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L'apposition du visa ne peut en aucun cas servir
d'argument de publicité

Luxembourg, le 2020-10-14

Commission de Surveillance du Secteur Financier

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PROSPECTUS

relating to the permanent offering and issue of Units in

AXA IM Fixed Income Investment Strategies

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

October 2020

The Units referred to in this prospectus (the "Prospectus") are offered solely on the basis of the information contained herein and in the reports referred to in the Prospectus. In connection with the offer hereby made, no person is authorized to give any information or to make any representations other than those contained in the Prospectus and the documents referred to herein, and any purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information contained in the Prospectus shall be solely at the risk of the purchaser.

The Management Company draws the investors' attention to the fact that any investor will only be able to fully exercise his Unitholder rights directly against the Fund, if the investor is registered himself and in his own name in the Unitholders' register. In cases where an investor invests in the Fund through an intermediary investing into the Fund in his own name but on behalf of the investor, it may not always be possible for the Unitholder to exercise certain Unitholder rights directly against the Fund. Investors are advised to take advice on their rights before subscription.

THE UNITED STATES OF AMERICA ("UNITED STATES" OR "U.S.")

The Units have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "1933 Act") or qualified under any applicable U.S. state statutes, and the Units may not be transferred, offered or sold in the United States of America (including its territories and possessions) or to or for the benefit of, directly or indirectly, any U.S. Persons (as defined in Regulation S in the 1933 Act), except pursuant to registration or an applicable exemption.

The Fund has not been, and will not be, registered under the Investment Company Act of 1940, as amended (the "1940 Act"). Therefore, subject to the discretion of the Management Company, the Units may not be offered or sold to or for the benefit of a U.S. Person. Any resales or transfers of the Units in the U.S. or to U.S. Persons may constitute a violation of U.S. law and requires the prior written consent of the Management Company acting on behalf of the Fund. The Management Company, however, reserves the right to make a private placement of its Units to a limited number or category of U.S. Persons.

The Management Regulations provide that the Management Company may compulsorily redeem any Units that are transferred, or attempted to be transferred, to or for the benefit of any U.S. Person. Investors may be required to certify to the Management Company that, among other things, the Units are not being acquired and will not at any time be held for the account or benefit, directly or indirectly, of any U.S. Person except as otherwise authorised by the Management Company as set out in Section "**SUBSCRIPTION OF UNITS**" (under the heading "Nominees") in the Prospectus. It is the responsibility of each Unitholder to verify that it is not a U.S. Person that would be prohibited from owning Units. If permitted by the Management Company, any purchaser of Units that is a U.S. Person must be a "qualified purchaser" as defined in the 1940 Act and the rules promulgated thereunder and an "accredited investor" as defined in Regulation D under the 1933 Act.

Unless the Management Company otherwise determines either generally or in any particular case, the Management Company acting on behalf of the Fund will not accept any subscriptions from, and the Units may not be transferred to, any investor, whether or not a U.S. Person, who is subject to Title 1 of ERISA or the prohibited transactions provisions of Section 4975 of the U.S. Internal Revenue Code or who qualifies as a Benefit Plan Investor.

Furthermore, any purchaser of Units must be a Non-U.S. Person under the Commodity Exchange Act.

The Units have not been approved or disapproved by the SEC, any state securities commission or other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful.

Unitholders are required to notify the Management Company immediately in the event that they become U.S. Persons. Unitholders who become U.S. Persons will be required to dispose of their Units at any time to non-U.S. Persons. The Management Company reserves the right to repurchase any Units which are or become owned, directly or indirectly, by a U.S. Person or if the holding of the Units by any person is unlawful or detrimental to the interests of the Fund.

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AXA IM Fixed Income Investment Strategies

Sponsor

AXA Investment Managers S.A.
Tour Majunga – La Défense 9
6, place de la Pyramide
92800 Puteaux
France

Management Company

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

Members of the Board

Mr Godefroy Joly-Lyautey de Colombe (Chairman), Global Chief Operating Officer, AXA Investment Managers, residing in France

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

Mr Laurent Jaumotte, Chief Financial Officer, AXA CZ and SK entities, residing in Belgium

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

Investment Managers

AXA Investment Managers Inc.
100 West Putnam Avenue, 4th Fl.
Greenwich, CT 06830
United States of America

AXA Investment Managers Paris

Tour Majunga
La Défense 9
6, Place de la Pyramide
92800 Puteaux
France

AXA Investment Managers UK Limited

From 4 September to 31 December 2020: 155 Bishopsgate
London EC2M 3XJ

From 1 January 2021: 22 Bishopsgate
London EC2N 4BQ

Agent to carry out stock lending and repurchase agreements activities

AXA Investment Managers GS Limited

From 4 September to 31 December 2020: 155 Bishopsgate
London EC2M 3XJ

From 1 January 2021: 22 Bishopsgate
London EC2N 4BQ

Depository, Paying Agent, Administrator, Registrar Agent

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

Auditors

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

Legal Advisers

in Luxembourg

Arendt & Medernach SA
41A, avenue JF Kennedy
L-2082 Luxembourg
Grand Duchy of Luxembourg

ADDITIONAL INFORMATION FOR INVESTORS

The Sub-Funds of AXA IM Fixed Income Investment Strategies are only authorised or registered for public registration in some countries. Units may not be offered or sold, and this Prospectus may not be distributed or published in any countries except under circumstances that will result in compliance with any applicable laws and regulations.¹

The investors will find below additional information relating to the distribution of the Units of the Company in certain countries:

Denmark

The Company has appointed StockRate Asset Management A/S (company number 3072 9722), Sdr. Jernbanevej 18D, 3400 Hillerød, Denmark, as its Danish representative.

France

The Company has been authorised to market its Units in France. BNP Paribas Securities Services, 3 rue d'Antin à 75002 Paris has been appointed as local correspondent ("agent centralisateur") and financial agent to whom subscription and sales orders should be addressed.

Taxation

The attention of Unitholders domiciled for tax purposes in France is drawn to the requirement to file income tax returns for income derived from the switch between the Sub-Funds which are subject to capital gains on securities.

Hong Kong

Neither the Fund nor the Sub-Funds are authorised for distribution in Hong-Kong.

Warning: Hong Kong investors are advised that the contents of this prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in doubt about the contents of this prospectus, you should obtain independent professional advice. Certain Sub-Funds described herein may only be offered for sale or sold in Hong Kong to such investors which are "professional investors" within the meaning of the Hong Kong Securities and Futures Ordinance ("SFO") and any rules made thereunder. Unless permitted under the SFO, no person may issue or have in its possession for the purposes of issue this prospectus, or any other advertisement, invitation or document, whether in Hong Kong or elsewhere, which is or contains an invitation to the public in Hong Kong within the meaning of the SFO (i) to enter into or offer to enter into an agreement to acquire, dispose of, subscribe for or underwrite Units of the Sub-Funds not authorised by the SFC or (ii) to acquire an interest in or participate in, or offer to acquire an in

¹ This disclosure related to the registration of the Company and its distribution shall be effective on 26th October 2020, the date of the Notice to Unitholders.

interest in or participate in these Sub-Funds, other than with respect to Units or interests which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the SFO and any rules made thereunder.

Japan

Warning: Japanese investors are advised to exercise caution in relation to the offer. The Sub-Funds or Units described herein are not authorized for offering to the public in Japan and have not been and will not be registered under Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948) (the “FIEL”) and accordingly may not be offered or solicited in Japan or to or for the account of any resident thereof, except pursuant to an exemption from the registration requirements of the FIEL. “A resident” shall have the meaning as defined under the Foreign Exchange and Foreign Trade Law of Japan (Law No. 228 of 1949). If you are in doubt about the contents of this Prospectus, you should obtain independent professional advice. Only certain Sub-Funds described herein may be offered for sale or sold in Japan solely to such investors which are Qualified Institutional Investor (tekikaku kikan toshika) (“QII”) as defined in Article 2, Paragraph 3, Item 1 of the FIEL and Article 10 of the Cabinet Ordinance regarding Definitions under Article 2 of the Financial Instruments and Exchange Law and any rules made thereunder. You are advised that by subscribing into the Sub-Fund(s), you acknowledge and agree that: i) the Units described herein have not been and will not be registered under Article 4, Paragraph 1 of the FIEL and accordingly may not be offered or solicited in Japan or to or for the account of any resident thereof, except pursuant to an exemption from the registration requirements of the FIEL; ii) the Units are offered exclusively to QIIs only pursuant to a qualified institutional investor exemption as set forth in Article 2, Paragraph 3, Item 2 (a) of the FIEL; iii) Units sold to QIIs pursuant to a qualified institutional investor exemption are subject to re-sale restrictions whereby the Units cannot be re-sold to anyone other than QIIs; and iv) notwithstanding anything to the contrary in the Prospectus, no switch to Units of any other Sub-Fund is allowed unless such Sub-Fund is offered in Japan in accordance with its applicable regulations.

PROSPECTUS

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GLOSSARY

Appendix – the relevant sheet of the Prospectus containing specific information regarding each Sub-Fund.

Application Form – the appropriate application form for the subscription, the redemption and the conversion of Units available at the distributors' registered office.

Archives of the Mémorial – the *Mémorial C, Recueil des Sociétés et Associations* as of 1st June 2016.

Benefit Plan Investor – any benefit plan investor as defined in regulations issued by the U.S. Department of Labor, being any (a) “employee benefit plan” as defined in Section 3(3) of ERISA (whether or not subject to Title 1 of ERISA), (b) “plan” described in Section 4975(e)(i) of the U.S. Internal Revenue Code that is subject to Section 4975 thereof, and (c) entity any of the assets of which include the assets of such “employee benefit plan” or “plan”.

Business Day – a day which is a Sub-Fund Business Day as defined in each Appendix.

Canadian Prohibited Investors – any natural person who is a resident of Canada (including its territories and possessions and any province of Canada) and any legal entity formed under the laws of Canada or any province or territory thereof, except where otherwise beforehand determined by the distributor as qualifying as in compliance with applicable local laws and regulations under “Permitted Clients” exemption.

Class – a class of units of each Sub-Fund which may differ, inter alia, in respect of their specific charging structures, specific dividend policies, specific currencies or other specific features

Code - the U.S. Internal Revenue Code of 1986, as amended, or any successor federal statute.

Dealing Price – with respect to any Valuation Day, the price at which Units are subscribed for, converted or redeemed as calculated on a forward pricing basis by reference to the Net Asset Value per Unit applicable to such Valuation Day as described under the heading “Determination of the Net Asset Value of Units”

Defaulted Securities - means a security whose issuer has failed to make an interest or principal payment according to the security's documentation and calendar. Defaulted securities are typically rated in the lower rating categories rating from rating agencies performing their surveillance (C by Moody's or D by Standard & Poor's) or are unrated securities considered by the Investment Manager of the relevant Sub-Fund to be of comparable quality.²

² This definition shall be effective on 26th October 2020, the date of the Notice to Unitholders.

Distressed Securities – means debts that are officially in restructuring or in payment default and whose price is at least 50% lower than their face value and whose rating (by at least one of the major rating agencies) is lower than CCC- or, if unrated, judged equivalent to this level by the Investment Manager.³

EU – the European Union

Euro – the single currency shared by 19 member states of the European Union. As of the date of the current Prospectus, the Euro has been adopted by the following countries: Belgium, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, The Netherlands, Austria, Portugal, Finland, Cyprus, Estonia, Malta, Slovakia, Slovenia, Latvia and Lithuania.

Fund – a Luxembourg *fonds commun de placement* as more fully described below in the section entitled "The Fund", known as "**AXA IM Fixed Income Investment Strategies**".

Group of Companies – companies belonging to the same body of undertakings and which must draw up consolidated accounts in accordance with European Parliament and Council Directive 2013/34/UE of 26 June 2013 on consolidated accounts and according to recognized international accounting rules, as amended.

Institutional Investor – An institutional investor as defined by guidelines or recommendations issued by the Regulatory Authority from time to time. With respect to investors that are incorporated in the European Union, Institutional Investor means Eligible Counterparty and Professional Investors according to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, amended by Directive (EU) 2016/1034 of 23 June 2016.

Investment Manager – an investment manager appointed by the Management Company and defined in the relevant Appendices.

Key Investor Information Document or KIID – document required to be drawn up and published by the Fund for the information of the investors pursuant to article 159 of the Law of 2010.

Law of 2010 – the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended from time to time.

Management Company – AXA Funds Management S.A., a Luxembourg management company as defined under Chapter 15 of the Law of 2010 since 28 April 2006 and under the laws of 12 July 2013 on alternative investment fund managers since 28 July 2014.

Management Regulations – management regulations of the Fund amended for the last time on 25 July 2019 and which may be amended from time to time.

Member State – a member state of the European Union.

³ This definition shall be effective on 26th October 2020, the date of the Notice to Unitholders.

Money Market Instruments – instruments normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time.

Net Asset Value – the net asset value of the relevant Sub-Fund or the relevant Unit as determined on each Valuation Day in accordance with the section below entitled "Determination of the Net Asset Value of Units".

Non-U.S Person – as defined under the Commodity Exchange Act, as amended from time to time -

- (i) a natural person who is not a resident of the United States;
- (ii) a partnership, corporation or other entity, other than an entity organized principally for passive investment, organized under the laws of a foreign jurisdiction and which has its principal place of business in a foreign jurisdiction;
- (iii) an estate or trust, the income of which is not subject to United States income tax regardless of source;
- (iv) an entity organized principally for passive investment such as a pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who do not qualify as Non-U.S. Persons or otherwise as qualified eligible persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-U.S. Persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being Non-U.S. Persons; and
- (v) a pension plan for the employees, officers or principals of an entity organized and with its principal place of business outside the United States.

OTC – Over the Counter.

Other Regulated Market – market which is regulated, operates regularly and is recognized and open to the public, namely a market (i) that meets the following cumulative criteria: liquidity; multilateral order matching (general matching of bid and ask prices in order to establish a single price); transparency (the circulation of complete information in order to give clients the possibility of tracking trades, thereby ensuring that their orders are executed on current conditions); (ii) on which the securities are dealt in at a certain fixed frequency, (iii) which is recognized by a state or by a public authority which has been delegated by that state or by another entity which is recognized by that state or by that public authority such as a professional association and (iv) on which the securities dealt in are accessible to the public.

Other State – any state in Europe which is not a Member State, and any state in America, Africa, Asia or Oceania.

Personal Account Number – the unique identification number issued to a Unitholder.

Prohibited Person – means an ineligible investor as described in the section "5) The Units" of the Management Regulations.⁴

Prospectus – the prospectus of the Fund, as amended from time to time.

⁴ This definition shall be effective on 26th October 2020, the date of the Notice to Unitholders.

Reference Currency – means the currency in which the Fund or each Sub-Fund is denominated.

Regulated Market – a regulated market as defined in the Council Directive 2004/39/EC dated 21 April 2004 on markets in financial instruments ("Directive 2004/39/EC") which has been repealed by the Directive 2014/65/EU (MiFID 2) dated 15 May 2014, namely a multilateral system operated and/or managed by a market operator which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments – in the system and in accordance with its non-discretionary rules – in a way that result in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly in accordance with the provisions of MiFID 2.

Regulatory Authority – the Luxembourg authority or its successor in charge of the supervision of the undertakings for collective investment in the Grand Duchy of Luxembourg.

RESA – Recueil Electronique des Sociétés et Associations.

Settlement Day – unless otherwise specified in the relevant Appendices, within four Business Days after the relevant Valuation Day. Settlement being receipt of monies by the Depositary in respect of subscription and dispatch of monies by the Depositary in respect of redemption. In respect of redemption proceeds, if on the Settlement Day, banks are not open for business in the country of the settlement currency of the relevant Class of Units, then settlement will be on the next Business Day on which those banks are open.

Sub-Fund – a separate portfolio of assets within the Fund.

Sub-Investment Manager – means any entity appointed from time to time by the Investment Manager.

SFTs – securities financing transactions, which are defined in the SFTR as a repurchase or reverse repurchase transaction, securities lending and securities borrowing, a buy-sell back transaction or sell-buy back transaction or a margin lending transaction.

SFTR – Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No. 048/2012.

Transferable Securities – (i) shares and other securities equivalent to shares ("shares"); (ii) bonds and other debt instruments ("debt securities") and (iii) any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, to the extent they do not qualify as techniques and instruments.

UCI – an undertaking for collective investment as defined by Luxembourg law.

UCITS – an undertaking for collective investment in transferable securities under Article 1(2) of the UCITS Directive.

UCITS Directive –Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative positions relating to undertakings to collective investment in transferable securities (UCITS), as may be amended by the Directive 2014/91/EUR of the European Parliament and Council of 23 July 2014 as regards depositary remuneration policies and sanctions and as may be further amended in the future.

Unit(s) – each unit within any Sub-Fund.

Unitholder(s) – any person or entity owing Units of any Sub-Fund.⁵

U.S. Person – as defined under Regulation S promulgated under the 1933 Act, as amended from time to time -

- (i) (a) any natural person resident in the United States;
- (b) any partnership or corporation organized or incorporated under the laws of the United States;
- (c) any estate of which any executor or administrator is a U.S. Person;
- (d) any trust of which any trustee is a U.S. Person;
- (e) any agency or branch of a foreign entity located in the United States;
- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (h) any partnership or corporation if:
 - organized or incorporated under the laws of any foreign jurisdiction; and
 - formed by a U.S. Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts;
- (ii) notwithstanding (i) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States shall not be deemed a “U.S. Person”;
- (iii) notwithstanding (i) above, any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person shall not be deemed a “U.S. Person” if:
 - (a) an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate; and
 - (b) the estate is governed by foreign law;
- (iv) notwithstanding (i) above, any trust of which any professional fiduciary acting as trustee is a U.S. Person shall not be deemed a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a “U.S. Person”;
- (v) notwithstanding (i) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a “U.S. Person”;
- (vi) notwithstanding (i) above, any agency or branch of a U.S. Person located outside the United States shall not be deemed a “U.S. Person” if:

⁵ This definition shall be effective on 26th October 2020, the date of the Notice to Unitholders.

(a) the agency or branch operates for valid business reasons; and
(b) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located;
(vii) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans shall not be deemed "U.S. Persons".

Valuation Day – in relation to any Sub-Fund shall be The Business Day provided for in the relevant section of such Sub-Fund's Appendix, to the exclusion of a Business Day falling within a period of suspension of determination of Net Asset Value, as described in the Section "Determination of the Net Asset Value of Units".

Any orders to subscribe for, redeem or convert Units received in due time by the registrar agent on any Valuation Day will be accepted and traded at the Dealing Price applicable to such Valuation Day, unless otherwise specified with respect to a Sub-Fund in the relevant Appendix.

For the avoidance of doubt, the Net Asset Value calculated with reference to a given Valuation Day will be dated as of such Valuation Day, unless otherwise specified with respect to a Sub-Fund in the relevant Appendix.

Whole Business Securitisation (WBS) – Whole-business securitisation is defined as a form of asset-backed financing in which operating assets (which are long-term assets acquired for use in the business rather than for resale and includes property, plant and equipment and intangible assets) are financed through the issues of notes via a special purpose vehicle (a structure whose operations are limited to the acquisition and financing of specific assets, usually a subsidiary company with an asset/liability structure and legal status that makes its obligations secure even if the parent company goes bankrupt) in the bond market and in which the operating company keeps complete control over the assets securitised. In case of default, control is handed over to the security trustee for the benefit of the note holders for the remaining term of financing.

Time referred to in the Prospectus is Luxembourg time.

THE FUND

The Fund is organized in and under the laws of the Grand-Duchy of Luxembourg as a mutual investment fund ("*fonds commun de placement*") with separate Sub-Fund(s) constituting each a separate portfolio of assets and liabilities.

The Fund is registered pursuant to part I of the Law of 2010. However such registration does not require the Regulatory Authority to approve or disapprove either the adequacy or accuracy of the Prospectus or the assets held in the various Sub-Funds. Any representations to the contrary are unauthorized and unlawful.

The Fund is an Undertaking for Collective Investment in Transferable Securities ("UCITS") in accordance with the UCITS Directive. The Fund was created for an indefinite term in Luxembourg on March 12, 2004.

In accordance with the Management Regulations, the board of directors of the Management Company (the "Directors") may issue Units in each Sub-Fund. A separate pool of assets is maintained for each Sub-Fund and is invested in accordance with the investment objectives applicable to the relevant Sub-Fund. As a result, the Fund is an "umbrella fund" enabling investors to choose between one or more investment objectives by investing in one or more Sub-Funds. Investors may choose which Sub-Fund(s) may be most appropriate for their specific risk and return expectations as well as their diversification needs.

Each Sub-Fund is treated as a separate entity and operates independently, each portfolio of assets being invested for the exclusive benefit of this Sub-Fund. A purchase of Units relating to one particular Sub-Fund does not give the holder of such Units any rights with respect to any other Sub-Fund.

The net proceeds from the subscription to each Sub-Fund are invested in the specific portfolio of assets constituting that Sub-Fund.

With regard to third parties, each Sub-Fund will be exclusively responsible for all liabilities attributable to it.

The specific investment policy and features of the Sub-Funds are described in detail in Appendices hereinafter.

The Directors may, at any time, create additional Sub-Funds. In that event, the Prospectus will be updated accordingly.

Furthermore, in respect of each Sub-Fund, the Directors may decide to issue one or more Classes of Units, each Class having (i) a specific sales and redemption charge structure and/or (ii) a specific management or advisory fee structure and/or (iii) different distribution, Unitholders servicing or other fees and/or (iv) different types of targeted investors and/or (v) such other features as may be determined by the Directors from time to time.

Units of different Classes within each Sub-Fund may be issued, redeemed and converted at prices computed on the basis of the Net Asset Value per Unit, within the relevant Sub-Fund, as defined in the Management Regulations.

The Fund is managed in the interest of its Unitholders by the Management Company, a public limited company ("*société anonyme*") incorporated under the laws of Luxembourg and having its registered office in Luxembourg.

The assets of the Fund are separate from those of the Management Company and from those of other funds managed by the Management Company.

The Management Company manages the assets of the Fund in accordance with the Management Regulations executed on 7 February 2006 and effective on 31 March 2006. The Management Regulations have been published in the Archives of the Mémorial on 6 March 2006 through a notice advising of the filing of such document with the Luxembourg trade and companies register, where they may be inspected and copies may be obtained. The Management Regulations have been last amended on 12 October 2020 such a modification having been published on 19 October 2020 in the RESA in the manner described above.

INVESTMENT OBJECTIVES AND POLICIES

1. Investment Objectives and Policies of the Fund

The investment objective of the Fund is to realize a high level of current income through investing in a portfolio of fixed-income securities.

The Fund will seek to achieve its objective, in accordance with the policies and guidelines established by the Directors by investing primarily in fixed-income securities of companies domiciled in Europe and in the United States.

The Fund complies with the exclusion policies of AXA Investment Managers and applies the "Sector Investment Guidelines" available on the following website: www.axa-im.com.

As more fully described in each relevant Appendix, each Sub-Fund will primarily invest in US or Euro-denominated fixed-income securities with a potential to provide a high return and diversification to reduce overall risks or otherwise to meet the Sub-Fund's investment objective, such as but not limited to:

Government bonds and bonds issued by governmental organizations. Primarily government bonds issued by Member States or by the United States government. Those governments issue or guarantee bonds, retaining a power to levy taxes. Their credit ratings vary depending on their nation's fiscal health. A Sub-Fund may also invest in Euro-denominated securities issued by governments of non-Member States and governmental organisation issuers.

US or Euro-denominated corporate bonds. The need for direct corporate financing via financial markets has resulted in a sharp increase in corporate issuance. Companies outside of the EU, such as Japan and the United States also issue Euro-denominated bonds in order to diversify the currency risks associated with corporate financing and to facilitate the expansion of their business activities in Europe.

US or Euro-denominated Pfandbriefe issues. Pfandbriefe are collateralized asset backed bonds, backed by private mortgages or public sector loans, initially developed in Germany. Pfandbriefe are issued by commercial banks, mortgage banks, local government banks and German local governmental banks. Pfandbriefe-holders retain claims for collateral. If a Pfandbriefe issuer defaults, the collateral is used to reimburse the Pfandbriefe, and the residual will pass to the defaulting organization's assets.

US or Euro-denominated asset backed securities ("ABS"), mortgage backed securities ("MBS") and commercial mortgage backed securities ("CMBS"). Each Sub-Fund may invest in investment grade ABS, MBS and CMBS. ABS, MBS and CMBS are bonds or notes backed by loan paper or accounts receivable. ABS are the securitization of cash flows from such financial assets. MBS are securities backed by cash flows from home loans and sold to investors. Depending upon the issuer's lines of business, those financial assets could be notes issued by private sector institutions or banks. CMBS are simply MBS structures that are backed by commercial mortgage loans. A CMBS is a securitization of commercial (office building) loans. Depending on whether there is a guarantee on the principal interest payments, the bond becomes either secured or non-secured debt.

High Yield Debt Securities. To the extent the same is explicitly provided for in the relevant Appendix, each Sub-Fund may invest in non-investment grade high yield corporate bonds which are rated below BBB-/Baa3 by Standard & Poor's ("S&P") or Moody's or determined by the relevant Investment Manager to be of comparable quality (if unrated by these rating organisations) at the time of investment.

Collateralized debt obligations ("CDOs"). To the extent the same is explicitly provided for in the relevant Appendix, each Sub-Fund may invest in CDOs, which are structured products backed by a diversified pool of public or private fixed income securities, loans, asset-backed securities or mortgage-backed securities and credit derivatives transactions such as credit default swap. The underlying pool of loans or securities is typically separated into tranches representing different degrees of credit quality. The top tranches of CDOs which represent their highest credit quality, have the greatest collateralization and pay the lowest interest rate. Lower CDO tranches represent lower degrees of credit quality and pay higher interest rates to compensate for the attendant risks. The bottom tranche specifically receives the residual interest payments (i.e. money that is left over after the higher tiers have been paid) rather than a fixed interest rate. The return on the bottom tranche of CDOs is especially sensitive to the rate of defaults in the collateral pool.

The Fund may also, on an ancillary basis, hold cash.

For hedging and efficient portfolio management purposes, the Fund may, in each Sub-Fund, employ techniques and instruments relating to Transferable Securities and Money Market Instruments, as more fully described in each relevant Appendix.

There can be no assurance that the Fund's investments will be successful or that the investment objectives of the Fund will be achieved. See "Risk Considerations" for a discussion of certain factors in connection with an investment in the Fund.

2. Investment Objectives and Policies of the Sub-Funds

The Directors have determined the investment objective and policies of each Sub-Fund as described in Appendices below. There can be no assurance that the investment objective for any Sub-Fund will be attained. Pursuit of the investment objective and policies of any Sub-Fund must be in compliance with the rules and restrictions set forth under sections "Investment Restrictions" and "Efficient Portfolio Management Techniques" below.

RISK MANAGEMENT PROCESS

The Investment Manager has established compliance and risk management procedures to assure compliance with applicable laws and the investment policies and strategies of each Sub-Fund.

In accordance with the Law of 2010 and the applicable regulations, the Management Company shall use a risk-management process which enables it to assess the exposure of each Sub-Fund to market, liquidity and counterparty risks, and to all other risks, including operational risks, which are material for the Sub-Funds.

As part of the risk management process, the Management Company uses the commitment approach to monitor and measure the global exposure of each Sub-Fund unless otherwise provided for under the relevant Appendix. This approach measures the global exposure related to positions on financial derivative instruments ("FDIs") and other efficient portfolio management techniques which may not exceed the total net value of the portfolio of the relevant Sub-Fund.

RISK CONSIDERATIONS

In general, the Fund will be subject to the risks associated with fixed-income securities. For further risk considerations relating to any Sub-Fund, please refer to the relevant sections in Appendices below.

These risks include but are not limited to interest rate risk, credit risk and call/extension risk.

Interest Rate Risk. The Net Asset Value of the Fund will change in response to fluctuations in interest rates. Interest rate risk involves the risk that when interest rates decline, the market value of fixed-income securities tends to increase. Conversely, when interest rates increase, the market value of fixed-income securities tends to decline. Long-term fixed-income securities will normally have more price volatility because of this risk than short-term securities. A rise in interest rates generally can be expected to depress the value of the Fund's investments.

