

# AXA COURT TERME

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

## PROSPECTUS

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

### I - General characteristics :

#### I-1 Form of the UCITS :

- **Name** : AXA COURT TERME
- **Legal form and Member State in which the UCITS was established** : UCITS in the form of a Société d'Investissement à Capital Variable (SICAV) incorporated as a société anonyme under French law
- **Inception date (start of operations) and expected term** : the SICAV was created on 31 December 1982 (operating date) for a term of 99 years.
- **Fund overview**:

Share Classes	Allocation of Distributable Amounts	ISIN codes	base Currency	Subscribers concerned	Initial value	Subdivision of units	Minimum subscription amount	Minimum initial subscription amount
A	'C' shares of Accumulation	FR0000288946	Euro	All subscribers, which may be used to support life insurance contracts	€762.25	Hundredths of a share	None	€250,000(*)
A	D shares of Distribution	FR0000288953	Euro	All subscribers, which may be used to support life insurance contracts	€762.25	Hundredths of a share	None	€250,000(*)
P	Accumulation	FR0010693689	Euro	Reserved for distributors who carry out investment and promotion activities and who have signed an investment agreement or distribution contract with a distribution entity of AXA INVESTMENT MANAGERS.	The net asset value per share of category A shares, type 'C' accumulation at the time of creation of category 'P' shares	Ten thousandths of a share	None	None
I	Accumulation	FR0010956581	Euro	Reserved for institutional investors	€10,000	Ten thousandths of a share	1 Share(*)	€10,000,000(*)
B	Accumulation	FR0014002ZP5	Euro	All investors	€10	Ten thousandths of a share	None	€250,000(*)
V	Accumulation	FR001400NUH5	Euro	Reserved for subscribers subscribing through financial	€1,000	Ten thousandths of a share	None	None

				intermediaries which, either according to regulatory requirements (e.g. in the European Union, financial intermediaries providing discretionary portfolio management or investment advice independently) or separate remuneration agreements with their clients, are not allowed to keep retrocessions for distribution.				
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(\*). With the exception of the AXA Group and funds managed by AXA IM entities.

➤ **The latest annual report and interim statement can be obtained as follows:**

These documents as well as the composition of the assets may be obtained by shareholders from the Management Company upon written request, within eight business days, at the following address:

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

Or upon request to the following email address: [client@axa-im.com](mailto:client@axa-im.com)

**II -2 Participants :**

**Management Company, registrar and transfer agent:**

**AXA investment managers Paris,**  
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 an investment management company by the AMF  
on 7 April 1992 under number GP 92008 within the meaning of Directive  
2009/65/EC (UCITS Directive) .

**Management and administration:**

The list of the members of the Board of Directors as well as the activities carried out by the members of the administrative or management bodies are mentioned in the most recent management report of the SICAV.

Shareholders' attention is drawn to the fact that the information held in this management report is updated only once a year and that this information is produced under the responsibility of each of the members mentioned.

## **Depository, Custodian and, by delegation, centralising agent and registrar:**

The UCITS depository is **BNP PARIBAS SA**, located at 9 rue du Débarcadère, 93500 PANTIN (the 'Depository'). 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 9<sup>ème</sup>, 16, boulevard des Italiens.

### ***Description of the Depository'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:
  - 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;
  - 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 duties delegated by the Custodian, list of delegates and sub delegates and identification of conflicts of interest that may result from such delegation :***

The UCITS Depository, 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

<https://securities.cib.bnpparibas/all-our-solutions/asset-fund-services/depository-bank-trustee-services-2/>

The process of appointment and supervision of the sub custodians follows the highest standards of quality, including the management of potential conflicts of interest which may arise from such appointments.

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

## **Institutions responsible for centralising subscription and redemption orders and maintaining the issuing account by delegation of AXA Investment Managers Paris, the management company:**

### **In respect of 'I' Shares, reserved for institutional investors only:**

- **For bearer shares to be registered or registered with Euroclear France:**

**BNP PARIBAS SA**, a subsidiary of BNP PARIBAS SA located at 9, rue du Débarcadère 93500 PANTIN

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 9<sup>ème</sup>, 16, boulevard des Italiens.

- **For registered shares to be registered or registered with an Electronic Registration Facility (DEEP), reserved solely for legal investors acting on their own behalf:**

**IZNES**, a simplified joint stock company, is registered with the Registry of the Paris Commercial Court under the number 832,488,415, approved by the Autorité de Contrôle Prudentiel et de Résolution (ACPR), approved and subject to the supervision of the Autorité des Marchés Financiers (AMF) and whose registered office is located at 20, -22 rue Vernier in Paris (75017).

**Prime broker :** None

**Statutory Auditor: PricewaterhouseCoopers Audit** - Crystal Park -63, rue de Villiers -92208 Neuilly sur Seine Cedex.

#### **5°) Promoter: AXA INVESTMENT MANAGERS PARIS**

*For further information, you can contact AXA INVESTMENT MANAGERS PARIS at the registered office indicated above.*

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

Class ‘P’ shares are reserved for distributors carrying out an investment and promotion activity and who have signed an investment agreement or a distribution agreement with a distributor of AXA INVESTMENT MANAGERS.

Shares in the ‘I’ category are reserved for institutional investors.

Class ‘V’ Shares are reserved for subscribers subscribing through financial intermediaries which, pursuant to either regulatory requirements (e.g. in the European Union, financial intermediaries providing discretionary portfolio management or independent investment advice) or separate remuneration agreements with their clients, are not allowed to keep retrocessions for distribution.

#### **Delegates:**

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

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

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 Fund's accounts and calculates the net asset value.

### **Delegation of Administration:**

AXA INVESTMENT MANAGERS PARIS does not delegate the administration of the SICAV.

Adviser : None

### **III - Operating and management procedures:**

#### **III -1 General characteristics :**

##### **➤ Characteristics of the shares:**

- **ISIN CODE :** category A Shares : C Shares Accumulation: FR0000288946  
Distributing 'D' Shares: FR0000288953  
Class 'P' Shares : FR0010693689 (full accumulation)  
Class 'I' Shares : FR0010956581 (full accumulation)  
Class 'B' Shares : FR0014002ZP5 (full accumulation)  
Class 'V' Shares : FR001400NUH5 (full accumulation)

⇒ **Nature of the right attached to the share class :** each shareholder has a fraction of the capital of the assets of the UCITS proportional to the number of shares held.

##### **⇒ Provisions on liability management:**

➤ For shares of categories 'A,' 'P,' 'B' and 'V':

The issuer account is managed by BNP PARIBAS SA (custodian). The securities must be registered and are held, as the case may be, by the issuer or an authorised intermediary.

