AXA IM Euro 6M

The UCITS is subject to European Directive 2009/65/EC

PROSPECTU

I - <u>General characteristics</u> :

1°) <u>Structure of the Fund</u> :

2°) Name: AXA IM Euro 6M.
3) Legal form and Member State in which the Fund was established: French Common Fund (FCP) .
4) Date of approval, creation and intended lifetime: UCITS approved on 19 October 2010 and created on 24 November 2010 for a period of 99 years
5°) Summary of the management offer:

unit classes	***ISIN codes***	***Allocation of Distributable Amounts***	***Base currency of denomination***	***Target investors***	***Initial value***	***Fractions of units***	***Minimum initial investment***
E	FR0010950055	**Accumulation**	Euro	All subscribers	€10,000	Ten thousandths of a unit	None
I	FR0010950063	**Accumulation**	Euro	Institutional	€10,000	Ten thousandths of a unit	€500,000 (*)
IX	FR0013308855	**Accumulation**	Euro	UCIs offered in an employee savings scheme and managed by an entity of the AXA Investment Managers Group	€10,000	Ten thousandths of a unit	€500,000 (*)

(*) with the exception of du AXA Group and funds managed by AXA IM entities.

(6) Address at which the latest annual and semi annual reports are available:
The latest annual reports and the composition of the assets shall be sent to unitholders within eight business days upon written request to:

AXA INVESTMENT MANAGERS PARIS
Majunga Tower -6 place de la Pyramide
92908 PARIS - La Défense cedex

For further information please contact AXA INVESTMENT MANAGERS PARIS at the mailing address above or email client@axa-im.com.

II Directory :

1) Management Company:
AXA INVESTMENT MANAGERS PARIS,

A société anonyme (public limited company) with a board of directors
Registered office: Tour Majunga - La Défense 9 - 6, place de la Pyramide -92800 Puteaux.
Postal address: Tour Majunga -6 place de la Pyramide -92908 PARIS La Défense cedex.
An undertaking approved as a portfolio management company by the AMF on 7 April 1992 under number GP 92008 within the meaning of Directive 2009/65/EC (UCITS Directive).

2°) Custodian, custodian, and, by delegation, centralising agent and registrar:

The UCITS 'custodian is **BNP PARIBAS SA,** located at 9, rue du Débarcadère, 93500 PANTIN (the 'Custodian'). BNP PARIBAS SA, a société anonyme (public limited company) registered in the Trade and Companies Register under number 662,042,449 is an establishment approved by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and subject to the supervision of the Autorité des Marchés Financiers (AMF), having its registered office at 16, boulevard des Italiens, Paris 9ème.

Description of the Custodian's responsibilities and potential conflicts of interest:

The Custodian carries out three types of responsibilities, respectively the control of the regularity of the management company's decisions (as defined in article 22.3 of the UCITS 5 directive), the monitoring of the UCITS 'cash flows (as defined in article 22.4) and the custody of the UCITS' assets (as defined in article 22.5).

The primary objective of the Custodian is to protect the interests of the unitholders/investors of the UCITS, which will always take precedence over the commercial interests.

Potential conflicts of interest may be identified, particularly in the event that the Management Company also has commercial relations with BNP Paribas Securities SA in parallel with its appointment as Custodian.

In order to manage these situations, the Custodian has put in place and updates a conflict of interest management policy aimed at:

- Identifying and analysing potential conflicts of interest
- Recording, managing and monitoring conflicts of interest by:
    - Based on the permanent measures in place to manage conflicts of interest such as the maintenance of separate legal entities, segregation of duties, separation of hierarchical lines, monitoring of lists of internal insiders;

- O Implementing on a case by case basis:
  - Preventive and appropriate measures such as the creation of ad hoc follow up lists, new Chinese walls or by ensuring that transactions are processed appropriately and/or by informing the clients concerned;
  - Or by refusing to manage activities that may give rise to conflicts of interest.

***Description of any safekeeping activities delegated by the Custodian, list of delegatees and sub delegatees and identification of conflicts of interest liable to result from such delegation** :*

The Custodian of the UCITS, BNP Paribas SA, is responsible for the safekeeping of the assets (as defined in article 22.5 of Directive 2009/65/EC as amended by Directive 2014/91/EU).
In order to offer the services related to the custody of assets in a large number of States, allowing the UCITS to achieve their investment objectives, BNP Paribas SA has appointed sub custodians in States where BNP Paribas SA would not have a local presence. These entities are listed on the following website http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-and-trustee-serv.html The appointment and supervision process for sub custodians follows the highest standards of quality, including the management of potential conflicts of interest that may arise as a result of these appointments.

Up to date information on the above points will be sent to the investor upon request.

3°) Prime broker : None

4°) Statutory auditor: PricewaterhouseCoopers Audit, represented by Mr Partick SELLAM , - Crystal Park -63, rue de Villiers -92208 Neuilly sur Seine Cedex.

5°) Promoter: AXA INVESTMENT MANAGERS PARIS

AXA INVESTMENT MANAGERS PARIS may delegate the marketing of units of the UCITS to third parties duly authorised by the latter. As the UCITS is admitted to Euroclear France, its units may be subscribed or redeemed from financial intermediaries that are not known to the manager.

Class ‘I’ units are reserved for institutional investors.

Class ‘IX’ units are reserved for UCIs offered under an employee savings scheme and managed by an entity belonging to the AXA Investment Managers Group

6) Delegates:

AXA INVESTMENT MANAGERS PARIS does not delegate the financial management of the UCITS.

Delegated accounting management and Middle Office:

STATE STREET BANK INTERNATIONAL GMBH PARIS BRANCH
Branch of the German credit institution STATE STRretrait BANK INTERNATIONAL GMBH (parent company), which was established under the European passport under Directive 2013/36/EU (CRD IV).

Address : Coeur Défense - Tour A -100, Esplanade du Général de Gaulle -92931 Paris La Défense Cedex, registered with the Nanterre Trade and Companies Register under number 850,254,673.

STATE STREET BANK INTERNATIONAL GMBH is a credit institution which was authorised in June 1994 by the predecessor of the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin) under identification number 108514.
It is supervised directly by the European Central Bank (ECB).

The accounting delegated manager is responsible for the accounting of the UCITS and calculates the net asset value.

Delegation of administrative management:

AXA INVESTMENT MANAGERS PARIS does not delegate the administrative management of the UCITS.

7) Advisers: None.

III - Operating and management procedures:

General features :

1°) Characteristics of the units:

A) **ISIN codes** : Class 'E' units: FR0010950055
Class 'I' units: FR0010950063
Class 'IX' units: FR0013308855

B) **Nature of the right attached to the unit class** : Each unitholder has a co ownership right in the assets of the UCITS proportional to the number of units they hold.

C) **Registration to a register or clarification of the terms and conditions of liabilities management** : All units are bearer units. The issuing account is maintained by BNP PARIBAS SA (custodian).

D) **Voting rights** : In the case of a mutual fund, no voting rights are attached to the units held, the decisions being taken by the management company.
However, unitholders are provided with information on changes to the Fund's operations either individually, in the press or by any other means, in accordance with AMF Instruction No. 2011-19 of 21 December 2011.

E) **Form of units**: Bearer units.

fractions of units :
- E units, denominated in euro, are divided into ten thousandths of a unit.
- I units, denominated in euro, are divided into ten thousandths of a unit.
- Class IX units, denominated in euro, are divided into ten thousandths of a unit.

2°) Closing date: last Valuation Day in December.

3) Tax regime: as the Fund is not incorporated, it is not subject to corporation tax. Each unitholder is taxed as if they were directly owner of a portion of the assets, depending on the tax regime applicable to them.

If the subscription to units of the UCITS is part of the participation in a life insurance policy, subscribers will be subject to the taxation of life insurance contracts.

This information is not a substitute for information provided for individual tax advice.

Warning: Depending on your tax status, realised or unrealised capital gains and any income resulting from the holding of units of the UCITS may be subject to taxation. We advise you to seek advice on this from your tax adviser.

FATCA related obligation:

Under the US Foreign Account Tax Compliance Act (FATCA), unitholders may be required to provide the UCITS, the Management Company in respect of each UCI or their agent with information, in particular on their personal identity and place of residence (domicile and tax residence) . This information may be sent to the US tax authorities via the French tax authorities. Any breach by unitholders of this obligation could result in a 30% flat rate withholding tax imposed on US source financial flows. Notwithstanding the duties carried out by the management company under FATCA, unitholders are invited to ensure that the financial intermediary they have used to invest in the UCITS benefits itself from the so called Participating FFI status. For further information, unitholders may turn to a tax advisor.

[1]*The term 'U.S. Person' as defined by the US Internal Revenue Code is available in the disclaimer*section at *https://funds.axa-im.com/* .

Automatic exchange of tax information (CRS regulations) :

In order to meet the requirements of the Automatic Exchange of Information in the tax field and in particular the provisions of Article 1649 AC of the French General Tax Code and Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU, unitholders will be required to provide the UCITS, the management company or their agent with information in particular (but not exclusively) on their personal identity, their direct or indirect beneficiaries, the end beneficiaries and persons controlling them. Unitholders will be required to comply with any request from the management company to provide this information in order to enable the management company and the UCITS to comply with their reporting obligations. This information may be transmitted by the French tax authorities to foreign tax authorities.

Special provisions:

1°) **Classification:** UCITS Bonds and other debt securities denominated in euro.

2°) Investment in UCIs: up to 10% of the net assets.

3°) Investment objective:

The objective of the UCITS is to seek, over rolling 6 month periods, annualised performance after deduction of actual management fees, as described below, through direct or indirect exposure to the bond and money markets:
Above the capitalised € STR plus 8.5 bps for 'E' units ('All subscribers');
Above the capitalised € STR plus 33.5 bps for 'I' units ('reserved for institutions') and 'IX' units ('reserved for UCIs offered in an employee savings scheme and managed by an entity of the AXA Investment Managers Group').

These assumptions, made by the management company, do not constitute a promise of return given (I) the nature of the unit class that the holder holds and (II) at any time, market conditions.

The UCITS incorporates a socially responsible investment approach that meets the environmental, social and governance (ESG) criteria, which are key elements in its investment decisions.

Investors are reminded that this UCITS does not fall under the terms of Regulation (EU) 2017/1131 on money market funds .

4°) Benchmark:

Capitalised € STR (Ester or Euro Short Term Rate).

The € STR is a benchmark short term interest rate in the euro area**.** It is calculated overnight by the European Central Bank (ECB) on the basis of the previous day's transactions.

Pour additional information you can log on to: *www.ecb.europa.eu*

As the management of the UCITS is not index linked, its performance may differ, but to a limited extent, from that of the benchmark index.

5) Investment strategy:

A. Description of the strategies used:

The UCITS is managed according to a socially responsible investment (SRI) approach.

The UCITS is a financial product that promotes environmental and/or social characteristics within the meaning of Article 8 of European Regulation 2019/2088 of 27 November 2019 on sustainability related disclosures in the financial services industry. It should be noted, however, that to date the UCITS does not take into consideration the criteria for sustainable environmental activities set out in European Regulation 2020/852 on the establishment of a framework to promote sustainable investment (hereinafter 'The European Taxonomy Regulation') and therefore has no commitment to aligning its portfolio with the criteria of the Taxonomy Regulation. Thus, for the moment, the principle of 'not causing significant harm' is not considered on the assets of the UCITS.

Our SRI approach is built around three complementary axes to ensure a complete assessment of the fundamentals and ESG profile of the securities in the management of the UCITS, from the definition of the investment universe to the construction of the portfolio.

1.1/Definition of the investment universe:

The management of the UCITS consists in implementing various investment and/or arbitrage strategies, in particular on the main fixed income and credit markets of OECD member countries, whether or not they are members of the Euro Zone. In the event of exposure to securities denominated in currencies other than the euro, currency risk will remain.

The investment universe defined for the purpose of implementing the UCITS 'non financial objective is composed of a broad list of financial instruments that form part of the ICE Bank of America Euro Corporate Index. For clarification, this index is a broad market index that does not necessarily take into account, in its composition or calculation methods, available on the https://indices.theice.com/website, the ESG characteristics promoted by the UCITS.

The UCITS may invest up to 10% of its net assets after excluding bonds and other debt securities issued by public issuers, ancillary liquid assets and socially responsible assets in securities from outside the investment universe, as defined above, provided that the issuer is eligible on the basis of selectivity criteria.

The Fund is actively managed. The portfolio will be invested on a discretionary basis, under the conditions set out in the regulatory documentation, without any additional restrictions in terms of investment universe in relation to any market index. It should be noted that the volatility of the UCITS and the benchmark index or any other index should not move significantly away.

