

## Axiom Alternative Investments announces the upgrade of Axiom Climate Financial Bonds to SFDR 9

Axiom Alternative Investments - European financial sector specialist - reaches a new step in its sustainable investment development by announcing the upgrade of its fund Axiom Climate Financial Bonds to SFDR 9.

This change allows the fund to strengthen its climate focus, becoming the first and currently only *Additional Tier 1* (AT1) bond fund<sup>1</sup>, which is SFDR 9 and fully invested in sustainable investments.

The fund has a decarbonization objective to limit global warming to 1.5°C by 2100, in line with the Paris Agreements. To achieve this, three portfolio temperature targets have been defined: +2.5°C in 2024, +2.0°C in 2030 and +1.5°C in 2040.

Axiom Alternative Investments uses its proprietary methodology of calculating the *Implied Temperature Rise (ITR)* of each bank's corporate loan portfolio to estimate the average temperature rise of the fund. The fund excludes all issuers whose ITR exceeds 3°C.

In addition, the fund has a strict exclusion list for social and governance controversies to reduce its exposure to banks that are subject too regularly to controversy.

Finally, the selection process of banks and insurers is also based on [the Axiom Climate Readiness Score](#) ("ACRS"), a proprietary tool of Axiom Alternative Investments, that assesses the climate performance of each issuer by assigning a score from 0 to 100 on each of the three following pillars of analysis:

- **Pillar #1: Management commitment (20% of ACRS score):** This pillar aims to determine the degree of priority given to climate change by the company's senior management, its climate strategy and related targets, as well as the degree of transparency in their reporting and the means deployed to address climate change. The fund also excludes banks that are not members of the Principles for Responsible Banking.
- **Pillar #2: Climate risk and opportunity management (50% of ACRS score):** This major dimension assesses the processes and tools used to identify, measure and mitigate the issuer's exposure to climate-related risks, as well as the issuer's approach to seizing opportunities arising from the energy transition.
- **Pillar #3: Contribution to the transition to a low-carbon economy (30% of the ACRS score):** the objective of this last pillar is to determine the share of the issuer's investments and/or loans in companies or financial instruments that contribute to the "greening" of the economy as well as the solutions offered that aim to combat climate change.

The methodology used results in an overall ACRS score ranging from 0 to 100 for each issuer. The fund may invest in issuers that meet the minimum performance thresholds defined by Axiom Alternative Investments: 30% for pillar #1, and a weighted average score of 25% for pillars #2 and #3.

---

<sup>1</sup> AT1 ("Additional Tier 1"): a subordinated Tier 1 debt security with a higher priority for repayment than shareholders but lower than all other creditors. These securities contain specific risks of non-payment of coupons and loss of capital under certain circumstances.

## About Axiom Group

Founded in 2009, Axiom Alternative Investments is an independent asset management company specializing in European financial stocks, based in Paris, Geneva, and London (via its subsidiary AXM Alternative Investments). The company currently manages €2.3 billion (as at 31/12/2022) through a range of UCITS, FIA funds and dedicated mandates covering all instruments issued by European financial institutions (from financial debt to bank shares). These UCITS funds are marketed in Europe to institutional clients, family offices, private banks, and investment consultants.

With seven investment professionals covering the financial sector, the Axiom Group has one of the largest dedicated financial research and portfolio management teams in Europe.

This is complemented by an ESG team, which has developed an innovative proprietary tool (Axiom Climate Readiness Score), to analyze the temperature of loans granted by banks to mitigate climate-related risks and maximize opportunities.

Since 2018, the company has developed its alternative investment expertise by marketing 3 strategies to provide additional diversification to its clients.

Learn more about Axiom AI at [www.axiom-ai.com](http://www.axiom-ai.com)

## Disclaimer

This document is intended for information purposes only. It does not constitute a contractual document or investment advice. All data has been prepared based on accounting and market information. AXIOM Alternative Investments cannot be held responsible for any decision taken based on this information. Prior to any subscription, the investor should read the prospectus and the KID available on request from AXIOM Alternative Investments or on the website [www.axiom-ai.com](http://www.axiom-ai.com).

Axiom Alternative Investments is a management company approved by the AMF under number GP06000039.