

AURIS - Selection Defensive Class R EUR

FIXED INCOME FUND

REPORT
FEBRUARY 2018

UCITS BONDS AND OTHERS MONEY MARKET INSTRUMENTS

ISIN Code	LU1599120273
Bloomberg	AURSEDR LX
Launch Date	20/07/2012
Minimum investment	1 share
Subscriptions / Redemptions	Daily Cut off, 12.00 am Luxembourg Time
Euro Diversified Bonds (R Class rating)	Quantalys ★★★★★
Euro Conservative Allocation (R Class rating)	MORNINGSTAR ★★★★★
Reference Index	EONIA capitalised + 200 bp since 01/10/2015
Subscription Fees	2.0% (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	€121.40 / €132M
Nb of holdings	Bonds : 47 Equities : 7
Net exposure	Bonds : 75.34% Equities : 1.70%

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).

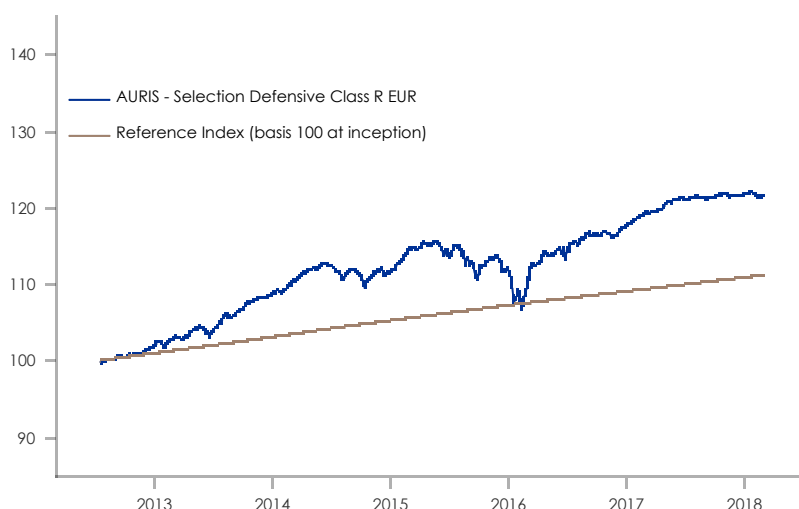
PERFORMANCES

Monthly

YTD

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

AURIS - Selection Defensive Class R EUR	-0.32%	-0.22%
Reference Index	0.13%	0.28%



	Cumulative performance (%)				Annualized performance (%)		
	1 year	3 years	5 years	Since inception	3 years	5 years	Since inception
AURIS - Selection Defensive Class R EUR	1.81%	6.14%	18.12%	21.40%	2.00%	3.38%	3.51%
Reference index	1.68%	5.32%	9.75%	11.14%	1.74%	1.88%	1.90%

KEY FIGURES / RISK

	AURIS - Selection Defensive	Reference index
Volatility 3 years	3.19%	0.01%
Sharpe Ratio	0.67	0.43

INTEREST RATE RISK OF THE FUND

	AURIS - Selection Defensive
Average Maturity	2.35
Duration*	1.60
Sensitivity	1.33
Yield to Maturity	2.35%
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 - Selection Defensive Class R EUR

FIXED INCOME FUND

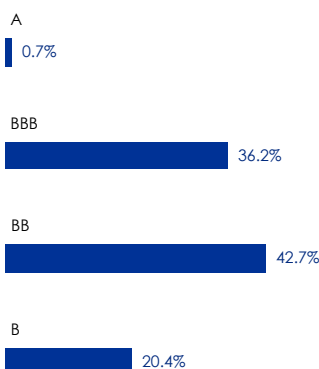
AURIS
INVESTMENT MANAGERS

HISTORICAL PERFORMANCE % (NET OF FEES)

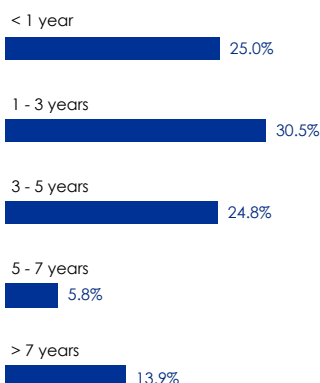
		jan.	feb.	mar.	apr.	may	june	july	aug.	sept.	oct.	nov.	dec.	Annual/YTD
2012	Funds							-0.26%	0.42%	0.14%	0.40%	0.35%	0.54%	1.60%
	Reference index							0.65%	1.28%	1.09%	1.10%	1.86%	0.94%	7.12%
2013	Funds	0.26%	0.90%	0.03%	0.97%	0.52%	-0.74%	1.51%	0.46%	0.86%	1.08%	0.57%	0.36%	6.97%
	Reference index	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%	0.70%	0.19%	0.67%	0.61%	0.01%	0.23%	-0.12%	0.14%	0.34%	-0.16%	0.12%	3.56%
	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	0.10%	-0.32%											-0.22%
	Reference index	0.15%	0.13%											0.28%

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.

