

# AURIS - Sélection Défensive Class R USD Hedged

FIXED INCOME FUND

REPORT  
MARCH 2018

## UCITS BONDS AND OTHERS MONEY MARKET INSTRUMENTS

ISIN Code	LU1599120604
Bloomberg	ASDUSD R LX
Launch Date	08/02/2017
Minimum investment	1 share
Subscriptions / Redemptions	Daily Cut off, 12.00 am Luxembourg Time
Euro Diversified Bonds (R Class rating)	<b>Quantalys</b> ★★★★★
Euro Conservative Allocation (R Class rating)	<b>MORNINGSTAR</b> ★★★★★
Reference Index	EONIA capitalised + 200 bp since 01/10/2015
Subscription Fees	2.0% max (maximum sales commission)
Management Fees (max)	1.40% (tx. incl.)
Redemption fees	None
Sources	Bloomberg
Fund Manager	Stéphane Chossat Alexandre Hezez
Custodian	CACEIS Bank Luxembourg
Statutory auditor	Deloitte & Associés
Legal status	UCITS IV - SICAV
Countries of distribution	France, Switzerland, Luxembourg, Spain
NAV / Assets	\$104.83 / €132M
Nb of holdings	Bonds : 47 Equities : 9
Net exposure	Bonds : 73.39% Equities : 2.88%

## OBJECTIVES

- The objective of the fund is to outperform its reference Index Eonia +200bp over a period exceeding 3 years keeping a limited level of risk (measured by the 3 years volatility).

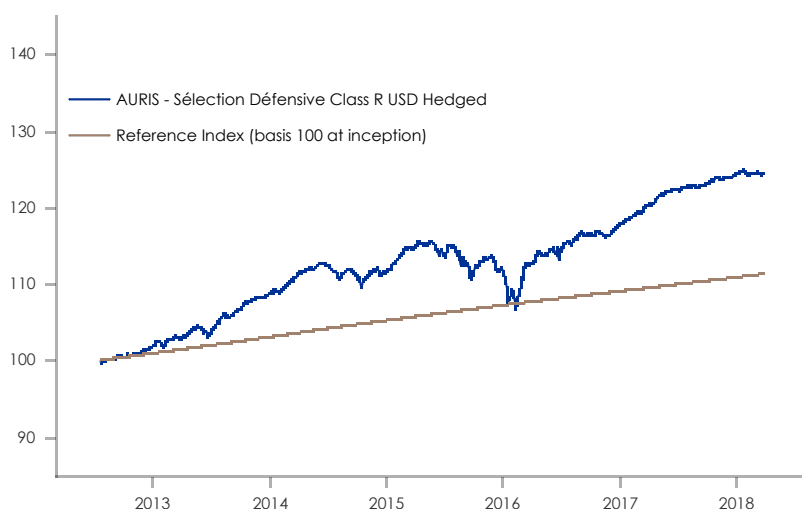
## PERFORMANCES

Monthly

YTD

The presented performances are compared with the fund's current benchmark

AURIS - Sélection Défensive Class R USD Hedged	-0.01%	0.09%
Reference Index	0.13%	0.41%



	Cumulative performance (%)				Annualized performance (%)		
	1 year	3 years	5 years	Since inception	3 years	5 years	Since inception
AURIS - Sélection Défensive Class R USD Hedged	3.48%	8.56%	20.96%	24.36%	2.78%	3.87%	3.90%
Reference index	1.67%	5.28%	9.72%	11.29%	1.73%	1.87%	1.90%

## KEY FIGURES / RISK

	AURIS - Sélection Défensive	Reference index
Volatility 3 years	3.15%	0.01%
Sharpe Ratio	0.62	0.10

## INTEREST RATE RISK OF THE FUND

	AURIS - Sélection Défensive
Average Maturity	2.19
Duration*	1.44
Sensitivity	1.15
Yield to Maturity	2.31%
Average rating	BB+

\* Excluding Floating Rates Non Dated Bonds

The fund is exposed to the following risks : risk of capital loss, discretionary management risk, interest rate risk, credit risk, convertible bonds-related risk, market shares, risk related to equity investments small cap. For the investors residing outside the Eurozone, the return may increase or decrease as a result of currency fluctuations.

