MONTHLY FACTSHEET AS OF 29/02/2024

Promotional document

AXIOM ALTERNATIVE INVESTMENTS

Axiom Obligataire – Share Class HC EUR(v)

Sub-fund of the Luxembourg SICAV : Axiom Lux

NAV & Monthly perf.	Assets Under Management	Risk and reward profile[1]	SFDR[2]
2081,82 -0,24%	€ 393M	Low risk → High Risk 1 **2** 3 4 5 6 7 Typically lower rewards – Typically higher rewards	6 **8** 9

Asset manager
Axiom Alternative Investments

Legal structure
Luxembourg SICAV : Axiom Lux

Strategy inception date [4]
23/07/2009

Sub-fund inception date [4]
Absorption the 25/01/2019

Share class inception date
23/07/2009

ISIN Code
LU1876460731

Minimum subscription
1 share

Share class currency
EUR

Management fees
2%

Entry charge
0% (2% max.)

Exit charge
0% (2% max.)

Performance fee
20% (if perf. > index)

Type of share
Accumulation

Valuation frequency
Daily

Cut-off and settlement day
before 12.00 PM / 3 business days

Main risks
Credit risk, counterparty risk, liquidity risk (for more information please refer to the Fund's prospectus)

Investment objectives[3]

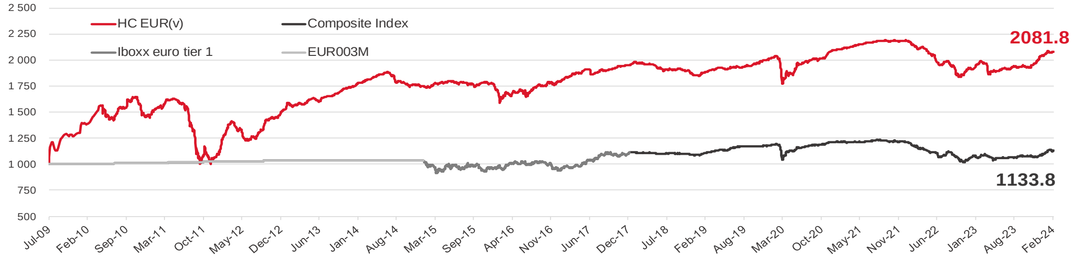
The objective of this Fund is to achieve, over a minimum 3-year investment horizon, a return (net of management fees) similar to or greater than that of its benchmarks : ICE BofAML Euro Financial Index (40%), ICE BofAML Euro Corporate Index (40%) and ICE BofAML Contingent Capital Index (20%)[5]. The Fund is actively managed and references the Benchmarks for comparative purposes only.

Historical performance (EUR)

Historical performance[7]	2018	2019	2020	2021	2022	2023
Axiom Obligataire – HC EUR(v)	-4.99%	8.06%	4.79%	4.23%	-12.62%	7,06%
Benchmark	-2.03%	7.80%	3.25%	0.15%	-12,87%	7,33%

	Cumulated performances					Annualized performances		
	1 month	YTD	1 year	3 years	5 years	3 years	5 years	Since inception
Axiom Obligataire - HC EUR(v)	-0.24%	1.81%	5.88%	-1.59%	9.31%	-0.53%	1.80%	5.15%
Benchmark	-0.59%	-0.26%	6.05%	-6.12%	1.53%	-2.08%	0.30%	0.86%

Net of fees performance since inception (base 1000)



Key metrics[6]

Number of positions	129
Volatility 5 years	4.15%
Volatility 3 years	3.43%
Sharpe ratio 5 years	0.28
Sharpe ratio 3 years	-0.54
Spread	601 bps

Modified Duration	3.46
Credit sensitivity	3.04
Yield to call EUR	8.10%
Yield to maturity EUR	7.87%
Average rating by issuers (WARF)	BBB
Average rating by instruments (WARF)	BB+

