

# GROUPAMA AXIOM LEGACY 21 JU



Groupama  
ASSET MANAGEMENT



AXIOM



## MONTHLY FACTSHEET AS AT 08/31/2020

ISIN Code share JU : **FR0013303484**

Benchmark : Euribor 3M + 3%

### KEY FIGURES

AUM:	€452m
Net assets for share class JU:	€7.2m
NAV per share as of 8/31/2020	1042.44
Reference currency:	EUR
Valuation frequency:	Daily

### INFORMATION ON THE FUND

#### Characteristics

Type of fund:	UCI
Inception date:	05/31/2017
Ticker Bloomberg: 8/31/2020	GRAL21JU FP
Sub-Investment Manager:	Axiom Alternative Investments

#### Investment term

Greater than 4 years

#### Terms and conditions

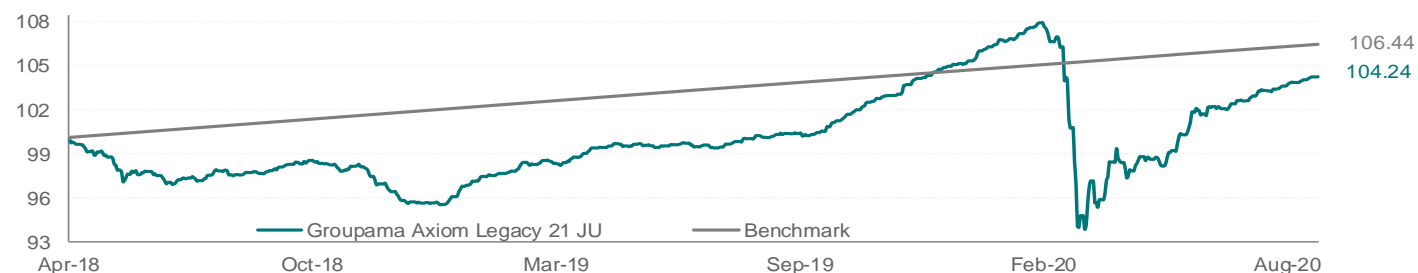
Minimum initial subscription:	100 000 USD
Following subscription:	In thousandths of share or in amount
Centralizer:	CACEIS BANK
Subscription conditions / repurchases:	Every day until 11:00 - NAV per share unknown - Payment D+3

#### Fees

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

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

### Returns 5 years (rebased at 100)



### RETURNS\* HISTORY IN % (5 YEARS)

		January	February	March	April	May	June	July	August	September	October	November	December	Year
2018	Fund					-2.27%	-0.32%	0.77%	-0.13%	0.67%	-0.36%	-1.58%	-0.76%	-4.35%
	Benchmark					0.23%	0.22%	0.23%	0.23%	0.22%	0.23%	0.22%	0.23%	1.98%
2019	Fund	1.82%	0.91%	0.09%	1.16%	-0.10%	0.06%	0.50%	0.40%	0.67%	1.71%	1.34%	0.98%	9.94%
	Benchmark	0.23%	0.20%	0.23%	0.22%	0.23%	0.22%	0.22%	0.22%	0.21%	0.21%	0.21%	0.22%	2.63%
2020	Fund	1.61%	-0.18%	-10.33%	3.27%	1.52%	1.77%	1.32%	0.82%					-0.86%
	Benchmark	0.21%	0.20%	0.21%	0.22%	0.22%	0.21%	0.21%	0.20%					1.70%

\* Past performance does not guarantee future results.

### MANAGEMENT CONSTRAINTS

### LIMIT OF MODIFIED DURATION

Min. Max.  
0.0 8.0

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 20% 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.



## MONTHLY COMMENT AS AT 08/31/2020

**Market commentary**

August was once again shaped by an increase in COVID 19 cases in multiple countries. The only notable macro event was Powell's speech at Jackson Hole where he revealed a more flexible strategy to meet the Fed's inflation and employment goals. In this context, the SubFin kept on tightening, closing the month at 129 bps, more than 150 bps tighter from its level at the end of April.

Overall the latest earnings' publications confirmed the key trends that were observed in July : lower retail fees and NII but excellent investment banking revenues, limited increases in NPL ratios with managements guiding towards lower impairments overall in 2020 but with a high discrepancy in provisioning levels, and significantly better than expected capital ratios supported by lower RWAs. A few initial data points tend to show that ultimate default rates for loans under moratoria should be between a few percentage points for core countries up to over 20% for the riskiest jurisdictions (e.g. Greece), with high dispersion within countries.

On the regulators' side, the EBA is expected to publish its opinion on the treatment of legacy debt before the end of the year. The calls of Credit Suisse low trigger Tier 2 and ABN 5.75 AT1 were announced as expected.

Finally, the primary market remained active on CoCo (AT1 and RT1) supported by good quarterly results. We can mention the issues of Barclays (USD 1.5 billion at 6.125%), Intesa Sanpaolo in two tranches (EUR 750 million at 5.875% and EUR 750 million at 5.5%) and Credit Suisse (USD 1.5 billion at 5.25%)

**Fund Activity**

In this context where positive fundamentals appear to be fully valued, we took our profits on the new issue of CCR Re, on some Senior and Tier 2 instruments of Sabadell, on UniCredit SNP and ICG in the United Kingdom, all within the improving credits bucket.

