Prospectus for the

# AXA Fixed Interest Investment ICVC

Valid as at 04 October 2022

This document constitutes the prospectus for the AXA Fixed Interest Investment ICVC (the "Company"), an investment company with variable capital incorporated with limited liability and registered in England and Wales under registered number IC339. This prospectus has been prepared in accordance with the rules contained in the Collective Investment Schemes Sourcebook (the "COLL Sourcebook") which forms part of the Financial Conduct Authority's Handbook of Rules and Guidance.

**IMPORTANT: IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR FINANCIAL ADVISER**

# Important Information

AXA Investment Managers UK Limited, the authorised corporate director of the Company, (the "ACD") is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus does not contain any untrue or misleading statement or omit any matters required by the COLL Sourcebook to be included in it. The ACD accepts responsibility accordingly.

This Prospectus is based on information, law and practice at the date of this Prospectus. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date of this Prospectus. The Company cannot be bound by an out of date prospectus when it has issued a new prospectus and investors should check with the ACD that this is the most recently published prospectus. The most recently published prospectus may be found on the website of the ACD at www.axa-im.co.uk or can be provided free of charge on request by contacting the ACD at the address set out in the Directory.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Shares. The provisions of the Company's Instrument of Incorporation are binding on each of its Shareholders (who are taken to have notice of them).

No person has been authorised by the Company to give any information or to make any representations in connection with the offering of Shares other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been made by the Company.

This Prospectus has been prepared and issued and approved for the purpose of Section 21 of the Financial Services and Markets Act 2000, by the ACD. A copy of this Prospectus has been delivered to the Depositary and the FCA. The official language for the purposes of communications in relation to the Company shall be English.

# Automatic Exchange of Information

The United Kingdom government has enacted legislation enabling it to comply with its obligations in relation to international tax compliance including the United States provisions commonly known as FATCA and other intergovernmental agreements. The Company may need to disclose information including about certain Shareholders including their name, address, taxpayer identification number and investment information to HM Revenue & Customs, who will in turn exchange this information with their overseas counterparts in relevant jurisdictions.

By signing the application form to subscribe for Shares, each prospective Shareholder is agreeing to provide information upon request to the Company or its agent. If a Shareholder does not provide the necessary information, the Company will be required to report it to HM Revenue & Customs.

# Restrictions on Overseas Investors

The distribution of this Prospectus and the offering of Shares in certain jurisdictions outside of the United Kingdom may be restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Shares in the Company are not listed on any investment exchange.

The Shares have not been and will not be registered under the 1933 Act or the securities laws of the United States. The Shares may not be offered or sold directly or indirectly in the United States or to or for the account or benefit of any US Person or in a transaction not subject to the regulatory requirements of, the 1933 Act and any applicable state securities laws. Any re-offer or resale of any of the Funds in the United States or to US Persons may constitute a violation of US law. The Company has not been and will not be registered under the 1940 Act and investors will not be entitled to the benefit of registration.

The Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other US 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. The Shares are subject to restrictions on transferability and resale and may not be transferred or resold in the United States except as permitted under the 1933 Act and applicable state securities laws, pursuant to registration or exemption therefrom.

In order to ensure compliance with the restrictions referred to above, the Company is, accordingly, not open for investment by any US Persons or ERISA Plans except in exceptional circumstances and then only with the prior consent of the ACD. A prospective investor may be required at the time of acquiring Shares to represent that such investor is a qualified holder and not a US Person or acquiring Shares for the account or benefit, directly or indirectly, of a US Person or with the assets of an ERISA Plan. The granting of prior consent by the ACD to an investment does not confer on the investor a right to acquire Shares in respect of any future or subsequent application.

# Contents

# Directory

## The Company and head office:

AXA Fixed Interest Investment ICVC

22 Bishopsgate

London

EC2N 4BQ

## Authorised Corporate Director:

AXA Investment Managers UK Limited

22 Bishopsgate

London

EC2N 4BQ

## The Administrator and address for inspection of Register:

SS&C Financial Services International Limited and SS&C Financial Services Europe Limited

SS&C House

St Nicholas Lane

Basildon Essex SS15 5FS

## The Depositary:

HSBC Bank plc

8 Canada Square

London

E14 5HQ

## The Sub-Investment Managers:

AXA Investment Managers Inc

100 West Putnam Avenue

4th Floor

Greenwich

CT 06830 USA

AXA Investment Managers Paris

Tour Majunga

La Défense 9

6, Place de la Pyramide

92800 Puteaux

France

## The Auditor:

Ernst & Young LLP

Atria One

144 Morrison Street

Edinburgh

EH3 8EX

# Definitions

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|---|---|
| ACD | AXA Investment Managers UK Limited, the authorised corporate director of the Company |
| Act | the Financial Services and Markets Act 2000, and all instruments, rules, regulations and guidance made thereunder, as such may be amended or re-enacted from time to time |
| Administrator | SS&C Financial Services International Limited and SS&C Financial Services Europe Limited or such other entity as may be appointed from time to time by the ACD as the administrator in respect of the Company |
| Approved Bank | one of certain banks and credit institutions as defined in the glossary to the FCA Handbook |
| AXA Group | means the group of companies for which AXA S.A. is the ultimate holding company |
| AXA IM Group | means the group of companies for which AXA Investment Managers S.A. is the ultimate holding company |
| Benchmarks Regulation | the UK version of Regulation (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 and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 as the same may be amended, supplemented or re-enacted from time to time, which is part of UK law by virtue of the EUWA |
| Class(es) | in relation to Shares, means (according to the context) all of the Shares related to a single Fund or of a particular class or classes of Share related to a single Fund |
| COBS Sourcebook | the Conduct of Business Sourcebook which forms part of the FCA Handbook |
| COLL | refers to the appropriate chapter or rule in the COLL Sourcebook |
| COLL Sourcebook | the Collective Investment Schemes Sourcebook which forms part of the FCA Handbook |
| Company | AXA Fixed Interest Investment ICVC |
| Dealing Day | Monday to Friday except for (unless the ACD otherwise decides) a bank holiday in England and Wales and any other days declared by the ACD to be a Company holiday and other days (including, without limitation, days on which a relevant local exchange is closed for business) at the ACD's discretion with the prior agreement of the Depositary |
| Depositary | HSBC Bank plc, the depositary of the Company |
| EEA | means the European Economic Area |
| EEA State | a member state of the European Union and any other state which is within the EEA |
| EEA UCITS Scheme | a collective investment scheme established in accordance with the UCITS Directive in an EEA State |
| Eligible Institution | one of certain eligible institutions as defined in the glossary to the FCA Handbook |
| Efficient Portfolio Management or EPM | as used in this Prospectus, shall mean efficient portfolio management, hedging and investment techniques where derivatives are used for one or more of the following purposes: reduction of risk, reduction of cost or generation of additional capital or income with a risk level which is consistent with the risk profile of each Fund and the risk diversification rules set out in the FCA Handbook |
| ERISA Plan | (i) any retirement plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"); (ii) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended; or (iii) an entity whose assets include plan assets by reason of a plan's investment in the entity (generally because 25% or more of a class of equity interests in the entity is owned by plans) |

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| ESMA | the European Securities and Markets Authority or such entity or entities as may replace it from time to time |
| EUWA | the European Union (Withdrawal) Act 2018 |
| FCA | the Financial Conduct Authority or such entity or entities as may replace it from time to time |
| FCA Handbook | the FCA Handbook of Rules and Guidance as such may be amended from time to time |
| Fund(s) | a sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective applicable to such sub-fund |
| Instrument of Incorporation | the instrument of incorporation of the Company as amended from time to time |
| ISA | an individual savings account under The Individual Savings Account Regulations 1998 (as amended) |
| MMFR | the UK version of Regulation (EU) No 2017/1131 of the European Parliament and the Council of 14 June 2017 on money market funds, which is part of UK law by virtue of the EUWA |
| Net Asset Value or NAV | the value of the Scheme Property of the Company or of any Fund or Class (as the context requires), less the liabilities of the Company (or of the Fund or Class concerned) as calculated in accordance with the Instrument of Incorporation and as further described under "Valuation of Scheme Property" in the "Shares" section of this Prospectus |
| OEIC Regulations | the Open-Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time |
| Price | means the price at which Shares may be bought or sold on any Dealing Day and calculated in accordance with the methodology further described in the "Shares" section of this Prospectus |
| Register | the register of Shareholders of the Company |
| Registrar | AXA Investment Managers UK Limited, or such other entity as may be appointed from time to time as the registrar of the Company |
| Regulations | the OEIC Regulations, the UCITS Regulations and the FCA Handbook |
| Scheme Property | the scheme property of the Company (or a Fund) required under the COLL Sourcebook to be given for safe-keeping to the Depositary |
| SFTR | the UK version of 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 648/2012 as amended by the Transparency of Securities Financing Transactions and of Reuse (Amendment) (EU Exit) Regulations 2019, which is part of UK law by virtue of the EUWA |
| Share(s) | a share or shares in the Company, including larger denomination shares and smaller denomination shares (on the basis that one thousand smaller denomination shares make one larger denomination share) |
| Shareholder | a holder of registered or bearer Shares in the Company |
| Sub-Investment Manager | AXA Investment Managers Inc. or AXA Investment Managers Paris (as relevant), collectively referred to as the "Sub-Investment Managers" |
| UCITS | an Undertaking for Collective Investment in Transferable Securities which is a UK UCITS Scheme or an EEA UCITS Scheme |
| UCITS Depositary Regulations | The UK version of Commission Delegated Regulation (EU) 2016/438 of 17.12.2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries, which is part of UK law by virtue of the EUWA, as amended by section 8 of the EUWA |

**UCITS Directive**
Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended from time to time, which applies to EEA UCITS Schemes

**UCITS Regulations**
the COLL Sourcebook and the Collective Investment Schemes (Amendment etc) (EU Exit) Regulations 2019 No.325 including any amendments or updates made in relation thereto

**UCITS Scheme**
a UK UCITS, as defined below

**UK**
means the United Kingdom of Great Britain and Northern Ireland

**UK UCITS**
means, in accordance with sections 236A and 237 of the Act, a collective investment scheme which may consist of several sub-funds, which is either an authorised unit trust scheme, an authorised contractual scheme, or an authorised open-ended investment company with the sole object of collective investment of capital raised from the public in transferable securities or other liquid financial assets, operating on the principle of risk-spreading, with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings' assets, and which has identified itself as a UCITS in its prospectus and has been authorised accordingly by the FCA

**United States or US**
means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia

**US Person**
a person described in any the following paragraphs:

1. With respect to any person, any individual or entity that would be a US Person under Regulation S of the 1933 Act. The Regulation S definition is set forth below. Even if you are not considered a US Person under Regulation S, you can still be considered a "US Person" within the meaning of this Prospectus under paragraphs 2 and 3, below.
2. With respect to any person, any individual or entity that would be excluded from the definition of "Non-United States person" in Commodity Futures Trading Commission ("CFTC") Rule 4.7. The definition of "Non-United States person" is set forth below.
3. With respect to persons other than individuals, (i) a corporation or partnership created or organised in the United States or under the law of the United States or any state, (ii) a trust where (a) a US court is able to exercise primary supervision over the administration of the trust and (b) one or more US persons have the authority to control all substantial decisions of the trust and (iii) an estate which is subject to US tax on its worldwide income from all sources.

Regulation S definition of US Person

1. Pursuant to Regulation S of the 1933 Act, "U.S. Person" means:
   - (i) any natural person resident in the United States;
   - (ii) any partnership or corporation organised or incorporated under the laws of the United States;
   - (iii) any estate of which any executor or administrator is a US person;
   - (iv) any trust of which any trustee is a US person;
   - (v) any agency or branch of a foreign entity located in the United States;
   - (vi) 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 US Person;
   - (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; or
   - (viii) any partnership or corporation if:
     - (A) organised or incorporated under the laws of any non-US jurisdiction; and

(B) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised 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.

2. Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States shall not be deemed a "US Person".

3. Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administrator is a US Person shall not be deemed a "US Person" if:

   (i) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and

   (ii) the estate is governed by non-US law.

4. Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a US Person shall not be deemed a "US Person" if a trustee who is not a US 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 US Person.

5. Notwithstanding (1) 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 "US Person".

6. Notwithstanding (1) above, any agency or branch of a US Person located outside the United States shall not be deemed a "US Person" if:

   (i) the agency or branch operates for valid business reasons; and

   (ii) 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.

7. 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 organisations, their agencies, affiliates and pension plans shall not be deemed "US Persons".

Non-United States persons definition

CFTC Rule 4.7 currently provides in relevant part that the following persons are considered "Non-United States persons":

1. a natural person who is not a resident of the United States or an enclave of the US government, its agencies or instrumentalities;

2. a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-US jurisdiction and which has its principal place of business in a non-US jurisdiction;

3. an estate or trust, the income of which is not subject to US income tax regardless of source;

4. an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided, that shares/units of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons (as defined in CFTC Rule 4.7(a)(2) or (3)) represent in the aggregate less than ten per cent. 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-United States 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-United States persons; and

5. a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States

The ACD may amend the definition of "US Person" without notice to Shareholders as necessary in order best to reflect then-current applicable US law and regulation. Contact your sales representative for a list of persons or entities that are deemed to be "US Persons".

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| Valuation Point | the point on a Dealing Day at which the ACD carries out a valuation of the Scheme Property for the Company or a Fund (as the case may be) for the purpose of determining the Price at which Shares of a Class may be issued, cancelled or redeemed. The Valuation Point for a Fund is set out in the relevant Fund Profile in Appendix I. |
| VAT | value added tax |
| 1933 Act | the United States Securities Act of 1933 (as may be amended or re-enacted) |
| 1940 Act | the United States Investment Company Act of 1940 (as may be amended or re-enacted) |

# Details of the Company

## General

The AXA Fixed Interest Investment ICVC is an investment company with variable capital incorporated in England and Wales under registered number IC339 and authorised by the FCA under product reference number 403003 with effect from 20 September 2004. The Company is a UK UCITS which complies with the COLL Sourcebook.

The base currency of the Company and each Fund is Pounds Sterling.

The maximum share capital of the Company is £100,000,000,000 and the minimum share capital is £5,000,000. Shares in the Company have no par value. The share capital of the Company at all times equals the sum of the Net Asset Value of each of the Funds in the base currency.

The Company has an unlimited duration. Shareholders of the Company are not liable for the debts of the Company.

The head office of the Company is the place in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

## The structure of the Company and the Funds

The Company is structured as an umbrella company, in that different Funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new Fund or Class, a revised version of this Prospectus will be prepared setting out the relevant details of each Fund or Class.

The assets of each Fund will be treated as separate from those of every other Fund and will be invested in accordance with the investment objective and investment policy applicable to that Fund. Each Fund is treated as a separate entity. The Funds which are currently available are:

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| AXA ACT Carbon Transition Sterling Buy and Maintain Credit Fund | AXA Sterling Index Linked Bond Fund |
| AXA ACT Green Short Duration Bond Fund** | AXA Global Strategic Bond Fund |
| AXA Global High Income Fund | AXA Sterling Strategic Bond Fund |
| AXA Sterling Corporate Bond Fund | AXA US Short Duration High Yield Fund |
| AXA Sterling Credit Short Duration Bond Fund | AXA Global Short Duration Bond Fund |

* The AXA Sterling Buy and Maintain Credit Fund changed its name to the AXA ACT Carbon Transition Sterling Buy and Maintain Credit Fund on 13 June 2022. This Fund is part of AXA IM's global ACT range of products, which implements a responsible approach as part of their investment strategy.

**The AXA ACT Green Short Duration Bond Fund was launched on 05 January 2022. This Fund is part of AXA IM's global ACT range of products, which implements a responsible approach as part of their investment strategy.

Details of the Funds, including their investment objectives and policies and past performance tables, are contained in the Fund Profiles in Appendix I. Each Fund is registered with the FCA under the product reference number specified in the relevant Fund Profile in Appendix I.

The Class R Shares of the Funds (where such Shares are available as set out in the Fund Profiles in Appendix I) are qualifying investments for the stocks and shares ISA managed by the ACD. For further details of how to invest in the Funds through this ISA, an applicant should refer to the latest “Terms & Conditions relating to AXA Investment Managers UK authorised funds and ISA”. The Terms and Conditions are available at https://www.axa-im.co.uk/client-documentation or in paper copy on request to the ACD.

The Funds are segregated portfolios of assets and, accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other Fund, and shall not be available for any such purpose. Further details in relation to the segregated nature of the Funds can be found in the “Risk Factors” section of this Prospectus.

Subject to the above, to the extent that any Scheme Property, or any assets to be received as part of the Scheme Property, or any costs, charges or expenses to be paid out of the Scheme Property, are not attributable to one Fund only, the ACD will allocate such Scheme Property, assets, costs, charges or expenses between the Funds in a manner which is fair to Shareholders.

## Changes to the Company or the Funds

The terms of the Company or the Funds may, subject to the provisions of and in accordance with the COLL Sourcebook, be amended from time to time.

Where amendments are proposed, the ACD will assess whether the change is fundamental, significant or notifiable in accordance with COLL 4.3. If the change is regarded as fundamental, Shareholders will be required to approve the change by way of extraordinary resolution at a meeting of Shareholders. If the change is regarded as significant, at least 60 days’ prior written notice will be provided to Shareholders. If the change is regarded as notifiable (i.e. not regarded as fundamental or significant), Shareholders will receive notification in an appropriate manner at or after the date upon which the amendment will take place. Shareholders will not be notified of changes to this Prospectus which are assessed by the ACD as insignificant.

## Investment and borrowing powers

The investment powers of each Fund are determined by the COLL Sourcebook, the Instrument of Incorporation and the investment objective and policy of each Fund as set out in the relevant Fund Profile in Appendix I. Included in this framework are the regulatory limitations in relation to investment and borrowing which are summarised in the “Investment and borrowing powers applicable to the Funds” section in Appendix II. A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by a Fund if the consent of the Depositary is obtained in writing but, in the event of a consequent breach, the ACD must then take such steps as are necessary to restore compliance with the investment limits as soon as practicable having regard to the interests of Shareholders.

## Risk management

The ACD will provide upon the request of a Shareholder further information relating to the quantitative limits applying in the risk management of any Fund; the methods used in relation to the above; and any recent development of the risk and yields of the main categories of investment.

# Risk Factors

Investment in each Fund carries with it a degree of risk. The risks described in this section should not be considered an exhaustive list of the risks that potential investors should consider before investing in a Fund. Potential investors should be aware that holding an investment in a Fund involves exposure to risks of an exceptional nature from time to time, which are not discussed here. Potential investors should consider the risks set out in this section before investing in a Fund.

## General risks related to investment in the Company

The following risks relate to investing in the Funds generally:

- Past performance is not a guide to future performance.
- There is no assurance or guarantee that the investment objectives of any Fund will be achieved.
- The securities and instruments in which the Funds invest are subject to normal market fluctuations and other risks inherent in investing in such securities and instruments and there can be no assurance that any appreciation in value will occur.
- Unless a Fund's performance keeps up with or beats inflation, the real value of an investment in the Fund will fall over time.
- All of each Shareholder's investment is at risk. The value of Shares and the income from Shares may go down as well as up and accordingly, an investor may not get back the full amount invested and may not receive a return which is sufficient to meet their own investment objective. An investment in a Fund should only be made by those persons who are able to sustain a loss on their investment.
- Where a Fund is aiming for relatively high performance, the Fund may incur a greater level of risk than those Funds adopting a more moderate approach.
- There may be a variation in performance between Funds with similar objectives and policies due to the selection of different investments for each Fund.
- It is the responsibility of each investor (or their professional adviser) to ensure that the investment objective of the relevant Fund meets with their requirements. Prospective investors should review this Prospectus carefully and in its entirety before making an application for Shares.

### Management risk

The ACD or, as the case may be, the relevant Sub-Investment Manager, will apply its investment techniques and strategies in making investment decisions for a Fund, but there can be no guarantee that the ACD or the relevant Sub-Investment Manager will be successful and they may incur losses for the Fund. Investment choices made by the ACD or the relevant Sub-Investment Manager will also affect the overall level of risk within a Fund. This level of risk is likely to vary over time due to changing market conditions and/or changes to the Fund's holdings. Shareholders will have no right or power to participate in the day-to-day management or control of the business of the Funds, nor an opportunity to evaluate the specific investments made by the Funds or the terms of any of such investments.

### Effect of dealing charges

Where an initial charge or redemption charge is imposed, a Shareholder who sells their Shares after a short period may not (even in the absence of a fall in the value of the relevant investments) receive the amount originally invested. Therefore, the Shares should be viewed as medium to long-term investments.

In particular, where a redemption charge is payable, investors should note that the percentage rate at which the redemption charge is calculated is based on the market value rather than the initial value of the Shares. If the market value of the Shares has increased, the redemption charge will show a corresponding increase. Currently, there is no redemption charge.

## Suspension of dealings in Shares

Shareholders are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of switching Shares or converting Classes of Shares) may be suspended (see the "Dealing in Shares" section ("When might suspension of dealing in the Company occur?") of this Prospectus).

## Custodian insolvency

Each Fund is subject to a number of risks relating to the insolvency, administration, liquidation or other formal protection from creditors ("Insolvency") of the custodian or the sub-custodian with which the assets of the Fund are held. These risks include without limitation: the loss of all cash held with the custodian or the sub-custodian which is not segregated from the cash of the custodian or the sub-custodian or protected by the rules of a regulatory authority relating to client money; the loss of all cash which the custodian or the sub-custodian has failed to treat as client money in accordance with procedures (if any) agreed with the ACD or the rule of a regulatory authority; the loss of any securities held on trust ("trust assets") or client money held by or with the custodian or the sub-custodian used to pay for the administrative costs of the Insolvency and/or the process of identifying and transferring the relevant trust assets and/or client money or for other reasons according to the particular circumstances of the Insolvency; losses of some or all assets due to the incorrect operation of the accounts by the custodian or the sub-custodian; and losses caused by prolonged delays in receiving transfers of balances and regaining control over the relevant assets. The Scheme Property of a Fund may be registered in the name of a sub-custodian where, due to the nature of the law or market practice of jurisdictions, it is common market practice, not feasible to do otherwise, or a more efficient manner of holding such investments. A Fund is subject to similar risks in the event of Insolvency of any such sub-custodian or of any third party bank with which client money is held. An Insolvency could cause severe disruption to the trading of the ACD.

## Holding of assets by the Depositary

The Depositary has a duty to ensure that it safeguards and administers the Scheme Property in compliance with the Client Assets Sourcebook ("CASS") of the FCA Handbook. The Depositary is not under a duty to comply with the provisions of the FCA Handbook on handling money received or held for the purpose of buying or selling securities and investments. Moreover, with respect to handling Scheme Property in the course of delivery versus payment transactions through a commercial settlement system ("CSS"), the Scheme Property may not be protected by CASS. In the event that the Depositary becomes insolvent or otherwise fails, there is a risk of loss or delay in return of any Scheme Property which consists of cash, assets held in a CSS or any other Scheme Property which the Depositary or any of its delegates is not required or has failed to hold in accordance with CASS.

## Tax rules

Governments may change the tax rules which affect a Shareholder or the Funds in which the Shareholder has invested.

## Settlement/registration risk

A Fund's investments may carry risks associated with failed or delayed settlement of market transactions or failures in the registration and custody of the investments. Such failure or delay could result in a Fund suffering losses.

## Settlement timing risk

A Fund's settlement period for subscriptions and redemptions in Shares may not always coincide exactly with the settlement periods of the transactions in the Fund's underlying investments. For example, the Fund may not receive cash from a sale of its investments in time to pay proceeds to Shareholders selling Shares in the Fund. Equally, the settlement period for receiving the cash for a subscription for Shares in the Fund may be longer than the settlement period for an investment made by the Fund as a result of such subscription. For short periods of time, these 'settlement mismatches' may cause the Fund to become temporarily overdrawn or have more cash than desired. As a result, the Fund may experience short periods where either it has increased counterparty exposure due to holding higher levels of cash or it is paying for an overdraft facility. The scope for settlement mismatches is reduced by coinciding settlement periods but this may not always be possible, depending on the standard settlement cycle for the Scheme Property.

## Redemption risk

All Funds are daily dealing and may experience large redemptions from time to time. There is a risk that the level of redemption may become such that the remaining assets in the relevant Fund are not at a level that makes proper management of the Fund viable. In these circumstances, the ACD may, acting in the best interests of remaining Shareholders, take steps to terminate the Fund in accordance with the "Winding up of the Company or termination of a Fund" section of this Prospectus.

## Transaction timing risk in connection to subscriptions and redemptions

The Funds will at times transact in underlying financial markets only after the Valuation Point for the subscriptions or redemptions which may have created the need for those transactions. As such, there can be an uncertainty in the achieved transaction values at the time the relevant Fund's valuation is determined, which can impact the relevant Fund's NAV with respect to the ongoing Shareholders.

## Liabilities of the Company and the Funds

As explained in the "Details of the Company" section of this Prospectus, under the OEIC Regulations, each Fund is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Fund. Whilst the provisions of the OEIC Regulations provide for segregated liability between Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another Fund of the Company in every circumstance.

Shareholders are not, however, liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after they have paid the purchase Price of the Shares.

## Cyber Security Risk

The ACD and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g. through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber attacks also may be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e. efforts to make services unavailable to intended users). Cyber security incidents affecting the ACD, Sub-Investment Managers, Administrator or Depositary or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with the ability to calculate the Net Asset Value per Share; impediments to trading of a Fund's portfolio; the inability of Shareholders to transact business with a Fund; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which a Fund invests, counterparties with which the ACD or Sub-Investment Managers engage in transactions, governmental and other regulatory authorities, exchanges and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. The ACD itself has in place a cyber security policy which a) describes the procedures whereby the directors satisfy themselves with respect to any threat to the ACD from a cyber security related event or attack, and b) ensures the ACD has appropriate safeguards in place to mitigate the risk of a successful cyber-security attack and to minimise the adverse consequences arising from any such event or attack. While information risk management systems and business continuity plans have been developed by the ACD and the service providers to the Company which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

## Specific risks related to the Funds

The following risks relate to the investments and strategies of the Funds. Potential investors should refer to the Fund Profiles in Appendix I where key risks for each Fund are identified.

The Funds invest in fixed interest securities. Fixed interest securities are the borrowings of governments or companies (the issuers), generally in the form of bonds. The issuers will pay the following to a holder of bonds: (a) a fixed rate of interest on the debt (also known as the coupon) on fixed due dates; and (b) the capital value of the debt (the principal) after a fixed period (the maturity). The market price of a bond is determined by its redemption yield. The redemption yield of a bond is the rate of return paid to a holder (expressed as an annual percentage of its current market value) if the bond is held to its maturity. The redemption yield (and therefore the market price) of such bonds are affected by a number of factors, including short term interest rates (shorter duration bonds respond more to these) and economic outlook and inflation expectations (medium and longer duration bonds follow these longer term trends and views) as well as the creditworthiness of the issuer.

### Interest rate risk

Interest rate risk is the risk that the market value of bonds held by the Fund could fall as a result of higher market rates (yields). Yields can change as a result of, among other things, the economic and inflation outlook which also affects supply and demand as well as future interest rate expectations, without necessarily a change in official central bank short term interest rates. Higher yields result in a decline in the value of bonds. Conversely, lower yields tend to increase the value of bonds. Duration (a measure based on the coupon and maturity payments schedule of a bond) is an important concept in understanding how the price of that bond might change for a 1% move in its redemption yield. A bond with a longer duration is more sensitive to a change in yields and, generally speaking, will experience more volatility in its market value than bonds with shorter durations.

### Credit risk

All bonds have a potential credit risk, in that the issuer could default on its obligations to pay income and/or capital. An issuer default would likely result in a large drop in the value of that bond. The value of a bond will also be affected by the perceived credit risk of the issuer, including changes to credit ratings and the general level of aversion to credit risk in the market. Generally, an increased level of perceived credit risk leads to a fall in the value of the bond, and vice versa. Credit risk can be measured by ratings assigned to issuers of bonds by third party credit rating agencies. The largest credit rating agencies are Moody's, Standard & Poor's and Fitch Ratings. Each credit rating agency uses different designations. The highest designation (Aaa (Moody's), AAA (Standard & Poor's and Fitch Ratings)) are intended to represent a lower probability of default of the issuer. The credit rating agencies designate "investment grade" bonds as Baa3 or above (Moody's) or BBB- or above (Standard & Poor's or Fitch Ratings). See further below under "High yield bonds risk".