The management team determines the UCITS 'allocation on a discretionary and active basis and, taking into account expectations regarding changes in interest rates, allocates debt securities (bonds and money market instruments) at fixed, variable, revisable and indexed rates. The interest rate risk associated with fixed rate bonds will be managed on a discretionary basis by the management team and will not be systematically hedged.

It selects debt securities (fixed income securities and money market instruments) belonging to the investment grade category. These securities have a minimum rating of A-3 on a short term basis or BBB- on a long term basis according to Standard & Poor's (or an equivalent rating from another rating agency or deemed equivalent by the Management Company).
Thus, securities belonging to the high yield segment are excluded.

The UCITS applies a selective approach *best in class* to its investment universe, which is applied in a binding manner at all times. This ESG selection approach consists in favouring the highest rated issuers from an extra financial perspective.

selectivity involves eliminating at least 20% of the worst stocks in the investable universe, as defined above, using a combination of AXA IM's sector exclusions and ESG Standards and their ESG ratings, excluding government bonds and other debt instruments, ancillary liquid assets and stand alone assets.

AXA IM uses an ESG rating framework for issuers structured around three pillars: Environment, Social and Governance, to help assess how companies are reducing ESG risk and taking advantage of these criteria to improve their competitive positions in their sector. business. The application of this framework results in an ESG issuer rating ranging from 0 to 10. AXA IM's ESG scoring methodology is described in the following link: https://particuliers.axa-im.fr/investissement-responsable/notre-cadre-esg-et-notre-methodologie-de-notation?Linkid = investissement responsable menu cadreesg.

The UCITS constantly aims to outperform its investment universe on the following key non financial performance indicators: The first related to the percentage of the total number of members of the board of directors who are women and the second related to carbon intensity.

The following minimum hedging rates apply to the portfolio: I) 90% of the UCITS 'net assets (excluding bonds and other debt securities issued by public issuers, ancillary liquid assets and socially responsible assets) for ESG analysis, (II) 90% for the indicator linked to the percentage of the total number of board members who are women ; (III) 70% for the carbon intensity indicator.

In addition, the UCITS applies AXA IM's sector exclusion policies and the AXA IM Environmental, Social and Governance Standards Policy, available on the website: https://www.axa-im.fr/investissement-responsable/nos-politiques-et-rapports, as described in the 'Risk profile,' section " Integration of sustainability risks into the investment decision making process. '

The ESG approach implemented is described in detail in the UCITS 'Transparency Code. Unitholders are advised that they can refer to the Transparency Code on the Management Company's website.

1.2/Fundamental stock by stock research:

The financial analysis is carried out on the basis of the management company's micro and macroeconomic forecasts (level of growth, level of deficits, level of inflation, etc.) and credit research recommendations on issuers (analysis based on quantitative data (turnover, debt, etc.) or qualitative data (rating, management qualities of issuers), in order to build a portfolio of debt securities and money market instruments. The UCITS may invest directly and up to 100% in this type of asset.

In addition, the Investment Manager uses ESG data when constructing the selection universe. ESG scores also help guide portfolio construction towards stocks with superior ESG characteristics.

ESG data used in the investment process is based on ESG methodologies based in part on data provided by third parties, and in some cases is developed internally. They are subjective and may change over time. Despite several initiatives, the lack of harmonised definitions can make ESG criteria heterogeneous. Thus, the different investment strategies that use ESG criteria and ESG reporting are difficult to compare with each other. Strategies that integrate ESG criteria and those that integrate sustainable development criteria may use ESG data that seems similar but that should be distinguished because their calculation method may be different.

AXA IM's various ESG methodologies described above may evolve in the future to take into account any improvement in the availability and reliability of data, any change in regulation or other external frameworks or initiatives.

1.3/Portfolio construction:

The quantitative and qualitative analysis of ESG factors contributes to the criteria taken into account by the manager when determining the weighting of a stock in the portfolio. The weighting will depend on the quality of the company's management, growth strategy and governance.

In choosing the stock's weighting in the portfolio, the manager may also take into account the measures taken by the company to reduce existing ESG risks, the company's ability to focus its growth on environmental opportunities and the quality of the company's communication on ESG issues.

This process is designed to take into account the factor exposures of each security in addition to the ESG rating. It naturally directs the portfolio of these funds towards securities with higher ESG scores while maintaining exposure to desired factors.

Financial and extra financial analysis is systematically taken into account by the investment manager when determining the weighting of a security in the portfolio. However, the decision to hold, buy or sell a security does not automatically and exclusively depend on its ESG rating criteria and is based on the manager's internal analysis.

In addition, the investment manager may use techniques and instruments relating to transferable securities that it believes will contribute economically to the optimal management of the portfolio (purchases/sales of financial instruments, subscriptions/redemptions of units or shares of French or foreign UCIs, investment funds of the AXA Group or not, use of forward financial instruments to hedge and/or expose the portfolio to/against interest rate, currency, credit and currency risks).

Given the maturity of the financial instruments and the duration sought by the management team, the portfolio is actively managed and the selected debt securities reviewed on a regular basis. Depending on market conditions, arbitrage may be more frequent (e.g. if interest rates rise or credit spreads widen).

Credit security selection and credit duration management are therefore based on the following attributes:

Maximum Weighted Average Life Duration *(*)*	18 Months
Maximum Weighted Average Maturity *(* *)*	6 Months
Maximum residual life of securities and instruments	Fixed rate securities and instruments = 3 years Variable, revisable or indexed securities and instruments = within a maximum period of 3 years

(*) The Weighted Average Life (WAL) corresponds to the weighted average of the remaining life periods until the full repayment of the principal of the securities held by the UCITS.
(*) The Weighted Average Maturity (WAM) is the weighted average of the remaining durations until the next revision of the monetary rate rather than the repayment of the principal.*

Modified duration range: Between 0 and +0.50	
Geographical regions of issuers of securities to which the UCITS is exposed	Corresponding exposure range
OECD member countries	90% to 200%
Non OECD countries	Maximum 10%

Compared with its reference indicator (€ STR index), the UCITS aims to keep annualised volatility below 0.50%.

The UCITS may be exposed to financial indices (or sub indices) that may or may not be periodically rebalanced. If the financial index (or sub index) rebalances, the costs of implementing the strategy will be negligible. In exceptional market circumstances (for example, but not exclusively, when an issuer is largely dominant in the benchmark market for the financial index (or sub index), or as a result of market movements of unusual magnitude affecting one or more components of the financial index (or sub index), a single component of the financial index (or sub index) may represent more than 20% (up to 35% of the net assets) of the financial index (or sub index).

Further information on the environmental and/or social characteristics promoted by the UCITS is available in its 'SFDR' appendix.

2. Description of asset classes and financial contracts:

Equities:

The UCITS will not gain exposure to the equity markets.

Debt securities (including fixed income securities) and money market instruments:

The UCITS may invest either directly or through units or shares of UCIs and/or gain exposure through the use of derivatives. Their maturity will not exceed three years in a short term fixed income investment.

The UCITS invests up to 100% of its net assets in the following assets:

- Bonds and debt securities issued or guaranteed by OECD member states, whether or not they belong to the Euro Zone.
- Bonds and debt securities issued by public or private corporations of OECD member states , whether or not they belong to the Euro Zone.
- Bonds and inflation linked debt securities of OECD member states , whether or not they belong to the Euro Zone.
- Money market instruments, short- and medium term transferable debt securities with or without government guarantees or equivalent instruments on international markets; regulated or not No, whether euro denominated or non euro denominated, OECD countries .

The UCITS may also invest either directly or via units or shares of UCIs and/or gain exposure through the use of derivatives up to 10% of assets, to government or non government bonds or debt securities from non OECD countries.

The UCITS may invest up to 35% of its assets in eligible financial securities or money market instruments issued or guaranteed by the same body if said securities and money market instruments are issued or guaranteed by a Member State of the European Union (EU) or the European Economic Area (EEA), by local, local or regional public authorities, by an OECD member country, by international public bodies (of which at least one State is a member of the EU or the EEA and/or the OECD or Singapore or Hong Kong) or by the Caisse d'Amortissement de la dette Sociale (CADES).

The limit of 35% per entity may be increased to 100% if, and only if, none of the six (6) issues, at least, of securities and money market instruments of the same entity concerned does not represent more than 30% of the net assets.

Units or shares of foreign UCITS, AIFs or investment funds:

The UCITS may hold up to 10% of its assets in units or shares of French or European UCITS, French or foreign AIFs or foreign investment funds that meet the eligibility criteria of article R 214 - 13 of the French Monetary and Financial Code, regardless of their classification (none of these UCIs and investment funds selected will nevertheless be exposed to equity risks).

Exposure to the same UCI or investment fund may exceed 5% of the UCITS 'net assets.

The holding of units or shares of funds not classified as SRI funds is limited to 10% of the UCITS 'net assets.
The SRI approach of the underlying funds may be heterogeneous.

These UCIs and investment funds may be managed by AXA Group companies.

Investors are reminded that the UCITS is authorised to invest in UCIs (hereinafter referred to as 'Target Funds') that may:
(i) Have investment strategies different from the UCITS
(i) Have different investment guidelines.

The specific risks listed in the prospectuses of the Target Funds may in particular be different from the specific risks of the UCITS.

<u>3. Forward financial instruments (derivatives):</u>

To achieve the investment objective and in line with the SRI commitment policy, the UCITS may enter into forward financial instruments described below.
The commitment on forward financial instruments may not exceed the value of the assets.

- Nature of the markets in which the Fund invests:

☒ Regulated;
☒ Organised;
☒ Over the counter.

- Risks on which the manager wishes to intervene (either directly or through the use of indices):

☐ Equities;
☒ Fixed income;
☒ Currency;
☒ Credit;
☐ Other risks (please specify).

- Nature of investments (all transactions must be limited to achieving the investment objective):

☒ Hedging;
☒ Exposure;
☒ Arbitrage;
☐ Other nature (please specify).

- Nature of the instruments used:

☒ Interest rate futures;
☒ Options (including options on futures, interest rates and currencies);
☒ Swaps (including interest rate, currency and index swaps);
☒ Currency (forward, spot, swap);
☒ Credit derivatives (in particular credit default swaps (CDS)).
☐ Other nature (please specify).

- The strategy for using derivatives to achieve the investment objective:

The UCITS may use financial derivative instruments up to the limit of 100% of its net assets according to the commitment method.

The use of derivatives is not intended to significantly or sustainably distort the ESG selection policy.

The use of forward financial instruments contributes to achieving the investment objective of the UCITS.

Forward financial instruments make it possible to

- Hedge the portfolio against currency, interest rate, credit, index and/or changes in one or more of their parameters or components;
- Take exposure to currency, interest rate, index and/or certain parameters or components such as credit risk;
- Arbitrage interest rate risk

Forward financial instruments may be used in order to benefit from the characteristics (particularly in terms of liquidity and price) of these instruments compared to the financial instruments in which the UCITS invests directly.

In addition, forward financial instruments may also be used to make adjustments due to subscriptions and redemptions in order to maintain exposure or hedging in accordance with the cases mentioned above.

Exposure or overexposure to a security or index over a period of 1 months is possible in order to respond to a strong liability movement.

The temporary nature of the exposure also applies:

(i) For the sole management of subscriptions and redemptions (temporary exposure to the market beta)
(ii) Or in the event of a change in strategy.

With regard to single underlying derivatives whose security is taken into account in transparency in the quantitative criteria of the SRI label, it is specified that the temporary nature of the use of derivatives as an exposure or overexposure is for a period of 12 months.

The same rule (i.e. a period of 12 months) applies to index derivatives that have demonstrated a materiality level in compliance with the quantitative standards and government provisions of the SRI label.

The UCITS will not use forward financial instruments constituting global return swaps (also known as forward financial instruments or *Total Return Swaps*).

The UCITS may have as its counterparty to forward financial instruments any financial institution that meets the criteria mentioned in article R214-19 II of the French Monetary and Financial Code and selected by the Management Company in accordance with its order execution policy, available on its website.

4. Securities with embedded derivatives:

The UCITS may use securities with embedded derivatives up to the limit of 100% of net assets. The strategy for the use of embedded derivatives is the same as that described for derivatives.

These are EMTN and other financial instruments which may be classified as securities with embedded derivatives depending on regulatory changes.

5. For deposits:

In order to manage its cash, the UCITS may make deposits with one or more credit institutions up to the limit of 100% of the net assets.

6. For cash borrowings:

As part of its normal operation, the UCITS may have a debit position from time to time and in this case may borrow cash up to the limit of 10% of its assets.

