MONTHLY FACTSHEET AS OF 28/03/2024

Promotional document

AXIOM ALTERNATIVE INVESTMENTS

Axiom Climate Financial Bonds – Share Class IC EUR

Sub-fund of the Luxembourg SICAV : Axiom Lux

NAV & Monthly perf.	Assets Under Management	SRI[1]	SFDR[2]
1448.8 1.36%	€ 71M	Low risk → High Risk 1 2 **3** 4 5 6 7 Typically lower rewards / Typically higher rewards	6 8 **9** Towards Sustainability par Febelfin

Asset manager	Axiom Alternative Investments
Legal structure	Luxembourg SICAV : Axiom Lux
Strategy inception date [4]	03/16/2015
Sub-fund inception date [4]	Absorption the 01/11/2019
ISIN Code	LU1876458750
Minimum subscription	250 000 EUR
Share class currency	EUR
Management fees	0.8%
Entry charge	0% (2% max.)
Exit charge	0% (2% max.)
Performance fee	None
Type of share	Accumulation
Valuation frequency	Daily
Cut-off and settlement day	before 12.00 PM / 3 business days
Main risks	Credit risk, counterparty risk, liquidity risk (for more information please refer to the Fund's prospectus)

Investment objectives[3]

The investment objective of the Fund is to achieve, over a minimum 3-year investment horizon, a return net of management fees equal to or greater than that of its benchmark, the BofA Contingent Capital Index[5] (with coupons reinvested), through investments that meet Environmental, Social and Governance (ESG) criteria.

Historical performance (EUR)[4]

	Annual performance[6]						
	2017	2018	2019	2020	2021	2022	2023
Axiom Climate Financial Bonds - IC EUR	12.33%	-6.13%	14.50%	3.71%	4.12%	-7.20%	8.83%
Benchmark	12.92%	-5.44%	15.31%	5.83%	4.08%	-12.95%	7.91%

	Annualized performance[5]			Cumulated performance[5]					
	3 years	5 years	Since inception	1 month	YTD	1 year	3 years	5 years	Since inception
Axiom Climate Financial Bonds - IC EUR	1.83%	4.12%	4.19%	1.36%	2.39%	13.16%	5.61%	22.36%	44.88%
Benchmark	-1.14%	2.54%	3.68%	2.10%	3.37%	17.74%	-3.37%	13.37%	38.65%

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

Key metrics[7]

Number of positions	51
Volatility 5 years	8.65%
Volatility 3 years	5.71%
Sharpe ratio 5 years	0,40
Sharpe ratio 3 years	0,07
Average spread	293 bps

Yield to Call (EUR)	5.97%
Yield to Maturity (EUR)	6.75%
Modified duration	2.36
Credit sensitivity	2.30
Average rating by issuers (WARF)	A
Average rating by instruments (WARF)	BBB-

Past performance is not indicative of future results

Source : Axiom AI | [1] 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] Sustainable finance disclosure : products that promote environmental and/or social characteristics | [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 03/16/2015 before being absorbed by the SICAV Axiom Lux under Luxembourg law on 01/11/2019 | [5] More information about the indexes : : https://www.theice.com/index | [6] Net of fees performances | [7] Yield to maturity, excluding cash, in all currencies. Yield to maturity is the rate of return on the portfolio assuming that the securities are not redeemed and held in perpetuity

Axiom Climate Financial Bonds

AXIOM ALTERNATIVE INVESTMENTS

Monthly commentary

ADRIAN PATURLE
Portfolio Manager

LAURA RAMIREZ
Analyst ESG

Economic data improved slightly, with both the European and US Citi economic surprise indices firmly in positive territory. Inflation data remains hard to read, but the case of a swift return to 2% in the US looks increasingly difficult to make. In Europe services and wages inflation remains high but is offset by declining energy and food prices as well as weak industrial goods inflation. Overall, the progress towards 2% inflation seems fragile and vulnerable to a pick-up in commodity and goods prices.

The market sentiment is clearly bullish with risk premiums tightening. The Senior Fin has dropped from 64 to 57 bps over the month close to its lowest point. Inaugural issuances are also oversubscribed by far, with spreads converging towards secondary market prices. Only two new issuances were interesting this month as the new-issuer premium was relatively attractive: NN Group and ASR issued their first RT1s with coupons of 6.375% and 6.625%. We participated in both issues, respectively at 3% of the fund.

