

Annual Report

as at 31 December 2022
including audited Financial Statements

AXA IM NOVALTO

R.C.S. Luxembourg K1394

(Fonds Commun de Placement)
(Specialised Investment Fund)

AXA Funds Management S.A.

R.C.S. Luxembourg B-32.223

AXA IM NOVALTO

Specialised Investment Fund

A mutual investment fund organised under the
laws of the Grand Duchy of Luxembourg

Annual Report as at 31 December 2022
including audited Financial Statements

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No subscription can be received on the sole basis of the present report. Subscriptions are only valid if made on the sole basis of the current Full Prospectus supplemented by the application form and the latest annual report if published hereafter.

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General Information

Registered Office of the Fund

49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Management Company (qualifying as an Alternative Investment Fund Manager (“AIFM”))

AXA Funds Management S.A., 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Board of Directors of the Management Company

Chairman

Mr Laurent Caillot, Global Chief Operating Officer, AXA Investment Managers Paris, residing in France

Members

Mrs Beatriz Barros de Lis Tubbe, Head of Client Group Americas of AXA Investment Managers, residing in United States of America

Mr Fabien Lequeue, Country Head, General Manager, AXA Funds Management S.A., residing in Belgium

Mr Jean-Louis Laforge, Research Technical Director and Deputy Chief Executive Officer, AXA Investment Managers Paris, residing in France

Portfolio Manager

AXA Investment Managers Paris, Tour Majunga, La Défense 9, 6, place de la Pyramide - F-92800 Puteaux, France

Depositary, Administration Agent, Domiciliary, Corporate and Paying Agent, Registrar and Transfer Agent

State Street Bank International GmbH, Luxembourg Branch, 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Auditor

PricewaterhouseCoopers, Société coopérative, 2, rue Gerhard Mercator, L-2182 Luxembourg, Grand Duchy of Luxembourg

Legal Adviser

Loyens & Loeff Luxembourg S.à r.l., 18-20, rue Edward Steichen, L-2540 Luxembourg, Grand Duchy of Luxembourg

Information to Unitholders

The Issuing Document, as well as the Management Regulations and any other information published are available at the registered office of the Alternative Investment Fund Manager (“AIFM”).

The annual report can be obtained at the address of the registered office of the Alternative Investment Fund Manager (“AIFM”). Information on the issue and redemption prices is given by the registered office of the Alternative Investment Fund Manager (“AIFM”).

The Net Asset Value of the Fund is determined on a monthly basis. The financial year of the Fund ends on 31 December of each year.

Foreign Distribution

Regarding the Distribution of the FCP-SIF in Spain

For statistical purpose, the Management Company has appointed the following representative:

AXA Investment Managers Paris SA Sucursal en España, Paseo de la Castellana, 93 6a, 28046 Madrid, Spain.

As at 31 December 2022, the following Sub-Funds are registered in Spain:

AXA IM NOVALTO - Gaia
AXA IM NOVALTO - Cronos
AXA IM NOVALTO - Rhea
AXA IM NOVALTO - CLO Credit Fund

Regarding the Distribution of the FCP-SIF in Switzerland

The Issuing Document, the Management Regulation as well as the annual reports of the Fund are available only to Qualified Investors free of charge from the Representative. In respect of the Units distributed in Switzerland to Qualified Investors, place of performance and jurisdiction is at the registered office of the Representative.

The Swiss Representative is: First Independent Fund Services Ltd., Klausstrasse 33, CH-8008 Zurich.

The Swiss Paying Agent is: NPB Neue Privat Bank AG, Limmatquai 1, CH-8024 Zurich.

As at 31 December 2022, all Sub-Funds are registered in Switzerland.

Regarding the Distribution of the FCP-SIF in other countries

The following Sub-Funds are registered in Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Sweden and the United Kingdom, where there is no representative:

AXA IM NOVALTO - Gaia
AXA IM NOVALTO - Cronos
AXA IM NOVALTO - Rhea
AXA IM NOVALTO - CLO Credit Fund

The following Sub-Fund is registered in Austria, Singapore and Liechtenstein, where there is no representative:

AXA IM NOVALTO - Gaia

The following Sub-Funds are registered in Canada where there is no representative:

AXA IM NOVALTO - Gaia
AXA IM NOVALTO - Rhea

Directors' Report

Dear Unitholders,

Your Board of Directors of the Management Company is pleased to report on the progress of your Fund for the financial year ended on 31 December 2022.

2022 Global macro summary

Macroeconomic background

2022 was a historic year for all the wrong reasons. No sooner had the global economy started to recover from the Covid shock, than the invasion of Russia by Ukraine dramatically changed the scenario and in particular the outlook for inflation. Inflation skyrocketed as energy and wider commodity and food prices surged. As a result, central banks were forced to accelerate monetary policy tightening by raising rates and reversing direction to shrink balance sheets. Even if growth held up relatively well across 2022 as a whole, the outlook deteriorated and the risk of recessions were mounting by the close of the year.

In the Eurozone, the invasion of Ukraine by Russia triggered sanctions and retaliatory measures particularly on gas supply. Energy prices soared driving consumer prices to a high of 10.6% y/y in October, before retreating a little to 9.2% before year-end. Economic activity held up well in H1, with quarterly expansion of 0.6% and 0.8% in Q1 and Q2, due in a large part to pent up demand post Covid. However, growth had started to soften in H2, slowing to 0.3% in Q3 with a likelihood of outright contraction in Q4, which would leave annual growth around 3.25% for the year as a whole. This pattern was echoed across the larger Eurozone economies, with some variation earlier in the year reflecting the timing of COVID re-opening, particularly for Germany which recorded a 0.8% quarterly rise in Q1, on an earlier re-opening, a softer Q2 of 0.1% and still resilient growth of 0.4% in Q3. Preliminary official estimates of German GDP growth in 2022 were 1.8%, implying around a 0.5% contraction in Q4. The solid growth for the year as whole also underpinned a fall in unemployment from a high of 8.3% in January to 6.5% by November. This combination of surging inflation, falling unemployment and solid, if softening growth, drove the ECB to reverse its monetary policy accommodation, first by ending quantitative easing (QE), then by following a sharp pace of interest rate hikes (+250bps in 2022 to 2% in December) and ending the year with a promise of further hikes and a planned shrinkage of the balance sheet for 2023. On the political front, Emmanuel Macron was elected for a second mandate but lost his absolute majority in the Assembly. In Italy, Giorgia Meloni and her party Fratelli di Italia were elected and formed a coalition Government with the Lega and Forza Italia.

The UK was also impacted by the war in Ukraine and the surge in energy prices. Inflation surged reaching 9% in April and peaking at 11.1% in October as utility bill increases fed through to the consumer. The rising cost-of-living crisis began to weigh on economic activity in Q2, further slowing growth from a robust COVID rebound pace at the close of 2021, to see quarterly expansion of 0.6% in Q1 and 0.1% in Q2. Growth contracted by 0.3% in Q3 – the number somewhat distorted by impact of the funeral of Queen Elizabeth II. But further contraction is expected in Q4, marking a recession that we expect to last into mid-2023. Despite that the labour market remained tight, unemployment falling from 4% at the start of the year to 3.5% over the summer, before rising a little to 3.7% in the 3-months to October. Political chaos also impacted the economy with Prime Minister Boris Johnson finally compelled to leave office over numerous offences. His eventual replacement Liz Truss lasted just 45 days, but in that time prompted a bond-market crisis with an ill-advised fiscal stimulus package that required Bank of England intervention policy to avert a full-blown crash. The Bank of England also continued to tighten policy, raising rates by 325bp to 3.50% over 2022 and shrinking its balance sheet with both passive and active gilt sales.

Directors' Report

2022 Global macro summary (continued)

The US also saw a sharp rise in inflation, led by supply-chain disruptions and energy and commodity costs, but compounded over the year by a further tightening of the domestic labour market. Annual inflation peaked in June at 9.1% and subsequently fell back to 6.5% on a headline basis in December (core from 6.6% in September to 5.7% in December). US unemployment fell from 4% in January to a joint 50-year low of 3.5% in December as strong employment gains met subdued labour supply. This was despite US GDP contracting in the first two quarters of the year by quarterly 0.4% and 0.1% respectively, before rebounding by 0.8% in Q3. Q4 is also expected to be relatively solid, likely to leave annual growth around 2% for the year as a whole. The Federal Reserve was forced to accelerate its monetary response in the face of rising inflation and a tight labour market as it first ended QE, then embarked on its fastest pace of tightening since the 1980s, including four successive 75bp increases, taking the Fed Funds Rate (upper limit) to 4.50% by year end from 0.25% at the start of the year. The Fed also began a faster pace of quantitative tightening from June. On the political front, President Biden and the Democratic party did better than expected at the mid-terms, but still lost the majority holding in the House, although improved their majority in the Senate.

China had a challenging year with an ongoing severe correction of the property sector alongside economic difficulties caused by the continuation of its zero Covid strategy, which led to restrictions being reimposed in various regions across the year. This looks set to slow growth to around 3% for 2022, which barring 2020, would be the weakest annual year's growth for China on records back to 1980. The Chinese government provided a raft of measures to bolster economic activity, including fiscal and modest monetary policy supports. However, the most impactful changes came late in the year with a rapid exit from the zero Covid policy and further support for the property sector, alongside a shift in other regulatory areas. These measures are expected to be positive for growth in the medium term across 2023, but the short-term outlook remains highly uncertain as infections and mortality rates have soared.

In Japan, inflation also hit record highs – albeit that nationwide CPI was expected to only reach 4% by year-end, this was still the highest rate of inflation since 1990 - with again the primary cause being energy prices. Japan had been slower to recover from COVID with Q1 GDP contracting by a quarterly 0.5%, before a strong 1.1 rebound was recorded in Q2. Growth fell by 0.2% again in Q3 and is expected to come in around 1.5% for the year as a whole. The supply-side nature of the inflation shock and Japan's decades of combatting deflationary risks saw the Bank of Japan remain the only major central bank to be providing monetary policy accommodation. This led to a sharp depreciation of the yen, compounding the inflation issue. The Bank of Japan left policy unchanged throughout most of 2022, unexpectedly widening the parameters of its yield curve control to 50bps from 25bps late in 2022.

Financial markets

Against this background, equity markets corrected sharply whilst also experiencing strong bouts of volatility. At the beginning of the year, equity markets dropped as the war began and interest rates rose before recovering somewhat especially in the Eurozone from mid-October. Over the year (31 December 2021 – 30 December 2022), the MSCI AC World declined by -16% in local currency and by -12.8% in Euros. However, this hides some large differences between countries. The US has a terrible year (-20.7%) as did the Swiss markets at -17.1%. Eurozone equities fell a little less at -12.5% and individual country performance was disparate (France -7.7%, Germany -17.3%, Italy -8.8%, Spain -1.2% and Portugal +6.8%). The UK market rose by 7% which the Pacific region was flat in Euros. Emerging markets had a poor year, falling -14.9% in Euros and -20.1% in USD. In terms of sector performance, energy, utilities, healthcare, and consumer staples outperformed. Telecoms, consumer discretionary, technology and real estate had the worst performance (MSCI World sectors). Large caps outperformed small caps and the MSCI Europe in Euro declined by -9.5% versus -22.5% for the MSCI Europe Small Caps.

Directors' Report

2022 Global macro summary (continued)

Fixed Income markets also suffered from the rise in inflation and the change of Central Bank monetary policy. As the Federal Reserve hiked rates to 4.25%, 10-year Treasury yields rose by 236bp to 3.87% after hitting a peak of 4.33% in the Autumn. In the Eurozone, the ECB tightened rates to 2.5% which also led to much higher bond yields. 10-year Bund yields surged to end at 2.57% and to 3.12% in France. Peripheral yields also rose sharply. BPT 10-year yields ended at 4.72%. UK 10-year Gilts closed at 3.67% but hit a high of 4.64% in October. Credit performance was also hit; spreads widened sharply up until the Autumn before tightening again somewhat as inflation data seemed to slow and expectations of even higher discount rates faded. The Bloomberg Global Aggregate index – representative of a global investment grade universe fell by -14.5% (performance hedged in Euros). Index linked bonds outperformed nominal bonds.

2022 was also a year of extreme currency movement. Most of the year was dominated by a surge in the US dollar, which rose by nearly 20% against a basket of currencies. The dollar's surge was a combination of the Fed's more proactive monetary tightening and the support that usually accompanies the world's reserve currency when risk appetite diminishes sharply. Yet this dollar surge reversed at the end of Q3 and the final quarter of the year saw a near 10% fall as policy tightening from other central banks accelerated and risk sentiment began to level out. The dollar's surge was marked against a number of currencies where the central banks were slower to adjust monetary policy, including the euro (which fell by 15.6% to \$0.96 in September), the yen (23.3% to ¥150) and the Swiss Franc (10% to CHF 1.01). However, from these lows, each has recovered somewhat in the last few months of the year (the euro up 11.6% to \$1.07, the yen up 14.5% to ¥131 and the Swiss franc up 9.6% to CHF 0.92), compounded by growing expectations of Federal Reserve rate cuts next year.

On the commodity front, oil appreciated by 9.7% (Brent in USD) whilst Gold was flat. On the agricultural side, corn rose by 23% but coffee fell 25% whilst within metals, copper fell -14%, Aluminium -15% but nickel gained +45%.

Main Fund events during the year ending 31 December 2022

The ILS funds have the investment objective of seeking to provide Investors, over the life of the ILS funds, with an absolute rate of return while implementing a monitoring of risk, and of achieving long term capital growth and/or income from investment through the Sub-funds.

The GAIA and RHEA Sub-Funds invest in various insurance-linked securities (ILS). The main strategy is to create a diversified portfolio of insurance risks.

In terms of catastrophes, 2022 has been unfavourable for the (re)insurance markets with more than USD 120 billion of insured losses related to a series of natural and man-made catastrophes as reported by Munich Re. While the economic property damage losses reached USD 270 billion (USD 320 billion in 2021), the insured losses were in the same ballpark as in 2021 around USD 120 billion, again exceeding the USD 100 billion mark. This makes 2022 the fifth costliest year since 1970 for the insurance industry at a time when it is dealing with the consequences of inflation. Losses were largely driven by a major hurricane in North America (Ian), an accumulation of floods in Australia, South-Africa and Pakistan, an earthquake in Japan, heatwaves as well as severe storms and winter storms in Europe. Hurricane Ian, which made landfall in Florida, was the main loss-making event of the year with a total estimated insured cost around USD 60 billion. Besides, the USD 9 billion Australian floods, the USD 2.8 billion Japanese earthquake, the USD 5.6 billion French hailstorms and the USD 4.3 billion severe storms in northern-Europe contributed significantly to the total insured losses as well. In addition, inflation continued spreading all around the world. The pandemic shifted demand away from services towards goods while also disrupting global supply chains, hence reducing the offer. Transportation costs increased as well as a result of the raise in energy prices linked to the war in Ukraine. This contributed to drive claims costs upwards in 2022. Construction material prices saw annual inflation rates of around 20% even if it reached an inflexion point in the third quarter of 2022.

Directors' Report

Main Fund events during the year ending 31 December 2022 (continued)

The ILS space saw the fifth highest primary market issuance year with USD 9.4 billion of cat bonds issued in 2022, well below last year's record USD 12.4 billion. However, the market size has slightly increased compared to the end of last year with an outstanding amount close to USD 33.5 billion. The traditional reinsurance markets have seen an upwards pricing pressure and constrained capacity coming from different factors such as a successive couple of years of above-average natural catastrophes losses, some players exiting the property cat business and high inflationary pressure. This pushed some existing sponsors to extend their usage of alternative capacity and drew new ones into the ILS market to find reinsurance coverage hence boosting the cat bonds offer while the cash position of many ILS investors was not as high as anticipated by the market. Market players continued to be selective in the primary market, showing relatively less appetite for the deals with the poorest structures (e.g. cascading programmes), inadequate modelling, too strong inflation concerns or when (re)insurers had a low alignment of interest. Cat bond offer was therefore higher than the demand both in the primary and secondary market. As a result, allocations on the primary market were better than during the previous years and pricing conditions got pushed at the wider end of spread guidance and even higher. The market saw a significant repricing across the board with spread increases between +30% and +80% depending on the peril/region covered. Secondary market was one-sided in the favour of buyers with most trades executed below the market prices. There were some minor innovations in the cat bond market during the year: we saw an improved extension mechanism with buffer tables similar to those used for sidecars, some moderately satisfactory inflation protection mechanisms embedded in the structure of a couple of issuances, a market loss index transaction using a new reporting agent in Asia for the first time and the issuance of a cyber bond in the first days of 2023 (but marketed in 2022). The insurance companies wanted to cede more risks to the traditional reinsurers due to the inflation. In the same time reinsurers had less capacity due to lower balance sheets (negative impact on the assets side due to mark-to-market decrease on their investments and negative impact of natural catastrophes and other losses linked to specialty lines of business sometimes impacted by the war in Ukraine such as marine, aviation and agriculture). This imbalance between offer and demand led to a significant improvement in the traditional reinsurance market conditions in the last renewals too. The Rate-on-Line (RoL or spread in the financial market) increased between +25% and +50% in the United States for property catastrophe programs unaffected by losses while we saw increases of +45% to +100% on loss-hit ones. Reinsurers aimed to tighten occurrence definitions on cat programs, and in some cases sought to exclude secondary perils and restrict coverage to critical earthquake and hurricane perils only. The increase has been more limited outside of the US with increases of spread in the +20% to +40% range in Europe and in the +15% to +20% in Asia (with some exception such as Taiwan and Korea with larger raises).