➤ In the case of 'I' Shares, reserved for institutional investors only:

The issuer account keeping is performed by the Management Company, which delegates to BNP PARIBAS SA (custodian) the keeping of the share register to be entered or registered in bearer form within Euroclear France and delegates to IZNES the maintenance of the share register reserved for legal investors acting on behalf of themselves or registered in the DEEP.

⇒ **Voting rights:** in the case of a SICAV organised as a société anonyme , each share has a voting right. Decisions concerning its management are taken by the General Management, under the direction of the Management Company.

⇒ **Form of Shares:** Shares may be in the form of:

- Bearer or registered until 16 April 2015;
- Bearer or registered units administered as from 16 April 2015.

##### **⇒ Subdivision of units:**

- Capitalisation type 'C' and distribution type 'D' shares of category 'A' denominated in euros are divisible up to hundredths of a share.
- 'P' category shares, denominated in euros, are divisible up to ten thousandths of a share.
- Class 'I' shares, denominated in euros, are divisible into ten thousandths of a share.
- Class 'B' shares, denominated in euros, are divisible up to ten thousandths of a share.

- Class 'V' shares, denominated in euros, are divisible up to ten thousandths of a share.

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

➤ **Information about the tax regime:**

The SICAV is subject to the general tax regime applicable to UCITS.

If the subscription to the shares of the UCITS is linked to participation in a life insurance contract, subscribers will be subject to the taxation of life insurance contracts.

The conversion from one category of share to another will be subject to the regime governing capital gains on securities sales.

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

FATCA Compliance obligation:

Under the terms of the Foreign Account Tax Compliance Act (FATCA), shareholders may be required to provide the UCITS, the management company for each UCI or their agent with information, in particular concerning their personal identity and the place of residence (domicile and tax residence), to be identified as a 'US Person' as defined by FATCA<sup>(1)</sup>. This information may be transmitted to the US tax authorities via the French tax authorities. Any failure by shareholders to comply with this obligation could result in a 30% flat rate withholding tax being imposed on US source financial flows. Notwithstanding the work carried out by the management company under FATCA, the shares are advised to ensure that the financial intermediary they used to invest in the UCITS itself is a Participating FFI. For further details, shareholders may consult a tax advisor.

Automatic Exchange of Tax Information (CRS) :

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, shareholders 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 shareholder will be required to comply with any request from the management company to provide such information 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.

<sup>1</sup>The US Internal Revenue Code defines the concept of 'U.S. Person' as being available on the website, <https://funds.axa-im.com/> (in the section *legal information* ).

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**III -2 Special provisions:**

➤ **Classification:**

Money market fund with variable net asset value (VNAV) in the short term.

➤ **Investment in short term money market funds within the meaning of the EU Regulation of the European Parliament and of the Council of 14 June 2017:** Less than 10% of net assets.

➤ **Investment objective:**

The investment objective of the SICAV is to seek to outperform, after deduction of actual management fees, the € STR capitalised over a minimum recommended investment horizon of 1 months while taking into account a socially responsible investment approach that respects the criteria of Environmental, Social and Governance Responsibility (ESG).

*Shareholders should be aware that if very low money market interest rates do not generate a sufficient return for the SICAV to cover its management fees and its net asset value is likely to decrease in a structural manner.*

➤ **Benchmark:**

The capitalised € STR (Ester or Euro Short Term 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 on to : <https://www.ecb.europa.eu>

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

➤ **Investment strategy:**

**1. Description of the strategies used:**

The SICAV is a financial product which promotes environmental and/or social characteristics within the meaning of Article 8 of European Regulation 2019/2088 of 27 November 2019 on the publication of sustainability information in the financial services sector.

It should be noted, however, that to date the Fund cannot take into account the criteria for sustainable environmental activities set out in Regulation 2020/852 on the establishment of a framework for the promotion of sustainable investments (hereafter 'Tax Regulation') and the alignment of its portfolio with the criteria of the Taxonomy Regulation is not calculated. Thus, for the moment, the principle of 'not causing material harm' is not considered on the assets of the SICAV.

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 management consists mainly of implementing various investment strategies in the main fixed income markets (positioning, for example, on the yield curve) and in the Euro zone and denominated in Euro. A very short term money market component, maturing between 0 and 3 months, will be actively managed by the management team.

**1/Definition of investment universe:**

The investment universe defined in order to implement the SICAV's extra financial objective consists of a broad list of financial instruments that are included in the ICE Bank of America Euro Corporate Index. The SICAV's ESG score and that of the comparison portfolio defined for the purposes of implementing ESG criteria are calculated on a weighted average basis. For clarification purposes, this index is only used to implement the responsible investment approach described above and indicates a broad market index which does not necessarily take into account, in its composition or calculation methodology, available on the website <https://indices.theice.com/>, the ESG characteristics promoted by the SICAV.

The SICAV may also invest in interest rate or credit products issued in markets outside the eurozone or not denominated in euros, in which case the currency risk will be hedged.

The very short term money market portion may, depending on market developments and the management company's expectations, exceed 50% of the SICAV's net assets.

The choice of strategies and allocation of the SICAV are entirely discretionary and dependent on the management team's expectations.

The management process therefore involves actively managing a portfolio of fixed and/or floating rate and/or indexed interest rate and credit products, denominated in euros and/or currencies.

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.

The SICAV uses 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, excluding bonds and other debt instruments issued by public issuers, ancillary liquid assets and socially responsible assets.

The SICAV may invest up to 10% of its net assets, 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 based on 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 business sector. The application of this framework results in an ESG rating per issuer ranging from 0 to 10. AXA IM's ESG rating methodology is described below at [https://particuliers.axa-im.fr/investissement-responsable/notre-cadre-esg-et-notre-methodologie-de-notation?Linkid=investormanager menu cadreesg](https://particuliers.axa-im.fr/investissement-responsable/notre-cadre-esg-et-notre-methodologie-de-notation?Linkid=investormanager%20menu%20cadreesg).

The SICAV continuously aims to outperform its investment universe on the following key non financial performance indicators: The first relates to the percentage of women members of boards of directors and the second relates to carbon intensity.

The following minimum hedging rates apply within the portfolio: I) 90% of the SICAV's net assets (excluding bonds and other debt securities issued by public issuers, cash held on an ancillary basis and socially responsible assets) for ESG analysis; (II) 90% for the percentage of women on boards; (III) 70% for carbon intensity.

In addition, the SICAV applies AXA IM's sector IR policies and AXA IM ESG Standards available on the website: <https://www.axa-im.fr/investissement-responsable/nos-politiques-et-rapports> as described in the section 'Risk profile,' '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 SICAV's ESG policy.

