AXA TRESOR COURT TERME

(Complying with Regulation (EU) 2017/1131 - authorised as short term money market fund)

The Fund is compliant with European Directive 2009/65/EC

PROSPECTUS

I - General characteristics:

1 Form of the UCITS:

➢ **Name: AXA TRESOR COURT TERME**
➢ **Legal form and Member State in which the UCITS was created: French mutual fund (Fonds Commun de Placement - FCP)**
➢ **Date of authorisation, establishment and expected term: UCITS approved on 20 January 1995 and created on 3 February 1995, for a term of 99 years.**
➢ **Fund overview:**

Type of Units	ISIN Code	Allocation of Distributable Amounts	Base Currency	Subscribers concerned	Initial NAV
Unit C	FR0000447823	Accumulation	Euro	All subscribers	€15,244.90 Unit split by 10 on 17/06/96
Unit D	FR0000447831	Distribution	Euro	All subscribers	€15,244.90 Unit split by 10 on 17/06/96

➢ **The latest annual report and interim statement can be obtained as follows:**
The latest annual reports and the composition of the assets will be sent within eight business days upon written request by a unitholder to:

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

For further information you can contact: AXA INVESTMENT MANAGERS PARIS at the above address or by e mail to: client@axa-im.com

II Participants:

➢ **<u>Management Company: AXA INVESTMENT MANAGERS PARIS,</u>**
Société Anonyme (public limited company) with a Board of Directors
Registered office: Tour Majunga - La Défense 9 - 6, place de la Pyramide - 92800 Puteaux.
Postal address: Tour Majunga -6 place de la Pyramide -92908 PARIS - La Défense cedex.
A company approved as a portfolio management company by the AMF on 7 April 1992 under number GP 92008 within the meaning of Directive 2009/65/EC (UCITS Directive).

➢ Depositary, Custodian and centralising agent:

The UCITS depositary is BNP PARIBAS SA, located at 9, rue du Débarcadère 93500 PANTIN (the 'Depositary'). BNP PARIBAS SA, a société anonyme (public limited company) registered in the French Trade and Companies Registry under number 662,042,449, is an institution approved by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and subject to the supervision of the Autorité des Marchés Financiers (AMF), whose registered office is located in Paris 9th, 16, boulevard des Italiens.

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

The Custodian carries out three types of responsibilities: Checking the regularity of the decisions of the management company (as defined in Article 22.3 of the UCITS 5 directive), the monitoring of the UCITS cash flow (as defined in Article 22.4) and the safekeeping of the UCITS assets (as defined in Article 22.5).

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

Potential conflicts of interest may be identified, in particular in the case where the Management Company also has business relationships with BNP Paribas SA in addition to its appointment as Custodian.

In order to manage such situations, the Custodian has implemented and maintains a conflict of interest management policy with the objective of:

- Identification and analysis of potential conflicts of interest situations
- To record, manage and monitor situations with conflicts of interest by:
    - O Using the permanent measures in place to manage conflicts of interest such as maintaining separate legal entities, segregation of duties, separation of reporting lines, monitoring of internal insider lists;
    - O Implementing on a case by case basis:
        - ✓ Preventive and appropriate measures such as the creation of an ad hoc monitoring list, new Chinese walls, checking that transactions are processed in an appropriate manner and/or informing the clients concerned;
        - ✓ Or refusing to manage activities that could give rise to conflicts of interest.

Description of any custody functions delegated by the Custodian, list of delegates and sub delegates and identification of conflicts of interest that may result from such delegation:

The UCITS Depositary, BNP Paribas SA, is responsible for the safekeeping of the assets (as defined in article 22.5 of the Directive 2009/65/EC as amended by Directive 2014/91/EU).

In order to offer services related to the safekeeping of assets in a large number of countries, enabling the UCITS to achieve their investment objectives, BNP Paribas SA has appointed sub custodians in countries where BNP Paribas SA has no local presence. These entities are listed on the following website http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-and-trustee-serv.html The appointment and monitoring process of the sub custodians adheres to the highest quality standards, including the management of potential conflicts of interest which may arise as a result of these appointments.

Up to date information relating to the above points will be sent to investors upon request.

- **Principal broker (Prime broker): None**

- **Statutory Auditors: Mazars**

Exaltis -61, rue Henri Regnault -92400 Courbevoie

- **Promoter: AXA INVESTMENT MANAGERS PARIS,**

AXA INVESTMENT MANAGERS PARIS may delegate to third parties duly authorised by the latter to market the units of the UCITS. As the UCITS is listed on Euroclear France, its units may be subscribed or redeemed through financial intermediaries that are not known to the Management Company.

Delegates:

AXA INVESTMENT MANAGERS PARIS does not delegate financial management.

Accounting and Mid Office Management Delegation:

STATE STREET BANK INTERNATIONAL GMBH PARIS BRANCH
German credit institution branch STATE STREET BANK INTERNATIONAL GMBH (parent company), which was established in accordance with the European passport requirements under Directive 2013/36/EU (CRD IV).

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

State STREET BANK INTERNATIONAL GMBH is a credit institution authorised in June 1994 by the predecessor of the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin) under identification number 108514.
It is supervised directly by the European Central Bank (ECB).
The delegated accounting manager ensures the AIF's accounts and calculates the net asset value.

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

Advisers: None

III - Operating and management procedures:

1 General characteristics:

➢ **Characteristics of the units:**
⇨ **ISIN codes:** Unit ‘C’: FR0000447823
Unit 'D': FR0000447831

⇨ **Nature of the right attached to the unit class:** Each unitholder has a co ownership right to the assets of the UCITS in proportion to the number of units held.

⇨ **Entry in a register or indication of the terms on liability accounting:** All units are bearer. The issuer account is managed by BNP PARIBAS SA (custodian).

⇨ **Voting rights: As this is a mutual fund, no voting rights are attached to the units held. The UCITS is managed by the Management Company.**
However, unitholders will be notified of changes to the Fund's operating arrangements either individually, through the press or by any other means in accordance with AMF Instruction No. 2011-19 of 21 December 2011.

⇨ **Form of units: Bearer.**

⇨ **Decimalisation: Ten thousandths of units.**

➢ **Year end: Last valuation day in December.**

➢ **Information about the tax regime: As the Fund has no legal personality, it is not subject to corporate income tax. Each unitholder is taxed as if they were the direct owner of a portion of the assets, according to the tax regime applicable to them.**

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

Warning:
Depending on your tax regime, capital gains, unrealised and realised and any income associated with holding units of the UCITS may be subject to taxation. We recommend that you consult with the promoter of the UCITS in this regard.

