

# GROUPAMA AXIOM LEGACY 21 P



The risk scale SRRI represents the annual historical volatility of the Fund. 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.

## MONTHLY FACTSHEET AS AT 12/31/2020

ISIN Code share P : **FR0013251881**

Benchmark : Euribor 3M + 3%

### KEY FIGURES

AUM:	€490m
Net assets for share class P:	€178m
NAV per share as of 12/31/2020	1068.30
Reference currency:	EUR
Valuation frequency:	Daily

### INFORMATION ON THE FUND

#### Characteristics

Type of fund:	UCI
Inception date:	05/31/2017
Ticker Bloomberg: 12/31/2020	GRAL21P FP
Sub-Investment Manager:	Axiom Alternative Investments

#### Investment term

Greater than 4 years

#### Terms and conditions

Minimum initial subscription:	10 000 000 €
Following subscription:	In thousandths of share or in amount
Centralizer:	CACEIS BANK
Subscription conditions / repurchases:	Every day until 11:00 - NAV per share unknown - Payment D+3

#### Fees

Maximum subscription fees:	5.00%
Maximum redemption fees:	None
Maximum direct management fees:	0.70%

The detail of the fees covered by the fund is available in the funds' legal prospectus.

### Returns since inception (rebased at 100)



### RETURNS\* HISTORY IN % (since inception)

		January	February	March	April	May	June	July	August	September	October	November	December	Year
2017	<b>Fund</b>						0.01%	0.66%	0.31%	0.67%	1.20%	0.67%	0.27%	3.85%
	Benchmark						0.22%	0.22%	0.22%	0.23%	0.22%	0.21%	0.21%	1.54%
2018	<b>Fund</b>	1.21%	-0.30%	-0.78%	0.07%	-2.42%	-0.58%	0.43%	-0.36%	0.47%	-0.63%	-1.85%	-1.02%	-5.67%
	Benchmark	0.24%	0.20%	0.21%	0.23%	0.22%	0.21%	0.23%	0.22%	0.20%	0.24%	0.22%	0.22%	2.68%
2019	<b>Fund</b>	1.47%	0.71%	-0.04%	0.84%	-0.31%	-0.13%	0.21%	0.16%	0.42%	1.49%	1.18%	0.78%	6.98%
	Benchmark	0.23%	0.20%	0.21%	0.23%	0.22%	0.20%	0.23%	0.21%	0.22%	0.22%	0.20%	0.22%	2.63%
2020	<b>Fund</b>	1.41%	-0.29%	-10.78%	3.17%	1.47%	1.70%	1.34%	0.85%	0.51%	0.51%	0.91%	0.53%	1.94%
	Benchmark	0.22%	0.20%	0.22%	0.22%	0.21%	0.23%	0.21%	0.21%	0.21%	0.20%	0.21%	0.23%	2.57%

\* Past performance does not guarantee future results.

### MANAGEMENT CONSTRAINTS

### LIMIT OF MODIFIED DURATION

Min. Max.  
0.0 8.0

The UCITS may invest on issuers with a minimum rating of investment grade and up to 20% on high-yield (so-called "speculative") issuers or unrated issuers. The proportion of investments in interest rate products will be between 0 and 110% of net assets. It may invest up to 20% of its net assets in "Additional Tier1" or "Coco Bonds". The UCITS may invest up to 50% of its net assets and up to 10% of its net assets in preferred shares. The UCITS equity exposure will not exceed 50% of its net assets.

### INVESTMENT OBJECTIVE

The Fund's objective is to try to obtain, over a recommended minimum investment horizon of 4 years, an annualised return equal to or greater than the 3-month Euribor index +3% after management costs have been deducted.

### RETURNS EVOLUTION\*

GROUPAMA AXIOM LEGACY 21 P Benchmark

#### Annual returns % (since inception)

Year	2017	2018	2019	2020
<b>Fund</b>	3.85%	-5.67%	6.98%	1.94%
Benchmark	1.54%	2.68%	2.63%	2.57%
Difference	2.31%	-8.35%	4.35%	-0.63%

#### Cumulative returns in %

Period	1month 30/11/2020	3 months 30/09/2020	YTD 31/12/2019	1 year 31/12/2019	3 y 02/01/2018	5 y -
<b>Fund</b>	0.53%	3.30%	1.94%	1.94%	2.87%	-
Benchmark	0.21%	0.62%	2.57%	2.57%	8.10%	-
Difference	0.32%	2.68%	-0.63%	-0.63%	-5.23%	-

