

GROUPAMA AXIOM LEGACY J



Groupama
ASSET MANAGEMENT



AXIOM



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

MONTHLY REPORT AS OF 29/09/2023

ISIN Code share J : FR0013259165

Benchmark : Euribor 3M + 3%

KEY FIGURES

AUM	436M€
Net assets for share class J	29M€
NAV per share as at 09/29/2023	987,84
Reference currency	EUR
Valuation frequency	Daily

INFORMATION ON THE FUND

Characteristics

Type of fund:	UCI
Inception date:	05/31/2017
Ticker Bloomberg:	GRAL21J FP
Sub-Investment Manager:	Axiom Alternative Investments

Investment term

Greater than 4 years

Terms and conditions

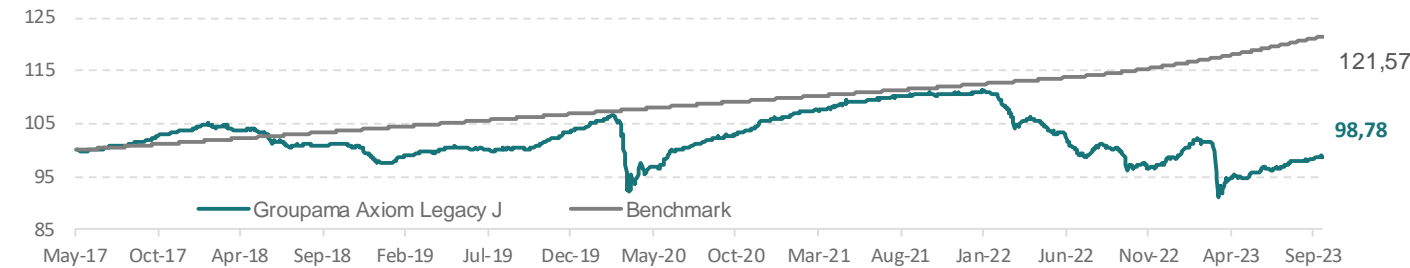
Minimum initial subscription:	100 000 €
Following subscription:	In thousandths of share or in amount
Centralizer:	CACEIS BANK
Subscription conditions / repurchases:	Every day until 11:00 - NAV per share unknown - Payment D+3

Fees

Maximum subscription fees:	5.00%
Maximum redemption fees:	None
Maximum direct management fees:	1.00%

The detail of the fees covered by the fund is available in the funds' legal prospectus.

Returns since inception (rebased at 100)



RETURNS* HISTORY IN % (since inception)

		Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Year
2017	Fund						-0,01%	0,64%	0,29%	0,66%	1,18%	0,65%	0,26%	3,73%
	Benchmark						0,22%	0,22%	0,22%	0,21%	0,23%	0,22%	0,21%	1,54%
2018	Fund	1,20%	-0,32%	-0,80%	0,03%	-2,45%	-0,59%	0,41%	-0,38%	0,46%	-0,65%	-1,87%	-1,04%	-5,89%
	Benchmark	0,24%	0,20%	0,21%	0,23%	0,22%	0,21%	0,23%	0,22%	0,20%	0,24%	0,22%	0,23%	2,69%
2019	Fund	1,46%	0,71%	-0,06%	0,84%	-0,32%	-0,14%	0,19%	0,15%	0,40%	1,15%	0,76%	0,76%	6,78%
	Benchmark	0,23%	0,20%	0,21%	0,23%	0,23%	0,20%	0,24%	0,21%	0,22%	0,22%	0,20%	0,23%	2,64%
2020	Fund	1,39%	-0,30%	-10,79%	3,15%	1,45%	1,69%	1,33%	0,84%	0,50%	0,89%	1,82%	0,53%	1,76%
	Benchmark	0,22%	0,20%	0,22%	0,22%	0,21%	0,23%	0,21%	0,21%	0,20%	0,20%	0,21%	0,21%	2,58%
2021	Fund	0,84%	0,49%	0,42%	0,97%	0,11%	0,53%	0,42%	0,31%	0,27%	-0,13%	-0,17%	0,52%	4,68%
	Benchmark	0,19%	0,19%	0,22%	0,20%	0,21%	0,20%	0,21%	0,20%	0,20%	0,19%	0,21%	0,20%	2,45%
2022	Fund	-0,43%	-3,24%	-0,92%	-1,23%	-1,19%	-3,73%	0,49%	0,33%	-3,00%	0,10%	-0,29%	1,31%	-11,30%
	Benchmark	0,20%	0,19%	0,21%	0,20%	0,23%	0,24%	0,30%	0,32%	0,37%	0,39%	0,41%	0,41%	4,60%
2023	Fund	2,85%	0,24%	-7,87%	1,48%	0,82%	0,79%	1,18%	0,51%	0,71%				0,30%
	Benchmark	0,44%	0,41%	0,49%	0,46%	0,56%	0,52%	0,55%	0,56%	0,53%				4,60%

* Past performance does not guarantee future results.

