

GROUPAMA AXIOM LEGACY JU

December 2023

Data as of

29/12/2023

AuM

369M€

NAV

1102,2\$

Risk profile

Lower risk

1

2

3

4

5

6

7

Higher risk

Potentially lower
yield

This indicator represents the risk profile shown in the DICI.
the risk category is not guaranteed and may change during
the month.

Potentially higher
yield

Recommended investment horizon

1y.

2ys.

3ys.

4ys. and more

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.

Characteristics

Bloomberg ticker	GRAL21T FP
Benchmark	Euribor 3M +3%
SFDR classification	Article 8
Fund inception date	31/05/2017
Reference currency	USD
Class inception date	4/11/2018
Last dividend payment date	-
Amount of last dividend paid	-
PEA	-

Fees

Maximum subscription fees	5%
Maximum redemption fees	-
Maximum direct management fees	1%
Maximum direct management fees	-

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

Morningstar Rating

(Data as of 31/01/2023)

☆☆☆☆☆

Category " EUR Subordinated Bonds "

SFDR 8

ACRS score



42%

vs 42% for the universe

ESG score



52

vs 52 for the universe

ITR



2,7 °C

vs 2,8 °C for the universe

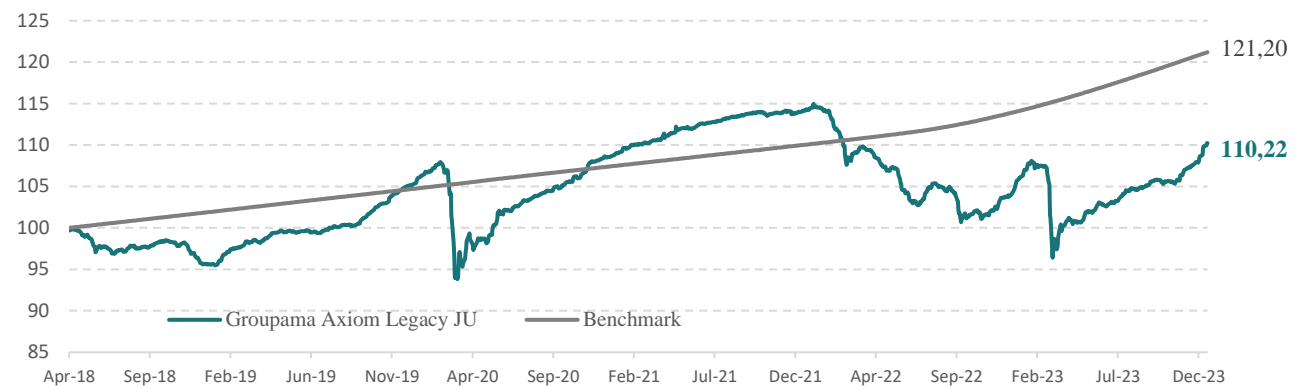
Terms and conditions

Valuation frequency	Daily
Dividend policy	Accumulation
Minimum initial subscription	100000USD
Subscription conditions	11:00, Paris time
Repurchases	J+3
Centralizer	CACEIS BANK

GROUPAMA AXIOM LEGACY JU

BENCHMARK (Euribor 3M + 3%)

PORTFOLIO PERFORMANCE SINCE INCEPTION (rebased at 100)



Past performance does not guarantee future results.

Source : Axiom Alternative Investments

Cumulative returns in %

	1 month	3 months	YTD	1 year	3 years	5 years	10 years	Inception
Since	30/11/2023	29/09/2023	30/12/2022	30/12/2022	31/12/2020	31/12/2018	-	02/06/2017
Fund	2,56%	4,20%	6,23%	6,23%	1,43%	15,24%	-	10,22%
Benchmark	0,58%	1,75%	5,98%	6,41%	12,42%	18,39%	-	18,42%
Difference	1,98%	2,45%	0,25%	-0,19%	-11,00%	-3,15%	-	-8,20%

(*) YTD (Year to Date): performance since the beginning of the current year.

