AXA IM Euro Liquidity SRI

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

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

PROSPECTUS

I - General characteristics:

1°) Form of the UCITS:

2°) Name: AXA IM Euro Liquidity SRI.

3°) Legal form and Member State in which the UCITS was established: French mutual fund (Fonds Commun de Placement - FCP).

4°) Date of approval, creation and expected term: UCITS approved on 7 September 2001 and created on 3 October 2001 for 99 years.

5°) Summary of the management offer:

ISIN Code	Allocation of Distributable Amounts	Base Currency	Subscribers concerned	Initial NAV	Minimum initial subscription amount
FR0000978371	Accumulation	Euro	All investors	€35000	€500000 (*)

(*) With the exception of the AXA Group and funds managed by AXA IM entities.

6°) Where the latest annual and periodic reports can be obtained:

The latest annual reports and the composition of the assets will be sent within eight business days upon written request by a unitholder to:

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

For further information you can contact: AXA INVESTMENT MANAGERS PARIS at the above address or by e mail to: client@axa-im.com

II Participants:

1°) Management company, registrar and transfer agent:

AXA INVESTMENT MANAGERS PARIS,
Société Anonyme (public limited company) with a Board of Directors
Registered office: Tour Majunga - La Défense 9 - 6, place de la Pyramide -92800 Puteaux.
Postal address: Tour Majunga -6 place de la Pyramide -92908 PARIS La Défense cedex.
A company approved as a portfolio management company by the AMF on 7 April 1992 under number GP 92008 within the meaning of Directive 2009/65/EC (UCITS Directive).

2°) Depositary and custodian:

The UCITS depositary is BNP PARIBAS SA, a subsidiary of BNP PARIBAS SA, located at 9, rue du Débarcadère, 93500 PANTIN (the 'Depositary').
BNP PARIBAS SA, a société anonyme (public limited company) registered in the French Trade and Companies Registry under number 662,042,449, is an institution approved by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and subject to the supervision of the Autorité des Marchés Financiers (AMF), whose registered office is located in Paris 9th, 16, boulevard des Italiens.

Description of the Depositary's responsibilities and potential conflicts of interest:

The Custodian carries out three types of responsibilities: Checking the regularity of the decisions of the management company (as defined in Article 22.3 of the UCITS 5 directive), the monitoring of the UCITS cash flow (as defined in Article 22.4) and the safekeeping of the UCITS assets (as defined in Article 22.5).

The main objective of the Custodian is to protect the interests of unitholders/investors in the UCITS, which will always take precedence over commercial interests.

Potential conflicts of interest may be identified, in particular in the case where the Management Company also has business relationships with BNP Paribas SA in addition to its appointment as Custodian.

In order to manage such situations, the Custodian has implemented and maintains a conflict of interest management policy with the objective of:

- Identification and analysis of potential conflicts of interest situations
- To record, manage and monitor situations with conflicts of interest by:
    - O Using the permanent measures in place to manage conflicts of interest such as maintaining separate legal entities, segregation of duties, separation of reporting lines, monitoring of internal insider lists;
    - O Implementing on a case by case basis:
        - ✓ Preventive and appropriate measures such as the creation of an ad hoc monitoring list, new Chinese walls, checking that transactions are processed in an appropriate manner and/or informing the clients concerned;
        - ✓ Or refusing to manage activities that could give rise to conflicts of interest.

Description of any custody functions delegated by the Custodian, list of delegates and sub delegates and identification of conflicts of interest that may result from such delegation:

The UCITS Depositary, BNP Paribas SA, is responsible for the safekeeping of the assets (as defined in article 22.5 of the Directive 2009/65/EC as amended by Directive 2014/91/EU).

In order to offer services related to the safekeeping of assets in a large number of countries, enabling the UCITS to achieve their investment objectives, BNP Paribas SA has appointed sub custodians in countries where BNP Paribas SA has no local presence.

These entities are listed on the following website: http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-and-trustee-serv.html
The process of appointment and supervision of the sub custodians follows the highest standards of quality, including the management of potential conflicts of interest which may arise on the occasion of such appointments.