The Fund shall be actively managed to mitigate market risk, but it is not guaranteed to be able to accomplish its objective at any given period.

Credit Risk. Credit risk involves the risk that an issuer of fixed-income securities held by the Fund (which may have low credit ratings) may default on its obligations to pay interest and repay principal, and the Fund will not recover its investment.

Derivatives Risk. A Sub-Fund may use both listed and OTC derivatives for investment or hedging purposes. Transactions in options, futures, options on futures, swaps, interest rate caps, floors and collars, structured securities, inverse floating-rate securities, and currency transactions including currency forwards involve additional risk of loss. These instruments are volatile and may be subject to various types of risks, including but not limited to market risk, liquidity risk, credit risk, counterparty risk, legal risk and operations risks. In addition, the use of derivatives can involve significant economic leverage and may, in some cases, involve significant risks of loss. Loss can result from a lack of correlation between changes in the value of derivative instruments and the Sub-Fund assets (if any) being hedged, the potential illiquidity of the markets for derivative instruments, or the risks arising from margin requirements and related leverage factors associated with such transactions. The use of these management techniques also involves the risk of loss if the Investment Manager is incorrect in its expectation of fluctuations in securities prices, interest rates or currency prices. Furthermore, investment in OTC derivative instruments may have limited secondary markets liquidity and it may be difficult to assess the value of such a position and its exposure to risk. For these reasons, there can be no guarantee that strategies using derivative instruments will meet their expected target.

CDO's Risk. Securities issued by CDOs («CDO Securities») are generally limited recourse obligations of the issuers thereof payable solely from the underlying assets («CDO Assets») of the relevant issuer or proceeds thereof. Consequently, holders of CDO Securities including the Fund must rely solely on distributions on the CDO Assets or proceeds thereof for payment in respect thereof. In addition, interest payments on CDO Securities (other than the most senior tranche or tranches of a given issue) are generally subject to deferral. If distributions on the CDO Assets (or, in the case of a market value CDO Security - as explained hereinafter) - proceeds from the sale of the CDO Assets) are insufficient to make payments on the CDO Securities, no other assets will be available for payment of the deficiency and following realization of the underlying assets, the obligations of the issuer of the related CDO Security to pay such deficiency including to the Fund will be extinguished.

With a market value CDO deal, principal and interest payments to investors come from both collateral cash flows as well as sales of collateral. Payments to tranches are not contingent on the adequacy of the collateral's cash flows, but rather the adequacy of its market value. Should the market value of collateral drop below a certain level, payments are suspended to the equity tranche. If it falls even further, more senior tranches are impacted. An advantage of a market value CDO is the added flexibility they afford the portfolio manager. It is not constrained by a need to match the cash flows of collateral to those of the various tranches.

CDO Assets consist primarily of non-investment grade loans, interests in non-investment grade loans, high yield debt securities and other debt instruments, which are subject to liquidity, market value, credit, interest rate, reinvestment and certain other risks. The CDO Assets will generally be subject to greater risks than investment-grade corporate obligations. Such investments are normally considered speculative in nature. CDO Assets are typically actively managed by an investment manager, and as a result CDO Assets will be traded, subject to rating agency and other constraints, by such investment managers. The aggregate return on the CDO Assets will depend in part upon the ability of the relevant investment manager to actively manage the related portfolio of the CDO Assets.

The CDO Assets will be subject to certain portfolio restrictions as set forth herein. However, the concentration of the CDO Assets in any one security type subjects the holders of CDOs to a greater degree of risk with respect to defaults on the CDO Assets.

The CDO Assets are subject to credit, liquidity, market value, interest rate and certain other risks. These risks could be exacerbated to the extent that the portfolio is concentrated in one or more particular CDO Assets.

CDO Securities are in general privately placed and offer less liquidity than other investment-grade or high-yield corporate debt. They are also generally issued in structured transactions with risks different from regular corporate debt. In addition, the assets collateralizing market value CDO Securities are subject to liquidation upon the failure of certain tests, and it is likely that any such liquidation would result in a substantial loss of value of the related market value CDO Securities.

Prices of the CDO Assets may be volatile and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including but not limited to changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events, developments or trends in any particular industry, and the financial condition of the obligors of the CDO Assets. In addition, the ability of the issuer to sell CDO Assets prior to maturity is subject to certain restrictions set forth in the offering and constitutive documents of the relevant CDO.

Call (Pre-payment)/Extension Risk. Call risk involves the risk that an issuer will exercise its right to pay principal on an obligation held by the Fund earlier than expected. This may happen when there is a decline in interest rates. Under these circumstances, the Fund may be unable to recoup all of its initial investment and will also suffer from having to reinvest in lower yielding securities. Extension risk involves the risk that an issuer will exercise its right to pay principal on an obligation held by the Fund later than expected. This may happen when there is a rise in interest rates. Under these circumstances, the value of the obligation will decrease, and the Fund will also suffer from the inability to invest in higher yielding securities.

Currency hedging and Contagion risk. Many Sub-Funds have Unit Classes denominated in currencies different from the Sub-Fund's Reference Currency. For currency hedged Unit Classes, there is no guarantee that the hedging strategy will be effective and will be a perfect hedge. Currency hedged Unit classes may incur losses due to their specific hedging strategy, which will primarily be borne by this Unit Class holders but may, in specific adverse scenario and despite mitigation procedures in place, impact the other Unit Class holders in the Sub-Fund.

Risks of Global Investments. Investment in securities of issuers from different countries and denominated in different currencies offers potential benefits not available from investments solely in securities of issuers from a single country, but also involves significant risks that are not typically associated with investing in the securities of issuers located in a single country. Investments may be affected by changes in currency rates, changes in laws or restrictions applicable to such investments and changes in exchange control regulations (*e.g.*, currency blockage). A decline in the exchange rate of the currency in which a Fund security is quoted or denominated relative to the base currency of the Fund would reduce the value of the Fund security. In addition, if the currency in which the Fund receives dividends, interest or other payments declines in value against the base currency of the Fund before such income is distributed as dividends to Unitholders or converted to such base currency, the Fund may have to sell securities to obtain sufficient cash to pay such dividends.

Issuers are generally subject to different accounting, auditing and financial reporting standards in different countries throughout the world. The volume of trading, the volatility of prices and the liquidity of issuers may vary in the markets of different countries. In addition, the level of government supervision and regulation of securities exchanges, securities dealers and listed and unlisted companies is different throughout the world. The laws of some countries may limit the Fund's ability to invest in securities of certain issuers located in those countries.

Different markets have different clearance and settlement procedures. Delays in settlement could result in temporary periods when a portion of the Fund's assets is uninvested and no return is earned thereon. The inability of the Fund to make intended security purchases due to settlement problems could cause the Fund to miss attractive investment opportunities. Inability to dispose of Fund securities due to settlement problems could result either in losses to the Fund due to subsequent declines in value of the Fund security or, if the Fund has entered into a contract to sell the security, could result in possible liability to the purchaser.

With respect to certain countries, there is a possibility of expropriation or confiscatory taxation, imposition of withholding taxes on dividend or interest payments, limitations on the removal of funds or other assets of the Fund, political or social instability or diplomatic developments that could affect investments in those countries.

An issuer of securities may be domiciled in a country other than a country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other. Investment in sovereign debt obligations by the Fund involves risks not present in debt obligations of corporate issuers. The issuer of the debt or the governmental authorities that control the repayment of the debt may be unable or unwilling to repay principal or interest when due in accordance with the terms of such debt, and the Fund may have limited recourse to compel payment in the event of a default. Periods of economic uncertainty may result in volatility of market prices of sovereign debt, and in turn the Fund's Net Asset Value. A sovereign debtor's willingness or ability to repay principal and pay interest in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign currency reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the sovereign debtor's policy toward international lenders, and the political constraints to which a sovereign debtor may be subject.

Risks linked to securities lending and repurchase or reverse repurchase agreement transactions. The Sub-Funds may enter into securities lending and repurchase or reverse repurchase agreement transactions, and may be subject to counterparty risk. The loaned securities may not be returned or returned in a timely manner and/or at a loss of rights in the collateral if the borrower or the lending agent defaults or fails financially. The Sub-Funds may suffer significant losses.

Risk of failure to produce the intended results. There is the risk that a strategy used by the Investment Manager may fail to produce the intended results.

Liquidity Risk. There is the risk that the Fund will not be able to pay repurchase proceeds within the time period stated in the Prospectus, because of unusual market conditions, an unusually high volume of repurchase requests, or other reasons.

Counterparty Risk. This is the risk of default (or counterparty's failure to perform any of its obligations) of any counterparties of the Fund to any OTC financial derivatives transactions and/or securities lending and repurchase agreements transactions.

The counterparty's default (or the counterparty's failure to perform any of its obligations) under these transactions may have a material adverse effect on the Net Asset Value of the Fund.

Collateral management. Counterparty risk arising from investments in OTC financial derivative instruments and securities lending, repurchase and reverse repurchase agreements is generally mitigated by the transfer or pledge of collateral in favour of the Sub-Fund. However, transactions may not be fully collateralised. Fees and returns due to the Sub-Fund may not be collateralised. If a counterparty defaults, the Sub-Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Sub-Fund could realise a loss due, inter alia, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Sub-Fund to meet redemption requests.

A Sub-Fund may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Sub-Fund to the counterparty as required by the terms of the transaction. The Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Sub-Fund.

Risks linked to SFT (temporary purchase and sale of securities) and risks linked to financial guarantees (collateral). SFT and related collateral may create risks for the Sub-Fund such as (i) counterparty risk (as described above), (ii) legal risk, (iii) custody risk, (iv) liquidity risk (i.e. risk resulting from the difficulty to buy, sell, terminate or value an asset or a transaction due to a lack of buyers, sellers, or counterparties), and, if relevant, (v) risks arising from the reuse of such collateral (i.e. mainly the risk that such collateral posted by the Sub-Fund might not be returned due to the failure of the counterparty for example).

Risk on Cross Class Liabilities for all unit classes. Although there is an accounting attribution of assets and liabilities to the relevant Class, there is no legal segregation with respect to Classes of the same Sub-Fund. Therefore, if the liabilities of a Class exceed its assets, creditors of said Class of the Sub-Fund may seek to have recourse to the assets attributable to the other Classes of the same Sub-Fund.

As there is an accounting attribution of assets and liabilities without any legal segregation amongst Classes, a transaction relating to a Class could affect the other Classes of the same Sub-Fund.

Political, regulatory, economic and convertibility risks. Some geographical areas in which the Fund may invest (including but not limited to Asia, the Eurozone and the US) may be affected by economic or political events or measures, changes in government policies, laws or tax regulations, currency convertibility, or by currency redenomination, restrictions on foreign investments, and more generally by economic and financial difficulties. In such contexts, volatility, liquidity, credit, and currency risks may increase and adversely impact the Net Asset Value of the Fund.

Cash. Under the UCITS Directive, cash is to be considered as a third category of assets beside financial instruments and other assets, where the UCITS Directive related obligations are only those covered by the cash flow monitoring obligations. On the other side, non-short term cash deposits could be considered as an investment and consequently should fall within the category of other assets.

Central Securities Depositories. In accordance with the UCITS Directive, entrusting the custody of the Fund's assets to the operator of a securities settlement system ("SSS") is not considered as a delegation by the Depository and the depository is exempted from the strict liability of restitution of assets. A central securities depository ("CSD") being a legal person that operates a SSS and provides in addition other core services should not be considered as a delegate of the Depository irrespective of the fact that the custody of the Fund's assets have been entrusted to it. There is however some uncertainty around the meaning to be given to such exemption, the scope of which may be interpreted narrowly by some supervisory authorities, notably the European supervisory authorities.

144A securities risk. Some Sub-Funds may invest in restricted securities, in particular in 144A securities. 144A securities benefit from an exemption from the registration obligation laid down by the 1933 "Securities Act" of the United States of America. These securities are restricted for resale to Qualified Institutional Buyers (QIBs), as defined by the 1933 "Securities Act" of the United States of America; therefore, administrative expenses are reduced due to this exemption. The 144A securities are traded between a limited number of QIBs, which may cause a higher price volatility and a lower asset liquidity of certain 144A securities.

MANAGEMENT OF THE FUND

AXA Funds Management S.A. is the Management Company of the Fund. AXA Funds Management S.A. is a management company as defined under Chapter 15 of the Law of 2010 since 28 April 2006 and, in addition, under the law of 12 July 2013 on alternative investment fund managers since 28 July 2014. The Management Company also manages the following funds: AXA World Funds, AXA World Funds II, SPDB Global Funds, Race One, AXA IM Cash, AXA Framlington US Select Growth Fund, AXA Investplus, AXA IM Novalto, AXA Active Protection, Bank Capital Opportunity Fund, AXA IM Enhanced Japanese Equity Fund, AXA IM Representative, AXA IM MezzoAlto and AXA IM Andante. The Management Company is a public limited company ("*société anonyme*") organised under the laws of the Grand-Duchy of Luxembourg and has its registered office in Luxembourg City. Its share capital amounts to 925,345.84 Euros.

The Management Company was established on November 21, 1989 for an unlimited period of time. The articles of incorporation of the Management Company were published in the Archives of the *Mémorial* of January 26, 1990. The articles of incorporation were last amended at the extraordinary general meeting of shareholders held on 30 January 2015 and published in the Archives of the *Mémorial* on 7 March 2015. Consolidated articles of incorporation were deposited with the Luxembourg trade and commerce register on 6 March 2015, where they may be inspected and copies may be obtained.

The Management Company manages the assets of the Fund in compliance with the Management Regulations in its own name, but for the sole benefit of the unitholders of the Fund.

The Management Company will determine the investment policy of each Sub-Fund within the objectives and the restrictions set forth herein and/or in the Management Regulations.

The Management Company will have the broadest powers to administer and manage each Sub-Fund within the restrictions referred to above, including but not limited to the purchase, sale, subscription, exchange and receipt of securities and other assets permitted by law and the exercise of all rights attached directly or indirectly to the assets of the Fund.

The Management Company has delegated with prior notification of the Regulatory Authority and provided that it complies with all the conditions provided for by the Law of 2010 and that it retains responsibility and oversight over such delegates: (i) transfer agency and administration to third parties, as detailed below and (ii) investment management, marketing, internal audit to AXA Investment Managers intra-group entities. Risk management and compliance functions are carried out by the Management Company. The Management Company's liability towards the Fund and its investors shall not be affected by the fact that it has delegated its functions and duties to third parties or by any further sub-delegation.⁶

The Sub-Fund AXA IM Fixed Income Investment Strategies – US Corporate Intermediate Bonds is actively managed in reference to a benchmark index, as defined by the Regulation

⁶ The change related to the clarification of the delegated functions by the Management Company shall be effective on 26th October 2020, the date of the Notice to Unitholders.

(EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (“BMR”), according to the ESMA Q&A on application of the UCITS Directive (please refer to section “Investment Policy”) in the relevant appendix of the Sub-Fund.

As required by article 28(2) of BMR, the Management Company has adopted a written plan setting out actions, which it will take with respect to the Sub-Fund using a benchmark as defined by BMR in the event that the benchmark index materially changes or ceases to be provided (the “Contingency Plan”). You may access the Contingency Plan free of charge at the registered office of the Management Company.

At the date of the latest update of this prospectus, the Benchmark administrators as defined by BMR are listed in the ESMA Register that you may consult at <https://www.esma.europa.eu/benchmarks-register>.⁷

INVESTMENT MANAGERS

For each Sub-Fund, the Management Company has appointed an Investment Manager which is mentioned in the relevant Sub-Fund Appendix to act as such and make, subject to the overall control and ultimate responsibility of the Management Company, discretionary investments with respect to the investment and reinvestment of the assets of the relevant Sub-Fund.

The bond Sub-Funds are managed by management teams being part of AXA Investment Managers expertise "AXA Fixed Income".

The Investment Manager makes the investment decisions for each Sub-Fund and places purchase and sale orders for the Sub-Fund's transactions. As permitted by applicable laws, these orders may be directed to brokers, including the Investment Manager's affiliates. The Investment Manager draws upon the research and expertise of its asset management affiliates for portfolio decisions and management with respect to certain Fund securities.

Subject to its overall responsibility, control, and supervision, the Investment Manager may, at its own charge, delegate the management of other investment strategies relating to the Fund or any Sub-Fund to a Sub-Investment Manager (with the prior approval of the Regulatory Authority) or appoint a sub-adviser providing day-to-day advice regarding the Sub-Funds' transactions to the Investment Manager.

The Investment Manager will be paid by the Management Company out of its management fee as from to time agreed between themselves.

In addition, under the terms of a Delegation Agreement dated 15 February 2013, as the same may be amended from time to time, the Management Company has appointed AXA Investment Managers GS Limited as the agent of the Fund responsible for the carrying out of the stock lending and repurchase agreements activities.

⁷ The introduction of a disclosure on the use of Benchmark as defined by the EU Regulation 2016/1011 shall be effective on 26th October 2020, the date of the Notice to Unitholders.

DEPOSITARY, PAYING AGENT, REGISTRAR AGENT AND ADMINISTRATOR

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

The rights and duties of the Depositary are governed by the depositary agreement dated 18 March 2016 (the “Depositary Agreement”). In performing its obligations under the Depositary Agreement, the Depositary shall observe and comply with (i) Luxembourg laws, (ii) the Depositary Agreement and (iii) the terms of this Prospectus. Furthermore, in carrying out its role as depositary bank, the Depositary must act solely in the interest of the Fund and of its Unitholders.

State Street Bank International GmbH, acting through its Luxembourg Branch has been appointed as the Depositary of the Fund within the meaning of the 2010 Law pursuant to the Depositary Agreement. State Street Bank International GmbH is a limited liability company organized under the laws of Germany, having its registered office at Brienner Str. 59, 80333 München, Germany and registered with the commercial register court, Munich under number HRB 42872. It is a credit institution supervised by the European Central Bank (ECB), the German Federal Financial Services Supervisory Authority (BaFin) and the German Central Bank. State Street Bank International GmbH, Luxembourg Branch is authorized by the CSSF in Luxembourg to act as depositary and is specialized in depositary, fund administration, and related services. State Street Bank International GmbH, Luxembourg Branch is registered in the Luxembourg Commercial and Companies’ Register (RCS) under number B 148 186. State Street Bank International GmbH is a member of the State Street group of companies having as its ultimate parent State Street Corporation, a US publicly listed company.

Depositary functions

The relationship between the Fund and the Depositary is subject to the terms of the Depositary Agreement. Under the terms of the Depositary Agreement, the Depositary is entrusted with following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Units are carried out in accordance with applicable law and the Management Regulations;
- ensuring that the value of the units of the Fund is calculated in accordance with applicable law and the Management Regulations;
- carrying out the instructions of the Management Company/ the Fund, unless they conflict with applicable law and the Management Regulations;
- ensuring that in transactions involving the assets of the Fund any consideration is remitted within the usual time limits;
- ensuring that the Fund’s income is applied in accordance with applicable law and the Management Regulations;
- monitoring of the Fund’s cash and cash flows; and
- safe-keeping of the Fund’s assets, including the safe-keeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

Depositary's liability

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Directive, and in particular Article 18 of the UCITS Regulation 2016/438 of 17 December 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries, the Depositary shall return financial instruments of identical type or the corresponding amount to the Fund acting on behalf of the Fund without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the UCITS Directive.

In case of a loss of financial instruments held in custody, the Unitholders may invoke the liability of the Depositary directly or indirectly through the Fund provided that this does not lead to a duplication of redress or to unequal treatment of the Unitholders.

The Depositary will be liable to the Fund for all other losses suffered by the Fund as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.

The Management Company has agreed to indemnify and hold harmless the Depositary and its employees, officers and directors from any and all reasonable costs, liabilities and expenses resulting directly from the fact that they have been acting as agent of the Fund in accordance with instructions received from the Management Company, except in case of negligence, intentional failure or in the event such indemnification would be contrary to mandatory provisions in Luxembourg laws. The Management Company will also indemnify and hold the Depositary harmless from any and all taxes, charges, expenses (including reasonable legal fees), assessments, claims or liabilities incurred by the Depositary or its delegates, or the Depositary's or the delegates' agents and correspondents, in connection with the performance of the services described in the Depositary Agreement, except if such taxes, charges, expenses, assessments, claims or liabilities arise from its or their negligent action, failure to exercise reasonable care in the performance of its or their services as specified in the Depositary Agreement or willful misconduct or in the case of any liability imposed by mandatory law.

Delegation

The Depositary has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safe-keeping. The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

The Depositary has delegated those safe-keeping duties set out in Article 22(5)(a) of the UCITS Directive to State Street Bank and Trust Company with registered office at One

Lincoln Street, Boston, Massachusetts 02111, USA, whom it has appointed as its global sub-custodian. State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are available at the registered office of the Fund or at the following internet site: <http://www.statestreet.com/about/office-locations/luxembourg/subcustodians.html>.

Updated information on delegation and sub-delegation including, a complete list of all (sub-) delegates and related conflicts of interest may be obtained, free of charge and upon request, from the Depositary.

Where the law of a third country requires that certain financial instruments be held in custody by a local entity and there are no local entities that satisfy the delegation requirement under the UCITS Directive and its implementing measures, the Depositary may, but shall be under no obligation to, delegate to a local entity to the extent required by the law of such jurisdiction and as long as no other local entity meeting such requirements exists, provided however that (i) the investors, prior to their investment in the Fund, have been duly informed of the fact that such a delegation is required, of the circumstances justifying the delegation and of the risks involved in such a delegation and (ii) instructions to delegate to the relevant local entity have been given by or for the Management Company.

Conflicts of interest

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the depositary agreement or under separate contractual or other arrangements. Such activities may include:

- (i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Fund;
- (ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Fund either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Fund, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- (iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Fund;
- (iv) may provide the same or similar services to other clients including competitors of the Fund;

(v) may be granted creditors' rights by the Fund which it may exercise.

The Management Company may use an affiliate of the Depository to execute foreign exchange, spot or swap transactions for the account of the Fund. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Fund. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Fund. The affiliate shall enter into such transactions on the terms and conditions agreed with the Management Company on behalf of the Fund.

Where cash belonging to the Fund is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Management Company may also be a client or counterparty of the Depository or its affiliates.

Potential conflicts that may arise in the Depository's use of sub-custodians include four broad categories:

- i) conflicts from the sub-custodian selection and asset allocation among multiple sub-custodians influenced by (a) cost factors, including lowest fees charged, fee rebates or similar incentives and (b) broad two-way commercial relationships in which the Depository may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;
- ii) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;
- iii) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depository as its counterparty, which might create incentive for the Depository to act in its self-interest, or other clients' interests to the detriment of clients; and
- iv) sub-custodians may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

In carrying out its duties the Depository shall act honestly, fairly, professionally, independently and solely in the interests of the Fund and its Unitholder.

The Depository has functionally and hierarchically separated the performance of its depository tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depository issues to be properly identified, managed and monitored. Additionally, in the context of the Depository's use of sub-custodians, the Depository imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depository further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Depository internally separates the performance of its custodial tasks from its proprietary activity and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

Up-to-date information on the Depository, its duties, any conflicts that may arise, the safe-

keeping functions delegated by the depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Unitholders on request.

Termination

Each of the Management Company or the Depositary may terminate the Depositary Agreement on 180 calendar days' prior written notice. The Depositary Agreement may also be terminated on shorter notice in certain circumstances. However, the Depositary shall continue to act as Depositary for up to two months pending a replacement depositary being appointed and until such replacement, the Depositary shall take all necessary steps to ensure the good preservation of the interests of the Unitholders of the Fund and allow the transfer of all assets of the Fund to the succeeding depositary.

Disclaimer

The Depositary has no decision-making discretion relating to the Fund's investments. The Depositary is a service provider to the Management Company and is not responsible for the preparation of this Prospectus, or the activities of the Fund and therefore accepts no responsibility for the accuracy of any information contained in this Prospectus.

In accordance with the Law of 2010, the Management Company has entered into an operating memorandum with the Depositary to regulate the flow of information deemed necessary to allow the Depositary to perform its obligations under the Depositary Agreement and the Law of 2010.

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

The Management Company has appointed State Street Bank International GmbH, acting through its Luxembourg Branch also as administrative, registrar and transfer agent and as domiciliary and paying agent of the Fund (the "Administrator") pursuant to the agreement relating to administration agency, domiciliary, corporate and paying agency, registrar and transfer agency and investment compliance testing dated 27 February 2014 as amended (the "Administration Agreement").

The relationship between the Fund, the Management Company and the Administrator is subject to the terms of the Administration Agreement. Under the terms of the Administration Agreement, the Administrator will carry out all general administrative duties related to the administration of the Fund required by Luxembourg law, calculate the Net Asset Value per Unit, maintain the accounting records of the Fund, as well as process all subscriptions, redemptions, conversions, and transfers of Units, and register these transactions in the register of Unitholders. In addition, as registrar and transfer agent of the Fund, the Administrator is also responsible for collecting the required information and performing verifications on investors to comply with applicable anti-money laundering rules and regulations.

In the same agreement as the one which governs the rights and duties of the registrar agent and the administrator, the Management Company has further appointed State Street Bank International GmbH, Luxembourg Branch as paying agent responsible for the payment of distributions, if any, and for the payment of the redemption price by the Fund.

The Administrator is not responsible for any investment decisions of the Fund or the effect of

such investment decisions on the performance of the Fund.

The Administration Agreement has no fixed duration and each party may, in principle, terminate the agreement on not less than ninety (90) calendar days' prior written notice. The Administration Agreement may also be terminated on shorter notice in certain circumstances, for instance where one party commits a material breach of a material clause of the Administration Agreement. The Administration Agreement may be terminated by the Management Company with immediate effect if this is deemed by the Management Company to be in the interest of the investors. The Administration Agreement contains provisions exempting the Administrator from liability and indemnifying the Administrator in certain circumstances. However, the liability of the Administrator towards the Management Company and the Fund will not be affected by any delegation of functions by the Administrator.

MANAGEMENT REGULATIONS

By acquiring Units in the Fund, every Unitholder approves and fully accepts that the Management Regulations shall govern the relationship between the Unitholders, the Management Company and the Depositary.

Subject to the approval of the Depositary, the Management Regulations may be amended by the Management Company at any time, in whole or in part.

Amendments will become effective as per the date of their signature by the Management Company and the Depositary.

While managing the assets of the Fund, the Management Company, or its appointed agents, shall, as provided in the Management Regulations, comply with the restrictions mentioned in the following section.

INVESTMENT RESTRICTIONS

The Directors shall, based upon the principle of risk spreading, have power to determine the investment policy for the investments for each Sub-Fund, the Reference Currency of a Sub-Fund and the course of conduct of the management and business affairs of the Fund.

For the purposes of this section, each Sub-Fund should be regarded as a separate UCITS.

Except to the extent that more restrictive rules are provided for in connection with a specific Sub-Fund as described in the relevant Appendices below, the investment policy of each Sub-Fund shall therefore comply with the rules and restrictions laid down hereafter:

A. Investments in the Fund shall consist solely of:

- (1) Transferable Securities and Money Market Instruments listed or dealt in on a Regulated Market;
- (2) Transferable Securities and Money Market Instruments dealt in on an Other Regulated Market in a Member State;
- (3) Transferable Securities and Money Market Instruments admitted to official listing on a stock exchange in an Other State or dealt in on an Other Regulated Market in an Other State;
- (4) Recently issued Transferable Securities and Money Market Instruments, provided that:
 - the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market, a stock exchange in an Other State or on an Other Regulated Market as described under (1)-(3) above;
 - such admission is secured within one year of the issue;

(5) Units of UCITS and/or other UCIs within the meaning of Article 1 (2) of the UCITS Directive, whether situated in a Member State or in an Other State, provided that:

- such other UCIs are authorized under laws which provide that they are subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured;
- the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of Transferable Securities and Money Market Instruments are equivalent to the requirements of the UCITS Directive;
- the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
- no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;

(6) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in an Other State, provided that it is subject to prudential rules considered by the Regulatory Authority as equivalent to those laid down in EU law;

(7) financial derivative instruments, eg in particular options, futures, including equivalent cash-settled instruments, dealt in on a Regulated Market, stock exchange in an Other State or on an Other Regulated Market referred to in (1), (2) and (3) above, and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:

- (i) - the underlying consists of instruments covered by this Section A, financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Fund may invest according to its investment objectives;
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the Regulatory Authority; and
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative;
- (ii) Under no circumstances shall these operations cause the Fund to diverge from its investment objectives.

