AXIOM LUX

Variable Capital Investment Company Luxembourg

Audited annual report as at 31/12/23

R.C.S. Luxembourg B 196052

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Subscriptions can only be received on the basis of the latest prospectus accompanied by the relevant key investor information documents, the Articles of Incorporation of the Company, the latest annual report as well as by the latest semi-annual report, if published after the latest annual report.

Organisation and administration

Registered Office	AXIOM LUX Société d'Investissement à Capital Variable 5, allée Scheffer L-2520 Luxembourg Grand Duchy of Luxembourg
Management Company	Axiom Alternative Investments "*Société de Gestion de Portefeuille*" 39, avenue Pierre 1er de Serbie F-75008 Paris France
Depositary, Administrative and Domiciliation Agent	CACEIS Bank, Luxembourg Branch 5, allée Scheffer L-2520 Luxembourg Grand Duchy of Luxembourg
Global Distributor	Axiom Alternative Investments "*Société de Gestion de Portefeuille*" 39, avenue Pierre 1er de Serbie F-75008 Paris France
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Board of Directors	Mr. Guillaume Carriou, General Secretary, Axiom Alternative Investments Mr. Laurent Surjon, Managing Partner, Axiom Alternative Investments Mr. David Ben Amou, Managing Partner, Axiom Alternative Investments Mr. Christophe Arnould, Independent Director
Board of Managers of the Management Company	Mr. David Ben Amou, Gérant, 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 Mr. Guillaume Carriou, Gérant, Axiom Alternative Investments

Report of the Board of Directors

AXIOM LUX - AXIOM CLIMATE FINANCIAL BONDS (formerly AXIOM LUX - AXIOM SUSTAINABLE FINANCIAL BONDS)

January

Market commentary

This year, the January effect has been beneficial for all non-risky assets. The market has shown a wave of optimism thanks to a receding recession. The Senior Fin index tightened from 99 bps to 88 bps. The primary market took advantage of this euphoria to issue 90 billion of financials confirming the market's appetite. The fund participated in AT1s issued in euros by BNP (7.375%), Société Générale (7.875%), Credit Agricole (7.25%), Sabadell (9.375%) and finally Ibercaja (9.125%).

The dollar bonds with low post-call spreads clearly outperformed the AT1 market. Indeed, investors came looking for the lowest priced bonds. The fund had reduced this pocket at the end of 2022 and therefore underperformed. This type of bond is now too expensive and the yield offered by euro bonds with a high spread after call should become attractive again.

This month the fund changed of name and SFDR Article classification. Axiom Sustainable Financial Bonds Fund now became Axiom Climate Financial Bonds, and an Article 9 fund. This change will allow the fund to have a much stronger climate focus, and in particular it will be able to invest in small and mid-size financial institutions which was very restrictive under the previous strategy.

Indeed, their size penalized the company as ESG scores sourced from our data provider were not available or very low because these companies were not respondent of their ESG survey. However, there are a handful of small and mid-size financial institutions that have invested a good amount of resources to improve their integration of climate change in their risk management practices and portfolio decarbonization efforts, and which have, according to our analysis, corporate lending portfolios with implied temperatures (°C) that are 10 to 30% lower than those big banks (e.g. G-SIB). The latter due to their lower portfolio exposure to high-carbon industries, and bigger role of sectors such as real estate.

The fund had therefore the opportunity to invest in Nation-Wide Building Society, Triodos Bank, Jyske, Landesbank Baden-Württenberg and Ibercaja, at the same time it divested mainly from insurers such as Aviva, Axa and Allianz, which in parallel allowed the fund to reduce its carbon footprint. This changes coupled to the new ET1 issuances mentioned above will allow to fund to maintain its financial performance. The fund ended the month with an average temperature of 2,63°C in line with its decarbonization trajectory.

February

Market commentary

After the optimism seen earlier this year, the bond markets turned down in February.

Long maturity rates’ volatility has surged back, consequence of a persistent inflation and recession fears that are steadily subsiding.

Thus, the French 10-year yield rose from 2.73% to 3.17% during the month and the US 10-year from 3.87% to 4%. Credit spreads returned to their initial levels, the Senior Fin ending the month at 88 bps.

The fund has been active. The objective is to increase the carry while reducing the risk after a good start of the year. The exposure to the Senior Fin index has been cancelled (25% of the fund at the end of January) and the securities with an important backend have been increased (notably the purchase of the primary issued by Bankinter with a coupon of 7.375%).

February was a calm month for banks and insurers regarding sustainable/climate finance. Perhaps the biggest event of the month involved BNP Paribas, which was sued by a group of NGOs, claiming that the bank is not doing enough in their fossil fuels financing policy to meet the climate goals.

In January this year the bank tightened its policy to reduce outstanding financing for oil and gas extraction and production by more than 80 and 30% respectively. However, this was not considered enough by the group of NGOs. BNP was therefore suit for failing to follow the French “duty of vigilance” law. A law that requires large companies to have a vigilance plan to assess and prevent their operational impacts on the environment and human rights.

This lawsuit is the first of its kind, it is highly possible that the judge declares de lawsuit inadmissible as in previous lawsuit to other companies, the law has been found imprecise enough to determine a winning party. However, if not the case, it will open the door for lawsuits to the majority French banks.

Report of the Board of Directors

<u>March</u>

Market commentary

The rescue of Credit Suisse is obviously the highlight of the month. The crisis of the American bank SVB spread to the Swiss bank and caused a shock wave in the whole banking sector.

Following an unfortunate statement by its main shareholder, Credit Suisse suffered a real "bank run", causing its share price to fall violently, despite a supportive intervention by the Swiss regulator. If the speed of execution of this rescue may have surprised, it is above all the conditions of application that shocked investors. The authorities announced, by ordinance, the implementation of an emergency liquidity assistance, accompanied by a zero amortisation of CHF 16.6 billion of AT1 securities. The failure to respect the debt hierarchy (the CET1 ratio is not impacted), as well as the paradox of absorbing unrealized losses, caused an explosion in the subordinated debt market, to the point that other regulatory authorities (ECB/EBA/SRB/BOE), as well as authorities in Singapore and Canada, intervened.

Although the fund is not invested in Credit Suisse due to ESG/Climate criteria, it has of course suffered from this episode being 65% invested in AT1 securities. Negative in the short term, it could turn out to be positive in the long term with risk premiums remaining high compared to the strength of European players. These debts currently offer spread levels that are close to those of the Covid crisis (>500 bps). In Europe, for A-rated banks, these securities offer yields (YTW) of between 7% and 9%. The fund has taken advantage of this to increase its investment to 75% by buying Jyske Bank, SwedBank, Caixabank, SocGen and Virgin Money.

<u>April</u>

Market commentary

Following last month’s tremors, the financial sector is progressively catching its breath. April saw concrete steps towards the end of the banking panic. Investors have been reassured by the responsiveness of regulators and public authorities as well as by strong Q1 2023 results. The bond market remained quite stable in April, with a slight dynamism at the end of the month on AT1s, supported by the call announcement of the $6^{5/8}$ bond from Unicredit.

Considering historically high yields, the fund has continued to raise its investment rate on AT1/RT1 by focusing on high perpetual yields between 8% and 11% (bear market protection).

This month also saw ECB’s third update on banks’ integration of their expectations on climate and environmental risks disclosures. Although the ECB finds an overall improvement in the amount of information disclosed, they consider the quality to be too low to meet the upcoming ESG Pillar 3 disclosures requirements (deadline: June 2023). A new revision of banks’ compliance to these requirements will be done in the second half of 2023. The ECB has announced that non-compliance will be considered as a breach of the Capital Requirements Regulation (CRR) and result in supervisory action.

<u>May</u>

Market commentary

The coming summer was felt on the financial markets in May, with a positive sentiment across all asset classes. European banks published better-than-expected results for the 9th consecutive quarter, sending out an optimistic message for 2023. The end of the month was dominated by discussions surrounding the US debt ceiling. The positive outcome enabled the credit indices to finish in the green, with the Senior Fin falling from 98 bps to 93 bps over the month.

In this environment, the primary market was buoyant, with numerous MREL issuances (Senior Non-Preferred Holdco and Senior Preferred Opco). However, the AT1 market remains closed for the time being following the SVB and CS affairs. Recent performance, with inflows, should allow some issues to take place over the summer.

The month of May saw the exit of several insurers from the Net Zero Insurance Alliance (NZIA), namely, AXA, Allianz, Scor, Matmut and Swiss Re. Members of NZIA commit to transition their insurance and reinsurance underwriting portfolios to net-zero greenhouse gas (GHG) emissions by 2050. While most of them confirmed their commitment continued, only some of them provided details of the reason behind their exit: potential litigation risks in the US associated to the breach of antitrust laws.

Although the insurers tried to provide reassurance to the market, working individually will definitely be more challenging and time consuming. We will therefore monitor closely these insurers.

Report of the Board of Directors

June

Market commentary

As the summer break approached, the financial debt market was marked by the reopening of the primary market for AT1s in June. BBVA and Bank of Cyprus issued €1 billion and €220 million of new bonds respectively, reviving the market for the first time after the Credit Suisse episode. The fund did not participate, as BBVA did not offer a sufficient premium and Bank of Cyprus is not part of the fund's universe (rating too low).

The credit indices tightened during the month, with the Senior Fin reaching its lowest level since last March, ending June at 85 bps (-7bps).

After multiple insurers left the Net Zero Insurance Alliance (NZIA) in May, following a letter from US Republican attorneys general representing 23 states in which they expressed concerns over the group's efforts to "advance an activist climate agenda", in June we didn't see any additional insurers leaving the alliance. On the contrary, insurers have started to report on progress and increased their climate commitments. This is for example the case of AXA which is one of the first insurers setting concrete decarbonisation targets on its underwriting portfolio. We expect more ex-NZIA insurers reaffirming their net zero commitments is the next couple of months with the publication of their 2022 climate reports.

July

Market commentary

July was a generally positive month for all risky assets, bringing to a close a turbulent first half of the year for both the bond markets and the macroeconomic environment.

The credit indices all tightened during the month, with the Senior Fin ending down 7 bps at 78 bps compared with 85 bps at the start of the month. AT1 subordinated bonds were also buoyed by several call exercises by BBVA, BARCLAYS and CAIXABANK, totalling €3.7bn. This amount was not offset by new issues, with only the Spanish bank ABANCA coming to the market with just €250 million and a coupon of 10.625%.

For its part, BNP Paribas has announced that all its future AT1 issues will be in the form of bonds convertible into shares and that it will stop issuing AT1s that can be permanently written down. The EBA has published the results of the 2023 stress test, with a particularly strong adverse scenario: cumulative inflation of 20% in the eurozone over three years, maximum deposit rates above 5% and long-term rates above 4%, in addition to a 6% fall in GDP and an unemployment rate of 13%. All sight deposits (even current accounts) were subject to a minimum pass-through rate of 50%. This produced some interesting differences between countries, depending on the type of assets used, with the Nordic countries emerging as the best performers.

Overall, the results of these stress tests remain positive for the European banking sector, which would withstand the unfavourable scenario without any major negative impact.

August

Market commentary

As expected of the summer break, August was a relatively quiet month on the bonds markets, despite a slight widening of spreads over the period (the Senior Fin ended the month at 81bps, up by 5bps). The loss of the USA's AAA rating from Fitch and the super-tax on bank profits have opened up a few buying windows.

On the latter, some European countries have announced "super-taxes" on bank profits, such as Italy, which has decided on a 40% tax on annual growth in net interest income exceeding the 8% threshold. The tax, although capped at 10bps of the total assets of the banks concerned, came as a negative surprise to the market. Italy thus joins the movement initiated earlier by the United Kingdom, Spain, Sweden, the Netherlands, and Hungary, all of which are imposing super taxes on bank profits. By contrast, France and Germany remain exempt from such taxes for the time being.

At the same time, the AT1 market was buoyed by two new issues: the BNP AT1 8.50% USD bond and the KBC AT1 8.00% EUR bond, with a semi-annual coupon. The fund took advantage of the attractive yield on KBC to build a new position. On BNP, the fund is not increasing its USD allocation in order to limit the costs of hedging the currency with the inversion of the yield curve.

Finally, the excellent results published by European banks kept the markets on their toes, surprising positively the consensus for the 10th consecutive quarter. The European banking sector continues to benefit greatly from the rise of interest rates, publishing on average a net income growth of c.35% compared with 2022.

Report of the Board of Directors

September

Market commentary

September was a month of high rates volatility, especially long-term yields which reached their highest level of the last decade. The French 10-year (OAT) reached its peak of 3.50% during the month, ending at 3.40%, the Bund 10Y ended the month at 2.83% and the Italian BTP concluded at 4.78%, after a reaching its top at 4.87%. On the American side, the US Treasury Bond 10Y ended September at 4.57%. This upward momentum on the long end of the yield curve is symptomatic of uncertainties over monetary policy's positioning to maintain higher rates for a longer period in the face of a possible future recession.

Against this backdrop, credit indices diverged. The Senior Fin ended the month at 90bps, up 4bps. Despite rising rates and spreads, the fund's carry was resilient, ending the month up.

The primary market showed strong momentum, with issuers taking an increasingly proactive approach to debt management. We saw many new issues coupled with buyback offers on bonds to be replaced. This trend accentuates the natural "roll down effect" (spread narrowing as maturity approaches). For instance, Erste Bank issued an AT1 debt yielding 8.5% and, at the same time, made a buyback offer at par on the 6.5% (2 points premium, in which the fund is invested in). This trend, which is set to continue, is an additional source of performance for the fund.

October

Market commentary

October was punctuated by two different phases: firstly, a record high in rates levels which drove spreads higher, followed by a phase of market performance based on the theme that "bad economic news is good news for rates ".

In the end, long rates ended the month down (Bund 10Y ended the month at 2.80%, down 3bps) while credit indices rose slightly (Senior Fin ended the month at 98bps, up 8bps). The fund, still driven by its carry, ended the month with a positive performance.

Central banks seem to have reached their inflection point regarding interest rate hikes. The FED held rates steady at 5.25% -5.50%, as they consider whether financial conditions are sufficient to control inflation, or whether an economy that continues to outperform expectations may require further monetary restriction.

Finally, October was another very positive month for bank stocks, with the publication of results once again surprising the consensus upwards, for the 11th time in a row. Earnings estimates for 2024 were raised by an average of 3% to 4%, amid negative surprises for other European sectors. Fundamental levels continue to strengthen, due to the fall in demand for credit, which has resulted in a reduction in banks' balance sheets, and therefore, mechanically, an increase in CET1 ratios.

This context has strongly benefited AT1s, notably RBI bonds (3% of the portfolio) and Commerzbank bonds (3.2%), with gains of over 5% over the month.

November

Market commentary

This market enthusiasm is based on inflation figures that surprised on the downside. The rate hike cycle now appears to be coming to an end, with analysts believing that a rate cut will come sooner than expected, which could lead to a rally across all markets if economic conditions hold.

In this optimistic environment, yields tightened. The French 10-year ended the month at 3%, down 42bps, the 10-year Bund ended November at 2.44%, and the US 10-year ended November at 4.33%, down 60bps. Shorter maturities also tightened, with the EUR 4-year swap rate down 36bps over the month to end at 2.92%. The Itraxx Senior Fin index also performed well, ending the month at 77bps, down 21bps.

This positive correlation between rates and spreads has benefitted greatly to the fund.

All types of bond contributed positively to performance, with a special mention for those issued with low spreads (La Banque Postale 3.875% was the biggest contributor with 17bps).

This context was also very favorable for the primary market for AT1s, which posted its strongest issuance volume in five years at EUR 9.3 bn. The fund participated in the new Société Générale bond with a 10% dollar coupon. There were other issues, notably by UBS, but demand was too strong to offer attractive premiums.

Report of the Board of Directors

December

Market commentary

Jerome Powell's dovish conference reinforced the market's expectations of rate cuts and propelled bond indices to their highest levels of the year. The Fed Chairman highlighted the remarkable fall in inflation and indicated that he was ready to cut rates before it reached the 2% threshold. In Europe, the ECB has a more hawkish approach by announcing a more aggressive QT program than expected. But this was not enough to push up market rates, given the weakness of the PMIs and the latest inflation figures.

The scenario anticipated by the market is clear: falling inflation and no recession. In this constructive environment, the fund performed strongly, with the emphasis on low back-ends (i.e. spread after call) (Banque Postale 3.875% contributed 0.23% to the fund's performance) and RBI (0.21% contribution), which found an ingenious way to recover dividends from its Russian subsidiary. The movement was accentuated by the call of UBS 7% and Santander 7.5% (expected after the November issues).

Spreads tightened particularly quickly, with Itraxx Senior Financier at 67 bps at the end of the year (peaking at 130 bps in March). As the cost of protection is relatively low, the fund took a position in this index to reduce volatility in early 2024.

AXIOM LUX - AXIOM EUROPEAN BANKS EQUITY

January

Market commentary

European banks rallied strongly in January on the back of solid results, reduced interest rates volatility and an improved short term economic outlook. The SX7R was up +14.04% vs. +6.74% for the SXXR. The Subfin closed 20 bps tighter at 155 bps. Bunds and Gilts yields ended the month lower at 2.29% and 3.33% respectively.

In Europe, the chances of an immediate recession decreased as activity improved slightly. In the US, retail sales and activity surveys suggested growth is slowing further. Labour markets remained dynamic on both sides of the Atlantic. Central banks signalled that they are nearing the end of automatic rate rises and will be more data dependent going forward, i.e., soon, more rate hikes will only be needed if inflation does not improve as expected.

As to banks' Q4 earnings, guidance on net interest income and asset quality was generally bullish, dividends and buybacks met or exceeded expectations, but cost pressures sometimes led to disappointments. Provisions increased across the board but were primarily macro driven as defaults remained low. Sabadell, Unicredit, BBVA, Swedbank and Santander shined, while ING, Danske and Bankinter underperformed.

On the M&A front, there were a few stories worth mentioning. Standard Chartered attracted an early stage interest from First Abu Dhabi bank. Investment firm BE group was said to be exploring a second bid to acquire Ageas. BNP announced it received all regulatory approvals for the completion of the sale of Bank of the West. Credit Agricole restated that it does not intend to increase its stake in Banco BPM above 10%.

February

Market commentary

Rates volatility resurfaced in February as inflation and growth surprised to the upside. Bund yields ended the month 40 basis points higher at 2.63% while Schatz yields reached 3.12%, their highest level since 2008. Banks outperformed the market on the back of strong Q4 results and higher for longer ECB rates. Maybe a sign of the times, Unicredit rejoined the Euro STOXX 50 and Commerzbank replaced Linde in the DAX. The SX7R returned +6.21% vs. +1.88% for the SXXR. The Subfin was flat at c. 155 bps.

Employment reports and economic surveys pointed to a rebound in activity at the beginning of the year, with a continued divergence between services and manufacturing. According to widely followed GDP coincident indicators, annualized real growth is currently trending around +2% both in Europe and the US. Defaults are still below through-the-cycle average across products. Insolvencies are averaging about 60% to 80% of their 2019 levels in France, Italy and Germany, but have surpassed this level in Spain and the UK, with Covid government-backed lending schemes probably driving the losses.

The Q4 earnings season witnessed extreme dispersion in the daily performance of bank stocks but portrayed an overall message of strength for the sector. Earnings expectations for 2023 were up 10% on average post-result, driven by higher net interest income, higher fees and lower provisions, partially offset by higher costs. Asset quality was strong, with NPLs decreasing across the universe (HSBC and Standard Chartered, which suffered from exposures to Chinese CRE, were notable exceptions). Unicredit, Commerzbank, ABN, Sabadell and Santander outperformed the SX7R by over 5% on reporting day, while ING, Bawag, Natwest, Deutsche Bank and Handelsbanken disappointed.

Report of the Board of Directors

On the regulatory front, the EBA released the scenarios for the 2023 stress test, which will have the most severe assumptions so far. In the adverse scenario, the EU real GDP declines by 6% cumulatively over the three-year horizon, while the unemployment rate increases by 6.1 percentage points. Results of the test will be due at the end of July.

In country-specific news, the ECJ released a non-binding opinion on Polish borrowers with CHF mortgages which, if followed, would probably require Polish banks to increase their coverage from 50-55% on average to 70-80% over time. Fitch upgraded three of the four systemic banks in Greece.

On the M&A front, Euronext made an indicative offer on Allfunds as it seeks to diversify its revenues away from equity trading. Co-Operative Bank is rumored to have put forward a bid for £650m for a loan portfolio from Sainsbury's Bank.

In other news, Santander released new 2025 targets on its investor day, implying 20% upgrades to consensus expectations. Credit Suisse was under the limelight again, with FINMA investigating comments made by the CEO in 2022. On the bright side, Apollo was rumored to be contemplating a $750m injection to support the leverage finance franchise of CS First Boston.

March

Market commentary

US regional bank failures and the write-down of Credit Suisse AT1s triggered a sharp drawdown across European banks' capital structure. Equities and convertible securities were down almost 20% from their previous highs at the climax of the volatility episode. We see structural differences between US regionals, Credit Suisse and European banks: the latter are liquid, well-capitalized, tightly supervised, and display low bank run risk due to sticky, granular and diverse deposit bases. National champions with stronger deposit franchises could benefit from a flight to quality. The latest data shows that deposit betas stayed low, currently at 13% on average in the retail side, and 23% on the corporate side. Spain, Ireland and Italy offer the lowest average deposit rates, while France offers the highest. The SX7R ended the month at -13.20% vs. -0.32% for the SXXR. The Coco Index was down -10.75%. Bund yields decreased by 30 bps while the Subfin Index widened by 32 bps.

Overall, we see the recent volatility episode as a byproduct of the banking fears originated from US regional banks with limited read-across for European banks, whose deposit bases are structurally more stable. At EU level, over 70% of retail deposits are guaranteed and over 60% of corporate deposits are either operational (i.e. necessary to cover transaction cycles such as salary or supplier payments) or term deposits. The speed of the outflows seen at SVB, Signature Bank and Credit Suisse certainly sets a new precedent, and may lead regulators to apply new liquidity stress factors to unstable deposits such as large private bank accounts or corporate demand savings accounts.

Regulators vocalised their confidence in the strength of European banks. SRB Chair Dominique Laboureix said “we wanted to tell it very clearly to the investors, to avoid being misunderstood: we have no choice but to respect this hierarchy.” ECB supervisory board Chair, Andrea Enria, confirmed that he is comfortable with the level of dividends and buybacks. He also called for better transparency in the single-name CDS market. Unicredit announced the ECB approved its €3.34bn share buyback. The bank will be distributing €5.25bn to shareholders this year with CET1 fully loaded ratio down 14.9% post distribution.

On the macro front, the Fed hiked rates by 25bps to the 4.75-5% range while the ECB proceeded with a 50 bps hike following the recent banking sector turmoil. Yet, Powell surprised the market with dovish guidance pointing to an end to the hiking cycle. The statement read that “additional policy firming may be appropriate”, a downshift from previous guidance that “ongoing hikes will be appropriate”. Central bankers want to assess whether the bank volatility episode will result in funding stress and have an impact on credit conditions before proceeding with further rate rises.

We see the March market stress as a great entry point into the sector. The fund remains biased towards quality deposit franchises that can extract strong margins in the current interest rate environment as well as banks with high and sustainable distribution yields. The fund is not exposed to Credit Suisse.

April

Market commentary

April saw further progress in the resolution of the US West Coast banking crisis. JP Morgan acquired all the assets and deposits of First Republic Bank, ending weeks of negotiations between large banks and the US government. Deposit trends at other US regionals suggest that the bank run crisis is behind us. In Europe, the results season has been positive so far, with pre-provision profits up 20% year-on-year and analysts raising their 2023 and 2024 profit estimates by low to mid-single digits. NII, credit quality and capital were generally better than expected, while costs were in-line. There was no negative surprise on deposits. The SX7R ended the month at +3.48% vs. +2.45% for the SXXR. The Subfin index was flat at c. 185 bps.

Report of the Board of Directors

On the macro front, the Q1 2023 ECB banking survey showed that banks kept tightening credit for both companies and households at a pace similar to Q4 2022. Demand for corporate loans, especially fixed investment, fell substantially and reached its lowest reading since 2009. On the bright side, banks expect tightening to moderate going forward and they did not report a broad deterioration in market access. The impact on banks' profits is difficult to assess: on the one hand, banks are raising their asset margin substantially; on the other hand, increased chances of a recession are negative for asset quality. European PMI, employment and GDP numbers were mixed, pointing to weakness in manufacturing and retail sales but a sustained rebound in services and the strongest job markets in many years.

On the regulatory front, the EC proposed their reform package for bank crisis management and the deposit insurance framework. The most relevant proposal was the change to the creditor hierarchy which would subordinate senior preferred bonds to all deposits. The FT reports that the BoE is considering a ‘major reform’ of the deposit guarantee scheme which would see an increase to the levels of pre-funding to the scheme and also an increase to the current £85,000 limit. In the US, levys will be imposed on the industry to replenish the deposit insurance fund after it suffered c. $30 bn in losses from the failures of regional banks. Changes to global liquidity rules will be discussed at the Basel level ; recent bank failures show that non-guaranteed deposit outflow parameters are likely to be revised higher but that guaranteed deposits have behaved as planned.

May

Market commentary

European financials remained weak in May despite buoyant results, the resolution of the debt ceiling saga and signs of US regional banks' deposits stabilization. The SX7R returned -1.59% vs. -2.52% for the SXXR. The Subfin ended the month 14 tighter at 73 bps.

Though 2023 EPS expectations for the SX7P have climbed by c. 20% since the start of the year, the sector in price terms is trading almost flat. As a result, valuations are more depressed than ever:

- Forward price-to-earnings ratios are now below 6x (vs. all-time lows of 5.5x reached 2009 and 2011), and a record 50% discount to the Stoxx 600.
- The price-to-book of 0.65x is at pre-Covid lows while ROEs of 10%-11% are largely above pre-Covid highs.
- The distribution yield (dividends + buybacks) is above 10% / year over the next 3 years (with some banks above 15% / year).

Valuations echo two main concerns:

1. The market is expecting an imminent disinflationary recession. In relative value, autos, banks, retail, homebuilders, and small caps are trading at recession levels versus the broader index. Interest rate curves are inverted. Credit spreads reflect a moderate recession. Investors are worried about weak global manufacturing data as well as the lagging effects of monetary and credit tightening. They also believe inflation will quickly revert to 2%-2.5%. To get to a 40% cut in earnings, which would put the sector at fair value, we would need to see both a real recession (with default rates doubling versus the through-the-cycle average) and significant interest rate cuts (more than 200 bps).

2. The second concern relates to the risk of an erosion in the value of deposit franchises. Given the pace of rate hikes, the cost of deposits may increase faster than expected. In the Czech Republic, where rates climbed from 0% to 7% in less than a year, the shift to term accounts accelerated in the first quarter. In France, the pace of increase in Livret A and other regulated savings accounts took banks by surprise. In the short term, deposits are still behaving better than what the consensus is modelling, leaving upside to Q2 NII expectations. In the coming quarters, it will be a fight between two forces: on the one hand, the mechanical increase in asset yields and hedging benefits, which happens at different paces in different banks (some banks are 75% done, others are just 25% done); on the other hand, the shift to savings and term accounts, which is a bit more unpredictable.

That said, what can we expect in terms of price action going forward?

A. The main drivers should be i. how deep a recession is priced ii. monetary policy iii. the perceived risks to deposits.

B. Higher short-term interest rates would probably not be beneficial to price action as they would be seen as increasing both the risk of a war on deposits and the chances of a recession. However, stable, or slowly increasing interest rates should be beneficial: the less the curve is inverted, the better.

C. To get a strong rally, we would need to see stable or improving economic data (for instance better manufacturing PMI) and/or slow but real disinflation (enough disinflation to reduce the risk of hawkish central banks and deposit wars, but enough inflation to limit the risk of a big cut in interest rates).

D. To get a strong sell-off, we would need a sudden and pronounced deterioration in unemployment or signs of a deposit war spreading to big banks.

Report of the Board of Directors

E. Should there be no clear trend in inflation or economic data and a continued uncertain outlook, the sector is likely to stay range bound with strong earnings supporting the carry and limiting downside risks. Time is on investors' side, with a 15% total carry and the impact of higher deposit costs decreasing as asset yields improve.

We believe that c is much more likely to happen than d and the fund owns call options to take advantage of such a scenario. We continue to be overweight stocks with high sustainable distribution yields, deposit pricing power and better asset quality.

In other news, the ISDA determination committee concluded that neither a Bankruptcy Event nor a Governmental Intervention Event had happened with respect to Credit Suisse subordinated CDS.

On the political front, Erdogan was reelected in Turkey, delaying hopes for a return to a traditional monetary policy. In Spain, the government called for early reelections, which could be positive for banks as the favored party has declared being against renewing the windfall tax.

June

Market commentary

Banks outperformed in June with the SX7R returning +7.31% against +2.41% for the SXXR. The Subfin tightened by 15 bps to end the month at 160 bps. UK bonds underperformed as the BOE hiked 50 bps contrary to consensus expectations of a 25 bps move.

Central bankers met in Sintra to discuss the inflation outlook against a backdrop of conflicting economic data. Powell made the case that a soft landing was possible as inflation seemed to be moderating while the economy looked resilient. Despite weak European PMIs, Christine Lagarde reasserted that inflation risks are on the upside. Indeed, the ECB projections may be optimistic as they assume that real wages will catch-up to pre-pandemic levels, but without causing a wage-price spiral. In emerging markets, inflation seems to have subsided, with rate cuts expected in Mexico, Brazil, Poland and Czechia.

In the US, the Fed Stress Test results were generally positive, allowing many large banks to announce increased dividends. The aggregate 2.3pt CET1 loss compares to a 2.7pt drop in the FY22 stress test thanks to higher pre-provision profitability. Unrealized losses on bond portfolios were not problematic as the stress test assumed a disinflationary recession with c. 400 bps rate cuts. The average cumulative loss rate on commercial real estate in the adverse scenario was 8.8%, and 17.7% on credit cards.

In Europe, ECB Supervisory Chair, Andrea Enria, highlighted that the amount of unrealised losses on balance sheets of European banks are “in the ballpark of EUR 70bn”, compared to “north of 620bn” for US banks. Recently, the IMF estimated that the unrealised losses account for 50 bp of European banks’ CET1 vs. 250 bp for US banks.

Banks repaid close to €500bn TLTRO funds, led by Italian banks with more than €120bn. The MRO and LTRO facilities increased by c. €18bn and €4bn, demonstrating that banks did not need to replace central bank funding to maintain healthy liquidity ratios.

On the credit front, after three months of inactivity post Credit Suisse, the European AT1 market reopened with a €1bn deal by BBVA and €220m by Bank of Cyprus. Demand for the deals was strong with books covered several times. In other news, Santander extended a USD Senior Preferred security, which is the first extension of a Yankee senior. Barclays announced its intention to redeem its “discos” at a 10 pts premium to market prices.

July

Market commentary

European banks outperformed in July on the back of positive earnings revisions, increased shareholder remuneration and a slowly improving inflation outlook. Continued NII strength and lower provisions resulted in an aggregate Q2 profit before tax beat of 13% for the sector so far. The EBA stress test results confirmed the ability of banks to further grow total payout ratios. The SX7R returned +5.50% vs. +2.14% for the SXXR. The Subfin ended the month tighter at 145 basis points. Rates were broadly stable.

Central banks were again at the forefront. The FED and the ECB delivered 25bps hikes followed by neutral commentaries stressing data-dependency. Unexpectedly, the ECB introduced a change to its reserve remuneration system announcing that it will pay 0% on required reserves from the end of September. The first order impact on profits for the sector should be around 2% but we expect banks to pass part of it onto clients. The BoJ surprised the market with a policy tweak on yield curve control, increasing the upper limit of the tolerance band for 10y government bond yields from 0.5% to 1%.

On the macro front, surveys continue to point to weakening inflation and wage pressures in developed economies. Activity kept surprising to the upside in the US, while disappointing in Europe and China. The inflation outlook remains hotly debated. One the one hand, China is exporting deflation due to excess capacity, energy prices are falling, and demand seems to be cooling off. On the other hand, labor markets remain relatively tight despite low activity levels in cyclical sectors such as manufacturing and real estate. Easing financial conditions in a tight labor supply environment may lead to a renewed bout of inflation.

Report of the Board of Directors

The earnings season was a repeat of Q1 in many respects. NII beat consensus due to higher rates and a lower than expected cost of deposits. Fees and costs were broadly stable. Credit trends remained benign and provisions were again lower than expected. Banks either maintained or lowered their provision guidance, with the exception of Deutsche Bank who mentioned pressures in CRE and German midcaps. As loan demand remained very weak, RWAs grew less than expected, leading to higher CET1 ratios and prompting banks to boost their buyback programs.

The EBA stress test results were largely ignored by the market but brought a few interesting details. This adverse macro financial scenario was very different this year as it modelled 20% cumulative inflation in the Euro area over 3 years, peak rates above 5% and long-term rates above 4%, in addition to a 6% fall in GDP and a 13% unemployment rate. All demand deposits (even current accounts) were subject to a minimum 50% pass-through rate. This brought interesting dispersions between countries with fixed and floating assets. La Banque Postale was an outlier with its large base of French fixed mortgage assets and demand deposits, with CET1 falling to 6% (under IFRS 17) due in part to negative NII in 2023 and 2024!.

The AT1 market revival gained momentum with redemptions from BBVA, Barclays and Caixabank taking c.€3.7bn out of the market. On the legacy front, the EBA discouraged the use of rating agency capital Tier 2 instruments (RAC Tier 2) arguing that “the existence of several triggers in different types of own funds instruments creates uncertainty on the effectiveness of the write-down or conversion between the different types of instruments.”

<u>August</u>

Market commentary

August was a risk-off month with the SX7R returning -3.45% vs. -2.54% for the SXXR. In banking, the news flow was dominated by the Italian special tax, changes in the remuneration of required reserves and UBS results.

On the macro front, the US labour market showed some welcomed signs of cooling, with the quit rate falling to 2.3% and the ratio of job openings to unemployed falling to 1.4x. At Jackson Hole, central bankers adopted a balanced tone, pointing to restrictive policies to be held for a long time. Though inflation has cooled, the conditions to sustainably achieve the inflation target haven't been reached: wage growth above 3%, declining savings rate, and resilient corporate margins are inconsistent with a 2% core inflation rate.

After the ECB introduced a tweak in the bank reserves remuneration policy, whereby interest rates on required reserves would be set a zero from the end of September, governor Nagel alluded to the fact that an increase in required reserves was possible. However, we do not expect any change to be announced at the next meeting as the ECB needs time to assess the impact of such tweaks on money market rates.

The Italian government announced a windfall tax on bank profits, the precise amount being still debated. There would be a cap at 10 bps of total assets (potentially excluding BTPs). A tax credit mechanism whereby banks could be reimbursed a part of the windfall tax over a 5-10 year period was also mentioned. In Spain, the economy minister said that an extension and "reevaluation" of the bank tax was possible, leaving the market in the dark about what it entails precisely.

UBS announced that it terminated the loss protection agreement and the public liquidity backstop. Results showed that the bank managed to attract back a good proportion of Credit Suisse outflows. Management announced a 15% go-to RoCET1, above market expectations.

<u>September</u>

Market commentary

In a volatile month which saw higher and steeper rates, banks outperformed the market, with the SX7R returning +2.59% vs. -1.66% for the SXXR.

