

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU DO NOT UNDERSTAND IT OR ARE IN DOUBT AS TO THE ACTION TO BE TAKEN, PLEASE CONSULT YOUR STOCKBROKER, ACCOUNTANT, SOLICITOR, FINANCIAL ADVISER OR WEALTH MANAGER IMMEDIATELY.**

Date: 4 April 2025

Dear Investor,

**Changes to AXA Managed Income Fund (the “Fund”)**

We, AXA Investment Managers UK Limited, are writing to you because you are a unitholder in the Fund, for which we act as authorised fund manager.

The purpose of this letter is to inform you of certain changes to the Fund which will take effect on 9 June 2025. Although the changes do not require you to take any action or require your approval, we recommend that you read this letter carefully.

The Financial Conduct Authority (“FCA”) has been notified of the changes and has confirmed that they will not affect the ongoing authorisation of the Fund. Under the FCA’s Rules, you are entitled to 60 days’ advance notice of the changes because we regard them as “significant changes” for the purposes of the Rules, and this letter constitutes that notice.

**What is changing?**

***Investment Policy – ESG Criteria***

To ensure alignment with the FCA’s requirements for transparency regarding the sustainability features of funds, we are revising the investment policy of the Fund to describe how we apply certain environmental, social and governance (ESG) criteria as part of the investment process. This is explained below, and details of the changes being made to the Fund’s investment policy are provided for your review in the Appendix to this letter. The Prospectus of the AXA Framlington Range of Authorised Unit Trusts (the “**Prospectus**”) and the Fund’s Key Investor Information documents (“**KIIDs**”) will be amended and republished to coincide with the coming into effect of the changes.

It should be noted that the investment policy changes are being made primarily to reflect regulatory requirements and that there will be no change in practice to how the Fund is managed. The existing investment strategy will continue to be followed. In addition, the current investment objective and risk profile of the Fund will continue to apply.

**Why are we changing the investment policy of the Fund?**

In November 2023, the FCA published its Policy Statement PS23/16 (the “**Policy Statement**”) for fund managers, implementing (a) new rules and guidance covering sustainability disclosures in fund documentation, and (b) the use of investment labels by funds seeking to achieve certain defined sustainability outcomes, subject to satisfying specific qualifying criteria. In response to the requirements of the Policy Statement, we are now extending the Fund’s investment policy to clarify how we apply ESG-related factors as part of our investment process.

AXA Investment Managers has a long tradition of responsible investing, and ESG considerations are already embedded within our investment process to complement and enhance the traditional financial analysis underlying our stock selection. As noted above, the changes which we are now making to the Fund's investment policy are intended to provide additional information for investors, and they will not alter how the Fund is currently managed.

#### **How are we changing the investment policy of the Fund?**

We are making additional ESG disclosures within the Fund's investment policy to explain the following:

- (i) how we apply exclusions and screening methods in accordance with AXA IM's sector-specific investment guidelines and ESG Standards policy, and how we monitor their application at portfolio level through the use of certain metrics;
- (ii) how we use ESG ratings as a component of the investment process, to contribute to the selection of investments; and
- (iii) how we engage with companies to promote our ESG criteria and how our divestment policy may be used for holdings which no longer satisfy our requirements.

We will also confirm in the Prospectus that, notwithstanding the ESG elements of the investment process, the Fund does not have a specific sustainability goal or objective and that, accordingly, it cannot satisfy the conditions for use of an investment label under the rules brought in by the Policy Statement.

Please see the Appendix to this letter for details of the additional disclosures which are being included within the investment policy of the Fund, as set out in the Prospectus.

#### **What is the cost of making these changes?**

We will meet the costs of amending the Fund's documentation to reflect the changes described in this letter and the costs associated with notifying unitholders.

There will not be any portfolio re-alignment costs or other transaction costs resulting from the changes.

#### **Will these changes result in a change to the Fund's investment objective or risk profiles?**

No, as noted above the changes described in this notification do not involve a change to the Fund's investment objective or risk profile.

