

Anaxis Income Advantage is a French law European UCITS-compliant open-ended investment fund (SICAV). The fund is actively managed on a discretionary basis investing primarily in corporate bonds, targeting returns exceeding 3-year German government bond yields by 4%, net of management fees. Although the scope of the investment universe is global, the fund invests mainly in developed markets.

The investment management process draws primarily on the fundamental analysis of bond issues, coupled with diversified allocation construction by selecting securities on a bottom-up basis. The fund managers can invest flexibly, free of constraints based on ratings, indices or maturity. The portfolio is diversified in regional and sector terms. As a function of their analyses, the fund managers may decide to maintain a proportion of the fund's assets in money-market instruments, short-term fixed-income products or sovereign bonds.

Performance 31/01/2018	I1 (EUR)	K1 (CHF)	E1 (EUR)	U1 (USD)	S1 (CHF)
NAV	102.15	102.07	101.48	103.85	100.81
Monthly return	0.18%	0.13%	0.13%	0.29%	0.05%
YTD return	0.18%	0.13%	0.13%	0.29%	0.05%
Return since inception	2.15%	2.07%	1.48%	3.85%	0.81%
Inception date	10/10/2016	23/01/2017	10/10/2016	10/10/2016	10/10/2016

Cumulative Returns (I1 Class)



Key Portfolio Figures

Portfolio average yield*	3.54%
Duration (years)	2.49
Modified duration	2.43%
Issuers (groups)	72

Source: Bloomberg, BPF5
 *On invested portfolio

Past performance is not a guide to future performance. The performance shown does not take account of any commissions and costs charged when subscribing to and redeeming shares.

Monthly Comment

The fund returned +0.18% in January (Unit I1). European high-yield bonds performed very well in the initial stages of January amid solid gains for stocks and oil, before a steady climb in sovereign yields to a multi-year high began to weigh on sentiment towards the end of the month. Rate-wise, with the exception of periphery countries, with Italian BTPs (+0.4%) and Spanish Bonds (+1.1%) ending the month on a positive total return, core markets delivered negative returns with Bunds at -1.0%, Treasuries -1.5% and Gilts -2.1%.

In the first half of the month, the US credit market was buoyed by solid macroeconomic results (ISM Manufacturing index at 59.7 in December, its highest level since 2004) and upward revisions of corporate earnings forecasts in the US. However, the solidity of recent macroeconomic releases, coupled with a less accommodative stance by some central banks, triggered renewed tension in sovereign yields, limiting gains towards the end of the month.

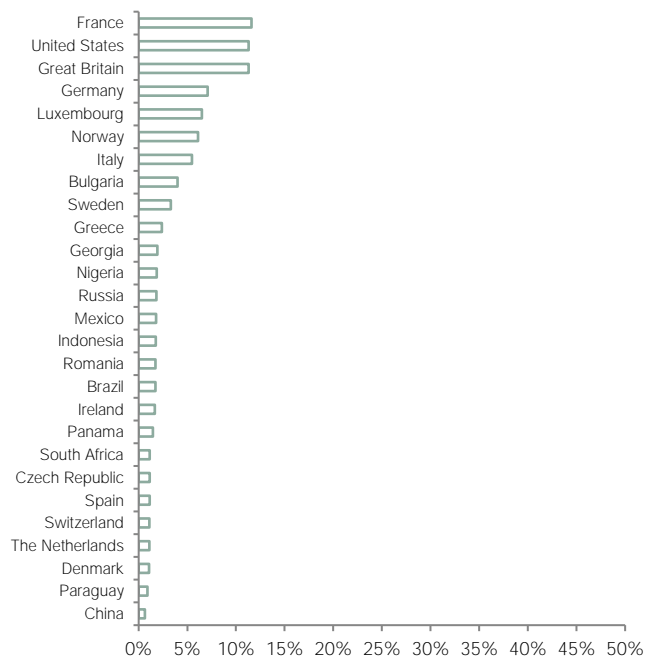
As in December, emerging countries HY bonds ended the month in positive territory. Emerging assets benefited in particular from strong macroeconomic data out of China and South America, the dollar's depreciation and climbing oil prices (WTI up by more than 7%).

