



AURIS SÉLECTION DÉFENSIVE Class R EUR AS OF 31/01/2019

Short term bonds

1. CHARACTERISTICS

| | |
|-----------------------------|--|
| 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 |



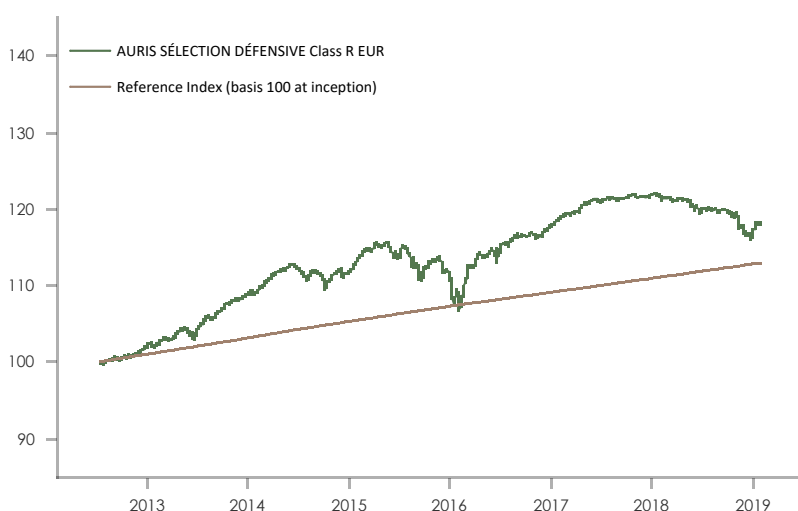
| | |
|---------------------------|--|
| Reference Index | EONIA capitalised + 200 bps since 01/10/2015 |
| Subscription Fees | 2.0% (maximum sales commission) |
| Management Fees (max) | 1.40% (tx. incl.) |
| Redemption fees | None |
| Sources | Bloomberg & internals |
| Fund Manager | Stéphane Chossat Alexandre Hezez |
| Custodian | CACEIS Bank Luxembourg |
| Statutory auditor | Deloitte & Associés |
| Legal status | UCITS IV - SICAV |
| Countries of distribution | France, Switzerland, Luxembourg, Spain |
| NAV / Assets | €118.00 / €101M |
| Nb of holdings | Bonds : 52 Equities : 14 |
| Net exposure | Bonds : 88.60% Equities : 8.40% |

2. INVESTMENT STRATEGY

- A credit fund that uses all European bond asset classes
- An approach to credit analysis based on a transversal view of issuers
- The possibility of investing in equities for a share of less than 10%
- An objective to outperform its benchmark: capitalized EONIA + 200 bp

3. PERFORMANCES

| | Monthly | YTD |
|---------------------------------------|---------|-------|
| AURIS SÉLECTION DÉFENSIVE Class R EUR | 1.11% | 1.11% |
| Reference Index | 0.14% | 0.14% |



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

| | Cumulative performance (%) | | | | Annualized performance (%) | | |
|---------------------------------------|----------------------------|---------|---------|-----------------|----------------------------|---------|-----------------|
| | 1 year | 3 years | 5 years | Since inception | 3 years | 5 years | Since inception |
| AURIS SÉLECTION DÉFENSIVE Class R EUR | -3.11% | 8.07% | 8.37% | 18.00% | 2.61% | 1.62% | 2.56% |
| Reference Index | 1.68% | 5.14% | 9.33% | 12.87% | 1.68% | 1.80% | 1.87% |

4. KEY FIGURES / RISK

| | AURIS SÉLECTION DÉFENSIVE | Reference Index |
|--------------------|---------------------------|-----------------|
| Volatility 3 years | 2.63% | 0.01% |
| Sharpe Ratio | 1.14 | |

INTEREST RATE RISK OF THE FUND

| | AURIS SÉLECTION DÉFENSIVE |
|--------------------|---------------------------|
| Average Maturity * | 2.00 |
| Duration * | 1.42 |
| Sensitivity * | 1.30 |
| Yield to Maturity | 2.94% |
| Average rating | BB+ |

* Excluding Perpetual Floating Rate Bonds

| | | | | | | | |
|-----------------------|---|---|---|---|---|---|---|
| Risk & reward profile | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|-----------------------|---|---|---|---|---|---|---|

The compartment 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.