#### **Further Information**

These changes will be reflected in the Fund's KIIDs and in the Prospectus of the AXA Framlington Range of Authorised Unit Trusts. Under the FCA's Rules, a Consumer Facing Disclosure document ("**CFD**") has also been published to provide investors with information regarding the sustainability characteristics of the Fund. Copies of the KIIDs, the Prospectus, and the CFD are available on our website <https://www.axa-im.co.uk>.

Should you have any questions about the changes being made or any other aspect of the Fund, or would like to request a copy of the KIID(s) or the CFD, please contact our Customer Services team by phone on 0345 777 5511 (Monday to Friday 9.00am - 5.30pm) or via email on [axa-im@uk.dstsyste.ms.com](mailto:axa-im@uk.dstsyste.ms.com). Alternatively, please contact your usual local representative.

Yours sincerely,



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Ouajnat Karim, Director  
For and on behalf of  
**AXA Investment Managers UK Limited**

## Appendix

### Changes to the Investment Policy of the Fund

With effect from 9 June 2025, the investment policy of the Fund will be as set out below.

Current Investment Policy	Amended Investment Policy
<p>The Fund invests at least 80% in bonds issued in or hedged back to Sterling by companies and governments which the Manager believes will provide an income return. The Fund may invest in investment grade bonds (meaning bonds with a rating of at least BBB- by Standard &amp; Poor or equivalent rating by Moody's or Fitch), or sub-investment grade bonds. The Manager selects bonds based upon analysis of an issuer's financial status, quality of its management expected profitability and current value relative to other bonds in the market. The Manager seeks to reduce the risk of defaults through diversification and its analysis and selection of bonds. The Fund may also invest in shares, other transferable securities (which could include unrated bonds) and units in collective investment schemes (including funds managed by the Manager and its associates). The Fund may use derivatives for Efficient Portfolio Management (such as, interest rate futures and foreign exchange swaps). Use may be made of borrowing, cash holdings, hedging and other investment techniques permitted in the applicable Financial Conduct Authority rules.</p> <p>While the Funds does not pursue a sustainability outcome, it avoids investing in bonds issued by issuers which present excessive degrees of environmental, social and governance (ESG) risk. As such, the Manager applies AXA IM Group's sector specific investment guidelines relating to responsible investment to the Fund. Such guidelines exclude investment in soft commodity derivatives or exposure to certain issuers based on their involvement in specific sectors (such as tobacco production, ecosystem protection and deforestation, controversial weapons and climate risks).</p> <p>The Manager also applies the AXA IM's ESG Standards policy. This policy excludes investment in issuers based on: manufacture of white phosphorus weapons; certain criteria relating to human rights and anti-corruption as well as other ESG factors. The AXA IM's ESG Standards policy and AXA IM's sector specific investment guidelines are subject to change</p>	<p>The Fund invests at least 80% in bonds issued in or hedged back to Sterling by companies and governments which the Manager believes will provide an income return. The Fund may invest in investment grade bonds (meaning bonds with a rating of at least BBB- by Standard &amp; Poor or equivalent rating by Moody's or Fitch), or sub-investment grade bonds. The Manager selects bonds based upon its analysis of an issuer's financial status, the quality of its management, its expected profitability and current value relative to other bonds in the market. The Manager seeks to reduce the risk of defaults through diversification and its analysis and selection of bonds.</p> <p>While the Fund does not pursue a specific sustainability objective, it avoids investing in bonds issued by issuers which present excessive degrees of environmental, social and governance (ESG) risk.</p> <p>To avoid investing in bonds issued by issuers which present excessive degrees of ESG risk, and as part of its responsible investment approach, the Manager will filter and define the Fund's investment universe by:</p> <ul style="list-style-type: none"> <li>(i) applying AXA Investment Managers' sector-specific investment guidelines relating to responsible investment. Such guidelines exclude investment in soft commodity derivatives or exposure to certain companies based on their involvement in specific sectors (such as tobacco production, ecosystem protection and deforestation, controversial weapons and climate risks); and</li> <li>(ii) applying the AXA Investment Managers ESG Standards policy. This policy excludes: (a) companies involved in the manufacture of white phosphorus weapons, or which fail to meet certain criteria relating to human rights and anti-corruption as well as other ESG</li> </ul>

and the latest copies are accessible via the links provided in the “Responsible Investment” section of this prospectus above and are available from the Manager on request.