7 . temporary purchases and sales of securities:

Temporary purchases or sales of securities (also known as securities financing transactions) shall be carried out in accordance with the French Monetary and Financial Code. They are carried out in pursuit of the Fund's investment objective, cash management and/or the optimisation of the Fund's income.

These transactions consist of securities lending and borrowing and/or repurchase and/or reverse repurchase agreements.

The assets of the UCITS that may be subject to securities financing transactions are fixed income securities and money market instruments and, in particular, short term transferable securities.

The Management Company expects that such securities lending and/or securities borrowing transactions will account for 5% of the UCITS 'net assets. However, the UCITS may carry out such transactions up to the limit of 100% of the net assets of the UCITS.

The Management Company expects that such temporary sales of securities (repurchase agreements) will account for 10% of the UCITS 'net assets. However, the UCITS may carry out such transactions up to the limit of 100% of the net assets of the UCITS.

The Management Company expects that temporary purchases of securities (reverse repurchase agreements) will account for 20% of the UCITS 'net assets. However, the UCITS may carry out such transactions up to the limit of 100% of the net assets of the UCITS.

Additional information on these temporary purchases or sales of securities may be found in the Fund's annual report.

Temporary purchases or sales of securities shall be guaranteed according to the principles described in the section ‘Contracts constituting financial guarantees’ and shall be traded according to the counterparty criteria described in the section ‘Financial futures (derivatives)’ above.

Additional information can be found under the heading ‘Fees and expenses’ on remuneration conditions for temporary sales and purchases of securities.

8. <u>contracts constituting financial guarantees</u> :

Within the scope of the conclusion of forward financial instruments and/or temporary purchases or sales of securities, and in accordance with applicable regulations, the UCITS will have to pay and/or receive a financial guarantee (known as ‘collateral’) in order to reduce counterparty risk. This financial guarantee may take the form of liquidity and/or good quality assets, in particular bonds deemed liquid by the management company, of any maturity, issued or guaranteed by OECD member states or by first class issuers whose performance is not highly correlated with that of the counterparty.

In accordance with the provisions of AMF Recommendation No. 2013 - 06 and ESMA guidelines on the management of UCITS collateral and risk division ratios on securities received as collateral, the UCITS may accept as collateral over 20% of its net assets transferable securities issued or guaranteed by:

- A Member State of the European Union (‘EU’), by name France, Germany, Belgium, Denmark, Spain, the Netherlands and/or Sweden;
- By one or more of its local authorities,
- By a third country, member of the OECD, by name Canada, the United States, Japan, Norway (also a member of the European Economic Area (‘EEA’)), the United Kingdom, and/or Switzerland;
- By a public or international entity to which one or more Member States belong, specifically the European Investment Bank (‘EIB’).

The UCITS may be fully guaranteed by one of these issuers.

In accordance with its internal collateral management policy, the Management Company determines:

- The level of financial guarantee required; and

  The level of discount applicable to assets received as financial guarantees, in particular according to their nature, the creditworthiness of the issuers, their maturity, their reference currency and their liquidity and volatility.

In accordance with the valuation rules set out in this prospectus, the Management Company will value the collateral received daily on a mark to market basis. Margin calls shall be made in accordance with the terms of the financial guarantee agreements.

The UCITS may reinvest financial guarantees received in the form of cash in accordance with the regulations in force. Financial guarantees other than cash received may not be sold, reinvested or pledged. The counterparty may also reinvest the financial guarantees received from the UCITS according to the regulatory conditions applicable to it.

Financial guarantees received by the UCITS shall be held by the UCITS 'custodian or, failing that, by any third party custodian (such as Euroclear Bank SA/NV) subject to prudential supervision and which is not linked in any way to the provider of the guarantee.

Despite the creditworthiness of the issuers of the securities received as a financial guarantee or the securities acquired through the cash received as a financial guarantee, the UCITS could bear a risk of loss in the event of default by these issuers or the counterparty of these transactions.

Your money will mainly be invested in financial instruments selected by the manager. These instruments shall be subject to market trends and fluctuations.

9°) Risk profile:

General consideration:
The risk profile of the UCITS is adapted to an investment horizon of 6 months. As with any financial investment, potential investors should be aware that the value of the UCITS 'assets is subject to market fluctuations and that it may vary significantly (depending on political, economic and stock market conditions, or the specific situation of the issuers). The Fund's performance may therefore fall short of its objectives.

The Management Company does not guarantee subscribers that they will not suffer losses as a result of their investment in the UCITS, even if they retain the units for the recommended investment period. Investors may not get back their initial investment in full; they are exposed to a risk of loss limited to the capital invested.

The risks described below are not exhaustive: It is up to investors to analyse the risk inherent in each investment and to form their own opinion.

The main risks to which the subscriber is exposed are as follows:

1 - Risk of capital loss :
Investors are not guaranteed the return of their initial or subsequent investments in the UCITS.
The loss of capital can be explained by direct exposure, counterparty exposure or indirect exposure.

2 - Credit Risk:
In the event of a failure or deterioration in the quality of bond issuers (for example a downgrade), the value of the debt securities in which the UCITS invests will fall.

3 - Interest Risk :
Interest rate risk is the risk of the depreciation of fixed income instruments (long and/or short term) resulting from the change in interest rates that has an impact on the bond and money markets. For example, rising interest rates tend to cause the price of fixed rate bonds to fall and therefore the net asset value of the UCITS to fall.
As a result, the net asset value of the UCITS will be affected by the interest rate movement and the volatility of its Benchmark Index.

4 - Discretionary Management Risk:
The discretionary management style is based on anticipating the evolution of the fixed income and credit markets on which the UCITS will invest and on which performance will depend. The Fund's performance will depend in particular on the management team's expectations of changes in the yield curve and credit spreads.
As management is discretionary, there is a risk that the management team does not anticipate these changes.

5 - Risk associated with commitments on forward financial instruments:
The use of forward financial instruments allows the UCITS to gain exposure to any market, asset, index and instrument or economic and/or financial parameter, which may present a downside risk to the UCITS 'net asset value that is greater and faster than that of the markets in which the UCITS invests.

6 - Counterparty Risk:
This refers to the risk of the UCITS 'counterparty defaulting (or failing to fulfil all or part of its obligations) on any financial contract traded over the counter and/or on any temporary purchases of securities.

The default (or non performance of all or part of its obligations) of a counterparty to these transactions may have a significant negative impact on the net asset value of the UCITS.

7 - Risk associated with the impact of investment techniques such as derivatives :
The use of derivatives for exposure purposes may amplify the impact of market movements on the Sub Fund and may result in the risk of significant losses.

The use of derivatives for hedging purposes may reduce the effect of market movements and in particular increases and thus reduce variations in the net asset value.

Derivatives may carry a number of associated risks such as leverage, liquidity, counterparty, market and operational risks.

8 - Impact of Inflation:
The UCITS may be exposed to the risk associated with inflation, i.e. general price rises.

9 - Risks associated with securities financing transactions and risks associated with the management of financial guarantees:
These transactions and the associated guarantees may create risks for the UCITS, such as (I) counterparty risk (as described above), (II) legal risk, (III) custody risk, (IV) liquidity risk (ie the risk arising from the difficulty of buying, selling, terminating or valuing a security or transaction because of a lack of buyers, sellers, or counterparties), and, where applicable, (V) the risks associated with the reuse of collateral (i.e. mainly the risk that financial guarantees given by the UCITS may not be returned to it, for example in the event of counterparty default).

10 - Risks inherent in investments in the same entity :
Risk resulting from the concentration of investments made by the UCITS in certain issuers and which may result in a fall in the net asset value when these issuers present a risk of impairment or default.

11 - Currency Risk (Remain):
The UCITS may invest in foreign securities, i.e. securities denominated in currencies other than the base currency.
Therefore, the UCITS may be subject to currency risk through its intervention on international (non Eurozone) markets when these investments and/or exposures are not fully hedged or when currency hedging is not perfect.

12- ESG Risk :
The integration of ESG and sustainability criteria into the investment process may exclude securities from certain issuers for reasons other than investment and, therefore, certain market opportunities available for funds that do not use ESG or sustainability criteria may be unavailable for the UCITS, and the performance of the UCITS may sometimes be better or worse than that of comparable funds that do not use ESG or

sustainability criteria. Part of the asset selection process may be based on an ESG scoring process or a ‘ban list 'which is based in part on third party data. The lack of common or harmonised definitions and labels incorporating ESG and sustainability criteria at EU level may lead managers to adopt different approaches when setting ESG objectives and determining that these objectives have been achieved by the funds they manage. It also means that it can be difficult to compare strategies that integrate ESG and sustainability criteria as the selection and weightings applied to the investments selected may, to some extent, be subjective or based on indicators that may share the same name, but whose underlying meanings are different. Investors should note that the subjective value they may or may not assign to certain types of ESG criteria may differ substantially from the Investment Manager's methodology. The lack of harmonised definitions may also result in certain investments not benefiting from preferential tax regimes or credits as ESG criteria are assessed differently than initially considered.

<u>13- Sustainability risk integration into investment decision making</u> :
Sustainability risk is an environmental, social or governance event or situation that, if it occurs, could have a material, actual or potential negative impact on the value of the investment in the UCITS.
The UCITS uses an approach to sustainability risks which results from the significant integration of environmental, social and governance (ESG) criteria into the research and investment process. The UCITS has put in place a framework for integrating sustainability risks into investment decisions based on sustainability factors (or ‘ESG factors,’ hereinafter) which notably relies on sector and normative exclusions and an ESG rating methodology.

Sector and normative exclusions
In order to manage extreme ESG and sustainability risks, the UCITS has implemented a series of exclusion based policies. The policy aims to manage extreme ESG and sustainabilityrisks , notably by:
• E: Climate (coal and oil sands), Biodiversity (protection of ecosystems and deforestation),
• S: health (Tobacco) and Human Rights (Controversial Weapons and White Phosphorus Weapons, Violations of International Standards and Standards, Serious Violations of Human Rights)
• G: Corruption (violations of international standards and norms, serious controversies, violations of the principles of the United Nations Global Compact).

The UCITS applies sectoral exclusion policies covering controversial weapons, agricultural commodities, the protection of ecosystems and deforestation and climate related risks.
In addition, the UCITS applies AXA IM's ESG standards to encourage ESG investments and, to this end, applies additional exclusions on white phosphorus weapons, tobacco, violations of the principles of the United Nations Global Compact, violations of international standards and norms, severe controversies, countries with serious human rights violations and investments with a low ESG rating.
All these exclusion policies aim to systematically address the most serious sustainable risks in the decision making process and can change over time. For more information, please refer to the following link : https://www.axa-im.fr/investissement-responsable/nos-politiques-et-rapports

ESG Rating
AXA IM uses rating methodologies to assess issuers on ESG criteria (corporate, sovereign, green, social and sustainability).
These methodologies are based on quantitative data from third party data providers and have been obtained from extra financial information published by issuers and governments, as well as from internal and external research. Data used in these methods include carbon emissions, water stress, occupational health and safety, supply chain labour standards, business ethics, corruption and instability.
The corporate rating methodology is based on three pillars and several sub factors, covering the main issues facing companies in E, S and G. This framework is based on fundamental principles such as the United Nations Global Compact, the OECD Guidelines, International Labor Organization conventions and other international principles and conventions that guide companies' activities in the field of sustainable development and social responsibility. The analysis draws on the most material ESG risks and opportunities previously identified for each sector and company considering 10 factors: Climate change, natural capital, pollution and waste, opportunities related to environmental challenges, human capital, product reliability, stakeholder opposition, access to essential services, corporate governance and business ethics. The ESG score depends on the business sector, since for each sector, the most material factors are identified and overweighted. Materiality is not limited to the impacts of a company's business, but also

includes impacts on external stakeholders as well as underlying reputational risk arising from a poor understanding of ESG issues.
Through our methodology, the severity of controversies is assessed and monitored on an ongoing basis. The controversy rating is also used to ensure that the most material risks are considered in the final ESG rating. As such, the rating of controversies affects the final ESG rating and high severity controversies will trigger significant penalties on the rating of the sub factors considered and finally on the ESG rating.
These ESG scores provide a standardised and holistic view of issuer performance on ESG factors, enabling both environmental and social factors to be promoted and ESG risks and opportunities to be more fully integrated into investment decisions.
One of the key limitations of this approach is the availability of data to assess sustainability risks: This data is not yet systematically disclosed by issuers and, when published, may follow different methodologies. The investor should be aware that most ESG information is based on historical data and may not reflect the future ESG performance or risks of investments.
The ESG rating is fully integrated into the UCITS 'investment process both for the integration of ESG criteria into the management strategy and for the monitoring of sustainability risk, the latter being assessed according to the UCITS' average ESG score.
Given the investment strategy and risk profile of the UCITS, the likely impact of sustainability risks on the UCITS 'returns is expected to be low.
For more information on the integration of sustainability risks into the investment decision making process and the assessment of the likely impact of sustainability risks on the returns of the UCITS, please refer to the 'SFDR' section of the website: https://particuliers.axa-im.fr/investissement-responsable/ .

