



## 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 30 million  
 NAV EUR: 10'038.67  
 NAV CHF: 9'910.33  
 NAV USD: 10'708.36
- 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 2.90%  
 Average maturity 7.0a  
 Average duration 5.5  
 Average spread 140bp  
 Rating A+  
 # holdings 40

**Split by ratings**  
 AAA 24.8%  
 AA 19.7%  
 A 6.6%  
 BBB 42.6%  
 BB 6.3%  
 B 0.0%

**Top 5**  
 T2.25 2027 10.4%  
 T2.75 2028 10.3%  
 UKT4.25 2027 5.4%  
 OAT1.0 2027 5.1%  
 OAT0.75 2028 4.6%

### Comments

Last year started with business confidence virtually everywhere at exceptionally high levels. But confidence weakened in the course of the year. The US was the exception. The tax reform and tax cuts provided stimulus to the US economy that translated in accelerating growth and continued high business confidence.

The long-standing index of US business confidence, the ISM index, took a tumble in December, falling from 59.3 to 54.1. That is still a level indicating decent growth, but it was the biggest monthly drop since 2008.

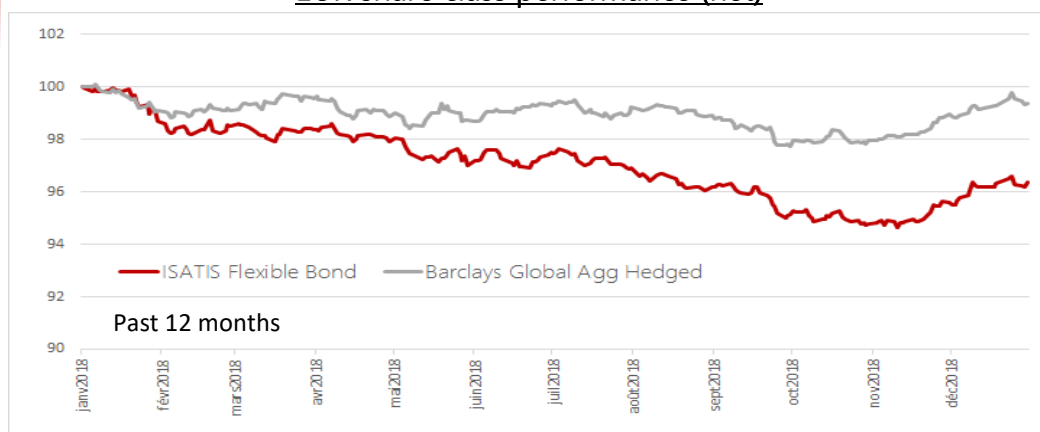
This has pushed Fed Fund expectations to the downside, Fed Fund futures priced no more rate hikes in 2019 and potentially a rate cut in 2020. The US 10-year yield sharply decrease to slide temporarily below 2.60%. We, then, decided to reduce the fund duration as expectations were too pessimistic.

The fall in oil prices in recent months is putting huge downward pressure on headline inflation. This is clearly a worldwide phenomenon. Inflation expectations, by consequence, collapsed to levels not seen for years.

Credit segments, investment grade and high yield, experienced massive outflows, pushing credit spreads wider. Emerging bonds have outperformed as the USD stabilized and US rates decreased.

Over the year, the fund is down by -3.6% vs. -1.2% for the Bloomberg Barclays Global Aggregate hedged in EUR. In December, the fund outperformed its benchmark by 0.41%.

### 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%	1,4%	-3,6%
	Global Aggregate	-0,9%	-0,4%	0,6%	-0,6%	0,1%	-0,1%	-0,2%	0,1%	-0,6%	-0,4%	0,2%	1,1%	-1,0%

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

Reference index:

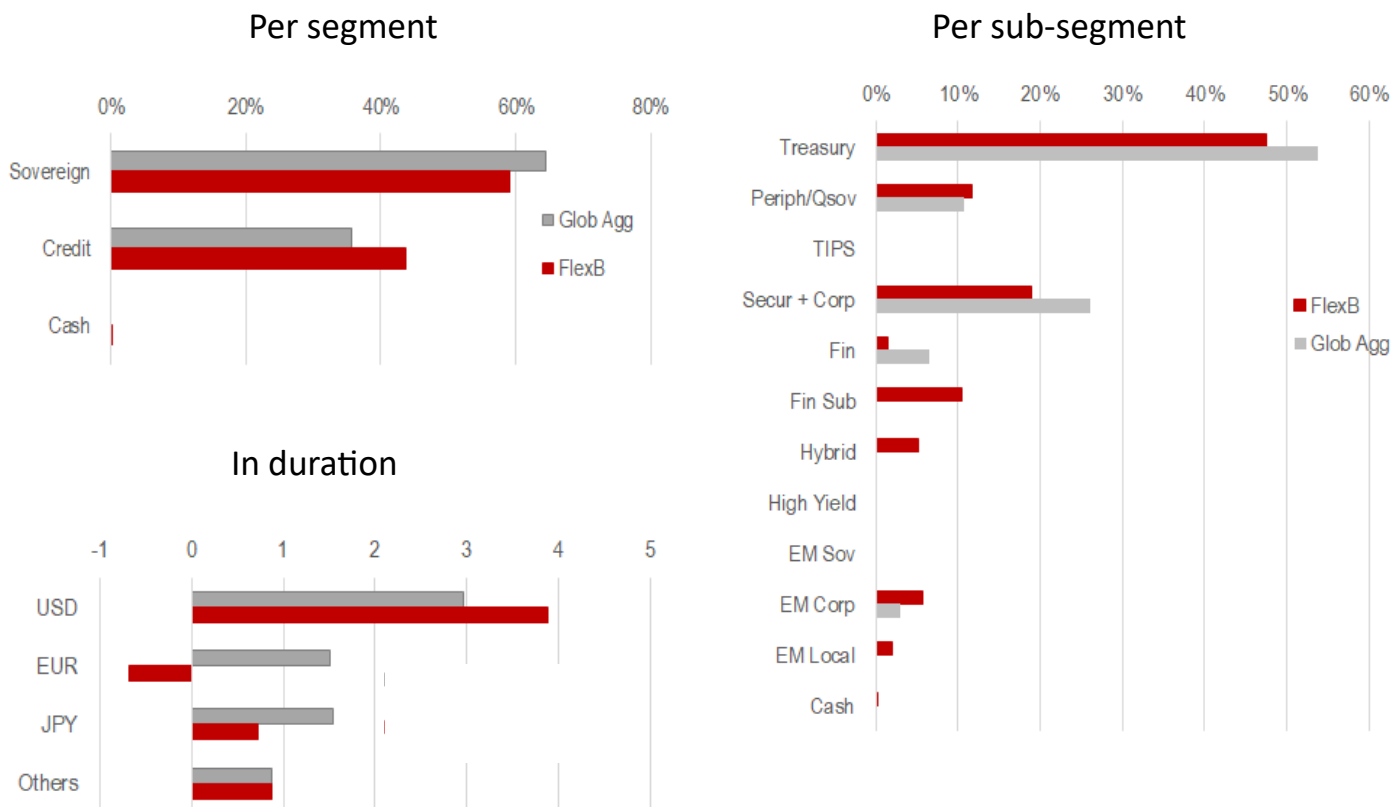
Before December 31st, 2015, « absolute return » approach without benchmark. Since December 31st, 2015, high conviction relative



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## Allocation



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