### High yield bonds risk

High yield bonds (also known as sub-investment grade bonds) are fixed interest securities issued by companies or governments with lower credit ratings (Ba1 and below (Moody's) or BB+ and below (Standard & Poor's and Fitch Ratings)). They are potentially more risky than investment grade bonds which have higher ratings. The issuers of high yield bonds will be at greater risk of default or ratings downgrades. The capital value of a Fund's investment in high yield bonds and the level of income it receives may fall as a result of such issuers ceasing to trade. A Fund will endeavour to mitigate the risks associated with high yield bonds, by diversifying their holdings by issuer, industry and credit quality.

### Prepayment and extension risk

Prepayment risk is the risk associated with the early unscheduled return of capital (i.e., repayment of the debt) by the issuer on a bond. Prepayment generally occurs in a declining interest rate environment. When capital is returned early, no future interest payments will be paid on that part of the capital. If the bond was purchased at a premium (i.e., at a price greater than the value of the capital), the return on the bond will be less than what was estimated at the time of purchase.

The opposite of prepayment risk is extension risk which is the risk of a bond's expected maturity lengthening in duration due to a slowdown in prepayments of capital. Extension risk is mainly the result of rising interest rates. If the bond was purchased in anticipation of an early repayment of capital, an extension of the maturity could impact the price of the bond.

## Index-linked bonds risk

Index-linked bonds are fixed interest securities whose capital repayment amounts and interest payments are adjusted in line with movements in inflation indices. They are designed to mitigate the effects of inflation on the value of a portfolio. The market value of index-linked bonds is determined by the market's expectations of future movements in both interest rates and inflation rates.

As with other bonds, the value of index-linked bonds will generally fall when expectations of interest rates rise and vice versa. However, when the market anticipates a rise in inflation rates, index-linked bonds will generally outperform other bonds, and vice versa.

Index-linked bonds bought in the secondary market (i.e., not directly from the issuer) whose capital values have been adjusted upward due to inflation since issuance, may decline in value if there is a subsequent period of deflation.

Due to the sensitivity of these bonds to interest rates and expectations of future inflation, there is no guarantee that the value of these bonds will correlate with inflation rates in the short to medium term.

## Risks linked to investment in sovereign debt

The Funds may invest in bonds issued by countries and governments (sovereign debt). The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the capital and/or interest when due in accordance with the terms of such debt. In such a scenario, the value of investments of the Funds may be adversely affected. A governmental entity's willingness or ability to repay capital and interest due 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 governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest on their debt. In addition, there are no bankruptcy proceedings for such issuers under which money to pay the debt obligations may be collected in whole or in part. Holders may be requested to participate in the rescheduling of such sovereign debt and to extend further loans to the issuers.

Certain countries are especially large debtors to commercial banks and foreign governments. Investment in sovereign debt issued or guaranteed by such countries (or their governments or governmental entities) involves a higher degree of risk than investment in other sovereign debt.

Certain Funds may be further subject to the risk of high concentration in bonds issued by and/or guaranteed by a single sovereign issuer which is below investment grade and/or unrated which is also subject to higher credit risk. In the event of a default of the sovereign issuer, a Fund may suffer significant loss.

## Liquidity risk

Under certain market conditions, it may be difficult to buy or sell investments for the Fund. For example, corporate and emerging market bonds may be affected by the demand in the market for such bonds carrying credit risk, particularly in times of significant market stress. As a result, it may not be possible to buy or sell such investments at a preferred time, close to the last market price quoted or in the volume desired. The ACD may be forced to buy or sell such investments as a consequence of Shareholders buying or selling Shares in the Fund. Depending on market conditions at the time, this could lead to a significant drop in the Fund's value.

## Leverage

A proportion of the capital of the Fund may be leveraged through borrowing cash or use of derivatives (i.e., the exposure of the Fund to an asset may be greater than the amount invested). While leverage presents opportunities for increasing the capital return, it has the effect of potentially increasing losses as well. Any event which adversely affects the Fund's underlying investment would be magnified to the extent the capital is leveraged. The cumulative effect of the use of leverage in a market that moves adversely to the underlying investment vehicles would result in a substantial loss to capital that would be greater than if capital were not leveraged.

## Emerging Markets risk

Investment in emerging markets (countries that are transitioning towards more advanced financial and economic structures) may involve a higher risk than those inherent in established markets. Emerging markets and their currencies may experience unpredictable and dramatic fluctuations from time to time. Investors should consider whether or not investment in such Funds is either suitable for or should constitute a substantial part of an investor's portfolio.

Companies in emerging markets may not be subject to:

a. accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in major markets;

b. the same level of government supervision and regulation of markets as countries with more advanced securities markets.

Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions.

Restrictions on foreign investment in emerging markets may preclude investment in certain securities by the Funds referred to above and, as a result, limit investment opportunities for those Funds. Substantial government involvement in, and influence on, the economy, as well as a lack of political or social stability, may affect the value of securities in certain emerging markets.

The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in delays in realising investments.

Lack of liquidity and efficiency in certain emerging markets may mean that from time to time the ACD may experience more difficulty in purchasing or selling holdings of securities than it would in a more developed market.

## Political economic, convertibility and regulatory risk

Some geographical areas in which a 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.

## Currency risk

Assets of a Fund (including cash), and any income paid on those assets, may be denominated in a currency other than the base currency of the Fund. Changes in the exchange rate between the base currency and the currency of an asset may cause the value of the asset/income (expressed in the base currency) to fall as well as rise even if there is no change of the value of such assets in its local currency. This may also cause additional volatility in the Fund's Price. It may not be possible or practicable to hedge against such exchange rate risk.

For certain Funds (as indicated in the relevant Fund Profile), the ACD aims to reduce the risk of movements in exchange rates on the value of all or part of the assets of a Fund through the use of currency exchange transactions. A Fund may enter into currency exchange transactions either on a spot basis (i.e., exchanging at the current price) or through forward currency transactions (i.e., agreeing to purchase the currency at an agreed price at a future date). Neither spot transactions nor forward currency transactions will completely eliminate fluctuations in the prices of a Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. The performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Fund may not correspond with the securities positions held.

Although these transactions are intended to minimise the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. Forward currency transactions may also have the effect of reducing or enhancing a Fund's performance due to the difference between the exchange rate available on such transactions compared to the current (spot) exchange rate. Under normal market conditions this difference in exchange rates is mainly caused by the different short term interest rates applicable to the currency of the assets and the base currency of the Fund. Where the interest rate applying to the foreign currency is higher than that of the Fund's base currency, this can reduce the Fund's performance and vice-versa. This impact on performance is usually far less pronounced than the effect of fluctuations of exchange rates that the use of such transactions is intended to reduce, but the impact can be significant over time, particularly where there is a wide gap between the interest rates applicable to the two currencies. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. Therefore, the successful execution of a hedging strategy which matches exactly the profile of the investments of any Fund cannot be assured. Furthermore, it may not be possible to hedge against generally anticipated exchange or interest rate fluctuations at a price sufficient to protect the Fund from the anticipated decline in value of its assets as a result of such fluctuations.

## Counterparty risk

At any one time, a Fund may be exposed to the creditworthiness and stability of the counterparties to transactions entered into by the Fund (including derivative and stock lending and repo/reverse repo transactions). The Fund will be subject to the risk of the inability of its counterparties to perform its obligations under such transactions (default), whether due to insolvency, bankruptcy or other causes. In the event of the insolvency of a counterparty, the Fund might not be able to recover cash or assets of equivalent value, to that invested, in full. The Fund may receive assets or cash from the counterparty (collateral) to protect against any such adverse effect. Where relevant, a counterparty will forfeit its collateral if it defaults on the transaction with the Fund. However, if the collateral is in the form of securities, there is a risk that when it is sold, it will realise insufficient cash to settle the counterparty's debt to the Fund under a transaction or to purchase replacement securities that were lent to the counterparty under a stock lending arrangement. In relation to stock lending arrangements, there is also the risk that while cash is recovered in the event of a default, the actual stock cannot be repurchased. Furthermore, to the extent that collateral is not present to cover part or all of the debt, a counterparty default may result in losses for the affected Fund. To assist in managing these types of risks, the ACD sets criteria around the types of eligible collateral a Fund may accept. Please see the paragraph entitled "Treatment of Collateral" in the "Investment and borrowing powers applicable to the Funds" section in Appendix II of this Prospectus for more information.

## Derivatives risk

A Fund may enter into a variety of transactions taking the form of "derivatives transactions" (namely, options, futures or contracts for differences) or forward currency transactions. A derivatives transaction must either be in a derivative which is traded or dealt in on an eligible derivatives market and effected in accordance with the rules of that market, (an "exchange traded" derivative), or be an off-exchange derivative entered into with an eligible counterparty (an "over-the-counter" or "OTC" derivative). Forward currency transactions are over-the-counter transactions. Derivative transactions are designed to provide exposure to the value or performance of different assets including shares, bonds and indices, the credit risk of companies or governments, interest rates, the value of currencies or other assets or investments, without the Fund owning the relevant asset(s) or making a direct investment. A forward currency transaction is a contract that locks in the exchange rate for the sale or purchase of a particular currency on a future date. Each derivative and forward transaction bears various risks and its use may result in losses to the Fund. The price or value of derivative and forward currency transactions may move in unexpected ways, particularly in abnormal market conditions, and therefore the use of derivatives and forward currency transactions may increase the volatility of the Price of Shares in a Fund. If a derivative transaction involves leverage (i.e., it increases the Fund's exposure to the underlying asset or investment), this may magnify investment losses suffered by the Fund and the Fund may lose in excess of the amount invested. Exchange traded and OTC transactions are subject to liquidity risk as it may not always be possible to sell or terminate the relevant transaction. OTC derivative and forward currency transactions are subject to counterparty risk as the counterparty to the transaction may not settle the transaction in accordance with its terms and conditions (due to dispute of the terms or because of a credit or liquidity problem), thus causing the Fund to suffer a loss. Derivative and forward currency transactions may also involve legal risk which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

The successful use of derivative and forward currency transactions (whether for investment purposes or for Efficient Portfolio Management purposes) requires sophisticated management and a Fund will depend on the ability of the fund manager to analyse and predict market movements and manage the transactions. The value of a derivative or forward currency transaction will be determined by a range of factors, including the volatility and market price of the underlying asset, interest rates, government intervention in derivatives markets, the duration of the contract and the risk of default of the counterparty. As a result, there are many factors upon which market participants may have divergent views and there is a risk that the fund manager may incorrectly value the derivative/currency forward. Furthermore, there is a risk that the value of the derivative/currency forward may not correlate to the underlying asset or investment in the way anticipated by the fund manager, due to unexpected market behaviour or interest rate trends. Therefore, where a Fund uses derivative or forward currency transactions to achieve a particular result, whether for investment purposes or for Efficient Portfolio Management, there is a risk that such use will not be successful and could leave the Fund in a worse position than if such transactions had not been used.

In certain circumstances, the Fund may use derivatives or forward currency transactions to reduce or eliminate risk arising from fluctuations in interest rates or exchange rates and in the price of investments or use them for other Efficient Portfolio Management purposes. Where such transactions are used for the purposes of reducing or eliminating (i.e., hedging) certain risks (for example, the use of forward currency transactions to hedge against movements in foreign currency exchange rates), such use will limit any potential gain for the Fund should the value of the hedged asset increase. The precise matching of the relevant contract amounts and the value of the hedged asset involved will not generally be possible because the future value of such assets will change as a consequence of market movements between the date when the relevant contract is entered into and the date when it matures. Therefore, the successful execution of a hedging strategy which matches exactly the profile of the investments of any Fund cannot be assured. Furthermore, it may not be possible to hedge against generally anticipated exchange rate or interest rate fluctuations at a price sufficient to protect the Fund from the anticipated decline in value of its assets as a result of such fluctuations.

The use of derivatives and forward currency transactions by the Funds is not intended to increase the overall risk profile of the Funds compared to similar funds investing directly in securities. However, in unusual market situations their use may lead to higher volatility in the Share Price of the Funds.

## Securitised assets or CDO assets risk

Securitised assets or CDO assets (CLO, ABS, RMBS, CMBS, CDO, etc.) are subject to credit, liquidity, market value, interest rate and certain other risks. Such financial instruments require complex legal and financial structuring and any related investment risk is heavily correlated with the quality of underlying assets which may be of various types (leveraged loans, bank loans, bank debt, debt securities, etc.), economic sectors and geographical zones.

## Contingent convertible bonds risk

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.

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.

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.

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,

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.

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.

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

ESG risk

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 Fund, and the Fund's performance may at times be better or worse than the performance of relatable funds that do not use ESG or sustainability criteria. The selection of assets may in part rely on the ESG scoring process (as set out in the AXA Investment Managers' ESG Standards policy) 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 fund 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.

Carbon transition risk

Certain Funds implement a carbon transition criteria within their responsible investment approach, which may use, where stated in a Fund's investment policy, criteria aimed at selecting issuers either with a low carbon emissions intensity or with a clear and credible commitment to reduce their carbon emissions intensity. As a result, their respective performance may be different from a fund implementing a similar investment strategy which does not apply a carbon transition criteria within their responsible investment approach. The selection of assets may in part rely on third party data provided at the time of investment that may evolve over time.

### LIBOR transition risk

LIBOR (London Inter-bank Offered Rate) is intended to reflect the interest rate that wholesale banks expect to pay each other to borrow money (without providing security). LIBOR is widely used in financial products as a reference to determine a target or amount to be paid. From the end of 2021, the banks that contribute to the setting of LIBOR will no longer be required to do so, and LIBOR is expected to become obsolete. It is expected that a different rate, SONIA, will replace LIBOR over time.

There are a number of risks for Funds associated with the transition to SONIA:

(i) SONIA is prepared on a different basis to LIBOR and has historically returned a lower rate of interest. Where a Fund's investments provide income based on LIBOR, the transition to SONIA or another reference rate may reduce the value of those investments and the fund's income from them.

(ii) The ACD has a plan to reduce the Funds' exposure to LIBOR. However, this plan will be phased and the Fund may have some exposure to investments based, or dependent, on LIBOR during periods where those rates are encountering lower levels of reliability. Not all market participants have yet made plans for the transition away from LIBOR and there is a risk that they will be unable/unwilling to implement the change before LIBOR becomes unreliable. During such time, the value of the Fund's investments may be less reliable and therefore the Fund's price may be more volatile (it may change more frequently and/or by greater amounts).

(iii) Where the counterparty for an investment is reliant on LIBOR, a transition to SONIA, or another rate, may change that counterparty's economic position and increase the risk that they will default on their obligations. The Fund may suffer a loss if the counterparty is unable to meet its obligations. Additionally, the increased risk of default may reduce the value of the investment or cause the ACD to need to rebalance the portfolio.

### Stock lending

With regards to the lending of securities by Funds, a Fund may participate in a stock lending programme managed by an affiliate of the ACD (acting as stock lending agent) for the purpose of lending a Fund's securities via entering into a stock lending authorisation agreement. If a Fund engages in stock lending it will be exposed to counterparty credit risk in that the borrower may default on a loan, become insolvent or otherwise be unable to meet, or refuse to honour, its obligations to return loaned or equivalent securities. In this event, the relevant Fund could experience delays in recovering the loaned securities, may not be able to recover the loaned securities and may incur a capital loss which might result in a reduction in the net asset value of the relevant Fund. The Fund's exposure to its counterparty will be mitigated by the fact that the counterparty will be requested to post collateral, in the form of cash or debt or equity securities, as from time to time set out in the relevant stock lending agreement, and will forfeit its collateral if it defaults on the transaction. If a counterparty defaults and fails to return equivalent securities to those loaned, the Fund may suffer a loss equal to any shortfall between the value of the realised collateral and the market value of the replacement securities. Such collateral shortfall may arise as a result of inaccurate pricing of the collateral, unfavourable market movements in the value of the collateral, or a lack of liquidity in the market on which the collateral is traded. If the relevant transaction with a counterparty is not fully collateralised, then the Fund's credit exposure to the counterparty in such circumstances will be higher than if the transaction had been fully collateralised. When entering into stock lending a Fund may also be exposed to settlement risk (i.e. the possibility that one or more parties to the transactions will fail to deliver the assets at agreed-upon time) and legal risk, which is the risk of loss due to the unexpected application of a law or regulation, or because a court declares a contract not legally enforceable. In addition to the specific risks identified above stock lending carry other risks, as described in this Risk Factors section, notably (i) counterparty risk, ii) custody insolvency and iii) liquidity risk.

# Shares

Different Classes and types of Shares may be issued in respect of each Fund. Each Class and type of Share that is currently available is stated in the relevant Fund Profile in Appendix I and may vary by factors such as whether it is an income or accumulation Share, attracts different fees and expenses or is restricted to certain types of Shareholder.

## Income and accumulation Shares

The Company may issue “accumulation Shares” and, or “income Shares”, as set out in the relevant Fund Profile in Appendix I.

Holders of income Shares are entitled to be paid the income attributable to such Shares in respect of each interim and annual accounting period on the relevant interim and annual allocation dates as set out in the relevant Fund Profile.

Holders of accumulation Shares are not entitled to be paid the income attributable to such Shares, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant Fund on the relevant interim and/or annual accounting dates. The Price of an accumulation Share increases to reflect accrued income.

Each allocation of income made in respect of any Fund at a time when more than one Class of Share is in issue in respect of that Fund shall be done by reference to the relevant Class’ proportionate interest in the property of the Fund in question calculated in accordance with the Instrument of Incorporation.

## Other types and Class of Shares

Where a Fund has different Classes, each Class may attract different charges and so monies may be deducted from Classes in unequal proportions. In these circumstances the proportionate interests of the Classes within a Fund will be adjusted accordingly.

## Variation of Class rights

The rights attached to a Class or Fund may not be varied without the sanction of a resolution passed at a meeting of Shareholders of that Class or Fund by a 75% majority of those votes validly cast for and against such resolution.

## Valuation of Scheme Property

Each Fund will be valued at the Valuation Point for the purpose of determining the Net Asset Value of the Fund and the Prices of Shares in the Fund. Additional valuations may be carried out if the ACD considers it desirable to do so, or is required to do so under the Regulations, for example, where necessary for the purposes of effecting a scheme of reconstruction or amalgamation; or on the day on which the annual or half-yearly accounting period ends. Each Fund is a single priced scheme in accordance with the COLL Sourcebook and the Instrument of Incorporation. A single priced scheme must have a single price for buying and selling shares on any Dealing Day. The Net Asset Value of each Fund is calculated at the mid-market value in the manner described in the Instrument of Incorporation and in the information relating to valuation and pricing in Appendix III of this Prospectus.

Where permitted and subject to the Regulations, the ACD may in certain circumstances substitute the price of an investment with a more appropriate price which in its opinion reflects a fair and reasonable price of that investment (a “fair value price”). The circumstances which may give rise to a fair value price being used include (i) no recent trade in the investment concerned; or (ii) the occurrence of a significant event since the most recent closure of the market where the price of the investment is taken. Such events may include but are not limited to market-specific events, political or economic announcements, war, natural disasters, acts of terrorism or similar, but may also include matters such as litigation, credit defaults, changes in interest rates, or corporate activity, as required.

Where an investment is valued at a fair value price, there is no guarantee that the investment will be sold at that price. The ACD monitors domestic and foreign markets and news information for any developing events that may have an impact on the valuation of each Fund's investments.

## Pricing of Shares

Where more than one Class of Shares are in issue in a Fund, the proportionate interests of each Class in the assets and income of the Fund shall be ascertained in accordance with the provisions of the Instrument of Incorporation to calculate the Net Asset Value of that Class.

The Price at which Shares in each Fund are purchased (bought) and redeemed (sold) is calculated by dividing the Net Asset Value of the relevant Class of Shares by the number of Shares in issue in that Class as adjusted by any dilution adjustment (see further details below). In addition, for subscriptions, redemption, switches and conversions, there may be an initial charge, redemption charge or switching charge.

The Price of the Shares which you buy and sell will be calculated at the Valuation Point on the Dealing Day on which you have given instructions to the ACD in accordance with the "Dealing in Shares" section of this Prospectus, unless the deal is placed after the Valuation Point in which case the Price of Shares will be that calculated at the Valuation Point on the next Dealing Day after the Dealing Day on which the deal is placed. This is known as forward pricing.

## Price publication

The ACD will make available the most recent Price of Shares, for information purposes only, on a daily basis on the ACD's website at https://retail.axa-im.co.uk and by telephone on 0345 777 5511.

## Dilution

The actual cost for the Fund of buying or selling its investments may be higher or lower than the mid-market value used in calculating the Net Asset Value - for example, due to dealing charges on investments, or through dealing in investments at prices other than the mid-market price. A Fund may, therefore, suffer dilution (reduction) in the value of the Scheme Property as a result of the costs incurred in dealing in the underlying investments and of any spread between the buying and selling prices of those investments. It is not, however, possible to predict accurately whether dilution will occur at any point in time. Under certain circumstances (for example, large volumes of deals) dilution may have an adverse effect on the existing/continuing Shareholders' interest in the Fund.

With a view to countering this, in certain circumstances, and at the ACD's discretion, the ACD applies a dilution adjustment in the calculation of the Price, a policy known as "swing pricing". The level of a dilution adjustment for each Fund is calculated using the estimated dealing costs incurred by the Fund in buying or selling investments to satisfy the net purchases or redemptions of Shares. The need to make a dilution adjustment for a Fund will depend on the volume of purchases or redemptions of Shares in the Fund on any given day.

A dilution adjustment will normally be made if, on a given Dealing Day, the net purchases of Shares (total purchases minus total redemptions) in a Fund exceed a pre-determined level (the "Swing Threshold"). In this scenario the Net Asset Value of all Shares within that Fund will normally be adjusted upwards by an amount which will be a percentage of the Fund's Net Asset Value to calculate the Price. Similarly, if the net redemptions of Shares (total redemptions minus total purchases) in a Fund exceed the Swing Threshold, the Net Asset Value of all Shares within that Fund will normally be adjusted downwards to calculate the Price. The Swing Threshold and the amount of the dilution adjustment for each Fund will be reviewed on a quarterly basis by way of a Pricing Committee and will depend upon the predicted level of dilution within a Fund as a result of its likely dealing costs. The ACD may also in the future remove the Swing Threshold for any Fund with the result that the Net Asset Value of its Shares would be adjusted whenever there are net purchases or net redemptions of Shares to calculate the Price. The ACD may also on an exceptional basis (and only with the Depositary's agreement), where it believes this is in the interest of the Fund and its Shareholders, on particular days not apply a dilution adjustment in the Fund even where the net purchases or net redemptions of Shares in a Fund exceed the Swing Threshold. The dilution adjustment will be applied to the Net Asset Value of Shares. The Price in each Class of Shares for each Fund will be calculated separately, but any dilution adjustment will in percentage terms affect the Price of Shares of each Class identically.

As dilution is directly linked to the purchases and redemptions of Shares in a Fund, it is not possible to predict accurately whether a dilution adjustment will occur at a future point in time. Consequently it is also not possible to accurately predict how frequently the ACD will need to make such a dilution adjustment.

Since the dilution adjustment for each Fund will be calculated by reference to the costs of dealing in the underlying investments of that Fund, including any dealing spreads, and these can vary with market conditions, this means that the amount of the dilution adjustment can vary over time.

Estimates of the dilution adjustment for each Fund are set out in the table below based on the investments held by each Fund and the market conditions as at 8 November 2021.

| Fund | Estimated dilution adjustment to Net Asset Value for net purchases – swing upwards (%) | Estimated dilution adjustment to Net Asset Value for net redemptions – swing downwards (%) |
|---|---|---|
| AXA ACT Carbon Transition Sterling Buy and Maintain Credit Fund | 0.34 | -0.34 |
| AXA ACT Green Short Duration Bond Fund* | – | – |
| AXA Global High Income Fund | 0.17 | -0.17 |
| AXA Sterling Corporate Bond Fund | 0.33 | -0.33 |
| AXA Sterling Index Linked Bond Fund | 0.08 | -0.08 |
| AXA Sterling Strategic Bond Fund | 0.13 | -0.13 |
| AXA Sterling Credit Short Duration Bond Fund | 0.12 | -0.12 |
| AXA US Short Duration High Yield Fund | 0.13 | -0.13 |
| AXA Global Short Duration Bond Fund | 0.12 | -0.12 |
| AXA Global Strategic Bond Fund | 0.19 | -0.19 |

*Figures for AXA ACT Green Short Duration Bond Fund are not available as at the date of this prospectus.

These rates are indicative and are only intended to provide a guide to Shareholders and potential Shareholders on the possible rate at which the dilution adjustment may be applied. The ACD will not benefit from the operation of swing pricing and it must be imposed only in a manner, that so far as is practicable, is fair to all Shareholders or potential Shareholders and solely for the purposes of reducing dilution.

Where a Fund is experiencing net purchases or net redemptions of Shares, and a dilution adjustment is not applied, there may be an adverse impact on the Shareholders of the Fund, although the ACD does not consider this likely to be material in relation to the value of the Fund or a Share.

# Dealing in Shares

## General

The dealing office of the ACD is open from 9.00 a.m. until 5.30 p.m. on each Dealing Day to receive requests for the purchase, sale, switching and conversion of Shares.

A request must be received by the ACD before the Valuation Point on a Dealing Day in order to be dealt with at the Price calculated as at the Valuation Point on that Dealing Day or at such other Valuation Point as the ACD, at the request of the Shareholder giving the relevant instruction, may agree.

An applicant should refer to the latest “Terms & Conditions relating to AXA Investment Managers UK authorised funds and ISA” for further details relating to dealing in Shares and any cancellation rights. The Terms and Conditions are available at https://www.axa-im.co.uk/client-documentation or in paper copy on request to the ACD.

## How do I buy Shares?

Shares can be bought either by sending a completed application form to the ACD or, at the ACD’s discretion, by telephoning the ACD on 0345 777 5511. Application forms may be obtained from the ACD.

Shares may be bought directly from the ACD or through your professional adviser or other intermediary.

In addition, the ACD may from time to time make arrangements to allow Shares to be bought through other communication media.

The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant.

Any subscription monies remaining after a whole number of Shares has been issued will not be returned to the applicant. Instead, smaller denomination Shares will be issued. A smaller denomination Share is equivalent to one one-thousandth of a larger denomination Share.

## What documents will I (as a buyer) receive?

A contract note giving details of the Shares purchased and the Price used will be issued by the end of the next business day following the purchase together with, where appropriate, a notice of the applicant's right to cancel.

## When is settlement due?

Settlement is due within four working days of the Dealing Day shown on the contract note.

An order for the purchase of Shares will only be deemed to have been accepted by the ACD once it is in receipt of cleared funds for the application. If settlement is not made within a reasonable period, then the ACD has the right to cancel any Shares issued in respect of the application. Upon cancellation, any shortfall representing the difference between the Price of the Shares at issue and the Price of the Shares at cancellation, shall represent a debt due to the ACD by the Shareholder and be enforceable as such.

## How is my ownership of Shares recorded?

Share certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry on the Register. The Register shall be conclusive evidence as to the persons respectively entitled to the Shares entered in the Register. No notice of any trust, express, implied or constructive, shall be entered on the Register in respect of any Share and the ACD and the Depositary shall not be bound by any such notice.

Statements in respect of periodic distributions on Shares will show the number of Shares held by the recipient Shareholder. Individual statements of a Shareholder's Shares will be issued as at 31 October and 30 April of each year and will also be issued at any time on request by the registered holder. Where the Shares are jointly held such statements will be sent to the first named holder on the register. Details of a Shareholder's entry on the Register are available from the ACD on request.

Please note that an applicant does not own Shares until they are recorded on the Company's Register of Shareholders and the ACD has received the subscription monies.

The Company has the power to issue bearer shares but there are no present plans to do so.

## What are the minimum investment levels?

The minimum initial subscription, additional subscription and minimum holding levels relating to each Fund are set out in the Fund Profiles in Appendix I. The ACD may at its discretion accept subscriptions and/or holdings lower than the minimum amount(s).

