

Anaxis Income Advantage

Monthly report - Variable interest rate bonds fund
July 2018



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 indices. 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 31/07/2018	I1 (EUR)	K1 (CHF)	E1 (EUR)	U1 (USD)	S1 (CHF)
NAV	101.20	100.85	100.26	103.93	99.37
Monthly return	1.00%	0.96%	0.95%	1.15%	0.91%
YTD return	-0.76%	-1.07%	-1.08%	0.37%	-1.38%
Return since inception	1.20%	0.85%	0.26%	3.93%	-0.63%
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*	3.09%
Duration (years)	1.34
Modified duration	1.30%
Issuers (groups)	93

Source: Bloomberg, BPFS
*On invested portfolio

Monthly Comment

The fund rallied 1% in July (I1 unit) in a context of improving market sentiment. European credit spreads tightened as the H7PC index narrowed by 27 bps to 3.69%.

54.8% of the fund is invested in floating rate notes. This segment contributed 0.2% to this month's returns. The fund benefited particularly from an uptick in bonds like Rally Casino and also Wind Tre, which was acquired by investment-grade CK Hutchinson (already a part-owner). Hybrid bonds made a similar contribution of 0.22%.

During the month, we further diversified the portfolio. We bought investment-grade floating rate notes such as ALD and Charter Communications. At the same time, we took the opportunity to set up minor exposure to a few high-yield floaters which had come under market pressure in recent weeks. Our intent was to reach a balance between low credit risk and rewarding yields. Newcomers include Lecta (paper), Synlab (healthcare), United Group (healthcare) and some entertainment companies (Intralot, LHMC, Sisal). We also added a few new names to the hybrid segment, namely America Movil (telecommunications), Lenovo (computers) and Solvay (chemicals), as we believe that the issuing companies are resilient and offer a healthy remuneration to bond holders.

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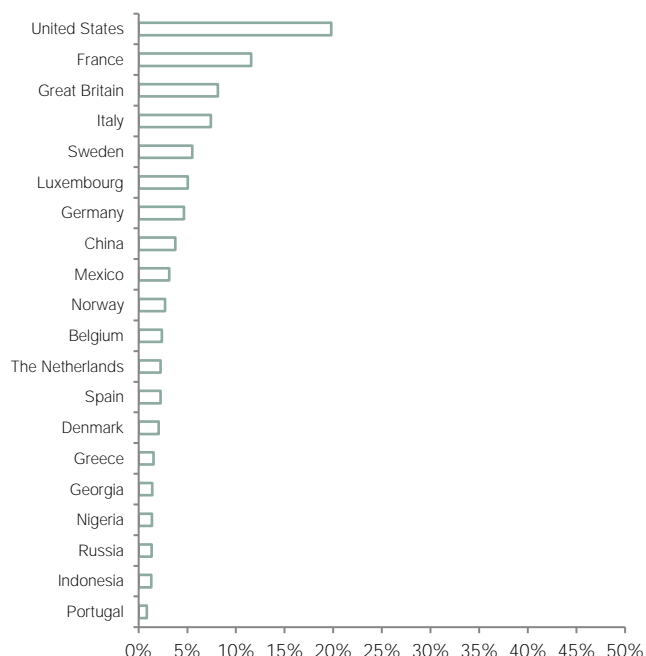
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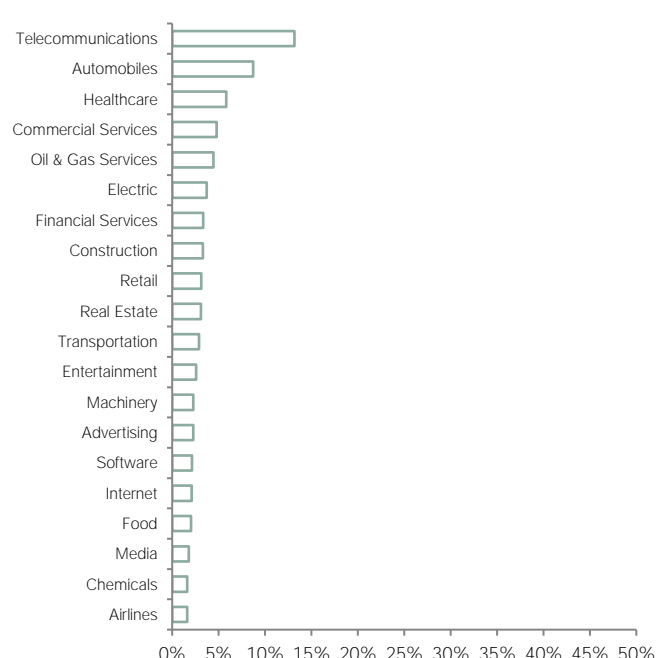
Average position per issuer	0.99%
Size of the largest position	2.29%
Size of the 10 largest positions	19.39%

Investment level	92.00%
Portfolio exposure to currency risk	0.02%

Allocation by Geography



Allocation by Industry



Top 10

1	AT&T	2.29%
2	GM	2.26%
3	WPP	2.26%
4	FORD MOTOR	2.23%
5	Petróleos Mexicanos	2.20%

6	Renault	1.86%
7	SESGFP	1.70%
8	ARNDTN	1.58%
9	GFCFP	1.51%
10	Scania	1.50%

Information on fund distribution both in and from Switzerland: The state of the origin of the fund is France. In Switzerland, the representative is ACOLIN Fund Services AG, Affolternstrasse 56, CH-8050 Zurich, whilst the paying agent is Banque Cantonale de Genève, 17, quai de l'île, CH-1204 Geneva. The prospectus, the Key Investor Information Documents, the fund regulation as well as the annual and semi-annual reports may be obtained free of charge from the representative. In respect of the units distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the representative. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units.

Characteristics

Legal structure	French UCITS Fund
Inception	10 October 2016
Liquidity	Daily
Management fees	0.65% (I1 and K1 classes) 1.25% (E1, E2, U1 and S1 classes)
Entry / Exit fees	2% max. / 1% max.
Custodian	BNP Paribas Securities Services
Auditor	PricewaterhouseCoopers Audit

Codes

Class	ISIN	Bloomberg	Telekurs	WKN
I1	FR0013196219	AIA11EU FP	33471444	A2DLC4
K1	FR0013196235	AIK11CH 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