On the macro front, yields crept up amid a persistently high nominal growth picture. Economists increased their fiscal deficit projections for Europe and the US, while central banks repeated their commitment to keep rates at a high level for a long period of time. European economic surprise indices improved significantly over the last 3 months but remain negative.

Special bank taxes were under the spotlights again. In Spain, the extraordinary tax may be amended and extended. In the Netherlands, the bank levy will be increased, implying a 2 to 3% hit to net profits for ABN and ING. A buyback tax for all Dutch corporations is also being readied but will likely not apply before 2025. In Italy, the final version of the tax was validated by the Parliament. Banks will have the option to affect 2.5x the tax amount to reserves instead of paying it. What they will elect to do is still unclear.

The minimum reserve saga continued, with a minority of ECB governing council members still pressing for an increase in required reserves (RR) to 2% or more of eligible liabilities. We still view a RR rate above 2% as unlikely given the pushback from Lagarde and De Guindos, the absence of any monetary policy rationale, and the potential side-effects on lending conditions and money markets.

Commerzbank released its new capital return policy for 2024-2027: >70% in 2024 (dividend + share buyback) and well above 50% between 2025-2027 while maintaining a CET1 ratio around 13.5%.

The banking sector is still benefiting from a strong earnings upgrade momentum going into Q3 as analysts incorporate low deposit costs and resilient asset quality. The combination of depressed valuations, weak positioning, year-end seasonality, likely positive 2024 earnings revisions post Q3 results and new share buyback announcements, will hopefully support the sector in the coming months.

Report of the Board of Directors

October

Market commentary

Renewed geopolitical tensions and sticky inflation in the US weighed on valuations in October. The SX7R returned -5.49% vs. -3.62% for the SXXR, bringing year-to-date net returns to +13.47% and +4.60% respectively. Rates remained volatile as curves bear steepened. The Xover widened by c. 20 bps.

On the macro front, the divergence in nominal growth between the US and Europe deepened as aggressive fiscal policy and consumer dissavings kept boosting the former. Despite softer labour markets, we do not foresee a high default rate recession in Europe. A number of supporting factors should limit the depth of the downturn: a. low and declining private sector leverage b. elevated margins and savings rates c. further deployments of NextGen EU funds and a new Stability and Growth Pact d. high banking sector balance sheet capacity.

The earnings season once again led to upgrades on an aggregate level for the European banking sector. 2024 consensus pre-provision earnings expectations were revised up by c. 3%-4% in a context of slightly negative surprises in the broader European market. Resilience was driven primarily by better revenues outside of the UK and good cost control. Southern and Eastern European banks showed the strongest momentum.

On the asset quality front, weaknesses originated from commercial real estate in China (HSBC, Stanchart) and the US (Bawag, PBB) as well as emerging markets (BBVA). This did not lead to negative revisions on asset quality as corporates and mortgages remained strong and banks benefit from large precautionary buffers that they can release.

On a technical note, the ECB said they would discuss the sizing of minimum reserves (MRR) alongside QT early next year. We think the downside in terms of an increase in MRR is limited as the ECB does not want to risk tightening lending conditions much further in the current environment. A possible compromise would be to raise the MRR to 2% while lowering the cost of MROs/LTROs.

November

Market commentary

November was one of the greatest months for bond markets in history as a broad-based decline in inflation cleared the path for easier financial conditions. Risk assets followed the lead on the back of improved odds of a soft landing. The Bloomberg Euro Aggregate finished +2.7%, its fourth best month since inception in 1998. The SX7R was up +7.46% vs. +6.62% for the SXXR. The Subfin closed the month 40 bps tighter at 140 bps.

On the macro front, following downside surprises in core inflation in Europe and the US, market participants priced deeper and earlier interest rate cuts, with the first cut now fully expected by April. A court ruling in Germany questioning the lax usage of off-budget funds introduced downside risks on government spending for 2024.

On fundamentals, CRE continued to be in the spotlight. Deutsche Pfandbriefbank released a profit warning following losses on US office exposures. The insolvency of Signa Holding led to questions regarding the exposures of European banks to the group. The surprise came from Julius Baer, which took a ~70m provision on the name, an amount that could grow. RBI and Unicredit have also been cited among the most exposed names, albeit with a large majority of exposures being secured by property assets on low LTVs.

In other news, ASR and NN jumped following the news of a settlement of long-standing unit-linked disputes with claims association. Deposit rates continued to rise at a gradual pace, with the deposit beta now at c. 25% in the Euro area.

The outlook for the next couple of months will depend on whether the narrative shift to a soft landing can be confirmed by further data and central bankers' talk. Given the low levels of current multiples for European banks, the November momentum can be easily sustained. In the longer run, we expect banks to be able to maintain double digit return on equity through-the-cycle absent a return to QE and negative rates.

December

Market commentary

Jerome Powell's dovish conference ignited a rally across global equity and fixed income markets as investors rushed to position for a goldilocks scenario of lower rates and resilient growth. US 10y treasury yields ended the month 50 bps lower at 3.57%. The Bund briefly crossed the 2% level before finishing at 2.03%. The SX7R returned +3.74% vs. +3.84% for the SXXR.

Powell highlighted the significant progress on the inflation front and commented that the Fed would be ready to cut rates before CPI stabilizes at 2%. The "dot plot" showed 75 bps of cuts in 2024 versus 50 bps previously, despite unchanged growth and inflation projections. In Europe, Lagarde was more hawkish. She signaled a slightly more aggressive QT, but this failed to stop the rally in rates as weak inflation and PMI data prevailed. Elsewhere, the BoE voted 6 to 3 to leave rates unchanged and the DNB delivered a surprise 25 bps hike.

On the fiscal front, after protracted negotiations, the EU managed to agree on the new stability and growth pact, just in time for Christmas. The new framework has a higher degree of built-in flexibility and should be less pro-cyclical.

Report of the Board of Directors

The latest EBA report highlighted the strength of the banking sector with capital rations at record highs and buffers to SREP at 495 bps despite the increase in countercyclical buffers and high payout ratios. Banks expect cost of risk to stay below 50 bps next year and NII to keep growing in late 2023 and early 2024. The CRE data was of interest and showed that the highest LTV exposures were concentrated in Eastern Europe.

On the deposit front, the latest disclosures pointed to a sharp slowdown in the rotation from current accounts to term accounts. For the first time since 2022, sight corporate deposit volumes were up on the month. The household deposit mix was 56% sight and 18% term, versus a long-term average split of 47% vs. 22%.

In idiosyncratic news, Carlyle and KKR are joining Apollo in the race for Pension Insurance Corp. The price is expected below the book value of c. £6 bn. The Italian Appeal court acquitted three former executives of Monte dei Paschi which should significantly reduce legal risks for the bank and could lead to a release in legal provisions. In Ireland, PTSB had its prohibition from paying dividends lifted. It is highly symbolic as the last time the bank paid a dividend was in 2008. In Austria, Bloomberg reported that BAWAG is looking to buy Barclays' German consumer finance business for ~€500m.

AXIOM LUX - AXIOM SHORT DURATION BOND FUND

January

Market commentary

This year, the January effect has been beneficial for all non-risky assets. The market has shown a wave of optimism thanks to a receding recession.

The Senior Fin index tightened from 99 bps to 88 bps. The primary market took advantage of this euphoria to issue 90 billion financials, confirming the market's appetite. The fund participated in particular in those of Belfius (5.25% in Tier 2), Crelan (5.75% in senior), and BIL (6% in Tier 2). The senior and Tier 2 pockets now represent 45% of the portfolio and allow us to maintain an attractive rate of return after a performance above 2% over the month.

The markets are difficult to read, with yield curves that are inverting but economies that are not showing any signs of weakening. Employment is at very high levels and the earnings season for European and American banks is holding up well.

In these moments, one should not forget to sell what has become too expensive, and we took advantage of this to take profits on prefs UK, AIB senior, HSBC Tier2, Sabadell senior and Abanca senior.

February

Market commentary

After the optimism seen earlier this year, the bond markets turned down in February.

Long maturity rates' volatility has surged back, consequence of a persistent inflation and recession fears that are steadily subsiding.

Thus, the French 10-year yield rose from 2.73% to 3.17% during the month and the US 10-year from 3.87% to 4%. Credit spreads returned to their initial levels, the Senior Fin ending the month at 88 bps.

The fund's performance benefited from its low duration (30 bps contribution for interest rate protection) and its high carry to end the month almost at breakeven.

The fund was considerably dynamic (16 purchases and 26 sales). The objective here is to mitigate the risks after a strong start of the year while maintaining an attractive yield. The securities with the most contribution were sold (Legacies long call and Pref UK) and low maturity securities were bought (Insurance Legacies and senior 2/3 years) with yields around 6%.

The fund also reduced its currency bucket to 15% in order to curb the current high hedging costs.

March

Market commentary

The rescue of Credit Suisse is obviously the highlight of the month. The crisis of the American bank SVB spread to the Swiss bank and caused a shock wave in the whole banking sector.

Report of the Board of Directors

Following an unfortunate statement by its main shareholder, Credit Suisse suffered a real "bank run", causing its share price to fall violently, despite a supportive intervention by the Swiss regulator. If the speed of execution of this rescue may have surprised, it is above all the conditions of application that shocked investors. The authorities announced, by ordinance, the implementation of an emergency liquidity assistance, accompanied by a zero amortisation of CHF 16.6 billion of AT1 securities. The failure to respect the hierarchy of claims (the CET1 ratio is not impacted), as well as the paradox of absorbing unrealized losses, caused an explosion in the subordinated debt market, to the point that other regulatory authorities (ECB/EBA/SRB/BOE), as well as authorities in Singapore and Canada, intervened.

The fund has of course suffered from this episode as it is fully invested in financials. Negative in the short term, it could turn out to be positive in the long term with risk premiums remaining high compared to the strength of European players. The fund has taken advantage of its liquidity pocket to increase its legacy pocket with new names such as HSBC, Commerzbank and insurer Sogecap and its Tier 2 pocket with Sabadell and RBI.

April

Market commentary

Following last month's turmoil, the financial sector is progressively catching its breath. Investors have been reassured by the responsiveness of regulators and public authorities as well as by strong Q1 2023 results. However, the primary market was rather quiet, with only one new Tier 2 issue: OSB Group, a UK issuer with a senior BBB rating. With a coupon of 10% in GBP, the relative value is interesting, therefore we decided to participate. Some insurers also came to the market, such as Ethias at 6.75% or NN Group at 6% to refinance a tender on Legacy bonds (already in portfolio). We decided to participate given their attractive rating and coupon.

HSBC called at par some of its legacy bonds (+25pts) which triggered a renewed interest in the asset class. The fund was not exposed to this complex case but some of our positions benefited from the momentum (Deutsche Postbank, DNB or Standard Chartered). Their contribution to the fund's performance was 20bps over the month.

May

Market commentary

The coming summer was felt on the financial markets in May, with a positive sentiment across all asset classes. European banks published better-than-expected results for the 9th consecutive quarter, sending out an optimistic message for 2023. The end of the month was dominated by discussions surrounding the US debt ceiling. The positive outcome enabled the credit indices to finish in the green, with the Senior Fin falling from 98 bps to 93 bps over the month.

In this environment, the primary market was buoyant, with numerous MREL issuances (Senior Non-Preferred Holdco and Senior Preferred Opco). In particular, the fund participated in the 4-year senior issue of RBI's Croatian subsidiary at 7.875% and Santander's T2 at 5.75%. The fund was also active, continuing to invest cash in insurance legacies with yields of over 6%.

June

Market commentary

As the summer break approached, the financial debt market was marked by the reopening of the primary market for AT1s in June. The Tier 2 and senior bond markets were also supported by new issues throughout the month. The fund participated in the new senior bond issued by OTP's Slovenian subsidiary (7.375% yield to 3 years, BBB rating), as well as the senior bonds of UK bank Close Brothers (7.75% to 5 years, BBB+ rating) and insurer Athora (6.625% to 5 years, BBB+ rating).

Buoyed by positive momentum, the Senior Fin index reached its lowest level since the Crédit Suisse affair, ending June at 85 bps (-7bps). The fund was also buoyed by strong activity on Legacy bonds: a buyback offer on Bank of Ireland's prefs bonds (+4bps contribution to performance), as well as the call of several discos with the end of USD LIBOR (+6bps contribution to performance).

In addition to the senior pocket, the fund continued to increase its Legacy insurance bond pocket with purchases of Scor, Achmea, Swiss Re, Hannover Re and Sace. These bonds, which have a call date between 2024 and 2025 and still offer a yield of around 6%, represent an attractive investment opportunity for the fund.

July

Market commentary

July was a generally positive month for all risky assets, bringing to a close a turbulent first half of the year for both the bond markets and the macroeconomic environment.

Report of the Board of Directors

The credit indices all tightened during the month, with the Senior Fin ending 7 bps lower at 78 bps compared with 85 bps at the start of the month. The fund was buoyed by this buoyant market, with a return of over 1% for the month. Interest-rate hedges and legacies were the main contributors, with the EBA's follow-up report announcing that "the existence of several triggers in different types of capital instruments creates uncertainty as to the effectiveness of impairment or conversion".

EBA also published the results of the 2023 stress test, with a particularly strong adverse scenario: cumulative inflation of 20% in the eurozone over three years, maximum deposit rates above 5% and long-term rates above 4%, in addition to a 6% fall in GDP and an unemployment rate of 13%. All sight deposits (even current accounts) were subject to a minimum pass-through rate of 50%. This produced some interesting differences between countries, depending on the type of assets used, with the Nordic countries coming out on top. Overall, the results of these stress tests remain positive for the European banking sector, which would withstand the unfavourable scenario without any major negative impact.

As spreads fell, the fund replenished its cash + pocket by selling bonds (PKO, Landesbank Baden-Wuerttemberg, etc.) which no longer offered a sufficient return compared with money market yields, which are now close to 4%.

<u>August</u>

Market commentary

As expected of the summer break, August was a relatively quiet month on the bonds markets, despite a slight widening of spreads over the period (the Senior Fin ended the month at 81bps, up by 5bps). The fund was carried out by its internal return (approximately 0.5% per month), offering a positive performance.

The loss of the USA's AAA rating from Fitch and the super-tax on bank profits have opened up a few buying windows. On the latter, some European countries have announced “super-taxes” on bank profits, such as Italy, which has decided on a 40% tax on annual growth in net interest income exceeding the 8% threshold. The tax, although capped at 10bps of the total assets of the banks concerned, came as a negative surprise to the market. Italy thus joins the movement initiated earlier by the United Kingdom, Spain, Sweden, the Netherlands, and Hungary, all of which are imposing super taxes on bank profits. By contrast, France and Germany remain exempt from such taxes for the time being.

At the same time, Allianz's announcement of the call on its Legacy 4.75% bond (7 million in the portfolio) further validates the fund's strategy in this segment.

<u>September</u>

Market commentary

September was a month of high rates volatility, especially long-term yields which reached their highest level of the last decade. The French 10-year (OAT) reached its peak of 3.50% during the month, ending at 3.40%, the Bund 10Y ended the month at 2.83% and the Italian BTP concluded at 4.78%, after a reaching its top at 4.87%. On the American side, the US Treasury Bond 10Y ended September at 4.57%. This upward momentum on the long end of the yield curve is symptomatic of uncertainties over monetary policy’s positioning to maintain higher rates for a longer period in the face of a possible future recession.

Against this backdrop, credit indices diverged. The Senior Fin ended the month at 90bps, up 4bps. The rise in rates and spreads did not offset the carry: the fund ended the month with a positive performance.

The primary market showed strong momentum, with issuers taking an increasingly proactive approach to debt management. We saw many new issues coupled with buyback offers on bonds to be replaced. This trend accentuates the natural "roll down effect” (spread narrowing as maturity approaches). For instance, Grenke issued a 4-year BBB-rated senior debt yielding 8% and, at the same time, made a buyback offer with a 4.70% yield on a one-year maturity (in which the fund is invested in). This trend, which is set to continue, is an additional source of performance for the fund.

<u>October</u>

Market commentary

The month of October was punctuated by two different phases: firstly, a record high in rates levels which drove spreads higher, followed by a phase of market performance based on the theme that "bad economic news is good news for rates ".

In the end, long rates ended the month down (Bund 10Y ended the month at 2.80%, down 3bps) while credit indices rose slightly (Senior Fin ended the month at 98bps, up 8bps).

Central banks seem to have reached their inflection point regarding interest rate hikes. The FED held rates steady at 5.25% / 5.50%, as they consider whether financial conditions are sufficient to control inflation, or whether an economy that continues to outperform expectations may require further monetary restriction.

Report of the Board of Directors

In this unsettling environment, the fund continues to focus on micro-economic issues, favoring low-volatility pockets such as MREL primaries with maturities of up to 3 years, and insurance Legacies with yields above 6.25%. The latter theme performed strongly at the end of the month, with attractive call offers from Credit Agricole Assurance and Swiss Re.

November

Market commentary

November was recorded as one of the greatest months for bond markets.

This market enthusiasm is based on inflation figures that surprised on the downside. The rate hike cycle now appears to be coming to an end, with analysts believing that a rate cut will come sooner than expected, which could lead to a rally across all markets if economic conditions hold.

In this optimistic environment, yields tightened. The French 10-year ended the month at 3%, down 42bps, the 10-year Bund ended November at 2.44%, and the US 10-year ended November at 4.33%, down 60bps. Shorter maturities also tightened, with the EUR 4-year swap rate down 36bps over the month to end at 2.92%. The Itraxx Senior Fin index also performed well, ending the month at 77bps, down 21bps.

This positive correlation between rates and spreads has benefitted greatly to the fund. Legacy bonds were the strongest contributors to performance, especially the Deutsche PostBank issuance (with a recall offer 10pts above the market price), followed by higher duration issuances such as the Tier 2 bonds by Insurance companies. For instance, the fund participated in the SOGECAP primary issue, yielding 6.55% at the beginning of the month.

December

Market commentary

Jerome Powell's dovish conference reinforced the market's expectations of rate cuts and propelled bond indices to their highest levels of the year. The Fed Chairman highlighted the remarkable fall in inflation and indicated that he was ready to cut rates before it reached the 2% threshold. In Europe, the ECB has a more hawkish approach by announcing a more aggressive QT program than expected. But this was not enough to push up market rates, given the weakness of the PMIs and the latest inflation figures.

The scenario anticipated by the market is clear: falling inflation and no recession. In this constructive environment, the fund performed strongly, with a focus on high-duration bonds. The T2 insurance bucket with a 2033 maturity, such as MACIFS, Ethias, Athora, Sogecap and NN Group, contributed 20 bps to performance.

Spreads tightened particularly quickly, with Itraxx Senior Financier at 67 bps at the end of the year (peaking at 130 bps in March). As the cost of protection is relatively low, the fund took a position in this index to reduce volatility in early 2024.

AXIOM LUX - AXIOM OBLIGATAIRE

January

Market commentary

This year, the January effect has been beneficial to all risky assets. The market has shown a wave of optimism with a worst case scenario receding. The indices tightened, with the Main falling from 91 to 79 bps, the Senior Fin from 99 to 88 bps, the Sub Fin from 172 to 155 bps and the Xover from 474 to 414 bps. The primary market was also euphoric with more than 90 billion issues confirming the appetite for financial bonds. Investors went so far as to contradict the adage "don't fight the FED". Indeed, the central banks have indicated that several additional rate hikes will be necessary but also that their decision will be guided by the economic data to come. The market is anticipating an optimistic scenario; a rapid decline in inflation which does not correspond to the main scenario of the central banks. All of this makes for difficult market reading, with yield curves inverting but economies showing no signs of softening. Employment is at very high levels, the economic surprise index published by Citi (CESI, Citi Economic Surprise Index) is at its highest level in 18 months, a 26.90, and the European and American bank results season is holding up well.

Funds Activity

We have invested in the Deutsch Postbank perpetual floating rate bond. This security is disqualified as regulatory capital because of the particularities of its prospectus. In particular, it is one of the last bonds in Europe issued by a special purpose vehicle (SPV). The security also has a negative duration. The current yield on our investment is around 4% for a rating in the BB category.

Report of the Board of Directors

February

Market commentary

After the optimism seen earlier this year, the bond markets turned down in February. The economic indicators proved central bankers right against the market consensus: inflation persists, employment is at record levels, growth has surprised on the upside and there is no sign of recession for 2023. Accordingly, long maturity interest rates have risen again, causing financial assets to fall.

Thus, the French 10-year yield rose from 2.73% to 3.17% during the month and the US 10-year from 3.87% to 4%. Bund yields ended the month 40 bps higher at 2.63%, while Schatz yields reached 3.12%, their highest level since 2008. In contrast, credit spreads returned to their initial levels despite volatility during the month. The Main and Sub Fin remained stable at 79 bps and 155 bps respectively, the Xover tightened slightly from 414 bps to 413 bps and the Senior Fin ended the month at 88 bps. In this context, the primary market was subdued. However, of note were AT1 issues of Bankinter, Julius Baer and ING which offer interesting carry levels.

On the equity side, banking sector outperformed the broad market thanks to good fourth quarter results and rising interest rates. Indicative of current dynamics, UniCredit caught up the EURO STOXX 50 and Commerzbank replaced Linde in the DAX. The SX7R returned +6.21% versus +1.88% for the SXXR. About regulatory topic, the EBA published its stress test scenarios for 2023, which will include the most severe assumptions to date. In its worst-case scenario, EU GDP declines by 6% cumulatively over three years, while the unemployment rate increases by 6.1 percentage points.

Uncertainties related to central bank decisions lead us to maintain a preference for low duration positions. On the other hand, the very good results of the fourth quarter and the favourable interest rate environment for bank profitability give us confidence in the credit quality of financial issuers.

Funds Activity

Once again, we participated in the primary market with Tatra Banka. The expected yield on this bond, rated A3 by Moody's, is about 6%. The rank of this security is "senior preferred", the lowest form of subordination. This subsidiary of the Austrian banking group RBI is a universal bank. The bad debt ratio is very low and the CET1 ratio is high (15%).

March

Market commentary

Credit Suisse rescue is obviously the highlight of the month. The crisis of the American bank SVB spread to the Swiss bank and caused a shock wave in the whole banking sector.

Following an unfortunate statement by its main shareholder, Credit Suisse suffered a real "bank run", causing its share price to fall violently, despite a supportive intervention by the Swiss regulator. Rumours of a takeover deal began to circulate on Friday 17 March, and its buyout by UBS was finally completed the following Sunday evening.

While the speed of the rescue may have been surprising, it was the conditions under which it was carried out that shocked investors. The authorities announced, by ordinance, the implementation of an emergency liquidity assistance, accompanied by a zero redemption of CHF 16.6 billion of AT1 securities.

The failure to respect the hierarchy of claims (the CET1 ratio is not impacted), as well as the paradox of absorbing unrealized losses, caused an explosion in the subordinated debt market, to the point that other regulatory authorities (ECB/EBA/SRB/BOE), as well as authorities in Singapore and Canada, intervened.

The reminder of the main principles of banking crisis management allowed the market to come to its senses and the brief episode of volatility on Deutsche Bank had no lasting consequences.

What lessons can we learn from this exceptional sequence?

- **Increased importance of credit profile controversies**. It is no coincidence that Credit Suisse was the victim of the SVB bankruptcy, despite the absence of a direct link. For several years now, Credit Suisse has been regularly in the headlines for incessant controversies (Archegos, Greensill, etc.). While the purely financial consequences of these scandals could be dealt with each time, it was ultimately the damage done to its reputation that was decisive. Credit Suisse could not resist a massive exodus of its clients during the month of March. In the age of digital banking, it is essential to pay even more attention to the governance qualities of financial issuers.
- **From regulation to supervision.** The last fifteen years have been marked by a constant tightening of banking regulation. We have undoubtedly reached the end of this exercise because the rescue of Credit Suisse and the failure of SVB and Signature Bank have demonstrated the crucial role of supervision. Beyond the ratios, the time for operational supervision has arrived. After eight years of supervision within the framework of the Banking Union, the ECB seems to have a head start, whereas the Americans and the Swiss clearly still have a lot of work to do.

Report of the Board of Directors

- **The deposit guarantee cannot be limited to a threshold.** It may be too early to tell, but the main lesson of March may well be that the deposit guarantee is in fact total, not limited to 100k or 250k, at least in the US. Once evoked in a bank run, the threshold sets and feeds the panic that is self-realizing and calls for other, much larger guarantees. This policy choice could have profound structural consequences for capital markets.
- **The ramifications of the sudden rise in rates.** The entire sequence from SVB to Credit Suisse has its roots in the rapid and significant rise in interest rates. The deposit base, which has long been the ball and chain of the big banks, is now becoming a valuable asset that needs to be controlled, remunerated and risk hedged. A key element of differentiation between banks will therefore be the quality of the deposit base and the management of interest rate risk (IRRBB for Interest Rate Risk in the Banking Book.) We can expect, for example, that the Americans will quickly adopt the best European practices and that Japanese banks will be the object of greater attention.
- **What prospects do we see for the financial asset class?** Paradoxically, perhaps, bank stocks are up around 4% since Friday 17 March, the day before the Credit Suisse weekend. Cynically, the fall of the "weakest link" has reduced the risk of the sector. All metrics are in the green: CET1 ratios up to 15.3%, NPL ratios down to 1.6% and profitability finally back on track (consensus ROE at 10.4%, the highest level since 2008).
- **At the same time, financial debt instruments, notably Additional Tier 1, now offer spread levels that are close to those of the Covid crisis** (>500 bps). In Europe, for A-rated banks, these securities offer yields (YTW) of between 7% and 9%.

Funds Activity

We acquired the AT1 Caixabank SA perpetual bond, the second largest Spanish bank, purchased at 60% of the nominal value. The security is rated BB by Standard & Poor's due to the high level of subordination. The expected yield to maturity is around 9%. We have strengthened our existing positions as financial bond prices have fallen.

<u>April</u>

Market commentary

Following last month’s tremors, the financial sector is progressively catching its breath. Investors have been reassured by the responsiveness of regulators and public authorities as well as by strong Q1 2023 results. Symbol of a return to the truth of fundamentals and renewed trust in financial values, the European banking index SX7R ended the month up 3.48%.

In the US, regional banks are showing stable deposit metrics, confirming that the risks of deposit flight remain limited to very peculiar and fragile banks. For European banks, the results so far tend to confirm that the fall of the "weakest link" has ultimately strengthened the sector. There were no bad surprises on deposits and pre-provisions profits came out well above expectations, pushing analysts to raise their profit estimates for 2023.

The bond market remained quite stable in April, with a slight dynamism at the end of the month on AT1s, supported by the call announcement of the 65/8 bond from Unicredit. The market is anticipating buyback programs from Barclays, BBVA and Santander. However, the primary market was rather quiet, with the only new issue being a Tier 2 bond from OSB Group.

In Europe, economic indicators were mixed, pointing to weakness in manufacturing and retail sales, but a sustained rebound in services and the strongest job markets in many years. Regarding central banks, the ECB is expected to announce another rate hike early next month, which the market estimates at +25 bps. Thus, the French 10-year yield ended the month up 10bps at 2.88%.

As for its American counterpart, the market is also expecting another increase early-May from the Fed, that should be in line with the previous one, at +25 bps. Subject to the evolution of economic indicators, this announce could foreshadow a progressive end to monetary tightening. The US 10-year yield fell slightly during the month, from 3.46% to 3.42%.

In this context, credit spreads have hardly evolved:

- The Main and Senior Fin remained stable at 116 bps and 98 bps respectively,
- The Sub Fin has spread to 187bps from 183bps at the beginning of the month,
- The Xover tightened slightly, ending the month at 435bps vs 436bps at the beginning of April.

On the regulatory front, the European Commission proposed their reform package for bank crisis management and the deposit insurance framework. The most relevant proposal was the change to the creditor hierarchy which would subordinate senior preferred bonds to all deposits. The UK (BoE) and US (FeD) central banks are also reportedly considering amendments to their respective deposit protection frameworks. These new announcements could be a source of opportunity, initiating once again the cycle of regulation evolution.

Funds Activity

We have invested in Banque Internationale à Luxembourg, the third largest bank in the country. The bank is well capitalised with a CET1 ratio of 13.8% and a NPL ratio of 3.6%. The selected investment is a Tier 2 subordinated bond with a yield close to 7%.

Report of the Board of Directors

May

Market commentary

The coming summer was felt on the financial markets in May, with a positive sentiment across all asset classes. European banks published better-than-expected results for the 9th consecutive quarter, sending out an optimistic message for 2023. The rate curve remains inverted as investors await the central banks' forthcoming monetary policy statements.

Credit indices tightened: the Senior fin ended the month at 93 bps vs 98bps at the end of April, the Subfin went from 187 bps to 173bps, the Main from 83 bps to 82 bps and the Xover concluded at 433 bps, slightly below its initial level of 435 bps.

In this environment, the primary market was buoyant, with numerous MREL issuances (Senior Non-Preferred Holdco and Senior Preferred Opco) as well as Tier 2 bonds. The AT1 market remained quite calm after the SVB and CS cases, except for a €1.1bn issue by the mutual bank DZ BANK, which was placed in the German cooperative banks of its network.

AT1 bonds were the main topic at the EBA, which organized a 'Stakeholder Meeting' in London we participated in. The meeting provided an opportunity to discuss the publication of the AT1 monitoring report, which should report on the state of the AT1 market and possible regulatory evolutions. The market also moved upward based on rumors of a possible change in the AT1s format, which could incorporate a cumulative coupon structure.

On the United States side, the debt ceiling was lifted until 2025, sending a positive message about the US Treasury's situation (it had previously been set at $31.4 trillion). In Europe, despite inflation coming out slightly below the expectations, the consensus is still estimating two successive 25bp hikes for ECB rates.

On the political front, the recent elections in Spain were favorable to the liberal party, reassuring the market with the withdrawal of the proposed tax on banks. In Greece, political stability is sending a positive message about the situation of local banks. In Switzerland, discussions on the "Public Liquidity Backstop" made progress, paving the way for liquidity to be made available to the five Helvetic systemic banks in the event deposit difficulties.

Finally, the coming to maturity in June of a large part of TRLTRO III made investors nervous. Indeed, European banks have benefited from this long-term refinancing scheme since 2014 to encourage them to issue loans. However, banks' current strong cash levels, their interest-bearing deposits at the ECB, solid publications, and the many sources of refinancing available to them lead us to conclude that this will simply be a paradigm shift, with no significant impact.

Fund activity

We bought a Credit Suisse senior bond with a first call option in 2025. Our expected yield is 7% for a rating in the BBB category with a positive outlook due to the historic merger with UBS.

We also bought BBVA's AT1 bond with a yield at the first call option more than 9%.

June

Market commentary

As the summer break approach, the financial debt market was marked by the reopening in June of the primary market for AT1 bonds. BBVA and Bank of Cyprus issued €1bn and €220m of new bonds respectively, reviving the market for the first time after the Credit Suisse episode. The dynamics of the Tier 2 and Senior markets were also supported by new issues throughout the month, such as those from Lloyds Banking Group and Bank of Ireland, an optimistic sign for the asset class as a whole.

The credit indices tightened over the month, with the Senior Fin ending the month down 7bps at 85bps, the SubFin falling from 173bps to 157bps, its lowest level since Credit Suisse case, the Main tightening by 8bps to 74bps and the Xover ending the month at 396bps, compared with 434bps at the start of the month.

As for eurozone banks, ECB Supervisory Chair, Andrea Enria, highlighted that the amount of unrealised losses on balance sheets of European banks are “in the ballpark of EUR 70bn”, compared to “north of 620bn” for US banks. Recently, the IMF estimated that the unrealised losses account for 50 bp of European banks’ CET1 vs. 250 bp for US banks. Banks repaid close to €500bn TLTRO funds led by Italian banks with more than €120bn. The MRO and LTRO facilities increased by c. 18bn and 4bn, demonstrating that banks did not need to replace central bank funding to maintain healthy liquidity ratios.

On the macroeconomic front, manufacturing indicators came out below their May levels, indicating a slightly contracting environment. However, the rise in inflation, which has been at the heart of concerns in recent months, came out slightly lower, which came as a positive surprise to the consensus. This is an optimistic sign, but not sufficient for the market as it is mainly due to a base effect, and as such, rate rises are still valued by the market.

Report of the Board of Directors

Following on from previous meetings, the ECB once again raised rates by 25 bps, taking the deposit rate to 3.50%. The speeches suggest that another equivalent hike is due in July, before a possible resumption of the rate hike cycle in September. In the UK, the BoE surprised the consensus by raising its rates by 50 bps, surprising analysts who believe that this level is now too high in relation to inflation. Conversely, on the other side of the Atlantic, the Fed has not announced any rate hikes. A recovery is nevertheless expected in July, to continue the fight against inflation.

The end of June also saw the end of USD LIBOR, which will now be replaced by the SOFR risk-free rate. Although this development was expected, it prompted HSBC, Barclays and Standard Chartered to recall the bonds concerned by this benchmark, the disappearance of which disqualifies them from regulatory compliance.

Fund activity

We bought the GBP 8.5% perpetual bond issued by Lloyds Banking Group. The security is subordinated in AT1 format. The yield on our investment at the first call date is over 10% for a BBB- rating with Fitch. Assuming that the bond is extended to 2027, the market value of our investment should not be penalized.

<u>July</u>

Market commentary

July was a relatively positive month for risky assets, bringing to a close an eventful first half of the year, both on the bond markets and in the macroeconomic environment. The AT1 subordinated bond market was supported by several redemptions by major European banks, such as BBVA, BARCLAYS and CAIXABANK, totalling €3.7bn. For its part, BNP Paribas has announced that all its future AT1 issues will be convertible only into shares and that it will stop issuing write-downs. The momentum of the asset class was also sustained by the issue on the primary market of the ABANCA 10 5/8 PERP bond, continuing the reopening of the market initiated in June.

The credit indices all tightened during the month, with the Senior Fin ending the month down 7bps at 78bps compared with 85bps at the start of the month, the SubFin falling from 160bps to 144bps, reaching a new low since the Credit Suisse episode, the Main tightening from 74bps to 68bps and the Xover ending the month at 380bps compared with 396bps at the start of the month. Central banks were again at the forefront. The FED and the ECB delivered 25bps hikes followed by neutral commentaries stressing data-dependency. Unexpectedly, the ECB introduced a change to its reserve remuneration system announcing that it will pay 0% on required reserves from the end of September.

On the macroeconomic front, manufacturing indicators were mixed, following last month's decline. Activity continued to surprise on the upside in the United States, while disappointing in Europe and China. The outlook for inflation remains highly controversial. On the one hand, China is exporting deflation due to excess capacity, energy prices are falling and demand seems to be subsiding. On the other hand, labour markets remain relatively tight despite low levels of activity in cyclical sectors such as manufacturing and real estate. EBA has published the results of the 2023 stress tests, with a particularly strong adverse scenario: cumulative inflation of 20% in the eurozone over three years, top rates of over 5% and long-term rates of over 4%, in addition to a 6% fall in GDP and an unemployment rate of 13%. All sight deposits (even current accounts) were subject to a minimum pass-through rate of 50%. This produced some interesting differences between countries, depending on the type of assets used, with the Nordic countries coming out on top. The results of these stress tests remain positive for the European banking sector, which would withstand the unfavourable scenario without any major negative impact.

