

Information letter for AXIOM CONTINGENT CAPITAL (FCP) shareholders

**Merger of AXIOM CONTINGENT CAPITAL FCP into
the AXIOM CONTINGENT CAPITAL sub-fund of the Axiom Lux SICAV**

Transfer via Euroclear France

Dear Sir or Madam,

You are currently a shareholder in AXIOM CONTINGENT CAPITAL FCP and we would like to thank you for your continued support.

The governing bodies of the asset management company Axiom Alternative Investments which represents the French collective investment fund (“FCP”) AXIOM CONTINGENT CAPITAL and the Board of Directors of Axiom Lux, a Luxembourg SICAV, have decided to merge AXIOM CONTINGENT CAPITAL FCP (hereinafter referred to as “FCP” or the “Merging Fund”) into the AXIOM CONTINGENT CAPITAL sub-fund of the Axiom Lux SICAV (hereinafter referred to as the “Sub-Fund” or “Receiving Sub-Fund”).

We would like to inform you that effective 14 January 2019, any questions or claims with respect to your rights and obligations as a shareholder in the Axiom Lux SICAV shall be subject to the regulations and jurisdiction of the Luxembourg courts.

Furthermore, the rules that govern shareholder registers in Luxembourg may prevent you from exercising your investor rights vis-à-vis Luxembourg authorities or in Luxembourg courts, in effect depriving you of the right to file a complaint or take legal action. Investors may only exercise their rights directly against the investment company or fund if they are entered in the shareholder register, meaning that they have subscribed for shares directly with the SICAV without going through an intermediary.

Upon completion of the merger described below, you will become a shareholder in the AXIOM CONTINGENT CAPITAL sub-fund of the Axiom Lux SICAV, whose management company is Axiom Alternative Investments, a French management company approved by the French Financial Markets Authority (AMF).

The purpose of this transaction is to streamline the financial management of the management company’s various funds to make it easier for foreign investors, such as those from Belgium and the UK, to access the fund.

Identification of the type of merger pursuant to Article 40 of Directive 2009/65/EC.

The merger as presented falls within the definition set out in Article 2 (1) (p) (i) of Directive 2009/65/EC, namely a transaction whereby “one or more UCITS or investment compartments thereof, the ‘merging UCITS’, on being dissolved without going into liquidation, transfer all of their assets and liabilities to another existing UCITS or an investment compartment thereof, the ‘receiving UCITS’, in exchange for the issue to their shareholders of shares of the receiving UCITS and, if applicable, a cash payment not exceeding 10% of the net asset value of those shares”.

1. Brief description of the Transaction

The proposed transaction consists of a cross-border merger of a UCITS as defined in Directive 2009/65/EC (in particular Chapter VI).

This merger shall be carried out in accordance with Article 411-44(II)(1) of AMF General Regulations (GR), i.e. a merger whereby a UCITS called the “Merging UCITS”, in this case AXIOM CONTINGENT CAPITAL FCP, transfers all of its assets and liabilities after or at the time of its winding up without going into liquidation to another existing UCITS, called the “Receiving UCITS”, in this case the AXIOM CONTINGENT CAPITAL sub-fund of the Axiom Lux SICAV, in exchange for the issue to its shareholders of shares of the receiving UCITS and, if applicable, a cash payment not exceeding 10% of the net asset value of the shares.

The securities currently held by AXIOM CONTINGENT CAPITAL FCP shall be transferred in their entirety to the AXIOM CONTINGENT CAPITAL Sub-Fund of the Axiom Lux SICAV, with the latter being launched on the effective date of the merger.

