

Anaxis Short Duration

Monthly report - Diversified corporate bond fund
March 2018

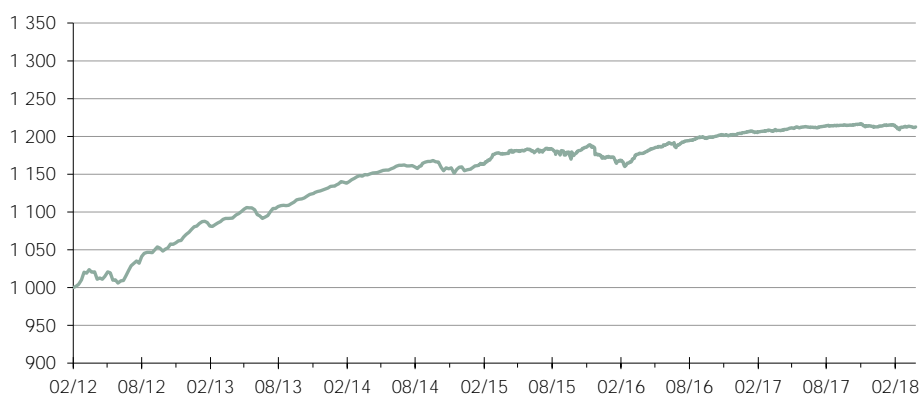


Anaxis Short Duration is a UCITS fund regulated by the Autorité des Marchés Financiers. The Fund invests mainly in European corporate bonds through an active and discretionary approach. The Fund maintains a duration between 0 and 3 years at all times. It targets a gross performance 2.15% higher than 12-month interbank rates.

The managers build the portfolio to optimize the expected return with a low risk of default and price volatility. Fund management relies on fundamental credit analysis of corporate bonds as well as the construction of a diversified portfolio. Depending on their analyses, the managers may also decide to hold a portion of the fund's assets in money market instruments or short term government bonds. The rating and sector breakdowns can evolve over time.

Performance 29/03/2018	I (EUR)	J (USD)	K (CHF)	E1 (EUR)	E2 (EUR)	S1 (CHF)	U1 (USD)	U2 (USD)	AF (CHF)
NAV	1212.40	1310.47	1092.49	1219.23	1010.22	1164.88	1270.39	1054.40	1168.12
Monthly return	-0.05%	0.15%	-0.13%	-0.09%	-0.09%	-0.18%	0.11%	0.11%	-0.09%
YTD return	-0.13%	0.48%	-0.30%	-0.25%	-0.25%	-0.42%	0.31%	0.35%	-0.25%
Return since inception	21.24%	31.05%	9.25%	21.92%	21.92%	16.49%	27.04%	27.18%	16.81%
Inception date	03/02/12	25/02/11	14/12/12	23/11/10	23/11/10	23/11/10	23/11/10	23/11/10	22/06/12

Cumulative Returns (I Class)



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.

Key Portfolio Figures

Annualised return since inception	3.17%
1-year volatility	0.42%
3-year volatility	1.21%
Sharpe ratio	1.51
Portfolio average yield*	2.34%
Duration (years)	1.77
Modified duration	1.71%
Issuers (groups)	131

Source: Bloomberg, BPF5

*On invested portfolio

Monthly Comment

March proved to be another rough month for European credit. The trade war threat between the US and China, a tech tantrum centred on Facebook but spreading across the rest of the sector, tighter monetary policy, reduced quantitative easing amounts and signs of abating global growth all played a part in one way or another. Overall, Anaxis Short Duration returned -0.05% (I unit) while the yield to maturity on the H7PC index* widened 8bps to 3.53%.

On the flip side, sovereign rates performed relatively well. Spanish Bonds (+2.6%), Gilts (+2.0%), Italian BTPs (+1.7%), Bunds (+1.1%) and Treasuries (+1.0%) all benefited from a flight to safety, as did Gold (+0.5%).

Coming back to credit, both the BB and B segments experienced a decline of -0.2%. There was some dispersion among sectors. Leisure (+0.3%), Healthcare (+0.2%), Technology (+0.1%) and Basic Industry (+0.1%) returned positive performance while Retail (-0.7%) and Telecommunications (-0.5%) suffered the most. Last month, we saw €8.6 billion in new high yield issues in Europe and an equivalent of €2.5 billion in new dollar-denominated papers from European companies. In European currencies, year-to-date supply amounts to €18.1 billion, down 30% year-on-year.

We took advantage of market volatility to switch from Rallye 2018 into Rallye 2019 (Casino's owner), and gained exposure to Constellium (aluminium semi-products) and Norwegian Air Shuttle (airline). We also took profits on some of our SNFF exposure (chemical) and recorded some calls, including those of Nexans (cable provider) and Domestic & General (warranty provider for home appliances).