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

3°) Institutions responsible for centralising subscription and redemption orders and account keeping by delegation of AXA Investment Managers Paris, the management company:

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

BNP PARIBAS SA, a subsidiary of BNP PARIBAS SA located at 9, rue du Débarcadère 93500 PANTIN
BNP PARIBAS SA, a société anonyme (public limited company) registered in the French Trade and Companies Registry under number 662,042,449, is an institution approved by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and subject to the supervision of the Autorité des Marchés Financiers (AMF), whose registered office is located in Paris 9th, 16, boulevard des Italiens.

- **For registered units to be registered or registered with an electronic register (DEEP) system, reserved only for legal entities acting on their own behalf:**

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

4°) Prime broker: None

5°) Statutory auditor: PricewaterhouseCoopers Audit -63, rue de Villiers -92208 Neuilly sur Seine cedex.

6°) Promoter: AXA INVESTMENT MANAGERS PARIS

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

7°) Delegates:

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

Delegated Accounting and Middle Office:

STATE STREET BANK INTERNATIONAL GMBH PARIS BRANCH
German credit institution branch STATE STREET BANK INTERNATIONAL GMBH (parent company), which was established in accordance with the European passport requirements under Directive 2013/36/EU (CRD IV).

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

State STREET BANK INTERNATIONAL GMBH is a credit institution authorised in June 1994 by the predecessor of the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin) under identification number 108514.
It is supervised directly by the European Central Bank (ECB).

The delegated accounting manager ensures the UCITS 'accounts and calculates the net asset value.

Delegation of Administration:

AXA INVESTMENT MANAGERS PARIS does not delegate the administrative management of the UCITS.

8°) Advisers: None.

III - Operating and management procedures:

General characteristics:

1°) Characteristics of the units:

A) ISIN codes: FR0000978371 (Accumulation)

B) Nature of the rights attached to the unit class: Each unitholder has a co ownership right in and to the assets of the fund proportional to the number of units they hold.

C) Registration in a register or details of liability accounting policies: The issuer account keeping is performed by the Management Company, which delegates to BNP PARIBAS SA the registrar of units to be entered or registered in bearer form within Euroclear France and delegates to IZNES the registrar of units reserved for legal investors acting on behalf of their own name to be entered or registered in the DEEP.

(D) Voting rights: As this is a mutual fund, no voting rights are attached to the units held, decisions are taken by the management company.

However, unitholders shall be notified of changes to the Fund's operating arrangements either individually, through the press or by any other means in accordance with AMF Instruction 2011-19 of 21 December 2011.

E) Form of units: In bearer or registered form.

F) Decimalisation: Ten thousandths of units.

2°) Closing date: Last valuation day in December.

3°) Tax treatment information: As the Fund is not a legal entity, it is not subject to corporate income tax. Each unitholder is taxed as if they were the direct owner of a portion of the assets, according to the tax regime applicable to them.

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

This information is not a substitute for information provided under individual tax advice.

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

FATCA Compliance obligation:
Under the terms of the FATCA (Foreign Account Tax Compliance Act), unitholders may be required to provide the UCITS, the management company with respect to each UCI or their agent, in order to be identified as 'US Person' within the meaning of FATCA (1), information such as their personal identity and the place of residence (domicile and tax residence). This information may be transmitted to the US tax authorities via the French tax authorities. Any failure by the holders to comply with this obligation could result in a 30% flat rate withholding tax imposed on US source financial flows.

Notwithstanding the measures taken by the management company under FATCA, unitholders are advised to ensure that the financial intermediary they have used to invest in the UCITS itself qualifies as a Participating FFI. For further details, Unitholders may seek advice from a tax advisor.

1The notion of 'U.S.' Person 'as defined by the US Internal Revenue Code is available on the website https://funds.axa-im.com/(dans, the section legal information).

Automatic exchange of tax information (CRS Regulations):

To meet the requirements of Automatic Exchange of Information in the field of taxation and in particular the provisions of Article 1649 AC of the General Tax Code and of Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU, unitholders will be required to provide the UCI, the management company or their agent with information notably (but not exclusively) on their personal identity, direct or indirect beneficiaries, final beneficiaries and controlling persons. The unitholder will be required to comply with any request from the management company to provide such information in order to enable the management company and the UCI to comply with their reporting obligations. Such information may be transmitted by the French tax authorities to foreign tax authorities.

Specific provisions:

1°) Classification:

Money market fund with variable net asset value (VNAV) standard.

2°) Investment in money market funds within the meaning of Regulation EU of the European Parliament and of the Council of 14 June 2017: Up to 10% of the net assets.

