

## Axiom Credit Opportunity

Axiom Credit Opportunity is a non-market-directional long/short credit fund invested in credit derivatives instruments. The Investment objective of the fund is to achieve positive risk-adjusted returns to investors primarily through opportunistic investments in credit markets. To achieve the investment objective, the fund mainly invests in Europe and North America but may also invest a portion of its assets globally. The investment team is composed by one of the credit derivatives experts in Europe, Bedis Gharbi, 20 years of experience, and by Adrian Paturle.

## PERFORMANCE OVERVIEW

### Key Metrics as at 31/10/2023

Assets under management <sup>2</sup> :	€ 101,3 m
NAV (Share class A EUR):	€ 115,38
NAV (Share class BA USD):	\$ 121,99
NAV (Share class EA GBP):	£ 113,51

### Net Performance data as at 31/10/2023

Share class (ISIN)	1 month	3 months	6 months	Since inception
A (ISIN: LU1916397232)	-0,53%	0,84%	8,81%	15,38%
BA (ISIN: LU1955056160)	-0,42%	1,26%	9,45%	21,99%
EA (ISIN: LU2018785944)	-0,44%	1,16%	9,00%	13,51%

### Historical Net Performance<sup>2,3</sup>

Class A	Jan.	Feb.	Mar.	Apr.	May	June	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year
2018	-	-	-	-	-	-	-	-	-	-	-	+0,53% <sup>4</sup>	+0,53% <sup>4</sup>
2019	1,42%	1,47%	2,28%	0,63%	-1,17%	0,34%	0,23%	0,17%	1,04%	0,55%	0,64%	0,25%	8,09%
2020	3,75%	0,32%	-2,26%	-12,56%	-2,43%	0,75%	-0,98%	-1,18%	0,47%	-4,21%	7,21%	1,36%	-10,50%
2021	1,49%	1,60%	0,30%	-0,50%	-1,40%	0,48%	-0,76%	-0,70%	1,66%	1,28%	-2,03%	2,48%	3,87%
2022	-1,42%	-1,31%	0,61%	-4,83%	1,14%	-7,49%	-0,71%	-4,69%	-1,90%	3,74%	7,90%	0,15%	-9,29%
2023	8,82%	3,54%	0,78%	1,90%	4,21%	2,04%	1,48%	0,85%	0,52%	-0,53%			25,91%

Class BA	Jan.	Feb.	Mar.	Apr.	May	June	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Year
2019	-	-	2,48%	0,89%	-0,94%	0,57%	0,41%	0,38%	1,22%	0,75%	0,83%	0,45%	7,23% <sup>4</sup>
2020	4,04%	0,46%	-2,08%	-12,46%	-2,13%	0,81%	-0,90%	-1,13%	0,61%	-4,10%	7,19%	1,52%	-9,08%
2021	1,52%	1,66%	0,29%	-0,30%	-1,34%	0,57%	-0,72%	-0,61%	1,75%	1,32%	-2,02%	2,64%	4,74%
2022	-1,25%	-1,28%	0,91%	-4,58%	1,34%	-7,33%	-0,29%	-4,39%	-1,52%	3,84%	8,59%	0,77%	-5,95%
2023	9,32%	3,37%	0,92%	1,78%	3,78%	2,38%	1,74%	1,03%	0,65%	-0,42%			27,03%

1/ Unit classes in foreign currencies are converted at an exchange rate at the end of the month. 2/NAV as on the 31/10/2023 3/ Past results are not necessarily indicative of future results 4/ Since launch of the fund class.

## MARKET DATA

Main Indices	31/10/2023	Monthly change	2023 YTD change
iTraxx EUR	86	8,41%	-18,92%
CDX NA IG	80	7,72%	-14,07%
iTraxx Xover	451	5,83%	-17,82%
CDX NA HY	517	7,61%	3,25%
Eurostoxx 50	4061	-2,72%	7,05%
S&P 500	4194	-2,20%	9,23%
EUR Swap 10Y	3,34%	-5bps	+40bps
US Swap 10Y	4,52%	+29bps	+96bps
EUR/USD	1,06	-0,28%	-6,58%
Crude Oil (WTI)	81	-10,76%	5,23%

## MARKET COMMENTARY

The month of October saw a pause in long rates in Europe while the rise continued in the US with the 10-year rate rising by 36 bps to reach 4.93% at the end of the month. This dynamic is notably linked to the stagnation of inflation and increasing growth figures on the other side of the Atlantic. The divergence between Europe and the US continues to widen, reinforced by aggressive US fiscal policy and falling savings levels of American consumers.

