

This document provides you with key investor information about this AIF. It is not marketing material. The information is required by law to help you understand the nature, risks, costs and potential gains and losses of investing in this product.

## AXIOM EUROPEAN FINANCIAL DEBT FUND LIMITED

*a closed-ended investment company limited by shares incorporated under the laws of Guernsey with registered number 61003*

ISIN code: GG00BTC2K735 - Ticker Bloomberg AXI LN

managed by AXIOM Alternative Investments

*Date of issue: 6th October 2021, with market data up to 31 August 2021*

### WHAT IS THIS PRODUCT?

#### Type

Closed-end Guernsey Company invested in regulatory capital securities in Europe, seeking opportunities presented by the Basel III and Solvency II transitions, it adopts a diversified approach across subordinated debt issued by financials, investing in five sub-strategies. The Company’s shares are traded on the Premium Segment of the Main Market of the London Stock Exchange.

#### Objectives

The investment objective of the Company is to provide Shareholders with an attractive return, while limiting downside risk, through investment in the following Financial Institution Investment Instruments:

- Regulatory Capital Instruments, being financial instruments issued by a European Financial Institution which constitute regulatory capital for the purposes of Basel I, Basel II or Basel III or Solvency I or Solvency II;
- Other Financial Institution Investment Instruments, being financial instruments issued by a European Financial Institution, including without limitation senior debt, which do not constitute Regulatory Capital Instruments; and
- Derivative Instruments, being CDOs, securitisations or derivatives, whether funded or unfunded, linked or referenced to Regulatory Capital Instruments or Other Financial Institution Investment Instruments.

The Company will seek to invest in a diversified portfolio of Financial Institution Investment Instruments. The Company will focus primarily on investing in the secondary market although instruments may also be subscribed in the primary market where the Investment Manager identifies attractive opportunities.

The Company will invest its assets with the aim of spreading investment risk.

#### Intended retail investor

The Company is offered to investors who may have basic or no knowledge and experience of investing in financial markets and also experienced investors and is intended for long-term investment. Investors should understand the risks involved, including the risk of losing all capital invested and must evaluate the Company’s objective and risks in terms of whether they are consistent with their own investment goals and risk tolerances. Shares in the Company are not intended as a complete investment plan.

#### Maturity Date

The product has no maturity date. However, at every seventh annual general meeting, the Board will propose a special resolution that the Company should cease to continue as presently constituted (a “Discontinuation Resolution”). In the event that a Discontinuation Resolution is passed, the Board will be required to formulate proposals to be put to Shareholders within four months to wind-up or otherwise reconstruct the Company, having regard (to the extent applicable) to the illiquid nature of any of the Company’s underlying assets. Any such proposals may incorporate arrangements which enable investors who wish to continue to be exposed to the Portfolio to maintain some or all of their existing exposure.

### WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

#### The risk indicator

*The risk indicator assumes you keep the product for 5 years.*



1	2	3	4	5	6	7
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The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 5 out of 7, which is a medium-high risk class. This rates the potential losses from future performance at a medium-high level, and poor market conditions are likely to impact the capacity of the Company to pay you.

For further information on the risks of this investment please refer to the Prospectus. This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment. You may not be able to sell the product easily which may mean that you have to sell at a price which impacts on how much you get back.

## Performance Scenarios

This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest GBP 10 000.

Investment GBP 10 000 Scenarios		1 Year	3 Years	5 Years (Recommended Holding Period)
Stress scenario	<b>What you might get back after costs</b>	<b>£7 590.69</b>	<b>£5 064.56</b>	<b>£4 048.72</b>
	Average return each year	-24.09%	-20.29%	-16.54%
Unfavourable scenario	<b>What you might get back after costs</b>	<b>£9481.94</b>	<b>£9 213.72</b>	<b>£9 087.64</b>
	Average return each year	-5.18%	-2.69%	-1.90%
Moderate scenario	<b>What you might get back after costs</b>	<b>£10 090.21</b>	<b>£10 278.42</b>	<b>£10 470.14</b>
	Average return each year	0.90%	0.92%	0.92%
Favourable scenario	<b>What you might get back after costs</b>	<b>£10 739.50</b>	<b>£1 468.29</b>	<b>£12 065.20</b>
	Average return each year	7.40%	4.67%	3.83%