If following a redemption a holding in any Class of Share should fall below the minimum holding for that Class, the ACD has a discretion to require redemption of that Shareholder's entire holding in that Class of Share.

## Does the ACD operate a regular savings plan?

Regular savings can be made by direct debit for the purchase of Class R accumulation Shares subject to a minimum monthly subscription as set out in the Fund Profiles in Appendix I. To invest in this way, Shareholders will need to complete a direct debit mandate and return it to the ACD before contributions may begin. Monthly contributions may be increased, decreased (subject to the minimum monthly contribution) or stopped at any time by notifying in writing such party as the ACD may direct. If, however, payments are not made into the regular savings plan for more than three months and the Shareholder holds less than the minimum holding for that Class, then the ACD reserves the right to redeem that Shareholder's entire holding in that Class.

Contract notes will not be issued to Shareholders investing through a regular savings plan.

## How do I sell Shares?

Subject to the ACD's ability to suspend dealing, as set out in the paragraph below entitled "When might suspension of dealing in the Company occur?", every Shareholder has the right to redeem their Shares on any Dealing Day unless the value of Shares which a Shareholder wishes to redeem will mean that the Shareholder will hold Shares with a value less than the required minimum holding.

Requests to redeem Shares may be made to the ACD by telephone on 0345 777 5511 or in writing to the ACD. In addition, the ACD may from time to time make arrangements to allow Shares to be redeemed through other communication media.

A redemption request (whether made by telephone or in writing) will be placed by the ACD at the Valuation Point following the request. Requests to redeem Shares are irrevocable once they have been placed by the ACD. In certain circumstances (including in respect of joint Shareholders, corporate Shareholders or where the value of the Shares to be redeemed exceeds an amount determined by the ACD) the ACD will require written confirmation of the redemption request by way of a form of renunciation. Shareholders should note that the ACD will place the redemption request at the Valuation Point following the redemption request and any delay in completing and returning a form of renunciation will result in a delay in the settlement of the proceeds of such redemption.

## What documents will I (as a seller) receive?

A contract note giving details of the number and Price of Shares sold will be sent to the selling Shareholder (the first-named on the Register, in the case of joint Shareholders) together with a form of renunciation (where required) for completion and execution by the Shareholder(s).

## When will I receive redemption proceeds?

Settlement of redemptions will be made by the fourth business day following the later of:

a. receipt by the ACD of the redemption request or, where required, the renunciation form duly signed by all the relevant Shareholders and completed as to the appropriate number of Shares, together with any other appropriate evidence of title; and

b. the Valuation Point following receipt by the ACD of the request to redeem.

At times of excessive redemptions, the ACD may decide to defer redemptions at any Valuation Point to the next Valuation Point where the requested aggregate redemptions exceed 10% of a Fund's value. This will therefore allow the ACD to protect the interests of continuing unitholders by allowing the ACD to match the sale of Scheme Property to the level of redemptions. This should reduce the impact of dilution on the relevant Fund. All unitholders who have sought to redeem units at any Valuation Point at which redemptions are deferred will be treated consistently and any redemption requests received in the meantime will not be processed until the redemption requests that have been deferred to subsequent Valuation Points have been processed.

Payment of redemption proceeds will be made by cheque, or by arrangement by bank transfer in accordance with any written instruction received. If no written instructions are given, payment will be made by cheque posted to the Shareholder (at the Shareholder's risk). Instructions to make payments to a third party will not normally be accepted.

## Are there limits on partial redemptions?

Part of a Shareholder's holding may be sold but the ACD reserves the right to refuse a request to redeem part of a holding if:

a. the value of the Shares to be redeemed in any Class is less than the applicable minimum redemption amount for that Class; or

b. the value of the remaining holding of Shares of any Class following the redemption would be less than the applicable minimum holding for that Class.

## Can I switch or convert Shares and what are the implications?

Subject to minimum investment levels for each Class and any applicable restrictions on holding a particular Class or Fund (each as detailed in the relevant Fund Profile in Appendix I), a holder of Shares in a Fund may at any time:

a. Convert all or some of their Shares of one Class in a Fund for Shares of another Class in the same Fund ("Convert" or "Conversion"); or

b. Switch all or some of their Shares in one Fund for Shares in another Fund of the Company or another fund managed by the ACD ("Switch" or "Switching").

### Conversions

Conversions will be effected by the ACD recording the change of Share Class on the Register.

The ACD will carry out instructions to Convert Shares as soon as possible but this may not be at the next Valuation Point and instructions may be held over and processed with Conversion instructions given by other Shareholders and in some cases may not be effected until the end of the relevant accounting period. Shareholders should contact the ACD for further information on when a Conversion may be effected.

Conversions will not be treated as a disposal for capital gains tax purposes.

The ACD may at its discretion make a charge on the Conversion of Shares between Classes but does not currently do so.

The number of Shares to be issued in the new Class will be calculated relative to the Price of the Shares being Converted.

Converting may be effected either by telephone on 0345 777 5511 or in writing to the ACD and the Shareholder will be required to complete a Conversion form (which, in the case of joint Shareholders must be signed by all the joint holders). Conversion forms may be obtained from the ACD.

**A Shareholder who Converts Shares in one Class for Shares in another Class in the same Fund will not be given a right by law to withdraw from or cancel the transaction.**

### Switches

Subject to the qualifications below, a Shareholder may at any time Switch all or some of their Shares in a Fund (“Original Shares”) for Shares of another Fund (“New Shares”), provided they satisfy the relevant subscription and eligibility criteria.

The number of New Shares issued will be determined by reference to the respective Prices of New Shares and Original Shares at the Valuation Points applicable at the time the Original Shares are repurchased and the New Shares are issued.

Switching may be effected either by telephone on 0345 777 5511 or in writing to the ACD and the Shareholder will be required to complete a switching form (which, in the case of joint Shareholders must be signed by all the joint holders). Switching forms may be obtained from the ACD.

The ACD may at its discretion charge a fee on the Switching of Shares between Funds or any other fund managed by the ACD or increase an existing charge in accordance with the COLL Sourcebook. Any such charge on Switching does not constitute a separate charge payable by a Shareholder, but is only the application of any redemption charge on the Original Shares and any initial charge on the New Shares. No Switching fees are currently charged.

For details on Switching into any other fund managed by the ACD, please contact the ACD.

If the Switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding for the Class concerned, the ACD may, if it thinks fit, Switch the whole of the applicant's holding of Original Shares to New Shares (and make a charge on such a Switch) or refuse to effect any Switch of the Original Shares. No Switch will be made during any period when the right of Shareholders to require the redemption of the relevant Shares is suspended. The general provisions on procedures relating to redemption will apply equally to a Switch.

Where a duly completed Switching form is received by the ACD before the Valuation Point on a Dealing Day (or the last Valuation Point if there is more than one) the Switch will be dealt with at the Prices applicable at that Valuation Point. Switching requests received after a Valuation Point will be held over until the next day which is a Dealing Day in the relevant Funds.

The ACD may adjust the number of New Shares to be issued to reflect the imposition of any Switching fee together with any other charges or levies in respect of the issue or sale of the New Shares or repurchase or cancellation of the Original Shares as may be permitted pursuant to the COLL Sourcebook.

**Please note that a Switch of Shares in one Fund for Shares in any other Fund is treated as a redemption and sale and will, for persons subject to United Kingdom taxation, be a realisation for the purposes of capital gains taxation. The disposal of Original Shares may give rise to a liability to tax, depending on the Shareholder’s circumstances. This is not the case for a Conversion from one Class to another, which is not considered to be a realisation for the purposes of capital gains taxation.**

**A Shareholder who Switches Shares in one Fund for Shares in any other Fund will not be given a right by law to withdraw from or cancel the transaction.**

## Can the ACD carry out a compulsory Conversion of Shares?

The ACD may carry out a compulsory Conversion of Shares from one Class into another Class in the same Fund where it reasonably believes it is in the interests of Shareholders (for example, to merge two existing Share Classes). The ACD will give all Shareholders affected by any such Conversion 60 days’ written notice before any compulsory Conversion is carried out.

## Can I transfer my Shares to a third party?

Shareholders are entitled to transfer their Shares to another person or body, subject to any applicable restriction on holding Shares or a particular Class of Shares. All transfers must be in writing in the form of an instrument of transfer approved by the ACD for this purpose. Completed instruments of transfer must be returned to the ACD in order for the transfer to be registered by the ACD.

## Restrictions and compulsory transfer and redemption

The ACD may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Shares are acquired or held by any person in circumstances ("relevant circumstances") which constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or this prospectus or which would result in the Company incurring any liability to taxation which the Company is not able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory). In connection with this, the ACD may, inter alia, reject in its discretion any application for the purchase, redemption, transfer or switching of Shares.

If it comes to the notice of the ACD that any Shares ("affected Shares") are owned directly or beneficially in any of the relevant circumstances referred to in the paragraph above or by virtue of which the Shareholder or Shareholders in question is/are not qualified to hold such Shares or if it reasonably believes this to be the case, the ACD may give notice to the holder(s) of the affected Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or that a request in writing be given for the repurchase of such Shares in accordance with the Regulations. If any person upon whom such a notice is served does not within thirty days after the date of such notice transfer their affected Shares to a person qualified to own them or submit a written request for their redemption to the ACD or establish to the satisfaction of the ACD (whose judgement is final and binding) that they or the beneficial owner is qualified and entitled to own the affected Shares, they shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption of all the affected Shares pursuant to the Regulations.

A person who becomes aware that they are holding or own affected Shares in any of the relevant circumstances, or by virtue of which they are not qualified to hold such affected Shares, shall forthwith, unless they have already received notice of this fact from the ACD, either transfer all their affected Shares to a person qualified to own them or give a request in writing for the redemption of all their affected Shares pursuant to the Regulations.

## ACD as principal

The ACD will advise the Depositary of the Price of the Shares of a Fund on completion of the valuation of each Fund. The ACD pays this Price to the Depositary for the issue of Shares or receives this Price from the Depositary upon the cancellation of Shares. The ACD acts as principal in these Shares and may hold Shares for its own account.

However, Shares are generally only held by the ACD to facilitate Share orders and will not be held for speculative purposes. Any profits or losses arising from such transactions shall accrue to the ACD and not to the Fund. The ACD is under no obligation to account to the Depositary, or to the Shareholders, for any profit it makes on the issue or re-issue of Shares or cancellation of Shares which it has redeemed.

Subject to and in accordance with the Regulations, the issue or cancellation of Shares may take place through the Company directly.

## In specie redemptions

If a Shareholder requests the redemption of Shares the ACD may, where it considers the deal to be substantial in relation to the total size of the Fund concerned or in some way advantageous or detrimental to the Fund, arrange, having given prior notice in writing to the Shareholder, for the redeeming Shareholder to receive Scheme Property or, if requested by the Shareholder, the net proceeds of sale of the relevant Scheme Property, in place of cash as settlement for the redemption. This is known as an in-specie redemption.

Before the proceeds of the cancellation of Shares become payable, the ACD must give written notice to the redeeming Shareholder of its intention to invoke an in specie redemption. The redeeming Shareholder may request that the ACD arranges for the sale of the Scheme

Property and that the cash proceeds of such sale be transferred to that Shareholder in settlement of the redemption. All costs of such sale of the Scheme Property will be borne by the redeeming Shareholder.

The ACD will select the Scheme Property to be transferred in consultation with the Depositary. They must ensure that the selection is made with a view to achieving no more advantage or disadvantage to the Shareholder requesting cancellation/redemption than to the continuing Shareholders.

## Issue of Shares in exchange for in specie assets

The ACD may arrange for the Company to issue Shares in exchange for assets other than cash, but will only do so where the Depositary has taken reasonable care to determine that the acquisition of those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders in that Fund.

The ACD will ensure that the beneficial interest in the assets is transferred to the Company with effect from the issue of the Shares.

The ACD will not arrange for the issue of Shares in any Fund in exchange for assets the holding of which would be inconsistent with the investment objective of that Fund.

## When might suspension of dealing in the Company occur?

The ACD may, with the prior agreement of the Depositary, and must without delay if the Depositary so requires, temporarily suspend the issue, cancellation, sale and redemption of Shares in any or all of the Funds where, due to exceptional circumstances, it is in the interests of all the Shareholders in the relevant Fund or Funds.

The ACD and the Depositary must ensure that the suspension is only allowed to continue for as long as is justified having regard to the interests of Shareholders.

The ACD will notify Shareholders as soon as is practicable after the commencement of the suspension, including details of the exceptional circumstances which have led to the suspension, in a clear, fair and not misleading way and giving Shareholders details of how to find further information about the suspension.

Where such suspension takes place, the ACD will publish details on its website or other general means, sufficient details to keep Shareholders appropriately informed about the suspension, including, if known, its possible duration.

During the suspension none of the obligations in COLL 6.2 (Dealing) will apply but the ACD will comply with as much of COLL 6.3 (Valuation and Pricing) during the period of suspension as is practicable in light of the suspension.

Suspension will cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased but the ACD and the Depositary will formally review the suspension at least every 28 days and will inform the FCA of the review and any change to the information given to Shareholders.

The ACD may, however, during the period in which the issue, redemption, switch and conversion of Shares is suspended, agree to issue, redeem, switch or convert Shares at Prices calculated by reference to the first Valuation Point after resumption of issue and redemption.

## What charges may be imposed on dealing?

### Initial charge

The ACD may impose a charge on the sale of Shares. The initial charge currently payable in respect of each Class of Shares is set out in the Fund Profiles in Appendix I of this Prospectus, as a percentage of the amount invested by the prospective Shareholder. The initial charge is payable to the ACD and may be waived at the ACD's discretion.

The ACD is permitted to increase the initial charge payable on purchase of Shares (or to introduce such a charge where none is currently payable) in accordance with the COLL Sourcebook.

### Redemption charge

The ACD may make a charge on the redemption of Shares. At present no redemption charge is levied on any of the Funds.

The ACD may introduce a redemption charge or increase an existing charge in accordance with the COLL Sourcebook. Such a charge will only be levied on Shares issued after the date of introduction of the charge. Shares will be deemed to be redeemed in the order in which they were purchased for the purposes of making a charge on redemption.

In the event of a change to the rate or method of calculation of a redemption charge, details of the previous rate or method of calculation will be available from the ACD.

### Switching fee

On the switching or conversion of Shares between Funds or Classes, the Instrument of Incorporation authorises the Company to impose a switching or conversion fee. No switching or conversion fees are currently charged.

The ACD may introduce a switching or conversion charge or increase an existing charge in accordance with the COLL Sourcebook.

## Late trading and market timing

"Late Trading" is defined as the acceptance of a subscription, redemption, conversion or switch order received after the Fund's dealing cut-off time and applied to the Fund's applicable Valuation Point for that dealing day. Late Trading is not permitted. As such, orders will not be accepted using the applicable Price established at the Valuation Point for that Dealing Day, if orders are received after the official cut-off time.

Late Trading will not include a situation in which the ACD is satisfied that orders are received after the cut-off time, on condition that such orders have been made by the investors before the dealing cut-off time (e.g. a facsimile transmission sent prior to but received after the Valuation Point).

In exceptional circumstances, the ACD may, at its discretion, accept orders after the dealing cut-off time where such orders were knowingly received from investors before the applicable cut-off time. This would typically occur where the transmission of an order has been delayed for purely technical reasons (e.g. interruption in power supply).

"Market Timing" is defined as a technique that is applied by investors placing orders within a short period of time and exploiting time differences and/or inefficiencies in the method of calculation of the Price or in the way underlying securities are priced.

The ACD has a regulatory responsibility and a duty of care to prevent Late Trading and Market Timing practices and will take active measures to frustrate such practices where it has reasonable grounds to suspect these strategies are being or may be attempted.

The ACD has implemented procedures to prevent Late Trading and Market Timing and monitors the activities of suspected market timers and arbitrageurs.

The ACD reserves the right to cancel or to suspend orders where it reasonably suspects Late Trading or Market Timing activity in relation to those orders.

The ACD may declare suspicious cases of Late Trading or Market Timing to the FCA and to the Depositary and reserves the right to cancel or to suspend orders.

The ACD will seek to ensure that its contractual arrangements with intermediaries impose a positive obligation to cooperate with the ACD to prevent Market Timing and Late Trading practices and to monitor the dealings of any client who they suspect may be engaging in such practice.

## Money laundering

As a result of legislation in force in the United Kingdom to prevent money laundering and terrorist financing, persons conducting investment business are responsible for compliance with anti-money laundering and counter-terrorist financing regulations. Accordingly, in certain circumstances investors may be asked to provide information and/or documentation (e.g. proof of identity, source of funds) when buying or selling Shares. Until this information and/or documentation is satisfactorily provided, the ACD reserves the right to refuse to sell Shares or pay the proceeds of a redemption of Shares or pay income on Shares to the investor.

## Automatic exchange of information for international tax compliance

In order to comply with the legislation implementing the United Kingdom's obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including the United States provisions commonly known as FATCA), the Company (or its agent) will collect and report information about Shareholders for this purpose, including information to verify their identity and tax status.

When requested to do so by the Company or its agent, Shareholders must provide information to be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities.

## Governing law

All deals in Shares are governed by the laws of England and Wales.

# Income

## Income allocation and distribution

Allocations of income are made in respect of the income available for allocation in each accounting period.

Accounting dates and income allocation dates for each Fund are set out in the relevant Fund Profile in Appendix I.

Distributions of income for each Fund are paid on or before the relevant income allocation dates. Each holder of income Shares is entitled, on the relevant income allocation date, to the income attributable to their holding. Payment will be made by cheque or BACS transfer for those Shareholders who have provided appropriate bank details to the ACD. Income on accumulation Shares is not distributed but is accumulated into the value of each Share, as set out in the "Shares" section of this Prospectus.

The ACD reserves the right to change or create additional accounting and income allocation dates, usually as a result of accounting or taxation changes.

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the relevant Fund in respect of that period, and deducting the charges and expenses of the relevant Fund paid or payable out of income (where appropriate) in respect of that accounting period. The ACD then makes such other adjustments as it considers appropriate (and after consulting the auditors as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and other matters.

For an interim income distribution, the amount distributed may be less than (but may not exceed) the amount calculated as available for distribution.

The ACD and the Depositary may agree a de minimis amount in respect of which a distribution of income is not required, and how such amounts are to be treated. Notice of such a decision will be dealt with in accordance with the Regulations.

If a distribution remains unclaimed for a period of six years after it has become due, it will be allocated and will revert to the relevant Class (or, if that no longer exists, to the Fund). If the Fund no longer exists, the unclaimed distribution will revert to the Company.

## Income equalisation

When an incoming Shareholder purchases a Share during an accounting period, part of the purchase Price will reflect the relevant share of accrued income in the Net Asset Value of the relevant Fund. On the first allocation of income in respect of that Share, the Shareholder will receive as part of that income allocation, a capital sum representing a refund of this amount. This is known as "equalisation".

The amount of equalisation is usually calculated by dividing the aggregate of the amount of income included in the Price of the relevant Shares of that Class issued or sold in an annual or interim accounting period by the number of those Shares and applying the resulting average to each of the Shares in question. Income equalisation may have UK tax consequences as set out in the "Taxation" section of this Prospectus.

# Management and Administration

## The Authorised Corporate Director

The ACD and sole director of the Company is AXA Investment Managers UK Limited, whose place of business and whose registered office is at 22 Bishopsgate, London, EC2N 4BQ. The ACD was incorporated in England and Wales as a limited liability company on 19 June 1979. The ACD is part of the AXA IM Group, which is part of the AXA Group. The AXA IM Group is the group of companies for which AXA Investment Managers S.A. is the ultimate holding company. AXA Group is the group of companies for which AXA S.A. is the ultimate holding company.

The ACD is authorised and regulated by the FCA and is a member of the Investment Association. The issued share capital of the ACD is 20,048,233 shares of £1 each, all of which are fully paid. The principal activity of the ACD is to act as a fund manager. The ACD is the authorised corporate director of the other open-ended investment companies and authorised fund manager of the authorised unit trusts listed in Appendix IV.

The directors of the ACD, some of whom hold other positions within the AXA IM Group, are:

Philip Barker
Colin Clark
Amanda Prince
John Stainsby
Jean-Christophe Menioux
Marcello Arona

As a firm authorised and regulated by the FCA, the ACD is bound to observe those provisions of the COBS Sourcebook and the COLL Sourcebook, published by the FCA, that apply to it. The ACD is also required to comply with the provisions of the Act, the Instrument of Incorporation and this Prospectus.

Complaints concerning the operation or marketing of the Funds may be referred to the ACD's Compliance Officer at the Administrator's registered office. Complaints may also be referred to the Depositary, or directly to the Financial Ombudsman Service at Exchange Tower, London, E14 9SR. For further details on the complaints process, please visit: https://retail.axa-im.co.uk/complaints.

The ACD may delegate its management, administration and registrar functions to third parties including associates subject to the rules in the COLL Sourcebook. Details of delegated functions are set out below.

### Terms of appointment

The ACD was appointed by an agreement between the Company and the ACD, as amended from time to time (the "ACD Agreement").

The ACD Agreement provides that the appointment of the ACD may be terminated by resolution of the Company in general meeting passed at any time after the third anniversary of the date of the agreement on giving not less than twelve months' prior notice to the ACD. The agreement may be terminated by the ACD at any time by notice in writing with immediate effect. In addition, in certain circumstances, the agreement may be terminated forthwith by notice in writing by the Depositary or the Company to the ACD. Termination cannot take effect until the FCA has approved the change of authorised corporate director.

The ACD is entitled to its fees and expenses pro rata to the date of termination and any additional expenses necessarily incurred in settling or realising any outstanding obligations. No compensation for loss of office is provided for in the agreement. The ACD Agreement provides indemnities to the ACD other than for matters arising by reason of its negligence, default, breach of duty or breach of trust in the performance of its duties and obligations or to the extent that it is a liability which has been actually recovered from another person.

The fees to which the ACD is entitled are set out in the "Fees and Expenses" section of this Prospectus.

## The Depositary

The Depositary, HSBC Bank plc, is a public limited company incorporated in England and Wales with company registration number 00014259. HSBC Bank plc is a wholly owned subsidiary of HSBC Holdings plc. The Depositary's registered and head office is located at 8 Canada Square, London E14 5HQ and the principal business activity of the Depositary is the provision of financial services, including trustee and depositary services. HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.

### Duties of the Depositary

The Depositary's duties under the UCITS Depositary Regulations include the following:

a. Ensuring that the Funds' cash flows are properly monitored and that all payments made by or on behalf of applicants upon the subscription to Shares of the Company have been received.

b. Safekeeping the assets of the Company and the Funds, which includes (i) holding in custody all financial instruments that may be held in custody; and (ii) verifying the ownership of other assets and maintaining records accordingly.

c. Ensuring that issues, redemptions and cancellations of the Shares of each Fund are carried out in accordance with applicable law and the relevant rules in the COLL Sourcebook.

d. Ensuring that the value of the Shares of the Funds is calculated in accordance with applicable law and the relevant rules in the COLL Sourcebook.

e. Carrying out the instructions of the Company, the Funds and the ACD, unless they conflict with applicable law and the relevant rules in the COLL Sourcebook.

f. Ensuring that in transactions involving the Company's or the Funds' assets any consideration is remitted to the Company or the relevant Fund within the usual time limits.

g. Ensuring that the income of the Company and the Funds is applied in accordance with applicable law and the relevant rules in the COLL Sourcebook.

### Terms of appointment

The Depositary was appointed as depositary of the Company by an agreement between the Depositary, the Company and the ACD, as amended from time to time (the "Depositary Services Agreement"), for the purposes of and in compliance with the UCITS Depositary Regulations and the relevant FCA Handbook rules including those in the COLL Sourcebook.

The Depositary provides services to the Company and the Funds as set out in the Depositary Services Agreement and, in doing so, shall comply with the UCITS Depositary Regulations, the OEIC Regulations and the relevant FCA Handbook rules.

The Depositary may delegate its safekeeping functions subject to the terms of the Depositary Services Agreement. The Depositary has delegated to the delegates listed in Appendix V the custody of certain Scheme Property entrusted to the Depositary for safekeeping in accordance with the terms of written agreements between the Depositary and those delegates. The liability of the Depositary will not be affected by the fact that it has delegated safekeeping to a third party.

In general, the Depositary is liable for losses suffered by the Company as a result of its negligence or wilful default to properly fulfil its obligations. Subject to the paragraph below, and pursuant to the Depositary Services Agreement, the Depositary will be liable to the Company for the loss of financial instruments of the Company which are held in its custody. The Depositary will not be indemnified out of the Scheme Property for the loss of financial instruments.

The Depositary will not be liable where the loss of financial instruments arises as a result of an external event beyond the reasonable control of the Depositary, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall not be liable for any indirect, special or consequential loss.

Shareholders have no personal right to directly enforce any rights or obligations under the Depositary Services Agreement.

In the event there are any changes to the Depositary's liability under the UCITS Depositary Regulations and the relevant rules in the COLL Sourcebook, the ACD will inform Shareholders of such changes without delay.

The appointment of the Depositary under the Depositary Services Agreement may be terminated without cause by not less than six months' written notice provided that the Depositary Services Agreement does not terminate until a replacement Depositary has been appointed.

Up to date information regarding the name of the Depositary, any conflicts of interest and delegations of the Depositary's safekeeping functions will be made available to Shareholders on request.

## The Auditor

The Auditor of the Company is Ernst & Young LLP of Atria One, 144 Morrison Street, Edinburgh, EH3 8EX.

## Delegated functions

### The Sub-Investment Managers

The ACD delegates, in whole or in part, all day to day investment management and advisory services in respect of AXA Global High Income Fund, AXA Global Short Duration Bond Fund, AXA US Short Duration High Yield Fund and the AXA Global Strategic Bond Fund to AXA Investment Managers Inc. The ACD delegates, in whole or in part, all day to day investment management and advisory services in respect of the AXA ACT Green Short Duration Bond Fund to AXA Investment Managers Paris. The ACD still retains responsibility for all such services.

AXA Investment Managers Inc. is authorised and regulated in the United States by the Securities and Exchange Commission. AXA Investment Managers Paris is authorised and regulated in France by the Autorité des Marchés Financiers. The Sub-Investment Managers and the ACD are companies within the AXA IM Group. Each Sub-Investment Manager was appointed by an agreement between the ACD and the relevant Sub-Investment Manager. Each Sub-Investment Manager's appointment may be terminated in respect of a Fund by the ACD at any time where this is in the interests of Shareholders in the Fund. The agreements may also be terminated at will upon certain events of default.

Subject to the investment objectives and restrictions contained in this Prospectus, the Instrument of Incorporation and the COLL Sourcebook, each Sub-Investment Manager has discretion to take investment decisions and to deal in investments in relation to the investment management of the whole or part of each relevant Fund. The ACD is entitled to give further instructions to each Sub-Investment Manager in relation to the investment management of each relevant Fund. Each Sub-Investment Manager is only appointed as sub-investment manager and has no role in conducting the business of the Funds, which is reserved to the ACD.

The principal activity of each Sub-Investment Manager is the provision of investment management services.

### Administration

The ACD has delegated the administration and registrar functions of the Company to SS&C Financial Services International Limited and SS&C Financial Services Europe Limited as applicable. The fees of the Administrator will be paid by the ACD from the fee it receives from the Company.

The ACD is entitled to give further instructions to the Administrator and may terminate its agreement with the Administrator when it is in the best interests of Shareholders to do so.

The ACD has also appointed State Street Bank and Trust Company to provide fund accounting and also certain administration services. State Street Bank and Trust Company Limited's registered office is at State Street House, 225 Franklin Street, Boston, Massachusetts 02025 USA.

## The Registrar and registers of Shareholders

The ACD is the person responsible for the establishment and maintenance of the Register of Shareholders of each of the Funds in accordance with the COLL Sourcebook.

The ACD has delegated this function to the Administrator. Share certificates are not issued in respect of holdings in the Funds. Registration details of all new Shareholders will be supplied to the Administrator, for entry on the Register. The Register and the register of the ISA managed by the ACD are available for inspection by Shareholders, or their duly authorised agents, free of charge during normal business hours, at the place of business of the Administrator which is SS&C House, St Nicholas Lane, Basildon, Essex SS15 5FS. Copies of the entries on the Register, relating to a Shareholder are available on request by that Shareholder free of charge.