(8) Money Market Instruments other than those dealt in on a Regulated Market or on an Other Regulated Market, to the extent that the issue or the issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- issued or guaranteed by a central, regional or local authority or by a central bank of a Member State, the European Central Bank, the EU or the European Investment Bank, an Other State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong; or
- issued by an undertaking any securities of which are dealt in on Regulated Markets or on Other Regulated Markets referred to in (1), (2) or (3) above; or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the Regulatory Authority to be at least as stringent as those laid down by EU law; or
- issued by other bodies belonging to the categories approved by the Regulatory Authority provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million euros (10,000,000 euros) and which presents and publishes its annual accounts in accordance with directive 78/660/EEC, is an entity which, within a Group of Companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

B. Unless further restricted by the investment policies of a Sub-Fund as described in Appendices below, each Sub-Fund may however:

- (1) Invest up to 10% of its net assets in Transferable Securities and Money Market Instruments other than those referred to above under A (1) through (4) and (8).
- (2) Hold cash and cash equivalents on an ancillary basis; such restriction may exceptionally and temporarily be exceeded if the Directors consider this to be in the best interest of the Unitholders.
- (3) Borrow up to 10% of its net assets, provided that such borrowings are made only on a temporary basis. Collateral arrangements with respect to the writing of options or the purchase or sale of forward or futures contracts are not deemed to constitute "borrowings" for the purpose of this restriction.
- (4) Acquire foreign currency by means of a back-to-back loan.

C. In addition, the Fund shall comply in respect of the net assets of each Sub-Fund with the following investment restrictions per issuer:

(a) Risk Diversification rules

For the purpose of calculating the restrictions described in (1) to (5) and (8) hereunder, companies which are included in the same Group of Companies are regarded as a single issuer.

To the extent an issuer is a legal entity with multiple sub-funds where the assets of a sub-fund are exclusively reserved to the investors in such sub-fund and to those creditors whose claim has arisen in connection with the creation, operation and liquidation of that sub-fund, each sub-fund is to be considered as a separate issuer for the purpose of the application of the risk spreading rules described under items (1) to (5), (7) to (9) and (12) to (14) hereunder.

- ***Transferable Securities and Money Market Instruments***

(1) No Sub-Fund may purchase additional Transferable Securities and Money Market Instruments of any single issuer if:

- (i) upon such purchase more than 10% of its net assets would consist of Transferable Securities and Money Market Instruments of one single issuer; or
- (ii) the total value of all Transferable Securities and Money Market Instruments of issuers in which it invests more than 5% of its net assets would exceed 40% of the value of its net assets. This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

(2) A Sub-Fund may invest on a cumulative basis up to 20% of its assets in Transferable Securities and Money Market Instruments issued by the same Group of Companies.

(3) The limit of 10% set forth above under (1)(i) is increased to 35% in respect of Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any Other State or by a public international body of which one or more Member State(s) are member(s).

(4) The limit of 10% set forth above under (1)(i) is increased up to 25% in respect of qualifying debt securities issued by a credit institution which has its registered office in a Member State and which, under applicable law, is submitted to specific public control in order to protect the holders of such qualifying debt securities. For the purposes hereof, "qualifying debt securities" are securities the proceeds of which are invested in accordance with applicable law in assets providing a return which will cover the debt service through to the maturity date of the securities and which will be applied on a priority basis to the payment of principal and interest in the event of a default by the issuer. To the extent that a relevant Sub-Fund invests more than 5% of its net assets in debt securities issued by such an issuer, the total value of such investments may not exceed 80% of the net assets of such Sub-Fund.

(5) The securities specified above under (3) and (4) are not to be included for purposes of computing the ceiling of 40% set forth above under (1)(ii).

(6) Notwithstanding the ceilings set forth above, each Sub-Fund is authorized to invest, in accordance with the principle of risk spreading, up to 100% of its net assets in Transferable Securities and Money Market Instruments issued or guaranteed by a Member State, by its local authorities, by any other member State of the Organization for Economic Cooperation and Development ("OECD") or of the Group of Twenty (G20) or Singapore or Hong Kong or by a public international body of which one or more Member State(s) are member(s), provided that (i) such securities are part of at least six different issues and (ii) the securities from any such issue do not account for more than 30% of the net assets of such Sub-Fund.

(7) Without prejudice to the limits set forth hereafter under (b), the limits set forth in (1) are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body when the aim of the Sub-Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the Regulatory Authority, on the following basis:

- the composition of the index is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it refers,
- it is published in an appropriate manner.

The limit of 20% is raised to 35% where that proves to be justified by exceptional market conditions in particular in Regulated Markets where certain Transferable Securities or Money Market Instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

- ***Bank Deposits***

(8) A Sub-Fund may not invest more than 20% of its assets in deposits made with the same body.

- ***Derivative Instruments and efficient portfolio management techniques***

(9) The risk exposure to a counterparty in an OTC derivative transaction and efficient portfolio management techniques may not exceed 10% of the Sub-Fund's net assets when the counterparty is a credit institution referred to in A (6) above or 5% of its net assets in other cases.

(10) Investment in financial derivative instruments shall only be made provided that the exposure to the underlying assets does not exceed in aggregate the investment limits set forth in (1) to (5), (8), (9), (13) and (14). When the Sub-Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits set forth in (1) to (5), (8), (9), (13) and (14).

(11) When a Transferable Security or Money Market Instrument embeds a derivative, the latter must be taken into account when complying with the requirements of (A) (7) (ii) and (D)(1) as well as with the risk exposure and information requirements laid down in the present Prospectus.

- ***Units of Open-Ended Funds***

(12) No Sub-Fund may invest more than 20% of its net assets in the units of a single UCITS or other UCI. Investments made in units of other UCIs may not, in aggregate, exceed 30% of the net asset of a Sub-Fund. When a Sub-Fund has acquired units of UCITS and/or other UCIs, the underlying assets of the respective UCITS or other UCIs do not have to be combined for the purpose of the limits laid down in points (1), (2), (3), (4), (8), (9), (13) and (14).

- ***Combined limits***

(13) Notwithstanding the individual limits laid down in (1) (i), (8) and (9) above, a Sub-Fund may not combine:

- investments in Transferable Securities or Money Market Instruments issued by,
- deposits made with, and/or
- exposures arising from OTC derivative transactions and efficient portfolio management technique undertaken with

a single body in excess of 20% of its net assets.

(14) The limits set out in (1), (3), (4), (8), (9) and (13) above may not be combined, and thus investments in Transferable Securities or Money Market Instruments issued by the same body, in deposits, derivative instruments or efficient portfolio management techniques made with this body carried out in accordance with (1), (3), (4), (8), (9) and (13) above may not exceed a total of 35% of the net assets of the Fund.

(b) Limitations on Control

(15) The Management Company acting in connection with all common funds which it manages and falling under the UCITS Directive may not acquire such amount of shares carrying voting rights which would enable it to exercise a significant influence over the management of the issuer.

(16) The Fund may not acquire (i) more than 10% of the outstanding non-voting shares of any one issuer; (ii) more than 10% of the outstanding debt securities of any one issuer; (iii) more than 10% of the Money Market Instruments of any one issuer; or (iv) more than 25% of the outstanding shares or units of any one UCITS and/or other UCI.

The limits set forth in (ii) to (iv) may be disregarded at the time of acquisition if at that time the gross amount of bonds or of the Money Market Instruments or the net amount of the instruments in issue cannot be calculated.

The ceilings set forth above under (15) and (16) do not apply in respect of:

- Transferable Securities and Money Market Instruments issued or guaranteed by a Member State or by its local authorities;
- Transferable Securities and Money Market Instruments issued or guaranteed by any Other State;

- Transferable Securities and Money Market Instruments issued by a public international body of which one or more Member State(s) are member(s); and
- Shares in the capital of a company which is incorporated under or organized pursuant to the laws of an Other State provided that (i) such company invests its assets principally in securities issued by issuers of that State, (ii) pursuant to the laws of that State a participation by the relevant Sub-Fund in the equity of such company constitutes the only possible way to purchase securities of issuers of that State, and (iii) such company observes in its investments policy the restrictions set forth under C, items (1) to (5), (8), (9) and (12) to (16).

D. In addition, the Fund shall comply in respect of its net assets with the following investment restrictions per instrument:

Each Sub-Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net value of its portfolio.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions.

E. Finally, the Fund shall comply in respect of the assets of each Sub-Fund with the following investment restrictions:

- (1) No Sub-Fund may acquire commodities or precious metals or certificates representative thereof.
- (2) No Sub-Fund may invest in real estate provided that investments may be made in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.
- (3) No Sub-Fund may use its assets to underwrite any securities.
- (4) No Sub-Fund may issue warrants or other rights to subscribe for Units in such Sub-Fund.
- (5) A Sub-Fund may not grant loans or guarantees in favour of a third party, provided that such restriction shall not prevent each Sub-Fund from investing in non-fully paid-up Transferable Securities, Money Market Instruments or other financial instruments, as mentioned under A, items (5), (7) and (8).
- (6) A Sub-Fund may not enter into uncovered sales of Transferable Securities, Money Market Instruments or other financial instruments as listed under A, items (5), (7) and (8).

F. Notwithstanding anything to the contrary herein contained:

- (1) While ensuring observance of the principle of risk-spreading, each Sub-Fund may derogate from paragraph C, items (1) to (9) and (12) to (14) for a period of six months following the date of its authorization.

(2) The ceilings set forth above may be disregarded by each Sub-Fund when exercising subscription rights attaching to securities in such Sub-Fund's portfolio.

(3) If such ceilings are exceeded for reasons beyond the control of a Sub-Fund or as a result of the exercise of subscription rights, such Sub-Fund must adopt as its priority objective in its sale transactions the remedying of such situation, taking due account of the interests of its Unitholders.

The Directors have the right to determine additional investment restrictions to the extent that those restrictions are necessary to comply with the laws and regulations of countries where Units of the Fund are offered or sold.

G. Master-Feeder Structure

Each Sub-Fund may act as a feeder fund (the "Feeder") of a UCITS or of a compartment of such UCITS (the "Master"), which shall neither itself be a feeder fund nor hold units/shares of a feeder fund. In such a case the Feeder shall invest at least 85% of its assets in shares/units of the Master.

The Feeder may not invest more than 15% of its assets in one or more of the following:

- (a) ancillary liquid assets in accordance with Article 41 (2), second paragraph of the 2010 Law;
- (b) financial derivative instruments, which may be used only for hedging purposes, in accordance with Article 41 (1) g) and Article 42 (2) and (3) of the 2010 Law;
- (c) movable and immovable property which is essential for the direct pursuit of the Fund's business.

When a Sub-Fund qualifying as a Feeder invests in the shares/units of a Master, the Master may not charge subscription or redemption fees on account of the Sub-Fund's investment in the shares/units of the Master.

Should a Sub-Fund qualify as a Feeder, a description of all remuneration and reimbursement of costs payable by the Feeder by virtue of its investments in shares/units of the Master, as well as the aggregate charges of both the Feeder and the Master, shall be disclosed in the Sub-Fund's Appendix. In its annual report, the Company shall include a statement on the aggregate charges of both the Feeder and the Master.

Should a Sub-Fund qualify as a Master fund of another UCITS (the "Feeder"), the Feeder fund will not be charged any subscription fees, redemption fees or contingent deferred sales charges, conversion fees, from the Master.

H. Investment by a Sub-Fund within one or more other Sub-Funds

A Sub-Fund may subscribe, acquire and/or hold securities to be issued or issued by one or more Sub-Fund(s) (the "Target Sub-Fund") under the following conditions:

- the Target Sub-Fund does not, in turn, invest in the Sub-Fund invested in this Target Sub-Fund; and

- no more than 10% of the assets of the Target Sub-Fund whose acquisition is contemplated may be invested in Units of other Target Sub-Funds;
- in any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purpose of verifying the minimum threshold of the net assets imposed by the Law of 2010.

EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES

A. General

A Sub-Fund may use total return swaps (“TRS”) and SFT such as securities lending, securities borrowing, repurchase and reverse transactions, buy-sell or sell-back transactions when it is specifically described in the Appendices and in accordance with the conditions set out in this section “Efficient Portfolio Management techniques the circulars issued by the Regulatory Authority from time to time. The assets subject to SFTs and TRS and collateral received are safe-kept with the Depository or, failing that by any third party depository (such as Euroclear Bank SA/NV) which is subject to a prudential supervision.

All assets received by a Sub-Fund in the context of efficient portfolio management techniques with a view to reduce its counterparty risk shall be considered as collateral which is subject to the limits and conditions provided for in the relevant circulars issued by the Regulatory Authority and summarized here below under section “Collateral Management”.

In accordance with its investment objective and with the view to improve its performance, the Sub-Fund may enter into securities lending and repurchase agreements transactions under the conditions mentioned here below under sections “B. Securities Lending and Borrowing” and “C. Repurchase Agreement Transactions”.

The Sub-Fund shall enter into any SFT or financial derivative instruments with counterparties subject to prudential supervision rules considered by the Regulatory Authority as equivalent to those prescribed by EU law and selected by the Management Company in accordance with its order execution policy available on its website. In this context, the Management Company will enter into any SFT or financial derivative instruments (including total return swaps) with credit institutions established under any legal form in an OECD Member State having a long term debt rated at least BBB- according to the ratings scale of Standard & Poor’s (or deemed equivalent by the Management Company).

The Management Company has appointed AXA Investment Managers GS Limited to carry out these transactions, and notably for the counterparties’ selection and the financial guarantees.

Each Sub-Fund may incur costs and fees in connection with efficient portfolio management techniques. In particular, a Sub-Fund may pay fees to agents and other intermediaries, which may be affiliated with the Depository or the Investment Manager to the extent permitted under applicable laws and regulations, in consideration for the functions and risks they assume. The amount of these fees may be fixed or variable. Information on direct or indirect operational costs and fees incurred by each Sub-Fund in this respect, as well as the identity of the entities

to which such costs and fees are paid and any affiliation they may have with the Depositary or the Investment Manager or the Management Company, if applicable, will be available in the annual report.

All revenues arising from efficient portfolio management techniques, net of direct or indirect operational costs and fees, will be returned to the Fund. In consideration for its services, AXA investment Managers GS Limited will receive a remuneration borne by the respective Sub-Fund, details of which are provided in the Fund's annual report. Such remuneration may be calculated as a percentage of gross revenues earned by the Fund through the use of such techniques.

AXA Investment Managers GS Limited and the Management Company are affiliates companies belonging to AXA IM group. In order to prevent any conflicts of interest, the Management Company has put in place a conflicts of interest policy details of which are available on <https://www.axa-im.lu/mifid>.

Under no circumstances shall these operations cause a Sub-Fund to diverge from its investment objectives nor shall they entail any substantial supplementary risk.

B. Securities Lending and Borrowing

Unless further restricted by the investment policy of a specific Sub-Fund as described in Appendices below and provided that it complies with the following rules and the relevant circulars issued by the Regulatory Authority, each Sub-Fund may enter into securities lending and borrowing transactions governed by an agreement whereby a party transfers securities subject to a commitment that the borrower will return equivalent securities on a future date or when requested to do so by the transferor, that transaction being considered as a securities lending for the counterparty transferring the securities and being considered as securities borrowing for the counterparty to which they are transferred.

a) Securities lending

- (i) A Sub-Fund may only enter into securities lending transactions provided that (i) it is entitled at all times to request the return of the securities lent, or to terminate any securities lending transaction and (ii) that these transactions do not jeopardise the management of the Sub-Fund assets in accordance with its investment policy.
- (ii) The risk exposure to a counterparty generated through a securities lending transaction or other efficient portfolio management techniques and OTC financial derivatives must be combined when calculating the limits referred to above under items 9 and 13 of sub-section (a) Risk Diversification Rules.

b) Securities borrowing

- (i) The securities borrowed by the Sub-Fund may not be disposed of during the time they are held by the Sub-Fund, unless they are covered by sufficient financial instruments which enable the Sub-Fund to reconstitute the borrowed securities at the close of the transaction.
- (ii) Borrowing transactions may not exceed 50% of the global valuation of the securities portfolio of each Sub-Fund.

- (iii) A Sub-Fund may borrow securities under the following circumstances in connection with the settlement of a sale transaction: (a) during a period the securities have been sent out for re-registration; (b) when the securities have been loaned and not returned in time; and (c) to avoid a failed settlement when the Depositary fails to make delivery.

In consideration for its services:

- AXA Investment Managers GS Limited will receive a remuneration equal to 35% of the securities lending and borrowing transactions income, to be borne by the respective Sub-Fund;
- On the contrary, 65% of the revenues generated by such securities lending and borrowing transactions will benefit to the respective Sub-Fund. Respective Sub-Fund, details of which are included in the annual report of the Fund.

C. Repurchase Agreement Transactions

Unless further restricted by the investment policy of a specific Sub-Fund as described in Appendices below, a Sub-Fund may within the limit set out in the relevant circulars issued by the Regulatory Authority enter into repurchase agreement transactions which consist of transactions governed by an agreement whereby a party sells securities or instruments to a counterparty, with a clause reserving the counterparty or the Sub-Fund the right to repurchase or substitute securities or instruments of the same description, from respectively the Sub-Fund or the counterparty to a specified price on a future date specified, or to be specified, by the transferor.

Such transactions are commonly referred to as temporary purchases and sales of securities (also known as securities financing transactions).

These transactions shall be carried out as part of the achievement of the management objective of the Sub-Fund, hedging, the cash management and/or efficient portfolio management.

A Sub-Fund may further enter into repurchase or reverse repurchase agreement transaction which consists of a forward transaction at the maturity of which the Sub-Fund or the counterparty has the obligation to repurchase the asset sold and the counterparty respectively the Sub-Fund the obligation to return the asset received under the transaction.

The Sub-Fund's involvement in such transactions is, however, subject to the following rules:

- (i) The Sub-Fund may enter into any repurchase agreements or reverse repurchase agreement with counterparty selected on the basis of the following combined criteria: regulatory status, protection provided by local legislations, operational processes, available credit spreads and analyses and/or external credit ratings.

- (ii) A Sub-Fund may only enter into a repurchase agreement and/or a reverse repurchase agreement provided that it shall be able at any time (i) to recall any securities subject to the repurchase agreement respectively the full amount of cash in case of reverse repurchase agreement or (ii) to terminate the agreement in accordance with the relevant circulars issued by the Regulatory Authority being understood that fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Sub-Fund;
- (iii) Securities purchased with a repurchase option or through a reverse repurchase agreement transaction must be compliant with the relevant circulars issued by the Regulatory Authority and the Sub-Fund's investment policy and must together with the other securities that the Sub-Fund holds in its portfolio, globally respect the Sub-Fund's investment restrictions; and
- (iv) The risk exposure to a counterparty generated through those transactions or other efficient portfolio management techniques and OTC financial derivatives must be combined when calculating the limits referred to above under items 9 and 13 of sub-section "(a) Risk Diversification Rules".

In consideration for its services:

- AXA Investment Managers GS Limited will receive a remuneration equal to 35% of the repurchase agreements or reverse repurchase agreements income, to be borne by the respective Sub-Fund;
- On the contrary, 65% of the revenues generated by such repurchase agreements or reverse repurchase agreements will benefit to the respective Sub-Fund. Respective Sub-Fund, details of which are included in the annual report of the Fund.

D. OTC financial derivative instruments

Each Sub-Fund may invest into financial derivative instruments that are traded "over-the-counter" ("OTC financial derivative instruments") including, without limitation, total return swaps ("TRS") or other financial derivative instruments with similar characteristics, in accordance with the conditions set out in this section and the investment objective and policy of the Sub-Fund as detailed in the relevant Appendix. The counterparty to OTC financial derivative instruments will be selected among financial institutions subject to prudential supervision (such as credit institutions or investment firms) and specialized in the relevant type of transaction. The identity of the counterparties will be disclosed in the Fund's annual report.

The counterparties will have no discretion over the composition or management of the portfolio of the Sub-Fund or the underlying assets of the financial derivative instruments. Otherwise, for regulatory purposes, the agreement between the Fund and such counterparty will be considered as an investment management delegation.

The Management Company uses a process for accurate and independent assessment of the value of OTC financial derivative instruments in accordance with applicable laws and regulations.

In order to limit the exposure of a Sub-Fund to the risk of default of the counterparty under

OTC financial derivative instruments, the Sub-Fund may receive cash or other assets as collateral, as further specified in section “Management of collateral and collateral policy” below.

More specifically, in relation to the TRS, unless further restricted by the investment policy of a specific Sub-Fund as described in the Appendices below, the Fund may enter into total return swaps which are swap agreements in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses. These instruments will be carried out as part of the achievement of the management objective of the Sub-Fund, hedging, the cash management and/or efficient portfolio management.

Each Sub-Fund may incur costs and fees in connection with total return swaps, upon entering into total return swaps and/or any increase or decrease of their notional amount. The Fund may pay fees and costs, such as brokerage fees and transaction costs, to agents or other third parties for services rendered in connection with total return swaps. Recipients of such fees and costs may be affiliated with the Fund, the Management Company or the Investment Manager, as may be applicable, as permitted by applicable laws. Fees may be calculated as a percentage of revenues earned by the Fund through the use of such total return swaps. The overall revenues or losses generated by the total return swaps agreements will be for the benefit of the Sub-Fund only. Details on these revenues/losses, the fees and costs incurred by the use of such total return swaps as well as the identity of the recipients thereof are contained in the Fund’s annual report.

The expected range of the proportion of the Sub-Fund’s Net Asset Value subject to these instruments and disclosed the relevant Appendix is expressed as the mark-to-market value of the total return swap divided by the relevant Sub-Fund’s Net Asset Value.

COLLATERAL MANAGEMENT

General

As part of OTC financial derivatives transactions and securities lending and repurchase agreement transactions, a Sub-Fund may receive collateral with a view to reduce its counterparty risk.

The purpose of this section is to set the collateral policy that will be applicable in such case.

Eligible collateral

General principles

Collateral received by a Sub-Fund may be used to reduce its counterparty risk exposure with a counterparty if it complies with the criteria listed in circulars issued by the Regulatory Authority from time to time in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

- Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation;
- It should be valued on a daily basis on a mark-to-market price basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place Margin calls will be implemented in accordance with the terms negotiated in the collateral arrangements;
- It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- It should be sufficiently diversified in terms of country, markets and issuers and shall not entail on an aggregate basis an exposure to a given issuer for more than 20% of its Net Asset Value. By way of derogation, a Sub-Fund may be fully collateralized in different Transferable Securities or Money Market Instruments issued or guaranteed by any of the Member States, one or more of their local authorities, a third party sovereign country such as Canada, Japan, Norway, Switzerland and the United States of America, or any public international body to which one or more Member State(s) belong(s) such as the European Investment Bank, provided that it receives such securities from at least six different issues and that securities from any single issue should not account for more than 30% of such Sub-Fund's Net Asset Value. The collateral shall further comply with the limits set forth above under section "b) Limitations on Control";
- The financial guarantees received by the Sub-Fund will be kept by the Depositary or, failing that, by any third party depositary (such as Euroclear Bank SA/NV) which is subject to a prudential supervision and that has no link with the guarantee provider.;
- It should be capable of being fully enforced by the Management Company for the account of the Sub-Fund at any time without reference to or approval from the Management Company.

Eligible assets

As long as it complies with the above mentioned conditions, the collateral may consist of (i) sovereign OECD bonds; and/or (ii) direct investment in bonds issued or guaranteed by first class issuers offering an adequate liquidity or shares listed or dealt on a Regulated Market of a Member State of the European Union or on a stock exchange of a member state of the OECD provided that they are included in a main index.

Level of collateral

The Management Company will determine the required level of collateral for OTC financial derivatives transactions and stock lending and repurchase agreement transactions according to the nature and the characteristics of the executed transactions, the counterparties and the market conditions.

The Management Company may carry out OTC financial derivatives transactions with a level of collateral lower than 100% subject to be compliant with the counterparty risk authorised by the applicable regulations. For certain types of transactions such as, but not limited to, Foreign Exchange Forward, the level of collateral may be equal to zero.

As part of its lending transactions, the Sub-Fund must in principle receive previously or simultaneously to the transfer of the securities lent a guarantee the value of which must at the

conclusion of and constantly during the contract to be at least equal to 90% of the global valuation of the securities lent.

Reinvestment of collateral

The Sub-Fund will be able to reinvest the financial guarantees received in cash in accordance with the relevant circulars issued by the Regulatory Authority. The financial guarantees other than cash cannot be sold, reinvested or pledged. The counterparty will be able to reinvest the financial guarantee received from the Sub-Fund in accordance with any regulation applicable to the counterparty.

In particular, reinvested cash collateral must comply with the diversification requirements set forth here above under the section “Eligible collateral” and may only be (i) placed or deposited with entities referred to above under item 6 of section “A. Investments in the Fund shall consist solely of”, (ii) invested in high-quality government bonds, (iii) used for the purpose of reverse repo transactions entered into with credit institutions subject prudential supervision or (iv) invested in short term money market funds.

Haircut policy

In accordance with its internal policy relating to the management of the collateral, the Management Company shall determine:

- the required level of collateral; and
- the level of haircut applicable to the assets received as collateral, taking into account in particular the type of assets, the credit standing of the issuers, the maturity, the currency, the liquidity and the price volatility of the assets.

For OTC derivatives financial instruments and repurchase agreements transactions, the following haircuts are typically applied:

Collateral Instrument Type	Applicable haircut range
Cash	0%
Sovereign debt	0%-20%

For securities lending transactions, the following haircuts are typically applied:

Collateral Instrument Type	Applicable haircut range
Cash	0%
Equities	10%
Sovereign debt	2% - 5%

Any other type of collateral instrument type and/or applicable haircut shall be specifically authorized by AXA IM’s Global Risk Management.

Despite the creditworthiness of the issuer of the assets received as collateral or the assets acquired by the Sub-Fund on the basis of cash collateral re-investment, the Sub-Fund may be subject to a risk of loss in case of default of the issuers of such assets or in case of default of

the counterparties to transactions in which such cash has been re-invested.

POOLING OF ASSETS

For the purpose of effective management, where the investment policies of the Sub-Funds so permit, the Management Company may choose to allow intra pooling and/or co-management of the assets of certain Sub-Funds. In such a case, assets of different Sub-Funds will be managed in common. The assets which are managed in common shall be referred to as a "pool" notwithstanding the fact that such pools are used solely for internal management purposes. The pools do not constitute separate entities and are not directly accessible to Unitholders.

Pooling

The Management Company may invest and manage all or any part of the portfolio assets established for two or more Sub-Funds (for the purposes hereof "Participating Sub-Funds") on a pooled basis. Any such asset pool shall be formed by transferring to it cash or other assets (subject to such assets being appropriate in respect to the investment policy of the pool concerned) from each of the Participating Sub-Funds. Thereafter, the Management Company may from time to time make further transfers to each asset pool. Assets may also be transferred back to a Participating Sub-Fund up to the amount of the participation of the Sub-Fund concerned. The unit of a Participating Sub-Fund in an asset pool shall be measured by reference to notional units of equal value in the asset pool. On formation of an asset pool, the Management Company shall determine the initial value of notional units (which shall be expressed in such currency as the Management Company may consider appropriate) and shall allocate to each Participating Sub-Fund notional units having an aggregate value equal to the amount of cash (or to the value of other assets) contributed. Thereafter, the value of the units shall be determined by dividing the net assets of the asset pool by the number of notional unit subsisting.

When additional cash or assets are contributed to or withdrawn from an asset pool, the allocation of notional units of the Participating Sub-Fund concerned will be increased or reduced, as the case may be, by a number of notional units determined by dividing the amount of cash or the value of assets contributed or withdrawn by the current value of a unit. Where a contribution is made in cash, it may be treated for the purpose of this calculation as reduced by an amount which the Management Company considers appropriate to reflect fiscal charges and dealing and purchase costs which may be incurred in investing the cash concerned; in the case of cash withdrawal, a corresponding deduction may be made to reflect costs which may be incurred in realising securities or other assets of the asset pool.