The ESG approach implemented is described in detail in the SICAV's 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:**

Through a prudent and continuous internal assessment procedure of the credit quality of the money market instruments that are applied and applied consistently, the SICAV 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.

To this end, the SICAV may implement the following strategies:

Rate based strategies:

- Strategies for hedging currency risks and for managing interest rate risks within the sensitivity range using forward financial instruments, particularly cross currency swaps, futures, options, forward contracts or interest rate swaps.

Credit based strategies:

- Active management of issuers' credit risk through a credit allocation and a selection of issuers based on a discretionary management process while seeking quality signatures.
- The selection and allocation are carried out according to the micro and macro forecasts of the management company (level of growth, level of deficits, level of inflation, etc.) and to credit research recommendations on issuers (macro and micro economic analysis based on fundamental data (quantitative data (sales, debt, cash flows, etc.) or qualitative data (rating, quality of management, etc.).
- Strategy of positioning on the short term portion of the issuer credit curve.
- Allocation strategy between credit securities and business sectors to implement strategies focused on relative value between credit securities and/or business sectors of any type.

The implementation of this strategy is carried out in accordance with:

(I) a risk linked to interest rate changes that are equated with interest rate sensitivity. 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.

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 compare 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:**

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

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.

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.

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, use of forward financial instruments).

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

## **2. description of asset classes and financial contracts :**

The Fund 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.'

### **Shares**

The SICAV does not directly or indirectly intervene in the equity markets

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

The Fund may invest up to 100% of its net 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:

- Certificates of deposit;
- Short term or medium term negotiable securities (including Euro Medium Term Notes indexed on short term references and *Euro Commercial Papers*);
- Treasury bills;
- 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 net assets in:

- Asset Backed Commercial Papers (ABCP) not conforming to the transversal settlement criteria 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 Papers (ABCP) may be issued by a programme fulfilling the conditions set out in Article 11 of European Regulation 2017/1131.

By way of derogation, the initial limit of 5% of the UCITS 'net assets may be increased to 100% of net assets if the UCITS invests in money market instruments issued or guaranteed by the European Union, its national, regional or local authorities or 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 central bank of a member state 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 more than 30% of its net assets.

It is specified that the manager will have appropriate information at their disposal: Information on the issue and on the legal and financial situation of the issuer to enable an accurate assessment of the issuer risk.

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

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

The Fund may hold less than 10% of its net assets in units or shares of short term money market UCIs as defined in European Regulation 2017/1131.

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

These underlying UCIs and investment funds may be managed by AXA Group companies and by the same manager.

### **3. Financial futures (derivatives):**

To achieve the management objective, in accordance with the SICAV's SRI commitment policy, the SICAV may carry out transactions on financial futures instruments, subject to a limit of 100% of the assets, as described below:

- **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 risks (please note).

- **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, swaps, forwards and other forward financial instruments to hedge interest rate risk);
- Forward exchange transactions;
- Credit derivatives;
- Other (please specify).

### **Strategy for using forward financial instruments**

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

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

Forward financial instruments allow:

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

The Fund 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 SICAV will not use financial futures that constitute total return swaps (also known as *total return swaps*) The SICAV may have as counterparty to forward financial instruments any financial institution meeting the criteria set out in Article R214-19 II, second paragraph of the French 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 applicable regulations, the SICAV will be required to pay and/or receive a financial guarantee (called 'collateral') in order to reduce counterparty risk. The guarantee received by the Fund may only be granted by an establishment which is a UCITS depositary, a credit institution which has its registered office in a Member State of the OECD, or an investment firm which has its registered office 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.

Such collateral may be received as an asset (excluding securitisations and ABCP), in particular deposits, money market instruments and/or bonds issued or guaranteed by:

- A Member State of the European Union ('EU'), by name France, Germany, Belgium, Denmark, Finland, Netherlands, Spain and/or Sweden,
- And/or supranational bodies,

Benefiting from 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 according to their type, the creditworthiness of the issuers, their maturity, their reference currency, and their liquidity and volatility.

In accordance with the valuation rules set out in this prospectus, the Management Company 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 SICAV 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 SICAV as collateral under the repurchase agreement may not transfer, invest, commit or otherwise transfer these assets without the prior consent of the SICAV's management company.

Collateral received by the Fund will be held by the depositary of the Fund 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 issuers of securities received as financial guarantees or securities acquired with cash received as financial guarantees, the SICAV may bear the risk of loss in the event of default by these issuers or by the counterparty of these transactions.

#### **4. On securities with embedded derivatives:**

The SICAV is not authorised to use securities with embedded derivatives.

#### **5. For deposits**

The Fund may make deposits with several credit institutions under the conditions laid down in article 12 of European Regulation 2017/1131.

Such investment may represent up to 100% of the net assets of the Fund within the limit of the diversification rules set out in Article 17 of the same European Regulation 2017/1131.

#### **6. For cash borrowings**

**The Fund is not permitted to borrow cash.** However, due to events which are not part of the management process, a debtor position may, in exceptional circumstances and in the best interests of shareholders, arise. 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 as part of the SICAV's cash management.

These transactions consist of repurchase and/or reverse repurchase agreements (the SICAV is not authorised to carry out securities lending and borrowing transactions).

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

Under a repurchase agreement, the cash received by the Fund will not exceed 10% of its assets.

In the context of reverse repurchase agreements, the assets received by the SICAV are sufficiently diversified, with a maximum exposure to a single issuer of 15% of the net assets of the SICAV (except in cases where the assets received are money market instruments that comply with the requirements of Article 17 of European Regulation 2017/1131).

The Management Company expects these reverse **repurchase agreements to represent around 15%** of the net assets of the Fund. However, the SICAV may undertake such transactions within a limit of 100% of its net assets.

Additional information on these transactions for temporary purchases or sales of securities may be found in the SICAV'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.

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**Your money will be invested primarily in financial instruments selected by the Investment Manager. These instruments will be subject to market fluctuations and fluctuations.**

#### **➤ Risk profile:**

##### General consideration:

The SICAV's risk profile is suitable for an investment horizon of at least 1 months. As with any financial investment, potential investors should be aware that the value of the SICAV's 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). Accordingly, the SICAV's performance may not be in line with its

objective.

**The Management Company does not guarantee subscribers that they will not suffer losses as a result of their investment in the SICAV, even if they hold the shares 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 SICAV does not guarantee the capital invested. You may not get back the full amount invested.

2 - 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 SICAV is invested primarily in fixed income products and money market instruments, in the event of an increase in interest rates, the value of fixed rate assets may fall.