FCP shares will be exchanged for equivalent shares of the sub-fund as summarised below:

FCP (Merging Fund)		SUB-FUND (Receiving Fund)	
Share class	ISIN code	Share class	ISIN code
C	FR0012419612	C	LU1876458750
R	FR0012419661	R	LU1876458834
E	FR0012417327	E	LU1876458917
Z	FR0012695674	Z	LU1876459055
CHF	FR0013182656	CHF	LU1876459139

Consequences resulting from this transaction:

- All the FCP’s assets and liabilities are transferred to the Sub-Fund;
- Following the merger, you will become a shareholder in a sub-fund of the Axiom Lux SICAV with all the commensurate rights and, ultimately;
- The FCP will be dissolved and will therefore cease to exist on the entry into effect of the merger.

This transaction was approved by the French Financial Markets Authority (hereinafter referred to as “AMF”) on 8 November 2018.

The effective date of the merger will be 14 January 2019

This transaction will be carried out under the supervision of PWC Sellam, AXIOM CONTINGENT CAPITAL FCP’s statutory auditor and PricewaterhouseCoopers, the Axiom Lux SICAV’s auditor, based on the net asset value of each FCP share class and the net asset value of each one of the Sub-Fund’s corresponding share classes.

If you are not in favour of this merger, you may **request the redemption of your shares in the FCP at any time until the merger is completed, subject to the suspension period below, i.e. period during which shares cannot be redeemed.** To ensure the merger’s successful completion, the subscription/redemption of shares in the FCP will be suspended from **8 January 2019, i.e. 4 business days** before the effective date of the merger to enable the merger to be executed properly.

If you are in favour of this merger, no action needs to be taken. You will receive shares (and/or ten thousandths of a share) in the AXIOM CONTINGENT CAPITAL Sub-Fund.

If you do not wish to remain a shareholder in the SICAV once the merger has been completed, exit fees will be waived during a three-month period.

2. *Changes resulting from the merger*

Factors which may affect your investment include:

- Change in risk-return profile: NO
- Increase in risk-return profile: NO
- Increased fees: YES

a. *Change in risk profile and increase in risk-return profile*

The investment strategy of the receiving AXIOM CONTINGENT CAPITAL Sub-Fund is presented in a different manner from that of your current FCP due to the different “standards” applied in drafting a prospectus for French and Luxembourg funds. Investors should be aware that the range of investment possibilities offered by the Sub-Fund is wider than that of the French FCP, which may result in potentially higher or different foreign exchange or market risk for its shareholders.

We would also like to inform you of the risks inherent in the Sub-Fund of which you should be aware. Due to the unique format of prospectuses in Luxembourg, risk information can be found in the body of the prospectus and in the sub-fund’s factsheet. You are responsible for being aware of these risks and knowing how to interpret them and, if necessary, expert advice should be sought.

The AXIOM CONTINGENT CAPITAL Sub-Fund will be managed by the same management team based on the same investment management strategy as AXIOM CONTINGENT CAPITAL FCP. You will continue to benefit from the same management strategy after the merger.

Axiom Alternative Investments, in its capacity as the merging UCITS’ management company, does not intend to rebalance the portfolio before the merger.

Unless otherwise stated in the more extensive information set out in the comparative table in Appendix 1, please note the following changes:

- The Merging Fund is a French collective investment fund (FCP). Its shares are in bearer form;
- The Receiving Sub-Fund is a sub-fund of the Axiom Lux SICAV (a Luxembourg SICAV). Its shares are in registered form;
- Immediately following the merger, shareholders will receive shares in the Receiving Sub-Fund in exchange for their shares in the Merging Fund. This change will nonetheless have no operational impact on the current shareholders who will be able to subscribe and redeem their shares as before. The shares in the SICAV’s Receiving Sub-Fund will be admitted to Euroclear France;
- Under the law, the shares issued in exchange will be registered in the name of the holder, evidenced by the entry of the subscriber in the shareholder register, in which case a registered share certificate may be issued at the express request of the shareholder. Where more than one registered share certificate is requested, the cost of these additional certificates may be borne by the shareholder making the request. Upon issue, the shares transferred in exchange shall be subject to all the provisions set out in the Articles of Association of the Axiom Lux SICAV.
- The breakdown of fees will differ in the Receiving Sub-Fund (detailed fee table below). The Receiving Sub-Fund’s expenses shall be divided between management fees and other fees which include but are not limited to costs related to the depositary, paying agent, administrative agent and statutory auditor. The maximum aggregate fees will be higher than those of the Merging Fund, due to the higher number of expense items;
- The Receiving Sub-Fund is one of the sub-funds of Axiom Lux, a Luxembourg SICAV, and as such, is governed by Luxembourg and not French law. Both funds are nonetheless “UCITS”, and in that respect, both comply with the rules and requirements in terms of investment and disclosure stemming from

Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS);

- You will become a shareholder in a sub-fund of an open-ended collective investment scheme (SICAV) subject to the requirements of Luxembourg law in addition to the control and supervision of the *Commission de Surveillance du Secteur Financier*. In that capacity, you may attend shareholder meetings;
- CACEIS Bank will continue to provide depositary and fund administration services;
- Fee structure: Please refer to the comparative fee table below which sets out the impact of the merger on fees in a detailed manner.
- Risk profile / Risk-return profile (see above)

For a detailed comparison between both funds, refer to Appendix 1.

We recommend that you read the **Key Investor Information Document (KIID)** of the Receiving Sub-Fund. Firstly, information about past performance relates to the performance of the merging fund for previous financial years. You should be aware of the fact that performance is not constant over time and past performance is no guarantee of future results. In addition, high potential returns are typically associated with high levels of risk. We would next like to clarify the information about ongoing charges (OCR). As the Sub-Fund has yet to be activated, the ongoing charges are simulations which may or may not accurately reflect the charges which the Sub-Fund will actually incur.

Disclosure on using the past performance of the merging UCITS in the KIID of the receiving UCITS as per ESMA document “Questions & Answers, Application of the UCITS Directive, 01.06.2016, 2016/ESMA/181, Question 4 Past Performance, Answer 4g.” page 11.

It should be noted that the **Key Investor Information Document (KIID)** of the Receiving Sub-Fund uses the past performance of the Merging Fund on page 2. Using its past performance can be explained by the fact that no material change will occur either before or after the merger covered herein. Firstly, the management company and the management team of the Receiving Sub-Fund will be the same as those of the Merging Fund prior to the merger. Secondly, both the investment policy and investment strategy to be pursued by the Receiving Sub-Fund will be a continuation of those that have been implemented by the Merging Fund to date, and this despite the drafting differences that may nonetheless exist between the prospectuses of the funds that are party to the merger covered herein.

b. Increased fees

Type of fee	Before (“AXIOM CONTINGENT CAPITAL” FCP)	After (“AXIOM CONTINGENT CAPITAL” Sub-Fund)
Other fees Including costs related to auditing, depositaries, administrative agents, hedging, distribution, registration and regulatory authorities	None	Maximum 0.15% per year Calculated monthly based on the SICAV’s assets.

For a detailed comparison between both funds, refer to Appendix 1.

3. Other important investor information

We encourage you to read the KIIDs issued by the UCITSs which are designed to ensure that investors have essential information before making their investment decisions. It is particularly important and necessary for the FCP's shareholders to read these documents. As a general rule, we encourage investors to seek advice from their usual financial advisors. Our management company remains at your disposal for any further information that you might require about this merger. You will also be able to find the following documents on the Axiom Alternative Investments website at www.axiom-ai.com:

- This letter;
- The draft terms of merger;
- The latest versions of the prospectuses;
- The latest versions of the Key Investor Information Document (KIID);
- The most recent financial statements;
- The report validating the terms of the merger, prepared by the Receiving UCITS' auditor (PricewaterhouseCoopers) pursuant to Directive 2009/65/EC (Article 42);
- The merger report issued by each depositary.

Pursuant to applicable regulations, you may request the redemption of your shares or, where possible, the conversion into shares in another UCITS pursuing a similar investment policy and managed by the same management company, i.e. Axiom Alternative Investments, **without charge** other than those retained by the UCITS to cover the costs of divesting.