FATCA Compliance obligation:

Under the terms of the FATCA (Foreign Account Tax Compliance Act), unitholders may be required to provide the UCITS, the management company with respect to each UCI or their agent, in order to be identified as ‘US Person’ within the meaning of FATCA (1), information such as their personal identity and the place of residence (domicile and tax residence). This information may be transmitted to the US tax authorities via the French tax authorities. Any failure by the holders to comply with this obligation could result in a 30% flat rate withholding tax imposed on US source financial flows. Notwithstanding the measures taken by the management company under FATCA, unitholders are advised to ensure that the financial intermediary they have used to invest in the UCITS itself qualifies as a Participating FFI. For further details, Unitholders may seek advice from a tax advisor.

Automatic exchange of tax information (CRS Regulations):

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

1The notion of 'U.S.' Person 'as defined by the US Internal Revenue Code is available on the website https://funds.axa-im.com/(à, the section legal information).

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2. Special provisions:

➢ **Classification:**
Short term variable net asset value (VNAV) money market fund

➢ **Investment in short term money market funds within the meaning of Regulation EU of the European Parliament and of the Council of 14 June 2017: None**

➢ **Investment objective:**

The UCITS 'investment objective is to seek a performance equal to the capitalised € STR minus management fees, over a recommended investment period of at least 1 days by investing mainly in the money market and fixed income markets. The UCITS implements a dynamic and discretionary management strategy focused primarily on the selection of financial instruments based on the financial analysis of issuers, while taking into account a socially responsible investment approach that respects the criteria of responsibility for environmental, social and governance (ESG) that are key elements retained in the investment decisions.

Unitholders are advised that if interest rates are very low, the yield generated by the UCITS may not be sufficient to cover management fees and its net asset value is likely to decrease in a structural manner.

➢ **Benchmark:**
The € STR Capitalised (Ester or Euro Short Terme Rate).

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

For additional information you can log into: www.ecb.europa.eu

As the management of the UCITS is not index linked, its performance may depart, but to a limited extent, from the benchmark, which serves only as a basis for comparison.

➢ **Investment strategy:**

1. Description of the strategies used:

The UCITS is managed within a socially responsible investment (SRI) approach and promotes social and environmental characteristics. It should be noted, however, that to date the UCITS cannot take into account the criteria for sustainable environmental activities set out in the European Regulation 2020/852 on the establishment of a framework to promote sustainable investments (hereinafter 'European Taxation') and therefore has no commitment to align its portfolio with the criteria of the Taxonomy Regulation. Thus, for the moment, the principle of 'not causing any material harm' is not considered on the assets of the UCITS.

Our SRI approach focuses on three complementary themes in order to guarantee a comprehensive assessment of the company's fundamentals and ESG profile from the definition of the investment universe to the construction of the portfolio.

The UCITS 'strategy involves actively managing, either directly or by using forward financial instruments but for hedging purposes only, a portfolio of interest rate products denominated in euros or another currency (the currency risk is then hedged).

The portfolio will be invested on a discretionary basis, under the conditions defined in the regulatory documentation, without any additional constraint in terms of investment universe compared to a possible market index. The volatility of the UCITS and the benchmark index or any other index is not expected to vary significantly.

This type of management therefore aims to select financial instruments combining the performance of the money markets and rates (possible positioning on the yield curve) and the implementation of a responsible investment policy.

1/Definition of investment universe:

The investment universe defined to implement the UCITS 'extra financial objective is composed of a broad list of financial instruments that are part of the FTSE Euro Broad Investment Grade Bond (EuroBIG) index. It is an index that reflects the actual typology of issuers (credit issuers and sovereign or quasi sovereign agencies) in the Euro zone bond market that is Investment Grade and meets our high rating requirements (A1P1).

For clarification, this index is a wide market index which does not necessarily take into account, in its composition or calculation methodology, available on the website https://www.yieldbook.com/, the ESG characteristics promoted by the UCITS.

The UCITS applies a best in class selectivity approach to its investment universe and is applied in a binding manner at all times. This ESG selection approach is made by focusing on issuers with the highest rating from an extra financial perspective within their sector, without favouring or excluding a sector from the universe serving as the starting point.

The selectivity approach consists in eliminating at least 20% of the worst stocks in the investment universe as defined above, based on a combination of AXA IM's sector IR and ESG Standards and their ESG rating, excluding bonds and other debt instruments issued by public issuers, ancillary liquid assets and socially responsible assets.

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

AXA IM uses an ESG scoring framework for structured issuers around three pillars: Environment, social and governance to help assess how companies reduce ESG risk and use these criteria to improve their competitive positions in their industry. The application of this framework results in an ESG rating per issuer ranging from 0 to 10. AXA IM's ESG scoring methodology is described at https://particuliers.axa-im.fr/investissement-responsable/notre-cadre-esg-et-notre-methodologie-de-notation?linkid=investissementresponsable-menu-cadreesg.

The UCITS aims at all times to outperform its investment universe on the following key non financial performance indicators: The first relates to the percentage of women on boards that are women, and the second relates to carbon intensity.

The following minimum hedging rates apply within the portfolio: I) 90% of the UCITS 'net assets (excluding bonds and other debt securities issued by public issuers, ancillary liquid assets and socially responsible assets) for ESG analysis; ii) 90% for women members of boards of directors; iii) 70% for carbon intensity.

In addition, the UCITS applies AXA IM's sector IR policies and AXA IM ESG Standards available on the website: https://www.axa-im.fr/investissement-responsable/politiques-exclusion, as described in the section ‘Risk profile,’ section ‘Integration of sustainability risks in the investment decision making process.’ AXA IM's sector wide RI policies and ESG Standards are applied systematically and continuously during the stock selection process and derivatives are used in accordance with the UCITS 'ESG policy.

The ESG approach implemented is detailed in the UCITS 'Transparency Code. Shareholders are informed that they can refer to the Transparency Code on the Management Company's website.

2/Basic research value by value:

The financial analysis is carried out according to the micro- and macroeconomic forecasts of the management company (growth level, deficit level, inflation level, etc.) and to credit research recommendations on issuers (analysis using quantitative data (sales, debt, etc.) or qualitative data (rating, quality of issuer management), with the aim of building a portfolio of debt securities and money market instruments. The UCITS may invest directly and up to 100% in this type of asset.

In addition, the Investment Manager uses ESG data in the construction of the selection universe. ESG scores can also be used to target portfolio construction towards stocks with superior ESG characteristics.