Annual returns in % (since inception)

	2017	2018	2019	2020	2021	2022
Fund	-	-	9,94%	3,35%	5,35%	-9,37%
Benchmark	-	-	2,68%	2,62%	2,49%	3,37%
Difference	-	-	7,25%	0,73%	2,86%	-12,73%

Source : Axiom Alternative Investments

Main risks

Credit risk: this risk arises from the possibility that an issuer of bonds or debt securities may not be able to honour its payment obligations, i.e. the payment of coupons and/or the repayment of capital at maturity. Such a default may result in a decrease in the net asset value of the sub-fund (including total return swaps or DPSs). This also includes the risk of a downgrade of the issuer's credit rating.

Counterparty risk: A sub-fund that invests in OTC derivatives may be exposed to the risk arising from the creditworthiness of its counterparties and their ability to meet the terms of such contracts. The sub-fund may enter into forward contracts, options and swaps, including CDS, or use derivative techniques, which involves the risk that the counterparty may not meet its obligations under each contract.

Liquidity risk: risk arising from the difficulty or impossibility of selling securities held in the portfolio when necessary and at the price at which the portfolio is valued, due to the limited size of the market or insufficient trading volumes on the market where these securities are usually traded. The realisation of this risk may result in a decrease in the net asset value of the sub-fund.

Use of derivatives: If a sub-fund whose performance is linked to an underlying asset frequently invests in derivatives or securities other than the underlying asset, derivative techniques will be used to link the value of the shares to the performance of the underlying asset. While the prudent use of such derivative techniques may be beneficial, derivatives also involve risks which in some cases may be greater than the risks associated with more traditional instruments. Transaction costs may be associated with the use of such derivatives.

Sustainability risk: An event or situation in the environmental, social or governance field which, if it occurred, could have an actual or potential negative impact on the value of the investment or commitment.

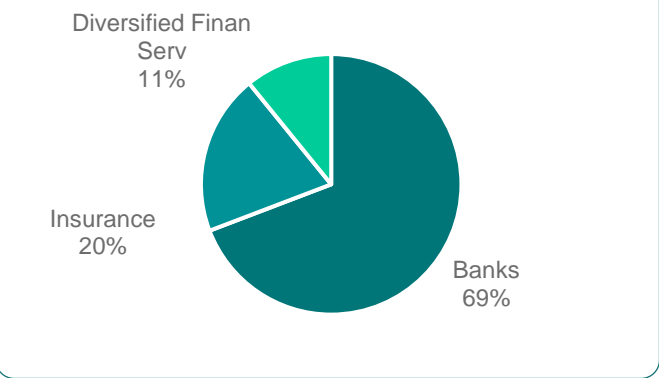
Risk of loss of capital: the sub-funds do not offer any protection or guarantee. As a result, investors may not be able to fully recover their initial investment.

For more information on risks, please consult the fund prospectus.

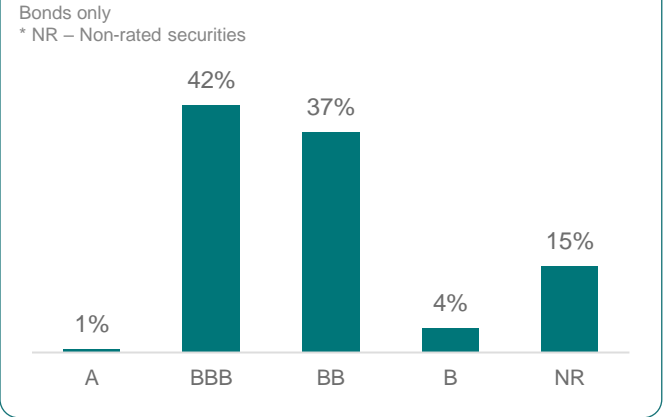
Risk analysis (on 1 year)