3°) Investment objective: The UCITS 'objective is to seek to outperform, after deduction of actual management fees, the capitalised € STR plus 2 basis points over a recommended investment horizon of 2 months. The UCITS implements a dynamic and discretionary management strategy based in particular on the selection of financial instruments based on the financial analysis of issuers, while taking into account a socially responsible investment approach that respects the criteria of responsibility for environmental, social and governance (ESG) that are key elements retained in the investment decisions.

Unitholders are advised that if interest rates are very low, the yield generated by the UCITS may not be sufficient to cover management fees and its net asset value is likely to decrease in a structural manner.

4°) Benchmark:

The € STR Capitalised (Ester or Euro Short Terme Rate).

The € STR is a reference short term interest rate in the euro area. It is calculated daily by the European Central Bank (ECB) on the basis of the previous day's transactions.

For additional information you can log into: www.ecb.europa.eu

As management of the UCITS is not index linked, its performance may differ, but is limited, from its benchmark.

5°) Investment strategy:

A. Description of the strategies used:

The UCITS is managed within a socially responsible investment (SRI) approach and promotes social and environmental characteristics. It should be noted, however, that to date the UCITS does not take into account the criteria for sustainable environmental activities set out in the European Regulation 2020/852 on the establishment of a framework for promoting sustainable investments (hereinafter 'European Taxation') and therefore does not have a commitment to align its portfolio with the criteria of the Taxonomy Regulation. Thus, for the moment, the principle of 'not causing any material harm' is not considered on the assets of the UCITS.

Our SRI approach focuses on three complementary themes in order to guarantee a comprehensive assessment of the company's fundamentals and ESG profile from the definition of the investment universe to the construction of the portfolio.

1.1/Definition of investment universe:

The UCITS is managed by implementing various investment and/or arbitrage strategies on the main interest rate and credit markets of OECD member countries, markets denominated in euros or other currencies. In case of exposure to securities denominated in currencies other than the Euro, the currency risk will be hedged.

The investment universe defined to implement the UCITS 'extra financial objective is composed of a broad list of financial instruments that are included in the ICE Bank of America Euro Corporate Index. For clarification, this index is a wide market index which does not necessarily take into account, in its composition or calculation methodology, available on the website https://indices.theice.com/, the ESG characteristics promoted by the UCITS.

The UCITS may invest up to 10% of its net assets after excluding bonds and other debt securities issued by public issuers, cash held on an ancillary basis and socially responsible assets in securities outside the investment universe as defined above, provided that the issuer is eligible based on the criteria of selectivity.

The UCITS is actively managed. The portfolio will be invested on a discretionary basis, under the conditions defined in the regulatory documentation, without any additional constraint in terms of investment universe compared to a possible market index. The volatility of the UCITS and the benchmark index or any other index is not expected to vary significantly.

The UCITS 'strategy involves actively managing, directly and/or via units or shares of UCIs, a portfolio of fixed rate and/or variable rate debt and credit securities.
Similarly, exposure to issuers is carried out according to the manager's micro and macro forecasts (growth level, deficit level, inflation level, etc.) and to its recommendations for credit research on issuers (analysis using quantitative data (sales, leverage, etc.) or qualitative data (rating, issuer management quality).

The strategy for positioning on the issuer credit curve is carried out by discretionary selection of the investment maturity. Credit and sector allocation strategies are implemented through relative value strategies between credit securities and/or sectors of any type, or between sectors.

The UCITS applies a best in class selectivity approach to its investment universe and is applied in a binding manner at all times. This ESG screening approach focuses on the highest rated issuers from an extra financial perspective.

The selectivity approach consists in eliminating at least 20% of the worst stocks in the investment universe as defined above, based on a combination of AXA IM's sector exclusion policies and ESG Standards and their ESG scores, excluding bonds and other debt instruments issued by public issuers, ancillary liquid assets and socially responsible assets.

AXA IM uses an ESG scoring framework for structured issuers around three pillars: Environment, social and governance to help assess how companies reduce ESG risk and use these criteria to improve their competitive positions in their industry. The application of this framework results in an ESG rating per issuer ranging from 0 to 10. The AXA IM ESG rating methodology is described at https://particuliers.axa-im.fr/investissement-responsable/notre-cadre-esg-et-notre-methodologie-de-notation?linkid=investissementresponsable-menu-cadreesg.

