



ISATIS Flexible Bond

A dynamic long-only bond management

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.

- AuM : EUR 32.4 million
- NAV EUR: 10'638.85
- NAV CHF: 10'464.56
- NAV USD: 11'592.27
- Management company: Fuchs Asset Management SA
- Asset Manager: Fuchs & Associés Finance SA
- Advisor: Heravest SA

Minimum investment
100'000 EUR/USD/CHF

Launch date
24.06.2015 (transferred into ISATIS on 11.07.2017)

Daily NAV

Management fees
0.6%

Performance fees
10% above 1-month Euribor (HWM)

Share classes
I - EUR : LU1560706704
I - CHF : LU1560707009
I - USD : LU1560706886

Fund ratio

Yield to worst 1.57%
Average maturity 5.4a
Average duration 3.8
Average spread 102bp
Rating A
holdings 45

Split by ratings

AAA 33.9%
AA 8.4%
A 5.1%
BBB 33.4%
BB 14.7%
B 1.6%

Top 5

T2.275 2028 5.7%
T2.25 2027 5.2%
TI10.125 2024 5.2%
TI10.375 2027 4.5%
TI10.75 2028 4.5%

Comments

A rollercoaster month on bond markets... once again.

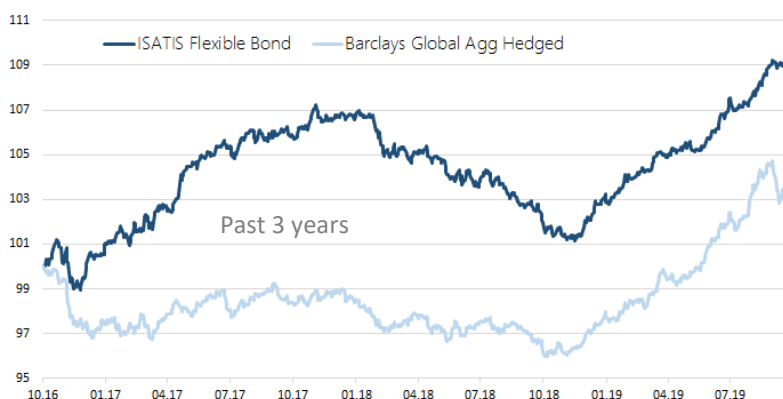
The global macroeconomic and political backdrop weakened further at summer-end. The outlook for underlying inflation pressures continues to look muted. Major central banks have limited ammunition left. But the ECB decided to lower interest rates and to restart its QE program. The Fed has once again cut interest rates by 25 bps. The SNB has reasonably preferred to stay on hold. In China, the central bank has cut the reserve requirement for banks and allowed local governments to borrow more. All central banks have called for substantial political adjustments. The Fed remain the only one to have substantial room of maneuver. On the fiscal side, the structural decline in global yields means the fiscal space is bigger than it appears at first, allowing room to act if a recession materialized. Another cut by the Fed is already priced in for October.

After having rise in the first days of the month, long-end yields have declined again to end the month unchanged. The US yield curve (spread between the 10-year and 2-year yields) have steep-ened and is back in positive territory. Market-based inflation expectations, in particular in Europe, have continued to decline further and are now at record lows.

In this context, the USD has outperformed most of its peers given the lack of alternative to USD-denominated bonds. Downgrades have outpaced upgrades and default rates are on the rise, even if in a narrow range. Investment Grade and High Yield spreads, in Europe and the US, are still mov-ing in convert and their spreads have slightly widened. Given their valuations, Emerging currencies and local bonds still represent a source of performance and diversification.

In August, the fund was up by 0.10%, bringing the year-to-date performance to 5.98% in EUR terms. The Barclays Global Aggregate hedged in EUR is up by 6.3% in 2019.

