

AURIS - Sélection Défensive Class R CHF

Hedged

FIXED INCOME FUND

REPORT
NOVEMBER 2018

UCITS BONDS AND OTHERS MONEY MARKET INSTRUMENTS

| | |
|---|---|
| ISIN Code | LU1599120430 |
| Bloomberg | ASDCHFR LX |
| Launch Date | 07/02/2017 |
| 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 | CHF98.29 / €109M |
| Nb of holdings | Bonds : 49 Equities : 12 |
| Net exposure | Bonds : 86.90% Equities : 5.61% |

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).

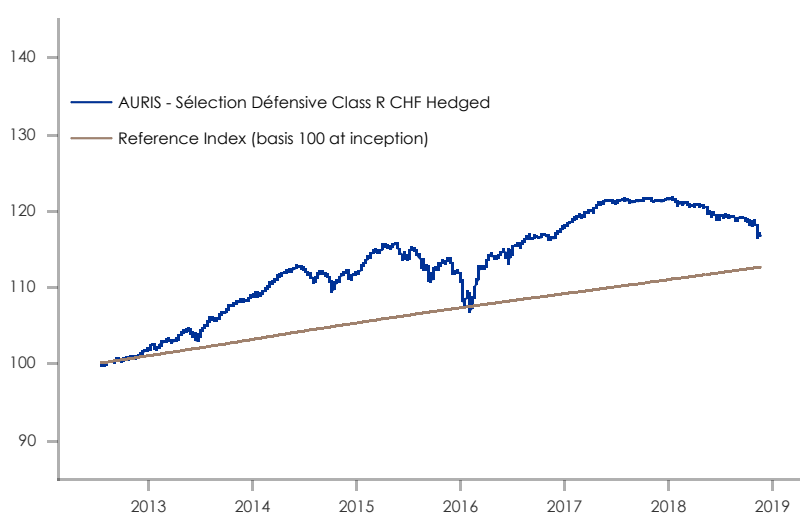
PERFORMANCES

Monthly

YTD

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

| | | |
|---|--------|--------|
| AURIS - Sélection Défensive Class R CHF Hedged | -1.35% | -3.84% |
| Reference Index | 0.14% | 1.55% |



| | Cumulative performance (%) | | | | Annualized performance (%) | | |
|---|----------------------------|---------|---------|-----------------|----------------------------|---------|-----------------|
| | 1 year | 3 years | 5 years | Since inception | 3 years | 5 years | Since inception |
| AURIS - Sélection Défensive Class R CHF Hedged | -3.82% | 2.54% | 7.68% | 16.60% | 0.84% | 1.49% | 2.44% |
| Reference index | 1.68% | 5.15% | 9.43% | 12.55% | 1.69% | 1.82% | 1.87% |

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

KEY FIGURES / RISK

| | AURIS - Sélection Défensive | Reference index |
|--------------------|------------------------------------|-----------------|
| Volatility 3 years | 2.91% | 0.01% |
| Sharpe Ratio | 0.61 | |

INTEREST RATE RISK OF THE FUND

| | AURIS - Sélection Défensive |
|-------------------|------------------------------------|
| Average Maturity | 2.03 |
| Duration* | 1.45 |
| Sensitivity | 1.30 |
| Yield to Maturity | 3.18% |
| 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 CHF Hedged

FIXED INCOME FUND

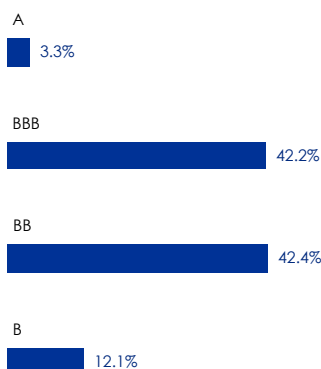
AURIS
INVESTMENT MANAGERS

HISTORICAL PERFORMANCE % (NET OF FEES)