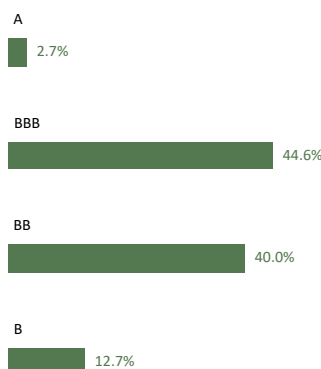
AURIS SÉLECTION DÉFENSIVE Class R EUR

HISTORICAL PERFORMANCE % (NET OF FEES)

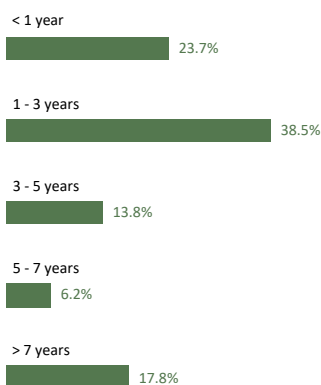
| | | jan. | feb. | mar. | apr. | may | june | july | aug. | sept. | oct. | nov. | dec. | Annual/YTD |
|------|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------|
| 2012 | Funds | | | | | | | -0.26% | 0.42% | 0.14% | 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% | 0.14% | 0.13% | 0.14% | 0.14% | 0.13% | 1.65% |
| 2018 | Funds | 0.10% | -0.32% | -0.26% | 0.06% | -0.66% | -0.67% | 0.43% | -0.50% | 0.24% | -0.56% | -1.30% | -0.70% | -4.08% |
| | Reference Index | 0.15% | 0.13% | 0.13% | 0.14% | 0.14% | 0.13% | 0.14% | 0.14% | 0.13% | 0.15% | 0.14% | 0.14% | 1.67% |
| 2019 | Funds | 1.11% | | | | | | | | | | | | 1.11% |
| | Reference Index | 0.14% | | | | | | | | | | | | 0.14% |

Since the 01/10/2015, the index reference is : EONIA + 200bps. The investment strategy as well as the risk profile of the fund performance has been modified the 02/11/2015.

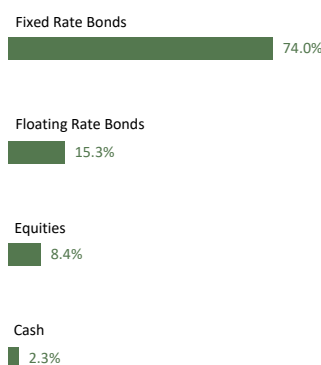
RATING BREAKDOWN



MATURITY BREAKDOWN



TYPE OF ASSETS BREAKDOWN



TOP HOLDINGS

GROUPAMA 7,875% PERP
 ORANGE 4,25% PERP
 COFINOGA TV PERP
 ARKEMA 4,75% PERP
 AXA TV PERP

5. MANAGER'S COMMENTARY

January will have marked a recovery in financial markets after the strong correction observed in the last quarter of 2018. The published macroeconomic news are contrasted: slowdown in China, stabilization of American growth at a high level, and signs of weakness in European growth. The China-US trade tensions continue to prevail even if an agreement seems inevitable considering the important stakes for each party. In Europe, the first bond issue of Italy and Spain went well, allowing a decrease in their 10-year rates (respectively -15bps to 2.59% and -22bps to 1.20%) while uncertainties remain on the modalities of the implementation of the Brexit in the absence of a British agreement. Regarding central banks, the tone has become less restrictive for the Fed, which was pragmatic and indicated that it wants to be patient before continuing its rate hikes, just as the ECB suggests, while the Chinese central bank cut the amount of reserves that banks are required to hold.

After its correction, the price of the oil barrel bounced back sharply (Brent: + 15% to \$62) after Saudi Arabia said it wishes to maintain the supply/demand balance.

As a result of slower global growth anticipations and less restrictive monetary policy, European government bonds yields declined (10-year OAT at 0.55% and Bund at 0.15%).

European equity markets are bouncing back by taking advantage of cheap valuations and a decrease in risk aversion (EuroStoxx index: +6.1%).

The credit market also benefits from a more buoyant context and from a decrease in its risk premiums (the Itraxx index went from 87 to 70bps).

In this more favourable environment, **the fund Auris Sélection Défensive gained 1.11%** in January supported by the start of the normalisation of the credit market and the contribution of its equity portfolio.

In terms of movements in the portfolio, some new positions in high yield have been initiated (Eramet 2020, Vallourec 2024) while some legacy tier 1, whose yield became less interesting, have been partially sold (BPCE 12.5%, Crédit Agricole 7.875%).

The yield to maturity of the bond portfolio reaches now 2.9%, for a still low sensitivity (at 1.3). The weighted average rating (BB+) remains one notch lower than the Investment Grade classification.

Equity exposure has been increased to 8.4% of the portfolio (new investment in Dassault Aviation, strengthening of Saint Gobain, sale of Gemalto and partial sale of Faurecia).

The cash level remains low at 2%.

Over the next few weeks, the fund should continue to take advantage of the normalisation of the credit market and the rerating of some previously overly sold bond positions (Casino, Vallourec).

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