3 - Credit Risk:

In the event of a default or deterioration in the quality of issuers of debt securities (for example a downgrade in their rating), the value of the debt securities in which the SICAV is invested may fall.

4 - Risks associated with discretionary management :

The discretionary management style is based on anticipating trends in fixed income markets. The SICAV's 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 management objective.

5 - Counterparty Risk:

This is the risk that the SICAV's 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 SICAV.

6 - Risk linked to securitisation assets:

The portfolio manager shall have a prudent internal valuation procedure. Nevertheless, these instruments result from complex structures that may involve legal risks and specific risks related to the characteristics of the underlying assets.

The occurrence of these risks may result in a fall in the net asset value.

7 - Risks associated with securities financing transactions and risks related to the management of financial guarantees:

Such transactions and the guarantees attached thereto may create risks for the SICAV, 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 (mainly the risk that the financial collateral posted by the SICAV may not be returned to it, for example as a result of the default of the counterparty).

8 - Risks linked to investments in a single entity:

Risk resulting from the concentration of investments made by the SICAV on certain issuers, which may lead to a fall in the net asset value when these issuers present a risk of loss in value or default.

9 - Liquidity Risk:

The SICAV may, in very difficult market circumstances or due to an exceptionally high volume of redemption requests or other exceptional circumstances, 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 SICAV's Articles of Incorporation and if this is in the investors' interest.

10 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 SICAV, and the performance of the SICAV 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 absence of common or harmonized definitions and labels incorporating ESG criteria and sustainability at EU level can lead managers to adopt different approaches when defining ESG objectives and determining that these objectives have been achieved by the funds they manage. It also means that strategies with ESG criteria and sustainability criteria can be difficult to compare since the selection and weightings applied to the selected investments may be, to a certain extent, subjective or based on indicators that may share the same name, but which have different underlying meanings. Investors should note that the subjective value they may or may not assign to certain types of ESG criteria may differ materially from the Investment Manager's methodology. The lack of harmonised definitions may also result in certain investments not benefiting from preferential tax or credit regimes as ESG criteria are assessed differently than initially envisaged.

11- Integration of sustainability risks in the investment decision making process :

Sustainability risk is an event or situation relating to environmental, social or governance that, if it occurs, could have a material, actual or potential negative impact on the value of the investment in the SICAV.

The SICAV uses a sustainability risk approach that results from significant integration of ESG (Environment, Social and Governance) criteria into the research and investment process . The SICAV 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 sector and normative exclusions and an ESG rating methodology.

**Sectoral exclusions and normative**

In order to manage extreme ESG and sustainability risks, the SICAV has put in place a series of exclusion based policies. These policies aim to manage extreme ESG risks and sustainability, notably through:

- E: Climate (coal and bituminous sands), Biodiversity (protection of ecosystems and deforestation),
- 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 Fund applies sector specific exclusion policies covering controversial weapons, agricultural commodities, ecosystem protection and deforestation and climate risks.

In addition, the SICAV applies AXA IM's ESG standards encouraging ESG investments and applies, to this end, additional exclusions related to white phosphorous weapons, tobacco, violations of UN Global Compact principles, 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, please refer to the following link:

<https://www.axa-im.fr/investissement-responsable/nos-politiques-et-rapports>

**ESG Rating**

AXA IM uses rating methodologies to assess issuers with ESG criteria (corporate, sovereign, green, social

and sustainable debt).

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, occupational health and safety, supply chain working standards, business ethics, corrupt practises and instability.

The company rating methodology is based on three pillars and several sub factors, covering the main issues faced by companies in the E, S and G. This framework is based on fundamental principles such as the United Nations Global Compact, the OECD Guidelines, the International Labor Organization conventions and other international principles and conventions that guide companies' activities in the field of sustainable development and social responsibility. The analysis is based on the most significant ESG risks and opportunities previously identified for each sector and company considering 10 factors: Climate change, natural capital, pollution and waste, opportunities related to environmental challenges, human capital, 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 is not yet systematically disclosed by issuers and, when published, can 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.

ESG rating is fully integrated into the SICAV's investment process for both incorporating ESG criteria into the management strategy and for monitoring sustainability risk, which is assessed based on the SICAV's average ESG score.

Given the investment strategy and risk profile of the SICAV, the likely impact of sustainability risks on the returns of the SICAV 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 SICAV, please refer to the section 'SFDR' of the website: <https://particuliers.axa-im.fr/investissement-responsable>.

➤ **Guarantee or protection:** none

➤ **Subscribers concerned and typical investor profile:**

Class 'A' Shares : All subscribers.

Class 'P' shares : Reserved for distributors carrying out an investment and promotion activity and who have signed an investment agreement or a distribution agreement with a distributor of AXA INVESTMENT MANAGERS.

Class 'I' Shares : Reserved for institutional investors.

'B' shares : All subscribers.

Class 'V' Shares : reserved for subscribers subscribing through financial intermediaries which, pursuant to either regulatory requirements (e.g. in the European Union, financial intermediaries providing discretionary portfolio management or independent investment advice) or separate remuneration agreements with their clients, are not allowed to keep retrocessions for distribution.

This SICAV is suitable for investors who wish to gain exposure to fixed income, credit and money markets and who agree to take a socially responsible investment approach that respects the criteria of Environmental, Social and Governance (ESG) responsibility.

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



The SICAV is eligible as a unit of account for life insurance contracts.

The amount that is reasonable to invest in this SICAV depends on each shareholder's personal situation. To determine this amount, investors must take into account their personal assets and current financial needs over a recommended investment period of at least 1 months, 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 SICAV.

**Restrictions relating to US Investors:**

The shares of the SICAV have not been and will not be registered under the U.S. Securities Act of 1933 and the SICAV has not been and will not be registered under the U.S. Investment Company Act of 1940.

Therefore, the shares may not be directly or indirectly subscribed, transferred, offered or sold in the United States of America by any US Person hereinafter 'US Person' or any person if they are subject to the provisions of Title 1 of the U.S. Employee Retirement Income Security Act (hereinafter 'ERISA') or the provisions of Section 4975 of the US Internal Revenue Code or if they are a 'Benefit Plan Investor' within the meaning of ERISA regulations.

The SICAV's shareholders must qualify as Non United States Persons under the Commodity Exchange Act.

The concepts 'U.S. Person,' 'Non United States Person' and 'Benefit Plan Investor' are available on the website, <https://funds.axa-im.com/> (in the section legal information). For purposes hereof, 'US Investors' are 'U.S. Persons,' 'Benefit Plan Investors' and other persons subject to ERISA, and persons who are not 'Non United States Persons.'