The UCITS aims at all times to outperform its investment universe on the following key non financial performance indicators: The first relates to the percentage of the total number of board members that are women and the second relates to carbon intensity.

The following minimum hedging rates apply within the portfolio: I) 90% of the UCITS 'net assets (excluding bonds and other debt securities issued by public issuers, ancillary liquid assets and socially responsible assets) for the ESG analysis, ii) 90% for the indicator linked to the percentage of the total number of members of the board of directors who are women; iii) 70% for the indicator linked to carbon intensity.

In addition, the UCITS applies AXA IM's sectoral exclusion policies and AXA IM's Environmental, Social and Governance Standards Policy ('AXA IM ESG Standards Policy'), available on the website: https://www.axa-im.fr/investissement-responsable/politiques-exclusion, as described in the 'Risk Profile' section, under 'Integration of sustainability risks in the investment decision making process.'

The ESG approach implemented is detailed in the UCITS 'Transparency Code. Unitholders are informed that they can refer to the Transparency Code on the Management Company's website.

1.2/Basic research value by value:

The financial analysis is carried out according to the micro- and macroeconomic forecasts of the management company (growth level, deficit level, inflation level, etc.) and to credit research recommendations on issuers (analysis using quantitative data (sales, debt, etc.) or qualitative data (rating, quality of issuer management), with the aim of building a portfolio of debt securities and money market instruments. The UCITS may invest directly and up to 100% in this type of asset.

In addition, the Investment Manager uses ESG data in the construction of the selection universe. ESG scores can also be used to target portfolio construction towards stocks with superior ESG characteristics.

The ESG data used in the investment process is based partly on data provided by third parties and, in some cases, on an internal basis. They are subjective and may change over time. Despite several initiatives, the lack of harmonised definitions may make ESG criteria heterogeneous. Thus, the various investment strategies that use ESG criteria and ESG reporting are difficult to comparable between them. Strategies which integrate ESG criteria and those which integrate sustainable development criteria may use ESG data which appear similar but which should be distinguished because their calculation method may be different.

AXA IM's various ESG methodologies described above may evolve in the future to take into account any improvement in data availability and reliability, or any changes in regulations or other external frameworks or initiatives, among others.

1.3/Portfolio construction:

Quantitative and qualitative analysis of ESG factors contributes to the criteria taken into account by the manager when determining the weighting of a security in the portfolio. The weight will depend on the company's management qualities, its growth strategy and its governance.

In choosing the security's weighting in the portfolio, the manager may also take into account the measures taken by the company to reduce existing ESG risks, the company's ability to focus its growth on environmental opportunities and also the quality of the company's communication on ESG issues.

This process is designed to take into account the factor exposure of each security in addition to ESG scoring. He naturally orients the portfolio of these UCIs to securities with higher ESG scores while maintaining exposure to the desired factors.
Financial and extra financial analysis is therefore systematically taken into account by the Fund Manager when determining the weighting of a security in the portfolio. However, the decision to hold, buy or sell a security does not automatically and exclusively rely on its ESG rating criteria and is based on the manager's internal analysis.

Furthermore, the investment manager may use techniques and instruments relating to transferable securities that it believes will contribute economically to the optimal management of the portfolio (purchases/sales of financial instruments, subscriptions/redemptions of units or shares in French or foreign UCIs, AXA Group investment funds or not, use of forward financial instruments to hedge the portfolio against/against interest rate, foreign exchange and currency risks).

The implementation of the strategy will be carried out in compliance with:

- ✓ Limited risk of interest rate movements that are equated with interest rate sensitivity. The weighted average maturity of the assets is 6 months or less;
- ✓ Limited credit and liquidity risk. The life of the assets shall not exceed 2 years, provided that a change in the rate is expected within 397 days and the weighted average life until the date of extinction of the instruments in the portfolio shall not exceed 12 months.

Using a prudent and continuous internal credit assessment procedure that is applied consistently to the credit quality of money market instruments, the UCITS selects assets that benefit from a positive valuation.

The selection of the money market instruments comprising the portfolio is based on an internal credit quality assessment procedure that notably takes into account quantitative and qualitative indicators of the issuer and the characteristics linked to the instrument (such as the asset category, the liquidity profile, etc.), and the evaluation of operational and counterparty risks. The internal evaluation procedure may take into account, in addition to other indicators, the rating assigned by rating agencies without relying exclusively and mechanically on the sole criterion of these external ratings.