On the central banks side, the ECB maintained its key rate at 4%, noting that the latest data indicated that inflation was slowly, but surely, approaching its 2% target. The BoE decided to keep interest rates at their highest level in 15 years and stressed that inflation risks were tilted to the upside, indicating that the UK was not expected to post growth in 2024. The FED held rates at 5.25% / 5.50%, struggling to determine whether financial conditions are sufficient to control inflation, or whether the economy that continues to outperform expectations may require even more monetary restrictions.

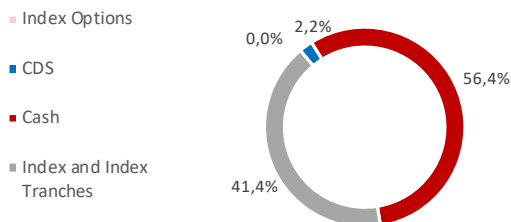
Geopolitical tensions weighed on the markets, leading the majority of sectors to be on a downward trend. The increased interest in safe haven assets such as gold highlights investors' growing fears about the conflict situation in the Middle East and the risks of a recession that is still not coming. Credit indices continued to widen significantly. The Main finished at 85bps, up 6bps and the Xover at 450bps, up 23bps. The negative effect of the widening of spreads on the fund's performance was partially offset by the positive carry of the portfolio.

During the month, we strengthened the carry with new short maturities trades.

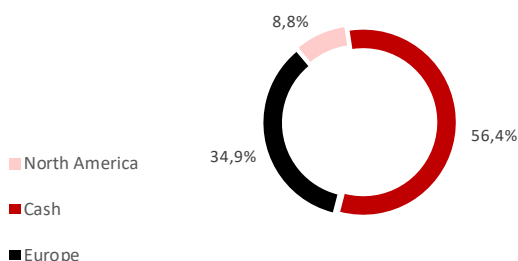
## GENERAL RISK OVERVIEW

### CAPITAL DEPLOYMENT

By Instrument type:

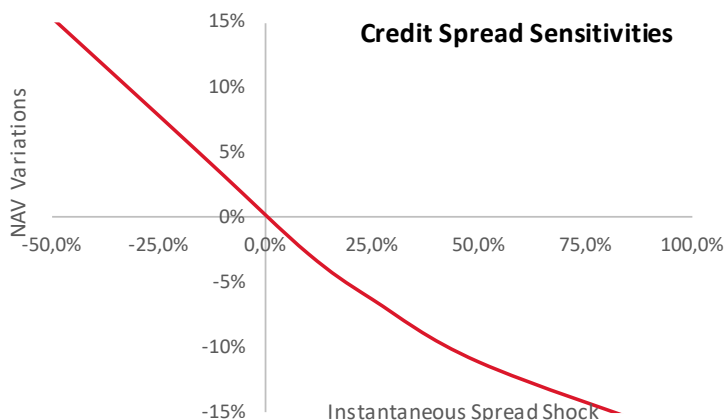


By Region:



Sources: Axiom AI internal model as at 29/09/2023

### SENSITIVITIES UNDER VARIOUS SYSTEMIC STRESS SCENARIOS



IR and FX stress	NAV impact
USD Swap by +/- 10 bps	< 0.1%
EUR Swap by +/- 10 bps	< 0.1%
EUR/USD by +/- 5%	< 0.1%



#### Bedis Gharbi – Investment team

- Joined Axiom in August 2019 as Senior Portfolio Manager
- 22 years of experience in Credit Derivatives portfolio management, trading and risk management
- Former Head of Credit derivatives funds at RiverRock
- Prior to that he managed the Global Credit Correlation book at Deutsche Bank
- He began his career in the exotic credit trading department at Société Générale
- Graduated from Ecole Polytechnique and ENSAE



#### Adrian Paturle – Investment team

- Joined Axiom in 2009
- Portfolio Manager of Axiom Sustainable Financial Bonds and Axiom Short Duration Bond Fund
- 23 years of experience in Asset Management
- Ex-Global Fixed Income and CDS portfolio manager at Rothschild & Cie Gestion
- Started his career as a quant at ABF Capital Management

Fund Inception date:	12/20/2018
Fund Managers:	Bedis Gharbi and Adrian Paturle (Co-Portfolio Manager)
Fund type:	Luxembourg Reserved Alternative Investment Fund (RAIF)
Currencies per share class <sup>2</sup> :	EUR (Classes A,C), USD (Class B, BA), GBP (Class E,EA), CHF (Class M)
Liquidity:	Closed Ended Fund
Management Fee:	0.8%
Performance Fee:	15% (with a High Water Mark)
Custodian:	Caceis Bank
Fund Auditor:	PwC Luxembourg

<sup>2</sup> Currency exposure of the fund is systematically hedged

## MAIN RISKS

The main risks include the following:

**Default risk “ jump-to-default risk ”:** The risk that a financial product, whose value directly depends on the credit quality of one or more entities, may experience sudden price changes due to an unexpected default of one of these entities.

**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 fund.



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