



AXIOM LUX

Société d'Investissement à Capital Variable

Audited annual report

as at 31/12/2019

RCS Luxembourg B196052

AXIOM LUX

Management and Administration

<u>Registered Office</u>	AXIOM LUX Société d'Investissement à Capital Variable 5, allée Scheffer L-2520 Luxembourg Grand Duchy of Luxembourg
<u>Management Company</u>	Axiom Alternative Investments "Société de Gestion de Portefeuille" 39, avenue Pierre 1 ^{er} de Serbie F-75008 Paris France
<u>Depository, Administrative and Domiciliation Agent</u>	CACEIS Bank, Luxembourg Branch 5, allée Scheffer L-2520 Luxembourg Grand Duchy of Luxembourg
<u>Global Distributor</u>	Axiom Alternative Investments "Société de Gestion de Portefeuille" 39, avenue Pierre 1 ^{er} de Serbie F-75008 Paris France
<u>Auditor</u>	PricewaterhouseCoopers, Société coopérative 2, rue Gerhard Mercator B.P. 1443 L-1014 Luxembourg Grand Duchy of Luxembourg
<u>Legal Advisor</u>	Arendt & Medernach S.A. 41A, avenue J.F. Kennedy L-2082 Luxembourg Grand Duchy of Luxembourg

Board of Directors

Mrs. Christina Perri, Director International Business Development, Axiom Alternative Investments

Mr. Laurent Surjon, Managing Director, Axiom Alternative Investments

Mr. David Ben Amou, Managing Partner, Axiom Alternative Investments

Mr. Christophe Arnould, Independent Director

Mr. Jean-François Boulter, Independent Director

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Management and Administration (continued)

Board of Managers of the Management Company

Mr. David Ben Amou, Managing partner, Axiom Alternative Investments

Mr. Jérôme Legras, Gérant, Axiom Alternative Investments

Mr. Adrian Paturle, Gérant, Axiom Alternative Investments

Mr. Gregory Raab, Gérant, Axiom Alternative Investments

Mr. Philippe Cazenave, Gérant, Axiom Alternative Investments

Mr. Laurent Surjon, Gérant, Axiom Alternative Investments

Management Report (continued)

AXIOM LUX - AXIOM EQUITY (launched as at 11/01/2019) (continued)

After a strong January rally, European equities continued their positive trend over the month driven by central banks' dovish tone, the warmer relation between US and China and the latest forecasts in the US and Europe. The banks SX7R index ended February at +4.85%, slightly outperforming non-financial indexes.

On Brexit, following the recent developments, markets seem to believe that the risk of a no-deal is being pushed away. The prospects of a possible delay to avoid a sudden exit of the European Union benefited the sterling which returned to its July levels.

The latest Q4 results came out either above expectations or in line with the consensus. Deutsche Bank announced its first profit since 2014. UniCredit, Intesa, Erste and Bawag were among the best performers. After underestimating its capital ratios last month, Metro Bank reassured the market by announcing a capital increase.

On the other hand, UBS drop after it was fined a record 3.7bn and €800m to pay in interest and damages for unlawful prospecting and aggravated money laundering and tax fraud. Elsewhere, an enquiry into Swedbank was launched in connection with the Danske Bank scandal.

The results of the liquidity stress tests currently being conducted by the ECB should be reported for Q3. The ECB confirmed it is currently working on a new refinancing facility program and that details of the new TLTRO 3 will be announced in the coming months.

Major positive contributors this month have been Metro Bank (Short), Lloyds (Long) and BNP (Long). Major negative contributors were Swedbank (Long), Provident Financial (Short), and Swiss Life (Short).

AXIOM EQUITY ended February with a performance of 6.06%.

Following the sharp rise at the beginning of the year, momentum stumbled due to confusion over Brexit developments and Central banks wait-and-see mode.

The banks SX7R index ended March at -3.87%, underperforming non-financial indexes.

In Europe, the Brexit soap opera kept investors in a wait and see mode. On March 29th, the UK Parliament rejected Theresa May's withdrawal agreement for the third time by 58 votes and a new deadline at the end of October has now been negotiated .

Donald Tusk's previous comment that until 12th April "all options will remain open...The UK Government will still have a choice of deal, no-deal, a long extension or revoking article 50" suggests that there might be room for flexibility to avoid a no-deal Brexit.

On the monetary policy front, the Fed reinforced its accommodating bias at its latest FOMC, saying that it now expects there will be no rate hikes this year and only one in 2020. The ECB remain also very cautious and declared that both its deposit and refinancing rates would not be raised before the end of this year (instead of mid-2019 initially). A new 2-year cheap loan scheme for banks (TLTRO) will be introduced next September.

Management Report (continued)

AXIOM LUX - AXIOM EQUITY (launched as at 11/01/2019) (continued)

Unsurprisingly, banks sold off sharply when the news came out. Persistently negative interest rates and further yield curve flattening suggest further downward pressure on Eurozone banks' profitability. The news flow around money-laundering reinforced investors' caution in the sector. Swedbank's stock dropped sharply after an internal audit showed serious shortcomings in the fight against money laundering. Moreover, the bank reportedly failed to communicate all the necessary information on the Panama Papers scandal to the US authorities. The CEO in charge of Baltic countries between 2011 and 2014 resigned.

On the M&A front, Deutsche Bank and Commerzbank finally confirmed that they were in talks over a merger.

Major positive contributors in March have been Metro Bank (Short), Bankia (Short) and HSBC (Long). Major negative contributors were BNP (Long), Nordea (Long) and ING (Long).

Financial stocks had a strong performance in April, extending the spectacular U-turn from last year's sell-off. The banks SX7P index ends the month at 7.54%, out-performing the Stoxx 600 by over 4%. Macroeconomic data surprised positively in China, in the USA and in Italy. Dovish central banks helped keep the hunt for yield intact and support flows into dividend-yielding stocks.

S&P affirmed Italy's credit rating at BBB with a stable outlook, which helped peripheral stocks.

Quarterly earnings were above expectations. Scandinavian P&C kicked the insurance earnings season with strong updates from Tryg and Topdanmark. SCOR surprised positively with better growth and higher solvency. Mapfre's earnings came in line with expectations, while Hastings signalled a deteriorating earnings outlook due to margin erosion.

On the banking side, Standard Chartered stood out with a strong 23% PBT beat versus consensus. Credit Suisse and Sabadell also surprised positively. Barclays, UBS, SEB, Deutsche Bank, Caixa, Santander and Bankia came roughly in line, while RBS, Danske, SHB, Swedbank and Nordea all reported disappointing underlying figures. The already high level of capital increased slightly. On the restructuring front, Deutsche Bank and Commerzbank called off merger plans on the grounds that the resulting synergies would not offset restructuring charges and subsequent capital requirements.

Major positive contributors in April have been BNP Paribas (Long), HSBC Holdings (Long) and UBS Group (Long). Major negative contributors were Swiss Life (Short), Bankia (Short) and Gjensidige Forsikring (Short).

AXIOM EQUITY ended April with a performance of +8.50%, overperforming the SX7P by 0.96%.

European financial stocks suffered a sharp sell-off in May with the sector P/E discount vs. the wider European market returning to levels not seen since February 2016, when sentiment was rocked by fears over Deutsche AT1 coupons. The banks SX7P index ended the month at -10.1%, underperforming the STOXX Europe 600 by 5.35%. The correction was driven by trade war headlines, the European Commission considering a disciplinary procedure against Italy over failure to rein in debt as well as the perceived probability of a no-deal Brexit increasing.

The latest 1st quarter results continued to surprise positively, especially from insurers where 80% of the results were above expectations. UniCredit and Intesa Sanpaolo benefited from better than expected market activities performance, improving asset quality and a stable capital position. The fundamentals of European banks and insurers remain strong and capital ratios show a reassuring degree of overcapitalization (13.5% on average).

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Management Report (continued)

AXIOM LUX - AXIOM EQUITY (launched as at 11/01/2019) (continued)

During the month, the mergers and acquisitions rumors continued to make the headlines. Following the announcement of the end of talks between Deutsche Bank and Commerzbank last month, the press reported that negotiations between Deutsche Bank and UBS on a merger of their asset management subsidiaries would also be halted. UniCredit and ING are interested in Commerzbank, but no discussion has been formalized. Allianz announced c. £800m of acquisitions in the UK. The bidding process for the Dutch insurer VIVAT is reaching its final stage. Finally, Liberbank and Unicaja announced the end of their merger talks.

On the restructuring front, rumors over ING and UniCredit tapping advisers to explore a potential takeover of Commerzbank compressed relative valuations.

