

## Axiom European Banks Equity

Investment objective

Over a 5-year horizon, Axiom European Banks Equity seeks to outperform the Stoxx Europe 600 banks index. The fund is permanently exposed to equities, with at least 75% of total assets invested in the European financial sector.

The Management Company has full discretion over the composition of the portfolio of the fund and may take exposure to companies, countries or sectors not included in the benchmark, even though the benchmark constituents may be representative of the fund's portfolio.

The SRRI 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.

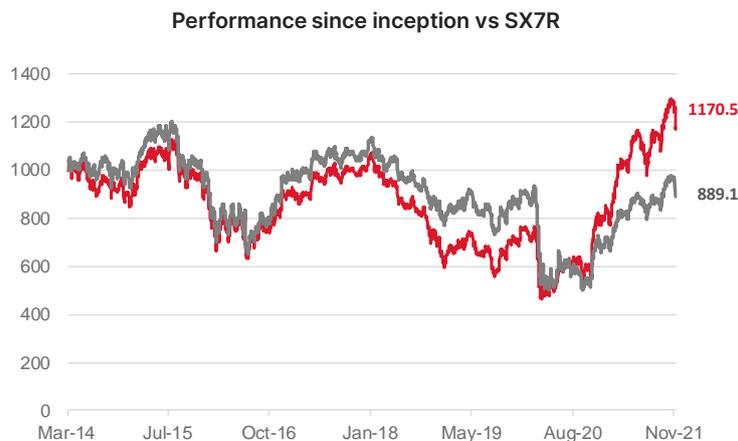
## KEY DATA AND RISK ANALYSIS

Funds AuM	60ME	1 year Beta	1.10
Correlation to the SX7R since inception	0.95	1 year volatility	25.9%
		1 year Sharpe ratio	2.00

## NAV VALUES AND MONTHLY RETURNS

	Class BC (USD)	Class C (EUR)	Class E (GBP)	Class R (EUR)	Class I (EUR)	Class J (EUR)	Class M (CHF)
Last NAV	935.2	1170.5	1112.6	1175.3	1163.6	1211.7	1017.4
Monthly performance	-8.56%	-8.50%	-8.64%	-8.57%	-8.50%	-8.51%	-8.54%

### PERFORMANCE EVOLUTION – CLASS C



Past performance does not guarantee future results.

### HISTORICAL PERFORMANCE – CLASS C

1 month	3 months	YTD	1 year	3 years <sup>4</sup>	5 years <sup>4</sup>	Since inception <sup>4</sup>
-8.50%	2.09%	45.89%	51.15%	18.06%	7.23%	2.07%

### MONTHLY PERFORMANCE SINCE CLASS C INCEPTION

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Year
<b>2014</b>			2.01% <sup>3</sup>	-0.86%	0.11%	-5.63%	-2.55%	1.15%	1.69%	-2.96%	2.90%	-5.94%	<b>-10.06%</b>
<b>2015</b>	-0.21%	14.33%	3.02%	-0.05%	2.28%	-3.11%	6.36%	-7.88%	-7.16%	2.63%	0.87%	-6.57%	<b>2.43%</b>
<b>2016</b>	-13.63%	-5.03%	-0.83%	6.52%	2.71%	-18.04%	6.37%	7.64%	-2.65%	8.27%	1.81%	7.12%	<b>-4.01%</b>
<b>2017</b>	1.17%	-3.82%	6.02%	4.89%	-0.11%	1.52%	3.24%	-3.21%	4.95%	-1.05%	-1.35%	0.34%	<b>12.71%</b>
<b>2018</b>	5.76%	-3.91%	-6.51%	0.62%	-9.53%	-1.30%	4.39%	-8.20%	0.38%	-11.32%	-2.03%	-12.93%	<b>-37.89%</b>
<b>2019</b>	7.84%	6.06%	-4.42%	8.50%	-12.10%	1.76%	-3.86%	-7.08%	13.65%	3.35%	2.56%	6.23%	<b>21.31%</b>
<b>2020</b>	-6.22%	-8.36%	-21.47%	6.62%	-1.24%	11.00%	-1.48%	8.72%	-11.07%	2.06%	34.48%	3.61%	<b>6.84%</b>
<b>2021</b>	-4.01%	21.22%	10.01%	3.36%	8.71%	-6.24%	-0.76%	6.78%	3.26%	8.04%	-8.50%		<b>45.89%</b>

