

Axiom Contingent Capital

The fund will be mostly invested in the new Basel III securities (Additional Tier 1 and Tier 2 Cocos). The investment objective of the compartment is to achieve, over a minimum 3-year investment horizon, a return net of management fees equal to or greater than its benchmark, the BofA Contingent Capital Index (with coupons reinvested).

KEY DATA AND RISK ANALYSIS

| | | | |
|----------------------|---------|----------------------------------|-------|
| Net assets: | €25.09m | Yield to maturity ¹ : | 6.61% |
| Volatility 1 year: | 4.18% | Yield to call ² : | 4.73% |
| Sharpe ratio 1 year: | 0.35 | Modified duration: | 3.79 |
| Number of positions: | 60 | Credit sensitivity: | 4.26 |

NAV VALUES AS AT 05/31/19

| C (EUR) | E (GBP) | Z (EUR) | R (EUR) |
|--------------|--------------|--------------|--------------|
| LU1876458750 | LU1876458917 | LU1876459055 | LU1876458834 |
| 1190.93 | 1032.62 | 1186.00 | 1172.31 |

PERFORMANCE EVOLUTION – CLASS C³

Performance since inception (base 1000)



Net performances

| 1 month | 3 months | YTD | 1 year | 3 years | 5 years | Inception ⁴ |
|---------|----------|-------|--------|---------|---------|------------------------|
| -1.83% | 0.63% | 5.10% | 1.14% | 5.51% | - | 4.24% |

¹Yield to perpetuity of the portfolio, excluding cash, all currencies combined. The yield to perpetuity is the yield of the portfolio with the hypothesis that securities are not reimbursed and kept to perpetuity ² Yield to call of the portfolio, excluding cash, all currencies combined. The yield to call is the yield at the anticipated reimbursement date of the bonds.³Past performance does not guarantee future results. They do not take into account any commissions received on the subscription and redemption of units.

⁴Annualized performance.

MONTHLY COMMENTARY



Adrian Paturle
Portfolio Manager

Market commentary

The European elections did not have a major impact on markets, but the risks anticipated at the end of last year including the escalation in the Trade War between the US and China, Italy's failure to rein in debt, the increasing probability of a no-deal Brexit have directed investors sentiment. The SubFin widened by 46bps over the month. After the U-turn of the Fed in February, the 10-year US and German rates have reached historical lows. These important recessive signals make the ECB's June meeting even more important.

The latest 1st quarter results continued to surprise positively, especially from insurers where 80% of the results were above expectations. UniCredit and Intesa Sanpaolo benefited from better than expected market activities performance, improving asset quality and a stable capital position. The fundamentals of European banks and insurers remain strong and capital ratios show a reassuring degree of overcapitalization (13.5% on average).

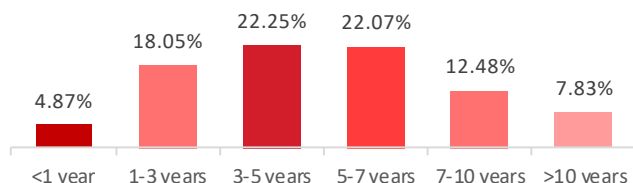
Among the credit ratings upward revisions, we can mention RBS, which has been upgraded by one notch by S&P to BBB which led to a one notch upgrade of its subordinated bonds, including AT1. Moody's also changed its outlook on Barclays from stable to positive, reflecting improved profitability prospects due to reduced litigations risk.

The AT1 primary market was quieter than last month in a less favourable environment. We still saw two new issues: Leasplan with a coupon of 7.375 in EUR and Credit Suisse in SGD with a spread of 367bps. The fund did not participate in either one because Leasplan is on the border of the banking world and Credit Suisse doesn't qualify as AT1 legacy which are the AT1s the fund focuses on.