MANAGEMENT CONSTRAINTS

The UCITS may invest on issuers with a minimum rating of investment grade and up to 20% on high-yield (so-called "speculative") issuers or unrated issuers. The proportion of investments in interest rate products will be between 0 and 110% of net assets. It may invest up to 50% of its net assets in "Additional Tier1" or "Coco Bonds". The UCITS may invest up to 50% of its net assets and up to 10% of its net assets in preferred shares. The UCITS equity exposure will not exceed 50% of its net assets.

INVESTMENT OBJECTIVE

The Fund's objective is to try to obtain, over a recommended minimum investment horizon of 4 years, an annualised return equal to or greater than the 3-month Euribor index +3% after management costs have been deducted.

RETURNS EVOLUTION*

GROUPAMA AXIOM LEGACY J Benchmark

Annual returns % (since inception)

	2017	2018	2019	2020	2021	2022
Fund	-	-5,89%	6,78%	1,76%	4,68%	-11,30%
Benchmark	-	2,69%	2,64%	2,58%	2,45%	4,60%
Difference	-	-8,58%	4,14%	-0,82%	2,23%	-15,91%

Cumulative returns in %

	1 month	3 months	YTD	1 year	3 years	5 years	Inception
Fund	0,71%	2,42%	0,30%	1,43%	-3,83%	-2,37%	-1,22%
Benchmark	0,53%	1,65%	4,60%	5,82%	11,41%	17,39%	21,57%
Difference	0,18%	0,77%	-4,30%	-4,40%	-15,24%	-19,75%	-22,79%

RISK ANALYSIS (on 1 year)

Volatility 1 an	6,81%
Sharpe Ratio	-0,21
Credit Sensitivity	3,74
Duration	1,59
Yield to call	9,44%
Spread	540
Average rating by issuers (WARF)	A-
Average rating by instruments (WARF)	BB+

Min. Max.

0.0 8.0

MONTHLY COMMENT AS AT 29/09/2023 (1/2)

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.

PRINCIPAL RISKS

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

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

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

Liquidity risk: Liquidity risk may materialise where specific and exceptional market conditions make finding market counterparties or reasonable prices difficult.

Use of derivative financial instruments: Equally, the use of derivatives may increase or decrease the volatility of the Fund by increasing or decreasing its exposure, respectively. In the event of adverse market developments, the net asset value may fall. For more information on risks, please refer to the prospectus of the Funds.

MONTHLY COMMENT AS AT 29/09/2023 (2/2)

Fund activity

After Westpac, ANZ has finally announced the recall of its Discos. These securities had been the subject of a notice to holders in July, simply warning of the switch to synthetic LIBOR. The fund had held 0.5% of the portfolio between 86 and 91 at the beginning of June. On the Intesa tender, we contributed half of our 2.8% position to redeploy on another of its Legacy securities. In new issues, under pressure from MREL, the portfolio positioned itself on the new Mbank and Crelan issues.

The volatility in interest rates enabled us to find attractive entry points for Legacy insurance securities, notably after NN warned of a risk to the marketing of life insurance in the Netherlands, and for Legacy AT1 securities, offering yields in excess of 10% on the first call, with no risk of extension.

The Australian regulator's press release brought to light new potential Legacy securities, which the fund is positioning itself on.

The main contributors to performance this month were :

- Legacy bonds +32bps,
- AT1s +17bps,
- Rate hedging +29bps.