On the equity markets, European banks once again published results that were up and above consensus expectations, with earnings surprisingly up by 13%. In line with previous quarters, the sector's momentum is sustained largely by a high interest rate environment and stable loan demand. On the legacy front, the EBA Monitoring Report discouraged the use of rating agency capital Tier 2 instruments (RAC Tier 2), arguing that "the existence of several triggers in different types of own funds instruments creates uncertainty on the effectiveness of the write-down or conversion between the different types of instruments." Finally, as USD Libor discontinued on 30 June, three discounted legacy bonds were called at par by Axa, Westpac and BNS, bringing the market upwards.

Fund activity

The credit market is holding up well, providing an opportunity for some profit-taking. We sold the dollar-denominated Munich re 2027 subordinated bond. We also sold the AIG 2067 bond. We also reduced our allocation to the financial asset management company HLD.

<u>August</u>

Market commentary

As expected of the summer break, August was a relatively quiet month on the bonds markets, despite a slight widening of spreads over the period. The Senior Fin ended the month at 81bps, up by 5bps, the SubFin rose from 140bps to 148bps over the month, the Main widened by 2bps and the Xover ended the month at 396bps, returning to its end of June level.

In this context, the subordinated bonds market continued its dynamic trend begun last June, with two new issues: the BNP AT1 8.50% USD bond and the KBC AT1 8.00% EUR bond, offering semi-annual coupons. Simultaneously, buyback announcements by Société Générale for its AT1 7 3/8 bond and by Allianz for its Legacy 6.35% bond were particularly well received by the market.

Report of the Board of Directors

In Europe, growth figures came in below expectations, with PMI results highlighting a decline in services. Growth came out flat in Germany, persistent tensions on Nordic's real estate markets and wages fueling inflation, particularly in the UK. Conversely, economic indicators proved resilient on the other side of the Atlantic, despite the loss of the USA's Fitch AAA rating. The US growth figures exceeded expectations and the large-scale issuance of long-dated treasury bonds made a significant contribution to the rise in long-term yields over the period. In Asia, HSBC and Standard Chartered benefited from the Chinese government's announcement that it would reduce the required funds for property acquisitions and encourage banks to lower mortgage interest rates.

On the regulatory front, some European countries have announced "super-taxes" on bank profits, such as Italy, which has decided on a 40% tax on annual growth in net interest income exceeding the 8% threshold. The tax, although capped at 10bps of the total assets of the banks concerned, came as a negative surprise to the market. Italy thus joins the movement initiated earlier by the United Kingdom, Spain, Sweden, the Netherlands, and Hungary, all of which are imposing super taxes on bank profits. By contrast, France and Germany remain exempt from such taxes for the time being.

Finally, the excellent results published by European banks kept the markets on their toes, surprising positively the consensus for the 10th consecutive quarter. The European banking sector continues to benefit greatly from the rise of interest rates, publishing on average a net income growth of c.35% compared with 2022. Banks have announced substantial payouts in the form of dividends and share buybacks, sending a reassuring message about the health of the sector.

Regarding central banks, expectations for the ECB's September meetings are divided, with a rate hike seen as equally likely as a pause or a slowdown. As for the FED, analysts believe that it should maintain its rate hike pace of one hike out of two meetings, given that the latest US inflation figures were in line with estimates.

Fund activity

The AT1 and RT1 allocation is currently at 42%, below the 50% ceiling. Call maturities on AT1s are on the whole relatively short, with important spreads beyond the call option. Unlike Santander, which chose not to recall an AT1 issue during the month, we expect the fund to make substantial redemptions.

<u>September</u>

Market commentary

September was a month of high rates volatility, especially long-term yields which reached their highest level of the last decade. The French 10-year (OAT) reached its peak of 3.50% during the month, ending at 3.40%, the Bund 10Y ended the month at 2.83% and the Italian BTP concluded at 4.78%, after a reaching its top at 4.87%. On the American side, the US Treasury Bond 10Y ended September at 4.57%. This upward momentum on the long end of the yield curve is symptomatic of uncertainties over monetary policy's positioning to maintain higher rates for a longer period in the face of a possible future recession.

Indeed, on the central bank front, against a persistent inflation, the ECB raised its deposit facility rate for the 10th time in a row, by 25 bps, while its American counterpart announced no further rate hikes. The stance of the « Higher for Longer » is now prevailing, as the consensus believes that rates should hike one last time before Q1 2024, followed by a stabilization period of two years, with a 100 bps maximum cut over this period.

Against this backdrop, spread have therefore widened. The Senior Fin ended the month at 90bps, the SubFin was up by 17bps to end at 165bps, the Main ended the month up 9bps and the Xover closed at 427bps, 31bps wider compared to its beginning of month's level.

The primary market sustained strong momentum, both on AT1s bonds - with notable issues from INTESA, BBVA and ERSTE BANK - and in Seniors bonds as well, especially though Seniors Preferred and Seniors Non-Preferred bonds, sources of opportunities linked to the MREL regulations. Issuers are required to build up a cushion of this type of instrument, often as a first-time issuer, by January 1st , 2024. Thus, issuers offer attractive yields on these bonds, as seen with recent issues by the Commerzbank subsidiary, Mbank, or several bonds by CRELAN.

Regarding AT1 and Tier 2 subordinated bonds, a "roll-down" effect has been observed: issuers are offering new bonds with more attractive yields, while at the same time carrying out a call or tender operation on subordinated bonds already issued. These operations are well received by the market, as they are particularly beneficial to investors, due to higher spreads on new issues and premiums offered to buy back the older bonds. Regarding Legacy instruments, issuers are pursuing with their buyback offers, as seen with Intesa and Macif. The EBA has emphasized its intention to phase out these obsolete instruments as quickly as possible.

On the regulatory front, debate continues over the format of AT1s, and their position in the subordination hierarchy in relation to equities. The regulator is questioning the possibility and interest of AT1s convertible into shares ("equity conversion") and AT1s with loss absorption ("permanent write-down") coexisting. At the same time, EBA published its report on Basel IV, noting that banks are ready for Basel IV and that inflation in Risk-Weighted Assets (RWAs) is now contained (at around 10%).

September also saw the appointment of Claudia Buch as head of the SSM, succeeding Andrea Enria. Lastly, in the southern hemisphere, the Australian regulator issued its opinion on AT1s, which, according to the regulator, are not sufficiently functional under the loss-absorption format.

Report of the Board of Directors

Funds Activity

On the primary market, we invested in Austrian bank Erste's AT1 bond. This new issue refinanced a previous bond in which we had invested. Our investment is rated BBB- by Standard & Poor's, with an expected annual yield of 8.5%.

October

Market commentary

October was punctuated by two different phases: firstly, a record high in long rates at the beginning of the month, driving spreads upwards, followed by a phase of market performance in the second half of the month, on the theme "bad economic news is good news for rates".

In Europe, long rates ended the month down, with the French 10-year ending at 3.42%, down 8bps, the Bund 10Y at 2.80%, down 3bps, and the Italian BTP at 4.78%, down 4bps. The macroeconomy was marked by slowing growth figures, a slightly declining job market and rising geopolitical tensions, amid fears of a possible recession. On the other side of the Atlantic, rising growth and persistent inflation sustained a notable divergence with Europe. The Bond Treasury 10Y thus ended the month up 36 bps at 4.93%.

On the central bank front, the inflection point seems to have been reached about interest rates hikes. The FED held rates steady, as they consider whether financial conditions are sufficient to control inflation, or whether an economy that continues to outperform expectations may require further monetary restraint. The ECB is keeping its key rate at 4%, emphasizing that it is slowly but surely approaching its 2% inflation target. The consensus now seems to be for a 25bps cut by April 2024. The BoE has decided to maintain its interest rates at their highest level for 15 years, stating that inflation risks remain on the upside and that UK growth is likely to be neutral for 2024.

Against this backdrop, credit indices widened significantly. The Senior Fin ended the month at 98bps, up 8bps, the Subfin widened by 20bps to 185bps, the Main ended at 85bps, up 6bps and the Xover concluded October at 450bps, up 23bps.

The primary market’s strong momentum continues, with new issues offering particularly attractive premiums due to regulatory requirements (especially MREL). In addition, the EBA's stated intention to accelerate its act to write off Legacy instruments is encouraging issuers to step up their call offers and tender announcements, such as with Credit Agricole Assurance and Swiss Re, whose announcements were very well received by the market.

Funds Activity

Duration has been significantly increased, notably through credit arbitrages. The idea is to take advantage of the major bond crash triggered in early 2022 by the war in Ukraine.

Our decision is based in particular on the end of the rate hike cycle, falling inflation and the shadow of the coming recession.

November

Market commentary

November was recorded as one of the best months for bond markets. The Bloomberg Euro Aggregate index ended the month at +2.7%, its 4th best month since its inception in 1998. This market enthusiasm is based on inflation figures that surprised on the downside, savings levels that remain above historical averages, and wages that continue to rise. The rate hike cycle now appears to be coming to an end, with analysts believing that a rate cut will come sooner than expected, which could lead to a rally across all markets if economic conditions hold.

In this optimistic environment, yields tightened. The French 10-year ended the month at 3%, down 42bps, the 10-year Bund ended November at 2.44%, and the US 10-year ended November at 4.33%, down 60bps. Shorter maturities also tightened, with the EUR 4-year swap rate down 36bps over the month to end at 2.92%.

Credit indices also rallied strongly:

- The Senior Fin ended the month at 77bps, down 21bps,
- The Subfin fell from 185bps to 140bps at month-end,
- The Main tightened by 18bps, to 67bps,
- The Xover, with a significant drop of 80bps, ended the month at 370bps.

This context was also very favorable for the AT1 primary market, which saw its highest monthly activity for the last five years with EUR 9.3 bn bonds issued. Issuers such as SANTANDER and BANCO BPM drove the market, offering attractive yields on new issues.

Report of the Board of Directors

The trend towards more and more issuer calls continued in November, with DNB Bank ASA's Legacy bond call, for example, and Deutsche Post Bank's bonds exchange offer. European banks appear to be pre-financing a large amount of buyback operations, which should take place as early as January 2024. According to consensus estimates, more than half of the 2024 calls have already been financed, which is very much welcomed by the market.

On the equities front, the sector remains driven by the strong momentum of Q3 2023 earnings and upward results revisions for 2024. As a result, the SX7R (Eurostoxx Banks Net Return) delivered +7.46% over the month, outperforming the SXXR (Eurostoxx 600 Net Return) by 84bps.

Fund activity

The fund took advantage of strong buying flows to take profits in issues offering limited further upside. The duration of the AT1 bucket was extended as most issues with a call date in 2024 are now pricing little extension risk. In Legacies, we took advantage of the DPB tender to reduce exposure to SPVs.

In Primary, we participated in the new Close Brothers AT1 which offers a 11.125 coupon in GBP for an investment grade rating.

<u>December</u>

Market commentary

Jerome Powell's dovish conference reinforced the market's expectations of rate cuts and propelled bond indices to their highest levels of the year. The Fed Chairman highlighted the remarkable fall in inflation and indicated that he was ready to cut rates before it reached the 2% threshold. Furthermore, despite unchanged inflation and growth projections, the dot plot is now down 75 bps vs. 50 bps in September. In Europe, the ECB has a more hawkish approach by announcing a more aggressive QT program than expected. But this was not enough to push up market rates, given the weakness of the PMIs and the latest inflation figures. Going against the market, DNB raised its rates by 25 bps.

In this constructive environment, the Bloomberg "Euro Aggregate" index ended the month at +3.3%, one of its best monthly performances ever. The French 10-year ended the month at 2.57%, down 44 bps, the Bund finished December at 2.03%, and the US 10-year ended December at 3.87%, down 50 bps. Shorter maturities also tightened, with the EUR 4-year swap rate down 50 bps over the month to end at 2.46%.

The latest EBA transparency report highlights the strength of the banking sector. Capital ratios are at an all-time high (16.0%), with an average buffer of 492 bps despite the increase in regulatory minimums linked to countercyclical buffers and the high payout ratios. Banks expect a cost of risk inferior to 50 bps in 2024, and NII to keep growing in late 2023. The CRE data was of interest, and showed that the highest LTV exposures were concentrated in Eastern Europe.

Regarding new issues, senior non-preferred volumes are expected to decline in 2024 as subordinated MREL ratios rise. Q2 volumes are expected to increase to meet higher refinancing needs. With more than a third of first-half AT1 calls pre-funded, and 60% of AT1s now traded at call, refinancing activity should also increase in 2024 for this asset class. As a reminder, in 2023, only PBB extended its AT1 (Santander finally recalled its AT1 at the second call date). On the deposit side, December's figures show a rise in volumes and a slowdown in the rotation towards term deposits.

The legacy bond market remains dynamic, with BNP Paribas making a noteworthy announcement downgrading its participating securities and certain floaters from Tier 2 capital.

The figures stated in this report are historical and not necessary indicative of future performance.

Audit report

To the Shareholders of
Axiom Lux

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Axiom Lux (the "Fund") and of each of its sub-funds as at 31 December 2023, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

What we have audited

The Fund's financial statements comprise:

- the combined statement of net assets for the Fund and the statement of net assets for each of the sub-funds as at 31 December 2023;
- the securities portfolio as at 31 December 2023;
- the combined statement of operations and changes in net assets for the Fund and the statement of operations and changes in net assets for each of the sub-funds for the year then ended; and
- the notes to the financial statements - schedule of derivative instruments and the other notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's and each of its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or close any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;

- conclude on the appropriateness of the Board of Directors of the Fund’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund’s or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund or any of its sub-funds to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 29 April 2024

Electronically signed by:
Sébastien Sadzot

Sébastien Sadzot

Combined statement of net assets as at 31/12/23

	Note	Expressed in EUR
Assets		**1,021,172,939.18**
Securities portfolio at market value	2.2	962,409,480.61
Cost price		*969,880,539.83*
Options (long positions) at market value	2.6	900,000.00
Options purchased at cost		*1,523,000.00*
Cash at banks and liquidities		38,071,404.52
Receivable on subscriptions		1,095,836.63
Net unrealised appreciation on forward foreign exchange contracts	2.7	421,046.33
Net unrealised appreciation on swaps	2.9	4,686.00
Dividends receivable, net		86,542.90
Interests receivable, net		18,151,639.68
Formation expenses, net	2.11	32,302.51
Liabilities		**11,083,943.92**
Bank overdrafts		4,378,793.03
Payable on redemptions		1,096,273.07
Net unrealised depreciation on forward foreign exchange contracts	2.7	717,030.16
Net unrealised depreciation on financial futures	2.8	978,630.52
Net unrealised depreciation on swaps	2.9	575,118.51
Management Company fees payable	3	1,015,662.08
Depositary and sub-depositary fees payable		24,230.32
Administration fees payable	5	35,763.53
Performance fees payable	4	2,132,674.51
Interests payable, net		51,806.05
Other liabilities		77,962.14
Net asset value		**1,010,088,995.26**

Combined statement of operations and changes in net assets for the year ended 31/12/23

	Note	Expressed in EUR
Income		**53,800,281.42**
Dividends on securities portfolio, net		7,808,527.27
Interests on bonds and money market instruments, net		44,626,417.37
Interests received on swaps		231,909.10
Bank interests on cash accounts		839,719.69
Securities lending income	8	211,849.68
Interests received on repurchase agreements		827.89
Other income		81,030.42
Expenses		**18,617,098.36**
Management Company fees	3	12,050,440.69
Performance fees	4	2,125,452.73
Depositary and sub-depositary fees		310,102.79
Administration fees	5	690,657.27
Domiciliary fees		25,583.12
Distribution fees		27,431.19
Amortisation of formation expenses	2.11	46,327.06
Audit fees		80,259.01
Legal fees		165,610.93
Transaction fees	6	1,836,438.15
Directors fees		14,775.00
Subscription tax ("Taxe d'abonnement")	7	148,777.32
Interests paid on bank overdraft		315,542.75
Interests paid on swaps		504,173.80
Banking fees		7,641.02
Other expenses		267,885.53
Net income / (loss) from investments		**35,183,183.06**
Net realised profit / (loss) on:		
- sales of investment securities	2.2,2.3	-4,515,724.53
- options	2.6	5,576,425.49
- forward foreign exchange contracts	2.7	3,329,804.57
- financial futures	2.8	12,041,684.10
- swaps	2.9	225,076.08
- foreign exchange	2.4	-28,235.54
Net realised profit / (loss)		**51,812,213.23**
Movement in net unrealised appreciation / (depreciation) on:		
- investments	2.2	50,392,630.80
- options	2.6	1,744,000.00
- forward foreign exchange contracts	2.7	-6,710,641.82
- financial futures	2.8	-4,978,163.31
- swaps	2.9	772,175.92
Net increase / (decrease) in net assets as a result of operations		**93,032,214.82**
Dividends distributed	9	-3,527,893.83
Subscriptions of capitalisation shares		382,203,568.18
Subscriptions of distribution shares		1,731,354.11
Redemptions of capitalisation shares		-445,795,240.48
Redemptions of distribution shares		-7,341,004.09
Net increase / (decrease) in net assets		**20,302,998.71**
Net assets at the beginning of the year		**989,785,996.55**
Net assets at the end of the year		**1,010,088,995.26**

AXIOM LUX - AXIOM CLIMATE FINANCIAL BONDS (formerly AXIOM LUX - AXIOM SUSTAINABLE FINANCIAL BONDS)

Statement of net assets as at 31/12/23

	Note	*Expressed in EUR*
Assets		**69,244,134.08**
Securities portfolio at market value	2.2	66,095,950.85
Cost price		*63,991,013.47*
Cash at banks and liquidities		2,053,710.13
Net unrealised appreciation on forward foreign exchange contracts	2.7	90,744.96
Interests receivable, net		1,003,346.19
Formation expenses, net	2.11	381.95
Liabilities		**330,461.77**
Bank overdrafts		130,554.91
Net unrealised depreciation on swaps	2.9	149,167.10
Management Company fees payable	3	41,353.84
Depositary and sub-depositary fees payable		1,611.92
Administration fees payable	5	1,691.39
Interests payable, net		2,778.00
Other liabilities		3,304.61
Net asset value		**68,913,672.31**

Statement of operations and changes in net assets from 01/01/23 to 31/12/23

	Note	Expressed in EUR
Income		**3,919,364.71**
Dividends on securities portfolio, net		37,561.13
Interests on bonds, net		3,749,101.63
Interests received on swaps		65,432.47
Bank interests on cash accounts		66,495.61
Other income		773.87
Expenses		**674,858.05**
Management Company fees	3	514,433.86
Depositary and sub-depositary fees		21,243.70
Administration fees	5	29,236.02
Domiciliary fees		1,816.37
Distribution fees		1,861.48
Amortisation of formation expenses	2.11	824.18
Audit fees		7,296.13
Legal fees		12,045.45
Transaction fees	6	4,588.95
Directors fees		1,069.48
Subscription tax ("Taxe d'abonnement")	7	6,866.05
Interests paid on bank overdraft		16,952.43
Interests paid on swaps		37,458.50
Banking fees		1,142.00
Other expenses		18,023.45
Net income / (loss) from investments		**3,244,506.66**
Net realised profit / (loss) on:		
- sales of investment securities	2.2,2.3	-1,441,184.31
- forward foreign exchange contracts	2.7	1,195,834.02
- financial futures	2.8	125,534.00
- swaps	2.9	411,623.90
- foreign exchange	2.4	-122,267.18
Net realised profit / (loss)		**3,414,047.09**
Movement in net unrealised appreciation / (depreciation) on:		
- investments	2.2	4,510,670.34
- forward foreign exchange contracts	2.7	-1,202,433.74
- financial futures	2.8	-219,752.23
- swaps	2.9	-160,728.06
Net increase / (decrease) in net assets as a result of operations		**6,341,803.40**
Dividends distributed	9	-278,580.00
Subscriptions of capitalisation shares		17,489,567.61
Redemptions of capitalisation shares		-35,471,668.83
Net increase / (decrease) in net assets		**-11,918,877.82**
Net assets at the beginning of the year		**80,832,550.13**
Net assets at the end of the year		**68,913,672.31**

Statistics

		31/12/23	31/12/22	31/12/21
Total Net Assets	**EUR**	**68,913,672.31**	**80,832,550.13**	**32,833,731.71**
IC - EUR - Capitalisation				
Number of shares		18,835.2661	32,207.8240	17,491.0100
Net asset value per share	EUR	1,415.10	1,300.28	1,401.04
IC - CHF(h) - Capitalisation				
Number of shares		100.0000	-	-
Net asset value per share	CHF	1,000.70	-	-
RC - EUR - Capitalisation				
Number of shares		45.1219	47.4719	48.6901
Net asset value per share	EUR	1,361.43	1,257.27	1,361.49
ZC - EUR - Capitalisation				
Number of shares		5,309.6020	5,309.6020	5,806.6020
Net asset value per share	EUR	1,458.84	1,330.46	1,422.83
ID - EUR - Distribution				
Number of shares		30,000.0000	30,000.0000	-
Net asset value per share	EUR	1,144.83	1,060.98	-
Dividend per share		9.29	-	-

Changes in number of shares outstanding from 01/01/23 to 31/12/23

	Shares outstanding as at 01/01/23	Shares issued	Shares redeemed	Shares outstanding as at 31/12/23
IC - EUR - Capitalisation	32,207.8240	13,420.0051	26,792.5630	18,835.2661
IC - CHF(h) - Capitalisation	0.0000	100.0000	0.0000	100.0000
RC - EUR - Capitalisation	47.4719	0.0000	2.3500	45.1219
ZC - EUR - Capitalisation	5,309.6020	0.0000	0.0000	5,309.6020
ID - EUR - Distribution	30,000.0000	0.0000	0.0000	30,000.0000

Securities portfolio as at 31/12/23

Denomination	Currency	Quantity/ Notional	Market value (in EUR)	% of net assets
Transferable securities admitted to an official stock exchange listing and/or dealt in on another regulated market			**66,095,950.85**	**95.91**
Bonds			**10,975,445.00**	**15.93**
France			**1,983,800.00**	**2.88**
FRANCE 0 18-24 25/03U	EUR	2,000,000	1,983,800.00	2.88
Ireland			**988,540.00**	**1.43**
BANK OF IRELAND 6.00 20-XX XX/XXS	EUR	1,000,000	988,540.00	1.43
Spain			**3,016,175.00**	**4.38**
BANKINTER SA 7.3750 23-49 31/12Q	EUR	1,000,000	1,016,145.00	1.47
SPAIN 3.80 14-24 30/04A	EUR	2,000,000	2,000,030.00	2.90
Sweden			**4,034,980.00**	**5.86**
SWEDBANK AB 3.75 22-25 14/11A	EUR	4,000,000	4,034,980.00	5.86
United Kingdom			**951,950.00**	**1.38**
NATIONWIDE BUILDING 0.25 20-25 22/07A	EUR	1,000,000	951,950.00	1.38
Floating rate notes			**55,120,505.85**	**79.98**
Austria			**3,900,778.00**	**5.66**
ERSTE GROUP BANK AG FL.R 23-99 31/12S	EUR	1,600,000	1,692,208.00	2.46
RAIFFEISEN BANK FL.R 20-XX 15/06S	EUR	2,000,000	1,827,770.00	2.65
RAIFFEISEN BANK SUB FL.R 17-XX 15/12S	EUR	400,000	380,800.00	0.55
Belgium			**2,912,205.00**	**4.23**
KBC GROUPE NV FL.R 18-XX XX/XXS	EUR	2,000,000	1,847,760.00	2.68
KBC GROUPE SA FL.R 23-49 31/12S	EUR	1,000,000	1,064,445.00	1.54
Denmark			**2,797,171.20**	**4.06**
DANSKE BANK AS FL.R 18-XX 26/06S	USD	2,000,000	1,787,996.20	2.59
JYSKE BANK DNK FL.R 22-26 11/04A	EUR	1,000,000	1,009,175.00	1.46
Finland			**3,532,603.93**	**5.13**
NORDEA BK 11 REGS FL.R 14-XX 23/09S	USD	600,000	539,608.93	0.78
NORDEA BK PUBL FL.R 23-26 10/02A	EUR	3,000,000	2,992,995.00	4.34
France			**8,951,547.01**	**12.99**
BNP PARIBAS FL.R 22-99 31/12S	EUR	1,400,000	1,453,697.00	2.11
BNP PARIBAS FL.R 23-XX 11/06S	EUR	1,400,000	1,493,954.00	2.17
LA BANQUE POSTALE FL.R 19-XX 20/05S	EUR	2,800,000	2,516,962.00	3.65
LA BANQUE POSTALE FL.R 20-26 17/06A	EUR	1,500,000	1,433,400.00	2.08
SOCIETE GENERALE FL.R 23-XX 14/05S	USD	200,000	193,846.01	0.28
SOCIETE GENERALE SA FL.R 23-XX 18/07S	EUR	1,800,000	1,859,688.00	2.70
Germany			**2,131,294.00**	**3.09**
COMMERZBANK AG FL.R 20-99 31/12A	EUR	2,200,000	2,131,294.00	3.09
Ireland			**2,978,755.29**	**4.32**
AIB GROUP PLC FL.R 20-31 30/09A	EUR	800,000	768,040.00	1.11
AIB GROUP PLC FL.R 20-49 31/12S	EUR	1,000,000	994,320.00	1.44
BANK OF IRELAND GRP FL.R 20-XX XX/XXA	EUR	1,198,000	1,216,395.29	1.77
Italy			**3,984,834.00**	**5.78**
INTESA SAN PAOLO FL.R 17-XX 11/07S	EUR	1,800,000	1,849,869.00	2.68
INTESA SANPAOLO FL.R 23-XX 07/03S	EUR	1,000,000	1,102,580.00	1.60
UNICREDIT SPA FL.R 19-49 19/03S	EUR	1,000,000	1,032,385.00	1.50
Netherlands			**5,904,977.52**	**8.57**
ABN AMRO BANK FL.R 17-49 01/12S	EUR	2,000,000	1,828,770.00	2.65
ABN AMRO BANK FL.R 20-XX 22/09S	EUR	400,000	383,396.00	0.56
COOPERATIVE RABOBANK FL.R 18-XX XX/XXS	EUR	800,000	772,668.00	1.12

Securities portfolio as at 31/12/23

Denomination	Currency	Quantity/ Notional	Market value (in EUR)	% of net assets
ING GROUP CV SUB FL.R 15-XX 16/10S	USD	2,000,000	1,770,941.02	2.57
TRIODOS BANK NV FL.R 21-32 05/02A	EUR	1,500,000	1,149,202.50	1.67
Spain			**10,651,243.00**	**15.46**
BANCO DE BADELL FL.R 23-XX 18/04Q	EUR	1,000,000	1,071,025.00	1.55
BANCO SANTANDER SA FL.R 17-XX 15/03Q	EUR	1,000,000	953,780.00	1.38
BANKINTER SA FL.R 20-XX 17/10Q	EUR	2,000,000	1,999,450.00	2.90
BBVA FL.R 20-XX 15/10Q	EUR	2,600,000	2,591,147.00	3.76
CAIXABANK SA FL.R 20-49 31/12Q	EUR	2,000,000	1,941,150.00	2.82
CAIXABANK SA FL.R 23-49 31/12Q	EUR	600,000	636,360.00	0.92
IBERCAJA FL.R 23-XX 25/04Q	EUR	1,400,000	1,458,331.00	2.12
Sweden			**1,768,523.97**	**2.57**
SKANDINAVISKA ENSKILDA FL.R 22-XX 30/12S	USD	400,000	356,391.62	0.52
SWEDBANK AB FL.R 23-XX 17/03S	USD	1,600,000	1,412,132.35	2.05
United Kingdom			**5,606,572.93**	**8.14**
AVIVA PLC FL.R 14-44 03/07A	EUR	3,000,000	2,976,240.00	4.32
NATIONWIDE BUILDING FL.R 19-XX 20/06S	GBP	1,000,000	1,134,770.07	1.65
NATIONWIDE BUILDING FL.R 20-99 31/12S	GBP	400,000	426,484.33	0.62
VIRGIN MONEY UK PLC FL.R 22-XX 08/06S	GBP	1,000,000	1,069,078.53	1.55
Total securities portfolio			**66,095,950.85**	**95.91**

AXIOM LUX - AXIOM EUROPEAN BANKS EQUITY

Statement of net assets as at 31/12/23

	Note	Expressed in EUR
Assets		**145,327,609.21**
Securities portfolio at market value	2.2	139,788,743.29
Cost price		*133,752,719.57*
Options (long positions) at market value	2.6	900,000.00
Options purchased at cost		*1,523,000.00*
Cash at banks and liquidities		4,404,540.61
Receivable on subscriptions		233,892.14
Formation expenses, net	2.11	433.17
Liabilities		**6,605,569.00**
Bank overdrafts		3,944,913.03
Payable on redemptions		434,723.25
Net unrealised depreciation on forward foreign exchange contracts	2.7	463,038.18
Management Company fees payable	3	220,644.03
Depositary and sub-depositary fees payable		4,541.88
Administration fees payable	5	7,658.08
Performance fees payable	4	1,515,048.36
Other liabilities		15,002.19
Net asset value		**138,722,040.21**

Statement of operations and changes in net assets from 01/01/23 to 31/12/23

	Note	Expressed in EUR
Income		**5,968,041.30**
Dividends on securities portfolio, net		5,732,701.42
Bank interests on cash accounts		226,384.21
Other income		8,955.67
Expenses		**6,545,183.62**
Management Company fees	3	2,595,232.77
Performance fees	4	1,507,874.25
Depositary and sub-depositary fees		54,127.38
Administration fees	5	200,485.98
Domiciliary fees		3,527.39
Distribution fees		3,921.61
Amortisation of formation expenses	2.11	201.39
Audit fees		10,508.17
Legal fees		24,000.24
Transaction fees	6	1,804,622.12
Directors fees		2,121.22
Subscription tax ("Taxe d'abonnement")	7	39,446.38
Interests paid on bank overdraft		259,559.99
Interests paid on swaps		230.28
Banking fees		836.01
Other expenses		38,488.44
Net income / (loss) from investments		**-577,142.32**
Net realised profit / (loss) on:		
- sales of investment securities	2.2,2.3	25,152,626.60
- options	2.6	5,576,425.49
- forward foreign exchange contracts	2.7	-326,144.49
- financial futures	2.8	7,594,938.89
- foreign exchange	2.4	-219,084.12
Net realised profit / (loss)		**37,201,620.05**
Movement in net unrealised appreciation / (depreciation) on:		
- investments	2.2	-755,997.44
- options	2.6	1,744,000.00
- forward foreign exchange contracts	2.7	-783,549.41
- financial futures	2.8	-1,148,675.66
Net increase / (decrease) in net assets as a result of operations		**36,257,397.54**
Subscriptions of capitalisation shares		80,425,420.28
Redemptions of capitalisation shares		-99,035,761.21
Net increase / (decrease) in net assets		**17,647,056.61**
Net assets at the beginning of the year		**121,074,983.60**
Net assets at the end of the year		**138,722,040.21**

Statistics

		31/12/23	31/12/22	31/12/21
Total Net Assets	**EUR**	**138,722,040.21**	**121,074,983.60**	**63,486,368.35**
HC - CHF(hv) - Capitalisation				
Number of shares		-	-	100.0000
Net asset value per share	CHF	-	-	1,094.25
HC - EUR(v) - Capitalisation				
Number of shares		12,334.6268	15,381.9581	15,530.6948
Net asset value per share	EUR	1,690.72	1,283.91	1,258.40
HC - GBP(hv) - Capitalisation				
Number of shares		24.4903	27.4903	23.4903
Net asset value per share	GBP	1,718.98	1,266.46	1,199.01
HC - USD(hv) - Capitalisation				
Number of shares		150.0600	164.9090	56.2500
Net asset value per share	USD	1,438.72	1,068.68	1,007.25
IC - EUR(v) - Capitalisation				
Number of shares		25,712.9847	27,446.5139	12,987.2453
Net asset value per share	EUR	1,701.14	1,281.59	1,252.40
IC - GBP(hv) - Capitalisation				
Number of shares		374.4903	199.4903	8.4903
Net asset value per share	GBP	1,727.99	1,268.91	1,201.85
IC - USD(hv) - Capitalisation				
Number of shares		-	128.0000	-
Net asset value per share	USD	-	1,249.94	-
NC - EUR(v) - Capitalisation				
Number of shares		3,710.6758	6,359.1672	2,595.9467
Net asset value per share	EUR	1,772.98	1,334.90	1,304.00
RC - EUR(v) - Capitalisation				
Number of shares		39,697.2300	44,710.0493	18,698.9564
Net asset value per share	EUR	1,668.22	1,272.18	1,263.43
ZC - EUR - Capitalisation				
Number of shares		104.6880	61.0000	-
Net asset value per share	EUR	3,178.45	2,346.15	-
ID - EUR(v) - Distribution				
Number of shares		-	-	463.0000
Net asset value per share	EUR	-	-	1,006.87

Changes in number of shares outstanding from 01/01/23 to 31/12/23

	Shares outstanding as at 01/01/23	Shares issued	Shares redeemed	Shares outstanding as at 31/12/23
HC - CHF(hv) - Capitalisation	0.0000	555.0000	555.0000	0.0000
HC - EUR(v) - Capitalisation	15,381.9581	6,287.5064	9,334.8377	12,334.6268
HC - GBP(hv) - Capitalisation	27.4903	0.0000	3.0000	24.4903
HC - USD(hv) - Capitalisation	164.9090	0.0000	14.8490	150.0600
IC - EUR(v) - Capitalisation	27,446.5139	16,189.9229	17,923.4521	25,712.9847
IC - GBP(hv) - Capitalisation	199.4903	175.0000	0.0000	374.4903
IC - USD(hv) - Capitalisation	128.0000	0.0000	128.0000	0.0000
NC - EUR(v) - Capitalisation	6,359.1672	4,694.5561	7,343.0475	3,710.6758
RC - EUR(v) - Capitalisation	44,710.0493	25,128.4477	30,141.2670	39,697.2300
ZC - EUR - Capitalisation	61.0000	43.6880	0.0000	104.6880

Securities portfolio as at 31/12/23

Denomination	Currency	Quantity/ Notional	Market value (in EUR)	% of net assets
Transferable securities admitted to an official stock exchange listing and/or dealt in on another regulated market			**139,747,734.83**	**100.74**
Shares			**139,747,734.83**	**100.74**
Austria			**8,590,214.19**	**6.19**
BAWAG GROUP AG	EUR	89,202	4,279,911.96	3.09
ERSTE GROUP BANK AG	EUR	117,351	4,310,302.23	3.11
Belgium			**6,510,991.04**	**4.69**
KBC GROUPE SA	EUR	110,882	6,510,991.04	4.69
Finland			**4,521,546.73**	**3.26**
NORDEA BANK	SEK	403,593	4,521,546.73	3.26
France			**24,357,224.79**	**17.56**
AMUNDI SA	EUR	106,184	6,540,934.40	4.72
BNP PARIBAS SA	EUR	183,236	11,468,741.24	8.27
SOCIETE GENERALE SA	EUR	264,206	6,347,549.15	4.58
Germany			**6,577,534.20**	**4.74**
COMMERZBK	EUR	611,295	6,577,534.20	4.74
Ireland			**4,423,452.20**	**3.19**
AIB GRP - REGISTERED	EUR	1,140,065	4,423,452.20	3.19
Italy			**17,871,208.21**	**12.88**
BPER BANCA SPA	EUR	807,726	2,444,178.88	1.76
INTESA SANPAOLO	EUR	4,201,117	11,105,652.79	8.01
UNICREDIT SPA - REG SHS	EUR	175,916	4,321,376.54	3.12
Netherlands			**21,962,973.91**	**15.83**
ABN AMRO GROUP DEP RECEIPT	EUR	472,835	6,425,827.65	4.63
ING GROUP NV	EUR	835,308	11,298,376.01	8.14
NN GROUP NV	EUR	118,567	4,238,770.25	3.06
Spain			**14,397,087.11**	**10.38**
BANCO SABADELL PREFERENTIAL SHARE	EUR	5,531,167	6,156,188.87	4.44
BANCO SANTANDER SA - REG SHS	EUR	1,080,674	4,084,407.38	2.94
CAIXABANK SA	EUR	1,115,537	4,156,490.86	3.00
Sweden			**4,638,980.89**	**3.34**
SKANDINAVISKA ENSKILDA BANKEN -A-	SEK	372,071	4,638,980.89	3.34
United Kingdom			**25,896,521.56**	**18.67**
BARCLAYS PLC	GBP	3,714,679	6,592,156.68	4.75
LLOYDS BANKING GROUP PLC	GBP	7,849,213	4,321,573.50	3.12
NATWEST GROUP PLC	GBP	1,645,900	4,167,220.13	3.00
OSB GROUP PLC	GBP	636,653	3,413,409.31	2.46
STANDARD CHARTERED PLC	GBP	549,683	4,228,477.16	3.05
VIRGIN MONEY UK PLC	GBP	1,672,336	3,173,684.78	2.29
Other transferable securities			**41,008.46**	**0.03**
Shares			**41,008.46**	**0.03**
Russia			**41,008.46**	**0.03**
SBERBANK ADR 4 SHS	USD	1,000,000	41,008.46	0.03
Total securities portfolio			**139,788,743.29**	**100.77**

