MONTHLY FACTSHEET AS OF 29/04/2022

Promotional document

AXIOM ALTERNATIVE INVESTMENTS

Axiom European Banks Equity – Share Class J (EUR)

Sub-fund of the Luxembourg SICAV : Axiom Lux

NAV	Assets Under Management	SRRI[1]	SFDR[2]
1081.9	€ 115M	Low risk → High Risk: 1 2 3 4 5 6 **7** (Typically lower rewards – Typically higher rewards)	6 **8** 9

Asset manager	Axiom Alternative Investments
Legal structure	Luxembourg SICAV : Axiom Lux
Strategy inception date[4]	25/03/2014
Sub-fund inception date[4]	Absorption the 11/01/2019
Share class inception date	02/03/2021
ISIN Code	LU2249462875
Minimum subscription	1 share
Share class currency	EUR
Management fees	1,2%
Subscription fees	0% (2% max.)
Redemption fees	0% (2% max.)
Performance fee	20% (if perf. > index)
Type of share	Accumulation
Valuation frequency	Daily
Cut-off and settlement day	before 12.00 PM / 3 business days
Main risks	Risk related to the use of financial futures instruments (IFT), equity risk, liquidity risk (for more information please refer to the Fund's prospectus)

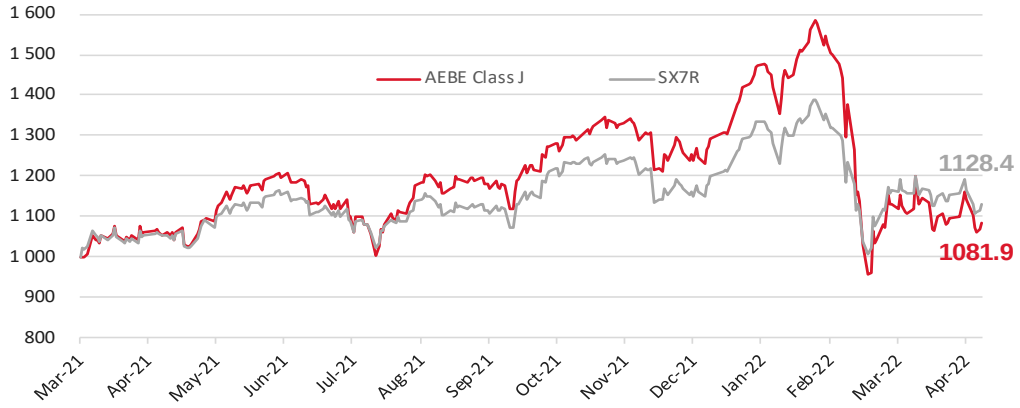
Investment objectives[3]

The objective of this Fund is to achieve, over a minimum 5-year investment horizon, a return (net of management fees) similar to or greater than that of its benchmark (Stoxx Europe 600 Banks Net Return[5]). The Fund is actively managed and references the Stoxx Europe 600 Banks Net Return[5] (the "Benchmark") for comparative purposes only.

Historical performance (EUR)[4]

Class J						
1 month	3 months	YTD	1 year	3 years	5 years	Inception
1129.1	1449.2	1304.0	-	-	-	1304.0

Net of fees performance since inception (base 1000)[4]



Key metrics

Number of positions	30	1 year Beta	1.30
1 year Sharpe ratio	0.00	1 year volatility	37.63%
1 year Information ratio	-0.41	3 years volatility	-
3 years Information ratio	-	Correlation to the SX7R since inception	0.96

Past performance is not indicative of future results

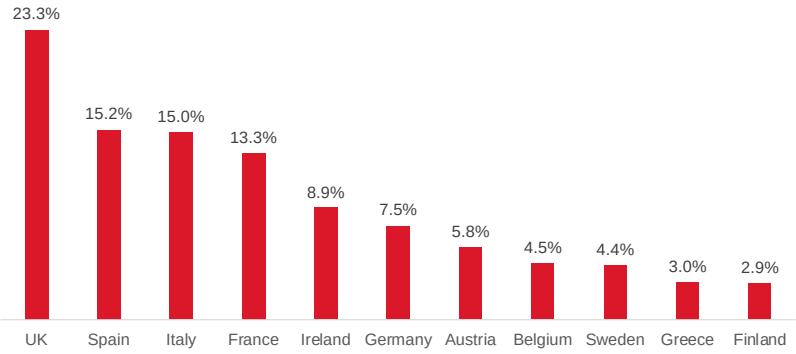
Internal source from Axiom AI | Risk and reward profile represents the annual historical volatility of the sub-fund over a 5-year period. Historical data such as that used to calculate the synthetic indicator may not be a reliable indication of the Fund's future risk profile. The risk category associated with the Fund is not guaranteed and may change over time. The lowest risk category does not mean "risk free". The capital initially invested is not guaranteed | [2] Refer to page 3 of the document | [3] There is no guarantee that the investment objective will be achieved or that there will be a return on investment | [4] Fund created as a FCP under French law on 25/03/2014 before being absorbed by the SICAV Axiom Lux under Luxembourg law on 11/01/2019 | [5] More information about the index : https://www.stoxx.com/index-details?symbol=SX7R | [6] Net of fees performances

Axiom European Banks Equity

AXIOM ALTERNATIVE INVESTMENTS

Portfolio breakdown (in % of assets)

Breakdown by country[1]



Top 5 issuers, indexes excluded [1]

Issuer	%
Intesa Sanpaolo	6.1%
Banco Santander	5.9%
Société Générale	5.9%
HSBC	5.2%
Standard Chartered	4.9%

Monthly commentary

ANTONIO ROMAN
Portfolio Manager

DAVID BENAMOU
Portfolio Manager

April was another down month for risk assets. Stocks were led lower by the technology sector and cyclicals. The SXXP returned -0.57% while the SX7P and SX7E respectively ended the month at -2.08% and -3.40%. The Subfin widened to 195 bps. Amid higher long-term inflation expectations, Germany and US 10Y yields respectively climbed above 0.9% and 2.9%.