Risk & reward profile 1 2 3 4 5 6 7

# AURIS - Sélection Défensive Class R USD Hedged

FIXED INCOME FUND

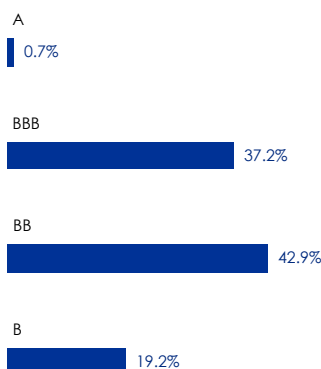
AURIS  
INVESTMENT MANAGERS

## HISTORICAL PERFORMANCE % (NET OF FEES)

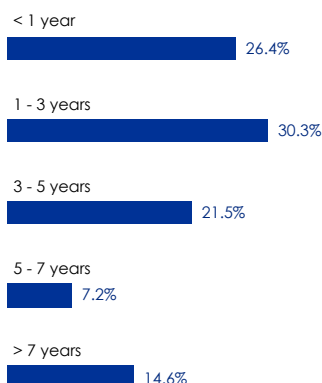
		jan.	feb.	mar.	apr.	may	june	july	aug.	sept.	oct.	nov.	dec.	Annual/YTD
2012	Funds							-0.26%	0.42%	0.14%	0.40%	0.35%	0.54%	1.60%
	Reference index							0.65%	1.28%	1.09%	1.10%	1.86%	0.94%	7.12%
2013	Funds	0.26%	0.90%	0.03%	0.97%	0.52%	-0.74%	1.51%	0.46%	0.86%	1.08%	0.57%	0.36%	6.97%
	Reference index	0.04%	0.19%	0.57%	2.87%	-0.47%	-2.08%	1.67%	-0.67%	1.50%	1.79%	0.28%	-0.53%	5.16%
2014	Funds	0.19%	1.02%	0.88%	0.74%	0.47%	0.10%	-0.78%	0.14%	-0.41%	-0.48%	0.98%	-0.25%	2.61%
	Reference index	1.52%	1.48%	0.85%	1.18%	0.98%	0.77%	0.15%	2.07%	0.32%	-0.41%	1.76%	0.48%	11.69%
2015	Funds	1.13%	1.42%	0.15%	0.51%	0.23%	-1.46%	1.13%	-1.23%	-2.32%	1.73%	0.77%	-1.50%	0.44%
	Reference index	2.97%	1.84%	1.47%	-1.17%	-1.17%	-2.76%	2.85%	-2.12%	0.59%	0.15%	0.16%	0.15%	2.80%
2016	Funds	-2.52%	0.26%	2.88%	1.20%	0.34%	-0.38%	1.46%	0.74%	-0.07%	0.40%	-0.40%	0.97%	4.89%
	Reference index	0.14%	0.15%	0.14%	0.13%	0.14%	0.14%	0.13%	0.15%	0.14%	0.14%	0.13%	0.13%	1.68%
2017	Funds	0.78%	0.67%	0.82%	0.76%	0.77%	0.13%	0.40%	-0.03%	0.24%	0.70%	-0.03%	0.40%	5.76%
	Reference index	0.14%	0.13%	0.14%	0.13%	0.15%	0.13%	0.14%	0.13%	0.14%	0.14%	0.14%	0.13%	1.65%
2018	Funds	0.29%	-0.19%	-0.01%										0.09%
	Reference index	0.15%	0.13%	0.13%										0.41%

Since 01/10/2015, the reference Index changed to EONIA + 200 bp. Since 02/11/2015, the strategy and the risk profile of the fund changed.

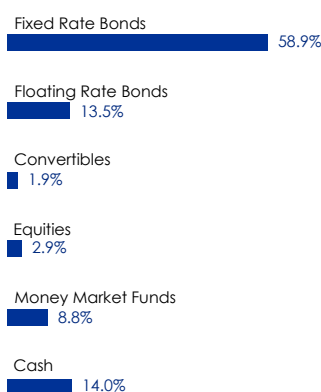
## RATING BREAKDOWN



## MATURITY BREAKDOWN



## TYPE OF ASSETS BREAKDOWN



## TOP HOLDINGS

GROUPAMA 7,875% PERP  
ENGIE 3,875% PERP  
ORANGE 4,25% PERP  
AXA TV PERP  
ENCE 5,375% 2022

## MANAGER'S COMMENTARY

March was marked by a sell-off in financial markets. One of the main explanation is uncertainty due to American trade policy and especially protectionism measures which can have an impact on the world economy. Besides, companies' annual results were certainly good but the absence of increase in 2018 guidance often led to profit takings as expectations and valuations were high.

Main central bankers' speeches were accommodating. Indeed, some ECB members showed some reserve concerning the end date of the Asset Purchase Programme (September). The Fed, chaired by its new president, raised its rates again as expected, and will wait before considering a new hike. These statements, combined with a rise in risk aversion and reduced inflation indices, led to a decrease in government bonds yields in the Eurozone (10-year OAT down from 0.92% to 0.72% and the Bund from 0.66% to 0.50%). The euro dollar parity was stable at 1.23, while oil price (brent) gained 7% to reach 70\$.

Credit market suffered in this difficult environment, in particular the high yield segment, as well as stock markets (Eurostoxx -2.2%).

In this unfavourable context, the fund **Auris Sélection Défensive** lost **0.01%** in March.

The fund continues to favour short maturities (especially in the high yield category) or specific securities (floating rate bonds, perpetual financials, hybrids). During the month, the bonds Telefonica 6.5% Perp and Nexans 2018 were redeemed. The cash received was used to initiate new positions (Telefonica 5% Perp, Dufry 2023). The market correction was considered insufficient to reinvest more and the cash remains at a high level (22% of assets).

The fund has a yield to maturity of 2.3% for a sensitivity which stays low at 1.15. The weighted average rating is still BB+, one-step below the Investment Grade category.

Equity exposure represents 3% of the portfolio (investments in Lagardère and Lisi, sell of Supersonic Imagine).

The fund maintains its conservative positioning, with 44% of assets (including cash) which has a maturity of less than one year. Indeed, in the current environment, duration risk appears sometimes poorly remunerated. Thorough bond picking and active management of positions are the fund's main assets to deliver a steady performance with low volatility.

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