

AURIS - Sélection Défensive Class R USD

Hedged

FIXED INCOME FUND

REPORT
AUGUST 2018

UCITS BONDS AND OTHERS MONEY MARKET INSTRUMENTS

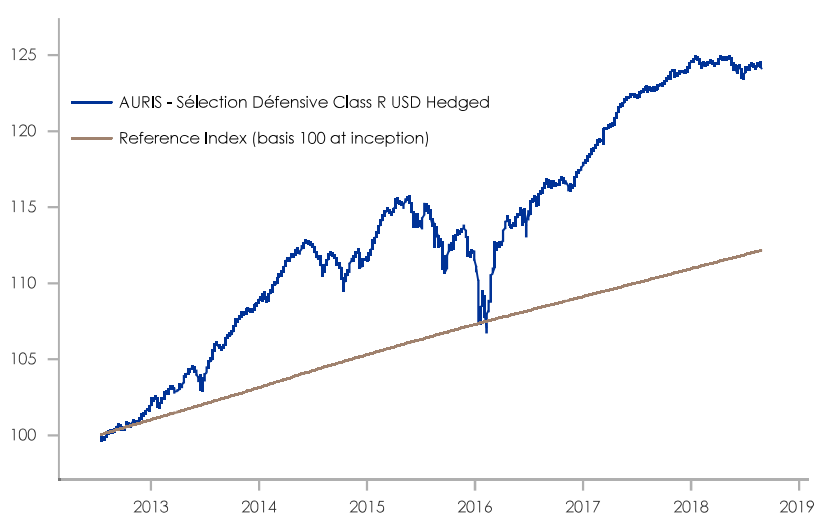
| | |
|---|---|
| ISIN Code | LU1599120604 |
| Bloomberg | ASDUSDRLX |
| Launch Date | 08/02/2017 |
| Minimum investment | 1 share |
| Subscriptions / Redemptions | Daily Cut off, 12.00 am Luxembourg Time |
| Euro Diversified Bonds (R Class rating) | Quantalys ★★★★★ |
| Euro Conservative Allocation (R Class rating) | MORNINGSTAR ★★★★★ |
| Reference Index | EONIA capitalised + 200 bp since 01/10/2015 |
| Subscription Fees | 2.0% max (maximum sales commission) |
| Management Fees (max) | 1.40% (tx. incl.) |
| 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 | \$104.51 / €116M |
| Nb of holdings | Bonds : 47 Equities : 9 |
| Net exposure | Bonds : 80.70% Equities : 3.14% |

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 | -0.27% | -0.22% |
| Reference Index | 0.14% | 1.12% |



| | 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 | 1.10% | 9.18% | 17.38% | 23.98% | 2.97% | 3.25% | 3.58% |
| Reference index | 1.68% | 5.20% | 9.53% | 12.08% | 1.70% | 1.84% | 1.88% |

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

KEY FIGURES / RISK

| | AURIS - Sélection Défensive | Reference index |
|--------------------|------------------------------------|-----------------|
| Volatility 3 years | 3.00% | 0.01% |
| Sharpe Ratio | 0.73 | 0.10 |

INTEREST RATE RISK OF THE FUND

| | AURIS - Sélection Défensive |
|-------------------|------------------------------------|
| Average Maturity | 2.44 |
| Duration* | 1.65 |
| Sensitivity | 1.44 |
| Yield to Maturity | 2.59% |
| 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

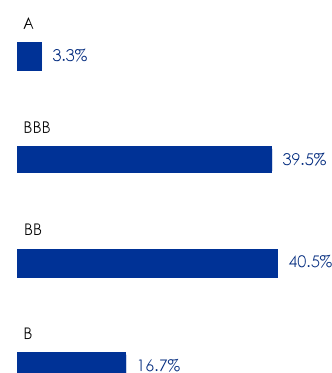
AURIS
INVESTMENT MANAGERS

HISTORICAL PERFORMANCE % (NET OF FEES)

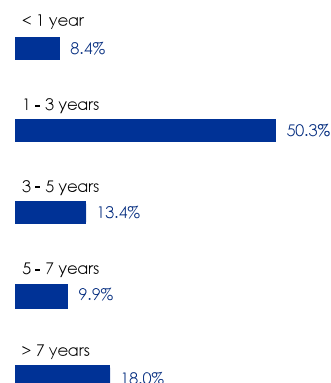
| | | jan. | feb. | mar. | apr. | may | june | july | aug. | sept. | oct. | nov. | dec. | Annual/YTD |
|------|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------|
| 2012 | Funds | | | | | | | -0.26% | 0.42% | 0.14% | 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% | 0.14% | 0.13% | 0.14% | 0.14% | 0.13% | 1.65% |
| 2018 | Funds | 0.29% | -0.19% | -0.01% | 0.27% | -0.46% | -0.47% | 0.62% | -0.27% | | | | | -0.22% |
| | Reference index | 0.15% | 0.13% | 0.13% | 0.14% | 0.14% | 0.13% | 0.14% | 0.14% | | | | | 1.11% |

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.

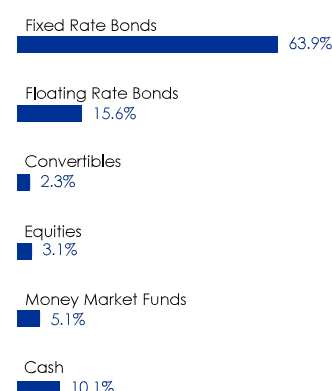
RATING BREAKDOWN



MATURITY BREAKDOWN



TYPE OF ASSETS BREAKDOWN



TOP HOLDINGS

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

MANAGER'S COMMENTARY

August was particularly difficult for financial markets, due to several factors. The first one is the persistence of trade tensions caused by the American president, which could weigh on world growth over time. The second is the sell-off in emerging markets, illustrated by the collapse in the Turkish lira by more than 25% during the month and by 40% in 2018. Finally, concerns in Europe about the Italian budget, accentuated by the catastrophe in Genoa, contributed to investors' mistrust as well. European governments' bonds reflected this cautious view, with a decrease in yields of the countries seen as the safest (the 10-year OAT lost 5bps at 0.68% and the Bund 12bps at 0.33%) while the Italian bond yield increased by 50bps at 3.24%, its highest level since the start of the year.

Oil gained 4% this month and reached \$77. The €//\$ remains stable at 1.16\$, close to its level of the second half 2017. European stock markets fell (Eurostoxx: -2.7%).

In this environment, the credit market suffered too and spreads increased (Itraxx Main index went from 61bps to 69bps), especially in the riskiest components (high yield and subordinated debts).

The fund Auris Sélection Défensive lost -0.27% in August. This loss is entirely explained by the fall of the perpetual bond Casino 4.87% (impact of -53bps) while the rest of the portfolio was resilient.

The group Casino/Rallye has been the subject of negative analysts' publications which highlighted the company's communication, its debt level and the Rallye refinancing risks. Despite Casino's press releases, bonds and equities of the two groups were massively shorted, for almost one third of the float.

No major movement has been made in the portfolio during the month.

The yield to maturity of the bond portfolio is 2.6% (2.2% excluding the perpetual bonds Aryzta and Casino), for a still low sensitivity (at 1.44). The weighted average rating (BB+) remains one notch lower than the Investment Grade classification.

Equity exposure remained stable at 3% of the asset (sale of Lisi).

In this difficult environment, the fund maintains its conservative positioning in terms of duration. Exposure to the high yield market remains selective. Despite negative and unpleasant fluctuations in the short term, the fund maintains its conviction management style based on bond picking, to deliver a consistent performance over the medium term.

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