These examples do not constitute an investment recommendation

Portfolio management and research team

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Chief Investment Officer

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Reseach diretor

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Portfolio Manager

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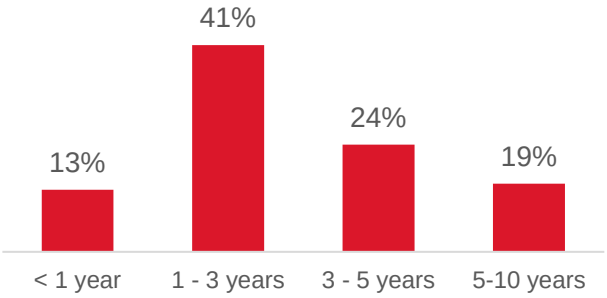
Axiom Climate Financial Bonds

AXIOM ALTERNATIVE INVESTMENTS

Portfolio breakdown (in % of assets)

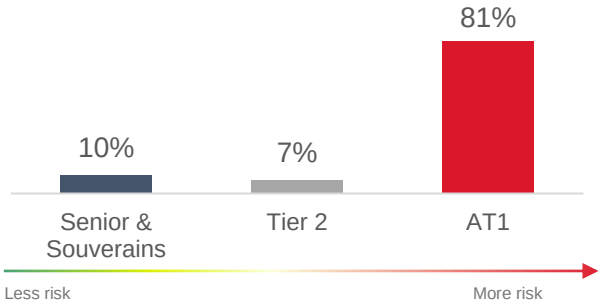
Breakdown by maturity[1]



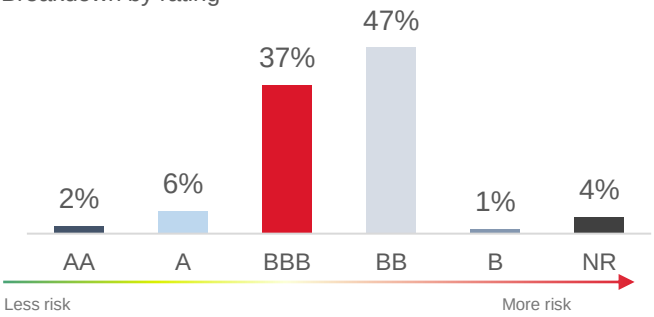
Top 5 issuers[2]

LA BANQUE POSTALE	5,75%
SWEDBANK AB	5,43%
NORDEA BANK ABP	5,05%
AVIVA PLC	4,36%
BANKINTER SA	4,34%

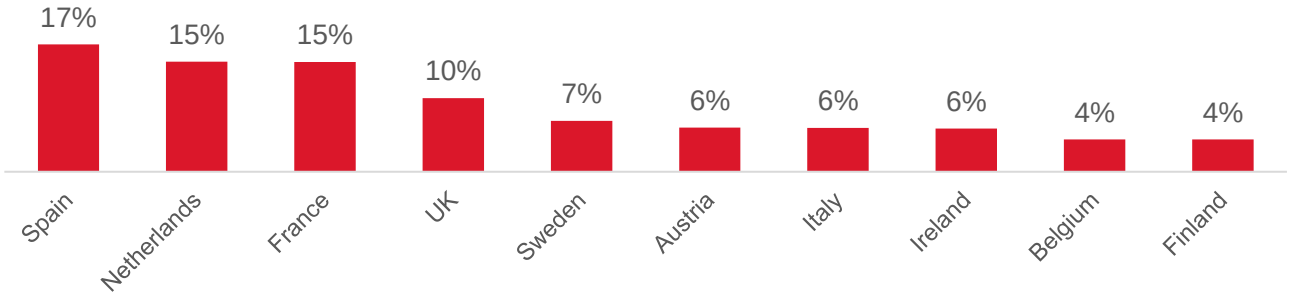
Breakdown by subordination[3]



Breakdown by rating[3]



Breakdown by country[1]



Glossary

Dette subordination	The general principle is that when there is not enough money to pay all the debts, the subordinated debt will be paid after the other debts.
Tier 1	These securities do not have priority in the event of liquidation, they do not have a maturity date, their coupon is optional and cannot be accumulated. They are the riskiest debt securities and therefore offer some of the highest returns.
Legacy bonds	Hybrid debt that was eligible as regulatory capital under Basel 1 or Basel 2 and that is not eligible under Basel 3.
Contingent convertible (Coco)	Securities that can be converted into shares under certain circumstances, usually when a solvency ratio threshold has been crossed.
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.
ESG	Refers to the Environmental, Social and Governance (ESG) criteria that enable an analysis of a company's non-financial performance.
Energy transition	Refers to the transition from the current energy production system, mainly based on fossil fuels, to an energy mix based largely on renewable or low carbon energies.

