

AURIS - Sélection Défensive Class I EUR

FIXED INCOME FUND

REPORT
APRIL 2018

UCITS BONDS AND OTHERS MONEY MARKET INSTRUMENTS

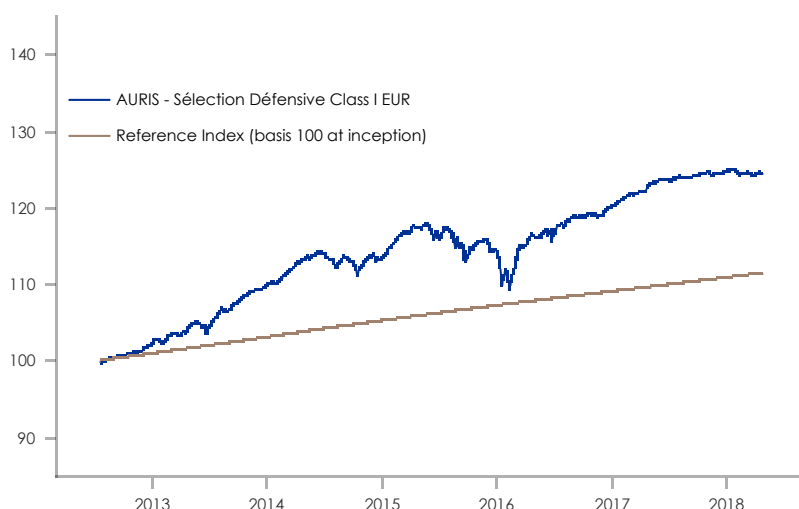
ISIN Code	LU1599120356
Bloomberg	AURSLD1 LX
Launch Date	01/10/2015
Minimum investment	1 share
Subscriptions / Redemptions	Daily Cut off, 12.00 am Luxembourg Time
Euro Diversified Bonds (R Class rating)	Quantalys ★★★★★
Euro Conservative Allocation (R Class rating)	MORNINGSTAR ★★★★★
Reference Index	EONIA capitalised + 200 bp since 01/10/2015
Subscription Fees	2.0% (maximum sales commission)
Management Fees (max)	0.70% (tx. incl.) + 15.00% (tx. incl.) of the outperformance above the Reference Index (if performance > 0)
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	€10,972.33 / €133M
Nb of holdings	Bonds : 48 Equities : 9
Net exposure	Bonds : 76.52% Equities : 3.52%

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 I EUR	0.13%	-0.17%
Reference Index	0.15%	0.56%



	Cumulative performance (%)				Annualized performance (%)		
	1 year	3 years	5 years	Since inception	3 years	5 years	Since inception
AURIS - Sélection Défensive Class I EUR	1.36%	6.05%	19.19%	24.38%	1.97%	3.57%	3.85%
Reference index	1.69%	5.27%	9.68%	11.45%	1.73%	1.86%	1.89%

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

KEY FIGURES / RISK

	AURIS - Sélection Défensive	Reference index
Volatility 3 years	3.04%	0.01%
Sharpe Ratio	0.76	0.10

INTEREST RATE RISK OF THE FUND

	AURIS - Sélection Défensive
Average Maturity	1.98
Duration*	1.32
Sensitivity	1.07
Yield to Maturity	2.06%
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.

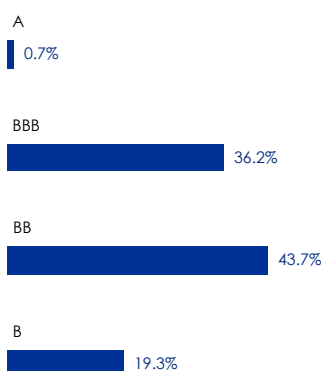
Risk & reward profile	1	2	3	4	5	6	7
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HISTORICAL PERFORMANCE % (NET OF FEES)