14- Liquidity risk:
Liquidity risk arises from the difficulty of buying or selling one or more securities due to a lack of sellers or buyers. This risk is likely to occur at several stages of the management of the UCITS: The construction and adjustments of the portfolio, the management of subscriptions, the management of redemptions and the management of margin calls related to derivative instruments and/or securities financing transactions. This may result in a fall in the Fund's net asset value and therefore lower the amount returned to you in the event of a redemption.

In order to protect the interests of the UCITS and its investors in the event of subscriptions or redemptions, the Management Company may apply a swing pricing mechanism. In particular, to meet unitholders' redemption requests, the UCITS will generally be obliged to sell assets, which involves costs and may have an impact on the value of the securities concerned. The effects of these sales will be greater as market and liquidity conditions are unfavourable at the time of the redemption, and your net asset value may be affected through the swing pricing mechanism.

Furthermore, in very difficult market circumstances, or due to an exceptionally high volume of redemption requests or other exceptional circumstances, the Management Company may suspend subscriptions or redemptions, or extend the settlement period for redemptions by applying a gate provision, under the conditions provided for in the UCITS 'regulations and/or prospectus where the activation of these liquidity protection mechanisms is permitted.

10) Warranty or protection : None.

11) Subscribers concerned and typical investor profile :

E units : All subscribers
I units : Reserved for institutional investors.
Class 'IX' units : Reserved for UCIs offered in an employee savings scheme and managed by an entity of the AXA Investment Managers Group.

This UCITS is intended for investors seeking a return above the € STR plus 8.5 bps. They are advised that the UCITS incorporates a significant and committed approach to socially responsible investing that meets the environmental, social and governance (ESG) criteria.

The amount that is appropriate to invest in this UCITS depends on the personal situation of each unitholder. To determine this amount, each unitholder must take into account their personal assets, the regulations applicable to them, their current needs over an investment horizon of 6 months, as well as their willingness to accept risks or their preference for a less risky investment. It is also highly recommended that investors sufficiently diversify their investments so as not to be exposed solely to the risks of this UCITS.

US Investor Restrictions:

The units of the UCITS have not been, and shall not be, registered under the US Securities Act of 1933 and the UCITS is not, and shall not be, registered under the US Investment Company Act of 1940.
Therefore, the units may not be directly or indirectly subscribed, assigned, offered or sold in the United States of America by any US Person or any person if they are subject to the provisions of Title 1 of the US Employee Retirement Income Security Act (hereinafter 'ERISA') or the provisions of section 4975 of the US Internal Revenue Code or if they constitute a Benefit Plan Investor within the meaning of ERISA regulations.
Unitholders of the UCITS must be classified as Non United States Persons under the Commodity Exchange Act.

The concepts of 'U.S. Person,' 'Non United States Person' and 'Benefit Plan Investor' are available *in the Legal Notice*section at *https://funds.axa-im.com/*. For the purposes hereof, 'US Investors' are U.S. Persons, Benefit Plan Investors and other persons subject to ERISA, and persons who are not Non United States Persons.

Persons wishing to purchase or subscribe units may be required to certify in writing that they are not US Investors. In the event that they do so, they will no longer be authorised to acquire new units and must immediately inform the management company of the UCITS, which may, if necessary, compulsorily redeem their units.

Exemptions may be granted in writing by the management company of the UCITS, in particular where necessary under applicable law.

The recommended minimum investment period is 6 months.

12°) Methods of determining and allocating income :
- Class 'E' Units : Accumulation.
- Class 'I' Units : Accumulation.
- Class 'IX' units : Accumulation.

Distributable Amounts are composed in accordance with the legal provisions, by:
- Net income plus retained earnings, plus or minus the balance of the income equalisation account;
- Realised capital gains, net of fees, minus realised capital losses, net of fees, recorded during the financial year, plus net capital gains of the same kind recorded during previous financial years and that have not been distributed or accumulated, plus or minus the balance of the capital gains equalisation accounts.

13) Frequency of distributions :
All Distributable Amounts are fully capitalised each year.

14°) Characteristics of the units:
- E units, denominated in euro, are divided into ten thousandths of a unit.
- I units, denominated in euro, are divided into ten thousandths of a unit.
- Class IX units, denominated in euro, are divided into ten thousandths of a unit.

15) Subscription and redemption procedures :
Subscription, redemption and conversion orders must arrive at the custodian every business day before 12: 00 (Paris time) and are executed on the basis of the next net asset value (i.e. unknown price).

'Orders are executed in accordance with the chart below:

J	*J*	*D: NAV date*	*D +1* *Business Day*	*D +2* *Working days*	*D +2* *Working days*
Centralisation before 12: 00 am *Subscription requests*[1]	*Centralisation before 12: 00 am* *Redemption Orders*[1]	*Order execution by D at the latest*	*Publication of the net asset value*	*Settlement of subscriptions*	*Settlement of redemptions*

[1]*Unless a specific deadline has been agreed with your financial institution.* '

Subscriptions are made in the amount or number of units and/or fractions of units.

Redemptions are carried out as an amount or as a number of units and/or fractions of units, except in the case of a total redemption which is carried out only as a number of units.

Any fractional units are either settled in cash or supplemented for the subscription of one or a fraction of an additional unit.

Subscription, redemption and conversion requests are centralised by BNP PARIBAS SA, whose address is as follows:

BNP PARIBAS SA
Grands Moulins de Pantin
9, rue Débarcadère
93500 Pantin

- Original net asset value per unit of the 'E' category: €10,000
- Original net asset value per share of 'I' units: €10,000
- Original net asset value of a Class 'IX' unit: €10,000
- Minimum subscription amount for E units: None
- Minimum subscription amount for Class 'I' units: €500,000 (excluding the Management Company or an entity belonging to the AXA Group)
- Minimum subscription amount for Class 'IX' units: €500,000 (excluding the Management Company or an entity belonging to the AXA Group)

- Modality for switching from one class of units to another class of units (conversion): Subject to compliance with the conditions of access, the decision of the unitholder to switch from one class of units to another class of units is analyzed as a transaction:

Within 1st time, sale of one or more units and/or fractions of units held in the original category;

Within the second time, a subscription of one or more units and/or fractions of units of the new category.

As a result, this decision of the unitholder may generate a capital gain from the sale of taxable transferable securities.

The gate provision for capping redemptions:
The Fund may use the gate provision to spread redemption requests from unitholders of the Fund over several net asset values if they exceed a certain objectively determined level.

Description of the method selected :

Fund unitholders are reminded that the *gate* threshold corresponds to the
Ratio between:

- the difference, on the same centralisation date, between the number of units of the UCITS being requested or the total amount of these redemptions, and the number of units of the UCITS being requested for subscription or the total amount of these subscriptions; and

- the net assets or the total number of units of the UCITS.

The gate threshold above which the *Gates* will be triggered is set at 5% of the Fund's net assets and is justified in view of the frequency with which the Fund's net asset value is calculated, its investment objective and the liquidity of the assets it holds. The latter applies to centralised redemptions for all of the Fund's assets. If the UCITS lists several unit classes, the trigger threshold for the redemption cap is identical for all unit classes of the UCITS.

When redemption requests exceed the gate threshold, the UCITS may decide to meet redemption requests above the gate threshold, thus partially or fully executing orders that may be blocked.

Procedures for informing unitholders :

if the gate provision is triggered, all Fund unitholders will be notified by any means via the Management Company's website (https://funds.axa-im.com/).
For unitholders of the UCITS whose orders have not been executed, they will be informed, in particular, as soon as possible.

Processing of unexecuted orders:

Redemption orders will be executed in the same proportion for unitholders of the UCITS who have requested a redemption since the last centralisation date. For non executed orders, they will be automatically carried forward to the next net asset value and will not have priority over new redemption orders placed for execution on the next net asset value.
In any event, unitholders of the UCITS in question may not revoke redemption orders that are not executed and automatically carried forward.

Example illustrating the mechanism in place:
For example, if the total redemption requests for units of the UCITS are 10% while the trigger threshold is set at 5% of net assets, the UCITS may decide to honor redemption requests up to 7.5% of the net assets (and therefore execute 75% of redemption requests instead of 50% if it strictly applied the ceiling of 5%).

Specific and additional information on the gate provision is mentioned in the Fund's regulations.

16°) Frequency of the net asset value : daily
The net asset value will not be established or published on stock market days corresponding to public holidays in France. The reference stock market calendar is that of Euronext (Paris).

17°) Place of publication of the net asset value: premises of the Management Company.

18°) Fees and expenses:
Subscription and redemption fees :
Subscription and redemption fees increase the subscription price paid by the investor or decrease the redemption price. The fees charged by the Fund serve to offset the costs incurred by the Fund to invest and disinvest investors' monies. Fees not paid to the Fund are paid to the investment manager, the promoter, etc.

Fees payable by the investor on subscriptions and redemptions For 'E,' 'I' and 'IX' units	Basis	Rate
Subscription fee not payable to the Fund	Net asset value x number of units	Maximum rate: 1% AXA Group companies are exempt from the payment of this fee when this UCITS is used as a support for unit linked contracts
Subscription fee payable to the Fund	Net asset value x number of units	None
Redemption fee not payable to the Fund	Net asset value x number of units	None
Redemption fee payable to the Fund	Net asset value x number of units	None

Management and administration fees :
These charges cover all the costs invoiced directly to the Fund, with the exception of transaction costs. Transaction costs include intermediary fees (brokerage, stock market taxes, etc.) as well as transaction fees, if any, that may be charged by the Custodian and the Management Company, in particular.
In addition to the operating and management fees:
Transaction fees charged to the UCITS;
The remuneration received by the lending agent resulting from the implementation of repurchase and reverse repurchase transactions.

For more details about the fees charged to the Fund, please refer to the Key Investor Information Document.

Fees charged to the Fund	Basis	Rate
E units :		
Financial management fees and operating and other services	Net assets (Including UCIs)	Maximum rate: 0.40% inclusive of tax These fees are recognised directly on the Fund's income statement
'I' units :		
Financial management fees and operating and other services _	Net assets (Including UCIs)	Maximum rate: 0.15% inclusive of tax These fees are recognised directly on the Fund's income statement
Class 'IX' units :		
Financial management fees and operating and other services _	Net assets (Including UCIs)	Maximum rate: 0.15% inclusive of tax These fees are recognised directly on the Fund's income statement
Maximum indirect fees (fees and management fees)	Assets of selected UCIs	None(1)
Transaction fees Custodian	Levy on each transaction	Maximum €50, inclusive of tax
Performance fee (2) (3) : (*applicable to E and I share classes*) The Management Company is entitled to receive a performance fee (the	Net assets **Performance calculation:** On each Valuation Day, if the	Benchmark Rate **E and I units** : The UCITS will pay the Management Company a performance fee at the end of

'Performance Fee'), which will be calculated by the Investment Manager for each reference period (a 'Reference Period'). **First Reference Period:** The first reference period starts with the net asset value dated 1 June 2017 and ends on the last valuation day of December 2018. The following Reference Periods correspond to the accounting year of the UCITS and will have a duration of one year.	outperformance is positive, a performance fee provision equivalent to 20% of the outperformance will be charged, subject to a cap of 0.05% of the net assets of the UCITS. If the outperformance is positive but lower than that of the previous Valuation Day, such provision will be adjusted by reversals of provisions up to the total amount of provisions already accumulated.	the Reference Period, in the event that the performance of the UCITS exceeds the performance of the Capitalised € STR, increased by 33.5 basis points ('bps'), and if in addition, the absolute performance of the UCITS is greater than zero (0). This performance fee will be equivalent to 20% of the outperformance between the performance of the UCITS and the performance of the Capitalised € STR increased by 33.5 bps, to which a *floor* of zero is applied when the absolute performance of the Capitalised € STR plus 33.5 bps is lower than zero (0). However, this performance fee may not exceed 0.05% of the Fund's net assets.

(1) Since the UCITS 'investment in underlying UCIs does not represent more than 20% of its assets, the level of indirect fees should not be specified in the table above, however this does not mean that no fees will be borne by the UCITS as a result of this investment.

