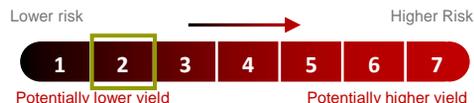


# Axiom Long Short Credit (ALSC)



## INVESTMENT OBJECTIVE

The investment objective of the fund is to seek to achieve attractive risk-adjusted returns over time. The fund (ALSC) is actively managed and references several indices as described in the prospectus (the "Benchmarks") as part of its investment process. ALSC is a long short corporate credit fund established under Luxembourg law which targets net performance of 4% in euros with volatility of less than 5% over an indicative period of 3 years. The global investment universe which includes both the European and American high yield markets is a source of diversity and additional liquidity. Net exposure ranges between +50% and -30%. This exposure will evolve according to the credit cycle and the convictions of the portfolio manager Gilles Frisch. Benefitting from 21 years of experience in the European and US high yield markets in both long only and long short portfolio management, Gilles was previously head of the High-Yield division at Swiss Life Asset Managers since 2010. He is backed by Paul Gagey who has more than 30 years of experience in asset management. Paul was Head of the high-yield funds division at Aviva Investors from 2006 to 2017.

The SRRI above represents the annual historical volatility of the Fund over a 5-year period. Historical data such as that used to calculate the synthetic indicator cannot be considered as a reliable indication of the Fund's future risk profile. The risk category associated with the Fund is not guaranteed and may change over time. The lowest risk category does not mean "risk free". Your initial investment is not guaranteed.

## KEY METRICS

Number of positions:	120	Assets under management:	€40.2m
Long positions (in %):	87.6%	Average long spread:	283 bps
Short positions (in %):	93.4%	Average short spread:	-247 bps
Gross exposure:	181%	Average net spread:	-3 bps
Net exposure:	-5.9%	Duration:	-0.19

## RISK LIMITS

Positions / Concentration		Sector and Country Exposure	
Long limit:	3% (top10) - 2% (others)	Gross exposure by industry:	Up to 20%
Short limit at par:	5%	Gross exposure by country:	Up to 20% (ex US)
Short distressed positions limit:	2%	Total number of positions:	Above 50

## MARKET COMMENTARY



Gilles Frisch  
Portfolio manager

September High Yield markets had really low volatility, which is surprising given the correction experienced by the equity markets (first negative month since January).

Likewise, the CDX HY and Itraxx Crossover indices did not vary much in spread, while the VIX and Vstoxx equity volatility indices significantly increased.

Finally, the volatility of markets over the month significantly slowed down the primary flow, which allowed the B and CCC to outperform the BB, also impacted by the rise in long rates over the month.

What outlook for October? Lots of questions about the macro context and still a very important High Yield primary pipeline.

On the macro side, the clouds seem to be gathering and deserving of an increase in risk premiums:

world widely, a very significant rise in inflation while growth is slowing, risks specific to the US markets: "technical" default on the Treasury debt, failure to find an agreement on the infrastructure plan, risk of a very significant drop in the "social" stimulus plan (from 3,500 billion to 1,500?), persistent shortages of raw materials, means of transport, skilled workers and now gasoline and electricity.

The rise of the new Chinese policy gives priority to controlling the economy over profitability, this in a context of crisis in its real estate market (30% of GDP) following the critical situation faced by the Evergrande group.

Finally more specific to the High Yield markets, an influx of primary deals that were delayed in September but must pass by the end of the year with a risk of traffic jams or even indigestion.

Given the current levels of High Yield spreads, all these risks seem poorly remunerated to us and High Yield should experience a more volatile period with widening spreads and an underperformance of high beta B and CCC compared to low beta BB.

## PERFORMANCE OF THE DIFFERENT UNIT CLASSES AS OF 9/30/21

A (USD)	B (USD)	C (EUR) <sup>2</sup>	CG (EUR) <sup>3</sup>	E (GBP)	M (CHF)	P (EUR)	R (EUR)
LU2130522688	LU2130522761	LU2133128806	LU2249463410	LU2130522845	LU2130522928	LU2177671059	LU2130523066
-0.06%	-0.02%		-0.08%	-0.04%	-0.11%	-0.04%	-0.12%

### Historical performances<sup>2</sup>

	Jan.	Feb.	Mar	April	May	June <sup>3</sup>	July	August	Sept.	Oct.	Nov.	Dec.	Year <sup>3</sup>
2021	+0.27%	-0.37%	-0.38%	-0.15%	-0,17%	-0.12%	+0,30%	-0,43	-0,04%				-1.09%
2020						-0.07%	+0.06%	-0.35%	+0.48%	-0.01%	-0.46%	+0.41%	+0.05%

Sources : Bloomberg, Axiom AI

<sup>1</sup> Past performance does not guarantee future results. They do not take into account any commissions received on the subscription and redemption of units. <sup>2</sup> Share classes that have not been activated yet <sup>3</sup> The fund has been launched on the 24<sup>th</sup> of June. Please note that the performance communicated covers a period of time shorter than a year and shorter than the recommended investment horizon. <sup>3</sup> Launched on the 12th of February 2021

## PORTFOLIO BREAKDOWN (in % of assets)

### LONG AND SHORT POSITIONS

#### Top 5 short positions (excluding indices and hedges)

Industry	Country	Rating	% of net assets
Aerospace/Defense	GB	BB-	-2.49%
Lodging	FR	BB-	-2.43%
Media	US	B	-2.20%
Aerospace/Defense	US	BBB-	-2.15%
Leisure Time	US	B	-2.05%