## Distribution

The ACD issues and approves all marketing and promotional literature in relation to the Company and the Funds. The ACD is responsible for the promotion and sale of the Funds through direct offers and execution only transactions. The ACD retains literature despatch agents to fulfil mailing requests. The ACD also services an extensive network of authorised financial advisers, intermediaries, fund platforms and supermarkets in the United Kingdom and may enter into distribution agreements, from time to time, with overseas distributors to promote the Funds in certain overseas jurisdictions, subject to any restrictions on promotion imposed by such jurisdictions.

## Potential conflicts of interest

The ACD and other companies within the AXA IM Group (including the Sub-Investment Managers) may, from time to time, act as investment manager or adviser to other funds which follow similar investment objectives to those of the Funds. It is therefore possible that the ACD and a Sub-Investment Manager may in the course of its business have potential conflicts of interest with some or all of the Funds or that a conflict exists between the Funds and other funds managed by the ACD or a Sub-Investment Manager. The ACD and the relevant Sub-Investment Manager will, however, have regard in such event to its obligations under the ACD Agreement (or, in the case of a Sub-Investment Manager, its agreement with the ACD), in particular, where the ACD or a Sub-Investment Manager has identified a potential or actual conflict of interest, it will put in place procedures and measures in order to prevent or manage such conflicts from adversely affecting the interests of the Funds.

Where the counterparties to derivative and other Efficient Portfolio Management transactions with the Funds are related to the ACD or the Depositary or an associate of the ACD or the Depositary, such transaction may involve a conflict of interest. Where a conflict cannot be avoided the ACD will put in place procedures and measures in order to manage the conflict from adversely affecting the interests of the Funds.

The ACD will take all reasonable steps to prevent conflicts from adversely affecting the interests of the Funds and will only revert to disclosure as a measure of last resort.

Where organisational or administrative arrangements made by the ACD to prevent conflicts of interest from adversely affecting the interests of the Funds or Shareholders are not sufficient to ensure, with reasonable confidence, that the risk of damage to their interests will be prevented, the ACD will clearly disclose the general nature and/or sources of conflict of interest, as well as the risks to the Funds or Shareholders that may arise as a result of the conflicts of interest and the steps taken to mitigate the risks before undertaking business on their behalf. Such disclosure will be made in a durable form, be fair, clear and not misleading.

The ACD has a conflicts of interest policy which can be found at https://www.axa-im.co.uk/sites/uk/files/2021-01/Summary%20Conflicts%20of%20Interest%20Policy.pdf.

Actual or potential conflicts of interest may arise between the Funds, the Shareholders or the ACD and the Depositary. For example such actual or potential conflict may arise because the Depositary is part of a legal entity or is related to a legal entity which provides other products or services to a Fund. The Depositary may have a financial or business interest in the provision of such products or services, or receives remuneration for related products or services provided to the Funds, or may have other clients whose interests may conflict with those of the Funds, the Shareholders or the ACD.

The Depositary has a conflict of interest policy in place to identify, prevent or manage, disclose and monitor on an on-going basis any potential conflict of interest.

From time to time actual or potential conflicts of interest may arise between the Depositary and its delegates. For example, such conflicts may arise: (i) where an appointed delegate is an affiliated group company and is providing a product or service to a Fund and has a financial or business interest in such product or service; or, (ii) where an appointed delegate is an affiliated group company which receives remuneration for other related products or services it provides to the Funds. The Depositary maintains a conflicts of interest policy to address this.

In addition, actual or potential conflicts of interest may also arise between the Funds and the Shareholders on the one hand and the Depositary on the other hand.

For example, such actual or potential conflict may arise because the Depositary is part of a legal entity or is related to a legal entity which provides other products or services to a Fund and from which fees and profits in relation to the provision of those products or services may arise and from which the Depositary may benefit directly or indirectly. In addition, the Depositary may have a financial or business interest in the provision of such products or services, or receive remuneration for related products or services provided to a Fund, or may have other clients whose interests may conflict with those of the Funds and the Shareholders.

In particular, the Depositary or any of its affiliates or connected persons may provide foreign exchange services to a Fund for which it is remunerated out of the property of such Fund. The Depositary or any of its affiliates or connected persons may also: (i) act as market maker in the investments of a Fund; (ii) provide broking services to a Fund and/or to other funds or companies; (iii) act as financial adviser, banker, derivatives counterparty or otherwise provide services to the issuer of the investments of a Fund; (iv) act in the same transaction as agent for more than one client; (v) have a material interest in the issue of the investments of a Fund; or, (vi) earns profits from or have a financial or business interest in any of these activities. The Depositary will ensure that any such additional services provided by it or its affiliates are on terms which are not materially less favourable to the relevant Fund than if the conflict or potential conflict had not existed.

The Depositary has functionally and hierarchically separated the performance of its depositary responsibilities and obligations from its other potentially conflicting responsibilities and obligations. The Depositary has a system of internal controls including different reporting lines, allocation of tasks and management reporting, which enables the Depositary to properly identify potential conflicts of interest so that they can be adequately managed and monitored.

The Depositary will ensure that any such additional services provided by it or its affiliates are on terms which are not materially less favourable to the Funds than if the conflict or potential conflict had not existed.

Included in the Depositary's conflict of interest policy are procedures to identify, prevent or manage, disclose and monitor on an on-gong basis any potential conflict of interest involving its delegates.

# Fees and Expenses

## General

All fees and expenses payable out of Scheme Property of the Company are set out in this section. Shareholders should also have regard to the charges that may be imposed on dealing in Shares in the "Dealing in Shares" section of this Prospectus.

## Charges payable to the ACD

In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of each Fund based on the Net Asset Value of the Fund calculated on a mid-market basis (the "annual management charge"). The annual management charge is calculated and accrued daily within the Funds based on the value of the Scheme Property of the relevant Funds on the immediately preceding Dealing Day. The annual management charge is payable on or as soon as is practicable after the end of each calendar month. The final accrual periods for the Funds commence at the first Valuation Point of the first business day in the last month of that Fund and shall end on the occurrence of one of the events set out in COLL 7.3.4R (being: if an extraordinary resolution to that effect is passed or; when any fixed period for the duration of the Company or its Instrument of Incorporation expires or; an event occurs for which the Company's Instrument of Incorporation provides that the Company is to be wound up or; the FCA agrees, following a request from the ACD to the winding up of the Company). The current annual management charges for each Fund (expressed as a percentage per annum of the Net Asset Value of each Fund) is set out in the relevant Fund Profile in Appendix I.

The ACD is also entitled to all reasonable, properly vouched, out of pocket expenses incurred in the performance of its duties.

In addition, the ACD shall be entitled to a registrar's fee for each holding on the Register and any plan sub-register which is currently £10.50 per annum per Shareholder plus VAT. It is calculated and accrued daily and charged to the Company monthly.

VAT is payable on these charges or expenses where appropriate.

If a Class's expenses in any period exceed its income the ACD may take that excess from the capital property attributable to that Class.

The ACD may introduce a new category of remuneration for its services or increase the current rate or amount of its remuneration payable out of the Scheme Property in accordance with the COLL Sourcebook and only after it has revised and made available the Prospectus to reflect the new category or rate and the date of its commencement.

## The Sub-Investment Managers' fees

Each Sub-Investment Manager's fees and expenses (plus VAT thereon where applicable) will be paid by the ACD out of its remuneration under the ACD Agreement.

## The Depositary's fee

### Periodic charge

The Depositary is paid a monthly periodic fee plus VAT for its services from the property of each Fund. The Depositary's fee is calculated, accrues and is payable in the same way as the ACD's annual management charge (except that the final accrual period in respect of the Depositary's remuneration shall end at the end of the day on which the final distribution in the winding-up of the Company shall be made or in the case of an approved scheme of amalgamation or reconstruction, on the effective date of that scheme).

The current annual fee payable is:

| | | |
|---|---|---|
| First £20M | - | 0.0110% |
| Next £30M | - | 0.0090% |

| | | |
|---|---|---|
| Next £150M | - | 0.0075% |
| Over £200M | - | NIL |

VAT at the standard rate is added to this fee.

The ACD may, at any time, agree to increase the current fees payable to the Depositary. Such increase will be made in accordance with the COLL Sourcebook.

## Transaction and custody charges

In addition to the above periodic fee, the Depositary makes transaction charges and custody charges as agreed by the ACD and the Depositary. Transaction charges vary from country to country and range from £1 to a maximum of £100 per transaction.

Custody charges vary according to geographic location and market value of the holdings. Annual custody charges range from 0.001% to a maximum of 0.70%. The custody charges are calculated, accrue and are payable in the same way as the Depositary's periodic charge.

The ACD may, at any time, agree to an increase in the current charges payable on transactions and for custody arrangements. Such increase will be made in accordance with the COLL Sourcebook.

## The Depositary's expenses

The Depositary is entitled to be paid out of the property of each Fund for expenses properly incurred in performing duties imposed on it or exercising powers conferred upon it by the Regulations together with any VAT payable. The relevant duties may include without limitation:

- Delivery of stock to the Depositary or any custodian;
- Custody of assets;
- Collection of income;
- Submission of tax returns;
- Handling tax claims;
- Preparation of the Depositary's annual report;
- Such other duties as the Depositary is required by law to perform.

The Depositary may also be paid the following expenses or disbursements (plus VAT):

a. all expenses of registration of assets in the name of the Depositary or its nominees or agents; of acquiring, holding, realising or otherwise dealing with any asset; of custody of documents; of insurance of documents and of collecting income or capital; of opening bank accounts, effecting currency transactions and transmitting money; relating to borrowings or other permitted transactions; of obtaining advice, including legal, accountancy or other advice; of conducting legal proceedings; of communicating with holders, the ACD, the registrar or other persons in respect of the Company; relating to any enquiry by the Depositary into the conduct of the ACD and any report to Shareholders; or otherwise relating to the performance by the Depositary of its duties or the exercise by the Depositary of its powers;

b. all charges of nominees or agents in connection with any of the matters referred to at a. above; and

c. any other costs, disbursements or expenses accepted under the laws of England and Wales from time to time as being properly chargeable by the Depositary. If any person, at the request of the Depositary in accordance with the Regulations, provides services including but not limited to those of a custodian of property of the Company the expenses and disbursements authorised to be paid to the Depositary out of the property of the Company may also be paid to any such person approved by the Depositary and the ACD.

## Other expenses

The fees, costs and expenses relating to the authorisation and incorporation and establishment of the Company, the offer of Shares, the preparation and printing of this Prospectus and the fees of the professional advisers to the Company in connection with the offer of the Funds will be paid by the AXA IM Group.

The establishment costs of any new fund which is established after the date of this Prospectus will either be paid by the AXA IM Group or will be paid out of the property of the new fund. The ACD will decide how such establishment costs will be borne at the time of establishing the new fund.

The Company may pay out of the Scheme Property of the Company any liabilities arising under a scheme of arrangement relating to the Company or of any Fund.

The Company may also pay out of the Scheme Property of the Company charges and expenses incurred by the Company and permitted by the Regulations and the Instrument of Incorporation. Such charges and expenses will include the following:

a. the fees and expenses payable to the ACD (which will include the fees and expenses payable to the Sub-Investment Managers, the Administrator the Registrar and any stock lending agent appointed in respect of the Funds) and to the Depositary (which will include the fees and expenses payable to the custodian);

b. fees and expenses in respect of establishing and maintaining the Register of Shareholders (and any plan register) and related functions;

c. expenses incurred in acquiring and disposing of investments;

d. broker's commission, fiscal charges and other disbursements which are:

   i. necessary to be incurred in effecting transactions for the Company, and

   ii. normally shown in contract notes, confirmation notes and difference accounts as appropriate;

e. expenses incurred in producing, distributing and dispatching income and other payments to Shareholders;

f. fees in respect of the publication and circulation of details of the Net Asset Value and Prices;

g. the fees and expenses of the auditors and tax, legal and other professional advisers of the Company;

h. the costs of convening and holding Shareholder meetings (including the expenses of the Depositary in convening a Shareholder meeting, where appropriate) and of associated documentation (including meetings of Shareholders in any particular Fund, or any particular Class within a Fund);

i. the costs incurred in taking out and maintaining any insurance policy in relation to the Company and/or its directors (including the ACD);

j. expenses incurred in company secretarial duties, including the cost of minute books and other documentation required to be maintained by the Company;

k. the costs of preparing, printing and distributing reports, accounts and any prospectus, any instrument of incorporation, any key investor information document of any other pre-contractual disclosure required by law or regulation and any costs incurred as a result of periodic updates of or changes to any prospectus, instrument of incorporation, key investor information document or any other pre-contractual disclosure document and any other administrative expenses (apart from the costs and expenses of distributing any key investor information document);

l. taxation and duties payable by the Company and taxation and duties payable in respect of the property of the Company, the Instrument of Incorporation or the issue of Shares and any stamp duty reserve tax charged in accordance with Schedule 19 of the Finance Act 1999 (or any statutory modification or re-enactment of it);

m. interest on any borrowings permitted under the Instrument of Incorporation and the Regulations, and all charges incurred in negotiating, entering into, varying, carrying into effect with or without variation, maintaining and terminating the borrowing arrangements;

n. any amount payable by the Company under any indemnity provisions contained in the Instrument of Incorporation or any agreement with any functionary of the Company;

o. fees of the FCA under the Financial Services and Markets Act 2000 and the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares are or may lawfully be marketed;

p. any payments otherwise due by virtue of the COLL Sourcebook.

VAT is payable on these charges where appropriate.

The fees and expenses applicable to stock lending activity are further described in “Stock Lending” at paragraph 34.10 in Appendix II below. It is not currently proposed to seek a listing for the Shares on any stock exchange, but if a listing is sought in the future the fees connected with the listing will be payable by the Company.

Expenses are allocated between capital and income in accordance with the COLL Sourcebook.

## Allocation of fees and expenses between Funds

All the above fees, duties and charges (other than those borne by the ACD) will be charged to the Fund in respect of which they were incurred but where an expense is not considered to be attributable to any one Fund, the expense will normally be allocated to all Funds pro-rata to the Net Asset Value of each Fund, although the ACD has discretion to allocate these fees and expenses in a manner which it considers fair to Shareholders generally.

# Taxation

## General

The information below is a general guide based on current United Kingdom law and HM Revenue & Customs' practice as at the date of this Prospectus. It summarises the tax position of the Funds and of investors who are United Kingdom resident and hold Shares as investments. It does not constitute legal or tax advice and is not a guarantee to any investor of the tax implications of investing in the Funds.

**Tax law and practice may be subject to change in the future and the tax position of an investor in the Funds depends on the individual circumstances of that investor. Prospective investors who are in any doubt about their tax position or the implications of investing in, holding or disposing of Shares and the receipt of distributions or deemed distributions with respect to the Shares, or who may be subject to tax in a jurisdiction other than the United Kingdom, are recommended to take professional advice.**

## What tax do the Funds pay?

Each Fund will be treated as a separate entity for United Kingdom tax purposes.

The Funds are generally exempt from United Kingdom tax on capital gains realised on the disposal of investments (including interest-paying securities and derivative contracts) held by the Funds.

Each Fund will be subject to corporation tax at 20% on any income remaining after deducting allowable management expenses (including the agreed fees and expenses of the ACD and the Depositary) and the amount of interest distributions if paid by the Fund. Where a Fund suffers foreign tax on income received, this may generally be treated as an expense or deducted from any United Kingdom tax payable on that income.

## What tax do Shareholders pay on income?

The Funds currently pay interest distributions (which will be automatically retained in the Fund in the case of accumulation Shares).

Individual Shareholders resident in the United Kingdom may benefit from a personal savings allowance in each tax year. For basic rate taxpayers, the first £1,000 of interest distributions (and interest) are free of tax. For higher rate taxpayers, the allowance is £500, but for additional rate taxpayers the amount is nil. Where a United Kingdom resident individual Shareholder receives total interest and interest distributions in excess of their personal savings allowances then they will be liable to pay income tax at their marginal rates (normally 20% for basic rate taxpayers, 40% for higher rate and 45% for additional rate taxpayers) on the excess amount.

Shareholders chargeable to United Kingdom corporation tax must account for their holding in the Fund (including distributions received) in accordance with the loan relationships regime.

## How is income equalisation treated?

The first income allocation received by a Shareholder after buying Shares may include an amount of income equalisation. This is effectively a repayment of the income equalisation paid by the Shareholder as part of the purchase Price. It is a return of capital, and it is not taxable. Rather it should be deducted from the acquisition cost of the Shares for capital gains tax purposes. There is an exception to this rule when the equalisation forms part of the first income distribution following a switch or Share Class conversion, in which case the entire distribution should be treated as income and no part of it will represent a return of capital.

## What tax do Shareholders pay on capital gains?

Individual Shareholders who are resident in the United Kingdom for tax purposes may, depending on their personal circumstances, be liable to capital gains tax on gains arising from the redemption, transfer or other disposal of Shares (but not on switches between Classes within a Fund).

Part of any increase in value of accumulation Shares represents the accumulation of income (including income equalisation). These amounts may be added to the allowable cost when calculating the capital gain realised on their disposal.

Shareholders subject to United Kingdom corporation tax must treat their holding in a Fund as a creditor relationship subject to a fair value basis of accounting.

Individual Shareholders will find further information in the HM Revenue & Customs Help Sheets for the capital gains tax pages of their tax returns.

## Automatic exchange of information for international tax compliance

In order to comply with the legislation implementing the United Kingdom's obligations in relation to international tax compliance including the United States provisions commonly known as FATCA and other intergovernmental agreements, the Company may need to disclose information including about certain Shareholders including their name, address, taxpayer identification number and investment information to HM Revenue & Customs, who will in turn exchange this information with their overseas counterparts in relevant jurisdictions.

When requested to do so by the Company or its agent, Shareholders must provide information to be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities.

## Foreign Tax

Income received from overseas companies may be subject to foreign withholding tax deductions. Where practical, the Funds take advantage of any applicable double taxation treaty to reduce the rates of withholding tax in the countries where they invest to the lower rates applicable under the relevant double taxation treaty, although it may not always be possible for the Funds to obtain the lower rate of withholding tax in all markets. Accordingly, any such withholding tax incurred may reduce the returns to the Funds and investors.

# General Information

## Notice provisions

All notices or other documents sent by the Company to a Shareholder will be sent by normal post to the last address notified in writing to the Company by each Shareholder.

## Accounting periods

The annual accounting period of the Company ends each year on 30 June (the accounting reference date). The half-yearly interim accounting period ends each year on 31 December. Certain Funds have additional interim accounting period which are detailed in the relevant Fund Profile in Appendix I.

## When will I receive the annual reports?

Annual reports of the Company will be published within four months of each annual accounting period and half-yearly reports will be published within two months of each half-yearly interim accounting period. The current reports are available to Shareholders on request. Shareholders will receive copies of the annual and half-yearly short reports on publication.

## Documents of the Company

The following documents may be inspected free of charge during normal business hours on any business day at the offices of the ACD at 22 Bishopsgate, London, EC2N 4BQ:

a. the most recent annual and half-yearly reports of the Company;

b. the Instrument of Incorporation (and any amending instrument of incorporation);

c. the key investor information documents;

d. the Prospectus; and

e. the material contracts referred to below.

Shareholders may obtain copies of the above documents from the ACD. The ACD may make a charge at its discretion for copies of documents except for the most recent annual and half yearly reports, key investor information documents and the Prospectus of the Company which will be supplied to any person on request free of charge.

## Material contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

a. the ACD Agreement dated 19 March 2014 between the Company and the ACD;

b. the Depositary Services Agreement effective 01 January 2021 between the Company, the ACD and the Depositary.

Details of the above contracts are given under the "Management and Administration" section of this Prospectus. A copy of the ACD Agreement will be provided to Shareholders on request.

## Complaints

Complaints concerning the operation of the Company may be referred to the compliance officer of the ACD at SS&C House, St Nicholas Lane, Basildon, Essex SS15 5FS, or if your complaint is not managed to your satisfaction you may directly contact the Office of the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

## Recording of client communications

All communications including telephone calls and/or electronic communications such as email or conversations between the ACD and its clients that result in or may result in the purchase or redemption of Shares will be recorded and stored in accordance with applicable laws.

## Property

There is no intention for the Company to have an interest in any immovable property or tangible moveable property.

## Provision of investment advice

All information concerning the Company and about investing in Shares of the Company is available from the ACD at 22 Bishopsgate, London, EC2N 4BQ. The ACD is not authorised to give investment advice and persons requiring such advice should consult an independent financial adviser. All applications for Shares are made solely on the basis of the current prospectus of the Company, and investors should ensure that they have the most up to date version.

## Indemnity

The Instrument of Incorporation contains provisions indemnifying the directors of the Company (including the ACD), other officers, the auditor and the Depositary against any liability incurred in defending any proceedings (whether civil or criminal) for negligence, default, breach of duty or breach of trust in each case in relation to the Company in which judgment is given in such person's favour or such person is acquitted or in which relief is granted to such person by the court.

## Strategy for the exercise of voting rights

The ACD has a strategy for determining when and how voting rights attached to ownership of Scheme Property are to be exercised for the benefit of each Fund. A summary of this strategy is available from the ACD's website at https://www.axa-im.co.uk/responsible-investing. Details of the actions taken on the basis of this strategy in relation to each Fund are available from the ACD on request.

## Best execution

The ACD (and each Sub-Investment Manager) is required to ensure Shareholders' best interests are served when placing dealing instructions with securities dealings firms. In all arrangements with brokers, the ACD (or the relevant Sub-Investment Manager) monitors the quality of the execution arrangements they maintain with the brokers it uses and promptly makes any changes where it identifies a need to do so. Details of the best execution policy are available on the ACD's website at https://retail.axa-im.co.uk/documents/26049/4829633/Summary+Best+Execution+Policy_Final_rebranded.pdf/b035e32c-a05a-22eb-d8cd-e9ad3f548685.

## Inducements

When providing investment services and activities and ancillary services to its clients (including the Funds), the ACD does not pay to, or accept from any third party, or person acting on behalf of a third party (other than its clients or a person on behalf of its clients) any fees, commissions, or any monetary or non-monetary benefits in connection with the provision of its investment services and activities and ancillary services to its clients, except when:

a. it is designed to enhance the quality of the relevant service to the client and does not impair compliance with the ACD's duty to act honestly, fairly and professionally in the best interests of its clients; or
b. it is an acceptable minor non-monetary benefit.

Externally produced investment research that is consumed by the ACD is paid for by the ACD and not charged to the Funds.

Where Shares are sold to retail investors who employ the services of a financial adviser or broker, the ACD may, subject to the Regulations and/or other applicable laws, make initial and/or ongoing sales commission payments to those financial advisers.

The ACD will make disclosures to the Company in relation to inducements as required under the Regulations.

The provisions of benefits described above will not result in any additional cost to the Funds.

## Remuneration policy of the ACD

The ACD has approved and adopted AXA IM's Global Remuneration Policy, in accordance with the 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 Funds or the Instrument of Incorporation, and does not impair compliance of the ACD's duty to act in the best interests of each of the Funds.

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 ACD) 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 Funds). 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 organisational 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 Global Remuneration Policy are published online at [www.axa-im.com/en/remuneration](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. A paper copy of the up to date Global Remuneration Policy is also available from the ACD free of charge upon request.

## Responsible Investment

**AXA IM ESG policies and guidelines**

The ACD applies AXA IM Group's sector specific investment guidelines relating to responsible investment to the Funds. Such guidelines exclude investment in (or exposure to) certain companies based on their involvement in specific sectors (such as soft commodity derivatives, palm oil (including deforestation and natural ecosystems conversion), controversial weapons and climate risk) in accordance with the AXA IM Group guidelines. All sector specific policies are accessible via the following link: https://www.axa-im.co.uk/responsible-investing/exclusion-policies.

For certain Funds (as identified in that Fund's investment policy), the ACD applies the AXA Investment Managers' ESG Standards policy in addition to the AXA IM Group's sector specific investment guidelines. This policy excludes investment in companies based on: tobacco production; manufacture of white phosphorus weapons; human rights; anti-corruption and other environmental, social and governance (ESG) factors. AXA IM's ESG Standards policy is accessible via the following link: https://www.axa-im.co.uk/sites/uk/files/2021-03/20210316_RI%20Policy_EN_final1.pdf.

**AXA IM selected external service provider(s) for ESG ratings**

As at the date of this Prospectus, the ACD uses MSCI as its primary external service provider for the provision of ESG ratings for equity and fixed income holdings, where applicable. Other service providers may be used in the case of unavailability of an ESG rating from MSCI or to verify the MSCI ESG rating, where appropriate.

Further details on MSCI's rating methodology are available on their website: https://www.msci.com/our-solutions/esg-investing/esg-ratings.

AXA IM selected external service provider(s) for carbon metrics

The ACD may use the following selected external data providers for the provision of carbon metrics for the AXA ACT Carbon Transition Sterling Buy and Maintain Credit Fund. A brief description of the main carbon metrics provided by each data provider is also set out below. Italicised terms are defined in the next section titled "Carbon Metrics". Data providers are subject to change, from time to time.

(a) Trucost

Trucost is a subsidiary of S&P Global and provides carbon emissions and revenue data for companies. Where such data is made available by Trucost, the ACD uses this data to calculate the *carbon emissions intensity* figure for each relevant holding in the AXA ACT Carbon Transition Sterling Buy and Maintain Credit Fund, used to calculate the *Weighted Average Carbon Intensity (WACI)* of this Fund.

(b) The Science-Based Targets initiative (SBTi)

SBTi is a partnership between CDP, the United Nations Global Compact, the World Resources Institute and the World Wide Fund for Nature. SBTi guides companies in setting science-based targets. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement. The ACD may use SBTi to identify a company's science-based targets and track its progress against these targets.

(c) The Transition Pathway Initiative (TPI)

TPI is a global initiative led by asset owners. It focusses on high emitting sectors (such as oil and gas) and evaluates the quality of companies' management of GHG emissions and their performance as against the Paris climate agreement benchmarks by assigning each company a *TPI score*.

(d) Climate Action 100+ Net Zero Company Benchmark

The Climate Action 100+ is a global investor led initiative and their Net Zero Company Benchmark assesses the progress of the world's largest corporate greenhouse gas emitters towards net zero carbon emissions, by evaluating such companies' emissions reduction targets, decarbonisation strategies, governance and disclosures (among other indicators). The ACD may use the Net Zero Company Benchmark to identify a company's decarbonisation targets and track its progress against these targets;

(e) MSCI Implied Temperature Rise (ITR)

MSCI ESG Research provides the *Implied Temperature Rise (ITR)* for companies with global temperature goals and is designed to show the temperature alignment of companies against those global temperature goals. The ACD may use the ITR to assess the alignment of companies against global temperature goals.

Carbon metrics

The ACD uses the following carbon metrics to measure the performance of the AXA ACT Carbon Transition Sterling Buy and Maintain Credit Fund against its decarbonisation objective and/or track an issuer's progress towards net zero carbon emissions.

(a) *The carbon emissions intensity* of a company is the company's Scope 1 and 2 Greenhouse Gas (GHG) emissions (measured in tons of carbon dioxide emissions) per USD 1 million of its revenue.

Greenhouse Gas (GHG) emissions scope levels are set out below and are as defined by the GHG Protocol (which provides an international standard for corporate GHG accounting and reporting):

Scope 1 GHG emissions are those generated from burning fossil fuels and production processes which are owned or controlled by an issuer.

Scope 2 GHG emissions are those emitted from the consumption of purchased electricity, heat or steam by an issuer.

Scope 3 GHG emissions are other indirect emissions that occur in the value chain of the relevant company, including both upstream and downstream emissions. Scope 3 emissions could include the extraction and production of purchased materials and fuels, transportation activity in vehicles not owned or controlled by the relevant company, electricity-related activities, outsourced activities and waste disposal. Please note that these emissions are excluded from the calculation of the WACI, which is industry standard as at the date of this prospectus.

(b) *The Weighted Average Carbon Intensity (WACI)* is a measure used to show a portfolio's exposure to carbon-intensive companies and is calculated by multiplying each issuer's carbon emissions intensity by portfolio weight, and summing across the whole portfolio. Portfolio weight of an issuer is the current value of the investment in such issuer relative to the current portfolio value. Gross values are used for this calculation.

