AXIOM ALTERNATIVE FUNDS SICAV-RAIF

Société d'investissement à capital variable (SICAV)
- Reserved Alternative Investment Fund (RAIF)

Audited annual report as at 31/12/23

R.C.S. Luxembourg B 230.094

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Organisation and administration

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Board of Directors

Mr. David Ben Amou, Managing Partner, Axiom Alternative Investments, France

Mr. Laurent Surjon, Director Business Development, Axiom Alternative Investments, France

Mr. Guillaume Carriou, General Secretary, Axiom Alternative Investments, France

Mr. Christophe Arnould, Independent Director, Luxembourg

Report of the Board of Directors

AXIOM CREDIT OPPORTUNITY

January

Macro sentiment was very strong to start 2023, buoyed by slowing headline European inflation data. Recession fears in Europe have continued to ease since the start of the year, with German Chancellor Scholz even saying that Germany will avoid a recession entirely. This has been mainly driven by the large drop in energy prices.

In the US, the focus was on the jobs market with data beating expectations and the economy showing no signs of softening.

Credit indices tightened with the iTraxx Main index falling from 91bp to 79bp as the Eurostoxx50 gained an impressive +9.75% this month.

The positive performance on the month was mainly driven by the spread tightening and the increase in the implied correlation in the IG indices as well as the portfolio positive carry.

We further increased the portfolio carry with the partial unwind of a single name hedge and bought short expiry out-of-the-money option tail hedge.

February

The major driver of markets this month has been the future path of interest rates, as the market narrative is increasingly turning back to some of the fears from last year of ever higher rates.

Multiple Fed officials like Bullard and Williams emphasised their commitment to bring inflation down. Lagarde reiterated the ECB’s determination to fight inflation, intending to hike rates by 50bp in March with future hikes to be data dependent.

Persistent inflation and fears of recession which are gradually fading led to increased volatility in rates markets as the German 2y yield climbed above 3% for the first time since 2008 and traders now betting for the first time that the ECB will extend its rate-hiking cycle into 2024.

Otherwise, geopolitical tensions have also been in focus, with US and China officials meeting to talk about the spy balloon controversy, Biden visiting Zelenskiy in Kyiv to declare his support in the war against Russia, as well as Putin saying Russia would suspend its observation of the New START nuclear weapons treaty with the US.

Fund performance benefited from the IG indices spread rally and the increase in implied correlation in the front end of the curve and from the portfolio positive carry.

We increased the portfolio carry with the unwind of some single name hedge and kept our tail risk short expiry option hedge.

March

Looking at the moves on monthly basis doesn’t show how hard European markets were affected by the financial sector weakness. Equities showed a relentless strength in the last week with European stocks finishing in the green every day as fears about the health of the European financial institutions faded and markets were taking a rest after the extreme volatility of the two prior weeks.

The second and third weeks saw the fallout from the collapse of Silicon Valley Bank in the US spread to Europe and cause significant difficulties for Credit Suisse which came under further significant pressure on Wednesday 15 after its biggest shareholder ruled out providing further financial assistance. Fears regarding a potential collapse of the Swiss bank and its implications for the wider global economy dragged equity markets considerably lower with European banks leading the drop. On Sunday 19, UBS announced their purchase of Credit Suisse for 3bn CHF, while AT1s were fully written down. The market welcomed the subsequent statements from the ECB and Bank of England around AT1 priority within the bank capital stack and that a similar outcome is not possible in Europe. This intervention allowed the market to regain its senses and to resist a similar situation with Deutsche Bank.

Central banks also remained in focus as both the Fed and BoE hiked by 25bp as expected. The ECB were more hawkish than expected with many investors having expected them to acknowledge the recent turmoil in markets more. The policy rate was hiked +50bps accompanied by comments from Lagarde that rates are for inflation and other facilities (flexible PEPP reinvestments/ TPI etc) are for financial stability. ECB projections show that inflation is set to remain ‘too high for too long’ and that any future decisions remain ‘data dependent’.

The fund benefited from the positive carry while the negative effects of the increase in single name dispersion was offset by the increase in the short term implied correlation. We further strengthened the portfolio’s carry during the month with the unwind of a short maturity mezzanine tranche and reinforced our hedges with new short expiry out-of-the-money options.

April

Markets stabilized in April after the panic in March and investors were reassured about the banking sector thanks to the responsiveness of regulators and public authorities as well as solid Q1 2023 results publications.

As for European banks, there were no bad surprises on deposits and earnings before provisions came out well above expectations, prompting analysts to revise their earnings estimates upwards.

Report of the Board of Directors

In Europe, economic indicators came out mixed, pointing to weakness in manufacturing and retail sales, but a sustained rebound in services and a buoyant job market. Central banks are expected to enact new rate hikes that are less significant than the previous ones, presaging a gradual end to monetary tightening.

The fund benefited from the restructuring event on Vue International (Entertainment/Cinema/UK) thanks to the Xover portfolio defensive positioning on early defaults and the anticipation of a relatively strong recovery. Furthermore, the overall positive carry was partially offset by the drop in the implied correlation, especially on the short part of the Main.

During the month, we bought short expiry out-of-the-money options to protect the portfolio from severe spread widening scenarios.

May

With the sense that conviction levels are low, news on debt ceiling relief and financials caused generically small reactions in macro credit as volatility was low and credit spreads remained range bound.

Sentiment was positive overall with financials credit outperforming.

In the US, the "debt ceiling" has been raised until 2025, sending a positive message about the situation of the US Treasury.

In Europe, despite a slight drop in inflation figures, the consensus still foresees two successive increases of 25 bps in key rates.

European banks published results above expectations for the 9th consecutive quarter, sending an optimistic message for the year 2023.

The fund benefited from the Main position with spread and dispersion decreasing especially on the short end of the curve and from the Xover defensive positioning as Casino continued to widen.

June

Sentiment was positive overall as credit indices tightened significantly.

The rise in inflation came out slightly down which positively surprised the consensus. This was mainly due to base effects though and markets still anticipate further rate hikes. Manufacturing indicators came out below their May levels indicating a softening in the global economy. Following on from previous meetings, the ECB lifted interest rates by 25bp and signalled more to come, with a hawkish focus on bringing inflation back down to target.

The Fed paused their rate hike cycle and signalled future hikes. Powell said it would be appropriate to raise rates twice more this year to reduce US growth and contain price pressures.

Another major driver of market sentiment was the UK where core inflation reaccelerated to 7.1% in May. The BOE hiked by 50bp and signalled willingness for further tightening.

During the Sintra Central Bank panel where Lagarde, Powell, Ueda, and Bailey all spoke, Powell notably stressed that getting back to a 2% inflation before 2025 is unlikely and hence did not take future consecutive rate hikes off the table.

The Fund benefited from the positive carry and roll down on the IG indices. During the month, we reduced our single name recovery exposure.

July

This month has been a strong one in credit in line with the macro tone. Main closed -6bp tighter and Xover -20bp.

Receding inflation was a key driver as the change in core US CPI (at 4.8% vs 5% forecast) gave the softest core prices set since 2021 in goods and service prices. Data showing the US economy rebounding from recent contractionary levels with real GDP increasing at a 2.4% annual rate last quarter, also helped fuel more credible belief in a ‘soft-landing’ scenario. Markets cautiously awaited 3 central bank policy decisions and subsequently rallied on already-expected hikes as the Fed no longer predicts a recession later this year.

The rest of the guidance was clear to state data-dependency, with no decisions made about the next few meetings given two CPIs, two payroll reports, and one ECI to come out before the September meeting. The ECB also unsurprisingly hiked by another quarter point but kept options for the next meeting open, also ‘data-dependent’ which was the main shift in tone, and as such markets continued to price a 50% chance of another quarter-point increase in September.

On the earnings front, of the 40% of US companies that have reported so far, 80% have beat EPS estimates, with a larger-than-usual magnitude of surprise. The Fund benefited from the positive carry and roll down on the IG indices. During the month, we reinforced the portfolio carry with junior tranches on the Main index.

Report of the Board of Directors

August

August was a relatively quiet month in fixed income markets despite a slight widening of credit spreads.

In Europe, growth figures came in below expectations, with PMI results highlighting a decline in services. Growth came out flat in Germany, persistent tensions on Nordic's real estate markets and wages fuelling inflation, particularly in the UK. Conversely, economic indicators proved resilient in the US despite the loss of the Fitch AAA rating. The US growth figures exceeded expectations and the large-scale issuance of long-dated treasury bonds made a significant contribution to the rise in long-term yields over the period.

Regarding central banks, expectations for the ECB's September meetings are divided, with a rate hike seen as equally likely as a pause or a slowdown. As for the FED, analysts believe that it should maintain its rate hike pace of one hike out of two meetings, given that the latest US inflation figures were in line with estimates.

Fund's performance on the month was driven mainly by the portfolio's positive carry.

September

The month of September was marked by the high volatility of long rates, which reached their highest level in the last ten years. The Bund 10Y ended the month at 2.83% and the Treasury 10Y at 4.57%. This upward trend in the long part of the yield curve is a symptom of fears about the positioning of central banks to maintain high rates for longer in the face of a possible future recession. Indeed, on the side of central banks, faced with persistent inflation, the ECB increased its key rate for the 10th time, to the tune of 25 bps, while the Fed paused as widely expected and kept the door open for further hikes if needed.

It is still the "higher for longer" narrative that prevails, with the consensus expecting a final increase in rates by Q1 2024, before a two-year stabilization period, with a maximum drop of 100 bps estimated over this period.

The US economy had been strong despite facing risks to consumer spending from soaring energy levels, auto strikes, the restart of student loan payments, a potential shutdown and a bank lending crunch, but data started to show weakness.

The fund's performance on the month benefited mainly from the portfolio positive carry.

October

The month of October saw a pause in long rates in Europe while the rise continued in the US with the 10-year rate rising by 36 bps to reach 4.93% at the end of the month. This dynamic is notably linked to the stagnation of inflation and increasing growth figures on the other side of the Atlantic. The divergence between Europe and the US continues to widen, reinforced by aggressive US fiscal policy and falling savings levels of American consumers.

On the central banks side, the ECB maintained its key rate at 4%, noting that the latest data indicated that inflation was slowly, but surely, approaching its 2% target. The BoE decided to keep interest rates at their highest level in 15 years and stressed that inflation risks were tilted to the upside, indicating that the UK was not expected to post growth in 2024. The FED held rates at 5.25% / 5.50%, struggling to determine whether financial conditions are sufficient to control inflation, or whether the economy that continues to outperform expectations may require even more monetary restrictions.

Geopolitical tensions weighed on the markets, leading the majority of sectors to be on a downward trend. The increased interest in safe haven assets such as gold highlights investors' growing fears about the conflict situation in the Middle East and the risks of a recession that is still not coming. Credit indices continued to widen significantly. The Main finished at 85bps, up 6bps and the Xover at 450bps, up 23bps. The negative effect of the widening of spreads on the fund's performance was partially offset by the positive carry of the portfolio.

During the month, we strengthened the carry with new short maturities trades.

November

November was one of the best months on record for bond markets.

The Bloomberg Euro Aggregate index ended the month at +2.7%, its 4th best month since its inception in 1998. Markets enthusiasm is based on inflation figures that surprised on the downside, savings levels that remain above historical averages, and wages that continue to rise. The rate hike cycle now appears to be coming to an end, with analysts believing that a rate cut will come sooner than expected, which could lead to a rally across all markets if economic conditions hold.

Yields tightened as the US 10-year ended the month at 4.33%, down 60bps and the 10-year Bund at 2.44%, down 36bps. Credit indices rallied strongly with the iTraxx Main and Xover indices tightening respectively by 18bps and 80bps to 68bps and 373bps.

The fund's positive performance benefited from the positions on the front end of the iTraxx Main curve and from the portfolio's positive carry which we reinforced during the month.

Report of the Board of Directors

December

Jerome Powell's dovish conference reinforced the market's expectations of rate cuts and propelled bond indices to their highest levels of the year. The Fed Chairman highlighted the remarkable fall in inflation and indicated that he was ready to cut rates before it reached the 2% threshold. Furthermore, despite unchanged inflation and growth projections, the dot plot is now down 75 bps vs. 50 bps in September. In Europe, the ECB has a more hawkish approach by announcing a more aggressive QT program than expected. But this was not enough to push up market rates, given the weakness of the PMIs and the latest inflation figures. Going against the market, DNB raised its rates by 25 bps.

In this constructive environment, the Bloomberg "Euro Aggregate" index ended the month at +3.3%, one of its best monthly performances ever. The US 10-year ended December at 3.87%, down 50 bps and the Bund finished at 2.03%, down 42bps.

Credit indices tightened significantly, 10bps and 63bps respectively on the iTraxx Main and the Xover indices ending the month at 58bp and 310bp.

The fund’s positive performance benefited from the positions on the front end of the iTraxx Main curve and from the portfolio’s positive carry.