<sup>1</sup> Past performance does not guarantee future results. - <sup>2</sup> Annualized performance. - <sup>3</sup> Performance over less than a month

## MONTHLY COMMENTARY



**ANTONIO ROMAN**  
Portfolio Manager

Banks sold off in November as investors turned to a risk-off mood following rising cases in Europe and the discovery of a new variant of concern. The SX7R returned -7.64% while the broader European index SXXR was down by -2.53%. As a result, the P/E discount of European banks versus the broader market widened to c. 45%, barely below its all time March 2020 record of 50%.

On the macro front, the Citi Economic Surprise Index returned to positive territory in Europe and elsewhere as economies proved more resilient than expected to increasing price pressures and Covid restrictions. Inflation kept beating estimates around the world as demand remained strong against tight labour markets and strained supply chains. In the Eurozone, at end of November, CPI reached +4.9% year-on-year, the highest print ever since the introduction of the common currency. In the US, the chair of the Federal Reserve agreed that it was time to drop the "transitory" word. On both sides of the Atlantic, markets are expecting the end of stimulus to happen prior to previously thought.



**DAVID BENAMOU**  
Portfolio Manager

On the regulatory front, BNP Paribas moved up a bucket in the list of Global Systemically Important Banks, increasing its capital requirements by 50bps (the move was expected). The new MIFIR legislation introduces a ban on payment for order flow, which is positive for incumbent investment platforms.

We saw the Omicron sell-off as an opportunity to re-risk the fund towards year end. We believe the price action was driven by a combination of low risk appetite and macro hedging before bonus conversations combined with an over-estimation of pandemic risk. We remain positive on banks' earnings momentum going forward: consensus is still too pessimistic on provisions in light of macro data; consumer and corporate loan growth should surprise positively on the back of strong consumption, inventories being rebuilt and green investment expenditures; fees should be supported by the normalisation of the gap between the savings and investment ratios. Technicals and valuations are also supportive. At a P/E discount of 45%, banks have rarely been so cheap versus the broader market. The total distribution yield is also likely to act as a spring force, with an annual buyback yield of 2.5% on top of a dividend yield 5.5%. We understand many investors don't like banks, but we believe they will be forced to like them as long as strong demand and tight labor markets persist.

## RESEARCH AND MANAGEMENT TEAM



**David BENAMOU**  
Managing Partner  
Chief Investments  
Officer



**Jérôme LEGRAS**  
Managing Partner  
Head of Research



**Antonio ROMAN**  
Portfolio Manager



**Adrian PATURLE**  
Partner  
Portfolio Manager



**Gildas SURRY**  
Partner  
Portfolio Manager



**Paul GAGEY**  
Portfolio Manager



**Laura RAMIREZ**  
ESG Analyst

### RISKS

Significant risk(s) for the Fund not taken into account in the SRRI indicator include the following :

**Risk related to the use of financial futures instruments (IFT):** As the Fund, may invest in derivatives, the net asset value may fall more significantly than the markets and financial instruments underlying these products. The occurrence of this risk may lead to a reduction in the net asset value of the Fund

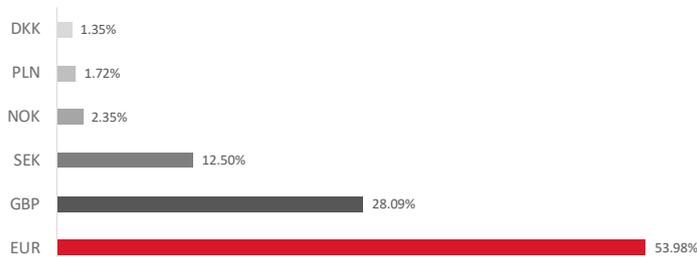
**Equity risk :** Due to its investment objective, this Fund is exposed to equity risk. Therefore, its value may decrease when the equity market declines, especially when prices of financial stocks decrease.