2. Description of categories of assets and financial contracts:

The UCITS complies with the rules on eligible assets and diversification ratios set out in the European Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 hereinafter 'European Regulation 2017/1131.'

Equities:

The UCITS does not directly or indirectly intervene on the equity markets.

Money market instruments, securitised instruments and asset backed commercial papers:

The UCITS may invest up to 100% of its net assets in:

- Money market instruments, whether denominated or not in euro, which are traded on a regulated market within the meaning of Directive 2004/39/EC or on another market of a Member State which is regulated, operates regularly and is recognised and open to the public, or which are traded on another third market which is regulated, operates regularly and is recognised and open to the public provided that the choice of the market has been approved by the competent authorities (or provided for by law or by the fund rules or by the documents establishing the Investment Company);

- Money market instruments referred to in Article 50 (1) (h) of Directive 2009/65/EC;

In particular:

- Certificates of deposit;
- Short term or medium term transferable securities (including Euro Medium Term Notes indexed with short term references);
- Treasury bills;
- Commercial paper;

The selected financial instruments (such as bonds) may have a maximum residual maturity of 2 years or less, provided that the rate is adjustable within a maximum of 397 days.

The UCITS may invest up to a maximum of 15% of its net assets in:

- Asset Backed Commercial Paper (ABCP) not satisfying the cross border requirements
  For a Simple, Transparency and Standardisation securitization (the so called STS system) that is sufficiently liquid and has benefited from a positive evaluation.

The selected Asset Backed Commercial Paper (ABCP) may be issued by a programme meeting the conditions set out in Article 11 of European Regulation 2017/1131.

By way of derogation, the initial limit of 5% of the UCITS 'net assets per entity may be increased to 100% of its net assets when the UCITS invests in money market instruments issued or guaranteed by the Union, the national, regional and local authorities of the Member States of the European Union or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Fund, the central authority or the central bank of a member country of the OECD (the United States, Canada, Australia, Switzerland, the United Kingdom...), the International Monetary Fund, the International Bank for Reconstruction and Development, the Development Bank of the Council of Europe, the European Bank for Reconstruction and Development, the Bank for International Settlements, if and only if none of the six (6) issues, at least, of the securities and money market instruments of a single entity does not represent more than of the same entity 30% of the net assets

It is specified that the Fund Manager will have at its disposal appropriate information: Information on the issue and the legal and financial situation of the issuer to properly assess the issuer risk.
For the avoidance of doubt, an independent assessment of credit quality is also performed on the issuer.

Units or shares of UCITS, AIFs or investment funds

The UCITS may hold up to 10% of its net assets in units or shares of money market UCIs within the meaning of European Regulation 2017/1131;

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

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

<u>3. Financial futures (derivatives):</u>

To achieve the management objective and in accordance with the significant SRI commitment policy, the UCITS may carry out transactions on financial futures described below. The commitment on forward financial instruments may not exceed the value of the assets.

- Markets invested in:

☒ Regulated;
☒ Over the counter.

- Risks to which the manager seeks exposure (either directly or through indices representing interest rates, exchange rates or currencies):

☐ Equities;
☒ Rates;
☒ Change
☐ Credit;
☐ Other risks (please note).

- Nature of investments (all transactions that must be limited to the achievement of the investment objective):

☒ Hedging;
☐ Exposure
☐ Arbitrage;
☐ Other (please specify).

- Type of instruments used:

☒ Futures;
☒ Options (including caps and floors);
☒ Swaps (including interest rate swaps, forwards and other financial futures to hedge interest rate risk);
☒ Forward exchange transactions;
☐ Credit derivatives;
☐ Other (please specify).

- Strategy for using forward financial instruments:

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

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

Forward financial instruments allow:

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

The UCITS only carries out hedging transactions. Therefore, in case of exposure or overexposure, the temporary duration of 1 months or 12 months does not apply.

The UCITS will not use forward financial instruments that constitute total return swaps (also known as forward financial instruments for performance swaps or total return swaps).

As a counterparty to forward financial instruments, the UCITS may hold any financial institution that meets the criteria set out in Article R214-19 II, second paragraph of the Financial Monetary Code and Article 13 of European Regulation 2017/1131 and selected by the Management Company in accordance with its order execution policy available on its website.