- The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.
- The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment/product.
- The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.
- The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

## WHAT HAPPENS IF AXIOM EUROPEAN FINANCIAL DEBT FUND LIMITED IS UNABLE TO PAY OUT?

As a shareholder of the Company, you will not be entitled to compensation from the Financial Services Compensation Scheme or any other compensation scheme in the event that the Company is unable to pay out. No guarantee scheme applies to an investment in the Company.

## WHAT ARE THE COSTS?

The Reduction in Yield ("RIY") shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for the recommended holding period. There are no early exit penalties. The figures assume you invest GBP 10,000. The figures are estimates and may change in the future.

### Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

The following costs are not included in the entry and exit fee calculation: broker commission, entry and exit charges paid to your fund manager, platform fees, mark ups, stamp duty, transaction tax and foreign exchange costs.

Investment GBP 10 000 Scenarios	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
<b>Total costs</b>	£224.01	£678.23	£1 140.92
Impact on return (RIY) per year	2.24%	2.26%	2.28%

## Composition of costs

The table below shows the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period and the meaning of the different cost categories.

This table shows the impact on return per year.

<b>One-off costs</b>	Entry costs	0.00 %	The impact of the costs you pay when entering your investment. This is the most you will pay, and you could pay less.
	Exit costs	0.00 %	The impact of the costs of exiting your investment when it matures.
<b>Ongoing costs</b>	Portfolio transaction costs	0.52 %	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	1.50 %	The impact of the costs that we take each year for managing your investments.
<b>Incidental costs</b>	Performance fees	0.21%	The impact of the performance fee. The performance fee, if any, will be equal to 15 per cent. of total shareholder returns in excess of a hurdle equal to a 7 per cent. per annum cumulative return from admission of the Company's shares to the Specialist Fund Market, compounded annually. The performance fee is subject to a high watermark.
	Carried interests	0.00 %	The impact of carried interests.

## HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

### **Recommended holding period: 5 year(s)**

This product is designed for long-term investments; you should be prepared to stay invested for at least five years. The Company's shares are traded on the Premium Segment of the Main Market of the London Stock Exchange. Shareholders wishing to realise their investment may do so by selling their shares on the main market of the London Stock Exchange. You should be able to sell your shares without penalty through your bank, stockbroker or other similar advisers at any time during this period or hold the investment longer. You may be subject to dealing costs that your adviser charges for this service. Sales are possible on every working day, with proceeds normally settled in two business days. The price and net asset value are available on our website at <http://axiom-ai.com/web/en/axiom-european-financial-debt-fund-limited-2/#>.

## HOW CAN I COMPLAIN?

Should you wish to complain about your investment in the Company or any aspect of the service provided to you by the Company or Axiom AI SARM as manager, please write to the Board c/o the Company Secretary at PO Box 650, 1<sup>st</sup> Floor Royal Chambers, St Julian's Avenue, St Peter Port, Guernsey GY1 3JX, or send an email to: [axiom@elysiumfundman.com](mailto:axiom@elysiumfundman.com).

If you have a complaint about the financial advice you have received in relation to the Company or the service you have received when placing transactions in the Company through a third party, please direct your complaint to your adviser or third party accordingly.

## OTHER RELEVANT INFORMATION

You can obtain further information about the Company, details of the Company's net asset value, its shares and copies of the annual report and financial statements and other documents published by the Company, as well as information on the Directors, and governance arrangements from <http://axiom-ai.com/web/en/axiom-european-financial-debt-fund-limited-2/#>. Hard copies of these documents are available free of charge upon request. You can also refer to this website for additional information such as announcements made by the Company to the market and the Company's constitutional documents.

Depending on how you purchase Ordinary Shares in the Company you may incur other costs, including broker commission, platform fees and stamp duty. The distributor will provide you with additional documents where necessary.

This key information document is updated at least every 12 months.