Further, in selecting investments, the Manager will, in addition to the application of the above policies, take into account the issuer’s ESG score as one factor within its broader analysis of the issuer to make selections which are expected to generate an income return over the long term. It is, however, just one component of the Manager’s investment process. The Manager 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 may be adjusted by the Manager using its own research. The “Responsible Investment” section of this prospectus contains details on our selected external provider(s). The Manager will not invest in bonds with the lowest ESG scores, save in exceptional circumstances, such as where it deems, through its own research, that the ESG score of the company does not accurately or fully reflect its current ESG profile. If the Manager 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 the Fund’s objective, the Manager 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.

The IA Sterling Strategic Bond Sector Total Return Net may be used by investors to compare the Fund’s performance.

factors; (b) companies which cause, contribute, or are linked to violations of international norms and standards in a material manner or which are involved in incidents and/or events that pose a severe business or reputational risk to the relevant company due to the impact of its involvement on stakeholders or the environment; and (c) companies with the lowest ESG scores, being any score below 1.43 (out of a maximum score of 10), reflecting the worst ESG practices.

When selecting investments for the Fund, the Manager will consider the issuer’s ESG score within its broader analysis of the issuer, where applicable. The Manager believes that issuers with higher or improving ESG scores may be expected to manage risk associated with ESG issues more effectively, which may be expected to contribute to the better financial performance of such issuers in the long term. The ESG score is, however, just one component of the Manager’s investment process and is not the sole driver of the investment decision-making process.

ESG scores are obtained from the Manager’s selected external provider(s) as detailed in the “Responsible Investment” section of this Prospectus and may be adjusted by the Manager (or created by the Manager where an external score is not available), in each case using its own research. It is possible, however, that there will not be an ESG score for an investment in a limited number of cases.

The AXA Investment Managers ESG Standards policy and AXA Investment Managers’ sector-specific investment guidelines are subject to change. The latest copies are accessible via the links provided in the “Responsible Investment” section and are also available from the Manager on request.

The Manager undertakes engagements with investee companies with the aim of preserving or enhancing long-term value and creating better ESG outcomes for its investors over the long-term. Engagement is typically conducted at the firm level, rather than on an individual portfolio basis, and seeks to influence better ESG practices within investee companies in which AXA Investment Managers has the largest stakes, to maximise its contribution to the achievement of specific ESG objectives across the AXA IM Group. However, where relevant, engagement may be undertaken by the portfolio manager of the Fund. Where an engagement takes place with a company held by the Fund, the Manager

	<p>expects that this will lead to an enhancement in such company's ESG outcomes, and therefore support the long-term profitability of the company, and in turn, the achievement of the Fund's objective. Where weaknesses are identified, the Manager may consider the use of escalation techniques (such as voting against certain resolutions presented by management at general meetings) in certain cases. More details on the Manager's approach to engagement with companies are available on the website <a href="https://www.axa-im.co.uk/">https://www.axa-im.co.uk/</a> under the heading "Responsible Investing".</p> <p>If the Manager 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 the Fund's objective, the Manager 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.</p> <p>The Fund may also invest in shares, other transferable securities (which could include unrated bonds), and units in collective investment schemes (including schemes which are managed by the Manager or its associates). The Fund may use derivatives 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.</p> <p><b>Benchmark:</b> The Fund is actively managed, and the Manager has full discretion to select investments for the Fund in line with the above investment policy, without reference to any benchmark.</p> <p>The IA Sterling Strategic Bond Sector may be used by investors to compare the Fund's performance.</p>
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