

# MWM SICAV - Bond Opportunities B - Acc

Monthly summary report | as at 30 September 2020



## Investment Objective

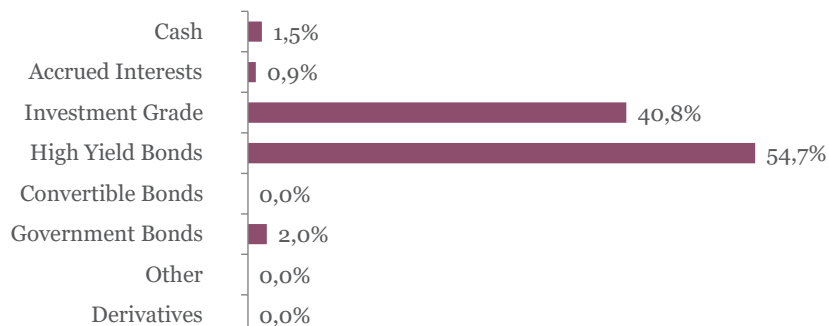
The fund seeks to achieve capital appreciation over the medium term by investing in a diversified portfolio of fixed income securities (investment-grade corporate bonds, government bonds, high yield and emerging market debt as well as convertible bonds). The main focus is put on bottom-up selection.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

Latest Update	Performance	1M	3M	YTD	2019	2018	2017	5Y	
NAV per share	Bond Opportunities B	129,33	0,04%	1,83%	-3,23%	7,09%	-4,89%	4,87%	8,99%
2020 year-to-date return as at end of September 2020		-3,23%							

## Fund key facts

Inception date	17 September 2010
ISIN code	LU0541880133
Asset class	Bonds in EUR
Total fund assets	€ 109 million
Base currency	EUR
Legal status	Luxembourg UCITS
Management Fee	0,78%
Custodian	Crédit Suisse Lux
Liquidity	Daily
Settlement Date	Trade Date + 2 Days

## Asset Allocation



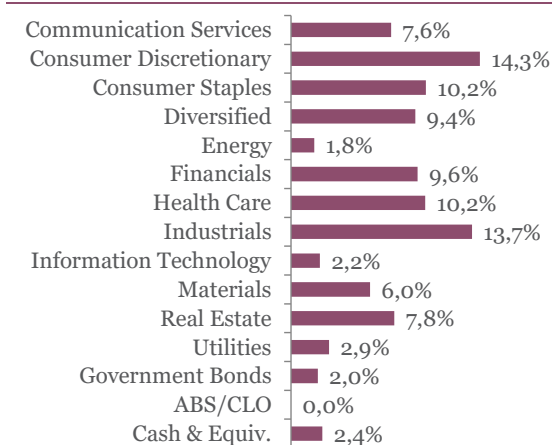
## Currency breakdown

	EUR	USD	JPY
Exposure	90,5%	4,7%	4,8%

## Top 10 bond holdings

	YTM	Rating	Weight
BANQ FED CRD MUT : BFCM 1 5/8 11/15/2	0,9%	BBB+	2,4%
SEB SA : SKFP 1 3/8 06/16/25	1,1%	NR	2,3%
ISS GLOBAL A/S : ISSDC 1 1/2 08/31/27	1,3%	BBB	2,3%
LVMH MOET HENNES : MCFP 0 1/8 02/11,	0,1%	A+	2,3%
WHIRLPOOL EMEA : WHR 0 1/2 02/20/2€	1,0%	BBB	2,2%
BTPS : BTPS 2 1/2 11/15/25	0,3%	BBB-	2,0%
GRAND CITY PROP : GYCGR 1 1/2 02/22/2	0,6%	BBB+	1,9%
AB INBEV SA/NV : ABIBB 1 1/8 07/01/27	0,3%	BBB+	1,9%
SIG COMBIBLOC PU : SIGCBL 2 1/8 06/18/	1,4%	BB	1,9%
SYNLAB BONDCO : LABFP Float 07/01/25	3,8%	B	1,8%

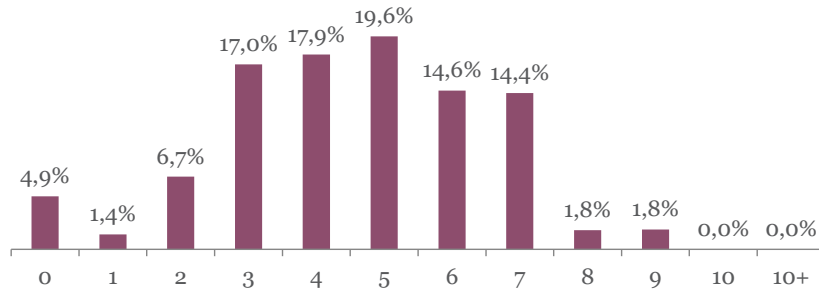
## Sector breakdown



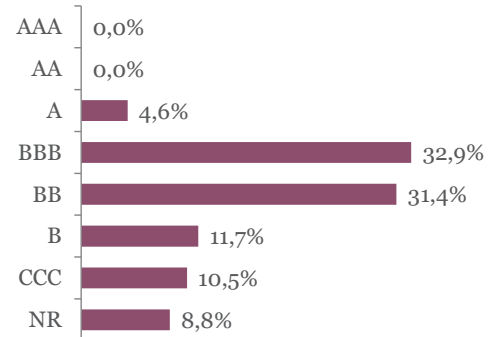
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## Duration breakdown



## Rating breakdown



## Top funds holdings

ISHARES EURO HY High Yield Bonds 9,4%

## Market Review

September was an interesting month for fixed income markets as it marked the first month since March that credit spreads did not grind in following the Covid-19 sell-off (IG +4 bps, HY +23 bps). It was due to the combination of economic indicators showing a slowing pace of recovery in Europe (Composite PMI -1.8 pt to 50.1 pts) alongside worrying rises in coronavirus case counts.

In this context, government bonds performed positively (Bund 10Y -13 bps to -0.52%) on central banks remaining supportive by standing ready to act further if necessary. The BoE also disclosed it was briefed on how negative rates could be implemented effectively. Italian bonds led peripheral outperformance (BTP 10Y spread -10 bps to 139 bps) after prime minister Conte's success in regional elections, constitutional referendum.

## Portfolio Performance

The fund gained 0.04% in August. Investment grade bonds performed positively thanks to the yield effect and bond selection (Whirlpool, Fedex, Terega, IFF, Ceetrus, Sanef, BTP). By contrast, high yield bonds declined as credit spreads widened. Casino, Burger King, Loxam, Altice, Spie and Iqvia declined the most. USD and JPY currencies both contributed positively after ECB members warned about the appreciation of the EUR which dampened the inflation outlook.

During the month, we introduced appealing primary bond issues: VMed-O2, Kion and Campari. We reduced Upfield and Fedex that became expensive following good performance. Finally, we reduced Altice after its owner announced a take-private plan.

## Market Outlook

We acknowledge the current situation remains challenging with global economies slowing down and the resurgence of coronavirus cases. Additionally, political uncertainties prevail around the US presidential election and the ongoing Brexit negotiations. However, unconventional fiscal and monetary actions are supporting the economic activity. Positive outcomes could also materialize with the Covid-19 vaccine development.

Consequently, we are constructive on corporate bonds, especially after the recent decline. We stay very selective on names by avoiding the ones most-impacted by the pandemic. We also keep a moderate duration as we don't expect any significant shift in interest rates following central banks' statements.

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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.