(2) I - Procedures for calculating the performance fee:
outperformance is defined as the difference between the Net Asset Value of the Fund, net of fees and expenses excluding Performance Fees, and that of a fictitious asset over a timeframe. On the first date of a reference period, the value of the Fund and the fictitious asset are equal. The performance of the Reference Fund is equal to that of the € STER plus 33.5 bps.

The performance fee is based on a comparison between the performance of the fund and that of an incremental net asset at the rate of the € STER plus 33.5 bps and presenting the same subscription and redemption or dividend payments as the actual fund (the " ***Reference Fund*** *").*

- *At the end of the Reference Period, provided that a provision for the Performance Fee has been established, the performance fees will be paid to the Management Company and the assets of the Reference Fund will be adjusted to the net assets of the Fund. At the end of the Reference Period, any existing provision will therefore be liquidated. If no provision is made at the end of the Reference Period, the assets of the Reference Fund are not adjusted.*

In the event of a redemption of units or payment of dividends, part of the performance fee provision will be payable to the management company. It corresponds to the amount of the redemption or dividend distributed divided by the Fund's net assets. The benchmark index used to calculate the performance fee is the maximum between € STR Cap +33.5 bps and zero (0).

However, unitholders should note that under certain circumstances, an overall outperformance of the Fund over the reference period may give rise to the payment of a Performance Fee to the Management Company even if the individual return of certain unitholders is different due to their subscription and/or redemption dates.

An end of the Reference Period may also correspond to an asset transfer transaction by means of a merger - absorption, a split or any other exceptional transaction such as a closure, dissolution or liquidation at the initiative of the management company.

It should be noted that if the reference indicator changes over the reference period, the management company will calculate the performance of the reference indicator corresponding to this period by combining the reference indicator in force until the date of change with the new reference indicator used thereafter.

II - Simplified explanatory examples
(Please refer to the chart below with a performance fee of 20%):

A - Definition:

Reference fund: Fictitious net assets increased by € STR plus a number of Basis points ('bps') and taking into account the same subscription and redemption movements or Dividend payment than the actual portfolio.

B - Examples:

At the end of the reference period:

- *Reference Fund level equal to 110 and the Net Asset Value equal to 100,*

  It comes:

  - *Performance fee = 20% x Max (0; 100 - 110) = 0*
  - *No alignment ('reset') of the level of the Reference Fund for the following period.*

- *Reference Fund level equal to 100 and the Net Asset Value equal to 110,*

  It comes:

  - *Performance fee = 20% x Max (0; 110 - 100) = 2*
  - *Alignment ('reset') of the level of the Reference Fund for the following period, new level of the Reference Fund equal to 110.*

III - illustrative chart:

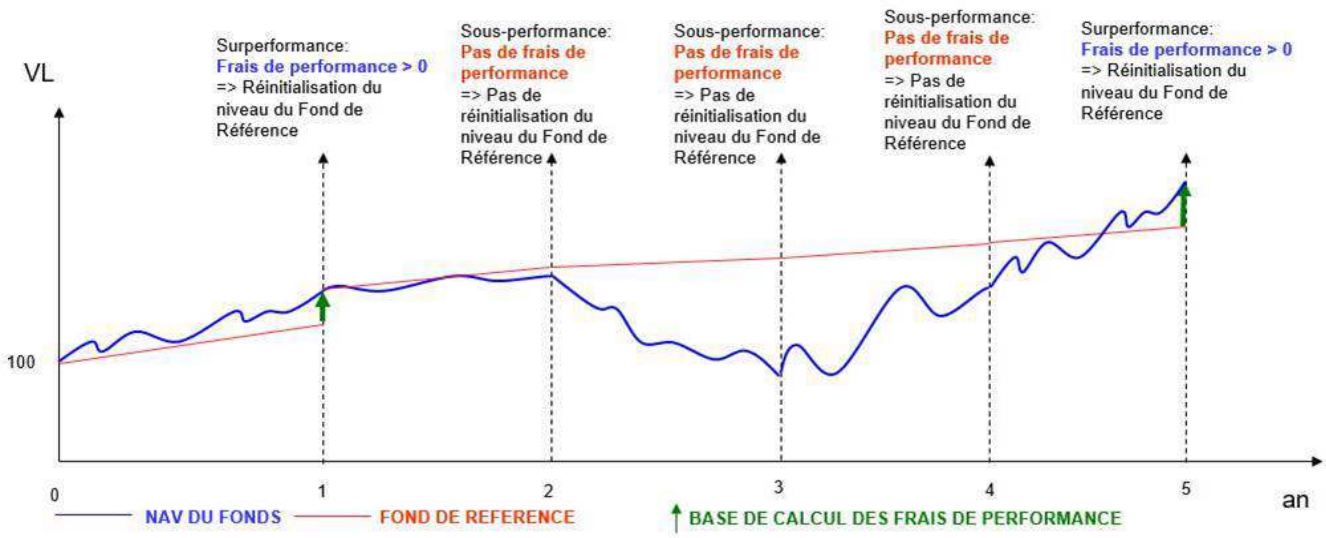


Chart comments:

At the end of each Reference Period:

In the event that the net asset value of the UCITS exceeds the Reference Fund (e.g. end of 1 and 5):
- a performance fee will be paid by the UCITS to the Management Company according to the following formula:
[Percentage of performance fee]% x Max (0; [Net Asset Value (NAV) - Reference Fund])

- the level of the Reference Fund will be aligned with the level of outperformance of the UCITS ('reset' of the Reference Fund).

In the event that the net asset value of the UCITS falls below the Reference Fund (see the end of 2, 3 and 4):

- no performance fee will be paid by the UCITS; and
- the Reference Fund will not be updated (no 'reset' of the Reference Fund).

(3) The EMMI (European Money Market Institute) administrator of the benchmark used to calculate the performance fee is entered in the register of administrators and benchmarks kept by ESMA. Additional information on the benchmark can be found on the EMMI administrator's website at www.emmi-benchmarks.eu.

In accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016, the Management Company has a procedure for monitoring the benchmarks used describing the measures to be taken in the event of material changes to an index or cessation of the provision of this index.

Investors should note that the outperformance is calculated before the Swing Pricing, if applicable, is applied so as not to receive any remuneration on an outperformance that is not directly linked to the management of the UCITS.

The costs related to contributions due to the Autorité des marchés financiers (AMF), extraordinary and one off taxes, taxes, fees and government duties, as well as extraordinary legal costs related to the recovery of the Fund's receivables, may be added to the fees charged to the UCITS in the table of fees presented above.

19) Temporary purchases and sales of securities:

The Fund may use the following services to carry out temporary purchases and sales of securities:
- AXA Investment Managers GS Limited ('AXA IM GS'),
- AXA Investment Managers IF ('AXA IM IF'),

In particular through the selection of counterparties and the management of financial guarantees.

The income (or losses) generated by these transactions are fully paid to the UCITS.

Details are set out in the UCITS 'annual report.

AXA IM GS selects the counterparties with which securities borrowing and lending transactions are concluded in the name and on behalf of the UCITS, in accordance with its execution policy available on the website: www.axa-im.co.uk:

AXA Investment Managers GS Limited
22 Bishopsgate,
LONDON EC2N 4 BQ
UK

AXA IM IF selects the counterparties with which repurchase and/or reverse repurchase transactions are concluded and on behalf of the UCITS, in accordance with its execution policy available on the website: [*https://funds.axa-im.com/*](https://funds.axa-im.com/) .

AXA Investment Managers IF
Majunga Tower - La Défense 9
6, place de la Pyramide
92908 Puteaux

AXA IM GS, AXA IM IF and the Management Company are three entities belonging to the AXA IM group. In order to prevent potential conflicts of interest, AXA IM has implemented a policy for managing conflicts of interest, available at [*https://funds.axa-im.com/*](https://funds.axa-im.com/) .

The UCITS 'policy with regard to financial guarantees and the selection of counterparties when concluding temporary purchases and sales of securities is in line with that followed for financial contracts and which is described above.

20°) Selection of intermediaries:

The procedure for selecting the investment manager's intermediaries is based on:

- Due diligence involving documentation requirements, and
- Participation in the process, beyond the management teams, of the various teams covering the The spectrum of risks associated with entering into a relationship with a counterparty or broker: The Risk Management department, the Operations teams, the Compliance function and the Legal department.

Each team has its own vote.

For further information, please refer to the Fund's annual report.

IV - Commercial information :

Information about the Fund can be obtained directly from the Management Company (postal address) :

AXA INVESTMENT MANAGERS PARIS
Majunga Tower -6 place de la Pyramide
92908 PARIS - La Défense cedex.

Subscription, redemption and conversion requests are centralised by BNP PARIBAS SA, whose address is as follows:

BNP PARIBAS SA
Grands Moulins de Pantin
9, rue du Débarcadère
93500 Pantin

- Compliance with social, environmental and governance objectives:

Information on criteria relating to compliance with social, environmental and governance (ESG) objectives is available on the Management Company's website (*https://funds.axa-im.com/*) and will be mentioned in the annual report for the annual financial years.

- Voting rights policy and access to the report:

Information on the voting policy and the report on the conditions under which voting rights are exercised is available on the Management Company's website (*https://funds.axa-im.com/*).

Information in the event of a change in the operating procedures of the UCITS:

Unitholders are informed of any changes to the Fund's operating procedures, either individually, via the press or by any other means in accordance with the regulations in force. This information may be obtained, where applicable, through Euroclear France and its affiliated financial intermediaries.

Professional investors:

The management company informs the unitholders of the UCITS that professional unitholders subject to regulatory requirements such as those related to Directive 2009/138/EC (Solvency 2) may receive the composition of the portfolio of the UCITS before making this information available to all unitholders.

V - Investment rules :

In accordance with the regulatory part of the French Monetary and Financial Code.

Changes to the French Monetary and Financial Code will be taken into account by the management company in the management of the UCITS as soon as they are applied.

VI - Global Risk :

The UCITS 'overall risk calculation method is the commitment calculation method.

VII - Asset valuation rules :

1°) The portfolio is valued on each net asset value date and at the end of the annual financial statements as follows:

Transferable securities:

Financial instruments and securities traded on French or foreign regulated markets :

- Financial instruments and securities traded on a French or foreign regulated market: Closing price on the valuation day (source: Thomson Reuters).

- Transferable securities whose prices have not been determined on the valuation day are valued under the Management Company's responsibility at the last officially published price or at their foreseeable sale prices. Supporting documents are sent to the statutory auditor at the time of the audit.

- Currencies: Foreign securities are converted into the equivalent of the euro using the exchange rate published at 4.00pm in London on the valuation day (source: WM Company).

- Fixed or floating rate bonds and fixed rate products, including annual interest bills (BTAN), fixed rate and prepaid interest bills (BTF), are valued daily at their market value on the basis of valuation prices from data providers considered eligible by the Management Company and ranked in order of priority according to the type of instrument. Ils are valued at a coupon price.

However, the following instruments are valued using the following specific methods:

Units or shares of UCIs :

- Units or shares of UCIs are valued at their last published official net asset value. Undertakings for collective investment valued within a period that is incompatible with the determination of the fund 's net asset value are valued on the basis of estimates under the control and responsibility of the Management Company.

Transferable debt securities (excluding annual interest rate treasury bills (BTAN), fixed rate and prepaid interest bills (BTF)) :

Transferable debt securities are valued by means of an actuarial method; the discount rate used is that applied to the issue or issue of equivalent securities plus or minus, where applicable, a differential reflecting the issuer's specific characteristics (the issuer's market spread).

The market rates used are:
- for the euro, the € STR swap curve (Overnight Indexed Swap OIS method),

- for USD, Fed Funds swap curve (Overnight Indexed Swap OIS method),
- for GBP, SONIA swap curve (Overnight Indexed Swap OIS method).

The discount rate is an interpolated rate (by linear interpolation) between the two closest quoted periods governing the maturity of the security.

Securitisation instruments :

- Asset Backed Securities (ABS): ABS are valued on the basis of a valuation price derived from service providers, data providers, eligible counterparties and/or third parties appointed by the Management Company (i.e. eligible data providers).

- Collateralised Debt Obligations (CDOs) and collateralised loan obligations (CLOs):
  - (I) subordinated tranches issued by CDOs and/or CLOs and (II) 'bespoke' CLOs are valued on the basis of an evaluation price from the arranging banks, Lead Managers, counterparties that have committed to provide these valuation prices and/or third parties designated by the Management Company (ie, eligible data providers)
  - (II) securities issued by CDOs and/or CLOs that are not (I) subordinated tranches of CDOs and/or CLOs or (II) 'bespoke' CLOs are valued on the basis of an evaluation price from third parties appointed by the Management Company (ie, eligible data providers).