It should be noted that investors who choose to redeem their shares and then subscribe to another FCP or SICAV will not be eligible for the tax deferral set out in the Appendix but will be subject to ordinary tax.

You may redeem your shares from receipt of this letter until the cut-off date for subscriptions and redemptions (8 January 2019 at noon). Subsequent to the merger, your shares in the AXIOM CONTINGENT CAPITAL Sub-Fund may be redeemed free of charge in accordance with the terms and conditions of the prospectus.

4. Merger

The following information in the Appendix will assist you in assessing the impact of the merger of your FCP into the SICAV's sub-fund:

- A comparative table of changes;
- The calculation of the exchange ratio;
- An overview of the sub-fund's other share classes; and
- The tax consequences of the Merger.

Thank you for your business. Yours faithfully,

David Benamou

Managing Partner of Axiom AI

APPENDIX 1 - Comparative table (before and after the merger)

General characteristics		
Changes	Before ("AXIOM CONTINGENT CAPITAL" FCP)	After ("AXIOM CONTINGENT CAPITAL" Sub-Fund)
Classification	International bonds and other debt securities	Not applicable
Applicable rules	UCITS (FCP)	UCITS (SICAV)
Fund of funds	This fund may invest up to 10% of its net assets in shares from other funds	
SRRI	5	
Investment horizon	3 years	
Investment objectives	The Fund/Sub-Fund is a French collective investment fund (FCP) which seeks to obtain returns (net of management fees) equal to or greater than 6%, over an investment horizon of at least 3 years. To achieve this objective, the Fund/Sub-Fund will be mainly invested in perpetual fixed-coupon bonds through a fully discretionary management.	
Investment policy	<p>The asset management company's investment process aims to take advantage of major opportunities in the international bond market. The Fund's/Sub-Fund's investment policy is to select bonds or debt securities issued by financial institutions. The use of subordinated bonds, especially "Additional Tier 1" bonds will be at the core of the investment process, as these securities offer high yields that compensate for high risks, including:</p> <ul style="list-style-type: none"> — risk of coupon suspension: coupon payments are fully discretionary. — risk of a trigger event: if a certain capital level is reached, these bonds are either converted into shares or partially or totally written down. — risk of non-redemption: these are perpetual bonds that can only be repaid at the issuer's discretion on predefined call dates. <p>The offering circular for a subordinated bond sets out the requirements and risks which apply to it as an instrument eligible as capital for financial institutions. In order to optimise the portfolio's return, the investment process is divided into several steps:</p> <ul style="list-style-type: none"> • Assessment of the quality of the securities issued • Portfolio construction • Portfolio monitoring 	
Benchmark	<p>This UCITS is not an index fund but it is managed relative to a benchmark. The UCITS' performance may be compared retrospectively with that of the BofA Contingent Capital Index over an investment horizon of more than 3 years.</p> <p>The BofA Contingent Capital Index tracks the performance of investment grade or high yield bonds issued by financial institutions as securities to be included in their Additional Tier 1 and Tier 2 ratios.</p>	
Conditions for subscription and redemption	<p>Share subscription and redemption orders can be placed at any time and are centralised no later than 12:00 p.m. on each valuation day (D). Subscription orders may be placed for a fixed amount.</p> <p>Subscription and redemption orders are settled on D+3.</p>	

