

The SRRI represents the annual historical volatility of the Fund over a 5-year period. Historical data such as that used to calculate the synthetic indicator cannot be considered as 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". Your initial investment is not guaranteed.

Axiom Obligataire

Investment objective

The fund aims to generate attractive returns by investing in senior or subordinated private sector bonds with a strategic focus on the European Financial sector. The strategy is based on "bond picking". The fund favors Investment Grade issuers and may invest in fixed or floating rate bonds.

The objective of this fund is to achieve, over a minimum 3-year investment horizon, a return (net of management fees) similar to or greater than that of its benchmarks (ICE BofAML Euro Financial Index (40%), ICE BofAML Euro Corporate Index (40%) and ICE BofAML Contingent Capital Index (20%) (together the "Benchmarks")). The Fund is actively managed and references the benchmarks for comparative purposes only.

KEY METRICS AND RISK ANALYSIS

Net assets:	€202m	Modified Duration:	2.23
Volatility since inception (Unit I):	6.66%	Credit sensitivity:	2.76
Yield to maturity ² :	5.43%	WARF Issuer (avg. rating):	BBB-
Yield to call ³ :	5.65%	WARF by instrument (avg. rating):	BB
Sharpe ratio since launch	0.28	Number of positions:	85

NAV values as at 10/30/20

BC (USD)	C (EUR)	D (EUR)	E (GBP)	G (EUR)	I (EUR)	J (EUR)	M (CHF)	R (EUR)
LU1876461036	LU1876460731	LU1876460814	LU1876461200	LU1876461622	LU1876461465	LU1876461549	LU1876461119	LU1876460905
\$2 210	2 011 €	1 910 €	£2 101	1 108 €	1 219 €	1 230 €	1 900 CHF	1 852 €
0.48%	0.39%	0.39%	0.45%	0.50%	0.47%	0.50%	0.35%	0.35%

RETURNS EVOLUTION SINCE INCEPTION – Unit BC (USD)⁴

Performance since inception (NAV rebased at 1000)



Past performance does not guarantee future results.

Historical performance

	1 month	3 months	YTD	1 year	3 years ⁵	5 years ⁵	Since launch ⁵						
	0.48%	1.69%	1.96%	3.93%	3.62%	4.51%	3.87%						
	Jan.	Feb.	March	April	May	June	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Year
2011	-	1.16%	2.05%	2.11%	0.17%	-2.20%	-2.63%	-13.84%	-18.68%	8.04%	-13.36%	6.32%	-29.88%
2012	15.62%	10.40%	2.36%	-4.95%	-6.96%	0.81%	1.75%	4.89%	5.88%	1.33%	2.65%	3.49%	41.68%
2013	2.30%	0.25%	0.24%	2.83%	0.99%	-1.53%	2.57%	0.60%	1.45%	2.44%	1.18%	0.55%	14.70%
2014	1.94%	1.21%	0.90%	1.57%	0.90%	0.53%	-2.10%	-2.10%	-1.49%	-0.58%	0.10%	-0.51%	0.27%
2015	-0.60%	1.91%	0.40%	0.50%	0.41%	-0.96%	0.58%	-0.49%	-1.75%	1.54%	0.93%	-0.37%	2.06%
2016	-3.62%	-4.70%	2.25%	1.60%	1.02%	-2.15%	2.50%	2.34%	-0.34%	2.67%	-1.23%	1.62%	1.60%
2017	2.50%	1.46%	1.19%	1.19%	0.79%	-1.52%	1.48%	0.20%	0.72%	1.37%	0.54%	0.38%	10.74%
2018	1.85%	-0.32%	-0.48%	0.31%	-1.82%	-0.81%	0.88%	-0.09%	0.65%	-0.90%	-1.30%	-0.29%	-2.35%
2019	1.93%	1.34%	0.60%	1.16%	-0.60%	1.24%	0.60%	0.45%	0.50%	1.10%	1.18%	0.75%	10.73%
2020	1.26%	-0.50%	-8.68%	3.06%	2.09%	2.26%	1.28%	1.36%	-0.15%	0.48%	-	-	1.96%

²Yield 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 perpetuity³Yield 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. ⁴Past performance does not guarantee future results. ⁵Annualized performances

 MARKET COMMENTARY


Paul Gagey
Portfolio manager

Market commentary

After a new round of lock-downs for several European countries, endless Brexit negotiations, and uncertainty about the presidential elections in the United States, the SubFin index widened by +10 bps reaching 154 bps. Financial debt continued to hold up well, on the back of a set of solid quarterly results that beat expectations.

