

# AURIS - Sélection Défensive Class I EUR

FIXED INCOME FUND

REPORT  
OCTOBER 2018

## UCITS BONDS AND OTHERS MONEY MARKET INSTRUMENTS

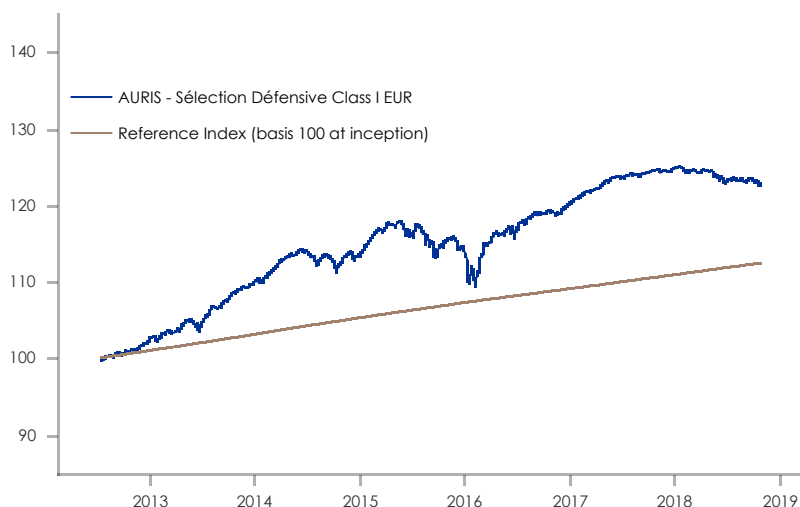
ISIN Code	LU1599120356
Bloomberg	AURSLDI LX
Launch Date	01/10/2015
Minimum investment	1 share
Subscriptions / Redemptions	Daily Cut off, 12.00 am Luxembourg Time
Euro Diversified Bonds (R Class rating)	<b>Quantalys</b> ★★★★★
Euro Conservative Allocation (R Class rating)	<b>MORNINGSTAR</b> ★★★★★
Reference Index	EONIA capitalised + 200 bp since 01/10/2015
Subscription Fees	2.0% (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	€10,824.29 / €112M
Nb of holdings	Bonds : 48 Equities : 10
Net exposure	Bonds : 81.90% Equities : 4.41%

## 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 I EUR	-0.49%	-1.52%
Reference Index	0.15%	1.39%



	Cumulative performance (%)				Annualized performance (%)		
	1 year	3 years	5 years	Since inception	3 years	5 years	Since inception
AURIS - Sélection Défensive Class I EUR	-1.44%	6.63%	12.97%	22.70%	2.16%	2.47%	3.31%
Reference index	1.68%	5.17%	9.46%	12.39%	1.69%	1.82%	1.88%

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

## KEY FIGURES / RISK

	AURIS - Sélection Défensive	Reference index
Volatility 3 years	2.73%	0.01%
Sharpe Ratio	0.82	

## INTEREST RATE RISK OF THE FUND

	AURIS - Sélection Défensive
Average Maturity	2.32
Duration*	1.62
Sensitivity	1.41
Yield to Maturity	2.82%
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.