Major positive contributors in May were Deutsche Bank (Short), Bankia (Short) and Swiss Re (Short). Major negative contributors were Intesa (Long), BNP (Long) and ING (Long).

AXIOM EQUITY ended May with a performance of -12.1%.

Amid a slowdown in the eurozone economy and new dovish comments from Mario Draghi, European financials mildly rebounded in June, with the SX7P gaining 1.59% but lagging the SXXP by 2.89%. At month end, the sector traded at a P/E discount of 39% and a dividend yield of 6.0% vs. 3.7% for the SXXP.

On the macro front, the European Commission ended weeks of negotiations with Rome by deciding not to trigger a disciplinary procedure against Italy as the ruling coalition promised to trim back the budget deficit, leading to strong outperformance of Italian stocks.

The Fed stress tests results were constructive for European banks as all of them passed both the quantitative and qualitative chapters, despite tougher assumptions about a more severe downturn than last year. The only negative surprise came from Credit Suisse which was unexpectedly requested to submit a revised capital plan to be allowed to increase payouts to its parent.

On the restructuring front, the WSJ reported Deutsche Bank was planning to slash between 15,000 and 20,000 jobs globally to dramatically shrink its investment banking division. Swiss Re made further progress towards the flotation of its life subsidiary ReAssure, which published its registration document early in the month.

Major positive contributors in June were Metro Bank (short), Just Group (long) and ING (long). Major negative contributors were Banco de Sabadell (long), Deutsche Bank (short) and Hannover Re (short).

AXIOM EQUITY ended June with a performance of +1.76%, outperforming the SX7R by 0.18%.

European financials struggled to hold on to gains despite positive earnings surprises overall as investors readjusted to renewed pressure on interest rates from central banks as well as a hardening rhetoric on the Brexit and trade fronts. The SX7P ended July at -2.52% vs. +0.34% for the SXXP. At month end, the sector traded at a P/E discount of 41% and a dividend yield of 6.3% vs. 3.7% for the SXXP.

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Management Report (continued)

AXIOM LUX - AXIOM EQUITY (launched as at 11/01/2019) (continued)

The Q2 reporting season enjoyed a decent start with two-thirds of banks beating estimates on earnings and capital generation despite tougher conditions in Sales & Trading. Credit Suisse, BNP, SocGen, Standard Chartered and Intesa surprised positively, while Deutsche Bank, Danske and Nordea came short of expectations. On the insurance front, the leading multi-line players all reported results ahead of consensus, with Generali leading the pack.

Major positive contributors in July were Metro Bank (short), Intesa (long) and Credit Suisse (long). Major negative contributors were SHB (long), Sabadell (short) and Hannover Re (short).

AXIOM EQUITY ended July with a performance of -3.86%, underperforming the SX7R by 1.34%.

Financials were among the worst performing sectors in August as long-term interest rates fell further down in negative territory and hopes for a resolution of the US/China trade war were dashed by a new wave of tariffs. The SX7P ended August at -6.97% vs. -1.63% for the SXXP. At month end, the sector traded at a P/E discount of 45% and a dividend yield of 6.77% vs. 3.86% for the SXXP. The sub-fund keeps favoring institutions with strong capitalisations and sustainable high dividend policies in the context of the phasing-in of Basel III.

Q2 results were supportive overall as provisions were lower than expected across the board. After Credit Suisse, StanChart and SocGen surprised positively, Unicredit and Commerzbank published disappointing results. Heading into September, we maintain a small leverage as we expect central bank rhetoric around mitigating measures to be supportive for bank stocks.

Major positive contributors in August were Metro Bank, Deutsche Bank and Schroders. Major negative contributors were ING, KBC and HSBC.

AXIOM EQUITY ended August with a performance of -7.08%, underperforming the SX7R by 0.69%.

Financials saw a strong rebound in the first half of September as investors welcomed the announcement of an excess reserves tiering system and a new wave of TLTRO. Though the aggregated P&L impact across European banks will be limited to a few percentage points, the call for more fiscal stimulus as well as the rhetoric around the need to preserve banking intermediation was well received by the market. The SX7R ended September at +8.97% vs. +3.60% for the SXXP. At month end, the sector traded at a P/E discount of 43% and a dividend yield of 6.47%.

The EBA published a study showing that under a full implementation of Basel IV, risk-weighted assets for European banks would be 21.5% higher overall. This is to compare with a 26.3% increase from the same study last year. This shows European banks are already beginning to take action on those assets which are treated most harshly under Basel IV and is supportive for dividend sustainability. In the UK, the PRA released an update on the treatment of equity lifetime mortgages, bringing an end to regulatory uncertainty for annuities reinsurers such as Just Group, PIC, L&G and Aviva.

Major positive contributors in September were Just Group, BNP Paribas and Metro Bank. Major negative contributors were Hannover Re, Crédit Agricole and LSE.

AXIOM EQUITY ended September with a performance of 13.65%, overperforming the SX7R by 4.69%.

October was a positive month for financials, driven by the progress on Brexit now postponed to January 31st, 2020 and the easing tensions between China and the United States. The SX7R ended

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Management Report (continued)

AXIOM LUX - AXIOM EQUITY (launched as at 11/01/2019) (continued)

October at +1.67% versus +1.04% for the SXXR. At month end, the sector traded at a P/E discount of 40% and a dividend yield at 5.85%.

On the monetary policy front, Mario Draghi's departure speech as president of the ECB had little impact on spreads. On the other side of the Atlantic, as anticipated, the FED cut its main rate by 25bps. the 10-year euro swap rate moved into positive territory (from -0.20% to +0.02%).

October was also busy with the first Q3 results' publications. Thirty banks have already released their Q3 with overall results in line or above expectations. Among the "best in class" we can mention Sabadell, Barclays, DNB and Standard Chartered. Deutsche Bank, for its part, continues to disappoint. The cleaning up of bank balance sheets continues, particularly in Italy, where UniCredit is preparing to sell a portfolio of non-performing loans with a nominal value of € 6bn, thus accelerating its new strategic plan. In Greece, the establishment of the "Hercules" plan has been approved by the European Commission. This is a scheme similar to the Guarantee on Securitization of Bank Non-Performing Loans (GACS), implemented in 2017 in Italy, which had significantly reduced the NPLs exposure of Italian banks.

Major positive contributors in October were Just Group, Barclays and Banco Sabadell. Major negative contributors were HSBC, Metro Bank and Worldline.

AXIOM EQUITY ended October with a performance of +3.35% overperforming the SX7R by 1.65%.

November was another positive month for financial stocks, driven by the prospects for a US-China agreement in early 2020 and the absence of further developments on the British side, whose fate depends on the elections expected on 12 December. Reassuring macroeconomic publications (lower unemployment in Germany, higher Consumer Price Index, better growth in the United States) and a slight rise in interest rates have comforted investors. The SX7R ended November at +2.56% versus +2.83% for the SXXR. At month end, the sector traded at a P/E discount of 40% and a dividend yield at 5.95%.

The quarterly publication season was good with 19 out of 37 banks' releases above expectations. Among the "best in class" we can mention UBS, Barclays, Sabadell and Santander, whose income has increased significantly.

In terms of restructuring, Deutsche Bank is continuing its efforts. The German bank was the only one to have its G-SIB capital requirement reduced by the Financial Stability Board. Unicaja and Liberbank have confirmed with the Spanish regulator (CNMV) that they are looking into a merger project. Money laundering investigations are continuing with new revelations at SEB, whose share price fell by 12% in one day.

Major positive contributors in November were BNP Paribas, Just Group and KBC. Major negative contributors were Credit Agricole, Hannover Re and Wirecard.

AXIOM EQUITY ended November with a performance of +2.56% in line with the SX7R.

Financial registered a solid performance on December. The very good US employment figures, the decreased uncertainty around Brexit post the UK elections, the slight rise in sovereign rates (-0.20% in Germany and +0.12% in France) and the confirmation of a first agreement between China and the United States provided a very supportive market environment.

The Stoxx 600 Banks Dividend Reinvested (SX7R) ended December at +4.23% versus +2.13% for the Stoxx 600 Net Return (SXXR). At the end of the month, the financial sector was trading with a 38% discount on net profit and a dividend rate of 5.98%.

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Management Report (continued)

AXIOM LUX - AXIOM EQUITY (launched as at 11/01/2019) (continued)

On the regulatory front, the speech by Andrea Enria, Chairman of the ECB's Prudential Supervisory Board, to the European Parliament gave banks more flexibility to satisfy their capital requirements. Until now only CET1 was allowed. This new break down of Pillar 2 (56.25% CET1, 18.75% AT1 and 25% Tier 2) is an important change and should result in an average reduction of CET1 requirements of 90bps. Andrea Enria also recognized the benefits of consolidation as a solution to improve profitability in a context of negative interest rates.