The performance of GAIA has been slightly negative for the reference USD share class (GAIA I-C-1 USD). This is explained by five main points. Firstly, the above-mentioned repricing which came in two waves (the first one in Q2 and second one in Q4 following Ian) led to a mark-to-market decreases of nearly all assets (not only those exposed to US hurricane). Secondly, the performance of the fund suffered from significant mark-to-market decrease on a series of instruments exposed to Florida hurricane following the landfall of hurricane Ian in late September. This was partially offset by the coupons and by some mark-to-market recoveries of two assets towards the end of the year as they were found to be less impacted by Ian than previously expected following the publication of some preliminary reports on losses or claims. Thirdly, the mark-to-market recovery on two distressed layers of a bond covering the operational risk of a bank due to their early redemption also contributed to offset the negative impact from the repricing and distressed Ian-exposed assets. Fourthly, the performance of the fund was slightly uplifted by some improvement of the loss-estimates on 2021 hurricane Ida which led to a mark-to-market gain on a cat bond. Fifthly, some recoveries on one asset related to favorable developments on hurricanes Michael and Florence positively impacted the performance. Share classes hedged in other currencies than USD (EUR, CHF...) have had a lower performance than the reference USD share class (GAIA I-C-1 USD) due to the adverse USD FX hedging cost.

Directors' Report

Main Fund events during the year ending 31 December 2022 (continued)

The performance of RHEA has been slightly positive for the reference USD share class (RHEA I-A-1 USD). This performance which is lower than the expectation for the sub-fund, is explained by five main points. Firstly, the above-mentioned repricing which came in two waves (the first one in Q2 and second one in Q4 following Ian) led to a mark-to-market decreases of nearly all assets (not only those exposed to US hurricane). Secondly, the performance of the fund suffered from significant mark-to-market decrease on a series of instruments (both cat bonds and sidecars) exposed to Florida hurricane following the landfall of hurricane Ian in late September. This was offset by the coupons and by some significant mark-to-market recoveries of three assets towards the end of the year as they were found to be less impacted by Ian than previously expected following the publication of some preliminary reports on losses or claims. Thirdly, RHEA was exposed to more junior tranches than GAIA on two distressed layers of a cat bond covering the operational risk of a bank which saw a mark-to-market recovery due to their early redemption. Fourthly, the performance of the fund was uplifted by some improvement of the loss-estimates on 2021 hurricane Ida which led to a mark-to-market gain on two cat bonds. This also contributed to offset the negative impact from the repricing and distressed Ian-exposed assets. Fifthly, some recoveries on one asset related to favorable developments on hurricanes Michael and Florence positively impacted the performance. We noted a stabilization (and even a slight decrease) of the estimates of the Covid-19 related losses on the reinsurance layers covered by sidecars leading to some minor mark-to-market gains. To avoid any doubt, RHEA is not invested in sidecars that are exposed to any Covid-19 related losses in 2022. Share classes hedged in EUR have had a lower performance than the reference USD share class (RHEA I-A-1 USD) due to the adverse USD FX hedging cost.

CRONOS has been put in run-off in May 2020. Only B-Units are remaining.

Our strategy continued to perform well considering the exceptional loss activity experienced in 2022, thanks to a sound portfolio management and asset picking process.

There will be USD 8.9 billion of assets expected to redeem in 2023, this is more than the USD 7.2 billion which redeemed in 2022. Even though we expect some bonds distressed by hurricane Ian to be extended over the course of 2023, the volume of new issuance could still be higher than what we observed in 2022. Inflation pressure is expected to ease and stabilize in 2023. However, the inflation forecasts for 2023 remains at high level across the world and so does the need for insurers to cede their risks. Brokers are optimistic on the size of the 2023 pipeline. We expect to see some new sponsors such as corporates or reinsurers in the cat bonds market following the recent increase of the spreads and contraction of the capacity in the traditional reinsurance markets and particularly in the retrocession market. In the cat bond market, we anticipate that the spreads should remain high over the year. Despite the spread widening observed on the property catastrophe collateralized reinsurance market, there are still discussions over inflation, rate adequacy and the ability of players to fairly price loss amplification, climate risk trends and secondary perils. Hence, most banks are expecting spreads to stay at high levels in 2023. As for previous years, the fund will prefer investing in per occurrence deals rather than aggregate or cascading deals in order to reduce the volatility of the NAV. Our selection process will continue screening the best transactions in term of structure, modelling, timing and quality of the reporting.

AXA IM NOVALTO – GAIA I-C-1 USD

1 January 2022 to 30 December 2022

This GAIA Sub-Class is a Capitalization Unit denominated in USD. The net performance has been negative at -0.95%.

AXA IM NOVALTO – GAIA III-C-1 EUR

1 January 2022 to 30 December 2022

This GAIA dedicated Sub-class is a Capitalization Unit denominated in EUR. The net performance has been negative at -3.09%.

Directors' Report

Main Fund events during the year ending 31 December 2022 (continued)

AXA IM NOVALTO – GAIA III-C-2 EUR *1 January 2022 to 30 December 2022*

This GAIA Sub-Class is a Capitalization Unit denominated in EUR. The net performance has been negative at -3.03%.

AXA IM NOVALTO – GAIA III-C-3 EUR *1 January 2022 to 30 December 2022*

This GAIA Sub-class is a Capitalization Unit denominated in EUR. The net performance has been negative at -3.02%.

AXA IM NOVALTO – GAIA V-C-1 CHF *1 January 2022 to 30 December 2022*

This GAIA Sub-Class is a Capitalization Unit denominated in CHF. The net performance has been negative at -3.48%.

AXA IM NOVALTO – GAIA VI-C-1 CHF *1 January 2022 to 30 December 2022*

This GAIA Sub-Class is a Distribution Unit denominated in CHF. The performance has been negative at -3.27%. There was a CHF 23.34 dividend paid in 2022.

AXA IM NOVALTO – RHEA I-A-1 USD *1 January 2022 to 30 December 2022*

This RHEA Sub-class is a Capitalization Unit denominated in USD. The net performance has been positive at 0.22%.

AXA IM NOVALTO – RHEA I-A-2 USD *1 January 2022 to 30 December 2022*

This RHEA Sub-class is a Capitalization Unit denominated in USD. The net performance for has been slightly negative at -0.08%.

AXA IM NOVALTO – RHEA III-A-2 EUR *1 January 2022 to 30 December 2022*

This RHEA dedicated Sub-class is a Capitalization Unit denominated in EUR. The net performance has been negative at -2.35%.

AXA IM NOVALTO – RHEA IV-A-1 EUR *1 January 2022 to 30 December 2022*

This RHEA Sub-class is a Distribution Unit denominated in EUR. The net performance has been negative at -2.30%. EUR 12.72 were paid as dividend in January 2022 for the quarter ending on December 31st, 2021.

Directors' Report

Main Fund events during the year ending 31 December 2022 (continued)

AXA IM NOVALTO – CLO CREDIT FUND

1 January 2022 to 31 December 2022

This Sub-Class invest only in CLO Debt tranches, originally rated from AAA down to B and with no limitation in terms of vintages as well as currency (USD and European CLO debt tranches are concerned).

The fund aims to maintain an average rating of the portfolio in the Investment Grade area. Through the year, average rating of the fund was BBB-, close to BB+.

As of the end of December 2022, the average price of the assets was 81.56% and the projected yield was 16% in USD terms (15.25% in EUR). The performance was significantly down in 2022 as CLO debt tranches suffered in terms of spread widening relative to more traditional credit asset classes. Despite that, as CLO are floating instruments, they basically outperformed traditional fixed rate asset classes.

In 2022, all credit asset classes suffered from the pace at which rates have been hiked by central banks, questioning over the mid-term the solvability of private companies in a context of higher borrowing costs.

In 2022, default rates in the loan market (the underlying material of CLOs) stay at historical low levels despite a challenging economic environment but market expectations are that more default will materialize in 2023 and then in 2024.

We maintained all year long an overweight in BB and B CLO tranches in order to benefit from the carry of the asset class and because we are convinced our positions will be able to go through the coming spike in default rates without suffering credit losses (thanks to the subordination of CLO debt tranches). The fund was fully invested all year long.

The fund performance was -7.3% in 2022 (gross basis in USD), underperforming the usual reference for this fund (according to JPMorgan index, CLO BBB tranches performed -2.8% in 2022) as the fund is riskier than this reference and have circa one third of its investments in European CLOs that significantly underperformed US equivalent.

In terms of investment strategy, we maintained a portfolio that is overweight European CLO (relative to market share) in order to benefit from the recovery we expect from European CLO tranches. We continue with a barbell strategy (mostly investing in AA/A and BB tranches while the average rating is BBB-) as well with a very modest exposure on B tranches (less than 5% average exposure over the year). We are convinced this positioning will be highly profitable in 2023 thanks to normalization in risk market perception.

AXA IM NOVALTO – AXA IM MULTI CREDIT STRATEGIES OPPORTUNITY FUND

This sub-class has been predominantly invested in structured credit assets and other credit and fixed income instruments. The overweighted asset classes during the period have been regulatory capital transactions. This sub class is in a deleveraging mode with no reinvestments over the period. The size of the fund has consequently been reduced due to redemptions, leading to a total size close to CHF20M.

The net performance of this sub-class has been 4.69% YTD as of end of December 2022.

Directors' Report

Performance Fees

The references to LIBOR USD have been replaced by references to SOFR in the Issuing Document to anticipate the cessation of LIBOR USD on next June 2023 and to avoid having Performance Fees being calculated with two different rates over the same year. The Performance Fees will be calculated using the new risk-free rate which will replace the LIBOR USD on June 2023, i.e. the Secured Overnight Financing Rate administered by the Federal Reserve Bank of New York (or any successor administrator) (the SOFR).

SFDR Regulation / Sustainability risks

Article 7.1 of the Regulation 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability - related disclosures in the financial services sector (the SFDR Regulation) imposes new disclosure obligations in relation to consideration by the in-scope financial products of the potential adverse impacts on sustainability factors.

The Fund being classified as subject to Article 6 of the SFDR Regulation, section 32.7 of the Issuing Document has been updated to comply with the new disclosure obligations coming into force on December 30st, 2022.

Restructuring and replacement of the Management Company

As of 1 January 2023, AXA Investment Managers Luxembourg S.A. will be appointed as management company of the Fund. AXA Investment Managers Paris will remain Portfolio Manager of the Fund.

The Directory of the Issuing Document and the Management Regulations have been updated according to the change of management company and some references to the management company have been replaced by references to the Portfolio Manager where relevant. New agreements with 3rd party service providers will be signed to include AXA Investment Managers Luxembourg S.A. as new management company and the Issuing Document and the Management Regulations will be updated accordingly.

Management Company events during the year ending 31 December 2022

We inform you that the composition of the board of directors and of the management committee within AXA Fund Management SA, the Management Company of the Fund, as of 31 December 2022 is the following:

Members of the Board of Directors

- Mr Laurent Caillot, Chairman and Director, Global Chief Operating Officer AXA Investment Managers, residing in France
- Mr Jean-Louis Laforge, Director, Research Technical Director and Deputy Chief Executive Officer AXA Investment Managers Paris, residing in France
- Mr Fabien Lequeue, Director and General Manager, Country Head AXA Funds Management S.A., residing in Belgium
- Mrs Beatriz Barros de Lis Tubbe, Director, Head of Client Group Americas, AXA IM Core, residing in the USA

Directors' Report

Management Company events during the year ending 31 December 2022 (continued)

Conducting Officers

- Mr Fabien Lequeue, Country Head, AXA Funds Management S.A., residing in Belgium
- Mr Frédéric Jacquot, Head of Operations, AXA Funds Management S.A., residing in France
- Mr Jean-Yves Lassaut Head of Risk, AXA Funds Management S.A., residing in Luxembourg
- Mr Jean-Michel Bonzom Head of Compliance (since 16 May 2022), AXA Funds Management S.A., residing in Luxembourg

The Board of Directors of the Management Company

Luxembourg, 30 June 2023

Note: The figures stated in this report are historical and not necessarily indicative of future performance.



Audit report

To the Unitholders of
AXA IM Novalto

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of AXA IM Novalto (the "Fund") and of each of its sub-funds as at 31 December 2022, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

What we have audited

The Fund's financial statements comprise:

- the statement of net assets as at 31 December 2022;
- the statement of operations and changes in net assets for the year then ended;
- the schedule of investments and other net assets as at 31 December 2022; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors of the Management Company is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Management Company for the financial statements

The Board of Directors of the Management Company is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Management Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Management Company is responsible for assessing the Fund's and each of its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Management Company either intends to liquidate the Fund or close any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Management Company;



- conclude on the appropriateness of the Board of Directors of the Management Company's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund or any of its sub-funds (except for AXA IM Novalto - Rhea where a decision to liquidate exists) to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 30 June 2023

Electronically signed by:
Régis Malcourant

A handwritten signature in blue ink, appearing to read 'Régis Malcourant', written over a horizontal line.

Régis Malcourant

Statement of Net Assets as at 31 December 2022

	Combined	AXA IM NOVALTO Gaia	AXA IM NOVALTO Cronos
	USD	USD	USD
ASSETS			
Investment portfolio at cost (note 2e)	452,948,617	189,274,949	3,106,277
Unrealised appreciation/(depreciation) on investments	(62,920,727)	(17,588,186)	(2,272,103)
Investment portfolio at market value (note 2d)	390,027,890	171,686,763	834,174
Cash and cash equivalent	22,889,341	10,255,726	538,281
Receivables resulting from subscriptions	1,762	-	-
Interest accruals	5,810,927	2,308,869	35,162
Net unrealised appreciation on forward foreign exchange contracts (note 2g)	3,810,530	2,291,200	-
Other receivables	87,682	3,515	-
Total assets	422,628,132	186,546,073	1,407,617
LIABILITIES			
Payables resulting from redemptions	2,161,695	-	-
Net unrealised depreciation on open futures contracts	311,719	-	-
Net unrealised depreciation on swap contracts (note 2h)	15,372	-	-
Accrued expenses	640,293	170,633	9,949
Other payables	72,106	-	-
Total liabilities	3,201,185	170,633	9,949
NET ASSET VALUE	419,426,947	186,375,440	1,397,668

The accompanying notes form an integral part of these financial statements.

Statement of Net Assets as at 31 December 2022

	AXA IM NOVALTO Rhea USD	AXA IM NOVALTO AXA IM Multi-Credit Strategies Opportunity Fund CHF	AXA IM NOVALTO CLO Credit Fund USD
ASSETS			
Investment portfolio at cost (note 2e)	117,197,339	22,318,626	119,247,023
Unrealised appreciation/(depreciation) on investments	(15,522,923)	(5,497,542)	(21,595,511)
Investment portfolio at market value (note 2d)	101,674,416	16,821,084	97,651,512
Cash and cash equivalent	4,015,097	5,438,271	2,202,296
Receivables resulting from subscriptions	-	-	1,762
Interest accruals	1,443,800	196,391	1,810,827
Net unrealised appreciation on forward foreign exchange contracts (note 2g)	316,605	40,653	1,158,785
Other receivables	1,461	-	82,707
Total assets	107,451,379	22,496,399	102,907,889
LIABILITIES			
Payables resulting from redemptions	-	2,000,000	-
Net unrealised depreciation on open futures contracts	-	-	311,719
Net unrealised depreciation on swap contracts (note 2h)	-	14,222	-
Accrued expenses	93,076	249,672	96,778
Other payables	-	2,507	69,396
Total liabilities	93,076	2,266,401	477,893
NET ASSET VALUE	107,358,303	20,229,998	102,429,996

The accompanying notes form an integral part of these financial statements.