### RISK ANALYSIS (on 1 year)

	Fund
Volatility	6.70%
Sharpe ratio	0.35
Credit sensitivity	2.45
Duration	2.79
Yield to call	3.94%
Spread	411bps
Average rating by issuer (WARF)	A-
Average rating by instrument (WARF)	BB+



## MONTHLY COMMENT AS AT 12/31/2020

**Market commentary**

Financial stocks ended the year on a high note, posting solid performance, driven mainly by the Brexit agreement concluded in the last days of the year. This agreement still seemed a long way off at the beginning of December when the lack of significant progress, coupled with the status quo in the negotiations on the US stimulus plan, did not encourage major risk taking. The indices tightened very slightly over the month (SubFin from 113bps to 111bps), the main movement being on the cash side.

The rally was also supported by the gradual resumption of dividend distributions announced by the ECB for 2021 with a limit set at 15% of 2019-20 profits and 20 points of CET1 until September 30. In the United Kingdom, the PRA decision was similar. Internal stress tests tested the financial soundness of English banks before deciding on distributions. These should not exceed the higher of the following two amounts: 20 bps of RWAs at the end of 2020 or 25% of cumulative earnings over eight quarters covering 2019 and 2020.

Overall, capital markets activity ended 4Q on solid footing for most banks with revenues of this division still running ahead of consensus suggesting potential for upward revisions of Q4 EPS. This positive earnings trend is consistent with the continued reduction in the stock of non-performing loans. Examples include those of Sabadell, UniCredit, and Banco BMP in December.

Consolidation and cost reduction also continue in the financial sector. The merger of Unicaja and Liberbank in Spain has been formalized and should create the number 5 in the national banking sector once regulatory approvals are obtained. Political pressure is also mounting in Italy for Monte Dei Paschi to be acquired by UniCredit.

On the regulatory side, the transposition of BRRD2 in France does not go in the direction of the issuers and leaves the risk of infection unresolved, which further reinforces the interest in cleaning up the stock of "Legacy" instruments (you can see our note on this subject on the following link [European Banking Authority Opinion on Legacy instruments](#)). BBVA announced in mid-December the call at par of three of its legacy securities. These calls at par confirm the interest of issuers to clean their legacy securities' stock in the context of the transition period to Basel 3. On the insurers' side, the year began with greater regulatory clarity following the publication by EIOPA of its analysis on Solvency II, which reflects the regulator's confidence in the sector.

Finally, the primary market for AT1 securities remained open. HSBC (USD 1,500 million at 4.6%) and Credit Suisse (USD 1,500 million at 4.5%) came to seize the right conditions to issue.

**Fund Activity**

We had 1.25% of the legacy securities that were the object of a call by BBVA and, in order to maintain our allocation in discounted bonds, we strengthened our position on CMS from cooperative issuers. In the long call bucket, after the Lloyds tender, we sold the new Tier 2 received in the exchange and strengthened our position on HSBC, which may well offer equally generous terms in an exchange. In the improving credits bucket, we have reduced our exposure to high-duration Tier 2, as well as on UniCredit to strengthen our position on Swiss low-trigger securities.

Finally, in Fixed-to-Fixed, we strengthened our position on Natixis and on an insurer in CHF difficult to source.

**PRINCIPAL 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 may materialise where specific and exceptional market conditions make finding market counterparties or reasonable prices difficult.

**Use of derivative financial instruments:** Equally, the use of derivatives may increase or decrease the volatility of the Fund by increasing or decreasing its exposure, respectively. In the event of adverse market developments, the net asset value may fall.