Persons wishing to purchase or subscribe shares may have to certify in writing that they are not US Investors. Should they become so, they shall no longer be authorised to acquire new shares and must immediately inform the board of directors of the SICAV, which may, if necessary, force the redemption of their shares.

Exceptions may be granted in writing by the SICAV's Board of Directors, especially when these are necessary under applicable law.

**The minimum recommended investment period is 1 months.**

➤ **Calculation and allocation of distributable amounts:**

- category 'A' Shares : Types of share class: C shares accumulation and D shares distribution.
- Class "P" shares : Pure accumulation.
- Class 'I' Shares : Full accumulation.
- Class B Shares : Full accumulation.
- Class 'V' Shares : Full accumulation.

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 Shares:**

The Distributable Amounts are fully accumulated each year.

**Distribution Shares:**

**Annually.**

The Distributable Amounts are distributed within the following limits:

- the net income is fully distributed, to the nearest rounded figure,
- net realised capital gains may be at the proposal of the Board of Directors partially or fully distributed.

Non distributed Distributable amounts will be carried forward.

Interim dividends may be distributed during the financial year to holders of 'D' distribution shares of the 'A' category upon decisions of the Board of Directors and within the limit of the Distributable Amounts realised at the date of the decision, in proportion to their share of the total net assets.

➤ **Characteristics of the shares:**

- Class A shares : The shares are denominated in euro and decimalised up to hundredths of a share.
- p shares : The shares are denominated in euro and decimalised in ten thousandths of a share.
- I shares : The shares are denominated in euro and decimalised in ten thousandths of a share.
- b shares : The shares are denominated in euro and decimalised in ten thousandths of a share.
- Class V shares : The shares are denominated in euro and decimalised in ten thousandths of a share.

➤ **Subscription and redemption procedures:**

- For the 'A' share class, subscription, redemption, conversion or exchange orders between the 'C' accumulation shares and 'D' distribution shares are received every day by the depositary up to 12: 00 p.m. \* (Paris time).
- For the 'P,' 'B' and 'V' share classes, subscription, redemption or conversion orders are received every day by the depositary until 12: 00 p.m. \* (Paris time).

For the 'I' share class, subscription, redemption or conversion orders are received every day up to 12H00 \* (Paris time) by the depositary for shares to be registered or registered in bearer form within Euroclear France and by IZNES for shares reserved for legal investors acting on its own behalf to be registered or registered in the DEEP.

*'Orders are executed in accordance with the table below:*

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 on which subscription and redemption orders will be 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.

- For shares of categories 'A,' 'P,' 'B' and 'V':

Subscription, redemption, conversion or exchange requests are centralised by the management company at:

- BNP PARIBAS SA whose address is as follows:

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

- For shares in the 'I' category, reserved for institutional investors:

Subscription, redemption and conversion requests are centralised by the management company at:

- BNP PARIBAS SA for shares to be registered or registered in bearer form with Euroclear France and whose address is as follows :

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

- **IZNES** for registered shares reserved for investors, legal entities acting on behalf of itself to register or registered in the Partagé Electronic Registration Facility (DEEP) and whose address is:

**IZNES**  
Service Operations  
20-22, rue Vernier -75017 Paris

- Original net asset value of category 'C' accumulation share and category 'D' distribution share of category 'A': €762.25
- Original net asset value of a 'P' share: The net asset value of a 'C' share in accumulation category 'A' on the day of the creation of the 'P' share
- Original value of a share of category 'I': €10,000;
- Original value of a 'B' share: €10;
- Original value of a class 'V' share: €1,000;
- Minimum subscription amount for any type of share in category 'A': None
- Minimum subscription amount for shares in the 'P' category: None
- Minimum subscription amount for 'I' shares: 1 share (excluding the AXA Group and funds managed by AXA IM entities)
- Minimum subscription amount for all types of shares in category 'B': None
- Minimum subscription amount for any type of share in category 'V': None
- Minimum subscription amount for Class 'A' shares: €250,000 (excluding the AXA Group and funds managed by AXA IM entities)
- Minimum subscription amount for shares of category 'P': None
- Minimum subscription amount for 'I' shares: €10,000,000 (except for the AXA Group and funds managed by AXA IM entities);
- Minimum subscription amount for 'B' shares: €250,000 (excluding the AXA Group and funds managed by AXA IM entities).
- Minimum subscription amount for shares of category 'V': None.
- Procedure for switching from one share class to another (conversion): Subject to compliance with the access conditions, the shareholder's decision to switch from one share class to another share class is considered as a transaction:
  - ◆ Within 1<sup>er</sup> time, to sell one or more shares and/or fractions of shares held in the original class;
  - ◆ At a 2<sup>nd</sup> time, a subscription of one or more shares and/or fractions of shares in the new category.

Consequently, this shareholder's decision may result in a capital gain on the sale of securities subject to taxation.

➤ **Conditions for exchange of C and D shares:**

Requests for exchanges between accumulation and distribution 'D' shares of category 'A' are centralised by BNP PARIBAS SA before 12H. (Paris time) and are executed on the basis of the last net asset value

Fractions of shares are either settled in cash or supplemented to subscribe for one additional share or fractions of shares.

➤ **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 of publication of the net asset value**: premises of the Management Company.

➤ **Fees and expenses**:

Entry and exit charges :

Subscription fees increase the subscription price paid by the investor, while redemption fees decrease the redemption price. Fees kept by the SICAV compensate it for the expenses it incurs in investing in the SICAV's assets or in divesting these assets. Fees not paid to the SICAV are paid to the management company, the promoter, etc.

<b>Fees payable by the investor, deducted at the time of subscriptions and redemptions</b> <b>Shares of categories: 'A,' 'P,' 'I,' 'B' and 'V'</b>	<b>Basis</b>	<b>Rate</b>
Subscription fee not retained by the SICAV	Net asset value x number of shares	<b>Shares of categories: 'A,' 'I' and 'B':</b> ➤Maximum rate: 1% ➤AXA Group insurance companies are exempt from the payment of this commission when this SICAV is used as a support for unit linked contracts.  <b>Class 'P' and 'V' Shares:</b> ➤None
Subscription fee payable to the SICAV	Net asset value x number of shares	None
Redemption fee not payable to the SICAV	Net asset value x number of shares	None
Redemption fee payable to the SICAV	Net asset value x number of shares	None

Management and administration fees :

These fees cover all the costs invoiced directly to the SICAV, except transaction costs. Operational AND MANAGEMENT FEES These fees cover all the costs invoiced directly to the Sub fund, except for transaction expenses, which include intermediary fees (brokerage, stock market taxes, etc.) and any account activity charge that may be charged by the depositary or the Management Company.

