



# AURIS - Sélection Défensive Class R USD Hedged

FIXED INCOME FUND

REPORT  
DECEMBER 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)	
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	\$104.74 / €129M
Nb of holdings	Bonds : 46 Equities : 9
Net exposure	Bonds : 76.74% Equities : 3.01%

## 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

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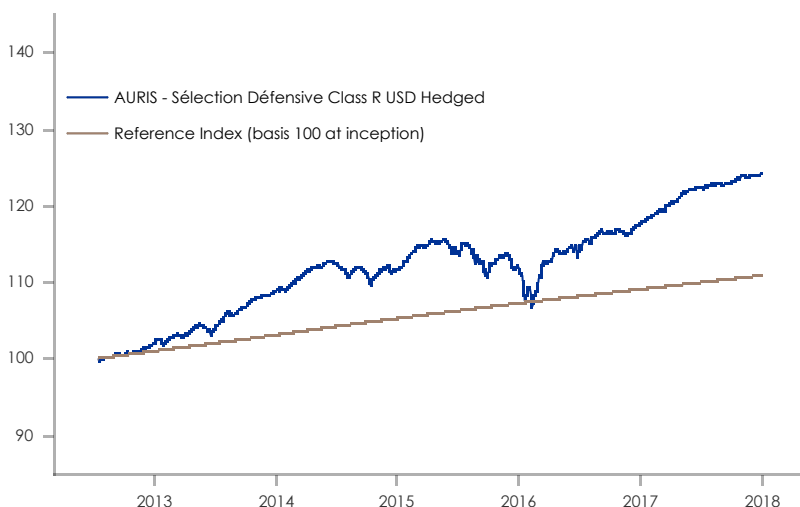
0.40%

5.76%

Reference Index

0.13%

1.67%



	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	5.76%	11.42%	22.30%	24.25%	3.67%	4.11%	4.07%
Reference index	1.67%	5.35%	9.81%	10.83%	1.76%	1.89%	1.91%

## KEY FIGURES / RISK

	AURIS - Sélection Défensive	Indicateur de référence
Volatility 3 years	3.23%	0.01%
Sharpe Ratio	0.97	0.81

## INTEREST RATE RISK OF THE FUND

	AURIS - Sélection Défensive
Average Maturity	2.32
Duration*	1.70
Sensitivity	1.45
Yield to Maturity	1.94%
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

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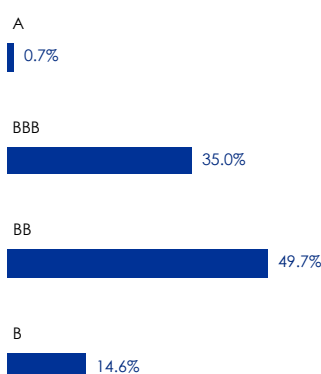
AURIS  
INVESTMENT MANAGERS

## HISTORICAL PERFORMANCE % (NET OF FEES)

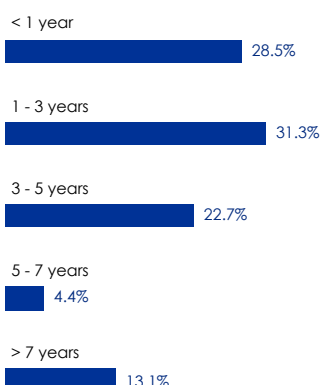
		jan.	feb.	mar.	apr.	may	june	july	aug.	sept.	oct.	nov.	dec.	Annual/YTD
2012	Funds							-0.26%	0.42%	0.14%	0.40%	0.35%	0.54%	1.60%
	Reference index							0.65%	1.28%	1.09%	1.10%	1.86%	0.94%	7.12%
2013	Funds	0.26%	0.90%	0.03%	0.97%	0.52%	-0.74%	1.51%	0.46%	0.86%	1.08%	0.57%	0.36%	6.97%
	Reference index	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%	0.14%	0.13%	0.14%	0.14%	0.13%	1.65%

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.

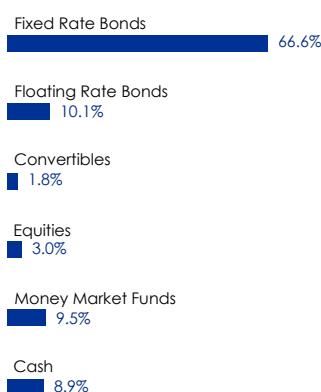
## RATING BREAKDOWN



## 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

Despite 2017 having been a favourable year, financial markets stepped back a little in December. With no significant microeconomic news, investors looked closely at macroeconomics ones. They were satisfying overall, with an acceleration in economic growth in the eurozone (and growth forecasts for 2018 revised upwards) and a stabilisation of American growth at a high level. Thus, the Fed could raise interest rates once again (for the third time this year) and foresees three additional hikes in 2018. For the ECB, some of the members began to mention an exit from the quantitative easing maybe as soon as the end of the current one (September 2018). This information and the implementation of the fiscal reform in the USA led to a slight increase in interest rates in the eurozone. They are still at historically low levels (10-year OAT at 0.79% and Bund at 0.43%) and slightly higher than they were at the beginning of the year. Oil gained 5% in December (+18% in 2017) to reached 67\$/barrel (brent). The euro-dollar parity, after having reached at the end of 2016 its lowest level since 2003 at 1.05, continued to strengthen to 1.20 benefiting from good growth forecasts in the eurozone, and therefore registered a 15% increase in the year.

Credit market was relatively stable during the month (the Itraxx index went from 48 to 45 bps). Equity markets stepped back a little this month (Eurostoxx -1.8% and +10.1% in the year).

The fund **Auris Sélection Défensive** gained **+0.40%** in December which brings the **annual performance to +5.76%**. The fund has maintained its conservative positioning and continued to prefer short maturities (especially in high yield) or specific securities (floating rate bonds, perpetual financials, hybrids). During the month, the fund hasn't made any major adjustments. Only existing positions have been strengthened (Loxam 2021, SPP Eustream 2020) as a result of some bonds redemptions (Picard TV 2019). 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 1.45. The weighted average rating is still BB+, one-step below the Investment Grade category.

Equity exposure has been maintained at 3% of the portfolio.

The fund keeps a cautious investment policy with more than 40% of the portfolio (including liquidity) which has a maturity inferior to 1 year, in a context where the reward for the risk taken (credit and especially duration) often appears very low. This approach, combined with an active management of the positions in the portfolio should allow to continue to deliver a steady performance with a limited volatility.

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

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