AXIOM LIQUID RATES

January

Markets

The year began on an optimistic note for inflation in Europe, with better weather conditions and high gas storage levels sparking a plummet in wholesale gas and electricity prices. This led to a rally in fixed-income and equities amongst heightened investor demand.

The rally was further fuelled by an anonymous ECB source piece which suggested that there might not be unanimous support for two further 50bps hikes. This was swiftly and forcefully rebutted by Lagarde at Davos as well as other hawks. Market is now pricing a full 50bps for the February and close to 50bps for the March ECB, with a peak discount rate of 3.5% by the summer.

Rates rallied significantly in the US as well, as we had another promising CPI report in the US and average hourly earnings surprised to the downside (as well as being revised lower for November). Combined with the soft data misses, this has led to market participants views on the pace of disinflation starting to diverge from the Fed’s projections - pulling rate cuts forward to as early as Q3 2022. Central bank speakers pushed back against this narrative with limited success, perhaps this was because it was coupled with advocating a slowing down of the pace of hikes to 25bps. Investor appetite for bonds was apparent at US Treasury coupon auctions: each auction during the month of January had a higher-than-average proportion of indirect bidders and low allocations for primary dealers.

Funding

Funding markets continued to stay soft in the US and Europe. The expected normalisation of the Euribor-ester spread on year-end (banks typically reduce their intermediation activities for regulatory ratio optimisation for the turn of the year) didn’t materialise as expected with the 3m Euribor fixing below the 3m risk-free unsecured rate. This was somewhat puzzling and perhaps indicated that bank submissions were not being driven by primary market activity and rather using the fall back methodology. Other factors could be increased inflows into money-market funds as yields become more attractive, this would increase demand for bank CP. Even as Treasury bill yields in the US rose relative to OIS amid a surge of supply, in anticipation of the US government reaching their debt ceiling, there was limited pass-through to CP.

Portfolio

Despite the rally in rates in January which moved against our core positions in EUR and USD, the fund performance was not affected thanks to an active trading approach. We continue to believe in the core themes of inflation persistence and hiking cycle extension. We expect the ECB will hike by 50bp in February and March with a continuation of the hiking cycle till the summer. We also think that the Fed will hike by 75bps over its next three meetings. We don’t expect cuts to occur this year and see the risk of further hikes as under-priced. As for the BoE, we expect a 50bps hike in February and the Bank to indicate that it is close to the end of its hiking cycle.

February

Markets

February started with a rate rally both in euro and us dollar as the FED and ECB showed growing confidence that a disinflation process had already started and that the peak in rates was in sight at their respective February meetings.

Starting with the Fed, we had another decrease in the pace of hikes from 50bps to 25bps after the December decision to move back to 50bps after a series of 75bps hikes, but more importantly Jay Powell repeatedly referred to the recent softer inflation prints as a sign the Fed was on track to win the battle over inflation. The ECB raised rates by 50bps and signalled a likely similar move in March, the general tone from Madame Lagarde was on the dovish side as well as she showed some measured confidence on a coming downside trend in price pressures.

Rates rallied logically as a result though in a measured way as the starting point in terms of rate hikes expectations was already low coming into the meeting (in the US for instance, only 35bps of additional hikes in 2023 after February priced in). Economic data released shortly after unfortunately contradicted Central Banks optimistic view in a rather embarrassing way starting with a super strong employment report and later in the month a rebound in inflation pressures for January in the US.

Report of the Board of Directors

In Europe as well, economic activity data showed that long feared recession has been avoided and more importantly that core inflation was not showing any sign of cooling (Core CPI stayed at a very elevated 5.3% on an annual basis). All in all, the terminal rates anticipated by the market soared by 40bps in EUR to 3.75% and by 50bps in USD to 5.4% at the end of the month. The story was a bit different with the BOE who signalled a possible pause of monetary tightening after a 50bp hike and were proven right - at least for the time being - with inflation figure for January showing signs of softness.

Funding

In the basis space, 3m Euribor/ester has remained at abnormally negative levels (around -15bps) still probably as a result of some imperfections in the Euribor calculation methodology, exacerbated by the very steep short end rate curve.

Portfolio

The fund performed well in February thanks to a combination of a higher level of risk (Initial margins at around 5/6%), of its exposures to higher rates both in EUR and USD and of a correct anticipation of the BOE February meeting outcome.

We took some profit in our short rates positions, but we stand ready to go short again as we still see upside risks in terminal rates especially in EUR where underlying inflation dynamics are still very strong and rates are lower than in both the US and the UK.

March

Markets

March will be remembered for the banking crisis triggered by the collapse of Silicon Valley Bank and the ensuing contagion that caused the downfall of Credit Suisse. Whilst financial stability concerns were addressed via liquidity programmes old and new, monetary policy was able to continue the inflation fight - albeit more cautiously.

The Federal Reserve raised rates by 25bps at its March meeting, at one point earlier in the month it had looked like it might have been 50bps given the strength of the economy and persistence of inflation. The economic projections accompanying the decision did make clear that the committee anticipated that the banking crisis would have a meaningful impact on the economy - GDP growth expectations were reduced (0.4% for 2023 and 1.2% for 2024), forward guidance was watered down and one more hike was signalled via the dot plots.

Volatility was unprecedented over the course of the month as markets staged an extremely large rally exacerbated by a large short base needing to cover its positions. Market pricing for the fed funds rate for the end of 2023 traded as high as 5.55% to as low as 3.83%, closing the month at 4.34%.

The ECB also followed through with the telegraphed hike of 50bps, with acknowledgment from Lagarde that a pause was discussed given the banking turmoil. In contrast to the Fed, the approach to forward guidance by the ECB assumed a status quo that further hikes will be appropriate, unless there is a material worsening in the outlook.

The BoE continued its hiking served to convince seven of the nine members that further tightening was appropriate, with the door open to further hikes cycle, albeit reluctantly, with a 25bp hike in March. Increased growth expectations, lower energy prices and elevated services inflation all in the coming meetings if they see continued signs of persistent inflation.

Funding

Bank funding concerns took centre stage this month with unsecured term borrowing rates rising both in Europe and the US. The spread between 3m Libor and the equivalent OIS rate for the June contract exceeded 50bps at its peak, whilst the impact was more muted in Europe with the 3m Euribor-estr basis peaking at 15bp.

Portfolio

The fund finished the month with a positive performance similar to the previous month in a very challenging market. The performance was mainly achieved thanks to our higher rates exposure at the beginning of the month and to a reactive risk management approach i.e. an early reduction in risks before and in the very early days of the crisis. The fund also continued to take advantage of opportunities that usually emerged in very volatile/stressed markets.

Our views

Whilst we are uncertain on the magnitude of the credit tightening impact on the economy, we are of the opinion that current market pricing of aggressive cuts will only be realised in a further, rapid deterioration of the banking crisis. The Fed have clearly indicated that the fight for inflation will be a long battle and that it will likely have to maintain rates at their peak for a prolonged period of time even in an economic slow-down environment. If the early signs of funding stress abating and deposit outflows moderating are confirmed, we feel there is scope for an upside correction of front-end yields via de-pricing of early rate cuts.

In Europe, we also retain a strong conviction that further hikes will be needed given underlying inflation dynamics and a fading of acute banking stresses. That being said, given that the full impact of the shock will only become apparent gradually, we believe that further hikes will be in smaller increments of 25bps. With 52bps priced in for the next three meetings, we expect a modest repricing higher on the back of subsiding banking worries and continued persistence in core inflation above 5%.

Report of the Board of Directors

Finally, in the funding space, we think that basis will tighten gradually due to the amount of excess liquidity in both banking systems. Take-up of the Fed facilities (bank term funding program and discount window borrowings) have started to moderate - USD swap lines provided by the ECB have also not been tapped during this period signalling strong liquidity positions and a normalisation in these spreads.

April

Markets

Markets were more circumspect in April, with the focus being on US regional banking worries, macroeconomic data and the prospective credit tightening yet to hit the market. The debt ceiling debate also started to take shape as the incoming April tax receipts gave the market a clearer idea that the X-date (when the Treasury will run out of cash to honour its outstanding obligations) will be in June – with Yellen stating it could be as early as 1st June.

In the US, recessionary fears were elevated due to the continuation of the banking crisis with the earnings season being closely monitored for deposit outflows at other regional banks. First Republic was the bank in the spotlight with shares down 75% in April, which is after an 89% drop in March. Rather than the swift seizures of SVB and Signature, the FDIC seemed to be hoping for a private solution, which began to appear unlikely over the course of the month without some loss-sharing role on its part. Market pricing for the Federal Reserve was volatile again, albeit less so than March with one more hike being priced at the May meeting before steep cuts by the end of the year. The hard economic data was robust again, whilst the soft data was less forgiving and indicated a deterioration in sentiment, especially in the manufacturing sector. The employment cost index, released quarterly, accelerated to 1.2% QoQ showing no respite and corroborating the Atlanta Fed’s real-time wage tracker rather than the average hourly earnings data that had shown a deceleration in recent months.

In Europe, a combination of central bank speakers and strong data guided the markets to price in further hikes. There was significant weight given to the April core HICP print as well as the results of the bank lending survey in determining whether the committee would decide to step down to 25bp increments or continue with a 50bp hike. A further 45 bps of hikes are priced over the subsequent two meetings, with the curve pricing 95bps of cuts by the end of 2024 – compared to almost 200bps in the US. Despite the difference in starting level of rates, flatteners in EUR vs USD seem to be a favoured trade for the market to play this divergence.

Funding

Funding conditions gradually normalised over the month in Europe and the US. The forward 3m Euribor-estr basis anticipated for June tightened 3bps from end of March highs. That being said, the basis curve remained steep as there was focus on the large TLTRO repayment approaching in June – Italian banks seemed to make up a large portion of this and there were calls for a bridge operation to smooth the change in funding. Although there is a large amount of excess liquidity in the Eurosystem as a whole, the distribution of these reserves is uneven with a large proportion at German and French banks. This might cause a certain amount of risk premia attached to Euribor/estr spreads from June onwards, especially with the ongoing backdrop of banking failures. The Fed’s emergency program usage continued to pare back along with minimal usage of the USD swap lines offered by the ECB and BoE.

Portfolio

The fund returned another positive performance in April albeit a bit lower than in March as we reduced our short positions with a small loss after the risk-off episode early in the month in line with our stop-loss policy. On the positive side, the fund benefited from its EUR basis tightening positions in the RV space and from some arbitrage opportunities.

We retain our general view of more rate hikes in Europe and no rate cuts in the US.

May

Markets

The spectre of a debt ceiling impasse loomed large as we began the month and as the month progressed the market started reacting to the daily news mill out of Washington. However, the proceedings went smoother than the market had anticipated with a deal reached in "good" time and the negative risk premium getting priced out over the month. Strong labour and inflation data, along with the continued unwinding of worries about bank stability contributed to the sell-off over the month.

The ECB stepped down to a 25bp hike in May in an almost unanimous decision, combining it with a more hawkish decision to end APP reinvestments in July. This was in the face of mixed data - the bank lending survey had shown more tightening in lending standards than expected whilst the April core HICP print had shown strong underlying momentum. Since then, data has been weak in Europe with production and survey measures posting disappointing readings. The May inflation readings also surprised to the downside, with core dropping from 5.6% to 5.3% largely on the back of the introduction of a pan-German travel pass. ECB speakers were relatively neutral and the divergence between them seems to be minimising, with the consensus being for two more hikes in June and July with September an option if the data demands it. The market pricing is completely in line with the June meeting almost fully priced and a further 25bps of hikes priced for a peak rate of

The Fed hiked by 25bp at the May FOMC and amended their forward guidance to indicate the bar for further hikes had been increased. Powell was dovish in the press conference and in an appearance later in the month, stating that the current stance of monetary policy was “tight”. However, there were signs of divergence within the Fed, with some members (Logan, Waller, Bowman) voicing increasingly hawkish views regarding further hikes. They were all united in pushing back on the rate cuts priced by the market and as debt-ceiling worries receded, this led to a sharp repricing of the front end of the curve with a full hike almost priced by July and cuts by the end of the year being reduced. However, given the slew of weak survey data signalling an upcoming slowdown, the market pricing for cuts in 2024 actually increased.

Report of the Board of Directors

The UK's extremely strong inflation print caused a large repricing of interest rates in the UK. The Bank of England had previously followed the Fed and the ECB by hiking 25bp, combining this with upwards revision to growth, employment and inflation. The print surprised to the upside even from these revised expectations, with the strength broad-based and being intensified by annually indexed prices jumping at the beginning of the fiscal year. The market-implied terminal rate jumped by 50bps to a little above 5.5%, with the chances of a 50bp hike in June being discounted. This subsided a little over the month, with June MPC now pricing 28bps, given we still have another inflation print due before the meeting.