Volatility 1 an	6,66%	Yield to call	8,14%
Sharpe Ratio	-0,40	Spread	530
Credit Sensitivity	3,89	Average rating by issuers (WARF)	BBB+
Duration	2,50	Average rating by instruments (WARF)	BB+

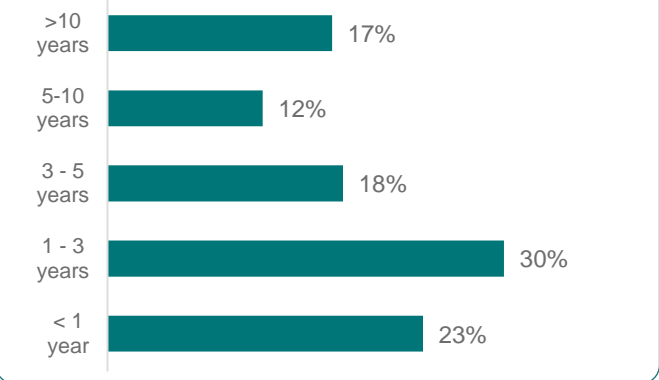
Asset breakdown by type of issuer (in % of net assets)



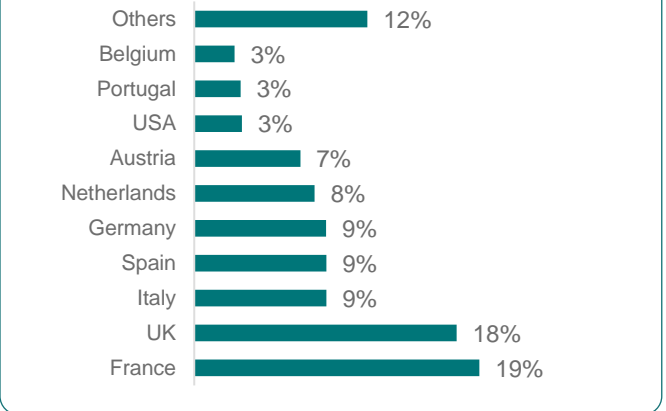
Asset breakdown by type rating (in % of net assets)



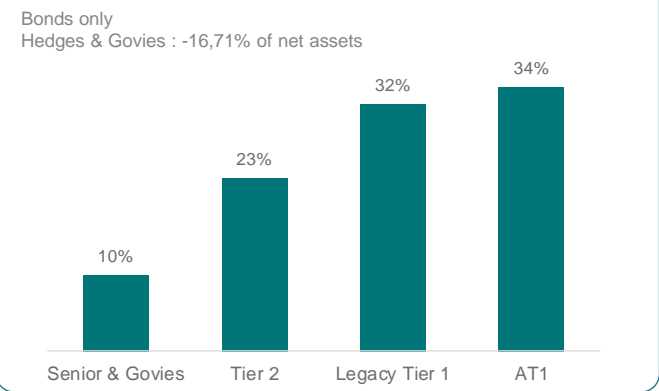
Asset breakdown by maturity to call date (in % of net assets)



Asset breakdown by geography (in % of net assets)



Asset breakdown by type of subordination (in % of net assets)



Top 10 holdings (in % of net assets)

Holding	%
PROMONTORIA MMB SAS	3,48%
BNP PARIBAS	3,47%
LEASEPLAN CORPORATION NV	3,42%
BANCO SANTANDER SA	3,25%
UNICREDIT SPA	3,22%
AEGON LTD	3,15%
HSBC	3,12%
BBVA	2,49%
CNP ASSURANCES	2,48%
NATL WESTMINSTER BANK	2,46%



