

ACATIS FAIR VALUE BONDS

AS OF: JUNE 30, 2018

Global fixed-income fund, defensive, sustainable

MARKET COMMENTARY

In this year of gradually rising interest rates, it is not much fun to be a bond investor. Higher interest rates lead to falling prices, even though interest and repayment amounts do not change. The general market trend was negative. The French Rallye bond, which is backed by shares of the Casino supermarket chain, reported particularly severe losses. Even the Deutsche Bank bond fell precipitously after the bank failed a stress test in the US. Even if Deutsche Bank's operating performance is not good, the bank nevertheless has equity capital that exceeds the market capitalisation by a factor of three, which creates a large risk buffer. Positive in June: Banco Espirito Santo, Nordex and the Republic of Portugal.

INVESTMENT OBJECTIVE AND - PHILOSOPHY

The fund mainly invests in bonds of issuers selected on the basis of traditional bond analysis which are preferably undervalued. The focus is on investing in Euro-Bonds. Diversification takes place with regards to regions and types of the issuer. Only those issuers that meet ethical and sustainable criteria, with special attention to high standards regarding corporate governance, social and environmental responsibility as well as ecological sustainability are selected. In doing so, ACATIS Investment is supported by ACATIS Fair-Value Investment AG. Besides the sustainability of the investment, the issuer's good credit rating is a further requirement for any engagement. In order to avoid any concentration of risks, the fund management further diversifies by issuers.

PRODUCT FACTS/ EMT

WKN	976984
ISIN	DE0009769844
Distribution	Dividends distributed
Investment category	Bonds Global
Benchmark	iBoxx EUR Corp.(50%) iBoxx EUR Sov.(50%)
Currency	EUR
Total net assets	23.6 Mill. EUR
Net asset value	41.47 EUR
Manager	UI-Team, Advisor: ACATIS
Advisor	ACATIS Fair-Value, CH
Investment company	Universal Investment
Domicile	Germany
Custodian	Hauk&Aufhäuser, FFM
Date of inception	Oct. 01, 1997
Fiscal year end	Sept. 30
UCITS V	yes
Investment horizon	long-term
Risk-return profile	3 of 7
Investor type (minimum requirement)	Private Customer
Investment objective	Growth + current income
Skills/ Experiences (minimum requirement)	Basics
Permission for public distribution	DE, AT, CH
Representative in Switzerland	1741 Fund Solutions AG
Paying agent in Switzerland	Notenstein La Roche Privatbank AG

TOP 10 POSITIONS

4.000% Santander Intl Debt 2020	6.8%
6.000% Deutsche Bank (CoCo)	6.1%
6.750% SocGen CoCo	4.6%
7.500% PostNL 2018	4.1%
7.000% Grenke 2023	3.8%
5.125% Hapag-Lloyd 2024	3.8%
5.375% Numericable Group 2022	3.5%
3.625% Ziggo 2020	3.5%
5.625% Mazedonien 2023	3.5%
5.625% Schmolz & Bickenbach 2022	3.5%

CONTINUATION PRODUCT FACTS/ EMT

Loss Carrying Capacity	no Capital Guarantee
Front end fee	5%
Ongoing Charges (as of Sep. 30, 2017)	1.25% p.a.
Management fee ex ante	0.95%
Transaction costs ex ante	0.10%
Performance fee ex ante	maximal 15%
Incidental costs ex ante	0.07%
Management fee ex post	0.95%
Transaction costs ex post	0.07%

PERFORMANCE VS. BENCHMARK



— ACATIS Fair-Value Bonds
— JPM GBI Global TR (EUR)
— iBoxx EUR Corporate (50%), iBoxx EUR Sovereign (50%)

PERFORMANCE AS OF END OF MONTH*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year	Index
2018	0.7	-0.7	-0.6	-0.3	-1.4	-1.7							-3.9	-0.1
2017	0.1	0.9	0.7	0.4	-0.1	0.2	0.4	-0.1	0.4	0.6	-0.3	-0.1	3.1	1.2
2016	0.6	-2.5	1.1	0.5	-0.2	-1.1	0.8	0.7	-0.8	0.9	0.4	1.1	1.5	4.0
2015	0.8	0.9	0.0	-0.2	0.1	-0.9	0.8	-0.6	-1.2	1.6	0.5	-1.2	0.6	0.5
2014	0.8	1.0	0.6	0.7	0.5	0.6	0.3	0.5	-0.2	0.0	0.7	-0.1	5.6	10.6
2013	-0.6	0.7	0.1	1.5	-0.1	-1.4	0.7	-0.3	0.9	1.4	0.7	-0.1	3.6	2.2
2012	2.2	0.8	-0.5	-0.2	-0.2	-0.2	2.3	0.8	0.7	0.9	0.7	0.8	8.4	12.3
2011	0.7	0.1	-0.1	-0.1	0.9	-0.4	0.0	-0.7	-2.4	0.7	-3.5	0.9	-3.8	2.6
2010	0.5	1.0	0.7	-0.5	0.0	-0.7	1.8	1.4	0.1	0.1	-3.6	0.0	0.5	7.1
2009	2.9	0.6	-0.1	-0.8	-2.9	0.9	-0.8	-0.3	0.9	0.4	0.8	-0.7	0.8	-1.3

* Information in percent

Performance since inception	ann. Perf since inception	Performance 5-years	Performance 3-years	Performance 1-year	Volatility 5-years	Volatility 3-years	Volatility 1-year
117.0%	3.8%	10.4%	0.5%	-3.1%	2.7%	3.1%	2.6%

Volatility on monthly basis Source: Bloomberg, ACATIS Research

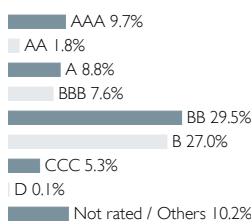
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KEY RATIOS

Average Coupon %	4.4
Average Yield %	3.1
Median Percentage Yield	2.8
Average Maturity in Years	6.2

RATING



NACH BRANCHEN

Corporate Bonds	36.8%
Banks	33.5%
Supranational	9.0%
Countries with medium credit rating	6.7%
Telecommunication Services	6.5%
States top credit rating	2.5%
Others	-0.3%
Cash	5.3%

AWARD