AXIOM LUX - AXIOM SHORT DURATION BOND FUND

Statement of net assets as at 31/12/23

	Note	Expressed in EUR
Assets		**423,471,850.29**
Securities portfolio at market value	2.2	401,986,604.85
Cost price		*408,560,993.13*
Cash at banks and liquidities		12,769,398.08
Receivable on subscriptions		260,682.27
Net unrealised appreciation on forward foreign exchange contracts	2.7	330,301.37
Dividends receivable, net		86,542.90
Interests receivable, net		8,012,251.71
Formation expenses, net	2.11	26,069.11
Liabilities		**2,503,024.27**
Bank overdrafts		176,109.17
Payable on redemptions		485,212.90
Net unrealised depreciation on financial futures	2.8	978,630.52
Net unrealised depreciation on swaps	2.9	425,951.41
Management Company fees payable	3	354,029.50
Depositary and sub-depositary fees payable		10,313.53
Administration fees payable	5	13,142.66
Interests payable, net		33,142.73
Other liabilities		26,491.85
Net asset value		**420,968,826.02**

Statement of operations and changes in net assets from 01/01/23 to 31/12/23

	Note	Expressed in EUR
Income		**21,383,236.18**
Dividends on securities portfolio, net		1,325,460.96
Interests on bonds and money market instruments, net		19,504,982.24
Interests received on swaps		70,168.44
Bank interests on cash accounts		365,313.03
Securities lending income	8	58,013.57
Other income		59,297.94
Expenses		**5,357,221.05**
Management Company fees	3	4,475,261.96
Depositary and sub-depositary fees		132,302.86
Administration fees	5	233,836.15
Domiciliary fees		11,466.06
Distribution fees		12,481.81
Amortisation of formation expenses	2.11	12,839.08
Audit fees		33,939.17
Legal fees		71,778.79
Transaction fees	6	13,932.75
Directors fees		6,661.39
Subscription tax ("Taxe d'abonnement")	7	53,042.89
Interests paid on bank overdraft		26,448.74
Interests paid on swaps		153,066.10
Banking fees		2,135.01
Other expenses		118,028.29
Net income / (loss) from investments		**16,026,015.13**
Net realised profit / (loss) on:		
- sales of investment securities	2.2,2.3	-7,667,352.00
- forward foreign exchange contracts	2.7	2,999,825.78
- financial futures	2.8	2,038,401.21
- swaps	2.9	352,549.09
- foreign exchange	2.4	944,356.12
Net realised profit / (loss)		**14,693,795.33**
Movement in net unrealised appreciation / (depreciation) on:		
- investments	2.2	17,882,539.12
- forward foreign exchange contracts	2.7	-3,524,489.74
- financial futures	2.8	-3,609,735.42
- swaps	2.9	472,725.24
Net increase / (decrease) in net assets as a result of operations		**25,914,834.53**
Dividends distributed	9	-1,534,927.55
Subscriptions of capitalisation shares		126,855,776.63
Subscriptions of distribution shares		769,756.39
Redemptions of capitalisation shares		-188,532,814.51
Redemptions of distribution shares		-6,836,355.39
Net increase / (decrease) in net assets		**-43,363,729.90**
Net assets at the beginning of the year		**464,332,555.92**
Net assets at the end of the year		**420,968,826.02**

Statistics

		31/12/23	31/12/22	31/12/21
Total Net Assets	**EUR**	**420,968,826.02**	**464,332,555.92**	**377,725,630.63**
HC - CHF(h) - Capitalisation				
Number of shares		9,346.9593	9,203.8146	9,462.0613
Net asset value per share	CHF	1,075.70	1,036.36	1,078.91
HC - EUR - Capitalisation				
Number of shares		185,724.4435	177,924.9625	138,029.9301
Net asset value per share	EUR	1,210.33	1,142.12	1,184.91
HC - GBP(h) - Capitalisation				
Number of shares		8.4903	8.4903	8.4903
Net asset value per share	GBP	1,065.21	986.99	1,003.30
HC - USD(h) - Capitalisation				
Number of shares		11,834.2810	13,733.2841	15,012.8269
Net asset value per share	USD	1,330.41	1,230.94	1,252.56
IC - GBP(h) - Capitalisation				
Number of shares		87.4903	8.4903	8.4903
Net asset value per share	GBP	1,065.36	988.48	1,003.80
MC - EUR - Capitalisation				
Number of shares		79,170.5606	130,890.1595	110,888.7921
Net asset value per share	EUR	1,085.90	1,023.67	1,060.96
P(1)C - EUR - Capitalisation				
Number of shares		2,482.4952	-	-
Net asset value per share	EUR	1,047.79	-	-
RC - EUR - Capitalisation				
Number of shares		13,379.6506	30,768.5551	22,359.3759
Net asset value per share	EUR	1,086.49	1,030.70	1,075.10
RC - USD(h) - Capitalisation				
Number of shares		1,229.3930	1,309.3930	310.0000
Net asset value per share	USD	1,207.94	1,122.76	1,148.86
ZC - EUR - Capitalisation				
Number of shares		5,726.3034	4,169.6571	54.0000
Net asset value per share	EUR	1,205.10	1,126.44	1,157.61
HD - EUR - Distribution				
Number of shares		64,282.4392	71,021.4392	48,248.3454
Net asset value per share	EUR	927.78	898.68	947.23
Dividend per share		23.87	14.28	20.53

Changes in number of shares outstanding from 01/01/23 to 31/12/23

	Shares outstanding as at 01/01/23	Shares issued	Shares redeemed	Shares outstanding as at 31/12/23
HC - CHF(h) - Capitalisation	9,203.8146	1,582.1513	1,439.0066	9,346.9593
HC - EUR - Capitalisation	177,924.9625	62,740.8044	54,941.3234	185,724.4435
HC - GBP(h) - Capitalisation	8.4903	0.0000	0.0000	8.4903
HC - USD(h) - Capitalisation	13,733.2841	1,385.6159	3,284.6190	11,834.2810
IC - GBP(h) - Capitalisation	8.4903	79.0000	0.0000	87.4903
MC - EUR - Capitalisation	130,890.1595	34,057.7803	85,777.3792	79,170.5606
P(1)C - EUR - Capitalisation	0.0000	5,482.4952	3,000.0000	2,482.4952
RC - EUR - Capitalisation	30,768.5551	6,587.7337	23,976.6382	13,379.6506
RC - USD(h) - Capitalisation	1,309.3930	80.0000	160.0000	1,229.3930
ZC - EUR - Capitalisation	4,169.6571	1,730.0000	173.3537	5,726.3034
HD - EUR - Distribution	71,021.4392	845.0000	7,584.0000	64,282.4392

Securities portfolio as at 31/12/23

Denomination	Currency	Quantity/ Notional	Market value (in EUR)	% of net assets
Transferable securities admitted to an official stock exchange listing and/or dealt in on another regulated market			**341,854,474.32**	**81.21**
Shares			**9,963,981.94**	**2.37**
United Kingdom			**9,963,981.94**	**2.37**
AVIVA 8.375 CUM IRRED PREF SHS	GBP	245,000	354,826.61	0.08
GENERAL ACCIDENT PLC 8.875 % S	GBP	1,490,000	2,252,495.53	0.54
NATIONAL WESTMINSTER BK 9 NON CUM PRF-A-	GBP	100,500	151,002.25	0.04
RSA INSURANCE GROUP LIMITED	GBP	560,000	714,096.13	0.17
SANTANDER UK 10.375 PREF SHS	GBP	2,003,500	3,277,319.54	0.78
STANDARD CHARTERED 7.375 CON CUM PREF	GBP	550,000	675,004.33	0.16
STD CHART 8.25% CON-CUM IRR PFD REG SHS	GBP	1,891,170	2,539,237.55	0.60
Bonds			**86,392,857.68**	**20.52**
Belgium			**6,514,630.00**	**1.55**
ETHIAS SA 6.7500 23-33 05/05A	EUR	4,000,000	4,137,000.00	0.98
P&V ASSURANCES SCRL 5.5 18-28 13/07A	EUR	2,000,000	1,987,210.00	0.47
VGP SA 1.5 21-29 08/04A	EUR	500,000	390,420.00	0.09
Bermuda			**4,137,940.00**	**0.98**
ATHORA 6.625 23-28 16/06A	EUR	4,000,000	4,137,940.00	0.98
France			**7,727,172.83**	**1.84**
ABEILLE VIE 6.25 22-33 09/09A	EUR	1,700,000	1,854,980.50	0.44
APICIL PREVOYANCE 4.0 19-29 24/10A	EUR	1,000,000	909,560.00	0.22
CCF HOLDING 5.2500 21-41 15/10A	EUR	2,000,000	1,561,670.00	0.37
CLARIANE 4.125 21-XX 15/06A	GBP	1,000,000	640,470.83	0.15
COFACE S A E 5.75 23-33 28/11A	EUR	700,000	726,631.50	0.17
ELO 6.00 23-29 22/03A	EUR	2,000,000	2,033,860.00	0.48
Germany			**15,075,805.32**	**3.58**
DEUTSCHE PFANDBRIEF 4.60 17-27 22/02A	EUR	3,500,000	2,591,487.50	0.62
HAMBURG CIAL BANK 6.25 22-24 18/11A	EUR	1,400,000	1,404,837.00	0.33
MUENCHENER HYPOTHEKE 7.125 23-28 31/10A	EUR	3,000,000	3,114,960.00	0.74
NORDDEUTSCHE LBK 6.250 14-24 10/04Q	USD	4,400,000	3,940,880.82	0.94
OLDENBURGISCHE LANDE 5.625 23-26 02/02A	EUR	4,000,000	4,023,640.00	0.96
Greece			**335,367.76**	**0.08**
BLACK SEA TRADE 3.5000 19-24 25/06S	USD	384,000	335,367.76	0.08
Hungary			**932,449.19**	**0.22**
OTP BANK PLC 8.75 23-33 15/05S	USD	1,000,000	932,449.19	0.22
Iceland			**1,965,925.00**	**0.47**
ARION BANK 7.25 23-26 25/05A	EUR	1,000,000	1,054,315.00	0.25
LANDSBANKINN HF 0.7500 21-26 25/05A	EUR	1,000,000	911,610.00	0.22
Ireland			**3,716,295.00**	**0.88**
GRENKE FINANCE 6.75 23-26 07/01A	EUR	1,500,000	1,556,685.00	0.37
GRENKE FINANCE 7.875 23-27 06/04A	EUR	2,000,000	2,159,610.00	0.51
Luxembourg			**4,521,987.21**	**1.07**
BANQUE INTERNATIONAL 1.75 21-31 18/05A	EUR	2,000,000	1,695,320.00	0.40
HLD EUROPE 3.85 20-26 23/09A	EUR	1,000,000	937,500.00	0.22
HLD EUROPE 3.85 21-27 16/07A	EUR	800,000	736,600.00	0.17
UTMOST GROUP 4.0000 21-31 15/12S	GBP	1,307,000	1,152,567.21	0.27
Netherlands			**6,733,562.50**	**1.60**
ABERTIS FINANCE BV 2.625 21-49 31/12A	EUR	1,500,000	1,369,342.50	0.33
EDP FINANCE 2.00 15-25 22/04A	EUR	2,000,000	1,964,300.00	0.47
NIB CAPITAL BANK 0.00 03-43 10/02U	EUR	630,000	1,953,000.00	0.46
NIBC BANK NV 6.0 23-28 16/11A	EUR	1,000,000	1,063,365.00	0.25

Securities portfolio as at 31/12/23

Denomination	Currency	Quantity/ Notional	Market value (in EUR)	% of net assets
PROSUS NV 2.031 20-32 03/08A	EUR	500,000	383,555.00	0.09
Slovakia			**828,155.00**	**0.20**
EUSTREAM 1.625 20-27 25/06A	EUR	1,000,000	828,155.00	0.20
Spain			**20,948,865.00**	**4.98**
BANCO DE SABADELL SA 2.5 21-31 15/01A	EUR	1,000,000	948,565.00	0.23
SPAIN 3.80 14-24 30/04A	EUR	20,000,000	20,000,300.00	4.75
Sweden			**5,043,725.00**	**1.20**
SWEDBANK AB 3.75 22-25 14/11A	EUR	5,000,000	5,043,725.00	1.20
United Kingdom			**7,910,977.87**	**1.88**
AVIVA PLC 3.375 15-45 04/12A	EUR	500,000	488,410.00	0.12
CLOSE BROTHERS GROUP 7.75 23-28 14/06S	GBP	1,500,000	1,844,105.94	0.44
ESURE GROUP PLC 6.75 14-24 19/12S	GBP	103,000	117,753.17	0.03
MAREX GROUP 8.375 23-28 02/02A	EUR	4,000,000	4,229,920.00	1.00
TP ICAP 7.875 23-30 17/04S	GBP	1,000,000	1,230,788.76	0.29
Floating rate notes			**245,009,228.70**	**58.20**
Australia			**901,647.58**	**0.21**
QBE INSURANCE GROUP FL.R 14-44 02/12S	USD	1,000,000	901,647.58	0.21
Austria			**5,711,317.50**	**1.36**
RAIF BA FL.R 22-32 20/12A	EUR	3,500,000	3,704,767.50	0.88
VOLKSBANK WIEN AG FL.R 17-27 06/10A	EUR	2,000,000	2,006,550.00	0.48
Belgium			**1,906,533.00**	**0.45**
CRELAN 6.0 23-30 28/02A	EUR	1,800,000	1,906,533.00	0.45
Croatia			**3,708,197.50**	**0.88**
RAIFFEISENBANK AUSTR FL.R 23-27 05/06A	EUR	3,500,000	3,708,197.50	0.88
Czech Republic			**3,040,395.00**	**0.72**
RAIFFEISENBANK AS FL.R 23-26 19/01A	EUR	3,000,000	3,040,395.00	0.72
Denmark			**4,963,430.50**	**1.18**
DANSKE BANK FL.R 19-29 21/06A	EUR	1,700,000	1,682,430.50	0.40
SAXO BANK AS FL.R 19-29 03/07A	EUR	3,400,000	3,281,000.00	0.78
Estonia			**3,572,517.50**	**0.85**
AKTSIASELTS LUMINOR FL.R 23-26 16/01A	EUR	1,500,000	1,529,227.50	0.36
LHV GROUP AS FL.R 23-27 03/10A	EUR	2,000,000	2,043,290.00	0.49
Finland			**5,887,673.21**	**1.40**
NORDEA BK 11 REGS FL.R 14-XX 23/09S	USD	1,000,000	899,348.21	0.21
NORDEA BK PUBL FL.R 23-26 10/02A	EUR	5,000,000	4,988,325.00	1.18
France			**46,669,128.97**	**11.09**
AXA SA FL.R 05-49 29/01A	EUR	3,317,000	2,767,207.25	0.66
AXA SA FL.R 14-XX 07/11A	EUR	2,000,000	1,982,410.00	0.47
AXA SA FL.R 14-XX 08/10A	EUR	1,000,000	991,345.00	0.24
BANQUE FEDERATIVE D FL.R 15-30 23/12S	EUR	2,000,000	1,928,820.00	0.46
BNP PARIBAS CARDIF FL.R 14-XX 25/11A	EUR	500,000	494,277.50	0.12
CA ASSURANCES SA FL.R 14-XX 14/10AA	EUR	2,400,000	2,395,536.00	0.57
CNP ASSURANCES FL.R 05-XX 11/03A	EUR	454,000	389,872.50	0.09
CNP ASSURANCES FL.R 05-XX 11/03A	EUR	8,297,000	7,773,044.45	1.85
CNP ASSURANCES FL.R 14-XX 18/11A	EUR	4,400,000	4,381,234.00	1.04
CREDIT AGRICOLE FL.R 15-XX 13/01A	EUR	1,400,000	1,395,142.00	0.33
CREDIT AGRICOLE SA REGS FL.R 14-XX 23/01Q	USD	500,000	453,032.64	0.11
CREDIT MUTUEL ARKEA FL.R 17-29 25/10A	EUR	700,000	682,010.00	0.16
GROUPAMA SA FL.R 14-XX 28/05A	EUR	4,200,000	4,220,916.00	1.00
LA MONDIALE FL.R 14-XX 17/12A	EUR	2,600,000	2,608,515.00	0.62
MACIF FL.R 14-49 06/11A	EUR	3,700,000	3,652,159.00	0.87

Securities portfolio as at 31/12/23

Denomination	Currency	Quantity/ Notional	Market value (in EUR)	% of net assets
SCOR SE FL.R 14-XX 01/10A	EUR	3,100,000	3,033,024.50	0.72
SOCIETE GENERALE FL.R 15-XX 29/09S	USD	1,600,000	1,447,915.63	0.34
SOGECAP FL.R 23-44 16/05A	EUR	1,500,000	1,622,122.50	0.39
SOGECAP SA FL.R 14-XX 18/02A14-49 29/12A	EUR	4,500,000	4,450,545.00	1.06
Germany			**28,342,428.50**	**6.73**
AAREAL BANK AG FL.R 14-XX 30/04A	EUR	2,800,000	2,370,732.00	0.56
ALLIANZ SE FL.R 14-XX 19/08A	EUR	2,000,000	1,981,230.00	0.47
BAYER AG FL.R 22-82 25/03A	EUR	2,000,000	1,899,980.00	0.45
BAYER AG FL.R 23-83 25/09A	EUR	1,000,000	1,035,000.00	0.25
CMZB FRANCFORT FL.R 22-32 06/12A	EUR	1,500,000	1,583,137.50	0.38
COMMERZBANK AG FL.R 20-30 05/12A	EUR	3,500,000	3,444,525.00	0.82
DEUTSCHE BANK AG FL.R 20-31 19/05A	EUR	3,200,000	3,246,848.00	0.77
DEUTSCHE BANK AG FL.R 22-32 24/06A	EUR	1,000,000	964,335.00	0.23
GOTHAER ALLGEM VERS FL.R 15-45 30/10A	EUR	1,500,000	1,528,275.00	0.36
HANNOVER RUECK SE FL.R 14-XX 26/06A	EUR	2,400,000	2,364,228.00	0.56
IKB DEUTSCHE INDUSTR FL.R 18-28 31/01A	EUR	3,200,000	2,592,448.00	0.62
LB HESSEN-THUERINGEN FL.R 22-32 15/09A	EUR	4,000,000	3,827,240.00	0.91
WUESTENROT WUER FL.R 21-41 10/09A	EUR	2,000,000	1,504,450.00	0.36
Greece			**910,444.13**	**0.22**
BLACK SEA TRADE DEVE FL.R 21-26 23/03Q	CZK	27,000,000	910,444.13	0.22
Hungary			**7,409,480.00**	**1.76**
ERSTE BANK HUNGARY ZRT FL.R 22-26 04/02A	EUR	1,000,000	956,220.00	0.23
OTP BANK FL.R 22-26 04/03A	EUR	2,000,000	2,058,720.00	0.49
OTP BANK NYRT FL.R 19-29 15/07A	EUR	2,000,000	1,931,480.00	0.46
OTP BANK REGS SUB FL.R 06-XX 07/11Q	EUR	1,000,000	905,265.00	0.22
RAIFFEISEN BANK BUDA FL.R 22-25 22/11A	EUR	1,500,000	1,557,795.00	0.37
Ireland			**3,229,152.50**	**0.77**
AIB GROUP PLC FL.R 20-31 30/09A	EUR	1,300,000	1,248,065.00	0.30
PERMANENT TSB GROUP FL.R 23-28 25/04A	EUR	1,875,000	1,981,087.50	0.47
Italy			**24,659,293.87**	**5.86**
ASSICURAZ GENERALI FL.R 14-XX 21/11A	EUR	1,000,000	999,115.00	0.24
ATHORA ITALIA FL.R 21-31 16/08A	EUR	3,000,000	2,917,500.00	0.69
BANCA IFIS SPA FL.R 17-27 17/10A	EUR	1,934,000	1,956,105.62	0.46
CREDITO EMILIANO FL.R 22-32 05/10A	EUR	800,000	843,696.00	0.20
INTESA SAN PAOLO FL.R 17-XX 11/07S	EUR	500,000	513,852.50	0.12
INTESA SAN PAOLO FL.R 17-XX 16/05S	EUR	2,000,000	2,006,670.00	0.48
INTESA SANPAOLO FL.R 19-29 12/07A	EUR	1,000,000	996,800.00	0.24
INTESA SANPAOLO VITA FL.R 14-49 31/12A	EUR	4,000,000	3,980,320.00	0.95
SACE SPA FL.R 15-XX 10/02A 15-XX 10/02A	EUR	2,000,000	1,888,340.00	0.45
UNICREDIT REG SHS SUB FL.R 14-XX 03/06S	USD	4,000,000	3,611,134.75	0.86
UNICREDIT SPA FL.R 19-29 20/02A	EUR	1,000,000	999,690.00	0.24
UNICREDIT SPA FL.R 20-32 15/01A	EUR	1,000,000	939,725.00	0.22
UNIPOLSAI SPA FL.R 14-XX 18/06A	EUR	3,000,000	3,006,345.00	0.71
Luxembourg			**4,047,855.00**	**0.96**
BANQUE INTLE A LUXEM FL.R 23-33 01/05A	EUR	3,900,000	3,597,945.00	0.85
CPI PROPERTY GROUP FL.R 20-XX 16/11A	EUR	1,500,000	449,910.00	0.11
Malta			**1,910,378.75**	**0.45**
BANK OF VALLETTA FL.R 22-27 06/12A	EUR	1,750,000	1,910,378.75	0.45
Netherlands			**29,705,654.31**	**7.06**
ABERTIS FINANCE BV FL.R 20-XX 24/02A	EUR	500,000	481,022.50	0.11
ACHMEA BV FL.R 15-XX 04/02AA	EUR	4,000,000	3,974,500.00	0.94
AEGON NV FL.R 14-44 25/04A	EUR	1,500,000	1,494,810.00	0.36
ARGENTUM NETHLD FL.R 15-XX 16/06A	EUR	1,500,000	1,489,627.50	0.35
ASR NEDERLAND NV FL.R 14-XX 30/09A	EUR	1,000,000	1,001,865.00	0.24

Securities portfolio as at 31/12/23

Denomination	Currency	Quantity/ Notional	Market value (in EUR)	% of net assets
ASR NEDERLAND NV FL.R 15-45 29/09A	EUR	500,000	506,790.00	0.12
ASR NEDERLAND NV FL.R 22-43 07/12A	EUR	800,000	904,292.00	0.21
ATHORA NETHERLANDS FL.R 22-32 31/08A	EUR	2,700,000	2,593,755.00	0.62
ATRADIUS FINANCE BV FL.R 14-44 23/09A09A	EUR	3,630,000	3,649,057.50	0.87
ELM BV FL.R 15-XX 01/09A	EUR	3,861,000	3,739,050.31	0.89
LEASEPLAN CORPORATION FL.R 19-XX 29/05S	EUR	3,500,000	3,518,130.00	0.84
NN GROUP NV FL.R 14-XX 15/07A	EUR	1,700,000	1,698,113.00	0.40
NN GROUP NV FL.R 23-43 03/11A	EUR	1,500,000	1,604,017.50	0.38
TELEFONICA EUROPE BV FL.R 23-99 31/12A	EUR	1,000,000	1,069,815.00	0.25
TRIODOS BANK NV FL.R 21-32 05/02A	EUR	1,400,000	1,072,589.00	0.25
VOLKSWAGEN INTL FIN FL.R 22-XX 28/03A3A	EUR	1,000,000	908,220.00	0.22
Norway			**1,100,205.22**	**0.26**
DNB BANK ASA FL.R 86-XX XX/XXS	USD	1,000,000	903,992.22	0.21
KOMMUN LANDSPENSJON FL.R 15-45 10/06A	EUR	200,000	196,213.00	0.05
Poland			**5,898,534.00**	**1.40**
BANK MILLENNIUM SA FL.R 23-27 18/09A	EUR	1,300,000	1,373,690.50	0.33
BANK POLSKA KA OPIE FL.R 23-27 23/11A	EUR	1,600,000	1,636,016.00	0.39
MBANK SA FL.R 21-27 21/09A	EUR	1,500,000	1,304,640.00	0.31
MBANK SA FL.R 23-27 11/09A	EUR	1,500,000	1,584,187.50	0.38
Portugal			**3,721,072.50**	**0.88**
BANCO COMERCIAL PORT FL.R 19-30 27/03A	EUR	1,500,000	1,458,465.00	0.35
BANCO COMERCIAL PORT FL.R 21-32 17/05A	EUR	1,000,000	921,660.00	0.22
COMPANHIA DE SEGUROS FL.R 21-31 04/06A	EUR	1,500,000	1,340,947.50	0.32
Romania			**3,045,190.50**	**0.72**
BANCA COMERCIALA ROM FL.R 23-27 19/05A	EUR	2,000,000	2,114,280.00	0.50
RAIFFEISEN BANK FL.R 23-27 12/10A	EUR	900,000	930,910.50	0.22
Slovakia			**2,031,150.00**	**0.48**
TATRA BANKA AS FL.R 23-26 17/02A	EUR	2,000,000	2,031,150.00	0.48
Slovenia			**5,388,350.00**	**1.28**
NOVA LJUBLJANSKA BANKA FL.R 19-29 19/11A	EUR	2,200,000	1,908,500.00	0.45
NOVA LJUBLJANSKA BK FL.R 22-32 28/11A	EUR	1,000,000	1,087,850.00	0.26
NOVA LJUBLJANSK FL.R 20-30 05/02A	EUR	2,500,000	2,162,500.00	0.51
POZA SA FL.R 19-39 07/11A	EUR	300,000	229,500.00	0.05
South Africa			**727,851.83**	**0.17**
INVESTEC FL.R 22-33 06/03A	GBP	600,000	727,851.83	0.17
Spain			**17,345,155.30**	**4.12**
ABANCA CORP BANCA FL.R 23-33 23/09A	EUR	2,000,000	2,157,620.00	0.51
BANCO DE BADELL FL.R 23-33 16/08A	EUR	1,800,000	1,828,116.00	0.43
BANCO SANTANDER SA FL.R 17-XX 15/03Q	EUR	3,485,000	3,323,923.30	0.79
BBVA FL.R 23-33 15/09A	EUR	2,000,000	2,105,390.00	0.50
CAIXABANK SA FL.R 19-29 15/02A	EUR	2,000,000	1,997,590.00	0.47
CAIXABANK SA FL.R 22-33 23/02A	EUR	1,600,000	1,690,656.00	0.40
UNICAJA BANCO SA FL.R 22-27 15/11A	EUR	4,000,000	4,241,860.00	1.01
Sweden			**757,700.00**	**0.18**
CASTELLUM AB FL.R 21-XX 02/03A	EUR	1,000,000	757,700.00	0.18
Switzerland			**1,796,261.26**	**0.43**
CS GROUP REGS FL.R 13-XX 11/12S	USD	4,500,000	407,368.85	0.10
CS GROUP REGS FL.R 14-XX 18/06S	USD	5,400,000	488,842.62	0.12
UBS GROUP SUB FL.R 15-XX 19/02A	USD	1,000,000	900,049.79	0.21
United Kingdom			**20,123,774.68**	**4.78**
BARCLAYS BANK PLC FL.R 05-XX 15/03Q	EUR	1,000,000	928,165.00	0.22
ESURE GROUP FL.R 23-33 20/12S	GBP	750,000	888,220.53	0.21

Securities portfolio as at 31/12/23

Denomination	Currency	Quantity/ Notional	Market value (in EUR)	% of net assets
HBOS EMTN SUB FL.R 05-30 18/03A	EUR	2,000,000	1,996,850.00	0.47
INVESTEC BANK PLC FL.R 22-26 11/08A	EUR	2,113,000	1,984,571.86	0.47
LV FRIENDLY SOC LTD FL.R 13-43 22/05A	GBP	1,283,000	1,458,034.63	0.35
OSB GROUP FL.R 23-33 27/07S	GBP	2,000,000	2,271,109.57	0.54
PRUDENTIAL SUB FL.R 13-63 19/12S	GBP	1,400,000	1,549,289.71	0.37
QUILTER FL.R 23-33 18/04S	GBP	778,000	913,390.22	0.22
SAIN S FL.R 22-33 12/03S	GBP	1,500,000	1,843,205.81	0.44
SHAWBROOK GROUP FL.R 20-30 10/10S	GBP	800,000	895,699.04	0.21
STANDARD CHARTERED FL.R 06-49 08/12S	USD	2,000,000	1,743,312.36	0.41
STANDARD CHART REGS FL.R 07-XX 30/01S	USD	4,000,000	3,651,925.95	0.87
United States of America			**6,498,455.59**	**1.54**
DEUTSCHE POST FD III FL.R 05-XX 07/06A	EUR	2,000,000	1,521,300.00	0.36
HSB GROUP INC FL.R 97-27 15/07Q	USD	2,135,000	1,787,783.46	0.42
IKB FUNDING TRUST-DY FL.R 02-XX XX/XXQ	EUR	861,100	597,121.19	0.14
REINSURANCE GROUP FL.R 05-65 15/12Q	USD	1,500,000	1,185,613.09	0.28
USB REALTY FL.R 06-XX 31/12Q	USD	2,100,000	1,406,637.85	0.33
Convertible bonds			**488,406.00**	**0.12**
France			**488,406.00**	**0.12**
BPCE FL.R 21-46 13/10A	EUR	600,000	488,406.00	0.12
Other transferable securities			**16,116,271.00**	**3.83**
Bonds			**4,585,630.00**	**1.09**
Austria			**1,965,360.00**	**0.47**
KOMMUNALKRED AUSTRIA 0.25 21-24 14/05A	EUR	2,000,000	1,965,360.00	0.47
Czech Republic			**434,240.00**	**0.10**
RAIFFEISENBANK A.S. 1 21-28 09/06A	EUR	500,000	434,240.00	0.10
France			**2,186,030.00**	**0.52**
TIKEHAU CAPITA 6.625 23-30 14/03A	EUR	2,000,000	2,186,030.00	0.52
Spain			**-**	**0.00**
BCO POPULAR ESPANOL 8.00 11-21 29/07Q	EUR	993,000	-	0.00
Floating rate notes			**11,530,641.00**	**2.74**
Austria			**2,243,472.00**	**0.53**
BAWAG GROUP FL.R 23-34 24/02A	EUR	2,200,000	2,243,472.00	0.53
Finland			**1,826,082.00**	**0.43**
SPANKKI OYJ FL.R 23-26 23/11Q	EUR	1,800,000	1,826,082.00	0.43
Germany			**3,112,305.00**	**0.74**
BAYERISCHE LANDESBA FL.R 23-34 05/01A	EUR	3,000,000	3,112,305.00	0.74
Hungary			**3,107,310.00**	**0.74**
OTP BANK FL.R 23-27 05/10A	EUR	3,000,000	3,107,310.00	0.74
Slovenia			**1,241,472.00**	**0.29**
NOVA KREDITNA BANKA FL.R 23-26 29/06U	EUR	1,200,000	1,241,472.00	0.29
Money market instruments			**3,958,561.95**	**0.94**
Commercial papers & certificates of deposit debt claims			**3,958,561.95**	**0.94**
Netherlands			**3,958,561.95**	**0.94**
IBERDROLA INT. BV ZCP 150124	EUR	4,000,000	3,958,561.95	0.94
Undertakings for Collective Investment			**40,057,297.58**	**9.52**
Shares/Units in investment funds			**40,057,297.58**	**9.52**

Securities portfolio as at 31/12/23

Denomination	Currency	Quantity/ Notional	Market value (in EUR)	% of net assets
France			**33,771,182.81**	**8.02**
AXIOM 2027 FCP	EUR	9,500	9,838,010.00	2.34
AXIOM 2027 RD EUR	EUR	1	1,029.99	0.00
GROUPAMA MONETAIRE IC	EUR	37	8,129,642.22	1.93
UNION + - C CAP	EUR	81	15,802,500.60	3.75
Luxembourg			**6,286,114.77**	**1.49**
AXIOM CLIMATE FINANCIAL BONDS ZC EUR	EUR	4,310	6,286,114.77	1.49
Total securities portfolio			**401,986,604.85**	**95.49**

AXIOM LUX - AXIOM OBLIGATAIRE

Statement of net assets as at 31/12/23

	Note	Expressed in EUR
Assets		**383,129,345.60**
Securities portfolio at market value	2.2	354,538,181.62
Cost price		*363,575,813.66*
Cash at banks and liquidities		18,843,755.70
Receivable on subscriptions		601,262.22
Net unrealised appreciation on swaps	2.9	4,686.00
Interests receivable, net		9,136,041.78
Formation expenses, net	2.11	5,418.28
Liabilities		**1,644,888.88**
Bank overdrafts		127,215.92
Payable on redemptions		176,336.92
Net unrealised depreciation on forward foreign exchange contracts	2.7	253,991.98
Management Company fees payable	3	399,634.71
Depositary and sub-depositary fees payable		7,762.99
Administration fees payable	5	13,271.40
Performance fees payable	4	617,626.15
Interests payable, net		15,885.32
Other liabilities		33,163.49
Net asset value		**381,484,456.72**