The ESG data used in the investment process is based partly on data provided by third parties and, in some cases, on an internal basis. They are subjective and may change over time. Despite several initiatives, the lack of harmonised definitions may make ESG criteria heterogeneous. Thus, the various investment strategies that use ESG criteria and ESG reporting are difficult to comparable between them. Strategies which integrate ESG criteria and those which integrate sustainable development criteria may use ESG data which appear similar but which should be distinguished because their calculation method may be different.
AXA IM's various ESG methodologies described above may evolve in the future to take into account any improvement in data availability and reliability, or any changes in regulations or other external frameworks or initiatives, among others.

3/Portfolio construction:

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

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

This process is designed to take into account the factor exposure of each security in addition to ESG scoring. He naturally orients the portfolio of these UCIs to securities with higher ESG scores while maintaining exposure to the desired factors.

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

Furthermore, the manager may use techniques and instruments relating to transferable securities that he believes will contribute economically to the optimal management of the portfolio (purchases/sales of financial instruments, subscriptions/redemptions of units or shares in French or foreign UCIs, AXA Group investment funds or not, and use of forward financial instruments aimed solely at hedging the portfolio against risks associated with the equity, interest rate, currency and credit markets).

The implementation of this strategy will be carried out in accordance with:

(I) a risk linked to interest rate variations that is equated with the sensitivity of interest rates. The weighted average maturity of the assets is 60 days or less,

(II) and limited credit and liquidity risk. The life of the assets shall not exceed 397 days and the weighted average life of the instruments in the portfolio shall not exceed 120 days until the expiry date.

Using a prudent and continuous internal assessment procedure of the credit quality of money market instruments that are applied and applied consistently, the UCITS selects assets that benefit from a positive valuation.

The selection of the money market instruments comprising the portfolio is based on an internal credit quality assessment procedure that notably takes into account quantitative and qualitative indicators of the issuer and the characteristics linked to the instrument (such as the asset category, the liquidity profile, etc.), and the evaluation of operational and counterparty risks. The manager's internal assessment procedure may take into account, in addition to other indicators, the rating assigned by rating agencies without relying automatically and exclusively on the sole criterion of these external ratings.

2. Description of categories of assets and financial contracts:

The UCITS complies with the rules on eligible assets and diversification ratios set out in the European Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 hereinafter 'European Regulation 2017/1131.'

Equities:
The UCITS does not directly or indirectly intervene on the equity markets.

Money market instruments, securitisation instruments and asset backed commercial papers:

The UCITS may invest up to 100% of its assets in:
- Money market instruments, whether denominated in euros or not, traded on a regulated market within the meaning of Directive 2004/39/EC or traded on another market of a Member State that is regulated, operates regularly, is recognised and open to the public, or traded on another third market that is regulated, operates regularly, is recognised and open to the public provided that the choice of market has been approved by the competent authorities (or provided for by the law or the fund rules or by the documents of incorporation of the Investment Company);

- Money market instruments referred to in Article 50 (1) (h) of Directive 2009/65/EC:

In particular:
- o Certificates of deposit;
- o Short term or medium term negotiable securities (including Euro Medium Term Notes indexed on short term references and Euro Commercial Papers);
- o Treasury notes (fixed rate and/or annual rate);
- o Commercial paper;

The selected financial instruments (such as bonds) may be fixed, floating, adjustable or indexed rate of legal maturity at issuance of 397 days or less or with a residual maturity of 397 days or less.

The UCITS may invest up to a maximum of 15% of its assets in:
- Asset Backed Commercial Paper (ABCP) not satisfying the cross border requirements
  For a Simple, Transparency and Standardisation securitization (the so called STS system) that is sufficiently liquid and has benefited from a positive evaluation.

The selected Asset Backed Commercial Paper (ABCP) may be issued by a programme meeting the conditions set out in Article 11 of European Regulation 2017/1131.

By way of derogation, the initial limit of 5% of the UCITS 'assets per entity may be increased to 100% of its assets when the UCITS invests in money market instruments issued or guaranteed by the Union, the national, regional or local authorities of the Member States of the European Union or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Fund, the central authority or the central bank of a member country of the OECD (the United States, Canada, Australia, Switzerland, the United Kingdom...), the International Monetary Fund, the International Bank for Reconstruction and Development, the Development Bank of the Council of Europe, the European Bank for Reconstruction and Development, the Bank for International Settlements, if and only if none of the six (6) issues, at least, of the securities and money market instruments of a single entity do not represent more than of the same entity 30% of the net assets

It is specified that the Fund Manager will have at its disposal appropriate information: Information on the issue and the legal and financial situation of the issuer to properly assess the issuer risk.

For the avoidance of doubt, an independent assessment of credit quality is also performed on the issuer.

Units or shares of UCITS, AIFs or investment funds:
The UCITS may not hold units or shares of Short Term Money Market Funds ('VNAV') within the meaning of European Regulation 2017/1131.

3. Financial futures (derivatives):
To achieve the management objective and in accordance with the significant SRI commitment policy, the UCITS may carry out transactions on financial futures described below. The commitment on forward financial instruments may not exceed the value of the assets.

- Markets invested in:

☒ Regulated;
☒ Over the counter.

- Risks to which the manager seeks exposure (either directly or through indices representing interest rates, exchange rates or currencies):

☐ Equities;
☒ Rates;
☒ Foreign exchange;
☐ Credit;
☒ Other Risk: Indices

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

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

- Type of instruments used:

☒ Futures;
☒ Options (including caps and floors);
☒ Swaps (including interest rate swaps, forwards and other financial futures to hedge currency risk; Interest rate risk);
☒ Forward exchange transactions;
☒ Foreign exchange on a spot basis;
☐ Credit derivatives;
☐ Other nature

- Strategy for using forward financial instruments:

The total risk associated with forward financial instruments does not exceed the total value of the portfolio.

The use of derivatives is not intended to provide a significant or lasting distortion of the ESG selection policy.

Forward financial instruments allow:

- Only to hedge the portfolio against interest rate or currency risks.

The UCITS only carries out hedging transactions. Therefore, the temporary duration of 1 months or 12 months in case of exposure or overexposure does not apply.

The UCITS will not use forward financial instruments that constitute total return swaps (also known as forward financial instruments for performance swaps or total return swaps).

As a counterparty to forward financial instruments, the UCITS may hold any financial institution that meets the criteria set out in Article R214-19 II, second paragraph of the Financial Monetary Code and Article 13 of

European Regulation 2017/1131 and selected by the Management Company in accordance with its order execution policy available on its website.