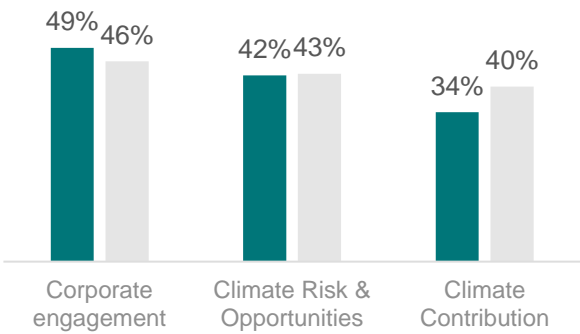
GROUPAMA AXIOM LEGACY

INVESTMENT UNIVERSE

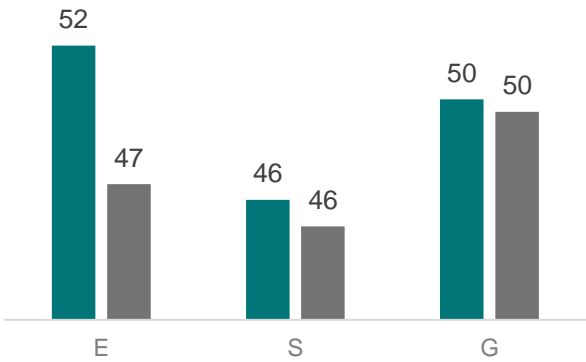
ESG performance indicators

	GROUPAMA AXIOM LEGACY		Universe	
	Average	Issuer coverage	Average	Issuer coverage
ACRS	41%	40	42%	76
°C	2.8	57	2.8	96
ESG	49	66	48	290

ACRS by pillars



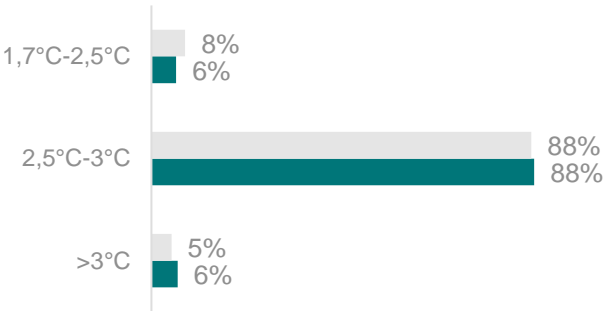
ESG by pillars



Top 5 holdings by ACRS

	ACRS	ESG	ITR
DE VOLKSBANK NV	63%	N/A	2,4
DRESDNER FNDG TRUST	53%	54	2,7
AXA SA	52%	81	3,6
NATL WESTMINSTER BANK	52%	45	2,8
STANDARD CHARTERED PLC	51%	44	2,9

Breakdown by Implied Temperature Rise (ITR)



Management team

Paul GAGEY

Monthly comment

Source : Axiom Alternative Investments

Jerome Powell's dovish conference reinforced the market's expectations of rate cuts and propelled bond indices to their highest levels of the year. The Fed Chairman highlighted the remarkable fall in inflation and indicated that he was ready to cut rates before it reached the 2% threshold. Furthermore, despite unchanged inflation and growth projections, the dot plot is now down 75 bps vs. 50 bps in September. In Europe, the ECB has a more hawkish approach by announcing a more aggressive QT program than expected. But this was not enough to push up market rates, given the weakness of the PMIs and the latest inflation figures. Going against the market, DNB raised its rates by 25 bps.

In this constructive environment, the Bloomberg "Euro Aggregate" index ended the month at +3.3%, one of its best monthly performances ever. The French 10-year ended the month at 2.57%, down 44 bps, the Bund finished December at 2.03%, and the US 10-year ended December at 3.87%, down 50 bps. Shorter maturities also tightened, with the EUR 4-year swap rate down 50 bps over the month to end at 2.46%.

The latest EBA transparency report highlights the strength of the banking sector. Capital ratios are at an all-time high (16.0%), with an average buffer of 492 bps despite the increase in regulatory minimums linked to countercyclical buffers and the high payout ratios. Banks expect a cost of risk inferior to 50 bps in 2024, and NII to keep growing in late 2023. The CRE data was of interest, and showed that the highest LTV exposures were concentrated in Eastern Europe.