Statement of operations and changes in net assets from 01/01/23 to 31/12/23

	Note	Expressed in EUR
Income		**22,221,335.20**
Dividends on securities portfolio, net		712,803.76
Interests on bonds and money market instruments, net		21,148,165.89
Interests received on swaps		50,555.45
Bank interests on cash accounts		150,677.00
Securities lending income	8	153,836.11
Other income		5,296.99
Expenses		**5,663,109.90**
Management Company fees	3	4,443,041.40
Performance fees	4	617,578.48
Depositary and sub-depositary fees		100,161.12
Administration fees	5	222,688.01
Domiciliary fees		8,604.87
Distribution fees		9,043.15
Amortisation of formation expenses	2.11	19,342.50
Audit fees		26,928.50
Legal fees		50,676.58
Transaction fees	6	10,643.64
Directors fees		4,777.21
Subscription tax ("Taxe d'abonnement")	7	48,993.80
Interests paid on bank overdraft		11,181.58
Banking fees		1,967.00
Other expenses		87,482.06
Net income / (loss) from investments		**16,558,225.30**
Net realised profit / (loss) on:		
- sales of investment securities	2.2,2.3	-17,147,053.64
- forward foreign exchange contracts	2.7	-646,419.19
- financial futures	2.8	2,282,810.00
- foreign exchange	2.4	-573,339.18
Net realised profit / (loss)		**474,223.29**
Movement in net unrealised appreciation / (depreciation) on:		
- investments	2.2	25,769,363.00
- forward foreign exchange contracts	2.7	-1,110,683.06
- swaps	2.9	60,417.80
Net increase / (decrease) in net assets as a result of operations		**25,193,321.03**
Dividends distributed	9	-1,714,386.28
Subscriptions of capitalisation shares		157,432,803.66
Subscriptions of distribution shares		961,597.72
Redemptions of capitalisation shares		-100,751,979.99
Redemptions of distribution shares		-504,648.70
Net increase / (decrease) in net assets		**80,616,707.44**
Net assets at the beginning of the year		**300,867,749.28**
Net assets at the end of the year		**381,484,456.72**

AXIOM LUX - AXIOM OBLIGATAIRE

Statistics

		31/12/23	31/12/22	31/12/21
Total Net Assets	**EUR**	**381,484,456.72**	**300,867,749.28**	**289,244,209.60**
HC - EUR(v) - Capitalisation				
Number of shares		40,869.3881	48,869.3308	54,065.4829
Net asset value per share	EUR	2,044.84	1,910.06	2,185.67
IC - EUR(v) - Capitalisation				
Number of shares		46,993.5941	41,355.7354	31,542.5260
Net asset value per share	EUR	1,263.26	1,172.80	1,333.39
MC GBP (hv) - Capitalisation				
Number of shares		28,984.7360	-	-
Net asset value per share	GBP	977.99	-	-
NC - GBP(hv) - Capitalisation				
Number of shares		468.0000	601.0000	45.0000
Net asset value per share	GBP	2,283.98	2,082.18	2,322.76
PC - EUR(v) - Capitalisation				
Number of shares		-	0.0015	7,395.7120
Net asset value per share	EUR	-	1,080.00	1,216.98
P(1)C - GBP (hv) - Capitalisation				
Number of shares		6,358.4940	-	-
Net asset value per share	GBP	977.34	-	-
RC - CHF(hv) - Capitalisation				
Number of shares		978.8130	363.8130	525.8130
Net asset value per share	CHF	1,883.82	1,795.75	2,060.81
RC - EUR(v) - Capitalisation				
Number of shares		19,120.5253	14,866.7386	15,014.6430
Net asset value per share	EUR	1,875.12	1,753.88	2,007.73
RC - USD(hv) - Capitalisation				
Number of shares		1,636.5353	1,557.1517	1,850.8248
Net asset value per share	USD	2,341.41	2,151.62	2,418.52
SC - CHF(hv) - Capitalisation				
Number of shares		4,834.7000	3,780.0000	-
Net asset value per share	CHF	988.01	930.53	-
SC - EUR(v) - Capitalisation				
Number of shares		72,008.3864	59,384.5057	44,700.4831
Net asset value per share	EUR	1,289.72	1,192.92	1,351.13
SC - GBP(hv) - Capitalisation				
Number of shares		8.4916	8.4916	8.4916
Net asset value per share	GBP	1,002.26	912.45	1,015.52
SC - USD(hv) - Capitalisation				
Number of shares		19,051.7600	16,694.5644	-
Net asset value per share	USD	1,045.03	949.98	-
ZC - EUR - Capitalisation				
Number of shares		476.0967	485.1541	7.9967
Net asset value per share	EUR	2,488.32	2,281.05	2,559.34
ID - EUR(v) - Distribution				
Number of shares		25,877.9908	25,618.9453	14,415.8269
Net asset value per share	EUR	1,501.13	1,458.21	1,688.24
Dividend per share		66.29	27.47	30.65
RD - USD(hv) - Distribution				
Number of shares		55.0000	-	-
Net asset value per share	USD	1,049.17	-	-

Changes in number of shares outstanding from 01/01/23 to 31/12/23

	Shares outstanding as at 01/01/23	Shares issued	Shares redeemed	Shares outstanding as at 31/12/23
HC - EUR(v) - Capitalisation	48,869.3308	7,863.1926	15,863.1353	40,869.3881
IC - EUR(v) - Capitalisation	41,355.7354	12,770.3109	7,132.4522	46,993.5941
MC GBP (hv) - Capitalisation	0.0000	48,532.1590	19,547.4230	28,984.7360
NC - GBP(hv) - Capitalisation	601.0000	53.0000	186.0000	468.0000
PC - EUR(v) - Capitalisation	0.0015	0.0000	0.0015	0.0000
P(1)C - GBP (hv) - Capitalisation	0.0000	18,455.9900	12,097.4960	6,358.4940
RC - CHF(hv) - Capitalisation	363.8130	615.0000	0.0000	978.8130
RC - EUR(v) - Capitalisation	14,866.7386	9,779.4838	5,525.6971	19,120.5253
RC - USD(hv) - Capitalisation	1,557.1517	149.3836	70.0000	1,636.5353
SC - CHF(hv) - Capitalisation	3,780.0000	1,788.0000	733.3000	4,834.7000
SC - EUR(v) - Capitalisation	59,384.5057	24,240.8826	11,617.0019	72,008.3864
SC - GBP(hv) - Capitalisation	8.4916	0.0000	0.0000	8.4916
SC - USD(hv) - Capitalisation	16,694.5644	5,429.3116	3,072.1160	19,051.7600
ZC - EUR - Capitalisation	485.1541	0.0000	9.0574	476.0967
ID - EUR(v) - Distribution	25,618.9453	601.2746	342.2291	25,877.9908
RD - USD(hv) - Distribution	0.0000	55.0000	0.0000	55.0000

Securities portfolio as at 31/12/23

Denomination	Currency	Quantity/ Notional	Market value (in EUR)	% of net assets
Transferable securities admitted to an official stock exchange listing and/or dealt in on another regulated market			**335,738,413.70**	**88.01**
Shares			**2,290,343.50**	**0.60**
France			**2,290,343.50**	**0.60**
BNP PARIBAS PREF	EUR	20,003	2,290,343.50	0.60
Bonds			**54,801,284.75**	**14.37**
Austria			**2,643,500.00**	**0.69**
KOMMUNALKREDIT 6.5000 21-XX XX/XXS	EUR	3,400,000	2,643,500.00	0.69
Belgium			**3,891,000.00**	**1.02**
BAD 21 SPRL 8.20 23-28 10/08S	EUR	1,800,000	1,822,500.00	0.48
ETHIAS SA 6.7500 23-33 05/05A	EUR	2,000,000	2,068,500.00	0.54
France			**3,022,482.91**	**0.79**
CCF HOLDING 5.2500 21-41 15/10A	EUR	1,000,000	780,835.00	0.20
CLARIANE 4.125 21-XX 15/06A	GBP	3,500,000	2,241,647.91	0.59
Germany			**6,362,071.00**	**1.67**
OLDENBURGISCHE LANDE 5.625 23-26 02/02A	EUR	3,100,000	3,118,321.00	0.82
OLDENBURGISCHE LANDESBANK 6 21-99 31/12A	EUR	4,000,000	3,243,750.00	0.85
Hungary			**2,470,990.36**	**0.65**
OTP BANK PLC 8.75 23-33 15/05S	USD	2,650,000	2,470,990.36	0.65
Iceland			**2,423,843.50**	**0.64**
ISLANDSBANKI HF 7.375 23-26 17/05A	EUR	2,300,000	2,423,843.50	0.64
Ireland			**3,459,890.00**	**0.91**
BANK OF IRELAND 6.00 20-XX XX/XXS	EUR	3,500,000	3,459,890.00	0.91
Jersey			**25,367.90**	**0.01**
HYBRID CAP.FD.1 SUB 8.00 05-XX 30/06Q	USD	2,131,000	25,367.90	0.01
Luxembourg			**3,606,010.00**	**0.95**
HLD EUROPE 3.85 20-26 23/09A	EUR	2,000,000	1,875,000.00	0.49
HLD EUROPE 3.85 21-27 16/07A	EUR	1,880,000	1,731,010.00	0.45
Netherlands			**1,608,750.00**	**0.42**
LIFETRI GROEP B.V. 5.25 21-32 01/06A	EUR	1,800,000	1,608,750.00	0.42
Portugal			**1,996,065.00**	**0.52**
NOVO BANCO, S.A. 3.0 23-33 01/06A	EUR	1,800,000	1,996,065.00	0.52
Slovakia			**1,535,940.00**	**0.40**
TATRA BANKA AS 0.5 21-28 23/04A	EUR	1,800,000	1,535,940.00	0.40
United Kingdom			**21,755,374.08**	**5.70**
ESURE GROUP PLC 6.00 21-99 31/12S	GBP	6,400,000	5,179,158.73	1.36
INTERMEDIATE CAPITAL 2.5 22-30 28/01A	EUR	7,600,000	6,717,374.00	1.76
JERROLD FINCO PLC 5.25 21-27 25/01S	GBP	2,300,000	2,476,623.97	0.65
MAREX GROUP 8.375 23-28 02/02A	EUR	5,000,000	5,287,400.00	1.39
THE CO-OPERATIVE BANK 9.0 20-25 27/11S	GBP	1,800,000	2,094,817.38	0.55
Floating rate notes			**278,166,789.45**	**72.92**
Austria			**23,635,326.50**	**6.20**
BAWAG GROUP AG FL.R 18-XX XX/XXS	EUR	2,800,000	2,461,228.00	0.65
BAWAG GROUP AG FL.R 20-30 23/09A	EUR	1,900,000	1,709,819.50	0.45
ERSTE GROUP BANK AG FL.R 23-99 31/12S	EUR	6,000,000	6,345,780.00	1.66
RAIF BA FL.R 22-32 20/12A	EUR	2,000,000	2,117,010.00	0.55
RAIFFEISEN BANK FL.R 20-XX 15/06S	EUR	2,400,000	2,193,324.00	0.57
VOLKSBANK WIEN AG FL.R 19-XX 09/10S	EUR	9,000,000	8,808,165.00	2.31

Securities portfolio as at 31/12/23

Denomination	Currency	Quantity/ Notional	Market value (in EUR)	% of net assets
Belgium			**3,177,555.00**	**0.83**
CRELAN 6.0 23-30 28/02A	EUR	3,000,000	3,177,555.00	0.83
Czech Republic			**4,040,515.50**	**1.06**
CESKA SPORITELNA AS FL.R 23-27 29/06A	EUR	1,500,000	1,558,267.50	0.41
CESKA SPORITELNA FL.R 23-28 08/03A	EUR	2,400,000	2,482,248.00	0.65
Denmark			**9,142,291.00**	**2.40**
SAXO BANK AS FL.R 19-29 03/07A	EUR	5,141,000	4,961,065.00	1.30
SAXO BANK AS FL.R 19-XX XX/XXS	EUR	4,200,000	4,181,226.00	1.10
Estonia			**5,097,425.00**	**1.34**
AKTSIASELTS LUMINOR FL.R 23-26 16/01A	EUR	5,000,000	5,097,425.00	1.34
France			**18,418,453.00**	**4.83**
BNP PARIBAS FL.R 23-XX 11/06S	EUR	2,000,000	2,134,220.00	0.56
CREDIT INDUSTRIEL FL.R 90-99 26/12A	EUR	90,000	71,325.00	0.02
PROMONTORIA MMB SASU FL.R 19-XX XX/XXS	EUR	7,200,000	5,688,288.00	1.49
SOCIETE GENERALE SA FL.R 23-XX 18/07S	EUR	6,000,000	6,198,960.00	1.62
SOGECAP FL.R 23-44 16/05A	EUR	4,000,000	4,325,660.00	1.13
Germany			**25,186,705.50**	**6.60**
AAREAL BANK AG FL.R 14-XX 30/04A	EUR	4,200,000	3,556,098.00	0.93
COMMERZBANK AG FL.R 20-XX 09/04A	EUR	3,600,000	3,425,130.00	0.90
COMMERZBANK AG FL.R 23-33 05/10A	EUR	1,800,000	1,921,401.00	0.50
DEUTSCHE BANK AG FL.R 21-XX 30/04A2A	EUR	3,800,000	3,124,227.00	0.82
DEUTSCHE BANK FL.R 22-XX 30/04A	EUR	2,000,000	1,864,700.00	0.49
DEUTSCHE PFANDBRIEF FL.R 18-XX XX/XXA	EUR	2,000,000	1,205,080.00	0.32
IKB DEUTSCHE INDUSTR FL.R 18-28 31/01A	EUR	7,800,000	6,319,092.00	1.66
LANDESBANK BADEN-WUER FL.R 19-XX XX/XXA	EUR	3,000,000	2,191,305.00	0.57
WUESTENROT WUER FL.R 21-41 10/09A	EUR	2,100,000	1,579,672.50	0.41
Hungary			**2,596,874.86**	**0.68**
OTP BANK NYRT FL.R 19-29 15/07A	EUR	2,689,000	2,596,874.86	0.68
Ireland			**6,151,094.00**	**1.61**
AIB GROUP PLC FL.R 20-49 31/12S	EUR	4,200,000	4,176,144.00	1.09
PERMANENT TSB GROUP FL.R 20-XX 25/05S	EUR	2,000,000	1,974,950.00	0.52
Italy			**15,516,708.40**	**4.07**
ATHORA ITALIA FL.R 21-31 16/08A	EUR	4,066,000	3,954,185.00	1.04
BANCA MPS SPA FL.R 18-28 18/01A	EUR	2,920,000	2,906,407.40	0.76
CASSA DI RISPARMIO FL.R 20-XX 27/05S	EUR	2,900,000	2,779,113.50	0.73
INTESA SAN PAOLO FL.R 17-XX 11/07S	EUR	2,500,000	2,569,262.50	0.67
INTESA SANPAOLO FL.R 23-XX 07/03S	EUR	3,000,000	3,307,740.00	0.87
Luxembourg			**18,559,080.91**	**4.86**
ANACAP FIN EU FL.R 17-24 30/07Q	EUR	5,039,000	3,304,752.56	0.87
BANQUE INTERNATIONALE FL.R 5.25 19-XX XX/XXS	EUR	3,200,000	2,839,424.00	0.74
BANQUE INTLE A LUXEM FL.R 23-33 01/05A	EUR	4,100,000	3,782,455.00	0.99
CPI PROPERTY GROUP FL.R 20-XX 16/11A	EUR	6,100,000	1,829,634.00	0.48
QUINTET PRIVATE BANK FL.R 20-49 31/12S	EUR	3,800,000	3,395,072.00	0.89
UTMOST GROUP FL.R 22-49 31/12S	GBP	3,800,000	3,407,743.35	0.89
Netherlands			**24,162,772.21**	**6.33**
ACHMEA BV FL.R 19-XX XX/XXS	EUR	6,750,000	5,747,726.25	1.51
ATHORA NETHERLANDS FL.R 22-32 31/08A	EUR	2,000,000	1,921,300.00	0.50
DE VOLKSBANK FL.R 7 22-XX 15/12S	EUR	4,000,000	3,802,920.00	1.00
NIBC BANK NV FL.R 17-XX XX/XXS	EUR	5,441,000	4,713,891.96	1.24
VAN LANSCH KEMP FL.R 19-XX XX/XXS	EUR	8,400,000	7,976,934.00	2.09

Securities portfolio as at 31/12/23

Denomination	Currency	Quantity/ Notional	Market value (in EUR)	% of net assets
Poland			**7,090,461.50**	**1.86**
BANK MILLENNIUM SA FL.R 23-27 18/09A	EUR	3,500,000	3,698,397.50	0.97
MBANK SA FL.R 21-27 21/09A	EUR	3,900,000	3,392,064.00	0.89
Portugal			**15,550,860.00**	**4.08**
BANCO COMERCIAL PORT FL.R 19-30 27/03A	EUR	3,500,000	3,403,085.00	0.89
BANCO COMERCIAL PORT FL.R 21-32 17/05A	EUR	4,300,000	3,963,138.00	1.04
BES-VIDA SUB FL.R 12-XX 19/03Q	EUR	345,500	286,765.00	0.08
COMPANHIA DE SEGUROS FL.R 21-31 04/06A	EUR	7,800,000	6,972,927.00	1.83
FINIBCO HLDG FL.R 10-XX 02/10S	EUR	1,149,000	924,945.00	0.24
Slovakia			**3,148,282.50**	**0.83**
TATRA BANKA AS FL.R 23-26 17/02A	EUR	3,100,000	3,148,282.50	0.83
Slovenia			**6,937,200.00**	**1.82**
NOVA LJUBLJANSKA BANKA FL.R 19-29 19/11A	EUR	1,600,000	1,388,000.00	0.36
NOVA LJUBLJANSKA BK FL.R 22-32 28/11A	EUR	2,000,000	2,175,700.00	0.57
NOVA LJUBLJANSK FL.R 20-30 05/02A	EUR	3,900,000	3,373,500.00	0.88
South Africa			**4,003,185.05**	**1.05**
INVESTEC FL.R 22-33 06/03A	GBP	3,300,000	4,003,185.05	1.05
Spain			**22,154,690.50**	**5.81**
ABANCA CORP BANCA FL.R 21-49 31/12Q	EUR	2,000,000	1,900,980.00	0.50
ABANCA CORP BANCA FL.R 23-33 23/09A	EUR	1,800,000	1,941,858.00	0.51
BANCO DE BADELL FL.R 23-33 16/08A	EUR	1,000,000	1,015,620.00	0.27
BANCO DE CREDITO SOC FL.R 21-31 27/11A	EUR	4,900,000	4,546,685.50	1.19
BANKINTER SA FL.R 20-XX 17/10Q	EUR	2,000,000	1,999,450.00	0.52
CAIXABANK SA FL.R 21-XX 14/12Q	EUR	6,400,000	4,959,584.00	1.30
IBERCAJA FL.R 23-XX 25/04Q	EUR	2,600,000	2,708,329.00	0.71
NCG BANCO SA. FL.R 23-99 31/12Q	EUR	2,800,000	3,082,184.00	0.81
Switzerland			**19,234,302.55**	**5.04**
CREDIT SUISSE GROUP FL.R 22-29 01/03A	EUR	8,900,000	10,269,888.00	2.69
CS GROUP REGS FL.R 13-XX 11/12S	USD	3,700,000	334,947.72	0.09
CS GROUP REGS FL.R 14-XX 18/06S	USD	1,400,000	126,736.98	0.03
EFG INTERNATIONAL AG FL.R 21-XX 24/03A	USD	5,815,000	4,312,096.36	1.13
JULIUS BAER GRUPPE AG FL.R 20-XX 08/04S	USD	2,900,000	2,385,303.49	0.63
JULIUS BAER GRUPPE AG FL.R 23-XX 15/08S	EUR	2,000,000	1,805,330.00	0.47
United Kingdom			**42,900,748.54**	**11.25**
ABRDN PLC FL.R 21-XX XX/XXS	GBP	2,000,000	1,961,664.07	0.51
BANCO SANTANDER SA FL.R 21-XX 21/03Q	EUR	3,000,000	2,247,630.00	0.59
BARCLAYS PLC FL.R 23-99 31/12Q	GBP	2,000,000	2,306,398.94	0.60
DIRECT LINE INSUR SUB FL.R 17-XX 07/12S	GBP	2,000,000	1,808,089.55	0.47
LLOYDS BANKING FL.R 22-49 31/12Q	GBP	5,000,000	5,881,714.84	1.54
MAREX GROUP FL.R 22-99 31/12S	USD	3,400,000	3,212,556.01	0.84
NATWEST GROUP PLCFL.R 20-XX 31/03Q	GBP	5,300,000	5,507,767.58	1.44
OSB GROUP FL.R 23-33 27/07S	GBP	1,100,000	1,249,110.27	0.33
OSB GROUP PLC FL.R 21-XX 07/04S	GBP	6,700,000	5,842,426.29	1.53
QUILTER FL.R 23-33 18/04S	GBP	1,978,000	2,322,218.34	0.61
RL FINANCE BONDS NO6 FL.R 23-XX 25/11S	GBP	4,500,000	5,537,822.40	1.45
SAIN S FL.R 22-33 12/03S	GBP	4,088,000	5,023,350.25	1.32
United States of America			**1,462,256.93**	**0.38**
IKB FUNDING TRUST-DY FL.R 02-XX XX/XXQ	EUR	2,108,700	1,462,256.93	0.38
Convertible bonds			**479,996.00**	**0.13**
France			**479,996.00**	**0.13**
BIGBEN INTERACTIVE CV 1.125 21-26 19/02S	EUR	800,000	479,996.00	0.13
Other transferable securities			**18,799,767.92**	**4.93**

Securities portfolio as at 31/12/23

Denomination	Currency	Quantity/ Notional	Market value (in EUR)	% of net assets
Bonds			**7,135,072.00**	**1.87**
Austria			**2,358,432.00**	**0.62**
KOMMUNALKRED AUSTRIA 0.25 21-24 14/05A	EUR	2,400,000	2,358,432.00	0.62
Czech Republic			**4,776,640.00**	**1.25**
RAIFFEISENBANK A.S. 1 21-28 09/06A	EUR	5,500,000	4,776,640.00	1.25
Spain			**-**	**0.00**
BANCO POPULAR ESPANOL 8.25 11-21 19/10Q	EUR	2,336,000	-	0.00
BCO POPULAR ESPANOL 8.00 11-21 29/07Q	EUR	4,113,000	-	0.00
POPULAR CAPITAL -A- 6.00 03-XX XX/XXQ	EUR	1,000,000	-	0.00
Floating rate notes			**11,599,524.52**	**3.04**
France			**1,770,806.65**	**0.46**
CLOSE BROTHERS GROUP FL.R 23-99 31/12S	GBP	1,500,000	1,770,806.65	0.46
Ireland			**2,422,203.00**	**0.63**
PERMANENT TSB GROUP FL.R 22-XX 26/04S	EUR	2,100,000	2,422,203.00	0.63
Spain			**4,236,040.00**	**1.11**
BCO POPULAR ESPANOL FL.R 09-19 22/12Q	EUR	1,600,000	-	0.00
CAIXABANK SA FL.R 23-34 30/05A	EUR	4,000,000	4,236,040.00	1.11
United Kingdom			**3,170,474.87**	**0.83**
SHAWBROOK GROUP PLC FL.R 22-99 31/12S	GBP	2,680,000	2,870,434.48	0.75
THE ECOLOGY BUILD STE FL.R 20-99 31/12S	GBP	250,000	300,040.39	0.08
Convertible bonds			**65,171.40**	**0.02**
Luxembourg			**65,171.40**	**0.02**
ESPERITO SANTO CV REGS9.75 11-25 19/12A DEFAULTED	EUR	4,432,000	51,854.40	0.01
ESPERITO SANTO REGS CV 3.125 13-18 02/12S DEFAULTED	EUR	4,600,000	13,317.00	0.00
Total securities portfolio			**354,538,181.62**	**92.94**

AXIOM LUX - AXIOM OPTIMAL CRITERIA (closed on 14/03/23)

Statement of operations and changes in net assets from 01/01/23 to 14/03/23

	Note	*Expressed in EUR*
Income		**10,428.53**
Interests on bonds, net		10,082.20
Bank interests on cash accounts		286.33
Other income		60.00
Expenses		**16,764.81**
Management Company fees	3	1,919.97
Depositary and sub-depositary fees		346.14
Administration fees	5	149.17
Domiciliary fees		7.81
Distribution fees		6.90
Amortisation of formation expenses	2.11	5,266.21
Audit fees		6.32
Legal fees		5,158.25
Transaction fees	6	553.60
Directors fees		8.84
Interests paid on bank overdraft		1.32
Other expenses		3,340.28
Net income / (loss) from investments		**-6,336.28**
Net realised profit / (loss) on:		
- sales of investment securities	2.2,2.3	-15,749.46
- foreign exchange	2.4	2,519.99
Net realised profit / (loss)		**-19,565.75**
Movement in net unrealised appreciation / (depreciation) on:		
- investments	2.2	9,463.00
Net increase / (decrease) in net assets as a result of operations		**-10,102.75**
Redemptions of capitalisation shares		-1,909,800.00
Net increase / (decrease) in net assets		**-1,919,902.75**
Net assets at the beginning of the period		**1,919,902.75**
Net assets at the end of the period		**-**

AXIOM LUX - AXIOM OPTIMAL CRITERIA (in liquidation)

Statistics

		14/03/23	31/12/22	31/12/21
Total Net Assets	**EUR**	**-**	**1,919,902.75**	**14,507,837.55**
C - EUR - Capitalisation				
Number of shares		-	2,000.0000	14,301.4644
Net asset value per share	EUR	-	959.95	1,014.43

Changes in number of shares outstanding from 01/01/23 to 31/12/23

	Shares outstanding as at 01/01/23	Shares issued	Shares redeemed	Shares outstanding as at 31/12/23
C - EUR - Capitalisation	2,000.0000	0.0000	2,000.0000	0.0000

AXIOM LUX - AXIOM LONG SHORT CREDIT (closed on 07/08/23)

Statement of operations and changes in net assets from 01/01/23 to 07/08/23

	Note	Expressed in EUR
Income		**297,875.50**
Interests on bonds and money market instruments, net		214,085.41
Interests received on swaps		45,752.74
Bank interests on cash accounts		30,563.51
Interests received on repurchase agreements		827.89
Other income		6,645.95
Expenses		**359,960.93**
Management Company fees	3	20,550.73
Depositary and sub-depositary fees		1,921.59
Administration fees	5	4,261.94
Domiciliary fees		160.62
Distribution fees		116.24
Amortisation of formation expenses	2.11	7,853.70
Audit fees		1,580.72
Legal fees		1,951.62
Transaction fees	6	2,097.09
Directors fees		136.86
Subscription tax ("Taxe d'abonnement")	7	428.20
Interests paid on bank overdraft		1,398.69
Interests paid on swaps		313,418.92
Banking fees		1,561.00
Other expenses		2,523.01
Net income / (loss) from investments		**-62,085.43**
Net realised profit / (loss) on:		
- sales of investment securities	2.2,2.3	-3,397,011.72
- forward foreign exchange contracts	2.7	106,708.45
- swaps	2.9	-539,096.91
- foreign exchange	2.4	-60,421.17
Net realised profit / (loss)		**-3,951,906.78**
Movement in net unrealised appreciation / (depreciation) on:		
- investments	2.2	2,976,592.78
- forward foreign exchange contracts	2.7	-89,485.87
- swaps	2.9	399,760.94
Net increase / (decrease) in net assets as a result of operations		**-665,038.93**
Redemptions of capitalisation shares		-20,093,215.94
Net increase / (decrease) in net assets		**-20,758,254.87**
Net assets at the beginning of the period		**20,758,254.87**
Net assets at the end of the period		**-**

Statistics

		07/08/23	31/12/22	31/12/21
Total Net Assets	**EUR**	**-**	**20,758,254.87**	**39,923,488.43**
A - EUR - Capitalisation				
Number of shares		-	-	50.0000
Net asset value per share	EUR	-	-	981.26
B - USD - Capitalisation				
Number of shares		-	-	58.6439
Net asset value per share	USD	-	-	986.23
CG - EUR - Capitalisation				
Number of shares		-	-	1.0000
Net asset value per share	EUR	-	-	980.59
E - GBP - Capitalisation				
Number of shares		-	-	45.3007
Net asset value per share	GBP	-	-	985.43
IE - GBP - Capitalisation				
Number of shares		-	-	8.5319
Net asset value per share	GBP	-	-	993.17
M - CHF - Capitalisation				
Number of shares		-	-	53.7607
Net asset value per share	CHF	-	-	974.00
P - EUR - Capitalisation				
Number of shares		-	15,349.8286	31,289.9009
Net asset value per share	EUR	-	872.28	983.97
R - EUR - Capitalisation				
Number of shares		-	-	1.0000
Net asset value per share	EUR	-	-	972.52
Z - EUR - Capitalisation				
Number of shares		-	8,350.0000	9,000.0000
Net asset value per share	EUR	-	882.51	991.05

Changes in number of shares outstanding from 01/01/23 to 07/08/23

	Shares outstanding as at 01/01/23	Shares issued	Shares redeemed	Shares outstanding as at 07/08/23
P - EUR - Capitalisation	15,349.8286	0.0000	15,349.8286	0.0000
Z - EUR - Capitalisation	8,350.0000	0.0000	8,350.0000	0.0000

AXIOM LUX

Notes to the financial statements - Schedule of derivative instruments

Notes to the financial statements - Schedule of derivative instruments

Options

As at December 31, 2023, the following options contracts were outstanding:

AXIOM LUX - AXIOM EUROPEAN BANKS EQUITY

Quantity	Denomination	Currency	Commitment (in EUR) (in absolute value)	Market value (in EUR)	Unrealised (in EUR)
Options purchased					
	Options on index				
18,000.00	EURO STOXX BAN JAN 120.00 19.01.24 CALL	EUR	-	900,000.00	-623,000.00
				900,000.00	**-623,000.00**

The counterparty for the options is Caceis Bank Paris.

Notes to the financial statements - Schedule of derivative instruments

Forward foreign exchange contracts

As at December 31, 2023, the following forward foreign exchange contracts were outstanding:

AXIOM LUX - AXIOM CLIMATE FINANCIAL BONDS (formerly AXIOM LUX - AXIOM SUSTAINABLE FINANCIAL BONDS)

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Unrealised (in EUR)		Counterparty
CHF	100,000.00	EUR	106,478.24	07/02/24	1,329.51	*	CACEIS Bank, Lux. Branch
EUR	2,636,193.79	GBP	2,300,000.00	07/02/24	-14,667.09		CACEIS Bank, Lux. Branch
EUR	6,160,296.43	USD	6,700,000.00	07/02/24	104,082.54		CACEIS Bank, Lux. Branch
					90,744.96		

AXIOM LUX - AXIOM EUROPEAN BANKS EQUITY

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Unrealised (in EUR)		Counterparty
EUR	18,933,394.37	GBP	16,544,000.00	15/02/24	-129,584.58		CACEIS Bank, Lux. Branch
EUR	42,136.40	USD	45,300.00	15/02/24	1,202.08		CACEIS Bank, Lux. Branch
EUR	7,760,669.63	SEK	90,120,000.00	15/02/24	-334,645.96		CACEIS Bank, Lux. Branch
GBP	587,000.00	EUR	671,778.44	15/02/24	4,590.98	*	CACEIS Bank, Lux. Branch
GBP	38,200.00	EUR	43,717.10	15/02/24	298.76	*	CACEIS Bank, Lux. Branch
GBP	34,500.00	EUR	39,401.55	15/02/24	351.00	*	CACEIS Bank, Lux. Branch
GBP	2,300.00	EUR	2,626.77	15/02/24	23.40	*	CACEIS Bank, Lux. Branch
USD	196,000.00	EUR	182,312.01	15/02/24	-5,191.82	*	CACEIS Bank, Lux. Branch
USD	11,400.00	EUR	10,383.93	15/02/24	-82.04	*	CACEIS Bank, Lux. Branch
					-463,038.18		

Notes to the financial statements - Schedule of derivative instruments

Forward foreign exchange contracts

AXIOM LUX - AXIOM SHORT DURATION BOND FUND

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Unrealised (in EUR)		Counterparty
CHF	29,000.00	EUR	30,724.90	07/02/24	540.25	*	CACEIS Bank, Lux. Branch
CHF	96,000.00	EUR	100,137.69	07/02/24	3,360.74	*	CACEIS Bank, Lux. Branch
CHF	10,000,000.00	EUR	10,410,160.32	07/02/24	370,926.20	*	CACEIS Bank, Lux. Branch
EUR	67,980.97	CHF	64,000.00	07/02/24	-1,015.61	*	CACEIS Bank, Lux. Branch
EUR	9,971,689.57	GBP	8,700,000.00	07/02/24	-55,479.88		CACEIS Bank, Lux. Branch
EUR	226,870.55	USD	250,000.00	07/02/24	888.02	*	CACEIS Bank, Lux. Branch
EUR	42,449.33	CHF	40,000.00	07/02/24	-673.44	*	CACEIS Bank, Lux. Branch
EUR	76,766.66	USD	84,000.00	07/02/24	837.32	*	CACEIS Bank, Lux. Branch
EUR	85,992.39	USD	94,000.00	07/02/24	1,023.97	*	CACEIS Bank, Lux. Branch
EUR	9,010,582.84	USD	9,800,000.00	07/02/24	152,240.14		CACEIS Bank, Lux. Branch
GBP	1,888.00	EUR	2,172.86	07/02/24	3.14	*	CACEIS Bank, Lux. Branch
GBP	182.00	EUR	209.46	07/02/24	0.30	*	CACEIS Bank, Lux. Branch
GBP	90,817.00	EUR	104,091.83	07/02/24	578.42	*	CACEIS Bank, Lux. Branch
GBP	8,813.00	EUR	10,101.21	07/02/24	56.13	*	CACEIS Bank, Lux. Branch
USD	71,000.00	EUR	64,085.21	07/02/24	94.21	*	CACEIS Bank, Lux. Branch
USD	44,000.00	EUR	40,226.73	07/02/24	-453.57	*	CACEIS Bank, Lux. Branch
USD	165,000.00	EUR	149,510.69	07/02/24	-361.34	*	CACEIS Bank, Lux. Branch
USD	138,000.00	EUR	125,866.47	07/02/24	-1,123.37	*	CACEIS Bank, Lux. Branch
USD	36,000.00	EUR	32,345.01	07/02/24	196.67	*	CACEIS Bank, Lux. Branch
USD	105,000.00	EUR	94,339.62	07/02/24	573.61	*	CACEIS Bank, Lux. Branch
USD	53,000.00	EUR	48,182.69	07/02/24	-274.11	*	CACEIS Bank, Lux. Branch
USD	15,200,000.00	EUR	13,975,597.87	07/02/24	-235,778.63	*	CACEIS Bank, Lux. Branch
USD	253,000.00	EUR	231,282.57	07/02/24	-2,586.89	*	CACEIS Bank, Lux. Branch
USD	1,542,000.00	EUR	1,417,787.63	07/02/24	-23,919.13	*	CACEIS Bank, Lux. Branch
USD	50,000.00	EUR	45,549.04	07/02/24	-352.27	*	CACEIS Bank, Lux. Branch
USD	18,000.00	EUR	16,397.65	07/02/24	-126.81	*	CACEIS Bank, Lux. Branch
EUR	24,301,921.57	GBP	21,200,000.00	07/02/24	-131,932.54		Goldman Sachs Intl, Paris Br
EUR	966,820.98	CZK	23,800,000.00	07/02/24	5,353.05		Goldman Sachs Intl, Paris Br
EUR	19,130,570.74	USD	20,800,000.00	07/02/24	328,712.83		Goldman Sachs Intl, Paris Br
GBP	3,000,000.00	EUR	3,461,928.59	07/02/24	-4,307.73		Goldman Sachs Intl, Paris Br
USD	3,600,000.00	EUR	3,330,866.03	07/02/24	-76,698.31		Goldman Sachs Intl, Paris Br
					330,301.37		

