



## 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 28.6 million

NAV EUR: 10'421.81

NAV CHF: 10'269.90

NAV USD: 11'279.87

- 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 2.11%  
Average maturity 5.9a  
Average duration 3.5  
Average spread 126bp  
Rating A  
# holdings 45

### Split by ratings

AAA 29.3%  
AA 9.0%  
A 5.3%  
BBB 35.7%  
BB 17.1%  
B 1.5%

### Top 5

T2.275 2028 5.8%  
TII0.125 2024 5.4%  
T2.25 2027 5.2%  
FRTR1 2027 4.6%  
UKT1.25 2027 4.2%

### Comments

Draghi set the tone. He gave another memorable speech in Sintra, like he did in 2017. However, this time, Draghi opened wide the door to new easing while he was skeptical some weeks ago. This is a huge shift. ECB will now act if there is no economic outlook or inflation expectations improvement. The ECB will cut rates, introduce a bank tiering system, extend its forward guidance, and restart QE. We suspect the ECB will include senior bank bonds this time in its package. This has pushed European yields down and supported risky assets. However, Draghi only managed to briefly 'reflate' inflation expectations. The Euro inflation swap 5y5y rate which traded up to 1.31% post-Sintra, is already back below the 1.2% level. So, he has to deliver.

The Fed was as dovish as it could be without cutting rates. The committee was divided on whether to signal cuts outright this year or not. Nevertheless, it slightly lowered its dots. The US 10-year Treasury yield remains close to the 2.0% floor level.

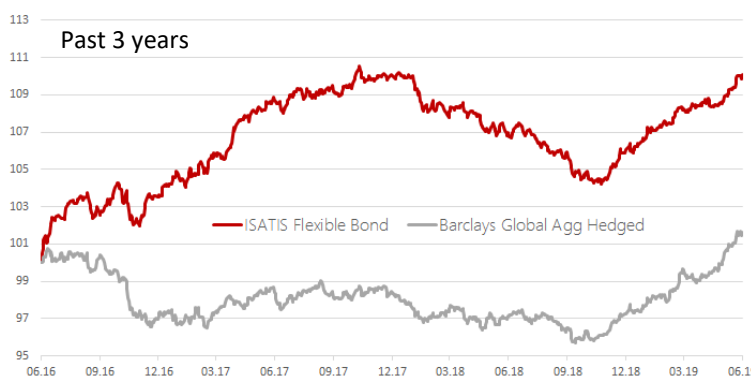
In a supportive central bank context, risky assets have outperformed. We have decided to reduce, ahead of Sintra, our European inflation-linked bond exposure at the benefit of peripheral debts (Spain, Portugal and Italy) and to increase our High Yield exposure at the expense of Investment Grade credit bonds.

We maintain our diversification out of the EUR on the AUD and some Emerging currencies (RUB, BRL and ZAR).

Regarding the trade war, the ceasefire is comforting news. However, as key obstacles remain, a renewed escalation remain possible given the fact that the trade war could become an integral part of Trump's presidential election campaign.

In June, the fund was up by 1.06%, bringing the year-to-date performance to 3.82%. The Barclays Global Aggregate is up by 4.4% in 2019.

### 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%	-1.1%
2019	ISATIS Flexibel Bond	1.2%	0.2%	0.7%	0.5%	0.2%	1.1%							3.8%
	Global Aggregate	0.8%	-0.1%	1.6%	-0.2%	1.2%	1.1%							4.4%

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.

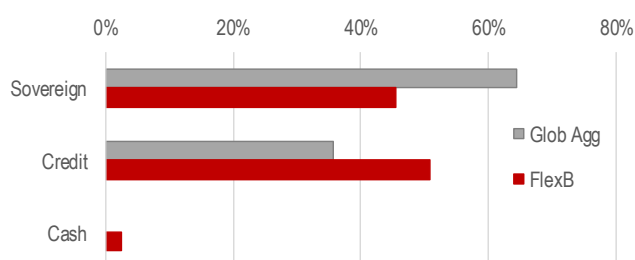


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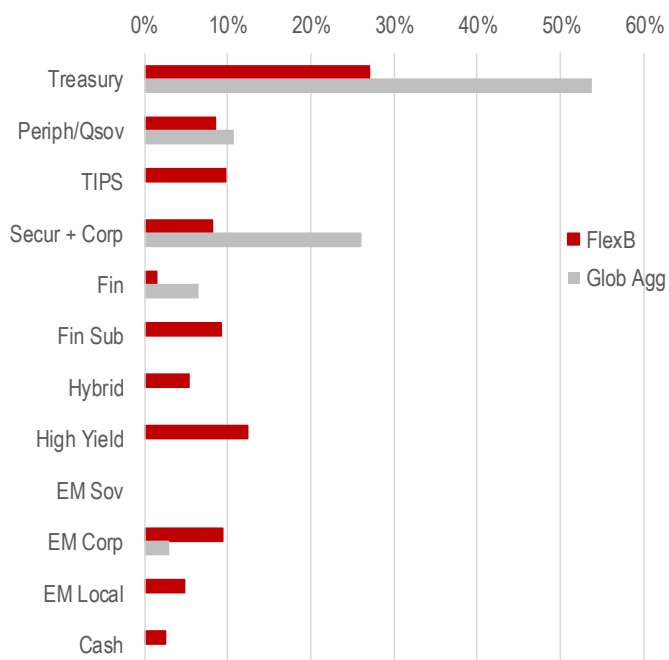
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### Allocation

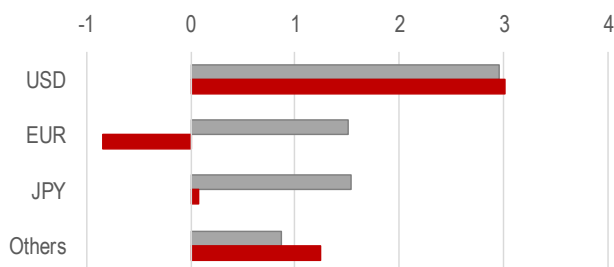
Per segment



Per sub-segment



In duration



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