Funding

Focus in the funding markets was on two upcoming liquidity drains: the large Jun TLTRO expiry in Europe and the anticipated rebuild of the US treasury general account post debt-ceiling resolution. Reports of ECB bridging loans for banks to help them with the large expiry did not materialise at the May meeting and it seems there was a certain amount of pre-funding in the market in May, causing a modest widening in the Euribor-estr basis from around par to 6bps, with the forwards also repricing higher. In the US, the spread between the repo rate and the deposit rate also started widening as a deal became increasingly likely. We think the widening will be limited (possibly a couple of basis points only) as some of >$2 trillion cash parked at the Fed's o/n RRP facility will be deployed by money market funds into bills and private repo.

Portfolio

The fund returned another positive performance in May albeit a bit lower than in April. Our view on lower rates in the UK partially offset our gains from higher yields in the US.

We believe that the Fed will skip the June FOMC and indicate a hike at the July FOMC, with the ECB delivering another 25bp hike in June and guiding towards another in July. Our views regarding the economic outlook have become more neutral given the weak data, although we still don't expect cuts in the US as early as the market is pricing.

June

Markets Summary

- Fed chose not to hike interest rates at their June meeting, whilst signalling two more hikes in 2023.
- ECB hiked by 25bps and delivered a hawkish surprise via higher forecasted inflation due to persistent rise in unit labour costs. This was followed by further hawkish commentary at the ECB forum at Sintra that reduced the bar for a September hike.
- The BoE surprised markets by delivering a 50bp hike amidst continuing upside surprises in inflation and wage data.
- The SNB hiked by 25bp and indicated they would hike again in order to bring inflation below 2% over their forecast horizon.
- The €503bn June TLTRO repayment passed without any impact on market funding spreads and very limited take-up of the ECB's 1w MRO and 3m LTRO facilities.

Portfolio performance and views

The fund had a strong performance in June with the main contributions coming from:

1. Options structures benefiting from Fed skip in June and high chance of July hike priced.
2. Sep vs Oct meeting steepened (Fed to slow-down pace of hiking to every other meeting).
3. Steepening position in September vs December ECB meetings that benefited from depricing of rate cuts in Q4 2023 due to a more persistent inflation profile and upward revisions to the ECB's inflation forecasts.

We believe that the Fed and ECB will hike by 25bps at their July meetings, with the Fed unlikely to hike at the subsequent meeting as it slows the pace of hiking. Given the hawkish stance adapted by the ECB, we believe that they will hike in September as there might not be sufficient signs of a disinflationary trend in that time. However, we prefer to express this via options structures rather than outright duration given continuing deterioration in the economic data.

July

Markets Summary

- Fed hiked at their July meeting and kept the door open for another hike later in the year.
- ECB hiked by 25bps but tempered expectations for another hike as forward-looking economic indicators led by the PMI descended into contractionary territory.
- A miss in the June inflation publication led markets to lean towards a 25bp hike by the BoE with little conviction given the lack of clarity on their reaction function and a beat in wage data.

Report of the Board of Directors

- Pricing for SNB's September meeting declined on gloomier domestic and European growth outlook and under-target inflation prints – albeit temporarily as price increases for administered products set to cause another spike to above 2%.

- Funding spreads remained range bound at low levels, with the surprise announcement by the ECB to remunerate minimum required reserves at 0% causing a kneejerk widening in swap spreads, which fully retraced given the minimal impact expected. However, this move shows that the ECB is more concerned by the risks on its profitability than previously thought and does raise the risk of further moves as part of the framework review. That being said, the bank room of manoeuvre remains limited as more similar measures could impair its monetary policy transmission by depressing short term money market rates.

Portfolio performance and views

Positive contribution	Negative contribution
- Options structures benefiting from a July hike by the Fed and little priced for Sep FOMC - Paid outright positions in July ECB - Received position in August Bank of England MPC - Tightener in September Euribor-Ester basis	- 25bps hike from the Swiss National Bank at its next meeting in September - Euribor3m vs 6m basis widener - 2y German bonds vs Ester basis tightener

We believe the market is under-pricing the risk of another hike by the ECB given the near-term inflation outlook but acknowledge that there is a possibility they pause if the upcoming hard data catches down to the bleak soft data. Regarding the Fed, we think that the depth of cuts priced by the market is a little excessive, as the strength of the US economy and the labour market will mean that the Fed won't need to undertake an aggressive cutting cycle. We also like options structures that express the view of no hike in September with modest hike pricing in November.

August

Markets Summary

August was quiet in terms of economic and Central Banks news flow with rates staying in a relatively tight range until Jerome Powell's Jackson Hole testimony at the end of the month.

Chair Powell surprised markets with a more hawkish tone than anticipated as he stressed on the idea that, while progress has been made on the inflation front, the job was not done, suggesting that rates will likely have to be kept at the peak for longer. The US curve steepened substantially after the speech as markets cut their expectations of rate cuts in 2024.

The Euro and Swiss rates move higher was much less pronounced as the economic situation in Europe has shown more signs of deterioration relative to positive surprises in the US. The subdued reaction in euro rates is also due to the fact that markets were already assigning fewer ECB rate cuts given the already lower level of rates in Europe, 3.75%, than in the US, 5.25/5.50%.

Portfolio performance and views

Positive contribution	Negative contribution
Options structures benefiting from a Fed September "skip" followed by some chances of a hike for the November FOMC meeting Received position in 3m December Bank of England rates	25bps hike from the Swiss National Bank at its next meeting in September Euribor3m vs 6m basis widener Tightener in September Euribor-Ester basis

Despite a clear economic divergence, Central Banks on both side of the Atlantic face a relatively similar challenge: if the past rate hikes are finally showing clearer dampening effects on inflation, how can monetary policy prevent a scenario where inflation, which is still significantly above the 2% target (around 5% in both the US and the EU), would stop declining and stabilize above targets?
Policy response to that concern could mean a few more rate hikes as a sort of insurance or rather Central Banks could prefer leaving rates unchanged while committing not to cut rates for an extended period (namely a reversed forward guidance). The latter contains the risk that markets challenge this forward guidance by keeping curves inverted which would push financial conditions lower again.

We think Central Banks might chose to hike a bit more as controlling the rate curve term structure has proven to be a difficult and unsuccessful exercise in the past.

September

Markets Summary

In September the main central banks continued their effort to fine tune their monetary policy stance, not too accommodative and not too restrictive, as the end tightening cycle is in view but with contrasting conclusions.

In the US, the Fed kept rates unchanged as expected, after a 25bps hike in July, cementing the idea that it will now be more cautious and take its time to judge if more tightening is needed. What surprised the market was the FOMC new rates forecasts for 2024 which moved from four cuts expected through the course of next year in June to only two cuts in the September forecasts.
The timing of this market correction for cuts in 2024 was a bit surprising as the "high for longer" message had been well telegraphed by many Fed's members, including Powell, in the recent months.

Report of the Board of Directors

In Europe, the ECB delivered a surprised 25bps hike while markets were expecting no change in policy rates. With this monetary move, the ECB showed clearly that it is prioritising its inflation mandate versus the growth outlook which had been recently deteriorating.

The SNB decided to stay put, against mkt expectations of a hike, invoking its lower inflation forecast and its preference at this stage to use Forex intervention (buying the CHF currency) as its main tool to fight inflation. This was surprising given that recent softer inflation figures were mainly coming from lower imported prices while domestic inflation continues to be above target.

Portfolio performance and views

Positive contribution	Negative contribution
Options structures benefiting from a Fed September “skip” followed by some chances of a hike for the November FOMC meeting Steepening positions sep23 vs dec23 in USD rates Received position in 3m December Bank of England rates	25bps hike from the Swiss National Bank at its next meeting in September Tightener in December Euribor-Ester basis

We think the Fed will take a careful approach to assess if current levels of rates are restrictive enough and won’t have enough evidence by the November meeting for which we expect another skip. Beyond that, the chances of another rate hike have diminished in our view especially as long term yield recent sharp increase is doing the Fed’s job.

In Europe, if it is likely that rates will remain unchanged in the near future, markets could be too much complacent with still remaining upside risks on inflation. In the RV space we think turn of the year effect will push down three months unsecured despite the decrease in liquidity excess in recent months.

October

Markets Summary

The main macro event in October was clearly the change of tone from the FED since its last meeting in September.

Suggested by a few Fed officials and confirmed more clearly by Jerome Powell in a 19th October speech, the new message from the US monetary authorities is that the need for further rate hikes, that was the base case until September, could well have evaporated as progress on inflation has been confirmed by the latest data and as the recent rise in 10y yield may replace once considered further tightening.

As a result, the probability of one more hike this year dropped from 40% to less than 20%. Further out the curve, rate cut expectations for next year increased moderately (from 65bps to 75bps).

In the Eurozone, rates have rallied more substantially as economic data continues to be weak and, more importantly, as disinflation has accelerated with the year-on-year core cpi measure, closely monitored by the ECB, dropping from 4.5% to 4.2% after having peaked at 5.6% in the spring. This, coupled with ECB’s members publicized increasing confidence that the current level of rates will be sufficient to bring inflation to target in two years’ time, resulted in further tightening being offset and also led to a rise in rate cut expectations for next year. The market now expects a full first 25bps rate cut by April and a total of 85 bps in 2024.

In the basis space, forward 3s6s basis in euro have continued to widen catching up with spot spreads while Ester/Euribor basis have been stable ranging between 4 and 7bps.

Portfolio performance and views

Our main position for one more hike in 2023 or early next year under-performed in October. Whilst we acknowledge the higher bar for the fed to hike once more, we keep our short position as the details of the recent inflation data – core services inflation ex shelter running at a hot 30/40cents monthly – are raising enough doubts on the sustainability of disinflation to exclude further tightening, as the market is currently pricing.

November

Markets Summary

Whether November will be remembered as the pivot month for inflation and monetary policy going forward remain to be seen but the market moves clearly felt this way with an abrupt 40 to 50 bps drop in EUR and USD rates on the front-end part of the curves in the last week of the month and rate cuts being brought forward as soon as Q1 next year.

The triggers have been the soft inflation numbers for October in the US (0.15% core mom) and the even softer preliminary print for November in Europe (-0.1% on core CPI on a monthly basis).

Those were followed by dovish comments from hawkish monetary officials on both side of the Atlantic (Schnabel for the ECB and Waller for the Fed), suggesting the speed of the disinflation process has been surprising them.

We ended the month with circa 120 bps cuts priced in Europe in 2024 with the first move 50% priced by as soon as march and 115bps cuts in the US with the first cut expected between March and May.

Report of the Board of Directors

Portfolio performance and views

Our positions for a high for long scenario in rates under-performed in November.

Even though it's too early to conclude that inflation is on its way to the 2% target and possibly lower,

one must acknowledge the resilient inflation scenario is now less likely. We have reduced our exposure accordingly.

That being said, we are monitoring what we think could lead to a retracement higher in rates:

- Inflation: possible one-off factors in Europe such as tourism prices could pay-back in coming months, labour markets still resilient and firm wages.
- Central bank officials' comments: consensus for early rate cuts may not be there yet.

December

Markets Summary

The rally in rates intensified in December, led by the front part of the curve and the upward repricing of CB rate cuts expectations for 2024.

The main trigger was the December FED meeting which was interpreted by markets as a signal that rate cuts were, if not imminent, at least fast approaching. Powell was undoubtedly dovish, but it also looked like markets jumped into some more equivocal comments such as Powell's mention of "rate cut discussions" that could be related to the usual quarterly forecast by each individual member and not necessarily hints toward an imminent move. Several fed officials tried to correct market impression and reaction in the days following the meeting with little success.

While it's undeniable that disinflation has been faster than expected, the market seems to assume first that risks of some sort of resurgence or at least stabilisation above the 2% target in inflation are very low and second that the Fed has enough confidence now on a sustainable return to 2% to start dialling back on rates.

In the end we finished 2023 with approximately 2 more 25 bps cuts priced for 2024 than at the end of November with a total of 5-6 cuts priced in and the first cut priced by the March meeting in the US.

Euro rates followed a very similar path despite a quite different message from monetary officials advocating patience and the need to have more data - on wages and unit profits more specifically- to start thinking about rate cuts. This was broadly ignored by markets.

Portfolio performance and views

Our positions for higher rates for longer than the market was expecting under-performed in December. We have taken our loss in USD acknowledging the steeper disinflation and the shift in Fed rhetoric. In Euro we still think the very front part of the curve i.e. the March and April ECB meetings (respectively 12 and 25bps of cuts priced in) have room to the upside as market pricing has diverged from the Central Bank message.