At its Investor Day, Deutsche Bank reaffirmed its strategic plan objectives but reduced its revenue growth target for 2022. UniCredit confirmed its "Single Point of Entry" resolution plan and announced a share buyback program. NordLB strengthened its capital by avoiding the constraints linked to State support and Banca Popolare di Bari received an injection of €900M to urgently meet its capital requirements at the end of December.

The main positive contributors in December were Just Group, Wirecard and Skandinaviska Enskilda. The main negative contributors were Scor, Deutsche and Crédit Agricole.

AXIOM EQUITY ended December with a performance of 6.23%, above the SX7R.

AXIOM LUX - AXIOM OPTIMAL FIX (launched as at 11/01/2019)

Investors came back in January in a market which was struck by a lack of liquidity at the end of 2018. Financials led the rise at the beginning of the year despite the persisting economic concerns (Brexit, the recession in Italy, the trade war between China and the United States) offset by the relatively dovish tone of the ECB. The primary market saw a high volume of primary issues at normalising premium levels. The primary market was focused on the new Senior Non-Preferred format (Tier3 securities, eligible for TLAC / MREL ratios). We have participated in CaixaBank and BNP for their attractive premium of 25 and 50 bps respectively. The sub-fund reduced its exposure to US Fixed to Fixed as they rebounded sharply in January (+ 15bps of contributions).

The monthly performance was also driven by the price normalization of the EUR Fixed to Fixed bonds. The Lloyds 6.85 for example, went from 99.70 to 100.70 (+ 10bps contribution). The sub-fund ended the month with a large cash pocket to keep a cautious approach in anticipation of higher volatility on the market over the coming months.

Credit markets continued their positive trend in February driven by central banks' dovish tone, the progress of the trade discussions between US and China and the latest economic figures in the US. The SubFin tightened by 24bps ending the month at 149bps.

On Brexit, following the recent developments, markets seem to believe that the risk of a no-deal is being pushed away. The prospects of a possible delay to avoid a sudden exit of the European Union benefited the sterling which returned to its July levels.

The latest results came out either above expectations or in line with the consensus. Deutsche Bank announced its first profit since 2014. UniCredit, Intesa, Erste and Bawag were among the best performers. After underestimating its capital ratios last month, Metro Bank reassured the market by announcing a capital increase. The results of the liquidity stress tests currently being conducted by the ECB should be reported for Q3. Several articles in the press confirmed that the ECB is currently working on a new refinancing facility program and that a TLTRO 3 could be announced in March.



Audit report

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Combined

AXIOM LUX
Combined
Financial Statements as at 31/12/2019

Statement of Net Assets as at 31/12/2019

Expressed in EUR

Assets		551,128,247.91
Securities portfolio at market value	Note 2	515,137,621.87
<i>Cost price</i>		496,600,709.06
<i>Unrealised profit on the securities portfolio</i>		18,536,912.81
Cash at banks and liquidities		26,788,037.23
Interest receivable		5,983,756.67
Formation expenses	Note 2	106,483.16
Brokers receivable		2,366,545.57
Subscriptions receivable		114,904.74
Dividends receivable		52,104.70
Unrealised net appreciation on forward foreign exchange contracts	Note 2	97,399.26
Unrealised net appreciation on financial futures	Note 2	360,379.17
Unrealised net appreciation on swaps	Note 2	121,015.54
Liabilities		3,866,176.32
Bank overdrafts		716,889.86
Administration fees payable	Note 5	65,945.32
Performance fees payable	Note 4	188,303.64
Redemptions payable		170,870.88
Unrealised net depreciation on forward foreign exchange contracts	Note 2	1,501,949.43
Unrealised net depreciation on swaps	Note 2	478,405.21
Management Company fees payable		574,414.03
Depositary fees payable	Note 5	60,146.99
Other liabilities		109,250.96
Net asset value		547,262,071.59

AXIOM LUX Combined

Statement of Operations and Changes in Net Assets from 01/01/2019 to 31/12/2019

Expressed in EUR

Income		21,804,134.82
Net dividends	Note 2	2,427,929.92
Net interest on bonds	Note 2	16,710,048.22
Bank interest on cash accounts		87,339.45
Other financial income		25,849.53
Income on reverse repurchase agreements		178.23
Interest on equity swaps / credit default swaps		2,552,789.47
Expenses		6,980,834.17
Amortisation of formation expenses	Note 2	13,962.99
Management Company fees	Note 4	5,879,998.95
Depositary fees	Note 5	144,531.26
Taxe d'abonnement	Note 3	217,614.01
Administration fees	Note 5	126,311.90
Performance fees	Note 4	175,492.48
Domiciliation fees		11,682.14
Professional fees		34,197.26
Bank interest on overdrafts		109,892.25
Legal fees		19,980.09
Transaction fees	Note 6	70,934.62
Interest on equity swaps / credit default swaps		48,795.46
Other expenses	Note 7	127,440.76
Net income from investments		14,823,300.65
Net realised profit / loss on:		
- sales of investment securities		1,716,302.59
- forward foreign exchange contracts		-5,798,561.35
- financial futures		-1,299,994.86
- swaps		-2,018,153.84
- foreign exchange		2,251,858.25
Net realised profit		9,674,751.44
Movement in net unrealised appreciation / depreciation on:		
- securities	Note 2	18,432,954.97
- forward foreign exchange contracts	Note 2	-1,404,550.17
- financial futures	Note 2	360,379.17
- swaps	Note 2	-357,389.67
Increase in net assets as a result of operations		26,706,145.74
Dividends paid	Note 9	-1,225,263.75
Subscription capitalisation shares		637,838,254.84
Subscription distribution shares		31,819,152.90
Redemption capitalisation shares		-147,454,462.99
Redemption distribution shares		-2,083,868.40
Increase in net assets		545,599,958.34
Net assets at the beginning of the year		1,662,113.25
Net assets at the end of the year		547,262,071.59

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- AXIOM EQUITY (launched as at 11/01/2019)

AXIOM LUX - AXIOM EQUITY (launched as at 11/01/2019)

Financial Statements as at 31/12/2019

Statement of Net Assets as at 31/12/2019

Expressed in EUR

Assets		8,098,191.94
Securities portfolio at market value	Note 2	7,480,129.81
<i>Cost price</i>		6,993,657.46
<i>Unrealised profit on the securities portfolio</i>		486,472.35
Cash at banks and liquidities		482,780.35
Formation expenses	Note 2	929.91
Subscriptions receivable		14,105.12
Dividends receivable		4,250.74
Unrealised net appreciation on forward foreign exchange contracts	Note 2	6,805.09
Unrealised net appreciation on financial futures	Note 2	2,510.00
Unrealised net appreciation on swaps	Note 2	106,680.92
Liabilities		166,837.33
Bank overdrafts		122,033.64
Administration fees payable	Note 5	1,086.40
Performance fees payable	Note 4	286.23
Redemptions payable		10,438.39
Management Company fees payable		15,724.65
Depository fees payable	Note 5	7,248.92
Other liabilities		10,019.10
Net asset value		7,931,354.61

Changes in number of shares outstanding from 11/01/2019 to 31/12/2019

	Shares outstanding as at 11/01/2019	Shares issued	Shares redeemed	Shares outstanding as at 31/12/2019
C - EUR - Capitalisation	0.0000	4,035.4884	1,516.0446	2,519.4438
R - EUR - Capitalisation	0.0000	15,076.5796	7,140.1725	7,936.4071
BC - USD - Capitalisation	0.0000	105.0000	105.0000	0.0000

Key figures

	<i>Period / Year ending as at:</i>	31/12/19
Total Net Assets	EUR	7,931,354.61
C - EUR - Capitalisation		
Number of shares		2,519.4438
Net asset value per share	EUR	750.94
R - EUR - Capitalisation		
Number of shares		7,936.4071
Net asset value per share	EUR	760.98

AXIOM LUX - AXIOM EQUITY (launched as at 11/01/2019)

Key figures

Period / Year ending as at: **31/12/19**

Total Net Assets	EUR	7,931,354.61
BC - USD - Capitalisation		
Number of shares		0.0000
Net asset value per share	USD	0.00

AXIOM LUX - AXIOM EQUITY (launched as at 11/01/2019)