Past performance is not indicative of future results

Source : Axiom AI | [1] Risk and reward profile represents the annual historical volatility of the sub-fund over a 5-year period. Historical data such as that used to calculate the synthetic indicator may not be 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". The capital initially invested is not guaranteed | [2] Refer to the page 3 of the document | [3] There is no guarantee that the investment objective will be achieved or that there will be a return on investment | [4] Fund created as a FCP under French law on 07/23/2009 before being absorbed by the SICAV Axiom Lux under Luxembourg law on 01/25/2019 | [5] More information about the indexes : https://www.theice.com/market-data/indices | [6] Yield to maturity, excluding cash, in all currencies. Yield to maturity is the rate of return on the portfolio assuming that the securities are not redeemed and held in perpetuity | [7] Net of fees performances

Monthly commentary

Management team

ANTONIO ROMAN

PAUL GAGEY

Risk assets continued to perform well in February despite the volatility in interest rates. Economists are no longer predicting a recession in the US. Indeed, given the strength in the aggregate balance sheets and cash flows of households and corporates, a loosening of monetary policy and lending conditions could lead to higher growth through a releveraging of the private sector. Though the European economy remains weak, PMIs have rebounded from their lows. The SX7R returned +2.23% vs. +1.98% for the SXXR. Bund yields climbed to c. 2.4%.

The latest macro data was generally more hawkish than expected. Strong labor markets and high core services inflation pushed rate cut expectations further out. In Europe, Stournaras, one of the dovish council members, pointed to a first cut in June. The market is now pricing 3 to 4 rate cuts in 2024 and landing rates of c. 3.5% and 2.3% respectively in the US and the Euro area.

US CRE concerns resurfaced as the NYCB saga took a new twist. The New York lender faces a trifecta of problems as it deals with regulatory standards for 100bn+ banks, a change in state rent control regulations adversely affecting the NY multifamily market, and leadership issues. The contagion to other regionals was limited as the risks from CRE are now better understood by the market. In Europe, German domestic banks were under some pressure as the US exposures of Aareal and PBB generated negative newsflow. On the bright side, the moves were contained, and recovery is underway. Aareal's results sent positive signals on the ability of the bank to absorb losses and the resilience of its liquidity. Though the US office NPL ratio reached a staggering 25%, the bank was able to absorb US losses thanks to pre-provision profitability and good asset quality in Europe. It aims to sell half of its US NPL book this year and is guiding for a recovery of 70%+.

Fund's activity

We increased the duration of the fund to be more aligned to the benchmark after the sell-off in rates year to date. We took advantage of the move in German domestic banks to buy investment grade issues at attractive spreads across the senior and T2 buckets. We took profits in Crelan and ICP.

Portfolio Management and Research team

David BENAMOU
Partner
Chief Investment Officer

Jérôme LEGRAS
Partner
Reseach diretor

Antonio ROMAN
Partner
Portfolio Manager

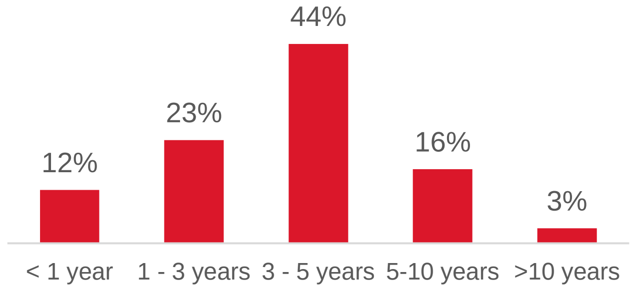
Adrian PATURLE
Partner
Portfolio manager

Paul GAGEY
Portfolio Manager

Laura RAMIREZ
ESG Analyst

Portfolio breakdown (in % of assets)

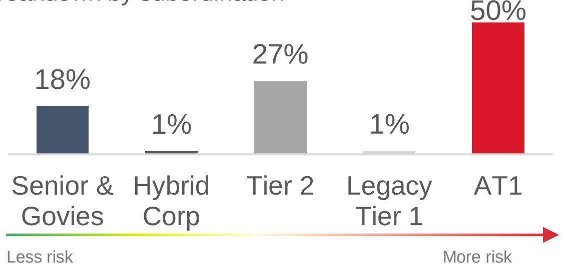
Breakdown by maturity[1]