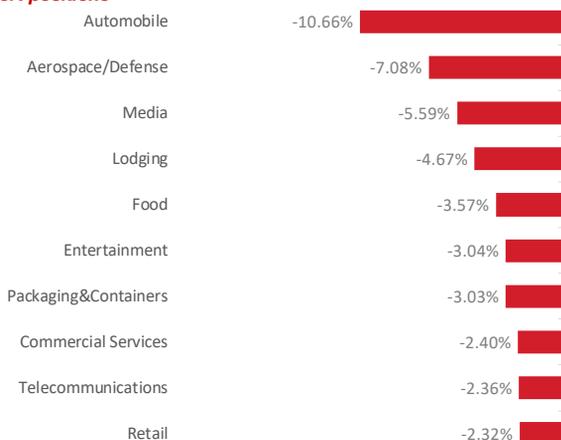
#### Top 5 long positions (excluding indices and hedges)

Industry	Country	Rating	% of net assets
Diversified Finan Serv	GB	B+	2.97%
Telecommunications	LU	BB+	2.54%
Real Estate	NO	BB+	2.50%
Media	FR	BB+	2.47%
Chemicals	CN	BBB-	2.47%

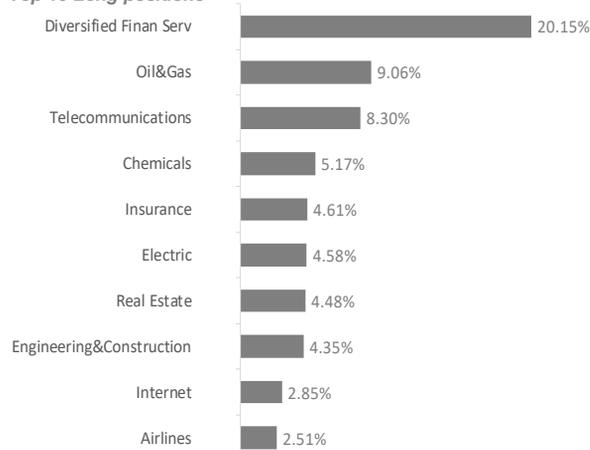
### BY SECTOR

Exposure by sector as a % of net assets

#### Top 10 Short positions



#### Top 10 Long positions



### BY RATING

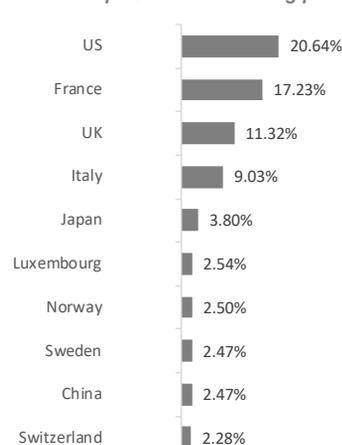
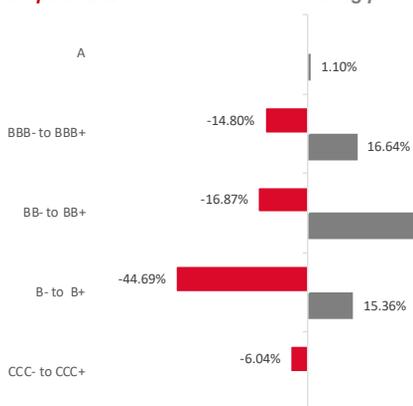
Exposure by rating as a % of net assets

#### Short positions

#### Long positions

#### Top 10 countries in short positions

#### Top 10 countries in long positions



### BY COUNTRY

Exposure by country as a % of net assets

## FUND INFORMATION

Fund type:	UCITS
Current ISIN/ Ticker (Bloomberg):	LU2177671059/ AXILSCP LX Equity
Liquidity:	Daily
Currency:	EUR/USD/GBP/CHF
Countries:	Luxembourg
Fund type and Profit allocation:	Luxembourg SICAV / Accumulation

Fund inception date:	06/24/2020
Minimum initial subscription:	1 share
Subscription / repurchases conditions:	Every day until 12:00 / Payment D+3
Management fees:	0.50% up to max €50m
Performance fees:	15% up to max €50m

All data coming from outside are reworked by Axiom Alternative Investments. The information in this document is based on reliable and accurate sources analysis as of its release date. The figures quoted relate to past years and past performance is not a reliable indicator of future performance. The information is derived from accounting and proprietary data. They have not been certified by the Statutory Auditor Axiom Bond Fund and are therefore subject to change. Due to their simplification, this information is inevitably partial or incomplete and can not therefore have any contractual value. The DICI of this fund is at your disposal on request from AXIOM AI. In case of subscription, the investor must consult the prospectus of the UCITS in order to become aware of the risks involved, in particular the risk of loss of capital and, where applicable, the liquidity risk of the underlying assets. This fund is invested in the bond markets. Its net asset value depends on the valuation of the securities held in the portfolio and may therefore be subject to significant upward and downward fluctuations. This UCITS is authorized by the French financial markets authority and FINMA for marketing in France and Switzerland. Additional information for Swiss-based investors: The detailed sales prospectus, key investor information documents, articles of association, annual and semi-annual reports are available free of charge from the Swiss Representative and Payment Service. CACEIS branch of Nyon/Suisse, SA, Route de Signy 35, CH-1260 Nyon.

