

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

Sub-fund of the Luxembourg SICAV : Axiom Lux

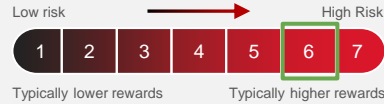
### NAV & Monthly perf.

2028.5  
14.35%

### Assets Under Management

€ 165M

### SRI<sup>1</sup>



### SFDR<sup>2</sup>



#### Asset manager

Axiom Alternative Investments

#### Legal structure

Luxembourg SICAV : Axiom Lux

#### Strategy inception date<sup>4</sup>

25/03/2014

#### Sub-fund inception date<sup>4</sup>

Absorption the 11/01/2019

#### Share class inception date

25/03/2014

#### ISIN Code

LU1876459212

#### Minimum subscription

1share

#### Share class currency

EUR

#### Management fees

2%

#### 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)

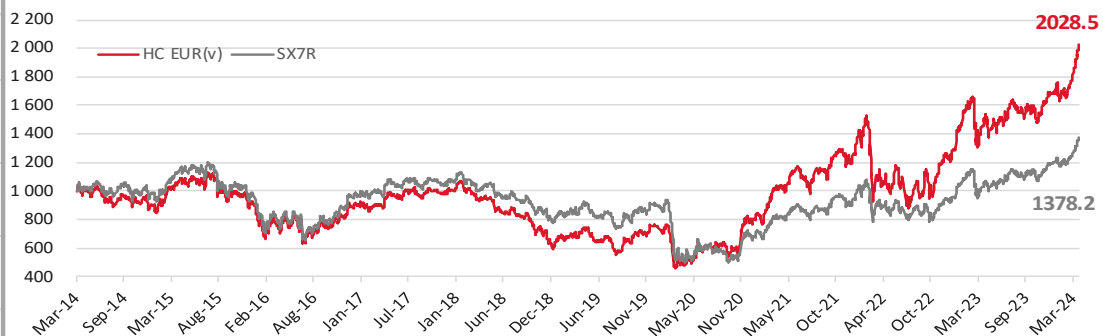
### Investment objectives<sup>3</sup>

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<sup>5</sup>). The Fund is actively managed and references the Stoxx Europe 600 Banks Net Return<sup>5</sup> (the "Benchmark") for comparative purposes only.

### Historical performance (EUR)<sup>4</sup>

	Annual performances <sup>6</sup>								
	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 <sup>6</sup>			Cumulated Performances <sup>6</sup>					
	3 years	5 years	Since inception	1 month	YTD	1 year	3 years	5 years	Since inception
AEBE - HC EUR(v)	25.47%	24.55%	7.32%	14.35%	19.97%	45.07%	97.51%	199.74%	102.85%
SX7R	18.99%	10.44%	3.25%	10.60%	14.32%	37.52%	68.47%	64.26%	37.82%

### Net of fees performance since inception (base 1000)<sup>4</sup>



### Key metrics

Number of positions	28	1 year Beta	1.28
1 year Sharpe ratio	2.22	1 year volatility	19.65%
1 year Information ratio	1.33	3 years volatility	32.03%
3 years Information ratio	0.59	Correlation to the SX7R since inception	0.96

Past performance do not predict future returns.

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 | <sup>2</sup> Refer to page 3 of the document | <sup>3</sup> There is no guarantee that the investment objective will be achieved or that there will be a return on investment | <sup>4</sup> 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 | <sup>5</sup> More information about the index : <https://www.stoxx.com/index-details?symbol=SX7R> | <sup>6</sup> Net of fees performances



## Monthly commentary

### Management team



ANTONIO ROMAN

European banks had a good run this month with the SX7R index returning +10.60% vs. +4.04% for the SXXR index. High and stable rate curves, upgraded economic momentum, evidence of a pick-up in volumes, green shoots in M&A and ECM, slower deposit rotation, unchanged reserve requirements, all supported an improved sentiment towards the earnings trajectory for the sector.

The FED upgraded their growth projection for 2024 from 1.4% to 2.1% and lifted their core PCE estimate from 2.4% to 2.6%. The dot plot kept 3 cuts in 2024 but showed one fewer cut for both 2025 and 2026, which was taken dovishly by the market. Elsewhere, the ECB repeated its intention to have a first cut in June. The Bank of Japan raised rates for the first time since 2007 but emphasized that its accommodative policy is here to stay. The Swiss National Bank delivered a surprise cut in a context of low domestic inflation.



DAVID BENAMOU

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.

In banking news, the Italian government sold another 12.5% stake in Monte dei Paschi for ~€650mn, cutting its participation to 26.7%. RBI announced it was still making progress on the Strabag deal following rumors that US authorities are opposed to the transaction. Nationwide confirmed its intention to purchase Virgin Money at a c. 40% premium to pre-announcement price.