Contracts constituting financial guarantees:
As part of the conclusion of forward financial instruments and/or repurchase and/or reverse repurchase agreements, and in accordance with the applicable regulations, the Fund may be required to pay and/or receive financial collateral (collateral) to reduce counterparty risk. The collateral received by the UCITS may only be granted by an institution which is UCITS depositary, a credit institution which has its registered office in an OECD Member State or an investment firm whose registered office is located in Europe (EU or EEA) authorised to provide the service of account keeping of financial instruments and whose own funds amount to at least 3.8 million euros.

This financial guarantee may be received in the form of cash (subject to a limit of 10% of its net assets) in consideration of the assets transferred for repurchase agreements.

This financial guarantee may be received as assets (excluding securitisations and ABCP), in particular deposits, money market instruments and/or bonds issued or guaranteed by Member States of the European Union and/or supranational organisations that have received a positive valuation by the Management Company, in return for the liquidity paid for reverse repurchase agreements.

In accordance with its internal collateral management policy, the Management Company determines:

- the level of financial guarantee required; and

- the haircut applicable to the assets received as a financial guarantee, in particular depending on their nature, the credit quality of the issuers, their maturity, their reference currency and their liquidity and volatility.

In accordance with the valuation rules set out in this prospectus, the Management Company shall proceed to a daily valuation of the collateral received on a mark to market basis. Margin calls will be made in accordance with the terms of the financial guarantee contracts.

The UCITS may reinvest the financial guarantees received in the form of cash in accordance with the provisions of European Regulation 2017/1131.
Non cash collateral received may not be sold, reinvested or pledged. The counterparty receiving assets transferred by the Fund as collateral under the repurchase agreement may not transfer, invest, commit or otherwise transfer these assets without the prior consent of the Fund's management company.

Collateral received by the UCITS will be held by the UCITS depositary or, failing that, by any third party custodian (such as Euroclear Bank SA/NV) which is subject to prudential supervision and which is unrelated to the provider of the collateral.

Despite the positive assessment made by the Management Company on the issuers of securities received as financial guarantees or securities acquired with cash received as financial guarantees, the UCITS could bear the risk of loss in the event of default by these issuers or the counterparty of these transactions.

4. Securities with embedded derivatives:
The Fund may not use securities with embedded derivatives.

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

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

6. For cash borrowings:
The UCITS is not authorised to borrow cash. However, in view of events that are not part of the management process, a debtor position may arise exceptionally in the best interest of the unitholders.
The fund manager will take immediate and corrective measures to resolve the debtor position in the best interest of unitholders.

7. For temporary purchases and sales of securities:
Temporary purchases and sales of securities (also known as securities financing transactions) shall be carried out in accordance with the French Monetary and Financial Code and the provisions of European Regulation 2017/1131.
They are carried out as part of the Fund's cash management.

These transactions consist of repurchase and/or reverse repurchase agreements The Fund is not authorised to carry out securities lending or borrowing transactions.

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

Cash received by the UCITS under repurchase agreements may not exceed 10% of its assets.

In the context of reverse repurchase agreements, the assets received by the UCITS are sufficiently diversified, with a maximum exposure to a single issuer of 15% of its assets (except in cases where the

assets received are money market instruments that comply with the requirements of Article 17 of European Regulation 2017/1131).
The Management Company expects that these securities repurchase agreements represent approximately 15% of the assets of the UCITS, however, the UCITS may carry out such transactions within the limit of 100% of its net assets.

Additional information on these temporary purchases or sales of securities is available in the Fund's annual report.

Temporary purchases and sales of securities will be collateralised according to the principles described in the section 'Contracts constituting financial guarantees' and will be traded according to the criteria relating to counterparties described in the section 'Financial futures (derivatives)' above.

Additional information can be found under the heading 'Fees and expenses' on the terms and conditions of remuneration for temporary purchases and sales of securities.

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

6°) Risk profile:

General consideration:
The UCITS 'risk profile is suitable for an investment horizon of at least 2 months. As with any financial investment, potential investors must be aware that the value of the UCITS 'assets is subject to market fluctuations and that it may vary significantly (depending on political, economic and market conditions, or the specific situation of the issuers). Thus, the performance of the UCITS may not be in line with its objectives.

