

Axiom Obligataire - Unit C (EUR)

The fund aims to generate attractive returns by investing in senior or subordinated private sector bonds with a strategic focus on the European Financial sector. The strategy is based on "bond picking"¹. The fund favors Investment Grade issuers and may invest in fixed or floating rate bonds.

KEY METRICS AND RISK ANALYSIS

Net assets :	€246m	Modified Duration :	2.01
Latest NAV per share:	€1914.17	Credit sensitivity :	2.86
Yield to maturity ² :	5.23%	Volatility 1 year :	1.70%
Yield to call ³ :	4.21%	Sharpe ratio 1 year :	0.16
Average Spread (bps):	346	Number of positions :	101

RETURNS EVOLUTION SINCE INCEPTION⁴

Performance since inception (rebased at 1000)



Cumulative Returns

1 month	3 months	YTD	1 year	3 years	5 years	Since launch ⁵
0.42%	0.77%	-1.79%	-0.05%	2.97%	2.69%	7.32%

¹ Bond picking is the process of screening, analyzing and selecting bonds based on the manager convictions in line with the restrictions in the prospectus.

² The yield to perpetuity is the yield of the portfolio with the hypothesis that securities are not reimbursed and kept to perpetuity

³ The yield to call is the yield of the portfolio at the anticipated reimbursement date of the bonds.

⁴ Past performance does not guarantee future results.

⁵ Annualized performance since inception of the unit.

MARKET COMMENTARY

Market commentary

Financial stocks are up this month despite busy political news.

While negotiations between the EU and the UK continue to stagnate, especially around the Irish border issue, eyes have turned to Italy and its 2019 budget publication.

The Northern League and the 5 Stars Movement finally agreed on the budget deficit target of 2.4% of GDP. This level is higher than what was demanded by the Minister of Finance Mr. Tria, but the market's reaction was rather contained, especially on the financial debt side.

Mr. Draghi, for his part, surprised the markets by referring to a "relatively vigorous" rebound in eurozone inflation (expected to be 1.7% by 2020). This had an impact on interest rates, which rose sharply.

In terms of consolidation, rumors persist about mergers between UniCredit and Société Générale as well as Deutsche Bank and Commerzbank.

Danske Bank, meanwhile, faces a massive money laundering scandal involving its Estonian subsidiary and ING paid an EUR 750 million fine.

The primary market has been active this month. BBVA, Bankia, Société Générale, Rabobank, Credit Suisse and HSBC took advantage of the positive market direction to issue AT1 bonds. In the secondary market, Nordea called at par one of its discounted securities (which was trading around 85%), which shows that issuers continue to repay their bonds regardless of market conditions.

The Itraxx Sub Fin ends the month 20bps tighter than August.

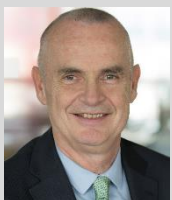
Fund activity

The fund participated in the primary issue of BBVA. The yield on the first call date in 2023 is close to 6%. We see BBVA as well capitalized (high SREP ratio at 8.4%) with a low bad debt rate at 4.4%.

The fund also strengthened on a Tier 2 La Mondiale in dollar with an early maturity of less than one year.

Finally, we continue to sell our position on the Lloyds 6.85% as we anticipate a call in the short term.

The fund ended the month up 0.42%.

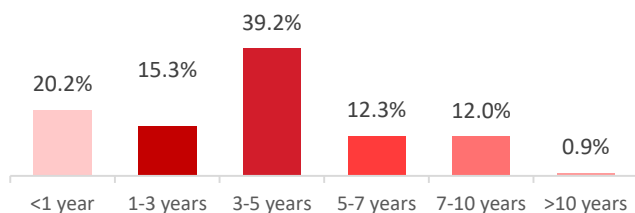


Paul Gagey
Portfolio Manager

PORTFOLIO ANALYSIS AS AT 09/28/2018

PORTFOLIO BREAKDOWN (in % of assets)

