

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:	€25m	Yield to maturity ¹ :	4.49%
Volatility 1 year:	4.12%	Yield to call ² :	3.86%
Sharpe ratio 1 year:	1.50	Modified duration:	3.53
Number of positions:	58	Credit sensitivity:	4.11

NAV VALUES AS AT 09/30/19

C (EUR)	E (GBP)	Z (EUR)	R (EUR)
LU1876458750	LU1876458917	LU1876459055	LU1876458834
1255.66	1093.35	1253.60	1233.96

PERFORMANCE EVOLUTION – CLASS C³

Performance since inception (base 1000)



Net performances

1 month	3 months	YTD	1 year	3 years	5 years	Inception ⁴
1.05%	1.90%	10.81%	5.85%	6.74%	-	5.14%

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 most significant event in September was the adoption of the new accommodative measures by the ECB. These have been well received by the market, despite the uncertainties that remain about Brexit, Sino-American trade relations and the possible impeachment of Donald Trump. The crisis in US "Repo" rates caused some concerns despite the Fed's effective intervention. However, the SubFin has tightened by around ten basis points to 125 bps by the 30th of September.

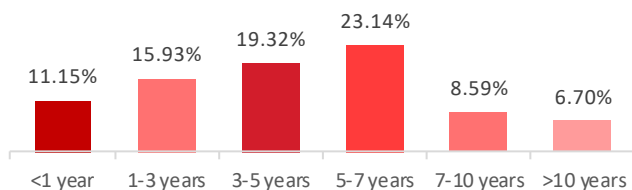
Regarding tiering, the deposit hierarchy system imposed by the central bank was aimed at reducing the amount of liquidity subject to negative interest rates. In other words, part of the banks' excess reserves. This will impact insurers profitability which is expected to further decrease. It is therefore not by chance that the only negative contributors during the month were insurers (ASR, AEGON). On the other hand, Spanish banks were the best performers, benefiting from the decision on mortgages (+4 pts for Caixabank).

We continue to see improved ratings in the financial sector, among the latest Crédit Agricole ratings, which have been upgraded from A1 to Aa3 by Moody's, in recognition of the bank's strong level of capitalisation. This rating enhancement translated into an upgrade for all the capital instruments of the bank, notably the AT1, which is now rated Investment Grade (Baa3) by the three rating agencies.

Benefiting from the historically low interest rate level, the primary market has been active. In AT1 we can mention the new issues of Barclays, RaboBank and Nationwide, as well as ASR and Achmea in RT1 format. The fund has participated in these new issues to take advantage of the attractive premiums.

PORTFOLIO BREAKDOWN (in % of assets)

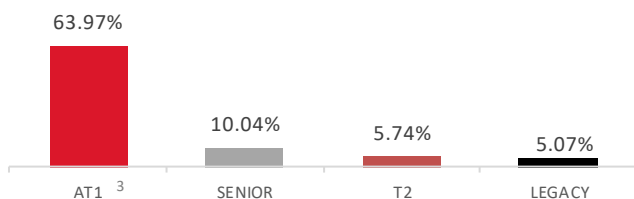
BY MATURITY ^{1,2}



TOP 5 ISSUERS

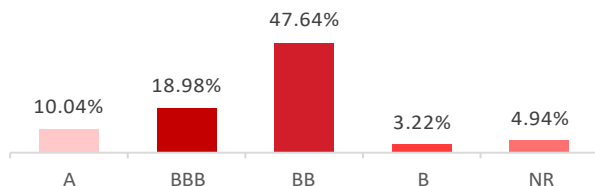
RABOBANK	5.71%
COMMERZBANK	4.37%
ABN AMRO BANK	4.12%
WELLS FARGO	4.09%
BARCLAYS	4.02%

BY SUBORDINATION ¹

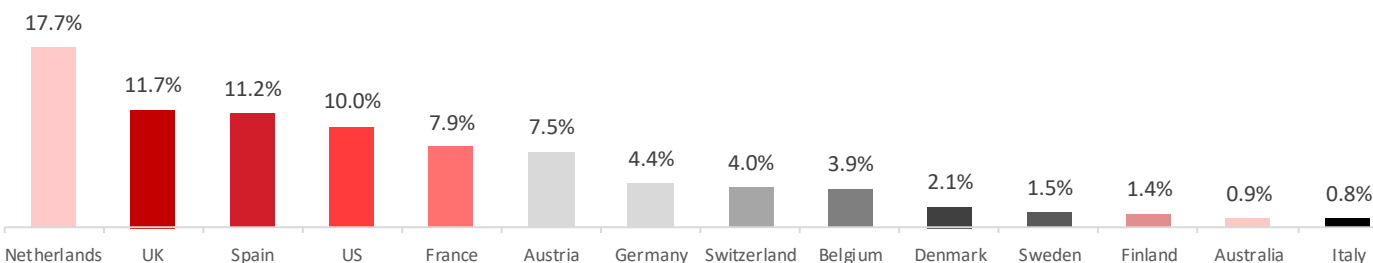


BY RATING

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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