Dividends, interest and other distributions of an income nature earned in respect of the assets in an asset pool will be applied to such asset pool and cause the respective net assets to increase. Upon the dissolution of the Fund, the assets in an asset pool will be allocated to the Participating Sub-Funds in proportion to their respective participation in the asset pool.

Co-Management

In order to reduce operational and administrative charges while allowing a wider

diversification of the investments, the Management Company may decide that part or all of the assets of one or several Sub-Funds will be co-managed with assets attributable to other sub-funds or assets belonging to other Luxembourg collective investment schemes. In the following paragraphs, the words "co-managed entities" shall refer globally to the Fund and each of its Sub-Funds and all entities with and between which there would exist any given co-management arrangement and the words "co-managed Assets" shall refer to the entire assets of these co-managed entities and co-managed pursuant to the same co-management arrangement.

Under the co-management arrangement, the Investment Managers will be entitled to take, on a consolidated basis for the relevant co-managed entities, investment, disinvestment and portfolio readjustment decisions which will influence the composition of the assets of the Sub-Funds. Each co-managed entity shall hold a portion of the co-managed Assets corresponding to the proportion of its net assets to the total value of the co-managed Assets. This proportional holding shall be applicable to each and every line of investment held or acquired under co-management. In case of investment and/or disinvestment decisions, these proportions shall not be affected and additional investments shall be allotted to the co-managed entities pursuant to the same proportion and assets sold shall be levied proportionately on the co-managed Assets held by each co-managed entity.

In case of new subscriptions in one of the co-managed entities, the subscription proceeds shall be allotted to the co-managed entities pursuant to the modified proportions resulting from the net asset increase of the co-managed entity which has benefited from the subscriptions and all lines of investment shall be modified by a transfer of assets from one co-managed entity to the other in order to be adjusted to the modified proportions. In a similar manner, in case of redemptions in one of the co-managed entities, the cash required may be levied on the cash held by the co-managed entities pursuant to the modified proportions resulting from the net asset reduction of the co-managed entity which has suffered from the redemptions and, in such case, all lines of investment shall be adjusted to the modified proportions. Unitholders should be aware that, in the absence of any specific action by the Management Company or its appointed agents, the co-management arrangement may cause the composition of assets of the Sub-Funds to be influenced by events attributable to other co-managed entities such as subscriptions and redemptions. Thus, all other things being equal, subscriptions received in one entity with which a Sub-Fund is co-managed will lead to an increase of such Sub-Fund's reserve of cash. Conversely, redemptions made in one entity with which a Sub-Fund is co-managed will lead to a reduction of such Sub-Fund's reserve of cash. Subscriptions and redemptions may however be kept in the specific account opened for each co-managed entity outside the co-management arrangement and through which subscriptions and redemptions must pass. The possibility to allocate substantial subscriptions and redemptions to these specific accounts together with the possibility for the Management Company or its appointed agents to decide at any time to terminate the co-management arrangement permit the Management Company to avoid the readjustments of the assets of the Sub-Funds concerned if these readjustments are likely to affect the interest of the Management Company or the Sub-Funds and of their Unitholders.

If a modification of the composition of the Fund or one or several Sub-Fund's assets resulting from redemptions or payments of charges and expenses peculiar to another co-managed entity (i.e. not attributable to the Management Company or the Sub-Fund concerned) is likely to result in a breach of the applicable investment restrictions, the relevant assets shall be excluded from the co-management arrangement before the implementation of the

modification in order for it not to be affected by the ensuing adjustments.

Co-managed Assets shall only be co-managed with assets intended to be invested pursuant to investment objectives identical to those applicable to the co-managed Assets in order to assure that investment decisions are fully compatible with the investment policy of the Sub-Funds. Co-managed Assets shall only be co-managed with assets for which the Depositary is also acting as Depositary in order to ensure that the Depositary is able, with respect to the Fund or its Sub-Funds, to fully carry out its functions and responsibilities pursuant to the Law of 2010. The Depositary shall at all times keep the Fund's assets segregated from the assets of other co-managed entities and shall therefore be able at all time to identify the assets of the Fund and of each Sub-Fund. Since co-managed entities may have investment policies which are not strictly identical to the investment policy of a Sub-Fund, it is possible that as a result the common policy implemented may be more restrictive than that of that Sub-Fund.

The Management Company may decide at any time and without notice to terminate the co-management arrangement.

Unitholders may at all times contact the registered office of the Management Company to be informed of the percentage of assets which are co-managed and of the entities with which there is such a co-management arrangement at the time of their request. Annual and semi-annual reports shall state the co-managed Assets' composition and percentages.

UNITS

The Fund may issue Units of any Class within each separate Sub-Fund.

There are currently 9 categories of Classes of Units available in the Fund:

- Class "A" Units are dedicated for large Institutional Investors investing directly or indirectly on their own behalf and/or financial intermediaries providing discretionary portfolio management service and with a high amount of minimum initial subscription.
- Class "B" Units are dedicated for smaller Institutional Investors investing directly or indirectly on their own behalf and/or financial intermediaries providing discretionary portfolio management service and with a smaller amount of minimum initial subscription.
- Class "I" Units are dedicated for all other Institutional Investors, including funds of funds investing directly or indirectly on their own behalf and/or financial intermediaries providing discretionary portfolio management service.
- Class "E" Units are for all investors.
- Class "F" Units are for all investors.
- Class "M" Units are only subscribed with the prior approval of the Directors and held (i) by AXA Investment Managers or its subsidiaries for use in institutional mandates or investment management agreements for a dedicated fund contracted with the AXA Group or (ii) by Institutional Investors investing directly or indirectly on their own behalf and/or to financial intermediaries providing discretionary portfolio management service.
- Class "U" Units are offered only to distributors based in the Americas (South and North America regions, including the United States).
- Class "Z"* Units are only offered: (i) through financial intermediaries which according to either regulatory requirements (e.g. in the European Union, financial intermediaries providing discretionary portfolio management or investment advice on an independent basis) or separate fee arrangements with their clients, are not allowed to keep trail commissions, and/ or (ii) to Institutional investors investing on their own behalf*.
- Class "ZF" Units are offered only through larger financial intermediaries which (i) are expressly prior authorized by the Management Company and (ii) according to either regulatory requirements (e.g. in the European Union, financial intermediaries providing discretionary portfolio management or investment advice on an independent basis) or separate fee arrangements with their clients, are not allowed to keep trail commissions.

*Investments made in the Class "Z" Units before 03/01/2018 may continue to be held after that date, even though they are no longer accessible for new subscriptions by the investors who no longer meet at least one of the eligibility criteria described in (i) or (ii) above as from this date.

The Directors may decide at any time to create within each Sub-Fund any of the Classes of Units described above. A specific fee structure, currency of denomination, dividend policy or other specific features may apply to each Class.

Details regarding the issued Classes of Units available per Sub-Fund as at the date of the Prospectus and their features are disclosed in Appendices below.

Such list of Classes may be updated from time to time. The complete list of Classes available for subscription may be obtained, free of charge and upon request, from the Management Company.

The net proceeds from the subscription are invested in the specific portfolio of assets constituting the relevant Sub-Fund.

The Management Company will maintain for each Sub-Fund a separate portfolio of assets. As between Unitholders, each portfolio of assets will be invested for the exclusive benefit of the relevant Sub-Fund. As regards third parties, each Sub-Fund is exclusively responsible for all liabilities attributable to it.

The Management Company shall issue Units in registered form only.

The inscription of the Unitholder's name in the register of Units evidences his or her right of ownership of such registered Units. A confirmation of unitholding will be delivered upon request.

Fractions of registered Units will be issued to one thousandth of a Unit.

All Units within each Class have equal rights as to dividend, repurchase, and proceeds in a liquidation.

No general meetings of Unitholders shall be held and no voting rights shall be attached to the Units.

All Classes of Units that are in issue may be listed on the Luxembourg or other Stock Exchange at the Management Company's discretion. Information on whether a Class of Units is listed on the Luxembourg or other Stock Exchange can be obtained from the Administrator or on the website of the relevant Stock Exchange.

Currency Hedged Unit Classes

Any Sub-Fund can issue any Unit Class in currency hedged form, meaning that the hedged version of the Unit Class is denominated in a currency that is different from the Sub-Fund's Reference Currency, and is hedged to that currency. Hedged Unit Classes are designated with an "Hedged".

All costs specifically associated with offering each hedged Unit Class (such as currency hedging and foreign exchange costs) will be charged to that Unit Class.

Where the Fund seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Fund. However, over-hedged positions will not exceed 105%, and under-hedged position will not fall short of 95% of the Net Asset Value of the Class. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed and under-hedged positions do not fall short the permitted level. This review will also incorporate a procedure to ensure

that positions materially in excess of 100% of Net Asset Value of the Class will not be carried forward from month to month.

If investors invest in a hedged Unit Class, they could experience losses from currency exchange fluctuations to the extent that the Unit Class' hedging is incomplete, and they will give up any potential gains from currency exchange fluctuations to the extent that hedging is effective.

SUBSCRIPTION OF UNITS

Applications for Units may be made on any Business Day.

To subscribe for Units, investors will be required to complete an Application Form or other documentation satisfactory to the Management Company and to return it to the registrar agent of the Fund (the "Registrar Agent") at the address indicated herein or to any distributor indicated on the Application Form. Applications may be made by facsimile, but must contain all the information required by the Application Form.

Unless otherwise specified in the Appendices, applications for Units received by the Registrar Agent prior to 10 am on any Business Day will be processed at the Dealing Price plus subscription fees, if any, as mentioned in the relevant Appendix. Different subscription procedures and time limits may apply if applications for Units are made through a distributor. In such instances, each investor should obtain from the distributor information about the subscription procedure relevant to their application together with any time limit by which the subscription must be received. Investors should note that they may be unable to subscribe for Units through a distributor on days that such distributor is not open for business.

All applications received by the Registrar Agent after 10 am shall be deemed to have been received on the following Business Day.

Subscription amounts to be paid will be rounded in the unit or sub-unit of the relevant offering currency, by applying normal rounding rules.

Subsequent applications for Units may be made in writing by FTP, swift, post or facsimile.

Settlement should be made by electronic funds transfer on the Settlement Day.

The Dealing Price may, upon approval of the Directors and subject to all applicable laws, namely with respect to a special audit report prepared by the auditor of the Fund confirming the value of any assets contributed in kind, be paid by contributing to the Fund securities acceptable to the Directors, consistent with the investment policy and investment restrictions of the Fund and the relevant Sub-Fund.

At the Unitholder's request, the Management Company may accept subscription in kind, having due regard to all applicable laws and regulations, all Unitholders' interest and the relevant Appendix of the Sub-Fund. In such case of subscription in kind, the auditor of the Management Company shall deliver, if applicable, an audit report in accordance with applicable laws. Any costs incurred in connection with a subscription in kind of securities shall be borne by the relevant Unitholder.

Where Units are registered in the names of joint holders, the Registrar Agent will only accept instructions from all the joint holders, unless otherwise instructed in writing by all the joint holders.

All transaction orders with respect to any Sub-Fund shall be deemed irrevocable and shall be accompanied by the duly completed relevant transaction forms or by the transmission of all the required data in a form determined by the Registrar Agent. A letter of confirmation will be sent to the Unitholder after completion of each transaction.

The Management Company reserves the right to reject, in whole or in part, any application for Units.

The Management Company reserves the right to do any of the following at any time:

- Reject any request to buy, redeem or switch Units as well as forcibly switch or redeem Units of which an ineligible or unqualified investor is a beneficial owner (whether sole or partial). This applies if the Management Company knows or believes any of the following to be true:
 - the investor is an U.S. Person or a Prohibited Person in the terms provided within the Management Regulations (including but not limited to Canadian Prohibited Investors);
 - the investor has failed to make the representations and warranties required by the Management Company;
 - the investor has failed to supply any information or declarations required by the Management Company with respect to corruption, anti-money laundering and terrorism financial matters;⁸
 - the investor has failed to remain true to representations and warranties that were made;
- In any case where it appears that, a non-institutional investor has come to hold Units designated for institutional investors, the Management Company will either forcibly redeem the Units or switch them for retail Units of the same Sub-Fund (which Units may have higher fees and expenses) depending on whether a retail Unit Class is available or not.

Instructions for subscription may be posted through BNP Paribas Securities Services Luxembourg – 60, avenue J.F. Kennedy, L-1855 Luxembourg provided that investors have been accepted by the Management Company at its own discretion as eligible to the One Platform and have completed an application form with BNP Paribas Securities Services Luxembourg. Retail investors are not eligible to the One Platform.

Without limiting the generality of the foregoing, unless the Management Company otherwise determines either generally or in any particular case (including with regard to a Sub-Fund), the Management Company will not accept any subscriptions from, and Units may not be transferred to, any investor (i) which is a U.S. Person, (ii) which is not a Non-U.S. Person and (iii), whether or not a U.S. Person, who is subject to Title 1 of ERISA or the prohibited transactions provisions of Section 4975 of the U.S. Internal Revenue Code or who qualifies as a Benefit Plan Investor.

⁸ This possibility for the Management Company to reject any request to buy, redeem or switch units as well as forcibly switch or redeem units if “the investor has failed to supply any information or declarations required by the Management Company with respect to corruption, anti-money laundering and terrorism financial matters” shall be effective on 26th October 2020, the date of the Notice to Unitholders.

Nominees

Nominees are banks and financial institutions appointed as distributors by the Management Company or the company responsible for arranging the distribution of the Units of the Fund which act as intermediaries between investors and the Fund. Subject to local laws in countries where Units are offered, the distributors and their agents, if any, may, on the request of the respective investors, act as nominee for such investors. As nominee the distributor or its agents, if any, shall, in their name but as nominee for the investor, purchase, convert or redeem Units and request registration of such operations in the register of Unitholders. However, the investor is not obliged to make use of the nominee service provided by the distributor and its agents and shall be entitled at any time to claim direct title to the Units. Applicants retain the ability to directly invest in the Fund without using a nominee service.

The terms and conditions of the nominee services, if any, will be provided in the relevant distribution or nominee agreement.

The distributor and its agents, if any, will at all times comply with any obligations imposed by any applicable laws, rules and regulations with respect to anti-money laundering and will furthermore adopt procedures designed to ensure, to the extent applicable, that they shall comply with the foregoing undertaking. To the extent the distributor or its agents are not submitted to anti-money laundering regulations of countries which have similar anti-money laundering framework as in Luxembourg, the necessary control will be carried out by the Registrar Agent of the Fund.

In order to invest in the Fund, any prospective investor must certify that, except as otherwise authorised by the Management Company, (i) it is not a U.S. Person, (ii) it is a Non-U.S. Person, (iii) it is not a Canadian Prohibited Investor, and (iv) it is not subscribing for Units on behalf of U.S. Persons or a Canadian Prohibited Investor.

In order to invest in the Fund, any prospective investor must also certify that it is not subject to Title 1 of ERISA or the prohibited transactions provisions of Section 4975 of the U.S. Internal Revenue Code, and does not qualify as a Benefit Plan Investor.

Unitholders are required to notify the Management Company acting on behalf of the Fund through the distributors, immediately in the event that they become U.S. Persons, or Benefit Plan Investor (or become subject to Title 1 of ERISA) or a Canadian Prohibited Investor, or they cease to be a Non-U.S. Person, or they hold Units on behalf of U.S. Persons, Canadian Prohibited Investor or Benefit Plan Investor and their Units may be compulsorily redeemed by the Management Company, or they may otherwise be required by the Management Company to dispose of their Units in the manner outlined below.

In addition, the Management Company may authorize the purchase by or transfer of Units to a U.S. Person resident outside the U.S. if the U.S. Person declares that they are making their application for the beneficial account of a person who is not a U.S. Person. The Management Company may also authorize the purchase by or transfer of Units to a Canadian investor resident outside Canada if it declares that it is making its application for the beneficial account of a person who is not a Canadian Prohibited Investor.

Each prospective investor (including a prospective transferee) who is a U.S. Person or a Canadian Prohibited Investor will be required to provide such representations, warranties or

documentation, including opinion of counsel, as may be required by the Management Company to ensure that such requirements are met prior to approval of such sale or transfer by the Management Company. The Management Company shall determine from time to time the number of U.S. Persons or Canadian Prohibited Investor (if any) who may be admitted into the Fund.

The Management Company shall have the authority to require compulsory transfer or redemptions of Units where any of the aforementioned conditions in respect of investment by U.S. Persons or Canadian Prohibited Investors are not or no longer satisfied.

Settlement by Electronic Funds Transfer

Investors are advised to pay by electronic funds transfer (in the appropriate Reference Currency) in order to avoid any delay in the allotment of Units. The electronic funds transfer form should be completed and forwarded by investors to their banks.

Foreign Exchange

In the event that the application has been made in a currency other than the offering currency of the Classes of Units within the relevant Sub-Fund(s), the Registrar Agent will perform the necessary foreign exchange transactions. Investors should be aware that the amount of currency involved and the time of day at which such foreign exchange is transacted will affect the rate of exchange. No liability shall be accepted by the Depositary, Registrar Agent or the Management Company for any losses arising from adverse currency fluctuations.

Foreign exchange transactions (as principal for Unitholders or as agent for the Sub-Funds) may be carried out by a company within AXA.

Reporting

All applications will be acknowledged by a contract note. Unitholders will subsequently be advised of their Personal Account Number.

Money Laundering and Terrorist Financing

The Management Company, the Registrar Agent, any distributor and their officers are subject to the provisions of legislation currently in force in Luxembourg relating to monies which are derived directly or indirectly from criminal activity, including, but not limited to, activities relating to illegal substances and, where appropriate, for the provisions of similar legislation in force in any other relevant country. Applicants may be required to furnish independent documentary evidence of their identity, a permanent address and information relating to the source of the monies to be invested.

Failure to provide such information or documentation in a timely manner could result in delay in the allotment of Units, or in a refusal to allot Units.

If a distributor or its agents are not subject to anti-money laundering and anti-terrorist financing regulations of countries which have similar anti-money laundering framework as in Luxembourg, the necessary control will be carried out by the Registrar Agent of the Fund.

The Management Company may, at any time at its discretion, temporarily discontinue, cease definitely or limit the issue of Units to persons or corporate bodies residing or established in certain countries or territories. The Management Company may also prohibit certain persons or corporate bodies from acquiring Units if such a measure is necessary for the protection of the Fund or any Sub-Fund, the Management Company or the Unitholders of the Fund or any Sub-Fund.

Furthermore, the Management Company may direct the Registrar Agent of the Fund to:

- a) reject at its discretion any application for Units;
- b) repurchase at any time the Units held by Unitholders who are excluded from purchasing or holding Units.

If on any Valuation Day subscription orders relate to more than 10% of the Units in issue in a specific Sub-Fund⁹, the Management Company may decide that part or all of such requests for subscription will be deferred for such period as the Management Company considers to be in the best interests of the Sub-Fund, but normally not exceeding one Valuation Day. On the next Valuation Day following such period, these subscription requests will be met in priority to later requests.

⁹ Until 26th October 2020, the Date of the Notice, the 10% threshold is calculated on the Units in issue in a specific Class or Sub-Fund.

REDEMPTION AND CONVERSION OF UNITS

Unless otherwise specified in the relevant Appendix, Unitholders may give instructions to the Registrar Agent for the conversion of Units of one Class of Units of any Sub-Fund into Units of that same or a different Class in the same or another Sub-Fund, where available, or for the conversion of distribution Units into capitalisation Units, or for the redemption of Units, on any Business Day by FTP, swift, facsimile, or post quoting their Personal Account Number. Unless otherwise specified in the Appendices, instructions to convert or redeem Units received by the Registrar Agent prior to 10 am on any Business Day will be processed at the Dealing Price less any redemption or conversion fees as mentioned in the relevant Appendix. All instructions to convert or redeem Units received by the Registrar Agent after 10 am shall be deemed to have been received on the following Business Day. Different redemption and conversion procedures and time limits may apply, if applications for redemption or conversion are made through a distributor. In such instances, each investor should obtain from the distributor information about the redemption or conversion procedure relevant to their application for redemption or conversion together with any time limit by which the application for redemption or conversion must be received. Investors should note that they may be unable to apply for redemption or conversion of their Units through a distributor on days that such distributor is not open for business.

Retail investors will not be allowed to convert their Units into Classes of Units reserved for Institutional Investors. Conversion of Units of a Sub-Fund calculating its Net Asset Value on a weekly basis into Units of another Sub-Fund calculating its Net Asset Value on a daily basis is not authorised and shall be rejected by the Management Company.

Instructions for redemptions may be refused if the redemption would result in the investor having an aggregate residual holding of less than the minimum holding indicated for each Class of Units in the Appendices.

If on any Valuation Day redemption or conversion requests relate to more than 10% of the Units in issue in a specific Class or Sub-Fund, the Management Company may decide that part or all of such requests for repurchase or conversion will be deferred for such period as the Management Company considers to be in the best interests of the Sub-Fund, but normally not exceeding one Valuation Day. On the next Valuation Day following such period, these repurchase or conversion requests will be met in priority to later requests.

The repurchase or conversion price may, depending on the Net Asset Value per Unit applicable on the date of repurchase, be higher or lower than the price paid at the time of subscription.

Instructions for redemption or conversion may be posted through BNP Paribas Securities Services Luxembourg - 60, avenue J.F. Kennedy, L-1855 Luxembourg provided that investors have been accepted by the Management Company at its own discretion as eligible to the One Platform and have completed an application form with BNP Paribas Securities Services Luxembourg. Retail investors are not eligible to the One Platform.

Redemption Proceeds

Redemption proceeds will be made on the Settlement Day by bank transfer, unless a specific payment process has been agreed in which case the redemption proceeds will be dispatched, at the Unitholders' risk. Redemption proceeds will be rounded to the nearest whole currency unit applying (normal rounding rules) or sub-unit of the relevant offering currency.

For the avoidance of doubt, the currency in which redemption proceeds are to be paid should always be specified at the time that the redemption instruction is given. In the absence of such specification, the Registrar Agent will instruct the Depositary to remit the proceeds to the registered address of the Unitholder by bank transfer in the relevant offering currency.

Unitholders are requested to provide Standing Redemption Payment Instructions on their Application Form. Redemption proceeds can then be remitted by electronic funds transfer to the nominated bank account. These instructions may subsequently be changed by sending written instructions, signed by the Unitholder or, in case of joint unitholdership, by all the joint Unitholders, to the Registrar Agent, who will then write to confirm the change. As an additional safety feature, the change may (if the Registrar Agent so requires) only be effected when confirmation has been received from all the joint Unitholders in case of joint unitholding. In view of the time needed to obtain this confirmation, the Directors strongly advise Unitholders to keep their Standing Redemption Payment Instructions up to date.

In the event that redemption is requested in a currency other than the offering currency of the Classes of Units within the relevant Sub-Fund(s), the Registrar Agent will perform the necessary foreign exchange transactions. Unitholders should be aware that the amount of currency involved and the time of day at which such foreign exchange is transacted will affect the rate of exchange. No liability shall be accepted by the Depositary, Registrar Agent or the Management Company for any losses arising from adverse currency fluctuations.

At the Unitholder's request, the Management Company may elect to pay redemption proceeds in kind, having due regard to all applicable laws and regulations and to all Unitholders' interest. In such case of payment in kind, the auditor of the Fund shall deliver, if applicable, an audit report in accordance with applicable laws. Any costs incurred in connection with a redemption in kind of securities shall be borne by the relevant Unitholder.

Conversion Proceeds

A conversion of Units of one Class or Sub-Fund for Units of another Class or Sub-Fund will be treated as a redemption of Units and a simultaneous purchase of Units of the other Class or of the acquired Sub-Fund.

In some jurisdictions a conversion of Units of one Class or Sub-Fund for Units of another Class or Sub-Fund may be considered as a disposal of Units of the original, Class or Sub-Fund for the purposes of taxation.

In the event that conversion is between Classes of Units where the Reference Currencies are not the same, the Registrar Agent will perform the necessary foreign exchange transactions. Unitholders should be aware that the amount of currency involved and the time of day at which such foreign exchange is transacted will affect the rate of exchange. No liability shall be accepted by the Depositary, Registrar Agent or the Management Company for any losses

arising from adverse currency fluctuations.

The number of Units of the new Class to be allotted is calculated in accordance with the following formula:

$$A = \frac{((B \times OP) - D) \times E}{NP}$$

where:

- A = the number of Units in the new Sub-Fund / Class to be allotted;
- B = the number of Units in the existing Sub-Fund / Class to be converted;
- OP = the Dealing Price in the existing Sub-Fund / Class;
- D = the conversion costs (if any) retained by the existing Sub-Fund;
- E = the foreign exchange rate between the currency of the existing Sub-Fund / Class and the new Sub-Fund / Class (provided that when the existing Sub-Fund / Class and the new Sub-Fund / Class are denominated in the same currency the rate is one);
- NP = the Dealing Price of the new Sub-Fund / Class.

Seed Money

Units of a Sub-Fund may be held (i) by a French fund in which AXA Investment Managers is a majority shareholder (hereinafter the "AXA IM Fund") and/or (ii) by companies which are part of the AXA group of companies and/or (iii) by investment funds which are managed by investment management companies in which AXA IM group directly or indirectly holds a shareholding ("AXA IM Group Managed Funds") for the purposes of building a track record or a specific marketing action on the Sub-Fund.

AXA IM Fund and/or companies of the AXA IM group and/or AXA IM Group Managed Funds may, at any time, choose to redeem their Units in the Sub-Fund which may result in a material decrease in the total assets of the Sub-Fund and/or a restructuring of the Sub-Fund including but not limited to restructuring causing the winding up of the Sub-Fund or its merger with another fund. Specific rules have been established by the Management Company with a view to preserve an equal treatment between the Unitholders of the Sub-Fund and will be applied in such case.

The foregoing does not prevent Units of a Sub-Fund from being held by other investors including external seed investors.

LATE TRADING AND MARKET TIMING

Subscription, redemption and conversion of Units should be made for investment purposes only. The Fund does not permit market-timing or other excessive trading practices such as late trading (i.e. subscription received after the Sub-Funds cut-off time). Excessive, short-term (market-timing) trading practices may disrupt portfolio management strategies and harm Fund performance. To minimise harm to the Fund and the Unitholders, the Management Company or the Registrar Agent on its behalf has the right to reject any subscription or conversion order, or levy in addition to any subscription, redemption or conversion fees which may be charged, a fee of up to 2% of the value of the order for the benefit of the Fund from any investor who is engaging in excessive trading or has a history of excessive trading or if an investor's trading, in the opinion of the Management Company, has been or may be disruptive to the Fund. In making this judgment, the Management Company may consider trading done in multiple accounts under common ownership or control. The Management Company also has the power to redeem all Units held by a Unitholder who is or has been engaged in excessive trading. The Management Company will not be held liable for any loss resulting from rejected orders or mandatory redemptions.

Subscriptions, redemptions and conversions are dealt with at an unknown Net Asset Value per Unit. Any order received is deemed irrevocable after the Sub-Funds' cut-off time.

DETERMINATION OF THE NET ASSET VALUE OF UNITS

The Net Asset Value per Unit of each Class in each Sub-Fund is determined in the offering currencies of the relevant Class within the relevant Sub-Fund on each applicable Valuation Day as disclosed in the Appendices.

If the Valuation Day indicated in said Appendices is not a Business Day, the net asset valuation shall take place on the next following Business Day. In such event, the Net Asset Value shall be calculated on the basis of the closing prices of the day preceding the concerned closed Business Day. Nevertheless, units of other UCITS and/or other UCIs held by the relevant Sub-Fund will be evaluated at their last available net asset value per unit.

The Net Asset Value per Unit of each Class of Units for each Sub-Fund is determined by dividing the value of the assets of the Sub-Fund properly allocable to such Class of Units less the liabilities (including any provisions considered by the Management Company to be necessary or prudent) of the Sub-Fund attributable to such Class of Units by the total number of Units outstanding in the relevant Class at the time of the determination of the Net Asset Value. To the extent feasible, investment income, interest payable, fees and other liabilities (including management fees) will be accrued daily.

