



# A dynamic long-only bond management

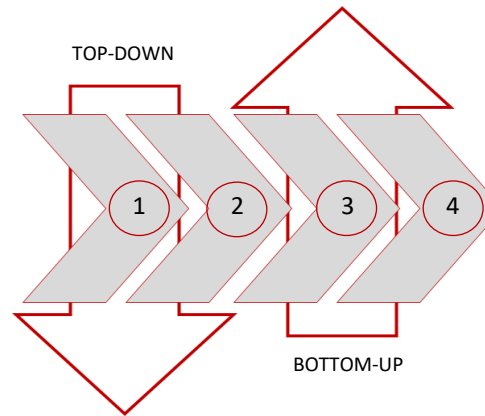
# ISATIS Flexible Bond

## Fund strategy

The fund objective is to participate in the development of international bond markets. The fund may invest in developed and emerging markets, including in local currencies. The management style is pragmatic with high convictions, with regional, segment or sector bias. The fund may invest in government bonds, investment grade or high-yield rated debts. The fund may have up to 20% out of its reference currency on developed markets and 10% on emerging ones. The performance objective is to outperform global bonds over the long term.

The diversification across the sub-segments make sense and can add substantial value. Correlations over the long term are variable and a source of stress or stability and are constantly moving.

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EUR HY +13.5%	EM Sov +12.6%	EUR HY +13.2%	US Tsy +9.1%	US Tsy +14.2%	EUR HY +79.6%	EM Corp +14.1%	US Tsy +10%	EUR IG +33.4%	EUR HY +9.9%	EU Govt +13.1%	EU Govt +2%	USD HY +15.3%
EM Sov +11.9%	EM Corp +10.4%	EM Sov +10.5%	US TIPS +7.1%	EU Govt +9.3%	EM Corp +50.8%	EUR HY +13.4%	USD IG +9.1%	EUR Fin Sub +32.6%	EUR Fin Sub +9.2%	EUR Fin Sub +12.1%	EUR Fin Sub +1.6%	EUR Fin Sub +13.6%
USD HY +10.1%	EUR Fin Sub +5.7%	USD HY +7.9%	EM Sov +6%	USD IG +1%	USD HY +44.5%	USD HY +12.6%	EM Sov +8.7%	EUR HY +27.3%	EUR IG +7.1%	EUR IG +9.5%	EM Sov +1.5%	EM Corp +10.7%
EUR IG +9.7%	EUR IG +5.4%	EM Corp +6.8%	USD IG +4%	US TIPS +4.2%	EUR Fin Sub +42.3%	EM Local +12.6%	US TIPS +8.5%	EM Sov +18%	USD HY +5.9%	USD IG +8.7%	EUR IG +1.3%	EM Sov +9.3%
EUR Fin Sub +8.8%	EU Govt +5.3%	USD IG +4%	USD HY +2.4%	EM Sov +11.7%	EM Sov +29.6%	EM Sov +12.3%	USD HY +5.9%	EM Corp +17.6%	EU Govt +2.4%	EM Sov +7.2%	US Tsy +0.9%	EUR HY +9.2%
EU Govt +7.6%	EUR HY +4.9%	US Tsy +3.1%	EM Corp +1.8%	EUR IG +17.5%	EUR IG +24.6%	EUR Fin Sub +11.9%	EU Govt +1.5%	EM Local +15.1%	EM Corp +1.8%	EUR HY +6.5%	EUR HY +0.2%	USD IG +6.4%
USD IG +5.7%	US Tsy +2.7%	EUR IG +0.2%	EU Govt +1.8%	EM Corp +22.3%	EM Local +17.1%	USD IG +9.4%	EM Corp +1.5%	USD HY +14.1%	USD IG +2.4%	US Tsy +6.2%	EM Corp +0.3%	EM Local +5.9%
US TIPS +4%	USD HY +2.1%	EUR Fin Sub +0.2%	EUR IG +2%	USD HY +23.9%	USD IG +12.8%	US Tsy +6%	EM Local +0.3%	USD IG +11.8%	US Tsy +3.4%	EM Corp +3.9%	USD IG +0.7%	EUR IG +5.3%
US Tsy +3.5%	USD IG +0.8%	EU Govt +0.3%	EUR HY +2.3%	EUR HY +31.6%	US TIPS +4.7%	EUR IG +5.6%	EUR Fin Sub +0.9%	EU Govt +11.7%	EM Local +4.3%	USD HY +2.1%	US TIPS +2.1%	US TIPS +3.2%
EM Corp +7%	US TIPS +2.8%	US TIPS +3.9%	EUR Fin Sub +5.6%	EUR Fin Sub +40.6%	EU Govt +4.4%	US TIPS +3.5%	EUR HY +2.7%	US TIPS +4%	EM Sov +6%	US TIPS +1.9%	USD HY +5%	EU Govt +3.1%
					US Tsy +3.8%	EU Govt +1.1%	EUR IG +8.7%	US Tsy +2.1%	US TIPS +1.9%	EM Local +1.9%	EM Local +10.4%	US Tsy +1.1%



## Investment process

1. Macroeconomic scenario, growth, inflation, monetary policies
2. Geographic, sectorial allocation and valuation
3. Technical indicators, positioning, flows and technical analysis
4. Issuers and issues picking (relative value)

## Performance drivers

~ Carry : over the long run, "time is your friend" on the bond market.

~ Strategic allocation: Long-term trend are an essential performance driver.

~ Tactical allocation: markets are not linear.

~ Coupled with opportunistic, contrarian and hedging strategies.