In the Long Calls bucket, we also took our profits on an Axa Legacy with a make-whole and we strengthened our position on a rare T2 NIBC security offering a yield of more than 7% by 2023.

In the Fixed-to-Fixed bucket, we marginally strengthened our position on two securities.

Additions were limited to bonds with short-term calls or maturities, which represent 18% of the portfolio, in addition to the 5% cash.

**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.

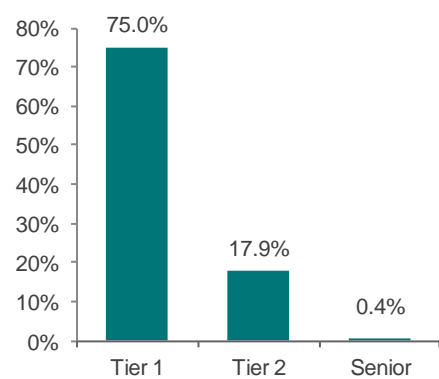
For more information on risks, please refer to the prospectus of the Funds.

PORTFOLIO ANALYSIS AS AT 08/31/2020

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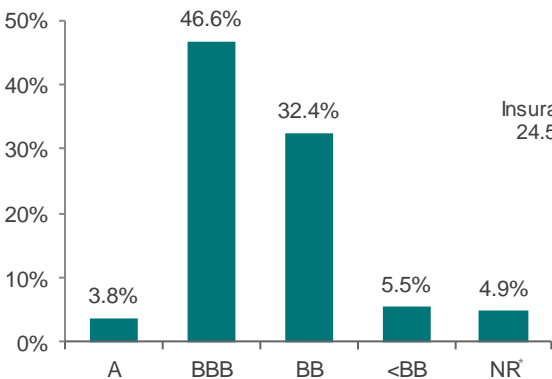
ASSET BREAKDOWN BY  
TYPE OF SUBORDINATION  
(in % of net assets )

Bonds only

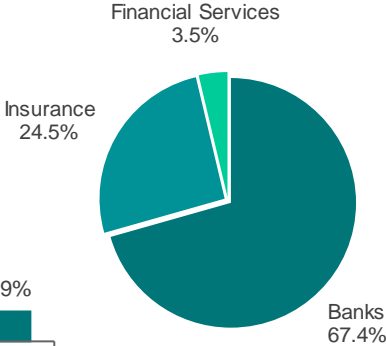


ASSET BREAKDOWN BY  
EXTERNAL RATING  
(in % of net assets)

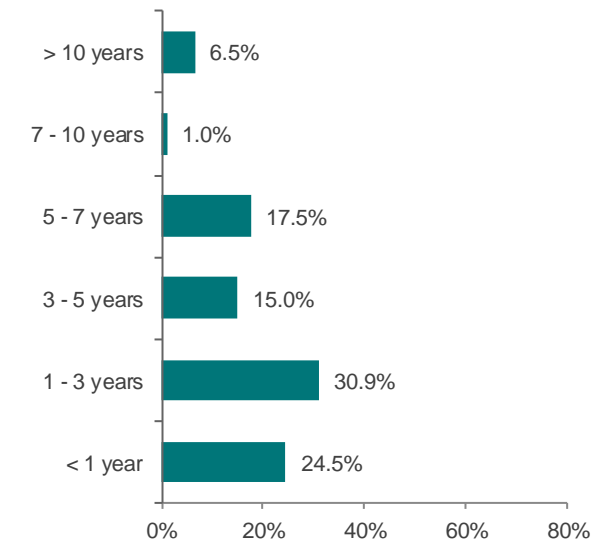
Bonds only  
\* NR - Non-rated securities  
All securities have an IG issuer group rating



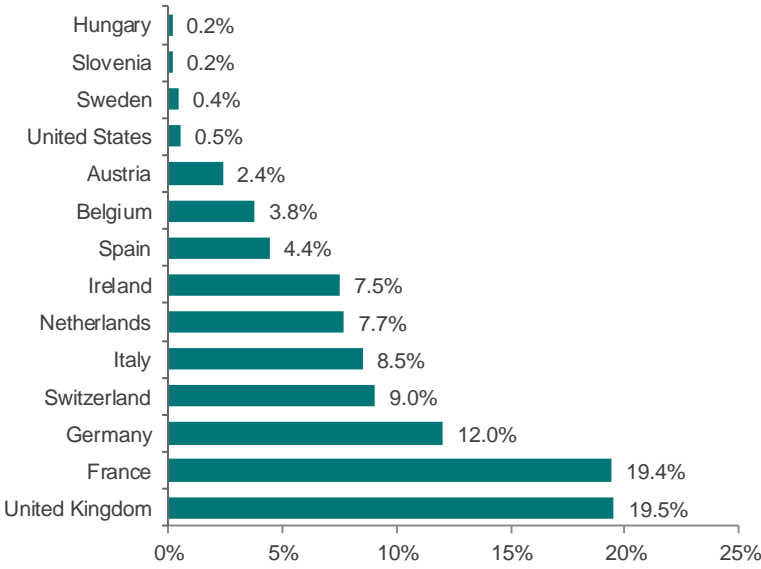
ASSET BREAKDOWN BY  
TYPE OF ISSUER  
(in % of net assets)



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



ASSET BREAKDOWN  
BY GEOGRAPHY  
(in % of net assets)



HISTORICAL MODIFICATIONS OF THE BENCHMARK (5 YEARS)

None

Groupama Asset Management revises all the external data received.  
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