SHARE CLASS C		
Changes	Before ("AXIOM CONTINGENT CAPITAL" FCP)	After ("AXIOM CONTINGENT CAPITAL" Sub-Fund)
Characteristics of the shares		
ISIN code	FR0012419612	LU1876458750
Use of income	Accumulation	
Initial NAV	1,000	NAV per AXIOM CONTINGENT CAPITAL FCP share at the merger date
Currency of denomination	EUR	
Eligible investors	All investors	All sophisticated investors
Minimum subscription	€50,000	50 shares
Fees and commissions		
Subscription fee (or "entry fee") not charged by the fund	Maximum 2% incl. taxes	
Subscription fee charged by the fund	None	
Redemption fee (or "exit fee") not charged by the fund	Maximum 2% incl. taxes	
Redemption fee charged by the fund	None	
Management fees	Maximum 0.8% incl. taxes	
Performance fees	None	
Transaction fees	None	
Other fees	None	Maximum 0.15% per year Calculated monthly based on the SICAV's assets. Including costs related to auditing, depositaries, administrative agents, hedging, distribution, registration and regulatory authorities

SHARE CLASS R		
Changes	Before ("AXIOM CONTINGENT CAPITAL" FCP)	After ("AXIOM CONTINGENT CAPITAL" Sub-Fund)
Characteristics of the shares		
ISIN code	FR0012419661	LU1876458834
Use of income	Accumulation	
Initial NAV	1,000	NAV per AXIOM CONTINGENT CAPITAL FCP share at the merger date
Currency of denomination	USD	
Eligible investors	Sophisticated investors for whom distribution, promotion and subscription to the fund are done primarily through the network of "bancassurance" distribution platforms dedicated to wealth management advisors and financial advisors.	
Minimum subscription	€50,000	50 shares
Fees directly related to the shares		
Subscription fee (or "entry fee") not charged by the fund	Maximum 2% incl. taxes	
Subscription fee charged by the fund	None	
Redemption fee (or "exit fee") not charged by the fund	Maximum 2% incl. taxes	
Redemption fee charged by the fund	None	
Management fees	Maximum 1.3% incl. taxes	
Performance fees	None	
Transaction fees	None	
Other fees	None	Maximum 0.15% per year Calculated monthly based on the SICAV's assets. Including costs related to auditing, depositaries, administrative agents, hedging, distribution, registration and regulatory authorities

SHARE CLASS E		
Changes	Before ("AXIOM CONTINGENT CAPITAL" FCP)	After ("AXIOM CONTINGENT CAPITAL" Sub-Fund)
Characteristics of the shares		
ISIN code	FR0012417327	LU1876458917
Use of income	Accumulation	
Initial NAV	1,000	NAV per AXIOM CONTINGENT CAPITAL FCP share at the merger date
Currency of denomination	GBP	
Eligible investors	All investors wishing to have full and systematic hedging against currency risk	
Minimum subscription	£50,000	50 shares
Fees directly related to the shares		
Subscription fee (or "entry fee") not charged by the fund	Maximum 2% incl. taxes	
Subscription fee charged by the fund	None	
Redemption fee (or "exit fee") not charged by the fund	Maximum 2% incl. taxes	
Redemption fee charged by the fund	None	
Management fees	Maximum 0.8% incl. taxes	
Performance fees	None	
Transaction fees	None	
Other fees	None	Maximum 0.15% per year Calculated monthly based on the SICAV's assets. Including costs related to auditing, depositaries, administrative agents, hedging, distribution, registration and regulatory authorities

SHARE CLASS Z		
Changes	Before ("AXIOM CONTINGENT CAPITAL" FCP)	After ("AXIOM CONTINGENT CAPITAL" Sub-Fund)
Characteristics of the shares		
ISIN code	FR0012695674	LU1876459055
Use of income	Accumulation	
Initial NAV	1,000	NAV per AXIOM CONTINGENT CAPITAL FCP share at the merger date
Currency of denomination	EUR	
Eligible investors	UCITS, investment funds or managed accounts run by Axiom, as well as Axiom employees	
Minimum subscription	€50,000	50 shares
Fees directly related to the shares		
Subscription fee (or "entry fee") not charged by the fund	Maximum 10% incl. taxes	
Subscription fee charged by the fund	None	
Redemption fee (or "exit fee") not charged by the fund	Maximum 10% incl. taxes	
Redemption fee charged by the fund	None	
Management fees	Maximum 0.05% incl. taxes	
Performance fees	None	
Transaction fees	None	
Other fees	None	Maximum 0.15% per year Calculated monthly based on the SICAV's assets. Including costs related to auditing, depositaries, administrative agents, hedging, distribution, registration and regulatory authorities