Securities portfolio as at 31/12/2019

Expressed in EUR

Quantity	Denomination	Quotation currency	Market value	% of net assets
Transferable securities admitted to an official stock exchange listing and/or dealt in on another regulated market			7,480,129.81	94.31
Shares			7,480,129.81	94.31
<i>Austria</i>			<i>398,765.10</i>	<i>5.03</i>
11,227.00	ERSTE GROUP BANK AG	EUR	376,778.12	4.75
982.00	RAIFFEISEN BANK INTERNATIONAL-HOLDING AG	EUR	21,986.98	0.28
<i>Belgium</i>			<i>486,721.48</i>	<i>6.14</i>
7,258.00	KBC GROUPE SA	EUR	486,721.48	6.14
<i>Denmark</i>			<i>315,146.93</i>	<i>3.97</i>
5,561.00	DANSKE BANK	DKK	80,224.26	1.01
2,644.00	TOPDANMARK AS	DKK	116,198.01	1.47
4,492.00	TRYG A/S	DKK	118,724.66	1.49
<i>Finland</i>			<i>195,683.92</i>	<i>2.47</i>
27,184.00	NORDEA BANK ABP	SEK	195,683.92	2.47
<i>France</i>			<i>846,403.81</i>	<i>10.67</i>
9,842.00	BNP PARIBAS SA	EUR	519,952.86	6.56
8,676.00	CREDIT AGRICOLE SA	EUR	112,137.30	1.41
6,910.00	SOCIETE GENERALE SA	EUR	214,313.65	2.70
<i>Germany</i>			<i>46,927.60</i>	<i>0.59</i>
8,506.00	COMMERZBK	EUR	46,927.60	0.59
<i>Ireland</i>			<i>20,698.38</i>	<i>0.26</i>
6,664.00	AIB GRP - REGISTERED	EUR	20,698.38	0.26
<i>Italy</i>			<i>1,027,386.42</i>	<i>12.95</i>
10,426.00	BANCO BPM REGISTERED	EUR	21,143.93	0.27
4,121.00	FINECOBANK	EUR	44,053.49	0.56
147,920.00	INTESA SANPAOLO SPA	EUR	347,390.12	4.37
5,713.00	MEDIOBANCA SPA	EUR	56,067.38	0.71
14,846.00	NEXI S.P.A.	EUR	183,793.48	2.31
8,074.00	UBI BANCA SCPA	EUR	23,511.49	0.30
18,127.00	UNICREDIT -REGISTERD SHARE	EUR	236,013.54	2.97
44,561.00	UNIPOLSAI AZ. POST RAGGRUPPAMENTO	EUR	115,412.99	1.46
<i>Norway</i>			<i>129,820.00</i>	<i>1.64</i>
7,808.00	DNB	NOK	129,820.00	1.64
<i>Poland</i>			<i>142,622.45</i>	<i>1.80</i>
17,595.00	PKO BANK POLSKI SA	PLN	142,622.45	1.80
<i>Spain</i>			<i>1,026,602.42</i>	<i>12.94</i>
60,556.00	BANCO BILBAO VIZCAYA ARGENT SA REG	EUR	301,750.55	3.80
344,465.00	BANCO SABADELL REG.SHS	EUR	358,243.60	4.51
64,120.00	BANCO SANTANDER SA REG SHS	EUR	239,167.60	3.02
9,603.00	BANKIA BEARER SHS	EUR	18,269.71	0.23
4,336.00	BANKINTER REG.SHS	EUR	28,322.75	0.36
28,895.00	CAIXABANK	EUR	80,848.21	1.02
<i>Sweden</i>			<i>660,197.18</i>	<i>8.32</i>
12,785.00	SHB -A-	SEK	122,767.15	1.55
52,058.00	SKANDINAVISKA ENSKILDA BANKEN -A-	SEK	436,370.17	5.50
7,615.00	SWEDBANK -A-	SEK	101,059.86	1.27
<i>Switzerland</i>			<i>367,824.80</i>	<i>4.64</i>
6,940.00	CREDIT SUISSE GROUP AG REG SHS	CHF	83,669.46	1.05
25,266.00	UBS GROUP NAMEN-AKT	CHF	284,155.34	3.59
<i>The Netherlands</i>			<i>445,979.28</i>	<i>5.62</i>
3,957.00	ABN AMRO GROUP DEP RECEIPT	EUR	64,182.54	0.81
35,722.00	ING GROEP	EUR	381,796.74	4.81
<i>United Kingdom</i>			<i>1,369,350.04</i>	<i>17.27</i>
147,219.00	BARCLAYS PLC	GBP	312,107.41	3.94
71,083.00	HSBC HOLDINGS PLC	GBP	496,536.59	6.26
414,333.00	LLOYDS BANKING GROUP PLC	GBP	305,609.41	3.85
26,599.00	ROYAL BANK OF SCOTLAND	GBP	75,432.11	0.95
19,388.00	STANDARD CHARTERED PLC	GBP	163,002.43	2.06
7,488.00	VIRGIN MONEY UK PLC	GBP	16,662.09	0.21
Total securities portfolio			7,480,129.81	94.31

AXIOM LUX - AXIOM EQUITY (launched as at 11/01/2019)

Statement of Operations and Changes in Net Assets from 11/01/2019 to 31/12/19

Expressed in EUR

Income		314,712.60
Net dividends	Note 2	300,477.07
Bank interest on cash accounts		14,210.14
Other financial income		25.39
Expenses		239,383.45
Amortisation of formation expenses	Note 2	107.38
Management Company fees	Note 4	148,404.90
Depositary fees	Note 5	8,932.14
Taxe d'abonnement	Note 3	1,333.70
Administration fees	Note 5	2,184.30
Domiciliation fees		182.27
Professional fees		4,455.64
Bank interest on overdrafts		7,269.52
Legal fees		277.87
Transaction fees	Note 6	41,206.43
Other expenses	Note 7	25,029.30
Net income from investments		75,329.15
Net realised profit / loss on:		
- securities		-43,951.55
- forward foreign exchange contracts		56,310.37
- financial futures		-25,860.40
- swaps		334,828.50
- foreign exchange		-1,709.32
Net realised profit		394,946.75
Movement in net unrealised appreciation / depreciation on:		
- securities	Note 2	486,472.35
- forward foreign exchange contracts	Note 2	6,805.09
- financial futures	Note 2	2,510.00
- swaps	Note 2	106,680.92
Increase in net assets as a result of operations		997,415.11
Subscription capitalisation shares		12,980,546.88
Redemption capitalisation shares		-6,046,607.38
Increase in net assets		7,931,354.61
Net assets at the beginning of the period		0.00
Net assets at the end of the period		7,931,354.61

AXIOM LUX

**Notes to the financial statements - Schedule of derivative
instruments**

AXIOM LUX

FORWARD FOREIGN EXCHANGE CONTRACTS

As at 31/12/2019, the following forward foreign exchange contract was outstanding :

The contracts that are followed by * relate to specifically to foreign exchange risk hedging of shares.

AXIOM LUX - AXIOM CONTINGENT CAPITAL (launched as at 11/01/2019)

Currency purchased	Quantity purchased	Currency sale	Quantity sale	Maturity date	Unrealised (in EUR)	Counterparty
EUR	1,853,854.47	GBP	1,620,000.00	16/01/20	-57,143.83	CACEIS Bank, Luxembourg Branch
GBP	2,690,000.00	EUR	3,078,313.91	16/01/20	94,844.21 *	CACEIS Bank, Luxembourg Branch
EUR	4,602,123.84	USD	5,100,000.00	16/01/20	62,711.89	CACEIS Bank, Luxembourg Branch
USD	700,000.00	EUR	631,057.02	16/01/20	-7,992.66	CACEIS Bank, Luxembourg Branch
GBP	50,000.00	EUR	59,438.90	16/01/20	-458.27 *	CACEIS Bank, Luxembourg Branch
USD	800,000.00	EUR	718,261.81	16/01/20	-6,188.26	CACEIS Bank, Luxembourg Branch
GBP	600,000.00	EUR	702,946.52	16/01/20	4,821.09	CACEIS Bank, Luxembourg Branch
					90,594.17	

AXIOM LUX - AXIOM EQUITY (launched as at 11/01/2019)

Currency purchased	Quantity purchased	Currency sale	Quantity sale	Maturity date	Unrealised (in EUR)	Counterparty
EUR	23,340.03	PLN	99,900.00	22/01/20	-131.85	CACEIS Bank, Luxembourg Branch
GBP	885,000.00	EUR	1,039,953.00	22/01/20	3,797.41	CACEIS Bank, Luxembourg Branch
EUR	281,202.14	SEK	2,938,000.00	22/01/20	1,669.29	CACEIS Bank, Luxembourg Branch
CHF	451,000.00	EUR	413,723.51	22/01/20	1,246.48	CACEIS Bank, Luxembourg Branch
EUR	106,418.58	DKK	795,000.00	22/01/20	16.23	CACEIS Bank, Luxembourg Branch
NOK	115,000.00	EUR	11,438.23	22/01/20	207.53	CACEIS Bank, Luxembourg Branch
					6,805.09	

