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## Should investors be resigned to paying negative interest on cash?

The question is relevant in today's economically uncertain environment, forcing central banks to further relax their monetary policies. There is nothing incidental about the measures announced by the ECB on 12 September, which are bad news for any investors with wait-and-see positions, while it is becoming increasingly difficult to identify profitable assets. Of these, the cut in the deposit rate from -0.40% to -0.50% has people especially worried.

With rates potentially poised to remain in negative territory for the foreseeable future, banks are starting to tax customer deposits. Take Switzerland, for instance, where the key rate has been sitting at -0.75% since 2015. Banking institutions such as UBS, Crédit Suisse and Lombard Odier are now charging their Swiss clients for deposits. The phenomenon is all the more concerning in that it's not limited to Swiss banks. Similar measures are expected in France, Germany, Denmark and even Italy.

Under the circumstances, Anaxis Short Duration is a reasonable alternative for investing cash with limited credit risk. The fund invests in short-dated corporate bonds offering an attractive risk-reward. The fund's liquidity and low volatility are ensured by a combination of our fundamental approach, strong portfolio diversification (140 bonds) and low exposure to cyclical sectors.

Anaxis Short Duration boasts a seven-year track record. Its annualised performance since inception is 2.76% (unit I) and its annualised one-year and 3-year volatility 0.92% and 0.70%, respectively. The portfolio's average return currently stands at 2.20%.

### About Anaxis Asset Management

Anaxis specialises in corporate credit for investors who firmly believe in fundamental investing based on in-depth knowledge of issuers. For more than 10 years, Anaxis has focused on corporate credit strategies and has developed comprehensive expertise and methods renowned for their reliability by its clients.

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