

Axiom European Banks Equity – Share Class I (EUR)

Sub-fund of the Luxembourg SICAV : Axiom Lux

NAV	Assets Under Management	SRRI¹	SFDR²
1250.0	€ 127M		

Asset manager	Axiom Alternative Investments
Legal structure	Luxembourg SICAV : Axiom Lux
Strategy inception date⁴	25/03/2014
Sub-fund inception date⁴	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 objectives³

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 Return⁵). The Fund is actively managed and references the Stoxx Europe 600 Banks Net Return⁵ (the "Benchmark") for comparative purposes only.

Historical performance (EUR)⁴

Class I						
1 month	3 months	YTD	1 year	3 years	5 years	Inception
1228.4	950.5	1252.4	-	-	-	1000.0

Net of fees performance since inception (base 1000)⁴



Key metrics

Number of positions	30	1 year Beta	1.42
1 year Sharpe ratio	-0.05	1 year volatility	42.61%
1 year Information ratio	-0.08	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



Monthly commentary



ANTONIO ROMAN
Portfolio Manager

Banks outperformed the market in December as economic data surprised to the upside while central banks guided to more rate hikes than anticipated. The SX7R returned +0.08% vs. -3.38% for the SXXR. The Subfin closed 10 basis points tighter at 174 bps. Rates sold off vigorously, with Bunds and 10Y Treasuries ending the month at resp. 2.55% and 3.87%.

The ECB raised rates by the expected 50bps and set initial parameters for QT with reinvestments to fall by €15bn per month from March 23. Christine Lagarde shocked the market by explicitly committing to further 50 bps rate hikes. As a result, the implied peak rate climbed from 3% to 3.5%. In his press conference, Jerome Powell focused on the labor market, emphasizing the high number of vacancies and strong wage pressures. The biggest surprise came from the BoJ, which raised its Yield Curve Control cap on 10Y JGBs from +25bps to +50bps.

Monetary data pointed to slowing but still dynamic bank lending in the Euro area. Credit growth to non-financials corporations remained strong at 8.4% YoY, slightly lower than the 8.9% in the previous two months. Among the major countries, Ireland, Greece, Germany, Austria and Finland all saw double digit growth rate. For households, the growth was little changed at 4.1% from 4.2% in October. Month-on-month, total customer deposits were unchanged (higher term deposits offsetting lower sight deposits) while loan volumes were slightly up.

On the regulatory front, the UK is preparing a review of the ring fencing rules as a post-Brexit plan to reduce the administrative burden on smaller lenders. The EBA published the results of its 2022 Risk Assessment Report: they noted elevated but declining levels of capital and liquidity, improving profitability and low NPL ratios. They warned against IT risks and highlighted the rising level of Stage 2 assets.

In bank specific news, HSBC announced that it has agreed to sell its Canadian business to RBC for a cash consideration of CAD 13.5bn (an impressive price of 2.5x P/B). The bank said it expected to distribute most of the surplus generated through exceptional dividends or buybacks but would also consider organic growth and investment opportunities.



DAVID BENAMOU
Portfolio Manager

These examples do not constitute an investment recommendation

Internal source from Axiom AI ¹ Single name derivatives included



Portfolio Management and Research team



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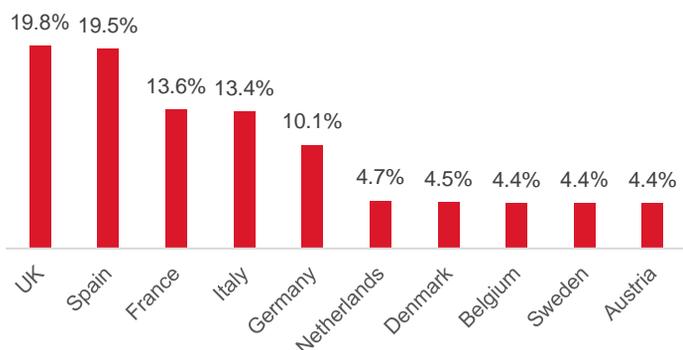
Paul GAGEY
Portfolio Manager



Laura RAMIREZ
ESG Analyst

Portfolio breakdown (in % of Net Assets)

Breakdown by country¹



Top 5 holdings¹

Issuer	%
SOCIETE GENERALE	6.1%
BBVA	6.1%
DEUTSCHE BANK	5.9%
LLOYDS BANKING	5.7%
CAIXABANK	4.5%

ESG main indicators

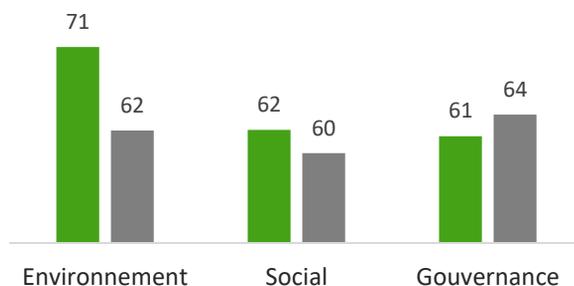
■ Axiom European Banks Equity
 ■ Investment Universe

Key metrics

	ACRS	°C	ESG
Portfolio rating	43%	2,7	63
Universe rating	41%	2,7	62
# companies in the universe	53	28	77
# companies in the portfolio	19	21	22

The ACRS, implied temperature (°C) and ESG scores represent 79%, 88% and 92% of the fund's assets respectively (index & derivatives excluded).

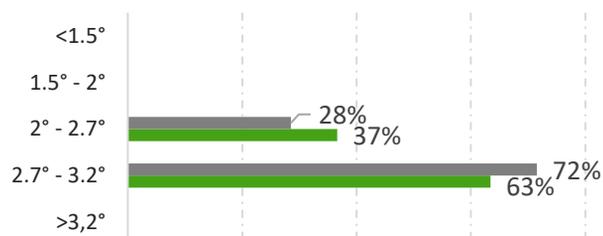
ESG by pillars



Top 5 holding by ACRS

Issuers	CNTY	ACRS	°C	ESG
EBS	AT	55.3%	2.5	49
BBVA	ES	50.2%	2.7	89
AIBG	IE	48.7%	2.7	70
HSBC	GB	48.6%	2.9	63
ING GROEP	NL	46.4%	2.8	50

Breakdown by Implied Temperature Rise (ITR)²



These percentages have been reweighted to 100%, as 86% of the portfolio's securities were assessed.

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Internal source Axiom All ¹ Single names derivatives included. ² ITR (Implied Temperature Rise): Also known as 2° alignment metric, is a forward-looking measure that attempts to estimate a global temperature associated with the greenhouse gas emissions of entities in a portfolio or investment strategy.

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.

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Some of the UCIs in the Fund may not be marketable in Belgium. We therefore recommend that Belgian clients check with their investment adviser on how to subscribe to the Fund.

The prospectus for Switzerland, the Key Investor Information Document, the semi-annual and annual reports and other information can be obtained free of charge from the Swiss representative and the payment office of the fund : CACEIS (Switzerland) SA, SA, Route de Signy 35, CH-1260 Nyon. The payment service for Switzerland is CACEIS Bank, Montrouge, branch of Nyon/Suisse, Route de Signy 35, CH-1260 Nyon.