AXIOM LUX - AXIOM OPTIMAL FIX (launched as at 11/01/2019)

Currency purchased	Quantity purchased	Currency sale	Quantity sale	Maturity date	Unrealised (in EUR)	Counterparty
EUR	2,301,893.31	HKD	20,000,000.00	16/01/20	17,599.17	CACEIS Bank, Luxembourg Branch
EUR	563,848.96	SEK	6,100,000.00	16/01/20	-16,583.44	CACEIS Bank, Luxembourg Branch
EUR	28,894,953.97	GBP	25,250,000.00	16/01/20	-890,667.73	CACEIS Bank, Luxembourg Branch
EUR	67,678,291.69	USD	75,000,000.00	16/01/20	922,233.54	CACEIS Bank, Luxembourg Branch
USD	107,000.00	EUR	96,554.36	16/01/20	-1,314.52 *	CACEIS Bank, Luxembourg Branch
USD	19,330,000.00	EUR	17,442,951.71	16/01/20	-237,474.58 *	CACEIS Bank, Luxembourg Branch
CHF	8,700,000.00	EUR	7,932,274.78	16/01/20	72,300.59 *	CACEIS Bank, Luxembourg Branch
EUR	248,181.05	USD	278,000.00	16/01/20	736.26 *	CACEIS Bank, Luxembourg Branch
USD	4,000,000.00	EUR	3,619,909.50	16/01/20	-59,541.75	CACEIS Bank, Luxembourg Branch
EUR	158,236.53	CHF	173,000.00	16/01/20	-934.80 *	CACEIS Bank, Luxembourg Branch
EUR	298,264.64	USD	330,000.00	16/01/20	4,538.40 *	CACEIS Bank, Luxembourg Branch
USD	1,800,000.00	EUR	1,620,862.30	16/01/20	-18,696.81	CACEIS Bank, Luxembourg Branch
GBP	2,500,000.00	EUR	2,941,782.13	16/01/20	7,249.58	CACEIS Bank, Luxembourg Branch
USD	5,000,000.00	EUR	4,489,136.29	16/01/20	-38,676.61	CACEIS Bank, Luxembourg Branch
GBP	1,500,000.00	EUR	1,757,366.29	16/01/20	12,052.73	CACEIS Bank, Luxembourg Branch
					-227,179.97	

AXIOM LUX - AXIOM OBLIGATAIRE (launched as at 25/01/2019)

Currency purchased	Quantity purchased	Currency sale	Quantity sale	Maturity date	Unrealised (in EUR)	Counterparty
EUR	49,073,988.97	GBP	42,714,000.00	16/01/20	-1,312,577.90	CACEIS Bank, Luxembourg Branch
GBP	136,000.00	EUR	156,250.00	16/01/20	4,177.32 *	CACEIS Bank, Luxembourg Branch
CHF	1,608,000.00	EUR	1,463,481.23	16/01/20	15,985.11 *	CACEIS Bank, Luxembourg Branch
EUR	1,265,493.10	SEK	13,702,000.00	16/01/20	-38,291.45	CACEIS Bank, Luxembourg Branch
USD	3,888,000.00	EUR	3,498,605.24	16/01/20	-37,927.79 *	CACEIS Bank, Luxembourg Branch
EUR	7,329,254.03	USD	8,145,000.00	16/01/20	79,528.13	CACEIS Bank, Luxembourg Branch
EUR	610,813.71	GBP	530,000.00	16/01/20	-14,387.48	CACEIS Bank, Luxembourg Branch
GBP	2,200,000.00	EUR	2,541,883.30	16/01/20	53,264.60	CACEIS Bank, Luxembourg Branch
EUR	237,516.87	USD	264,000.00	16/01/20	2,534.92 *	CACEIS Bank, Luxembourg Branch
EUR	1,401,296.20	GBP	1,200,000.00	16/01/20	-14,245.30	CACEIS Bank, Luxembourg Branch

AXIOM LUX

FORWARD FOREIGN EXCHANGE CONTRACTS

AXIOM LUX - AXIOM OBLIGATAIRE (launched as at 25/01/2019)

Currency purchased	Quantity purchased	Currency sale	Quantity sale	Maturity date	Unrealised (in EUR)	Counterparty
CHF	73,000.00	EUR	66,514.81	16/01/20	650.02 *	CACEIS Bank, Luxembourg Branch
EUR	399,781.30	GBP	340,000.00	16/01/20	-1,287.54	CACEIS Bank, Luxembourg Branch
GBP	3,500.00	EUR	4,187.60	16/01/20	-58.96 *	CACEIS Bank, Luxembourg Branch
USD	59,000.00	EUR	52,797.37	16/01/20	-281.95 *	CACEIS Bank, Luxembourg Branch
CHF	19,000.00	EUR	17,356.35	16/01/20	124.91 *	CACEIS Bank, Luxembourg Branch
					-1,262,793.36	

AXIOM LUX - AXIOM OPTIMAL CRITERIA (launched as at 21/08/2019)

Currency purchased	Quantity purchased	Currency sale	Quantity sale	Maturity date	Unrealised (in EUR)	Counterparty
EUR	1,144,354.61	GBP	1,000,000.00	16/01/20	-35,273.97	CACEIS Bank, Luxembourg Branch
EUR	2,526,656.22	USD	2,800,000.00	16/01/20	34,430.05	CACEIS Bank, Luxembourg Branch
EUR	122,814.05	AUD	202,000.00	16/01/20	-3,622.78	CACEIS Bank, Luxembourg Branch
EUR	288,997.29	GBP	250,000.00	16/01/20	-5,908.53	CACEIS Bank, Luxembourg Branch
EUR	234,322.37	GBP	200,000.00	16/01/20	-1,600.87	CACEIS Bank, Luxembourg Branch
					-11,976.10	

AXIOM LUX

FINANCIAL FUTURES

As at 31/12/2019, the following futures contracts were outstanding :

AXIOM LUX - AXIOM CONTINGENT CAPITAL (launched as at 11/01/2019)

Quantity (purchase/(sale))	Denomination	Currency	Market value (in EUR) (in absolute value)	Unrealised (in EUR)	Broker
Futures on bonds					
-5	EURO-OAT-FUTURES-EUX 03/20	EUR	813,850.00	10,350.00	CACEIS Bank, Paris
-8	US 10 YEARS NOTE 03/20	USD	915,256.12	9,131.40	CACEIS Bank, Paris
				19,481.40	

AXIOM LUX - AXIOM EQUITY (launched as at 11/01/2019)

Quantity (purchase/(sale))	Denomination	Currency	Market value (in EUR) (in absolute value)	Unrealised (in EUR)	Broker
Futures on index					
-41	DJ.STOXX600.BK(EUX) 03/20	EUR	292,535.00	2,510.00	CACEIS Bank, Paris
				2,510.00	

AXIOM LUX - AXIOM OPTIMAL FIX (launched as at 11/01/2019)

Quantity (purchase/(sale))	Denomination	Currency	Market value (in EUR) (in absolute value)	Unrealised (in EUR)	Broker
Futures on bonds					
-9	LONG GILT FUTURE-LIF 03/20	GBP	1,395,432.82	21,348.91	CACEIS Bank, Paris
-75	US TREASURY BOND 03/20	USD	10,416,898.66	254,210.74	CACEIS Bank, Paris
				275,559.65	

AXIOM LUX - AXIOM OPTIMAL CRITERIA (launched as at 21/08/2019)

Quantity (purchase/(sale))	Denomination	Currency	Market value (in EUR) (in absolute value)	Unrealised (in EUR)	Broker
Futures on bonds					
-4	EURO BOBL FUTURE 03/20	EUR	534,520.00	2,960.00	CACEIS Bank, Paris
-2	EURO BUND FUTURE 03/20	EUR	340,980.00	4,820.00	CACEIS Bank, Paris
-3	EURO BUXL FUTURE 03/20	EUR	595,140.00	21,060.00	CACEIS Bank, Paris
-9	LONG GILT FUTURE-LIF 03/20	GBP	1,395,432.82	21,348.91	CACEIS Bank, Paris
-3	US TREASURY BOND 03/20	USD	416,675.95	9,924.84	CACEIS Bank, Paris
-6	US 5 YEARS NOTE-CBT 03/20	USD	633,992.20	2,714.37	CACEIS Bank, Paris
				62,828.12	

AXIOM LUX

CREDIT DEFAULT SWAPS (CDS):

As at December 31, 2019, the open positions on Credit Default Swaps (CDS) were as follows:

AXIOM CONTINGENT CAPITAL

Descriptions/ underlying	Buyer/ Seller	Ccy	Notional	Maturity	Counterparty	Unrealised result (in EUR)
UNITED KINGDOM 4.25 0 JUN 7 2	BUY	USD	2,000,000.00	20/06/2023	JP MORGAN PLC	-50,741.86
						- 50,741.86

AXIOM OPTIMAL FIX

Descriptions/ underlying	Buyer/ Seller	Ccy	Notional	Maturity	Counterparty	Unrealised result (in EUR)
SOCIETE GENERALE EUR MM SU	SELL	EUR	2,000,000.00	20/06/2020	GOLDMAN SACHS INTERNATIONAL	7,833.79
COMMERZBANK AG EUR MM SU	SELL	EUR	2,000,000.00	20/06/2020	GOLDMAN SACHS INTERNATIONAL	7,346.89
BCO SANTANDER SA EUR MM SU	SELL	EUR	2,000,000.00	20/06/2020	JP MORGAN PLC	7,703.42
DANSKE BK A S EUR MM SU	SELL	EUR	3,000,000.00	20/12/2020	JP MORGAN PLC	20,391.46
BCO BILBAO VIZCA EUR MM SU	SELL	EUR	3,000,000.00	20/06/2021	JP MORGAN PLC	4,537.27
						47,812.83

AXIOM OBLIGATAIRE

Descriptions/ underlying	Buyer/ Seller	Ccy	Notional	Maturity	Counterparty	Unrealised result (in EUR)
TKOFP SENIOR TIKEHAU EUR MM SN	SELL	EUR	4,000,000.00	20/12/2024	JP MORGAN PLC	-342,130.68
TKOFP SENIOR TIKEHAU EUR MM SN	SELL	EUR	1,000,000.00	20/12/2024	JP MORGAN AG FRANKFURT	-85,532.67
						-427,663.35

AXIOM LUX

EQUITY SWAPS (EOS):

As at December 31, 2019, the open positions on Equity Swaps (EQS) were as follows:

AXIOM EQUITY

Notional	Ccy	Maturity	sub-fund pays	sub-fund receives	Counterparty	Unrealised result (in EUR)
386,560.44	EUR	31/03/2020	EUR OIS	AXIOM EUR INDEX	SGR SOCIETE GENERALE PARIS	12,637.86
-377,681.47	CHF	31/03/2020	CHF OVERNIGHT COMPOUNDED RATE	AXIOM CHF INDEX	SGR SOCIETE GENERALE PARIS	4,988.21
-647,836.81	GBP	31/03/2020	GBP OVERNIGHT COMPOUNDED RATE	AXIOM GBP INDEX	SGR SOCIETE GENERALE PARIS	85,880.33
635,168.87	PLN	31/03/2020	PLN WIBOR OVERNIGHT	AXIOM PLN INDEX	SGR SOCIETE GENERALE PARIS	3,174.52
N/A*	NOK	31/03/2020	NOK OIBOR 1 MONTH	AXIOM NOK INDEX	SGR SOCIETE GENERALE PARIS	0.00
N/A*	SEK	31/03/2020	SEK STIBOR OVERNIGHT	AXIOM SEK INDEX	SGR SOCIETE GENERALE PARIS	0.00
N/A*	CZK	31/03/2020	CZK PRIBOR OVERNIGHT	AXIOM CZK INDEX	SGR SOCIETE GENERALE PARIS	0.00
N/A*	DKK	31/03/2020	DKK CIBOR OVERNIGHT	AXIOM DKK INDEX	SGR SOCIETE GENERALE PARIS	0.00
N/A*	HUF	30/03/2020	HUF BUBOR OVERNIGHT	AXIOM HUF INDEX	SGR SOCIETE GENERALE PARIS	0.00
N/A*	TRY	31/03/2020	TRY LIBOR OVERNIGHT	AXIOM TRY INDEX	SGR SOCIETE GENERALE PARIS	0.00
						106,680.92

AXIOM OPTIMAL FIX

Notional	Ccy	Maturity	sub-fund pays	sub-fund receives	Counterparty	Unrealised result (in EUR)
2,000,000.00	USD	20/09/2020	IBX USD CONTINGENT LIQUID DVPT M	USD LIBOR 3 MONTHS	GOLDMAN SACHS INTERNATIONAL	-10,805.12
3,000,000.00	EUR	20/09/2020	IBX EUR CONTINGENT LIQUID DVPT M	EUR EURIBOR 3 MONTHS	GOLDMAN SACHS INTERNATIONAL	-22,673.10
						-33,478.22

AXIOM OBLIGATAIRE

Notional	Ccy	Maturity	sub-fund pays	sub-fund receives	Counterparty	Unrealised result (in EUR)
N/A*	EUR	31/03/2020	EUR OIS	AXIOM EUR INDEX	SGR SOCIETE GENERALE PARIS	0.00
						0.00

* This Equity swap is available but “dormant” as at 31 December 2019.

AXIOM LUX

Other notes to the financial statements

AXIOM LUX

Other notes to the financial statements

Note 1 - General

AXIOM LUX (the “Company”) is an open-ended collective investment company (“*société d’investissement à capital variable*” or “SICAV”) established under the laws of the Grand Duchy of Luxembourg and registered under part I of the Luxembourg law of December 17, 2010, as amended, concerning undertakings for collective investment. The Company qualifies as an Undertaking for Collective Investment in Transferable Securities under the Directive 2009/65/EC of the European Parliament and of the Council of July 13, 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities. The Company was initially incorporated on March 27, 2015 and is managed by Axiom Alternative Investments on the basis of freedom of services pursuant to chapter 15 of the law.

The Company is registered with the *Registre de Commerce et des Sociétés, Luxembourg*, under number B196052 and is established at 5, allée Scheffer, L-2520 Luxembourg.

The Management Company was incorporated as a French Private Limited Liability Company (*société à responsabilité limitée*). The Management Company is registered with the Registre de Commerce et des Sociétés de Paris under number RCS 492.625.470. The Management Company is authorised and supervised by the Autorité des Marchés Financiers as a Portfolio Manager under Licence number GP 0600039 since December 1, 2006.

As at December 31, 2019, the sub-funds are active:

Sub-funds	Currency
AXIOM CONTINGENT CAPITAL (launched on 11/01/2019)*	EUR
AXIOM EQUITY (launched on 11/01/2019)*	EUR
AXIOM OPTIMAL FIX (launched on 11/01/2019)*	EUR
AXIOM OBLIGATAIRE (launched on 25/01/2019)	EUR
AXIOM OPTIMAL CRITERIA (launched on 21/08/2019)*	EUR

*The above sub-funds were created by the way of mergers with French FCP based on the net asset values calculated on January 11, 2019, except for AXIOM OBLIGATAIRE (based on the net asset value calculated on January 25, 2019). The exchange ratio of these mergers have been one to one.

During the year, the sub-funds were liquidated:

Sub-funds	Currency
AXIOM OBLIGATAIRE LUX (liquidated as at 17/01/2019)	EUR
AXIOM EQUITY LONG SHORT (launched as at 11/01/2019 and liquidated as at 11/06/2019)	EUR

A remaining amount of cash representing EUR 8,049.06 is still present as at 31/12/2019 for the sub-fund AXIOM EQUITY LONG SHORT liquidated during the year and not included in the combined Statement of Net Assets.

The sub-fund Share Classes have been issued in registered from:

Share Class	Ccy	Target Investor
C	EUR	All investors
R	EUR	All investors for whom distribution, promotion and subscription to the sub-fund is done primarily through the network of distribution platforms dedicated to wealth management advisors and financial advisors
M	CHF**	All investors wishing to have full and systematic hedging against currency risk
BC	USD**	All investors wishing to have full and systematic hedging against currency risk
Z	EUR	UCIT, investment funds and accounts managed by Axiom Alternative Investments and the staff of Axiom Alternative Investments

** For the Classes of Shares denominated in currencies other than EUR, the sub-fund will enter into currency hedging transactions in order to cover the currency risks.

Other notes to the financial statements (continued)

Note 2 - Summary of significant accounting principles

The Company's financial statements have been prepared and presented in accordance with the Luxembourg regulations relating to undertakings for collective investment in transferable securities.

a. Combined statements

The various items appearing in the combined financial statements of the Company are equal to the sum of the corresponding items in the financial statements of each sub-fund and are drawn up in EUR.

b. Conversion of items expressed in foreign currencies

The Company's financial statements are expressed in EUR.

Transaction and acquisition costs denominated in foreign currencies are converted into the accounting currency of each sub-fund based on the exchange rate in force on the date of the transaction or acquisition. Assets and liabilities denominated in foreign currencies are converted into the accounting currency of each sub-fund based on the exchange rate in force at the end of the financial period. Any resulting gains or losses are recognised in the Statement of Operations and Changes in Net Assets.

c. Valuation of investments

Securities listed on a Stock Exchange or traded on any other regulated market are valued at the last available closing price on such stock exchange or market. If a security is listed on several Stock Exchanges or markets, the last available price on the Stock Exchange or market which constitutes the main market for such security will be prevailing.