Audit report

To the Shareholders of
AXIOM ALTERNATIVE FUNDS SICAV-RAIF

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of AXIOM ALTERNATIVE FUNDS SICAV-RAIF (the "Fund") and of each of its sub-funds as at 31 December 2023, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

What we have audited

The Fund's financial statements comprise:

- the combined statement of net assets for the Fund and the statement of net assets for each of the sub-funds as at 31 December 2023;
- the combined statement of operations and changes in net assets for the Fund and the statement of operations and changes in net assets for each of the sub-funds for the year then ended;
- the securities portfolio as at 31 December 2023; and
- the notes to the financial statements - schedule of derivative instruments and the other notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's and each of its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or close any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;

- conclude on the appropriateness of the Board of Directors of the Fund’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund’s or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund or any of its sub-funds to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 28 June 2024

Electronically signed by:
Sébastien Sadzot

Sébastien Sadzot

AXIOM ALTERNATIVE FUNDS SICAV-RAIF

Combined financial statements

Combined statement of net assets as at 31/12/23

	Note	Expressed in EUR
Assets		**164,859,739.14**
Securities portfolio at market value	2.3	56,762,245.59
Cost price		*56,403,277.54*
Options (long positions) at market value	2.6	59,792.82
Options purchased at cost		*103,354.15*
Cash at banks and liquidities		58,714,473.33
Cash at broker	7	47,957,637.94
Receivable on subscriptions		316,842.42
Net unrealised appreciation on swaps	2.9,9	22,601.18
Interests receivable on securities portfolio		463,530.56
Interests receivable on swaps		545,054.84
Formation expenses, net	2.10	17,560.46
Liabilities		**21,354,748.22**
Options (short positions) at market value	2.6	79,075.74
Options sold at cost		*209,328.59*
Bank overdrafts		48,335.36
Collateral payable		9.88
Net unrealised depreciation on forward foreign exchange contracts	2.7,9	85,354.53
Net unrealised depreciation on financial futures	2.8,9	9,604.07
Swap buy at market value	2.9,9	16,004,279.57
Interests payable on swaps		2,147,431.58
Expenses payable		2,980,657.49
Net asset value		**143,504,990.92**

The accompanying notes form an integral part of these financial statements.

Combined statement of operations and changes in net assets for the year ended 31/12/23

	Note	Expressed in EUR
Income		**79,841,345.88**
Interests on bonds and money market instruments, net		731,557.92
Interests received on swaps		75,955,676.90
Bank interests on cash accounts		3,153,613.60
Other income		497.46
Expenses		**72,997,515.55**
Management and advisory fees	3	1,037,175.56
Performance fees	4	2,840,102.66
Depositary and sub-depositary fees	5	52,327.39
Administration fees		92,720.69
Domiciliary fees		9,840.00
Amortisation of formation expenses	2.10	5,563.08
Audit fees		160,580.33
Legal fees		11,939.27
Directors fees		11,914.79
Subscription tax ("Taxe d'abonnement")	6	12,998.98
Interests paid on bank overdraft		33,271.38
Interests paid on swaps		68,491,954.48
Other expenses	8	237,126.94
Net income / (loss) from investments		**6,843,830.33**
Net realised profit / (loss) on:		
- sales of investment securities	2.3,2.4,9	130,434.22
- options	2.6,9	-25,329.75
- forward foreign exchange contracts	2.7,9	-533,182.89
- financial futures	2.8,9	697,080.38
- swaps	2.9,9	13,102,206.26
- foreign exchange	2.5,9	60,349.01
Net realised profit / (loss)		**20,275,387.56**
Movement in net unrealised appreciation / (depreciation) on:		
- investments	2.3,9	403,820.40
- options	2.6,9	110,492.28
- forward foreign exchange contracts	2.7,9	542,826.35
- financial futures	2.8,9	24,889.48
- swaps	2.9,9	10,394,573.47
Net increase / (decrease) in net assets as a result of operations		**31,751,989.54**
Subscriptions of shares		16,538,264.60
Redemptions of shares		-13,232,886.83
Net increase / (decrease) in net assets		**35,057,367.31**
Net assets at the beginning of the year		**108,447,623.61**
Net assets at the end of the year		**143,504,990.92**

AXIOM ALTERNATIVE FUNDS SICAV-RAIF - AXIOM CREDIT OPPORTUNITY

Statement of net assets as at 31/12/23

	Note	Expressed in EUR
Assets		**130,548,511.20**
Securities portfolio at market value	2.3	38,970,208.64
Cost price		*38,619,689.36*
Cash at banks and liquidities		46,387,609.27
Cash at broker	7	44,241,848.48
Interests receivable on securities portfolio		386,229.51
Interests receivable on swaps		545,054.84
Formation expenses, net	2.10	17,560.46
Liabilities		**21,023,725.86**
Net unrealised depreciation on forward foreign exchange contracts	2.7,9	84,476.77
Swap buy at market value	2.9,9	16,004,279.57
Interests payable on swaps		2,147,431.58
Expenses payable		2,787,537.94
Net asset value		**109,524,785.34**

Statement of operations and changes in net assets from 01/01/23 to 31/12/23

	Note	Expressed in EUR
Income		**57,165,607.06**
Interests on bonds, net		324,737.93
Interests received on swaps		53,995,628.50
Bank interests on cash accounts		2,845,240.63
Expenses		**50,604,240.43**
Management and advisory fees	3	811,216.59
Performance fees	4	2,681,163.68
Depositary and sub-depositary fees	5	31,650.02
Administration fees		52,812.12
Domiciliary fees		4,920.00
Amortisation of formation expenses	2.10	5,563.08
Audit fees		137,642.91
Legal fees		9,623.01
Directors fees		7,897.62
Subscription tax ("Taxe d'abonnement")	6	10,388.17
Interests paid on bank overdraft		11,274.04
Interests paid on swaps		46,806,537.82
Other expenses	8	33,551.37
Net income / (loss) from investments		**6,561,366.63**
Net realised profit / (loss) on:		
- sales of investment securities	2.3,2.4,9	130,434.22
- options	2.6,9	-253,000.00
- forward foreign exchange contracts	2.7,9	-514,305.41
- swaps	2.9,9	13,121,166.68
- foreign exchange	2.5,9	93,292.21
Net realised profit / (loss)		**19,138,954.33**
Movement in net unrealised appreciation / (depreciation) on:		
- investments	2.3,9	398,302.60
- options	2.6,9	49,500.00
- forward foreign exchange contracts	2.7,9	514,137.56
- swaps	2.9,9	10,543,801.46
Net increase / (decrease) in net assets as a result of operations		**30,644,695.95**
Redemptions of shares		-7,500,064.49
Net increase / (decrease) in net assets		**23,144,631.46**
Net assets at the beginning of the year		**86,380,153.88**
Net assets at the end of the year		**109,524,785.34**

Statistics

		31/12/23	31/12/22	31/12/21
Total Net Assets	**EUR**	**109,524,785.34**	**86,380,153.88**	**99,348,843.67**
A - EUR - Capitalisation				
Number of shares		779,697.0647	838,959.4848	881,990.7669
Net asset value per share	EUR	125.16	91.63	101.02
BA - USD - Capitalisation				
Number of shares		77,460.6177	83,348.1654	87,616.4030
Net asset value per share	USD	132.94	96.03	102.11
C - EUR - Capitalisation				
Number of shares		442.0098	475.6056	500.0000
Net asset value per share	EUR	116.68	86.01	94.82
EA - GBP - Distribution				
Number of shares		13,702.6144	14,744.1088	15,500.0000
Net asset value per share	GBP	123.35	89.85	97.26
Z - EUR - Capitalisation				
Number of shares		4,533.3013	4,877.8639	5,127.8881
Net asset value per share	EUR	135.59	96.17	105.23

Changes in number of shares outstanding from 01/01/23 to 31/12/23

	Shares outstanding as at 01/01/23	Shares issued	Shares redeemed	Shares outstanding as at 31/12/23
A - EUR - Capitalisation	838,959.4848	0.0000	59,262.4201	779,697.0647
BA - USD - Capitalisation	83,348.1654	0.0000	5,887.5477	77,460.6177
C - EUR - Capitalisation	475.6056	0.0000	33.5958	442.0098
EA - GBP - Distribution	14,744.1088	0.0000	1,041.4944	13,702.6144
Z - EUR - Capitalisation	4,877.8639	0.0000	344.5626	4,533.3013

Securities portfolio as at 31/12/23

Denomination	Currency	Quantity/ Notional	Market value (in EUR)	% of net assets
Transferable securities admitted to an official stock exchange listing and/or dealt in on another regulated market			**29,878,725.00**	**27.28**
Bonds			**29,878,725.00**	**27.28**
Euro			**29,878,725.00**	**27.28**
FRANCE 0 18-24 25/03U	EUR	15,000,000	14,878,500.00	13.58
SPAIN 3.80 14-24 30/04A	EUR	15,000,000	15,000,225.00	13.70
Undertakings for Collective Investment			**9,091,483.64**	**8.30**
Shares/Units in investment funds			**9,091,483.64**	**8.30**
Euro			**9,091,483.64**	**8.30**
AXIOM 2027 FCP	EUR	2,000	2,071,160.00	1.89
UNION + - C CAP	EUR	36	7,020,323.64	6.41
Total securities portfolio			**38,970,208.64**	**35.58**

AXIOM ALTERNATIVE FUNDS SICAV-RAIF - AXIOM LIQUID RATES

Statement of net assets as at 31/12/23

	Note	Expressed in EUR
Assets		**34,311,227.94**
Securities portfolio at market value	2.3	17,792,036.95
Cost price		*17,783,588.18*
Options (long positions) at market value	2.6	59,792.82
Options purchased at cost		*103,354.15*
Cash at banks and liquidities		12,326,864.06
Cash at broker	7	3,715,789.46
Receivable on subscriptions		316,842.42
Net unrealised appreciation on swaps	2.9,9	22,601.18
Interests receivable on securities portfolio		77,301.05
Liabilities		**331,022.36**
Options (short positions) at market value	2.6	79,075.74
Options sold at cost		*209,328.59*
Bank overdrafts		48,335.36
Collateral payable		9.88
Net unrealised depreciation on forward foreign exchange contracts	2.7,9	877.76
Net unrealised depreciation on financial futures	2.8,9	9,604.07
Expenses payable		193,119.55
Net asset value		**33,980,205.58**

Statement of operations and changes in net assets from 01/01/23 to 31/12/23

	Note	Expressed in EUR
Income		**22,675,738.82**
Interests on money market instruments, net		406,819.99
Interests received on swaps		21,960,048.40
Bank interests on cash accounts		308,372.97
Other income		497.46
Expenses		**22,393,275.12**
Management and advisory fees	3	225,958.97
Performance fees	4	158,938.98
Depositary and sub-depositary fees	5	20,677.37
Administration fees		39,908.57
Domiciliary fees		4,920.00
Audit fees		22,937.42
Legal fees		2,316.26
Directors fees		4,017.17
Subscription tax ("Taxe d'abonnement")	6	2,610.81
Interests paid on bank overdraft		21,997.34
Interests paid on swaps		21,685,416.66
Other expenses	8	203,575.57
Net income / (loss) from investments		**282,463.70**
Net realised profit / (loss) on:		
- options	2.6,9	227,670.25
- forward foreign exchange contracts	2.7,9	-18,877.48
- financial futures	2.8,9	697,080.38
- swaps	2.9,9	-18,960.42
- foreign exchange	2.5,9	-32,943.20
Net realised profit / (loss)		**1,136,433.23**
Movement in net unrealised appreciation / (depreciation) on:		
- investments	2.3,9	5,517.80
- options	2.6,9	60,992.28
- forward foreign exchange contracts	2.7,9	28,688.79
- financial futures	2.8,9	24,889.48
- swaps	2.9,9	-149,227.99
Net increase / (decrease) in net assets as a result of operations		**1,107,293.59**
Subscriptions of shares		16,538,264.60
Redemptions of shares		-5,732,822.34
Net increase / (decrease) in net assets		**11,912,735.85**
Net assets at the beginning of the year		**22,067,469.73**
Net assets at the end of the year		**33,980,205.58**

The accompanying notes form an integral part of these financial statements.