Contracts constituting financial guarantees:

As part of the conclusion of financial futures instruments and/or repurchase and/or reverse repurchase agreements, and in accordance with the applicable regulations, the Fund may be required to pay and/or receive financial collateral (collateral) to reduce counterparty risk. The collateral received by the UCITS may only be granted by an institution which is UCITS depositary, a credit institution which has its registered office in an OECD Member State or an investment firm whose registered office is located in Europe (EU or EEA) authorised to provide the service of account keeping of financial instruments and whose own funds amount to at least 3.8 million euros.
This financial guarantee may be received in the form of cash (subject to a limit of 10% of its net assets) in consideration of the assets transferred for repurchase agreements.

This financial guarantee may be received as assets (excluding securitisations and ABCP), in particular deposits, money market instruments and/or bonds issued or guaranteed by Member States of the European Union and/or supranational organisations that have received a positive valuation by the Management Company, in return for the liquidity paid for reverse repurchase agreements.

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

- the level of financial guarantee required; and

- the haircut applicable to the assets received as a financial guarantee, in particular depending on their nature, the credit quality of the issuers, their maturity, their reference currency and their liquidity and volatility.

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

The UCITS may reinvest the financial guarantees received in the form of cash in accordance with the provisions of European Regulation 2017/1131.

Non cash collateral received may not be sold, reinvested or pledged. The counterparty receiving assets transferred by the Fund as collateral under the repurchase agreement may not transfer, invest, commit or otherwise transfer these assets without the prior consent of the Fund's management company.

Collateral received by the UCITS will be held by the UCITS depositary or, failing that, by any third party custodian (such as Euroclear Bank SA/NV) which is subject to prudential supervision and which is unrelated to the provider of the collateral.

Despite the positive assessment made by the Management Company on the issuers of securities received as financial guarantees or securities acquired with cash received as financial guarantees, the UCITS could bear the risk of loss in the event of default by these issuers or the counterparty of these transactions.

4. Securities with embedded derivatives:
The Fund is not permitted to use securities with embedded derivatives.

5. For deposits:
The UCITS may make deposits with several credit institutions under the conditions laid down in article 12 of European Regulation 2017/11.

This investment may represent up to 100% of the UCITS 'assets, within the limit of the diversification rules set out in article 17 of the same European Regulation 2017/1131.

6. For cash borrowings:

The UCITS is not authorised to borrow cash. However, in view of events that are not part of the management process, a debtor position may arise exceptionally in the best interest of the unitholders.
The fund manager will take immediate and corrective measures to resolve the debtor position in the best interest of unitholders.

7. For temporary purchases and sales of securities:
Temporary purchases and sales of securities (also known as securities financing transactions) shall be carried out in accordance with the French Monetary and Financial Code and the provisions of European Regulation 2017/1131.
They are carried out in order to achieve the UCITS 'management objective and cash management.

These transactions consist of repurchase and/or reverse repurchase agreements. The UCITS is not authorised to carry out securities lending or borrowing transactions.

The UCITS 'assets that may be the subject of securities financing transactions are bonds and/or negotiable debt securities and/or money market instruments (excluding securitisation assets and ABCP assets).

Cash received by the UCITS under repurchase agreements may not exceed 10% of its assets.

In the context of reverse repurchase agreements, the assets received by the UCITS are sufficiently diversified, with a maximum exposure to a single issuer of 15% of the UCITS 'net assets (unless the assets received are money market instruments that comply with the requirements of Article 17 of European Regulation 2017/1131).
The Management Company expects that these securities repurchase agreements represent approximately 15% of the assets of the UCITS, however, the UCITS may carry out such transactions within the limit of 100% of its net assets.

Additional information on these temporary purchases or sales of securities is available in the Fund's annual report.

Temporary purchases and sales of securities will be collateralised according to the principles described in the section ‘Contracts constituting financial guarantees’ and will be traded according to the criteria relating to counterparties described in the section ‘Financial futures (derivatives)’ above.

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

Your money will be invested primarily in financial instruments selected by the management company. These instruments will be subject to market fluctuations and fluctuations.

➢ **Risk profile:**

General consideration:
The UCITS 'risk profile is suitable for an investment horizon of at least 1 days. As with any financial investment, potential investors must be aware that the value of the UCITS 'assets is subject to market fluctuations and that it may vary significantly (depending on political, economic and market conditions, or the specific situation of the issuers). Thus, the performance of the UCITS may not be in line with its objectives.

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

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

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

Direct and indirect exposure to equity risk is prohibited.

1 - Risk of capital loss:
The UCITS does not guarantee the capital invested. You may not get back the full amount invested.

2- Discretionary management risk:
The discretionary management style is based on anticipating trends in fixed income markets. The UCITS 'performance will therefore depend on the manager's expectations of changes in the yield curve.
As the fund is managed on a discretionary basis, there is a risk that the fund manager does not anticipate this development.
The Fund's performance may not meet its investment objective.

3 - Interest rate risk:
Interest rate risk is the risk of depreciation of short or medium term fixed income instruments resulting from changes in interest rates that have an impact on bond markets. For example, the price of a fixed rate bond tends to move inversely with interest rates.
The UCITS invests in fixed income products and money market instruments if interest rates rise, the value of the fixed rate assets will fall.

4 - Credit risk:
In the event of a default or deterioration in the quality of the issuers of debt securities (for example a downgrade in their rating), the value of the debt securities in which the UCITS invests will fall.

5. ESG Risk:

The inclusion of ESG criteria and sustainability in the investment process may exclude securities of certain issuers for reasons other than investment and therefore certain market opportunities available for funds that do not use ESG or sustainability criteria may not be available to the UCITS, and the performance of the UCITS may sometimes be better or worse than that of comparable funds that do not use ESG or sustainability criteria. In part, the selection of assets may be based on an ESG rating process or on 'ban list' that is partly based on third party data. The lack of common or harmonised definitions and labels integrating ESG and sustainability criteria at EU level may result in different approaches by managers when setting ESG objectives and determining that these objectives have been met by the funds they manage. This also means that it may be difficult to compare strategies integrating ESG and sustainability criteria to the extent that the selection and weightings applied to select investments may to a certain extent be subjective or based on metrics that may share the same name but have different underlying meanings. Investors should note that the subjective value that they may or may not assign to certain types of ESG criteria may differ substantially from the Investment Manager's methodology. The lack of harmonised definitions may also potentially result in certain investments not benefitting from preferential tax treatments or credits because ESG criteria are assessed differently than initially thought.

