

Axiom Obligataire

Investments objective

The fund aims to generate attractive returns by investing in senior or subordinated private sector bonds with a strategic focus on the European Financial sector. The strategy is based on "bond picking". The fund favors Investment Grade issuers and may invest in fixed or floating rate bonds.

The objective of this fund is to achieve, over a minimum 3-year investment horizon, a return (net of management fees) similar to or greater than that of its benchmarks (ICE BofAML Euro Financial Index (40%), ICE BofAML Euro Corporate Index (40%) and ICE BofAML Contingent Capital Index (20%) (together the "Benchmarks")).

The SRRI represents the annual historical volatility of the Fund over a 5-year period. Historical data such as that used to calculate the synthetic indicator cannot be considered as a reliable indication of the Fund's future risk profile. The risk category associated with the Fund is not guaranteed and may change over time. The lowest risk category does not mean "risk free". Your initial investment is not guaranteed.

KEY METRICS AND RISK ANALYSIS

Net assets	271M€
Volatility 5 years	3.55%
Yield to call	3.55%
Yield to maturity ¹	4.79%
Sharpe ratio 5 years	1.83

Modified Duration	2.16
Credit sensitivity	2.94
Average rating by issuers (WARF)	BBB-
Average rating by instruments (WARF)	BB
Number of positions	88

NAV VALUES AND MONTHLY PERFORMANCE

Class	BC (USD)	C (EUR)	D (EUR)	E (GBP)	G (EUR)	I (EUR)	J (EUR)	M (CHF)	R (EUR)
Last NAV	2411.7	2182.5	1683.9	2311.7	1213.1	1330.0	1346.8	2058.3	2004.9
Monthly performance	-0.05%	-0.10%	-0.05%	0.12%	-0.02%	-0.05%	-0.02%	-0.13%	-0.10%

PERFORMANCE EVOLUTION – CLASS I



Past performance does not guarantee future results.

HISTORICAL PERFORMANCE – CLASS I

1 month	3 months	YTD	1 year	3 years ²	5 years ²	Inception ²
-0.05%	0.36%	4.63%	9.08%	5.58%	4.56%	5.22%

MONTHLY PERFORMANCE SINCE CLASS I INCEPTION

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Year
2016			-0.17% ³	1.51%	1.02%	-2.10%	2.39%	1.88%	-0.26%	2.08%	-1.23%	1.35%	6.56%
2017	2.00%	1.21%	1.01%	0.91%	0.69%	-1.44%	1.17%	0.13%	0.65%	1.33%	0.42%	0.18%	8.52%
2018	1.70%	-0.39%	-0.68%	0.16%	-2.00%	-0.97%	0.74%	-0.25%	0.49%	-1.04%	-1.51%	-0.54%	-4.26%
2019	1.73%	1.23%	0.33%	1.00%	-0.86%	1.03%	0.43%	0.27%	0.36%	1.07%	1.35%	0.67%	8.91%
2020	1.13%	-0.63%	-9.12%	2.96%	2.09%	2.30%	1.21%	1.40%	-0.15%	0.47%	3.38%	0.86%	5.42%
2021	0.28%	0.69%	0.77%	0.93%	0.47%	0.56%	0.46%	0.31%	0.11%	-0.05%			4.63%

¹ Yield to perpetuity of the portfolio, excluding cash, all currencies combined. The yield to perpetuity is the yield of the portfolio with the hypothesis that securities are not reimbursed and kept to perpetuity | ² Annualized performance | ³ Performance over less than a month

MONTHLY COMMENTARY



PAUL GAGEY
Portfolio Manager

Within financial markets, the month of October was marked by a slight widening of spreads (Subfin from 110 at the start of the month to 115 on 10/29) as well as by a rise in rates (German 10-year down from -0.2 to -0.09%, 10 years US from 1.49% to 1.60%).

This growing stress is explained by the new communication from central bankers open to tapering faster than initially expected as well as by growing inflationary pressures.

It is interesting to note that Norway has increased its rates by 0.25%, yet the Scandinavian countries are generally ahead of the cycle.