The assets of the Fund will be valued as follows¹⁰:

- a) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof;
- b) securities listed or traded on any Regulated Market, stock exchange in an Other State or Other Regulated Market will be valued at the closing price on such markets. If a security is listed or traded on several markets, the closing price at the market which constitutes the main market for such securities, will be determining;
- c) securities not listed or traded on any Regulated Market, stock exchange in an Other State or Other Regulated Market will be valued at their last available price;
- d) securities for which no price quotation is available or for which the price referred to in (b) and/or (c) is not representative of the fair market value, will be valued prudently, and in good faith on the basis of their reasonably foreseeable sales prices. As far as CDOs are concerned and insofar the price quotation is not representative of the fair market value, CDOs will be valued at their Net Asset Value as transmitted to the Investment Manager by the arranging bank of each CDO in which the Fund has invested;
- e) the value of Money Market Instruments listed or traded on any Regulated Market, stock exchange in an Other State or an Other Regulated Market will be valued at the closing price on such markets. If a security is listed or traded on several markets, the closing price of the market which constitutes the main market for such securities, will be determining;
- f) the value of Money Market Instruments not listed or traded on any Regulated Market, stock exchange in an Other State or an Other Regulated Market will be valued at their last available price;

¹⁰ The method of valuation of the money market instruments has been updated to take into account the new method of valuation of money market instruments provided by the Regulation (EU) 2017/1131 on money market funds. The changes related thereto shall be effective on 26th October 2020, the date of the Notice to Unitholders.

- g) the liquidating value of futures, forward and options contracts not traded on Regulated Markets, stock exchanges in an Other State or on Other Regulated Markets shall mean their net liquidating value determined, pursuant to the policies established in good faith by the Management Company, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward and options contracts traded on Regulated Markets, stock exchanges in an Other State or on Other Regulated Markets shall be based upon the last available settlement prices of these contracts on Regulated Markets, stock exchanges in an Other State and Other Regulated Markets on which the particular futures, forward or options contracts are traded by the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Management Company may deem fair and reasonable;
- h) values expressed in a currency other than the Reference Currency of a Sub-Fund shall be translated to the Reference Currency of a Sub-Fund at the average of the last available buying and selling price for such currency;
- i) swaps and all other securities and assets will be valued at fair market value as determined prudently and in good faith by the Management Company.
- j) shares or units of UCITS and/or other UCIs will be evaluated at their last available net asset value per share or unit as reported by such undertakings. If such net asset value is not ascertained or if the Management Company considers that some other method of valuation more accurately reflects the fair value of the relevant shares or units, the method of valuation of such shares or units will be such as the Management Company in its absolute discretion decides.

In the event that extraordinary circumstances render valuations as aforesaid impracticable or inadequate, the Management Company is authorized, prudently and in good faith, to follow other rules in order to achieve a fair valuation of the assets of the Fund.

Unless otherwise specified in the relevant Appendix, the Net Asset Value per Unit for each Sub-Fund with respect to any Valuation Day is determined by the administrator and is normally made available at the registered office of the Management Company on the first Business Day following such Valuation Day.

For the avoidance of doubt, the Net Asset Value calculated with reference to a given Valuation Day (D) will be dated as of such Valuation Day (D) and will be normally made available on the Valuation Day immediately following such Valuation Day (D + 1), unless otherwise specified with respect to any Sub-Fund in the relevant Appendix.

Each Sub-Fund shall be valued so that all agreements to purchase or sell securities are reflected as of the date of execution, and all dividends receivable and distributions receivable are accrued as of the relevant ex-dividend dates.

The Management Company reserves the right to temporarily suspend the calculation of NAVs and transactions in a Sub-Fund's Units when any of the following is true¹¹:

- i. the principal exchanges or regulated markets that supply the price of a material portion of the assets of a Sub-Fund's investments are closed when they would normally be open, or their trading is restricted or suspended or the information or calculation sources normally used to determine a material portion of the NAV are unavailable or for any other reason, the prices or values of a material portion of the assets of a Sub-Fund cannot be accurately or promptly ascertained;
- ii. a master fund in which the Sub-Fund has invested material assets in quality of feeder fund has suspended its NAV calculations or share transactions or the underlying funds in which the Sub-Fund is invested have suspended their NAV calculations or share transactions;
- iii. a legal, political, economic, military or monetary environment or an event of force majeure, has made impractical to value or trade Sub-Fund's assets;
- iv. there has been a breakdown or malfunction in the communications systems or IT media used by the Fund, or by any securities exchange, in valuing assets;
- v. the Fund is unable to repatriate sufficient funds to make portfolio investments, transfer the capital or execute transactions at normal rates of exchange and conditions for such transactions or repatriation;
- vi. during the process of establishing exchange ratios in the context of a merger, a contribution of assets, an asset or share split or any other restructuring transaction;
- vii. during any period when the dealing of the Units of the Fund or Sub-Fund or Unit Classes on any relevant stock exchange where such shares are listed is suspended or restricted or closed;
- viii. the Fund is unable to deal with Sub-Funds' assets at normal and/or fair conditions, whether for purposes of making portfolio investments or redemption payments; and
- ix. after notice has been given to the Unitholders' informing them about the liquidation of the Fund or about the termination or liquidation of a Sub-Fund or Unit Class.

A suspension could apply to any Unit Class and Sub-Fund (or to all), and to any type of request (buy, switch, redeem).

Unitholders whose orders are not processed because of a suspension will be notified of the suspension within seven (7) days after their request and of its termination.

¹¹ The circumstances for the temporary suspension of NAV calculation have been modified to take into account more precise circumstances as disclosed in the Management Regulations and this change shall be effective on 27th November 2020, one month after the Notice to Unitholders dated 26th October 2020.

Any such suspension will be notified to those Unitholders who have applied for issue, repurchase or conversion and shall be published in the manner described under the heading "Unitholders' Information" below.

Any request for subscription, redemption and conversion will be irrevocable except in the event of a suspension of the calculation of the Net Asset Value per Unit in the relevant Sub-Fund.

Swing Pricing:¹²

When significant amounts of cash enter a Sub-Fund from new subscriptions, this often requires the portfolio manager to buy securities on behalf of the Sub-Fund to ensure that it is fully invested. Conversely, large redemption requests commonly need to be met by selling securities. The costs of these transactions can include “bid-ask” spreads, broker commissions, custody charges and/or taxes. Without a proper mechanism to deal with this spread impact, these extra costs are borne by the Sub-Fund, causing detriment to the existing Unitholders, especially to long-term investors. This is largely because - in the absence of an anti-dilution mechanism - the Unit Class’ price reflects the close of business “mid” price of its underlying investments and does not include the costs of trading them.

To protect the interests of the existing Unitholders of a Sub-Fund or a Unit Class, the Management Company may apply a swing pricing mechanism across any and all Sub-Funds or Unit Classes and on the portion of cash generated by a merger affecting a Sub-Fund.

The governance of the swing pricing mechanism is defined and applied by the Management Company through a dedicated committee. The Management Company has adopted a partial swing methodology, meaning that the swing pricing mechanism is applied at the level of the Sub-Fund or the Unit Class only if a predetermined net capital activity threshold (the “swing threshold”) is exceeded on any Valuation Day, irrespective of the specific circumstances of each individual investor transaction.

If the net subscriptions and redemptions based on the last available NAV on any Valuation Day exceed a certain threshold of the value of a Sub-Fund or a Unit Class on that Valuation Day, as determined and reviewed on a periodic basis by the management company, the NAV will be adjusted by a swing factor respectively upwards or downwards to reflect the extra costs borne by the Sub-Fund, as described above.

The extent of the price adjustment will be set by the Management Company and will not exceed 2% of the NAV. Where applicable, any performance fee will be charged based on the unswung NAV, i.e. before the application of swing pricing mechanism.

The fluctuation of the Sub-Fund's NAV may not reflect the true Sub-Fund’s performance, and therefore where applicable, might deviate from the Sub-Fund's benchmark because of the application of the swing pricing mechanism.

¹² The swing pricing disclosures have been updated in order to comply with the requirement of the FAQ issued by the CSSF on 30 July 2019. This change shall be effective on 26th October 2020, the date of the Notice to Unitholders.

FEES AND EXPENSES

A. General

Until 1 May 2016, the Fund shall pay out of the assets of the relevant Sub-Fund all expenses payable by the Sub-Fund which shall include but not be limited to:

- fees payable to and reasonable disbursements and out-of-pocket expenses incurred by its Management Company, Depositary, paying agent, registrar agent, administrator;
- all taxes which may be due on the assets and the income of the Sub-Fund;
- usual banking fees due on transactions involving securities held in the Sub-Fund;
- legal expenses incurred by the Management Company and the Depositary while acting in the interests of the Unitholders;
- the cost of any liability insurance or fidelity bonds covering any costs, expenses or losses arising out of any liability of, or claim for damage or other relief asserted against the Management Company and/or the Depositary or other agents of the Fund for violation of any law or failure to comply with their respective obligations under these Management Regulations or otherwise with respect to the Fund;
- the costs and expenses of the preparation and printing of written confirmations of Units; the costs and expenses of preparing and/or filing and printing of the Management Regulations and all other documents concerning the Fund, including registration statements and prospectuses and explanatory memoranda with all authorities (including local securities dealers' associations) having jurisdiction over the Fund or the offering of Units of the Fund; the costs and expenses of preparing, in such languages as are necessary for the benefit of the Unitholders, including the beneficial holders of the Units, and distributing annual and semi-annual reports and such other reports or documents as may be required under the applicable laws or regulations of the above-cited authorities; the cost of accounting, bookkeeping and calculating the Net Asset Value; the cost of preparing and distributing public notices to the Unitholders; lawyers' and auditor's fees; and all similar administrative charges, including all advertising expenses and other expenses directly incurred in offering or distributing the Units.

All recurring charges will be charged first against income, then against capital gains and then against assets. Other charges may be amortized over a period not exceeding 5 years.

In the event that the Fund invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding, the Management Company or that other company may not charge subscription or redemption fees on account of the Fund's investment in the units of such other UCITS and/or UCIs.

In order to pay its ordinary operating expenses, the Fund will pay an Applied Service Fee to the Management Company out of the assets of the relevant Sub-Fund. To seek to protect the

Unitholders from fluctuations in these ordinary operating expenses, the yearly total amount of these expenses to be charged with respect to each Class of Units by the Management Company (the "**Applied Service Fee**"), will be at a maximum level of 0.50% of the Net Asset Value in respect of each Class of Units (the "**Maximum Level**") except when a different level is stated into the Sub-Fund's Appendix. The level of effective Applied Service Fee might be set-out below this Maximum Level with different fixed effective Applied Service Fee rates applicable across Classes of Units. The level of the Applied Service Fee per Sub-Fund and per Class of Units is defined taking into account different criteria such as, but not limited to, the costs charged to the Class of Units and the variation of costs linked to a change of the Net Asset Value in respect of the relevant Class of Units that might be due to market effects and/or dealing in shares.

By way of a board of directors resolution, the Management Company (i) may modify the level of effective Applied Service Fee and (ii), may amend at any time upon prior notice to relevant Unitholders, the Maximum Level of the Applied Service Fee applicable to all Classes of Units.

The Applied Service Fee is fixed in the sense that the Management Company will bear the excess in actual ordinary operating expenses to any such Applied Service Fee charged to the Classes of Units. Conversely, the Management Company will be entitled to retain any amount of Applied Service Fee charged to the Classes of Units exceeding the actual ordinary operating expenses incurred by the respective Classes of Units.

The effective Applied Service Fee is accrued at each calculation of the Net Asset Value and included in the ongoing charges of each Class of Units disclosed in the relevant KIID.

In counterparty of the Applied Service Fee received by the Fund, the Management Company then provides and/or procures, on behalf of the Fund the following services and bears all expenses (including any reasonable out of pocket expenses) incurred in the day to day operations and administration of the Classes of Units, including but not limited to:

- Depositary fees except transaction related fees;
- Auditor's fees;
- the Luxembourg '*Taxe d'abonnement*';
- Class of Units currency hedging cost;
- The fees of the registrar agent and administrator (including the calculation of the Net Asset Value), any paying agent and of any representatives in jurisdictions where the Units are qualified for sale, and of all other agents employed on behalf of the Fund; such remuneration may be based on the net assets of the Fund or on a transaction basis or may be a fixed sum;
- The cost of preparing, printing and publishing in such languages as are necessary, and distributing offering information or documents concerning the Fund (including Unitholders' notification), annual and semi-annual reports and such other reports or documents, as may be required under the applicable laws or regulations of the jurisdictions or the authorities where the Units are qualified for sale;
- The cost of printing certificates and proxies;
- The cost of preparing and filing the Management Regulations and all other documents concerning the Fund, including registration statements and offering circulars with all authorities (including local securities dealers' associations) having jurisdiction over the Fund or the offering of Units;

- The cost of qualifying the Fund or the sale of Units in any jurisdiction or of a listing on any stock exchange;
- The cost of accounting and bookkeeping;
- Legal fees;
- Insurance, postage, telephone and telex and any communication mean;
- Distribution and sales support costs (including costs charged by local routing order platforms, local transfer agent costs, local representative agent and the translation costs);
- And all similar charges and expenses.

In the cases where any of the ordinary operating expenses listed above are directly paid out of the assets of the Fund the Applied Service Fee amount due by the Fund to the Management Company will be reduced accordingly.

The Applied Service Fee does not cover any cost or expense incurred by a Class of Units or Sub-Fund in respect of:

- All taxes which may be due on the assets and the income of the Fund (to the exception of the Luxembourg *Taxe d'Abonnement* listed above);
- The cost of investment dealing (including usual banking and brokerage fees due on transactions involving portfolio securities of each Sub-Fund, the latter to be included in the acquisition price and to be deducted from the selling price);
- Correspondent and other banking charges;
- Securities lending fees - the agent carrying out securities lending and repurchase agreement activities for its services. The details of the remuneration will figure out in the annual report of the Fund relative to the relevant Sub-Fund;
- Extraordinary expenses including but not limited to expenses that would not be considered as ordinary expenses: litigation expenses, exceptional measures, particularly legal, business or tax expert appraisals or legal proceedings undertaken to protect Unitholders' interests, any expense linked to non-routine arrangements made by the Registrar Agent and the Listing Agent, if any, in the interests of the investors and all similar charges and expenses.

A portion of commissions paid to selected brokers for certain portfolio transactions may be repaid to the Sub-Funds which generated the commissions with these brokers and may be used to offset expenses.

B. Formation and Launching Expenses of Additional Sub-Funds

The costs and expenses incurred in connection with the creation of a new Sub-Fund shall be written off over a period not exceeding five years against the assets of such Sub-Fund only and in such amounts each year as determined by the Management Company on an equitable basis.

C. Fees of the Management Company

The Management Company is entitled to a management fee for each Class of Units, payable monthly out of the assets of each Sub-Fund. Such fee is described in detail for each Sub-Fund in the relevant section in Appendices below.

The Management Company pays to the Investment Manager a fee out of its management fee as from time to time agreed between themselves.

In addition, for specific Classes of Units, a distribution fee is calculated on top of the annual management fee, as a maximum percentage of the Net Asset Value of each Class of Units, as detailed in the relevant Appendices.

Calculation of both management fee and distribution fee is performed on a daily basis.

D. Fees of the Depositary, paying agent, registrar agent and administrator

Until 1 May 2016, the paying agent, registrar agent as well as the administrator shall be entitled to receive out of the net assets of each Sub-Fund a fee as described in detail for each Sub-Fund in the relevant section in Appendices below.

The fees due to the Depositary are described in detail for each Sub-Fund in the relevant section in Appendices below.

Notwithstanding such fees, the Depositary will receive customary banking fees for transactions.

Any reasonable disbursements and out-of-pocket expenses (including without limitation telephone, telex, cable and postage expenses) incurred by the Depositary, administrator, paying agent and registrar agent, and any custody charges of banks and financial institutions to whom custody of assets of a Sub-Fund is entrusted, will be borne by the relevant Sub-Fund.

E. Fees of the agent to carry out stock lending and repurchase agreement activities

The agent to carry out stock lending and repurchase agreement activities will receive a remuneration of its services paid by the relevant Sub-Fund and whose details will figure out in the annual report of the Fund relative to the relevant Sub-Fund.

AUDITORS

The auditor of the Fund is PriceWaterhouseCoopers Société coopérative. The auditor of the Fund is appointed by the Management Company and shall, with respect to the assets of the Fund, carry out the duties provided by the Law of 2010.

DIVIDENDS

The distribution Unit Classes pay dividends semi-annually or monthly (“Distribution” or “Monthly Distribution” Unit Class).

Unless otherwise specified for specific Classes of Units as disclosed under Appendices below, the Management Company may declare annual or other interim distributions out from the investment income gains and realized capital gains and, if considered necessary to maintain a reasonable level of dividends, out of any other funds available for distribution.

The distribution of some “Distribution monthly” Units may be managed with the intention to provide a stable payment over the fiscal year. In determining the level at which the stable distribution should be set, consideration will be given to the securities held in the Sub-Fund

and the gross income that these are estimated to generate. The amount distributed each month may not be consistent with the actual income earned during that month.

Investors should be aware that any distributions involving payment of distributions out of a Sub-Fund's capital results in an immediate decrease in the NAV per Unit and reduces the capital available for capital growth. As a result, such investors' investment in the Sub-Fund may be adversely affected.¹³

Notwithstanding the above, no distribution may be made as a result of which the total net assets of the Fund would fall below the equivalent in the Reference Currency of the Fund of the minimum amount of the net assets of undertakings for collective investment, as required by Luxembourg law.

Where a distribution is made and not claimed within five years from its due date, it will lapse and will revert to the relevant Sub-Fund.

¹³ The changes related to the possibility for some "Distribution Monthly" Units to be managed with the intention to provide a stable payment shall be effective on 26th October 2020, the date of the Notice to Uniholders.

DURATION, LIQUIDATION AND AMALGAMATION OF THE FUND OR OF ANY SUB-FUND

The Fund has been established for an unlimited period of time. The Sub-Fund can be established for a limited or unlimited period of time as disclosed under each Appendix. However, the Fund or any Sub-Fund may be terminated at any time by mutual agreement between the Management Company and the Depositary, subject to prior notice. The Management Company may, in particular decide such dissolution where the value of the net assets of the Fund or of any Sub-Fund has decreased to an amount determined by the Management Company to be the minimum level for the Fund or for such Sub-Fund to be operated in an economically efficient manner, or in case of a significant change of the economic or political situation.

The Management Company will only decide termination of any Sub-Fund established for a limited period of time before the maturity date to the extent that such early termination does not harm the interests of the Unitholders.

The liquidation of the Fund or of a Sub-Fund cannot be requested by a Unitholder.

The event leading to dissolution of the Fund must be announced by a notice published in the RESA. In addition, the event leading to dissolution of the Fund must be announced in at least two newspapers with appropriate distribution, at least one of which must be a Luxembourg newspaper. Such event will also be notified to the Unitholders in such other manner as may be deemed appropriate by the Management Company.

The Management Company or, as the case may be, the liquidator it has appointed, will realise the assets of the Fund or of the relevant Sub-Fund(s) in the best interest of the Unitholders thereof, and upon instructions given by the Management Company, the Depositary will distribute the net proceeds from such liquidation, after deducting all liquidation expenses relating thereto, amongst the Unitholders of the relevant Sub-Fund(s) in proportion to the number of Units held by them. The Management Company may distribute the assets of the Fund or of the relevant Sub-Fund wholly or partly in kind to any Unitholder who agrees in compliance with the conditions set forth by the Management Company (including, without limitation, delivery of independent valuation report issued by the auditors of the Fund) and the principle of equal treatment of Unitholders.

At the close of liquidation of the Fund or of any Sub-Fund, the proceeds thereof corresponding to Units not surrendered will be kept in safe custody with the Luxembourg *Caisse de Consignation* until the prescription period has elapsed.

Units may be redeemed, provided that Unitholders are treated equally.

The Management Company may decide to proceed with a merger (within the meaning of the Law of 2010) of the Fund or any Sub-Fund, being either a merging or a receiving UCITS with those of (i) another existing Sub-Fund within the Fund or another sub-fund within such other Luxembourg or foreign UCITS (the "new sub-fund"), or with those of (ii) another Luxembourg or foreign UCITS (the "new UCITS"), and to redesignate the Units of the Fund or of the Sub-Fund concerned as Units of the new UCITS or the new sub-fund, as applicable. Such merger shall be subject to the (i) prior authorisation of the Regulatory Authority in case

the Fund or its Sub-Funds is/are the merging UCITS and (ii) the conditions and procedures imposed by the Law of 2010 in particular concerning the merger project and the information on the proposed merger to be provided to the Unitholders at least thirty (30) days before the last date for requesting repurchase or redemption or as the case may be conversion as explained under the paragraph below.

As from the moment Unitholders have been informed of the proposed merger, they shall have the right to request, without any charge other than those retained by the Fund to meet disinvestment costs, the repurchase or redemption of their Units or, where possible, to convert them into units in another UCITS with similar investment policy and managed by the Management Company or by any other company with which the Management Company is linked by common management or control, or by a substantial direct or indirect holding. Such right shall cease to exist five (5) working days before the date for calculating the exchange ratio of the units of the merging UCITS into those of the receiving UCITS referred to in Article 75 of the Law of 2010.

Any cost associated with the preparation and the completion of the merger shall not be charged neither to the Fund nor to its Unitholders.

CLOSURE OF UNITS OR AMENDMENT TO UNITS RIGHTS

In the event that for any reason the value of the net assets of any Class of Units within a Sub-Fund has decreased to, or has not reached, an amount determined by the Management Company to be the minimum level for such Class of Units, to be operated in an economically efficient manner or as a matter of economic rationalisation, the Management Company may decide in its entire discretion to redeem all the Units of the relevant Class or Classes at the Net Asset Value per Unit (taking into account actual realisation prices of investments and realisation expenses) calculated on the Valuation Day at which such decision shall take effect. The Management Company shall serve a notice to the holders of the relevant Class or Classes of Units prior to the effective date for the compulsory redemption, which will indicate the reasons and the procedure for the redemption operations.

Under the same circumstances, the Management Company may also decide to amend the rights attached to any Class of Units so as to include them in any other existing Class of Units and redesignate the Units of the Class or Classes concerned as Units of another Class. Such decision will be subject to the right of the relevant Unitholders to request, without any charges, the redemption of their Units or, where possible, the conversion of those Units into Units of other Classes within the same Sub-Fund or into Units of same or other Classes within another Sub-Fund.

REMUNERATION POLICY

The Management Company has approved and adopted AXA IM's Global Remuneration Policy, in accordance with the applicable regulations, which is consistent with, and promotes, sound and effective risk management; does not encourage risk-taking which is inconsistent with the risk profiles of the Fund or the Management Regulations, and does not impair compliance of the Management Company's duty to act in the best interests of the Fund.

AXA IM's Global Remuneration Policy, which has been approved by the AXA IM Remuneration Committee, sets out the principles relating to remuneration within all entities of AXA IM (including the Management Company) and takes into account AXA IM's business strategy, objectives, and risk tolerance, as well as the long-term interests of AXA IM's shareholders, employees and clients (including the Company). The AXA IM Remuneration Committee is responsible for determining and reviewing the AXA IM remuneration guidelines, including the AXA IM Global Remuneration Policy, as well as reviewing the annual remuneration of senior executives of the AXA IM Group and senior officers in control functions.

AXA IM provides both fixed and variable remuneration. An employee's fixed remuneration is structured to reward organizational responsibility, professional experience and the individual's capability to perform the duties of the role. Variable remuneration is based on performance and may be awarded annually on both a non-deferred and, for certain employees, a deferred basis. Non-deferred variable remuneration may be awarded in cash or, where appropriate and subject to local laws and regulation, in instruments linked to the performance of AXA IM funds. Deferred remuneration is awarded through various instruments structured to reward medium and long term value creation for clients and AXA IM and long term value creation for the AXA Group. AXA IM ensures appropriate balances between fixed and variable remuneration and deferred and non-deferred remuneration.

Details of the up to date AXA IM Global Remuneration Policy are published online at <https://www.axa-im.com/en/remuneration>. This includes the description of how remuneration and benefits are awarded for employees, and further information on the AXA IM Remuneration Committee. The Management Company shall provide a paper copy free of charge upon request.

APPLICABLE LAW AND JURISDICTION

The Management Regulations are governed by the laws of Luxembourg and any dispute arising between the Unitholders, the Management Company and the Depositary will be subject to the jurisdiction of the District Court of Luxembourg.

Notwithstanding the foregoing, the Management Company and the Depositary may subject themselves and the Fund, (i) to the jurisdiction of the courts of the countries in which the Units of the Fund are offered and sold with respect to claims by investors resident in such countries, and (ii) with respect to matters relating to subscription, repurchase and conversion by Unitholders resident in such countries, to the laws of such countries.

The claims of the Unitholders against the Management Company or the Depositary will lapse

five years after the date of the event which gave rise to such claims.

GOVERNING LANGUAGE

English shall be the governing language of the Management Regulations.

TAXATION IN LUXEMBOURG

The following is a summary of certain material Luxembourg tax consequences of purchasing, owning and disposing of the Units of the Fund. It does not purport to be a complete analysis of all possible tax situations that may be relevant to a decision to purchase, own or sell the Units. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. Prospective purchasers of the Units should consult their own tax advisers as to the applicable tax consequences of the ownership of the Units, based on their particular circumstances. This summary does not allow any conclusions to be drawn with respect to issues not specifically addressed. The following description of Luxembourg tax law is based upon the Luxembourg law and regulations as in effect and as interpreted by the Luxembourg tax authorities on the date of this document and is subject to any amendments in law (or in interpretation) later introduced, whether or not on a retroactive basis.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) personal income tax (*impôt sur le revenu*), as well as a temporary equalisation tax (*impôt d'équilibrage budgétaire temporaire*) generally. Investors may further be subject to net worth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax and the solidarity surcharge invariably apply to most corporate taxpayers who are residents of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax, the solidarity surcharge and the temporary equalisation tax. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

TAXATION OF THE FUND

The Fund is not subject to any Luxembourg tax on interest or dividends received by any Sub-Fund, any realized or unrealized capital appreciation of Sub-Fund assets or any distribution paid by any Sub-Fund to Unitholders.

The Fund is not subject to any Luxembourg stamp tax or other duty payable on the issuance of Units.

The Fund is as a rule liable in Luxembourg to a subscription tax (*Taxe d'abonnement*) of

0.05% per annum of its Net Asset Value, such tax being payable quarterly on the basis of the value of the aggregate net assets of each Sub-Fund of the Fund at the end of the relevant calendar quarter.

This rate is however of 0.01% per annum for:

- individual Sub-Funds of UCIs the exclusive object of which is the collective investment in money market instruments and the placing of deposits with credit institutions;
- individual Sub-Funds of UCIs the exclusive object of which is the collective investment in deposits with credit institutions;
- individual Sub-Funds of UCIs with multiple Sub-Funds as well as for individual classes of securities issued within a UCI or within a Sub-Fund of a UCI with multiple Sub-Funds, provided that the securities of such Sub-Funds or classes are reserved to one or more institutional investors.

Are further exempt from the subscription tax:

- the value of the assets represented by units held in other UCIs, provided such units have already been subject to the subscription tax;
- UCIs as well as individual Sub-Fund of umbrella funds (i) whose securities are reserved for institutional investors, (ii) whose exclusive object is the collective investment in money market instruments and the placing of deposits with credit institutions, (iii) whose weighted residual portfolio maturity must not exceed ninety (90) days, and (iv) which have obtained the highest possible rating from a recognized rating agency; and
- UCIs whose securities are reserved for (i) institutions for occupational retirement provision, or similar investment vehicles, created on the initiative of a same group for the benefit of its employees and (ii) undertakings of this same group investing funds they hold, to provide retirement benefits to their employees.
- for UCIs as well as individual Sub-Fund of umbrella funds whose main objective is the investment in micro-finance institutions; and
- for UCIs as well as individual Sub-Fund of umbrella funds (i) whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public and (ii) whose exclusive object is to replicate the performance of one or more indices.

The Fund, together with its Management Company, is considered in Luxembourg as a single taxable person for value added tax (“VAT”) purposes without any input VAT deduction right. A VAT exemption applies in Luxembourg for services qualifying as fund management services. Other services supplied to the Fund/the Management Company could potentially trigger VAT and require the VAT registration of the Management Company in Luxembourg. As a result of such VAT registration, the Fund/the Management Company will be in a

position to fulfil the duty to self-assess the VAT regarded as due in Luxembourg on taxable services (or goods to some extent) purchased from abroad.