Notes to the financial statements - Schedule of derivative instruments

Forward foreign exchange contracts

AXIOM LUX - AXIOM OBLIGATAIRE

Currency purchased	Quantity purchased	Currency sold	Quantity sold	Maturity date	Unrealised (in EUR)		Counterparty
CHF	21,000.00	EUR	22,315.50	15/02/24	334.96	*	CACEIS Bank, Lux. Branch
CHF	66,000.00	EUR	68,806.62	15/02/24	2,380.54	*	CACEIS Bank, Lux. Branch
CHF	164,000.00	EUR	171,170.32	15/02/24	5,718.99	*	CACEIS Bank, Lux. Branch
CHF	1,004,600.00	EUR	1,074,875.35	15/02/24	8,679.53	*	CACEIS Bank, Lux. Branch
CHF	34,000.00	EUR	36,096.10	15/02/24	576.07	*	CACEIS Bank, Lux. Branch
CHF	85,500.00	EUR	90,894.59	15/02/24	1,325.14	*	CACEIS Bank, Lux. Branch
CHF	31,000.00	EUR	32,955.93	15/02/24	480.46	*	CACEIS Bank, Lux. Branch
CHF	140,000.00	EUR	145,727.07	15/02/24	5,276.00	*	CACEIS Bank, Lux. Branch
CHF	1,323,000.00	EUR	1,376,685.22	15/02/24	50,293.78	*	CACEIS Bank, Lux. Branch
CHF	3,609,000.00	EUR	3,755,447.43	15/02/24	137,195.96	*	CACEIS Bank, Lux. Branch
CHF	306,000.00	EUR	319,235.50	15/02/24	10,814.06	*	CACEIS Bank, Lux. Branch
EUR	232,802.17	GBP	203,000.00	15/02/24	-1,105.74	*	CACEIS Bank, Lux. Branch
EUR	159,616.09	CHF	153,000.00	15/02/24	-5,393.65	*	CACEIS Bank, Lux. Branch
EUR	24,981.78	CHF	24,000.00	15/02/24	-901.95	*	CACEIS Bank, Lux. Branch
EUR	9,583.64	CHF	9,000.00	15/02/24	-123.35	*	CACEIS Bank, Lux. Branch
EUR	943,718.48	GBP	815,000.00	15/02/24	4,643.87	*	CACEIS Bank, Lux. Branch
EUR	688,085.23	GBP	600,000.00	15/02/24	-3,268.21	*	CACEIS Bank, Lux. Branch
EUR	110,859.62	USD	120,000.00	15/02/24	2,422.98	*	CACEIS Bank, Lux. Branch
EUR	86,040.29	USD	93,000.00	15/02/24	2,002.11	*	CACEIS Bank, Lux. Branch
EUR	638.91	CHF	600.00	15/02/24	-8.22	*	CACEIS Bank, Lux. Branch
EUR	138,424.27	GBP	120,000.00	15/02/24	154.81	*	CACEIS Bank, Lux. Branch
EUR	12,804,793.09	USD	13,785,000.00	15/02/24	348,256.76		CACEIS Bank, Lux. Branch
EUR	65,089,514.07	GBP	57,008,000.00	15/02/24	-598,719.19		CACEIS Bank, Lux. Branch
GBP	403,000.00	EUR	469,259.43	15/02/24	-4,911.17	*	CACEIS Bank, Lux. Branch
GBP	200.00	EUR	232.88	15/02/24	-2.43	*	CACEIS Bank, Lux. Branch
GBP	27,000.00	EUR	31,439.22	15/02/24	-328.53	*	CACEIS Bank, Lux. Branch
GBP	27,800,000.00	EUR	31,740,957.25	15/02/24	291,965.94	*	CACEIS Bank, Lux. Branch
GBP	150.00	EUR	173.89	15/02/24	-1.05	*	CACEIS Bank, Lux. Branch
GBP	523,000.00	EUR	606,306.52	15/02/24	-3,686.70	*	CACEIS Bank, Lux. Branch
GBP	7,122,000.00	EUR	8,131,622.21	15/02/24	74,686.14	*	CACEIS Bank, Lux. Branch
GBP	1,158,000.00	EUR	1,322,159.30	15/02/24	12,143.57	*	CACEIS Bank, Lux. Branch
GBP	8,100.00	EUR	9,248.26	15/02/24	84.95	*	CACEIS Bank, Lux. Branch
USD	249,000.00	EUR	229,387.38	15/02/24	-4,372.45	*	CACEIS Bank, Lux. Branch
USD	1,200.00	EUR	1,105.48	15/02/24	-21.11	*	CACEIS Bank, Lux. Branch
USD	85,000.00	EUR	78,304.93	15/02/24	-1,492.60	*	CACEIS Bank, Lux. Branch
USD	135,000.00	EUR	122,693.81	15/02/24	-697.76	*	CACEIS Bank, Lux. Branch
USD	70,000.00	EUR	63,619.01	15/02/24	-361.80	*	CACEIS Bank, Lux. Branch
USD	1,100.00	EUR	999.73	15/02/24	-5.69	*	CACEIS Bank, Lux. Branch
USD	55,000.00	EUR	51,089.13	15/02/24	-1,387.04	*	CACEIS Bank, Lux. Branch
USD	19,614,000.00	EUR	18,219,311.69	15/02/24	-494,641.74	*	CACEIS Bank, Lux. Branch
USD	3,648,000.00	EUR	3,388,602.48	15/02/24	-91,998.22	*	CACEIS Bank, Lux. Branch
					-253,991.98		

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

Notes to the financial statements - Schedule of derivative instruments

Financial futures

As at December 31, 2023, the following future contracts were outstanding:

AXIOM LUX - AXIOM SHORT DURATION BOND FUND

Quantity Buy/(Sell)	Denomination	Currency	Commitment (in EUR) (in absolute value)	Unrealised (in EUR)	Broker
Futures on bonds					
-150.00	EURO-OAT-FUTURES-EUX 03/24	EUR	14,443,200.00	-580,500.00	CACEIS Bank, Paris
-50.00	LONG GILT FUTURE-LIF 03/24	GBP	6,056,199.87	-398,130.52	CACEIS Bank, Paris
				-978,630.52	

Notes to the financial statements - Schedule of derivative instruments

Credit Default Swaps ("CDS")

As at December 31, 2023, the following Credit Default Swaps ("CDS") were outstanding:

AXIOM LUX - AXIOM CLIMATE FINANCIAL BONDS (formerly AXIOM LUX - AXIOM SUSTAINABLE FINANCIAL BONDS)

Description/Underlying	Counterparty	Notional	Maturity	Currency	Buy/ Sell	Unrealised (in EUR)
CDS Index						
SNRFIN CDSI S40 5Y CORP 12/28	Goldman Sachs Intl Ldn	10,000,000	20/12/28	EUR	Buy	-149,167.10
						-149,167.10

AXIOM LUX - AXIOM SHORT DURATION BOND FUND

Description/Underlying	Counterparty	Notional	Maturity	Currency	Buy/ Sell	Unrealised (in EUR)
CDS Index						
SNRFIN CDSI S40 5Y CORP 12/28	Goldman Sachs Intl Ldn	20,000,000	20/12/28	EUR	Buy	-298,334.20
CDS Single Name						
ILFC 8.25 10-20 15/12S	Goldman Sachs Intl Ldn	2,000,000	20/06/25	USD	Buy	-127,617.21
						-425,951.41

AXIOM LUX - AXIOM OBLIGATAIRE

Description/Underlying	Counterparty	Notional	Maturity	Currency	Buy/ Sell	Unrealised (in EUR)
CDS Single Name						
TKOFP SENIOR TIKEHAU EUR MM SN	J.P. Morgan AG	1,000,000	20/12/24	EUR	Sell	937.20
UPC HLDG BV EUR SN MM M	J.P. Morgan AG	4,000,000	20/12/24	EUR	Sell	3,748.80
						4,686.00

Notes to the financial statements - Schedule of derivative instruments

Total Return Swaps ("TRS")

As at December 31, 2023, the following Total Return Swaps ("TRS") were outstanding:

AXIOM LUX - AXIOM EUROPEAN BANKS EQUITY

Nominal	Currency	Maturity	Counterparty	Sub-fund paid	Sub-fund received	Unrealised (in EUR)
100.00	TRY	28/02/25	SGR Société Générale Paris	TRY LIBOR OVERNIGHT	AXIOMTRY INDEX	0.00
100.00	HUF	28/02/25	SGR Société Générale Paris	HUF BUBOR OVERNIGHT	AXIOMHUF INDEX	0.00
100.00	PLN	28/02/25	SGR Société Générale Paris	PLN WIBOR OVERNIGHT	AXIOMPLN INDEX	0.00
100.00	DKK	28/02/25	SGR Société Générale Paris	DKK CIBOR OVERNIGHT	AXIOMDKK INDEX	0.00
100.00	CZK	28/02/25	SGR Société Générale Paris	CZK PRIBOR OVERNIGHT	AXIOMCZK INDEX	0.00
100.00	SEK	28/02/25	SGR Société Générale Paris	SEK STIBOR OVERNIGHT	AXIOMSEK INDEX	0.00
100.00	GBP	28/02/25	SGR Société Générale Paris	GBP OVERNIGHT COMPOUNDED RATE	AXIOMGBP INDEX	0.00
100.00	NOK	28/02/25	SGR Société Générale Paris	NOK OIBOR 1 MONTH	AXIOMNOK INDEX	0.00
100.00	CHF	28/02/25	SGR Société Générale Paris	CHF OVERNIGHT COMPOUNDED RATE	AXIOMCHF INDEX	0.00
100.00	EUR	28/02/25	SGR Société Générale Paris	EURO SHORT TERM RATE COMPOUNDED	AXIOMEUR INDEX	0.00
						0.00

AXIOM LUX

Other notes to the financial statements

Other notes to the financial statements

1 - General information

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 17 December 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 13 July 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 27 March 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 1 December 2006.

As the date of the report, the following sub-funds are active:

Sub-funds	Currency
AXIOM CLIMATE FINANCIAL BONDS (formerly AXIOM SUSTAINABLE FINANCIAL BONDS)	EUR
AXIOM EUROPEAN BANKS EQUITY	EUR
AXIOM SHORT DURATION BOND FUND	EUR
AXIOM OBLIGATAIRE	EUR

As at 14 March 2023, the Board of Directors has decided to liquidate the sub-fund AXIOM OPTIMAL CRITERIA.
As at 7 August 2023, the Board of Directors has decided to liquidate the sub-fund AXIOM LONG SHORT CREDIT

At the date of the report amount of cash is still available:

Sub-Funds	Closing date	Outstanding cash amounts at 31/12/2023
AXIOM OPTIMAL CRITERIA	14/03/2023	6,109.09 EUR
AXIOM LONG SHORT CREDIT	07/08/2023	(58.00) EUR

The outstanding cash in the Sub-Funds at year-end is held to pay remaining invoices related to expenses already accrued

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

Share Class	Target Investors	Minimum initial subscription
H	All investors	None **
R	All investors	
N	Reserved to investors subscribing via distributors or financial intermediaries (notably through the network of distribution platforms dedicated to wealth management advisors and financial advisors) who are: - subject to national regulation prohibiting all retrocessions to distributors (for example UK) - providing independent investment advice within the meaning of MIFID II (Directive 2014/65/EU of 15 May 2014 on markets in financial instruments) or individual discretionary portfolio management.	
I	Institutional investors	EUR 250,000 (or its equivalent in the currency of the Class)
S	Institutional investors	EUR 10,000,000 (or its equivalent in the currency of the Class)
Z	UCITS, investment funds and accounts managed by Axiom and the staff of Axiom as well as any other entity of the Axiom group	None **
A	Investors holding Class A Shares in a given Compartment of up to EUR 100,000,000 (or its equivalent in the currency of the Class) and other investors as determined by the Management Company in its sole and absolute discretion	EUR 250,000 (or its equivalent in the currency of the Class)
P(x)*	Reserved to one or more investors	None **
M	Institutional investors	EUR 30,000,000 (or its equivalent in the currency of the Class)

* Class P(x) may be declined as follows: P(1), P(2) etc.

** Except for the Compartment Axiom Climate Financial Bonds: minimum initial subscription amount of 50,000 € (or equivalent in the currency of the Class).

Example: a Class available to institutional investors, being a distributing Class, in USD and being hedged and charging a Performance Fee will be referenced as follows: "ID USD(hv)".

Other notes to the financial statements

2 - Principal accounting policies

2.1 - Presentation of the financial statements

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.

The financial statements of the Fund and each of its Sub-Funds have been prepared on a going concern basis of accounting.

2.2 - Portfolio valuation

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.

2.3 - Net realised profits or losses 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.

2.4 - Foreign currency translation

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 Compartment 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 Compartment based on the exchange rate in force at the end of the financial period.

As at 31 December 2023, the following exchange rates were used:

1 EUR	=	1.4566	CAD	1 EUR	=	0.9297	CHF	1 EUR	=	24.6885	CZK
1 EUR	=	7.45455	DKK	1 EUR	=	0.86655	GBP	1 EUR	=	11.2185	NOK
1 EUR	=	4.34375	PLN	1 EUR	=	11.1325	SEK	1 EUR	=	1.45715	SGD
1 EUR	=	1.10465	USD								

2.5 - Combined financial 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.

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

As at December 31, 2023, the total of cross-investments within sub-fund investments amounts to EUR 6,286,114.77.

The total combined NAV at year-end without cross-investments amounts to EUR 1,003,802,880.49. As at December 31, 2023, the cross-investments within the SICAV are as follow:

Sub-funds	**Cross investment**	**Amount (in EUR)**
AXIOM LUX - AXIOM SHORT DURATION BOND FUND	Axiom Climate Financial Bonds Zc EUR	6,286,114.77
		6,286,114.77

Other notes to the financial statements

2 - Principal accounting policies

2.6 - Valuation of options contracts

Financial options are valued at the last settlement or close price on the stock exchanges or regulated markets. Unrealised appreciation and depreciation on financial options 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 options, please refer to the section “Notes to the financial statements - Schedule of derivative instruments”.

2.7 - 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. Unrealised appreciation and depreciation on financial forward foreign exchange contracts 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 forward foreign exchange contracts, please refer to the section “Notes to the financial statements - Schedule of derivative instruments”.

2.8 - Valuation of futures contracts

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 “Notes to the financial statements - Schedule of derivative instruments”.

2.9 - Valuation of swaps

Swaps are valued at their fair market value based upon the last known price of the underlying assets.

Credit Default Swap (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 accounts 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.

Total Return Swap (TRS) is a derivative contract in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty. “Net realised profit / loss on swaps” and “Movement in net unrealised appreciation / depreciation on swaps” are included in the Statement of Operations and Changes in Net Assets.

For the details of outstanding swaps contracts, please refer to the section “Notes to the financial statements - Schedule of derivative instruments”.

2.10 - 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.

2.11 - Formation expenses

Set-up costs and expenses are charged to the Company and are amortised over a period of five years. Set-up costs of new Sub-Funds are fully charged to the Sub-Fund concerned and are amortised for a period not exceeding five years.

2.12 - Abbreviations used in securities portfolios

A: Annual
Q: Quarterly
S: Semi-annual
M: Monthly
FL.R: Floating Rate Notes
XX: Perpetual Bonds
ZCP: Zero Coupon Bond

Other notes to the financial statements

3 - Management Company fees

The rates applicable as at December 31, 2023 are as follows:

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.

Sub-funds	Class of Shares	Effective rate (per annum)
AXIOM CLIMATE FINANCIAL BONDS (formerly AXIOM SUSTAINABLE FINANCIAL BONDS)	IC - EUR	0.80%
	IC - CHF(h)	0.80%
	RC - EUR	1.30%
	ZC - EUR	0.05%
	ID - EUR	0.80%
AXIOM EUROPEAN BANKS EQUITY	HC - EUR(v)	2.00%
	HC - GBP(hv)	2.00%
	HC - USD(hv)	2.00%
	IC - EUR(v)	1.00%
	IC - GBP(hv)	1.00%
	IC - USD(hv)	0.55%
	NC - EUR(v)	1.00%
	RC - EUR(v)	2.50%
	ZC - EUR	0.05%
AXIOM SHORT DURATION BOND FUND	HC - CHF(h)	1.00%
	HC - EUR	1.00%
	HC - GBP(h)	1.00%
	HC - USD(h)	1.00%
	IC - GBP(h)	0.90%
	MC - EUR	0.90%
	P(1)C - EUR	0.50%
	RC - EUR	1.50%
	RC - USD(h)	1.50%
	ZC - EUR	0.05%
	HD - EUR	1.00%
AXIOM OBLIGATAIRE	HC - EUR(v)	2.00%
	IC - EUR(v)	1.20%
	MC GBP (hv)	0.50%
	NC - GBP(hv)	1.20%
	P(1)C - GBP (hv)	0.75%
	RC - CHF(hv)	2.00%
	RC - EUR(v)	2.00%
	RC - USD(hv)	2.00%
	SC - CHF(hv)	0.75%
	SC - EUR(v)	0.75%
	SC - GBP(hv)	0.75%
	SC - USD(hv)	0.75%
	ZC - EUR	0.05%
	ID - EUR(v)	1.20%
	RD - USD(hv)	2.00%
AXIOM OPTIMAL CRITERIA (closed on 14 March 2023)	C	0.50%
AXIOM LONG SHORT CREDIT (closed on 7 August 2023)	A	0.80%
	B	1.10%
	CG	1.10%
	E	1.10%
	IE	0.50%
	M	1.10%
	P	0.50%
	R	1.50%
	Z	0.05%

Other notes to the financial statements

4 - Performance fees

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 calculation 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.

Reference Period
The Company applies a five (5) years reference period, applied on a rolling basis. The Reference Period refers to the time horizon over which the performance is measured and compared with that of the Reference NAV, at the end of which the mechanism for the compensation for Negative Bonus can be reset.

Calculation Period
The calculation period for each Sub-Fund is equal to the Company's financial year, or since launch of the relevant Class to the end of the first full financial year.

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

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 CLIMATE FINANCIAL BONDS (formerly AXIOM SUSTAINABLE FINANCIAL BONDS)

No Performance fee for the sub-fund.

- AXIOM EUROPEAN BANKS 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 (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 for the BC, C, D, I, J, M and R share classes;
to 10% of the differential between the sub-fund’s performance and that of its benchmark fund for the E and IE share classes.

- 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.

As at December 31, 2023, the amount due as performance fee for the year ended was EUR 1,507,874.25.

No performance fees for Class Z shares.

Other notes to the financial statements

4 - Performance fees

AXIOM SHORT DURATION BOND FUND

No performance fee for the sub-fund.

- 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.

- 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 for the BC, C, D, G, I, J, M and R share classes;
to 10% of the differential between the sub-fund’s performance and that of its benchmark fund for the E and IE share classes.

- 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.

As at December 31, 2023, the amount due as performance fee for the year ended was EUR 617,578.48.

No performance fees for Class Z shares

- AXIOM OPTIMAL CRITERIA

No Performance fee for the sub-fund closed on 14 March 2023.

- AXIOM LONG SHORT CREDIT

Each year, performance fees are calculated, by comparing on exercise, the evolution of the assets of the Compartment (excluding performance fees and including reinvested dividends) to the Adjusted High Water Mark, as further defined below. Performance fees are calculated over a 12-month reference period coinciding with the financial year (the “Calculation Period”).

The Initial Issue Price will be taken as the starting price of the first Calculation Period.

This High Water Mark aims to catch up the underperformance of the past reference periods.

The High Water Mark is defined as the larger of the following two figures:

• the last highest Adjusted Net Asset Value per Share Class for which a performance fee has been paid over the Reference period; and
• the first adjusted Net Asset Value per Share Class.

In the event of subscriptions and redemptions, the calculation of the Performance Fee is adjusted to prevent these subscriptions and redemptions impacting on the amount of the performance fee.

The point at which any performance fee becomes payable to the Management Company. Crystallisation will occur either at the end of a financial year if a performance fee is paid or on the dealing day when a shareholder redeems, converts or transferts all or part of this shareholding either at his own initiative of following the closure or merger of the compartment (such crystallisation to occur only in respect of the proportion of the shares being redeemed, converted ot transferred).

Other notes to the financial statements

4 - Performance fees

The performance fee is equal to the outperformance of the adjusted Net Asset Value per share over the reference NAV during the calculation period.

Performance is calculated by comparing the variation of the assets of the Compartment with that of the Adjusted High Water Mark.

- If, over the calculation period, the performance of the Compartment (with coupons reinvested) exceeds that of the Adjusted High Water Mark, then the performance fees shall amount to the relevant percentage rate per annum for each of the relevant share classes (the “relevant percentage”) of the differential between the Compartment’s performance and that of its Adjusted High Water Mark.

- If, over the calculation period, the performance of the Compartment is lower than that of the Adjusted High Water Mark, then the performance fees will be zero.

- If, over the calculation period, the Compartment’s performance since the beginning of the reference period is greater than that of the Adjusted High Water Mark (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 Compartment’s momentarily underperforms the Adjusted High Water Mark 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 Fee is payable within fifty (50) Business Days from the end of the relevant year. There is no maximum value of Performance Fee that could become payable to the Management Company. If there is a net redemption, dividend and/or conversion of Shares at any Valuation Day before the end of the Calculation Period, any accrued Performance Fee with respect to such redeemed Shares will crystallize on that valuation and will then become payable.

The performance fees will be paid to the Management Company at the end of the Calculation Period, only if, over that period, the Compartment’s performance exceeds that of the Adjusted High Water Mark. 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 Compartment’s profit & loss account.

No Performance fee for the sub-fund closed on 7 August 2023.

In application of the ESMA Guidelines on performance fees (ESMA34-39-992) and Circular CSSF 20/764, the table below displays the actual amount of performance fees charged by each relevant Share Class and the percentage of these fees based on the Share Class Net Asset Value (“NAV”). Only the Share Classes for which performance fees have been charged are shown below:

Sub-funds	Share Class	ISIN Code	Sub-funds currency	Amount of performance fees as at 31/12/23 (in Sub-fund currency)	Average NAV of the Share Class (in Sub-fund currency)	% in the Share Class average NAV
AXIOM EUROPEAN BANKS EQUITY	HC - EUR(v) - Cap	LU1876459212	EUR	272,164.34	21,248,299.40	1.28
	HC - GBP(hv) - Cap	LU2249462792	EUR	405.00	46,912.31	0.86
	HC - USD(hv) - Cap	LU1876459568	EUR	3,162.08	194,924.87	1.62
	IC - EUR(v) - Cap	LU2249462958	EUR	551,713.39	44,132,252.69	1.25
	IC - GBP(hv) - Cap	LU2336815126	EUR	4,795.39	661,491.59	0.72
	IC - USD(hv) - Cap	LU2336815043	EUR	(32.81)	155,551.88	(0.02)
	NC - EUR(v) – Cap	LU2249462875	EUR	111,155.48	6,708,822.29	1.66
	RC - EUR(v) – Cap	LU1876459303	EUR	564,511.38	66,012,460.25	0.86
AXIOM OBLIGATAIRE	HC - EUR(v) - Cap	LU1876460731	EUR	7,749.98	89,508,284.66	0.01
	IC - EUR(v) - Cap	LU1876461465	EUR	77,863.87	54,255,659.04	0.14
	MC GBP (hv) - Cap	LU2648982267	EUR	142,538.19	37,008,435.81	0.39
	NC - GBP(hv) - Cap	LU1876461200	EUR	2,516.44	1,397,366.70	0.18
	P(1)C - GBP (hv) - Cap	LU2650977668	EUR	48,276.41	11,291,022.90	0.43
	RC - EUR(v) - Cap	LU1876460905	EUR	3,882.83	32,205,280.12	0.01
	RC - USD(hv) - Cap	LU1876461036	EUR	11,604.59	3,297,859.48	0.35
	SC - CHF(hv) - Cap	LU2336815399	EUR	162.68	3,617,424.25	0.00
	SC - EUR(v) - Cap	LU1876461549	EUR	185,295.11	87,502,231.18	0.21
	SC - GBP(hv) - Cap	LU2336815555	EUR	25.01	9,169.07	0.27
	SC - USD(hv) - Cap	LU2336815472	EUR	89,080.99	17,330,623.26	0.51
	ID - EUR(v) - Dis	LU1876460814	EUR	48,534.47	38,129,786.14	0.13
	RD - USD(hv) - Dis	LU2475193780	EUR	47.91	51,690.26	0.09
				2,125,452.73		

The performance amounts of the above-table are those accrued from 1 January 2023 to 31 December 2023 and are not necessarily indicative of future amounts paid for the whole year.

Other notes to the financial statements

5 - 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.

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.

7 - Subscription tax *("Taxe d'abonnement")*

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.

8 - Securities lending

As at year-end, the market value of the securities on loan open is as follows:

Sub-funds	Market value of securities on loan (in EUR)	Collateral received in cash (in EUR)
AXIOM OBLIGATAIRE	6,962,416.49	5,638,482.26

For the year ended December 31, 2023, the securities lending income generated by the Fund is as follows:

Sub-funds	Ccy	Total gross amount on securities lending income	Direct-indirect cost on securities lending income	Total net amount on securities lending income
AXIOM SHORT DURATION BOND FUND	EUR	82,876.53	24,862.96	58,013.57
AXIOM OBLIGATAIRE	EUR	219,765.87	65,929.76	153,836.11

The total net amount on securities lending income are recorded under “Securities lending income” in the Statement of operations and changes in net assets.

9 - Dividend distributions

The Fund distributed the following dividends during the year ended December 31, 2023:

Sub-funds	Share class	ISIN	Ccy	Dividend	Ex-date	Payment date
AXIOM LUX - AXIOM CLIMATE FINANCIAL BONDS (formerly AXIOM LUX - AXIOM SUSTAINABLE FINANCIAL BONDS)	ID - EUR - Distribution	LU2342935918	EUR	9.29	26/09/23	29/09/23
AXIOM LUX - AXIOM SHORT DURATION BOND FUND	HD - EUR - Distribution	LU1876460657	EUR	23.87	26/09/23	29/09/23
AXIOM LUX - AXIOM OBLIGATAIRE	ID - EUR(v) - Distribution	LU1876460814	EUR	66.29	26/09/23	29/09/23

Other notes to the financial statements

10 - Collateral

As at 31 December 2023, 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 ccy	Counterparty	Type of collateral	Collateral received in	Collateral paid in
AXIOM CLIMATE FINANCIAL BONDS (formerly AXIOM SUSTAINABLE FINANCIAL BONDS)	EUR	Caceis Bank Luxembourg	Cash	EUR 130,000.00	-
AXIOM EUROPEAN BANKS EQUITY	EUR	Caceis Bank Luxembourg	Cash	-	EUR 490,000.00
AXIOM SHORT DURATION BOND FUND	EUR	Goldman Sachs International	Cash	-	EUR 40,000.00
		Goldman Sachs International	Cash	-	USD 360,000.00
		Caceis Bank Luxembourg	Cash	EUR 140,000.00	-
AXIOM OBLIGATAIRE	EUR	Caceis Bank Luxembourg	Cash	-	EUR 5,868,482.26
		JP Morgan AG	Cash	-	EUR 64,711.95

11 - Changes in the composition of securities portfolio

The details of the changes in portfolio composition for the year ended December 31, 2023 are at the disposal of the Shareholders at the registered office of the Company and are available upon request free of charge.

12 - Subsequent events

The Board of Directors decided to launched a new Sub-Fund AXIOM LONG SHORT EQUITY on February 2024.

13 - SFDR Statement

Information on environmental and/or social characteristics and/or sustainable investments is available in the relevant annexes under the (unaudited) Sustainable Disclosure Regulation section.

AXIOM LUX

Additional unaudited information

Additional unaudited information

Remuneration policy

In fiscal 2023, the total remuneration (including fixed and variable deferred and non-deferred) paid by the Group Axiom Alternative Investments to all its employees (32 FTE) amounted to € 3,259,000.

- Total amount of fixed compensation related to the financial year: € 2,121,000.
- Total amount of deferred and non-deferred variable compensation related to the financial year: € 1,135,000.

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 € 4,293,000:

- Total amount of fixed remuneration related to the financial year: € 2,168,000.
- Total amount of deferred and non-deferred variable compensation related to the financial year: € 2,168,000.

Global exposure calculation method

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

Additional unaudited information

Securities Financing Transactions Regulation (SFTR) Disclosures

TOTAL RETURN SWAPS ("TRS")	AXIOM LONG SHORT CREDIT
Assets used	*In EUR*
In absolute terms	-
As a % of total net asset value	-
Transactions classified according to residual maturities	*In EUR*
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 counterparties	*In EUR*
First name	-
Gross volumes for open trades	-
First country of domicile	-
Second name	-
Gross volumes for open trades	-
Second country of domicile	-
Third name	-
Gross volumes for open trades	-
Third country of domicile	-
Collateral received	*In EUR*
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	*In EUR*
First name	N/A
Amount	N/A
Revenue and expenditure components	*In EUR*
Revenue component of the Compartment:	
In absolute amount	115,331.67
In % of gross revenue	100%
Expenditure component of the Compartment	67,641.80
Revenue component of the Management Company:	
In absolute amount	-
In % of gross revenue	-
Revenue component of third parties	
In absolute amount	-
In % of gross revenue	-

There is no reuse of cash collateral related to TRS's transactions. All trades open at the end of the year have been transacted through bilateral settlement.
Revenue component and expenditure component of the Compartments include interests, dividends, realised and change in unrealised on TRS.

Additional unaudited information

Securities Financing Transactions Regulation (SFTR) Disclosures

SECURITIES LENDING TRANSACTIONS	AXIOM SHORT DURATION BOND FUND	AXIOM OBLIGATAIRE
Assets used	*In EUR*	*In EUR*
In absolute terms	-	6,962,416.49
As a % of lendable assets	-	1.96
As a % of total net asset value	-	1.83
Transactions classified according to residual maturities	*In EUR*	*In EUR*
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	-	6,962,416.49
Collateral received	*In EUR*	*In EUR*
Type:		
Cash	-	5,638,482.26
Quality	-	-
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	-	-
Revenue and expenditure components	*In EUR*	*In EUR*
Revenue component of the Compartment:		
In absolute amount	82,876.53	219,765.87
In % of gross revenue	70%	70%
Expenditure component of the Compartment		
Revenue component of third parties		
In absolute amount	24,862.96	65,929.76
In % of gross revenue	30%	30%

Each sub-fund has Caceis Bank, Luxembourg Branch as sole counterparty for securities lending positions.

Additional unaudited information

SFDR (Sustainable Finance Disclosure Regulation)

SFDR annex for Sub-Funds:

AXIOM CLIMATE FINANCIAL BONDS (formerly AXIOM SUSTAINABLE FINANCIAL BONDS)
AXIOM EUROPEAN BANKS EQUITY
AXIOM SHORT DURATION BOND FUND
AXIOM OBLIGATAIRE

ANNEX V

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Axiom Climate Financial Bonds **Legal entity identifier:** 549300GQD0A7PU5S7566

Sustainable investment objective

Did this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

☒ **Yes**	☐ **No**
☒ It made **sustainable investments with an environmental objective:** _100__%	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent was the sustainable investment objective of this financial product met?

The Compartment supports the climate mitigation objective, it does so through the use of the Axiom Climate Readiness Score (ACRS), which is a proprietary methodology that scores the climate performance of insurers and banks. Performance is defined by both: i. the integration of climate related risks in the insurers and banks processes and products; ii. their support to climate mitigation through their investment and lending portfolios and

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

products. Actions on the latter are measured quantitatively for banks and qualitatively for insurers. In the case of banks an Implied Temperature Rate is calculated based on syndicated loan data, in the case of insurers their own disclosure is used or third-party data. By looking at this information over time the Management Company can understand if investees are steering their portfolios to support the Paris Agreement goals and select the financial institutions that are carrying out significant efforts to mitigate climate change.

A financial institution is considered to make significant efforts to mitigate climate change if it meets minimum performance thresholds of the ACRS: At least 30% in corporate engagement (Pillar #1); ii. At least 25% in the weighted average of Climate risks and opportunities management (Pillar #2) and Contribution to the low-carbon transition (#3). In addition, banks corporate lending portfolio Implied Temperature Rise (ITR) cannot be higher than 3°C and need to be signatories of the Principles for Responsible Banking. In addition, the compartment has for objective an ITR of 2.5°C by end 2024 and 2°C by 2030.

During 2023 the compartment only invested in financial institutions' classified as sustainable investment and strived to reduce its ITR, however, given that the Management company was not able to update the banks' ITR in 2023 due to delays from the climate data provider, changes in asset allocation were limited. More active ITR steering will be carried out in the first quarter of 2024 once the data is available.

Note that 2023 was the first year of this compartment being classified as an Article 9 fund which follow a exclusively a climate strategy, previously the fund was an Article 8 fund combining an ESG best in class strategy with additional climate constraints.

- ***How did the sustainability indicators perform?***

Indicator	Value
Axiom Climate Readiness Score	44,1%
Implied Temperature Rise	2,61°C

- ***…and compared to previous periods?***

Indicator	Value
Axiom Climate Readiness Score	43,7%
Implied Temperature Rise	2,64°C

There was a slight increase in the performance of both sustainability indicators, we expect the increase to be higher in 2024 as both the ITR is updated. The change is mainly explained by changes in portfolio allocation resulting from the change in the portfolio's strategy (from ESG + climate to climate only), the fund divested from a number of insurers and invested in a number of banks.

How did the sustainable investments not cause significant harm to any sustainable investment objective?

How were the indicators for adverse impacts on sustainability factors taken into account?

To ensure that the sustainable investments of the Compartment do not cause significant harm to the environmental objective of the Compartment as well as to social objectives (e.g. UN Sustainable Development Goals), the Management Company monitors the Principal Adverse Impacts of table 1 of annex I at issuer level as follows:

1. PAI 1 (Absolute GHG emissions): these are companies that are not substantially increasing their GHG emissions year on year, in particular those with the highest absolute GHG emissions of their sector. Note that to day data on financed emissions is quite poor and Scope 1 and Scope 2 and Scope 3 upstream represent less than 5% of the total emissions of a financial institution.
2. PAI 3 (GHG intensity): these are not companies with a GHG emissions intensity considered as an extreme value.
3. PAI 4 (Fossil fuel sector companies): these are not companies in the fossil fuel sector.
4. PAI 5 (Share of non-renewable energy consumption and production): these are not companies with a ratio showing an extreme value.
5. PAI 6 (Energy consumption intensity per high impact climate sector): these are companies in sectors not considered as of high impact in terms of energy consumption.
6. PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises): these are not companies in breach of both market standards.
7. PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises): these are companies that have set a minimum number of policies that are in line with both market standards.
8. PAI 12 (Unadjusted gender pay gap): these are not companies with an unadjusted gender pay gap with an extreme value.
9. PAI 13 (Board gender diversity): these are not companies with a female representation at board of no less than 20%.
10. PAI 14 (Exposure to controversial weapons): these are not companies with activities associated directly with controversial weapons manufacturers, as well as components and service providers.

Although our data providers increased their coverage in 2023, there are still several companies for which no data for PAIs 7 (Activities negatively affecting biodiversity-sensitive areas), 8 (Emissions to water) and 9 (Hazardous waste and radioactive waste ratio) is available. These indicators are however not material for the companies classified as sustainable investments which for the time being only consist of only banks and insurers. We will continue to monitor our providers coverage and take corrective measures if it does not continue improve over time.

Note that PAI 2 (carbon footprint) is not listed as this is an indicator that can only be monitored at portfolio level.

In terms of the voluntary PAIs, Axiom AI considers two: i. Investments in companies without carbon emission reduction initiatives; and ii. Number of convictions of fines for violation of anti-corruption and anti-bribery laws. In the case of the first PAI, all SI have committed to targets in line with the Paris Agreement objectives and are taking actions to achieve them. In the case of the second, the data quality for 2023 decreased, we have therefore decided to change of PAI in 2024.