As a result, the short end of the curve has risen sharply in Europe, with markets now anticipating a first rate increase in January 2022.

In this environment of rising rates, financial debt (AT1 -0.20%) performed better than the European High Yield (Markit HY index -0.46%) or the Euro IG (-0.40%).

We can mention several explanations:

- With an equivalent rating, financial subordinates (excluded from QE) offer significantly more yield than corporate issuers;
- The profitability of the financial sector is positively impacted by the rise in interest rates;
- The finalization of the draft revision of the Basel 3 Directive by the EC is very favorable to banks since it postpones the period of additional capital requirements to 2025-2030. The additional capital is estimated at less than 1 year of profit, while banks have almost 10 years to meet it;
- The 3rd quarter results are again excellent, whether on costs (above or in line with the consensus), the net interest margin overall better than expected with some big positive surprises, the capital which continues to grow faster than expected and significantly which is good for credit.

In industry news, we can mention the failure of negotiations between Unicredit and MPS which makes the outcome of this case uncertain.

Crédit Agricole announced the call of two CMS instruments as well as the introduction of par value recall clauses in three instruments issued by Crédit Lyonnais issued in the 1980s.

The movement of cleaning up old-generation titles continues, which is very positive for the Legacy theme.

Fund activity

The English bank Together Financial Services Ltd issued on the primary market via a "pay-in-kind" title with a maturity in 2027. The company, created in 1974, is focused on real estate financing. Its portfolio is geographically diversified across England in the form of buy to let, bridge finance and mortgage finance. Our bond is rated B by Fitch and has a coupon of 6 3/4%. We also acquired the BNP "titre participatif" based on the TMO with a generous discount below par.

RESEARCH AND MANAGEMENT TEAM



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RISKS

Significant risk(s) for the Fund not taken into account in the SRRI indicator include the following:

Credit risk: Investors are exposed to the risk of defaults on the bonds included in the portfolio. This risk may affect up to 100% of the portfolio. The materialisation of this risk may lead to a fall in the Fund's net asset value.

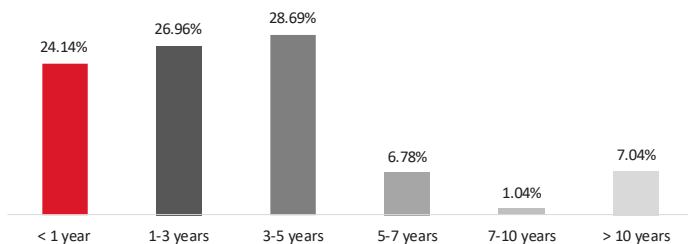
Counterparty risk: The Fund may suffer losses as a result of a counterparty failing to meet its contractual obligations.

Liquidity risk: Liquidity risk exists when particular investments are difficult to purchase or sell. This can reduce the Fund's returns because the Fund may be unable to transact at advantageous times or prices. This can be the result of shocks of unprecedented intensity and severity such as but not limited to pandemics and natural disasters.

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

PORTFOLIO SPLIT (in % of assets)

