



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 OF 31/05/2022

ISIN Code share U : **FR0013277738**

Benchmark : Euribor 3M + 3%

### KEY FIGURES

AUM	750M€
Net assets for share class U	0M€
NAV per share as at 05/31/2022	1051.05
Reference currency	EUR
Valuation frequency	Daily

### INFORMATION ON THE FUND

#### Characteristics

Type of fund:	UCI
Inception date:	11/15/2017
Ticker Bloomberg:	GRAL21U FP
Sub-Investment Manager:	Axiom Alternative Investments

#### Investment term

Greater than 4 years

#### Terms and conditions

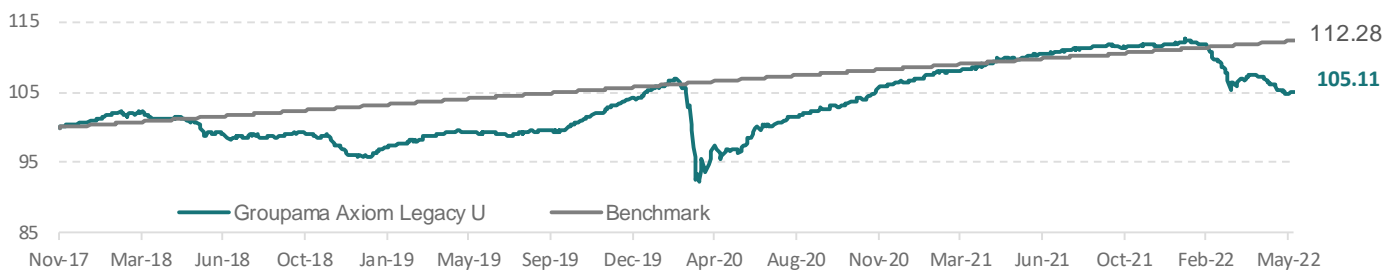
Minimum initial subscription:	100 000 €
Following subscription:	In thousandths of share or in amount
Centralizer:	CACEIS BANK
Subscription conditions / repurchases:	Every day until 11:00 - NAV per share unknown - Payment D+3

#### Fees

Maximum subscription fees:	5.00%
Maximum redemption fees:	None
Maximum direct management fees:	1.00%

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)

		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Year
2017	Fund											0.40%	0.44%	0.84%
	Benchmark											0.22%	0.21%	1.54%
2018	Fund	1.10%	0.15%	-0.83%	0.08%	-2.40%	-0.52%	0.53%	-0.29%	0.54%	-0.54%	-1.79%	-0.95%	-4.87%
	Benchmark	0.24%	0.20%	0.21%	0.23%	0.22%	0.21%	0.23%	0.22%	0.20%	0.24%	0.22%	0.23%	2.69%
2019	Fund	1.54%	0.74%	0.71%	0.56%	-0.28%	-0.07%	0.31%	0.27%	0.53%	1.66%	1.35%	0.93%	8.54%
	Benchmark	0.23%	0.20%	0.21%	0.23%	0.23%	0.20%	0.24%	0.21%	0.22%	0.22%	0.20%	0.23%	2.64%
2020	Fund	1.60%	-0.24%	-10.94%	3.16%	1.53%	1.76%	1.37%	0.88%	0.56%	0.94%	1.85%	0.58%	2.29%
	Benchmark	0.22%	0.20%	0.22%	0.22%	0.21%	0.23%	0.21%	0.21%	0.20%	0.20%	0.21%	0.21%	2.58%
2021	Fund	0.88%	0.51%	0.47%	1.03%	0.15%	0.58%	0.47%	0.37%	0.32%	-0.06%	-0.10%	0.57%	5.31%
	Benchmark	0.19%	0.19%	0.22%	0.20%	0.21%	0.20%	0.20%	0.21%	0.20%	0.19%	0.21%	0.20%	2.45%
2022	Fund	-0.38%	-3.07%	-0.79%	-1.13%	-1.06%								-6.30%
	Benchmark	0.20%	0.19%	0.21%	0.20%	0.23%								1.03%

\* 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.

## MONTHLY COMMENT AS AT 31/05/2022

### Market commentary

Inflation was a major theme in the markets during the month of May, as investors vacillated between record price increases and diminished but resilient growth. This hesitation had a downward impact on the markets in the first half of the month before they partially recovered in the second half. This volatility is likely to persist as long as the magnitude, speed and duration of the ongoing monetary tightening remain uncertain.

Against this backdrop, risk appetite strengthened slightly at the end of the month with the SubFin index tightening by 5 basis points to 185. In the equity market, the energy and banking sectors outperformed, while the retail and media sectors underperformed.

The outlook for banks' earnings is encouraging:

- Consensus EPS expectations for 2023 and 2024 are now back at their highest year-to-date, erasing the Ukraine-Russia war losses.
- Net income interest expectations should continue to climb as analysts update their models with the latest rate market levels.
- Nominal cost trends are likely to be slightly worse than expected, though C/I ratios should be better than expected.

Moreover, the resolve of the ECB in its fight against inflation is questionable, privileging economic growth. The shift in rate hikes expectations, though spectacular, has lagged increases in forward inflation markets - and is very far off from changes in realized core inflation. As such, we believe talks of a recession induced by higher rates in the Eurozone to be premature.