Regarding new issues, senior non-preferred volumes are expected to decline in 2024 as subordinated MREL ratios rise. Q2 volumes are expected to increase to meet higher refinancing needs. With more than a third of first-half AT1 calls pre-funded, and 60% of AT1s now traded at call, refinancing activity should also increase in 2024 for this asset class. As a reminder, in 2023, only PBB extended its AT1 (Santander finally recalled its AT1 at the second call date). On the deposit side, December's figures show a rise in volumes and a slowdown in the rotation towards term deposits.

The legacy bond market remains dynamic, with BNP Paribas making a noteworthy announcement downgrading its participating securities and certain floaters from Tier 2 capital.

Fund activity

Source : Axiom Alternative Investments

The end-of-year rally led to some profit-taking. In particular, the fund held two bonds issued by the Dutch bank NIBC Bank NV known as "disco", that are perpetual legacy bonds disqualified as regulatory capital. We decided to take part in the issuer's generous tender offer. We also took our profits on Athora Italia Spa's tier 2 subordinated bond to improve the fund's liquidity profile. On the buy side, we purchased a subordinated bond issued by Banque Internationale à Luxembourg, which offers a yield of close to 7% for a 2033 maturity.

Our ESG and climate approach

General methodology

The selection is based on the following ESG tools :

- **Exclusion policy:** determines the exclusions we make due to proven controversies, non-adherence to major initiatives such as the PRB (Principle for Responsible Banking) and sector or thematic restrictions.
- **ACRS - Axiom Climate Readiness Score:** in-house climate rating methodology.
- **ESG Database:** analysis of ESG factors and their rating.

The combination of all these tools allows us to offer a fund with an ESG score higher than that of issuers in the top three quartiles of its investment universe.

Our climate methodology

The fund is targeting leading issuers in terms of climate change integration. It evaluates issuers based on :



Corporate engagement

Sets the priority level given to climate change by the board and top management, the company's climate strategy, and corresponding objectives, as well as the degree of transparency of communication and the means deployed to address climate change.



Climate risk and opportunities

Assesses the processes and tools used to identify, measure and mitigate the issuer's exposure to climate-related risks, as well as its approach to seizing opportunities arising from the energy transition.



Climate contribution

Assesses the share of the issuer's investments and/or loans in companies or financial instruments that seek to contribute to the "greening" of the economy as well as the products or solutions offered that aim to combat climate change. In the case of banks, Axiom AI is computing an ITR metric (Implied Temperature Rise).

ITR (Implied Temperature Rise)	Also known as 2° alignment metric, is a forward-looking measure that attempts to estimate a global temperature associated with the greenhouse gas emissions of entities in a portfolio or investment strategy.
ESG	Refers to the Environmental, Social and Governance (ESG) criteria that enable an analysis of a company's non-financial performance.
Energy transition	Refers to the transition from the current energy production system, mainly based on fossil fuels, to an energy mix based largely on renewable or low carbon energies.

Management constraints

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.

Historical modifications of the benchmark (10 years)

None.

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This non-contractual document by no means constitutes a recommendation, a request for a bid or a purchase, sale or arbitration offer and must under no circumstances be interpreted as such.
All investors must consult the fund prospectus/regulations or key investor information document (KIID) prior to any investment. The state of the origin of the fund is France.

In Switzerland, the representative is ACOLIN Fund Services AG, Leutschenbachstrasse 50, CH-8050 Zurich, whilst the paying agent is Banque Cantonale de Genève, quai de l'Île 17, CH-1204 Geneva. The prospectus, the key information documents or the key investor information documents, the fund regulation as well as the annual and semi-annual reports may be obtained free of charge from the representative. Past performance is no indication of current or future performance. The performance data do not take account of the commissions and costs incurred on the issue and redemption of units. These documents and the latest period document can be obtained from Groupama Asset Management upon request