The Management Company does not guarantee subscribers that they will not suffer losses as a result of their investment in the UCITS, even if they retain the units for the recommended investment period. The capital initially invested may not be returned in full; subscribers are exposed to a limited risk of loss of the capital invested.

The risks described below are not exhaustive: It is up to investors to analyse the risk associated with each investment and to form their own opinion.

The principal risks to which the subscriber is exposed are as follows:

Direct and indirect exposure to equity risk is prohibited.

1 - Risk of capital loss:
The UCITS does not guarantee the capital invested. You may not get back the full amount invested.

2 - Interest rate risk:
Interest rate risk is the risk of depreciation of short or medium term fixed income instruments resulting from changes in interest rates that have an impact on bond markets. For example, the price of a fixed rate bond tends to move inversely with interest rates.
The UCITS invests in fixed income products and money market instruments if interest rates rise, the value of the fixed rate assets will fall.

3 - Credit risk:
In the event of a default or deterioration in the quality of the issuers of debt securities (for example, a downgrade in their rating), the value of the debt securities in which the Fund is invested will fall.

4 - Risk related to discretionary management:
The discretionary management style is based on anticipating trends in fixed income markets. The UCITS 'performance will therefore depend on the manager's expectations of changes in the yield curve.
As the fund is managed on a discretionary basis, there is a risk that the fund manager does not anticipate this development.

The Fund's performance may not meet its investment objective.

5 - Counterparty risk:
This is the risk that the UCITS 'counterparty to any OTC financial contract and/or temporary purchases and sales of securities may default (or fail to meet all or part of its obligations) before the transaction has been definitively settled through a financial flow.
The default (or non performance of all or part of its obligations) of a counterparty to these transactions may have a significant negative impact on the net asset value of the UCITS.

6 - Risk related to securitisation assets:
The fund manager has a prudent internal valuation procedure. However, these instruments are the result of complex structures, which may involve legal risks and specific risks arising from the characteristics of the underlying assets.
The occurrence of these risks may result in a fall in the net asset value.

7 - Risks related to securities financing transactions and risks related to the management of financial guarantees:
Such transactions and the guarantees attached thereto could create risks for the Fund, such as:

(i) Counterparty risk (as described above),
(ii) Legal risk;
(iii) Custody risk,
(iv) Liquidity risk (i.e. the risk that arises from the difficulty of purchasing, selling, terminating or valuing a security or transaction because of a lack of buyers, sellers or counterparties), and where applicable,
(v) Risks involved in the re use of collateral (i.e. mainly the risk that the financial collateral posted by the Fund will not be returned to it, for example as a result of the counterparty's default).

8 - Risks linked to investments in a single entity:
Risk resulting from the concentration of investments made by the UCITS on certain issuers and which may lead to a fall in the net asset value when these issuers present a risk of loss in value or default.

9 - Liquidity risk:
In very difficult market circumstances or due to an exceptionally high volume of redemption requests or other exceptional circumstances, the UCITS may not be able to cope with redemptions within the period indicated in the prospectus. In this case, the Management Company may suspend subscriptions or redemptions or extend the settlement period, in accordance with the UCITS regulations and if this is in the investors' interest.

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

11- Integration of sustainability risks in the investment decision making process:
The sustainability risk is an event or situation in the environmental, social or governance field that, if it occurs, could have a significant negative impact, real or potential, on the value of the investment in the UCITS.

The UCITS uses a sustainability risk approach that results from significant integration of ESG (environment, social and governance) criteria in the research and investment process. The UCITS has set up a framework for integrating sustainability risks into investment decisions based on sustainability factors (or 'ESG factors,' hereinafter) which is based in particular on sectoral and normative exclusions and an ESG rating methodology.

Sectoral exclusions and normative
In order to manage extreme ESG and sustainability risks, the UCITS has put in place a series of policies based on exclusion. These policies aim to manage extreme ESG and sustainability risks, including through:
• E: Climate (coal and bituminous sands), Biodiversity (protection of ecosystems and deforestation),
• S: Health (tobacco) and human rights (controversial weapons and white phosphorus weapons, violations of international standards and norms, serious human rights violations)
• G: Corruption (breaches of international norms and standards, grave controversies, breaches of the principles of the United Nations Global Compact).