This renewed optimism reopened the primary market with two AT1 issues (Skandinaviska Enskilda Banken and Julius Bär) and a T2 from Athora. These issues were largely oversubscribed, indicating significant liquidity in the market.

### Fund activity

Regarding the Fixed-to-Fixed, the fund held more than 3% on each of the Legacy Helaba bonds, whose call was confirmed on June 30, in line with our expected scenario.

As for the Long Calls, the fund held a marginal 0.13% holding on the Barclays 6.86 after lightening up when the make-whole price had fallen below the market prices.

Finally, the fund held 2.5% in Legacy Athora at the time of the tender announcement and was able to add beyond 3% at a price below the tender. It will retain half of its exposure until the next call, now certain.

In this high spread environment, we remain fully invested by strengthening our positions in the following buckets: Discos, Long Calls, Improving Credits, and especially Legacy AT1s which offer spreads between 370 and 570 for calls under two years.

## PRINCIPAL RISKS

Significant risk(s) for the Fund not taken into account in the SRI 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.

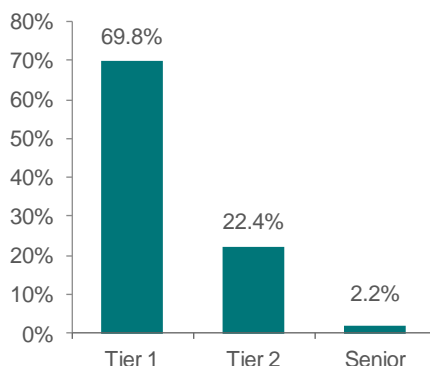


## PORTFOLIO ANALYSIS AS AT 31/05/2022

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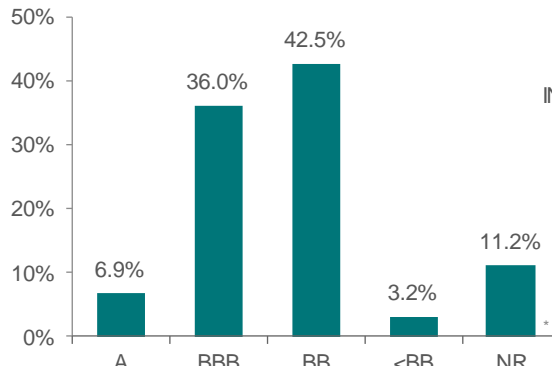
#### ASSET BREAKDOWN BY TYPE OF SUBORDINATION (in % of net assets)

Bonds only



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

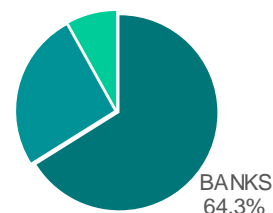
Bonds only  
\* NR - Non-rated securities  
All securities have an IG issuer group rating



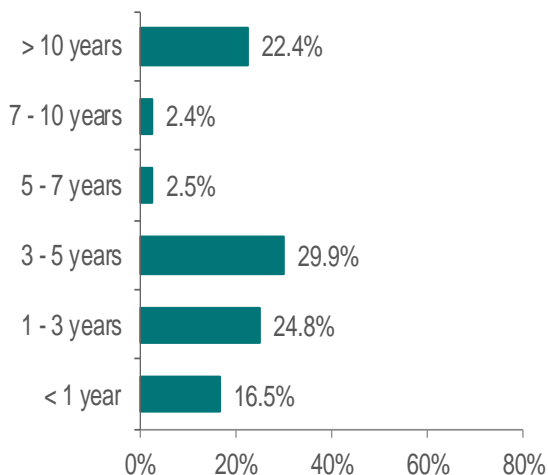
#### ASSET BREAKDOWN BY TYPE OF ISSUER (in % of net assets)

DIVERSIFIED FINAN SERV  
7.8%

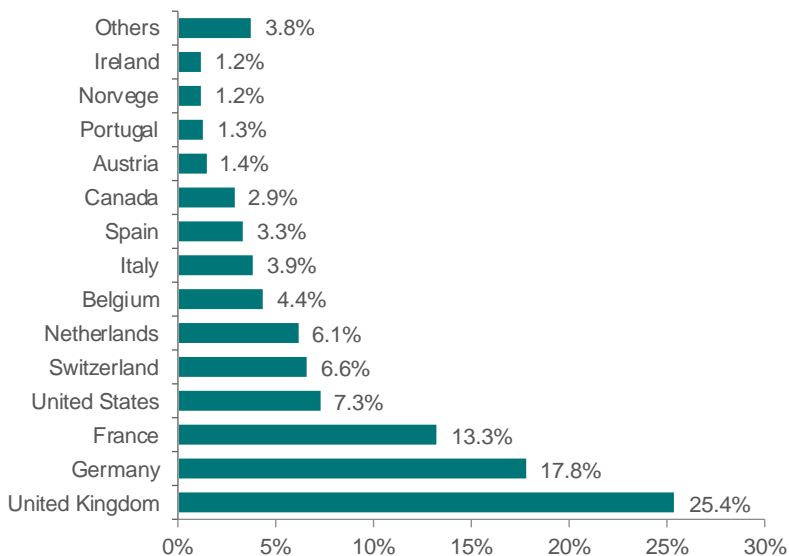
INSURANCE  
25.2%



#### 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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