

Paris, 28 October 2020

## The Anaxis Short Duration fund's current positioning to make it more resilient and find opportunities in this unstable environment

At Anaxis, the management team chooses its bond investments on the basis of four variables: duration, credit, region and sector. From a duration point of view, we remain resolutely short term, but with slightly more appetite than normal. The fund currently has a duration of 1.8 years. On the credit side, we are even more protective than usual with a focus on top tier, crossover or BB.

From a regional standpoint, we continue to study opportunities in Europe but are also identifying plenty of opportunities in the United States at a time when the cost of euro/dollar hedging has become much more reasonable for the fund (hedging cost now below 1%, compared with 2% or 3% in recent years). This hedging development is also beneficial in terms of widening opportunities. Two thirds of the portfolio is currently held in Europe, and around 30% in the United States and Canada.

With regard to sector breakdown, the fund is concentrating on sectors that have little sensitivity to business cycles. The management team values good visibility over cashflows and is overweighting sectors such as healthcare, telecoms, business services and non-cyclical consumer spending for their resilience. The fund is well diversified with more than 160 portfolio holdings, in line with the Anaxis diversification philosophy.

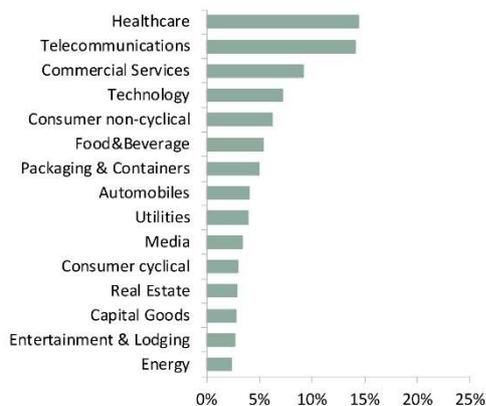
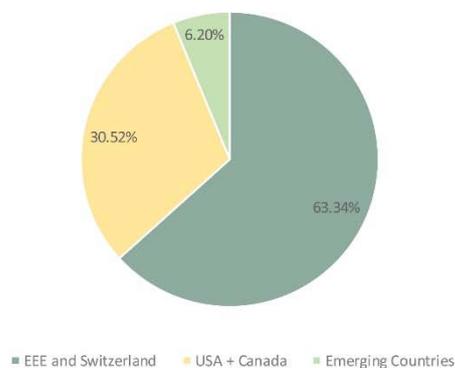
Furthermore, the prices of the portfolio's holdings are fairly consistent, meaning that very few of them are trading at stressed levels. The fund's positioning currently offers a return of 2.97% in EUR or 3.78% in USD. We think that these figures are particularly attractive when compared with the investment grade universe, on which the return is about 0.5% in EUR, and when compared with the negative yields on sovereign bonds. We think there are still plenty of opportunities to be had on the credit market, which has rallied strongly but remains dislocated and still offers some attractive entry points for a number of securities.

### Top 5 as of 30/09/2020

1	Phoenix	Germany	Healthcare	1.61%
2	Cemex	Mexico	Building Materials	1.34%
3	Sprint	United States	Telecommunications	1.27%
4	Avantor Inc.	United States	Healthcare	1.18%
5	Ericsson	Sweden	Telecommunications	1.17%

I1 Share Class: FR0010951483

Source: Bloomberg, Anaxis AM



#### 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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