No VAT liability arises in principle in Luxembourg in respect of any payments by the Fund to its Unitholders, to the extent such payments are linked to their subscription to the Fund's Units and do, therefore, not constitute the consideration received for taxable services supplied.

Dividends and interest received by the Fund on its investments may be subject to non-recoverable withholding or other taxes in the countries of origin.

TAXATION OF THE UNITHOLDERS

Under present Luxembourg law there are no Luxembourg ordinary income, capital gains, estate or inheritance taxes payable by the Unitholders in respect of their units in the Fund, except by Unitholders who are domiciled in, or residents of Luxembourg, or by Unitholders who have a permanent establishment or a permanent representative in the Grand-Duchy of Luxembourg to which or whom the Units in the Fund are attributable or by Unitholders that are former Luxembourg residents.

WITHHOLDING TAX

Under current Luxembourg tax law, there is no withholding tax on any distribution, redemption or payment made by the fund to its Unitholders under the Units. There is also no withholding tax on the distribution of liquidation proceeds to the Unitholders.

Further taxation may apply to the income or capital gains received by investors. Investors are urged to seek either professional tax advice or information from local organizations.

Foreign Account Tax Compliance Act

The foreign account tax compliance provisions ("FATCA") of the Hiring Incentives to Restore Employment Act 2010 ("HIRE Act") which apply to certain payments are essentially designed to require reporting of U.S. person's direct and indirect ownership of non-U.S. accounts and non-U.S. entities to the U.S. Internal Revenue Service ("IRS"), with any failure to provide the required information resulting in a 30% U.S. withholding tax on direct U.S. investments (and possibly indirect U.S. investments). In order to avoid being subject to U.S. withholding tax, both U.S. investors and non-U.S. investors are likely to be required to provide information regarding themselves and their investors. In this regard, the Luxembourg and U.S. Governments signed an intergovernmental agreement with respect to the implementation of FATCA designed to facilitate compliance with FATCA by Foreign Financial Institutions ("FFI") in Luxembourg.

The basic terms of FATCA provisions currently appear to include the Fund as a FFI, such that in order to comply, the Fund may require all Unitholders to provide mandatory documentary evidence of their U.S. and/or non-U.S. status and may thus be required to, inter alia, disclose the name, address and taxpayer identification number of certain U.S. persons that own, directly or indirectly, an interest in the Fund, as well as certain other information relating to

such interest, including amounts paid by the Fund, to the United States IRS.

While the Management Company acting on behalf of the Fund will attempt to satisfy any obligations imposed on it to avoid the imposition of the 30% withholding tax, no assurance can be given that the Fund will be able to satisfy all obligations imposed by FATCA. If the Management Company is not able to comply with the requirements imposed by FATCA and the Fund may become subject to a withholding tax on its U.S. investments (if any) as a result of FATCA, the value of Units held by all Unitholders may be materially affected and Unitholders may suffer significant loss as a result.

A Unitholder that fails to provide the documentation evidencing its U.S. and/or non-U.S. status as requested by the Management Company acting on behalf of the Fund may lead to a payment of taxes (including U.S. withholding tax) by the Fund attributable to such Unitholder's non-compliance under the HIRE Act and such tax liability may be re-charged to such non-compliant Unitholder. Provided that the Management Company is acting in good faith and on reasonable grounds, the Management Company may compulsorily redeem the Units owned by such Unitholders pursuant to the Management Regulations of the Fund. In addition, the Management Company will have the right to withhold, set-off or deduct any reasonable amounts (including any tax obligations) from the redemption proceeds as permitted by applicable laws and regulations.

Each Unitholder and prospective investor should consult its own tax advisers regarding the requirements under FATCA and the possible implication of FATCA on their investment in the Fund. In particular, Unitholders who hold their Units through intermediaries should confirm the FATCA compliance status of those intermediaries to ensure that they do not suffer U.S. withholding tax on their investment returns.

Common Reporting Standard

Capitalised terms used in this section should have the meaning as set forth in the Luxembourg law dated 18 December 2015 (the "**CRS Law**"), unless provided otherwise herein.

On 9 December 2014, the Council of the European Union adopted the Directive 2014/107/EU amending the Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation which now provides for an automatic exchange of financial account information between EU Member States ("**DAC Directive**"). The adoption of the aforementioned directive implements the OECD's CRS and generalizes the automatic exchange of information within the European Union as of 1 January 2016.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement ("**Multilateral Agreement**") to automatically exchange information under the CRS. Under this Multilateral Agreement, Luxembourg will automatically exchange financial account information with other participating jurisdictions as of 1 January 2016. The CRS Law implements the DAC Directive introducing the CRS in Luxembourg law.

Under the terms of the CRS Law, the Fund may be required to annually report to the Luxembourg tax authorities the name, address, Member State(s) of residence, TIN(s), as well as the date and place of birth of i) each Reportable Person that is an Account Holder within the meaning of CRS Law, ii) and, in the case of a Passive NFE within the meaning of the CRS Law, of each Controlling Person(s) that is a Reportable Person. Such information may be

disclosed by the Luxembourg tax authorities to foreign tax authorities.

The Fund's ability to satisfy its reporting obligations under the CRS Law will depend on each Unitholder providing the Fund with the information, including information regarding direct or indirect owners of each Unitholder, along with the required supporting documentary evidence. Upon request of the Fund, each Unitholder shall agree to provide the Fund such information.

Although the Fund will attempt to satisfy any obligation imposed on it to avoid any fines or penalties imposed by the CRS Law, no assurance can be given that the Fund will be able to satisfy these obligations. If the Fund becomes subject to a fine or penalty as result of the CRS Law, the value of the Units held by the Unitholders may suffer material losses.

Any Unitholder that fails to comply with the Fund's documentation requests may be charged with any fines and penalties imposed on the Fund attributable to such Unitholder's failure to provide the information and the Management Company may, in its sole discretion, redeem the Units of such Unitholder.

Unitholders should consult their own tax advisor or otherwise seek professional advice regarding the impact of the CRS Law on their investment.

ACCOUNTING YEAR

The accounts of the Fund are closed each year on December 31.

The combined accounts of the Fund shall be kept in US Dollars. The financial statements relating to the separate Sub-Funds shall also be expressed in the Reference Currency of the relevant Sub-Fund.

The accounts of the Management Company and of the Fund will be audited annually by an auditor appointed from time to time by the Management Company.

EQUALIZATION

Each Sub-Fund may follow the accounting practice of equalization, to prevent the net undistributed income per Unit from fluctuating solely by reason of purchases and redemptions of Units. This is accomplished by maintaining an equalization account for the Sub-Fund. The equalization account is credited with that portion of the proceeds of purchased Units representing the net undistributed income per Unit of those Units, and is debited with that portion of any redemption payment representing the net undistributed income per Unit of the redeemed Units.

UNITHOLDERS' INFORMATION

Audited annual reports and unaudited semi-annual reports are made available to the Unitholders at no cost to them at the offices of the Management Company, the Depositary and any paying agent.

Any other financial information to be published concerning the Fund or the Management Company, including the Net Asset Value, the issue, conversion and repurchase price of the Units for each Sub-Fund and any suspension of such valuation, will be made available to the public at the offices of the Management Company, the Depositary and any paying agent.

All notices to Unitholders will be sent to Unitholders at their address indicated in the register of Unitholders and, to the extent required by Luxembourg law, will be published in the RESA.

The Management Company may, subject to certain restrictions designed to protect the interests of the Fund and in compliance with applicable laws and regulations including, without limitation, those in relation to the prevention of market timing and related practices, authorise the disclosure on a confidential basis of information pertaining to a Sub-Fund's holdings. Depending on various factors pertaining to the specific Sub-Fund, including, without limitation, the investment strategy provided by the Investment Manager for that Sub-Fund, the target investors and existing Unitholders currently invested in that Sub-Fund and such other factors as the Management Company may consider appropriate, such disclosure may be made subject to a delay (referred to as a "time-lag" herein), meaning that Unitholders may not be able to obtain real-time information concerning the Sub-Fund's holdings. Sub-Funds of the Fund may have different time-lags. It is therefore possible that Unitholders in one Sub-Fund may obtain disclosure prior to Unitholders in other Sub-Funds and it is also possible that such disclosure may include information on the same underlying holdings (i.e. certain institutional Unitholders who must comply with specific regulatory reporting requirements such as those of the European Directive 2009/138/EC may receive information about the Sub-Fund's holdings before such information is available to all investors in the Sub-Fund).

DATA PROTECTION

In accordance with the provisions of the Luxembourg law of 1st August 2018¹⁴ on the organization of the National Data Protection Commission and on the general data protection framework, together with the EU Regulation n°2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the “General Data Protection Laws”), the Management Company has to inform Unitholders that their personal data is kept by means of a computer system.

The Management Company, acting as a data controller, collects, stores and processes by electronic or other means the data supplied by Unitholders at the time of their subscription for the purpose of fulfilling the services required by the Unitholders and complying with its legal obligations.

The data processed includes the name, address and invested amount of each Unitholder, together with the contact details of the Unitholder’s ultimate beneficial owners, directors, authorized signatories and persons that own, directly or indirectly, an interest in the Fund (the “Personal Data”).

The investor may, at his/her/its discretion, refuse to communicate the Personal Data to the Management Company. In this case however the Management Company may reject his/her/its request for subscription of Units in the Fund.

In particular, the Personal Data supplied by Unitholders is processed for the purpose of (i) maintaining the register of Unitholders, (ii) processing subscriptions, redemptions and conversions of Units and payments of dividends to Unitholders, (iii) performing controls on late trading and market timing practices, (iv) complying with applicable anti-money laundering rules and (v) tax identification as may be required under Luxembourg or foreign laws and regulations (including laws and regulations relating to FATCA or Common Reporting Standard).

The Management Company can delegate to another entity (the "Processors") (the Administrative Agent and the Registrar Agent) the processing of the Personal Data, for the purpose of fulfilling the services required by the Unitholders in compliance and within the limits of the applicable laws and regulations. These entities are all located in the European Union.

A Processor may engage another processor for carrying out specific processing activities on behalf of the Fund, upon prior authorization from the latter. These entities may be located either in the European Union or in countries outside of the European Union and whose data protection laws may not offer an adequate level of protection, in particular but not exclusively in India. Such sub processor shall process the Personal Data under the same conditions and for the same purposes as the Processor. The investor may contact the Processor for more information regarding the transfer of its Personal data performed by such Processor.

The Personal Data may also be disclosed to the Luxembourg tax authorities, which in turn

¹⁴ The change related to the law of reference from the Law of 2 August 2002 to the Law of 1 August 2018 has an immediate effect.

may, acting as data controller, disclose the same to foreign tax authorities.

Each Unitholder has a right to access his/her/its Personal Data and may ask for a rectification thereof in cases where such data is inaccurate and incomplete. It/he/she may also object to processing of its/his/her Personal Data based on legitimate interests or ask for erasure of its/her/his Personal Data if the conditions provided under the General Data Protection Laws are met. Each Unitholder may also ask, under the conditions provided under the General Data Protection Laws, for data portability. In relation thereto, the Unitholder can exercise its/his/her rights by letter addressed to the Management Company.

The Unitholder has a right of opposition regarding the use of its Personal Data for marketing purposes. This opposition can be made by letter addressed to the Management Company.

The Unitholder has a right to lodge a complaint with a data protection supervisory authority. The Unitholder's Personal Data shall not be held for longer than necessary with regard to the purpose of the data processing carried out under the present contractual relationship, observing the legal periods of limitation.

QUERIES AND COMPLAINTS

Complaints shall be notified by letter to the management company's registered office, for the attention of the Complaint Handling Officer.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection during normal business hours at the registered office of the Management Company:

- 1) The Prospectus and the KIID;
- 2) The Management Regulations;
- 3) The Depositary Agreement between the Management Company and State Street Bank Luxembourg S.C.A., succeeded by State Street Bank International GmbH, Luxembourg Branch;
- 4) The Agreement relating to administration agency, domiciliary and paying agency, registrar and transfer agency and investment compliance testing between the Management Company and State Street Bank Luxembourg S.C.A., succeeded by State Street Bank International GmbH, Luxembourg Branch;
- 5) The Delegation of Investment Business Functions Agreement between the Management Company and the relevant Investment Managers;
- 6) The Delegation Agreement between the Management Company and AXA Investment Managers GS Limited;

- 7) The articles of incorporation of the Management Company;
- 8) The latest annual and semi-annual reports of the Fund;
- 9) Information regarding procedure on clients' complaints handling;
- 10) The remuneration policy of the Management Company.

Copies of the documents under (1), (2) and (8) above may be obtained without cost at the same address.

A brief description of the strategy put in place by the Management Company for determining when and how voting rights attached to instruments held in the Fund's portfolio are to be exercised shall be made available to investors in particular by way of the website www.axa-im.com.

APPENDIX I

AXA IM Fixed Income Investment Strategies - US Short Duration High Yield (the "Sub-Fund")

1. – Investment Manager

AXA Investment Managers Inc,
100 West Putnam Avenue, 4th Fl.
Greenwich, CT 06830
United States of America

2. – Investment Objective¹⁵

The Sub-Fund is actively managed without reference to any benchmark and seeks to generate income by investing in high yield debt securities (sub-investment grade corporate bonds) denominated in USD while seeking to avoid the risk of defaults.

3. – Investment Policy

The Investment Manager anticipates that the average expected life to maturity or redemption of the Sub-Funds' investments will be three years or less, although the Investment Manager may vary this approach if market conditions so warrant.

The Investment Manager believes that the Sub-Fund will provide investors with a higher degree of principal stability than is typically available in a portfolio of lower rated longer-term, fixed-income investments.

The Sub-Fund will seek to invest in high yield, fixed-income corporate debt securities and, to a lesser extent, preferred stocks which offer, in the view of the Investment Manager, a high return, without excessive risk, at the time of purchase.

The Sub-Fund will invest primarily in lower quality corporate bonds, some of which may be purchased at a discount to face value and may, therefore, offer a potential for capital appreciation as well as high current income. Conversely, some bonds may be purchased at a premium in order to obtain a high yield, and the Sub-Fund may realize a capital loss on their disposition.

The Sub-Fund may also¹⁶, and up to 10%, hold Distressed and Defaulted Securities as a result of holding bonds whose rating would have been downgraded to be defaulting or distressing, if, in the opinion of the Investment Manager, such bonds are consistent with the Sub-Fund's investment objective.

¹⁵ This new section "Investment Objective" shall be effective on 27th November 2020, one month after the Notice to Unitholders dated 26th October 2020.

¹⁶ The modification of the Investment Policy related to holdings in Distressed and Defaulted Securities and the resulting addition of related risk considerations under 5 "Risk Considerations specific to the Sub-Fund" will be effective on 27th November 2020, one month after the Notice to Unitholders dated 26th October 2020.

While the Investment Manager anticipates that the Sub-Fund will invest primarily in the securities of U.S. domiciled companies, it may also invest in those of foreign companies and, possibly, in obligations of foreign governments or governmental agencies or instrumentalities.

The Sub-Fund may invest its net assets in 144A securities, in a substantial way depending on the opportunity.

Companies that issue high yielding fixed-income securities are often highly leveraged and may not have more traditional methods of financing available to them. The Investment Manager believes, nevertheless, that the short duration securities of many such companies offer the potential to generate stable, consistent coupon income.¹⁷

Various investment services rate some of the types of securities in which the Sub-Fund may invest. Higher yields are ordinarily available from securities in the lower-rating categories of the recognized rating services, that is, securities rated BB+ or lower by Standard & Poor's Ratings Services ("S&P") or Ba1 or lower by Moody's Investors Service, Inc. ("Moody's"), and from unrated securities of comparable quality.

In this regard, securities rated CCC or Caa by S&P and Moody's, respectively, are generally regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the security.

These ratings will be considered in connection with the Sub-Fund's investment decisions, but will not necessarily be a determinative or limiting factor. The Sub-Fund may invest in securities regardless of their rating and in securities which are not rated. It is the Investment Manager's expectation, however, that the Sub-Fund will invest primarily in securities rated below investment grade (that is, securities rated below BBB- or Baa3 by S&P and Moody's, respectively), and, perhaps, to a significant extent in securities rated below CCC or Caa by S&P and Moody's, respectively. If the rating on a security held by the Sub-Fund declines, or if the security goes into default, the Sub-Fund will consider such matters in its evaluation of the merits of retaining the security in its portfolio, but will not be obligated to dispose of the security.

The Investment Manager will consider a number of other factors in its investment analysis of a security in addition to its rating, including, among other things, the issuer's financial condition, earnings prospects, anticipated cash flow, interest or dividend coverage and payment history, asset coverage, debt maturity schedules and borrowing requirements. The Investment Manager will utilize reports, statistics and other data from a variety of sources, but will base its investment decisions primarily on its own research and analysis.

Typical investors would seek high level of current income primarily through exposure to securities of U.S. domiciled companies regardless of their rating and in securities which are not rated.

¹⁷ The change made in the following paragraph and described as follows: "*Companies that issue high yielding fixed-income securities are often highly leveraged and may not have more traditional methods of financing available to them. The Investment Manager believes, nevertheless, that the short-life duration securities of many such companies offer the potential to generate stable, consistent coupon income prospect of very attractive returns, primarily through high current interest income and secondarily through the potential for capital appreciation.*" shall be effective on 27th November 2020, one month after the Notice to Unitholders dated 26th October 2020.

The Sub-Fund may invest up to 10% of net assets in contingent convertible bonds (CoCos).¹⁸

The Sub-Funds may use SFT such as securities lending and securities borrowing and reverse repurchase transactions within the limits listed below (as a % of net assets):

- Securities lending: expected, \approx 10%; max, 100%
- Securities borrowing: expected, \approx 0%; max, 50%
- Repurchase/reverse repurchase agreements: expected, \approx 10%; max, 100%

The Sub-Fund will not use total return swaps.

The Sub-Fund may incur fixed or variable brokerage fees and transactions costs upon entering into such techniques and instruments as described above. Transaction costs related to the techniques and instruments will be disclosed in the annual report.

The assets of the Sub-Fund which might be subject to securities lending / borrowing and repurchase/reverse repurchase agreements include but are not limited to government and corporate bonds and equities.

Securities lending/borrowing and repurchase/reverse repurchase agreements shall be carried out as part of efficient portfolio management.

4. – Profile of a Typical Investor¹⁹

The Sub-Fund is designed for investors who plan to invest for at least three (3) years.

5. – Risk Considerations specific to the Sub-Fund

The Sub-Fund will be subject to the risks associated with high yield fixed-income securities. Particularly, investors are warned that, due to the very nature of high yield bonds, the Net Asset Value may have a high volatility.

Risk linked to the contingent convertible bonds: In the framework of new banking regulations, banking institutions are required to increase their capital buffers and have therefore issued certain types of financial instrument known as subordinated contingent capital securities (often referred to as “CoCo” or “CoCos”). The main feature of a CoCo is its ability to absorb losses as required by banking regulations, but other corporate entities may also choose to issue them.

Trigger level risk – Under the terms of a CoCo, the instruments become loss absorbing upon certain triggering events, including events under the control of the management of the CoCo issuer which could cause the permanent write-down to zero of principal investment and / or accrued interest, or a conversion to equity that may coincide with the share price of the underlying equity being low. These triggering events may include (i) a deduction in the issuing bank’s capital ratio below a pre-set limit, (ii) a regulatory authority making a subjective determination that an institution is “non-viable” or (iii) a national authority

¹⁸ The possibility for the Sub-Fund to invest up to 10% of net assets in CoCos and the resulting addition of a related risk consideration under 5 “Risk Considerations specific to the Sub-Fund” shall be effective on 27th November 2020, one month after the Notice to Unitholders dated 26th October 2020.

¹⁹ This change consisting in changing the recommended holding period for a typical investor from two years to three years shall be effective on 27th November 2020, one month after the Notice to Unitholders dated 26th October 2020.

deciding to inject capital.

Furthermore, the trigger event calculations may also be affected by changes in applicable accounting rules, the accounting policies of the issuer or its group and the application of these policies. Any such changes, including changes over which the issuer or its group has a discretion, may have a material adverse impact on its reported financial position and accordingly may give rise to the occurrence of a trigger event in circumstances where such a trigger event may not otherwise have occurred, notwithstanding the adverse impact this will have on the position of holders of the CoCos.

Yield valuation risk – CoCos are valued relative to other debt securities in the issuer's capital structure, as well as equity, with an additional premium for the risk of conversion or write-down. The relative riskiness of different CoCos will depend mainly on the distance between the current capital ratio and the effective trigger level, which once reached would result in the CoCo being automatically written-down or converted into equity.

Coupon cancellation risk – It is possible in certain circumstances for interest payments on certain CoCos to be cancelled in full or in part by the issuer, without prior notice to bondholders. Therefore, there can be no assurances that investors will receive payments of interest in respect of CoCos. Unpaid interest may not be cumulative or payable at any time thereafter,

Call extension risk – Notwithstanding that interest not being paid or being paid only in part in respect of CoCos or the principal value of such instruments may be written down to zero, there may be no restriction on the issuer paying dividends on its ordinary shares or making pecuniary or other distributions to the holders of its ordinary shares or making payments on securities ranking *pari passu* with the CoCos resulting in other securities by the same issuer potentially performing better than CoCos.

Capital structure inversion risk – CoCos generally rank senior to common stock in an issuer's capital structure and are consequently higher quality and entail less risk than the issuer's common stock; however, the risk involved in such securities is correlated to the solvency level and / or the access of the issuer to liquidity of the issuing financial institution.

Unknown risk – The structure of CoCos is yet to be tested and there is some uncertainty as to how they may be impacted in regard to liquidity challenges and industry concentration in a stressed environment of deteriorating financial condition.

Risks linked to the Distressed Securities: The Sub-Fund may hold Distressed Securities as defined in the Glossary. Distressed Securities are speculative and involve significant risk. Distressed Securities frequently do not produce income while they are outstanding and may require the Sub-Fund to bear certain extraordinary expenses in order to protect and recover its holding. Therefore, to the extent the Sub-Fund seeks capital appreciation, the Sub-Fund's ability to achieve current income for its Unitholders may be diminished by its holding of distressed securities. The Sub-Fund will also be subject to significant uncertainty as to when and in what manner and for what value the obligations evidenced by the distressed securities will eventually be satisfied (e.g., through a liquidation of the obligor's assets, an exchange offer or plan of reorganisation involving the distressed securities or a payment of some amount in satisfaction of the obligation). In addition, even if an exchange offer is made or a plan of reorganisation is adopted with respect to distressed securities held by the Sub-Fund, there can be no assurance that the securities or other assets received by the Sub-Fund in connection with such exchange offer or plan of reorganisation will not have a lower value or income potential than may have been initially anticipated. Moreover, any securities received by the Sub-Fund upon completion of an exchange offer or plan of reorganisation may be restricted as to resale. As a result of the Sub-Fund's participation in negotiations with respect to any exchange offer or plan of reorganisation with respect to an issuer of distressed

securities, the Sub-Fund may be restricted from disposing quickly of such securities.

Risks linked to the Defaulted Securities: The Sub-Fund may hold Defaulted Securities as defined in the Glossary that may become illiquid. The risk of loss due to default may also be considerably greater with lower-quality securities because they are generally unsecured and are often subordinated to other creditors of the issuer. If the issuer of a security in the Sub-Fund's portfolio defaults, the Sub-Fund may suffer unrealised losses on the security, which may lower the Sub-Fund's Net Asset Value per Share. Defaulted Securities typically exhibit prices that are highly discounted to their face value.

6. – Investment Restrictions specific to the Sub-Fund

Notwithstanding the limits set forth in the section "Investment Restrictions" of the Prospectus, the Sub-Fund may not invest more than 10% of its net assets in UCITS and/or other UCIs.

Moreover, the Sub-Fund is NOT allowed to:

- i) invest in financial derivative instruments. For the purpose of this subsection of Appendix I only, convertible bonds and bonds that were issued with attached warrants, commonly referred to as units, will not be considered as financial derivative instruments;
- ii) use financial derivative instruments whether for hedging purposes, except in order to hedge foreign exchange and currency risk borne by the investor which will invest in the Euro denominated Units of the Sub-Fund, or for efficient portfolio management purposes;
- iii) borrow.

7. – Units

At the date of this Prospectus, there are thirty-three Classes of Units available in the Sub-Fund, which shall be denominated in the offering currencies mentioned hereinafter.

- Class A – Capitalization: USD;	- Class A – Distribution: USD;
- Class A – Capitalization: EUR hedged (95%);	- Class A – Distribution: EUR hedged (95%);
- Class A – Capitalization: GBP hedged (95%);	- Class A – Distribution: GBP hedged (95%);
- Class A – Monthly Distribution: USD;	
- Class B – Capitalization: USD;	- Class B – Distribution: USD;
- Class B – Capitalization: EUR hedged (95%);	- Class B – Distribution: EUR hedged (95%);
- Class B – Capitalization: GBP hedged (95%);	- Class B – Distribution: GBP hedged (95%);
- Class B – Capitalization: JPY hedged (95%);	
- Class B – Capitalization: CHF hedged	- Class B – Distribution: CHF hedged

(95%);	(95%);
- Class I – Capitalization: USD;	- Class I – Distribution: USD;
- Class I – Capitalization: EUR hedged (95%);	- Class I – Distribution: EUR hedged (95%);
- Class E – Capitalization: EUR hedged (95%);	
- Class E – Capitalization: USD;	
- Class F – Capitalization: USD;	
- Class F – Capitalization: EUR hedged (95%);	- Class F – Distribution: EUR hedged (95%);
- Class F – Capitalization: CHF hedged (95%);	- Class F – Distribution: CHF hedged (95%);
- Class F – Monthly Distribution USD;	
	- Class F – Monthly Distribution: AUD hedged (95%);
- Class Z – Capitalization: CHF hedged (95%);	- Class Z – Distribution: CHF hedged (95%);
- Class Z – Capitalization: EUR hedged (95%);	- Class Z – Distribution: EUR hedged (95%).
- Class Z – Capitalization: USD.	

Such list of Classes of Units may be updated from time to time notably to reflect the Classes of Units created since the previous version of the Prospectus. The complete list of Classes available for subscription may be obtained, free of charge and upon request, from the Management Company.

Description of Units

- **Class "A" Units**

The Class "A" Units is dedicated for large Institutional Investors investing directly or indirectly on their own behalf and/or financial intermediaries providing discretionary portfolio management service and with a high amount of minimum initial subscription.

The Classes "A" Euro and "A" Sterling Units are hedged (95%).

The Management Company will not issue, or effect any conversion into Class "A" Units to any investor who may not be considered as an Institutional Investor. The Management Company, at its discretion may, delay the acceptance of any subscription for "A" Units restricted to Institutional Investors until such date as the registrar agent has received sufficient evidence on the qualification of the relevant investor as an Institutional Investor. If it appears at any time that a Unitholder of "A" Units is not an Institutional Investor, the Management Company will instruct the registrar agent to propose that the said Unitholder convert its Units into Units of a Class within the relevant Sub-Fund which is not restricted to Institutional Investors (provided that there exists such a Class with similar characteristics). In the event that the Unitholder refuses such switching, the Management Company will, at its discretion,

instruct the registrar agent to redeem the relevant Units in accordance with the provisions under section "How to convert and redeem Units".

- **Class "B" Units**

The Class "B" Units is dedicated for smaller Institutional Investors investing directly or indirectly on their own behalf and/or financial intermediaries providing discretionary portfolio management service and with a smaller amount of minimum initial subscription.

The Classes "B" Euro, "B" Sterling, "B" Japanese Yen and "B" Swiss Franc Units are hedged (95%).

The Management Company will not issue or effect any conversion into Class "B" Units to any investor who may not be considered as an Institutional Investor. The Management Company, at its discretion may, delay the acceptance of any subscription for "B" Units restricted to Institutional Investors until such date as the registrar agent has received sufficient evidence on the qualification of the relevant investor as an Institutional Investor. If it appears at any time that a Unitholder of "B" Units is not an Institutional Investor, the Management Company will instruct the registrar agent to propose that the said Unitholder convert its Units into Units of a Class within the relevant Sub-Fund which is not restricted to Institutional Investors (provided that there exists such a Class with similar characteristics). In the event that the Unitholder refuses such switching, the Management Company will, at its discretion, instruct the registrar agent to redeem the relevant Units in accordance with the provisions under section "How to convert and redeem Units".