In defiance of the prevailing pessimistic mood, European banks had an excellent start to the reporting season. On aggregate, revenues were 7% higher than expected - the strongest positive surprise in years - while earnings were 25% better. On a Y/Y basis, revenues grew by more than 8%. Net interest income was supported by dynamic lending book growth and stable or increasing margins. Costs were in line overall, which came as a relief in the current environment. There was no evidence of deterioration in asset quality: non-performing loans continued to decrease, and defaults remained significantly below average. Banks nonetheless took precautionary provisions in light of geopolitical and monetary policy risks. Capital ratios took a transitory hit from mark-to-market losses in bonds not accounted at cost.
As analysts revise their expectations for the year upwards, the sector keeps trading at depressed levels. The SX7E is valued at 6.7x next year earnings (and 5.9x 2023 earnings), which contrasts with a median level of 9.0x and a maximum of 12x over the last decade. Only twice was the P/E lower: in the middle of the 2011/2012 Eurozone crisis and at the onset of the pandemic. Why the disconnect between fundamentals and valuations?

Two sets of developments are unsettling markets: on the one hand, higher commodity and supply chain costs are eroding purchasing power and consumer confidence (the Putin + Xi Jinping risk): on the other hand, the risk of a wage-rent-inflation loop may drive central bankers to slam the brakes on growth by raising rates to contractionary levels (the Bullard + Knot risk).

Though uncertainty is high (the prime example is the possibility of Russia cutting gas supply), our central scenario remains more optimistic versus the consensus: we see a progressive improvement in commodity and supply conditions as extraction and production capacities are rebuilt ; we see growth in services sustaining employment and spending trends ; we see central banks not willing to risk a contractionary spiral to fight inflation.

These examples do not constitute an investment recommendation

Internal source from Axiom AI [1] Single name derivatives included

Glossary

Volatility: the volatility of a security or fund indicates how much the price of that security or fund may vary, up or down, from its average price, over a given period of time.

Sharpe ratio: measures the difference in profitability of a portfolio of financial assets (e.g. equities) compared to the rate of return of a risk-free investment (i.e. the risk premium, positive or negative), divided by an indicator of risk, the standard deviation of the profitability of this portfolio, i.e. its volatility. The higher the standard deviation, the greater the risk-adjusted outperformance of the asset.

Information ratio: measures the excess return relative to a benchmark divided by the volatility of those excess return.

Correlation: the correlation between two financial assets, or more generally between two random variables, is the strength of the link between these two variables. The closer the coefficient is to the extremes, the more the variables are correlated, i.e. linearly dependent on each other.

Beta: compares an asset's movements against its benchmark market, which helps determine its risk level relative to other benchmark assets.

Main risks

Risk of loss of capital: the sub-funds do not offer any protection or guarantee. As a result, investors may not be able to fully recover their initial investment.

Operational risk: the risk of losses resulting from inadequate or failed internal processes, people, systems or external events. The occurrence of these risks may cause the net asset value of the fund to fall

Currency risk: as some of the assets may be denominated in currencies other than the reference currency, the sub-fund may be affected by changes in exchange controls or in the exchange rates between the reference currency and these other currencies. For this reason, the sub-fund will systematically hedge against this risk. However, a residual risk remains. These exchange rate fluctuations may cause the net asset value of the sub-fund to fall.

Credit risk: this risk arises from the possibility that an issuer of bonds or debt securities may not be able to honour its payment obligations, i.e. the payment of coupons and/or the repayment of capital at maturity. Such a default may result in a decrease in the net asset value of the sub-fund (including total return swaps or DPSs). This also includes the risk of a downgrade of the issuer's credit rating.

Counterparty risk: A sub-fund that invests in OTC derivatives may be exposed to the risk arising from the creditworthiness of its counterparties and their ability to meet the terms of such contracts. The sub-fund may enter into forward contracts, options and swaps, including CDS, or use derivative techniques, which involves the risk that the counterparty may not meet its obligations under each contract.

Exchange rate: Any investment in equities may involve directly or indirectly an exchange rate risk. While the net asset value of the sub-fund is calculated in its reference currency, the performance of an underlying asset or its components denominated in a currency other than the reference currency will also depend on the exchange rate of that currency. Similarly, the currency other than the reference currency in which an asset of the sub-fund is denominated implies a currency risk for the sub-fund.

Liquidity risk: risk arising from the difficulty or impossibility of selling securities held in the portfolio when necessary and at the price at which the portfolio is valued, due to the limited size of the market or insufficient trading volumes on the market where these securities are usually traded. The realisation of this risk may result in a decrease in the net asset value of the sub-fund.

Use of derivatives: If a sub-fund whose performance is linked to an underlying asset frequently invests in derivatives or securities other than the underlying asset, derivative techniques will be used to link the value of the shares to the performance of the underlying asset. While the prudent use of such derivative techniques may be beneficial, derivatives also involve risks which in some cases may be greater than the risks associated with more traditional instruments. Transaction costs may be associated with the use of such derivatives.

Climate/ESG data risk: The Management Company's ESG integration process relies on third party data from climate/ESG data providers. Data providers may apply different models and use different sources of information, which may contain inaccurate, incomplete or unaudited data. In addition, where data is insufficient, data providers may use internal methods to produce subjective estimates and approximations. Similarly, the Management Company conducts qualitative analysis based on self-reported information, which is generally not audited by a third party. As the portfolio manager bases its investment decisions on this data, this uncertainty in data collection may have a negative impact on the performance of the portfolio.