Statement of Operations and Changes in Net Assets for the year ended 31 December 2022

	Combined	AXA IM NOVALTO Gaia	AXA IM NOVALTO Cronos
	USD	USD	USD
NET ASSET VALUE AT THE BEGINNING OF THE YEAR	540,565,631 *	212,365,382	3,982,131
INCOME			
Dividends (note 2i)	7,927	-	3,468
Interest on investment portfolio	33,613,870	11,897,736	1,198,784
Income on swaps	327	-	-
Other income	2,239	-	-
Total income	33,624,363	11,897,736	1,202,252
EXPENSES			
Performance fees (note 6)	8,331	-	-
Expense on swaps	182,084	-	-
Transaction fees (note 9)	41,731	7,655	842
Accounting fees (note 8)	189,985	80,112	1,208
Depository fees (note 7)	31,999	12,972	141
General administration fees	49,719	20,980	275
Hedging fees	67,384	34,009	-
Legal fees	45,473	19,088	278
Management fees (note 5)	3,015,984	1,430,571	16,994
Professional fees	90,444	38,148	551
Publication and printing fees	36,152	15,260	194
Transfer agent fees (note 7)	54,267	22,890	333
Registration fees	64,434	23,081	445
Regulatory fees	45,225	19,074	278
Taxation (note 4)	44,980	18,938	231
Total expenses	3,968,192	1,742,778	21,770
NET INCOME FROM INVESTMENTS FOR THE YEAR	29,656,171	10,154,958	1,180,482
Net realised gain/(loss)			
- on sales of investments (notes 2f, 12)	(8,264,987)	(3,326,579)	(400,144)
- on spot foreign exchange (note 12)	(3,595,974)	(82,531)	1,913
- on forward foreign exchange contracts (note 12)	(18,542,551)	(8,237,850)	-
- on futures (note 12)	(2,754,111)	-	-
- on swaps (note 12)	(49,175)	-	-
Net realised gain/(loss) for the year	(33,206,798)	(11,646,960)	(398,231)
Net change in unrealised appreciation/(depreciation)			
- on investments (note 12)	(29,326,403)	(9,412,144)	(101,706)
- on forward foreign exchange contracts (note 12)	2,082,082	1,187,682	-
- on futures (note 12)	(350,157)	-	-
- on swaps (note 12)	49,175	-	-
Net change in net assets for the year resulting from operations	(31,095,930)	(9,716,464)	680,545
Net proceeds from subscriptions/redemptions	(84,009,105)	(16,150,215)	(3,265,008)
Dividends paid (note 11)	(6,033,649)	(123,263)	-
NET ASSET VALUE AT THE END OF THE YEAR	419,426,947	186,375,440	1,397,668

*The opening balance was combined at the exchange ruling used at year end. With the exchange rates prevailing as at 31 December 2021, this amount was equal to 541,050,437 USD. Please refer to note 2b) for more details.

Statement of Operations and Changes in Net Assets for the year ended 31 December 2022

	AXA IM NOVALTO Rhea USD	AXA IM NOVALTO AXA IM Multi-Credit Strategies Opportunity Fund CHF	AXA IM NOVALTO CLO Credit Fund USD
NET ASSET VALUE AT THE BEGINNING OF THE YEAR	113,919,435	29,088,216	178,858,761
INCOME			
Dividends (note 2i)	4,459	-	-
Interest on investment portfolio	9,030,170	2,432,778	8,857,718
Income on swaps	-	-	327
Other income	-	1,997	81
Total income	9,034,629	2,434,775	8,858,126
EXPENSES			
Performance fees (note 6)	-	7,708	-
Expense on swaps	-	168,464	-
Transaction fees (note 9)	18,102	8,005	6,480
Accounting fees (note 8)	45,226	10,266	52,343
Depositary fees (note 7)	6,922	-	11,964
General administration fees	11,845	2,689	13,711
Hedging fees	3,403	-	29,972
Legal fees	10,768	2,456	12,684
Management fees (note 5)	763,083	224,404	562,790
Professional fees	21,537	4,888	24,925
Publication and printing fees	8,614	1,956	9,970
Transfer agent fees (note 7)	12,921	2,932	14,954
Registration fees	16,260	6,893	17,198
Regulatory fees	10,768	2,445	12,462
Taxation (note 4)	10,824	3,751	10,933
Total expenses	940,273	446,857	780,386
NET INCOME FROM INVESTMENTS FOR THE YEAR	8,094,356	1,987,918	8,077,740
Net realised gain/(loss)			
- on sales of investments (notes 2f, 12)	(176,666)	(1,476,858)	(2,765,340)
- on spot foreign exchange (note 12)	(2,939)	(788,593)	(2,660,068)
- on forward foreign exchange contracts (note 12)	(1,601,011)	304,211	(9,032,496)
- on futures (note 12)	-	-	(2,754,111)
- on swaps (note 12)	-	(45,497)	-
Net realised gain/(loss) for the year	(1,780,616)	(2,006,737)	(17,212,015)
Net change in unrealised appreciation/(depreciation)			
- on investments (note 12)	(7,297,878)	1,505,609	(14,142,009)
- on forward foreign exchange contracts (note 12)	593,166	(361,874)	692,365
- on futures (note 12)	-	-	(350,157)
- on swaps (note 12)	-	45,497	-
Net change in net assets for the year resulting from operations	(390,972)	1,170,413	(22,934,076)
Net proceeds from subscriptions/redemptions	(6,099,392)	(8,094,898)	(49,745,141)
Dividends paid (note 11)	(70,768)	(1,933,733)	(3,749,548)
NET ASSET VALUE AT THE END OF THE YEAR	107,358,303	20,229,998	102,429,996

The accompanying notes form an integral part of these financial statements.

Statistics - Total Net Assets

	Currency	Total Net Assets as at 31 December 2022	Total Net Assets as at 31 December 2021	Total Net Assets as at 31 December 2020
AXA IM NOVALTO - Gaia	USD	186,375,440	212,365,382	231,020,282
AXA IM NOVALTO - Cronos	USD	1,397,668	3,982,131	22,347,547
AXA IM NOVALTO - Rhea	USD	107,358,303	113,919,435	106,843,692
AXA IM NOVALTO - AXA IM Multi-Credit Strategies Opportunity Fund	CHF	20,229,998	29,088,216	34,411,136
AXA IM NOVALTO - CLO Credit Fund	USD	102,429,996	178,858,761	278,493,669

Statistics - Number of Units and Net Asset Value per Unit

	Number of Units as at 31 December 2022	Net Asset Value per Unit in class currency as at 31 December 2022	Net Asset Value per Unit in class currency as at 31 December 2021	Net Asset Value per Unit in class currency as at 31 December 2020
AXA IM NOVALTO - Gaia				
I-C-1 Capitalisation USD PF	43,751.376	1,534.34	1,549.05	1,499.50
III-C-1 Capitalisation EUR Hedged (95%) PF	3,782.853	1,028.75	1,061.50	1,035.69
III-C-2 Capitalisation EUR Hedged (95%) PF	33,781.549	1,268.54	1,308.19	1,273.55
III-C-3 Capitalisation EUR Hedged (95%) PF	421.444	989.78	1,020.62	-
V-C-1 Capitalisation CHF Hedged (95%) PF	51,718.000	1,143.43	1,184.69	1,157.03
VI-C-1 Distribution CHF Hedged (95%) PF	4,917.049	939.98	995.90	999.61
AXA IM NOVALTO - Cronos				
I-B-1-1 Capitalisation USD	646.270	1,414.25	1,196.08	1,058.66
I-B-2-1 Capitalisation USD	8.575	2,259.99	1,691.08	1,057.89
I-B-2-2 Capitalisation USD	112.271	1,303.52	1,114.38	995.76
I-B-2-4 Capitalisation USD	-	-	1,579.87	1,254.14
I-B-2-5 Capitalisation USD	111.575	1,243.40	1,090.83	1,032.08
I-B-2-6 Capitalisation USD	77.199	1,303.62	1,114.40	995.76
I-B-2-7 Capitalisation USD	28.651	1,302.43	1,114.13	995.76
I-B-3-1 Capitalisation USD	18.301	2,255.10	1,440.90	1,010.33
AXA IM NOVALTO - Rhea				
I-A-1 Capitalisation USD PF	65,746.502	1,318.98	1,316.03	1,257.71
I-A-2 Capitalisation USD PF	6,679.573	1,259.14	1,260.09	1,208.08
I-B-2-1 Capitalisation USD	-	-	1,836.80	1,000.59
I-B-2-2 Capitalisation USD	0.009	5,453.33	7,497.81	1,841.56
I-B-2-3 Capitalisation USD	4.595	2,426.76	1,420.57	1,052.10
I-B-2-4 Capitalisation USD	2.324	3,492.63	1,460.30	1,050.80
I-B-2-5 Capitalisation USD	266.648	1,071.69	-	-
III-A-2 Capitalisation EUR Hedged (95%) PF	6,296.111	1,037.07	1,062.02	1,025.57
III-B-1-1 Capitalisation EUR	0.805	3,296.31	2,425.45	1,238.46
III-B-1-2 Capitalisation EUR	0.316	4,079.39	2,855.24	1,302.44
III-B-1-3 Capitalisation EUR	0.056	4,731.11	2,788.83	1,279.56
III-B-2-1 Capitalisation EUR	16.254	1,760.48	1,099.89	983.90
IV-A-1 Distribution quarterly EUR Hedged (95%) PF	4,963.000	929.04	963.94	951.22
AXA IM NOVALTO - AXA IM Multi-Credit Strategies Opportunity Fund				
B-1 Distribution CHF PF	22,621.292	894.29	924.64	911.72
AXA IM NOVALTO - CLO Credit Fund				
A-1-2 Capitalisation USD PF	10,000.000	1,078.85	1,170.32	1,095.56
A-1-3 Capitalisation USD PF	4,643.495	1,072.60	1,163.36	1,088.61
A-3-1 Capitalisation EUR Hedged (95%) PF	40,991.866	1,031.35	1,153.75	1,088.65
B-3-1 Distribution quarterly EUR Hedged (95%) PF	1,008.013	825.12	983.57	965.41
B-3-2 Distribution quarterly EUR Hedged (95%) PF	48,177.197	790.65	943.15	932.66

Schedule of Investments and Other Net Assets as at 31 December 2022 (in USD)

Description	Quantity/ Nominal Value	Market Value*	% of net assets	Description	Quantity/ Nominal Value	Market Value*	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				BONDS (CONTINUED) Bermuda (continued)			
BONDS Bermuda				Kendall Re Ltd FRN 02/05/2028			
Acorn Re Ltd FRN 07/11/2024	5,368,000	4,984,725	2.67		1,514,000	1,382,433	0.74
Alamo Re Ltd FRN 07/06/2028	4,048,000	3,826,170	2.05	Kilimanjaro II Re Ltd FRN 25/06/2025			
Bonanza Re Ltd 9.165403% 23/12/2024	750,000	507,225	0.27		2,400,000	2,259,600	1.21
Cape Lookout Re Ltd FRN 22/03/2028	4,500,000	4,287,600	2.30	Kilimanjaro III Re Ltd 8.9754% 20/04/2029			
Citrus Re Ltd 10.0822% 20/03/2023	3,153,000	75,357	0.04		778,000	657,877	0.35
Commonwealth Re Ltd FRN 08/07/2025	1,250,000	1,181,375	0.63	Kilimanjaro III Re Ltd 8.975403% 21/04/2028			
Everglades Re II Ltd FRN 04/05/2027	1,888,000	1,778,307	0.95		818,000	721,721	0.39
Everglades Re II Ltd FRN 15/05/2028	2,710,000	2,378,025	1.28	Kilimanjaro III Re Ltd 9.275403% 20/04/2026			
Everglades Re II Ltd FRN 15/05/2028	1,344,000	1,173,581	0.63		857,000	725,022	0.39
Everglades Re II Ltd FRN 15/05/2028	4,188,000	3,746,166	2.01	Kilimanjaro III Re Ltd 9.275403% 21/04/2028			
Finca Re Ltd 7.75% 06/06/2025	1,313,000	1,253,915	0.67		840,000	729,456	0.39
Floodsmart Re Ltd FRN 01/03/2024	1,227,000	1,042,705	0.56	Kilimanjaro III Re Ltd FRN 19/12/2026			
Frontline Re Ltd Unsecured 144A FRN 06/07/2026	2,451,000	333,581	0.18		2,192,000	2,074,290	1.11
Galileo Re Ltd FRN 08/01/2027	2,294,000	2,144,890	1.15	Kilimanjaro Re Ltd FRN 05/05/2026			
Galileo Re Ltd FRN 08/01/2027	2,250,000	2,129,175	1.14		2,917,000	2,867,703	1.54
Golden State Re II Ltd 6.09371% 08/06/2023	1,000,000	997,400	0.54	Logistics Re Ltd FRN 20/12/2024			
Herbie Re Ltd 11.13245% 28/01/2025	333,000	301,365	0.16		2,188,000	2,083,195	1.12
Herbie Re Ltd 16.915403% 08/01/2031	500,000	500,050	0.27	Matterhorn Re Ltd 13.298012% 07/06/2024			
Herbie Re Ltd FRN 08/07/2024	2,407,000	2,190,370	1.18		1,100,000	1,075,250	0.58
Hypatia Ltd FRN 07/06/2023	2,000,000	1,951,000	1.05	Matterhorn Re Ltd 9.415403% 08/01/2027			
Isosceles Ins Ltd 7.665403% 08/07/2026	1,000,000	983,100	0.53		900,000	789,750	0.42
Kendall Re Ltd FRN 02/05/2028	2,000,000	1,822,200	0.98	Matterhorn Re Ltd FRN 08/12/2028			
					2,830,000	2,281,829	1.22
				Merna Reinsurance II Ltd FRN 05/04/2029			
					1,167,000	1,140,509	0.61
				Merna Reinsurance II Ltd FRN 10/07/2028			
					4,455,000	3,341,250	1.79
				Metrocat Re Ltd FRN 28/05/2024			
					2,596,000	2,557,060	1.37
				Mona Lisa Re Ltd FRN 09/01/2023			
					2,636,000	2,627,828	1.41
				Mona Lisa Re Ltd FRN 09/01/2023			
					2,333,000	2,320,402	1.25
				Mystic Re IV Ltd FRN 10/01/2028			
					1,235,000	1,168,680	0.63
				Nakama Re Ltd 6.615403% 14/01/2028			
					850,000	816,850	0.44
				Nakama Re Ltd FRN 13/04/2023			
					5,313,000	5,222,678	2.80
				Nakama Re Ltd FRN 13/04/2023			
					2,500,000	2,469,750	1.33
				Northshore Re II Ltd 10.116706% 08/01/2027			
					1,000,000	952,500	0.51
				Northshore Re II Ltd 12.366706% 08/07/2025			
					2,889,000	2,775,751	1.49

The accompanying notes form an integral part of these financial statements.
*Please refer to note 2d) for more information on valuation of Investments.