SHARE CLASS CHF		
Changes	Before ("AXIOM CONTINGENT CAPITAL" FCP)	After ("AXIOM CONTINGENT CAPITAL" Sub-Fund)
Characteristics of the shares		
ISIN code	FR0013182656	LU1876459139
Use of income	Accumulation	
Initial NAV	1,000	NAV per AXIOM CONTINGENT CAPITAL FCP share at the merger date
Currency of denomination	CHF	
Eligible investors	All investors wishing to have full and systematic hedging against currency risk	
Minimum subscription	CHF70,000	70 shares
Fees directly related to the shares		
Subscription fee (or "entry fee") not charged by the fund	Maximum 2% incl. taxes	
Subscription fee charged by the fund	None	
Redemption fee (or "exit fee") not charged by the fund	Maximum 2% incl. taxes	
Redemption fee charged by the fund	None	
Management fees	Maximum 0.8% incl. taxes	
Performance fees	None	
Transaction fees	None	
Other fees	None	Maximum 0.15% per year Calculated monthly based on the SICAV's assets. Including costs related to auditing, depositaries, administrative agents, hedging, distribution, registration and regulatory authorities

Parties		
Changes	Before ("AXIOM CONTINGENT CAPITAL" FCP)	After ("AXIOM CONTINGENT CAPITAL" Sub-Fund)
Management Company	Axiom Alternative Investments	
Depository and custodian	Caceis Bank	
Administrative and accounting agent	Caceis Bank	
Statutory Auditor	PWC Sellam	PWC Luxembourg

Main asset classes used and risk and reward profile		
Changes	Before ("AXIOM CONTINGENT CAPITAL" FCP)	After ("AXIOM CONTINGENT CAPITAL" Sub-Fund)
Risk of capital loss	No capital guarantee or protection. Therefore, investors may not recover their initial investment in full.	
Interest rate risk	When interest rates rise, the value of the Fund's/Sub-Fund's investments in fixed-rate (and potentially variable-rate) bonds and in certain fixed-income UCITS or AIFs is reduced. As such, the Fund's NAV is increased or reduced by interest rate fluctuations. This risk is measured by the Fund's interest rate sensitivity.	
Interest rate sensitivity range	Between 0 and 10	
Credit risk	<p>This risk arises from the possibility that a bond or debt security issuer might not be able to meet its payment obligations, namely coupon payments and/or principal repayment at maturity. Such a default may result in a decrease in the Fund's/Sub-Fund's NAV. Credit risk also includes the risk of a downgrade in the issuer's credit rating.</p> <p>This risk is especially high as the Fund/Sub-Fund may invest in securities rated below B- by Standard and Poor's, B3 by Moody's, B- by Fitch Ratings or B Low by DBRS (the highest rating will be applied), or having no rating, or having a rating considered equivalent by the Management Company.</p> <p>On an ancillary basis, the Fund/Sub-Fund may be exposed to non-OECD countries.</p> <p>The occurrence of these risks may lead to a fall in the UCITS' net asset value.</p>	