6 - Counterparty risk:
This is the risk that the UCITS 'counterparty to any OTC financial contract and/or temporary purchases and sales of securities may default (or fail to meet all or part of its obligations) before the transaction has been definitively settled through a financial flow.

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

7 - Risks related to securities financing transactions and risks related to the management of financial guarantees:
Such transactions and the guarantees attached thereto could create risks for the Fund, such as:

(i) Counterparty risk (as described above),
(ii) Legal risk;
(iii) Custody risk,
(iv) Liquidity risk (i.e. the risk that arises from the difficulty of purchasing, selling, terminating or valuing a security or transaction because of a lack of buyers, sellers or counterparties), and where applicable,
(v) Risks involved in the re use of collateral (i.e. mainly the risk that the financial collateral posted by the Fund will not be returned to it, for example as a result of the counterparty's default).

8 - Risks linked to investments in a single entity:
Risk resulting from the concentration of investments made by the UCITS on certain issuers and which may lead to a fall in the net asset value when these issuers present a risk of loss in value or default.

9 - Risk related to securitisation assets:
The fund manager has a prudent internal valuation procedure. However, these instruments are the result of complex structures, which may involve legal risks and specific risks arising from the characteristics of the underlying assets.
The occurrence of these risks may result in a fall in the net asset value.

10 - Liquidity risk:
In very difficult market circumstances or due to an exceptionally high volume of redemption requests or other exceptional circumstances, the UCITS may not be able to cope with redemptions within the period indicated in the prospectus. In this case, the Management Company may suspend subscriptions or redemptions or extend the settlement period, in accordance with the UCITS regulations and if this is in the investors' interest.

11- Integration of sustainability risks in the investment decision making process:
The sustainability risk is an event or situation in the environmental, social or governance field that, if it occurs, could have a significant negative impact, real or potential, on the value of the investment in the UCITS.
The UCITS uses a sustainability risk approach that results from significant integration of ESG (environment, social and governance) criteria in the research and investment process. The UCITS has set up a framework for integrating sustainability risks into investment decisions based on sustainability factors (or 'ESG factors,' hereinafter) which is based in particular on sectoral and normative exclusions and an ESG rating methodology.
Sectoral exclusions and normative
In order to manage extreme ESG and sustainability risks, the UCITS has put in place a series of policies based on exclusion. These policies aim to manage extreme ESG and sustainability risks, including through:
• E: Climate (coal and bituminous sands), Biodiversity (protection of ecosystems and deforestation),
• S: Health (tobacco) and human rights (controversial weapons and white phosphorus weapons, violations of international standards and norms, serious human rights violations)
• G: Corruption (breaches of international norms and standards, grave controversies, breaches of the principles of the United Nations Global Compact).
The mutual fund applies sector exclusion policies covering controversial weapons, agricultural commodities, ecosystem protection and deforestation and climate related risks.

In addition, the UCITS applies the ESG standards of AXA IM encouraging ESG investments and applies, to this end, additional exclusions related to white phosphorous weapons, tobacco, violations of the principles of the United Nations Global Compact, violations of international standards and standards, serious controversies, countries with serious human rights violations and investments with low ESG ratings.

All of these exclusion policies aim to systematically address the most serious sustainable risks in the decision making process and may change over time. For more details, you can refer to the following link: https://particuliers.axa-im.fr/fr/investissement-responsable
ESG Rating
AXA IM uses rating methodologies to assess issuers with ESG criteria (corporate, sovereign, green, social and sustainable bonds).
These methodologies are based on quantitative data from third party data providers, on extra financial information published by issuers and governments and on internal and external research. Data used in these methods include carbon emissions, water stress, health and safety at work, supply chain working standards, business ethics, corruption and instability.
The business rating methodology is based on three pillars and several sub factors, covering the main issues facing companies in the E, S and G. This framework is based on fundamental principles such as the United Nations Global Compact, the OECD Guidelines, International Labour Organisation conventions and other international principles and conventions guiding corporate activities in the field of sustainable development and social responsibility.

The analysis is based on the most significant ESG risks and opportunities previously identified for each sector and each company considering 10 factors: Climate change, natural capital, pollution and waste, opportunities

related to environmental challenges, human capital, reliability of products, stakeholder opposition, access to essential services, corporate governance and business ethics. The ESG rating depends on the business sector, as for each sector the most material factors are identified and overweighted. Materiality is not limited to impacts related to business activity, but also includes impacts on external stakeholders as well as underlying reputational risk arising from a poor understanding of ESG issues.
Through our methodology, the seriousness of the controversies is evaluated and monitored continuously. Controversies are also used in order to ensure that the most significant risks are taken into account in the final ESG rating. Thus, the ratings of controversies will impact the definitive ESG rating and the severe controversies will trigger significant penalties on the rating of the sub factors considered and finally on the ESG rating.
These ESG scores provide a standardized, holistic view of issuer performance on ESG factors, and both promote environmental and social factors and further integrate ESG risks and opportunities in the investment decision.
One of the main limitations of this approach is the availability of data to assess sustainability risks: This data has not been systematically disclosed by the issuers and may, when published, follow different methodologies. Investors should be aware that most ESG factor information is based on historical data and may not reflect the future performance or risk of the investments.
The ESG rating is fully integrated into the investment process of the mutual fund for the consideration of ESG criteria in the management strategy, as well as for the monitoring of the sustainability risk, the latter being assessed according to the average ESG score level of the mutual fund.
Given the investment strategy and risk profile of the UCITS, the likely impact of sustainability risks on the returns of the UCITS is expected to be low.
For further details regarding the integration of sustainability risks into the investment decision process and the assessment of the likely impact of sustainability risks on the returns of the UCITS, you can refer to the section ‘SFDR’ of the website: https://particuliers.axa-im.fr/investissement-responsable.

➢ **Eligible subscribers and standard investor profile: All subscribers.**

This UCITS is intended for investors seeking to expose their investment to fixed income, credit and money markets by taking into account a significant and committed approach related to socially responsible investment, respecting the criteria of responsibility with regard to environmental, social and governance (ESG).

The capital invested in a short term money market fund with variable net asset value (VNAV) can fluctuate up or down.

The amount that is reasonable to invest in this UCITS depends on each unitholder's personal situation. To determine this amount, investors must take into account their personal assets and regulations, and their current financial needs over a minimum investment period of at least 1 days, as well as their willingness to take on risk or their preference for a less risky investment. It is also highly recommended that investors sufficiently diversify their investments so as not to be exposed solely to the risks of this Fund.