Schedule of Investments and Other Net Assets as at 31 December 2022 (in USD)

Description	Quantity/ Nominal Value	Market Value*	% of net assets	Description	Quantity/ Nominal Value	Market Value*	% of net assets
BONDS (CONTINUED)				BONDS (CONTINUED)			
Bermuda (continued)				Cayman Islands			
Northshore Re II Ltd FRN 07/07/2026	2,000,000	1,955,000	1.05	Caelus Re V FRN 09/06/2025	1,636,000	1,206,550	0.65
Operational Re III Ltd FRN 10/01/2024	2,000,000	1,959,400	1.05	Caelus Re V Unsecured 144A 4.499859% 09/06/2025	1,250,000	31,250	0.02
Operational Re III Ltd FRN 10/01/2024	4,000,000	3,928,800	2.11	Caelus Re V Unsecured 144A 4.499859% 09/06/2025	889,000	12,446	0.01
Phoenician Re Limited 7.313403% 14/12/2024	1,000,000	925,500	0.50	Caelus Re VI FRN 07/06/2027	1,167,000	1,149,495	0.62
Phoenician Re Limited 7.336813% 14/12/2027	750,000	726,900	0.39	Caelus Re VI FRN 07/06/2027	1,736,000	1,672,810	0.90
Phoenician Re Limited FRN 14/12/2027	2,966,000	2,888,291	1.55	Residential Re 2020 Ltd 10.595403% 06/12/2024	750,000	713,100	0.38
Sanders Re II Ltd FRN 07/04/2027	1,500,000	1,461,900	0.78	Residential Re 2020 Ltd 12.395403% 06/12/2027	292,000	273,575	0.15
Sierra Ltd 9.165403% 31/01/2025	250,000	237,925	0.13	Residential Re 2022 Ltd FRN 06/12/2029	636,000	635,555	0.34
Sierra Ltd FRN 31/01/2025	1,375,000	1,319,450	0.71	Residential Re 21 Ltd 9.5954% 06/12/2028	1,125,000	996,300	0.53
Tailwind Re Ltd FRN 07/04/2028	2,132,000	1,883,835	1.01	Residential Re 21 Ltd FRN 06/06/2028	2,714,000	2,372,579	1.27
Titania Re Ltd 10.915403% 27/12/2024	804,000	702,214	0.38	Residential Re 21 Ltd FRN 06/06/2028	1,250,000	1,153,125	0.62
Titania Re Ltd FRN 21/06/2028	2,250,000	2,036,250	1.09	Vitality Re XI Ltd FRN 09/01/2025	2,000,000	1,945,000	1.04
Topanga Re Limited FRN 08/01/2026	1,154,000	1,058,564	0.57			12,161,785	6.53
Torrey Pines Re Pte Ltd FRN 07/06/2029	1,232,000	1,170,400	0.63	Hong Kong			
Torrey Pines Re Pte Ltd FRN 07/06/2029	2,464,000	2,308,768	1.24	Black Kite Re Ltd 11.239767% 09/06/2025	1,624,000	1,518,440	0.81
Ursa Re II Ltd FRN 06/12/2028	3,059,000	2,773,901	1.49			1,518,440	0.81
Ursa Re II Ltd FRN 07/12/2027	1,905,000	1,829,752	0.98	Ireland			
Vista Re Ltd FRN 21/05/2024	1,261,000	1,139,692	0.61	Atlas Capital 2020 FRN 06/06/2028	1,000,000	926,900	0.50
Wrigley Re Ltd FRN 08/07/2025	1,364,000	1,299,619	0.70	Atlas Capital 2020 FRN 08/06/2027	2,500,000	2,339,000	1.25
		114,235,827	61.30	Azzurro Re II DAC FRN 05/01/2027	2,250,000	2,375,377	1.27
				Lion III Re Dac FRN 16/07/2025	2,857,000	2,971,074	1.59
				Orange Capital Re DAC FRN 17/01/2025	2,292,000	2,399,415	1.29
						11,011,766	5.90

The accompanying notes form an integral part of these financial statements.
*Please refer to note 2d) for more information on valuation of Investments.

Schedule of Investments and Other Net Assets as at 31 December 2022 (in USD)

Description	Quantity/ Nominal Value	Market Value*	% of net assets	Description	Quantity/ Nominal Value	Market Value*	% of net assets
BONDS (CONTINUED)				GOVERNMENTS AND SUPRANATIONAL BONDS			
Singapore				United States of America			
First Coast Re II Pte FRN 07/04/2025	2,375,000	2,116,838	1.14	Treasury Bill 0% 09/03/2023	6,185,400	6,138,066	3.29
Hexagon III Re Pte Ltd 3.958% 15/01/2026	937,000	945,312	0.51	United States Treasury Notes 0% 16/02/2023	5,052,300	5,027,206	2.70
Kizuna Re III Pte Ltd 6.361524% 07/04/2029	400,000	375,560	0.20			11,165,272	5.99
Nakama Re Pte Ltd FRN 13/10/2026	4,976,000	4,572,944	2.45	TOTAL GOVERNMENTS AND SUPRANATIONAL		11,165,272	5.99
Nakama Re Pte Ltd FRN 13/10/2026	3,429,000	3,113,875	1.67	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET			
Umigame Re Pte L 6.554535% 07/04/2029	950,000	890,625	0.48			171,686,763	92.12
Umigame Re Pte L 6.804535% 07/04/2029	500,000	470,950	0.25	Total Investment in Securities		171,686,763	92.12
Umigame Re Pte L 9.054535% 07/04/2029	344,000	322,294	0.17	Cash and cash equivalent		10,255,726	5.50
		12,808,398	6.87	Other Net Assets		4,432,951	2.38
United Kingdom				TOTAL NET ASSETS		186,375,440	100.00
Sussex Cap Uk Pcc Ltd FRN 08/01/2028	1,800,000	1,594,800	0.86				
		1,594,800	0.86				
United States of America							
Int. Bank Recon + Dev/Notax 8.7079% 29/04/2024	4,000,000	3,918,000	2.10				
International Bank for Reconstruction & Development 11.1531% 13/07/2024	583,000	568,950	0.31				
International Bank for Reconstruction & Development FRN 13/06/2024	2,750,000	2,703,525	1.45				
		7,190,475	3.86				
TOTAL BONDS		160,521,491	86.13				

The accompanying notes form an integral part of these financial statements.
*Please refer to note 2d) for more information on valuation of Investments.

Schedule of Investments and Other Net Assets as at 31 December 2022 (in USD)

Forward Foreign Exchange Contracts

Counterparty	Currency Bought	Amount purchased	Currency Sold	Amount sold	Maturity	Unrealised appreciation/ (depreciation) in sub-fund currency
Hedged unit classes						
State Street	CHF	63,193,475	USD	67,350,552	18/01/2023	1,054,219
State Street	EUR	47,362,620	USD	49,177,177	18/01/2023	1,418,717
Not allocated to a specific unit class						
BofA Securities	USD	8,827,140	EUR	8,416,957	16/02/2023	(181,736)
Europe SA						
Total						2,291,200

Economical Classification of Schedule of Investments

	% of Net Assets
Financial Services	75.12
Governments and Supranational	5.99
Insurance	4.25
Banks	3.03
Energy and Water Supply	1.47
Technology	1.05
Industry	0.70
Diversified Services	0.51
Total	92.12

Schedule of Investments and Other Net Assets as at 31 December 2022 (in USD)

Description	Quantity/ Nominal Value	Market Value*	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET			
BONDS			
Bermuda			
Eden Re II Ltd 0% 22/03/2024	181,806	82,849	5.92
Eden Re II Ltd 0% Perp.	1,081	2,423	0.18
Frontline Re Ltd Unsecured 144A FRN 06/07/2026	2,226,000	302,958	21.67
Lion Rock Re 2020 0% Perp.	7,272	0	0.00
Sector Re V Ltd 0% Perp.	409,513	179,490	12.85
Sector Re V Ltd 0% Perp.	1,446	41,905	3.00
Sector Re V Ltd 0% Perp.	2,892	83,863	6.00
Sussex 2020 A 0% 31/12/2023	3,499,999	8,051	0.57
Voussoir Re Ltd 1% 01/03/2023	600,000	31,439	2.25
		732,978	52.44
Cayman Islands			
Caelus Re V FRN 05/06/2024	500,000	33,400	2.38
Caelus Re V Unsecured 144A 4.499859% 09/06/2025	1,482,000	20,748	1.49
Caelus Re VI FRN 07/06/2027	500,000	5,151	0.37
		59,299	4.24
United States of America			
Eden Re II Ltd 0% Perp.	2,785	18,898	1.34
Versutus 2019 A 2 0% Perp.	5,000,000	22,999	1.66
		41,897	3.00
TOTAL BONDS		834,174	59.68
TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET			
		834,174	59.68
Total Investment in Securities		834,174	59.68
Cash and cash equivalent		538,281	38.52
Other Net Assets		25,213	1.80
TOTAL NET ASSETS		1,397,668	100.00

The accompanying notes form an integral part of these financial statements.

*Please refer to note 2d) for more information on valuation of Investments.

Schedule of Investments and Other Net Assets as at 31 December 2022 (in USD)

Economical Classification of Schedule of Investments

	% of Net Assets
Financial Services	36.17
Insurance	21.85
Banks	1.66
Total	59.68

Schedule of Investments and Other Net Assets as at 31 December 2022 (in USD)

Description	Quantity/ Nominal Value	Market Value*	% of net assets	Description	Quantity/ Nominal Value	Market Value*	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				BONDS (CONTINUED)			
BONDS				Bermuda (continued)			
Bermuda				Harambee Re 2019 0% Perp.	178	3,535	0.00
3264 Re Ltd FRN 07/02/2026	1,966,000	1,907,020	1.78	Harambee Re 2020 0% Perp.	82,941	0	0.00
Acorn Re Ltd FRN 07/11/2024	895,000	831,097	0.77	Harambee18a1 0% Perp.	17	0	0.00
Alamo Re Ltd FRN 07/06/2025	500,000	476,550	0.44	Herbie Re Ltd 11.13245% 28/01/2025	250,000	226,250	0.21
Blue Halo Re Ltd FRN 29/06/2026	1,474,000	1,437,150	1.34	Herbie Re Ltd FRN 06/06/2028	500,000	371,900	0.35
Bowline Re 2022 12.165403% 23/05/2025	750,000	723,750	0.67	Herbie Re Ltd FRN 08/01/2025	667,000	603,635	0.56
Cape Lookout Re Ltd FRN 22/03/2028	900,000	857,520	0.80	Herbie Re Ltd FRN 08/07/2024	2,407,000	2,190,371	2.04
Claveau Re Ltd FRN 08/07/2028	500,000	417,500	0.39	Hestia Re Ltd 13.861524% 22/04/2025	500,000	378,150	0.35
Eden Re II Ltd 0% 22/03/2024	206,597	94,146	0.09	Hypatia Ltd FRN 07/06/2023	600,000	585,300	0.55
Eden Re II Ltd 0% Perp.	127	285	0.00	Hypatia Ltd FRN 07/06/2023	1,143,000	1,095,451	1.02
Eden Re II Ltd 0.01% 22/03/2023	593	1,329	0.00	Kendall Re Ltd FRN 02/05/2028	1,000,000	911,100	0.85
Everglades Re II Ltd 12.165403% 19/05/2025	500,000	458,750	0.43	Kendall Re Ltd FRN 02/05/2028	1,730,000	1,579,663	1.47
Everglades Re II Ltd FRN 04/05/2027	1,417,000	1,334,672	1.24	Kilimanjaro III Re Ltd 9.275403% 20/04/2026	643,000	543,978	0.51
Everglades Re II Ltd FRN 15/05/2028	339,000	297,472	0.28	Kilimanjaro III Re Ltd 9.275403% 21/04/2028	630,000	547,092	0.51
Everglades Re II Ltd FRN 15/05/2028	2,240,000	1,955,968	1.82	Kilimanjaro III Re Ltd FRN 21/04/2028	750,000	616,350	0.57
Everglades Re II Ltd FRN 15/05/2028	1,396,000	1,248,722	1.16	Kilimanjaro Re Ltd FRN 05/05/2026	833,000	818,922	0.76
Finca Re Ltd 7.75% 06/06/2025	874,000	834,670	0.78	Lorenz Re 2019 0% 31/10/2023	412	4,438	0.00
Floodsmart Re Ltd FRN 01/03/2024	2,773,000	2,356,496	2.19	Matterhorn Re Ltd 13.298012% 07/06/2024	550,000	537,625	0.50
Floodsmart Re Ltd FRN 27/02/2026	1,417,000	1,353,235	1.26	Matterhorn Re Ltd 9.415403% 08/01/2027	900,000	789,750	0.74
Floodsmart Re Ltd FRN 27/02/2026	500,000	409,850	0.38	Matterhorn Re Ltd FRN 08/12/2028	1,886,000	1,520,682	1.42
Frontline Re Ltd Unsecured 144A FRN 06/07/2026	1,634,000	222,387	0.21	Matterhorn Re Ltd FRN 24/03/2025	950,000	823,270	0.77
Galileo Re Ltd FRN 08/01/2027	1,529,000	1,429,615	1.33	Matterhorn Re Ltd FRN 24/03/2025	438,000	380,140	0.35
Gateway Re Ltd 12.915403% 12/05/2025	500,000	477,500	0.44	Merna Reinsurance II Ltd FRN 05/04/2029	500,000	488,650	0.46
				Merna Reinsurance II Ltd FRN 10/07/2028	1,909,000	1,431,750	1.33
				Metrocat Re Ltd FRN 28/05/2024	865,000	852,025	0.79

The accompanying notes form an integral part of these financial statements.
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Schedule of Investments and Other Net Assets as at 31 December 2022 (in USD)

Description	Quantity/ Nominal Value	Market Value*	% of net assets	Description	Quantity/ Nominal Value	Market Value*	% of net assets
BONDS (CONTINUED) Bermuda (continued)				BONDS (CONTINUED) Bermuda (continued)			
Mona Lisa Re Ltd FRN 08/07/2025	4,000,000	3,427,201	3.20	Ursa Re II Ltd FRN 06/12/2028	2,294,000	2,080,200	1.94
Mona Lisa Re Ltd FRN 09/01/2023	659,000	656,957	0.61	Ursa Re II Ltd FRN 07/12/2027	952,000	914,396	0.85
Mona Lisa Re Ltd FRN 09/01/2023	867,000	862,318	0.80	Vista Re Ltd FRN 21/05/2024	1,261,000	1,139,692	1.06
Montoya Re Ltd 11.1654% 07/04/2025	1,000,000	944,400	0.88	Voussior Re Ltd 1% 01/03/2023	1,000,000	52,400	0.05
Mystic Re IV Ltd FRN 10/01/2028	2,044,000	1,934,237	1.80	Voussior Re Ltd 1% 01/03/2024	1,000,000	117,600	0.11
Nakama Re Ltd FRN 13/04/2023	1,000,000	987,900	0.92	Voussior Re Topup Plus 2022 0% 03/01/2025	5,000,000	5,249,001	4.90
Northshore Re II Ltd 10.116706% 08/01/2027	750,000	714,375	0.67			71,610,129	66.69
Northshore Re II Ltd 12.366706% 08/07/2025	1,444,000	1,387,395	1.29	Cayman Islands			
Northshore Re II Ltd FRN 07/07/2026	1,000,000	977,500	0.91	Caelus Re V FRN 09/06/2025	273,000	201,338	0.19
Operational Re III Ltd FRN 10/01/2024	2,000,000	1,964,400	1.83	Caelus Re V Unsecured 144A 4.499859% 09/06/2025	1,000,000	25,000	0.02
Operational Re III Ltd FRN 10/01/2024	2,000,000	1,974,201	1.84	Caelus Re V Unsecured 144A 4.499859% 09/06/2025	1,185,000	16,590	0.02
Sanders Re II Ltd FRN 07/04/2025	250,000	233,475	0.22	Caelus Re VI FRN 07/06/2027	694,000	668,738	0.62
Sierra Ltd 9.165403% 31/01/2025	250,000	237,925	0.22	Caelus Re VI FRN 07/06/2027	444,000	4,573	0.00
Sierra Ltd FRN 31/01/2025	825,000	791,670	0.74	Residential Re 19 Ltd FRN 06/06/2027	667,000	585,292	0.55
Sussex 2020 A 0% 31/12/2023	3,504,023	8,049	0.01	Residential Re 19 Ltd FRN 06/06/2027	1,083,000	1,071,520	1.00
Sutter Re Ltd FRN 24/05/2027	917,000	891,232	0.83	Residential Re 19 Ltd FRN 06/12/2026	667,000	643,255	0.60
Tailwind Re Ltd 13.15245% 07/04/2028	1,000,000	889,300	0.83	Residential Re 2020 Ltd 10.595403% 06/12/2024	250,000	237,700	0.22
Tailwind Re Ltd FRN 07/04/2028	1,000,000	883,600	0.82	Residential Re 2020 Ltd 12.395403% 06/12/2027	1,166,000	1,092,425	1.02
Titania Re Ltd 10.915403% 27/12/2024	1,609,000	1,405,301	1.31	Residential Re 2022 Ltd 11.915403% 06/06/2029	833,000	680,561	0.63
Titania Re Ltd FRN 21/06/2028	844,000	763,820	0.71	Residential Re 21 Ltd 9.5954% 06/12/2028	562,000	497,707	0.46
Topanga Re Limited FRN 08/01/2028	1,000,000	950,000	0.88	Residential Re 21 Ltd FRN 06/06/2028	1,250,000	1,072,250	1.00
Torrey Pines Re Ltd FRN 06/06/2025	1,000,000	938,400	0.87	Residential Re 21 Ltd FRN 06/06/2028	905,000	791,151	0.74
Torrey Pines Re Pte Ltd FRN 07/06/2029	1,929,000	1,807,473	1.68				

The accompanying notes form an integral part of these financial statements.
*Please refer to note 2d) for more information on valuation of Investments.

