



Axiom European Banks Equity – Share Class HC EUR(v)

Sub-fund of the Luxembourg SICAV : Axiom Lux

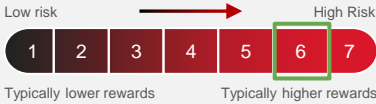
**NAV &
Monthly perf.**

1774.0
2.86%

**Assets Under
Management**

€ 145M

SRI¹



SFDR²



Investment objectives³

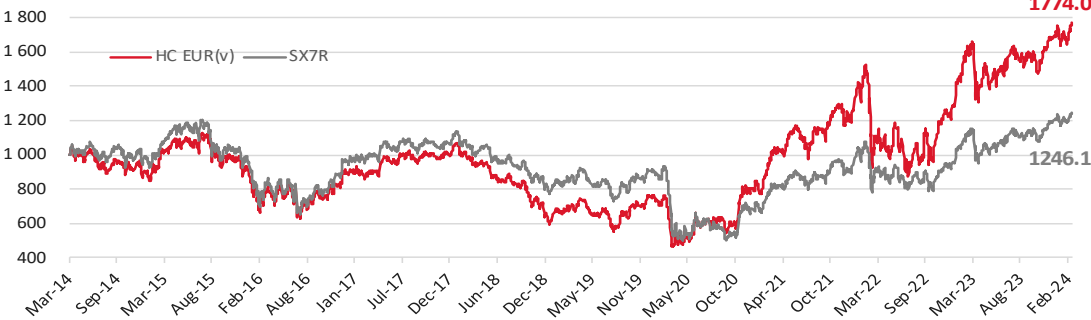
The objective of this Fund is to achieve, over a minimum 5-year investment horizon, a return (net of management fees) similar to or greater than that of its benchmark (Stoxx Europe 600 Banks Net Return⁵). The Fund is actively managed and references the Stoxx Europe 600 Banks Net Return⁵ (the “Benchmark”) for comparative purposes only.

Historical performance (EUR)⁴

Annual performances ⁶						
	2018	2019	2020	2021	2022	2023
AEBE - HC EUR(v)	-37.89%	21.31%	6.84%	56.84%	2.03%	31.69%
SX7R	-25.37%	13.52%	-24.42%	38.54%	1.06%	26.46%

Annualized Performances ⁶			Cumulated Performances ⁶						
	3 years	5 years	Since inception	1 month	YTD	1 year	3 years	5 years	Since inception
AEBE - HC EUR(v)	23.86%	20.16%	5.94%	2.86%	4.91%	7.68%	90.01%	150.54%	77.40%
SX7R	17.55%	7.38%	2.24%	2.23%	3.36%	7.93%	62.43%	42.77%	24.61%

Net of fees performance since inception (base 1000)⁴



Key metrics

Number of positions	27	1 year Beta	1.30
1 year Sharpe ratio	0.25	1 year volatility	25.71%
1 year Information ratio	-0.04	3 years volatility	32.21%
3 years Information ratio	0.57	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

Management team



ANTONIO ROMAN



DAVID BENAMOU

Risk assets continued to perform well in February despite the volatility in interest rates. Economists are no longer predicting a recession in the US. Indeed, given the strength in the aggregate balance sheets and cash flows of households and corporates, a loosening of monetary policy and lending conditions could lead to higher growth through a releveraging of the private sector. Though the European economy remains weak, PMIs have rebounded from their lows. The SX7R returned +2.23% vs. +1.98% for the SXXR. The Xover and the Subfin tightened further to end the month at respectively 300 bps and 115 bps. Bund yields climbed to c. 2.4%.

The latest macro data was generally more hawkish than expected. Strong labor markets and high core services inflation pushed rate cut expectations further out. In Europe, Stournaras, one of the dovish council members, pointed to a first cut in June. The market is now pricing 3 to 4 rate cuts in 2024 and landing rates of c. 3.5% and 2.3% respectively in the US and the Euro area.

Despite FY23 publications and the shift in interest rates, European banks' earnings expectations for 2024 and 2025 have been stable since the start of the year. We see the move in forward rates as causing limited impact on short-term earnings since we expect deposit costs to almost offset the immediate benefits from short-term rates at the sector level. However higher forward curves are a clear positive for 2026/2027 earnings. Deposit betas continued to move gradually. The terming out progressed at the same speed as in Q4 while interest rates on term accounts fell slightly. Based on current forward rates and long-term deposit margins of c.100 bps, we see 2024/2025 NII in line with or slightly higher than 2023 and a pick-up thereafter.