The following may be charged in addition to the operating and management fees:

⇒ Transaction fees charged to the SICAV;

⇒ The remuneration received by the lending agent resulting from the implementation of temporary purchases and sales of securities.

*For more information on the fees charged to the SICAV, see the Key Information Document (KIID).*

	<b>Fees charged to the SICAV</b>	<b>Basis</b>	<b>Rate</b>
<b>1</b>	<b>Financial management and operating expenses and other services:</b> ----- -----		
<b>2</b>	- Class 'A,' 'P,' 'B' and 'V' Shares:  - Class 'I' Shares:	Net assets (including UCIs)  Net assets (including UCIs)	Maximum 0.598% inclusive of tax  Maximum 0.20% inclusive of tax
<b>3</b>	<b>Maximum indirect charges (Fees and management expenses)</b>	Assets of the selected UCIs	Not Applicable (*)
<b>4</b>	<b>Transaction fees:</b> ➤ Custodian	Deducted from each transaction	€50 maximum
<b>5</b>	<b>Performance fee</b>	None	None

(\*) As the SICAV's investment in underlying UCIs represents less than 10% of the SICAV's net assets, the level of indirect fees does not need to be mentioned in the table above, however this does not mean that no fees will be borne by the SICAV as a result of this investment.

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 extraordinary legal costs related to the recovery of the receivables of the SICAV may be added to the expenses invoiced to the SICAV and specified in the table of expenses presented above.

#### **Temporary purchases and sales of securities:**

The SICAV 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 retained in full by the SICAV.

Details are available in the SICAV's annual report.

AXA IM IF selects the counterparties with which repurchase and reverse repurchase transactions are concluded on behalf of and for the SICAV 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 SICAV's 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.

#### **Selection of intermediaries:**

The Management Company's choice of intermediaries is based on:

- § A 'due diligence' phase involving requirements to collect documentation, and
- § Participation in the authorization process, beyond the management teams, of the various teams covering the spectrum of risks related to entering into relationship with a counterparty or broker: The Risk Management Department, the Operations teams, the Compliance Function and the Legal Department.

Each team shall exercise its own vote.

For further information, shareholders may refer to the SICAV's annual report.

#### **IV - Commercial information :**

All information regarding the Fund may 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

- For shares of categories 'A,' 'P,' 'B' and 'V':

Subscription, redemption, conversion and exchange requests between accumulation and distribution 'C' shares of category 'A' are centralised by:

- BNP PARIBAS SA, whose address is as follows :

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

- In the case of 'I' shares, only available to institutional investors:

Subscription, redemption and conversion requests are centralised by the management company at:

- BNP PARIBAS SA , for shares to be registered or registered in bearer form with Euroclear France and whose address is as follows :

-

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

- **IZNES** for registered shares reserved for corporate investors acting on behalf of itself that are registered or registered in the Partagé Electronic Registration Facility (DEEP) and whose address is:

**IZNES**  
Service Operations  
20-22, rue Vernier -75017 Paris

#### **➤ 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 the open years.

#### **➤ 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 changes to the SICAV's operating procedures:**

Shareholders are informed of changes to the operating procedures of the SICAV, either individually, by 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 Shareholders:**

The management company shall inform the Fund's shareholders that professional SICAV shareholders subject to regulatory requirements such as those related to the Directive 2009/138/EC (Solvency 2) may receive the composition of the Fund's portfolio before such information is made available to all shareholders.

**V - Investment rules :**

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

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

**VI - Overall risk :**

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

**VII - Asset valuation and accounting rules :**

The net asset value of the SICAV on a given day is calculated on the basis of the previous day's prices. If an exceptional market event occurs before the centralisation time, it may be recalculated to ensure that *market timing* opportunities are not present. 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:**

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

- Financial instruments and securities traded on French or foreign regulated market: 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. Ils 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 net asset value of the funds are valued using estimates under the control and the responsibility of the Management Company.

Negotiable Debt Securities (excluding Annual Interest bearing Treasury Bons (BTAN), Fixed and Precounted Interest Rate Treasury Bons (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 on the basis of a valuation price from arranged 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 that are, or (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:
  - Securities repurchase agreements: The receivable representing securities received under a repurchase agreement is valued according to the contractual terms and conditions.
  - Securities sold under 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 Forex Forwards: Forward exchanges are valued based on a calculation which takes 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 (e.g. swaps vs € 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 the remaining securities in the SICAV must be valued at this new price.

#### ➤ 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 assessment procedure for the Credit risk (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 Papers ('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:

- The Research team: It consists 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:
  - o Developed sovereign/countries;
  - o Financial and non financial corporations;
  - o Local and regional governments;
  - o Government agencies;
  - o Supranational financial institutions.

Economists located in Europe and Asia are building scenarios, assessing the associated risks and evaluating 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 Investment Risk Analysis (IRA) is responsible for providing final scores based on research and quantitative data ratings. 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 depending on the type of issuer, which may include:
  - o Macroeconomic indicators;
  - o In depth understanding of the issuer's business sectors;
  - o The financial situation of the issuer, the liquidity of the issuer, including the ability to refinancing the short term debt;
  - o Key ESG factors deemed most relevant to each issuer;
  - o Risk of occurrence of possible mergers, acquisitions or disposals;
  - o 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 additional issuer evaluations based on Research and Quantitative Data scores, such as:
  - o Country risk: CDS spreads;
  - o Issuer risk: Spreads CDS issuers;
  - o 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.

- Credit Quality Revaluation The scores compiled by GRM are recalculated on a weekly basis by 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 shareholders.

### **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.

The updated details of AXA IM's Global Remuneration Policy are published online at [www.axa-im.com/important-information/remuneration-policy](http://www.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 to the Fund and are granted on objective criteria.

For more information, please refer to 'Fees for the distribution of Undertakings for Collective Investment and discounts traded on certain holders,' available on the website [www.axa-im.fr/informations-importantes/](http://www.axa-im.fr/informations-importantes/)

## Environmental and/or social features

### Does this financial product have a sustainable investment objective?



Yes



No

It will invest a minimum amount in activities that have an environmental objective: \_\_\_%

It promotes environmental and social (E/S) features and, although it does not have the objective of sustainable investment, will contain a minimum of 20% sustainable investments

In economic activities that are considered environmentally sustainable under the EU taxonomy

Having an environmental objective in economic activities that are considered environmentally sustainable under the EU taxonomy

In economic activities that are not considered environmentally sustainable under the EU taxonomy

Having an environmental objective in economic activities that are not considered environmentally sustainable under the EU taxonomy

It will invest a minimum amount in activities that have a social objective: \_\_\_%

With a social objective

It promotes E/S features, but will not make sustainable investments

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

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



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

The environmental and social features promoted by the Financial Product relate to the promotion of gender equality in governance bodies through investments in issuers that take into account board gender diversity and relate to carbon emissions through investments in issuers that take into account their carbon intensity.