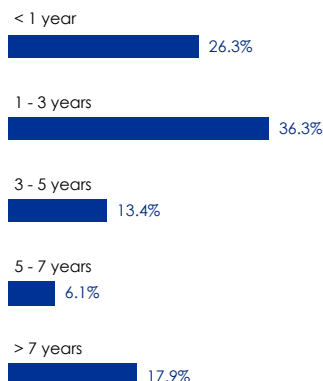
| | | jan. | feb. | mar. | apr. | may | june | july | aug. | sept. | oct. | nov. | dec. | Annual/YTD |
|------|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------|
| 2012 | Funds | | | | | | | -0.26% | 0.42% | 0.14% | 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% | 0.68% | 0.43% | 0.61% | 0.57% | -0.06% | 0.17% | -0.19% | 0.06% | 0.27% | -0.19% | 0.02% | 3.20% |
| | 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 | 0.07% | -0.35% | -0.31% | 0.03% | -0.70% | -0.71% | 0.39% | -0.54% | 0.19% | -0.60% | -1.35% | | -3.84% |
| | Reference index | 0.15% | 0.13% | 0.13% | 0.14% | 0.14% | 0.13% | 0.14% | 0.14% | 0.13% | 0.15% | 0.14% | | 1.53% |

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.

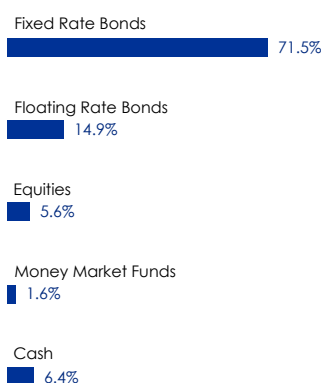
RATING BREAKDOWN



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

In November, there was no relief in financial markets which have continued to decline. Indeed, trade tensions between the United States and China remain strong with the consequences that this could have on global economic growth. In addition, the pace of Chinese economic growth remains a subject of concern. In Europe, the political risk remains high because of uncertainties about the implementation of the Brexit and the tense relation between Italy and the European Commission. This lack of visibility on the global economic growth, combined with an excess of supply in the oil market, caused a sharp correction (-22% in November) of the price of the barrel to a lower of two years (\$59 for the Brent). Central banks (both the Fed and the ECB) reiterate their willingness to normalise their monetary policies in a gradual manner.

Concerns about the economic growth robustness and increased caution towards riskiest assets caused a fall in sovereign bonds rates (10-year OAT and Bund -7bps at 0.68% and 0.31% respectively), Italy taking advantage of hopes about an agreement on its budget plan (the 10-year rate lost 21bps to 3.21%). The 10-year treasury yield decreased as well (-14bps) to 2.99%.

European equity markets decline again (EuroStoxx index: -1.2%).

The credit market (notably its high yield components or subordinated debts) suffered particularly (Itraxx index went from 74 to 81pbs) of this environment with risk aversion accentuated by a significant reduction in liquidity (book cuts of some counterparties as the year-end approaches).

The fund Auris Sélection Défensive lost 1.35% in November.

In particular, it was impacted by the sharp drop of Valloirec 2022 (-20%) after the publication of the third quarter results (high cash consumption reviving fears about its financial situation). The position was kept after re-studying the lines of credit available and other possible measures in case of necessity (capital increase, disposal of assets).

The weakness of the credit market has been the opportunity to use some of the cash to strengthen some holdings or invest in new securities among corporate hybrids (Solvay call 2019, Arkema call 2020), subordinated financial debts (BBVA 7% call 2019, Credit Agricole call 2019), or high yield bonds (Wienerberger 2020, Smurfit Kappa 2020). However, the position in Aryzta Perp was sold after its bounce back.

The yield to maturity of the bond portfolio is now 3.2%, for a still low sensitivity (at 1.3). The weighted average rating (BB+) remains one notch lower than the Investment Grade classification.

Equity exposure increased to 5.6% of the asset (new position in Faurecia and Manutan).

In the current environment, where liquidity is reduced and some corrections exaggerated, the fund will seek to take advantage of opportunities by continuing to be selective. For a medium-term horizon, the current situation, although difficult due to volatility, offers attractive revaluation potentials while maintaining a reduced sensitivity.

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 units of the Funds distributed to non-qualified investors in and from Switzerland and for the units of the Funds distributed to qualified investors in Switzerland, the place of performance is Geneva.