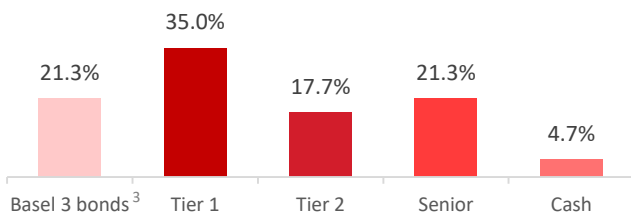
BY MATURITY AT CALL DATE ^{1,2}



TOP 5 ISSUERS

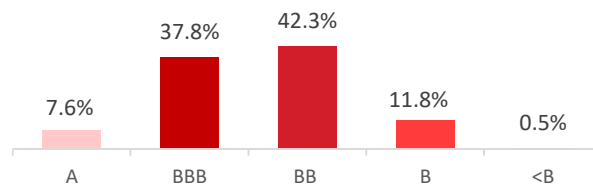
BNP PARIBAS	4.76%
BBVA	3.36%
LLOYDS	3.03%
AGEAS	2.79%
ASR NETHERLANDS	2.65%

BY SUBORDINATION

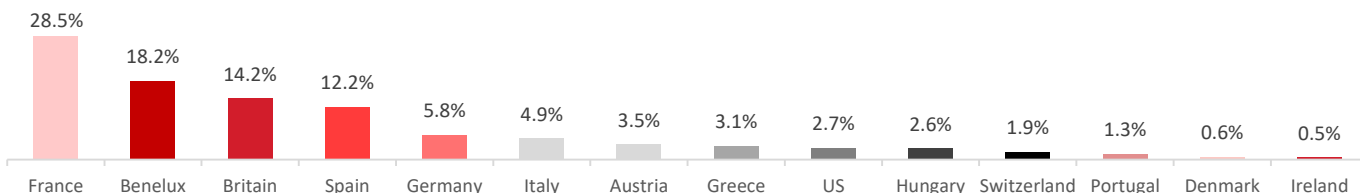


BY RATING ¹

Securities rating



BY COUNTRY ¹



¹ On the bonds portfolio ² Call date is the anticipated reimbursement date of the bonds ³ New format Basel 3 securities (AT1 – Additional Tier 1 and RT1 – Restricted Tier 1)

INFORMATION ON THE FUND

ISIN :	FR0010755199
Currency ⁵ :	EUR – USD – CHF – GBP
Countries:	BE – CH – SP – FR – IT – UK
Fund type and Profit allocation:	UCI / Accumulation
Fund inception date :	23/07/2009
Minimum initial subscription :	€ 5 000 000
Subscription / repurchases conditions :	Every day until 11:00 - NAV per share unknown - Payment D+3
Management fees :	2%
Performance fees ⁶ :	Max. 20 % of the fund's annual return in excess of its benchmark

⁵ Currency exposure is systematically hedged. ⁶ 40% ICE BofAML Euro Financial Index, 40% ICE BofAML Euro Corporate Index and 20% ICE BofAML Contingent Capital Index. All details of the expenses incurred by the fund are available in the Prospectus.

RESEARCH AND MANAGEMENT TEAM



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The information contained in this document is based on sources believed to be reliable and accurate at the date of publication.

The figures refer to past performance, which may not be reliable indicator of future performances. The information is obtained from the accounting data for the fund and from data vendors (Bloomberg) for the benchmark.

They have not been certified by the Auditor of the Mutual Funds Axiom Obligataire and are subject to changes. Because of their simplicity, this information is inevitably partial and incomplete and can not therefore have any contractual value.

The Key Investor Information of the mutual fund is available upon request from Axiom Alternative Investments. The FCP is invested on the bond markets. Its value depends on the asset value of securities held within the portfolio and may therefore be subject to large fluctuations upwards or downwards. This fund is approved by the AMF and the FINMA to be marketed in France and Switzerland.

Additional information for investors in and from Switzerland: The detailed prospectus, the documents entitled "Key investor information", the statutes, the annual and semi-annual reports are available free of charge from the representative and paying agent for Switzerland, RBC Investor Services Bank SA, Esch-sur-Alzette, Zurich Branch, Badenerstrasse 567, PO Box 101, 8066 Zurich.