The ACD may use the following carbon metrics to track an issuer's progress towards net zero carbon emissions:

(a) *Implied Temperature Rise (ITR)* refers to an estimate of a global temperature rise associated with GHG emissions of a single company or a portfolio. It is expressed as a numerical degree rating and incorporates current GHG emissions and other data and assumptions to estimate expected future emissions associated with such company or portfolio. The estimate is then translated into a projected increase in global average temperature (in degrees Celsius above pre-industrial levels) that would occur if all companies in corresponding sectors had the same carbon intensity as such company or portfolio.

(b) *TPI score* – the TPI scoring system places companies on one of the following levels: Level 0 (Unaware of (or not acknowledging) climate change as a business issue; Level 1 (Acknowledging climate change as a business issue); Level 2 (Building capacity); Level 3 (Integrated into operational decision making; Level 4 (Strategic assessment); and Level 4STAR (meets all specified criteria).

# Shareholder Meetings and Voting Rights

## Annual general meeting

The Company does not hold annual general meetings.

## Class and Fund meetings

The provisions below, unless the context otherwise requires, apply to Class meetings and meetings of Funds as they apply to general meetings of the Company but by reference to Shares of the Class or Fund concerned and the Shareholders and Prices of such Shares.

## Requisitions of meetings

The ACD may requisition a general meeting at any time.

Shareholders may also requisition a general meeting of the Company. A requisition by Shareholders must state the objects of the meeting, be dated, be signed by Shareholders who, at the date of the requisition, are registered as holding not less than one-tenth in value of all Shares then in issue and the requisition must be deposited at the head office of the Company. The ACD must convene a general meeting no later than eight weeks after receipt of such requisition.

The Depositary also has the power to convene a meeting using a procedure similar to that used by Shareholders requisitioning a meeting, as set out above.

## Notice and quorum

Shareholders will receive at least 14 days' notice of a Shareholders' meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Shareholders, present in person or by proxy. If at an adjourned meeting a quorum is not present after a reasonable time from time for the meeting, one person entitled to be counted in a quorum present at the meeting shall constitute a quorum. Notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses.

## Voting rights

At a meeting of Shareholders, on a show of hands, every Shareholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard has one vote.

On a poll vote, a Shareholder may vote either in person or by proxy. The voting rights attaching to each Share are such proportion of the voting rights attached to all the Shares in issue that the Price of the Share bears to the aggregate price(s) of all the Shares in issue at the date seven days before the notice of meeting is sent out.

A Shareholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way. For joint Shareholders, the vote of the most senior who votes, whether in person or proxy, must be accepted to the exclusion of the votes of the other joint Shareholders. For this purpose, seniority must be determined by order in which the names stand in the Register.

Except where the COLL Sourcebook or the Instrument of Incorporation of the Company require an extraordinary resolution (which needs 75% of the votes cast at the meeting to be in favour if the resolution is to be passed), any resolution required by the COLL Sourcebook will be passed by a simple majority of the votes validly cast for and against the resolution.

The ACD may not be counted in the quorum for a meeting but associates of the ACD (as defined in the COLL Sourcebook) may be so counted. Neither the ACD nor any associate (as defined in the COLL Sourcebook) of the ACD is entitled to vote at any meeting of the Company except in respect of Shares which the ACD or associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions.

"Shareholders" in this context means Shareholders entered on the register at a time to be determined by the ACD and stated in the notice of the meeting which must not be more than 48 hours before the time fixed for the meeting.

# Winding Up of the Company or Termination of a Fund

The Company will not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the COLL Sourcebook. A Fund may only be terminated under the COLL Sourcebook.

Where the Company is to be wound up or a Fund is to be terminated under the COLL Sourcebook, such winding up or termination may only be commenced following approval by the FCA. The FCA may only give such approval if the ACD provides a statement (following an investigation into the affairs of the Company) either that the Company will be able to meet its liabilities within 12 months of the date of the statement or that the Company will be unable to do so. The Company may not be wound up under the COLL Sourcebook if there is a vacancy in the position of ACD at the relevant time.

The Company may be wound up or a Fund may be terminated under the COLL Sourcebook if:

a. an extraordinary resolution to that effect is passed by Shareholders; or

b. the period (if any) fixed for the duration of the Company or a particular Fund by the Instrument of Incorporation expires, or any event occurs on the occurrence of which the Instrument of Incorporation provides that the Company is to be wound up or a particular Fund is to be terminated (for example, if the share capital of the Company or (in relation to any Fund) the Net Asset Value of the Fund is below its prescribed minimum, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Fund); or

c. the FCA agrees to a request by the ACD for the revocation of the authorisation order in respect of the Company or the relevant Fund.

On the occurrence of any of the above:

a. COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the Company or the particular Fund;

b. the Company will cease to issue and cancel Shares in the Company or the particular Fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the particular Fund;

c. no transfer of a Share shall be registered and no other change to the register shall be made without the sanction of the ACD;

d. where the Company is being wound-up, the Company shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company; and

e. the corporate status and powers of the Company and subject to the preceding provisions of a. to d. above the powers of the ACD shall remain until the Company is dissolved.

The ACD shall, as soon as practicable after the Company falls to be wound up or a Fund falls to be terminated, realise the assets and meet the liabilities of the Company and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the Scheme Property of the Company or a Fund. In the case of the Company, the ACD shall also publish notice of the commencement of the winding up of the Company in the London Gazette. When the ACD has caused all of the Scheme Property to be realised and all of the liabilities of the Company or the particular Fund to be realised, the ACD shall arrange for the Depositary to make a final distribution to Shareholders on or prior to the date on which the final account is sent to Shareholders of any balance remaining in proportion to their holdings in the Company or the particular Fund.

If the ACD has not previously notified Shareholders of the proposal to wind up the Company or terminate the Fund, the ACD shall, as soon as practicable after the commencement of winding up of the Company or the termination of the Fund, give written notice of the commencement to Shareholders.

As soon as reasonably practicable after completion of the winding up of the Company or the termination of a particular Fund, the Depositary shall notify the FCA that it has done so.

On completion of a winding up of the Company, the Company will be dissolved and any money (including unclaimed distributions) standing to the account of the Company, will be paid into court by the Depositary within one month of dissolution.

Following the completion of a winding up of the Company or the termination of a Fund, the ACD must prepare a final account showing how the winding up or termination took place and how the Scheme Property was distributed. The auditors of the Company shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the auditors' report must be sent to the FCA and to each Shareholder within two months of the termination of the winding up.

# APPENDIX I
# Fund Profiles

AXA ACT Carbon Transition Sterling Buy and Maintain Credit Fund
AXA ACT Green Short Duration Bond Fund
AXA Global High Income Fund
AXA Sterling Corporate Bond Fund
AXA Sterling Index Linked Bond Fund
AXA Sterling Strategic Bond Fund
AXA Sterling Credit Short Duration Bond Fund
AXA US Short Duration High Yield Fund
AXA Global Short Duration Bond Fund
AXA Global Strategic Bond Fund

# AXA ACT Carbon Transition Sterling Buy And Maintain Credit Fund

## Fund details

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|---|---|
| Investment objective | The aim of this Fund is to: (i) generate an income and capital return (net of fees) over the long term (being a period of five years or more) in line with the sterling-denominated investment grade corporate bond market, as represented by the ICE BofAML Sterling Non-Gilt Index (the Index); and (ii) keep its weighted average carbon intensity (WACI)[1] lower than the ACD's carbon emissions benchmark[2] (the Emissions Benchmark), while maintaining a low turnover of bonds held by the Fund. The Emissions Benchmark is calculated initially as a 30% reduction of the WACI of the Index as at 31st December 2021. Thereafter, the Emissions Benchmark will be calculated as a further 7% reduction of the WACI of the Emissions Benchmark per year, based on the WACI of the Emissions Benchmark from the previous year. |
| Investment policy | The Fund seeks to achieve its investment objective by investing at least 70% of its Net Asset Value in sterling-denominated investment grade corporate bonds (meaning bonds with a credit rating of at least BBB- by Standard & Poor or equivalent rating by Moody's or Fitch or, if unrated, an equivalent rating as deemed by the ACD). The ACD may also invest in non-sterling-denominated investment grade corporate bonds, hedged back into sterling. Investment will be made globally, largely in more developed markets, but may also be made in emerging markets. The Fund is managed in a way that seeks to limit turnover and therefore avoids unnecessary trading costs. The ACD also focuses on avoiding downgrades and defaults through its analysis and selection of issuers and bonds and, by diversifying the Fund's portfolio across different corporate sectors, it aims to mitigate the risks associated with any particular sector.<br><br>To seek to achieve the Fund's decarbonisation objective, the ACD takes into account the decarbonisation goals of an issuer, their level of commitment to and progress towards these goals to differentiate and select between bonds of a similar profile in terms of sector, credit risk and duration. The ACD will use certain carbon metrics provided by our selected external provider(s), as well as its own research to determine whether an issuer: (i) is aligned or aligning to net zero carbon emissions; (ii) is providing climate solutions (being investments in projects or businesses that directly enable the transition to a net zero world, such as green bonds); (iii) is not aligned or providing climate solutions; or (iv) does not yet have any suitable data available. The "Responsible Investment" section of this prospectus contains details on our selected external provider(s) and the carbon metrics used. The ACD may invest in an issuer which falls within categories (iii) and (iv) above if it determines, from the available carbon metrics and/or its own research, that |

[1] The Weighted Average Carbon Intensity (WACI) of a fund or index is used to show the fund's or the index's exposure to carbon-intensive companies and is calculated by summing each holding's carbon emissions (measured in tons of carbon dioxide emissions per USD 1 million of their revenue) by its portfolio weight. For more detail on how the WACI is calculated, please refer to the "Responsible Investment" section of this prospectus above.

[2] Please note that the term "benchmark" is used here to denote a marker for the WACI (calculated relative to the Fund Index's WACI), and is not a benchmark or index in the typical sense i.e. does not track the performance of a particular group of assets.

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| | such issuer has a clear and credible commitment to achieving net zero carbon emissions. The ACD may also engage with such issuers to define clear climate objectives such as decarbonisation targets and will monitor the actions taken by such issuers to achieve these objectives. The ACD will not invest in an issuer whose impact on the climate it deems as high where such issuer does not show a clear and credible commitment to achieving net zero carbon emissions and/or climate solutions, unless such issuer is responsive to our engagement efforts and has produced a clear and credible commitment to achieving net zero carbon emissions as a result. The ACD believes that issuers which are aligned or aligning to net zero or which show a clear and credible commitment to achieving net zero emissions and/or climate solutions will either have a low carbon emissions intensity[3] or will be able to decrease their carbon emissions intensity over time at a rate which the ACD deems sufficient to keep the WACI of the Fund lower than the Emissions Benchmark.<br><br>In addition, the ACD will consider the issuer's environmental, social and governance (ESG) score as one factor within its broader analysis of the issuer to identify bonds which are expected to generate both income and capital growth. The ACD believes that issuers with higher ESG scores manage risk associated with ESG issues more effectively, contributing to better financial performance of such issuers in the long term. ESG scores are obtained from our selected external provider(s) and adjusted by the ACD using its own research. The "Responsible Investment" section of this prospectus contains details on our selected external provider(s). The ACD will not invest in bonds with the lowest ESG scores.<br><br>To avoid investing in bonds which present excessive degrees of ESG risk, the ACD applies AXA IM Group's sector specific investment guidelines relating to responsible investment to the Fund. Such guidelines exclude investment in (or exposure to) certain companies based on their involvement in specific sectors, such as soft commodity derivatives, palm oil (including deforestation and natural ecosystems conversion), controversial weapons and climate risks.<br><br>The ACD also applies the AXA Investment Managers' ESG Standards policy. This policy excludes investment in companies based on: tobacco production; manufacture of white phosphorus weapons; certain criteria relating to human rights and anti-corruption as well as other ESG factors. The AXA Investment Managers' ESG Standards policy and AXA IM Group's sector specific investment guidelines are subject to change and the latest copies are accessible via the links provided in the "Responsible Investment" section of this prospectus above and are available from the ACD on request.<br><br>If the ACD deems that an investment no longer meets the criteria set out in this investment policy or its expectations in terms of that investment's prospects for achieving income and capital growth and/or the Fund's decarbonisation objective, the ACD will disinvest as soon as practicable having regard to the best interests of the Fund's investors and in accordance with its best execution policy.<br><br>In seeking to achieve the Fund's investment objective, the ACD has full discretion to select investments for the Fund in line with the above investment policy and in doing so may reference the composition and the risk profile of the ICE BofAML Sterling Non-Gilt index (the Index). The average credit quality and duration[4] of the bonds held by the Fund are |

[3] The carbon emissions intensity of an issuer is the amount of carbon dioxide (expressed in tons) released into the atmosphere per USD 1 million of its revenue.
[4] The duration of a bond refers to its price sensitivity to a change in interest rates.

| | |
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| | expected to be very similar to the average credit quality and duration of the Index but otherwise the ACD has complete discretion to take positions which are different from the Index. The Index is designed to measure the performance of sterling corporate and other sterling non-gilt fixed interest securities. This Index best represents the types of bonds in which the Fund predominantly invests.<br><br>The Fund may also invest in other transferable securities (for example, other fixed income investments), cash, deposits, units in collective investment schemes (including those that are managed by the ACD or its associates) and money market instruments. The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management. Use may be made of stock lending, borrowing, cash holdings, hedging and other investment techniques permitted in the applicable Financial Conduct Authority Rules.<br><br>The Index may be used by investors to compare the Fund's financial performance. The Fund seeks to have a WACI that is lower than the Emissions Benchmark, which the ACD deems an appropriate target by reason of its alignment with internationally recognised climate targets. |
| Important information | The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management. Please refer to the "Risk Factors" section of this Prospectus for further details on the risks associated with the use of derivatives. |
| Type of fund | UK UCITS |
| Typical investor profile | The Fund is marketable to institutional investors. |
| Key Risks<br><br>Please refer to the Risk Factors section of this Prospectus and the "Risk and Reward Profile" section of the relevant key investor information document for further explanation of the risks associated with an investment in the Fund. | Under normal market conditions the Fund's key risk factors are:<br><br>• ESG risk<br>• Carbon transition risk<br>• Credit risk<br>• Interest Rate risk<br><br>Other risks which could have an impact in extreme market conditions include:<br><br>• Prepayment and extension risk<br>• Liquidity risk<br>• Counterparty risk<br>• Currency risk (Note that the Fund aims to reduce the risk of movements in exchange rates by hedging the foreign currency exposure of the Fund back to pounds Sterling.) |
| FCA product reference number | 634550 |
| Valuation point | 12.00pm and also at 4.30pm on the last Dealing Day of each month |
| Annual accounting period ends | 30 June |

| | |
|---|---|
| Half-yearly accounting period ends | 31 December |
| Additional interim accounting dates | 31 March<br>30 September |
| Income allocated | Last day of February<br>31 May<br>31 August<br>30 November |

## Share Class details

| Class | Accumulation (ACC) or Income (INC) | Initial charge | Annual Management Charge | Minimum holding/ minimum initial investment | Minimum subsequent purchase/ redemption | Regular Savings |
|---|---|---|---|---|---|---|
| Class Z* | ACC<br>INC | Nil | 0.13% p.a. | £2,000,000* | £100,000 | Not Available |

* Please note that the Class Z minimums shall apply in respect of individual investments and not to nominee aggregated holdings.

## 5 year investment performance

| Discrete Calendar Years to Latest Quarter End | December 2015 - December 2016 | December 2016 - December 2017 | December 2017 - December 2018 | December 2018 - December 2019 | December 2019- December 2020 |
|---|---|---|---|---|---|
| **% Change** | 11.46% | 4.14% | -1.61% | 9.25% | 7.40% |

Source: AXA Investment Managers, NAV-NAV, UK Sterling, Net of fees.

The past performance figures above are expressed as a percentage rounded to the nearest 0.01% and are based on a lump sum investment in Class Z ACC Shares.

Past performance is not a guide to future performance.

# AXA ACT Green Short Duration Bond Fund

## Fund details

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| Investment objective | The aim of this Fund is: (i) to provide income and capital growth over the medium term (being three years); and (ii) to invest in bonds which finance projects which will generate an environmental benefit, known as "green bonds". |
| Investment policy | The Fund seeks to achieve its objective by investing at least 75% of its Net Asset Value in "green bonds" issued by governments and companies anywhere in the world, with a bias towards corporate bonds. Investments will be made largely in more developed markets but may also be made in emerging markets. The Fund invests at least 75% of its Net Asset Value in investment grade bonds (meaning bonds with a rating of at least BBB- by Standard & Poor or equivalent rating by Moody's or Fitch), with a maximum of 10% in sub-investment grade bonds. At least 70% of the Fund's Net Asset Value will be invested in bonds of shorter (i) maturities (where the full repayment of the bond is expected to occur within five years of its purchase by the Fund) and (ii) duration, the price sensitivity of a bond (or a portfolio of bonds) to a change in interest rates (where the duration of the Fund is expected to be between 0 and 5 years), with the aim of reducing the effect of fluctuations in interest rates. The ACD will aim to hedge any non-sterling denominated bonds back to sterling.<br><br>The ACD selects bonds by carrying out comprehensive analysis of the global economic markets in order to (i) decide the asset allocation across different types of bonds, issuers, sectors and geographical location; (ii) to manage the risk of changes in yields on the price of the bonds in the Fund and (iii) identify "green bonds" by applying its proprietary Green Bonds Framework.<br><br>When applying its proprietary Green Bonds Framework, the ACD evaluates the relevant bond and its issuer against the following four pillars: (i) the quality of the issuer's Environmental, Social and Governance (ESG) practices; (ii) whether the projects undertaken and financed by the issuer will generate an environmental benefit; (iii) the controls that the issuer has in place to manage and allocate proceeds of the bonds to eligible projects; and (iv) the reporting that the issuer provides on the impact of eligible projects.<br><br>The ACD will deem a bond as generating an environmental benefit where such bond finances a project which: (i) addresses an environmental theme, such as low carbon transport or smart energy, which either directly or indirectly contributes to one or more of the environmentally focussed UN Sustainable Development Goals (UN SDG), with a focus on UN SDG 11 (Sustainable cities and communities) and UN SDG 13 (Climate action); (ii) does not significantly harm any UN SDG and (iii) can demonstrate such contribution against the relevant environmental theme and UN SDG, by showing a positive impact of the project against relevant environmental key performance indicators. |

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| | In addition, the ACD will consider the issuer's ESG score as one factor within its broader analysis of the issuer in order to identify bonds which are expected to generate: (i) both income and capital growth; and (ii) an environmental benefit. ESG scores are produced by our selected external provider(s), as detailed in the "Responsible Investment" section of this prospectus above. The ACD will not invest in bonds with the lowest ESG Scores.<br><br>To avoid investing in bonds which present excessive degrees of ESG risk, the ACD applies AXA IM Group's sector specific investment guidelines relating to responsible investment to the Fund. Such guidelines exclude investment in (or exposure to) certain companies based on their involvement in specific sectors, such as soft commodity derivatives, palm oil (including deforestation and natural ecosystems conversion), controversial weapons and climate risks.<br><br>The ACD also applies the AXA Investment Managers' ESG Standards policy. This policy excludes investment in companies based on: tobacco production; manufacture of white phosphorus weapons; human rights; anti-corruption and other environmental, social and governance (ESG) factors. The AXA Investment Managers' ESG Standards policy and AXA IM Group's sector specific investment guidelines are subject to change and the latest copies are accessible via the links provided in the "Responsible Investment" section of this prospectus above and are available from the ACD on request.<br><br>If the ACD deems that an investment no longer meets the criteria set out in this investment policy or its expectations in terms of that investment's prospects for achieving income and capital growth and/or generating an environmental benefit, the ACD will disinvest as soon as practicable having regard to the best interests of the Fund's investors and in accordance with its best execution policy.<br><br>In selecting the bonds for the Fund, the ACD may reference the composition and risk profile of the ICE BofAML Green Bond 0-5Y. However, the ACD invests on a discretionary basis with a significant degree of freedom to take positions which are different from the index. The ICE BofAML Green Bond 0-5Y is designed to measure the performance of the green bond universe with a maturity of between 0-5 years. This index best represents the types of bonds in which the Fund predominantly invests.<br><br>The Fund may also invest at the ACD's discretion in other transferable securities (for example, fixed income investments), cash, deposits, units in collective investment schemes (including funds managed by the ACD and its associates) and money market instruments. The Fund may use derivatives (such as credit default swaps, interest rate futures and foreign exchange swaps) for investment purposes as well as for Efficient Portfolio Management. Use may be made of borrowing, cash holdings, hedging and other investment techniques permitted in the applicable Financial Conduct Authority rules.<br><br>The ICE BofAML Green Bond 0-5Y may be used by investors to compare the Fund's performance. |
| Important information | The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management. Please refer to the "Risk Factors" section of this Prospectus for further details on the risks associated with the use of derivatives. |

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| Type of fund | UK UCITS |
| ACT | This Fund is part of AXA IM's global ACT range of products, which implement a responsible investment approach as part of their investment strategy. |
| Typical investor profile | The Fund is suitable for both retail and institutional investors. As the Fund invests predominantly in bonds it may be more suitable for investors looking for an investment which provides income generation but has less risk and less potential for capital return than is the case with funds which invest primarily in equities. An investor should note that investing in sub-investment grade bonds increases the potential income but also increases the risk of loss to the Fund. The Fund should be considered as part of a wider investment portfolio and may not be suitable for investors who plan to redeem their Shares within three years. |
| Key Risks<br><br>Please refer to the Risk Factors section of this Prospectus and the "Risk and Reward Profile" section of the relevant key investor information document for further explanation of the risks associated with an investment in the Fund. | Under normal market conditions the Fund's key risk factors are:<br><br>• Credit risk<br>• Interest Rate risk<br>• Prepayment and extension risk<br>• Index-linked bonds risk<br>• High yield bonds risk<br>• Risks linked to investment in sovereign debt<br>• Emerging Markets risk<br>• Stock lending risk<br><br>Other risks which could have an impact in extreme market conditions include:<br><br>• Liquidity risk<br>• Counterparty risk<br>• Currency risk (Note that the Fund aims to reduce the risk of movements in exchange rates by hedging the foreign currency exposure of the Fund back to pounds Sterling.) |
| FCA product reference number | Not available as at the date of this prospectus |
| Valuation point | 12.00pm |
| Annual accounting period ends | 30 June |
| Half-yearly accounting period ends | 31 December |
| Additional interim accounting dates | 31 March<br>30 September |

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| Income allocated | Last day of February<br>31 May<br>31 August<br>30 November |

## Share Class details

| Class | Accumulation (ACC) or Income (INC) | Initial charge | Annual Management Charge | Minimum holding/ minimum initial investment | Minimum subsequent purchase/ redemption | Regular Savings |
|---|---|---|---|---|---|---|
| Class Z | ACC<br>INC | Nil | 0.40% p.a. | £100,000 | £1,000 | Not Available |
| Class ZI* | ACC<br>INC | Nil | 0.25% p.a. | £30,000,000 | £100,000 | Not Available |

*Please note that investment in ZI Classes shall be subject to contractual agreement at the discretion of the ACD.

## 5 year investment performance

Not available as at the date of this prospectus as this Fund was launched on 05 January 2022.

# AXA Global High Income Fund

## Fund details

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| Investment objective | The aim of this Fund is to provide long-term high yield returns combined with any capital growth. |
| Investment policy | The Fund aims to deliver long-term high yield returns, by re-investing interest received, and any capital growth through investing primarily in 'sub-investment grade' bonds issued by a large number of different companies diversified across industry sectors, countries and credit ratings. The ACD focuses on credit analysis to create a portfolio of bonds that seeks diversification across companies showing improving resilience against default.<br><br>The ACD takes into account the composition and risk profile of the ICE BoA Developed Markets High Yield Constrained Index (HYDC) (the "Index") when making investment decisions . However, the ACD invests on a discretionary basis with a significant degree of freedom to take positions which are different from the index. The Index is designed to measure the performance of the developed global high yield bond market. This Index best represents the types of bonds in which the Fund predominantly invests. The Fund may also invest in other transferable securities, cash, deposits, units in collective investment schemes (including those that are operated by the ACD) and money market instruments. The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management. Use may be made of stock lending, borrowing, cash holdings, hedging and other investment techniques permitted in the applicable Financial Conduct Authority rules. The Index may be used by investors to compare the Fund's performance. |
| Important information | The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management. Please refer to the "Risk Factors" section of this Prospectus for further details on the risks associated with the use of derivatives. |
| Type of fund | UK UCITS |
| Typical investor profile | The Fund is marketable to all retail and institutional investors. |
| Key Risks<br><br>Please refer to the Risk Factors section of this Prospectus and the "Risk and Reward Profile" section of the relevant key investor information document for further explanation of the risks associated with an investment in the Fund. | Under normal market conditions the Fund's key risk factors are:<br><br>• Credit risk<br>• High Yield Bonds risk<br>• Interest Rate risk<br>• Prepayment and extension risk<br>• Stock lending risk<br><br>Other risks which could have an impact in extreme market conditions include:<br><br>• Liquidity risk<br>• Counterparty risk |

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| | • Currency risk (Note that the Fund aims to reduce the risk of movements in exchange rates by hedging the foreign currency exposure of the Fund back to pounds Sterling.) |
| FCA product reference number | 634548 |
| Valuation point | 12.00pm |
| Annual accounting period ends | 30 June |
| Half-yearly accounting period ends | 31 December |
| Additional interim accounting dates | 31 March<br>30 September |
| Income allocated | Last day of February<br>31 May<br>31 August<br>30 November |

## Share Class details

| Class | Accumulation (ACC) or Income (INC) | Initial charge | Annual Management Charge | Minimum holding/ minimum initial investment | Minimum subsequent purchase/ redemption | Regular Savings |
|---|---|---|---|---|---|---|
| Class A* | ACC<br>INC | Nil | 0.45% p.a. | £1,000,000 | £5,000 | Not Available |
| Class R | ACC<br>INC | Nil | 1.25% p.a. | £1,000 | £500 | £50 per month minimum (ACC only) |
| Class Z | ACC<br>INC | Nil | 0.50% p.a. | £100,000 | £5,000 | Not Available |
| Class H* | ACC | 5% | Nil | £20,000,000 | £100,000 | Not Available |

* Please note that investment in Class A and Class H shall be subject to contractual agreement at the discretion of the ACD. The Class H minimums shall apply in respect of individual beneficial investments and not to nominee aggregated holdings.

## 5 year investment performance

| Discrete Calendar Years to Latest Quarter End | December 2015 - December 2016 | December 2016 - December 2017 | December 2017 - December 2018 | December 2018 - December 2019 | December 2019- December 2020 |
|---|---|---|---|---|---|
| % Change | 14.27% | 6.77% | -3.63% | 11.03% | 5.10% |

Source: AXA Investment Managers, NAV-NAV, UK Sterling, Net of fees.

The past performance figures above are expressed as a percentage rounded to the nearest 0.01% and are based on a lump sum investment in Class Z ACC Shares.

Past performance is not a guide to future performance.

