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

Latest Update		Performance	1M	YTD	2018	2017	2016	3Y	5Y
NAV per share	125,85	Bond Opportunities B	0,85%	0,85%	-4,89%	4,87%	4,11%	6,47%	8,46%
2019 year-to-date return as at 31/01/2019	0,85%								

## Fund key facts

Inception date	17 September 2010
ISIN code	LU0541880133
Asset class	Bonds in EUR
Total fund assets	€ 111 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	0,75%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

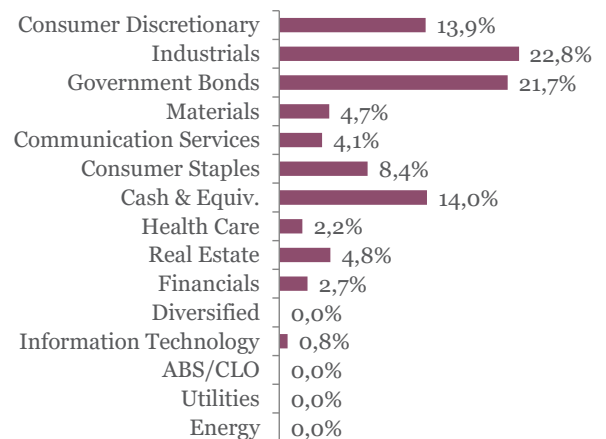
## Asset Allocation



## Top 10 bond holdings

	YTM	Rating	Weight
DEUTSCHLAND REP : DBR 0 1/4 08/15/28	0,1%	AAA	6,9%
NETHERLANDS GOVT : NETHER 0 3/4 07	0,3%	AAA	5,7%
BOTS : BOTS 0 05/31/19	-0,1%	BBB-	4,5%
HELLENIC T-BILL : GTB 0 04/05/19	0,7%	B	3,6%
EL CORTE INGLES : CRTING 3 03/15/24	2,4%	BB+	2,3%
ISS GLOBAL A/S : ISSDC 1 1/8 01/09/20	0,0%	BBB	2,3%
WHIRLPOOL CORP : WHR 0 5/8 03/12/20	0,2%	BBB	2,3%
DAIMLER AG : DAIGR 0 1/4 05/11/20	0,1%	A	2,3%
CIE DE ST GOBAIN : SGOF 0 03/27/20	0,1%	BBB	2,3%
AROUNDTOWN SA : ARNDTN 1 01/07/25	2,0%	BBB+	2,1%

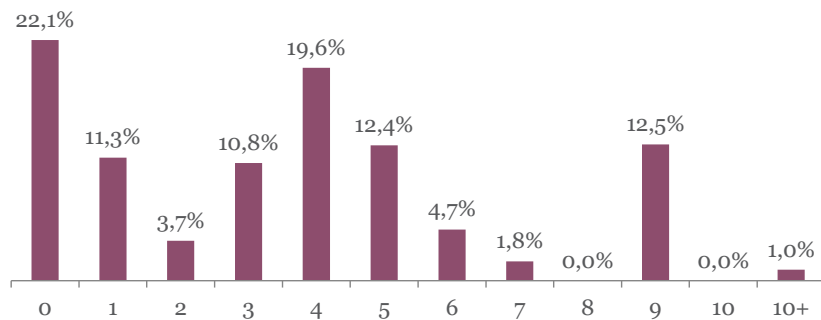
## Sector breakdown



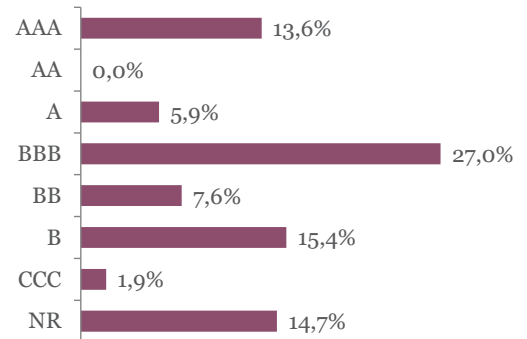
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## Duration breakdown



## Rating breakdown



## Top funds holdings

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## Market Review

Markets started 2019 on a positive note. On one hand, risky assets performed well with investors returning after the Q4 2018 selloff. They were supported by central banks (Fed, ECB) turning less hawkish due to the economic outlook deteriorating and subdued inflation. Driven by the equity rebound (Euro Stoxx 300 +6,3%), corporate bonds performed well (Bloomberg Barclays IG index +1.09% and HY index +2.14%) and spreads tightened broadly (IG -8 bps and HY -56 bps on these indices). Eurozone government spreads also narrowed for most countries (France -6 bps, Spain -13 bps, Italy -6 bps).

On the other hand, government bond yields dropped as the Global economic slowdown is taking shape (GDP deceleration in Europe and in China; drop in business and consumer confidence, even in the USA). The German 10Y yield decreased by 9 bps to 0.15%, its lowest level since 2016. The longer end of the yield curve flattened sharply (German 2-30Y -18 bps).

## Portfolio Performance

The fund gained 0.85% in January. High yield bonds (incl. Dufry, Selecta, Nidda, Spie) contributed the most as credit spreads tightened sharply, despite some underperforming names (Sarens, Atalian). Government bonds (Germany, Netherlands) gained as yields fell, while IG corporate bonds also benefited from spreads narrowing.

## Market Outlook

Despite the market bounce, we remain cautious for the coming months. Advanced indicators warn that economic activity should moderate and then put pressure on companies. As a result, we took advantage of the market rebound to reduce exposure to risky assets (IG corporates bonds; HY bonds, especially single B; CLOs). Instead, we reinforced short-term IG corporate bonds and we maintained our exposure to government bonds. We also participated in one of the first primary issuance of the year (Auchan 24) which offered an attractive yield pick-up (new issue premium of about 40 bps).

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\* Performance has been calculated since inception on the 17th of September 2010 of Expert Investor Sicav Midas Bond Opportunities Fund which merged into Midas Sicav Bond Opportunities Fund on the 1st of August 2016.