In January, the fund received the redemption of a Matalan 2019 bond and built up a liquidity buffer for future investments as market opportunities arise. Concerns over the likely US rate hike, the return of inflation and the end of the European Central Bank's bond buying programme are liable to generate volatility in the short term. These market fluctuations will offer entry points to invest in certain bonds we consider attractive from a fundamental standpoint and have been placed on our buy list.

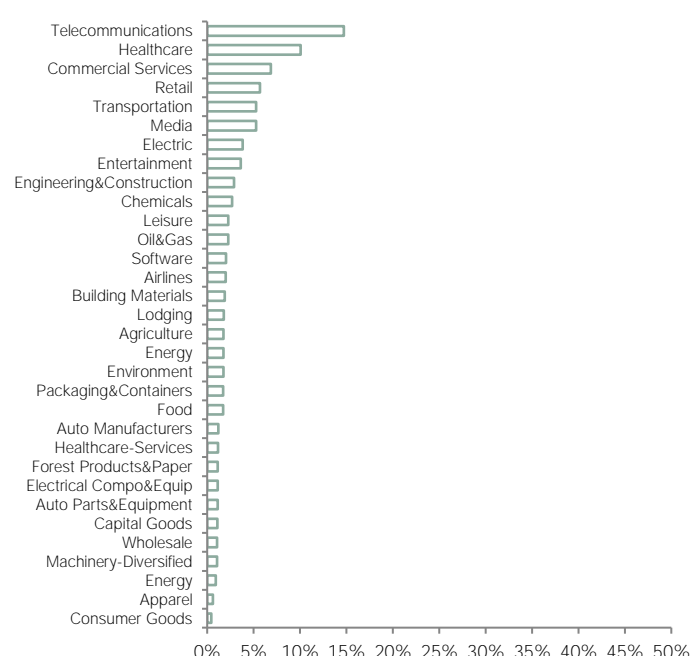
Average position per issuer	1.29%
Size of the largest position	2.40%
Size of the 10 largest positions	20.26%

Investment level	92.82%
Percentage of Floating-Rate Notes	13.00%
Portfolio exposure to currency risk	0.02%

Allocation by Geography



Allocation by Industry



Top 10

1	TalkTalk	2.40%
2	Bulgarian Energy	2.39%
3	ALTICE	2.24%
4	Norlandia	2.22%
5	Georgian Railways	1.92%

6	GTECH	1.88%
7	IHS Holding	1.86%
8	DME	1.81%
9	Grupo Posadas	1.79%
10	JAPFA COMFEED	1.76%

Information on fund distribution both in and from Switzerland: The Fund's country of origin is France. The Fund Representative is ACOLIN Fund Services AG, Affolternstrasse 56, CH-8050 Zurich, and the Paying Agent is Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva. The jurisdiction is Zurich. Regulatory documents and the annual and semi-annual report are available free of charge from the Representative. The Basic documents of the Fund such as the prospectus, the key investor information document (KIID), the fund's rules as well as the semi-annual and annual reports may be obtained free of charge at the office of the Swiss Representative.

Characteristics

Legal structure	French UCITS Fund
Inception	10 October 2016
Liquidity	Daily
Management fees	0.75% (I1 and K1 classes) 1.25% (E1, E2, U1 and S1 classes)
Entry / Exit fees	2% max. / 1% max.
Performance fees	15% incl. tax of the annualised net performance beyond the benchmark index performance + 4%
Custodian	BNP Paribas Securities Services
Auditor	PricewaterhouseCoopers Audit

Codes

Class	ISIN	Bloomberg	Telekurs	WKN
I1	FR0013196219	AIAI1EU FP	33471444	A2DLC4
K1	FR0013196235	AIK1CH FP	33471448	A2DN4U
E1	FR0013196169	AIAE1EU FP	33471438	A2DLC3
E2	FR0013196177	AIAE2EU FP	33471441	A2DMKD
U1	FR0013196185	AIAU1US FP	33471442	A2DN4R
S1	FR0013196193	AIAS1CH FP	33471443	A2DN4S