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

- Climate preservation through exclusion policies on coal and fossil fuels
- Protection of ecosystems and prevention of deforestation
- Health through the tobacco exclusion policy
- Human rights, labour rights, society, business ethics and the fight against corruption, through the exclusion of companies that cause, contribute or are linked to significant violations of international norms and standards, focusing in particular on the principles of the United Nations Global Compact (UNGC), the International Labour Organisation (ILO) conventions, and the OECD Guidelines for Multinational Enterprises

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

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

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

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

- The weighted average of women sitting on the board of directors is defined as the percentage of female members of the board of directors of companies in which the Financial Product invests and the percentage of its investment universe comprised of a broad list of financial instruments that form part of the ICE Bank of America Euro Corporate Index (the "Investment Universe"). This indicator is provided by a third-party data provider.
- The ratio of carbon intensity to revenue is the weighted average of the Financial Product and of its Investment Universe comprised of a broad list of financial instruments that form part of the ICE Bank of America Euro Corporate Index. This environmental indicator is obtained from a third-party data provider and represents the amount of greenhouse gas equivalent released into the atmosphere. Carbon intensity is expressed in tons of CO<sub>2</sub> equivalent per million dollars of revenue.

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

### ***What are the sustainable investment objectives that the Financial Product intends to pursue in particular and how does sustainable investment contribute to these objectives?***

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

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

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

2. Integration of issuers engaged in a solid transition to carbon neutrality aligned with the European Commission's ambition to help finance the transition to a world in which climate change is limited to 1.5°C – based on the framework developed by the Science Based Targets Initiative (SBTi) –, considering companies whose targets have been validated by the SBTi.
3. **Investments in green, social and sustainable bonds and in sustainability-linked bonds:**
  - a. Green, social and sustainable bonds are instruments that aim to contribute to various objectives that are sustainable by nature. As such, investments in bonds issued by companies and governments that have been identified as green, social or sustainable bonds in the Bloomberg database are considered "sustainable investments" in accordance with AXA IM's SFDR framework.
  - b. Concerning bonds linked to sustainable development, an in-house framework has been developed to assess the solidity of the bonds used to finance an overall sustainable development goal. As these instruments are more recent, issuers' practices vary. As such, only sustainability-linked bonds given a positive or neutral rating following an AXA IM in-house analysis are considered "sustainable investments". The analysis framework draws on the directives of the International Capital Market Association (ICMA) integrated into the approach developed by AXA IM and based on the following

criteria: (i) the issuer's sustainability strategy and the relevance and materiality of the key performance indicators, (ii) the ambition of the sustainability performance goal, (iii) the features of the bonds and (iv) the monitoring of and reporting on the sustainability performance objective.

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

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

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

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

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

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

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

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

This Financial Product takes into account indicators on sustainability adverse impacts (PAI) to ensure that the sustainable investments do not cause significant harm to the other sustainable development goals defined as part of the SFDR.

The PAIs are mitigated by the strict application of the exclusion lists as defined in the AXA IM sector exclusion policies and ESG Standards (described below), as well as by the application of a selection filter based on indicators relating to the UN Sustainable Development Goals.

Where appropriate, the engagement policies also make it possible to mitigate the risks associated with the PAIs through direct dialogue with companies on sustainability and governance issues. Through the engagement policies, the Financial Product will use its influence as an investor to encourage companies to mitigate the environmental and social risks associated with their sectors.

Voting at general meetings is also an important part of engagement with portfolio companies in order to sustainably support the long-term value of the companies in which the Financial Product invests and mitigate the sustainability adverse impacts.

**Exclusion policies:**

- **Environment:**

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

correlation between GHG emissions and energy consumption) <sup>1</sup>	impact sector
Policy on the protection of ecosystems and the fight against deforestation	PAI 7: Activities having an adverse impact on biodiversity sensitive areas

- **Social and Governance:**

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

**Filter on indicators relating to the UN SDGs:**

AXA IM also draws on the SDG pillar of its responsibility policy to monitor and take into account adverse impacts on these sustainability factors by excluding portfolio companies that have an SDG score of below -5 for any SDG (on a range from +10 corresponding to "a significant contribution" to -10 corresponding to "a significant obstruction"), unless the quantitative score has been adjusted following a qualitative analysis duly documented by the AXA IM ESG & Impact Research team. This approach enables us to ensure that the portfolio companies with the most significant adverse impacts on an SDG are not considered sustainable investments.

Data availability and quality are currently weaker for certain sustainability factors, such as those linked to biodiversity for example, which may have an impact on the coverage of the following PAI indicators: emissions to water (PAI 8), ratio of hazardous waste radioactive waste (PAI 9) and unadjusted gender pay gap (PAI 12). These sustainability factors are part of the 17 goals targeted by the United Nations SDGs (more specifically, they are covered by SDG 5 "Gender equality", SDG 6 "Access to clean water and sanitation", SDG 8 "Access to decent work", SDG 10 "Reduced inequalities", SDG 12 "Responsible consumption" and SDG 14 "Protect life below water"). While waiting for improved data availability and quality, the AXA IM framework makes it possible to limit the worst impacts on these SDGs.

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

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

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

<sup>2</sup> The approach used to mitigate the risks associated with the PAIs through this exclusion policy will evolve as the improvement in data availability and quality enables us to use the PAI more effectively.