Unlisted securities or financial instruments are valued on the basis of their value realisation as determined by the Board of Directors or their delegate using valuation principles in order to reach a proper and fair valuation.

Investment funds are valued at their net asset value.

d. Net realized gain or loss on sales of investments

Net realised gain or loss on sales of investments are calculated on the basis of the average cost of the investments sold.

e. Valuation of financial futures

Financial futures are valued at the last settlement or close price on the stock exchanges or regulated markets. Unrealised appreciation and depreciation on financial futures are recorded in the statement of net assets and their variations in the statement of operations and other changes in net assets.

For the details of outstanding financial futures, please refer to the section "Other notes to the financial statements - Schedule of derivative instruments".

f. Valuation of forward foreign exchange contracts

Forward foreign exchange contracts are valued at forward market rates for the remaining period from valuation date to the maturity of the contracts. Realised and movements in unrealised profits and losses are recorded in the statement of operations and other changes in net assets.

For the details of outstanding forward foreign exchange contracts, please refer to the section "Other notes to the financial statements - Schedule of derivative instruments".

Other notes to the financial statements (continued)

Note 2 - Summary of significant accounting principles (continued)

g. Valuation of Swaps and CDS

Swaps are valued at their fair market value based upon the last known price of the underlying asset(s).

CDS are market to model daily based upon spread of the market makers as the unrealised appreciation/depreciation is recorded under "Unrealised appreciation/depreciation on swaps", in the Statement of Net Assets. The movement in such amounts is recorded under "Movement in net unrealised appreciation/(depreciation) on swaps" and the realised under "Net realised profit/(loss) on swaps" in the Statement of Operations and Changes in Net Assets.

For the details of outstanding swaps contracts, please refer to the section "Other notes to the financial statements - Schedule of derivative instruments".

h. Collateral

As at 31 December 2019, the collateral received or paid which is composed of margin deposits for financial futures and options and collateral held or paid in order to reduce exposure on OTC derivatives is detailed as follows:

Name of sub-funds	Sub-fund currency	Counterparty	Type of collateral	Collateral received in	Collateral paid in	Cleared/ OTC
AXIOM CONTINGENT CAPITAL	EUR	JP Morgan	Cash	-	138.532,99	OTC
	EUR	Caceis Bank	Cash	-18.701,93	-	OTC
AXIOM EQUITY	EUR	Caceis Bank	Cash	-2.510,00	-	OTC
AXIOM OPTIMAL FIX	EUR	JP Morgan	Cash	-75.000,00	-	OTC
	EUR	Caceis Bank	Cash	-	41.353,72	OTC

i. Dividend and Interest income

Dividend income is accounted for on an ex-dividend basis, net of withholding tax. Interest income is recognised on an accrual basis.

j. Formation expenses

Set-up costs and expenses are charged to the Company and are written off over a period of five years.

For the purpose of this report, and considering the liquidation of AXIOM OBLIGATAIRE LUX and AXIOM EQUITY LONG SHORT, the formation expenses have been fully amortized.

k. Cross-investments between sub-funds

A Sub-Fund may subscribe, acquire and/or hold units to be issued or issued by one or more Sub-Funds of the Fund.

The cross-investments within the Fund are as follow:

For the Sub-Fund AXIOM OPTIMAL FIX (owner) is detailed as follows:

Target Sub-Funds	Ccy	Market Value In EUR	%
AXIOM CONTINGENT CAPITAL SICAV - Classe Z	EUR	5,592,527.42	0.02
AXIOM OPTIMAL CRITERIA - C EUR	EUR	3,572,240.47	0.01

As at December 31, 2019, the total of cross-investments within Sub-Funds investments amounts to EUR 9,164,767.89. The total combined NAV at year-end without cross-investments amounts to EUR 538,097,303.70.

Other notes to the financial statements (continued)

Note 3 - Taxation

Under current law and practice, the Company is not liable to any Luxembourg income tax, nor are dividends paid by the Company liable to any Luxembourg withholding tax.

However, any Class reserved to retail investors is liable in Luxembourg to a “*taxe d’abonnement*” of 0.05% per annum of its net assets and those reserved to institutional investors is liable in Luxembourg to a “*taxe d’abonnement*” of 0.01% per annum of its net assets. Such tax being payable quarterly and calculated on the total net asset value of each Class at the end of the relevant quarter.

The “*taxe d’abonnement*” is not applicable for underlying funds which already pay it.

Note 4 - Management Company and Performance fees

The Management Company is entitled to receive from the Company a Management Company fee calculated and accrued on each valuation day as a percentage of the net assets attributable to the relevant Class of Shares and payable monthly in arrears.

Management fees

Sub-funds	Class of Shares	Effective rate (per annum)
AXIOM CONTINGENT CAPITAL	C	0.80%
	R	1.30%
	E	0.80%
	Z	0.05%
AXIOM EQUITY	C	2.00%
	R	2.50%
AXIOM OPTIMAL FIX	C	1.00%
	R	1.50%
	CHF	1.00%
	D	1.00%
	B	1.00%
	Z	0.05%
	H	0.90%
AXIOM OBLIGATAIRE	C	2.00%
	D	2.00%
	R	2.50%
	BC	2.00%
	M	2.00%
	E	2.00%
	Z	0.05%
	I	1.20%
	J	0.75%
	G	0.75%
AXIOM OPTIMAL CRITERIA	C	0.50%

In addition, the Management Company may also be entitled to receive a performance fee for each Class of Shares, accrued on each valuation day and payable at the end of the performance period (i.e. year). The performance fees are based on a comparison between the performance of the sub-fund and its benchmark index over the reference period.

In the event that a shareholder redeems prior to the end of a performance period, any accrued but unpaid performance fees relating to those shares shall be paid.

Other notes to the financial statements (continued)

Note 4 - Management Company and Performance fees (continued)

Performance fees

The Management Company is entitled to receive a performance fee applicable to the share classes of the sub-funds and as disclosed in the prospectus.

- AXIOM CONTINGENT CAPITAL

No Performance fee for the sub-fund.

- AXIOM EQUITY

Performance fees are based on a comparison between the performance of the sub-fund and its benchmark index (defined hereafter) over the reference period.

The benchmark index is the Stoxx Europe 600 Banks Net Return.

Performance fees are calculated over a 12-month reference period coinciding with the financial year.

Performance is calculated by comparing the variation of the assets of the sub-fund with that of a benchmark fund which has accurately tracked the benchmark index over the period and registered the same subscription and redemption variations as the actual sub-fund.

- If, over the reference period, the performance of the sub-fund performance (with coupons reinvested) exceeds that of the benchmark fund, then the performance fees shall amount to 20% of the differential between the sub-fund's performance and that of its benchmark fund.

- If, over the reference period, the performance of the sub-fund is lower than that of the benchmark fund, then the performance fees will be zero. Over the following reference period, performance fees will not be subject to a provision until the underperformance accumulated by the sub-fund's net assets (relative to its benchmark fund) during the previous reference period is compensated for.

- If, over the reference period, the sub-fund's performance since the beginning of the reference period is greater than that of the benchmark fund (calculated over the same period), this outperformance will be subject to a provision for potential performance fees at the time of NAV calculation.

If the sub-fund's momentarily underperforms the benchmark fund between two NAV calculation dates, then any provision previously made will be adjusted through a reversal of provision. Such reversals cannot exceed the amount of provisions previously accumulated.

The performance fees will be paid to the Management Company at the end of the reference period, only if, over that period, the sub-fund's performance exceeds that of the benchmark fund. Any redemption made during the period will onset the advance payment of their contribution to the performance fees.

The performance fees will be charged directly to the sub-fund's profit & loss account.

No performance fees for Class Z shares.

The Board of Directors of the Company decided on 08/01/2019 not to apply any performance fees to the sub-fund for the year 2019.

Other notes to the financial statements (continued)

Note 4 - Management Company and Performance fees (continued)

Performance fees (continued)

- AXIOM OPTIMAL FIX

Each year, performance fees are calculated, by comparing on exercise, the evolution of the assets of the sub-fund (excluding performance fees and reinvested dividends) to the assets of a benchmark fund realizing an increase equal to 6%, and recording the same variations of subscriptions and redemptions as the sub-fund. Performance fees are calculated over a 12-month reference period coinciding with the financial year.

Performance is calculated by comparing the variation of the assets of the sub-fund with that of a benchmark fund which has accurately tracked the benchmark index over the period and registered the same subscription and redemption variations as the actual sub-fund.