- **Class "I" Units**

The Class "I" Units is dedicated for all other Institutional Investors, including funds of funds investing directly or indirectly on their own behalf and/or financial intermediaries providing discretionary portfolio management service.

The Class "I" Euro Units is hedged (95%).

The Management Company will not issue or effect any conversion into Class "I" Units to any investor who may not be considered as an Institutional Investor. The Management Company, at its discretion may, delay the acceptance of any subscription for "I" Units restricted to Institutional Investors until such date as the registrar agent has received sufficient evidence on the qualification of the relevant investor as an Institutional Investor. If it appears at any time that a Unitholder of "I" Units is not an Institutional Investor, the Management Company will instruct the registrar agent to propose that the said Unitholder convert its Units into Units of a Class within the relevant Sub-Fund which is not restricted to Institutional Investors (provided that there exists such a Class with similar characteristics). In the event that the Unitholder refuses such switching, the Management Company will, at its discretion, instruct the registrar agent to redeem the relevant Units in accordance with the provisions under section "How to convert and redeem Units".

- **Class "E" Units**

The Class "E" Units is for all investors.

The Class "E" Euro Units is hedged (95%).

- **Class "F" Units**

The Class "F" Units is for all investors.

The Classes "F" Euro, and "F" Swiss Franc Units are hedged (95%).

- **Class "Z" Units ***

The Class "Z" Units are only offered: (i) through financial intermediaries which according to either regulatory requirements (e.g. in the European Union, financial intermediaries providing discretionary portfolio management or investment advice on an independent basis) or separate fee arrangements with their clients, are not allowed to keep trail commissions, and/ or (ii) to Institutional investors investing on their own behalf.

The Classes "Z" Euro, and "Z" Swiss Franc Units are hedged (95%).

*Investments made in the Class "Z" Units before 03/01/2018 may continue to be held after that date, even though they are no longer accessible for new subscriptions by the investors who no longer meet at least one of the eligibility criteria described in (i) or (ii) above as from this date.

8. – Minimum Subscriptions and Holding Requirements ⁽¹⁾

Class	A	B	I	E	F	Z
Minimum initial subscription	30,000,000	1,000,000	None	None	None	None
Minimum subsequent investment, except in case of regular saving plans	None	None	None	None	None	None
Minimum holding requirement in the Fund	None	None	None	None	None	None
Minimum holding requirement in each Sub-Fund	None	None	None	None	None	None

⁽¹⁾ Subscriptions in USD or the equivalent in the relevant currency of the relevant Class of Units.

The Directors may, in their discretion, waive or modify the foregoing requirements in particular cases.

9. – Conditions of Subscription, Redemption and Conversion

Subscription, redemption and conversion requests received by the Registrar Agent no later than 10 am on any Valuation Day will be accepted and traded on the basis of the Dealing Price applicable to such Valuation Day.

The relevant Dealing Price will be increased or decreased by any subscription, redemption or conversion fees, as mentioned below.

10. – Fees

Maximum one-off charges taken when you invest		Maximum recurrent charges taken from the Fund over a year		
Class	Subscription Fee	Management Fee	Applied Service Fee	Distribution Fee
A	-	0.70%	0.50%	
B	-	0.75%	0.50%	
E	-	1.00%	0.50%	0.35%
F	3.00%	1.00%	0.50%	
I	-	1.00%	0.50%	
Z	2.00%	0.75%	0.50%	

11. – Valuation Day

Every Business Day shall be a Valuation Day.

12. – Reference Currency

The Reference Currency of the Sub-Fund is US Dollars.

13. – Sub-Fund Business Day

A day on which banks are open all day for business in Luxembourg and the United States of America.

14. – Performance of the Sub-Fund

The performance of the Sub-Fund is indicated in the relevant KIID.

Past performance is not indicative of future results.

APPENDIX II

AXA IM Fixed Income Investment Strategies – US Corporate Intermediate Bonds (the "Sub-Fund")

1. – Investment Managers

AXA Investment Managers Inc,
100 West Putnam Avenue, 4th Fl.
Greenwich, CT 06830
United States of America

2. – Investment Objective

The objective of the Sub-Fund is to achieve a mix of income and capital growth by investing in fixed and floating rate securities.

Typical investors would seek a mix of income and capital growth measured in USD.

3. – Investment Policy

The Sub-Fund is actively managed in order to capture opportunities in the US investment grade debt market, primarily investing in securities that are part of the Bloomberg Barclays US Corporate Intermediate benchmark index (the "Benchmark") universe. As part of the investment process, the Investment Manager has broad discretion over the composition of the Sub-Fund's portfolio and can take, based on its investment convictions, exposure to companies, countries or sectors not included in the Benchmark or take different positioning in terms of duration, geographical allocation and/or sector or issuer selection compared to the Benchmark, even though the Benchmark constituents are generally representative of the Sub-Fund's portfolio. Thus, the deviation from the Benchmark is likely to be significant.²⁰

The Investment Manager will seek to achieve the investment objective of the Sub-Fund by investing essentially in a portfolio consisting of investment grade government bonds denominated in USD and other investment grade transferable debt securities denominated in USD and issued by corporations or public institutions. The Sub-Fund may also invest on an ancillary basis in securities which are rated sub-investment grade at the time of purchase.

Investment grade securities will be rated at least BBB- by Standard & Poor's or equivalent rating by Moody's or Fitch or if unrated then deemed to be so by the Investment Manager. Sub-investment grade securities will be rated between BB+ and B- by Standard & Poor's or equivalent rating by Moody's or Fitch or if unrated then deemed to be so by the Investment Manager.

In case of downgrade below B- by Standard & Poor's or equivalent rating by Moody's or Fitch or if unrated then deemed to be so by the Investment Manager, securities will be sold

²⁰ The clarification of the "Investment Policy" shall be effective on 26th October 2020, the date of the Notice to Unitholders.

within 6 months.

If two different ratings of rating agencies exist, the lower rating will be considered, if more than two different ratings of rating agencies exist, the second highest rating will be considered.

The selection of credit instruments is not exclusively and mechanically based on their publicly available credit ratings but also on an internal credit or market risk analysis. The decision to buy or sell assets is also based on other analysis criteria of the Investment Manager.

The Sub-Fund may also invest part of its assets in Money Market Instruments.

The Sub-Fund may invest its net assets in 144A securities, in a substantial way depending on the opportunity.

The Sub-Fund may invest up to 10% of net assets in contingent convertible bonds (CoCos).²¹

The Sub-Fund applies the AXA Investment Manager's Environmental, Social and Governance standards policy ("ESG Standards") available on www.axa-im.com/en/responsible-investing according to which the Investment Manager aims at integrating the ESG Standards in the investment process by applying specific sectorial exclusions such as tobacco and white phosphorus weapons and by excluding investments in securities issued by companies in severe breach of the United Nations Global Compact principles and with the lowest ESG scores as described in the policy document. The Investment Manager bindingly applies at all times the ESG Standards in the securities selection process with the exception of derivatives and underlying eligible UCIs.²²

There is no formal restriction on the proportion of the Sub-Fund's assets that can be invested in and/or exposed to any one particular market.

For efficient portfolio management and/or hedging purposes, this Sub-Fund may also invest in derivative instruments within the limits set forth in the section "Investment Restrictions".

The Sub-Fund may use securities financing transactions (SFT) such as securities lending and securities borrowing and reverse repurchase transactions within the limits listed below (as a % of net assets):

- Securities lending: expected, $\approx 10\%$; max, 100%
- Securities borrowing: expected, $\approx 0\%$; max, 50%
- Repurchase/reverse repurchase agreements: expected $\approx 10\%$; max, 100%.

The Sub-Fund will not use total return swaps.

The Sub-Fund may incur fixed or variable brokerage fees and transactions costs upon entering into such techniques and instruments as described above. Transaction costs related to the

²¹ The possibility for the Sub-Fund to invest up to 10% of net assets in CoCos and the resulting addition of a related risk consideration under 5 "Risk Considerations specific to the Sub-Fund" shall be effective on 27th November 2020, one month from the Notice to Unitholders dated 26th October 2020.

²² The application of the ESG Standards to the Sub-Fund and the resulting addition of a related risk consideration under 5 "Risk Considerations specific to the Sub-Fund" shall be effective on 27th November 2020, one month from the Notice to Unitholders dated 26th October 2020.

techniques and instruments will be disclosed in the annual report.

The assets of the Sub-Fund which might be subject to securities lending / borrowing and repurchase/reverse repurchase agreements include but are not limited to government and corporate bonds and equities.

Securities lending/borrowing and repurchase/reverse repurchase agreements shall be carried out as part of efficient portfolio management.

The Reference Currency of the Sub-Fund is USD.

4. – Profile of a Typical Investor²³

The Sub-Fund is designed for investors who plan to invest for at least three (3) years.

5. – Investment Restrictions specific to the Sub-Fund

Notwithstanding the limits set forth in the section "Investment Restrictions" of the Prospectus, the Sub-Fund may not invest more than 10% of its net assets in UCITS and/or other UCIs.

In order to achieve its management objectives, the Sub-Fund may in particular engage in the credit derivatives markets by entering, i.a., into credit default swaps in order to sell or buy protection.

A **credit default swap “CDS”** is a bilateral financial contract in which one counterparty (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer acquires the right to sell a particular bond or other designated reference obligations issued by the reference issuer for its par value or the right to receive the difference between par value and market price of the said bond or other designated reference obligations (or some other designated reference or strike price) when a credit event occurs. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The International Swap and Derivatives Association (ISDA) has produced standardised documentation for these derivatives transactions under the umbrella of its ISDA Master Agreement.

The Sub-Fund may use credit derivatives in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection. In addition, the Sub-Fund may, provided it is in its exclusive interest, buy protection under credit derivatives without holding the underlying assets.

Provided it is in its exclusive interest, the Sub-Fund may also sell protection under credit derivatives in order to acquire a specific credit exposure.

The Sub-Fund will only enter into OTC credit derivatives transactions with highly rated financial institutions specialised in this type of transaction and only in accordance with the standard terms laid down by the ISDA Master Agreement.

²³ The change consisting in changing the recommended holding period for a typical investor from two years to three years shall be effective on 27th November 2020, one month after the Notice to Unitholders dated 26th October 2020.

The maximum exposure of the Sub-Fund may not exceed 100% of its net assets.

6. – Risk Considerations specific to the Sub-Fund

Risk linked to the contingent convertible bonds: In the framework of new banking regulations, banking institutions are required to increase their capital buffers and have therefore issued certain types of financial instrument known as subordinated contingent capital securities (often referred to as “CoCo” or “CoCos”). The main feature of a CoCo is its ability to absorb losses as required by banking regulations, but other corporate entities may also choose to issue them.

Trigger level risk – Under the terms of a CoCo, the instruments become loss absorbing upon certain triggering events, including events under the control of the management of the CoCo issuer which could cause the permanent write-down to zero of principal investment and / or accrued interest, or a conversion to equity that may coincide with the share price of the underlying equity being low. These triggering events may include (i) a deduction in the issuing bank’s capital ratio below a pre-set limit, (ii) a regulatory authority making a subjective determination that an institution is “non-viable” or (iii) a national authority deciding to inject capital.

Furthermore, the trigger event calculations may also be affected by changes in applicable accounting rules, the accounting policies of the issuer or its group and the application of these policies. Any such changes, including changes over which the issuer or its group has a discretion, may have a material adverse impact on its reported financial position and accordingly may give rise to the occurrence of a trigger event in circumstances where such a trigger event may not otherwise have occurred, notwithstanding the adverse impact this will have on the position of holders of the CoCos.

Yield/ valuation risk – CoCos are valued relative to other debt securities in the issuer’s capital structure, as well as equity, with an additional premium for the risk of conversion or write-down. The relative riskiness of different CoCos will depend mainly on the distance between the current capital ratio and the effective trigger level, which once reached would result in the CoCo being automatically written-down or converted into equity.

Coupon cancellation risk – It is possible in certain circumstances for interest payments on certain CoCos to be cancelled in full or in part by the issuer, without prior notice to bondholders. Therefore, there can be no assurances that investors will receive payments of interest in respect of CoCos. Unpaid interest may not be cumulative or payable at any time thereafter,

Call extension risk – Notwithstanding that interest not being paid or being paid only in part in respect of CoCos or the principal value of such instruments may be written down to zero, there may be no restriction on the issuer paying dividends on its ordinary shares or making pecuniary or other distributions to the holders of its ordinary shares or making payments on securities ranking pari passu with the CoCos resulting in other securities by the same issuer potentially performing better than CoCos.

Capital structure inversion risk – CoCos generally rank senior to common stock in an issuer’s capital structure and are consequently higher quality and entail less risk than the issuer’s common stock; however, the risk involved in such securities is correlated to the solvency level and / or the access of the issuer to liquidity of the issuing financial institution.

Unknown risk – The structure of CoCos is yet to be tested and there is some uncertainty as to how they may be impacted in regard to liquidity challenges and industry concentration in a stressed environment of deteriorating financial condition.

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

7. – Units

At the date of this Prospectus, there are twenty-four Classes of Units available in the Sub-Fund, which shall be denominated in the offering currencies mentioned hereinafter:

- Class A – Capitalization: USD;	- Class A – Distribution: USD
- Class A – Capitalization: EUR hedged (95%);	- Class A – Distribution: EUR hedged (95%)
- Class A – Capitalization: CHF hedged (95%);	- Class A – Distribution: JPY hedged (95%)
- Class I – Capitalization: USD;	- Class I – Distribution: USD
- Class I – Capitalization: EUR hedged (95%);	- Class I – Distribution: EUR hedged (95%)
- Class E – Capitalization: USD;	
- Class E – Capitalization: EUR hedged (95%);	
- Class F – Capitalization: USD;	- Class F – Distribution: USD;
- Class F – Capitalization: EUR hedged (95%);	
- Class F – Capitalization: CHF hedged (95%);	
- Class U – Capitalization USD (1);	- Class U – Distribution USD (1)
- Class Z – Capitalization: EUR hedged (95%);	
- Class Z – Capitalization: USD;	
- Class Z – Capitalization: CHF hedged (95%);	
- Class ZF – Capitalization: USD;	
- Class ZF – Capitalization: EUR hedged (95%);	

- Class ZF – Capitalization: CHF hedged (95%);	
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(1) “U” unit Classes will be available for subscription on 13th December 2018 or on the date of the first following subscription in these Unit Classes at an initial price of USD 100.

Such list of Classes of Units may be updated from time to time notably to reflect the Classes of Units created since the previous version of the Prospectus. The complete list of Classes available for subscription may be obtained, free of charge and upon request, from the Management Company.

Description of Units

- **Class "A" Units**

The Class "A" Units is dedicated for large Institutional Investors investing directly or indirectly on their own behalf and/or financial intermediaries providing discretionary portfolio management service and with a high amount of minimum initial subscription.

The Class "A" Euro, "A" Swiss Franc and "A" Japanese Yen Units are hedged (95%).

The Management Company will not issue, or effect any conversion into Class "A" Units to any investor who may not be considered as an Institutional Investor. The Management Company, at its discretion, may delay the acceptance of any subscription for "A" Units restricted to Institutional Investors until such date as the registrar agent has received sufficient evidence on the qualification of the relevant investor as an Institutional Investor. If it appears at any time that a Unitholder of "A" Units is not an Institutional Investor, the Management Company will instruct the registrar agent to propose that the said Unitholder convert its Units into Units of a Class within the relevant Sub-Fund which is not restricted to Institutional Investors (provided that there exists such a Class with similar characteristics). In the event that the Unitholder refuses such switching, the Management Company will, at its discretion, instruct the registrar agent to redeem the relevant Units in accordance with the provisions under "How to convert and redeem Units".

- **Class "I" Units**

The Class "I" Units is dedicated for all other Institutional Investors, including funds of funds investing directly or indirectly on their own behalf and/or financial intermediaries providing discretionary portfolio management service.

The Class "I" Euro Units is hedged (95%).

The Management Company will not issue, or effect any conversion into Class "I" Units to any investor who may not be considered as an Institutional Investor. The Management Company, at its discretion, may delay the acceptance of any subscription for "I" Units restricted to Institutional Investors until such date as the registrar agent has received sufficient evidence on the qualification of the relevant investor as an Institutional Investor. If it appears at any time that a Unitholder of "I" Units is not an Institutional Investor, the Management Company will instruct the registrar agent to propose that the said Unitholder convert its Units into Units of a Class within the relevant Sub-Fund which is not restricted to Institutional Investors (provided that there exists such a Class with similar characteristics). In the event that the Unitholder

refuses such switching, the Management Company will, at its discretion, instruct the registrar agent to redeem the relevant Units in accordance with the provisions under "How to convert and redeem Units".

- **Class "E" Units**

The Class "E" Euro Units is for all investors and are hedged (95%).

The Class "E" Euro Units is hedged (95%).

- **Class "F" Units**

The Class "F" Units is for all investors.

The Class "F" Euro and "F" Swiss Franc Units are hedged (95%).

- **Class "U" Units**

The Class "U" Units are only offered to distributors based in the Americas (South and North America regions, including the United States).

- **Class "Z" Units ***

The Class "Z" Units are only offered: (i) through financial intermediaries which according to either regulatory requirements (e.g. in the European Union, financial intermediaries providing discretionary portfolio management or investment advice on an independent basis) or separate fee arrangements with their clients, are not allowed to keep trail commissions, and/ or (ii) to Institutional investors investing on their own behalf.

The Class "Z Euro and "Z" Swiss Franc Units are hedged (95%).

*Investments made in the Class "Z" Units before 03/01/2018 may continue to be held after that date, even though they are no longer accessible for new subscriptions by the investors who no longer meet at least one of the eligibility criteria described in (i) or (ii) above as from this date.

- **Class "ZF" Units**

The class "ZF" are offered only through larger financial intermediaries which (i) are expressly prior authorized by the Management Company and (ii) according to either regulatory requirements (e.g. in the European Union, financial intermediaries providing discretionary portfolio management or investment advice on an independent basis) or separate fee arrangements with their clients, are not allowed to keep trail commissions.

The Class "ZF" Euro and "ZF" Swiss Franc Units are hedged (95%).

8. – Minimum Subscriptions and Holding Requirements⁽¹⁾

Class	A	I	E	F	U	Z	ZF
Minimum initial subscription	5,000,000	500,000	None	None	None	None	250,000

Minimum subsequent investment, except in case of regular saving plans	1,000,000	10,000	None	None	None	None	10,000
Minimum holding requirement in the Fund	None	None	None	None	None	None	None
Minimum holding requirement in each Sub-Fund	1,000,000	10,000	None	None	None	None	10,000

⁽¹⁾ Subscriptions in USD or the equivalent in the relevant currency of the relevant Class of Units.

The Directors may, in their discretion, waive or modify the foregoing requirements in particular cases.

9. – Conditions of Subscription, Redemption and Conversion

Subscription, redemption and conversion requests received by the Registrar Agent no later than 10 am on any Valuation Day will be accepted and traded on the basis of the Dealing Price applicable to such Valuation Day.

The relevant Dealing Price will be increased or decreased by any subscription, redemption or conversion fees, as mentioned below.

10. – Fees

Maximum one-off charges taken when you invest		Maximum recurrent charges taken from the Fund over a year			
Class	Subscription Fee	Management Fee	Applied Service Fee	Distribution Fee	
A	-	0.30%	0.50%	-	
E	-	0.75%	0.50%	0.50%	
F	3.00%	0.75%	0.50%	-	
I	-	0.50%	0.50%	-	
U	5.50%	0.45%	0.50%	0.55%	
Z	2.00%	0.40%	0.50%	-	
ZF	2.00%	0.40%	0.50%	-	

11. – Valuation Day

Every Business Day shall be a Valuation Day.

12. – Reference Currency

The Reference Currency of the Sub-Fund is US Dollars.

13. – Sub-Fund Business Day

A day on which banks are open all day for business in Luxembourg and the United States of America.

14. – Performance of the Sub-Fund

The performance of the Sub-Fund is indicated in the relevant KIID.

Past performance is not indicative of future results.

APPENDIX III

AXA IM Fixed Income Investment Strategies - Europe Short Duration High Yield (the "Sub-Fund")

1. – Investment Manager

AXA Investment Managers UK Limited,
From 4 September to 31 December 2020: 155 Bishopsgate
London EC2M 3XJ

From 1 January 2021: 22 Bishopsgate
London EC2N 4BQ

2. – Investment Objective²⁴

The Sub-Fund is actively managed without reference to any benchmark and seeks to generate income by investing in high yield debt securities (sub-investment grade corporate bonds) denominated in European currencies while seeking to avoid the risk of defaults.

3. – Investment Policy

The Investment Manager anticipates that the average expected life to maturity or redemption of the Sub-Fund's investments will be three years or less, although the Investment Manager may vary this approach if market conditions so warrant.

The Investment Manager believes that the Sub-Fund will provide investors with a higher degree of principal stability than is typically available in a portfolio of lower rated longer-term, fixed-income investments.

The Sub-Fund will seek to invest in high yield, fixed-income corporate debt securities and, to a lesser extent, preferred stocks which offer, in the view of the Investment Manager, a high return at the time of purchase.

The Sub-Fund will invest mostly in lower quality corporate bonds, some of which may be purchased at a discount to face value and may, therefore, offer a potential for capital appreciation as well as high current income. Conversely, some bonds may be purchased at a premium in order to obtain a high yield, and the Sub-Fund may realize a capital loss on their disposition.

The Sub-Fund may also²⁵, and up to 10%, hold Distressed and Defaulted Securities as a result of holding bonds whose rating would have been downgraded to be defaulting or distressing, if, in the opinion of the Investment Manager, such bonds are consistent with the Sub-Fund's

²⁴ This new section "Investment Objective" shall be effective, on 27th November 2020, one month after the Notice to Unitholders dated 26th October 2020.

²⁵ The modification of the Investment Policy related to the holding in Distressed and Defaulted Securities and the resulting addition of related risk considerations under 5 "Risk Considerations" shall be effective on 27th November 2020, one month after the Notice to Unitholders dated 26th October 2020.

investment objective.

While the Investment Manager anticipates that the Sub-Fund will invest mostly in high yield debt securities denominated in a European currency, it may also invest in Investment Grade debt securities denominated in a European currency. These debt securities denominated in a European currency will be issued by foreign corporations or governments or governmental agencies or instrumentalities.

Moreover, on an ancillary basis, the Investment Manager may also invest in high yield debt securities issued in non-European currencies.

Companies that issue high yielding fixed-income securities are often highly leveraged and may not have more traditional methods of financing available to them. The Investment Manager believes, nevertheless, that the short duration securities of many such companies offer the potential to generate stable, consistent coupon income.

Various investment services rate some of the types of securities in which the Sub-Fund may invest. Higher yields are ordinarily available from securities in the lower-rating categories of the recognized rating services, that is, securities rated BB+ or lower by Standard & Poor's Ratings Services ("S&P") or Ba1 or lower by Moody's Investors Service, Inc. ("Moody's"), and from unrated securities of comparable quality.

In this regard, securities rated CCC or Caa by S&P and Moody's, respectively, are generally regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the security.

These ratings will be considered in connection with the Sub-Fund's investment decisions, but will not necessarily be a determinative or limiting factor. The Sub-Fund may invest in securities regardless of their rating and in securities which are not rated. It is the Investment Manager's expectation, however, that the Sub-Fund will invest mostly in securities rated below investment grade (that is, securities rated below BBB- or Baa3 by S&P and Moody's, respectively), and, perhaps, to a significant extent in securities rated below CCC or Caa by S&P and Moody's, respectively. If the rating on a security held by the Sub-Fund declines, or if the security goes into default, the Sub-Fund will consider such matters in its evaluation of the merits of retaining the security in its portfolio, but will not be obligated to dispose of the security.

The Investment Manager will consider a number of other factors in its investment analysis of a security in addition to its rating, including, among other things, the issuer's financial condition, earnings prospects, anticipated cash flow, interest or dividend coverage and payment history, asset coverage, liquidity, debt maturity schedules and borrowing requirements. The Investment Manager will utilize reports, statistics and other data from a variety of sources, but will base its investment decisions primarily on its own research and analysis.

Typical investors would seek high level of current income primarily through exposure to securities denominated in a European currency regardless of their rating and in securities which are not rated.

The Sub-Fund may invest up to 10% of net assets in contingent convertible bonds (CoCos).²⁶

The Sub-Fund may use SFT such as securities lending and securities borrowing and reverse repurchase transactions within the limits listed below (as a % of net assets):

- Securities lending: expected, ≈ 10%; max, 100%
- Securities borrowing: expected, ≈ 0%; max, 50%
- Repurchase/reverse repurchase agreements: expected, ≈ 10%; max, 100%.

The Sub-Fund will not use total return swaps.

The Sub-Fund may incur fixed or variable brokerage fees and transactions costs upon entering into such techniques and instruments as described above. Transaction costs related to the techniques and instruments will be disclosed in the annual report.

The assets of the Sub-Fund which might be subject to securities lending / borrowing and repurchase/reverse repurchase agreements include but are not limited to government and corporate bonds and equities.

Securities lending/borrowing and repurchase/reverse repurchase agreements shall be carried out as part of efficient portfolio management.

4. – Profile of a Typical Investor²⁷

The Sub-Fund is designed for investors who plan to invest for at least three (3) years.

5. – Risk Considerations specific to the Sub-Fund

Risk linked to high yield debt securities: Some of the high yield securities held in the portfolio may involve increased credit and market risk; such securities are subject to the risk of an issuer's inability to meet principal and interest payments on its obligations (credit risk) and may also be subject to price volatility due to such factors as interest rate movements, market perception of the creditworthiness of the issuer and general market liquidity.

Risk linked to the contingent convertible bonds: In the framework of new banking regulations, banking institutions are required to increase their capital buffers and have therefore issued certain types of financial instrument known as subordinated contingent capital securities (often referred to as "CoCo" or "CoCos"). The main feature of a CoCo is its ability to absorb losses as required by banking regulations, but other corporate entities may also choose to issue them.

Trigger level risk – Under the terms of a CoCo, the instruments become loss absorbing upon certain triggering events, including events under the control of the management of the CoCo issuer which could cause the permanent write-down to zero of principal investment and / or accrued interest, or a conversion to equity that may coincide with the share price of the underlying equity being low. These triggering events may include (i) a deduction in the issuing bank's capital ratio below a pre-set limit, (ii) a regulatory authority making a

²⁶ The possibility for the Sub-Fund to invest up to 10% of net assets in CoCos and the resulting addition of a related risk consideration under 5 "Risk Considerations specific to the Sub-Fund" shall be effective on 27th November 2020, one month after the Notice to Unitholders dated 26th October 2020.

²⁷ The insertion of the recommended holding period for a typical investor of three years shall be effective on 27th November 2020, one month after the Notice to Unitholders dated 26th October 2020.

subjective determination that an institution is “non-viable” or (iii) a national authority deciding to inject capital.

Furthermore, the trigger event calculations may also be affected by changes in applicable accounting rules, the accounting policies of the issuer or its group and the application of these policies. Any such changes, including changes over which the issuer or its group has a discretion, may have a material adverse impact on its reported financial position and accordingly may give rise to the occurrence of a trigger event in circumstances where such a trigger event may not otherwise have occurred, notwithstanding the adverse impact this will have on the position of holders of the CoCos.

Yield/ valuation risk – CoCos are valued relative to other debt securities in the issuer’s capital structure, as well as equity, with an additional premium for the risk of conversion or write-down. The relative riskiness of different CoCos will depend mainly on the distance between the current capital ratio and the effective trigger level, which once reached would result in the CoCo being automatically written-down or converted into equity.

Coupon cancellation risk – It is possible in certain circumstances for interest payments on certain CoCos to be cancelled in full or in part by the issuer, without prior notice to bondholders. Therefore, there can be no assurances that investors will receive payments of interest in respect of CoCos. Unpaid interest may not be cumulative or payable at any time thereafter,

Call extension risk – Notwithstanding that interest not being paid or being paid only in part in respect of CoCos or the principal value of such instruments may be written down to zero, there may be no restriction on the issuer paying dividends on its ordinary shares or making pecuniary or other distributions to the holders of its ordinary shares or making payments on securities ranking *pari passu* with the CoCos resulting in other securities by the same issuer potentially performing better than CoCos.