German lenders recovered in the absence of any prospect of capital and liquidity stress in the near term from weak commercial real estate markets. Helaba posted record FY23 net profits despite the increased losses in the real estate division. LBBW numbers did not show any material NPL formation in its German CRE book.

These examples do not constitute an investment recommendation

Internal source from Axiom AI <sup>1</sup> Single name derivatives included



## Portfolio Management and Research team



David  
BENAMOU  
Partner  
Chief Investment  
Officer



Jérôme  
LEGRAS  
Partner  
Research director



Antonio ROMAN  
Partner  
Portfolio  
Manager



Adrian  
PATURLE  
Partner  
Portfolio  
manager



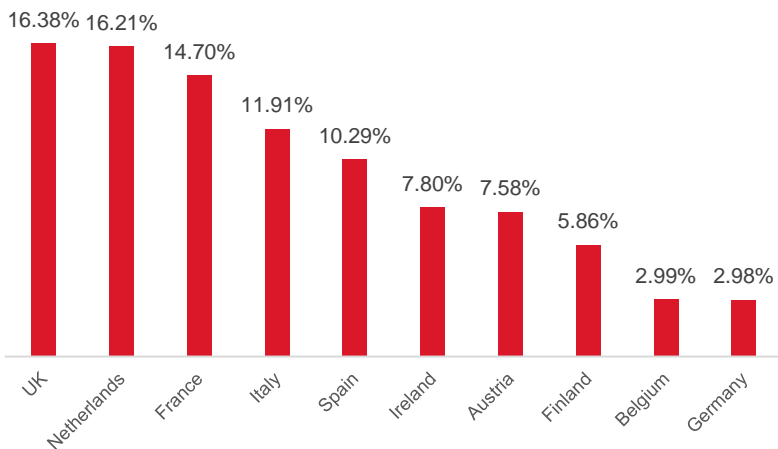
Paul GAGEY  
Portfolio  
Manager



Laura RAMIREZ  
ESG Analyst

## Portfolio breakdown (in % of Net Assets)

### Top 10 country<sup>1</sup>



### Top 5 holdings<sup>1</sup>

Issuer	%
HSBC	8.5%
BNP PARIBAS	7.1%
ING GROEP NV	7.1%
NORDEA BANK ABP	5.9%
BANK OF IRELAND GROUP PLC	4.7%

## ESG main indicators

■ Axiom European Banks Equity

■ Investment Universe

### Key metrics

	AXIOM EUROPEAN BANKS EQUITY		Universe	
	Average	Issuer coverage	Average	Issuer coverage
ACRS	43%	23	41%	57
°C	2.7	23	2.8	58
ESG	59	26	55	204

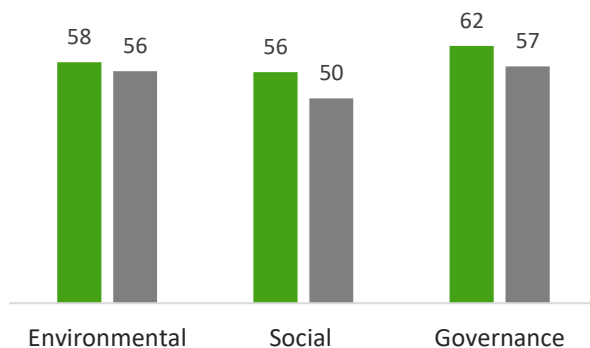
The ACRS, implied temperature (°C) and ESG scores represent 96%, 96% and 96% of the fund's assets respectively (index & derivatives excluded).

### Top 5 holding by ACRS

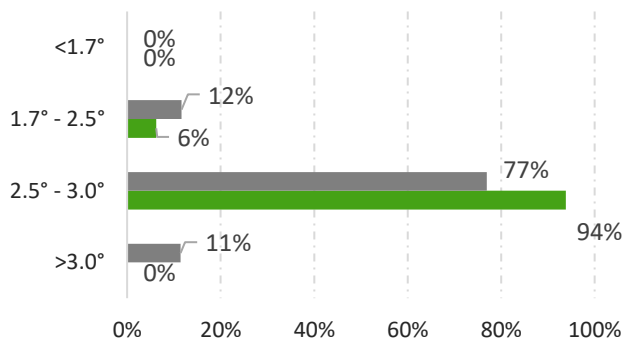
Issuers	CNTY	ACRS	°C	ESG
COMMERZBANK AG	DE	53%	2.7	54
STANDARD CHARTERED PLC	GB	51%	2.9	46
ERSTE GROUP BANK AG	AT	49%	2.5	41
NORDEA BANK ABP	FI	49%	2.4	66
AIB GROUP PLC	IE	49%	2.7	61

These examples do not constitute an investment recommendation.

### ESG by pillars



### Breakdown by Implied Temperature Rise (ITR)<sup>2</sup>



These percentages have been reweighted to 100%.

Internal source Axiom AI | <sup>1</sup> Single names derivatives included. <sup>2</sup> 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.