The prices used to value securitisation instruments are under the control and responsibility of the Management Company.

Temporary purchases and sales of securities :

- Loans/Borrowings:
  - Securities lending: Securities lent are valued at the market value of the securities; the receivable representing the securities lent is valued on the basis of the terms of the debt contract.

- - Securities borrowing: The debt represented by the securities borrowed is valued according to the contractual terms.

- Pensions:
  - Reverse repurchase agreements: The receivable representing securities received under repurchase agreements is valued according to the contractual terms and conditions.
  - Repurchase agreements: Securities transferred under repurchase agreements are valued at the market value of the securities; the debt represented by securities transferred under a repurchase agreement is valued according to the contractual terms.

Financial instruments not traded on a regulated market :

They are valued under the Management Company's responsibility at their foreseeable sale prices.

- Contracts for difference (CFD): CFDs are valued at their market value based on the closing prices of the underlying securities on the valuation day. The market value of the corresponding lines mentions the spread between the market value and the exercise price of the underlying securities.

- Credit event derivatives (CDS): CDS are valued according to the standard method for CDS advocated by the ISDA (sources: Markit for CDS curves and the recovery rate, as well as Bloomberg for interest rate curves).

- Forex Forwards: Forward FX is valued based on a calculation that takes into account:
  - The nominal value of the instrument,

- The strike price of the instrument,
- Discount factors for the remaining term,
- The spot exchange rate at market value,
- The forward exchange rate for the remaining term, defined as the proceeds of the spot exchange rate and the ratio of discount factors in each currency calculated using the appropriate yield curves.

(Excluding CDS, FX Forwards and CFD) OTC derivatives:

- Interest rate swaps versus capitalised daily index (e.g. swaps vs € STR, Fed Funds/SOFR, SONIA..):

  They are valued using the recovery cost method. On each NAV calculation, interest rate and/or currency swaps are valued at their market value based on the price calculated by discounting future cash flows (principal and interest) at the market interest and/or currency rate. Discount is calculated using a zero coupon yield curve.

- Interest rate swaps versus a forward benchmark index (eg swaps vs EURIBOR):

  They are valued at their market value based on prices calculated by counterparties, under the control and responsibility of the Management Company.

- OTC Derivatives other than cash (excluding CDS, FX Forwards and CFD):

Derivatives are valued at their market value using prices calculated by counterparties, under the control and responsibility of the Management Company.

If the Management Company deems it necessary, a specific investment or security may be valued using an alternative method than those described above, on the recommendation of Global Risk Management or a portfolio manager after validation by Global Risk Management. When the value of an investment is not verifiable by the usual method or an alternative method, it will correspond to the estimated probable realizable value, under the control and responsibility of the Management Company.
In practice, if the management company is forced to carry out a transaction at a price significantly different from the valuation provided for by the valuation rules presented here, all the securities remaining in the UCITS must be valued at this new price.

***swing pricing*:**
If the net subscription and redemption orders valued on the last available net asset value on a valuation day exceed a certain threshold on that valuation day, a threshold as determined and revised periodically by the Management Company, the net asset value may be adjusted upwards or downwards to reflect trading costs and other costs that may be incurred when buying or selling assets to cover daily net transactions.

The Management Company may apply the price adjustment mechanism to the UCITS. The amount of the price adjustment will be set by the Management Company.

2°) Accounting methods:

Income is recorded on the basis of coupons received.

Trading costs are recorded in the specific accounts of the UCITS and are therefore not added to the cost price of the transferable securities (excluding fees).

The WAPP (or Weighted Average Revenues Price) is used as a method for liquidating securities. However, for derivatives, the FIFO (First In First Out) method is used.

VIII - Remuneration

AXA Investment Managers Paris has validated and adopted AXA IM's Global Remuneration Policy, in accordance with applicable regulations and which ensures sound and effective risk management, does not encourage risk taking inappropriate to the risk profile of the Funds it manages or its Constitutive Acts and does not impair its obligations to act in the best interests of each Fund.

AXA IM's Global Remuneration Policy, which has been validated by AXA IM's Remuneration Committee, defines the remuneration principles for all AXA IM Group entities (including AXA Investment Managers Paris). It takes into account AXA IM's strategy, objectives, risk tolerance and the long term interests of AXA IM's shareholders, employees and clients (including the Fund). AXA IM's Remuneration Committee is responsible for defining and reviewing AXA IM's remuneration principles, including AXA IM's Global Remuneration Policy, as well as reviewing the annual remuneration of AXA IM Group senior executives and executives exercising control functions.

AXA IM provides fixed and variable compensation. An employee's fixed compensation is structured to reward his or her level of responsibility, professional experience and individual ability to perform his or her duties. Variable compensation is determined by performance and can be awarded annually on a non deferred basis, and for certain employees on a deferred basis. Non deferred variable compensation may be awarded in cash or, where applicable and in accordance with local laws and regulations, in the form of instruments indexed to the performance of AXA IM Funds. Deferred variable compensation is awarded in the form of various instruments structured to reward medium and long term value creation for clients and AXA IM, and to reward long term value creation for the AXA Group. AXA IM ensures that the balance between fixed and variable compensation and deferred and non deferred compensation is appropriate.

Updated details of AXA IM's Global Remuneration Policy are available online at www.axa-im.com/important-information/remuneration-policy. A description of how compensation and benefits are allocated to employees, and information on AXA IM's Remuneration Committee, are available. AXA Investment Managers Paris will provide a printed copy upon request and free of charge.

IX - Payment of negotiated trailer fees and rebates

a) As part of its business development policy, the Management Company may decide to develop contacts with various financial intermediaries who in turn are in contact with client segments likely to invest in the Management Company's funds. The Management Company applies a strict partner selection policy and determines their one off or recurring remuneration conditions, calculated either on a lump sum basis or in proportion to the management fees received in order to preserve the long term stability of the relationship.

a) The Management Company may, on a discretionary basis based on commercial interests, grant discounts negotiated directly to investors on request. Negotiated rebates serve to reduce the fees or costs incumbent on the investors concerned.
   Negotiated discounts are authorized provided that they are paid out of the remuneration received by the Management Company and therefore do not represent an additional charge for the UCITS and are granted on the basis of objective criteria.

For more information, please refer to the document entitled 'Remuneration for the Distribution of Undertakings for Collective Investment and awarded to certain unitholders' available on the website www.axa-im.fr/informations-importantes/ .

Product name: AXA IM Euro 6M **Legal Entity Identifier:** 969500S4JU30ML1J3P20

Sustainable investment is defined as an investment in an economic activity that contributes to an environmental or social objective, provided that it does not cause significant harm to either of these objectives and that the investee companies apply good governance practices.

The **EU taxonomy** is a classification system established by Regulation (EU) 2020/852, which lists **environmentally sustainable activities**. This regulation does not list socially sustainable economic activities. Sustainable investments with an environmental objective are not necessarily aligned with the taxonomy.

Environmental and/or social features

Does this financial product have a sustainable investment objective?

☐**Yes**	☒**No**
☐ It will **invest a minimum amount in activities that have an environmental objective:** ___%	☒ It **promotes environmental and social (E/S) features** and, although it does not have the objective of sustainable investment, will contain a minimum of 10% sustainable investments
☐ In economic activities that are considered environmentally sustainable under the EU taxonomy	☐ Having an environmental objective in economic activities that are considered environmentally sustainable under the EU taxonomy
☐ In economic activities that are not considered environmentally sustainable under the EU taxonomy	☒ Having an environmental objective in economic activities that are not considered environmentally sustainable under the EU taxonomy
	☒ With a social objective
☐ It will **invest a minimum amount in activities that have a social objective:** ___%	☐ It promotes E/S features, but **will not make sustainable investments**

What environmental and/or social features are promoted by this financial product?

The environmental and social features promoted by the Financial Product concern:

- the promotion of gender diversity in governance bodies owing to the investments in issuers that take into account board gender diversity.
- carbon emissions owing to investments in issuers that take into account their carbon intensity.

The Financial Product also promotes other environmental and social features, including:

- Climate preservation through exclusion policies on coal and fossil fuels
- Protection of ecosystems and prevention of deforestation
- Health through the tobacco exclusion policy
- Human rights, labour rights, society, business ethics and the fight against corruption, through the exclusion of companies that cause, contribute or are linked to significant violations of international norms and

standards, focusing in particular on the principles of the United Nations Global Compact (UNGC), the International Labour Organisation (ILO) conventions and the OECD Guidelines for Multinational Enterprises

No specific index has been designated as a benchmark to determine whether the Financial Product is aligned with the environmental and/or social features it promotes.

Sustainability indicators evaluate the extent to which the environmental or social features promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social features promoted by the financial product?

The promotion of the environmental and social features of the Financial Product described above is measured by the following sustainability indicators:

- The weighted average of women sitting on the board of directors is defined as the percentage of female members of the board of directors of companies in which the Financial Product invests and the percentage of its investment universe comprised of a broad list of financial instruments that form part of the ICE Bank of America Euro Corporate Index (the "Investment Universe").
- The ratio of carbon intensity to revenue is the weighted average of the Financial Product and of its investment universe defined above. This environmental indicator is obtained from a third-party data provider and represents the amount of greenhouse gas equivalent released into the atmosphere. Carbon intensity is expressed in tons of CO_2 equivalent per million dollars of revenue.

The Financial Product outperforms its Investment Universe on these sustainability indicators in order to promote the environmental features described above.

What are the sustainable investment objectives that the Financial Product intends to pursue in particular and how do the investments made contribute to these objectives?

The Financial Product aims to partially invest in instruments categorised as sustainable, having various social and environmental objectives (without any limitations), by assessing the positive contribution of portfolio companies through at least one of the following aspects:

1. **The portfolio companies' alignment with the United Nations Sustainable Development Goals (SDG)** as a reference framework, making it possible to consider companies that positively contribute to at least one SDG either through the "Products & Services" it provides or in accordance with how they conduct their activities ("Operations"). To be considered a sustainable asset, a company must meet at least one of the following criteria:
   a. The SDG score on the "Product & Services" the company provides is equal to or higher than 2, meaning that at least 20% of its Revenue stems from a sustainable activity;
   b. Based on a best-in-universe selective approach, which involves selecting as a priority the top-rated issuers from a non-financial viewpoint irrespective of their sector of activity, the SDG score on the issuer's Operations is among the top rated 2.5%, with the exception of SDG 5 (Gender Equality), SDG 8 (Promote shared economic growth and decent work for all), SDG 10 (Reduce social inequalities), SDG 12 (Ensure sustainable consumption and production patterns) and SDG 16 (Promote peace and justice, as well as the fight against all forms of organised crime). For these five SDGs, the criterion selected for an issuer to be categorised as stable concerns the SDG score on Operations for which the issuer is among the top-rated 5%. For these five SDGs, the selectivity criterion on the issuer's Operations is less restrictive, as these SDGs are assessed more adequately through operational excellence rather than based on the issuer's business activities. The selectivity criterion linked to Operations is also less restrictive for SDG 12, which can just as well be relevantly assessed by the issuer's Product & Services or Operations.

The quantitative results on SDGs are obtained from third-party data providers and may be adjusted based on a qualitative analysis carried out by the Financial Manager.

2. **Integration of issuers engaged in a solid transition to carbon neutrality** aligned with the European Commission's ambition to help finance the transition to a world in which climate change is limited to 1.5°C – based on the framework developed by the Science Based Targets Initiative (SBTi) –, considering companies whose targets have been validated by the SBTi.

3. Investments in green, social and sustainable bonds and in sustainability-linked bonds:
   a. Green, social and sustainable bonds are instruments that aim to contribute to various objectives that are sustainable by nature. As such, investments in bonds issued by companies and governments that have been identified as green, social or sustainable bonds in the Bloomberg database are considered "sustainable investments" in accordance with AXA IM's SFDR framework.
   b. Concerning bonds linked to sustainable development, an in-house framework has been developed to assess the solidity of the bonds used to finance an overall sustainable development goal. As these instruments are more recent, issuers' practices vary. As such, only sustainability-linked bonds given a positive or neutral rating following an AXA IM in-house analysis are considered "sustainable investments". The analysis framework draws on the directives of the International Capital Market Association (ICMA) integrated into the approach developed by AXA IM and based on the following criteria: (i) the issuer's sustainability strategy and the relevance and materiality of the key performance indicators, (ii) the ambition of the sustainability performance goal, (iii) the features of the bonds and (iv)

the monitoring of and reporting on the sustainability performance objective. These methodologies are subject to change to take into account any improvement, for example, in data availability and reliability, or any change in regulations or other external frameworks or initiatives, without being limited to them.

