

Axiom Optimal Fix - Class C (EUR)

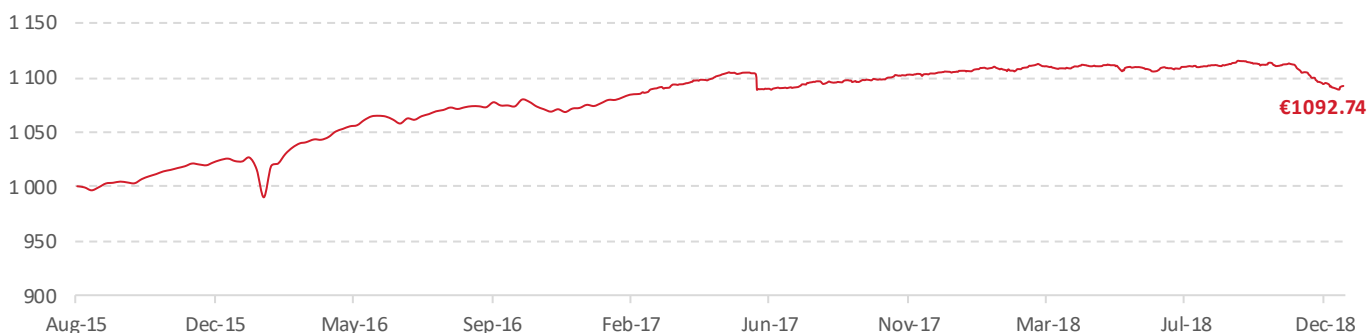
The FCP's Investment policy consists in investing in bonds or preferred shares issued by financial institutions. The fund's strategy is based on carry trade which means it aims to invest in bonds offering high coupons and low volatility. To reach its investment objective, the fund is mainly invested in "Fixed to fixed" securities.

KEY DATA AND RISK ANALYSIS

Funds AuM :	€172M	Duration :	1.50
Average Price :	100.3	Credit Sensitivity :	4.64
Average Coupon :	5.24%	1 year Volatility :	0.99%
Number of Positions :	118	1 year Sharpe Ratio :	-0.93

PERFORMANCE EVOLUTION ¹

Performance since inception (base 1000)



Net performances

1 month	3 months	YTD	1 year	3 years ²	5 years	Inception ²
-0.69%	-1.99%	-1.25%	-1.25%	2.19%	NA	2.66%

¹ Past performance does not guarantee future results.
² Annualized performance.

MONTHLY COMMENTARY



Adrian Paturle
Portfolio Manager

Market commentary

The month of December ended a challenging year shaped by increased political and economic fear (Brexit, Italy, US trade war with China, falling oil prices), which resulted in a market correction.

We believe the decline in financial valuations is not justified given the strong fundamentals. Indeed, the latter have not stopped improving since the crisis (average capital level significantly increased to 14.70% in September 2018, four times as much as in 2007) and the steady reduction in stocks of non-performing bank loans confirms the continuous normalisation of European bank balance sheets (the average NPL ratio was 3.4% in September 2018).

Paradoxically, despite the ongoing improvement in credit metrics, the spreads of subordinated debt have widened by more than 100 bps year-to-date (from 104 bps to 227 bps). Investors' perception has gradually degraded, and a risk-off sentiment finally materialized at the end of the year despite a number of favourable developments: strong quarterly results, sustained momentum in credit rating upgrades, and stress tests passed with success on historically severe assumptions.

We believe this dichotomy between fundamentals and valuations offers very attractive entry points: the underlying credit quality has not changed, and prices should recover as soon as the negative sentiment reverses.

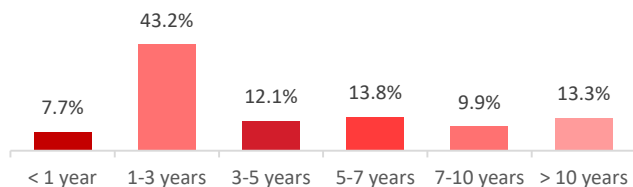
The increase of the risk premium on AT1 issues slowed the calls of Legacy Fixed to Fixed bonds. This is good news for the fund, which is expected to benefit from a higher carry for longer because of the decline in the average instrument price from 103 early 2018 to 100.30 today.

December was a month of risk aversion, especially in the United States, where the 10-year rate fell by 30bps. The US interest rates hedge was the main negative contributor to the fund's performance (almost half of the decline). Nevertheless this was an opportunity to strengthen the fund's exposure to US Fixed to Fixed bonds (The ETF on this asset class fell by 4.63% over the year reaching its lowest since 2009).

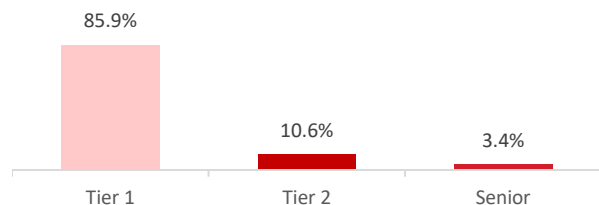
PORTFOLIO ANALYSIS AT 31/12/2018

PORTFOLIO SPLIT (in % of assets)

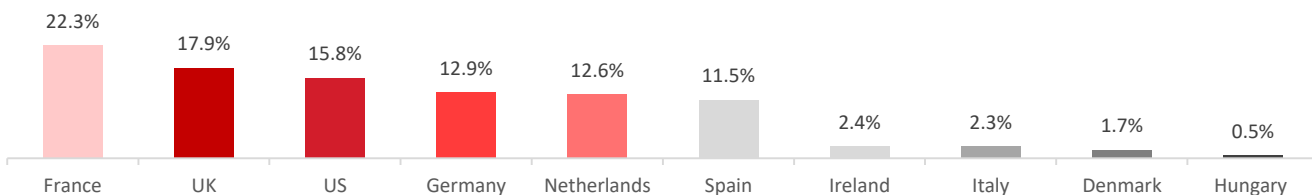
BY MATURITY¹



BY SUBORDINATION¹



BY COUNTRY¹



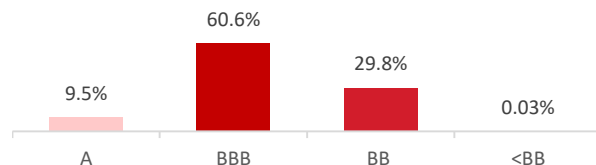
¹ Base 100 including CDS

TOP 5 ISSUERS

BNP PARIBAS	6.74%
LLOYDS	6.90%
LANDESBANK HESSEN	6.17%
SANTANDER	5.64%
ACHMEA	3.69%

BY RATING¹

Instruments rating (proxy ratings included)



FUND INFORMATION

Current ISIN /	FR0012807220/
ISIN after the merger in the SICAV LUX:	LU1876459725 (effective from the 01/14/2019 onwards)
Currency ² :	EUR – CHF – USD
Countries:	FR - CH
Fund type and Profit allocation:	FCP / Capitalisation
Fund inception date :	14/08/2015
Minimum initial subscription :	1 share
Subscription / repurchases conditions :	Before 11h / Settlement J+3
Management fees :	1%
Performance fees ³ :	20% maximum of the annual performance of the mutual fund above a performance of 6%/year

² Currency exposure is Systematically hedged ³ All details of the expenses incurred by the fund are available in the Prospectus.

MANAGEMENT AND RESEARCH TEAM



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