Schedule of Investments and Other Net Assets as at 31 December 2022 (in USD)

Description	Quantity/ Nominal Value	Market Value*	% of net assets
BONDS (CONTINUED)			
Cayman Islands (continued)			
Residential Re 21 Ltd FRN 06/12/2028	833,000	746,035	0.69
Vitality Re X Ltd FRN 10/01/2024	750,000	748,800	0.70
		9,082,935	8.46
Hong Kong			
Black Kite Re Ltd 11.239767% 09/06/2025	813,000	760,155	0.71
		760,155	0.71
Ireland			
Atlas Capital 2020 FRN 06/06/2028	1,500,000	1,390,350	1.30
Atlas Capital 2020 FRN 08/06/2027	1,000,000	935,600	0.87
Azzurro Re II DAC FRN 05/01/2027	750,000	791,792	0.74
		3,117,742	2.91
Singapore			
First Coast Re II Pte FRN 07/04/2025	1,188,000	1,058,864	0.99
First Coast Re II Pte FRN 07/06/2027	1,500,000	1,442,850	1.34
Nakama Re Pte Ltd FRN 13/10/2026	762,000	691,972	0.64
Umigame Re Pte L 9.054535% 07/04/2029	344,000	322,294	0.30
		3,515,980	3.27
United Kingdom			
Atlas Capital UK 2019 FRN 08/06/2026	278,000	270,188	0.25
Sussex Cap Uk Pcc Ltd FRN 08/01/2028	1,200,000	1,063,200	0.99
		1,333,388	1.24
United States of America			
Eden Re II Ltd 0% Perp.	3,342	22,679	0.02
Int. Bank Recon + Dev/Notax 8.7079% 29/04/2024	1,000,000	979,500	0.91
International Bank for Reconstruction & Development 11.1531% 13/07/2024	1,083,000	1,056,900	0.98

Description	Quantity/ Nominal Value	Market Value*	% of net assets
BONDS (CONTINUED)			
United States of America (continued)			
International Bank for Reconstruction & Development FRN 13/06/2024	1,429,000	1,404,850	1.31
Versutus 2019 A 2 0% Perp.	4,000,001	18,398	0.01
		3,482,327	3.23
TOTAL BONDS		92,902,656	86.51
GOVERNMENTS AND SUPRANATIONAL BONDS			
United States of America			
Treasury Bill 0% 09/03/2023	2,960,800	2,938,144	2.75
Treasury Bill 0% 23/03/2023	2,908,000	2,880,967	2.69
United States Treasury Notes 0% 19/01/2023	2,957,400	2,952,649	2.76
		8,771,760	8.20
TOTAL GOVERNMENTS AND SUPRANATIONAL		8,771,760	8.20
TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET			
		101,674,416	94.71
Total Investment in Securities			
		101,674,416	94.71
Cash and cash equivalent		4,015,097	3.74
Other Net Assets		1,668,790	1.55
TOTAL NET ASSETS		107,358,303	100.00

The accompanying notes form an integral part of these financial statements.
*Please refer to note 2d) for more information on valuation of Investments.

Schedule of Investments and Other Net Assets as at 31 December 2022 (in USD)

Forward Foreign Exchange Contracts

Counterparty	Currency Bought	Amount purchased	Currency Sold	Amount sold	Maturity	Unrealised appreciation/ (depreciation) in sub-fund currency
Hedged unit classes						
State Street	EUR	11,509,685	USD	11,954,277	18/01/2023	341,129
State Street	USD	377,846	EUR	361,271	18/01/2023	(8,088)
Not allocated to a specific unit class						
BofA Securities	USD	798,306	EUR	761,210	16/02/2023	(16,436)
Europe SA						
Total						316,605

Economical Classification of Schedule of Investments

	% of Net Assets
Financial Services	66.14
Insurance	8.45
Governments and Supranational	8.20
Real Estate	4.90
Banks	3.04
Energy and Water Supply	2.02
Technology	1.57
Industry	0.39
Total	94.71

Schedule of Investments and Other Net Assets as at 31 December 2022 (in CHF)

Description	Quantity/ Nominal Value	Market Value*	% of net assets	Description	Quantity/ Nominal Value	Market Value*	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET				BONDS (CONTINUED)			
BONDS				United Kingdom			
Eden Re II Ltd 0.01% Perp.	1,440	2,988	0.01	Intu SGS Finance Plc 9% 17/03/2028	296,009	132,762	0.66
Frontline Re Ltd Unsecured 144A FRN 06/07/2026	500,000	62,960	0.31	Standard Chartered Bank 12.858% 27/04/2030	1,000,000	925,200	4.57
Lion Rock Re 2020 0% Perp.	2,727	0	0.00	Standard Chartered Bank 13.22643% 26/06/2028	1,000,000	925,200	4.57
Lorenz Re 2019 0% 31/10/2023	165	1,643	0.01			1,983,162	9.80
Sussex 2020 A 0% 31/12/2023	525,000	1,117	0.01	United States of America			
		68,708	0.34	Citigroup Global Markets Hold 12.74586% 20/09/2023	1,500,000	1,387,801	6.86
Canada				Goldman Sachs Bank USA 13.13586% 21/09/2025	1,224,003	1,132,448	5.60
Manitoulin USD Ltd FRN 01/08/2024	38,462	20,639	0.10	Versutus 2019 A 2 0% Perp.	750,000	3,192	0.02
		20,639	0.10			2,523,441	12.48
France				TOTAL BONDS		12,054,999	59.59
FCT Monte Cristo Compartiment 9.185% 03/11/2028	1,209,045	1,193,836	5.90	GOVERNMENTS AND SUPRANATIONAL BONDS			
KCT Kutang 0% 20/07/2027	497,720	454,599	2.25	France			
		1,648,435	8.15	French Discount T Bill 0% 01/02/2023	100,000	98,643	0.49
Ireland						98,643	0.49
Fintake European Leasing DAC 5% 24/05/2026	2,360,000	792,305	3.92	TOTAL GOVERNMENTS AND SUPRANATIONAL		98,643	0.49
Nansa CLO 2018 1 Dac 9.4% 31/12/2019	617,752	573,382	2.83	MORTGAGE AND ASSET BACKED SECURITIES			
		1,365,687	6.75	Australia			
Luxembourg				Vermilion Trust 11.021% 14/12/2058	500,000	320,018	1.58
Colonnade Global 2017 1 Sarl 9.92138% 05/11/2025	3,000,000	2,733,968	13.52			320,018	1.58
Park Mountain Securitisation 9.103% 29/11/2028	706,159	651,952	3.22	Cayman Islands			
		3,385,920	16.74	Sealane IV 4.55029% 08/05/2023	91,966	52,328	0.26
Spain				THL Credit Wind River 2019 1% 20/04/2031	939,863	486,085	2.40
F.T.A. Santander 11% 20/06/2032	1,500,000	1,059,007	5.23	Venture CDO Ltd 1% 20/07/2030	72,115	35,002	0.17
		1,059,007	5.23	Voya CLO Ltd 0% 15/10/2031	1,500,000	705,558	3.49
						1,278,973	6.32

The accompanying notes form an integral part of these financial statements.
*Please refer to note 2d) for more information on valuation of Investments.

Schedule of Investments and Other Net Assets as at 31 December 2022 (in CHF)

Description	Quantity/ Nominal Value	Market Value*	% of net assets	Description	Quantity/ Nominal Value	Market Value*	% of net assets
MORTGAGE AND ASSET BACKED SECURITIES (CONTINUED)				MORTGAGE AND ASSET BACKED AUTOS SECURITIES (CONTINUED)			
Germany				Spain			
Craft Ltd 10.9405% 28/05/2028	362,613	335,489	1.66	Ft Santander Consumer Spain Auto 5.6% 21/03/2033	334,521	307,091	1.52
		335,489	1.66			307,091	1.52
Ireland				TOTAL MORTGAGE AND ASSET BACKED AUTOS SECURITIES			
Mespil Securities 11.9785% 04/12/2027	73,954	29,764	0.15			690,639	3.42
Oak Hill European Credit Partners 0% 21/10/2034	1,000,000	285,759	1.41	TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET			
Premium Green Plc FRN 29/06/2026	577,320	535,853	2.65			16,821,084	83.15
		851,376	4.21	Total Investment in Securities		16,821,084	83.15
Jersey				Cash and cash equivalent		5,438,271	26.88
J Elvetia Finance 8.6042% 20/10/2029	1,000,000	1,000,000	4.94	Other Net Liabilities		(2,029,357)	(10.03)
		1,000,000	4.94	TOTAL NET ASSETS		20,229,998	100.00
Luxembourg							
SC Germany Consumer 6.2% 14/11/2034	200,000	190,947	0.94				
		190,947	0.94				
TOTAL MORTGAGE AND ASSET BACKED SECURITIES		3,976,803	19.65				
MORTGAGE AND ASSET BACKED AUTOS SECURITIES							
Italy							
Golden Bar Securitisation 8.25% 20/07/2039	404,620	383,548	1.90				
		383,548	1.90				

The accompanying notes form an integral part of these financial statements.
*Please refer to note 2d) for more information on valuation of Investments.

Schedule of Investments and Other Net Assets as at 31 December 2022 (in CHF)

Credit Default Swaps

Counterparty	Nominal Value	Currency	Fixed rate	Reference issuer	Maturity	Unrealised appreciation/ (depreciation) in sub-fund currency
J.P. MORGAN SE	500,000	EUR	Pay FIXED RATE 5%	iTraxx Europe Crossover Series 30	20/12/2023	(8,646)
BofA Securities Europe SA	1,000,000	EUR	Pay FIXED RATE 1%	iTraxx Europe Series 30	20/12/2023	(5,575)
						(14,222)

Schedule of Investments and Other Net Assets as at 31 December 2022 (in CHF)

Forward Foreign Exchange Contracts

Counterparty	Currency Bought	Amount purchased	Currency Sold	Amount sold	Maturity	Unrealised appreciation/ (depreciation) in sub-fund currency
Not allocated to a specific unit class						
BNP Paribas SA	CHF	321,215	AUD	510,000	16/02/2023	2,151
BNP Paribas SA	CHF	9,204,823	USD	9,890,000	16/02/2023	96,867
BNP Paribas SA	CHF	122,656	GBP	110,000	16/02/2023	664
BNP Paribas SA	CHF	7,225,227	EUR	7,390,000	16/02/2023	(59,029)
Total						40,653

Economical Classification of Schedule of Investments

	% of Net Assets
Financial Services	42.14
Mortgage and Asset Backed Securities	14.54
Banks	14.39
Open-Ended Investment Funds	4.94
Automobiles	3.42
Real Estate	3.22
Governments and Supranational	0.49
Insurance	0.01
Total	83.15

Schedule of Investments and Other Net Assets as at 31 December 2022 (in USD)

Description	Quantity/ Nominal Value	Market Value*	% of net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET			
GOVERNMENTS AND SUPRANATIONAL BONDS			
United States of America			
Treasury Bill 0% 05/01/2023	100,000	99,980	0.10
Treasury Bill 0% 23/03/2023	1,790,800	1,774,152	1.73
United States Treasury Notes 0.01% 16/02/2023	1,011,800	1,006,775	0.98
United States Treasury Notes 0.01% 19/01/2023	1,011,700	1,010,075	0.99
United States Treasury Notes 0.01% 23/02/2023	242,000	240,545	0.23
		4,131,527	4.03
TOTAL GOVERNMENTS AND SUPRANATIONAL		4,131,527	4.03
MORTGAGE AND ASSET BACKED SECURITIES			
Cayman Islands			
Apex Credit CLO LLC 11.46586% 20/09/2029	3,250,000	2,816,739	2.75
Apidos Clo 9.74257% 20/01/2031	1,300,000	1,107,483	1.08
ICG US CLO Ltd 9.27914% 15/01/2031	1,950,000	1,423,878	1.39
ICG US CLO Ltd 9.42757% 21/04/2031	2,750,000	2,055,193	2.01
ICG US CLO Ltd 9.95843% 25/04/2031	3,250,000	2,405,312	2.35
Ivy Hill Middle Market Credit 7.14257% 20/07/2033	4,900,000	4,389,077	4.27
Marble Point CLO Ltd 10.77257% 20/01/2032	2,000,000	1,506,590	1.47
Marble Point CLO X Ltd 10.47914% 15/10/2030	4,450,000	3,382,120	3.30
Marble Point CLO XI Ltd 9.79371% 18/12/2030	2,450,000	1,682,417	1.64
Monroe Capital Mml CLO VI Ltd 5.82914% 15/04/2030	1,625,000	1,520,338	1.48
Monroe Capital Mml CLO VII Ltd 7.66486% 22/11/2030	4,000,000	3,533,653	3.45
Mountain View CLO 10.52914% 16/10/2029	5,000,000	4,375,094	4.27
Mp CLO III Ltd 10.70257% 20/10/2030	1,625,000	1,125,108	1.10
Mp CLO VII Ltd 9.94371% 18/10/2028	2,125,000	1,480,392	1.45

Description	Quantity/ Nominal Value	Market Value*	% of net assets
MORTGAGE AND ASSET BACKED SECURITIES (CONTINUED)			
Cayman Islands (continued)			
OFSI Fund Ltd 10.07914% 15/07/2031	5,000,000	3,606,860	3.52
OFSI Fund Ltd 10.46914% 16/08/2029	4,225,000	3,430,958	3.35
Venture CDO Ltd 10.37914% 15/01/2031	1,345,000	1,000,375	0.98
Venture CDO Ltd 10.39257% 20/07/2030	4,850,000	3,965,248	3.87
Venture CDO Ltd 10.59257% 20/07/2030	3,550,000	2,486,140	2.43
Venture CDO Ltd 11.38471% 30/07/2032	2,640,000	1,947,003	1.90
Venture CDO Ltd 12.04371% 15/07/2031	2,837,100	1,909,201	1.86
Venture CDO Ltd 9.55257% 20/04/2031	1,375,000	897,512	0.88
Venture CDO Ltd 9.72914% 15/01/2031	2,925,000	1,959,068	1.91
Venture CDO Ltd 9.94371% 15/07/2031	1,400,000	974,420	0.95
Vibrant CLO Ltd 11.01257% 20/07/2032	5,000,000	4,161,640	4.06
		59,141,819	57.72
Ireland			
Anchorage Capital Europe CLO 3.743% 25/04/2034	3,000,000	2,936,515	2.87
Anchorage Capital Europe CLO 9.033% 25/04/2034	1,500,000	1,148,005	1.12
Arbour CLO 8.141% 15/01/2036	2,400,000	2,444,546	2.39
Ares Euro CLO BV FRN 15/07/2035	1,800,000	1,883,850	1.84
Armada Euro CLO 3.902% 24/04/2034	3,900,000	3,866,753	3.78
Barings Euro CLO 2019-1 FRN 15/10/2034	3,000,000	3,019,636	2.95
Carlyle Global Market Strategi 7.438% 15/01/2034	2,500,000	2,205,829	2.15
Clarinda Park CLO 4.198% 22/02/2034	2,700,000	2,680,805	2.62
Cordatus CLO Plc 7.721% 22/05/2032	1,000,000	881,261	0.86
Edmondstown Park CLO DAC 9.249% 21/07/2035	600,000	538,891	0.53

The accompanying notes form an integral part of these financial statements.
*Please refer to note 2d) for more information on valuation of Investments.

Schedule of Investments and Other Net Assets as at 31 December 2022 (in USD)

Description	Quantity/ Nominal Value	Market Value*	% of net assets
MORTGAGE AND ASSET BACKED SECURITIES (CONTINUED)			
Ireland (continued)			
Harvest CLO 7.568% 15/07/2031	2,000,000	1,790,045	1.75
Madison Park Euro Funding 3.748% 15/01/2032	3,000,000	2,978,719	2.91
Madison Park Euro Funding V DAC 7.398% 25/05/2034	1,000,000	877,876	0.86
Neuberger Berman Clo Ltd 7.863% 25/10/2034	2,000,000	1,741,452	1.70
Neuberger Berman Loan Advisers 2.1% 15/04/2034	2,000,000	1,746,164	1.70
Ocp Euro CLO 3.756% 20/04/2033	1,000,000	983,313	0.96
Penta CLO 3 DAC 8.098% 17/04/2035	3,000,000	2,654,506	2.59
		34,378,166	33.58
TOTAL MORTGAGE AND ASSET BACKED SECURITIES		93,519,985	91.30
TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET		97,651,512	95.33
Total Investment in Securities		97,651,512	95.33
Cash and cash equivalent		2,202,296	2.15
Other Net Assets		2,576,188	2.52
TOTAL NET ASSETS		102,429,996	100.00

The accompanying notes form an integral part of these financial statements.
*Please refer to note 2d) for more information on valuation of Investments.