Main asset classes used and risk and reward profile		
Changes	Before ("AXIOM CONTINGENT CAPITAL" FCP)	After ("AXIOM CONTINGENT CAPITAL" Sub-Fund)
Counterparty risk	<p>Counterparty risk arises from OTC financial contracts entered into with the same counterparty, including securities financing transactions and any other derivative contract entered into on an OTC market. Counterparty risk measures the risk that the Fund may suffer a loss if a counterparty defaults on its obligations before the transaction is permanently settled in the form of a financial flow. In order to reduce the Fund's exposure to counterparty risk, the management company may provide a guarantee to the Fund. The occurrence of this risk may lower the net asset value of the UCITS (including total return swaps or DPSs).</p>	
Risk related to securitised products	<p>The Fund/Sub-Fund may also be exposed to these instruments via the UCITS or AIFs in which it may be invested.</p> <p>For such instruments, credit risk lies mainly in the quality of the underlying assets, which may vary in nature (bank loans, debt securities, etc.).</p> <p>These instruments are the result of complex structures which may carry legal and specific risks related to the characteristics of the underlying assets.</p>	
Currency risk	<p>Since part of the assets may be denominated in currencies other than the base currency, the UCITS may be affected by changes in foreign exchange controls or in exchange rates between the base currency and these other currencies. Such fluctuations in exchange rates may lead to a fall in the UCITS' net asset value.</p> <p>For Class E and Class CHF shares, the fund manager shall systematically and totally hedge the portfolio against the EUR/GBP and EUR/CHF exchange-rate risk. However, a residual risk remains.</p> <p>The occurrence of these risks may lead to a fall in the UCITS' net asset value.</p>	
Risk related to discretionary management	<p>This risk arises from the selection of securities and financial instruments carried out by the fund manager. Therefore, the Fund/Sub-Fund may not always be exposed to the best-performing financial instruments.</p> <p>The occurrence of these risks may lead to a fall in the UCITS' net asset value.</p>	

Main asset classes used and risk and reward profile		
Changes	Before ("AXIOM CONTINGENT CAPITAL" FCP)	After ("AXIOM CONTINGENT CAPITAL" Sub-Fund)
Geographic area of security issuers to which the Fund is exposed	<p>The Fund/Sub-Fund is constantly exposed to the interest rate markets of OECD countries, especially those of eurozone countries, the U.K., Switzerland and the U.S. Exposure to each of these markets may be as high as 100%.</p> <p>For other OECD countries (excluding those referred to in the paragraph above), the Fund's exposure to each of these markets may not exceed 5% of the NAV.</p> <p>Exposure to non-OECD markets is incidental (below 10%).</p>	
Risk related to subordinated bonds	<p>The use of subordinated bonds, especially "Additional Tier 1" bonds, exposes the Fund to the following risks:</p> <ul style="list-style-type: none"> — trigger event: if a certain capital level is reached, these bonds are either converted into shares or partially or totally written down. — coupon cancellation: coupon payments on such instruments are entirely discretionary and may be cancelled by the issuer at any time, for any reason, and for any length of time. — capital structure inversion risk: contrary to classic capital hierarchy, investors in such instruments may suffer a loss of capital, as a subordinated creditor will be repaid after ordinary creditors but before shareholders. — call extension risk: Such instruments are issued as perpetual instruments, callable at pre-determined levels only with the approval of the competent authority. — Yield/Valuation risk: The attractive yields of such instruments may be viewed as a complexity premium. <p>The materialisation of any of these risks may lead to a fall in the UCITS' net asset value.</p>	

Main asset classes used and risk and reward profile		
Changes	Before ("AXIOM CONTINGENT CAPITAL" FCP)	After ("AXIOM CONTINGENT CAPITAL" Sub-Fund)
Liquidity risk	<p>Risk arising from the potential difficulty or impossibility of selling securities held in the portfolio when necessary and at the portfolio valuation price, due to the limited size of the market or insufficient trading volumes in the market where these securities are usually traded.</p> <p>The occurrence of these risks may lead to a fall in the UCITS' net asset value.</p>	
Operational risk	<p>Risk of losses resulting from the inadequacy or inefficiency of internal processes, persons, systems or from external events. The occurrence of these risks may lead to a fall in the UCITS' net asset value.</p>	

Appendix 2 - Calculation of the exchange ratio

The exchange ratio will be calculated based on the net asset value of each share in the FCP on the merger date.

The Receiving Sub-Fund of the SICAV will be launched and activated on the effective date of the merger, i.e. 14 January 2019, based on the net asset value of the Merging Fund.