Statistics

		31/12/23	31/12/22	31/12/21
Total Net Assets	**EUR**	**33,980,205.58**	**22,067,469.73**	**8,573,935.14**
A - EUR - Capitalisation				
Number of shares		26,987.4000	16,960.8738	5,600.0763
Net asset value per share	EUR	1,067.06	1,022.71	1,004.83
AB - USD - Capitalisation				
Number of shares		811.2223	495.0839	1,000.0000
Net asset value per share	USD	1,107.04	1,039.16	1,006.73
EA - GBP - Distribution				
Number of shares		41.9963	41.9963	-
Net asset value per share	GBP	1,084.58	1,025.95	-
Z - EUR - Capitalisation				
Number of shares		3,925.4140	4,043.4409	2,050.0000
Net asset value per share	EUR	1,099.88	1,036.44	1,005.63

Changes in number of shares outstanding from 01/01/23 to 31/12/23

	Shares outstanding as at 01/01/23	Shares issued	Shares redeemed	Shares outstanding as at 31/12/23
A - EUR - Capitalisation	16,960.8738	13,363.9378	3,337.4116	26,987.4000
AB - USD - Capitalisation	495.0839	316.1384	0.0000	811.2223
EA - GBP - Distribution	41.9963	0.0000	0.0000	41.9963
Z - EUR - Capitalisation	4,043.4409	1,931.9731	2,050.0000	3,925.4140

Securities portfolio as at 31/12/23

Denomination	Currency	Quantity/ Notional	Market value (in EUR)	% of net assets
Money market instruments			**17,792,036.95**	**52.36**
Treasury market			**17,792,036.95**	**52.36**
Euro			**17,792,036.95**	**52.36**
BELGIUM ZCP 07-03-24	EUR	9,000,000	8,905,335.72	26.21
FRANCE ZCP 04-01-24	EUR	4,000,000	3,963,520.68	11.66
FRANCE ZCP 29-05-24	EUR	5,000,000	4,923,180.55	14.49
Total securities portfolio			**17,792,036.95**	**52.36**

AXIOM ALTERNATIVE FUNDS SICAV-RAIF

Notes to the financial statements - Schedule of derivative instruments

Notes to the financial statements - Schedule of derivative instruments

Options

As at December 31, 2023, the following options contracts were outstanding:

AXIOM ALTERNATIVE FUNDS SICAV-RAIF - AXIOM LIQUID RATES

Quantity	Denomination	Currency	Commitment (in EUR) (in absolute value)	Market value (in EUR)	Unrealised (in EUR)
Options purchased					
Listed options					
	Options on futures				
50.00	3 MONTH SOFR O FEB 94.750 16.02.24 PUT	USD	-	1,414.48	-4,382.49
100.00	3 MONTH SOFR O JAN 94.750 12.01.24 PUT	USD	-	565.79	-35,596.77
200.00	3 MONTH SOFR O MAR 94.813 15.03.24 PUT	USD	-	15,842.12	-4,661.82
100.00	BBG CALC SOFR 3M 20240315 C95.12	USD	-	21,500.02	77.07
50.00	EURIBOR 3M MAR 96.250 18.03.24 CALL	EUR	-	3,750.00	3,750.00
50.00	EURIBOR 3 MOIS 20240318 C96.5	EUR	-	1,562.50	1,562.50
100.00	EUR MIDCURVE 20240112 P97.75	EUR	-	-1,250.00	-1,250.00
50.00	SOFFRATE 20240112 C96.56	USD	-	16,407.91	-3,059.82
				59,792.82	**-43,561.33**
Options issued					
Listed options					
	Options on futures				
100.00	3 MONTH SOFR O FEB 94.500 16.02.24 PUT	USD	559,088.85	-565.79	17,006.02
100.00	3 MONTH SOFR O JAN 94.563 12.01.24 PUT	USD	623,599.10	-565.79	13,432.63
100.00	3 MONTH SOFR O JAN 95.000 12.01.24 CALL	USD	11,461,321.46	-15,276.33	1,055.16
350.00	3 MONTH SOFR O MAR 94.625 15.03.24 PUT	USD	5,193,075.30	-5,940.80	64,897.22
300.00	3 MONTH SOFR O MAR 94.688 15.03.24 PUT	USD	5,934,943.19	-6,789.48	9,309.14
100.00	3 MONTH SOFR O MAR 94.750 15.03.24 PUT	USD	3,354,533.11	-4,526.32	1,169.22
200.00	3 MONTH SOFR O MAR 95.250 15.03.24 CALL	USD	11,525,831.71	-32,815.82	19,374.04
100.00	EURIBOR 3M MAR 96.625 18.03.24 CALL	EUR	5,710,515.00	-4,375.00	-4,375.00
50.00	EURIBOR 3 MOIS 20240318 P96.12	EUR	1,674,602.50	2,812.50	2,812.50
100.00	EUR MIDCURVE 20240112 P97.62	EUR	11,411,293.25	-	-
50.00	SOFFRATE 20240112 C96.68	USD	3,945,297.15	-10,750.01	2,991.92
50.00	SOFFRATE 20240112 P96	USD	273,220.02	-282.90	2,580.00
				-79,075.74	**130,252.85**

The contracts are dealts with the broker Société Générale.
Commitments amounts related to purchased options are not presented.

Notes to the financial statements - Schedule of derivative instruments

Forward foreign exchange contracts

As at December 31, 2023, the following forward foreign exchange contracts were outstanding:

AXIOM ALTERNATIVE FUNDS SICAV-RAIF - AXIOM CREDIT OPPORTUNITY

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Unrealised (in EUR)		Counterparty
EUR	3,405,116.88	USD	3,700,000.00	07/02/24	60,645.20		CACEIS Bank, Lux. Branch
GBP	1,600,000.00	EUR	1,833,705.80	07/02/24	10,358.66	*	CACEIS Bank, Lux. Branch
USD	9,500,000.00	EUR	8,742,867.66	07/02/24	-155,480.63	*	CACEIS Bank, Lux. Branch
					-84,476.77		

AXIOM ALTERNATIVE FUNDS SICAV-RAIF - AXIOM LIQUID RATES

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Unrealised (in EUR)		Counterparty
GBP	45,000.00	EUR	51,572.98	07/02/24	291.33	*	CACEIS Bank, Lux. Branch
USD	545,000.00	EUR	501,564.51	07/02/24	-8,919.68	*	CACEIS Bank, Lux. Branch
EUR	1,000,000.00	USD	1,098,950.00	13/02/24	6,847.11		CACEIS Bank, Lux. Branch
USD	1,097,700.00	EUR	1,000,000.00	16/01/24	-6,857.38		CACEIS Bank, Lux. Branch
EUR	828,936.66	USD	910,000.00	20/03/24	7,733.39		CACEIS Bank, Lux. Branch
USD	1,080,269.00	EUR	1,000,000.00	13/02/24	-23,758.34		Société Générale
EUR	1,000,000.00	USD	1,079,000.00	16/01/24	23,785.81		Société Générale
					-877.76		

The contracts that are followed by * relate specifically to foreign exchange risk hedging of shares.

Notes to the financial statements - Schedule of derivative instruments

Financial futures

As at December 31, 2023, the following future contracts were outstanding:

AXIOM ALTERNATIVE FUNDS SICAV-RAIF - AXIOM LIQUID RATES

Quantity Buy/(Sell)	Denomination	Currency	Commitment (in EUR) (in absolute value)	Unrealised (in EUR)	Broker
Futures on bonds					
43.00	1M SOFR FUT 01/24	USD	162,206.13	961.92	Société Générale
-3.00	EURO BOBL FUTURE 03/24	EUR	306,184.50	-5,220.00	Société Générale
64.00	EUROSHORT TERM RATE 03/24	EUR	160,000.00	-2,200.00	Société Générale
-25.00	EUROSHORT TERM RATE 06/24	EUR	62,500.00	2,375.00	Société Générale
Futures on interest rates					
7.00	1M SOFR FUT 02/24	USD	26,405.65	528.11	Société Générale
-1.00	1M SOFR FUT 03/24	USD	3,772.24	-56.59	Société Générale
-5.00	1M SOFR FUT 04/24	USD	18,861.18	-2,433.09	Société Générale
-5.00	1M SOFR FUT 05/24	USD	18,861.18	-3,527.04	Société Générale
8.00	1M SOFR FUT 08/24	USD	30,177.88	3,734.51	Société Générale
-4.00	1M SOFR FUT 12/23	USD	15,088.94	-150.89	Société Générale
-40.00	3M CORRA FUT 03/24	CAD	68,653.03	815.25	Société Générale
-2.00	3MO EURO EURIBOR 01/24	EUR	2,000,000.00	-	Société Générale
40.00	3MO EURO EURIBOR 02/24	EUR	40,000,000.00	3,487.50	Société Générale
-2.00	3MO EURO EURIBOR 03/24	EUR	2,000,000.00	-200.00	Société Générale
-5.00	3MO EURO EURIBOR 03/25	EUR	5,000,000.00	500.00	Société Générale
67.00	3MO EURO EURIBOR 04/24	EUR	67,000,000.00	10,137.50	Société Générale
-10.00	3MO EURO EURIBOR 06/24	EUR	10,000,000.00	375.25	Société Générale
5.00	3MO EURO EURIBOR 09/24	EUR	5,000,000.00	1,187.50	Société Générale
50.00	ESTRON CME 2500 02/24	EUR	125,000.00	-	Société Générale
-270.00	ESTRON CME 2500 03/24	EUR	675,000.00	-7,147.50	Société Générale
11.00	ESTRON CME 2500 06/24	EUR	27,500.00	11,750.00	Société Générale
-67.00	ESTRON CME 2500 06/24	EUR	167,500.00	-17,337.50	Société Générale
-61.00	FED FUND 30DAY 01/24	USD	276,105,553.80	-6,063.87	Société Générale
-45.00	FED FUND 30DAY 02/24	USD	203,684,424.93	-5,243.41	Société Générale
8.00	FED FUND 30DAY 04/24	USD	36,210,564.43	848.76	Société Générale
20.00	FED FUND 30DAY 05/24	USD	90,526,411.08	1,622.06	Société Générale
6.00	FED FUND 30DAY 07/24	USD	27,157,923.32	4,413.52	Société Générale
14.00	FED FUND 30DAY 08/24	USD	63,368,487.76	8,883.61	Société Générale
24.00	FED FUND 30DAY 12/23	USD	108,631,693.30	1,942.70	Société Générale
-8.00	ICE 3M SONIA 06/24	GBP	9,232,012.00	-1,788.47	Société Générale
-7.00	ICE 3M SONIA 06/24	GBP	8,078,010.50	-10,443.71	Société Générale
12.00	ICE 3M SONIA 12/24	GBP	13,848,018.00	23,281.63	Société Générale
-56.00	SOFRRATE 3M FUT 03/24	USD	126,736.98	-2,217.90	Société Générale
-39.00	SOFRRATE 3M FUT 03/25	USD	88,263.25	-2,806.32	Société Générale
31.00	SOFRRATE 3M FUT 06/24	USD	70,157.97	724.21	Société Générale
-43.00	SOFRRATE 3M FUT 09/24	USD	97,315.89	-21,579.23	Société Générale
6.00	SOFRRATE 3M FUT 12/24	USD	13,578.96	-430.00	Société Générale
3.00	SOFRRATE 3M FUT 12/24	USD	6,789.48	169.74	Société Générale
80.00	THREE MONTH ESTR 02/24	EUR	200,000.00	-1,000.00	Société Générale
48.00	THREE MONTH ESTR 03/24	EUR	120,000.00	-900.00	Société Générale
-31.00	THREE MONTH ESTR 06/24	EUR	77,500.00	-725.00	Société Générale
-25.00	Three-Month SARON IC 03/24	CHF	67,225.99	4,208.35	Société Générale
4.00	Three-Month SARON IC 06/24	CHF	10,756.16	-80.67	Société Générale
				-9,604.07	

Notes to the financial statements - Schedule of derivative instruments

Credit Default Swaps ("CDS")

As at December 31, 2023, the following Credit Default Swaps ("CDS") were outstanding:

AXIOM ALTERNATIVE FUNDS SICAV-RAIF - AXIOM CREDIT OPPORTUNITY

Description/Underlying	Counterparty	Notional	Maturity	Currency	Buy/ Sell	Unrealised (in EUR)
CDS Index						
CDX NA HY S32 V13	BNP Paribas Paris	30,000,000	20/06/24	USD	Buy	-487,434.40
CDX NA HY S32 V14	BNP Paribas Paris	10,875,000	20/06/24	USD	Sell	186,040.17
ITRX EUR CDSI S31 5Y 06/24 CORP	BNP Paribas Paris	2,500,000	20/06/26	EUR	Buy	-181,322.42
ITRX EUR CDSI S31 5Y 06/24 CORP	BNP Paribas Paris	25,000,000	20/06/24	EUR	Buy	-114,736.35
ITRX EUR CDSI S31 5Y 06/24 CORP	BNP Paribas Paris	1,500,000	20/06/26	EUR	Buy	-114,236.08
ITRX EUR CDSI S31 5Y 06/24 CORP	BNP Paribas Paris	40,000,000	20/06/26	EUR	Sell	368,351.93
ITRX EUR CDSI S31 5Y 06/24 CORP	BNP Paribas Paris	10,000,000	20/06/24	EUR	Buy	-247,476.27
ITRX EUR CDSI S31 5Y 06/24 CORP	BNP Paribas Paris	5,000,000	20/06/24	EUR	Buy	-64,633.02
ITRX EUR CDSI S31 5Y 06/24 CORP	BNP Paribas Paris	5,000,000	20/06/24	EUR	Buy	-82,311.16
ITRX EUR CDSI S31 5Y 06/24 CORP	BNP Paribas Paris	5,000,000	20/06/24	EUR	Buy	-88,677.11
ITRX EUR CDSI S31 5Y 06/24 CORP	BNP Paribas Paris	6,000,000	20/06/24	EUR	Buy	-144,997.67
ITRX EUR CDSI S31 5Y 06/24 CORP	BNP Paribas Paris	5,000,000	20/06/24	EUR	Buy	-67,456.70
ITRX EUR CDSI S32 5Y CORP	BNP Paribas Paris	15,000,000	20/12/24	EUR	Buy	201,931.79
ITRX EUR CDSI S32 5Y CORP	BNP Paribas Paris	15,000,000	20/12/24	EUR	Sell	-581,937.38
CDX IG CDSI S33 10Y CORP	Goldman Sachs Intl, Paris Br	10,000,000	20/12/24	USD	Sell	79,232.25
CDX IG CDSI S33 10Y CORP	Goldman Sachs Intl, Paris Br	25,000,000	20/12/24	USD	Sell	198,080.62
ITRX EUR CDSI S32 5Y CORP	Goldman Sachs Intl, Paris Br	10,000,000	20/12/24	EUR	Sell	89,210.67
CDX NA HY S32 V13	J.P. Morgan AG	20,000,000	20/06/24	EUR	Buy	-668,988.32
CDX NA HY S32 V13	J.P. Morgan AG	4,200,000	20/06/24	USD	Buy	-74,986.82
CDX NA HY S32 V13	J.P. Morgan AG	8,700,000	20/06/24	USD	Sell	148,832.13
CDX NA HY S32 V14	J.P. Morgan AG	73,950,000	20/06/24	USD	Sell	1,265,073.15
ITRAXX XOVER S31 V8 MKT	J.P. Morgan AG	38,080,140	20/06/24	EUR	Sell	809,519.65
ITRX EUR CDSI S31 5Y 06/24 CORP	J.P. Morgan AG	1,200,000	20/06/24	USD	Buy	-26,031.00
ITRX EUR CDSI S31 5Y 06/24 CORP	J.P. Morgan AG	12,000,000	20/06/24	EUR	Buy	-304,791.63
ITRX EUR CDSI S31 5Y 06/24 CORP	J.P. Morgan AG	1,090,000	20/06/24	USD	Buy	-26,937.02
ITRX EUR CDSI S32 5Y CORP	J.P. Morgan AG	2,750,000	20/12/24	EUR	Sell	24,532.93
ITRX EUR CDSI S32 5Y CORP	J.P. Morgan AG	10,000,000	20/12/24	EUR	Sell	89,210.67
ITRX EUR CDSI S32 5Y CORP	J.P. Morgan AG	1,500,000	20/12/24	EUR	Sell	-20,193.18
ITRX EUR CDSI S32 5Y CORP	J.P. Morgan AG	12,500,000	20/12/24	EUR	Sell	111,513.34
ITRX EUR CDSI S32 5Y CORP	J.P. Morgan AG	6,500,000	20/12/24	EUR	Sell	-87,503.78
ITRX EUR CDSI S32 5Y CORP	J.P. Morgan AG	10,000,000	20/12/24	EUR	Buy	-7,344.14
ITRX EUR CDSI S32 5Y CORP	J.P. Morgan AG	500,000	20/12/24	EUR	Buy	-8,620.78
ITRX EUR CDSI S32 5Y CORP	J.P. Morgan AG	2,450,000	20/12/24	EUR	Buy	-100,848.43
ITRX EUR CDSI S34 5Y 20-12-25	J.P. Morgan AG	82,000,000	20/12/25	EUR	Buy	-1,287,481.41
ITRX EUR CDSI S34 5Y 20-12-25	J.P. Morgan AG	5,000,000	20/12/25	EUR	Sell	-299,450.75
ITRX EUR CDSI S34 5Y 20-12-25	J.P. Morgan AG	130,500,000	20/12/25	EUR	Buy	-2,048,979.57
ITRX EUR CDSI S34 5Y 20-12-25	J.P. Morgan AG	15,000,000	20/12/25	EUR	Sell	-898,352.25
ITRX EUR CDSI S34 5Y 20-12-25	J.P. Morgan AG	10,000,000	20/12/25	EUR	Sell	-598,901.50
ITRX EUR CDSI S36 5Y 12/26	J.P. Morgan AG	10,000,000	20/12/26	EUR	Sell	34,127.30
ITRX EUR CDSI S36 5Y 12/26	J.P. Morgan AG	5,000,000	20/12/26	EUR	Sell	-687,109.88
ITRX XOVER CDSI S31	J.P. Morgan AG	674,020	20/06/24	EUR	Buy	33,111.99
ITRX XOVER CDSI S31	J.P. Morgan AG	1,340,000	20/06/24	EUR	Buy	65,829.00
CDX IG CDSI S33 10Y CORP	Morgan Stanley Bk AG	25,000,000	20/12/24	USD	Sell	198,080.62
ITRX EUR CDSI S36 5Y 12/26	Nomura Financial Products Europe	10,000,000	20/12/26	EUR	Sell	-2,386,461.74
CDX IG CDSI S32 5Y CORP	Nomura Securities London	12,000,000	20/06/24	USD	Buy	-44,972.83
CDX IG CDSI S32 5Y CORP	Nomura Securities London	55,000,000	20/06/24	USD	Sell	216,445.32
CDX IG CDSI S33 10Y CORP	Nomura Securities London	6,500,000	20/12/24	USD	Sell	332,911.51
CDX IG CDSI S33 10Y CORP	Nomura Securities London	8,000,000	20/12/24	USD	Buy	-54,134.63
CDX IG CDSI S33 10Y CORP	Nomura Securities London	7,000,000	20/12/24	USD	Sell	55,462.57
CDX IG CDSI S33 10Y CORP	Nomura Securities London	40,000,000	20/12/24	USD	Sell	301,129.38
CDX IG CDSI S33 10Y CORP	Nomura Securities London	25,000,000	20/12/24	USD	Sell	188,205.86
CDX IG CDSI S33 10Y CORP	Nomura Securities London	11,000,000	20/12/24	USD	Buy	-451,738.43
CDX IG CDSI S33 10Y CORP	Nomura Securities London	2,000,000	20/12/24	USD	Sell	39,358.41

Notes to the financial statements - Schedule of derivative instruments

Credit Default Swaps ("CDS")

AXIOM ALTERNATIVE FUNDS SICAV-RAIF - AXIOM CREDIT OPPORTUNITY

Description/Underlying	Counterparty	Notional	Maturity	Currency	Buy/ Sell	Unrealised (in EUR)
CDS Index						
ITRX EUR CDSI S30 5Y	Nomura Securities London	20,000,000	20/12/25	EUR	Sell	1,588,362.55
ITRX EUR CDSI S31 5Y 06/24 CORP	Nomura Securities London	10,000,000	20/06/26	EUR	Buy	-983,488.37
ITRX EUR CDSI S31 5Y 06/24 CORP	Nomura Securities London	20,000,000	20/06/24	EUR	Buy	-363,764.87
ITRX EUR CDSI S31 5Y 06/24 CORP	Nomura Securities London	10,000,000	20/06/26	EUR	Buy	-985,151.20
ITRX EUR CDSI S32 5Y CORP	Nomura Securities London	80,000,000	20/12/24	EUR	Sell	707,231.33
ITRX EUR CDSI S32 5Y CORP	Nomura Securities London	11,000,000	20/12/24	EUR	Buy	-595,979.57
ITRX EUR CDSI S32 5Y CORP	Nomura Securities London	70,000,000	20/12/26	EUR	Sell	1,336,744.48
ITRX EUR CDSI S32 5Y CORP	Nomura Securities London	10,000,000	20/12/26	EUR	Buy	-888,049.76
ITRX EUR CDSI S32 5Y CORP	Nomura Securities London	14,000,000	20/12/24	EUR	Sell	833,287.40
ITRX EUR CDSI S32 5Y CORP	Nomura Securities London	10,000,000	20/12/27	EUR	Sell	-387,958.25
ITRX EUR CDSI S32 5Y CORP	Nomura Securities London	7,500,000	20/12/24	EUR	Sell	407,511.89
ITRX EUR CDSI S32 5Y CORP	Nomura Securities London	10,000,000	20/12/24	EUR	Sell	-135,778.62
ITRX EUR CDSI S32 5Y CORP	Nomura Securities London	7,500,000	20/12/24	EUR	Sell	144,089.83
ITRX EUR CDSI S32 5Y CORP	Nomura Securities London	15,000,000	20/12/24	EUR	Buy	-682,945.45
ITRX EUR CDSI S32 5Y CORP	Nomura Securities London	35,000,000	20/12/24	EUR	Sell	309,017.85
ITRX EUR CDSI S32 5Y CORP	Nomura Securities London	10,000,000	20/12/27	EUR	Buy	134,621.19
ITRX EUR CDSI S32 5Y CORP	Nomura Securities London	7,500,000	20/12/24	EUR	Sell	-290,156.98
ITRX EUR CDSI S32 5Y CORP	Nomura Securities London	13,500,000	20/12/26	EUR	Sell	257,800.72
ITRX EUR CDSI S32 5Y CORP	Nomura Securities London	25,000,000	20/12/24	EUR	Buy	-777.42
ITRX EUR CDSI S32 5Y CORP	Nomura Securities London	7,500,000	20/12/24	EUR	Sell	67,770.62
ITRX EUR CDSI S32 5Y CORP	Nomura Securities London	10,000,000	20/12/26	EUR	Buy	-763,657.06
ITRX EUR CDSI S32 5Y CORP	Nomura Securities London	115,000,000	20/12/24	EUR	Buy	-1,016,645.04
ITRX EUR CDSI S32 5Y CORP	Nomura Securities London	5,000,000	20/12/24	EUR	Sell	105,768.29
ITRX EUR CDSI S32 5Y CORP	Nomura Securities London	55,000,000	20/12/26	EUR	Sell	1,050,299.23
ITRX EUR CDSI S34 5Y 20-12-25	Nomura Securities London	10,000,000	20/12/25	EUR	Sell	-1,223,827.45
ITRX EUR CDSI S34 5Y 20-12-25	Nomura Securities London	10,000,000	20/12/25	EUR	Buy	598,901.50
ITRX EUR CDSI S34 5Y 20-12-25	Nomura Securities London	15,000,000	20/12/25	EUR	Sell	-1,835,741.18
ITRX EUR CDSI S34 5Y 20-12-25	Nomura Securities London	10,000,000	20/12/25	EUR	Sell	-1,223,827.45
ITRX EUR CDSI S34 5Y 20-12-25	Nomura Securities London	10,000,000	20/12/25	EUR	Buy	598,901.50
ITRX EUR CDSI S36 5Y 12/26	Nomura Securities London	10,000,000	20/12/26	EUR	Sell	-868,098.77
CDX IG CDSI S32 5Y CORP	Société Générale SA	5,000,000	20/06/24	USD	Buy	-111,894.38
CDX IG CDSI S32 5Y CORP	Société Générale SA	50,000,000	20/06/24	USD	Sell	78,721.72
CDX NA HY S31 V15	Société Générale SA	15,000,000	20/06/24	USD	Sell	-124,063.70
CDX NA HY S32 V13	Société Générale SA	10,000,000	20/06/24	EUR	Buy	-355,195.50
CDX NA HY S32 V14	Société Générale SA	43,500,000	20/06/24	USD	Buy	-744,160.68
CDX NA HY S32 V14	Société Générale SA	28,275,000	20/06/24	USD	Sell	292,501.01
CDX NA HY S32 V14	Société Générale SA	47,850,000	20/06/24	USD	Buy	-818,576.75
CDX NA HY SERIE 32 V2	Société Générale SA	70,000,000	20/06/24	USD	Sell	175,439.60
ITRAXX XOVER S31 V8 MKT	Société Générale SA	3,680,000	20/06/24	EUR	Buy	-74,431.11
ITRAXX XOVER S31 V8 MKT	Société Générale SA	46,000,000	20/06/24	EUR	Buy	-451,575.60
ITRX EUR CDSI S29 5Y	Société Générale SA	5,000,000	20/06/25	EUR	Buy	-362,620.16
ITRX EUR CDSI S29 5Y	Société Générale SA	50,000,000	20/06/25	EUR	Sell	299,603.76
ITRX EUR CDSI S31 5Y 06/24 CORP	Société Générale SA	12,500,000	20/06/24	EUR	Buy	-416,224.85
ITRX EUR CDSI S32 5Y CORP	Société Générale SA	10,000,000	20/12/24	EUR	Buy	134,621.19
ITRX EUR CDSI S32 5Y CORP	Société Générale SA	10,000,000	20/12/24	EUR	Sell	-387,958.25
ITRX XOVER CDSI S31	Société Générale SA	15,000,000	20/06/24	EUR	Buy	-334,110.96
CDS Single Name						
ADLER GROUP SA 2.125 17-24 06/02A	Goldman Sachs Intl, Paris Br	2,000,000	20/12/24	EUR	Buy	212,063.26
ADLER GROUP SA 2.125 17-24 06/02A	Goldman Sachs Intl, Paris Br	2,000,000	20/12/24	EUR	Sell	-188,152.72
NIDDA HEALTHCAR 3.50 17-23 22/05S	Goldman Sachs Intl, Paris Br	2,500,000	20/12/24	EUR	Sell	96,145.07
VERISURE MIDHOLDING 5.25 21-29 25/01S	Goldman Sachs Intl, Paris Br	2,500,000	20/12/24	EUR	Sell	85,455.60
ATLANTIA SPA 1.625 17-25 03/02A	Goldman Sachs Intl Ldn	7,000,000	20/12/24	EUR	Buy	-22,385.47
ATLANTIA SPA 1.625 17-25 03/02A	Goldman Sachs Intl Ldn	7,000,000	20/12/24	EUR	Sell	22,385.47