US CRE concerns resurfaced as the NYCB saga took a new twist. The New York lender faces a trifecta of problems as it deals with regulatory standards for 100bn+ banks, a change in state rent control regulations adversely affecting the NY multifamily market, and leadership issues. The contagion to other regionals was limited as the risks from CRE are now better understood by the market. In Europe, German domestic banks were under some pressure as the US exposures of Aareal and PBB generated negative newsflow. On the bright side, the moves were contained, and recovery is underway. Aareal's results sent positive signals on the ability of the bank to absorb losses and the resilience of its liquidity. Though the US office NPL ratio reached a staggering 25%, the bank was able to absorb US losses thanks to pre-provision profitability and good asset quality in Europe. It aims to sell half of its US NPL book this year and is guiding for a recovery of 70%+.

In other news, Ageas expressed an interest in Direct Line. Coventry and Coopbank signaled that M&A discussions remain constructive. Close Brothers announced that it would scrap its dividend this year due to the uncertainty around the outcome of the FCA investigation on Motor Finance.

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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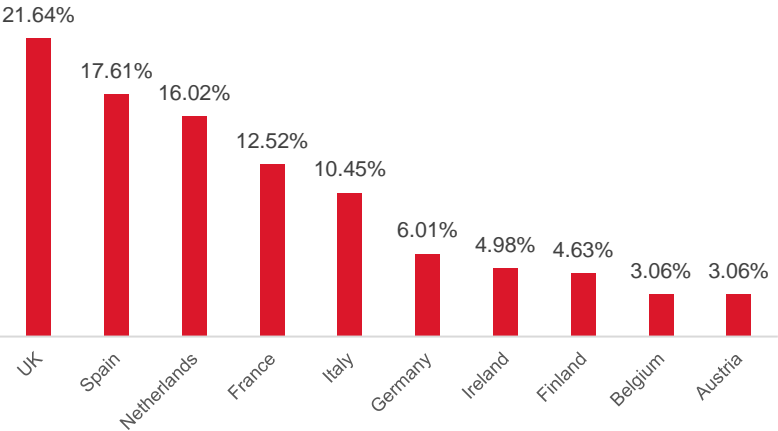


Laura RAMIREZ
ESG Analyst



Portfolio breakdown (in % of Net Assets)

Top 10 country¹



Top 5 holdings¹

Issuer	%
HSBC	9.0%
ING GROEP NV	8.1%
BNP PARIBAS	8.0%
COMMERZBANK AG	6.1%
NN GROUP NV	5.1%



ESG main indicators

Axiom European Banks Equity

Investment Universe

Key metrics

	AXIOM EUROPEAN BANKS EQUITY		Universe	
	Average	Issuer coverage	Average	Issuer coverage
ACRS	44%	25	41%	57
°C	2.7	25	2.8	58
ESG	62	25	54	204

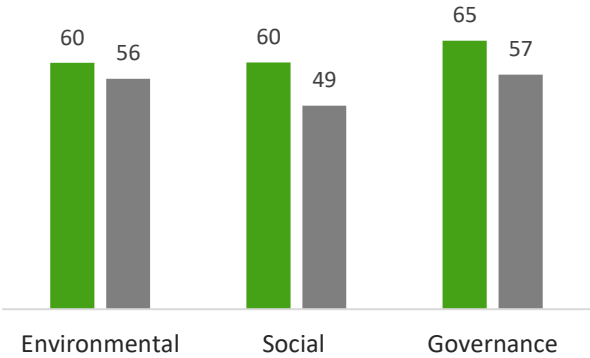
The ACRS, implied temperature (°C) and ESG scores represent 96%, 96% and 96% of the fund's assets respectively (index & derivatives excluded).

Top 5 holding by ACRS

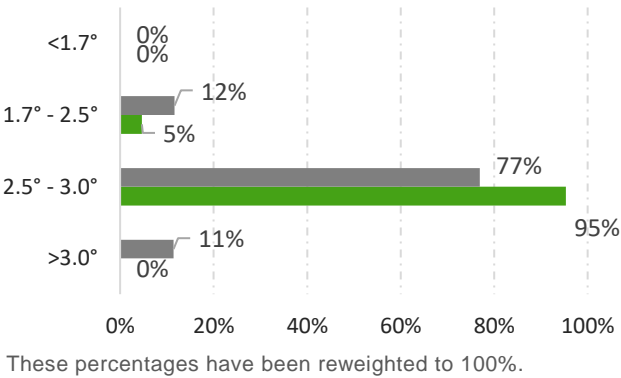
Issuers	CNTY	ACRS	°C	ESG
COMMERZBANK AG	DE	53%	2.7	54
STANDARD CHARTERED PLC	GB	51%	2.9	46
BANCO BILBAO VIZCAYA ARGENTA	ES	50%	2.7	84
NORDEA BANK ABP	FI	49%	2.4	66
AIB GROUP PLC	IE	49%	2.7	61

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ESG by pillars



Breakdown by Implied Temperature Rise (ITR)²



These percentages have been reweighted to 100%.

Internal source Axiom AI | ¹ Single names derivatives included. ² ITR (Implied Temperature Raise): 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.