# AXA Sterling Corporate Bond Fund

## Fund details

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| Investment objective | The aim of this Fund is to generate an income return combined with any capital growth. |
| Investment policy | The Fund invests primarily in investment grade corporate bonds issued in the UK and overseas. The Fund invests in sterling-denominated bonds and non-sterling-denominated bonds, hedged back into sterling. The ACD seeks to reduce the effect of credit risk through its analysis and selection of bonds (with a particular emphasis on industry and issuer) and also positions the Fund to take advantage of the ACD's expectation of interest rate movements.<br><br>The Fund is managed with reference to the composition and risk profile of the ICE BofAML Sterling Corporate & Collateralised index. However the ACD invests on a discretionary basis with a significant degree of freedom to take positions which are different from the index. In particular, the Fund should demonstrate lower sensitivity to movements in market interest rates than the index. The ICE BofAML Sterling Corporate & Collateralised index is designed to measure the performance of sterling corporate bonds (or sterling fixed interest securities). This index best represents the types of bonds in which the Fund predominantly invests. The Fund may also invest in other transferable securities, cash, deposits, units in collective investment schemes (including those that are operated by the ACD) and money market instruments. The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management. Use may be made of stock lending, borrowing, cash holdings, hedging and other investment techniques permitted in the applicable Financial Conduct Authority rules. The ICE BofAML Sterling Corporate & Collateralised index may be used by investors to compare the Fund's performance. |
| Important information | The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management. Please refer to the "Risk Factors" section of this Prospectus for further details on the risks associated with the use of derivatives. |
| Type of fund | UK UCITS |
| Typical investor profile | The Fund is suitable for both retail and institutional investors. |

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| Key Risks<br><br>Please refer to the Risk Factors section of this Prospectus and the "Risk and Reward Profile" section of the relevant key investor information document for further explanation of the risks associated with an investment in the Fund. | Under normal market conditions the Fund's key risk factors are:<br>• Credit risk<br>• Interest Rate risk<br>• Prepayment and extension risk<br>• Stock lending risk<br><br>Other risks which could have an impact in extreme market conditions include:<br>• Liquidity risk<br>• Counterparty risk<br>• Currency risk (Note that the Fund aims to reduce the risk of movements in exchange rates by hedging the foreign currency exposure of the Fund back to pounds Sterling.) |
| FCA product reference number | 634542 |
| Valuation point | 12.00pm and also at 4.30pm on the last Dealing Day of each month |
| Annual accounting period ends | 30 June |
| Half-yearly accounting period ends | 31 December |
| Additional interim accounting dates | 31 March<br>30 September |
| Income allocated | Last day of February<br>31 May<br>31 August<br>30 November |

## Share Class details

| Class | Accumulation (ACC) or Income (INC) | Initial charge | Annual Management Charge | Minimum holding/ minimum initial investment | Minimum subsequent purchase/ redemption | Regular Savings |
|---|---|---|---|---|---|---|
| Class R | ACC<br>INC | Nil | 1% p.a. | £1,000 | £500 | £50 per month minimum (ACC only) |
| Class Z | ACC<br>INC | Nil | 0.50% p.a. | £100,000 | £5,000 | Not Available |
| Class H* | ACC | 5% | Nil p.a. | £20,000,000 | £100,000 | Not Available |

| | | | | | | |
|---|---|---|---|---|---|---|
| Class B** | ACC<br>INC | Nil | 0.40% p.a. | £1,000,000 | £5,000 | Not Available |

* Please note that investment in Class H shall be subject to contractual agreement at the discretion of the ACD. The Class H minimums shall apply in respect of individual beneficial investments and not to nominee aggregated holdings.

** Investment into Class B Shares is open only to AXA Group companies at the ACD's discretion and subject to contractual agreement between the ACD and the investing entity.

## 5 year investment performance

| Discrete Calendar Years to Latest Quarter End | December 2015 - December 2016 | December 2016 - December 2017 | December 2017 - December 2018 | December 2018 - December 2019 | December 2019-December 2020 |
|---|---|---|---|---|---|
| **% Change** | 11.70% | 6.52% | -1.63% | 9.46% | 6.17% |

Source: AXA Investment Managers, NAV-NAV, UK Sterling, Net of fees.

The past performance figures above are expressed as a percentage rounded to the nearest 0.01% and are based on a lump sum investment in Class Z ACC Shares.

Past performance is not a guide to future performance.

# AXA Sterling Index Linked Bond Fund

## Fund details

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| Investment objective | The aim of this Fund is to generate an income and capital return, with the objective of reducing the negative effect of inflation over the long term. |
| Investment policy | The Fund invests primarily in sterling-denominated index-linked bonds issued by the UK government (gilts). The Fund may also invest in non-index-linked gilts and corporate bonds (including non-sterling-denominated corporate bonds, hedged back into sterling).<br><br>The Fund is managed with reference to the composition and risk profile of the FTSE Actuaries UK index-Linked Gilts Over 5 Years index. However the ACD invests on a discretionary basis with a significant degree of freedom to take positions which are different from the index. The FTSE Actuaries UK index-Linked Gilts Over 5 Years index is designed to measure the performance of UK Government index-linked bonds with over 5 years maturity. This index best represents the types of bonds in which the Fund predominantly invests. The Fund may also invest in other transferable securities, cash, deposits, units in collective investment schemes (including those that are operated by the ACD) and money market instruments. The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management. Use may be made of stock lending, borrowing, cash holdings, hedging and other investment techniques permitted in the applicable Financial Conduct Authority rules.<br><br>The FTSE Actuaries UK index-Linked Gilts Over 5 Years index may be used by investors to compare the Fund's performance. |
| Important information | The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management. Please refer to the "Risk Factors" section of this Prospectus for further details on the risks associated with the use of derivatives.<br><br>The Fund may invest more than 35% of its Scheme Property in securities issued by or on behalf of or guaranteed by the Government of the United Kingdom (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly, the National Assembly of Wales). See paragraph 13 of Appendix II for further details. |
| Type of fund | UK UCITS |
| Typical investor profile | This Fund is suitable for both retail and institutional investors. |

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| Key Risks<br><br>Please refer to the Risk Factors section of this Prospectus and the "Risk and Reward Profile" section of the relevant key investor information document for further explanation of the risks associated with an investment in the Fund. | Under normal market conditions the Fund's key risk factors are:<br><br>• Interest Rate risk<br>• Index-linked bond risk<br>• Stock lending risk<br><br>Other risks which could have an impact in extreme market conditions include:<br><br>• Credit risk<br>• Counterparty risk<br>• Currency risk (Note that the Fund aims to reduce the risk of movements in exchange rates by hedging the foreign currency exposure of the Fund back to pounds Sterling.) |
| FCA product reference number | 634543 |
| Valuation point | 12.00pm and also at 4.30pm on the last Dealing Day of each month |
| Annual accounting period ends | 30 June |
| Half-yearly accounting period ends | 31 December |
| Additional interim accounting dates | 31 March<br>30 September |
| Income allocated | Last day of February<br>31 May<br>31 August<br>30 November |

## Share Class details

| Class | Accumulation (ACC) or Income (INC) | Initial charge | Annual Management Charge | Minimum holding/ minimum initial investment | Minimum subsequent purchase/ redemption | Regular Savings |
|---|---|---|---|---|---|---|
| Class A* | ACC | Nil | 0.25% p.a. | £1,000,000 | £5,000 | Not Available |
| Class R | ACC | Nil | 0.75% p.a. | £1,000 | £500 | £50 per month minimum |
| Class Z | ACC | Nil | 0.30% p.a. | £100,000 | £5,000 | Not Available |

| | | | | | | |
|---|---|---|---|---|---|---|
| Class H* | ACC | 5% | Nil | £20,000,000 | £100,000 | Not Available |

* Please note that investment in Class A and Class H shall be subject to contractual agreement at the discretion of the ACD. The Class H minimums shall apply in respect of individual beneficial investments and not to nominee aggregated holdings.

## 5 year investment performance

| Discrete Calendar Years to Latest Quarter End | December 2015 - December 2016 | December 2016 - December 2017 | December 2017 - December 2018 | December 2018 - December 2019 | December 2019- December 2020 |
|---|---|---|---|---|---|
| % Change | 26.57% | 1.77% | -0.64% | 6.55% | 13.10% |

Source: AXA Investment Managers, NAV-NAV, UK Sterling, Net of fees.

The past performance figures above are expressed as a percentage rounded to the nearest 0.01% and are based on a lump sum investment in Class Z ACC Shares.

Past performance is not a guide to future performance.

# AXA Sterling Strategic Bond Fund

## Fund details

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| Investment objective | The aim of this Fund is to generate an income return combined with capital growth over the long term. |
| Investment policy | The Fund invests primarily in sterling-denominated, investment grade bonds issued by companies and governments. The ACD seeks to reduce the effect of credit risk through its analysis and selection of bonds (with a particular emphasis on industry and issuer) and also positions the Fund to take advantage of the ACD's expectation of interest rate movements.<br><br>The Fund is managed with reference to the composition and risk profile of the ICE BofAML Sterling Broad Market index. However the ACD invests on a discretionary basis with a significant degree of freedom to take positions which are different from the index. The ICE BofAML Sterling Broad Market index is designed to measure the performance of gilts and sterling non-gilt fixed interest securities. This index best represents the types of bonds in which the Fund predominantly invests. The Fund may also invest in other transferable securities, cash, deposits, units in collective investment schemes (including those that are operated by the ACD) and money market instruments. The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management. Use may be made of stock lending, borrowing, cash holding, hedging and other investment techniques permitted in the applicable Financial Conduct Authority rules. The ICE BofAML Sterling Broad Market index may be used by investors to compare the Fund's performance. |
| Important information | The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management. Please refer to the "Risk Factors" section of this Prospectus for further details on the risks associated with the use of derivatives.<br><br>The Fund may invest more than 35% of its Scheme Property in securities issued by or on behalf of or guaranteed by the Government of the United Kingdom (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly, the National Assembly of Wales). See paragraph 13 of Appendix II for further details. |
| Type of fund | UK UCITS |
| Typical investor profile | The Fund is suitable for both retail and institutional investors. |

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| Key Risks<br><br>Please refer to the Risk Factors section of this Prospectus and the "Risk and Reward Profile" section of the relevant key investor information document for further explanation of the risks associated with an investment in the Fund. | Under normal market conditions the Fund's key risk factors are:<br><br>• Credit risk<br>• Interest Rate risk<br>• Stock lending risk<br><br>Other risks which could have an impact in extreme market conditions include:<br><br>• Prepayment and extension risk<br>• Liquidity risk<br>• Counterparty risk<br>• Currency risk (Note that the Fund aims to reduce the risk of movements in exchange rates by hedging the foreign currency exposure of the Fund back to pounds Sterling.) |
| FCA product reference number | 634546 |
| Valuation point | 12.00pm and also at 4.30pm on the last Dealing Day of each month |
| Annual accounting period ends | 30 June |
| Half-yearly accounting period ends | 31 December |
| Additional interim accounting dates | 31 March<br>30 September |
| Income allocated | Last day of February<br>31 May<br>31 August<br>30 November |

## Share class details

| Class | Accumulation (ACC) or Income (INC) | Initial charge | Annual Management Charge | Minimum holding/ minimum initial investment | Minimum subsequent purchase/ redemption | Regular Savings |
|---|---|---|---|---|---|---|
| Class R | ACC<br>INC | Nil | 1.25% p.a. | £1,000 | £500 | £50 per month minimum (ACC only) |
| Class Z | ACC<br>INC | Nil | 0.50% p.a. | £100,000 | £5,000 | Not Available |

| | | | | | | |
|---|---|---|---|---|---|---|
| Class H* | ACC | 5% | Nil | £20,000,000 | £100,000 | Not Available |
| Class B** | ACC<br>INC | Nil | 0.40% p.a. | £1,000,000 | £5,000 | Not Available |

* Please note that investment in the H Class shall be subject to contractual agreement at the discretion of the ACD. The H Class minimums shall apply in respect of individual beneficial investments and not to nominee aggregated holdings.

** Investment into the B Share Class shall be subject to contractual agreement between the ACD and the investing entity at the ACD's discretion.

## 5 year investment performance

| Discrete Calendar Years to Latest Quarter End | December 2015 - December 2016 | December 2016 - December 2017 | December 2017 - December 2018 | December 2018 - December 2019 | December 2019- December 2020 |
|---|---|---|---|---|---|
| % Change | 10.62% | 2.43% | -0.37% | 7.70% | 8.51% |

Source: AXA Investment Managers, NAV-NAV, UK Sterling, Net of fees.

The past performance figures above are expressed as a percentage rounded to the nearest 0.01% and are based on a lump sum investment in Class Z ACC Shares.

Past performance is not a guide to future performance.

# AXA Sterling Credit Short Duration Bond Fund

## Fund details

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| Investment objective | The aim of this Fund is to generate an income return combined with any capital growth. |
| Investment policy | The Fund invests primarily in sterling-denominated investment grade bonds issued by companies with a bias towards shorter maturities (less than five years) with the aim of reducing the effect of fluctuations in interest rates. The ACD seeks to reduce the effect of credit risk through diversification and its analysis and selection of bonds.<br><br>The Fund does not have a benchmark. SONIA Compounded Index may be used by investors to compare the Fund's performance. The Fund may also invest in other transferable securities, cash, deposits, units in collective investment schemes (including those that are operated by the ACD) and money market instruments. The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management. Use may be made of stock lending, borrowing, cash holding and hedging techniques permitted in the applicable Financial Conduct Authority rules. |
| Important information | The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management. Please refer to the "Risk Factors" section of this Prospectus for further details on the risks associated with the use of derivatives. |
| Type of fund | UK UCITS |
| Typical investor profile | The Fund is suitable for both retail and institutional investors. |
| Key Risks<br><br>Please refer to the Risk Factors section of this Prospectus and the "Risk and Reward Profile" section of the relevant key investor information document for further explanation of the risks associated with an investment in the Fund. | Under normal market conditions the Fund's key risk factors are:<br><br>• Credit risk<br>• Interest Rate risk<br>• Prepayment and extension risk<br>• Stock lending risk<br><br>Other risks which could have an impact in extreme market conditions include:<br><br>• Liquidity risk<br>• Counterparty risk<br>• Currency risk (Note that the Fund aims to reduce the risk of movements in exchange rates by hedging the foreign currency exposure of the Fund back to pounds Sterling.) |
| FCA product reference number | 634549 |
| Valuation point | 12.00pm and also at 4.30pm on the last Dealing Day of each month |
| Annual accounting period ends | 30 June |

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| Half-yearly accounting period ends | 31 December |
| Additional interim accounting dates | 31 March<br>30 September |
| Income allocated | Last day of February<br>31 May<br>31 August<br>30 November |

## Share Class details

| Class | Accumulation (ACC) or Income (INC) | Initial charge | Annual Management Charge | Minimum holding/ minimum initial investment | Minimum subsequent purchase/ redemption | Regular Savings |
|---|---|---|---|---|---|---|
| Class A* | ACC<br>INC | Nil | 0.35% p.a. | £1,000,000 | £5,000 | Not Available |
| Class R | ACC<br>INC | Nil | 0.85% p.a. | £1,000 | £500 | £50 per month minimum (ACC only) |
| Class Z | ACC<br>INC | Nil | 0.40% p.a. | £100,000 | £5,000 | Not Available |
| Class ZI* | ACC<br>INC | Nil | 0.25% p.a. | £50,000,000 | £100,000 | Not Available |
| Class H* | ACC | 5% | Nil | £20,000,000 | £100,000 | Not Available |

* Please note that investment in the A, ZI and H Classes shall be subject to contractual agreement at the discretion of the ACD. The H Class minimums shall apply in respect of individual beneficial investments and not to nominee aggregated holdings.

## 5 year investment performance

| Discrete Calendar Years to Latest Quarter End | December 2015 - December 2016 | December 2016 - December 2017 | December 2017 - December 2018 | December 2018 - December 2019 | December 2019- December 2020 |
|---|---|---|---|---|---|
| % Change | 3.82% | 1.17% | -0.33% | 3.23% | 2.33% |

Source: AXA Investment Managers, NAV-NAV, UK Sterling, Net of fees.

The past performance figures above are expressed as a percentage rounded to the nearest 0.01% and are based on a lump sum investment in Class Z ACC Shares.

Past performance is not a guide to future performance.

# AXA US Short Duration High Yield Fund

## Fund details

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|---|---|
| Investment objective | The aim of this Fund is to generate income by investing in high yield debt securities (being sub-investment grade corporate bonds) while seeking to avoid the risk of defaults. |
| Investment policy | The Fund aims to deliver a return by investing generally (meaning at least 60 per cent of its assets) in high yield bonds (being sub-investment grade corporate bonds) with a bias towards shorter maturities (where the full repayment of the bond by the company is expected to be less than three years), issued primarily by companies with their predominant place of business in the US. The Fund may also invest in such bonds denominated in US Dollars and issued by non-US companies. The ACD seeks to reduce the effect of credit risk through diversification and its analysis and selection of bonds.<br><br>The Fund does not have a benchmark. SONIA Compounded Index may be used by investors to compare the Fund's performance. The Fund may also invest in other transferable securities (including, but not limited to, high yield debt securities, investment grade debt securities, convertibles, tbills), cash, deposits, units in collective investment schemes (including those that are operated by the ACD) and money market instruments. The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management. Use may be made of stock lending, borrowing, cash holdings, hedging and other investment techniques permitted in the applicable Financial Conduct Authority Rules. |
| Important information | The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management. Please refer to the "Risk Factors" section of this Prospectus for further details on the risks associated with the use of derivatives. |
| Type of fund | UK UCITS |
| Typical investor profile | The Fund is suitable for both retail and institutional investors. |
| Key Risks<br><br>Please refer to the Risk Factors section of this Prospectus and the "Risk and Reward Profile" section of the relevant key investor information document for further explanation of the risks associated with an investment in the Fund. | Under normal market conditions the Fund's key risk factors are:<br><br>• Credit risk<br>• High Yield Bonds risk<br>• Interest Rate risk<br>• Prepayment and extension risk<br>• Stock lending risk<br><br>Other risks which could have an impact in extreme market conditions include:<br><br>• Liquidity risk<br>• Counterparty risk |

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| | • Currency risk (Note that the Fund aims to reduce the risk of movements in exchange rates by hedging the foreign currency exposure of the Fund back to pounds Sterling.) |
| FCA product reference number | 634547 |
| Valuation point | 12.00pm |
| Annual accounting period ends | 30 June |
| Half-yearly accounting period ends | 31 December |
| Income allocated | Last day of February<br>31 August |

## Share Class details

| Class | Accumulation (ACC) or Income (INC) | Initial charge | Annual Management Charge | Minimum holding/ minimum initial investment | Minimum subsequent purchase/ redemption | Regular Savings |
|---|---|---|---|---|---|---|
| Class Z | ACC<br>INC | 5.0% | 0.75% p.a. | £1,000,000 | £5,000 | Not Available |
| Class ZI* | ACC<br>INC | 5.0% | 0.45% p.a. | £30,000,000* | £100,000 | Not Available |

* Please note that the Class ZI minimums shall apply in respect of individual investments and not to nominee aggregated holdings. Investment in the Class ZI shall be subject to contractual agreement at the discretion of the ACD.

## 5 year investment performance

| Discrete Calendar Years to Latest Quarter End | December 2015 - December 2016 | December 2016 - December 2017 | December 2017 - December 2018 | December 2018 - December 2019 | December 2019-December 2020 |
|---|---|---|---|---|---|
| % Change | 5.58% | 2.04% | -0.81% | 5.97% | 2.46% |

Source: AXA Investment Managers, NAV-NAV, UK Sterling, Net of fees.

The past performance figures above are expressed as a percentage rounded to the nearest 0.01% and are based on a lump sum investment in Class Z ACC Shares.

Past performance is not a guide to future performance.

# AXA Global Short Duration Bond Fund

## Fund details

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| Investment objective | The aim of this Fund is to generate an income return combined with any capital growth. |
| Investment policy | The Fund invests predominantly in bonds (including index-linked bonds) with a bias towards shorter maturities (less than five years) and money market instruments, issued by governments and companies diversified globally (including emerging markets), with the aim of reducing the effect of fluctuations in interest rates and market volatility while generating an income return. The Fund may invest up to 60% of its Net Asset Value in 'sub-investment grade' bonds. The ACD seeks to reduce the effect of credit risk through diversification and its analysis and selection of bonds and money market instruments.<br><br>The Fund does not have a benchmark. SONIA Compounded Index may be used by investors to compare the Fund's performance. The Fund may also invest in other transferable securities, cash, deposits and units in collective investment schemes (including those that are operated by the ACD). The Fund may use derivatives for Efficient Portfolio Management. Use may be made of stock lending, borrowing, cash holding and hedging techniques permitted in the applicable Financial Conduct Authority rules. |
| Important information | The Fund may use derivatives for Efficient Portfolio Management. Please refer to the "Risk Factors" section of this Prospectus for further details on the risks associated with the use of derivatives. |
| Type of fund | UK UCITS |
| Typical investor profile | The Fund is suitable for both retail and institutional investors. As the Fund invests predominantly in bonds it may be more suitable for investors looking for an investment which provides income generation but has less risk and less potential for capital return than is the case with funds which invest primarily in equities. An investor should note that investing in sub-investment grade bonds increases the potential income but also increases the risk of loss to the Fund. The Fund should be considered as part of a wider investment portfolio and may not be suitable for investors who plan to redeem their Shares within three years. |

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| Key Risks<br><br>Please refer to the Risk Factors section of this Prospectus and the "Risk and Reward Profile" section of the relevant key investor information document for further explanation of the risks associated with an investment in the Fund. | Under normal market conditions the Fund's key risk factors are:<br><br>• Credit risk<br>• Interest Rate risk<br>• Prepayment and extension risk<br>• Index-linked bonds risk<br>• High yield bonds risk<br>• Risks linked to investment in sovereign debt<br>• Emerging Markets risk<br>• Stock lending risk<br><br>Other risks which could have an impact in extreme market conditions include:<br><br>• Liquidity risk<br>• Counterparty risk<br>• Currency risk (Note that the Fund aims to reduce the risk of movements in exchange rates by hedging the foreign currency exposure of the Fund back to pounds Sterling.) |
| FCA product reference number | 779200 |
| Valuation point | 12.00pm |
| Annual accounting period ends | 30 June |
| Half-yearly accounting period ends | 31 December |
| Additional interim accounting dates | 31 March<br>30 September |
| Income allocated | Last day of February<br>31 May<br>31 August<br>30 November |

## Share Class details

| Class | Accumulation (ACC) or Income (INC) | Initial charge | Annual Management Charge | Minimum holding/ minimum initial investment | Minimum subsequent purchase/ redemption | Regular Savings |
|---|---|---|---|---|---|---|
| Class Z | ACC<br>INC | Nil | 0.40% p.a. | £100,000 | £5,000 | Not Available |
| Class ZI* | ACC<br>INC | Nil | 0.25% p.a. | £50,000,000 | £100,000 | Not Available |
| Class S* | ACC<br>INC | Nil | 0.20% p.a. | £1,000,000 | £500 | Not available |

*Please note that investment in S and ZI Classes shall be subject to contractual agreement at the discretion of the ACD.

## 5 year investment performance

| Discrete Calendar Years to Latest Quarter End | December 2015 - December 2016 | December 2016 - December 2017 | December 2017 - December 2018 | December 2018 - December 2019 | December 2019- December 2020 |
|---|---|---|---|---|---|
| % Change | N/A | N/A | -1.07% | 4.50% | 2.98% |

Source: AXA Investment Managers, NAV-NAV, UK Sterling, Net of fees.

The past performance figures above are expressed as a percentage rounded to the nearest 0.01% and are based on a lump sum investment in Class Z ACC Shares.

Past performance is not a guide to future performance.

# AXA Global Strategic Bond Fund

## Fund details

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| Investment objective | The aim of this Fund is to generate income and growth over the long term (being a period of five years or more). |
| Investment policy | The Fund invests at least 80% of its assets in a mix of investment grade bonds (meaning bonds with a Standard & Poor’s rating of at least BBB- or such equivalent rating by Moody’s or Fitch), sub-investment grade bonds and securitisation vehicles (such as mortgage-backed and asset-backed securities, collateralised debt obligations (CDOs) and collateralised loan obligations (CLOs)), issued in or hedged back to Sterling. The bonds, which may include inflation linked bonds, are issued by companies and governments (including obligations issued or guaranteed by government or their agencies), located anywhere in the world, including emerging markets. The ACD seeks to reduce the risk of defaults through its analysis and selection of bonds (with particular emphasis on industry and issuer). Comprehensive analysis of the market is also carried out before deciding the asset allocation across different types of bonds and geographical location, with consideration being given to the Fund’s sensitivity to interest rate variations.<br><br>The IA Sterling Strategic Bond sector may be used by investors to compare the Fund’s performance. The IA sector has been chosen because it is representative of the Fund’s agreed risk profile and the types of assets in which it invests. It is, therefore, an appropriate comparator for the Fund’s performance. The Fund may also invest in other transferable securities (such as convertibles and treasury bills), contingent convertible bonds, units in collective investment schemes (including those that are operated by the ACD), cash, cash-like instruments and deposits.<br><br>The Fund may use derivatives for investment purposes as well as for Effective Portfolio Management. Use may be made of stock lending, borrowing, cash holding, hedging and other investment techniques permitted in the applicable Financial Conduct Authority rules.<br><br>To avoid investing in bonds issued by companies which present excessive degrees of environmental, social and governance (ESG) risk, the ACD applies AXA IM Group’s sector specific investment guidelines relating to responsible investment to the Fund. Such guidelines exclude investment in (or exposure to) certain companies based on their involvement in specific sectors (such as soft commodity derivatives, palm oil (including deforestation and natural ecosystems conversion), controversial weapons and climate risks).<br><br>The ACD also applies the AXA Investment Managers’ ESG Standards policy. This policy excludes investment in companies based on: tobacco production; manufacture of white phosphorus weapons; human rights; anti-corruption and other environmental, social and governance (ESG) factors. The AXA Investment Managers’ ESG Standards policy and AXA IM Group’s sector specific investment guidelines are available from the ACD on request and these contain further details on the ESG risks identified and the exclusion process applied. |

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| | Further, in selecting investments, the ACD will, in addition to the application of the above policies, take into account: (i) the issuer's ESG score (using an internal ESG scoring system as detailed in the AXA Investment Managers' ESG Standards policy); and (ii) the ACD's analysis of the global bond universe for both sovereign and corporate entities. The ACD will use the ESG score and analysis as one factor within its broader analysis of the issuer to make selections which are expected to generate sustained growth and returns over time. It is, however, just one component of the ACD's investment process and ESG scores are not the principal driver of investment decision making. |
| Important information | The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management. Please refer to the "Risk Factors" section of this Prospectus for further details on the risks associated with the use of derivatives. |
| Type of fund | UK UCITS |
| Typical investor profile | The Fund is suitable for both retail and institutional investors. |
| Key Risks<br><br>Please refer to the Risk Factors section of this Prospectus and the "Risk and Reward Profile" section of the relevant key investor information document for further explanation of the risks associated with an investment in the Fund. | Under normal market conditions the Fund's key risk factors are:<br><br>• Credit risk<br>• Interest Rate risk<br>• Prepayment and extension risk<br>• Index-linked bonds risk<br>• High yield bonds risk<br>• Risks linked to investment in sovereign debt<br>• Emerging Markets risk<br>• Securitised assets or CDO assets risk<br>• Contingent convertible bonds risk<br>• ESG risk<br>• Libor transition risk<br>• Stock lending risk<br><br>Other risks which could have an impact in extreme market conditions include:<br><br>• Liquidity risk<br>• Counterparty risk<br>• Derivatives risk<br>• Leverage risk<br>• Political, economic, convertibility and regulatory risk<br>• Currency risk (Note that the Fund aims to reduce the risk of movements in exchange rates by hedging the foreign currency exposure of the Fund back to pounds Sterling). |
| FCA product reference number | 935137 |
| Valuation point | 12.00pm |
| Annual accounting period ends | 30 June |

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| Half-yearly accounting period ends | 31 December |
| Additional interim accounting dates | 31 March<br>30 September |
| Income allocated | Last day of February<br>31 May<br>31 August<br>30 November |

## Share Class details

| Class | Accumulation (ACC) or Income (INC) | Initial charge | Annual Management Charge | Minimum holding/ minimum initial investment | Minimum subsequent purchase/ redemption | Regular Savings |
|---|---|---|---|---|---|---|
| Class Z* | ACC<br>INC | 0.0% | 0.50% p.a. | £100,000 | £5,000 | Not Available |
| Class ZI* | ACC<br>INC | 0.0% | 0.35% p.a. | £10,000,000 | £100,000 | Not Available |

* Please note that investment in the Class Z and ZI shall be subject to contractual agreement at the discretion of the ACD.

# APPENDIX II
# Investment and borrowing powers applicable to the Funds

## 1. General rules of investment

1.1. The Scheme Property of each Fund will be invested with the aim of achieving its investment objective but subject to the limits set out in the relevant Fund's investment policy and the limits set out in Chapter 5 of the COLL Sourcebook ("COLL 5") that are applicable to UK UCITS Schemes, which are summarised in this Appendix.

1.2. The ACD must ensure that, taking account of the investment objective and policy of a Fund, the Scheme Property of the Fund aims to provide a prudent spread of risk.