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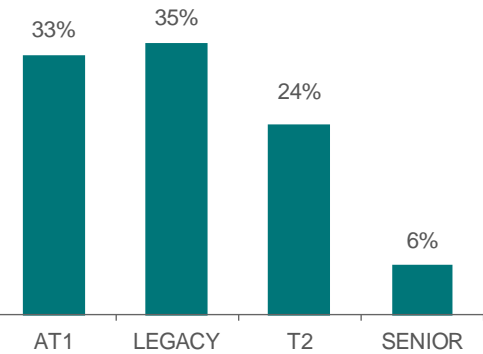
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PORTFOLIO ANALYSIS AS AT 29/09/2023

GROUPAMA AXIOM LEGACY J

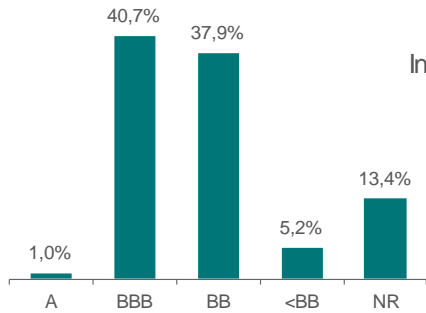
ASSET BREAKDOWN BY
TYPE OF SUBORDINATION
(in % of net assets)

Bonds only
Hedges and Govies: -16,71% of net assets.



ASSET BREAKDOWN BY
RATING
(in % of net assets)

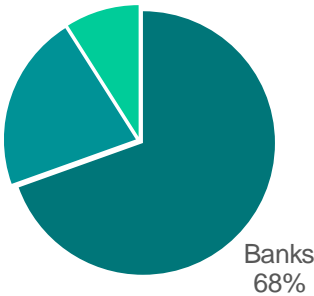
Bonds only
* NR - Non-rated securities



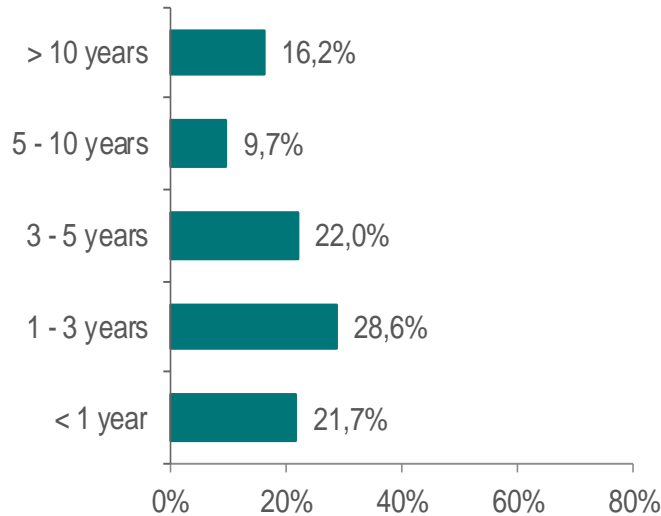
ASSET BREAKDOWN BY
TYPE OF ISSUER
(in % of net assets)

Diversified Finan Serv
9%

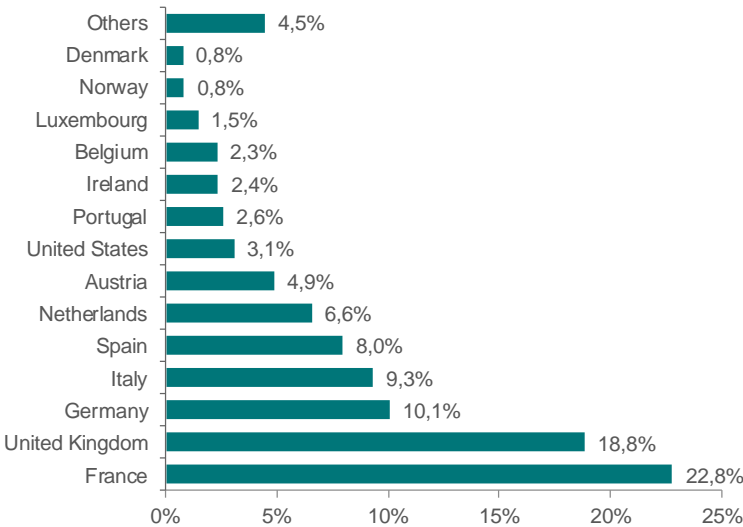
Insurance
21%



ASSET BREAKDOWN BY
MATURITY TO CALL DATE
(in % of net assets)



ASSET BREAKDOWN
BY GEOGRAPHY
(in % of net assets)