The majority of the quarterly results exceeded expectations mainly due to lower than expected provisions, rising capital ratios and lower than expected RWAs. Based on their good fundamentals, several issuers such as Santander and Erste announced their intention to pay dividends for 2019. Indeed, Rabobank will pay a distribution of additional certificates equal to approximately €1.625 per certificate to compensate investors for the four missed quarterly distributions. These announcements remain conditional on the ECB's ban on distributions, which is expected to be reconsidered in December.

On the regulatory side, the EBA published its long-awaited opinion on Legacy instruments on the 21st of October. The opinion was very clear on the need to clean up the stock of « Legacy bonds » as soon as possible. Depending on the instruments three options were presented to manage the so called "inflection risk " i.e. the risk of the legal and regulatory rankings being completely mixed up. which could threaten eligibility:

Option 1: redemption of the bonds when a call date is available or bond buyback;

Option 2: modification of the terms and conditions of the bonds;

Option 3: in exceptional cases, when options 1 and 2 are not available keeping the bonds but without using them as capital or MREL. The generally philosophy of the EBA's opinion is clear, and should accelerate the number of calls and buybacks but, as always with Legacy bonds, the devil is in the detail and some caveats apply. We have published our analysis on that matter, available hereafter <https://mailchi.mp/axiom-ai.com/flash-axiom>.

Finally, issuers continue calling their regulatory securities which are no longer eligible as capital or no longer economically viable.. AIB announced the call of its AT1 Opco and Santander of its USD prefs with a floor whose coupon non payment mechanism could have been an obstacle to the resumption of dividend payments. Rabobank announced a buyback offer on its 6.91% bond callable in 2038.

Finally, the primary market saw the first RT1 issued in Italy by UnipolSai (EUR 500 million at 6.375%). At the beginning of the month, Caixa Bank (EUR 750 million at 5.875%), Nykredit (EUR 500 million at 4.125%), Credit Agricole (EUR 750 million at 4%) and Quintet Private Bank Europe SA (EUR 125 million at 7.5%) issued on the market.

Fund Activity

The private bank Quintet came on AT1 primary market issuing EUR 125 million, offering a 7.5% coupon over an anticipated period of 5 years. The financial institution has a low profitability but moderate balance sheet risks. We strengthened our position in the German real estate company Adler. An EBA study on legacy bonds led to a surge in the price of perpetual disco and CMS bonds. We took that opportunity to sell the BBVA perpetual bond at a price of 89.

Risks

Significant risk(s) for the Fund not taken into account in the SRRI indicator include the following:

Credit risk: Investors are exposed to the risk of defaults on the bonds included in the portfolio. This risk may affect up to 100% of the portfolio. The materialisation of this risk may lead to a fall in the Fund's net asset value.

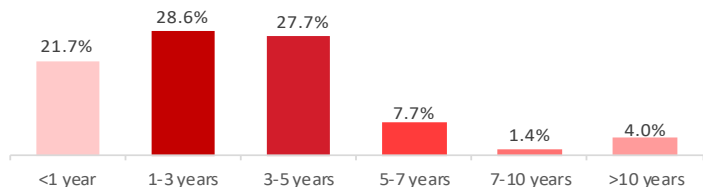
Counterparty risk: The Fund may suffer losses as a result of a counterparty failing to meet its contractual obligations.

