



# AURIS - Sélection Défensive Class R USD Hedged

FIXED INCOME FUND

REPORT  
JANUARY 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)	
Euro Conservative Allocation (R Class rating)	
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	\$105.04 / €133M
Nb of holdings	Bonds : 48 Equities : 8
Net exposure	Bonds : 75.16% Equities : 1.49%

## 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).

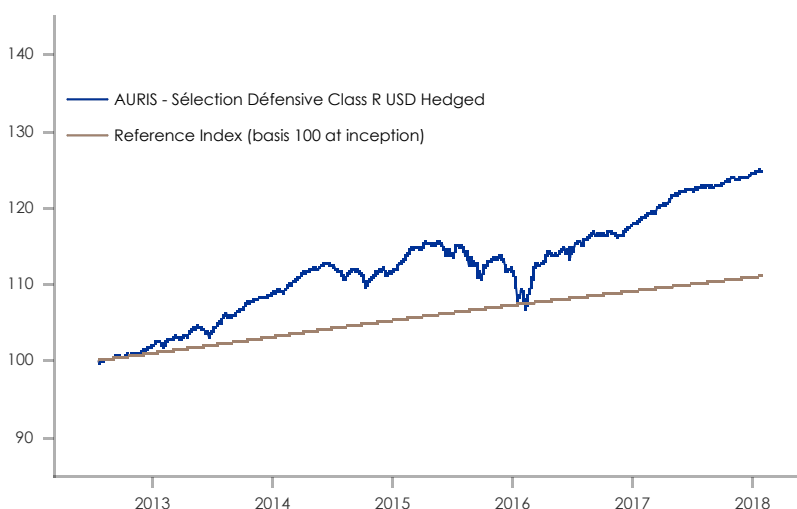
## PERFORMANCES

Monthly

YTD

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

AURIS - Sélection Défensive Class R USD Hedged	0.29%	0.29%
Reference Index	0.15%	0.15%



	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	5.24%	10.49%	22.33%	24.61%	3.37%	4.11%	4.05%
Reference index	1.68%	5.34%	9.78%	11.00%	1.75%	1.88%	1.90%

## KEY FIGURES / RISK

	AURIS - Sélection Défensive	Reference index
Volatility 3 years	3.20%	0.01%
Sharpe Ratio	0.81	0.43

## INTEREST RATE RISK OF THE FUND

	AURIS - Sélection Défensive
Average Maturity	2.34
Duration*	1.59
Sensitivity	1.33
Yield to Maturity	2.07%
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

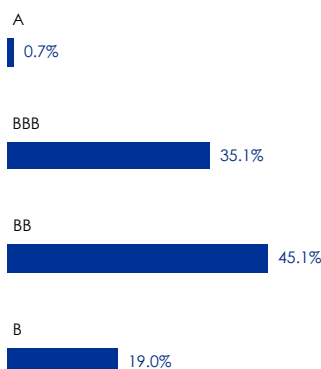
AURIS  
INVESTMENT MANAGERS

## HISTORICAL PERFORMANCE % (NET OF FEES)

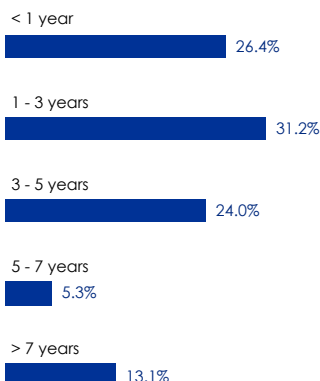
		jan.	feb.	mar.	apr.	may	june	july	aug.	sept.	oct.	nov.	dec.	Annual/YTD
2012	Funds							-0.26%	0.42%	0.14%	0.40%	0.35%	0.54%	1.60%
	Reference index							0.65%	1.28%	1.09%	1.10%	1.86%	0.94%	7.12%
2013	Funds	0.26%	0.90%	0.03%	0.97%	0.52%	-0.74%	1.51%	0.46%	0.86%	1.08%	0.57%	0.36%	6.97%
	Reference index	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%												0.29%
	Reference index	0.15%												0.15%

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.

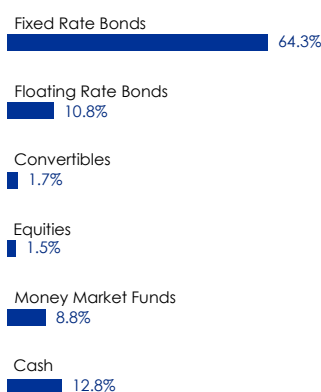
## RATING BREAKDOWN



## 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

In the beginning of 2018, European interest rates have continued their upward trend which began last month. Indeed, economic indicators published in the Euro zone show signs of a clear improvement which convey a diffuse economic recovery in the zone. Inflation indexes stayed reduced at this stage. However, some ECB members suggested in their speeches a reduction, even an exit, of the current asset purchase programme (quantitative easing) in place until September 2018. These elements led to a movement of convergence among the interest rates in the euro zone, with an increase in rates for countries considered as the most solids of the euro zone (10-year OAT and Bund increased by 18bps and 27bps at 0.97% and 0.70% respectively), while rates of countries regarded as less strong were stable. This rise in interest rates is observed in the United States as well, where growth is still strong and tensions relating to employment rate begin to come up. Euro continued to strengthen against US dollar and reached 1.25 (vs 1.20 at the end of 2017), just like oil price (+3% at 69\$ per barrel for the Brent). Credit market was stable during the month with spreads relatively low (Itraxx index at 44bps). Equity markets (Eurostoxx: +3.2%) benefitted from an improvement in the European companies' outlook.

The fund **Auris Sélection Défensive** gained **0.29%** in January.

The fund continues to favour short maturities (especially in high yield) or specific securities (floating rate bonds, perpetual financials, hybrids). During the month, the fund initiated positions in high yield (Picard TV 2023, Novafives 2021), while the bond Air France 6.25% was redeemed. Cash level is still historically high (21% of assets).

The fund has a yield to maturity of 2.0% 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 has been reduced to 1.5% of the portfolio following the sale of Carrefour and Zodiac stocks.

In the current environment where risk (credit and above all duration) looks sometimes poorly remunerated, the fund maintains its conservative positioning, with 43% of assets (including cash) which have a maturity of less than one year. A specific vigilance is given to the possible return of inflation, which could be the surprise guest of this year. Thorough bond picking, active management of positions and patience will be the main fund's features in order to continue to deliver a steady performance associated with low volatility

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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](http://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](http://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.