Restrictions relating to US Investors:
The Fund's units have not been and will not be registered under the U.S. The Fund is not, and will not be, registered under the U.S. Securities Act of 1933 Investment Company Act 1940.
Consequently, the units may not be directly or indirectly subscribed, assigned, offered or sold in the United States of America by any national of the United States of America hereinafter ‘U.S. Person ‘or any person, if any, subject to the provisions of Title 1 of the U.S. Employee Retirement Income Security Act (‘ERISA’) or the provisions of section 4975 of the US Internal Revenue Code or provided that it is a ‘Benefit Plan Investor’ for the purposes of ERISA.
The Fund's unit holders must qualify as Non United States Persons under the Commodity Exchange Act.

The notions of ‘U.S.’ Person, Non United States Person and Benefit Plan Investor are available on the website https://funds.axa-im.com/(à under the section Legal Information). For purposes hereof, ‘U.S. Investors’ are the ‘U.S. Persons, ‘Benefit Plan Investors’ and other persons subject to ERISA, and persons who are not Non United States Persons.

Persons wishing to purchase or subscribe units may have to certify in writing that they are not US Investors. If they do so, they shall no longer be allowed to acquire new units and shall immediately inform the Fund's management company, which may force the redemption of their units.

Derogations may be granted in writing by the management company of the mutual fund, in particular if these are necessary under the applicable law.

The recommended minimum investment period is 1 days.

➢ **Calculation and allocation of distributable amounts: UCITS with 2 unit classes: C units are accumulation units and D units are distribution units.**

Distributable Amounts consist of:

- Net income plus retained earnings, plus or minus the balance of accrued income;
- Realised capital gains after costs, less realised capital losses after costs, recognised during the financial year, plus capital gains after costs recognised during previous financial years that have not been distributed or capitalised and minus or plus the balance of capital gain accruals.

➢ **Distribution frequency:**

Accumulation units:
The Distributable Amounts are fully accumulated each year.

Distribution Units:
The Distributable Amounts are distributed within the following limits:

- Net income is fully distributed, rounded off to the nearest figure,
- Net realised capital gains may be decided by the management company partially or fully distributed.

Non distributed Distributable amounts will be carried forward.

Interim dividends may be distributed during the financial year on decisions taken by the Board of Directors and within the limit of the Distributable Amounts realised on the date of the decision.

➢ **Characteristics of the units: Units denominated in euros are divisible up to ten thousandths of units.**

➢ **Subscription and redemption procedures:**

Subscription and redemption orders are received every day by the custodian up to 12 noon (Paris time) *

Centralisation of subscription orders	Centralisation of redemption orders	Execution of the order	Publication of the net asset value * *	Delivery of subscriptions	Settlement of redemptions
J	J	J	J	J	J

** Unless a specific deadline has been agreed with your financial institution.*
** * The net asset value of the Fund on which subscription and redemption orders are executed is calculated based on the previous day's price (D-1) and is published on D-1. However, it may be recalculated to take account of any exceptional market event that occurred prior to the centralisation cut off time. The date of publication of the net asset value, which is no longer likely to be recalculated, is J.*

The net asset value, calculated the day preceding a weekend or a public holiday, includes coupons accrued at weekends or public holidays. The performance fee is calculated on the next valuation date.

Subscription, redemption and/or exchange requests between C and D units are centralised by BNP PARIBAS SA, whose address is as follows:

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

➢ **Conditions for the exchange of C and D units:** Exchange requests that reach BNP PARIBAS SA before 12 pm (Paris time) are carried out on the basis of the last net asset value. An all in fee of euros38 can be charged on an exchange transaction.

➢ **NAV calculation frequency:** Daily. The net asset value will not be determined or published on trading days corresponding to legal holidays.
The reference stock market calendar is that of Euronext (Paris).

➢ **Place where the net asset value is published: Premises of the management company.**

➢ **Fees and expenses:**

Subscription and redemption fees:
Subscription fees increase the subscription price paid by the investor, while redemption fees decrease the redemption price. The fees charged by the UCITS serve to offset the costs incurred by the UCITS in investing and divesting investors' monies. Fees not paid to the UCITS are paid to the Management Company, the promoter, etc.

Fees payable by the investor, deducted at the time of subscriptions and redemptions	**Basis**	**Rate**
Subscription fee not payable to the UCITS	Net asset value x number of units	Maximum rate: 1%
Subscription fee payable to the UCITS	Net asset value x number of units	None
Redemption fee payable to third parties	Net asset value x number of units	None
Redemption fee payable to the UCITS	Net asset value x number of units	None

Management and administration fees:
These fees cover all the costs invoiced directly to the UCITS, except for transaction costs. Transaction costs include intermediation costs (brokerage, stock market taxes, etc.) And any turnover fee that may be charged by the depositary or the Management Company in particular.

The following may be charged in addition to the operating and management fees:
- ⇨ Transfer commissions invoiced to the UCITS;
- ⇨ The remuneration received by the lending agent resulting from the implementation of temporary purchases and sales of securities.

	Fees charged to the UCITS	**Basis**	**Rate**
1	Financial management fees	Net assets (Excluding UCIs)	Maximum rate: 0.50% inclusive of tax These costs are charged directly to the Fund's profit and loss account
2	Administrative fees external to the management company		
3	Maximum indirect fees (management fees and charges)	Assets of the selected UCIs	None
4	Turnover fee Depositary	Deducted from each transaction	€50 maximum inclusive of tax
5	Performance fee	None	None

The costs related to contributions due to the Autorité des Marchés Financiers (AMF), exceptional and non recurring government taxes, duties and fees as well as exceptional legal costs related to the recovery of the UCITS 'receivables may be added to the costs invoiced to the UCITS and shown in the table of expenses presented above.

Temporary purchases and sales of securities:
The Fund may use the following services to carry out temporary purchases and sales of securities:

- Of AXA Investment Managers IF ('AXA IM IF'),

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

The income (or losses) generated from these transactions are fully retained by the UCITS.

The details are available in the Fund's annual report.

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

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

AXA IM IF and the Management Company are two entities belonging to the AXA IM Group. In order to prevent potential conflicts of interest, the AXA IM Group has put in place a conflict of interest management policy available on the website https://funds.axa-im.com/.

The UCITS 'policy on financial guarantees and the selection of counterparties when entering into temporary purchases and sales of securities is in line with that followed for financial contracts and is described above.

