MONTHLY FACTSHEET AS OF 31/05/2022

Promotional document

AXIOM ALTERNATIVE INVESTMENTS

Axiom European Banks Equity – Share Class I (EUR)

Sub-fund of the Luxembourg SICAV : Axiom Lux

NAV	Assets Under Management	SRRI[1]	SFDR[2]
1159.9	€ 131M	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	08/03/2021
ISIN Code	LU2249462958
Minimum subscription	1000 000 EUR
Share class currency	EUR
Management fees	1%
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)

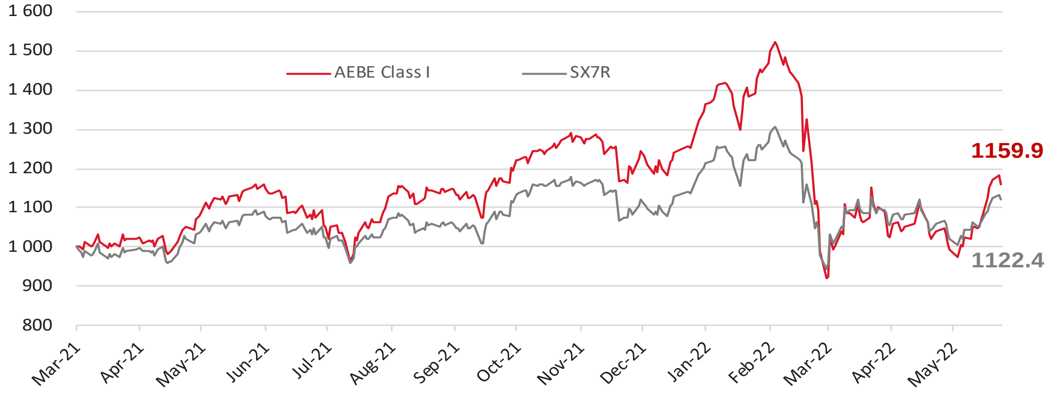
Investment objectives[3]

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 I						
1 month	3 months	YTD	1 year	3 years	5 years	Inception
1040.1	1214.9	1252.4	-	-	-	1000.0

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



Key metrics

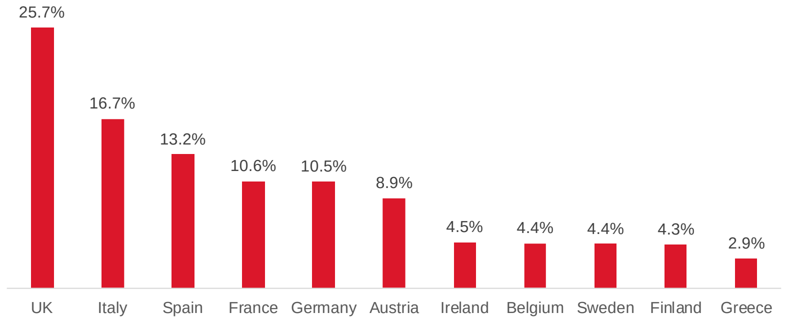
Number of positions	31	1 year Beta	1.31
1 year Sharpe ratio	-0.08	1 year volatility	38.27%
1 year Information ratio	-0.19	3 years volatility	-
3 years Information ratio	-	Correlation to the SX7R since inception	0.96

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

Portfolio breakdown (in % of assets)

Breakdown by country[1]



Top 5 issuers, indexes excluded [1]

Issuer	%
HSBC	7.2%
Unicredit	6.2%
Société Générale	6.1%
Deutsche Bank	6.1%
Intesa Sanpaolo	6.0%

Monthly commentary

Inflation was a major theme in the markets during the month of May, as investors vacillated between record price increases and diminished but resilient growth. This hesitation had a downward impact on the markets in the first half of the month before partially recovering in the second half. Against this uncertain backdrop, risk appetite strengthened slightly at the end of the month with the SubFin index tightening by 5 basis points to 185. In the equity market, the energy and banking sectors outperformed, while the retail and media sectors underperformed. The SX7R returned +6.54% versus -0.61% for the SXXR.

Eurozone macroeconomic developments pointed to a strengthening in the core inflation momentum:

- Core CPI increased by 0.5% MoM to an all-time high of 3.8% YoY
- Fiscal packages aimed at protecting discretionary income against energy and food prices are being broadly adopted, fuelling demand-pull core inflation
- Negotiated wages climbed to a 10-year high of 2.8%
- Growth in bank loans increased to 5.3% YoY (vs. a pre-pandemic 5Y average of c. 2.5%)

Recession risk remained hotly debated amid unusually high demand and supply shocks. Despite the current commodity squeeze, we see two consecutive quarters of negative growth in the Eurozone as unlikely in 2022:

- Higher import prices are financed by fiscal deficits. The Euro area is heading for deficits of 4.6% and 3.1% in 2022 and 2023. The bloc is having a hard time departing from pandemic stimulus: in fact, between 2016 and 2019, the average deficit was below 1%. In contrast, a combined USD125 brent and EUR90/Mwh gas shock represents an estimated 2.2% GDP shock versus pre-pandemic levels (where they were trading closer to USD65 and EUR25/Mwh).
- The reopening effect has not fully played out. May Eurozone activity surveys reported the highest increase in employment over the past decade as well as strong investment trends. The supply side is ramping up productive capacity, feeding a positive loop. Countries with tight labour markets, such as the UK, are much less likely to enjoy the benefits of a rising workforce and therefore the most likely to suffer from stagflation.
- The resolve of the ECB in its fight against inflation is questionable. The shift in rate hikes expectations, though spectacular, has lagged increases in forward inflation markets - and is very far off from changes in realised core inflation. Presently, inflation is liquidating aggregate debt at record pace and Bund 20y / 10y real rates are still below -1%. As such, we believe talks of a recession induced by higher rates in the Eurozone to be premature.

That said, headline GDP should matter less than usual for banks. Traditionally, recessions are bad for banks because they are associated with a. deleveraging; and b. rising defaults due to a negative investment / final demand loop. This is not the current set-up. Loan growth is actually accelerating to a record pace and hiring is strong. In an economy where labour markets are supported by the need to rebuild domestic energy, food and supply chain security, though living standards are likely to fall, defaults may not rise as much as suggested by headline growth.

The outlook for banks' earnings is encouraging:

- Consensus EPS expectations for 2023 and 2024 for the SX7P are now back at their highest year-to-date, erasing the Ukraine-Russia war losses.
- NII expectations should continue to climb as analysts update their models with the latest rate market levels - at this time, analysts are still lagging the Eurozone rates market by c. 50-75bps.
- Analysts' assumptions for future loan losses are on the conservative side. They are forecasted to be above the 2017-2019 average in spite of the Covid-19 precautionary provisions and default trends signalling the opposite so far.
- Nominal cost trends are likely to be slightly worse than expected, though C/I ratios should be better than expected.

On the regulatory front, the Basel Committee is allegedly considering treating the Eurozone as one bloc for the calculation of the GSIB buffers. Though practical implications are limited for now, it is a new step towards more fungibility of capital and liquidity within the area. In other news, the Italian government is working on the renewal of the state guarantees on NPL transactions. The new scheme would provide for a state guarantee of 85-95%, while the senior note minimum rating should be BBB+ (one notch higher).

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.