The Receiving Sub-Fund's shares will thereby be issued at a net asset value that is equivalent to the net asset value of the shares in the Merging Fund. As a result, you will own the same number of shares in the Receiving Sub-Fund as shares you currently own in the FCP, i.e. for every share owned, investors will receive one share in the receiving sub-fund.

As an illustrative example, if the merger occurred based on a net asset value regardless of the actual merger date, a holder of 10 shares in the FCP would receive 10 shares in the Sub-Fund immediately following the merger.

It should be noted that any accrued income recorded in the accounts of the Merging UCITS will be transferred to the Receiving Sub-Funds at the time of the merger.

Appendix 3 - Overview of the Sub-Fund's other share classes

The prospectus of the Axiom Lux SICAV includes a variety of share classes for the AXIOM CONTINGENT CAPITAL sub-fund intended for different types of investors with different profiles. No share class other than the ones intended for the merger will be activated on the merger date. The management company is therefore unable to offer other share classes at this time.

However, other share classes as provided for in the section on the AXIOM CONTINGENT CAPITAL sub-fund in the SICAV's prospectus may be made available by decision of the SICAV's Board of Directors.

Appendix 4 - Tax consequences

In light of the merger's 1:1 exchange ratio, no capital gains or losses will be realised. As a result, regardless of whether you are a natural or legal person, no tax consequences will arise as a result of the merger.

Summary of applicable tax rules:

Natural persons: Article 94 of Act No. 99-1172 of 30 December 1999 established a tax deferral regime for any capital gains (or losses) realised from the exchange of shares as part of a UCITS merger.

Under this tax regime, the exchange of shares is considered a non-taxable transaction:

- The exchange is not subject to tax in the year of the merger,
- It is not taken into account in assessing whether the capital gains tax allowance has been exceeded and no capital gains need to be reported in the year of the merger's completion. Taxation is deferred until the subsequent disposal of the shares received in exchange based on realised gains which are calculated using the initial acquisition cost of the shares less payment received or plus payment made upon the exchange.

However, this deferral is granted only where any cash payment made to the Merging FCP's shareholders does not exceed 10% of the nominal value of the shares received upon the exchange.

If this condition is not met, capital gains arising from the exchange (i.e. the difference between the net asset value of the shares received in exchange and the cost of acquisition of the FCP's shares) are subject to tax in the year the merger is completed.

Legal entities: pursuant to Article 38-5 bis of the French General Tax Code, the gain or loss resulting from the exchange of shares arising from the merger of the UCITS is included in the taxable income of the year in which the shares received in exchange are sold.

If the merger gives rise to a cash payment, the gain recorded is included in the profit for the period in which the exchange occurred, up to the amount of the payment received.

These provisions only apply if the cash payment is less than or equal to 10% of the net asset value of the shares received in exchange. If not, the gain arising out of the exchange needs to be included in the profit for the period in which the exchange occurred.

Investors are encouraged to contact their usual financial advisors to assess how the merger may affect their personal tax situations.

Appendix 5 - Extract from the Articles of Association, Article 12.2: Shares

Shares will be issued in registered form in the name of the investor. Shares may be issued in fractions up to a ten-thousandth of a share. Subject to the restrictive conditions set out above, the Shares in each Sub-Fund are freely transferable with each share having the right to equally share in the profits and liquidation proceeds attributable to each Share Class of the relevant Sub-Fund. The rules governing such allocations are set out in 5. "Allocation of assets and liabilities between the sub-funds".

The Shares, for which no nominal value is specified and which need to be fully paid on the issue date, do not carry any preferential or preemptive rights with each share being entitled to one vote at all general meetings of shareholders. The shares repurchased by the Company are cancelled.

If shareholders approve a dividend payment for distribution shares at the annual general meeting, such dividends will be paid within one month of the date of the Annual General Meeting. Under Luxembourg law, no distribution may be made if net assets fall below the minimum required by law as a result of such dividend payments.

Appendix 6: KIID