Notes to the financial statements - Schedule of derivative instruments

Credit Default Swaps ("CDS")

AXIOM ALTERNATIVE FUNDS SICAV-RAIF - AXIOM CREDIT OPPORTUNITY

Description/Underlying	Counterparty	Notional	Maturity	Currency	Buy/ Sell	Unrealised (in EUR)
						-14,322,807.90

Notes to the financial statements - Schedule of derivative instruments

Interest Rate Swaps ("IRS")

As at December 31, 2023, the following Interest Rate Swaps ("IRS") were outstanding:

AXIOM ALTERNATIVE FUNDS SICAV-RAIF - AXIOM LIQUID RATES

Notional	Currency	Maturity	Counterparty	Sub-fund pays	Sub-fund receives	Unrealised (in EUR)
25,000,000.00	EUR	25/05/26	Newedge Paris	EUR EURIBOR 3 MONTHS	3.24	756,369.22
25,000,000.00	EUR	25/05/26	Newedge Paris	3.33	EUR EURIBOR 6 MONTHS	-742,964.51
40,000,000.00	EUR	20/12/24	Newedge Paris	3.68	EUR EURIBOR 3 MONTHS	25,857.46
25,000,000.00	EUR	25/11/24	Newedge Paris	3.86	EUR EURIBOR 3 MONTHS	-97,011.58
25,000,000.00	EUR	25/11/24	Newedge Paris	EUR EURIBOR 6 MONTHS	3.96	85,435.05
100,000,000.00	EUR	20/03/24	Newedge Paris	EUR EURIBOR 3 MONTHS	3.98	11,550.67
268,000,000.00	EUR	17/04/24	Newedge Paris	3.78	EURO SHORT TERM RATE COMPOUNDED	-16,635.13
						22,601.18

Notes to the financial statements - Schedule of derivative instruments

Total Return Swaps ("TRS")

As at December 31, 2023, the following Total Return Swaps ("TRS") were outstanding:

AXIOM ALTERNATIVE FUNDS SICAV-RAIF - AXIOM CREDIT OPPORTUNITY

Notional	Ccy	Maturity	Sub-Fund pays	Sub-Fund receives	Counterparty	Market value (in EUR)
25,000,000.00	EUR	14/06/24	EUR EURIBOR 1 MONTH	AXIOM EUR INDEX	JP Morgan AG Frankfurt	-5,378,148.57
25,000,000.00	EUR	14/06/24	EUR EURIBOR 1 MONTH	AXIOM EUR INDEX	JP Morgan AG Frankfurt	1,706,623.41
25,000,000.00	USD	14/06/24	USD LIBOR 1 MONTH	AXIOM USD INDEX	JP Morgan AG Frankfurt	5,984,069.59
25,000,000.00	USD	14/06/24	USD LIBOR 1 MONTH	AXIOM USD INDEX	JP Morgan AG Frankfurt	-3,994,016.10
						-1,681,471.67

AXIOM ALTERNATIVE FUNDS SICAV-RAIF

Other notes to the financial statements

Other notes to the financial statements

1 - General information

AXIOM ALTERNATIVE FUNDS SICAV-RAIF (the “Fund”) is a public limited company (*société anonyme*) incorporated under the laws of Luxembourg as an investment company with variable share capital - reserved alternative investment fund (*société d’investissement à capital variable - fonds d’investissement alternatifs réservé*) and qualifies as an alternative investment fund (AIF) within the meaning of the AIFMD (as defined below). The manager must be an external AIFM within the meaning of the amended law of July 12, 2013 on alternative investment fund managers. The Fund is subject to the Luxembourg law of July 23, 2016 on reserved alternative investment funds, as amended or supplemented from time to time.

The Fund has been incorporated in Luxembourg on the November 30, 2018 for an unlimited duration and is registered with the Luxembourg Trade and Companies Register under number B 230.094. The latest version of the Articles of Association was published in the “*Recueil électronique des sociétés et associations”* (RESA), the central electronic platform of the Grand-Duchy of Luxembourg, on December 13, 2018.

The Board of Directors of the Fund (the “Board of Directors”) is responsible for defining the investment objective and policy of the Sub-Funds and their risk profile, subject to the principle of risk diversification, and for the overall supervision of the management and administration of the Fund, including the selection and supervision of the AIFM and the general monitoring of the performance and operations of the Fund.

AXIOM ALTERNATIVE INVESTMENTS, a limited liability company qualifying as an Alternative Investment Fund Manager (AIFM) under the laws of France. The AIFM is authorised and regulated by the Autorité des Marchés Financiers in France. The registered office is located at 39 avenue Pierre 1er de Serbie, F-75008 Paris, France and which is registered with the RCS under number 492.625.470.
The AIFM is responsible for the portfolio and risk management and administration of the Fund as well as the marketing of the Shares, subject to the overall supervision of the Board of Directors.

Considering that the liquidity market conditions pertaining to the Sub-Fund AXIOM CREDIT OPPORTUNITY strategy have become in the opinion of the Board of Directors of the Fund (the “Board”) more structural / permanent, and that the Board does not expect such conditions to evolve or change in the mid-term future, the Board has decided on May 27, 2021 to transform the Fund into a closed-ended fund with a termination date as it is believed to better fit the Fund’s objective and strategy.

As of July 30, 2021, the Fund has been transformed into a closed-ended Fund with a termination date as of December 2024. Before that date the Fund has been re-opened for redemption over the period from May 31 to July 5, 2021 on the NAV of July 29, 2021. As stated in the prospectus' supplement of Axiom Credit Opportunities (the "Sub-Fund"), a sub-fund of Axiom Alternative Funds Sicav-RAIF (the "SICAV"), the maturity date of the Sub-Fund is subject to up to two successive extensions of maximum one year as determined by the Board of Directors.
The Board of Directors of the SICAV (the "Board") is considering extending the maturity of the Sub-Fund by one year from December 31, 2024 to December 31, 2025. The Board's decision will be taken before October 31, 2024.

As at December 31, 2023, the following Sub-Funds are active:

Sub-Funds	Currency
AXIOM CREDIT OPPORTUNITY	EUR
AXIOM LIQUID RATES	EUR

2 - Principal accounting policies

2.1 - Presentation of the financial statements

The financial statements of the Fund are prepared in accordance with Luxembourg legal and regulatory requirements relating to Reserved Alternative Investments Funds.

2.2 - Determination of net asset value

The net asset value per Share is determined by the administrator as of each valuation day, as specified for each Sub-Fund in the relevant Supplement, under the responsibility of the AIFM. It is calculated by dividing the net asset value of the Share Class of a Sub-Fund by the total number of Shares of such Share Class in issue as of that Valuation Day. The net asset value per Share is expressed in the reference currency of the Share Class.

The net asset value of a Share Class is equal to the value of the assets allocated to such Share Class within a Sub-Fund less the value of the liabilities allocated to such Share Class, both being calculated as of each valuation day.

The net asset value of a Sub-Fund is equal to the value of the assets allocated to such Sub-Fund less the value of the liabilities allocated to such Sub-Fund, both calculated as of each valuation day in the reference currency of the Sub-Fund.

2.3 - Portfolio valuation

In accordance with the Articles of Association and the AIFM’s valuation policy, the valuation of the assets of the Fund will be conducted as follows:

Other notes to the financial statements

2 - Principal accounting policies

2.3 - Portfolio valuation

- The value of any cash on hand or on deposit, bills or notes payable, accounts receivable, prepaid expenses, cash dividends, and interest accrued but not yet received shall be equal to the entire nominal or face amount thereof, unless the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the AIFM may consider appropriate in such case to reflect the true value thereof.

- Transferable securities and money market instruments which are quoted, listed or traded on an exchange or regulated market are valued at the last available market price or quotation, prior to the time of valuation, on the exchange or regulated market where the securities or instruments are primarily quoted, listed or traded. Transferable securities and money market instruments for which market prices or quotations are not available or representative, or which are not quoted, listed or traded on an exchange or regulated market, are valued at their probable realisation value estimated with care and in good faith by the AIFM using any valuation method approved by the AIFM.

- Shares or units in target investment funds are valued at their latest available official net asset value, as reported or provided by or on behalf of the investment fund or at their latest available unofficial or estimated net asset value if more recent than the latest available official net asset value, provided that the AIFM is satisfied of the reliability of such unofficial net asset value. The Net Asset Value calculated on the basis of unofficial net asset values of the target investment fund may differ from the Net Asset Value which would have been calculated, on the same Valuation Day, on the basis of the official net asset value of the target investment fund. Alternatively, shares or units in target investment funds which are quoted, listed or traded on an exchange or regulated market may be valued in accordance with the provisions of paragraph above.

- Financial derivative instruments which are quoted, listed or traded on an exchange or regulated market are valued at the last available closing or settlement price or quotation, prior to the time of valuation, on the exchange or regulated market where the instruments are primarily quoted, listed or traded. Where instruments are quoted, listed or traded on more than one exchange or regulated market, the AIFM will determine on which exchange or regulated market the instruments are primarily quoted, listed or traded and the closing or settlement prices or quotations on such exchange or regulated market will be used for the purpose of their valuation. Financial derivative instruments for which closing or settlement prices or quotations are not available or representative will be valued at their probable realisation value estimated with care and in good faith by the AIFM using any valuation method approved by the AIFM.

- Financial derivative instruments which are traded “over-the-counter” (OTC) are valued at each NAV calculation at their fair market value, on the basis of valuations provided by the counterparty which will be approved or verified by the AIFM on a regular basis independently from the counterparty. Alternatively, OTC financial derivative instruments may be valued on the basis of independent pricing services or valuation models approved by the AIFM which follow international best practice and valuation principles. Any such valuation will be reconciled to the counterparty valuation on a regular basis independently from the counterparty, and significant differences will be promptly investigated and explained.

2.4 - Net realised profits or losses on sales of investments

Net realised profit or loss on sales of investments is calculated on the basis of the average cost of the investments sold.

2.5 - Foreign currency translation

The Fund’s financial statements are expressed in EUR.

Transaction and acquisition costs denominated in foreign currencies are converted into the accounting currency of the Sub-Fund based on the exchange rate in force on the date of the transaction or acquisition. Assets and liabilities denominated in foreign currencies are converted into the accounting currency of the Sub-Fund based on the exchange rate in force at the end of the financial period. Any resulting gains or losses are recognised in the Statement of Operations and Changes in Net Assets.

The exchange rates as at December 31, 2023 are:

1 EUR	=	1.4566	CAD	1 EUR	=	0.9297	CHF	1 EUR	=	0.86655	GBP
1 EUR	=	1.10465	USD								

2.6 - Valuation of options contracts

Premiums received on the sale of options are recognised as liabilities and premiums paid on the purchase of options are carried as assets. Option contracts outstanding at the closing date are valued at the last known price on the stock exchanges or regulated markets for that purpose. Realised profits and losses and movements in unrealised appreciation and depreciation are recorded in the Statement of operations and changes in net assets.
A swaption is an option in which the buyer of the option has the right to enter into an interest rate swap. The terms of the swaption specify whether the buyer will pay a variable rate or a fixed rate.
For the details of outstanding options, please refer to the section “Notes to the financial statements - Schedule of derivative instruments”.

Other notes to the financial statements

2 - Principal accounting policies

2.7 - Valuation of forward foreign exchange contracts

Forward foreign exchange contracts are valued at forward market rates for the remaining period from valuation date to the maturity of the contracts. Realised profits and losses and movements in unrealised appreciation and depreciation are recorded in the Statement of operations and changes in net assets.
For the details of outstanding forward foreign exchange contracts, please refer to the section “Notes to the financial statements - Schedule of derivative instruments”.

2.8 - Valuation of futures contracts

Financial futures are valued at the last settlement or close price on the stock exchanges or regulated markets. Unrealised appreciation and depreciation on financial futures are recorded in the Statement of net assets and their variations in the statement of operations and changes in net assets.
For the details of outstanding financial futures, please refer to the section “Notes to the financial statements - Schedule of derivative instruments”.

2.9 - Valuation of swaps

Initial payment of the swaps are recognised as liabilities or assets, depending on if the swaps is purchased or sold. The movement in such amounts is recorded under “Movement on unrealised appreciation/(depreciation) on swaps” and the realised under “Realised profit/(loss) on swaps” in the Statement of operations and changes in net assets. Note that the realised is mainly composed of up-front fees paid/received when the Fund enters into a contract. This amount is then paid back by/to the counterparty at the end of the contract.
For the details of outstanding swaps contracts, please refer to the section “Notes to the financial statements - Schedule of derivative instruments”.

2.10 - Formation expenses

The fees and expenses incurred in connection with the formation of the Fund will be borne by the Fund and may be amortised over a period of up to five years. The formation expenses of each new Sub-Fund will be borne by such Sub-Fund and may be amortised over a period of up to five years. New Sub-Funds created after the incorporation and launch of the Fund will participate in the non-amortised costs of establishment of the Fund.