In the case of the sovereign bonds related sustainable investments, PAIs were estimated. There are no countries involved in social violations. In the case of GHG intensity, there was an increase of 10%, this is mainly explained by an increase in the emissions intensity of the issuers in the fund. Note that in 2023 the asset allocation towards sovereigns halved.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Yes, none of the SI have been associated with a potential violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as per our data provider. More details on its methodology can be found here.

How did this financial product consider principal adverse impacts on sustainability factors?

This fund is an Article 9 fund which has 100% of its investments (excluding derivatives, cash and cash equivalents) in Sustainable Investments. The PAIs are therefore considered individually for each company in the fund as part of the Do No Significant Harm monitoring of the Sustainable Investments.

In terms of the environmental PAIs, there was a significant decrease in the performance of the fund’s scope 1 and 2 emissions (46% on each), and an increase in the performance of the scope 3 emissions (6%) resulting in an increase of the fund’s GHG emissions of 2%.

The changes in the scope 1 and 2 emissions are explained mainly by an increase in the fund’s size (33% increase in AuM) which increased the apportioning of the emissions from the company to the fund, and a decrease in the EVIC of existing issuers of the fund (i.e. issuers that stayed in the fund from end December 2022 to end December 2023). The emissions of issuers that stayed in the fund since end 2022 remained relatively stable, showing a slight increase of 4% in scope 1 and 1% in scope 2 emissions (excluding outliers i.e. one company with an increase of more than 1000% of emissions). In terms of scope 3, the decrease in the emissions was due to changes in asset allocation, indeed the fund divested from certain insurance companies in order to decrease the fund’s total emissions by 30% relative to the fund's universe. This change was so significant that the increase in the funds' AuM didn't have an impact.

The increase in the funds size was equally the main reason explaining the decrease of the fund's carbon footprint (76%).

Finally, the GHG intensity increase of the fund is mainly explained by a decrease in the revenues of the companies in the fund, which surpassed by a factor of 3 the increase in the GHG emissions of the companies.

In 2023, the fund didn't invest in companies without decarbonization initiatives.

In terms of the social PAIs, two social PAIs improved (PAI 12 by 10% and PAI 13 by 7%) as a result of an improve in the indicators of the companies that remained in the fund between end 2022 and end 2023. In the case of PAI 11 there was a decrease of 11%, this was due to changes in the portfolio allocation during 2023 as the Management Company defined the best way to integrate the PAI considering the data availability. By December 2023 the indicator was of 4%, which corresponds to the exposure of one company which does not meet the threshold stablished to qualify a company as lacking processes and compliance mechanism to monitor compliance against UNGC and the OECD guidelines (less than 50/100), but that is signatory of the UNGC and reported on progress in 2023.

Adverse Sustainability Impact	Adverse Sustainability Factor	Metric	Value 2022
		Mandatory Indicators	
Environmental	1. GHG emissions	Scope 1 GHG emissions (tonnes CO2e/m EUR)	8,8
		Scope 2 GHG emissions (tonnes CO2e/m EUR)	27,0
		Scope 3 GHG emissions (tonnes CO2e/m EUR)	204,7
		Total GHG emissions (tonnes CO2e/m EUR)	240,4
	2. Carbon footprint	Carbon footprint (tonnes CO2e/m EUR)	3,6
	3. GHG intensity of investee companies	GHG intensity (tonnes CO2e/m EUR)	24,1
Social	11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles	4,7%

		or OECD Guidelines for Multinational Enterprises	
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	17,6
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members (0 to 1)	41%
Voluntary Indicators			
Environmental	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement (Yes 1 No 0)	0%

Asset allocation describes the share of investments in specific assets.

What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
Swedbank AB	Banks	7,6%	SE
La Banque Postale	Banks	5,1%	FR
Bankinter SA	Banks	4,4%	ES
BNP Paribas SA	Banks	4,3%	FR
BBVA SA	Banks	4,2%	ES
Caixabank SA	Banks	4,0%	ES
KBC Groep	Banks	3,9%	BE
Intesa SanPaolo SPA	Banks	3,7%	IT
Société Générale	Banks	3,6%	FR
Erste Group Bank AG	Banks	3,5%	AT
Nordea Bank Abp	Banks	3,2%	FI
Bonos del Estado	Sovereign	3,1%	ES
Repubblica Italiana	Sovereign	2,9%	IT
Nationwide Building Society	Savings&Loans	2,9%	GB
ABN AMRO Bank N.V	Banks	2,9%	NL

What was the proportion of sustainability-related investments?

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

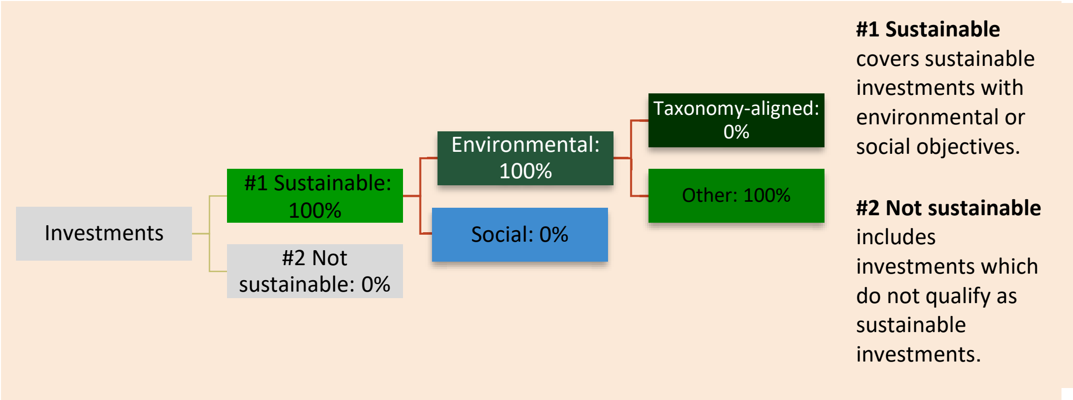
Enabling activities directly enable other activities to make a substantial contribution to an environmental

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

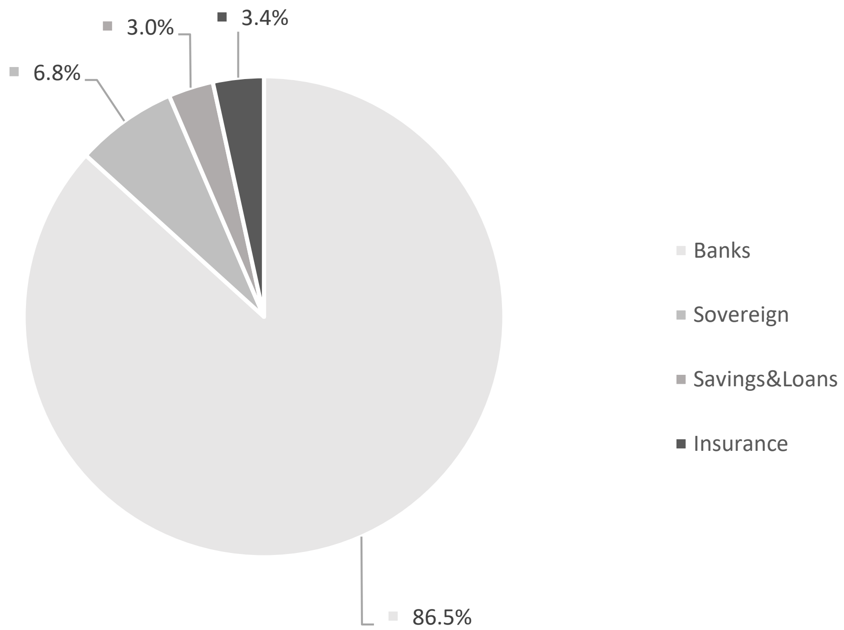
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What was the asset allocation?



In which economic sectors were the investments made?



To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

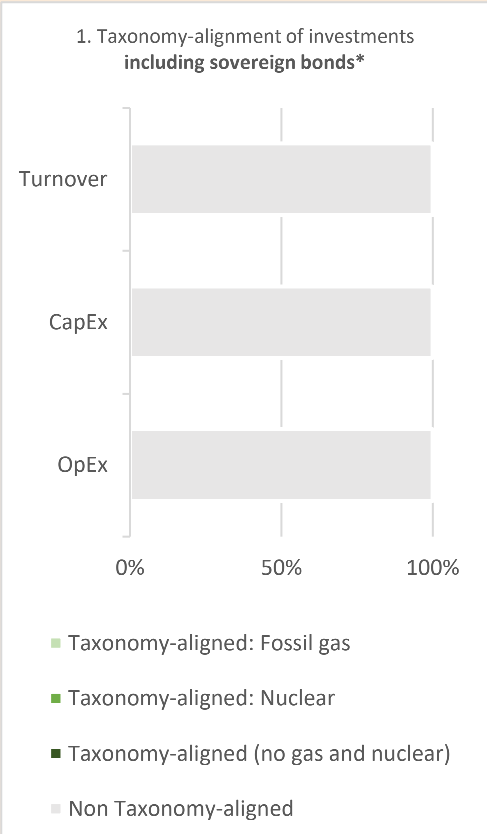
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

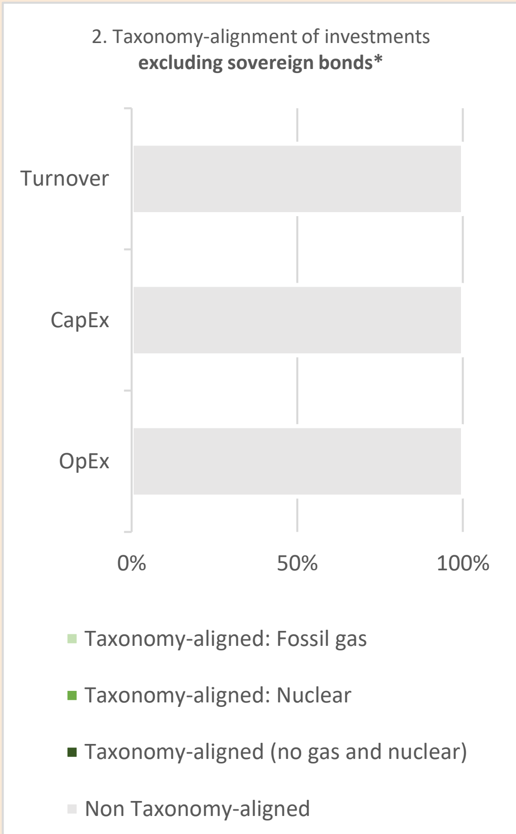
Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy

0% of the Compartment's investments are taxonomy-aligned. Since banks will not disclose their data until June 2024, the Compartment will report a share of 0% of investments in taxonomy aligned activities as data providers do not have enough visibility on banks' lending portfolios and their estimates include several assumptions the Axiom AI is not comfortable using.

What is the minimum share of investments in transitional and enabling activities?

0% of the Compartment's investments are in transitional and enabling activities. Since banks will not disclose their data until June 2024, the Compartment will report a 0% minimum share of investments in transitional and enabling activities as data providers do not have enough visibility on banks' lending portfolios and their estimates include several assumptions the Management Company is not comfortable using.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

100%. Axiom AI has only defined sustainable investments for financial sectors companies. This is a sector that historically has invested in all the real economy and not just a segment of it. However, their power to transform the economy into a green/sustainable one is much more important than that of any company in the real economy. That is the reason why Axiom AI does not define sustainable investments as per the EU taxonomy definition. However, from 2024 we will be able to report on the % of taxonomy-aligned investments the fund has through its investments in banks and insurers and these issuers will start to report this data during 2023.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

What was the share of socially sustainable investments?

The product made no investment in socially sustainable investments.

What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

There were no investments included under 'not sustainable".

What actions have been taken to attain the sustainable investment objective during the reference period?

The monitoring of the sustainable investment objective of the product is ensured in different forms. The pre-trade and post-trade system controls for breaches regarding our Sustainable Investments list of issuers, the exclusion filters used to classify a financial institution as a Sustainable Investment and the ITR of the fund. The portfolio manager has an internal tool to simulate portfolio changes on climate constraints before the trading order is sent. These actions ensured the fund met the requirements of the product.

How did this financial product perform compared to the reference sustainable benchmark?

No ESG reference benchmark is used.

- ***How did the reference benchmark differ from a broad market index?***

  Not applicable.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

  Not applicable.

- ***How did this financial product perform compared with the reference benchmark?***

  Not applicable.

- ***How did this financial product perform compared with the broad market index?***

  Not applicable.

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Product name: Axiom European Banks Equity **Legal entity identifier:** 549300TDAFVQTIIWNP54

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 85% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Compartment promotes the following environmental and social characteristics:

Environmental:

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Factors relating to both the direct and indirect impact of banks activities on the environment are considered. Among the direct ones, the ESG scores include the assessment of their operational eco-efficiency including GHG emissions, energy use and water use and disposal. The assessment of indirect activities is as well included in the ESG scores notably looking at the climate strategy of lending portfolios as well as risk assessment. This information is complemented by an internal methodology called the Axiom Climate Readiness Score which provides a much more robust assessment of banks' climate performance.

The rationale for this additional analysis is driven by Axiom's conviction that the European banking sector plays a key role in the achievement of the Paris Agreement as it finances more than 70% of the EU economy. The energy transition will therefore not happen without banks' action. There is therefore a need to use more robust methodologies that help to understand how banks are steering their portfolios to finance the sector and activities needed for the energy transition to happen.

Social:
The ESG scores include indicators related to banks' practices in terms of human capital development, talent attraction and retention, financial inclusion, labor practices, human rights, and Occupational Health & Safety. In addition, the controversies database is used to analyze banks' good behavior in their selling practices as it monitors banks' exposure to litigation cases and settlements resulting from poor consumer protection practices.
There is no reference benchmark designated for the environmental and social characteristics promoted by the Compartment.

The ESG score of the Compartment has to be higher than the score of the universe. The ESG analysis covers at least 90% of Compartment's investments in the case of large cap instruments and at least 75% in the case of mid and small cap instruments combined. During the whole period the compartment had an ESG score higher than that of its universe and the ESG coverage was on average higher than 90%. The environmental and social characteristics promoted by the product were thus met.

How did the sustainability indicators perform?

Sustainability Theme	Indicator	Value
Environmental	Axiom Climate Readiness Score (ACRS)	43.9%
	Implied Temperature Rise (ITR)	2.73°C
Social	Average ratio of female to male board members in investee companies	42,7%
	Number of active social litigation cases	132
Environmental and Social	ESG score	59

…and compared to previous periods?

Sustainability Theme	Indicator	Value
Environmental	Axiom Climate Readiness Score (ACRS)	44.1%
	Implied Temperature Rise (ITR)	2.72°C
Social	Average ratio of female to male board members in investee companies	39,7%
	Number of active social litigation cases	115
Environmental and Social	ESG score	61

Compared to December 2022 the only sustainability indicator that showed an increase is the Average ratio of female to male board members, increasing by 3%. As for the other indicators the fund showed a slight decrease. The change of the ESG score by 2 points is mainly explained by changes in the fund's allocation and the decrease in the score of some companies which was not compensated by companies' whose score increased. The change in the ACRS by less than 1% and the ITR by 0,01°C is mainly due to changes in asset allocation at the end of the year.

The sustainability indicator that showed the highest increase is the # of active social litigation cases, this was due to an increase in the number of ligation cases of the companies that stayed in the fund (year on year comparison).

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The fund supports the sustainable investment objective of climate mitigation. The Management Company defines Sustainable Investments in financial institutions as investments in banks and insurance companies that from a climate change standpoint demonstrate significant efforts to mitigate climate change, follow good governance practices, and do not significantly harm other environmental and social objectives.

Significant efforts to mitigate climate change are defined through the minimum performance thresholds of our climate methodology, the Axiom Climate Readiness Score. These are: i. At least 30% in corporate engagement (Pillar #1); ii. At least 25% in the weighted average of the pillars Climate risks and opportunities management (Pillar #2) and Contribution to the low-carbon transition (Pillar #3). In addition, banks corporate lending portfolio temperature cannot have a temperature of >3°C and need to be signatories of the Principles for Responsible Banking.

By investing in the stocks of these banks and insurance companies the fund steers its investments towards issuers that have expressed the intention to contribute to climate mitigation, that have taken demonstrable actions and that can be considered climate leaders.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

How were the indicators for adverse impacts on sustainability factors taken into account?

The Principal Adverse Impact (PAI) indicators were considered in order to understand if the sustainable investments were not doing significant harm to other environmental and social objectives not addressed by our definition of sustainable investments (SI).

During the reporting period, the fund invested in 31 companies considered as sustainable investments. We monitor how these investments do not cause significant harm at an issuer level by:

1. PAI 1 (Absolute GHG emissions): these are companies that are not substantially increasing their GHG emissions year on year, in particular those with the highest absolute GHG emissions of their sector. Note that today data on financed emissions is quite poor and Scope 1 and Scope 2 and Scope 3 upstream represent less than 5% of the total emissions of a financial institution.
2. PAI 3 (GHG intensity): these are not companies with a GHG emissions intensity considered as an extreme value.
3. PAI 4 (Fossil fuel sector companies): these are not companies in the fossil fuel sector.
4. PAI 5 (Share of non-renewable energy consumption and production): these are not companies with a ratio showing an extreme value.
5. PAI 6 (Energy consumption intensity per high impact climate sector): these are companies in sectors not considered as of high impact in terms of energy consumption.
6. PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises): these are not companies in breach of both market standards.
7. PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises): these are companies that have set a minimum number of policies that are in line with both market standards.
8. PAI 12 (Unadjusted gender pay gap): these are not companies with an unadjusted gender pay gap with an extreme value.
9. PAI 13 (Board gender diversity): these are not companies with a female representation at board of no less than 20%.
10. PAI 14 (Exposure to controversial weapons): these are not companies with activities associated directly with controversial weapons manufacturers, as well as components and service providers.

Although our data providers increased their coverage in 2023, there are still several companies for which no data for PAIs 7 (Activities negatively affecting biodiversity-sensitive areas), 8 (Emissions to water) and 9 (Hazardous waste and radioactive waste ratio) is available. These indicators are however not

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

material for the companies classified as sustainable investments which for the time being only consist of only banks and insurers. We will continue to monitor our providers coverage and take corrective measures if it does not continue improve over time.

Note that PAI 2 (carbon footprint) is not listed as this is an indicator that can only be monitored at portfolio level.
In terms of the voluntary PAIs, Axiom AI considers two: i. Investments in companies without carbon emission reduction initiatives; and ii. Number of convictions of fines for violation of anti-corruption and anti-bribery laws. In the case of the first PAI, all SI have committed to targets in line with the Paris Agreement objectives and are taking actions to achieve them. In the case of the second, the data quality for 2023 decreased, we have therefore decided to change of PAI in 2024.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Yes, none of the SI have been associated with a potential violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as per our data provider. More details on its methodology can be found here.

How did this financial product consider principal adverse impacts on sustainability factors?

During 2023 the Principal Adverse Impacts (PAIs) were mainly monitored for Sustainable Investments, for companies not classified as Sustainable Investments the PAIs were not actively monitored due to lack of resources. Its exposure was therefore minimized indirectly through the ESG constraints of the fund, namely an ESG score higher than that of the universe. The impact these scores can have on the PAIs is however marginal.

All social PAIs saw an improvement compared to 2022: 0,2% decrease on PAI 11, 1.6% decrease on PAI 12 and 2% increase on PAI 13.

In terms of the environmental PAI, these saw a significant deterioration of the PAIs related to absolute GHG emissions (71% scope 1 emissions, 45% scope 2 emissions and 81% scope 3 emissions). This increase is explained by three factors: 1. The increase in the funds AuM (15%) that went to companies already in the portfolio as well as new ones; 2. the decrease in the EVIC of all companies in the portfolio but one (from 13 to 60%), which automatically increases the allocation of GHG emissions to the fund; 3. the increase in the emissions of a few companies in the portfolio (from 3 to 10 depending on the scope). Only 5 companies had an overall increase in the total GHG emissions. Our analysis shows that financial factors (1 and 2) had more impact in the increase of the GHG emissions than physical factors (3). This is equally the case of the GHG emissions intensity, which increased by 1%, mainly due to a decrease in the revenues of the companies in the portfolio.

Finally, the number of companies in the portfolio without decarbonization initiatives has decreased to 0,03% compared to 3% last year.

Adverse Sustainability Impact	Adverse Sustainability Factor	Metric	Value 2023
Mandatory Indicators			
Environmental	1. GHG emissions	Scope 1 GHG emissions (tonnes CO2e/m EUR)	13,8
		Scope 2 GHG emissions (tonnes CO2e/m EUR)	40,7
		Scope 3 GHG emissions (tonnes CO2e/m EUR)	328,4
		Total GHG emissions (tonnes CO2e/m EUR)	382,8
	2. Carbon footprint	Carbon footprint (tonnes CO2e/m EUR)	3,6
	3. GHG intensity of investee companies	GHG intensity (tonnes CO2e/m EUR)	25,8
Social	11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	4,1%
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	20,3
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members (0 to 1)	42%
Voluntary Indicators			
Environmental	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement (Yes 1 No 0)	0%

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/2022 – 12/2022

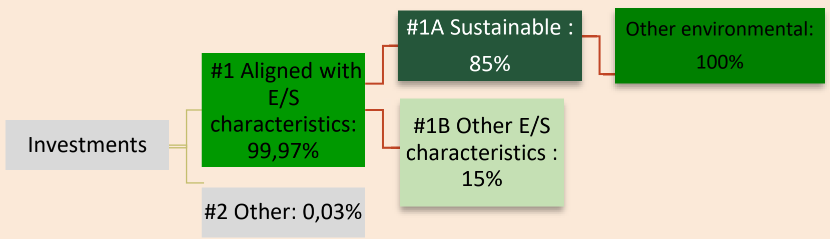
Largest investments	Sector	% Assets	Country
HSBC Holdings PLC	Banks	7,1%	GB
ING Groep N.V	Banks	6,4%	NL
Intesa San Paolo	Banks	5,3%	IT
Société Générale	Banks	4,5%	FR
BBVA SA	Banks	4,4%	ES
Banco de Sabadell SA	Banks	4,3%	ES
Commerzbank AG	Banks	4,2%	DE
Barclays PLC	Banks	4,1%	GB
BAWAG Group	Banks	4,0%	AT
Unicredit SA	Banks	3,9%	IT
KBC Groep	Banks	3,9%	BE
Lloyds Banking Group PLC	Banks	3,9%	IE
BNP Paribas SA	Banks	3,9%	FR
Erste Group Bank AG	Banks	3,9%	AT
Banco Santander	Banks	3,8%	ES

Note: The top holdings presented were calculated taking the average of the monthly share of investments in each company, they do not considered investments in equity indexes.

What was the proportion of sustainability-related investments?

- What was the asset allocation?

Asset allocation describes the share of investments in specific assets.



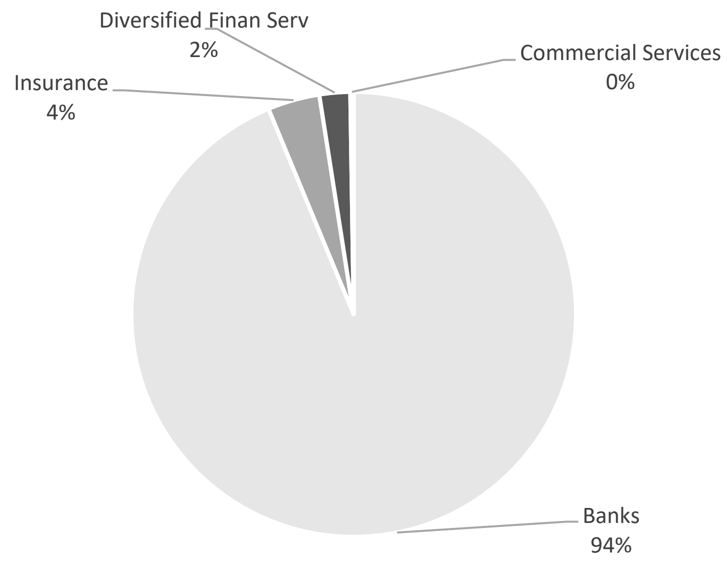
#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Note that in the prospectus its is mentioned that these figures exclude derivatives used for hedging purposes, cash and cash equivalents.

- ***In which economic sectors were the investments made?***



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1] ?**

☐ Yes:

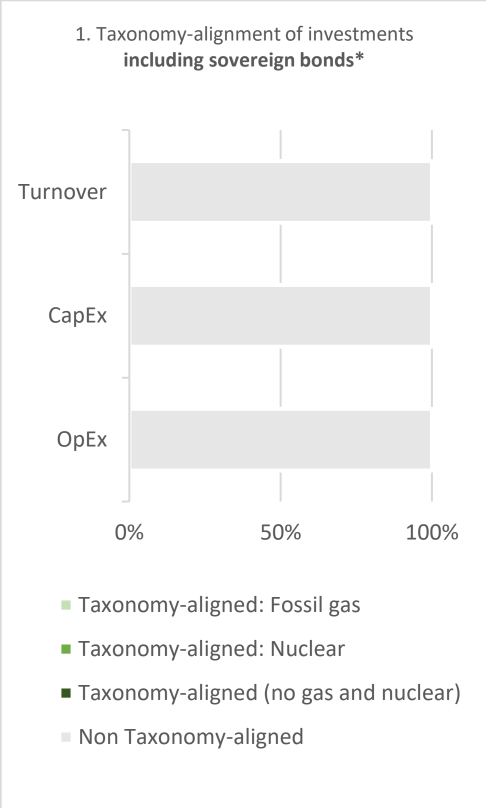
☐ In fossil gas ☐ In nuclear gas

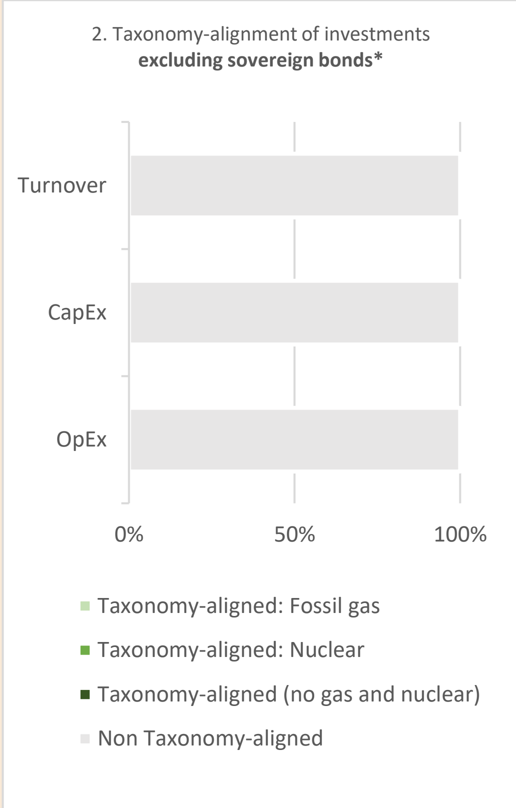
☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

0% of the Compartment's investments are taxonomy-aligned. Since banks will not disclose their data until 2024, the Compartment will report a share of 0% of investments in taxonomy aligned activities as data providers do not have enough visibility on banks' lending portfolios and their estimates include several assumptions the Axiom AI is not comfortable using.

What was the share of investments made in transitional and enabling activities?

0% of the Compartment's investments are in transitional and enabling activities. Since banks will not disclose their data until 2024, the Compartment will report a 0% minimum share of investments in transitional and enabling activities as data providers do not have enough visibility on banks' lending portfolios and their estimates include several assumptions the Management Company is not comfortable using.

- ***How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?***

There are no previous reference periods.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

100%. The product does not invest in real economy companies but rather on financial institutions. It is a sector that historically has invested in all the real economy and not just a segment of it. However, their power to transform the economy into a green/sustainable one is much more important than that of any company in the real economy. That is the reason why Axiom AI does not define sustainable investments as per the EU taxonomy definition. However, from 2025 we will be able to report on the % of taxonomy-aligned investments the fund has through its investments in banks and insurers and these issuers will start to report this data during 2024.

What was the share of socially sustainable investments?

The product made no investment in socially sustainable investments.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Investments included under "#2 Other" are in companies for which ESG ratings are not available. The Compartment invests in mid and small cap issuers, issuers for which ESG data is poorly available. Minimum environmental and social safeguards are however covered through the application of the sectoral and thematic policies available here: http://axiom-ai.com/web/data/documentation/Thematic-And-Sectoral-Exclusions.pdf

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The monitoring of the environmental and social characteristics of the product is ensured in different forms. The pre-trade and post-trade system controls for breaches regarding our exclusion list and the ESG thresholds of the fund (ESG score and coverage). The portfolio manager has an internal tool to simulate portfolio changes on these ESG constraints before the trading order is sent. These actions ensured the fund met the environmental and social characteristics of the product.

How did this financial product perform compared to the reference benchmark?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No ESG reference benchmark is used, the benchmark (Stoxx Europe 600 Banks Net Return) is not an index which integrates environmental and social considerations.

- ***How does the reference benchmark differ from a broad market index?***

  Not applicable.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

  Not applicable.

- ***How did this financial product perform compared with the reference benchmark?***

  Not applicable.

- ***How did this financial product perform compared with the broad market index?***

  Not applicable.

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Axiom Short Duration Bond Fund **Legal entity identifier:** 549300ES12I14FSSHT65

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

[ ] **Yes**	[X] **No**
[ ] It made **sustainable investments with an environmental objective:** ___%	[X] It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 40,4% of sustainable investments
[ ] in economic activities that qualify as environmentally sustainable under the EU Taxonomy	[ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
[ ] in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	[X] with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	[ ] with a social objective
[ ] It made **sustainable investments with a social objective:** ___%	[ ] It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Compartment promotes the following environmental and social characteristics:

Environmental:

Financial institutions: Factors relating to both the direct and indirect impact of banks activities on the environment are considered. Among the direct ones, the ESG scores include the assessment of their operational eco-efficiency including GHG emissions, energy use and water use and disposal. The assessment of indirect activities is as well included in the ESG scores notably looking at the climate strategy of lending portfolios as well as risk assessment. This information is complemented by an internal methodology called the Axiom Climate Readiness Score which provides a much more robust assessment of banks' climate performance.

The rationale for this additional analysis is driven by Axiom's conviction that the European banking sector plays a key role in the achievement of the Paris Agreement as it finances more than 70% of the EU economy. The energy transition will therefore not happen without banks' action. There is therefore a need to use more robust methodologies that help to understand how banks are steering their portfolios to finance the sector and activities needed for the energy transition to happen.

Non-financial institutions: The ESG scores include factors that are common to all sectors as well as sector specific. Indicators on operational eco-efficiency, climate strategy, environmental policy and management systems and reporting are assessed for all companies. Depending on the materiality for the sector, other areas are assessed, including biodiversity and water related risks. Likewise, there are general, and sector specific indicators used to assess all these areas. For example, in the case of operational eco-efficiency, GHG emissions and waste disposal are assessed for all sectors and complemented with energy and water indicators relevant for the sector (e.g., use or consumption). Sector specific indicators include, among others, data center efficiency and renewable energy share for companies in telecommunication services, and emissions of acidifying substances in the oil & gas and chemical sectors.

Social:

Financial institutions: The ESG scores include indicators related to banks' practices in terms of human capital development, talent attraction and retention, financial inclusion, labor practices, human rights, and Occupational Health & Safety. In addition, the controversies database is used to analyze banks' good behavior in their selling practices as it monitors banks' exposure to litigation cases and settlements resulting from poor consumer protection practices.
There is no reference benchmark designated for the environmental and social characteristics promoted by the Compartment.

Non-financial institutions: The ESG scores include factors that are common to all sectors as well as sector specific. Indicators on human capital development, occupational health & safety, talent attraction & retention, corporate citizenship & philanthropy, human rights, labor practice and reporting are assessed for all companies. Depending on the materiality for the sector, other areas are assessed, including stakeholder engagement and social impact on communities.

The fund uses exclusion filters to restrict investments and attain the product's environmental and social characteristics. They are used to exclude companies involved in forbidden activities and extremely low-quality governance, which are covered through Axiom's thematic and sectoral policies and related exclusion list. Activities include, tobacco production, coal power and mining production, conventional and unconventional oil & gas, alcohol, gambling, cannabis, and adult entertainment.

How did the sustainability indicators perform?

Sustainability Theme	Indicator	Value
Environmental	Axiom Climate Readiness Score	40,3%
	Implied Temperature Rise	2,69°C
Social	Average ratio of female to male board members in investee companies	32,4%
	Number of active social litigation cases	314
Environmental and Social	ESG score	48,0

…and compared to previous periods?

Sustainability Theme	Indicator	Value
Environmental	Axiom Climate Readiness Score	41%
	Implied Temperature Rise	2,72°C
Social	Average ratio of female to male board members in investee companies	29,7%
	Number of active social litigation cases	296
Environmental and Social	ESG score	50,3

Compared to the previous year, the fund saw an increase in the performance in two indicators out of five. The Implied Temperature Rise showed a slight increase mainly due to changes in the asset allocation, while the average ratio of female to male board members increased due to an increase in the indicator in the companies in the fund. The slight decrease in the ACRS responds mainly to changes in the asset allocation, while the decrease in the ESG socre is a factor of a decrease in the scores of existing companies as well as new companies entering the fund in 2023. Finally, the increase in the number of active social litigation cases is due to an increase in the number of litigation cases from existing issuers of the fund.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The fund supports the sustainable investment objective of climate mitigation. We defined Sustainable Investments in financial institutions as investments in banks

Principal adverse **impacts** are the most significant negative impacts of investment

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

and insurance companies that from a climate change standpoint demonstrate significant efforts to mitigate climate change, follow good governance practices and do not significantly harm other environmental and social objectives.

Significant efforts to mitigate climate change are defined through the minimum performance thresholds of our climate methodology, the Axiom Climate Readiness Score. These are: i. At least 30% in corporate engagement (Pillar #1); ii. At least 25% in the weighted average of Climate risks and opportunities management (Pillar #2) and Contribution to the low-carbon transition (#3). In addition, banks corporate lending portfolio temperature today have a high temperature (>3°C) and need to be signatories of the Principles for Responsible Banking.

By investing in bonds of these banks and insurance companies the fund steers its investments towards issuers that have expressed the intention to contribute to climate mitigation, that have taken demonstrable actions and that can be considered leaders in the topic.

A small share of this fund is invested in sovereign debt. We have defined Sustainable Investments in sovereign debt as investments in governments that from a climate change standpoint have set net zero targets that are considered "acceptable" by the Climate Action Tracker.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

How were the indicators for adverse impacts on sustainability factors taken into account?

The Principal Adverse Impact (PAI) indicators were considered in order to understand if the sustainable investments were not doing significant harm to other environmental and social objectives not addressed by our definition of sustainable investments (SI).

During the reporting period, the fund invested in 31 companies considered as sustainable investments. We monitor how these investments do not cause significant harm as:

1. PAI 1 (Absolute GHG emissions): these are companies that are not substantially increasing their GHG emissions year on year, in particular those with the highest absolute GHG emissions of their sector. Note that today data on financed emissions is quite poor and Scope 1 and Scope 2 and Scope 3 upstream represent less than 5% of the total emissions of a financial institution.
2. PAI 3 (GHG intensity): these are not companies with a GHG emissions intensity considered as an extreme value.
3. PAI 4 (Fossil fuel sector companies): these are not companies in the fossil fuel sector.
4. PAI 5 (Share of non-renewable energy consumption and production): these are not companies with a ratio showing an extreme value.

