



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,

Change to the investment policy for the AXA Ethical Distribution Fund (the “Fund”) a sub-fund of the AXA Distribution Investment ICVC.

We, AXA Investment Managers UK Limited, are writing to you in our role as authorised corporate director for the Fund. The purpose of this letter is to inform you of changes to the investment policy for 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.

The Financial Conduct Authority (“FCA”) has been notified of the changes and has confirmed that the changes will not affect the ongoing authorisation of the Fund. Under the FCA Rules, you are entitled to 60 days’ advance notice of the proposed changes given that we deem these changes to be “significant changes” within the meaning of the FCA Rules and this letter constitutes that notice.

What is changing?

With effect from 9 June 2025 the investment policy of the Fund will change as described in the appendix to this letter. The Fund’s core investment philosophy, investment process and risk profile will remain unaltered.

Why have we decided to change 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 have we changed the investment policy of the Fund?

There have been no changes to the investment strategy and the Fund will continue to apply exclusions and screening methods as detailed under AXA IM’s sector specific investment guidelines and AXA IM’s ESG Standards policy. The changes we have made to the investment policy are to emphasise and provide detail on this existing process, specifically to: (i) explain how we use ESG ratings to select issuers/companies; (ii) provide detail on our exclusion policies; and (iii) provide detail on the engagement strategy for the Fund.

We will also confirm in the investment policy 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.

What is the cost of making these changes?

We will meet the costs of amending the Fund's documentation to reflect these changes and the costs associated with notifying the Fund's shareholders.

The portfolio will not change as a result of implementing the proposed changes, as such, the proposed changes will not lead to any re-alignment costs.

Will these changes result in a change to the Fund's risk profile?

No, the changes described above will not result in a change to the Fund's risk profile.

Further Information

These changes will be reflected in the Fund's KIID and Prospectus. Under the new FCA's Rules, a Consumer Facing Disclosure document ("CFD") has also been published to provide investors with information around regarding the sustainability characteristics of the Fund. A copy of the Fund's KIID, Prospectus and CFD is available online at <https://funds.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 or the Consumer Facing Disclosure, please contact our Customer Services team on 0345 777 5511 (Monday to Friday 9.00am - 5.30pm) or via email on 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 for the Fund will change as follows:

CURRENT Investment Policy	NEW Investment Policy with effect from 9 June 2025
<p>The Fund invests in shares of UK listed companies, in accordance with its ethical screening criteria, whose products, services or method of operation do not involve, conduct or carry out:</p> <ul style="list-style-type: none"> • testing on animals or use of animal tested product; • gambling; • violations of human rights; • intensive farming; • significant sales to the international military; • unacceptable levels of water pollution; • the use of unsustainable timber; or • activities deemed detrimental to developing economies, <p>or which do not derive a significant proportion of their annual turnover from fossil fuels, energy intensive industries, mining, nuclear power, ozone depleting chemicals, pornography and adult entertainment or tobacco.</p> <p>The latest ethical policy for the Fund is available on our website: https://funds.axa-im.co.uk/en/individual/fund/axa-ethical-distribution-fund-r-income-gbp/#documents.</p> <p>Eligible shares in companies are then selected based upon their prospects for future growth of capital and dividend payments following an in-depth analysis of their financial status, quality of business model and corporate governance arrangements.</p> <p>The Fund also invests in bonds issued by the UK government (gilts), including index-linked gilts, and cash. Investments in gilts are diversified across a range of maturities.</p> <p>The Fund's typical asset mix ranges between 50-60% of its Net Asset Value invested in shares, with the remaining 40-50% being invested mostly in gilts and cash. The Fund will invest predominantly in the UK, however, the ACD reserves the right to invest in other geographical areas if it is considered to be in the interest of the Fund.</p> <p>The ACD has full discretion to select investments for the Fund in line with the above investment policy and in doing so may take into consideration a composite benchmark made up of the following indices in the stated proportions: 55% FTSE All-Share Index Total Return Gross; 17.5% FTSE Actuaries UK Index-Linked Gilts All Stocks Index Total Return Gross; 17.5% FTSE Actuaries UK Index-Linked Gilts Up to 5 Years Index Total Return Gross; 3.5% FTSE Actuaries UK Conventional Gilts All Stocks Index Total Return Gross; 3.5% FTSE Actuaries UK Conventional Gilts Up to 5 Years Index Total Return; 3% SONIA Compounded Index (the "Benchmark"). This</p>	<p>The Fund invests in shares of UK listed companies, in accordance with its ethical screening criteria, whose products, services or method of operation do not involve, conduct or carry out:</p> <ul style="list-style-type: none"> • testing on animals or use of animal tested product; • gambling; • violations of human rights; • intensive farming; • significant sales to the international military; • unacceptable levels of water pollution; • the use of unsustainable timber; or • activities deemed detrimental to developing economies, <p>or which do not derive a significant proportion of their annual turnover from fossil fuels, energy intensive industries, mining, nuclear power, ozone depleting chemicals, pornography and adult entertainment or tobacco.</p> <p>The latest ethical policy for the Fund is available on our website: https://funds.axa-im.co.uk/en/individual/fund/axa-ethical-distribution-fund-r-income-gbp/#documents.</p> <p>Eligible shares in companies are then selected based upon their prospects for future growth of capital and dividend payments following an in-depth analysis of their financial status, quality of business model and corporate governance arrangements.</p> <p>As part of the ACD's responsible investment approach, the ACD will apply:</p> <ul style="list-style-type: none"> (i) AXA Investment Managers' sector specific investment guidelines relating to responsible investment to the Fund. Such guidelines exclude investment in soft commodity derivatives or exposure to certain issuers or companies based on their involvement in specific sectors (such as tobacco production, ecosystem protection and deforestation, controversial weapons and climate risks)). (ii) AXA Investment Managers' ESG Standards policy. This policy excludes: (a) companies or issuers involved in tobacco production, 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 factors; (b)