Liquidity risk: Liquidity risk exists when particular investments are difficult to purchase or sell. This can reduce the Fund's returns because the Fund may be unable to transact at advantageous times or prices. This can be the result of shocks of unprecedented intensity and severity such as but not limited to pandemics and natural disasters.

For more information on risks, please refer to the prospectus of the Funds.

PORTFOLIO BREAKDOWN (in % of assets)

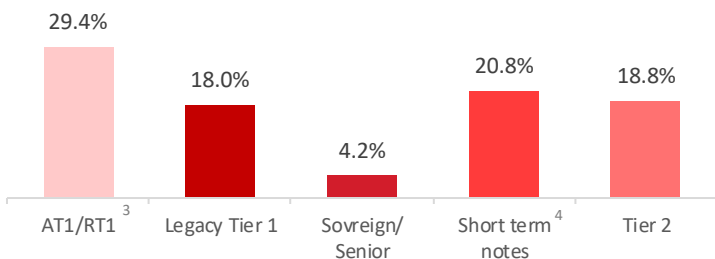
BY MATURITY^{1,2}



TOP 5 ISSUERS

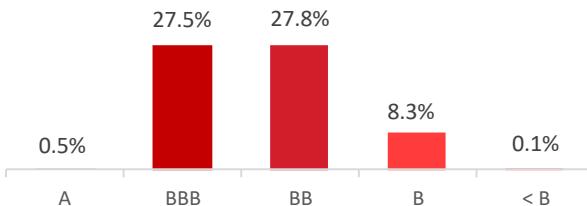
LLOYDS	5.88%
CASINO	3.48%
COMMERZBANK	3.40%
BIL	2.78%
IKB DEUTSCHE INDUSTRIEBANK	2.71%

BY SUBORDINATION¹

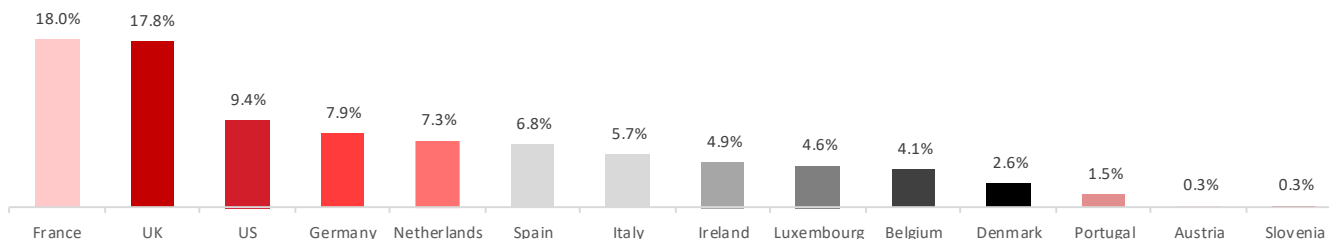


BY RATING⁵

Securities rating of the bonds



BY COUNTRY¹



¹ On the bonds portfolio CDS included ² For the bonds the maturity is the anticipated reimbursement date (call date) ³ AT1 – Additionnal Tier 1 and RT1 – Restricted Tier 1 ⁴ Short-term debt securities, money market instruments and corporate bonds ⁵ Calculated excluding unrated securities

INFORMATION ON UNIT BC

Current ISIN / ISIN after the merger into the SICAV Lux:	LU1876461036
Currency ⁵ :	EUR – USD – CHF – GBP
Countries:	BE – CH – FR – IT – LU – SP – UK
Fund type and Profit allocation:	SICAV Lux / Accumulation
Fund inception date:	23/07/2009
Minimum initial subscription:	1000\$
Subscription / repurchases conditions:	Every day until 11:00 - NAV per share unknown - Payment D+3
Management fees:	2.00%
Performance fees ⁶ :	Max. 20% of the fund's annual return in excess of its benchmark

⁵ Currency exposure is Systematically hedged. ⁶ 40% ICE BofAML Euro Financial Index, 40% ICE BofAML Euro Corporate Index and 20% ICE BofAML Contingent Capital Index. All details of the expenses incurred by the fund are available in the Prospectus.

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