1.3. The ACD's investment policy may mean that at times, where it is considered appropriate, the Scheme Property of a Fund will not be fully invested and that prudent levels of liquidity will be maintained.

## 2. UK UCITS Schemes - general

2.1. Subject to the respective investment objective and policy of the Funds, the Scheme Property of each Fund must, except where otherwise provided in COLL 5, only consist of any or all of:

2.1.1. transferable securities;

2.1.2. approved money-market instruments;

2.1.3. permitted units in collective investments schemes;

2.1.4. permitted derivatives and forward transactions; and

2.1.5. permitted deposits.

2.2. It is not intended that the Funds will have an interest in any immovable property or tangible movable property.

2.3. The requirements on spread and investment in government and public securities do not apply until the expiry of a period of six months after the date of effect of the authorisation order in respect of each Fund (or on which the initial offer commenced if later) provided that the requirement to maintain a prudent spread of risk is complied with.

## 3. Transferable securities

3.1. A transferable security is an investment falling within article 76 (Shares etc.), article 77 (Instruments creating or acknowledging indebtedness), article 78 (Government and public securities), article 79 (Instruments giving entitlement to investments) and article 80 (Certificates representing certain securities) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (the "Regulated Activities Order").

3.2. An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.

3.3. In applying paragraph 3.2 of this Appendix to an investment which is issued by a body corporate, and which is an investment falling within articles 76 (Shares, etc.) or 77 (Instruments creating or acknowledging indebtedness) of the Regulated Activities Order, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

3.4. An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.

3.5. A Fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:

3.5.1. the potential loss which the Fund may incur with respect to holding the transferable security is limited to the amount paid for it;

3.5.2. its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any Shareholder;

3.5.3. reliable valuation is available for it as follows:

3.5.3.1. in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;

3.5.3.2. in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;

3.5.4. appropriate information is available for it as follows:

3.5.4.1. in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;

3.5.4.2. in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;

3.5.5. it is negotiable; and

3.5.6. its risks are adequately captured by the risk management process of the ACD.

3.6. Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:

3.6.1. not to compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any Shareholder; and

3.6.2. to be negotiable.

3.7. None of the Funds are currently permitted to invest in warrants.

## 4. Closed end funds constituting transferable securities

4.1. A unit or a share in a closed end fund shall be taken to be a transferable security for the purposes of investment by a Fund, provided it fulfils the criteria for transferable securities set out in paragraph 3.5 and either:

4.1.1. where the closed end fund is constituted as an investment company or a unit trust:

4.1.1.1. it is subject to corporate governance mechanisms applied to companies; and

4.1.1.2. where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or

4.1.2. where the closed end fund is constituted under the law of contract:

4.1.2.1. it is subject to corporate governance mechanisms equivalent to those applied to companies; and

4.1.2.2. it is managed by a person who is subject to national regulation for the purpose of investor protection.

## 5. Transferable securities linked to other assets

5.1. A Fund may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by the Fund provided the investment:

5.1.1. fulfils the criteria for transferable securities set out in paragraph 3.5 above; and

5.1.2. is backed by or linked to the performance of other assets, which may differ from those in which the Fund can invest.

5.2. Where an investment in paragraph 5.1 contains an embedded derivative component, the requirements of this Appendix with respect to derivatives and forwards will apply to that component.

## 6. Approved money-market instruments

6.1. An approved money-market instrument is a money-market instrument which is normally dealt in on the money-market, is liquid and has a value which can be accurately determined at any time.

6.2. A money-market instrument shall be regarded as normally dealt in on the money-market if it:

6.2.1. has a maturity at issuance of up to and including 397 days;

6.2.2. has a residual maturity of up to and including 397 days;

6.2.3. undergoes regular yield adjustments in line with money-market conditions at least every 397 days; or

6.2.4. has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in paragraphs 6.2.1 or 6.2.2 or is subject to yield adjustments as set out in paragraph 6.2.3.

6.3. A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the ACD to redeem Shares at the request of any Shareholder.

6.4. A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:

6.4.1. enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the Scheme Property could be exchanged between knowledgeable willing parties in an arm's length transaction; and

6.4.2. based either on market data or on valuation models including systems based on amortised costs.

6.5. A money-market instrument that is normally dealt in on the money-market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.

## 7. Transferable securities and money-market instruments generally to be admitted or dealt in on an eligible market

7.1. Transferable securities and approved money-market instruments held within a Fund must be:

7.1.1. admitted to or dealt in on an eligible market as described in paragraph 8.3.1; or

7.1.2. dealt in on an eligible market as described in paragraph 8.3.2; or

7.1.3. admitted to or dealt in on an eligible market as described in paragraph 8.4; or

7.1.4. for an approved money-market instrument not admitted to or dealt in on an eligible market, within paragraph 9.1; or

7.1.5. recently issued transferable securities provided that:

7.1.5.1. the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and

7.1.5.2. such admission is secured within a year of issue.

7.2. However, a Fund may invest no more than 10% of the Scheme Property in transferable securities and approved money-market instruments other than those referred to in paragraph 7.1.

## 8. Eligible markets regime: purpose and requirements

8.1. To protect Shareholders the markets on which investments of a Fund are dealt in or traded on should be of an adequate quality ("eligible") at the time of acquisition of the investment and until it is sold.

8.2. Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction in paragraph 7.2 above on investing in non-approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.

8.3. A market is eligible if it is:

8.3.1. a regulated market as defined in the FCA Handbook; or

8.3.2. a market in the UK or an EEA State which is regulated, operates regularly and is open to the public.

8.4. A market not falling within paragraph 8.3 is eligible if:

8.4.1. the ACD, after consultation with and notification to the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property;

8.4.2. the market is included in a list in this Prospectus; and

8.4.3. the Depositary has taken reasonable care to determine that:

8.4.3.1. adequate custody arrangements can be provided for the investment dealt in on that market; and

8.4.3.2. all reasonable steps have been taken by the ACD in deciding whether that market is eligible.

8.5. In paragraph 8.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.

8.6. The eligible markets in which each Fund may invest are set out in Appendix VI.

## 9. Money-market instruments with a regulated issuer

9.1. In addition to instruments admitted to or dealt in on an eligible market, a Fund may invest in an approved money-market instrument provided it fulfils the following requirements:

9.1.1. the issue or the issuer is regulated for the purpose of protecting investors and savings; and

9.1.2. the instrument is issued or guaranteed in accordance with paragraph 10 (Issuers and guarantors of money-market instruments) below.

9.2. The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting investors and savings if:

9.2.1. the instrument is an approved money-market instrument;

9.2.2. appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with paragraph 11 (Appropriate information for money-market instruments) below; and

9.2.3. the instrument is freely transferable.

## 10. Issuers and guarantors of money-market instruments

10.1. A Fund may invest in an approved money-market instrument if it is:

10.1.1. issued or guaranteed by any one of the following:

10.1.1.1. a central authority of the UK or an EEA State or, if the EEA State is a federal state, one of the members making up the federation;

10.1.1.2. a regional or local authority of the UK or an EEA State;

10.1.1.3. the Bank of England, the European Central Bank or a central bank of an EEA State;

10.1.1.4. the European Union or the European Investment Bank;

10.1.1.5. a non-EEA State or, in the case of a federal state, one of the members making up the federation;

10.1.1.6. a public international body to which the UK or one or more EEA States belong; or

10.1.2. issued by a body, any securities of which are dealt in on an eligible market; or

10.1.3. issued or guaranteed by an establishment which is:

10.1.3.1. subject to prudential supervision in accordance with criteria defined by the UK or EU law; or

10.1.3.2. subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law.

10.2. An establishment shall be considered to satisfy the requirement in paragraph 10.1.3.2 if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:

10.2.1. it is located in the UK or the EEA;

10.2.2. it is located in an Organisation for Economic Co-operation and Development ("OECD") country belonging to the OECD Group of Ten;

10.2.3. it has at least investment grade rating;

10.2.4. on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by UK or EU law.

## 11. Appropriate information for money-market instruments

11.1. In the case of an approved money-market instrument within paragraph 10.1.2 or issued by a body of the type referred to in COLL 5.2.10EG, or which is issued by an authority within paragraph 10.1.1.2 or a public international body within paragraph 10.1.1.6 but is not guaranteed by a central authority within paragraph 10.1.1.1, the following information must be available:

11.1.1. information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;

11.1.2. updates of that information on a regular basis and whenever a significant event occurs; and

11.1.3. available and reliable statistics on the issue or the issuance programme.

11.2. In the case of an approved money-market instrument issued or guaranteed by an establishment within paragraph 10.1.3, the following information must be available:

11.2.1. information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;

11.2.2. updates of that information on a regular basis and whenever a significant event occurs; and

11.2.3. available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.

11.3. In the case of an approved money-market instrument:

11.3.1. within paragraphs 10.1.1.1, 10.1.1.4 or 10.1.1.5; or

11.3.2. which is issued by an authority within paragraph 10.1.1.2 or a public international body within paragraph 10.1.1.6 and is guaranteed by a central authority within paragraph 10.1.1.1,

information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

## 12. Spread: general

12.1. This rule on spread does not apply in respect of a transferable security or an approved money market instrument to which paragraph 13 "Spread: government and public securities" applies.

12.2. For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with section 399 of the Companies Act 2006, Directive 2013/34/EU, or in the same group in accordance with international accounting standards are regarded as a single body.

12.3. Not more than 20% in the value of the Scheme Property is to consist of deposits with a single body.

12.4. Not more than 5% in value of the Scheme Property is to consist of transferable securities or approved money-market instruments issued by any single body, except that the limit of 5% is raised to 10% in respect of up to 40% in value of the Scheme Property. Covered bonds need not be taken into account for the purposes of applying the limit of 40%. For these purposes certificates representing certain securities are treated as equivalent to the underlying security.

12.5. The limit of 5% in paragraph 12.4 is raised to 25% in value of the Scheme Property in respect of covered bonds provided that when a Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Scheme Property.

12.6. The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property. This limit is raised to 10% where the counterparty is an Approved Bank.

12.7. Not more than 20% in value of the Scheme Property is to consist of transferable securities and approved money-market instruments issued by the same group.

12.8. Not more than 10% in value of the Scheme Property is to consist of the units of any one collective investment scheme.

12.9. The COLL Sourcebook provides that in applying the limits in paragraphs 12.3, 12.4 and 12.6 and subject to paragraph 12.5, in relation to a single body, not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:

12.9.1. transferable securities (including covered bonds) or approved money-market instruments issued by that body; or

12.9.2. deposits made with that body; or

12.9.3. exposures from OTC derivatives transactions and other Efficient Portfolio Management transactions made with that body.

12.10. Counterparty risk and issuer concentration

The ACD must ensure that counterparty risk arising from an OTC derivative is subject to the limits set out in paragraphs 12.6 and 12.9 above.

12.10.1. When calculating exposure of a Fund to a counterparty in accordance with the limits in paragraph 12.6 the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.

12.10.2. The ACD may net the OTC derivative positions of a Fund with the same counterparty provided:

12.10.2.1. it is able legally to enforce netting agreements with the counterparty on behalf of the Fund; and

12.10.2.2. such netting agreements do not relate to any other exposures the Fund may have with that same counterparty.

12.10.3. The ACD may reduce the exposure of Scheme Property to a counterparty to an OTC derivative through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.

12.10.4. The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 12.6 when it passes collateral to an OTC counterparty on behalf of a Fund.

12.10.5. Collateral passed in accordance with paragraph 12.10.4 may be taken into account on a net basis only if the ACD is able legally to enforce netting arrangements with this counterparty on behalf of that Fund.

12.10.6. The ACD must calculate the issuer concentration limits referred to in paragraph 12 on the basis of the underlying exposure created through the use of OTC derivatives in accordance with the commitment approach.

12.10.7. In relation to the exposure arising from OTC derivatives as referred to in paragraph 12.9, the ACD must include any exposure to OTC derivative counterparty risk in the calculation.

## 13. Spread: government and public securities

13.1. This paragraph applies in respect of a transferable security or an approved money market instrument that is issued by:

13.1.1. the UK or an EEA State;

13.1.2. a local authority of the UK or an EEA State;

13.1.3. a non-EEA State; or

13.1.4. a public international body to which the UK or one or more EEA States belong,

("such securities").

13.2. Where no more than 35% in value of the Scheme Property is invested in such securities issued or guaranteed by a single state, local authority or public international body, there is no limit on the amount which may be invested in such securities or in any one issue.

13.3. A Fund may invest more than 35% in value of the Scheme Property in such securities issued or guaranteed by a single state, local authority or public international body provided that:

13.3.1. the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Funds;

13.3.2. no more than 30% in value of the Scheme Property consists of such securities of any one issue; and

13.3.3. the Scheme Property includes such securities issued by that or another issuer, of at least six different issues.

**These requirements are intended to apply to each of AXA Sterling Index Linked Bond Fund and AXA Sterling Strategic Bond Fund. Accordingly more than 35% of the Scheme Property of each of these Funds is or may be invested in such securities issued by or on behalf of or guaranteed by the Government of the United Kingdom (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly, the National Assembly of Wales).**

13.4. In relation to such securities issue, issued and issuer include guarantee, guaranteed and guarantor; and an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.

13.5. Notwithstanding paragraph 12.1 and subject to paragraphs 13.2 and 13.3 above, in applying the 20% limit in paragraph 12.9 with respect to a single body, such securities issued by that body shall be taken into account.

## 14. Investment in collective investment schemes

14.1. Up to 10% of the value of a Fund may be invested in units or shares in other collective investment schemes (“Second Scheme”), and therefore the Scheme Property may contain units from the Second Scheme provided that each Second Scheme satisfies all of the following conditions:

14.1.1. The Second Scheme must:

14.1.1.1. be a UCITS Scheme or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or

14.1.1.2. be a recognised scheme that is authorised by the supervisory authorities of Guernsey. Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR are met); or

14.1.1.3. be authorised as a non-UCITS retail scheme (provided the requirements of COLL 5.2.13AR are met); or

14.1.1.4. be authorised in an EEA State provided the requirements of COLL 5.2.13AR are met; or

14.1.1.5. be authorised by the competent authority of an OECD country (other than the UK or an EEA State) which has:

(a) signed the IOSCO Multilateral Memorandum of Understanding; and

(b) approved the Second Scheme’s management company, rules and depositary/custody arrangements;

(provided the requirements of COLL 5.2.13AR are met).

14.1.2. The Second Scheme has terms which prohibit more than 10% in value of its scheme property consisting of units in collective investment schemes. Where the Second Scheme is an umbrella, the provisions in this paragraph 14.1.2, paragraph 14.2 and paragraph 12 (Spread: General) apply to each sub fund as if it were a separate scheme.

14.2. Investment may only be made in other collective investment schemes managed or operated by the ACD or an associate of the ACD if the rules in the COLL Sourcebook, including those relating to double charging, are complied with.

14.3. The Scheme Property attributable to a Fund may include Shares in another Fund of the Company (the “Second Fund”) provided that:

14.3.1. the Second Fund does not hold Shares in any other Fund;

14.3.2. the requirements set out at paragraph 14.1 above are complied with; and

14.3.3. not more than 10% in value of the Scheme Property of the investing or disposing Fund is to consist of Shares in the Second Fund.

## 15. Investment in nil and partly paid securities

A transferable security or an approved money-market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Funds, at the time when payment is required, without contravening the rules in COLL 5.

## 16. Derivatives: general

**Each Fund (other than the AXA Global Short Duration Bond Fund) may use derivatives for investment purposes. The AXA Global Short Duration Bond Fund does not currently intend to use its Scheme Property to invest in derivatives or forward transactions, other than for the purposes of Efficient Portfolio Management techniques (see paragraph 17 below) which is not expected to have a detrimental effect on the risk profile of this Fund. Please refer to the “Risk Factors” section of this Prospectus for a description of the risk factors associated with investments in derivatives.**

16.1. A transaction in derivatives or a forward transaction must not be effected for a Fund unless the transaction is of a kind specified in paragraph 18 (Permitted transactions (derivatives and forwards)) below, and the transaction is covered, as required by paragraph 30 (Cover for investment in derivatives) of this Appendix.

16.2. Where a Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in paragraphs 12 (Spread: general) and 13 (Spread: government and public securities) except for index based derivatives where the rules below apply.

16.3. Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with this Appendix.

16.4. A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:

16.4.1. by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;

16.4.2. its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and

16.4.3. it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.

16.5. A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.

16.6. Where a Fund invests in an index based derivative, provided the relevant index falls within paragraph 19 (Financial Indices underlying derivatives), the underlying constituents of the index do not have to be taken into account for the purposes of paragraphs 12 (Spread: general) and 13 (Spread: government and public securities). This relaxation is subject to the ACD continuing to ensure that the Scheme Property provides a prudent spread of risk.

16.7. None of the Funds currently invests in “total return swaps” as such term is defined in accordance with SFTR.

## 17. Efficient portfolio management

17.1. A Fund may also utilise the Scheme Property to enter into transactions for the purposes of Efficient Portfolio Management (“EPM”). Permitted EPM transactions (excluding stock lending arrangements) are transactions in derivatives e.g. to hedge against price or currency fluctuations, dealt with or traded on an eligible derivatives market; off-exchange options or contracts for differences resembling options; or synthetic futures in certain circumstances. The ACD must take reasonable care to ensure that the transaction is economically appropriate to the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or to the reduction of the relevant costs and/or to the generation of additional capital or income for the Fund with an acceptably low level of risk. The exposure must be fully “covered” by cash and/or other property sufficient to meet any obligation to pay or deliver that could arise.

17.2. Permitted transactions are those that the ACD reasonably regards as economically appropriate to EPM, that is:

17.2.1. transactions undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates where the ACD reasonably believes that the transaction will diminish a risk or cost of a kind or level which it is sensible to reduce; or

17.2.2. transactions for the generation of additional capital growth or income for a Fund by taking advantage of gains which the ACD reasonably believes are certain to be made (or certain, barring events which are not reasonably foreseeable) as a result of:

17.2.2.1. pricing imperfections in the market as regards the Scheme Property which the Fund holds or may hold; or

17.2.2.2. receiving a premium for the writing of a covered call option or a cash covered put option on property of the Company which the ACD is willing to buy or sell at the exercise price, or

17.2.2.3. stock lending arrangements.

A permitted arrangement in this context may at any time be closed out.

17.3. Transactions may take the form of “derivatives transactions” (that is, transactions in options, futures or contracts for differences) or forward currency transactions. A derivatives transaction must either be in a derivative which is traded or dealt in on an eligible derivatives market (and effected in accordance with the rules of that market), or be an off-exchange derivative which complies with the relevant conditions set out in the COLL Sourcebook, or be a “synthetic future” (i.e. a composite derivative created out of two separate options). Forward currency transactions must be entered into with counterparties who satisfy the COLL Sourcebook. A permitted transaction may at any time be closed out.

## 18. Permitted transactions (derivatives and forwards)

18.1. A transaction in a derivative must be in a future or an option or a contract for differences and must be either an approved derivative or be one which complies with paragraph 22 (OTC transactions in derivatives).

18.2. A transaction in a derivative must have the underlying consisting of any one or more of the following to which a Fund is dedicated:

18.2.1. transferable securities permitted under paragraphs 7.1.1 to 7.1.3;

18.2.2. approved money-market instruments permitted under paragraphs 7.1.1 to 7.1.4 and 7.1.5;

18.2.3. deposits permitted under paragraph 25;

18.2.4. derivatives under this paragraph;

18.2.5. collective investment scheme units permitted under paragraph 14 (Investment in collective investment schemes);

18.2.6. financial indices which satisfy the criteria set out in paragraph 19 (Financial indices underlying derivatives);

18.2.7. interest rates;

18.2.8. foreign exchange rates; and

18.2.9. currencies.

18.3. A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.

18.4. A transaction in a derivative must not cause a Fund to diverge from its investment objective as stated in the Instrument of Incorporation and the most recently published version of this Prospectus.

18.5. A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, approved money-market instruments, units in collective investment schemes, or derivatives provided that a sale is not to be considered as uncovered if the conditions in paragraph 21 (Requirement to cover sales) are satisfied.

18.6. Any forward transaction must be with an Eligible Institution or an Approved Bank.

18.7. A derivative includes an instrument which fulfils the following criteria:

18.7.1. it allows the transfer of the credit risk of the underlying independently from the other risks associated with that underlying;

18.7.2. it does not result in the delivery or the transfer of assets other than those referred to in paragraph 2 (UCITS Schemes – general), including cash;

18.7.3. in the case of an OTC derivative, it complies with the requirements in paragraph 22 (OTC transactions in derivatives); and

18.7.4. its risks are adequately captured by the risk management process of the ACD and by its internal control mechanisms in the case of risks of asymmetry of information between the ACD and the counterparty to the derivative resulting from potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.

18.8. The Funds may not undertake transactions in derivatives on commodities.

## 19. Financial indices underlying derivatives

19.1. The financial indices referred to in paragraph 18.2 are those which satisfy the following criteria:

19.1.1. the index is sufficiently diversified;

19.1.2. the index represents an adequate benchmark for the market to which it refers; and

19.1.3. the index is published in an appropriate manner.

19.2. A financial index is sufficiently diversified if:

19.2.1. it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;

19.2.2. where it is composed of assets in which a Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this Appendix; and

19.2.3. where it is composed of assets in which a Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this Appendix.

19.3. A financial index represents an adequate benchmark for the market to which it refers if:

19.3.1. it measures the performance of a representative group of underlyings in a relevant and appropriate way;

19.3.2. it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and

19.3.3. the underlyings are sufficiently liquid, allowing users to replicate it if necessary.

19.4. A financial index is published in an appropriate manner if:

19.4.1. its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and

19.4.2. material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

19.5. Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 18.2, be regarded as a combination of those underlyings.

## 20. Transactions for the purchase of property

A derivative or forward transaction which will or could lead to the delivery of property for the account of the Company may be entered into only if that property can be held for the account of the Company, and the ACD having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of the rules in the COLL Sourcebook.

## 21. Requirement to cover sales

No agreement by or on behalf of the Company to dispose of property or rights may be made unless the obligation to make the disposal and any other similar obligation could immediately be honoured by the Company by delivery of property or the assignment (or, in Scotland, assignation) of rights, and the property and rights above are owned by the Company at the time of the agreement. This requirement does not apply to a deposit.

## 22. OTC transactions in derivatives

22.1. Any transaction in an OTC derivative under paragraph 18.1 must be:

22.1.1. with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank; or a person whose permission (including any requirements or limitations), as published in the FCA Register or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;

22.1.2. on approved terms; the terms of the transaction in derivatives are approved only if the ACD: carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value; and

22.1.3. capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:

22.1.3.1. on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or

22.1.3.2. if the value referred to in paragraph 22.1.3.1 is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and

22.1.4. subject to verifiable valuation: a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:

22.1.4.1. an appropriate third party which is independent from the counterparty of the derivative at an adequate frequency and in such a way that the ACD is able to check it; or

22.1.4.2. a department within the ACD which is independent from the department in charge of managing the Funds and which is adequately equipped for such a purpose.

22.2. For the purposes of paragraph 22.1.2, “fair value” is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

## 23. Valuation of OTC derivatives

23.1. For the purposes of paragraph 22.1.3, the ACD must:

23.1.1. establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of a Fund to OTC derivatives; and

23.1.2. ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.

23.2. Where the arrangements and procedures referred to in paragraph 23.1 involve the performance of certain activities by third parties, the ACD must comply with the requirements in Chapter 8.1.13.R (Additional requirements for a management company) of the Senior Management Arrangements, Systems and Controls sourcebook of the FCA Handbook and COLL 6.6A.4 R(4) to (6) (Due diligence requirements of AFMs of UCITS Schemes).

23.3. The arrangements and procedures referred to in this rule must be:

23.3.1. adequate and proportionate to the nature and complexity of the OTC derivative concerned; and

23.3.2. adequately documented.

## 24. Risk management and reporting

24.1. The ACD uses a risk management process enabling it to monitor and measure at any time the risk of each Fund’s positions and their contribution to the overall risk profile of the Fund. Before using this process, the ACD will notify the FCA of the details of the risk management process.

24.2. The following details of the risk management process must be regularly notified by the ACD to the FCA and at least on an annual basis:

24.2.1. a true and fair view of the types of derivatives and forward transactions to be used within a Fund together with their underlying risks and any relevant quantitative limits; and

24.2.2. the methods for estimating risks in derivatives and forward transactions.

24.3. The ACD must notify the FCA in advance of any material additions to the details in paragraphs 24.2.1 or 24.2.2 above.

## 25. Investment in deposits

25.1. A Fund may invest in deposits only with an Approved Bank and which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months.

## 26. Significant influence

26.1. The Company must not acquire transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if immediately before the acquisition, the aggregate of any such securities held by the Company gives the Company power significantly to influence the conduct of business of that body corporate, or the acquisition gives the Company that power.

26.2. The Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

## 27. Concentration

27.1. The Company must not acquire transferable securities (other than debt securities) which:

27.1.1. do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and

27.1.2. represent more than 10% of those securities issued by that body corporate;

27.2. The Company must not acquire more than 10% of the debt securities issued by any single body;

27.3. The Company must not acquire more than 25% of the units in a collective investment scheme;

27.4. The Company must not acquire more than 10% of the approved money market instruments issued by any single body;

27.5. The Company need not comply with the limits above if, in paragraph 26 at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

## 28. Schemes replicating an index

28.1. Notwithstanding paragraph 12 (spread: general) a Fund may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the stated investment policy is to replicate the composition of a relevant index as defined below.

28.2. Replication of the composition of a relevant index shall be understood to be a reference to replication of the composition of the underlying assets of that index, including the use of techniques and instruments permitted for the purpose of Efficient Portfolio Management.

28.3. The 20% limit in paragraph 28.1 can be raised for a particular Fund up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions.

28.4. In the case of a Fund replicating an index the Scheme Property need not consist of the exact composition and weighting of the underlying in the relevant index where deviation from this is expedient for reasons of poor liquidity or excessive cost to the scheme in trading in an underlying investment.

28.5. The indices referred to above are those which satisfy the following criteria:

28.5.1. the composition is sufficiently diversified;

28.5.2. the index is a representative benchmark for the market to which it refers; and

28.5.3. the index is published in an appropriate manner.

28.6. The composition of an index is sufficiently diversified if its components adhere to the spread and concentration requirements in this section.

28.7. An index represents an adequate benchmark if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers.

28.8. An index is published in an appropriate manner if:

28.8.1. it is accessible to the public;

28.8.2. The index provider is independent from the index-replicating Fund; this does not preclude index providers and the Fund from forming part of the same group, provided that effective arrangements for the management of conflicts of interest are in place.

## 29. Derivative exposure

29.1. A Fund may invest in derivatives and forward transactions as long as the exposure to which the Fund is committed by that transaction itself is suitably covered from within its Scheme Property. Exposure will include any initial outlay in respect of that transaction.

29.2. Cover ensures that a Fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Scheme Property. Therefore, a Fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Fund is committed. Paragraph 30 (Cover for investment in derivatives) below sets out detailed requirements for cover of a Fund.

29.3. A future is to be regarded as an obligation to which a Fund is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for); a written option as an obligation to which a Fund is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something).

29.4. Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.

## 30. Cover for investment in derivatives

The ACD must ensure that the global exposure of a Fund relating to derivatives and forward transactions held in a Fund does not exceed the net value of the Scheme Property.

## 31. Daily calculation of global exposure

31.1. The ACD must calculate the global exposure of a Fund on at least a daily basis.

31.2. Exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

## 32. Calculation of global exposure

32.1. The ACD must calculate the global exposure of any Fund it manages either as:

32.1.1. the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in paragraph 16 (Derivatives: general)), which may not exceed 100% of the net value of the Scheme Property of a Fund, by way of the commitment approach; or

32.1.2. the market risk of the Scheme Property of a Fund, by way of the value at risk approach.

32.2. The ACD must ensure that the method selected above is appropriate, taking into account:

32.2.1. the investment strategy pursued by the Fund;

32.2.2. the types and complexities of the derivatives and forward transactions used; and

32.2.3. the proportion of the Scheme Property comprising derivatives and forward transactions.

32.3. Where a Fund employs techniques and instruments including repo contracts or stock lending transactions in accordance with paragraph 34 (Stock lending) in order to generate additional leverage or exposure to market risk, the ACD must take those transactions into consideration when calculating global exposure.