Benchmark best represents the types of bonds and companies in which the Fund predominantly invests. The Fund may also invest at the ACD's discretion in other transferable securities, cash, deposits, units in collective investment schemes and money market instruments. The Fund may use derivatives 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.

companies or issuers 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 issuer due to the impact of its involvement on stakeholders or the environment and (c) companies or issuers 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 ACD will consider a company's or issuer's ESG score within its broader analysis of the issuer, where applicable. The ACD believes that companies or 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 ACD's investment process and is not the sole driver of the investment decision making process.

ESG scores are obtained from our selected external provider(s) as detailed in the "Responsible Investment" section of this Prospectus and may be adjusted by the ACD (or created by the ACD 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 IM's sector specific investment guidelines are subject to change and the latest copies are accessible via the links provided in the "Responsible Investment" section and are also available from the ACD on request.

The ACD 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 IM have the largest stakes to maximise its contribution to the achievement of specific ESG objectives of 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 ACD 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 ACD may consider the use of escalation techniques (such as voting against certain resolutions presented by

	<p>management at general meetings) in certain cases. More details on the ACD's approach to engagement with companies are available on the website https://www.axa-im.co.uk/ under the heading "Responsible Investing".</p> <p>The Fund also invests in bonds issued by the UK government (gilts), including index-linked gilts, and cash. Investments in gilts are diversified across a range of maturities.</p> <p>The Fund's typical asset mix ranges between 50-60% of its Net Asset Value invested in shares, with the remaining 40-50% being invested mostly in gilts and cash. The Fund will invest predominantly in the UK, however, the ACD reserves the right to invest in other geographical areas if it is considered to be in the interest of the Fund.</p> <p>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 the Fund's 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.</p> <p>The ACD has full discretion to select investments for the Fund in line with the above investment policy and in doing so may take into consideration a composite benchmark made up of the following indices in the stated proportions: 55% FTSE All-Share Index Total Return Gross; 17.5% FTSE Actuaries UK Index-Linked Gilts All Stocks Index Total Return Gross; 17.5% FTSE Actuaries UK Index-Linked Gilts Up to 5 Years Index Total Return Gross; 3.5% FTSE Actuaries UK Conventional Gilts All Stocks Index Total Return Gross; 3.5% FTSE Actuaries UK Conventional Gilts Up to 5 Years Index Total Return; 3% SONIA Compounded Index (the "Benchmark"). This Benchmark best represents the types of bonds and companies in which the Fund predominantly invests. The Fund may also invest at the ACD's discretion in other transferable securities, cash, deposits, units in collective investment schemes and money market instruments. The Fund may use derivatives 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.</p>
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