Schedule of Investments and Other Net Assets as at 31 December 2022 (in USD)

Credit Default Swaps

Counterparty	Nominal Value	Currency	Fixed rate	Reference issuer	Maturity	Unrealised appreciation/ (depreciation) in sub-fund currency
BNP Paribas SA	10,000,000	EUR	Pay FIXED RATE 5%	iTraxx Europe Crossover Series 34	20/12/2025	-
J.P. MORGAN SE	10,000,000	EUR	Receive FIXED RATE 5%	iTraxx Europe Crossover Series 34	20/12/2025	-
BNP Paribas SA	10,000,000	EUR	Pay FIXED RATE 5%	iTraxx Europe Crossover Series 34	20/12/2025	-
BNP Paribas SA	20,000,000	EUR	Receive FIXED RATE 5%	iTraxx Europe Crossover Series 34	20/12/2025	-
J.P. MORGAN SE	10,000,000	EUR	Receive FIXED RATE 5%	iTraxx Europe Crossover Series 34	20/12/2025	-
BofA Securities Europe SA	20,000,000	EUR	Pay FIXED RATE 5%	iTraxx Europe Crossover Series 34	20/12/2025	-
						-

Schedule of Investments and Other Net Assets as at 31 December 2022 (in USD)

Forward Foreign Exchange Contracts

Counterparty	Currency Bought	Amount purchased	Currency Sold	Amount sold	Maturity	Unrealised appreciation/ (depreciation) in sub-fund currency
Hedged unit classes						
State Street	EUR	80,164,147	USD	83,291,503	18/01/2023	2,345,158
State Street	USD	793,633	EUR	768,584	18/01/2023	(27,418)
Not allocated to a specific unit class						
BNP Paribas SA	USD	30,777,127	EUR	29,800,000	22/02/2023	(1,131,797)
BofA Securities Europe SA	EUR	262,150	USD	280,000	22/02/2023	702
BofA Securities Europe SA	USD	852,390	EUR	800,000	22/02/2023	(4,225)
Citigroup Global Markets Europe AG	USD	2,127,963	EUR	2,000,000	22/02/2023	(13,576)
Credit Agricole CIB	USD	846,556	EUR	800,000	22/02/2023	(10,059)
Total						1,158,785

Futures

Description	Currency	Quantity	Commitment	Maturity	Unrealised appreciation/ (depreciation) in sub-fund currency
Not allocated to a specific unit class					
US 10YR NOTE (CBT)MAR23	USD	300	33,689,063	22/03/2023	(311,719)
Total					(311,719)

Economical Classification of Schedule of Investments

	% of Net Assets
Mortgage and Asset Backed Securities	62.57
Financial Services	20.96
Banks	7.77
Governments and Supranational	4.03
Total	95.33

Notes to the Financial Statements as at 31 December 2022

Note 1: General

a) Fund's details

AXA IM NOVALTO (previously AXA IM ILS Fund FCP-SIF) (the "Fund") has been established in Luxembourg as a Mutual Investment Fund ("Fonds Commun de Placement") organised in the form of an Umbrella Specialised Investment Fund ("Fonds d'Investissement Spécialisé") organised under the laws of the Grand Duchy of Luxembourg. The Fund is subject to the law of 13 February 2007, as amended on 26 March 2012, relating to specialised investment funds. The first Net Asset Value was calculated on 29 January 2010.

The Management Company (AXA Funds Management S.A.) was incorporated on 21 November 1989 for an undetermined period of time and is registered in the register of commerce and companies of Luxembourg under the number B-32.223. Its Articles of Association were published in the "Recueil électronique des sociétés et associations" of 26 January 1990. The latest Consolidated Articles of Association have been filed in the register of commerce and companies of Luxembourg on 21 January 2016. The VAT number is LU 197 76 305.

The CSSF has approved AXA Funds Management S.A. (i) as UCITS Management Company, under Article 101 of Chapter 15 of the Law of 17 December 2010 (as amended) relating to undertakings for collective investment, with effective date of 28 April 2006 and (ii) as Alternative Investment Fund Manager, under Article 5 of Chapter 2 of the Law of 12 July 2013 relating to alternative investment funds, with effective date of 28 July 2014.

The Board of Directors of the Management Company, acting also as AIFM of the fund, has confirmed its adherence to the ALFI's Code of conduct and to the standards of corporate governance described in this code.

Since 16 November 2016, in accordance with the Luxembourg Law of 27 May 2016, the Fund is registered at the Trade and Companies Register of Luxembourg under the number K1394.

b) Sub-Funds List

On 31 December 2022, four Sub-Funds are opened for subscription:

- AXA IM NOVALTO - Gaia (in USD);
- AXA IM NOVALTO - Rhea (in USD);
- AXA IM NOVALTO - AXA IM Multi-Credit Strategies Opportunity Fund (in CHF);
- AXA IM NOVALTO - CLO Credit Fund (in USD).

The Sub-Fund AXA IM NOVALTO Cronos (in USD) has been put in run-off in May 2020.

As at 31 December 2022, there are still existing B-Units for the side pockets until full realisation of the related underlying assets.

c) Unit Classes List

During the year ending 31 December 2022, the following class of units has been launched:

AXA IM NOVALTO - Rhea

- I-B-2-5 Capitalisation USD

Notes to the Financial Statements as at 31 December 2022

Note 1: General (continued)

c) Unit Classes List (continued)

During the year ending 31 December 2022, the following classes of units have been liquidated:

AXA IM NOVALTO - Cronos

- I-B-2-4 Capitalisation USD

AXA IM NOVALTO - Rhea

- I-B-2-1 Capitalisation USD

The classes of units presented above correspond to the type of classes that may be available for Sub-Funds of the Fund. The section “Statistics – Number of Units and Net Asset Value per Unit” indicates for each Sub-Fund the available classes of units on the reporting date.

The AIFM may offer different classes and sub-classes of units. Each class and sub-class may have different features or may be offered to different types of Well-Informed Investors. The features of the units available within each Sub-Fund are set out in the relevant Supplement to the Issuing Document dated October 2021.

Units of each series will have the same characteristics as the units of each other series of the same class of units. Units of differing series but of the same class, respectively sub-class will differ only in respect of their issue date and thus in respect of any right or obligation based on such issue date, including but not limited to fees and allocations to be paid or transferred.

Non-redeemable B Units, available in AXA IM NOVALTO - Cronos and AXA IM NOVALTO – Rhea, have been issued to a Redeeming Investor pro rata to its redemption request in total on occasion when the Illiquid Condition existed on the relevant Redemption Day. The amount of B Units issued to a Redeeming Investor on such occasion has been equal to the applicable A-B Conversion Amount. A Units of a Redeeming Investor in an amount equal to the applicable A-B Conversion Amount is compulsorily redeemed by the Management Company if the Illiquid Condition exists on a given Redemption Day, in which case the redemption proceeds of such redemption shall be applied to purchase the relevant Series of Units I-Bat the fixed Issue Price set forth in section 10.3 b of the Issuing Document (each such conversion shall be referred to as an “A-B Conversion”). A-B Conversion Amount is with respect to a Redeeming Investor and a Redemption Day, an amount equal to (i) the value of the Illiquid ILS comprised within Cronos’ portfolio (other than the Illiquid ILS which have already been allocated to the B Pool(s)) as of such Redemption Day multiplied by (ii) the Redeemable Factor applicable to such Redeeming Investor.

Note 2: Significant Accounting Policies

a) Presentation of the Financial Statements

The Financial Statements have been prepared on a going concern basis of accounting in accordance with generally accepted accounting principles in the Grand Duchy of Luxembourg.

The Financial Statements are expressed in USD.

Notes to the Financial Statements as at 31 December 2022

Note 2: Significant Accounting Policies (continued)

b) Foreign Currency Translation

The accounting records and the Financial Statements are denominated in the reference currency of the relevant Sub-Fund.

The transactions in currencies other than that in which the Sub-Fund is denominated are translated into the respective currency of the portfolio based on the exchange rate in effect at the date of the transaction.

Assets and Liabilities denominated in other currencies are translated into the respective currency of the Sub-Fund at the rate of exchange at closing date. Any resulting gains or losses are recognised in the statement of operations and changes in net assets in determining the change in net assets for the year resulting from operations.

The exchange rates applied for the Net Asset Value calculation and to combine all Sub-Funds Net Asset Value at year-end, are as follows:

As at 31/12/2022

1 USD =	0.92520 CHF
1 USD =	0.93699 EUR
1 USD =	0.83132 GBP
1 USD =	131.94500 JPY

c) Combined figures

The combined Statement of Net Assets and the combined Statements of Operations and Changes in Net Assets are expressed in USD and are presented for information purposes only.

d) Valuation of Investments

All securities and derivatives are valued at fair market value as determined pursuant to the procedures and methods set from time to time by the AIFM, or in accordance with such further provisions set forth in the relevant Supplement to the Issuing Document as the case may be.

The AIFM is authorized to temporarily apply other adequate valuation principles if the afore mentioned valuation criteria appear impossible or inappropriate due to extraordinary circumstances or events.

In connection with certain securities or derivatives for which no external pricing information is available the AIFM may rely on internal pricing models (the "mark-to-model" valuation).

Any cash in hand or on deposit, notes payable on demand, bills and accounts receivable, prepaid expenses, cash dividends, interests declared or accrued as aforesaid and not yet received shall be valued at their full nominal value, unless in any case the same is unlikely to be paid or received in full, in which case the AIFM may value these assets with a discount it may consider appropriate to reflect the true value thereof.

A catastrophe bond (CAT bond) is a bond, which pays a coupon and returns the principal at maturity in the absence of any specific natural catastrophe.

Notes to the Financial Statements as at 31 December 2022

Note 2: Significant Accounting Policies (continued)

d) Valuation of Investments (continued)

These bonds are part of the Insurance Linked Securities asset class.

The CAT bonds case for diversification is particularly strong, given their loss profile. Indeed their low correlation with traditional asset classes is mostly due to their main performance driver – extreme natural catastrophes – which by definition are not correlated to any macroeconomic or financial event.

Methodology for AXA IM NOVALTO bonds and other funded AXA IM NOVALTO assets pricing:

The monthly NAV is based on a Mark-to-Market methodology using the mid prices (average of the bid and offer prices) provided by several brokers on a weekly or monthly basis.

Valuation prices are mark-to-market mid prices. Mid prices are collected from authorized brokers and dealers approved by the investment manager. The Valuation Price is the median of the relevant quotes.

In case prices other than approved brokers median price or counterparty's price are requested to be used, it will be considered as a 'forced price' and must be validated by AXA IM Global Risk Management with proper documentation and rationale provided by Fund Managers.

Collateralised reinsurance agreements are private contracts whereby an insurer transfers a part or all of the insurance risks in a transformer structure, which in turn cedes such risk or part of such risk to financial investors (like the Fund) through a financial instrument such as preferred shares or notes.

With respect to such collateralised reinsurance agreements, a trust account within a dedicated collateralised vehicle will collect:

- the amount transferred as collateral from the Fund,
- a predetermined premium, net of intermediary remunerations, fees and other taxes, paid by the transformer, and representing the insurance risk covered.

The transformer contractually commits by underwriting the reinsurance agreement, acts as an intermediary, sets up the trust account and manages this trust account.

At maturity date of the collateralised reinsurance agreement, the Fund will be entitled to receive a net amount, represented by the collateral deposited and the premium net of fees, and deducted from all claims with respect to collateralised reinsurance agreement.

Obligations of the trust account cease when all its assets and property have been paid, and provided that all claims against its assets are deemed paid and satisfied by the counterparty.

The Portfolio Manager determines for each CLO Tranche its indicative value (the Indicative Value). For the purpose of determining "Indicative Value" of a CLO Tranche, the Portfolio Manager intends to use indicative values provided by CLO arranging bank, investment banks or other counterparties, observed traded prices for CLO tranche and other comparable CLO tranches.

Notes to the Financial Statements as at 31 December 2022

Note 2: Significant Accounting Policies (continued)

d) Valuation of Investments (continued)

Investments in Structured Credit Investments will be valued based on third party indicative value provided by the original placement agent of the relevant Structured Credit Investments. In the event of no such value can be obtained from such placement agent, the Portfolio Manager will use reasonable endeavours to request valuations from another third-party investment bank or assign own pricing and valuation methodologies based on assumed scenario of default and discount rates which are relevant to that Structured Credit Investments.

All other securities and other permissible assets as well as any of the above-mentioned assets for which the valuation would not be possible or practicable, or would not be representative of their fair value, will be valued at fair market value, as determined in good faith.

The Financial Statements are presented on the basis of the Net Asset Value calculated on 30 December 2022, with securities valued on 30 December 2022.

e) Acquisition Cost of Investments

The acquisition cost of Investment expressed in currencies other than the reference currency of the Sub-Fund is translated into the reference currency of the Sub-Fund on the basis of the average exchange rates prevailing on the purchase date.

f) Realised Gains/(Losses) on Sales of Investments

The realised gains/(losses) on sales of Investment are determined on the basis of the average cost of the Investment sold.

g) Valuation of the Forward Foreign Exchange Contracts

Outstanding forward foreign exchange contracts are valued at the closing date using the forward rates of exchange applicable to the outstanding life of the contract. All unrealised appreciation and depreciation are included in the Statement of Net Assets.

h) Valuation of Swap Agreements

A swap is an agreement that obligates two parties to exchange a series of cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified amount of an underlying asset.

The payment flows are usually netted against each other, with the difference being paid by one party to the other. Risks may arise as a result of the failure of another party to the swap contract to comply with the terms of the swap contract. The loss incurred by the failure of a counterparty is generally limited to the net payment to be received by the Fund, and/or the termination value at the end of the contract.

Therefore, the Fund considers the creditworthiness of each counterparty to a swap contract in evaluating potential credit risk. Additionally, risks may arise from unanticipated movements in interest rates or in the value of the underlying securities or indices.

Notes to the Financial Statements as at 31 December 2022

Note 2: Significant Accounting Policies (continued)

h) Valuation of Swap Agreements (continued)

Swaps are valued at fair market value as determined in good faith pursuant to the procedures validated by the Board of Directors of the Management Company.

Catastrophe swaps are valued based on the net premiums received, which are recognised in profit & loss gradually over the risk period. In the account “Net realised result on swaps”, losses are recorded upon notification of the trigger events or loss payments by the swap agent, or are estimated by the Board of Directors of the Management Company when such information is not yet available.

The unrealised appreciation/(depreciation) on swaps is included in the Statement of Net Assets under the headings “Unrealised appreciation/(depreciation) on swap contracts”.

i) Dividend Income

Dividends are accounted for on an ex-dividend date basis, net of any irrecoverable withholding tax.

j) Interest Income

Interests are recognised on a daily accrual basis, net of withholding tax, including recovered/confirmed withholding tax reclaims (interest on investment portfolio, interest on deposits and interest on call accounts and security lending income).

k) Premium on collateralised reinsurance agreements

Premium on collateralised reinsurance agreements, are accrued according to the seasonality of the underlying risk and/or on a linear basis over the duration of the collateralised reinsurance agreements.

Note 3: Formation Expenses

The costs and expenses of the formation of the Fund were fully taken in charge during the first year.

Note 4: Taxation

The Fund is a registered investment fund domiciled in Luxembourg and is, as a result, exempt from tax, except for subscription tax (“Taxe d’Abonnement”). Under current legislation and regulation, the Fund is subject to a subscription tax calculated and payable quarterly on the Net Asset Value of the Fund at the end of the respective quarter. The Fund pays a tax rate equal to 0.01% for assets related to the shares reserved for institutional investors and/or for the cash and money market Sub-Funds.

Notes to the Financial Statements as at 31 December 2022

Note 5: Management Fees

The AIFM is entitled to receive a management fee which is paid monthly in arrears and based on the NAV per unit as of the Valuation Point of each month.