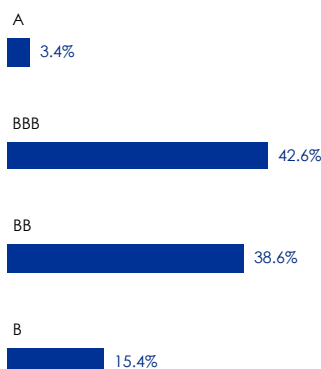
Risk & reward profile 1 2 3 4 5 6 7

## HISTORICAL PERFORMANCE % (NET OF FEES)

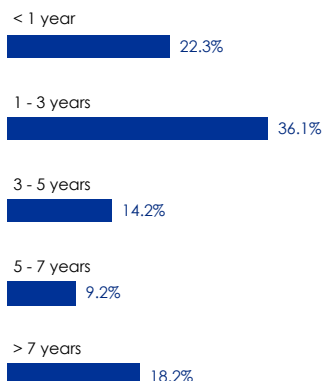
		jan.	feb.	mar.	apr.	may	june	july	aug.	sept.	oct.	nov.	dec.	Annual/YTD
2012	Funds							-0.24%	0.48%	0.19%	0.46%	0.40%	0.60%	1.91%
	Reference index							0.65%	1.28%	1.09%	1.10%	1.86%	0.94%	7.12%
2013	Funds	0.31%	0.96%	0.08%	1.03%	0.57%	-0.68%	1.56%	0.52%	0.92%	1.14%	0.61%	0.42%	7.68%
	Reference index	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	0.25%	1.07%	0.94%	0.79%	0.53%	0.15%	-0.73%	0.20%	-0.35%	-0.42%	1.03%	-0.19%	3.30%
	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	1.19%	1.47%	0.21%	0.56%	0.27%	-1.40%	1.18%	-1.18%	-2.27%	1.55%	0.73%	-1.20%	1.02%
	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	-2.46%	0.32%	2.63%	1.09%	0.36%	-0.24%	1.30%	0.71%	0.01%	0.41%	-0.28%	0.90%	4.76%
	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	0.73%	0.66%	0.24%	0.63%	0.60%	0.07%	0.27%	-0.04%	0.19%	0.35%	-0.09%	0.18%	3.86%
	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	0.17%	-0.26%	-0.20%	0.13%	-0.60%	-0.61%	0.49%	-0.44%	0.29%	-0.49%			-1.52%
	Reference index	0.15%	0.13%	0.13%	0.14%	0.14%	0.13%	0.14%	0.14%	0.13%	0.15%			1.39%

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.

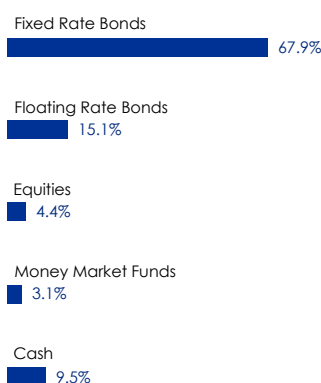
## RATING BREAKDOWN



## 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 October, financial markets saw a sharp correction, particularly among stock markets. Indeed, even if American growth is robust and creates jobs, investors are concerned about the consequences of trade tensions between the United States and China (materialized by the introduction of tariffs) which could have an impact on companies' profitability and global growth, as well as on the Chinese economy which shows signs of slowdown. In Europe, the situation in Italy is still uncertain, while the European Commission has rejected its budget plan. In addition, third-quarter results have sometimes been severely sanctioned, either because they were not strong enough to justify levels of valorisation or because of profit warnings, and this, in a variety of sectors. Oil price corrected as well (-9% this month for the Brent at \$75) after having reached its higher level in four years in September.

European government bonds yields have reflected this clear rise in risk aversion with a decrease in the strongest countries (10-year OAT -5bps to 0.75% and Bund -8bps to 0.39%), while Italian rates rose sharply at their highest of six months at 3.43%. The US rates increased as well (due to the expectation of the tightening of the monetary policy), to a higher from 2011 to 3.14%.

The fall in European equities was sharp (EuroStoxx index: -6.7%).

The credit market suffered also from this environment (the Itraxx index increased from 69 to 74bps), particularly on its risky components (high yield and financial subordinated debts).

**The fund Auris Sélection Défensive lost 0.49% in October**, mainly due to the fall of some bonds and to a lesser extent of its equity component.

During the month, the exchangeable bond Rallye/Casino was redeemed (exercise of the put 2018). A new position was initiated in Rallye 2019 after obtaining a new credit line in September, so as to secure its redemption.

The other important movements were the investment in Banque Postale 2020, the strengthening of Dufry 2023 and the cut in Picard TV 2023.

The yield to maturity of the bond portfolio is 2.8% (2.4% excluding the perpetual bonds Aryzta and Casino), for a still low sensitivity (at 1.41). The weighted average rating (BB+) remains one notch lower than the Investment Grade classification.

Equity exposure increased slightly to 4.4% of the asset (new position in BNP Paribas).

In the current environment, the fund maintains its conservative positioning in terms of duration. The fund continues to focus on high yield bonds with short maturities (and usually with a high coupon) and corporate hybrids with close early redemption dates. The yield to maturity of the portfolio offers an attractive carry for a limited duration, and the revaluation of some bonds (Aryzta, Casino), so far costly for the fund, remains possible.

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