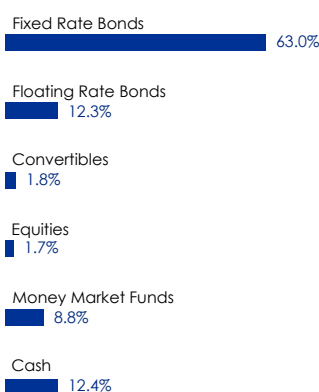
RATING BREAKDOWN



MATURITY BREAKDOWN



TYPE OF ASSETS BREAKDOWN



TOP HOLDINGS

GROUPAMA 7,875% PERP
ENGIE 3,875% PERP
TELEFONICA 6,5% PERP
ORANGE 4,25% PERP
AXA TV PERP

MANAGER'S COMMENTARY

In February, macroeconomic statistics confirmed the last months good trend: a sustained growth in the US and an acceleration of the recovery in the eurozone. The distinct hike in labour costs in the USA worried the market which then anticipated an acceleration of inflation. This led to an increase in the US long-term interest rates (+15bps at 2.86%) and brought the question of a possible change in the pace of the FED's interest rate hikes. This strong jump in interest rates caused a volatility spike which surprised many investors and led to a market sell-off. In Europe, inflation fears are less pronounced for now and long-term interest rates decreased a little during the month (10-year OAT at 0.92%) and are still at historical low levels. The dollar stabilized against the euro (€/€ at 1.22) while the oil price (brent) lost 5% to 66\$.

Credit market suffered from the comeback of risk aversion (Itraxx index at 52bps vs 44bps), especially for the high yield segment.

Stock markets fell as well (Eurostoxx: -3.9%) despite good annual results releases from companies because the strong outlooks published were sometimes already anticipated and fully priced.

In this backdrop, the fund **Auris Selection Defensive** was quite resilient and register a limited loss of **-0.32%** in February.

The fund continues to favour short maturities (especially in high yield) or specific securities (floating rate bonds, hybrids). During the month, the fund proceeded to some adjustments on the high yield segment (sale of Fiat 2018, strengthening of Picard TV 2023 and Novafives 2021). Exposure to legacy Tier 1 financial bonds has been reduced (trimmed position in BPCE 12.5% Perp and sale of Crédit Agricole 8.2% Perp) as the interest in these securities is now lower. Cash level is still historically high (21% of assets).

The fund has a yield to maturity of 2.3% for a sensitivity which stays low at 1.33. The weighted average rating is still BB+, one-step below the Investment Grade category.

Equity exposure is still very low at 1.7% of the portfolio (SQLI subscription rights were converted into stocks).

In the current environment where risk (credit and above all duration) looks sometimes poorly remunerated, the fund maintains its conservative positioning, with 41% of assets (including cash) which has a maturity of less than one year. The market correction observed this month was considered insufficient to reinvest more, in good conditions. Consequently, the fund keeps a defensive bias and will continue to build on thorough bond picking and active management of positions to deliver a steady performance associated with low volatility.

DISCLAIMER. This document is established by Auris Gestion, an asset management company incorporated in Paris under French law. It contains information, opinions and data which Auris Gestion believes to be pertinent and accurate as of the date of their production and taking into account the economic, financial and market environment. It is produced for the sole purpose of information and should not be considered as an offer for sale or a recommendation.

It does not constitute a convention or a commitment of whatsoever nature. This document is furnished without our knowledge of your risk profile, which shall be established upon a test of adequacy prior to any contractual commitment. Prior to any investment decision you should: (i) read carefully the Key Investor Information Document or the Prospectus established under the control of the supervisory authority (Autorité des Marchés Financiers « AMF ») and available upon request to Auris Gestion or any other distributors of the fund, (ii) enquire about the detailed rules of the fund, including its last available periodical disclosures established by the asset management company, Auris Gestion, (iii) consult your own legal and tax advisors to validate the suitability of a subscription in the fund with your own financial situation and objectives.

Taking into account economic and market's risks Auris Gestion cannot guarantee any objective of performance. The value of your investment can as well go up or down and past performances are not an indicator of future performances.

AURIS INVESTMENT MANAGERS is a trade name for the fund management activity of AURIS GESTION.

Additional Information for Switzerland : The prospectus and the Key Investor Information Documents for Switzerland, the fund contract, the annual and semi-annual report, in French, and further information can be obtained free of charge from the representative in Switzerland: Carnegie Fund Services S.A., 11, rue du Général-Dufour, CH-1204 Geneva, Switzerland, web: www.carnegie-fund-services.ch. The Swiss paying agent is: Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva. The last unit prices can be found on www.fundinfo.com. For the shares of the Funds distributed to non-qualified investors in and from Switzerland and for the shares of the Funds distributed to qualified investors in Switzerland, the place of performance is Geneva.