MONTHLY FACTSHEET AS AT 31/08/2021

AXIOM ALTERNATIVE INVESTMENTS

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Axiom Sustainable Financial Bonds

Towards Sustainability By Febelfin

Investment objective

The investment objective of the Fund is to yield a return net of management fees that is equal to or greater than the performance of its benchmark, the BofA Contingent Capital Index (coupons reinvested), over a minimum investment horizon of 3 years. **The fund incorporates Environmental, Social and Governance (ESG) characteristics**, with a focus on climate change through the use of the **Axiom Climate Readiness Score (ACRS).** The Fund thus seeks to invest in financial institutions that are leaders in the integration of climate change considerations. The Fund falls within the scope of Article 8 of the SFDR Regulation.

SFDR : Article 8

ACRS : 43% vs 34% for the universe

ESG : 79 vs 68 for the universe (out of 100)

KEY FIGURES AND RISK ANALYSIS

Net assets	33M€
Volatility since inception	8,42%
Yield to call	2,14%
Yield to maturity [1]	4,03%
Sharpe ratio since inception	0,69

Modified Duration	2,81
Credit sensibility	3,42
Average rating by issuers (WARF)	A-
Average rating by instruments (WARF)	BB+
Number of positions	65

PERFORMANCES AND LATEST NET ASSETS VALUES

	Class B (USD)	Class C (EUR)	Class D (EUR)	Class M (CHF)	Class R (EUR)
Last NAV	-	1407,7	-	-	1370,3
Monthly performance	-	0,52%	-	-	0,48%

PERFORMANCE – C CLASS

Past performance does not guarantee future results.

PERFORMANCE TREND – C CLASS

1 month	3 months	YTD	1 year	3 years	5 years	Since inception
0,52%	1,30%	4,62%	10,89%	6,00%	6,15%	5,43%

MONTHLY PERFORMANCES SINCE THE LAUNCH ON THE C CLASS

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Year
2015			0,60%	0,65%	0,02%	-1,25%	2,07%	-0,49%	-2,06%	3,06%	0,58%	0,05%	**3.16%**
2016	-3,08%	-5,75%	4,12%	1,46%	1,87%	-2,87%	4,16%	1,78%	-1,10%	2,21%	-1,39%	3,26%	**4,17%**
2017	1,44%	1,76%	0,93%	2,52%	0,60%	-0,77%	1,84%	-0,01%	0,38%	2,81%	-0,04%	0,29%	**12,33%**
2018	2,02%	-0,87%	-1,28%	0,33%	-2,64%	-0,77%	1,81%	-0,65%	0,38%	-1,64%	-2,29%	-0,62%	**-6,13%**
2019	3,15%	1,26%	0,05%	2,46%	-1,83%	3,47%	0,64%	0,19%	1,05%	1,26%	0,88%	1,15%	**14,50%**
2020	1,13%	-1,93%	-15,61%	8,21%	2,57%	1,53%	1,08%	2,64%	-0,29%	0,25%	4,67%	1,31%	**3,71%**
2021	-0,18%	1,19%	0,94%	1,11%	0,18%	0,47%	0,31%	0,52%					**4,62%**

[1] Performance less than a month. 1 Yield in perpetuity of the protfolio, excluding cash, in all currencies. The yield in perpetuity is the rate of return on the portfolio assuming the securities are not redeemed and held in perpetuity | [3] Past performance does not guarantee future results. | [4] Annualized performances

AXIOM
ALTERNATIVE INVESTMENTS

MONTHLY COMMENTARY

ADRIAN PATURLE
Portfolio Manager

LAURA RAMIREZ
ESG Analyst

In August, disappointments were more about the weather than financial markets.

Nothing seemed to worry the markets, despite a delta variant still threatening the recovery, an Afghan crisis with uncertain international consequences or even historic levels of inflation which have reached 3% on an annual basis in Europe.

The financial markets were globally calm, helped by a cautious speech from the FED on a potential tightening. While Jérôme Powell has confirmed that he is in favor of asset purchase reductions before the end of the year, this remains conditional on employment figures.

The European banking sector kept delivering excellent news with second quarter results 22% above consensus on average. These results are thanks to the high commissions in retail banking, strong trading gains and interest income supported by the TLTRO.

Following the ECB announcement of not extending the dividend restriction after 30 September, Rabobank announced on 2 August the complete payment of its coupon on the 6.5% certificate. The bond was up 3% on this news that we expected. It is the biggest contribution to performance this month (+12bps).

On the primary market, we noted the new AT1 issues from Barclays, Nordea, Swedbank and Standard Chartered. The last one made a tender offer on the Legacy AT1 up to €1.25bn with priority right on the new issue. Allianz issued a new RT1. We did not participate in new issues from issuers with a satisfying ACRS as premiums were low compared to the secondary market.