5. PAI 6 (Energy consumption intensity per high impact climate sector): these are companies in sectors not considered as of high impact in terms of energy consumption.
6. PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises): these are not companies in breach of both market standards.
7. PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises): these are companies that have set a minimum number of policies that are in line with both market standards.
8. PAI 12 (Unadjusted gender pay gap): these are not companies with an unadjusted gender pay gap with an extreme value.
9. PAI 13 (Board gender diversity): these are not companies with a female representation at board of no less than 20%.
10. PAI 14 (Exposure to controversial weapons): these are not companies with activities associated directly with controversial weapons manufacturers, as well as components and service providers.

Although our data providers increased their coverage in 2023, there are still several companies for which no data for PAIs 7 (Activities negatively affecting biodiversity-sensitive areas), 8 (Emissions to water) and 9 (Hazardous waste and radioactive waste ratio) is available. These indicators are however not material for the companies classified as sustainable investments which for the time being only consist of only banks and insurers. We will continue to monitor our providers coverage and take corrective measures if it does not continue improve over time.

Note that PAI 2 (carbon footprint) is not listed as this is an indicator that can only be monitored at portfolio level.

In terms of the voluntary PAIs, Axiom AI considers two: i. Investments in companies without carbon emission reduction initiatives; and ii. Number of convictions of fines for violation of anti-corruption and anti-bribery laws. In the case of the first PAI, all SI have committed to targets in line with the Paris Agreement objectives and are taking actions to achieve them. In the case of the second, the data quality for 2023 decreased, we have therefore decided to change of PAI in 2024.

In the case of the sovereign bonds related sustainable investments, PAIs were estimated. There are no countries involved in social violations. In the case of GHG intensity there was an increase of 10%, this is mainly explained by changes in the asset allocation. By end of 2023 the asset allocation towards sovereigns decreased by two thirds.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details

Yes, none of the SI have been associated with a potential violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on

Business and Human Rights as per our data provider. More details on its methodology can be found here.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details

Yes, none of the SI have been associated with a potential violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as per our data provider. More details on its methodology can be found here.

How did this financial product consider principal adverse impacts on sustainability factors?

During 2023 the Principal Adverse Impacts (PAIs) were mainly monitored for Sustainable Investments, for companies not classified as Sustainable Investments the PAIs were not actively monitored due to lack of resources. Its exposure was therefore minimized indirectly through the thematic and sectoral exclusions policy.

In terms of the environmental PAI, we saw a significant improvement in all PAIs related to carbon emissions, with the exception of the scope 3 emissions indicator which showed an important increase.

In the case of the scope 1 emissions (41% reduction) and scope 2 emissions (43% reduction), two main drivers drove the emissions down: changes in portfolio allocation and emissions reductions from the most emitting companies in the fund. The increase in scope 3 emissions increased (693%) is mainly explained by an increase in the coverage of the PAIs. This year for the first time we included the PAIs of the Article 8 funds in which the fund invested, one fund in particular is responsible for 88% of the scope 3 emissions of the fund. If this fund is taken out from the analysis, scope 3 emissions would have actually decreased by 14%. As a result of this significant increase in scope 3 emissions, both the carbon footprint and GHG intensity increased by a factor of 5.4 and 4, respectively.

Finally, the number of companies in the portfolio without decarbonization initiatives has decreased to 23% (51% decrease). This is due to investment in new companies with decarbonization initiatives as well as new commitments from companies in the fund.

In the case of the social PAIs, there was a decrease in the performance of PAI 11 (from 4 to 22%) explained by i. existing issuers that were not covered in 2022 by our data provider and for which the new score does not meet our threshold to qualify a company as compliant with PAI 11; ii. share of new companies in the fund that do not meet our threshold; and iii. existing issuers that showed a decrease in their score. PAI 12 saw a decrease of 13%, explained by an increase in the gender pay gap from existing companies in the fund. Finally, PAI 13 showed an increase of 9% due to an increase in the gender pay gap from existing companies in the fund.

The following table summarizes our PAI values as of December 2023:

Adverse Sustainability Impact	**Adverse Sustainability Factor**	**Metric**	**Value 2022**
		Mandatory Indicators	
Environmental	1. GHG emissions	Scope 1 GHG emissions (tonnes CO2e/m EUR)	2471
		Scope 2 GHG emissions (tonnes CO2e/m EUR)	767
		Scope 3 GHG emissions (tonnes CO2e/m EUR)	86089
		Total GHG emissions (tonnes CO2e/m EUR)	89327
	2. Carbon footprint	Carbon footprint (tonnes CO2e/m EUR)	204
	3. GHG intensity of investee companies	GHG intensity (tonnes CO2e/m EUR)	222
Social	11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	22%
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	15
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members (0 to 1)	32%
		Voluntary Indicators	
Environmental	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement (Yes 1 No 0)	23%

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/2023 – 12/2023

Largest investments	Sector	% Assets	Country
Union Plus	Money Market Fund	4,0%	FR
Bonos del Estado	Sovereign	3,4%	ES
Groupama Monetaire	Money Market Fund	2,9%	FR
CNP Assurances	Insurance	2,8%	FR
Standard Chartered PLC	Banks	2,1%	GB
Repubblica Italiana	Sovereign	1,7%	IT
OTP Bank Nyrt	Banks	1,7%	HU
Allianz SE	Insurance	1,6%	DE
AXA	Insurance	1,4%	FR
Unicredit	Banks	1,4%	IT
Axiom Climate Financial Bonds	Open-end Funds	1,3%	FR
The Kingdom of Belgium	Sovereign	1,3%	BE
CRELAN	Banks	1,2%	BE
Deutsche Bank AG	Banks	1,2%	DE
Nova Ljubljanska Banka	Banks	1,2%	SI
Commerzbank AG	Banks	1,1%	DE
Bank International Luxembourg	Banks	1,1%	LU
Credit Agricole Assurance	Insurance	1,1%	FR
Virgin Money UK	Banks	1,0%	GB
Grenke Finance	Diversified Finan Serv	1,0%	IE
Unicaja Banco SA	Banks	0,9%	ES
Marex Group PLC	Diversified Finan Serv	0,9%	GB
Norddeutsche Landesbank	Banks	0,9%	DE
Sogecap	Insurance	0,9%	FR
Intesa Sanpaolo SA	Banks	0,9%	IT
Oldenburgische Landesbank	Banks	0,9%	DE
Banco Santander SA	Banks	0,9%	ES
General Accident PLC	Insurance	0,9%	GB
Landesbank Hessen-Thuringen	Banks	0,9%	DE
Banco De Sabadell SA	Banks	0,9%	ES
Intesa Sanpaola Vita SPA	Insurance	0,8%	IT
Caixabank SA	Banks	0,8%	ES
Atradius Finance BV	Insurance	0,8%	NL
NN Group N.V.	Insurance	0,8%	NL
Athora Italia SPA	Insurance	0,8%	IT
Luminor Bank AS	Banks	0,8%	EE
Caisse Nationale de Reassurance	Insurance	0,8%	FR
Raiffesenbank A.S.	Banks	0,8%	CZ
Saxo Bank AS	Diversified Finan Serv	0,8%	DK

Note: The top holdings presented were calculated taking the average of the monthly share of investments in each company, they do not considered investments in Equity Index Futures, CDS Index Liquid Tranche, CDS Index, Bonds Futures.

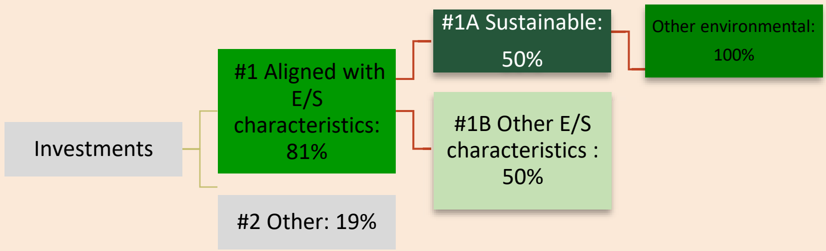
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What was the proportion of sustainability-related investments?

What was the asset allocation?

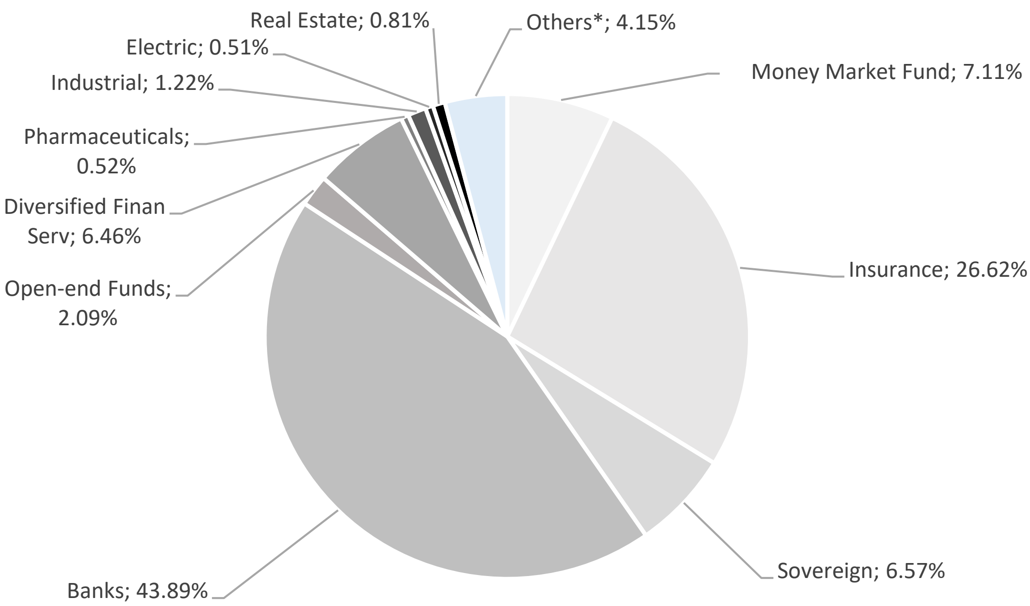


#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?



Others*: Telecommunications (0,50%), Closed-end Funds (0,46%), Investment Companies (0,42%), Engineering & Construction (0,40%), Private Equity (0,35%), Oil&Gas (0,33%), Food (0,23%), Auto

Manufacturers (0,23%), Multi-National (0,21%), Healthcare-Services (0,20%), Chemicals (0,19%), Transportation (0,19%), Gas (0,18%), Airlines (0,16%), Internet (0,08%).

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

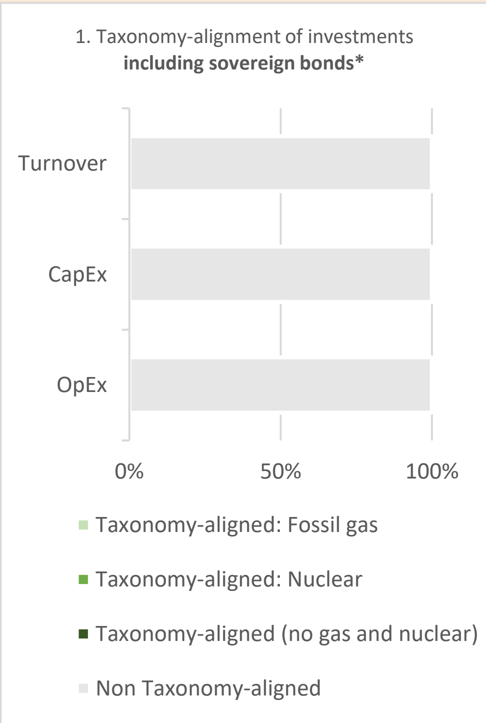
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1] ?

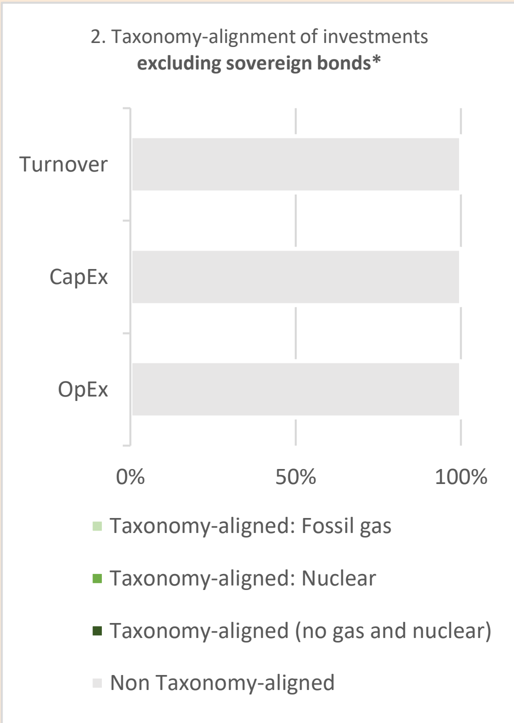
☐ Yes:

☐ In fossil gas ☐ In nuclear gas

☒ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214

0% of the Compartment’s investments are taxonomy-aligned. Since banks will not disclose their data until 2024, the Compartment will report a share of 0% of investments in taxonomy aligned activities as data providers do not have enough visibility on banks' lending portfolios and their estimates include several assumptions the Axiom AI is not comfortable using.

- ***What was the share of investments made in transitional and enabling activities?***

0% of the Compartment’s investments are in transitional and enabling activities. Since banks will not disclose their data until 2024, the Compartment will report a 0% minimum share of investments in transitional and enabling activities as data providers do not have enough visibility on banks' lending portfolios and their estimates include several assumptions the Management Company is not comfortable using.

- ***How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?***

There are no previous reference periods.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

100%. Axiom AI has only defined sustainable investments for financial sectors companies. This is a sector that historically has invested in all the real economy and not just a segment of it. However, their power to transform the economy into a green/sustainable one is much more important than that of any company in the real economy. That is the reason why Axiom AI does not define sustainable investments as per the EU taxonomy definition. However, from 2025 we will be able to report on the % of taxonomy-aligned investments the fund has through its investments in banks and insurers and these issuers will start to report this data during 2024.

What was the share of socially sustainable investments?

The product made no investment in socially sustainable investments.

What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

Investments included under “#2 Other” are in companies or in instruments for which ESG ratings are not available or for which all the environmental and social indicators cannot be assessed due to lack of data. Minimum environmental and social safeguards are however cover through the application of the sectoral and thematic policies.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The monitoring of the environmental and social characteristics of the product is ensured in different forms. The pre-trade and post-trade system controls for breaches regarding our exclusion list. In addition, the portfolio manager can review the fund's performance under the different sustainability indicators (e.g., ITR, ACRS, ESG score) in a daily basis.

How did this financial product perform compared to the reference benchmark?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

No ESG reference benchmark is used, the benchmarks (ICE BofAML Euro Financial Index (40%), ICE BofAML Euro Corporate Index (40%) and ICE BofAML Contingent Capital Index (20%)) are not indices which integrate environmental and social considerations.

- ***How does the reference benchmark differ from a broad market index?***

  Not applicable.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

  Not applicable.

- ***How did this financial product perform compared with the reference benchmark?***

  Not applicable.

- ***How did this financial product perform compared with the broad market index?***

  Not applicable.

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Axiom Obligataire **Legal entity identifier:** 549300JXQ1ZOFIOEMP20

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 31,7% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The Compartment promotes the following environmental and social characteristics:

Environmental:

Financial institutions: Factors relating to both the direct and indirect impact of banks activities on the environment are considered. Among the direct ones, the ESG scores include the assessment of their operational eco-efficiency including GHG emissions, energy use and water use and disposal. The assessment of indirect activities is as well included in the ESG scores notably looking at the climate strategy of lending portfolios as well as risk assessment. This information is complemented by an internal methodology called the Axiom Climate Readiness Score which provides a much more robust assessment of banks' climate performance.

The rationale for this additional analysis is driven by Axiom's conviction that the European banking sector plays a key role in the achievement of the Paris Agreement as it finances more than 70% of the EU economy. The energy transition will therefore not happen without banks' action. There is therefore a need to use more robust methodologies that help to understand how banks are steering their portfolios to finance the sector and activities needed for the energy transition to happen.

Non-financial institutions: The ESG scores include factors that are common to all sectors as well as sector specific. Indicators on operational eco-efficiency, climate strategy, environmental policy and management systems and reporting are assessed for all companies. Depending on the materiality for the sector, other areas are assessed, including biodiversity and water related risks. Likewise, there are general, and sector specific indicators used to assess all these areas. For example, in the case of operational eco-efficiency, GHG emissions and waste disposal are assessed for all sectors and complemented with energy and water indicators relevant for the sector (e.g., use or consumption). Sector specific indicators include, among others, data center efficiency and renewable energy share for companies in telecommunication services, and emissions of acidifying substances in the oil & gas and chemical sectors.

Social:

Financial institutions: The ESG scores include indicators related to banks' practices in terms of human capital development, talent attraction and retention, financial inclusion, labor practices, human rights, and Occupational Health & Safety. In addition, the controversies database is used to analyze banks' good behavior in their selling practices as it monitors banks' exposure to litigation cases and settlements resulting from poor consumer protection practices.
There is no reference benchmark designated for the environmental and social characteristics promoted by the Compartment.

Non-financial institutions: The ESG scores include factors that are common to all sectors as well as sector specific. Indicators on human capital development, occupational health & safety, talent attraction & retention, corporate citizenship & philanthropy, human rights, labor practice and reporting are assessed for all companies. Depending on the materiality for the sector, other areas are assessed, including stakeholder engagement and social impact on communities.

The fund uses exclusion filters to restrict investments and attain the product's environmental and social characteristics. They are used to exclude companies involved in forbidden activities and extremely low-quality governance, which are covered through Axiom's thematic and sectoral policies and related exclusion list. Activities include, tobacco production, coal power and mining production, conventional and unconventional oil & gas, alcohol, gambling, cannabis, and adult entertainment.

How did the sustainability indicators perform?

Sustainability Theme	Indicator	Value
Environmental	Axiom Climate Readiness Score	40,46%
	Implied Temperature Rise	2,71°C
Social	Average ratio of female to male board members in investee companies	30,37%
	Number of active social litigation cases	230
Environmental and Social	ESG score	44

…and compared to previous periods?

Sustainability Theme	Indicator	Value
Environmental	Axiom Climate Readiness Score	39,40%
	Implied Temperature Rise	2,72°C
Social	Average ratio of female to male board members in investee companies	22,9%
	Number of active social litigation cases	134
Environmental and Social	ESG score	43

Compared to the previous year the fund saw an increase in the performance in all sustainability indicators but the number of active social litigation cases. The increase in the ESG score and average ratio of female to male board members is mainly explained by the increase in the score/indicator from issuers that stayed in the fund between end 2022 until end 2023 as well as changes in portfolio allocation. The changes in the Implied Temperature Rise are a result of changes in portfolio allocation. The number of active social litigation cases increased due to an increase in the number of litigation cases from existing issuers of the fund and investments in new issuers exposed to social litigation cases.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

The fund supports the sustainable investment objective of climate mitigation. We defined Sustainable Investments in financial institutions as investments in banks and insurance companies that from a climate change standpoint demonstrate significant efforts to mitigate climate change, follow good governance practices and do not significantly harm other environmental and social objectives.

Significant efforts to mitigate climate change are defined through the minimum performance thresholds of our climate methodology, the Axiom Climate Readiness

Score. These are: i. At least 30% in corporate engagement (Pillar #1); ii. At least 25% in the weighted average of Climate risks and opportunities management (Pillar #2) and Contribution to the low-carbon transition (#3). In addition, banks corporate lending portfolio temperature today have a high temperature (>3°C) and need to be signatories of the Principles for Responsible Banking.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

By investing in bonds of these banks and insurance companies the fund steers its investments towards issuers that have expressed the intention to contribute to climate mitigation, that have taken demonstrable actions and that can be considered leaders in the topic.

A small share of this fund is invested in sovereign debt. We have defined Sustainable Investments in sovereign debt as investments in governments that from a climate change standpoint have set net zero targets that are considered "acceptable" by the Climate Action Tracker.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

How were the indicators for adverse impacts on sustainability factors taken into account?

The Principal Adverse Impact (PAI) indicators were considered in order to understand if the sustainable investments were not doing significant harm to other environmental and social objectives not addressed by our definition of sustainable investments (SI).

During the reporting period, the fund invested in 31 companies considered as sustainable investments. We monitor how these investments do not cause significant harm as:

1. PAI 1 (Absolute GHG emissions): these are companies that are not substantially increasing their GHG emissions year on year, in particular those with the highest absolute GHG emissions of their sector. Note that today data on financed emissions is quite poor and Scope 1 and Scope 2 and Scope 3 upstream represent less than 5% of the total emissions of a financial institution.
2. PAI 3 (GHG intensity): these are not companies with a GHG emissions intensity considered as an extreme value.
3. PAI 4 (Fossil fuel sector companies): these are not companies in the fossil fuel sector.
4. PAI 5 (Share of non-renewable energy consumption and production): these are not companies with a ratio showing an extreme value.
5. PAI 6 (Energy consumption intensity per high impact climate sector): these are companies in sectors not considered as of high impact in terms of energy consumption.
6. PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises): these are not companies in breach of both market standards.

7. PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises): these are companies that have set a minimum number of policies that are in line with both market standards.
8. PAI 12 (Unadjusted gender pay gap): these are not companies with an unadjusted gender pay gap with an extreme value.
9. PAI 13 (Board gender diversity): these are not companies with a female representation at board of no less than 20%.
10. PAI 14 (Exposure to controversial weapons): these are not companies with activities associated directly with controversial weapons manufacturers, as well as components and service providers.

Although our data providers increased their coverage in 2023, there are still several companies for which no data for PAIs 7 (Activities negatively affecting biodiversity-sensitive areas), 8 (Emissions to water) and 9 (Hazardous waste and radioactive waste ratio) is available. These indicators are however not material for the companies classified as sustainable investments which for the time being only consist of only banks and insurers. We will continue to monitor our providers coverage and take corrective measures if it does not continue improve over time.

Note that PAI 2 (carbon footprint) is not listed as this is an indicator that can only be monitored at portfolio level.

In terms of the voluntary PAIs, Axiom AI considers two: i. Investments in companies without carbon emission reduction initiatives; and ii. Number of convictions of fines for violation of anti-corruption and anti-bribery laws. In the case of the first PAI, all SI have committed to targets in line with the Paris Agreement objectives and are taking actions to achieve them. In the case of the second, the data quality for 2023 decreased, we have therefore decided to change of PAI in 2024.

In the case of the sovereign bonds related sustainable investments, PAIs were estimated. There are no countries involved in social violations. In the case of GHG intensity, the only issuer in the fund increased its emissions intensity by 2%. By end 2023 the fund didn’t have any exposure to sovereigns.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details

Yes, none of the SI have been associated with a potential violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as per our data provider. More details on its methodology can be found here.

How did this financial product consider principal adverse impacts on sustainability factors?

During 2023 the Principal Adverse Impacts (PAIs) were mainly monitored for Sustainable Investments, for companies not classified as Sustainable Investments the PAIs were not actively monitored due to lack of resources. Its exposure was therefore minimized indirectly through the thematic and sectoral exclusions policy.

In terms of the environmental PAI, we saw a significant improvement in all PAIs related to carbon emissions, with the exception of the scope 3 emissions indicator which showed an slight increase.

In the case of the scope 1 emissions (38% reduction), the main driver was the decrease in the emissions of an issuer which represented 76% of the total emissions of the fund in 2022. In the case of scope 2 emissions (5% reduction), the main factor contributing to this reduction were changes in asset allocation as it was higher in companies that showed emissions reduction from 2022 to 2023. The decrease was not as significant as in the case of scope 1 emissions because there was an overall increase on issuer's emissions (15%) as well as an overall decrease in the EVIC of the issuers in the fund (27%), the latter resulting in an increase in the apportioning of the emissions to the fund. Finally, scope 3 emissions increased (11%) mainly due to an increase in the emissions from existing issuers (5%), investment in a couple of issuers with above average scope 3 emissions and a decrease in the EVIC. Overall, the total GHG emissions of the fund decreased by 5%.

The carbon footprint of the fund decreased by 25% as a result of the decrease in the total emissions explained before and an increase in the fund's size (21%). The GHG intensity of the fund decreased (13%) due to an asset allocation less concentrated in companies that increased their emissions intensity.

Finally, the number of companies in the portfolio without decarbonization initiatives has decreased to 28% (17% decrease). This is due to investment in new companies with decarbonization initiatives as well as new commitments from companies in the fund.

In the case of the social PAIs, there was a decrease in PAI 11 (from 4 to 16%) mainly explained by existing issuers that were not covered in 2022 by our data provider and for which the new score does not meet our threshold to qualify a company as compliant with PAI 11 as well as share of new companies in the fund that do not meet our threshold. PAI 12 saw an increase of 2%, explained by changes in the portfolio allocation towards companies that showed an increase in their gender pay gap. Finally, PAI 13 showed an increase of 25% due to both, a higher allocation in companies that saw an increase in the performance of the indicator and new investments in companies with an indicator value above average.

The following table summarizes our PAI values as of December 2023:

Adverse Sustainability Impact	Adverse Sustainability Factor	Metric	Value 2023

Mandatory Indicators			
Environmental	1. GHG emissions	Scope 1 GHG emissions (tonnes CO2e/m EUR)	909
		Scope 2 GHG emissions (tonnes CO2e/m EUR)	623
		Scope 3 GHG emissions (tonnes CO2e/m EUR)	3659
		Total GHG emissions (tonnes CO2e/m EUR)	5190
	2. Carbon footprint	Carbon footprint (tonnes CO2e/m EUR)	15
	3. GHG intensity of investee companies	GHG intensity (tonnes CO2e/m EUR)	42
Social	11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	16%
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	16
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members (0 to 1)	29%
Voluntary Indicators			
Environmental	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement (Yes 1 No 0)	28%

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 01/2023 – 12/2023

What were the top investments of this financial product?

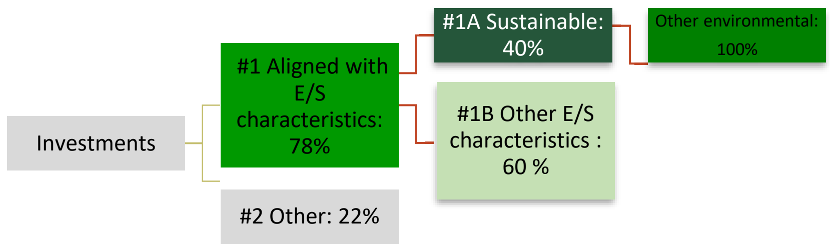
Largest investments	Sector	% Assets	Country
Van Lanschot Kempen NV	Diversified Financials	2,3%	NL

Saxo Bank AS	Diversified Financials	2,2%	DK
Marex Group PLC	Diversified Financials	2,1%	GB
Banco Comercial Portugues SA	Banks	2,0%	PT
Volksbank Wien AG	Banks	2,0%	AT
IKB Deutsche Industriebank AG	Banks	1,9%	DE
Banque International Luxembourg	Banks	1,9%	LU
Fidelidade – Companhia de Seguros	Insurance	1,8%	PT
Abanca Corporacion Bancaria SA	Banks	1,8%	ES
HLD Europe	Investment Companies	1,8%	LU
OTP Bank Nyrt	Banks	1,8%	HU
Axiom European Financial Debt	Closed-end Funds	1,7%	FR
Erste Group Bank AG	Banks	1,7%	AT
LeasePlan Corporation NV	Diversified Financials	1,7%	NL
Nova Ljubljanska Banka	Banks	1,7%	SI
Luminor Bank AS	Banks	1,6%	EE
Intermediate Capital Group PLC	Private Equity	1,6%	GB
OSB Group PLC	Diversified Financials	1,6%	GB
Finecobank Banca Fineco SPA	Banks	1,5%	IT
UBS Group PLC	Banks	1,5%	CH
Caixabank S.A	Banks	1,5%	ES
CCF Holding	Diversified Financials	1.5%	FR
Banco Santander SA	Banks	1,5%	ES
Quatrim	Food	1,4%	FR
Oldenburgische Landesbank AG	Banks	1,4%	DE
Raiffesenbank AS	Banks	1,4%	CZ
Achmea BV	Insurance	1,3%	NL
Kommunalkredit Austria AG	Banks	1,3%	AT
Tatra Banka AS	Banks	1,3%	SK
CRELAN	Banks	1,3%	BE
Esure Group PLC	Insurance	1,3%	GB

Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

What was the asset allocation?

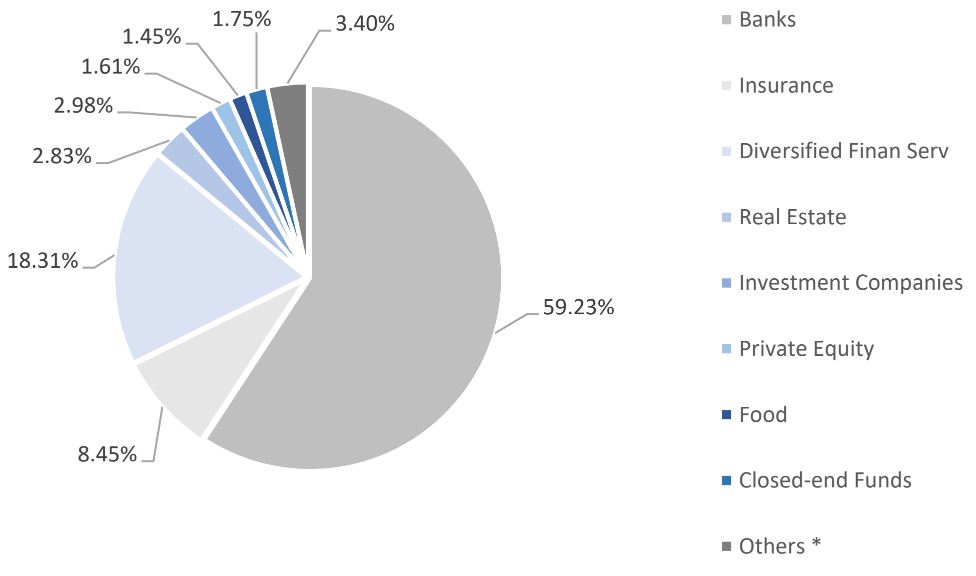


#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?



Others*: Sovereign (0,81%), Lodging (0,55%), Retail (0,47%), Home Furnishings (0,16%), Savings&Loans (0,10%), Industrial (0,05%) and Open-end Funds (0,03%).

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

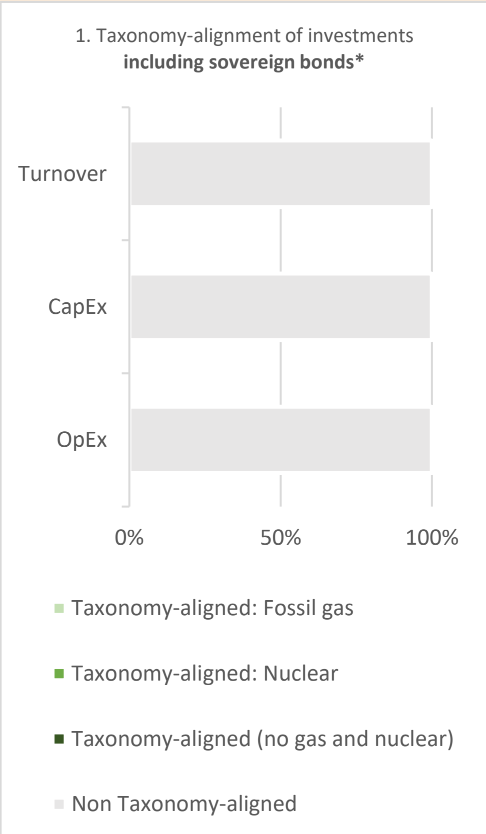
Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1] ?

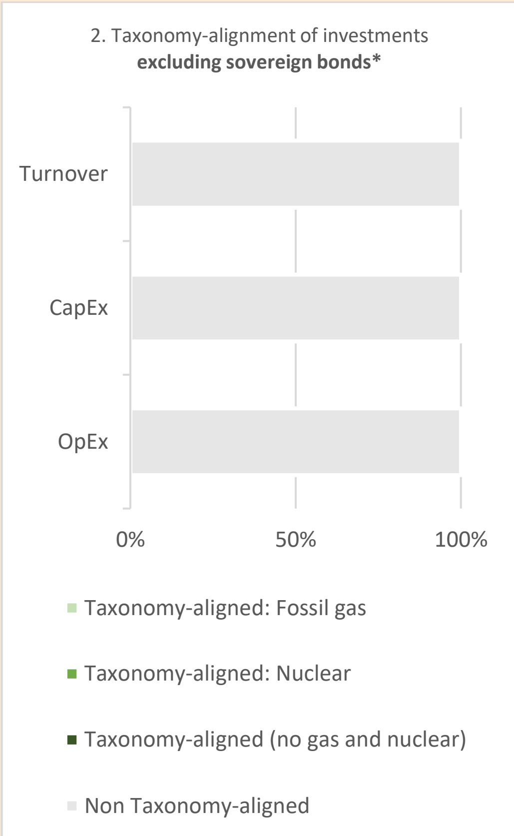
☐ Yes:

☐ In fossil gas ☐ In nuclear gas

☒ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





**For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures*

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214

0% of the Compartment’s investments are taxonomy-aligned. Since banks will not disclose their data until 2024, the Compartment will report a share of 0% of investments in taxonomy aligned activities as data providers do not have enough visibility on banks' lending portfolios and their estimates include several assumptions the Axiom AI is not comfortable using.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

- ***What was the share of investments made in transitional and enabling activities?***

0% of the Compartment’s investments are in transitional and enabling activities. Since banks will not disclose their data until 2024, the Compartment will report a 0% minimum share of investments in transitional and enabling activities as data providers do not have enough visibility on banks' lending portfolios and their estimates include several assumptions the Management Company is not comfortable using.

- ***How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?***

There are no previous reference periods.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

100%. Axiom AI has only defined sustainable investments for financial sectors companies. This is a sector that historically has invested in all the real economy and not just a segment of it. However, their power to transform the economy into a green/sustainable one can be more important than that of any company in the real economy. That is the reason why Axiom AI does not define sustainable investments as per the EU taxonomy definition. However, from 2025 we will be able to report on the % of taxonomy-aligned investments the fund has through its investments in banks and insurers and these issuers will start to report this data during 2024.

What was the share of socially sustainable investments?

The product made no investment in socially sustainable investments.

What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

Investments included under “#2 Other” are in companies or in instruments for: which ESG ratings are not available or for which all the environmental and social indicators cannot be assessed due to lack of data. Minimum environmental and social safeguards are however cover through the application of the sectoral and thematic policies available here: http://axiom-ai.com/web/data/documentation/Thematic-And-Sectoral-Exclusions.pdf

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The monitoring of the environmental and social characteristics of the product is ensured in different forms. The pre-trade and post-trade system controls for breaches regarding our exclusion list. In addition, the portfolio manager can review the funds' performance under the different sustainability indicators (e.g., ITR, ACRS, ESG score) in a daily basis.

How did this financial product perform compared to the reference benchmark?

No ESG reference benchmark is used.

- ***How does the reference benchmark differ from a broad market index?***

  Not applicable.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

  Not applicable.

- ***How did this financial product perform compared with the reference benchmark?***

  Not applicable.

- ***How did this financial product perform compared with the broad market index?***

  Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.