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

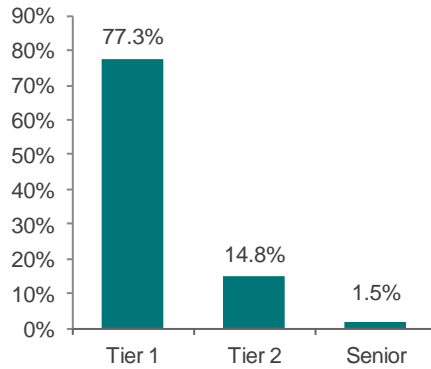


## PORTFOLIO ANALYSIS AS AT 12/31/2020

### GROUPAMA AXIOM LEGACY 21 P

#### ASSET BREAKDOWN BY TYPE OF SUBORDINATION (in % of net assets)

Bonds only

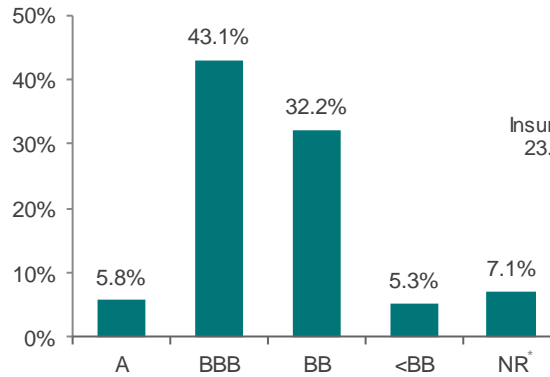


#### ASSET BREAKDOWN BY EXTERNAL RATING (in % of net assets)

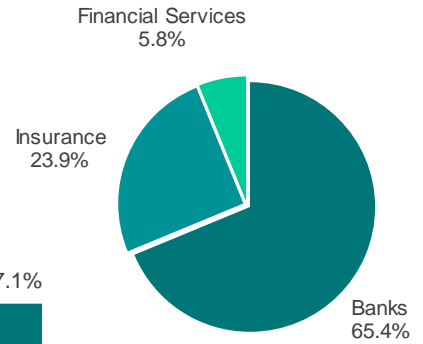
Bonds only

\* NR - Non-rated securities

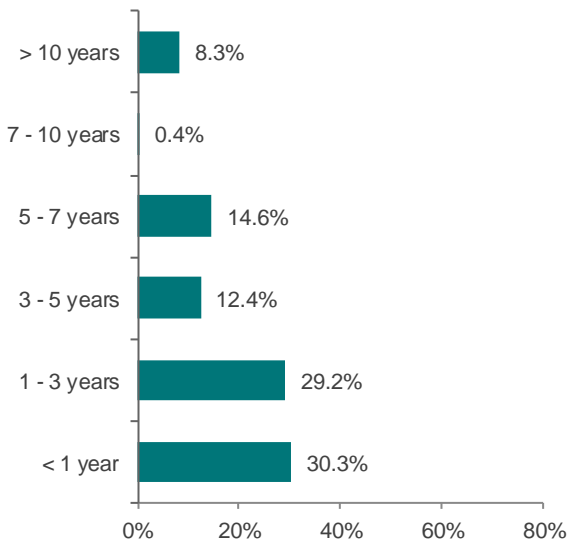
All securities have an IG issuer group rating



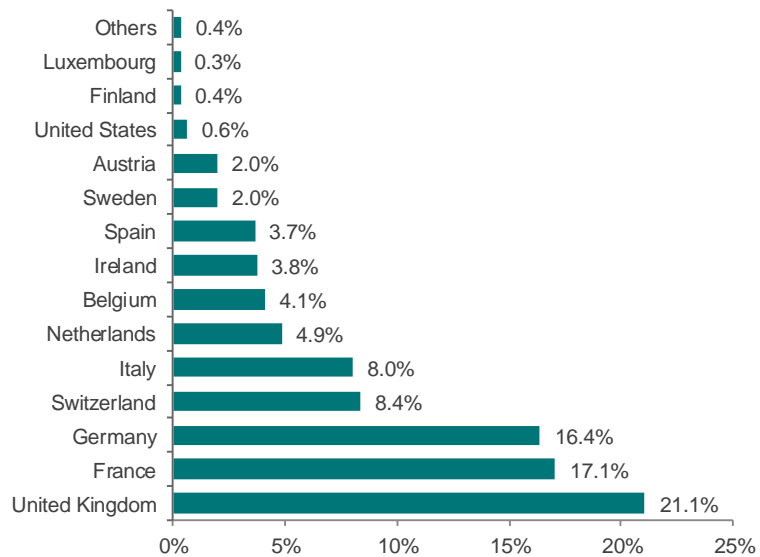
#### ASSET BREAKDOWN BY TYPE OF ISSUER (in % of net assets)



#### ASSET BREAKDOWN BY MATURITY TO CALL DATE (in % of net assets)



#### ASSET BREAKDOWN BY GEOGRAPHY (in % of net assets)



#### HISTORICAL MODIFICATIONS OF THE BENCHMARK (since inception)

None

Groupama Asset Management revises all the external data received.  
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