



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 million
 NAV EUR: 9'897.82
 NAV CHF: 9'779.13
 NAV USD: 10'532.49
- 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 3.10%
 Average maturity 6.6a
 Average duration 6.5
 Average spread 120bp
 Rating A+
 # holdings 42

Split by ratings

- AAA 31.5%
 AA 18.2%
 A 12.4%
 BBB 37.5%
 BB 1.0%
 B 0.0%

Top 5

- T2.25 2027 9.7%
 T2.75 2028 9.7%
 UKT4.25 2027 5.2%
 OAT1.0 2027 4.8%
 OAT0.75 2028 4.4%

Comments

Political events (Brexit, US-China trade talks and Italy) have been a major focus over the month. The US mid-term elections have attracted a lot of attention but not lead to any changes in economic policy. Brexit seems to be in a deadlock. China-US talks have resumed at the November-end G-20 summit, even if the outcome was light. On its side, the FOMC meeting was a small one, without a press conference and did not give any signal changes. However, in another speech Powell was more dovish than he was at the latest FOMC meeting. This volte-face coupled with a weak oil price and disappointing non-US macro data have contributed to a much more volatile bond market.

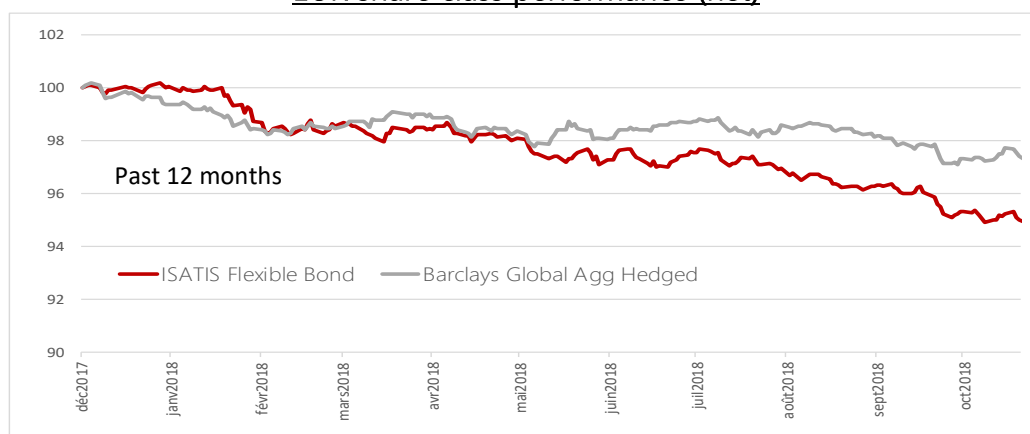
Even if the US leading indicators have remained solid, expectations of many Fed hikes over the course of 2019 have rapidly receded. Investors have expected less than 2 hikes for next year. The US 2-year yield has decreased by 0.08% to 2.78% and the 10-year by 0.16% to 2.98%. In the wake of the oil price collapse, US 10-year breakeven have fallen to 1.96% from 2.06%.

In this risk-off context, at the exception of the US Treasury, all the other bond market segments have delivered negative performances. Spreads have widened on the Investment Grade, High Yield and EM credit.

December will be a busy month on the central bank front. The Fed is expected to raise rates for the 4th time this year to 2.5%. The ECB is expected to announce the end of QE while its forward guidance on rates will remain unchanged and it will give more details about its reinvestment methodology.

Since the beginning of the year, the fund is down by -4.9% vs. -2.1% for the Bloomberg Barclays Global Aggregate hedged in EUR. In November, we have underperformed the reference index by 0.2%.

EUR share class performance (net)



		Jan	Fev	Mar	Avr	Mai	Juin	Juil	Aout	Sept	Oct	Nov	Dec	YtD
2015		-	-	-	-	-	-1,0%	0,0%	-1,5%	-3,2%	2,1%	1,2%	-2,0%	-4,4%
2016	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	ISATIS Flexibel Bond	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%
	Global Aggregate	-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%
2018	ISATIS Flexibel Bond	-0,3%	-1,1%	-0,1%	-0,2%	-0,8%	-0,4%	0,4%	-1,2%	-0,2%	-1,1%	0,0%		-5,0%
	Global Aggregate	-0,9%	-0,4%	0,6%	-0,6%	0,1%	-0,1%	-0,2%	0,1%	-0,6%	-0,4%	0,2%		-2,1%

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

Reference index:

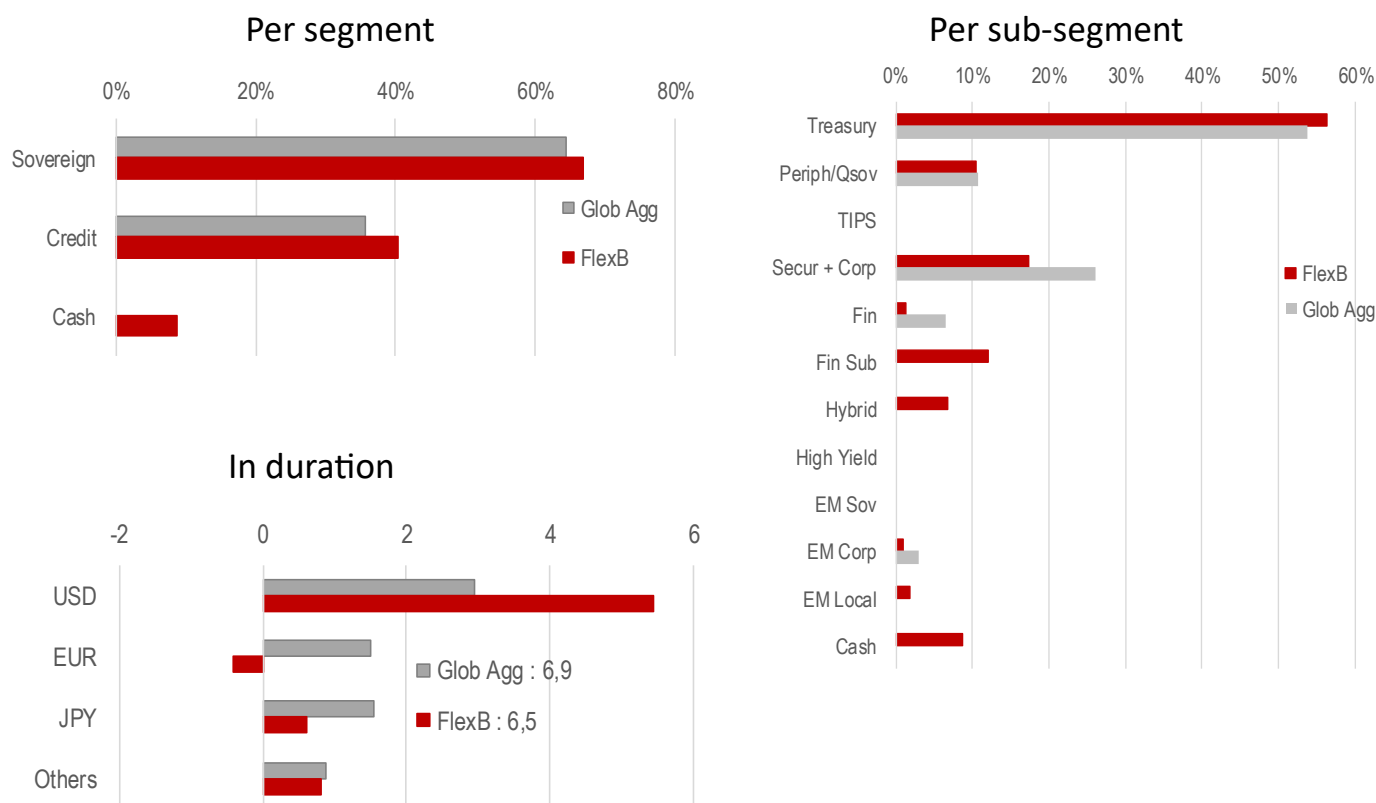
Before December 31st, 2015, « absolute return » approach without benchmark. Since December 31st, 2015, high conviction relative management, benchmark Barclays Global Aggregate hedged in EUR.



ISATIS Flexible Bond

A dynamic long-only bond management

Allocation



Disclaimer

This document and the information contained or referred therein (the "document") is for informational purposes only. It does not constitute a solicitation, offer or recommendation to buy or sell any securities, collective investments or other financial instrument, to effect any transaction, to implement any particular trading strategy or to conclude any legal act. This document does not provide any investment, legal, accounting or tax advice. It has been prepared without taking into account the objectives, financial situation or needs of any particular investor and does not represent that any products, securities or services discussed are suitable for any investor. Its recipient shall make its own independent decisions whether products, securities or services discussed in this document are appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. Any recipient shall independently ensure that it understands the products, securities or services discussed in this document and the risks involved with the execution of such transactions. None of Heravest SA ("Heravest") or any of its representatives or affiliates shall have any liability whatsoever for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document. Heravest does neither represent or warrant the completeness or correctness of this document nor undertake to update the information contained in this document.

The distribution of this document and the offering of shares in the ISATIS Flexible Bond in certain jurisdictions may be restricted. Prospective investors are required to inquire about and to conform to any such restrictions. This material is intended for information purposes only, does not constitute investment advice, or a recommendation, or an offer or solicitation to purchase shares in the ISATIS Flexible Bond, in particular in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

This document is confidential and solely intended for the use of the person to whom it has been delivered. Duplication or distribution of this brochure to any persons other than the recipient and those persons, if any, retained to advise such recipient with respect thereto is unauthorized and any disclosure of its contents, without the prior written consent of Heravest SA, is prohibited.

Shares of the ISATIS Flexible Bond may not be suitable for all investors. Heravest SA does not guarantee the performance of the shares of the ISATIS Flexible Bond. The price of the shares may go up or down and the investor may not receive back the initial amount invested. Past performances are not a guarantee of future performances.