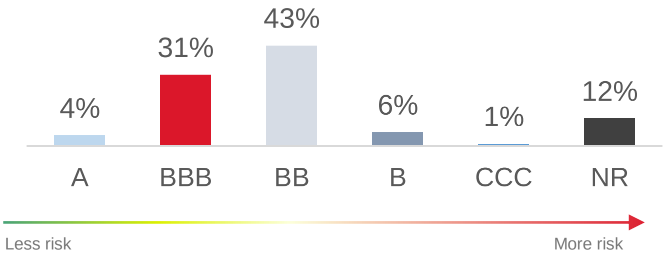
Top 5 issuers[2]

CAIXABANK SA	**2,42%**
SAXO BANK	**2,41%**
VOLKSBANK WIEN AG	**2,33%**
INTESA SANPAOLO SPA	**2,33%**
MAREX GROUP PLC	**2,23%**

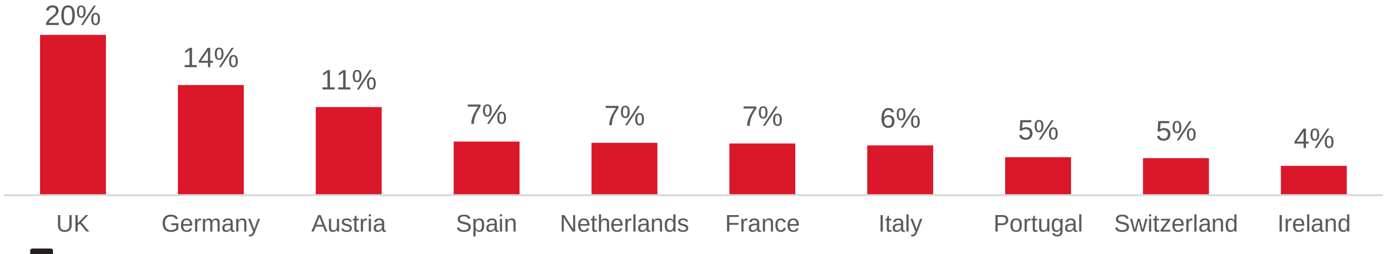
Breakdown by subordination[3]



Breakdown by rating[3]



Top 10 country[1]



Glossary

Debt subordination	The general principle is that when there is not enough money to pay all the debts, the subordinated debt will be paid after the other debts.
Tier 1	These securities do not have priority in the event of liquidation, they do not have a maturity date, their coupon is optional and cannot be accumulated. They are the riskiest debt securities and therefore offer some of the highest returns.
Legacy bonds	Hybrid debt that was eligible as regulatory capital under Basel 1 or Basel 2 and that is not eligible under Basel 3.
Contingent convertible (Coco)	Securities that can be converted into shares under certain circumstances, usually when a solvency ratio threshold has been crossed.
ITR (Implied Temperature Raise)	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.

Source : Axiom AI | [1] Analysis calculated on the scope of interest rate instruments; all derivatives excluded except single-name CDS| [2] Excluding Government bonds | [3] Fixed income securities only

Our ESG and climate approach

Methodology

Our selection of holdings takes into account the following ESG criteria:

- **Exclusion policy :** determines the exclusions we make due to proven controversies, and sectoral or thematic restrictions.
- **ACRS - Axiom Climate Readiness Score :** Our proprietary tool devised to analyze the climate readiness and impact of issuers.
- **ESG database:** ESG performance analysis of the companies and their rating.

Our climate approach

The fund takes into account the climate performance of banks and insurers in the following aspects

Corporate Engagement

Determines the degree of priority given to climate change by the company's top management, its climate strategy and objectives, and the degree of transparency

Climate Risk and Opportunities

Evaluates the processes implemented and tools used to identify, measure and mitigate exposure to climate-related risks, as well as its approach to seizing the opportunities of the energy transition.

Climate Contribution

Assesses the share of the issuer's investments and/or loans in companies or financial instruments that contribute to the transition. In the case of banks, the implied temperature increase of the corporate loan portfolio is calculated.