- If, over the reference period, the performance of the sub-fund performance (with coupons reinvested) exceeds that of the benchmark fund, then the performance fees shall amount to 20% of the differential between the sub-fund's performance and that of its benchmark fund.

- If, over the reference period, the performance of the sub-fund is lower than that of the benchmark fund, then the performance fees will be zero. Over the following reference period, performance fees will not be subject to a provision until the underperformance accumulated by the sub-fund's net assets (relative to its benchmark fund) during the previous reference period is compensated for.

- If, over the reference period, the sub-fund's performance since the beginning of the reference period is greater than that of the benchmark fund (calculated over the same period), this outperformance will be subject to a provision for potential performance fees at the time of NAV calculation.

If the sub-fund's momentarily underperforms the benchmark fund between two NAV calculation dates, then any provision previously made will be adjusted through a reversal of provision. Such reversals cannot exceed the amount of provisions previously accumulated.

The performance fees will be paid to the Management Company at the end of the reference period, only if, over that period, the sub-fund's performance exceeds that of the benchmark fund. Any redemption made during the period will onset the advance payment of their contribution to the performance fees.

The performance fees will be charged directly to the sub-fund's profit & loss account.

No performance fees for Class Z shares

- AXIOM OBLIGATAIRE

Performance fees are based on a comparison between the performance of the sub-fund and its benchmark index (defined hereafter) over the reference period.

The composite index : 40% of ICE BofAML Euro Financial Index, 40% of ICE BofAML Euro Corporate Index and 20% of ICE BofAML Contingent Capital Index.

Performance fees are calculated over a 12-month reference period coinciding with the financial year.

Performance is calculated by comparing the variation of the assets of the sub-fund with that of a benchmark fund which has accurately tracked the benchmark indices over the reference period and registered the same subscription and redemption variations as the actual sub-fund.

Other notes to the financial statements (continued)

Note 4 - Management Company and Performance fees (continued)

Performance fees (continued)

- AXIOM OBLIGATAIRE (continued)

- If, over the reference period, the performance of the sub-fund (with coupons reinvested) exceeds that of the benchmark fund, then the performance fees shall amount to 20% of the differential between the sub-fund's performance and that of its benchmark fund.

- If, over the reference period, the performance of the sub-fund is lower than that of the benchmark fund, then the performance fees will be zero. Over the following reference period, performance fees will not be subject to a provision until the underperformance accumulated by the sub-fund's net assets (relative to benchmark fund) during the previous reference period is compensated for.

- If, over the reference period, the sub-fund's performance since the beginning of the reference period is greater than that of the benchmark fund (calculated over the same period), this outperformance will be subject to a provision for potential performance fees at the time of NAV calculation.

If the sub-fund's momentarily underperforms the benchmark fund between two NAV calculation dates, then any provision previously made will be adjusted through a reversal of provision. Such reversals cannot exceed the amount of provisions previously accumulated.

The performance fees will be paid to the Management Company at the end of the reference period, only if, over that period, the sub-fund's performance exceeds that of the benchmark fund. Any redemption made during the period will onset the advance payment of their contribution to the performance fees.

The performance fees will be charged directly to the sub-fund's profit & loss account.

No performance fees for Class Z shares

- AXIOM OPTIMAL CRITERIA

No Performance fee for the sub-fund.

- AXIOM EQUITY LONG SHORT

The Board of Directors of the Company decided on 08/01/2019 not to apply any performance fees to the sub-fund for the year 2019.

Note 5 - Depositary fees and Administration fees

The Depositary and the Administrative Agents receive remuneration from the Company on the basis of business practice in Luxembourg. These fees are calculated on the basis of the daily net assets of the sub-funds and are payable monthly in arrears.

Note 6 - Transaction fees

The Depositary is entitled to be reimbursed by the Company for transaction fees and expenses in relation with the buying and selling of securities and financial instruments.

Note 7 - Other expenses

As at December 31, 2019, the other expenses include mainly Directors fees and Registrar fees.

Other notes to the financial statements (continued)

Note 8 - Changes in portfolio composition

The details of the changes in portfolio composition for the year ended December 31, 2019 are at the disposal of the Shareholders at the registered office of the Company and are available upon request free of charge.

Note 9 - Dividends

During the financial year under review, the following dividends were distributed:

Sub-fund	Shares	Dividend per share	Ccy	Ex-date	Payment date
AXIOM OPTIMAL FIX	D - EUR Shares	41.12	EUR	21/06/19	26/06/19
AXIOM OBLIGATAIRE	D - EUR Shares	43.10	EUR	21/06/19	26/06/19

Note 10 - Subsequent-events

A new sub-funds Axiom Long Short Credit may be created during the first half of 2020. It seeks to achieve the investment objective by taking long and short positions primarily in European & North American fixed income securities. Equity securities may be also considered although with a limit of 20% of the net asset value of the Compartment long exposure.

COVID-19

The Board of Directors acknowledge the existence of the current outbreak of the coronavirus COVID-19 and its potential to adversely impact the markets in which the Sub-Funds are invested. The ultimate impacts on the different Sub-Funds remain uncertain and can be expected to vary according to country, asset class, industry sector and individual securities in which they are invested.

AXIOM LUX

Unaudited Information

Remuneration Policy

Axiom Alternative Investment's Remuneration policy has been approved by the Board of Directors of the Management Company.

The provisions of the Remuneration Policy are reviewed on a regular basis and are adjusted to fit the changing regulatory framework. The remuneration policy includes a description of how remuneration and benefits are calculated.

A copy of the policy is available free of charge upon request and is available on the website: www.axiom-ai.com.

In fiscal 2019, the total remuneration (including fixed and variable deferred and non-deferred) paid by Axiom Alternative Investments to all its employees (17 employees) amounted to €2,291,000.

- Total amount of fixed compensation related to the financial year: €1,314,000
- Total amount of deferred and non-deferred variable compensation related to the financial year: €977,000

The total remuneration of senior management and members of staff of the Asset Manager whose actions have a material impact on the risk profile of the Company during the period was €3,676,000:

- Total amount of fixed remuneration related to the financial year: €1,805,000
- Total amount of deferred and non-deferred variable compensation related to the financial year: € 1,871,000.

Global exposure calculation method

All the Sub-Funds of the Company use the commitment approach in order to monitor and measure the global exposure.

AXIOM LUX

Unaudited Information (continued)

SECURITIES FINANCING TRANSACTIONS AND OF REUSE REGULATION (“SFTR”)

TOTAL EQUITY SWAPS (“EQS”)	AXIOM LUX - AXIOM EQUITY	AXIOM LUX - AXIOM OPTIMAL FIX
Assets used	<i>In EUR</i>	<i>In EUR</i>
In absolute terms	106,680.92	33,478.22
As a % of total net asset value	1.35%	0.00%
Transactions classified according to residual maturities	<i>In EUR</i>	<i>In EUR</i>
Less than 1 day	-	-
From 1 day to 1 week	-	-
From 1 week to 1 month	-	-
From 1 month to 3 months	-	-
From 3 months to 1 year	106,680.92	33,478.21
Above 1 year	-	-
Open maturity	-	-
The 10 largest counterparties	<i>In EUR</i>	<i>In EUR</i>
First name	Société Générale	Goldman Sachs
Gross volumes for open trades	106,680.92	33,478.21
First country of domicile	France	United States
Collateral received	<i>In EUR</i>	<i>In EUR</i>
Type:		
Cash	-	-
Quality	-	-
Currency	-	-
Classification according to residual maturities:		
Less than 1 day	-	-
From 1 day to 1 week	-	-
From 1 week to 1 month	-	-
From 1 month to 3 months	-	-
From 3 months to 1 year	-	-
Above 1 year	-	-
Open maturity	-	-
The 10 largest issuers of collateral received	<i>In EUR</i>	<i>In EUR</i>
First name	N/A	N/A
Amount	N/A	N/A
Revenue and expenditure components	<i>In EUR</i>	<i>In EUR</i>
<i>Revenue component of the sub-fund:</i>		
In absolute amount	441,509.42	3,006,863.75
In % of gross revenue	100%	100%
<i>Expenditure component of the sub-fund</i>	-	12,493.09
<i>Revenue component of the Management Company:</i>		
In absolute amount	-	-
In % of gross revenue	-	-
<i>Revenue component of third parties</i>		
In absolute amount	-	-
In % of gross revenue	-	-

There is no reuse of cash collateral related to EQS’s transactions. All trades open at the end of the year have been transacted through bilateral settlement.

Revenue component and expenditure component of the sub-funds include interests, dividends, realised and change in unrealised on EQS.