The Sub-Funds pay to the AIFM the following annual management fees which are calculated as a percentage of the Net Asset Value of the Sub-Fund:

	Actual Management Fees	Maximum Management Fees
AXA IM NOVALTO - Gaia		
I-C-1 Capitalisation USD PF	0.75%	2.00%
III-C-1 Capitalisation EUR Hedged (95%) PF	0.75%	2.00%
III-C-2 Capitalisation EUR Hedged (95%) PF	0.75%	2.00%
III-C-3 Capitalisation EUR Hedged (95%) PF	0.75%	2.00%
V-C-1 Capitalisation CHF Hedged (95%) PF	0.75%	2.00%
VIC-1 Distribution CHF Hedged (95%) PF	0.75%	2.00%
AXA IM NOVALTO - Cronos		
I-B-1-1 Capitalisation USD	0.50%	2.00%
I-B-2-1 Capitalisation USD	0.90%	2.00%
I-B-2-2 Capitalisation USD	0.90%	2.00%
I-B-2-5 Capitalisation USD	0.90%	2.00%
I-B-2-6 Capitalisation USD	0.90%	2.00%
I-B-2-7 Capitalisation USD	0.90%	2.00%
I-B-3-1 Capitalisation USD	0.70%	2.00%
AXA IM NOVALTO - Rhea		
I-A-1 Capitalisation USD PF	0.65%	2.00%
I-A-2 Capitalisation USD PF	0.95%	2.00%
III-A-2 Capitalisation EUR Hedged (95%) PF	0.95%	2.00%
IV-A-1 Distribution quarterly EUR Hedged (95%) PF	0.95%	2.00%
AXA IM NOVALTO - AXA IM Multi-Credit Strategies Opportunity Fund		
B-1 Distribution CHF PF	0.90%	2.00%
AXA IM NOVALTO - CLO Credit Fund		
A-1-2 Capitalisation USD PF	0.50%	1.00%
A-1-3 Capitalisation USD PF	0.50%	1.00%
A-3-1 Capitalisation EUR Hedged (95%) PF	0.50%	1.00%
B-3-1 Distribution quarterly EUR Hedged (95%) PF	0.80%	1.00%
B-3-2 Distribution quarterly EUR Hedged (95%) PF	0.40%	1.00%

Note 6: Performance Fees

The AIFM is entitled to receive a performance fee in addition to the management fees, based on the Sub-Fund's performance in excess of the benchmark return, calculated as set out in respect of each Sub-Fund in the relevant Supplement to the Issuing Document.

The performance fee is calculated in respect of each reference year as described in the Issuing Document dated October 2021, accrued monthly and paid at the end of each accounting year.

Notes to the Financial Statements as at 31 December 2022

Note 6: Performance Fees (continued)

As of 31 December 2022, the performance fee rates and the Benchmark index (the "Benchmark Fund") are as follows:

Sub-Fund's name	Rate	The Benchmark index (the "Benchmark Fund") is equal to
AXA IM NOVALTO - Gaia	15%	- The 1-month USD London Interbank Offered Rate (Libor) rate + 200 basis points net for classes of units denominated in USD; - The 1-month Euro Interbank Offered Rate (Euribor) rate + 200 basis points net for classes of units denominated in EUR; - The Swiss Average Rate Overnight 1-month Compound Rate + 200 basis points net for classes of units in CHF.
AXA IM NOVALTO - Rhea	17.5%	- The 1-month USD London Interbank Offered Rate (Libor) rate + 300 basis points net for classes of units denominated in USD. - The 1-month Euro Interbank Offered Rate (Euribor) rate + 300 basis points net for classes of units denominated in EUR; - The SARON 1-month Compound Rate + 300 basis points net for classes of units in CHF.
AXA IM NOVALTO - AXA IM Multi-Credit Strategies Opportunity Fund	20%	- The SARON 3-month Compound Rate capitalized plus six per cent (6%) on an annualised basis or a lower percentage agreed between the Management Company and the relevant unitholder.
AXA IM NOVALTO - CLO Credit Fund	20%	- the 3-month USD London Interbank Offered Rate (Libor) rate for classes of units in USD; - the 3-month Euro Interbank Offered Rate (Euribor) rate for classes of units in EUR; - the SARON 3-month Compound Rate for classes of units in CHF; - the SONIA 3-month Compound Rate for classes of units in GBP; + an amount expressed as a percentage, which is applicable to the relevant Class, Sub-Class and/or Series (as applicable), subject to a minimum of 4 %, as determined by the Management Company.

As of 31 December 2022, the performance fees are as follows:

	Share class currency	Current performance fee in share class currency	% of the average net asset value of the share class
AXA IM NOVALTO - AXA IM Multi-Credit Strategies Opportunity Fund			
B-1 Distribution CHF PF	CHF	7,708	0.03%
AXA IM NOVALTO - CLO Credit Fund			
A-1-2 Capitalisation USD PF	USD	-	-
A-1-3 Capitalisation USD PF	USD	-	-
A-3-1 Capitalisation EUR Hedged (95%) PF	EUR	-	-
B-3-1 Distribution quarterly EUR Hedged (95%) PF	EUR	-	-
B-3-2 Distribution quarterly EUR Hedged (95%) PF	EUR	-	-

Notes to the Financial Statements as at 31 December 2022

Note 6: Performance Fees (continued)

	Share class currency	Current performance fee in share class currency	% of the average net asset value of the share class
AXA IM NOVALTO - Gaia			
I-C-1 Capitalisation USD PF	USD	-	-
III-C-1 Capitalisation EUR Hedged (95%) PF	EUR	-	-
III-C-2 Capitalisation EUR Hedged (95%) PF	EUR	-	-
III-C-3 Capitalisation EUR Hedged (95%) PF	EUR	-	-
V-C-1 Capitalisation CHF Hedged (95%) PF	CHF	-	-
VI-C-1 Distribution CHF Hedged (95%) PF	CHF	-	-
AXA IM NOVALTO - Rhea			
I-A-1 Capitalisation USD PF	USD	-	-
I-A-2 Capitalisation USD PF	USD	-	-
III-A-2 Capitalisation EUR Hedged (95%) PF	EUR	-	-
IV-A-1 Distribution quarterly EUR Hedged (95%) PF	EUR	-	-

Note 7: Commissions of the Depositary, Administration Agent, Domiciliary, Corporate and Paying Agent, Registrar and Transfer Agent

The Depositary, Administration Agent, Domiciliary, Corporate and Paying Agent, Registrar and Transfer Agent are entitled to the fees determined in accordance with the Depositary and Central Administration Agreements, which fees shall be in accordance with Luxembourg market standards.

Note 8: Accounting Fees

The Accounting fees disclosed in the Statement of Operations and Changes in Net Assets constitute a service fee charged by the Administrative Agent which comprises fund accounting administration, unit class specific administration, compliance services, unitholder tax calculation, regulatory reporting and domiciliary services.

Note 9: Transaction Fees

The transaction fees are disclosed for each Sub-Fund in the Statement of Operations and Changes in Net Assets under the caption "Transaction fees". Those fees are detailed in the Additional Unaudited Appendix.

Note 10: Changes in the Investment Portfolio

The changes in the investment portfolios during the reporting year are available free of charge, to the unitholders at the address of the depositary.

Notes to the Financial Statements as at 31 December 2022

Note 11: Dividend Distribution

For the following AXA IM NOVALTO Sub-Fund, the Board of Directors approved the following annual dividend distribution:

	Ex-date	Payment date	Distribution rate
AXA IM NOVALTO - Gaia			
VI-C-1 Distribution CHF Hedged (95%) PF	31/01/2022	22/02/2022	23.34

For the below AXA IM NOVALTO Sub-Funds the Board of Directors approved quarterly dividend distribution:

	Ex-date	Payment date	Distribution rate
AXA IM NOVALTO - Rhea			
IV-A-1 Distribution quarterly EUR Hedged (95%) PF	31/01/2022	22/02/2022	12.72
AXA IM NOVALTO - AXA IM Multi-Credit Strategies Opportunity Fund			
B-1 Distribution CHF PF	28/02/2022	28/03/2022	16.55
	31/05/2022	05/07/2022	14.99
	31/08/2022	30/09/2022	18.87
	31/10/2022	30/12/2022	21.93
AXA IM NOVALTO - CLO Credit Fund			
B-3-2 Distribution quarterly EUR Hedged (95%) PF	28/02/2022	21/03/2022	10.91
	31/05/2022	28/06/2022	12.23
	31/08/2022	22/09/2022	15.61
	30/11/2022	21/12/2022	15.63
B-3-1 Distribution quarterly EUR Hedged (95%) PF	28/02/2022	21/03/2022	10.55
	31/05/2022	28/06/2022	11.72
	31/08/2022	22/09/2022	15.35
	30/11/2022	21/12/2022	15.45

Note 12: (Un)realised appreciation/(depreciation) on investments and derivatives

Following the AIFM Law of July 2013, the details of the (un)realised gain/loss on investment and derivative products during the financial year are:

AXA IM NOVALTO - Gaia

	Realised gain (in USD)	Realised loss (in USD)	Net realised gain/loss (in USD)
On Investment	240,903	(3,567,482)	(3,326,579)
On spot foreign exchange	665,764	(748,295)	(82,531)
On forward foreign exchange contracts	7,459,904	(15,697,754)	(8,237,850)

Notes to the Financial Statements as at 31 December 2022

Note 12: (Un)realised appreciation/(depreciation) on investments and derivatives (continued)

	Change in the unrealised appreciation (in USD)	Change in the unrealised (depreciation) (in USD)	Net change in the unrealised appreciation/(depreciation) (in USD)
On Investment	(2,291,070)	(7,121,074)	(9,412,144)
On forward foreign exchange contracts	1,062,486	125,196	1,187,682

AXA IM NOVALTO - Cronos

	Realised gain (in USD)	Realised loss (in USD)	Net realised gain/loss (in USD)
On Investment	12,578,632	(12,978,776)	(400,144)
On spot foreign exchange	1,913	-	1,913

	Change in the unrealised appreciation (in USD)	Change in the unrealised (depreciation) (in USD)	Net change in the unrealised appreciation/(depreciation) (in USD)
On Investment	(859,145)	757,439	(101,706)

AXA IM NOVALTO - Rhea

	Realised gain (in USD)	Realised loss (in USD)	Net realised gain/loss (in USD)
On Investment	4,774,605	(4,951,271)	(176,666)
On spot foreign exchange	103,695	(106,634)	(2,939)
On forward foreign exchange contracts	730,404	(2,331,415)	(1,601,011)

	Change in the unrealised appreciation (in USD)	Change in the unrealised (depreciation) (in USD)	Net change in the unrealised appreciation/(depreciation) (in USD)
On Investment	(1,237,991)	(6,059,887)	(7,297,878)
On forward foreign exchange contracts	332,491	260,675	593,166

AXA IM NOVALTO - AXA IM Multi-Credit Strategies Opportunity Fund

	Realised gain (in CHF)	Realised loss (in CHF)	Net realised gain/loss (in CHF)
On Investment	3,690,918	(5,167,776)	(1,476,858)
On spot foreign exchange	631,640	(1,420,233)	(788,593)
On forward foreign exchange contracts	690,760	(386,549)	304,211
On swaps	-	(45,497)	(45,497)

	Change in the unrealised appreciation (in CHF)	Change in the unrealised (depreciation) (in CHF)	Net change in the unrealised appreciation/(depreciation) (in CHF)
On Investment	(234,735)	1,740,344	1,505,609
On forward foreign exchange contracts	(302,845)	(59,029)	(361,874)
On swaps	(34,797)	80,294	45,497

Notes to the Financial Statements as at 31 December 2022

Note 12: (Un)realised appreciation/(depreciation) on investments and derivatives (continued)

AXA IM NOVALTO - CLO Credit Fund

	Realised gain (in USD)	Realised loss (in USD)	Net realised gain/loss (in USD)
On Investment	3,381,746	(6,147,086)	(2,765,340)
On spot foreign exchange	2,907,934	(5,568,002)	(2,660,068)
On forward foreign exchange contracts	4,495,522	(13,528,018)	(9,032,496)
On futures	1,439,951	(4,194,062)	(2,754,111)

	Change in the unrealised appreciation (in USD)	Change in the unrealised (depreciation) (in USD)	Net change in the unrealised appreciation/(depreciation) (in USD)
On Investment	72,017	(14,214,026)	(14,142,009)
On forward foreign exchange contracts	1,588,295	(895,930)	692,365
On futures	(38,438)	(311,719)	(350,157)
On swaps	1,766,576	(1,766,576)	-

Note 13: Collaterals on OTC Derivatives products

As at 31 December 2022, the Fund received and paid the following collaterals for all OTC derivative products:

Sub-Fund's name	Counterparty	Currency of the security	Type of collateral (Securities) Description	Collateral value (in Sub-Fund currency)
AXA IM NOVALTO - CLO Credit Fund	Bank of America Securities Europe	USD	Collateral granted 100,000 Securities United States Treasury Bill 0% 16/02/2023	98,524
AXA IM NOVALTO - CLO Credit Fund	Bank of America Securities Europe	USD	Collateral granted 733,700 Securities United States Treasury Bill 0% 19/01/2023	725,330
AXA IM NOVALTO - CLO Credit Fund	Bank of America Securities Europe	USD	Collateral granted 13,800 Securities United States Treasury Bill 0% 23/02/2023	13,584
AXA IM NOVALTO - CLO Credit Fund	J.P. Morgan AG	EUR	Collateral received 742,000 Securities France (Republic of) 0% 25/10/2038	440,213
AXA IM NOVALTO - CLO Credit Fund	J.P. Morgan AG	EUR	Collateral received 375,000 Securities France (Republic of) 4% 25/10/2038	418,975
AXA IM NOVALTO - CLO Credit Fund	BNP PARIBAS SA	USD	Collateral granted 870,000 Securities United States Treasury Bill 0% 16/02/2023	857,162
AXA IM NOVALTO - CLO Credit Fund	BNP PARIBAS SA	USD	Collateral granted 278,000 Securities United States Treasury Bill 0% 19/01/2023	274,829

Notes to the Financial Statements as at 31 December 2022

Note 14: Audited TER (Total Expense Ratio)

	Calculated TER (1) Swiss method	
	with performance fee	without performance fee
AXA IM NOVALTO - AXA IM Multi-Credit Strategies Opportunity Fund		
B-1 Distribution CHF PF	1.05%	1.05%

(1) The TERs above represent, as indicated in the prospectus, a weighted average of administrative expenses which shareholders could normally have expected to pay when being invested in the chosen share class as indicated in the prospectus. This methodology is in line with accepted standard market practices and represents a fair view of publications to be made in the market.

Note 15: Subsequent Events

AXA Investment Managers has decided to proceed with the restructuring of AXA Funds Management S.A. ("AFM"), its Luxembourg subsidiary and the current management company of the Fund, into a Luxembourg branch of AXA Investment Managers Paris ("AXA IM Paris"), another of its subsidiaries.

The contemplated restructuring has essentially been effected via the merger of AFM into AXA IM Paris (the "Merger") and the creation of a Luxembourg branch from where the Luxembourg employees of AXA IM Paris would continue to operate. The Merger has been effective on 28 February 2023.

As of 1 January 2023, AXA Investment Managers Luxembourg S.A. will be appointed as management company of the Fund. AXA Investment Managers Paris will remain Portfolio Manager of the Fund.

The Directory of the Issuing Document and the Management Regulations have been updated according to the change of management company and some references to the management company have been replaced by references to the Portfolio Manager where relevant. New agreements with 3rd party service providers will be signed to include AXA Investment Managers Luxembourg S.A. as new management company and the Issuing Document and the Management Regulations will be updated accordingly.

The Management Company has decided to put the Sub-Fund Rhea into liquidation with effect as of 31 January 2023.