ESG Key metrics

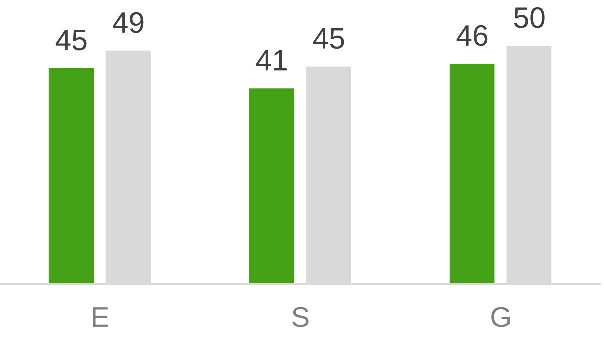
Axiom Obligataire | Investment universe

Key metrics

	AXIOM OBLIGATAIRE		*Universe*	
	Average	**Issuer coverage**	*Average*	*Issuer coverage*
ACRS	**41%**	**31**	*42%*	*76*
°C	**2.7**	**49**	*2.8*	*96*
ESG	**44**	**62**	*48*	*627*

The ACRS, implied temperature (°C) and ESG scores represent 35%, 58% and 72% of the fund's assets respectively (index & derivatives excluded).

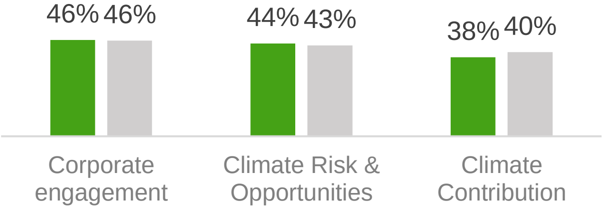
ESG average ratings



Top 5 holdings by ACRS

	ACRS	ESG	ITR
DE VOLKSBANK NV	63%	N/A	2.4
LB BADEN-WUERTTEMBERG	56%	39	2.6
COMMERZBANK AG	53%	54	2.7
NATWEST GROUP PLC	52%	51	2.8
HAMBURG COMMERCIAL BANK	49%	N/A	2.4

ACRS by pillars



More information on our climate approach is available upon request.

Source: Axiom AI based on data from S&P Market Intelligence, Iceberg datalab, internal research | 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. Our methodology relies on third-party data from ESG/Climate data providers that may contain inaccurate or incomplete data. In the event of insufficient data, these providers may resort to estimates and approximations using internal methodologies that may be subjective. As we rely on this data for our investment decisions, such uncertainty can negatively impact portfolio performance.

AXIOM
ALTERNATIVE INVESTMENTS

Main risks

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.

Operational risk: the risk of losses resulting from inadequate or failed internal processes, people, systems or external events. The occurrence of these risks may cause the net asset value of the fund to fall

Currency risk: as some of the assets may be denominated in currencies other than the reference currency, the sub-fund may be affected by changes in exchange controls or in the exchange rates between the reference currency and these other currencies. For this reason, the sub-fund will systematically hedge against this risk. However, a residual risk remains. These exchange rate fluctuations may cause the net asset value of the sub-fund to fall.

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.

Exchange rate: Any investment in equities may involve directly or indirectly an exchange rate risk. While the net asset value of the sub-fund is calculated in its reference currency, the performance of an underlying asset or its components denominated in a currency other than the reference currency will also depend on the exchange rate of that currency. Similarly, the currency other than the reference currency in which an asset of the sub-fund is denominated implies a currency risk for the sub-fund.

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 realization 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.

Climate/ESG data risk: The Management Company's ESG integration process relies on third party data from climate/ESG data providers. Data providers may apply different models and use different sources of information, which may contain inaccurate, incomplete or unaudited data. In addition, where data is insufficient, data providers may use internal methods to produce subjective estimates and approximations. Similarly, the Management Company conducts qualitative analysis based on self-reported information, which is generally not audited by a third party. As the portfolio manager bases its investment decisions on this data, this uncertainty in data collection may have a negative impact on the performance of the portfolio.