

Axiom Obligataire

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" ¹. The fund favors Investment Grade issuers and may invest in fixed or floating rate bonds.

KEY METRICS AND RISK ANALYSIS

Net assets:	€213m	Yield to maturity ² :	4.18%
Volatility 1 year:	1.78%	Yield to call ³ :	3.38%
Sharpe ratio 1 year:	3.28	Modified Duration:	2.00
Number of positions:	84	Credit sensitivity:	2.48

NAV VALUES AND MONTHLY RETURNS AS AT 02/28/20

BC (USD)	C (EUR)	D (EUR)	E (GBP)	G (EUR)	I (EUR)	J (EUR)	M (CHF)	R (EUR)	Z (EUR)
LU1876461036	LU1876460731	LU1876460814	LU1876461200	LU1876461622	LU1876461465	LU1876461549	LU1876461119	LU1876460905	LU1876461382
\$2 185	2 009 €	1 908 €	£2 094	1 098 €	1 212 €	1 219 €	1 902 CHF	1 857 €	2 237 €
-0.50%	-0.68%	-0.66%	-0.60%	-0.56%	-0.63%	-0.57%	-0.69%	-0.70%	-0.51%

RETURNS EVOLUTION SINCE INCEPTION – Unit C (EUR)⁴

Performance since inception (NAV rebased at 1000)



Cumulative Annualized Returns

1 month	3 months	YTD	1 year	3 years	5 years	Since launch ⁵
-0.68%	1.00%	0.39%	5.47%	2.63%	2.52%	6.80%

¹ Bond picking is the process of screening, analyzing and selecting bonds based on the manager convictions in line with the restrictions in the prospectus.

² The yield to perpetuity is the yield of the portfolio with the hypothesis that securities are not reimbursed and kept to perpetuity

³ The yield to call is the yield of the portfolio at the anticipated reimbursement date of the bonds.

⁴ Past performance does not guarantee future results. ⁵ Annualized performance since inception of the unit.

MARKET COMMENTARY

Market commentary

The month of February showed some strong declines driven by concerns about the spread of the coronavirus, Bernie Sanders increased popularity as per the opinion polls and the Brexit negotiations (London has warned on a possible no-deal if no agreement is reached before June). The SubFin index ended the month at 160 bps widening by almost 50bps in the last week.

Compared to the different asset classes, financial subordinated debt emerged more resistant to the recessive impact of the COVID-19 epidemic. The high capitalization level of the banks is reassuring, as are the stress test scenarios used by the regulatory authorities, which were much more violent than the impact estimated by the OECD in connection with the coronavirus crisis.

HSBC presented its restructuring plan, declaring in particular its intention to address their specific Legacy bonds ahead of the 2021 transition period deadline, which is very positive for bondholders. The bank also announced its intention to call its 5.682% Legacy with a reset at 180. Standard Chartered announced the call of an Additional Tier 1 with a backend at 489bps. Barclays, on the other hand, did not call its Legacy bond at Libor 0.71%.

In the primary market, ING's issue of a USD 750 million Additional Tier 1 bond was postponed following the departure of its Chief Executive Officer Ralph Hamers who left to succeed Sergio Ermotti as Chief Executive Officer at UBS.

Finally, the consolidation continues in the financial sector with Intesa's offer for UBI and Covea's offer for Partner Re.

Activity of the fund

A new signature was added to the portfolio with the insurer Achmea. This Dutch company is rated BBB - by Fitch and BB+ by Standard & Poor's.

In view of reducing the duration and the volatility of the portfolio we arbitrated some of our positions on UniCredit.

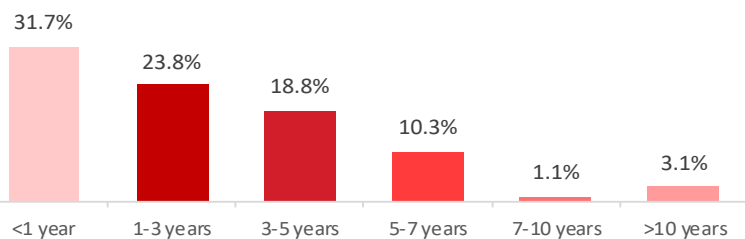
Profit-taking on AT1 bonds was realised with the Austrian bank Bawag as well as the Spanish bank Santander. We also sold the RT1 of the Dutch insurer ASR.



Paul Gagey
Portfolio Manager

PORTFOLIO BREAKDOWN (in % of assets)

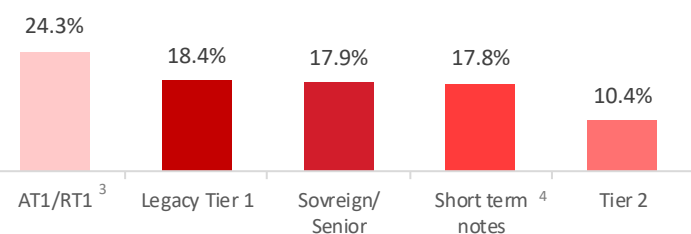
BY MATURITY^{1,2}



TOP 5 ISSUERS

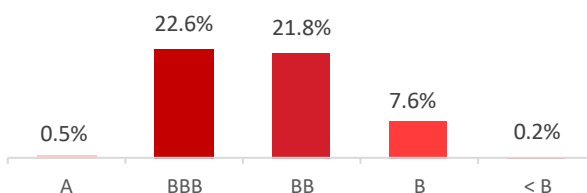
LLOYDS	5.34%
BIL	4.21%
CASINO	3.04%
EMERALD BAY	3.01%
AGEAS	2.79%

BY SUBORDINATION¹

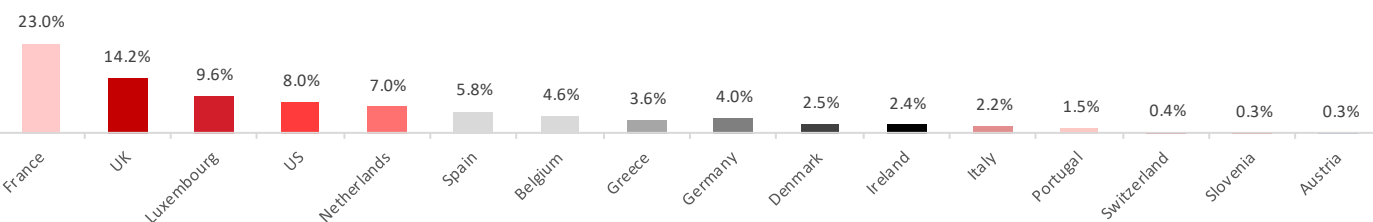


BY RATING⁵

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 – Additional Tier 1 and RT1 – Restricted Tier 1 ⁴ Calculated excluding unrated securities. ⁵ Calculated excluding unrated securities.

INFORMATION ON UNIT C

Current ISIN / ISIN after the merger into the SICAV Lux:	FR0010755199 / LU1876460731 (effective from the 01/28/19 onwards)
Currency ⁵ :	EUR – USD – CHF – GBP
Countries:	BE – CH – FR – IT – LU – SP – UK
Fund type and Profit allocation:	UCI / Accumulation
Fund inception date:	23/07/2009
Minimum initial subscription:	1 share
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.

RESEARCH AND MANAGEMENT TEAM



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