4. **Investments in green, social and sustainable bonds and in sustainability-linked bonds:**
   a. Green, social and sustainable bonds are instruments that aim to contribute to various objectives that are sustainable by nature. As such, investments in bonds issued by companies and governments that have been identified as green, social or sustainable bonds in the Bloomberg database are considered "sustainable investments" in accordance with AXA IM's SFDR framework.
   b. Concerning bonds linked to sustainable development, an in-house framework has been developed to assess the solidity of the bonds used to finance an overall sustainable development goal. As these instruments are more recent, issuers' practices vary. As such, only sustainability-linked bonds given a positive or neutral rating following an AXA IM in-house analysis are considered "sustainable investments". The analysis framework draws on the directives of the International Capital Market Association (ICMA) integrated into the approach developed by AXA IM and based on the following criteria: (i) the issuer's sustainability strategy and the relevance and materiality of the key performance indicators, (ii) the ambition of the sustainability performance goal, (iii) the features of the bonds and (iv) the monitoring of and reporting on the sustainability performance objective.

These methodologies are subject to change to take into account any improvement, for example, in data availability and reliability, or any change in regulations or other external frameworks or initiatives, without being limited to them.

The Financial Product does not take into account the environmental objectives of the European Union Taxonomy.

To what extent do the sustainable investments that the financial product intends to pursue in particular not cause significant harm to an environmentally or socially sustainable investment objective?

The **principal adverse impacts** correspond to the most significant adverse impacts of investment decisions on sustainability factors related to environmental, social and personnel issues, respect for human rights and the fight against corruption and bribery.

The application of the "Do no significant harm" principle for the sustainable investments that the Financial Product intends to partially make means that an issuing company cannot be considered sustainable if it meets at least one of the criteria listed below:

- The issuer causes significant harm to one of the SDGs when an SDG has a score of below -5, calculated using the database of a third-party provider and on a scale from +10 corresponding to a "significant contribution" to -10 corresponding to a "significant obstruction", unless the quantitative score has been adjusted following a qualitative analysis.
- The issuer appears in the exclusion lists as defined in the AXA IM Sector Exclusion Policies and ESG Standards (described below), which, among other factors, take into account the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.
- The issuer has an ESG rating equal to or lower than CCC (or 1.43) according to AXA IM's ESG assessment methodology. The ESG rating is based on the ESG score obtained from the third-party data provider, assessing the criteria through the Environment, Social and Governance (ESG) aspects. In the absence of coverage of or a disagreement on the ESG rating, AXA IM's analysts may supplement this rating with a fundamental and documented ESG analysis, provided it is approved by an AXA IM in-house governance body.

The indicators concerning adverse impacts on sustainability factors are taken into account, notably through the application of AXA IM's exclusion and engagement policies.

How have the indicators for adverse impacts been taken into account?

This Financial Product takes into account indicators on sustainability adverse impacts (**PAI**) to ensure that the sustainable investments do not cause significant harm to the other sustainable development goals defined as part of the SFDR.
The PAIs are mitigated by the strict application of the exclusion lists as defined in the AXA IM sector exclusion policies and ESG Standards (described below), as well as by the application of a selection filter based on indicators relating to the UN Sustainable Development Goals.
Where appropriate, the engagement policies also make it possible to mitigate the risks associated with the PAIs through direct dialogue with companies on sustainability and governance issues. Through the engagement policies, the Financial Product will use its influence as an investor to encourage companies to mitigate the environmental and social risks associated with their sectors.
Voting at general meetings is also an important part of engagement with portfolio companies in order to sustainably support the long-term value of the companies in which the Financial Product invests and mitigate the sustainability adverse impacts.

Exclusion policies:

- **Environment:**

Associated AXA IM policies	PAI indicator
Climate Risk Policy Policy on the protection of ecosystems and the fight against deforestation	PAI 1: Greenhouse gas (GHG) emissions (levels 1, 2, & 3 from January 2023)
	PAI 2: Carbon footprint
	PAI 3: GHG intensity of investee companies
Climate Risk Policy	PAI 4: Exposure to fossil fuel companies
Climate Risk Policy (engagement only)	PAI 5: Percentage of non-renewable energy consumption and production
Climate Risk Policy (taking into account an expected correlation between GHG emissions and energy consumption).[1]	PAI 6: Energy consumption intensity per high climate impact sector
Policy on the protection of ecosystems and the fight against deforestation	PAI 7: Activities having an adverse impact on biodiversity sensitive areas

- **Social and Governance:**

Associated AXA IM policies	PAI indicator
Voting and engagement policy with a systematic application of voting criteria related to diversity on Boards of Directors	PAI 13: Diversity within governance bodies
ESG Standards Policy: Violation of international norms and standards	PAI 10: Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises
ESG Standards Policy: Violation of international norms and standards (considering that a correlation exists between companies that do not comply with international norms and the lack of implementation by companies of the compliance processes and mechanisms making it possible to monitor compliance with these norms).[2]	PAI 11: Absence of compliance processes and mechanisms making it possible to check compliance with the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises
Controversial Weapons Policy	PAI 14: Proportion of investment in companies involved in the manufacture or sale of controversial weapons

Filter on indicators relating to the UN SDGs:

AXA IM also draws on the SDG pillar of its responsibility policy to monitor and take into account adverse impacts on these sustainability factors by excluding portfolio companies that have an SDG score of below -5 for any SDG (on a range from +10 corresponding to "a significant contribution" to -10 corresponding to "a significant obstruction"), unless the quantitative score has been adjusted following a qualitative analysis duly documented by the AXA IM ESG & Impact Research team. This approach enables us to ensure that the portfolio companies with the most significant adverse impacts on an SDG are not considered sustainable investments.
Data availability and quality are currently weaker for certain sustainability factors, such as those linked to biodiversity for example, which may have an impact on the coverage of the following PAI indicators: emissions to water (PAI 8), ratio of hazardous waste radioactive waste (PAI 9) and unadjusted gender pay gap (PAI 12). These sustainability factors are part of the 17 goals targeted by the United Nations SDGs (more specifically, they are covered by SDG 5 "Gender equality", SDG 6 "Access to clean water and sanitation", SDG 8 "Access to decent work", SDG 10 "Reduced inequalities", SDG 12 "Responsible consumption" and SDG 14 "Protect life below water"). While waiting for improved data availability and quality, the AXA IM framework makes it possible to limit the worst impacts on these SDGs.

To what extent are the sustainable investments in line with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Detailed description:

The Financial Product does not invest in companies that cause, contribute or are linked to significant violations of international norms and standards. These standards relate in particular to human rights, society, labour and the environment. AXA IM uses the screening system of an external provider and excludes all companies that have been deemed "non-compliant" with the principles of the United Nations Global Compact, the International

[1] The approach used to mitigate the risks associated with the PAI through this exclusion policy will evolve as the improvement in data availability and quality enables us to use the PAI more effectively. For the time being, not all high climate impact sectors are targeted by the exclusion policy.
[2] The approach used to mitigate the risks associated with the PAIs through this exclusion policy will evolve as the improvement in data availability and quality enables us to use the PAI more effectively.

Labour Organisation (ILO) Conventions, the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights (UNGPs).

The EU taxonomy establishes a principle of "do no significant harm" under which investments aligned with the taxonomy should not cause significant harm to the objectives of the EU taxonomy and which is accompanied by specific EU criteria.

The principle of "do no significant harm" applies only to the underlying assets of the financial product that take into account the criteria of the European Union on environmentally sustainable economic activities. The remaining underlying assets of this financial product do not take into account the European Union criteria for environmentally sustainable economic activities.

Any other sustainable investment must also not cause significant harm to environmental or social objectives.

Does this financial product take into account the principal adverse impacts on sustainability factors?

☒ Yes

☐ No

Adverse impacts are taken into account by applying (i) qualitative and (ii) quantitative approaches:
(i) The qualitative approach to taking into account adverse impacts on sustainability factors is based on exclusion and, where applicable, engagement policies. The exclusion principles defined in AXA IM's ESG standards policy cover the risks associated with the most significant sustainability factors and are applied strictly and on an ongoing basis. Where appropriate, engagement policies provide additional mitigation of risks associated with adverse impacts on sustainability factors through direct dialogue with companies on sustainability and governance issues. Through its engagement activities, the Financial Product will use its influence as an investor to encourage companies to mitigate environmental and social risks relevant to their sectors. Voting at general meetings is an important part of engagement with portfolio companies in order to sustainably promote the long-term value of these companies and mitigate the principal adverse impacts on sustainability factors.
Thanks to these exclusion and engagement policies, this Financial Product takes into account the potential adverse impact on these specific PAI indicators:

	Associated AXA IM policies	**PAI indicator**
Climate and other environmental themes	Climate Risk Policy	PAI 1: Greenhouse gas (GHG) emissions (levels 1, 2, & 3 from January 2023)
	Policy on the protection of ecosystems and the fight against deforestation	
	Climate Risk Policy	PAI 2: Carbon footprint
	Policy on the protection of ecosystems and the fight against deforestation	
	Climate Risk Policy	PAI 3: GHG intensity of investee companies
	Policy on the protection of ecosystems and the fight against deforestation	
	Climate Risk Policy	PAI 4: Exposure to fossil fuel companies
	Climate Risk Policy (engagement only)	PAI 5: Percentage of non-renewable energy consumption and production
	Policy on the protection of ecosystems and the fight against deforestation	PAI 7: Activities having an adverse impact on biodiversity sensitive areas
Society and Respect for human rights, labour rights, anti-corruption	ESG Standards Policy: Violation of international norms and standards	PAI 10: Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises
	Voting and engagement policy with a systematic application of voting criteria related to diversity on Boards of Directors	PAI 13: Diversity within governance bodies
	Controversial Weapons Policy	PAI 14: Exposure to controversial weapons

(ii) The principal adverse impacts on sustainability factors are also considered quantitatively through the measurement of PAI indicators and are reported annually in the annex to the SFDR Periodic Report. The objective is to ensure transparency for investors relating to significant adverse impacts on other sustainability factors. AXA IM measures all the mandatory PAIs, as well as an additional optional environmental indicator and an additional optional social indicator.

What investment strategy does this financial product follow?

The Investment Manager selects investments by applying a non-financial approach based on exclusion filters as described in AXA IM's sector exclusion policies and ESG standards.

The Financial Product is managed under a socially responsible investment (SRI) approach.

The investment strategy guides the investment decisions based on factors such as investment objectives and risk tolerance.

What are the constraints defined in the investment strategy to select investments in order to attain each of the environmental or social features promoted by this financial product?

The Financial Product applies the elements set out below, at all times.

1- The Investment Manager applies an initial exclusion filter at all times, including areas such as controversial weapons, climate risks, agricultural commodities, the protection of ecosystems and deforestation. The Financial Product also incorporates AXA IM's policy on ESG standards into the investment process by applying specific sector exclusions such as white phosphorus weapons and tobacco and by excluding investments in securities issued by companies in violation of international norms and standards such as the UN Global Compact principles or the OECD Guidelines for Multinational Enterprises; as well as investments in companies involved in serious ESG incidents or with a low ESG rating (which is, at the date of this Prospectus, below 1.43 (on a scale of 0-10) – this number being subject to regular review and adjustment). Instruments issued by countries where specific categories of serious human rights violations have been recorded are also prohibited.

2- The Financial Product applies a best-in-class socially responsible selectivity approach to its Investment Universe, comprised of instruments from the main fixed rate and credit markets of OECD member countries, both eurozone members and non-members, on a constrictive and continuous basis. This ESG selection process consists of favouring the top-rated issuers from a non-financial viewpoint, within their sector of activity, without favouring or excluding a sector relative to the stock market index or the personalised universe used as a starting point. The selectivity approach reduces the investment universe by a minimum of 20% by combining the sector exclusion policy and the AXA IM policy on ESG standards and their ESG score, with the exception of bonds and other debt instruments issued by public issuers, liquidity held on an incidental basis and socially responsible assets.

AXA IM has put in place rating methodologies to rate issuers (corporate, sovereign, green, social and sustainable bonds) on ESG criteria. These methodologies make it possible to rate corporate and sovereign bond issuers, based on quantitative data from various third-party data providers and the quantitative analysis of internal and external research. The data used in these methodologies include carbon emissions, water scarcity, occupational health and safety, labour standards in the supply chain, business ethics, corruption and instability.