Source : Axiom AI | [1] Analysis calculated on the scope of interest rate instruments; all derivatives excluded except single-name CDS | [2] Excluding Government bonds | [3] Fixed income securities only

Axiom Climate Financial Bonds

AXIOM ALTERNATIVE INVESTMENTS

Key ESG indicators

Axiom Climate Financial Bonds | Investment universe

Key metrics

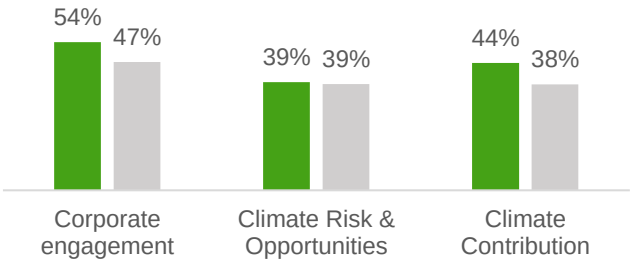
Selection rate[2] : 29%

	AXIOM CLIMATE FINANCIAL BONDS		Universe	
	Average	Issuer coverage	Average	Issuer coverage
ACRS	44%	35	39%	74
°C	2.6	35	2.7	66
ESG	60	35	47	119

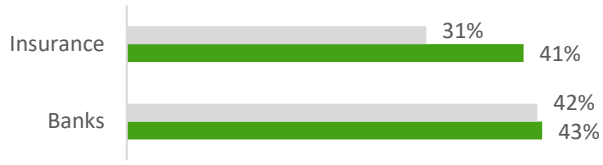
The ACRS, implied temperature (°C) and ESG scores represent 97%, 97% and 97% of the fund's assets respectively (index & derivatives excluded).

[1] Percentage of the universe excluded for ESG reason

ACRS by pillar



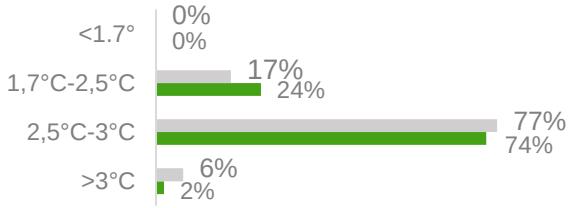
Breakdown by type of financial institution



Top 5 positions ranked by ACRS

	ACRS	ESG	ITR
COMMERZBANK AG	53%	54	2.7
AXA SA	52%	81	3.6
BBVA	50%	84	2.7
ERSTE GROUP BANK AG	49%	41	2.5
NORDEA BANK ABP	49%	66	2.4

Breakdown by Implied Temperature Rise (ITR)



Our ESG and climate approach

General methodology

The selection is based on the following ESG tools :

- **Exclusion policy:** determines the exclusions we make due to proven controversies, non-adherence to major initiatives such as the PRB (Principle for Responsible Banking) and sector or thematic restrictions.
- **ACRS - Axiom Climate Readiness Score:** in-house climate rating methodology.
- **ESG Database:** analysis of ESG factors and their rating.

The combination of all these tools allows us to offer a fund with an ESG score higher than that of issuers in the top three quartiles of its investment universe.

Our climate methodology

The fund is targeting leading issuers in terms of climate change integration. It evaluates issuers based on :

Corporate engagement

Sets the priority level given to climate change by the board and top management, the company's climate strategy, and corresponding objectives, as well as the degree of transparency of communication and the means deployed to address climate change.

Climate risk and opportunities

Assesses the processes and tools used to identify, measure and mitigate the issuer's exposure to climate-related risks, as well as its approach to seizing opportunities arising from the energy transition.

Climate contribution

Assesses the share of the issuer's investments and/or loans in companies or financial instruments that seek to contribute to the "greening" of the economy as well as the products or solutions offered that aim to combat climate change. In the case of banks, Axiom AI is computing an ITR metric (Implied Temperature Rise).

More information on our climate approach is available upon request.

Source : Axiom AI, based on S&P Market Intelligence, Iceberg datalab and our own research | The estimates presented here cannot be compared to other ESG or climate funds because they are based on a proprietary methodology developed by Axiom AI. Our methodology relies on third-party data from ESG/Climate data providers that may contain inaccurate or incomplete data. In the event of insufficient data, these providers may resort to estimates and approximations using internal methodologies that may be subjective. As we rely on this data for our investment decisions, such uncertainty can negatively impact portfolio performance.

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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.