*Option-adjusted spreads on the Merrill Lynch index of BB and B rated European corporate bonds excluding financials

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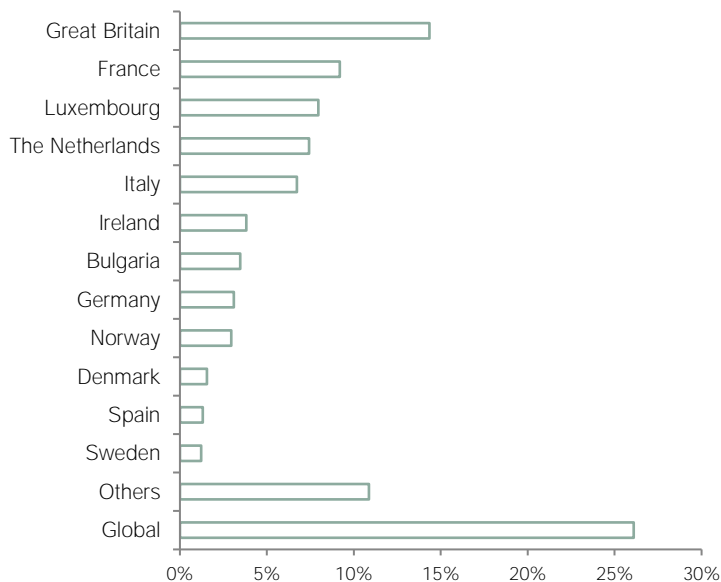
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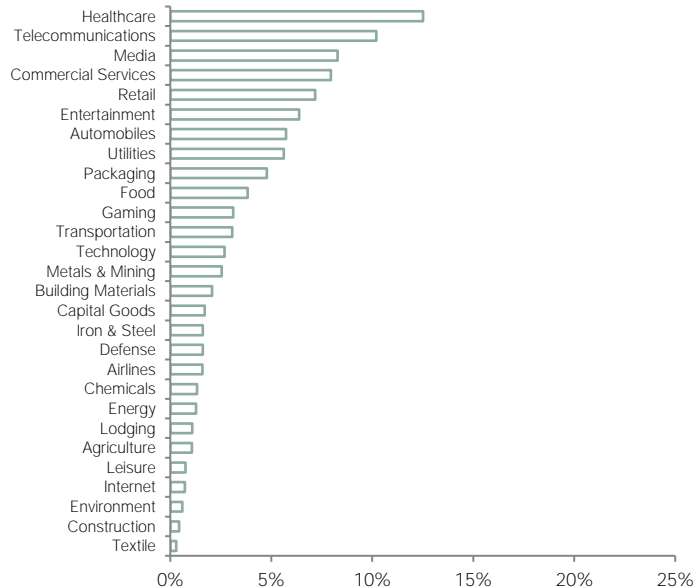
Average position per issuer	0.76%
Size of the largest position	1.93%
Size of the 10 largest positions	13.79%

Investment level	100.04%
Percentage of Floating-Rate Notes	10.43
Portfolio exposure to currency risk	0.04%

Allocation by Geography



Allocation by Industry



Top 10

1	Bulgarian Telecommunications	1.93%
2	Gamestop	1.62%
3	FIAT	0.64%
4	EIRCOM	1.78%
5	InterXion	1.70%

6	GTECH	0.48%
7	AIR FRANCE-KLM	1.00%
8	SFR Group	1.52%
9	CARLSBERG BREWERIES	1.56%
10	Bulgarian Energy	1.54%

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	23 November 2010
Liquidity	Daily
Management fees	0.55% (I, J and K classes) 0.65% (I3 and I4 classes) 1.05% (E1, E2, S1, U1, U2 and AF classes)
Entry / Exit fees	2% max. / 1% max.
Objective	12-month interbank rates + 2.15% (gross)
Performance fees	15% of the net annualised outperformance above the objective, except for I3 and I4 without performance fees.
Custodian	BNP Paribas Securities Services
Auditor	PricewaterhouseCoopers Audit

Codes

Class	ISIN	Bloomberg	Telekurs	WKN
I	FR0010951483	ANABOEI FP	12039925	A1J55L
I3	FR0013231420	-	-	-
I4	FR0013231438	-	-	-
J	FR0011011618	ANABOUJ FP	12550463	A1JXRC
K	FR0011352202	ANABOCK FP	20176071	A1WZAY
E1	FR0010951426	ANABOE1 FP	12009614	A1H5VJ
E2	FR0010951434	ANABOE2 FP	12009618	A1H5VK
S1	FR0010951442	ANABOS1 FP	12009622	A1JXRA
U1	FR0010951467	ANABOU1 FP	12009629	A1JXRB
U2	FR0010951475	ANABOU2 FP	12039922	A1JXRE
AF	FR0011272160	ANABOAF FP	-	-

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