The methodologies for rating corporate bonds and sovereign bonds are based on three pillars and several sub-factors that cover the most important risk factors encountered by issuers in the environmental (E), social (S) and governance (G) areas. The reference framework draws on fundamental principles, such as the United Nations Global Compact, the OECD guidelines, the International Labour Organisation conventions and other international conventions and principles that guide the activities of businesses and governments in the area of sustainable development and social responsibility. Analysis is based on the most significant ESG risks and opportunities previously identified for each sector and company, taking into account 10 factors: climate change, natural capital, pollution and waste, environmental opportunities, human capital, product liability, stakeholder opposition, social opportunities, corporate governance and corporate behaviour. The final ESG rating also incorporates the notion of factors linked to the industry and deliberately makes a distinction between sectors, so as to overweight each industry's most important factors. Materiality is not limited to the impacts linked to a company's operations: it also concerns the impacts on external stakeholders, as well as the underlying risk affecting reputation brought about by poor management of the main ESG issues. In the methodology applied for companies, the severity of controversies is continually assessed and monitored so that the most significant risks are reflected in the final ESG rating. Serious controversies result in significant declines in the scores of sub-factors and, ultimately, of ESG ratings.

These ESG ratings offer a standardised and holistic view of issuers' ESG performance and make it possible to promote the Financial Product's environmental and/or social features.

The Financial Product can invest up to 10% of its net assets (excluding bonds and other debt instruments from public issuers, liquidity held on an incidental basis and socially responsible assets) in securities that do not belong to its Investment Universe, as defined above, provided that the issuer is eligible based on the selection criteria.

3- In addition, the Financial Product outperforms at any time its Investment Universe on at least two ESG key performance indicators, which are board gender diversity and carbon intensity.

4- 4. The following minimum coverage rate applies to the Financial Product's portfolio (expressed as a minimum % of net assets excluding bonds and other debt instruments from public issuers, liquidity held on an incidental basis and Socially Responsible Assets): i) 90% for the ESG analysis, ii) 90% for the board gender diversity indicator and

iii) 70% for the carbon intensity indicator.

The scope of eligible securities is reviewed at least every six months, as described in the Financial Product's code of transparency available at https://www.axa-im.com/fund-centre.

The ESG data used in the investment process relies on ESG methodologies based in part on data provided by third parties, and in some cases is developed internally. They are subjective and may change over time. Despite several initiatives, inconsistent definitions can make ESG criteria differ from source to source. As such, the various investment strategies using ESG criteria and ESG reporting are difficult to compare. Strategies that incorporate ESG criteria and those that incorporate sustainable development criteria may use ESG data that appears similar but should not be assumed to be equivalent because their calculation method may be different. AXA IM's various ESG methodologies described in this document are subject to change in the future to factor in improved data availability and reliability, and developments in regulations or other external guidelines or initiatives, among other factors.

- ***In what minimum proportion does the financial product commit to reducing its investment scope before the application of this investment strategy?***

The initial Investment Universe is reduced by a minimum of 20% when applying the investment strategy described above.

- ***What is the policy for assessing the good governance practices of companies in which the financial product invests?***

Good governance practices concern healthy management structures, staff relations, staff compensation and compliance with tax obligations.

The Financial Product does not invest in companies that cause, contribute or are linked to significant violations of international norms and standards. These standards relate in particular to human rights, society, labour and the environment. AXA IM uses the screening system of an external provider and excludes all companies that have been deemed "non-compliant" with the principles of the United Nations Global Compact, the International Labour Organisation (ILO) Conventions, the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights (UNGPs).

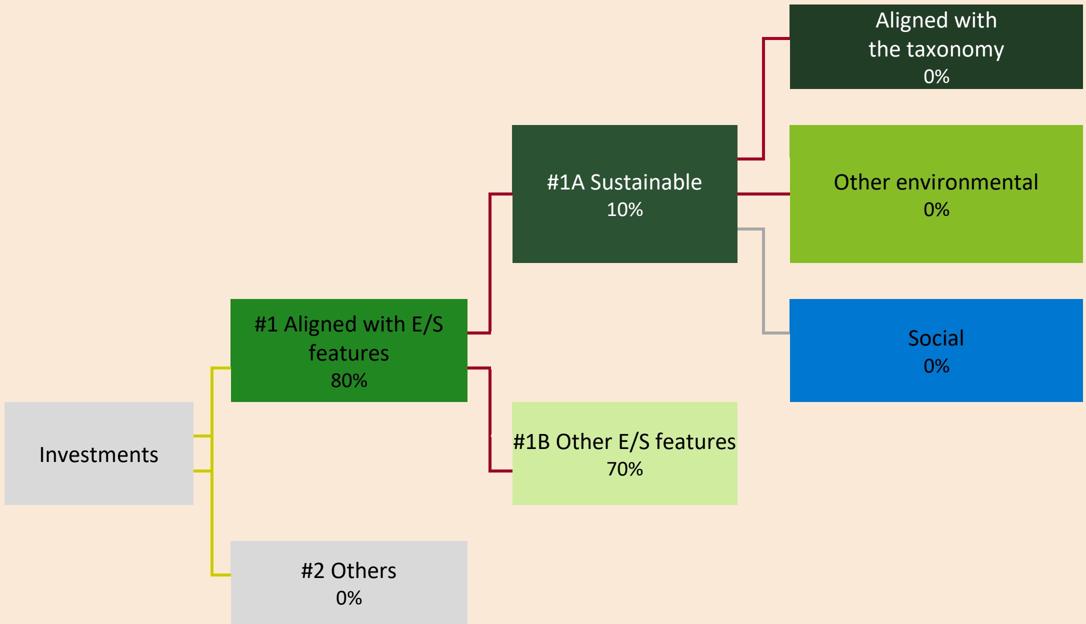
In addition, the guarantee of good governance practices is incorporated into the engagement policies. AXA IM has established a comprehensive active shareholder strategy – engagement and voting – under which it acts as a manager of the investments made on behalf of clients. AXA IM sees engagement as a way for investors to influence, shape and change the policies and practices of portfolio companies to mitigate risks and ensure the sustainable value of companies. Corporate governance practices are engaged at the highest level by the portfolio managers and dedicated ESG analysts when they meet with the management teams of these companies. It is because of AXA IM's status as a long-term investor and its in-depth knowledge of investment objectives that it feels justified in engaging in a constructive but demanding dialogue with these companies.

What is the planned asset allocation for this financial product?

Asset allocation describes the percentage of investments in specific assets

Activities aligned with the taxonomy are expressed as a % of:
- **revenue** to reflect the proportion of revenue from the green activities of companies in which the financial product invests;
- **capital expenditure** (CapEx) to show the green investments made by the companies in which the financial product invests, for a transition to a green economy for example;
- **operating expenses** (OpEx) to reflect the green operational activities of the companies in which the financial product invests.

The allocation of assets within the Financial Product is expected to be as shown in the chart below. Asset allocation may deviate temporarily from that expected.



Category **#1 Aligned with E/S features** includes investments made by the financial product used to attain the environmental or social features promoted by the financial product.
Category **#2 Others** includes the remaining investments of the financial product that are neither aligned with environmental or social features nor considered as sustainable investments.

Category **#1 Aligned with E/S features** includes:

- subcategory **#1A Sustainable** covering sustainable investments with environmental or social objectives
- subcategory **#1B Other E/S features** covering investments aligned with environmental or social features that are not considered as sustainable investments.

The minimum expected percentage of investments used to attain environmental or social features promoted by the Financial Product is 80% of the Net Asset Value of the Financial Product.

The minimum expected percentage of sustainable investments is 10% of the Net Asset Value of the Financial Product.

The other investments will represent a maximum of 20% of the Net Asset Value of the Financial Product.

How does the use of derivatives make it possible to meet the environmental or social features promoted by the financial product?

Derivatives are not used to attain the environmental or social features promoted by this Financial Product with the exception of derivatives relating to a single issuer to which the exclusion policies apply.

To be compliant with the EU taxonomy, the criteria applicable to **fossil gas** include limitations on emissions and the switch to renewable electricity or low-carbon fuels by the end of 2035. Concerning **nuclear power**, the criteria include comprehensive rules on nuclear safety and waste management.

In what minimum proportion are sustainable investments with an environmental objective aligned with the EU taxonomy?

The Financial Product does not take into account the criteria of the environmental objectives of the European Union Taxonomy. The Financial Product does not take into account the criteria relating to the principle of "do no significant harm to sustainability factors" of the EU Taxonomy.

Does the financial product invest in activities linked to fossil gas and/or nuclear power that are compliant with the EU taxonomy3?

☐ Yes

☐ In fossil gas ☐ In nuclear power

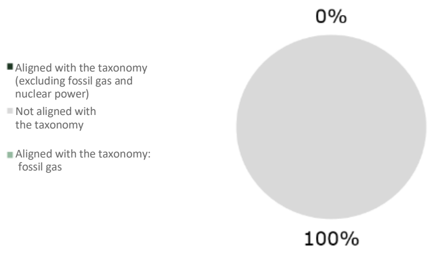
☒ No

Enabling activities directly allow other activities to contribute substantially to the attainment of an environmental objective.

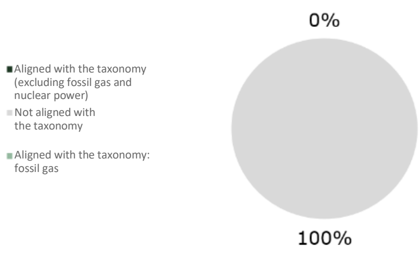
Transitional activities are activities for which there are not yet low-carbon alternatives and, among others, whose levels of greenhouse gas emissions correspond to the best achievable performance.

The two charts below show in green the minimum percentage of investments aligned with the EU taxonomy. As there is no appropriate methodology to determine the taxonomy alignment of sovereign bonds*, the first chart shows the taxonomy alignment with respect to all the financial product's investments, including sovereign bonds, while the second chart represents the taxonomy alignment only with respect to the financial product's investments other than sovereign bonds.

1. Alignment of investments with the taxonomy, **including sovereign bonds***



2. Alignment of investments with the taxonomy, **excluding sovereign bonds***



This chart represents 100% of total investments.

*For the purposes of these charts, "bonds" include all sovereign exposures.

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

The minimum percentage of investments in transitional and enabling activities is 0% of the Net Asset Value of the Financial Product.

What is the minimum proportion of sustainable investments with an environmental objective that are not aligned with the EU taxonomy?

The symbol represents sustainable investments with an environmental

The minimum percentage of sustainable investments with an environmental objective not aligned with the Taxonomy of the European Union is 0% of the Net Asset Value of the Financial Product.

What is the minimum proportion of socially sustainable investments?

The minimum percentage of socially sustainable investments is 0% of the Net Asset Value of the Financial Product.

3 Activities linked to fossil gas and/or nuclear power will only be compliant with the EU taxonomy if they contribute to limiting climate change ("climate change mitigation") and do not cause significant harm to any objective of the EU taxonomy – see the explanatory note in the left-hand margin. All of the criteria applicable to economic activities in the fossil gas and nuclear power sectors that comply with the EU taxonomy are defined in Commission Delegated Regulation (EU) 2022/1214.

objective that **do not take into account the criteria** applicable to environmentally sustainable economic activities under the EU taxonomy.

What are the investments included in the category "#2 Other", what is their purpose and do minimum environmental or social guarantees apply to them?

"Other" assets may be comprised of:

- Investments in liquidities, i.e. bank deposits, eligible money market instruments and money market funds used to manage the Financial Product's liquidity; and
- Other instruments eligible for the Financial Product and not meeting the Environmental and/or Social criteria described in this appendix. These assets may be debt instruments, investments in derivatives and undertakings for collective investment that do not favour environmental or social features and that are used to achieve the Financial Product's financial objective and/or for diversification and/or hedging purposes.

Environmental or social guarantees are applied and assessed on all "other" assets, with the exception of (i) derivatives other than those relating to a single issuer, (ii) UCITS and/or UCIs managed by other management companies and (iii) investments in cash and cash equivalents described above.

Is a specific index designated as a benchmark to determine whether this financial product is aligned with the environmental and/or social features it promotes?

The designated benchmark is a broad market index that is not aligned with the environmental and/or social features promoted by the Financial Product.

Benchmark indices are indices that measure whether the financial product meets the environmental or social features it promotes.

Where can I find more specific information about this product online?

Further information on the Financial Product is available on the AXA IM website at Funds - AXA IM Global (axa-im.com)

Further information on AXA IM's sustainable investment frameworks can be found by clicking this link: Sustainable Finance | SFDR | AXA IM Corporate (axa-im.com).