The fund's performance was negative -1.83%. The main negative contributors were the low backend bonds like Belfius 3.625 that is one of our top picks. Even if the call is not exercised, we consider the 390bps spread to maturity attractive for a signature of this quality. Only VIVAT had a positive contribution, this insurer should benefit from a credit upgrade following the upcoming merger with a major European insurer (ongoing process).

PORTFOLIO BREAKDOWN (in % of assets)

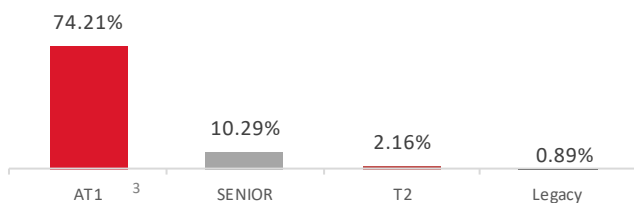
BY MATURITY ^{1,2}



TOP 5 ISSUERS

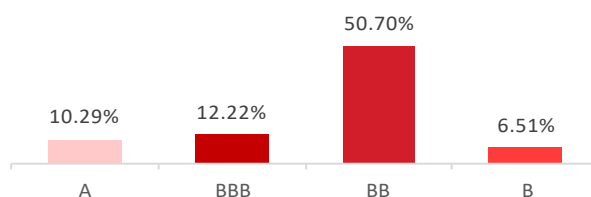
| | |
|---------------|-------|
| BARCLAYS | 4.99% |
| RABOBANK | 4.74% |
| WELLS FARGO | 4.15% |
| ABN AMRO | 4.04% |
| CREDIT SUISSE | 3.51% |

BY SUBORDINATION ¹

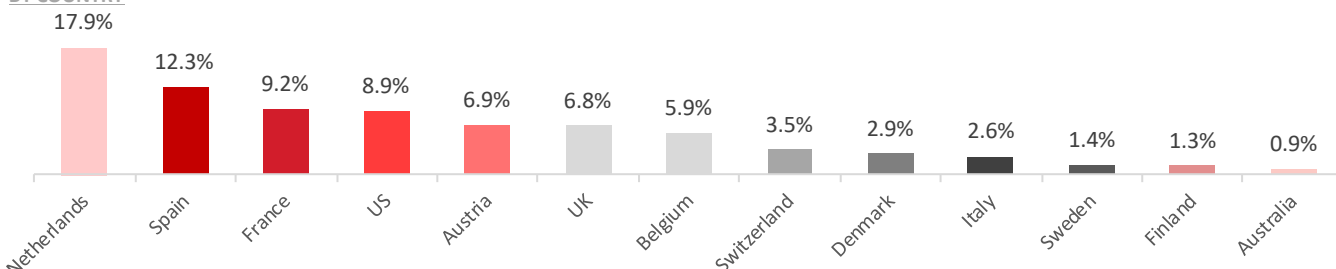


BY RATING

Bonds external rating ⁴



BY COUNTRY ⁵



1. Analysis calculated on the scope of interest rate instruments, all derivatives excluded except single-name CDS ² Maturity at the anticipated reimbursement date of the bonds (call date) ³ AT1 – Additional Tier 1 and RT1 – Restricted Tier 1 4. Rating of the bonds, calculated excluding unrated securities 5. Bonds portfolio CDS UK included

FUND INFORMATION

| | |
|--|---|
| ISIN / ISIN after the merger into the SICAV Lux: | FR0012419612 / LU1876458750 (effective from the 01/14/19 onwards) |
| All available currencies currency ⁶ : | EUR – CHF – GBP |
| Countries: | CH – FR – LU – UK |
| Fund type and Profit allocation: | SICAV / Capitalisation |
| Fund inception date: | 03/16/2015 |
| Minimum initial subscription: | 50 Shares |
| Subscription / repurchases conditions: | Before 11h / Settlement J+3 |
| Management fees: | 0,80% |
| Performance fees ⁷ : | None |

⁶ Currency exposure is systematically hedged.

⁷ All details of the expenses incurred by the fund are available in the Prospectus.

MANAGEMENT AND RESEARCH TEAM



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