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Should investors resign themselves to negative yields for the bond portfolio?

The drop in sovereign bond yields since January 2018 has upset the credit environment. The eurozone is no exception: its yields are firmly entrenched in the red. The German Bund yield even dropped to -0.72% last summer, reflecting investors' risk aversion.

Investment grade bonds from the biggest corporate issuers have also lost their appeal. On 30 August 2019, Engie was borrowing over seven years – the longest maturity on the market with a negative yield. Meanwhile, the yield on Siemens bonds (A+) hit an all-time low on the corporate bond market: -0.315%.

In total, nearly USD 15 trillion has been invested in government and corporate bonds offering negative yields. This means investors are having to identify new opportunities to generate income for their bond holdings.

Anaxis Short Duration is proposing an attractive solution that reconciles the hunt for yield with credit risk management. The Anaxis Short Duration fund targets short-dated corporate bonds offering a positive yield. Our fundamental approach, combined with wide portfolio diversification and low exposure to cyclical sectors, ensures that investments are liquid and explains the fund's historically low volatility.

Anaxis Short Duration has a seven-year track record. Annualised performance since inception is 2.73% (l units) with annualised volatility of 0.70% over three years. The portfolio contains 158 different issuers and has an average gross yield of 2.01% (as at 31 December 2019).

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.

Head of Investment Management:

Pierre Giai-Levra / pgiailevra@anaxiscapital.com / +33 (0)9 73 87 13 20

Press Contact:

Thibault Danquigny / tdanquigny@anaxiscapital.com / +33 (0)9 73 87 13 22

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, Leutschenbachstrasse 50 CH-8050 Zurich, whilst the paying agent is Banque Cantonale de Genève, 17, quai de 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.