HISTORICAL MODIFICATIONS OF THE BENCHMARK (since inception)
None

Groupama Asset Management revises all the external data received.
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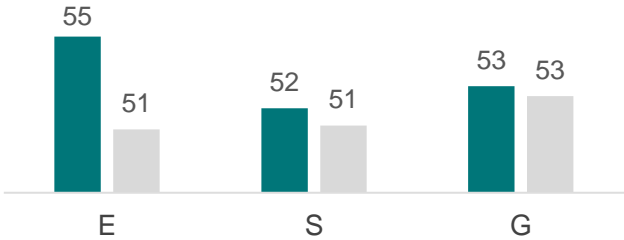
ESG KEY METRICS AS OF 29/09/2023

GROUPAMA AXIOM LEGACY J

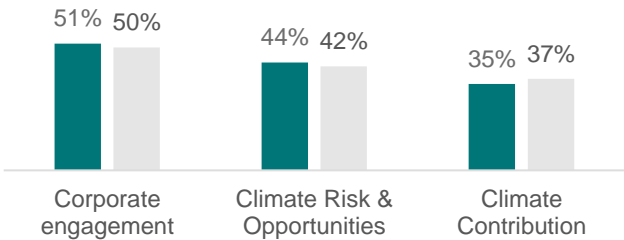
INVESTMENT UNIVERSE

	ACRS	°C	ESG
Portfolio rating	42%	2,7	52
Universe rating	42%	2,8	52
# of companies in the universe	69	102	286
# of companies in the portfolio	79	78	78

ESG by key pillars



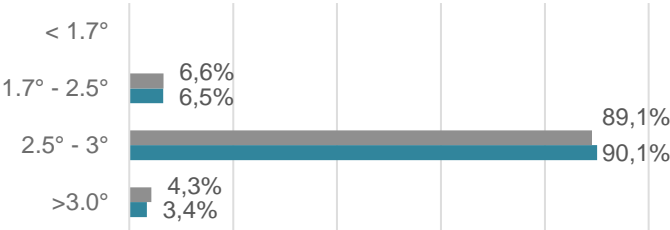
ACRS by key pillars



Top 5 holdings by ACRS

NAME	COUNTRY	ACRS	°C	ESG
DE VOLKSBANK NV	NL	63%	2,4	N/A
BELFIUS BANK SA/NV	BE	59%	2,6	33
DRESDNER FNDG TRUST I	DE	53%	2,7	46
LEGAL & GENERAL GROUP	GB	53%	2,7	70
AXA SA	FR	52%	3,6	91

Breakdown by Implied Temperature Rise (ITR)



Our ESG and climate approach

General methodology

The selection is based on the following ESG tools :

- **Exclusion policy:** determines the exclusions we make due to proven controversies, non-adherence to major initiatives such as the PRB (Principle for Responsible Banking) and sector or thematic restrictions.
- **ACRS - Axiom Climate Readiness Score:** in-house climate rating methodology.
- **ESG Database:** analysis of ESG factors and their rating.

The combination of all these tools allows us to offer a fund with an ESG score higher than that of issuers in the top three quartiles of its investment universe.

Our climate methodology

The fund is targeting leading issuers in terms of climate change integration. It evaluates issuers based on :

**Corporate engagement**

Sets the priority level given to climate change by the board and top management, the company's climate strategy, and corresponding objectives, as well as the degree of transparency of communication and the means deployed to address climate change.

**Climate risk and opportunities**

Assesses the processes and tools used to identify, measure and mitigate the issuer's exposure to climate-related risks, as well as its approach to seizing opportunities arising from the energy transition.

**Climate contribution**

Assesses the share of the issuer's investments and/or loans in companies or financial instruments that seek to contribute to the "greening" of the economy as well as the products or solutions offered that aim to combat climate change. In the case of banks, Axiom AI is computing an ITR metric (Implied Temperature Rise).

ITR (Implied Temperature Rise)	Also known as 2° alignment metric, is a forward-looking measure that attempts to estimate a global temperature associated with the greenhouse gas emissions of entities in a portfolio or investment strategy.
ESG	Refers to the Environmental, Social and Governance (ESG) criteria that enable an analysis of a company's non-financial performance.
Energy transition	Refers to the transition from the current energy production system, mainly based on fossil fuels, to an energy mix based largely on renewable or low carbon energies.