Capital structure inversion risk – CoCos generally rank senior to common stock in an issuer’s capital structure and are consequently higher quality and entail less risk than the issuer’s common stock; however, the risk involved in such securities is correlated to the solvency level and / or the access of the issuer to liquidity of the issuing financial institution.

Unknown risk – The structure of CoCos is yet to be tested and there is some uncertainty as to how they may be impacted in regard to liquidity challenges and industry concentration in a stressed environment of deteriorating financial condition.

Risks linked to the Distressed Securities: The Sub-Fund may hold Distressed Securities as defined in the Glossary. Distressed Securities are speculative and involve significant risk. Distressed Securities frequently do not produce income while they are outstanding and may require the Sub-Fund to bear certain extraordinary expenses in order to protect and recover its holding. Therefore, to the extent the Sub-Fund seeks capital appreciation, the Sub-Fund's ability to achieve current income for its Unitholders may be diminished by its holding of distressed securities. The Sub-Fund also will be subject to significant uncertainty as to when and in what manner and for what value the obligations evidenced by the distressed securities will eventually be satisfied (e.g., through a liquidation of the obligor's assets, an exchange offer or plan of reorganisation involving the distressed securities or a payment of some amount in satisfaction of the obligation). In addition, even if an exchange offer is made or a plan of reorganisation is adopted with respect to distressed securities held by the Sub-Fund, there can be no assurance that the securities or other assets received by the Sub-Fund in connection with such exchange offer or plan of reorganisation will not have a lower value or income potential than may have been initially anticipated. Moreover, any securities received by the Sub-Fund upon completion of an exchange offer or plan of reorganisation may be restricted as to resale. As a result of the Sub-Fund's participation in negotiations with respect

to any exchange offer or plan of reorganisation with respect to an issuer of distressed securities, the Sub-Fund may be restricted from disposing quickly of such securities.

Risks linked to the Defaulted Securities: The Sub-Fund may hold Defaulted Securities as defined in the Glossary that may become illiquid. The risk of loss due to default may also be considerably greater with lower-quality securities because they are generally unsecured and are often subordinated to other creditors of the issuer. If the issuer of a security in the Sub-Fund's portfolio defaults, the Sub-Fund may suffer unrealised losses on the security, which may lower the Sub-Fund's Net Asset Value per Share. Defaulted Securities typically exhibit prices that are highly discounted to their face value.

6. – Investment Restrictions specific to the Sub-Fund

Notwithstanding the limits set forth in the section "Investment Restrictions" of the Prospectus, the Sub-Fund may not invest more than 10% of its net assets in UCITS and/or other UCIs.

The Sub-Fund will use financial derivative instruments for efficient portfolio management purposes or hedging purposes, limited to the following purposes:

- Hedging of currency exposure;
- Managing the duration exposure of the Sub-Fund within the limits of efficient portfolio management through the use of bond/interest rate futures;
- Hedging specific credit risk by entering into credit default swaps in order to buy protection;
- Taking specific credit risk by entering into credit default swaps in order to sell protection (though without the intention to create leverage);
- Managing credit risk during periods of Sub-Fund inflows (or outflows) by selling (or buying) protection through the use of credit default swaps.

A **credit default swap "CDS"** is a bilateral financial contract in which one counterparty (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer acquires the right to sell a particular bond or other designated reference obligations issued by the reference issuer for its par value or the right to receive the difference between par value and market price of the said bond or other designated reference obligations (or some other designated reference or strike price) when a credit event occurs. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The International Swap and Derivatives Association (ISDA) has produced standardised documentation for these derivatives transactions under the umbrella of its ISDA Master Agreement.

The Sub-Fund will only enter into OTC credit derivatives transactions with highly rated financial institutions specialised in this type of transaction and only in accordance with the standard terms laid down by the ISDA Master Agreement.

The maximum exposure of the Sub-Fund may not exceed 100% of its net assets.

7. – Units

At the date of Prospectus, there are twenty-four Classes of Units available in the Sub-Fund, which shall be denominated in the offering currencies mentioned hereinafter.

- Class A – Capitalization: EUR;	- Class A – Distribution: EUR;
- Class A – Capitalization: USD hedged (95%);	
- Class A – Capitalization: CHF hedged (95%);	
- Class B – Capitalization: EUR;	- Class B – Distribution: EUR;
- Class B – Capitalization: USD hedged (95%);	
- Class B – Capitalization: CHF hedged (95%);	
- Class B – Capitalization: GBP hedged (95%);	- Class B – Distribution: GBP hedged (95%);
- Class E – Capitalization: EUR	
- Class E – Capitalization: USD hedged (95%)	- Class E – Distribution: USD hedged (95%);
- Class F – Capitalization: EUR;	- Class F – Distribution: EUR;
- Class F – Capitalization: USD hedged (95%);	
- Class F – Capitalization: CHF hedged (95%).	- Class F – Distribution: CHF hedged (95%);
- Class M – Capitalization: EUR	
- Class Z – Capitalization: EUR	- Class Z – Distribution: EUR;
- Class Z – Capitalization: USD hedged (95%);	
- Class Z – Capitalization: CHF hedged (95%).	- Class Z – Distribution: CHF hedged (95%);

Such list of Classes of Units may be updated from time to time notably to reflect the Classes of Units created since the previous version of the Prospectus. The complete list of Classes available for subscription may be obtained, free of charge and upon request, from the Management Company.

Description of Units

- **Class "A" Units**

Class "A" Units are dedicated for large Institutional Investors investing directly or indirectly on their own behalf and/or financial intermediaries providing discretionary portfolio management service and with a high amount of minimum initial subscription.

The Classes "A" USD and "A" Swiss Franc are hedged (95%).

The Management Company will not issue, or effect any conversion into Class "A" Units to any investor who may not be considered as an Institutional Investor. The Management Company, at its discretion may, delay the acceptance of any subscription for "A" Units restricted to Institutional Investors until such date as the registrar agent has received sufficient evidence on the qualification of the relevant investor as an Institutional Investor. If it appears at any time that a Unitholder of "A" Units is not an Institutional Investor, the Management Company will instruct the registrar agent to propose that the said Unitholder convert its Units into Units of a Class within the relevant Sub-Fund which is not restricted to Institutional Investors (provided that there exists such a Class with similar characteristics). In the event that the Unitholder refuses such switching, the Management Company will, at its discretion, instruct the registrar agent to redeem the relevant Units in accordance with the provisions under section "How to convert and redeem Units".

- **Class "B" Units**

Class "B" Units are dedicated for smaller Institutional Investors investing directly or indirectly on their own behalf and/or financial intermediaries providing discretionary portfolio management service and with a smaller amount of minimum initial subscription.

The Classes "B" USD, "B" Swiss Franc and "B" GBP Units are hedged (95%).

The Management Company will not issue, or effect any conversion into Class "B" Units to any investor who may not be considered as an Institutional Investor. The Management Company, at its discretion may, delay the acceptance of any subscription for "B" Units restricted to Institutional Investors until such date as the registrar agent has received sufficient evidence on the qualification of the relevant investor as an Institutional Investor. If it appears at any time that a Unitholder of "B" Units is not an Institutional Investor, the Management Company will instruct the registrar agent to propose that the said Unitholder convert its Units into Units of a Class within the relevant Sub-Fund which is not restricted to Institutional Investors (provided that there exists such a Class with similar characteristics). In the event that the Unitholder refuses such switching, the Management Company will, at its discretion, instruct the registrar agent to redeem the relevant Units in accordance with the provisions under section "How to convert and redeem Units".

- **Class "E" Units**

The Class "E" Units are for all investors.

The Class "E" USD are hedged (95%).

- **Class "F" Units**

The Class "F" Units are for all investors.

The Classes "F" USD and "F" Swiss Franc Units are hedged (95%).

- **Class "M" Units**

The Class "M" Units are only subscribed with the prior approval of the Directors and (i) held by AXA Investment Managers or its subsidiaries for use in institutional mandates or investment management agreements for a dedicated fund contracted with the AXA Group or (ii) by Institutional Investors investing directly or indirectly on their own behalf and/or to financial intermediaries providing discretionary portfolio management service.

The conversion between different Unit Classes may be allowed at the discretion of the Directors.

- **Class "Z" Units ***

The Class "Z" Units are only offered: (i) through financial intermediaries which according to either regulatory requirements (e.g. in the European Union, financial intermediaries providing discretionary portfolio management or investment advice on an independent basis) or separate fee arrangements with their clients, are not allowed to keep trail commissions, and/ or (ii) to Institutional investors investing on their own behalf.

The Classes "Z" USD and "Z" Swiss Franc Units are hedged (95%).*Investments made in the Class "Z" Units before 03/01/2018 may continue to be held after that date, even though they are no longer accessible for new subscriptions by the investors who no longer meet at least one of the eligibility criteria described in (i) or (ii) above as from this date.

8. – Minimum Subscriptions and Holding Requirements ⁽¹⁾

Class	A	B	E	F	M	Z
Minimum initial subscription	30,000,000	1,000,000	None	None	10,000,000	None
Minimum subsequent investment, except in case of regular saving plans	None	None	None	None	None	None
Minimum holding requirement in the Fund	None	None	None	None	10,000,000	None
Minimum holding requirement in each Sub-Fund	None	None	None	None	None	None

⁽¹⁾ Subscriptions in EUR or the equivalent in the relevant currency of the relevant Class of Units.

The Directors may, in their discretion, waive or modify the foregoing requirements in particular cases.

9. – Conditions of Subscription, Redemption and Conversion

Subscription, redemption and conversion requests received by the Registrar Agent no later

than 10 am on any Valuation Day will be accepted and traded on the basis of the Dealing Price applicable to such Valuation Day.

The relevant Dealing Price will be increased or decreased by any subscription, redemption or conversion fees, as mentioned below.

10. – Fees

Maximum one-off charges taken when you invest		Maximum recurrent charges taken from the Fund over a year		
Class	Subscription Fee	Management Fee	Applied Service Fee	Distribution Fee
A	-	0.75%	0.50%	-
B	-	0.75%	0.50%	-
E	-	1.00%	0.50%	0.35%
F	3.00%	1.00%	0.50%	-
M	-	-	0.50%	-
Z	2.00%	0.75%	0.50%	-

* In respect of Class M Units, no management fee will be paid by the Fund to the Management Company, being provided that the Management Company may however be indirectly remunerated through institutional mandates or investment management agreements.

11. – Valuation Day

Every Business Day shall be a Valuation Day.

12. – Reference Currency

The Reference Currency of the Sub-Fund is Euro.

13. – Sub-Fund Business Day

A day on which banks are open all day for business in Luxembourg and United Kingdom.

14. – Performance of the Sub-Fund

The performance of the Sub-Fund is indicated in the relevant KIID.

Past performance is not indicative of future results.

APPENDIX IV

AXA IM Fixed Income Investment Strategies - Credit Fixed Maturity Duration Hedged (the "Sub-Fund")

1.a – Investment Manager

AXA Investment Managers UK Limited,
From 4 September to 31 December 2020: 155 Bishopsgate
London EC2M 3XJ

From 1 January 2021: 22 Bishopsgate
London EC2N 4BQ

1.b. – Sub-Investment Manager

Only for certain US credit securities:
AXA Investment Managers Inc,
100 West Putnam Avenue, 4th Fl.
Greenwich, CT 06830
United States of America

2. – Investment Policy

Investment objective

The Sub-Fund is actively managed without reference to any benchmark²⁸. The objective of the Sub-Fund is to aim to generate income over a floating US one month rate by investing essentially in debt securities, such as public debt and fixed payer and whose issuers are corporates and governments, based on the assumption of a holding period up to April 30th 2024 (the "**Maturity Date**"). The objective is not guaranteed and the potential return may be negatively impacted among others by the potential default risk and recovery rate of one or several issuers within the portfolio.

The Sub-Fund is designed to be held by Unitholders until the Maturity Date as, after the Subscription Period (as defined below), the majority of the Sub-Fund's portfolio will be held in bonds in accordance with the Maturity Date. It is recommended to unitholders to maintain their investments in the Sub-Fund until the Maturity Date.

The Sub-Fund may, during the Subscription Period and the period approaching the Maturity Date, be fully invested in deposits and/or Money Market Instruments. However, prospective investors are advised that an investment in the Sub-Fund is not guaranteed, that the value of the principal invested in the Fund may fluctuate and that an investment in the Sub-Fund shall not be considered as an investment in a deposit.

The Investment Manager will seek to convert the fixed payment of the underlying debt

²⁸ The clarification of the investment objective shall be effective on 26th October 2020, the date of the Notice to Unitholders.

securities into a fixed premium over a floating US one month rate. The conversion of the fixed rates into floating rates will aim to be achieved through a derivative overlay including interest rate swaps and interest rate futures, which will also aim to mitigate the Sub-Fund's exposure to nominal rates moves.

Investment strategy

The Investment Manager will seek to achieve the objective of the Sub-Fund by investing essentially in a broadly diversified portfolio of long-only fixed-income securities.

The Investment Manager will define securities' rating as the lowest of the ratings available between the 3 main agencies (S&P, Moody's and Fitch). The Sub-Fund shall invest in investment grade securities. However, the Sub-Fund may also invest up to 35% of its assets in sovereign and quasi-sovereign high yield securities rated lower than BBB-/ Baa3 but rated at least BB-/ Ba3 and such investment in securities issued by a single country will be limited to 35%. The Investment Manager will determine the appropriate action to take in the event that a security's rating is downgraded, notably by selling the security as soon as practicable taking into account the unitholders' interest. The Sub-Fund will not invest in unrated fixed-income securities.

Fixed-income securities to be selected will be those that, in the Investment Manager's opinion, are the most likely to provide the best return in light of the objective of the Sub-Fund and in accordance with the Maturity Date. Factors considered for this purpose will include among others, callability (i.e. their ability to be redeemed prior to maturity), credit stability (i.e. the issuer's creditworthiness) and liquidity (i.e. the available market in the security).

The selection of fixed-income securities is not exclusively and mechanically based on their publicly available credit ratings but also on an internal credit or market risk analysis. The decision to buy or sell securities is also based on other analysis criteria of the investment manager

The Sub-Fund will invest up to 35% of the net assets in issuers incorporated in non-OECD countries with a maximum of 20% of those investment in issuers incorporated in countries in the "frontier market" (as defined by MSCI).

The Sub-Fund will invest a minimum of 90% of its net asset value into fixed income securities denominated in USD, EUR, CHF, GBP, JPY, HKD, SGD, AUD or CAD.

The Investment Manager will not be restricted in the industry or sectors of the issuers in which the Sub-Fund invests but will ensure diversification by limiting the Sub-Fund's investments into a same industry or sector to maximum 35% of its net asset value.

The Sub-Fund will not expose more than 5% of its assets on issuers from the same group of companies.

The average portfolio duration of the Sub-Fund, including the derivatives overlay, will be between negative and positive one year. The Sub-Fund will seek to achieve this by entering into derivative transactions to minimise the interest rate risk of the portfolio. Such derivatives may include interest rate swaps and interest rate futures.

The Sub-Fund may invest its net assets in 144A securities, in a substantial way depending on

the opportunity.

The Sub-Fund may also invest up to 10% of the net assets in securitisation vehicles or equivalent such as asset-backed securities (ABS), Residential Mortgage Backed Security (RMBS) and Whole Business Securitisation (WBS). Securitization products are only allowed, if the tranching approach does not reduce the transparency and the instruments are not re-securitized, (e.g. ABS invested in other ABS, RMBS etc.).

These are Transferable Securities within the meaning of the Law of 2010 and their acquisition is consistent with the investment objectives, the investment policy of the Sub-Fund, the provisions of the Grand-Ducal Regulation of 8 February 2008 and the CESR's guidelines 07-044b concerning eligible assets for investment by UCITS.

Due to the nature of debt securities, the investment policy is not solely to buy and hold the same portfolio. The Investment Manager may from time to time buy or sell bonds in particular as a defensive mechanism where there is a change in the quality of the issuers of certain bonds and/or where the Investment Manager at any time identifies bonds which it considers to be appropriate to the investment objective and investment policy of the Sub-Fund.

Subscription period

The subscription period (Hereinafter defined as the “**Subscription Period**”) means the period from March 16, 2020 up to April 3, 2020, or such other period as may be determined by the Management Company, in consultation with the Manager.

During the Subscription Period, the Sub-Fund may be fully invested in Money Market Instruments and/or in other liquid financial instruments issued by governments or by rated corporate issuers such as commercial paper, bonds, notes, treasury bills, deposits, certificates of deposits and cash in accordance with investment restrictions applicable to the Sub-Fund. During this period, the Sub-Fund will gradually build up its bond portfolio in accordance with its investment strategy.

No subscriptions will be accepted after the end of the Subscription Period.

The Management Company may, with advance notification to Unitholders, decide to re-open the Sub-Fund to subscription at a later date.

At the end of the Subscription Period, the Sub-Fund will be essentially invested in debt securities such as described above.

Financial Derivative Instruments (FDI)

Where considered appropriate, the Investment Manager may utilise FDIs as described below. For hedging and efficient portfolio management purposes only, the Sub-Fund may use:

- Forward foreign exchange contracts;
- Futures (such as government bond futures);
- Swaps such as cross currency and interest rate swap;

- Credit derivatives, such as credit default swaps (as described in the paragraph 5 of this Appendix “Investment Restrictions specific to the Sub-Fund” and in the section of the Prospectus entitled “Investment Restrictions”).

As the callable bonds in which the Sub-Fund may invest may embed a derivative element, any leverage arising from investing in such securities will be accurately monitored, measured and managed in accordance with the risk management process in place for the Sub-Fund.

The Sub-Fund will only invest in derivatives up to the Maturity Date.

The Sub-Fund will not enter into total return swaps or instruments with similar characteristics.

The Sub-Fund will not engage in securities financing transactions (lending, repurchase and/or reverse repurchase agreements) within the meaning of the SFTR.

Currency hedging at portfolio level

The Investment Manager intends to actively hedge the currency exposures of the Sub-Fund against the Base Currency. For currency hedging purposes, forward foreign exchange contracts and/or currency swaps may be utilised. The costs of the Sub-Fund’s currency hedging policy will be borne by the Sub-Fund. Please refer to the section of the Prospectus entitled “Efficient Portfolio Management Techniques”.

The successful execution of a hedging strategy which mitigates exactly this risk cannot be assured. The implementation of the hedging strategy described above may generate additional costs for the Sub-Fund and/or the relevant Unit Class.

Maturity Date:

The Sub-Fund shall terminate once the Maturity Date has been reached, at which point the Units of all remaining Unitholders shall be automatically redeemed in accordance with the procedures described in the section of the Prospectus entitled “Redemption and Conversion of Units”. Over a period of approximately 6 months approaching the Maturity Date, the investment policy of the Sub-Fund will be to provide liquidity by investing in liquid financial instruments issued by governments or by corporate issuers such as commercial paper, bonds, notes, bills, deposits, certificates of deposits and cash in accordance with investment restrictions applicable to the Sub-Fund.

The nature of the Sub-Fund’s investment objective and policy means that the risk profile of the Sub-Fund will vary over time. At the end of the Subscription Period, the Sub-Fund will be invested and/or exposed to the various risks inherent in the portfolio of bonds. As the bonds are redeemed and as the Maturity Date approaches, the nature of the risks associated with the bond portfolio will change and the Sub-Fund’s exposure to risk decreases. The Sub-Fund’s risk profile will therefore change significantly between its launch date and Maturity Date.

3. – Profile of a Typical Investor

The Sub-Fund is suitable for investors seeking to optimize return over approximately a 4 (four) year investment period who can afford to set aside capital at least until the Maturity Date and who have a medium risk appetite.

Investors should read and consider the section of the Prospectus entitled “Risk consideration” along with the paragraph 4 “Risk Considerations specific to the Sub-Fund” of this Appendix before investing in the Sub-Fund.

4. – Risk Considerations specific to the Sub-Fund

In addition to the generic risk factors of the Fund as set-out in the section “Risk Considerations”, this Sub-Fund may be subject to the specific risks described below:

Risk of capital loss: The Sub-Fund is not a guaranteed fund and returns can be negative. The performance of the Sub-Fund may not be consistent with the objectives of investors and their investment (after deduction of the subscription fees) may not be fully returned. Furthermore, the Sub-Fund is intended to be held to the Maturity Date. Investors who do not hold their Units to the Maturity Date may suffer significant losses. Upon termination of the Sub-Fund, including early termination, valuation of investments could be subject to market conditions (such as unfavourable and unusual market movements) which could cause losses for the investor.

Reinvestment Risk: Reinvestment risk is the risk that proceeds from bond coupons or redemptions may be reinvested at lower yields than that of the previous investment, due to the market conditions at the time that the proceeds are invested. The callability feature in corporate bonds increases reinvestment risk as companies will call their bonds when they can issue bonds with a lower yield.

Emerging Markets Risk: Some of the securities held in the Sub-Fund may involve a greater degree of risk than generally associated with similar investments in major securities markets, due, in particular, to political and regulatory factors, as described hereunder.

The prospects for economic growth in a number of these markets are considerable and returns have the potential to exceed those in mature markets where growth is achieved. Investments in emerging markets offer diversification opportunities as correlations between those markets and major markets are generally quite low. However, price and currency volatility are generally higher in emerging markets.

Emerging markets securities may be substantially less liquid and more volatile than those of mature markets. Securities of companies located in emerging markets may be held by a limited number of persons. This may adversely affect the timing and pricing of the Sub-Funds' acquisition or disposal of securities.

Practices in relation to settlement of securities transactions in emerging markets involve higher risks than those in developed markets, in part because the Sub-Funds will need to use brokers and counterparties, which are less well capitalized, and custody and registration of assets in some countries may be unreliable. However, the depositary is responsible for the proper selection and supervision of its correspondent banks in all relevant markets, in accordance with Luxembourg laws and regulations.

The Sub-Funds will seek, where possible, to use counterparties, whose financial status is such that this risk is reduced. However, there can be no certainty that the Sub-Funds will be successful in eliminating this risk for the Sub-Funds, particularly as counterparties operating in emerging markets frequently lack the substance or financial resources of those in developed countries.

The legal infrastructure in certain countries in which investments may be made may not provide the same degree of investors' protection or information to investors as would

generally apply to major securities markets. Generally accepted accounting, auditing and financial reporting practices in emerging markets may be significantly different from those in developed markets. Compared to mature markets, some emerging markets may have a low level of regulations, enforcement of regulations and monitoring of investors' activities. Those activities may include practices such as trading on material non-public information.

Some governments exercise substantial influence over the private economic sector and investments may be affected by political and economic instability. In adverse social and political circumstances, governments have been involved in policies of expropriation, confiscatory taxation, nationalization, intervention in the securities market and trade settlement and imposition of foreign investment restrictions and exchange controls, and these could be repeated in the future. In addition to withholding taxes on investment income, some emerging markets may impose differential capital gain taxes on foreign investors.

For example, in the Russian Federation, registrars are not subject to effective government supervision, nor are they always independent from issuers. The possibility of fraud, negligence, undue influence being exerted by the issuer or refusal to recognize ownership exists, which, along with other factors, could result in the registration of a shareholding being completely lost. Therefore, investors should be aware that the Sub-Funds may suffer loss arising from this type of registration problem and may have no successful claim for compensation.

Interest rate risk linked to derivatives overlay strategy: the aim of the derivatives overlay strategy implemented at the Sub-Fund level is (i) to convert fixed payments into floating payments and (ii) to reduce the exposure to interest rates move by mitigating the duration risk. Therefore, the impact of interest rates move on the Net Asset Value of the Sub-Fund tends to be reduced. When interest rates increase, as the market value of fixed-income securities tends to decline, the market value of the overlay strategy tends to increase, as a result the impact of the interest rates increase on the value of the Net Asset Value of the Sub-Fund tends to be more limited. Conversely, when interest rates decline, the market value of fixed-income securities tends to increase, and the market value of the overlay strategy tends to decrease, as a result the impact of the interest rates decrease on the value of the Net Asset Value of the Sub-Fund tends to be more limited. There is no guarantee that such duration hedging strategy will be effective and that such duration hedging will be a perfect hedge.

5. – Investment Restrictions specific to the Sub-Fund

Notwithstanding the limits set forth in the section "Investment Restrictions" of the Prospectus, the Sub-Fund may not invest more than 10% of its net assets in UCITS and/or other UCIs.

The selling of **credit default swap** "CDS" will be used to create an equivalent to a bond where the existing capital structure of the firm does not contain an appropriate security that is consistent with the maturity target of the Sub-Fund. The credit analysis process leading to the selection of such CDS will be the same as that used to select bonds for the portfolio, and the Sub-Fund will generally favour bonds over CDS when suitable bonds are available.

The maximum exposure of the Sub-Fund in terms of inherent commitment to CDS will not exceed 20% of its net assets. Any leverage arising from investment in CDS will be accurately monitored, measured and managed in accordance with the risk management process in place for the Sub-Fund.

A **CDS** is a bilateral financial contract in which one counterparty (the protection buyer) pays a

periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer acquires the right to sell a particular bond or other designated reference obligations issued by the reference issuer for its par value or the right to receive the difference between par value and market price of the said bond or other designated reference obligations (or some other designated reference or strike price) when a credit event occurs. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The International Swap and Derivatives Association (ISDA) has produced standardised documentation for these derivatives transactions under the umbrella of its ISDA Master Agreement.

The Sub-Fund will only enter into OTC credit derivatives transactions with highly rated financial institutions specialised in this type of transaction and only in accordance with the standard terms laid down by the ISDA Master Agreement.

The maximum exposure through derivatives of the Sub-Fund may not exceed 100% of its net assets.

6. – Units

At the date of Prospectus, there is one Class of Units available in the Sub-Fund, which shall be denominated in the offering currencies mentioned hereinafter.

	- Class F – Distribution Monthly: USD
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Such list of Class of Units may be updated from time to time notably to reflect the Classes of Units created since the previous version of the Prospectus. The complete list of Class available for subscription may be obtained, free of charge and upon request, from the Management Company.

Description of Units

- **Class "F" Units**

The Class "F" Units are for all investors.

7. – Minimum Subscriptions and Holding Requirements ⁽¹⁾

Class	F
Minimum initial subscription	500,000
Minimum subsequent investment, except in case of regular saving plans	None
Minimum holding requirement in the Fund	None
Minimum holding requirement in each Sub-Fund	None

⁽¹⁾ Subscriptions in USD or the equivalent in the relevant currency of the relevant Class of Units.

The Directors may, in their discretion, waive or modify the foregoing requirements in particular cases.

8. – Conditions of Subscription, Redemption and Conversion

Subscription, redemption and conversion requests received by the Registrar Agent no later than 10 am on any Valuation Day will be accepted and traded on the basis of the Dealing Price applicable to such Valuation Day.

The relevant Dealing Price will be increased or decreased by any subscription, redemption or conversion fees, as mentioned below.

The Settlement Day for the Sub-Fund is within three Business Days after the relevant Valuation Day.²⁹

The Swing Pricing mechanism described in the section of the Prospectus entitled “Determination of the Net Asset Value of Units” will apply to this Sub-Fund.

9. – Fees

Maximum one-off charges taken when you invest		Maximum one-off charges when you redeem	Maximum recurrent charges taken from the Fund over a year		
Class	Subscription Fee	Redemption fee*	Management Fee	Applied Service Fee	Distribution Fee
F	5.00%	3.00%	0.45%	0.15%	-

* The redemption fee of 3% shall be paid to the Sub-Fund.

10. – Valuation Day

Every Business Day shall be a Valuation Day.

11. – Reference Currency

The Reference Currency of the Sub-Fund is USD.

12. – Sub-Fund Business Day

A day on which banks are open all day for business in Luxembourg and United-States of America.

13. – Performance of the Sub-Fund

²⁹ This change consisting in a settlement to be “within three Business Days after the relevant Valuation Day” instead of “is three Business Days after the relevant Valuation Day” shall be effective on 26th October 2020, date the Notice to Unitholders.

The performance of the Sub-Fund is indicated in the relevant KIID.

Past performance is not indicative of future results.