2.11 - Receivable on subscriptions

On May 27, 2021, the Board of Directors has decided to convert the Sub-Fund AXIOM ALTERNATIVE FUNDS SICAV-RAIF - AXIOM CREDIT OPPORTUNITY into a closed-ended fund with effective date July 30, 2021. However, the Board of Directors can decide to distribute incomes and products coming from existing and/or previous investments. They also decided that this distribution can take the form of a dividend distribution and/or of a shares redemption.

3 - Management fees

The AIFM is entitled to an annual fee equal to a percentage of the average net asset value of each Sub-Fund or Share Class and paid out of the assets of the Fund and allocated to each Sub-Fund and Share Class. The Management fees will accrue on each Valuation Day and is payable monthly in arrears at the rate specified in the supplement for each Sub-Funds as below:

The rates applicable as at December 31, 2023 are as follows:

Sub-funds	Share class	ISIN	Management fee (effective rate)
AXIOM ALTERNATIVE FUNDS SICAV-RAIF - AXIOM CREDIT OPPORTUNITY	A - EUR - Capitalisation	LU1916397232	0.80
	BA - USD - Capitalisation	LU1955056160	0.80
	C - EUR - Capitalisation	LU1916397406	0.80
	EA - GBP - Distribution	LU2018785944	0.80
	Z - EUR - Capitalisation	LU1916397745	0.05
AXIOM ALTERNATIVE FUNDS SICAV-RAIF - AXIOM LIQUID RATES	A - EUR - Capitalisation	LU2362620499	1.00
	AB - USD - Capitalisation	LU2362620655	1.00
	EA - GBP - Distribution	LU2362620572	1.00
	Z - EUR - Capitalisation	LU2362621117	0.05

Other notes to the financial statements

4 - Performance fees

The AIFM is entitled to receive a Performance Fee, accrued on each valuation day, paid yearly, based on the net asset value, equivalent to a percentage of the relative performance of the net asset value per Share expressed in the reference currency, compared to its benchmark during a certain period of time, subject to a relative High Water Mark. The AIFM may waive the Performance Fee at its discretion.

In the event of redemptions, the portion of the Performance Fee provision corresponding to redeemed Shares is payable to the AIFM under the crystallization principle. Therefore, for Shares redeemed, any Performance Fee accrued for the relevant Sub-Fund at the date of redemption will be payable to the Management Company, in proportion to the Shares redeemed.
The Relative High Water Mark principle means that if the Sub-Fund underperforms its Benchmark during a Performance Period, it has first to recoup this loss in the next Performance Period(s) before being entitled to a Performance Fee. In other words, the Sub-Fund must have generated a performance greater than the Benchmark since the latest of the last payment of the Performance Fee, or the introduction of the Performance Fee, in case such fee has never been paid yet. The Performance Fee is paid in arrears at the end of the Performance Period. It shall be calculated and accrued in the Net Asset Value on a daily basis.
The Benchmark is a fund which has accurately tracked the High Water Mark over the reference period and registered the same subscription and redemption variations as the actual Sub-Fund.
The Performance Period equals to the financial year.
The High Water Mark is defined as the greater of the following two figures:
- the last highest Net Asset Value per Share on which a Performance Fee has been paid; and
- the initial Net Asset Value per Share.

Provision is made for this Performance Fee on each Valuation Day. If the Net Asset Value per Share decreases during the Performance Period, the provisions made in respect of the Performance Fee is reduced accordingly. Such reversals cannot exceed the amount of provisions previously accumulated.

Sub-Funds	Share Class	Performance fee
AXIOM CREDIT OPPORTUNITY	A - EUR - Capitalisation	15%
	BA - USD - Capitalisation	15%
	C - EUR - Capitalisation	20%
	EA - GBP - Capitalisation	15%
AXIOM LIQUID RATES	A - EUR - Capitalisation	15%
	AB - USD - Capitalisation	15%
	EA - GBP - Capitalisation	15%

There are no Performance Fee for the Share Class Z.

The Board has decided on May 27, 2021 that no Performance Fee will be paid before the end of 2024.

In application of the ESMA Guidelines on performance fees (ESMA34-39-992) and Circular CSSF 20/764, the table below displays the actual amount of performance fees charged by each relevant Share Class and the percentage of these fees based on the Share Class Net Asset Value (“NAV”). Only the Share Classes for which performance fees have been charged are shown below:

Sub-Fund	Share Class	ISIN Code	Share Class currency	Amount of performance fees as at 31/12/2023 (in Sub-Fund currency)	Average NAV of the Share Class (in Sub-Fund currency)	% in the Share Class average NAV
AXIOM CREDIT OPPORTUNITY	A - EUR - Capitalisation	LU1916397232	EUR	2,294,292.23	91,015,681.27	2.52
	BA - USD - Capitalisation	LU1955056160	USD	327,811.49	8,793,927.17	3.73
	C - EUR - Capitalisation	LU1916397406	EUR	1,562.14	48,325.27	3.23
	EA - GBP - Capitalisation	LU2018785944	GBP	57,497.82	1,811,150.40	3.17
			Total	2,681,163.68		
AXIOM LIQUID RATES	A - EUR - Capitalisation	LU2362620499	EUR	153,067.63	21,884,431.03	0.70
	AB - USD - Capitalisation	LU2362620655	USD	5,364.80	495,188.32	1.08
	EA - GBP - Capitalisation	LU2362620572	GBP	506.55	51,126.85	0.99
			Total	158,938.98		

Other notes to the financial statements

5 - Depositary fees

The Fund has appointed CACEIS Bank, Luxembourg Branch as its Depositary within the meaning of the 2016 Law and 2013 Law pursuant to the Depositary Agreement.
The Depositary and the Administrative Agents receive remuneration from the Fund on the basis of business practice in Luxembourg. These fees are calculated on the basis of the daily net assets of the Sub-Funds and are payable monthly in arrears.

6 - Subscription tax *("Taxe d'abonnement")*

Under current law and practice, the Fund is not liable to any Luxembourg income or net wealth tax.

However, the Fund is liable in Luxembourg to a subscription tax (taxe d’abonnement) of 0.01% per annum of its net assets, such tax being payable quarterly and calculated on the Net Asset Value of the respective Sub-Fund at the end of the relevant quarter.

7 - Collateral

As at December 31, 2023, the collateral received or paid in order to reduce exposure on OTC derivatives is detailed as follows for the Sub-Funds:

- AXIOM CREDIT OPPORTUNITY:

Sub-Fund currency	Counterparty	Type of collateral	Collateral received in EUR	Collateral paid in EUR	Cleared/ OTC
EUR	Caceis Bank Luxembourg Branch	Cash	-	120,000.00	Cleared
EUR	Morgan Stanley, London	Cash	-	360,000.00	Cleared
EUR	BNP PARIBAS	Cash	-	5,890,000.00	OTC
EUR	Goldman Sachs Luxembourg	Cash	-	2,780,000.00	OTC
EUR	JP Morgan London	Cash	-	14,100,000.00	OTC
EUR	Nomura	Cash	-	15,112,699.48	OTC
EUR	Société Générale Paris	Cash	-	5,879,149.00	OTC

- AXIOM LIQUID RATES:

Sub-Fund currency	Counterparty	Type of collateral	Collateral received in EUR	Collateral paid in EUR	Cleared/ OTC
EUR	Société Générale Paris	Cash	-	700,888.33	Cleared
EUR	Société Générale Paris	Cash	-	3,014,901.13	OTC
EUR	Société Générale Paris	Cash	9.88	-	OTC

8 - Other expenses

As at December 31, 2023, the other expenses include mainly custodian transaction fees and risk management fees.

9 - AIFMD disclosure on realised and unrealised result

As at December 31, 2023, the split on net realised profit and loss are detailed as follows:

AXIOM CREDIT OPPORTUNITY

	Profit	Loss	Net realised profit/loss
Sales of investment securities	160,834.22	-30,400.00	130,434.22
Options	30,000.00	-283,000.00	-253,000.00
Forward foreign exchange contracts	585,054.32	-1,099,359.73	-514,305.41
Swaps	19,973,840.85	-6,852,674.17	13,121,166.68
Foreign exchange	2,041,103.40	-1,947,811.19	93,292.21

AXIOM LIQUID RATES

	Profit	Loss	Net realised profit/loss
Options	2,089,430.59	-1,861,760.34	227,670.25
Forward foreign exchange contracts	47,639.67	-66,517.15	-18,877.48
Financial futures	3,586,968.87	-2,889,888.49	697,080.38
Swaps	743,742.19	-762,702.61	-18,960.42
Foreign exchange	176,895.95	-209,839.15	-32,943.20

Other notes to the financial statements

9 - AIFMD disclosure on realised and unrealised result

As at December 31, 2023, the split on movement in net unrealised appreciation/depreciation are detailed as follows:

AXIOM CREDIT OPPORTUNITY

	Appreciation	Depreciation	Net unrealised appreciation/depreciation
Securities portfolio	350,519.28	47,783.32	398,302.60
Options	-	49,500.00	49,500.00
Forward foreign exchange contracts	3,017.92	511,119.64	514,137.56
Swaps	-38,754,372.33	49,298,173.79	10,543,801.46

AXIOM LIQUID RATES

	Appreciation	Depreciation	Net unrealised appreciation/depreciation
Securities portfolio	5,517.80	-	5,517.80
Options	-137,874.50	198,866.78	60,992.28
Forward foreign exchange contracts	38,184.54	-9,495.75	28,688.79
Financial futures	-60,352.80	85,242.28	24,889.48
Swaps	635,573.64	-784,801.63	-149,227.99

10 - Changes in the composition of securities portfolio

The details of the changes in portfolio composition as at December 31, 2023 are at the disposal of the Shareholders at the registered office of the Fund and are available upon request free of charge.

AXIOM ALTERNATIVE FUNDS SICAV-RAIF

Additional unaudited information

Additional unaudited information

Remuneration policy

In fiscal year 2023, the total remuneration (including fixed and variable deferred and non-deferred) paid by the Group Axiom Alternative Investments to all its employees (32 FTE) amounted to € 3,256,000.

- Total amount of fixed compensation related to the financial year: € 2,121,000.
- Total amount of deferred and non-deferred variable compensation related to the financial year: € 1,135,000.

The total remuneration of senior management and members of staff of the Asset Manager whose actions have a material impact on the risk profile of the Company during the period was € 4,336,000:

- Total amount of fixed remuneration related to the financial year: € 2,168,000.
- Total amount of deferred and non-deferred variable compensation related to the financial year: € 2,168,000.

Additional unaudited information

Global Risk Exposure

The Sub-Funds of the Fund uses the commitment approach in order to monitor and measure the global exposure.

Additional unaudited information

Securities Financing Transactions Regulation (SFTR) Disclosures

TOTAL RETURN SWAPS	AXIOM CREDIT OPPORTUNITY
Assets used	*In EUR*
In absolute terms	17,062,857.67
As a % of total net asset value	15.58%
Transactions classified according to residual maturities	*In EUR*
Less than 1 day	-
From 1 day to 1 week	-
From 1 week to 1 month	-
From 1 month to 3 months	-
From 3 months to 1 year	-
Above 1 year	17,062,857.67
Open maturity	-
The 10 largest counterparties	*In EUR*
First name	J.P. Morgan AG Frankfurt
Gross volumes for open trades	17,062,857.67
First country of domicile	Deutschland
Collateral received	*In EUR*
Type:	
Cash	-
Quality	-
Currency	-
Classification according to residual maturities:	
Less than 1 day	-
From 1 day to 1 week	-
From 1 week to 1 month	-
From 1 month to 3 months	-
From 3 months to 1 year	-
Above 1 year	-
Open maturity	-
The 10 largest issuers of collateral received	*In EUR*
First name	N/A
Amount	N/A
Revenue and expenditure components	*In EUR*
Revenue component of the Sub-Fund:	
In absolute amount	7,690,693.00
In % of gross revenue	100%
Expenditure component of the Sub-Fund	9,372,164.67
Revenue component of the AIFM:	
In absolute amount	-
In % of gross revenue	-
Revenue component of third parties	
In absolute amount	-
In % of gross revenue	-

There is no reuse of cash collateral related to Total Return Swaps. All trades open at the end of the year have been transacted through bilateral settlement.

Revenue component and expenditure component of the Fund include interests, dividends, realised and change in unrealised on Total Return Swaps.

Additional unaudited information

SFDR (Sustainable Finance Disclosure Regulation)

Axiom Credit Opportunity

Article SFDR 6

The Compartment falls under the scope of the article 6 of SFDR. The Management Company does not integrate Sustainability risks nor the Principal Adverse Impacts in this Sub-Fund due to the complexity of their integration in the strategy. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Axiom Liquid Rates

Article SFDR 6

The Compartment falls under the scope of the article 6 of SFDR. The Management Company does not integrate Sustainability risks nor the Principal Adverse Impacts in this Sub-Fund due to the complexity of their integration in the strategy. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.