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

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

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



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

Yes

No

Adverse impacts are taken into account by applying (i) qualitative and (ii) quantitative approaches:

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

Thanks to these exclusion and engagement policies, this Financial Product takes into account the potential adverse impact on these specific PAI indicators:

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

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



## What investment strategy does this financial product follow?

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

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

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

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

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

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

AXA IM has put in place rating methodologies to rate issuers (corporate, sovereign, green, social and sustainable bonds) on ESG criteria. These methodologies make it possible to rate corporate and sovereign bond issuers, based on quantitative data from various third-party data providers and the quantitative analysis of internal and external research. The data used in these methodologies include carbon emissions, water scarcity, occupational health and safety, labour standards in the supply chain, business ethics, corruption and instability. The methodologies for rating corporate bonds and sovereign bonds are based on three pillars and several sub-factors that cover the most important risk factors encountered by issuers in the environmental (E), social (S) and governance (G) areas. The reference framework draws on fundamental principles, such as the United Nations Global Compact, the OECD guidelines, the International Labour Organisation conventions and other international conventions and principles that guide the activities of businesses and governments in the area of sustainable development and social responsibility. Analysis is based on the most significant ESG risks and opportunities previously identified for each sector and company, taking into account 10 factors: climate change, natural capital, pollution and waste, environmental opportunities, human capital, product liability, stakeholder opposition, social opportunities, corporate governance and corporate behaviour. The final ESG rating also incorporates the notion of factors linked to the industry and deliberately makes a distinction between sectors, so as to overweight each industry's most important factors. Materiality is not limited to the impacts linked to a company's operations: it also concerns the impacts on external stakeholders, as well as the underlying risk affecting reputation brought about by poor management of the main ESG issues. In the methodology applied for companies, the severity of controversies is continually assessed and monitored so that the most significant risks are reflected in the final ESG rating. Serious controversies result in significant declines in the scores of sub-factors and, ultimately, of ESG ratings.

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

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

3. In addition, the Financial Product outperforms at any time its Investment Universe on at least two ESG key performance indicators, which are Board Gender Diversity and Carbon Intensity.

4. The following minimum coverage rates apply to the Financial Product's portfolio (expressed as a minimum % of net assets excluding bonds and other debt instruments from public issuers, liquidity held on an incidental basis and socially responsible assets): i) 90% for the ESG analysis, ii) 90% for the Board Gender Diversity indicator and iii) 70% for the Carbon Intensity indicator.

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

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

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

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

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

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

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

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

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

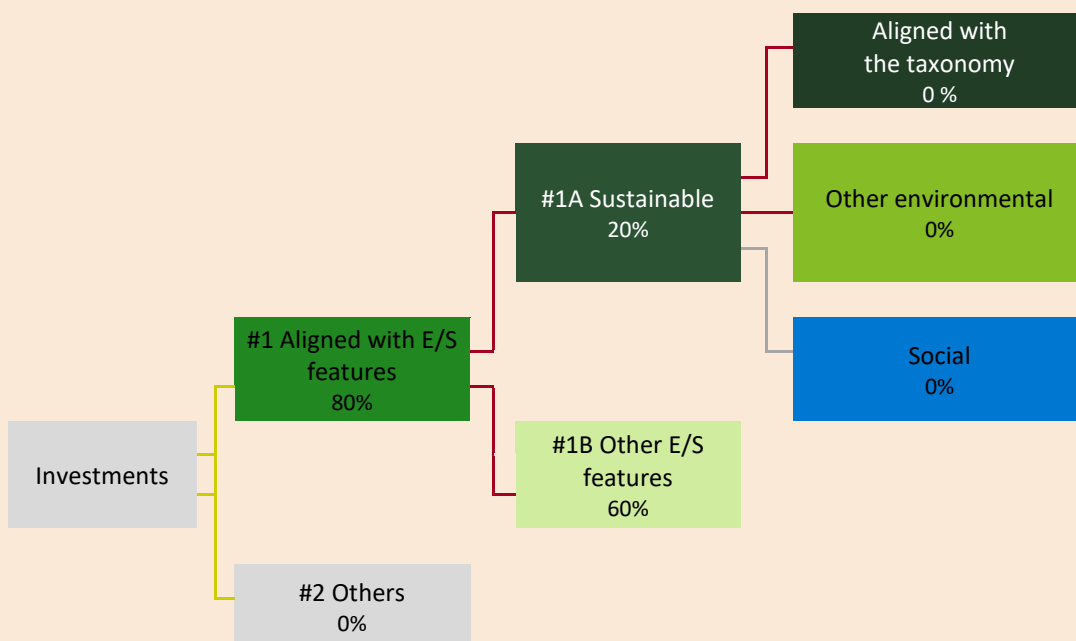


## What is the planned asset allocation for this financial product?

**Asset allocation** describes the percentage of investments in specific assets

Activities aligned with the taxonomy are expressed as a % of:

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



Category **#1 Aligned with E/S features** includes investments made by the financial product used to attain the environmental or social features promoted by the financial product.

Category **#2 Others** includes the remaining investments of the financial product that are neither aligned with environmental or social features nor considered as sustainable investments.

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

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

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

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

The minimum expected percentage of sustainable investments is 20% of the Net Asset Value of the Financial Product.

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

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

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



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

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

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

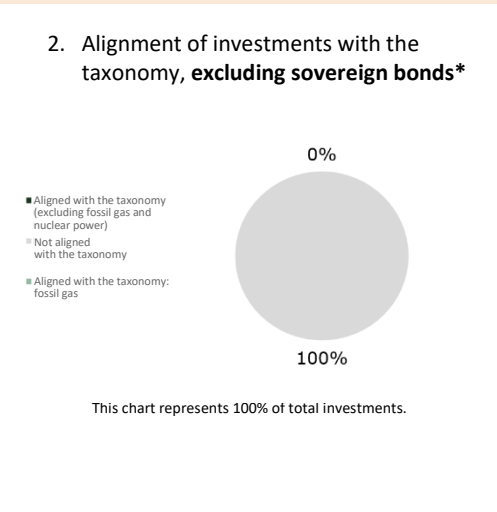
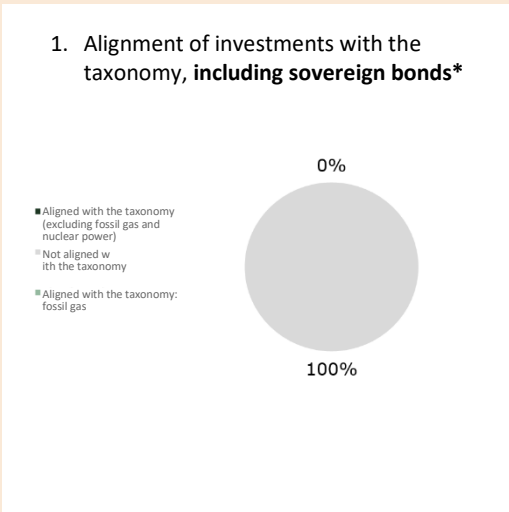
- Yes  
 In fossil gas  In nuclear power
- No

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

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

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

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



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

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

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

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



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

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



### **What is the minimum proportion of socially sustainable investments?**

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



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

"Other" assets may be comprised of:

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

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



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

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

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



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

Further information on the Financial Product is available on the AXA IM website at [Funds - AXA IM Global \(axa-im.com\)](https://www.axa-im.com).

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



The symbol represents sustainable investments with an environmental objective that **do not take into account the criteria** applicable to environmentally sustainable economic activities under the EU taxonomy.