Additional Unaudited Appendix

TER (Total Expense Ratio)

	Calculated TER (1) Swiss method	
	with performance fee	without performance fee
AXA IM NOVALTO – Gaia		
I-C-1 Capitalisation USD PF	0.89%	0.89%
III-C-1 Capitalisation EUR Hedged (95%) PF	0.92%	0.92%
III-C-2 Capitalisation EUR Hedged (95%) PF	0.92%	0.92%
III-C-3 Capitalisation EUR Hedged (95%) PF	0.92%	0.92%
V-C-1 Capitalisation CHF Hedged (95%) PF	0.92%	0.92%
VI-C-1 Distribution CHF Hedged (95%) PF	0.92%	0.92%
AXA IM NOVALTO – Cronos		
I-B-1-1 Capitalisation USD	0.64%	0.64%
I-B-2-1 Capitalisation USD	1.03%	1.03%
I-B-2-2 Capitalisation USD	1.03%	1.03%
I-B-2-5 Capitalisation USD	1.03%	1.03%
I-B-2-6 Capitalisation USD	1.03%	1.03%
I-B-2-7 Capitalisation USD	1.03%	1.03%
I-B-3-1 Capitalisation USD	1.06%	1.06%
AXA IM NOVALTO – Rhea		
I-A-1 Capitalisation USD PF	0.79%	0.79%
I-A-2 Capitalisation USD PF	1.09%	1.09%
I-B-2-2 Capitalisation USD	0.75%	0.75%
I-B-2-3 Capitalisation USD	1.00%	1.00%
I-B-2-4 Capitalisation USD	0.91%	0.91%
I-B-2-5 Capitalisation USD	1.09%	1.09%
III-A-2 Capitalisation EUR Hedged (95%) PF	1.12%	1.12%
III-B-1-1 Capitalisation EUR	0.70%	0.70%
III-B-1-2 Capitalisation EUR	0.62%	0.62%
III-B-1-3 Capitalisation EUR	0.72%	0.72%
III-B-2-1 Capitalisation EUR	0.96%	0.96%
IV-A-1 Distribution quarterly EUR Hedged (95%) PF	1.10%	1.10%
AXA IM NOVALTO - CLO Credit Fund		
A-1-2 Capitalisation USD PF	0.65%	0.65%
A-1-3 Capitalisation USD PF	0.65%	0.65%
A-3-1 Capitalisation EUR Hedged (95%) PF	0.67%	0.67%
B-3-1 Distribution quarterly EUR Hedged (95%) PF	0.97%	0.97%
B-3-2 Distribution quarterly EUR Hedged (95%) PF	0.57%	0.57%

(1) The TERs above represent, as indicated in the prospectus, a weighted average of administrative expenses which unitholders could normally have expected to pay when being invested in the chosen unit class as indicated in the prospectus. This methodology is in line with accepted standard market practices and represents a fair view of publications to be made in the market.

Additional Unaudited Appendix

PTR (Portfolio Turnover Ratio)

Sub-Funds	PTR I (1)	PTR II (2)
AXA IM NOVALTO - Gaia	39.24%	40.77%
AXA IM NOVALTO - Cronos	(41.81)%	(42.02)%
AXA IM NOVALTO - Rhea	81.19%	86.40%
AXA IM NOVALTO - AXA IM Multi-Credit Strategies Opportunity Fund	11.44%	19.37%
AXA IM NOVALTO - CLO Credit Fund	168.63%	168.63%

Calculation of the Portfolio Turnover Ratio:

$$(1) \text{ PTR I} = \frac{(\text{TOTAL PURCHASES} + \text{TOTAL SALES}) - (\text{TOTAL SUBSCRIPTIONS} + \text{TOTAL REDEMPTIONS})}{\text{MONTHLY AVERAGE TOTAL NET ASSETS}} \times 100$$

$$(2) \text{ PTR II} = \frac{(\text{TOTAL PURCHASES} + \text{TOTAL SALES}) - \text{SUM OF DAILY IN OR OUTFLOWS}}{\text{AVERAGE TOTAL NET ASSETS}} \times 100$$

(*) Calculated on the basis of the year-to-date average of the total net assets for 2022.

Information relative to the risk management of the fund

a) Risk Profile

In line with the AIFM directive, the Management Company has put in place measures allowing to assess the sensitivity of the portfolio to the most relevant risks to which the fund is or could be exposed to. The Issuing Document of the AIF dated October 2021 provides detailed descriptions of the risks the fund is subject to.

The below matrix indicates the main identified risks of the portfolio as well as the associated level of risk*:

Category of risk for AXA IM NOVALTO (Gaia, Cronos and Rhea)	Associated level of risk* AXA IM NOVALTO - Gaia	Associated level of risk* AXA IM NOVALTO - Cronos	Associated level of risk* AXA IM NOVALTO - Rhea
Market Risk	Medium	Medium	High
Credit Risk	Low	Medium	Low
Liquidity Risk	Medium	Medium	Medium
Counterparty Risk	Moderate	Low	Moderate
Valuation Risk	High	High	High
Operational Risk	Low	Low	Low

*This list does not aim at being fully exhaustive but rather reflects the most representative categories of risks for the AIF.

The Sub-Funds AXA IM NOVALTO - Gaia, AXA IM NOVALTO - Cronos and AXA IM NOVALTO - Rhea primarily invest in catastrophe bonds and can invest in funded catastrophe swaps and in private transactions with short maturity. Investments in Insurance Linked Securities (“ILS”) are mainly “buy and hold” investments and trading is not expected to be very active. The leverage of the Sub-Funds will be mostly generated by the use of OTC derivatives as FX forwards.

As ILS can be illiquid, complex transactions, investments rely heavily on pre-trade front office due diligence, legal analysis, and valuation and modelling assessment.

Additional Unaudited Appendix

Information relative to the risk management of the fund (continued)

a) Risk Profile (continued)

The Sub-Fund AXA IM NOVALTO - Cronos has a higher risk return profile than the Sub-Fund AXA IM NOVALTO - Rhea that aims at a higher risk return the Sub-Fund AXA IM NOVALTO - Gaia.

In addition the Sub-Fund AXA IM NOVALTO - Cronos has a systematic side pocketing process in place, where “illiquid” assets are allocated to a side pocket. Redemptions requested are then honoured by a mix of cash payment representing the “liquid” part of the assets and issue of shares representing the illiquid assets until maturity.

Category of risk for AXA IM NOVALTO – AXA IM Multi-Credit Strategies Opportunity Fund	Associated level of risk*
Market risk	Medium
Credit risk	High
Liquidity risk	Medium
Counterparty risk (for OTC hedges)	Low
Valuation risk	High
Operational risk	Low

*This list does not aim at being fully exhaustive but rather reflects the most representative categories of risks for the AIF.

The Sub-Fund will predominantly invest in structured credit assets and other credit and fixed income instruments. The objective of the strategy is to achieve total return from a portfolio of structured and securitised assets. The strategy is expected to be a mix between buy and hold assets and more actively traded assets

The sub fund is denominated in CHF while the vast majority of the assets will be in other currencies. The Sub-fund may actively manage its currency exposure through the use of forwards exchange, swap or option transactions. The fund has the flexibility to extract positive returns from the management of the duration by adding some positive duration to floating assets portfolio if and when considered appropriate by the Portfolio Manager and with the use of derivative products.

Leverage on the fund can be generated by derivative exposures and hedging strategies (FX forwards, IRS, CDS, indexes,...) and by the contemplated liquidity facility (which is meanwhile a mitigant for the cash disruption, as it is contemplated to draw down it only in case there is shortfall arising from unexpectedly high margin calls from derivatives).

Some structured credit assets will be subject to Risk Retention Requirements issued by regulator. As a consequence, the originator, sponsor (including the relevant CLO Managers) or original lender (if any) of the CLO Tranches will be expected to retain a material net economic interest in the relevant CLO transactions. Notwithstanding the above, the Risk Retention Requirements would not be applicable to CLO Tranches issued before 1st January 2011 to the extent new underlying exposures under those CLO Tranches are not added or substituted after 31 December 2016.

Additional Unaudited Appendix

Information relative to the risk management of the fund (continued)

a) Risk Profile (continued)

Category of risk for AXA IM NOVALTO - CLO Credit Fund	Associated level of risk*
Market risk	Medium
Credit risk	High
Liquidity risk	Medium
Counterparty risk (for OTC hedges)	Low
Valuation risk	High
Operational risk	Low

*This list does not aim at being fully exhaustive but rather reflects the most representative categories of risks for the AIF.

b) Risk management systems

An appropriate risk management system is in place for the Fund, allowing to detect, measure, manage and follow permanently the risk to which the Fund is or can be exposed to.

The disposals in place including the tools, procedures, techniques to measures the risks and the respect of the limits defined, are proportionate to the nature, the size and the complexity of each of the AIF managed and are compatible with the risk profile of the latter.

Stress test and crisis simulations are performed, so as to assess the risks arising from variations that could have negative impacts on the AIF.

In case of breaches of the risk limits defined for the AIF, corrective measures are undertaken in line with the standards of the Management Company, so as to serve the interests of shareholders.

This risk management system allows the identification, the analysis and where relevant the escalation of risks considered as material to the control committees, the management of the AIF and of the AIFM. In addition, regular updates are provided to the same bodies with regards to the appropriate application of the risk management framework described here above.

c) Information relative to liquidity management

The AIFM has put in place a framework to monitor the liquidity of each AIF. A description of this framework is available on the website www.axa-im-international.com under the name « Liquidity Monitoring - One pager ». No changes on the liquidity monitoring arrangements have occurred.

Additional Unaudited Appendix

Information relative to the risk management of the fund (continued)

d) Leverage and use of collateral

Fund concerned	Method applied	Maximum level of leverage*	Real level of leverage**
AXA IM NOVALTO - Gaia	Gross method	300%	93.02%
	Commitment method	200%	100.22%
AXA IM NOVALTO - Cronos	Gross method	210%	100.00%
	Commitment method	110%	100.00%
AXA IM NOVALTO - Rhea	Gross method	300%	89.94%
	Commitment method	200%	100.02%
AXA IM NOVALTO - AXA IM Multi-Credit Strategies Opportunity Fund	Gross method	1000%	143.39%
	Commitment method	500%	105.46%
AXA IM NOVALTO - CLO Credit Fund	Gross method	500%	251.66%
	Commitment method	200%	125.46%

*Information of the leverage is provided in the last Issuing Document of the AIF dated October 2021.

**As of 31 December 2022.

The collateral received by the AIF with a view to reduce its counterparty risk in the context of the use of derivatives instruments and efficient portfolio management techniques will not be reinvested. There has not been changes on the leverage and re-use of collateral since the fund qualifies as an Alternative Investment Fund.

Remuneration policy

According to regulatory requirements on remuneration disclosure applicable to asset management companies, this disclosure provides an overview of the approach on remuneration taken by AXA Funds Management, which has adopted the group policy of AXA Investment Managers (hereafter “AXA IM”). Further information on the composition of the Remuneration Committee and driving principles of the Remuneration Policy is available on AXA IM website: www.axa-im.com/en/remuneration. A copy of this information is available upon request free of charge.

Governance - AXA IM’s Remuneration Policy, which is reviewed and approved by the AXA IM Remuneration Committee every year, sets out the principles relating to remuneration within all entities of AXA IM and takes into account AXA IM’s business strategy, objectives, and risk tolerance, as well as the long-term interests of AXA IM’s shareholders, clients and employees. The AXA IM Remuneration Committee, in line with the remuneration policies and procedures set and validated at AXA Group level, ensures consistency and fair application of the Remuneration Policy within AXA IM, as well as compliance with applicable regulations.

The central and independent review that the effective implementation of the AXA IM’s Remuneration Policy complies with the procedures and policies adopted by AXA IM Group level, is performed by the AXA IM Internal Audit Department, who presents each year its conclusions to the AXA IM Remuneration Committee to enable it to perform its diligences.

These conclusions did not mention any particular comments regarding the compliance of the effective implementation of the AXA IM’s Remuneration Policy.

Additional Unaudited Appendix

Remuneration policy (continued)

The result of the annual exam by the AXA IM Remuneration Committee is presented to the Board of Directors of AXA Funds Management S.A. along with the amendments implemented into the AXA IM's Remuneration Policy.

The Global Remuneration Policy has been reviewed to factor the proposed deferral structure in and ensure compliance with all governing regulations and alignment with the AXA IM business and Human Resource strategies.

Quantitative information - Data provided below are those of AXA Investment Managers covering all subsidiaries of the AXA Investment Managers Group and types of portfolios as at 31 December 2022 after application on remuneration data of the Fund's weighted Asset Under Management allocation key.

Total amount of remuneration paid and/or awarded to staff for the year ended 31 December 2022, prorated to the Fund's assets ¹	
Fixed Pay ² ('000 EUR)	138.83
Variable Pay ³ ('000 EUR)	172.82
Number of employees ⁴	2,675 incl. 14 AFM's employees

¹ Excluding social charges.

² Fixed Pay amount is based on Fixed Pay effective for all staff at AXA IM during the financial year under review prorated to the Fund's assets.

³ Variable Pay, prorated to the Fund's assets, composed of discretionary, upfront and deferred items, includes:

- Amounts awarded for the performance of previous the previous year and fully paid over the financial year under review (non-deferred variable pay);
- Amounts awarded for the performance of previous years and the performance of the year under review (deferred variable pay);
- Long-Term Incentives awarded by the AXA Group.

⁴ Number of employees includes Permanent and Temporary contracts excluding internship as at 31 December 2022.

Aggregate amount of remuneration paid and / or awarded to risk takers and senior management whose activities have a significant impact on the risk profile of portfolios, prorated to the Fund's assets ¹			
	Risk Takers	Senior Management	Total
Fixed Pay and Variable Pay ('000 EUR) ^{2 3}	61.89	61.15	123.04
Number of employees ⁴	277 incl. 2 AFM's employees	62 incl. 2 AFM's employees	339 incl. 4 AFM's employees

¹ Excluding social charges.

² Fixed Pay amount is based on Fixed Pay effective for all staff at AXA IM during the financial year under review prorated to the Fund's assets.

³ Variable Pay, prorated to the Fund's assets, composed of discretionary, upfront and deferred items, includes:

- Amounts awarded for the performance of the previous year and fully paid over the financial year under review (non-deferred variable pay);
- Amounts awarded for the performance of previous years and the performance of the year under review (deferred variable pay);
- Long-Term Incentives awarded by the AXA Group.

⁴ Number of identified employees within AXA IM Group level and AXA Funds Management SA as at 31 December 2022.

Additional Unaudited Appendix

Securities Financing Transactions Regulation

There were no transactions during the year, nor positions opened at year-end that are in the scope of the EU Directive 2015/2365 published on 25 November 2015 on transparency of securities financing transactions and of reuse.

Transaction fees

The Transaction fees presented in the Statement of Operations and Changes in Net Assets are the sum of the Depositary cash movement charges, the Fund Administrator Charges on FOREX activity and the Depositary Settlement Charges.

Sub-Funds	Commissions				Settlement Fees	Tax					In the Sub-Funds currency
	Broker Commissions	Broker Execution fee	Depositary cash movement Charges*	Fund Administrator Charges on FOREX activity*		Stamp Duty	Other Transaction Tax	State Street Bank Settlement Charges waived by swing	Total	All other components of the Transaction fees**	
AXA IM NOVALTO - Gaia	-	-	7,039	180	436	-	-	-	7,655	-	-
AXA IM NOVALTO - Rhea	(367)	916	17,659	240	203	-	-	-	18,651	549	-
AXA IM NOVALTO - AXA IM Multi-Credit Strategies Opportunity Fund	-	-	5,208	675	2,122	-	-	-	8,005	-	-
AXA IM NOVALTO - CLO Credit Fund	-	-	5,960	520	-	-	-	-	6,480	-	-

* These fees are disclosed under the caption "Transaction fees" in the Statement of Operations and Changes in Net Assets.

** The "All other components of the Transaction fees" do not form part of the account "Transaction fees" in the Statement of Operations and Changes in Net Assets. They are included in the "Net Change in unrealised appreciation/(depreciation) on investments" and the "Net realised gain/(loss) on sales of investments" in the Statement of Operations and Changes in Net Assets.

Additional Unaudited Appendix

Sustainable Finance Disclosure Regulation (“SFDR”) Disclosures

Article 6

The fund is a financial product that neither promotes environmental and/or social characteristics nor has a sustainable investment objective within the meaning of the articles 8 and 9 of the Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector.

Nevertheless, it follows sectorial exclusion policies covering controversial weapons, soft commodities, climate risks, and ecosystem protection & deforestation. In 2022, AXA IM extended this policy to cover investments incorporating significant land use controversies and responsible for biodiversity loss in relation to soy, cattle and timber.

The Scope:

- AXA IM NOVALTO - Gaia;
- AXA IM NOVALTO - Cronos;
- AXA IM NOVALTO - Rhea;
- AXA IM NOVALTO - AXA IM Multi-Credit Strategies Opportunity Fund;
- AXA IM NOVALTO - CLO Credit Fund.