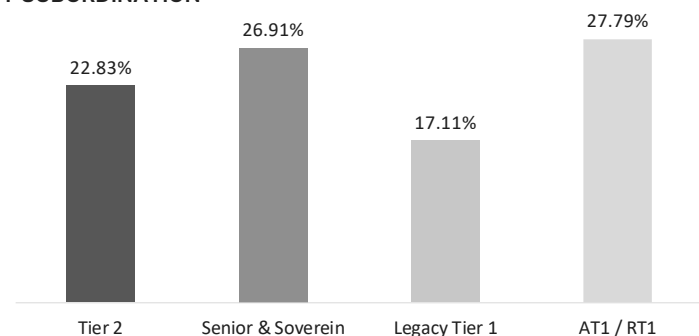
BY MATURITY ¹



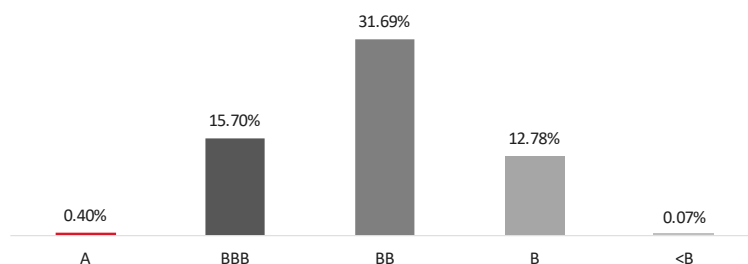
TOP 5 ISSUERS ²

HLD EUROPE	4.23%
ADLER GROUP	4.12%
QUATRIM SAS	3.59%
SAINSBURYS BANK	3.37%
BIL	3.25%

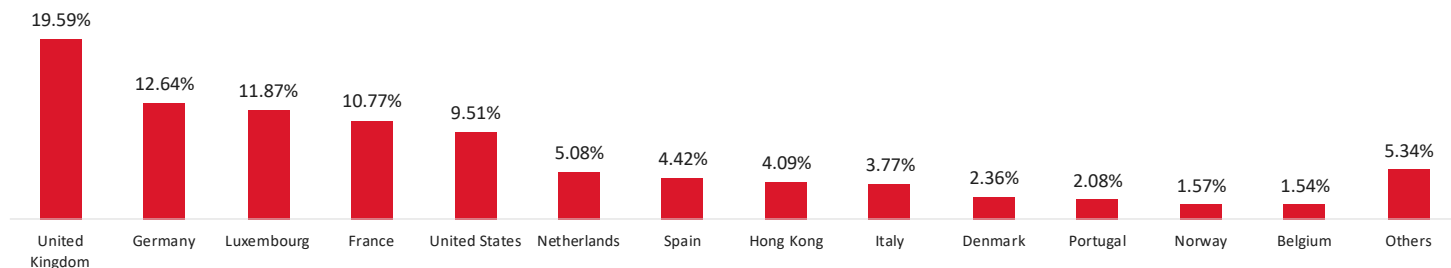
BY SUBORDINATION ¹



BY RATING ³



BY COUNTRY ⁴



¹ Analysis calculated on the scope of interest rate instruments; all derivatives excluded except single-name CDS | ² Excluding Govies | ³ Rating of bonds | ⁴ Analysis calculated on the scope of equities and interest rate instruments; all derivatives excluded except single-name CDS

FUND INFORMATION

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

Name	ISIN	Currency ¹⁰	Affectation	Inception date	Min 1 st Subscription	Management fees ¹¹	Performance fees
Class BC	LU1876461036	USD	Capitalisation	10/02/2011	1000\$	2.00%	20.00%
Class C	LU1876460731	EUR	Capitalisation	23/07/2009	1 share	2.00%	20.00%
Class D	LU1876460814	EUR	Distribution	23/07/2009	1M€	1.20%	20.00%
Class R	LU1876460905	EUR	Capitalisation	06/10/2010	1 000 €	2.00%	20.00%
Class E	LU1876461200	GBP	Capitalisation	17/01/2014	1000£	0.70%	10.00%
Class M	LU1876461119	CHF	Capitalisation	12/06/2012	1000CHF	2.00%	20.00%
Class I	LU1876461465	EUR	Capitalisation	19/03/2016	1M€	1.20%	20.00%
Class J	LU1876461549	EUR	Capitalisation	11/05/2016	10M€	0.75%	20.00%
Class G	LU1876461549	EUR	Capitalisation	25/04/2017	15M€	1.20%	20.00%
Class IB	LU2336815472	USD	Capitalisation	-	1M\$	1.20%	20.00%
Class IE	LU2336815555	GBP	Capitalisation	28/07/2021	1M€	0.50%	10.00%
Class IM	LU2336815399	CHF	Capitalisation	-	1M CHF	1.20%	20.00%

All details of the expenses incurred by the fund are available in the Prospectus

⁵ Currency exposure in systematically hedged

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