On the other hand, the news regarding the banking sector's management of climate and environmental (C&E) risk were not positive. The ECB published preliminary results of an assessment of the compatibility of banks practices with the their supervisory expectations, based on a self-assessment made by the banks. The ECB finds that very few have incorporated sound C&E risk management processes or clearly integrated C&E risks into their strategies. Only between 5% to 15% of the banks having integrated best practices such as the establishment of risk limits or the pricing C&E risks in their loans.

Despite almost all banks (four-fifth) having developed implementation plans roughly in line with the ECB guide roughly two-thirds have failed to sufficiently tailor their plans in line with the supervisory expectations, notably lacking operational details on how deliverables will actually be produced. Therefore, It highly possible that an important number of banks won't be ready for the full supervisory review the ECB is going to run in 2022. The ECB is therefore urging banks to take swifter action.

RESEARCH AND MANAGEMENT TEAM

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Managing Partner
Chief Investments Officer

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Head of Research

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Portfolio Manager

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Partner
Portfolio Manager

Gildas SURRY
Partner
Portfolio Manager

Paul GAGEY
Portfolio Manager

Laura RAMIREZ
ESG Analyst

RISKS

The significant risks for the Fund not reflected in the risk indicator (SRRI) are:
Counterparty risk: There is the possibility that credit institutions may not be able to honour their commitments.
Credit risk: Investors are exposed to the risk of default on the bonds included in the portfolio. This risk can affect up to 100% of the portfolio. The realisation of this risk may result in a decrease in the net asset value of the fund.
Liquidity risk: this risk arises from the difficulty or impossibility of selling securities held in the portfolio when necessary and at the portfolio's valuation price, due to the limited size of the market or insufficient trading volumes in the market such as but not limited to pandemics and natural disasters.
For more information on the risks, please consult the funds' prospectus..

Axiom Sustainable Financial Bonds

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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 evalutate 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) [1].

KEY ESG INDICATORS

KEY METRICS

Selection rate[2] : 49%

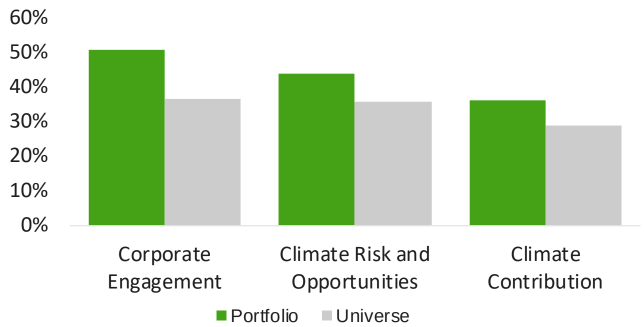
	ACRS	°C [1]	ESG
Portfolio rating	43%	2.72	79
Universe rating	34%	2.71	68
# of companies in the universe	62	41	71
# of companies in the portfolio	29	21	29

[2] Percentage of the universe excluded for ESG reason

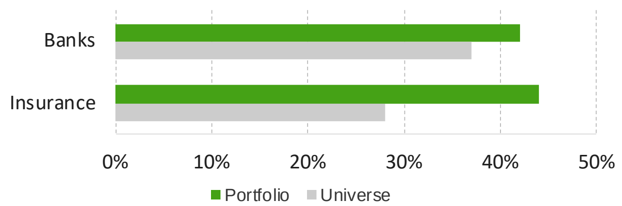
TOP 5 POSITIONS RANKED BY ACRS

Issuers	CNTY	ACRS	°C	ESG
La Banque Postale	FR	53.0%	2.26	NA
AXA	FR	52.0%	NA	95.88
Standard Chartered	UK	49.0%	2.93	81.61
AVIVA	UK	47.0%	NA	57.54
BNP	FR	46.0%	2.76	92.41

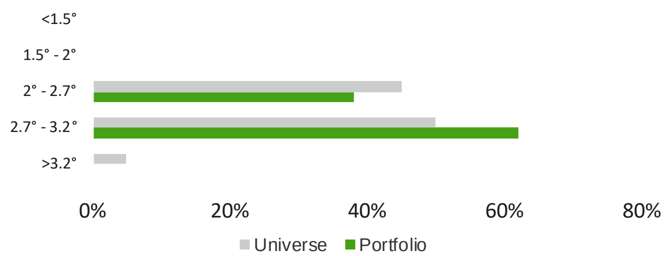
ACRS BY PILLAR



ACRS BY TYPE OF FINANCIAL INSTITUTION



SPLIT BY IMPLIED TEMPERATURE RISE [1]



More information on our climate approach is available upon request| [1] ITR (Implied Temperature Raise) - This is a measure of implied temperature rise, also known as the 2° alignment metric, is a forward-looking metric that attempts to estimate a global temperature rise associated with the greenhouse gas emissions of entities in a portfolio or investment strategy. Axiom AI calculates the RTI based on an analysis of banks corporate lending portfolios.

