

AURIS - Sélection Défensive Class R USD Hedged

FIXED INCOME FUND

REPORT
OCTOBER 2017

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)	Quantalys ★★★★★
Euro Conservative Allocation (R Class rating)	MORNINGSTAR ★★★★★
Reference Index	EONIA capitalised + 200 bp since 01/10/2015
Subscription Fees	2.0% max (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	\$104.35 / €120M
Nb of holdings	Bonds : 51 Equities : 9
Net exposure	Bonds : 79.67% 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

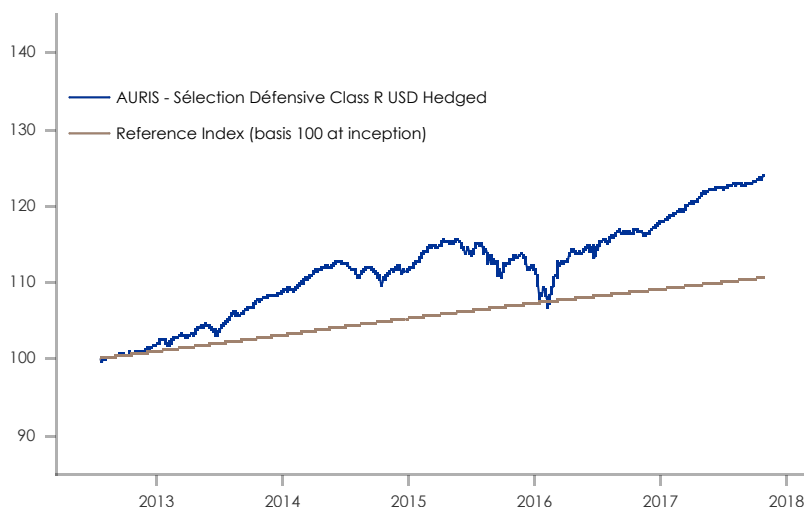
0.70%

5.36%

Reference Index

0.14%

1.39%



	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	5.96%	11.80%	22.93%	23.79%	3.79%	4.21%	4.12%
Reference index	1.67%	5.41%	9.88%	10.53%	1.77%	1.90%	1.91%

KEY FIGURES / RISK

	AURIS - Sélection Défensive	Indicateur de référence
Volatility 3 years	3.25%	0.01%
Sharpe Ratio		

INTEREST RATE RISK OF THE FUND

	AURIS - Sélection Défensive
Average Maturity	2.45
Duration*	2.08
Sensitivity	1.55
Yield to Maturity	1.89%
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

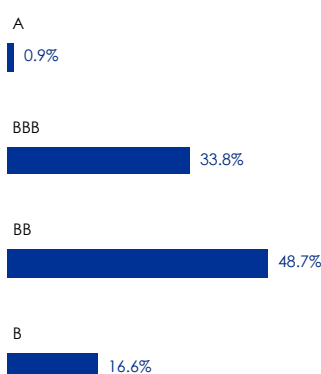
AURIS
INVESTMENT MANAGERS

HISTORICAL PERFORMANCE % (NET OF FEES)

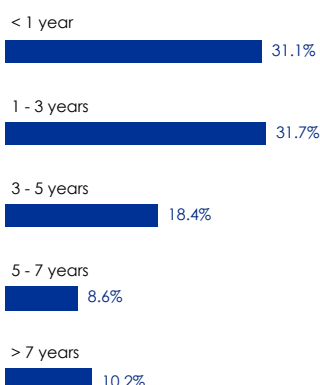
		jan.	feb.	mar.	apr.	may	june	july	aug.	sept.	oct.	nov.	dec.	Annual/YTD
2012	Funds							-0.26%	0.42%	0.14%	0.40%	0.35%	0.54%	1.60%
	Reference index							0.65%	1.28%	1.09%	1.10%	1.86%	0.94%	7.12%
2013	Funds	0.26%	0.90%	0.03%	0.97%	0.52%	-0.74%	1.51%	0.46%	0.86%	1.08%	0.57%	0.36%	6.97%
	Reference index	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%			5.36%
	Reference index	0.14%	0.13%	0.14%	0.13%	0.15%	0.13%	0.14%	0.14%	0.13%	0.14%			1.38%

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.

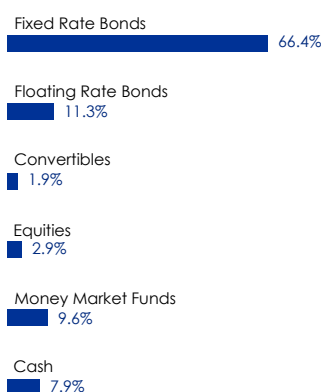
RATING BREAKDOWN



MATURITY BREAKDOWN



TYPE OF ASSETS BREAKDOWN



TOP HOLDINGS

GROUPAMA 7,875% PERP
ENGIE 3,875% PERP
TELEFONICA 6,5% PERP
AXA TV PERP
ENCE 5,375% 2022

MANAGER'S COMMENTARY

Economic statistics published last month reassured investors. Indicators show an acceleration in economic recovery in Europe and a stabilisation of growth at high levels in the USA and in China. For now, central banks' monetary policies remain quite accommodative. The ECB gave more details about its Asset Purchase Programme: the pace of monthly purchases will be cut from 2018 but the ECB specified that it could further extend the asset buying programme, increase its size, or both if the outlook for inflation in the eurozone deteriorated. This announcement led to a fall in sovereign bond yields in the euro zone (10-year OAT at 0,76% and Bund at 0,36%) which stay at historical low levels. Oil price (brent) gained 7% in the month to reach 61\$ per barrel in the anticipation of the prolongation of the OPEP agreement to reduce oil production. European companies' third quarter results were broadly good but had already been anticipated.

Credit market benefited from investors' risk appetite who were looking for yield following the ECB announcement (the Itraxx index went from 57 to 50 bps). European stock market also benefitted from this environment (Eurostoxx +2,3%). The fund Auris Sélection Défensive gained 0.70% in October thanks to the good performance of the high yield and corporate hybrid bonds in the portfolio.

The fund has maintained its conservative positioning in terms of duration and continues to prefer short maturities (especially in high yield) or specific securities (floating rate bonds, perpetual financials, hybrids).

During the month, the fund proceeded to some adjustments on the high yield segment and was active on Vallourec 2024 and on the newly issued 2022 bonds. Other high yield bonds whose yield appears now too low have been sold (Eramet 2024, Neopost 2021). Cash level is still high (18% of assets).

The fund has a yield to maturity of 1.9% for a sensitivity which has stayed low at 1.6. The weighted average rating is still BB+, one-step below the Investment Grade category.

Equity exposure has been reduced to less than 3% of the portfolio (sale of the holdings in Dassault Aviation and Seb).

In the current environment (low interest rates and yield spreads in the credit market), the fund keeps a cautious investment policy with more than 40% of the portfolio (including liquidity) which has a maturity inferior to 1 year.

This wait-and-see approach, combined with bond picking and an active management of the positions in the portfolio should allow to deliver a steady performance while minimizing the risk.

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.