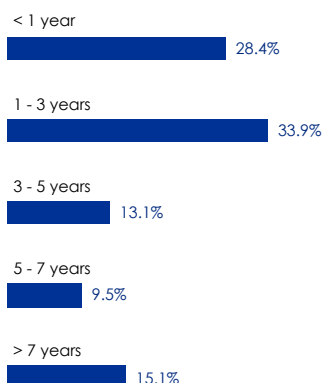
		jan.	feb.	mar.	apr.	may	june	july	aug.	sept.	oct.	nov.	dec.	Annual/YTD
2012	Funds							-0.24%	0.48%	0.19%	0.46%	0.40%	0.60%	1.91%
	Reference index							0.65%	1.28%	1.09%	1.10%	1.86%	0.94%	7.12%
2013	Funds	0.31%	0.96%	0.08%	1.03%	0.57%	-0.68%	1.56%	0.52%	0.92%	1.14%	0.61%	0.42%	7.68%
	Reference index	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	0.25%	1.07%	0.94%	0.79%	0.53%	0.15%	-0.73%	0.20%	-0.35%	-0.42%	1.03%	-0.19%	3.30%
	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	1.19%	1.47%	0.21%	0.56%	0.27%	-1.40%	1.18%	-1.18%	-2.27%	1.55%	0.73%	-1.20%	1.02%
	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	-2.46%	0.32%	2.63%	1.09%	0.36%	-0.24%	1.30%	0.71%	0.01%	0.41%	-0.28%	0.90%	4.76%
	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	0.73%	0.66%	0.24%	0.63%	0.60%	0.07%	0.27%	-0.04%	0.19%	0.35%	-0.09%	0.18%	3.86%
	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	0.17%	-0.26%	-0.20%	0.13%									-0.17%
	Reference index	0.15%	0.13%	0.13%	0.14%									0.55%

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.

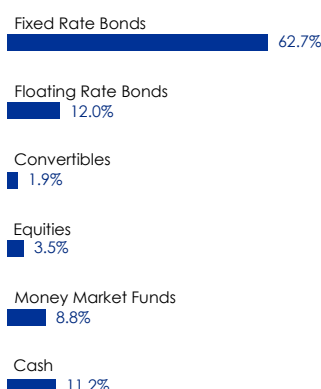
RATING BREAKDOWN



MATURITY BREAKDOWN



TYPE OF ASSETS BREAKDOWN



TOP HOLDINGS

GROUPAMA 7.875% 2039
ENGIE 3.875% PERP
ORANGE 4.25% PERP
AXA TV PERP
TEREOS 4.25% 2020

MANAGER'S COMMENTARY

In April, fears began to ease in financial markets. Indeed, while investors were focused on concerns around a trade war triggered by the US, the latter adopted a less rigid behaviour during the month and was more open to discussions with its trade partners. Moreover, macroeconomic indicators keep showing solid growth in the US, while Europe continues its recovery and growth in China remains strong as well. Finally, European companies' first quarter earnings releases were good overall even if some difficulties to pass on costs increases and adverse exchange rates effects were mentioned.

Central banks remain accommodating in their speeches showing their patience before proceeding to faster rate hikes. In this environment of strong economic growth (IMF revised upward its forecasts) and investors divesting safe havens, sovereign bond yields increased slightly in the Eurozone (the 10-year OAT moved from 0.72% to 0.79% and the Bund from 0.50% to 0.56%) and the 10-year US government bond is now trading at a yield close to 3%. The strong oil price increase (Brent +7% to 75\$ per barrel) also participated to a rise in inflation forecasts.

Credit market partially benefited from this improvement in the economic sentiment (the Itraxx index declined from 60 bps to 54bps), as well as equity markets (Eurostoxx +4.4%) supported by a favourable change in the €/€ parity (from 1.23 to 1.21).

The fund **Auris Sélection Défensive** registered a small gain of **0.13%** in April.

The fund continues to favour short maturities, especially in the high yield category, or specific securities like floating rate bonds and corporate hybrids. During the month, the fund increased its weight in corporate hybrid bonds by investing in the new issue La Poste 3.125% call 2026 and by strengthening its existing positions (Telefonica 5% and Arkema 4.75%, both with a call in 2020). In the high yield segment, cash received from the bonds redemption by Campofrio was partially used to initiate a new position in Areva 2019. Cash remains at a high level (20% of assets).

The fund has a yield to maturity of 2.1% for a sensitivity which stays low at 1.1. The weighted average rating is still BB+, still one-step below Investment Grade.

Equity exposure represents 3.5% of the portfolio (we added to our positions in Lisi and SQLI).

The fund maintains its conservative positioning, with 44% of assets (including cash) with a maturity of less than one year. Indeed, in the current environment, duration risk appears sometimes poorly remunerated and requires caution. The fund continues to build on thorough bond picking and active management of positions to deliver a steady performance associated with low volatility.

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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 units of the Funds distributed to non-qualified investors in and from Switzerland and for the units of the Funds distributed to qualified investors in Switzerland, the place of performance is Geneva.