Brief description of the Intermediary Choice Procedure:
The procedure for selecting intermediaries for the Fund Manager is based on:

§ A 'due diligence' phase involving requirements to collect documentation,

§ Participation in the authorisation process, beyond the management teams, of the various teams covering the spectrum of risks related to entering into a relationship with a counterparty or a broker: The Risk Management department, the Operations teams, the Compliance function and the Legal department.

Each team shall exercise its own vote.

IV - Commercial information:

All information regarding the Fund can be obtained directly from the Management Company (postal address):

AXA INVESTMENT MANAGERS PARIS,
Majunga Tower -6 place de la Pyramide
92908 Paris - La Défense Cedex

Subscription, redemption and/or exchange requests between C and D units are centralised by BNP PARIBAS SA, whose address is as follows:

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

➢ **Compliance with social, environmental and governance quality objectives:**

Information on the criteria relating to compliance with social, environmental and governance quality objectives (ESG criteria) is available on the Management Company's website (https://funds.axa-im.com/) and will be mentioned in the annual report for periods beginning on or after 1 January 2012.

Prospectus date: 23 December 2022

- **Voting rights policy and access to the report:**

Information on voting policy and the report on the conditions governing the exercise of voting rights is available on the management company's website (https://funds.axa-im.com/).

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

Unitholders are informed of changes to the operating procedures of the UCITS, either individually, through the press or by any other means in accordance with the regulations in force. Where applicable, this information may be made through Euroclear France and the financial intermediaries affiliated therewith.

- **Professional Unitholders:**

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

V - Investment rules:

In compliance with the regulatory part of the Monetary and Financial Code and the provisions of the European Regulation 2017/1131.

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

VI - Overall risk:

The method used to calculate overall exposure of the UCITS is the commitment calculation method.

VII - Asset valuation and accounting rules

The net asset value of the Fund for a given day is calculated on the basis of the previous day's prices. In the event of an exceptional market event occurring prior to the centralisation time, it may be recalculated in order to ensure the absence of market timing opportunities. The date of publication of the net asset value, which is no longer likely to be recalculated, is J.

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

Transferable Securities:

<u>**Financial instruments and securities traded on French or foreign regulated markets:**</u>

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

- Transferable securities whose price has not been noted on the valuation day are valued at the last officially published price or at their probable trading value, under the responsibility of the Management Company. Supporting documents are provided to the statutory auditor for audit purposes.

- Currencies: Foreign securities are converted into euro equivalent at 4: 00 pm in London on the valuation day (source: WM Company).

- Fixed rate or floating rate indexed bonds and interest products, including BTAN (annual Treasury Bonds), BTF (Fixed rate Treasury Bonds), are valued daily at their market value based on valuation prices from data providers considered eligible by the Management

Company and classified in priority order according to the type of instrument. They are valued at coupon prices.

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

Units or shares of UCIs:

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

Negotiable debt securities other than Treasury bills of annual interest (BTAN - Bons du Trésor à intérêts annuel), fixed rate and pre counted interest (BTF):

- Negotiable Debt Securities:

  Are valued by application of an actuarial method, the discount rate used being that of the issue or issues of equivalent securities affected, as applicable, by a difference representing the intrinsic characteristics of the issuer of the security (market spread of the issuer).

  The market rates used are:
  - for the Euro, swap curve € STR (Overnight Indexed Swap OIS method),
  - for USD, Fed Funds swap curve (Overnight Indexed Swap OIS method),
  - for the GBP, SONIA swap curve (Overnight Indexed Swap OIS method).

  The discount rate is an interpolated rate (using linear interpolation) between the two closest quoted periods applicable to the security's maturity.

Securitisation instruments:

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

- Collateralised Debt Obligations (CDOs) and collateralised loan obligations (CLOs):
  - (I) subordinated tranches issued by CDOs and/or CLOs and (ii) 'custom' CLOs are valued based on a valuation price from arranging banks, 'Lead Managers,' counterparties having undertaken to provide such valuation prices and/or third parties appointed by the Management Company (ie, eligible data providers)
  - (II) Securities issued by CDOs and/or CLOs which are not (i) subordinated tranches of CDOs and/or CLOs or (ii) 'custom' CLOs are valued on the basis of a valuation price from third parties appointed by the Management Company (i.e. eligible data providers).

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

Temporary purchases and sales of securities:

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

Financial instruments not traded on a regulated market:

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

- Forward Foreign Exchange (Forex Forwards): Forward exchange transactions are valued on the basis of a calculation taking into account:
  - The nominal value of the instrument,
  - The exercise price of the instrument,
  - Discount factors for the remaining period,
  - The spot rate of exchange at market value,
  - Forward exchange rates for the remaining time to maturity are defined as the spot exchange rate product and the discount factors ratio in each currency calculated using the appropriate rate curves.

⇨ OTC derivatives within monetary management (excluding CDS, FX Forwards and CFD):

- Interest rate swaps:

  - compounded daily rate swaps (example: Swaps vs EONIA/€ STR, Fed Funds/SOFR, SONIA..):

    They are valued according to the reversal cost method. Whenever the net asset value is calculated, interest rate and/or currency swaps are valued at their market value based on the price calculated by discounting future cash flows (principal and interest) at the market interest and/or currency rate. Discount is made using a zero coupon rate curve.

  - Interest rate swaps against a forward benchmark (e.g. swaps vs EURIBOR):

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

⇨ OTC derivatives outside monetary management (excluding CDS, FX Forwards and CFD):

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

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

(2) Accounting methods:

Revenues are recognised using the coupon received method.

Transaction costs are recorded in the specific accounts of the UCI and are therefore not added to the cost of the transferable securities (excluding costs).

The weighted Average Withdrawal Price (PRMP) is used as the method of liquidation of the securities. For derivatives, on the other hand, the FIFO method (‘First In’ ‘First Out’; ‘First In First Out’) is used.

VIII - Minimum information for a detailed description of the credit risk assessment procedure (the 'Procedure')

I- Description of the scope of the Procedure

- Purpose of the Procedure:

  AXA IM has implemented a Procedure for an internal assessment of the credit quality applicable to money market funds. The purpose of this document is to ensure that the money market funds invest in assets that have been positively assessed by AXA IM as to credit quality.

- Scope of application:

  This Procedure applies to money market instruments issued by private organisations but also by sovereigns, quasi sovereigns and supranational entities, and Asset Backed Commercial Paper ('ABCP') issued by an ABCP programme that is fully guaranteed by a regulated credit institution.