The estimates presented here cannot be compared to other ESG or climate funds as they are based on a proprietary methodology developed by Axiom AI. In addition, our methodology relies on third party data from ESG/Climate data providers. Data providers may apply different models that may contain inaccurate or incomplete data. In case of insufficient data, ESG data providers may resort to estimates and approximations using internal methodologies that may be subjective. As the portfolio manager relies on this data for investment decisions, such uncertainty in data collection can have a negative impact on portfolio performance. For more information on the assumptions related to our ACRS methodology, please contact us.

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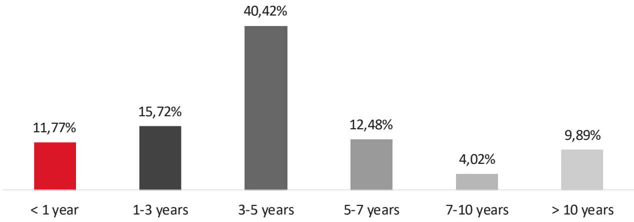
PORTFOLIO SPLIT (as % of assets)

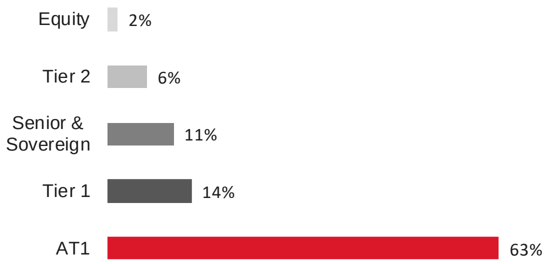
BY MATURITY [1]



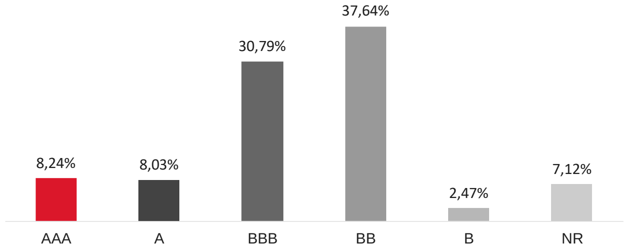
TOP 5 ISSUERS [4]

LA BANQUE POSTALE	7,68%
STANDARD CHARTERED	7,08%
BNP PARIBAS	5,85%
AVIVA	5,52%
AXA	5,21%

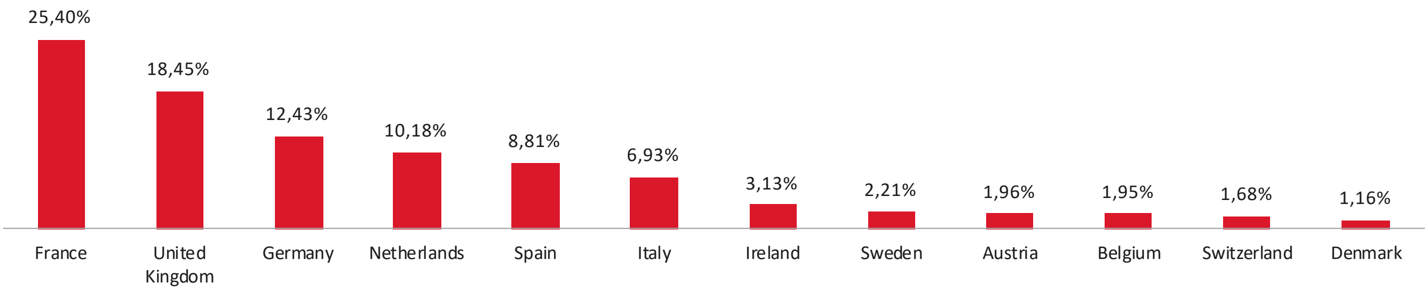
BY SUBORDINATION [3]



BY RATING [2]



BY COUNTRY



[1] Breakdown in % of bonds and equities excluding all derivatives other than single-name CDS | [2] Rating of bonds, excluding unrated instruments | [3] AT1 - Additional Tier 1 and RT1 - Restricted Tier 1 | [4] Rating of bonds, excluding unrated instruments | [5] Breakdown in % of bonds, including UK CDS | [6] Currency exposure systematically hedged | [7] Details of the fees and expenses borne by the fund and the sub-fund can be consulted in the Prospectus

FUND INFORMATIONS

Type :	Lux SICAV
Registred countries	CH – FR – LU – UK
Subscription / Redemption	Before 12:00 / Settlement D+3

Name	ISIN	Currency [10]	Allocation	Inception date	Min 1st subscription	Management fees [11]	Performance fees
Class B	LU2174487863	USD	Capitalisation	-	60K	0,80%	None
Class C	LU1876458750	EUR	Capitalisation	16/03/2015	50K	0,80%	None
Class D	LU2342935918	EUR	Distribution	-	50K	0,80%	None
Class M	LU1876459139	CHF	Capitalisation	-	70K	0,80%	None
Class R	LU1876458834	EUR	Capitalisation	19/05/2015	50K	1,30%	None

[5] Currency exposure is systematically hedged| [6] Details of the costs incurred by the Fund can be found in the prospectus