32.4. For the purposes of paragraph 32.1.2, value at risk means a measure of the maximum expected loss at a given confidence level over the specific time period.

## 33. Cover and Borrowing

33.1. Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is not available for cover under paragraph 30 (Cover for investment in derivatives) except where paragraph 33.2 below applies.

33.2. Where, for the purposes of this paragraph the Company borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time being in paragraph 33.1 on deposit with the lender (or their agent or nominee), then this paragraph 33.2 applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property.

## 34. Stock lending

34.1. Each Fund may enter into stock lending agreements subject to the conditions and limits set out in the FCA Handbook and the ESMA guidelines ESMA/2012/832, as these documents may be amended, supplemented or replaced from time to time. Stock lending agreements may be used for efficient portfolio management.

34.2. Stock lending transactions may be effected by the Funds by entering into stock lending agreements with third party borrowers via the agency of a their chosen stock lending agent, currently AXA Investment Managers GS Limited as set out below. The ACD may appoint other stock lending agents subject to the Prospectus being updated.

34.3. The entry into stock lending transactions or repo contracts for the account of a Fund is permitted if the arrangement or contract is:

34.3.1. for the account of and for the benefit of the Fund; and

34.3.2. in the best interests of its Shareholders.

An arrangement or contract referenced above is not in the interests of Shareholders unless it reasonably appears to the Company or the ACD to be appropriate with a view to generating additional income for the Fund with an acceptable degree of risk.

34.4. The specific method of permitted stock lending is in fact not a transaction which is a loan in the normal sense. Rather it is an arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992, under which the lender transfers securities to the borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the same type and amount, back to the lender at a later date. In accordance with good market practice, a separate transaction by way of transfer of assets is also involved for the purpose of providing collateral to the "lender" to cover them against the risk that the future transfer back of the securities may not be satisfactorily completed.

34.5. Permitted stock lending may be exercised by a Fund when it reasonably appears to the Company to be appropriate to do so with a view to generating additional income for the Fund with an acceptable degree of risk.

34.6. The Company or the Depositary at the request of the Company may enter into a repo contract or a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if:

34.6.1. all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Fund, are in a form which is acceptable to the Depositary and are in accordance with good market practice;

34.6.2. the counterparty is:

34.6.2.1. an authorised person or;

34.6.2.2. a person authorised by a Home State regulator; or

34.6.2.3. a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America; or

34.6.2.4. a bank, or a branch of a bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal banking supervisory authorities of the United States of America: the Office of the Comptroller of the Currency; the Federal Deposit Insurance Corporation; the Board of Governors of the Federal Reserve System; and

34.6.3. collateral is obtained to secure the obligation of the counterparty under the terms referred to in paragraph 34.6.1 and the collateral must be acceptable to the Depositary, adequate and sufficiently immediate. Please see paragraph 35.3 below.

34.7. Each Fund may lend its portfolio securities (equities and/or bonds) via a stock lending programme through an appointed stock lending agent, to brokers, dealers and other financial institutions desiring to borrow securities to complete transactions and for other purposes. Participating in the stock lending programme allows a Fund to receive the net income generated by lending its securities. Pursuant to the terms of the relevant stock lending agency agreement, the appointed lending agent is entitled to receive a portion of the stock lending revenue to cover all fees and costs associated with the stock lending activity, including the delivery of loans, the management of collateral and such fees will be paid at normal commercial rates. Investors should also read the risk warning headed "Stock lending" at the section titled Risk Factors above.

34.8. A Fund may only enter into stock lending agreements with reputable institutions which are subject to prudential supervision and specialise in these types of transactions. Counterparties are assessed on the basis of the following combined criteria: regulatory status, protection provided by local legislation, operational processes, available credit spreads and analysis and/or external credit ratings.

34.9. Where a Fund engages in stock lending activities, it will earn income from such activities. Fees shall be payable out of the income from such activities to the stock lending agent, in a manner as may be agreed between the parties from time to time, with the balance of the income being retained by the relevant Fund. This is intended to produce maximum returns to the Funds.

34.10. Currently, in respect of each Fund which engages in stock lending activities, the revenue earned from stock lending is split between the relevant fund and the stock lending agent in the following proportions, which are determined by reference to the combined revenue generated by each Fund at the outset of the relevant calendar month in which the fees are being calculated:

- 75% of the revenue is retained by the relevant Fund; and
- 25% of the revenue is paid to the stock lending agent on behalf of the ACD.

34.11. The stock lending agent is AXA Investment Managers GS Limited, an associate of the ACD, and any lending completed within the Company for the Funds will be completed under the terms of the existing contractual agreement in place between the stock lending agent and the ACD.

34.12. The ACD shall ensure oversight and monitoring of stock lending activities, including ensuring loaned stock is re-called on a timely basis and does not impact fund performance and/or client returns, monitoring the risks involved and reporting to the Directors as may be appropriate. This is included within the ACD's annual management charge.

34.13. More information regarding fee disclosure and the relevant entities will be published in the annual reports and accounts. This information will be captured annually in respect of the last financial year.

34.14. The stock lending agent will calculate each Shareholder's entitlement in respect of income derived from "manufactured" dividends paid by borrowers of a Fund's securities, which are the subject of a stock lending transaction, on the same basis as if such income has been derived from dividends paid by the issuer of the relevant securities as if such securities had not been on loan at the time of payment of such dividend.

34.15. The maximum proportion of the assets under management of a Fund that can be subject to stock lending transactions is set out below:

| Maximum proportion of AUM for each Fund (%) |
| --- |
| 90% |

The expected proportion of the assets under management of a Fund that can be subject to stock lending transactions is set out below:

| Expected proportion of AUM for each Fund (%) |
| --- |
| 30% |

34.16. The Company does not currently enter into repo/reverse repo contracts or total return swaps.

## 35. Treatment of collateral

35.1. Collateral is adequate for the purposes of paragraph 34 only if it is:

35.1.1. transferred to the Depositary or its agent;

35.1.2. at least equal in value, at the time of the transfer to the Depositary, to the market value of the securities transferred by the Depositary plus a premium; and

35.1.3. in the form of one or more of:

35.1.4. cash; or

35.1.5. a certificate of deposit; or

35.1.6. a letter of credit; or

35.1.7. a readily realisable security; or

35.1.8. commercial paper with no embedded derivative content; or

35.1.9. a qualifying money market fund.

35.2. Where the collateral is invested in units in a qualifying money market fund managed or operated by (or, for an ICVC, whose authorised corporate director is) the ACD or an associate of the ACD, the conditions in paragraph 14.2 must be complied with.

35.3. Collateral is sufficiently immediate for the purposes of this paragraph if:

35.3.1. it is transferred before or at the time of the transfer of the securities by the Depositary; or

35.3.2. the Depositary takes reasonable care to determine at the time referred to in paragraph 35.3 that it will be transferred at the latest by the close of business on the day of the transfer.

35.4. The Depositary must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Depositary.

35.5. The duty in paragraph 35.4 may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Depositary takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.

35.6. Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) under this paragraph 35.1 may be regarded, for the purposes of valuation and pricing of the Company or this Appendix, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of the Fund.

35.7. Collateral transferred to the Depositary is part of the Scheme Property for the purposes of the rules in the COLL Sourcebook, except in the following respects:

35.7.1. it does not fall to be included in any calculation of NAV or this Appendix, because it is offset under paragraph 35.6 by an obligation to transfer; and

35.7.2. it does not count as Scheme Property for any purpose of this Appendix other than this paragraph.

35.8. Paragraphs 35.6 and 35.7.1 do not apply to any valuation of collateral itself for the purposes of this paragraph.

35.9. Where there is a title transfer, the collateral received should be held by the Depositary for the benefit of the underlying Fund and all collateral is transferred to the Depositary or its agent.

35.10. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral. The collateral must be held at the credit risk of the counterparty and must be immediately available to the relevant Fund without recourse to the counterparty in the event of a default by that entity.

## 36. Collateral management policy

36.1. The ACD has a collateral management policy which is subject to regular review. The collateral policy sets out what is regarded as eligible collateral for the Funds (collateral can take the form of cash, bonds and/or equities) and includes details of any discount to market value normally applied in relation to certain classes of assets received as collateral to cushion against a fall in value of those assets (a “haircut”) to be applied in relation to each class of assets which may be received as collateral. Collateral will generally be of high quality and liquid. The collateral management policy includes any additional restrictions deemed appropriate by the ACD.

36.2. All collateral used to reduce counterparty risk will comply with the following criteria:

36.2.1. it must be highly liquid and traded on a regulated market;

36.2.2. it must be valued at least daily;

36.2.3. it must be of high quality;

36.2.4. it will not be highly correlated with the performance of the counterparty;

36.2.5. it will be sufficiently diversified in terms of country, markets, and issuers (in accordance with ESMA’s Guidelines on ETFs and other UCITS issues (ESMA/2012/832EN));

36.2.6. it will be held by the Depositary or by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral; and

36.2.7. it will be capable of being fully enforced by the ACD at any time without reference or approval from the counterparty.

36.3. Where non cash collateral is received by a Fund, it will not be sold, re-invested or pledged.

36.4. Where cash collateral is received by a Fund (whether in relation to a stock lending agreement, repurchase agreement or under an OTC derivative), such cash collateral shall only be:

36.4.1. placed on deposit with an Approved Bank;

36.4.2. invested in high quality government bonds;

36.4.3. used for the purpose of reverse repurchase transactions provided that the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on an accrued basis; or

36.4.4. invested in short term money market funds as defined in MMFR.

36.5. Reinvested cash collateral must be diversified in accordance with the diversification requirements applicable to non-cash collateral (i.e. it should be sufficiently diversified in terms of country, markets and issuers and the issuer concentration limit at paragraph 12 above).

## 37. Cash and near cash

37.1.1. Cash and near cash must not be retained in the Scheme Property except to the extent that, where this may reasonably be regarded as necessary in order to enable:

37.1.2. the pursuit of a Fund's investment objectives; or

37.1.3. redemption of Shares; or

37.1.4. efficient management of a Fund in accordance with its investment objective; or

37.2. other purposes which may reasonably be regarded as ancillary to the investment objective of a Fund.

37.3. During the period of the initial offer the Scheme Property of a Fund may consist of cash and near cash without limitation.

## 38. Borrowing powers

38.1. The Company may, in accordance with this paragraph, borrow money for the use of the Funds on terms that the borrowing is to be repayable out of the Scheme Property. This power to borrow is subject to the obligation of the Funds to comply with any restriction in the Instrument of Incorporation. The Company may borrow money only from an Eligible Institution or an Approved Bank.

38.2. The ACD must ensure that any borrowing is on a temporary basis and that borrowings are not persistent, and for this purpose the ACD must have regard in particular to the duration of any period of borrowing; and the number of occasions on which resort is had to borrowing in any period.

38.3. The ACD must ensure that no period of borrowing exceeds three months, whether in respect of any specific sum or at all, without the prior consent of the Depositary; the Depositary's consent may be given only on such conditions as appear to the Depositary appropriate to ensure that the borrowing does not cease to be on a temporary basis only.

38.4. The Company must not issue any debenture unless it acknowledges or creates a borrowing that complies with the above requirements.

38.5. The ACD should ensure when calculating a Fund's borrowing that:

38.5.1. the figure calculated is the total of all borrowing in all currencies in the Fund; and

38.5.2. long and short positions in different currencies are not netted off against each other.

38.6. The ACD must ensure that a Fund's borrowing does not, on any business day, exceed 10% of the value of the Scheme Property. "Borrowing" includes, as well as borrowing in a conventional manner, any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into the Scheme Property in the expectation that the sum will be repaid. Borrowing does not include any arrangement for the Company to pay to a third party (including the ACD) any set up costs which the Company is entitled to amortise and which were paid on behalf of the Company by the third party.

38.7. These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes (i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates).

## 39. Restrictions on lending

39.1. None of the money in the Scheme Property of a Fund may be lent and, for the purposes of this prohibition, money is lent by a Fund if it is paid to a person ("the payee") on the basis that it should be repaid, whether or not by the payee. Acquiring a debenture is not lending; nor is the placing of money on deposit or in a current account. These rules do not prevent the Company from providing an officer of the Company with funds to meet expenditure to be incurred by such officer for the purposes of the Company (or for the purposes of enabling the officer properly to perform his or her duties as an officer of the Company) or from doing anything to enable an officer to avoid incurring such expenditure.

39.2. The Scheme Property of a Fund other than money must not be lent by way of deposit or otherwise except for the purposes of stock lending as described above under paragraph 34.

39.3. The Scheme Property of a Fund scheme must not be mortgaged.

39.4. Nothing in these restrictions prevents the Company or the Depositary at the request of the Company, from lending, depositing, pledging or charging Scheme Property for margin requirements or transferring Scheme Property under the terms of an agreement relating to margin requirements (providing the ACD reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to Shareholders) where transactions in derivatives or forward transactions are used for the account of the Fund in accordance with any other of the rules in COLL 5.

## 40. General power to accept or underwrite placings

40.1. Any power in COLL 5 to invest in transferable securities may be used for the purpose of entering into transactions to which this paragraph applies, subject to compliance with any restriction in the Instrument of Incorporation. This paragraph applies, to any agreement or understanding: which is an underwriting or sub-underwriting agreement, or which contemplates that securities will or may be issued or subscribed for or acquired for the account of the Fund.

40.2. This ability does not apply to an option, or a purchase of a transferable security which confers a right to subscribe for or acquire a transferable security, or to convert one transferable security into another.

40.3. The exposure of a Fund to agreements and understandings as set out above must, on any business day, be covered under paragraph 30 and be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in the COLL Sourcebook.

## 41. Guarantees and indemnities

41.1. The Company or the Depositary for the account of the Company must not provide any guarantee or indemnity in respect of the obligation of any person.

41.2. None of the Scheme Property may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

41.3. Paragraphs 41.1 and 41.2 do not apply to:

41.3.1. any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with COLL 5; or

41.3.2. in respect of the Company an indemnity falling within the provisions of regulation 62(3) (Exemptions from liability to be void) of the OEIC Regulations; an indemnity (other than any provision in it which is void under regulation 62 of the OEIC Regulations) given to the Depositary against any liability incurred by it as a consequence of the safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property, and to an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the first property of the Company and the holders of units in that scheme become the first Shareholders in the Company.

# APPENDIX III
# Valuation and pricing

The value of the Scheme Property of the Company or of a Fund (as the case may be) shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions:

1. All the Scheme Property (including receivables) is to be included, subject to the following provisions.

2. Property which is not cash (or other assets dealt with in paragraph 3 below) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

   (a) units or shares in a collective investment scheme:

      (i) if a single price for buying and selling units or shares is quoted, at that price; or

      (ii) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or

      (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;

   (b) any other transferable security:

      (i) if a single price for buying and selling the security is quoted, at that price; or

      (ii) if separate buying and selling prices are quoted, at the average of the two prices; or

      (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which in the opinion of the ACD, is fair and reasonable;

   (c) property other than that described in (a) and (b) above at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.

3. Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.

4. Property which is a contingent liability transaction shall be treated as follows:

   (a) if it is a written option (and the premium for writing the option has become part of the Scheme Property), deduct the amount of the net valuation of premium receivable. If the property is an off-exchange derivative the method of valuation shall be agreed between the ACD and the Depositary;

   (b) if it is an off-exchange future, include it at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;

   (c) if it is any other form of contingent liability transaction, include it at the net value of margin on closing out (whether as a positive or negative value). If the property is an off-exchange derivative, include it at a valuation method agreed between the ACD and the Depositary.

5. In determining the value of the Scheme Property, all instructions given to issue or cancel Shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.

6. Subject to paragraphs 7 and 8 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional

agreements need not be taken into account if made shortly before the valuation takes place and if, in the opinion of the ACD, their omission will not materially affect the final net asset amount.

7. Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 6.

8. All agreements are to be included under paragraph 6 which are, or ought reasonably to have been, known to the person valuing the property.

9. Deduct an estimated amount for anticipated tax liabilities at the time of determination including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax charged in accordance with Schedule 19 of the Finance Act 1999 (or any statutory modification or re-enactment of it) and any foreign taxes or duties.

10. Deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax or duty thereon treating periodic items as accruing from day to day.

11. Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.

12. Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.

13. Add any other credits or amounts due to be paid into the Scheme Property.

14. Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.

15. Currencies or values in currencies other than Sterling shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

# APPENDIX IV
# Unit Trusts and OEICs managed by the ACD

**Authorised unit trusts for which AXA Investment Managers UK Limited acts as authorised fund manager:**

AXA ACT Framlington Clean Economy Fund

AXA Framlington American Growth Fund

AXA Framlington Biotech Fund

AXA Framlington Emerging Markets Fund

AXA Framlington FinTech Fund

AXA Framlington Global Thematics Fund

AXA Framlington Global Technology Fund

AXA Framlington Health Fund

AXA Framlington Japan Fund

AXA Framlington Managed Balanced Fund

AXA Framlington Managed Income Fund

AXA Framlington Monthly Income Fund

AXA Framlington UK Equity Income Fund

AXA Framlington UK Mid Cap Fund

AXA Framlington UK Select Opportunities Fund

AXA Framlington UK Smaller Companies Fund

AXA Framlington UK Sustainable Equity Fund

**Other open-ended investment companies for which AXA Investment Managers UK Limited acts as authorised corporate director:**

AXA Distribution Investment ICVC

AXA Rosenberg Global Investment Company ICVC

# APPENDIX V
# List of Sub-Custodians

| Country | Sub-custodian/Agent |
|---|---|
| Argentina | HSBC Bank Argentina S.A. |
| Australia | HSBC Bank Australia Ltd |
| Austria | HSBC Trinkaus & Burkhardt AG |
| Bahrain | HSBC Bank Middle East Ltd (Bahrain) |
| Bangladesh | The Hongkong and Shanghai Banking Corporation Ltd (Bangladesh) |
| Belgium | BNP Paribas Securities Services (Belgium) |
| Belgium | Euroclear Bank S.A./N.V. |
| Benin | Societe Generale Côte d/Ivoire |
| Bermuda | HSBC Bank Bermuda Ltd |
| Botswana | Standard Chartered (Botswana) |
| Brazil | Banco Bradesco S.A |
| Bulgaria | UniCredit Bulbank AD |
| Burkina Faso | Societe Generale Côte d'Ivoire |
| Canada | Royal Bank of Canada |
| Chile | Banco Santander Chile |
| China | HSBC Bank (China) Co Ltd |
| Colombia | Itau Securities Services Colombia S.A. Sociedad Fiduciara |
| Costa Rica | Banco Nacional De Costa Rica |
| Côte d'Ivoire | Societe Generale Côte d'Ivoire |
| Croatia | Privredna Banka, Croatia |
| Cyprus | HSBC Bank Plc, Athens |
| Czech Republic | Ceskoslovenska Obchodni Banka, AS |

| Country | Sub-custodian/Agent |
|---|---|
| Denmark | Skandinaviska Enskilda Banken AB (publ), Copenhagen Branch |
| Egypt | HSBC Bank Egypt SAE |
| Estonia | AS SEB Pank |
| Finland | Skandinaviska Enskilda Banken AB (publ.), Helsinki Branch |
| France | CACEIS Bank |
| Germany | HSBC Trinkaus & Burkhardt |
| Ghana | Standard Chartered Bank Ghana Ltd |
| Greece | HSBC Bank Plc |
| Hong Kong | The Hongkong & Shanghai Banking Corporation Ltd (CNC) (HK) |
| Hungary | Unicredit Bank Hungary Zrt |
| India | The Hongkong and Shanghai Banking Corporation Ltd (India) |
| Indonesia | The Hongkong and Shanghai Banking Corporation Ltd (Indonesia) |
| Ireland | HSBC Bank Plc (UK) |
| Israel | Bank Leumi Le-Israel BM |
| Italy | BNP Paribas Securities Services (Italy) |
| Japan | The Hongkong and Shanghai Banking Corporation Ltd (Japan) |
| Jordan | Bank of Jordan |
| Kazakhstan | JSC Citibank Kazakhstan |
| Kenya | Standard Chartered Bank Kenya Ltd |
| Kuwait | HSBC Bank Middle East Ltd (Kuwait) |
| Latvia | AS SEB Banka |
| Lebanon | Bank Audi SAL |
| Lithuania | SEB Bankas |
| Luxembourg | Clearstream Banking SA |

| Country | Sub-custodian/Agent |
|---|---|
| Malaysia | HSBC Bank Malaysia Berhad |
| Mali | Societe Generale Côte d'Ivoire |
| Mauritius | The Hongkong and Shanghai Banking Corporation Ltd (Mauritius) |
| Mexico | HSBC Mexico, SA |
| Morocco | Citibank Maghreb |
| Netherlands | BNP Paribas Securities Services (Netherlands) |
| New Zealand | The Hongkong and Shanghai Banking Corporation Ltd (New Zealand) |
| Niger | Societe Generale Côte d'Ivoire |
| Nigeria | Stanbic IBTC Bank plc |
| Norway | Skandinaviska Enskilda Banken AB (publ)<br>Oslo Branch |
| Oman | HSBC Bank Oman S.A.O.G. |
| Pakistan | Citibank NA (Pakistan) |
| Palestine | Bank of Jordan (Palestine Branch) |
| Peru | Citibank del Peru |
| Philippines | The Hongkong and Shanghai Banking Corporation Ltd (Philippines) |
| Poland | Bank Polska Kasa Opieki S.A. |
| Portugal | BNP Paribas Securities Services (Portugal) |
| Qatar | HSBC Bank Middle East Ltd, Qatar |
| Republic of Korea | The Hongkong and Shanghai Banking Corporation Ltd (South Korea) |
| Romania | Citibank Europe plc, Romania branch |
| Saudi Arabia | HSBC Saudi Arabia Ltd |
| Senegal | Societe Generale Côte d'Ivoire |
| Serbia | Unicredit Bank Srbija A.D., Serbia |
| Singapore | The Hongkong and Shanghai Banking Corporation Ltd (Singapore) |

| Country | Sub-custodian/Agent |
|---|---|
| Slovakia | Ceskoslovenska Obchodna Banka AS |
| Slovenia | Unicredit Banka Slovenija DD |
| South Africa | Standard Bank of South Africa Ltd |
| Spain | BNP Paribas Securities Services (Spain) |
| Sri Lanka | The Hongkong and Shanghai Banking Corporation Ltd (Sri Lanka) |
| Sweden | Skandinaviska Enskilda Banken AB (publ.) |
| Switzerland | Credit Suisse AG |
| Taiwan | HSBC Bank (Taiwan) Ltd |
| Tanzania | Standard Chartered Bank (Mauritius) Ltd, Tanzania |
| Thailand | The Hongkong and Shanghai Banking Corporation Ltd (Thailand) |
| Togo | Societe Generale Côte d'Ivoire |
| Tunisia | Union Internationale de Banques Tunisia |
| Turkey | HSBC Bank AS |
| Uganda | Standard Chartered (Uganda) |
| United Arab Emirates | HSBC Bank Middle East Ltd (UAE) |
| United States | HBSC Bank (USA) NA |
| Vietnam | HSBC Bank (Vietnam) Ltd |
| Zambia | Standard Chartered Bank (Zambia) Plc |
| Proxy voting | Institutional Shareholder Services Europe S.A. (ISS) |
| Nominee companies | The Depositary uses various nominee companies |
| Registrar (if the Depositary is responsible for the registration function) | As agreed between the Fund and the Depositary and described in the Fund's offering documents |

The Depositary's sub-custodian in each jurisdiction supported by the Depositary for investment by the funds it acts as depositary of is included in the list above. The sub-custody delegates from time to time used by the Depositary in relation to the Fund are the sub-custody delegates listed for the jurisdictions in which the Fund has actually invested.

This Appendix V may be amended at any time by the Depositary. The Depositary shall notify the Fund of any amendments that it makes to the Depositary Delegates List.

# APPENDIX VI
# Stock Exchanges and Regulated Markets

With the exception of permitted investment in unlisted securities or in units of open-ended collective investment schemes, investment in securities will be restricted to those stock exchanges and markets in this Prospectus (as may be updated from time to time), as set out below:

(a) any regulated market or a market established in the UK or an EEA State (to the extent not already listed below) which is regulated, operates regularly and is open to the public; and

(b) the following stock exchanges:

| Country | Stock Exchange |
|---|---|
| Argentina | Buenos Aires Stock Exchange (Bolsa de Comercio de Buenos Aires) |
| Australia | Australian Securities Exchange<br>Sydney Futures Exchange |
| Brazil | B3 S.A (formerly BM&F BOVESPA S.A.) |
| Canada | Montreal Stock Exchange<br>Toronto Stock Exchange<br>TSX Venture Exchange |
| Chile | Bolsa de Comercio de Santiago (Santiago Stock Exchange) SSE<br>Bolsa de Corredores de Valparaiso<br>Bolsa Electronica de Chile |
| China | Shanghai Stock Exchange (SHSE)<br>Shenzen Stock Exchange (SZSE) |
| Colombia | Bolsa de Valores de Colombia SA |
| Dubai | DUBAI Financial Market<br>NASDAQ Dubai |
| Egypt | Egyptian Stock Exchange |
| Germany | EUREX |
| Hong Kong | Hong Kong Exchange<br>Hong Kong Futures Exchange<br>Hong Kong Growth Enterprise Market (GEM) |
| | Shanghai - Hong Kong Stock Connect (Northbound Trading)<br>Hong Kong Bond Connect |
| India | The National Stock Exchange of India Ltd (NSE)<br>Bombay Stock Exchange Ltd (BSE)<br>DSE Estates Limited (formerly known as Delhi Stock Exchange Limited (DSE))<br>Madras Stock Exchange |
| Indonesia | Indonesia Stock Exchange (IDX) |
| International | ICMA<br>ICMA INT CAP Market |
| Israel | Tel Aviv Stock Exchange |
| Japan | Nagoya Stock Exchange<br>Osaka Securities Exchange<br>Sapporo Securities Exchange<br>Tokyo Stock Exchange<br>Osaka Exchange<br>Tokyo Stock Exchange Derivatives<br>Tokyo Financial Exchange Inc (TFX)<br>Tokyo Financial Exchange<br>Fukuoka Stock Exchange (FSE) |
| Jordan | Amman Financial Market |
| Kazakhstan | Kazakhstan Stock Exchange |
| Malaysia | Bursa Malaysia Securities Bhd |
| Mexico | Bolsa Mexicana de Valores |
| Morocco | Casablanca Stock Exchange |
| New Zealand | New Zealand Stock Exchange |
| Pakistan | Karachi Stock Exchange<br>Lahore Stock Exchange<br>Islamabad Stock Exchange |

| Country | Stock Exchange |
|---|---|
| Peru | Lima stock Exchange |
| Philippines | Philippines Stock Exchange |
| Qatar | Qatar Exchange (QSE) (Formerly: Doha Securities Market) |
| Republic of Korea | Korea Stock Exchange<br>KOSDAQ (Korean Securities Dealers Automated Quotations) |
| Singapore | SGX Singapore Exchange |
| South Africa | Johannesburg Stock Exchange (JSE Limited)<br>South African Futures Exchange (SAFEX) |
| South Korea | KOSDAQ (Korean Securities Dealers Automated Quotations) |
| Sweden | NASDAQ OMX Stockholm |
| Switzerland | SIX Swiss Exchange |
| Taiwan | Taiwan Stock Exchange |
| Thailand | Stock Exchange of Thailand |
| Turkey | Borsa Istanbul – BIST (Istanbul Stock Exchange, formerly ISE) |
| United Arab Emirates | Abu Dhabi Securities Exchange<br>Dubai Financial Market |
| United Kingdom | ICE Futures Europe (formerly: Euronext LIFFE)<br>London Stock Exchange Derivatives Market (LSEG) |
| USA | Chicago Mercantile Exchange<br>Chicago Board of Trade<br>ICE Futures U.S.<br>NYSE ARCA<br>NYSE LIFFE<br>NYSE MKT LLC (NYSE American LLC)<br>NASDAQ<br>NASDAQ OMX BX<br>NYSE<br>US OTC Markets Group Inc. (Bond Market) |
| Venezuela | Caracas Stock Exchange (Bolsa de Valores Caracas) |