  AXA IM money market funds may only invest in ABCP programmes when they are fully collateralised. A programme is fully collateralised when investors are protected from a third party's deterioration in asset returns. This guarantor provides a 100% hedge against credit and liquidity risk.

  AXA IM's analysis of a fully guaranteed programme is based on the guarantor's financial soundness and not on the quality of the assets. The guarantor's rating is therefore applied to the ABCP program.

II- Description of participants in the procedure

The internal credit analysis process for money market funds within AXA IM is shared between two separate teams:

- Research team: It is composed of analysts and economists based in Europe and the United States. The fund analysts define an assessment methodology and analyse issuers' credit quality. Each analyst is specialised in one or more sectors or geographic areas and has a back up designated as one of the other financial analysts. There is a research officer in Europe and a second research officer in the United States. This team of financial analysts covers:
  - Developed sovereign/countries;
  - Financial and non financial corporations;
  - Local and regional governments;
  - Government agencies;
  - Supranational financial institutions.

  Economists located in Europe and Asia draft scenarios, assess the associated risks and evaluate the credit quality of developed European countries through quantitative indicators.

  The Research team is completely independent from the money fund management teams. It is directly linked to the Global Head of CORE Investments Platform.
  The money market fund management team does not at any time intervene and influence the internal credit analysis carried out by the Research team. Analysts and economists are recruited on the basis of qualifications, skills and experiences to conduct evaluations independently.
  When a manager identifies a new issuer that does not benefit from an internal assessment of credit quality, he/she shall send a request for the analysis to be carried out.

- Global Risk Management ('GRM'): Within this department, a Paris based team dedicated to IRA analysis is responsible for providing final scores based on the ratings of the Research and quantitative teams. This team is composed of a head and employees (between 4 and 6) Quantitative Risk Analysts.
  The GRM IRA team completes the evaluation carried out by the above research team by considering additional quantitative parameters and produces the final scores on which the managers' investment

decision is based.

The GRM IRA team is ultimately responsible for the internal scores used by the management. In terms of organization, the GRM department is attached to AXA IM's Chief Operating Officer (COO) Global, which in turn is directly attached to AXA IM's Global CEO, and is independent of management teams. The money market fund management team does not intervene and at any time influence the internal credit analysis carried out by the GRM IRA team. Members of the GRM IRA Team have the qualifications, skills and experiences to conduct the evaluations independently.

III- Description of the methodology

- First stage: The Research team performs fundamental analysis based on the factors that vary according to the type of issuer, and which can be, for example:
    - Macroeconomic indicators;
    - In depth understanding of the issuer's business sectors;
    - The financial situation of the issuer, the liquidity of the issuer, including the ability to refinancing the short term debt;
    - Key ESG factors deemed most relevant to each issuer;
    - Risk of occurrence of possible mergers, acquisitions or disposals;
    - Rating of external agencies...

  This analysis results in an internal credit quality rating on different scales depending on the type of issuer.

- Second stage: AXA IM's GRM IRA team performs a complementary assessment of issuers based on research team scores and quantitative data such as:
    - Country risk: CDS spreads;
    - Issuer risk: Spreads CDS issuers;
    - Rating of external agencies...

  A final score is produced and will be used to determine whether or not the issuer is eligible for the money market portfolios. Only issuers that have received a favourable internal rating from GRM IRA will be eligible to the portfolio assets. It should be noted that the internal rating is made available automatically to management platforms and cannot be changed.

- Revaluation of credit quality: The scores set by GRM are recalculated on a weekly basis, taking into account changes in input parameters (ratings of the Research team, CDS spreads, etc.). Any material changes to these parameters are likely to change the established score.

  For its part, the Research team carries out a constant analysis of market and issuer information based on information available in the press or in the financial reports of the issuers. Each analyst or economist remains responsible for issuers falling within its scope, and it is up to him to verify and estimate whether the financial information received is likely to reassess the score allocated. The Research team also conducts an annual review of all issuer evaluations.

IV- Description of the credit quality assessment framework

The Internal Credit Quality Assessment Procedure is approved by the Global Risk Management Board (GRMB). To ensure the smooth operation of the procedure, the Chief Operating Officer of the Core Investments platform ensures that this procedure is reviewed at least once a year by GRMB and informs the GRMB at least once a year:

- The credit risk profile of the money market funds, based on an analysis of internal credit quality evaluations;
- Areas where weaknesses have been noted and progress in addressing previous weaknesses identified.

Additional Notes:
In the event of material changes in market conditions, AXA IM could rapidly adjust its credit quality assessment

procedure to better reflect the situation and cover temporary cases where the information posted does not reflect exactly the procedure at all times. The Management Company would then update the description of the procedure as soon as possible and in the best interest of the unitholders.

IX - Remuneration

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

The AXA IM Global Remuneration Policy, which was validated by the AXA IM Compensation Committee, sets out the remuneration principles for all AXA IM Group entities (including AXA Investment Managers Paris). It takes into account AXA IM's strategy, objectives, risk tolerance and long term interests of AXA IM's shareholders, employees and clients (including the Fund). AXA IM's Compensation Committee is responsible for defining and reviewing AXA IM's remuneration principles, including AXA IM's Global Compensation Policy, as well as reviewing the annual compensation of AXA IM Group senior management and supervisory executives.

AXA IM provides for both fixed and variable remuneration. The fixed remuneration of an employee is structured to reward the level of responsibility, professional experience and individual ability to perform function related tasks. Variable compensation is determined by performance and may be awarded annually on a non deferred basis and, for certain employees, on a deferred basis. The non deferred variable compensation may be awarded in cash or, where applicable, in compliance with local laws and regulations, in the form of performance linked instruments of AXA IM Funds.

Deferred variable compensation is awarded in the form of various structured instruments to reward the medium and long term creation of value for clients and for AXA IM, and to reward the long term creation of value for the AXA Group. AXA IM ensures that the balance between fixed and variable remuneration, and deferred and non deferred remuneration is appropriate.

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

X - Payment of retrocessions and negotiated discounts

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

b) The Management Company may grant rebates, on a discretionary basis based on business interests, which are traded directly on request to investors. Negotiated rebates serve to reduce any fees or charges incurred by the relevant investors.
Negotiated rebates are permitted provided they are paid out of the remuneration received by the Management Company and therefore do not represent an additional charge for the Fund and are granted on the basis of objective criteria.

For more information, please refer to the document ‘Fees for the distribution of Undertakings for Collective Investment and rebates traded on certain holders,’ available on the website www.axa-im.fr/informations-importantes.