EUR share class performance (net)



	Jan	Fev	Mar	Avr	Mai	Jun	Juil	Aout	Sept	Oct	Nov	Dec	YtD
2015	-	-	-	-	-	-1.0%	0.0%	-1.5%	-3.2%	2.1%	1.2%	-2.0%	-4.4%
ISATIS Flexibel Bond	-1.7%	-1.2%	2.3%	1.3%	-0.2%	-0.7%	1.6%	1.1%	-0.8%	1.2%	-1.6%	1.2%	2.6%
Global Aggregate	1.4%	0.9%	0.7%	0.1%	0.3%	1.8%	0.5%	-0.2%	-0.1%	-1.1%	-1.8%	0.1%	2.4%
2017	0.8%	0.3%	1.0%	1.5%	0.7%	0.3%	0.6%	0.0%	-0.1%	0.8%	-0.2%	0.3%	6.2%
ISATIS Flexibel Bond	-0.5%	0.8%	-0.2%	0.5%	0.4%	-0.4%	0.2%	0.7%	-0.6%	0.3%	0.0%	0.0%	1.1%
Global Aggregate	-0.3%	-1.1%	-0.1%	-0.2%	-0.8%	-0.4%	0.4%	-1.2%	-0.2%	-1.1%	0.0%	1.4%	-3.6%
2018	-0.9%	-0.4%	0.6%	-0.6%	0.1%	-0.1%	-0.2%	0.1%	-0.6%	-0.4%	0.2%	1.1%	-1.1%
ISATIS Flexibel Bond	0.8%	0.2%	0.7%	0.5%	0.2%	1.1%	0.5%	1.5%	0.1%				6.0%
Global Aggregate	0.8%	-0.1%	1.6%	-0.2%	1.2%	1.1%	0.5%	2.0%	-0.7%				6.3%

Before July 11th 2017 incorporated in the IGNI SICAV (shaded area) —Incorporated into the ISATIS SICAV as of July 11th 2017.

Reference index:

Before December 31st, 2015, « absolute return » approach without benchmark. Since December 31st, 2015, high conviction relative management, benchmark Barclays Global Aggregate hedged in EUR.

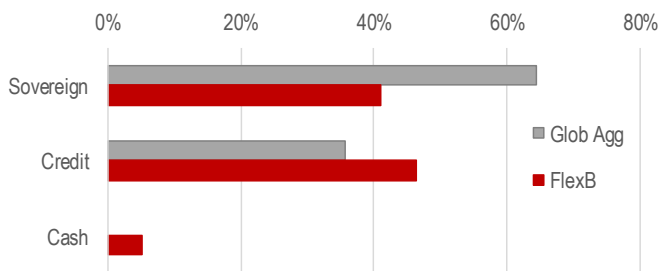


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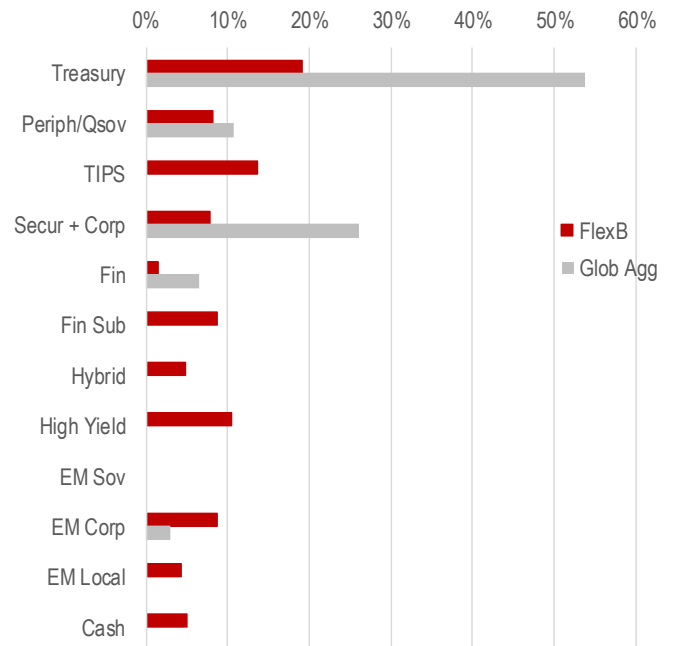
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Allocation

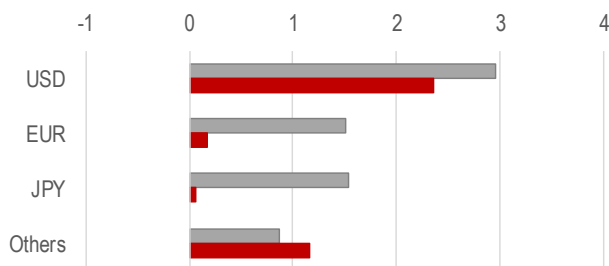
Per segment



Per sub-segment



In duration



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