**Liquidity risk:** Liquidity risk exists when particular investments are difficult to purchase or sell. This can reduce the Fund's returns because the Fund may be unable to transact at advantageous times or prices. This can be the result of shocks of unprecedented intensity and severity such as but not limited to pandemics and natural disasters.

For more information on risks, please refer to the prospectus of the Funds

## PORTFOLIO SPLIT (in % of assets)

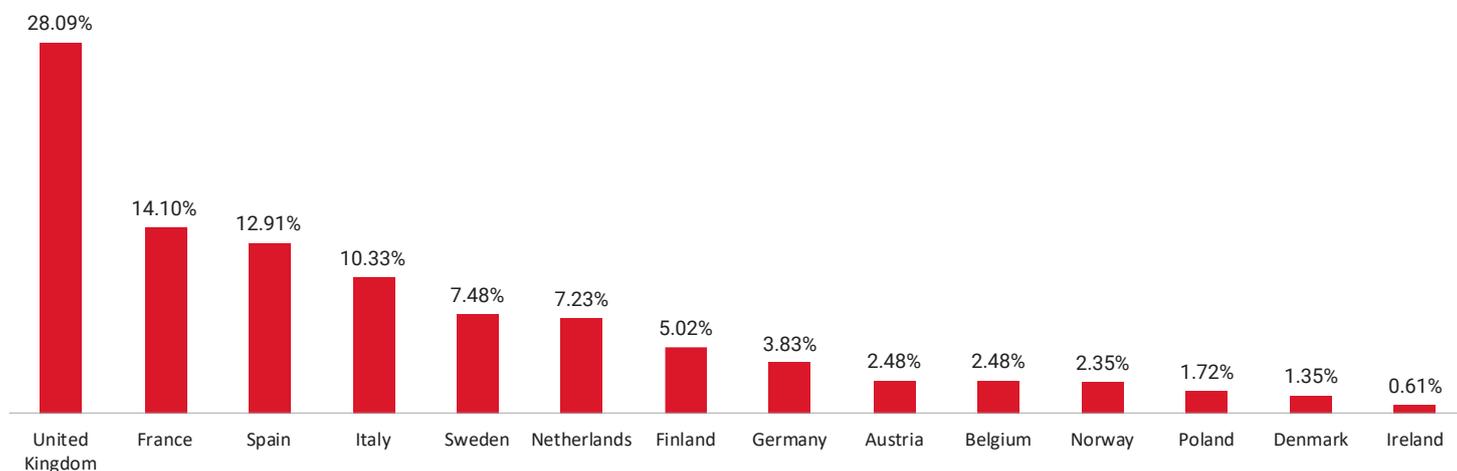
### BY CURRENCY



### TOP 5 ISSUERS

BNP PARIBAS	8.13%
BANCO DE SABADELL	5.68%
BANCO SANTANDER	4.55%
VIRGIN MONEY	4.48%
CREDIT AGRICOLE	4.44%

### BY COUNTRY <sup>1</sup>



<sup>1</sup> Exposure by country at the end of the month

## FUND INFORMATION

**Type** Lux SICAV

**Registered countries** CH – FR – LU – UK

**Subscription / Redemption** Before 12:00 / Settlement D+3

Name	ISIN	Currency <sup>10</sup>	Affectation	Inception date	Min 1st subscription	Management fees <sup>11</sup>	Performance fees
Class BC	LU1876459568	USD	Capitalisation	-	1 share	2.00%	YES
Class C	LU1876459212	EUR	Capitalisation	25/03/2014	1 share	2.00%	YES
Class E	LU2249462792	GBP	Capitalisation	27/07/2021	1 share	0.65%	YES
Class R	LU1876459303	EUR	Capitalisation	20/05/2014	1 share	2.00%	YES
Class I	LU2249462958	EUR	Capitalisation	08/03/2021	1 000 000€	1.00%	YES
Class J	LU2249462875	EUR	Capitalisation	02/03/2021	1 share	1.20%	YES
Class M	LU1876459485	CHF	Capitalisation	11/06/2021	1 share	2.00%	YES
Class Z	LU1876459642	EUR	Capitalisation	27/11/2015	1 share	0.05%	NO

<sup>10</sup> Currency exposure is systematically hedged | <sup>11</sup> All details of the expenses incurred by the fund are available in the Prospectus

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