The mutual fund applies sector exclusion policies covering controversial weapons, agricultural commodities, ecosystem protection and deforestation and climate related risks.
In addition, the UCITS applies the ESG standards of AXA IM encouraging ESG investments and applies, to this end, additional exclusions related to white phosphorous weapons, tobacco, violations of the principles of the United Nations Global Compact, violations of international standards and standards, serious controversies, countries with serious human rights violations and investments with low ESG ratings.
All of these exclusion policies aim to systematically address the most serious sustainable risks in the decision making process and may change over time. For more details, you can refer to the following link: https://particuliers.axa-im.fr/fr/investissement-responsable

ESG Rating
AXA IM uses rating methodologies to assess issuers with ESG criteria (corporate, sovereign, green, social and sustainable bonds).
These methodologies are based on quantitative data from third party data providers, on extra financial information published by issuers and governments and on internal and external research. Data used in these methods include carbon emissions, water stress, health and safety at work, supply chain working standards, business ethics, corruption and instability.
The business rating methodology is based on three pillars and several sub factors, covering the main issues facing companies in the E, S and G. This framework is based on fundamental principles such as the United Nations Global Compact, the OECD Guidelines, International Labour Organisation conventions and other international principles and conventions guiding corporate activities in the field of sustainable development and social responsibility. The analysis is based on the most significant ESG risks and opportunities previously identified for each sector and each company considering 10 factors: Climate change, natural capital, pollution and waste, opportunities related to environmental challenges, human capital, reliability of products, stakeholder opposition, access to essential services, corporate governance and business ethics. The ESG rating depends on the business sector, as for each sector the most material factors are identified and overweighted. Materiality is not limited to impacts related to business activity, but also includes impacts on external stakeholders as well as underlying reputational risk arising from a poor understanding of ESG issues.
Through our methodology, the seriousness of the controversies is evaluated and monitored continuously. Controversies are also used in order to ensure that the most significant risks are taken into account in the final ESG rating. Thus, the ratings of controversies will impact the definitive ESG rating and the severe controversies will trigger significant penalties on the rating of the sub factors considered and finally on the ESG rating.
These ESG scores provide a standardized, holistic view of issuer performance on ESG factors, and both promote environmental and social factors and further integrate ESG risks and opportunities in the investment decision.
One of the main limitations of this approach is the availability of data to assess sustainability risks: This data has not been systematically disclosed by the issuers and may, when published, follow different methodologies. Investors should be aware that most ESG factor information is based on historical data and may not reflect the future performance or risk of the investments.
The ESG rating is fully integrated into the investment process of the mutual fund for the consideration of ESG criteria in the management strategy, as well as for the monitoring of the sustainability risk, the latter

being assessed according to the average ESG score level of the mutual fund.
Given the investment strategy and risk profile of the UCITS, the likely impact of sustainability risks on the returns of the UCITS is expected to be low.
For further details regarding the integration of sustainability risks into the investment decision process and the assessment of the likely impact of sustainability risks on the returns of the UCITS, you can refer to the section 'SFDR' of the website: https://particuliers.axa-im.fr/investissement-responsable.

7°) Guarantee or protection: None.

8°) Eligible subscribers and standard investor profile: All subscribers.

This UCITS is intended for investors seeking exposure to fixed income, credit and money markets. They are informed that the UCITS integrates a significant and engaging approach related to socially responsible investment, respecting the criteria of environmental, social and governance (ESG) responsibility.

The capital invested in a standard money market fund with variable net asset value can fluctuate up or down.

The amount that is reasonable to invest in this UCITS depends on each unitholder's personal situation. To determine this amount, investors must take into account their personal assets, regulations and current requirements over a minimum investment period of 2 months, as well as their willingness to take on risk or their preference for a less risky investment. It is also highly recommended that investors sufficiently diversify their investments so as not to be exposed solely to the risks of this Fund.

Restrictions relating to US Investors:
Units of the UCITS have not been and will not be registered under the U.S. Securities Act of 1933 and the UCITS is not, and will not be, registered under the U.S. Investment Company Act 1940.

Consequently, the units may not be directly or indirectly subscribed, assigned, offered or sold in the United States of America by any national of the United States of America hereinafter 'U.S. Person 'or any person, if any, subject to the provisions of Title 1 of the U.S. Employee Retirement Income Security Act ('ERISA') or the provisions of section 4975 of the US Internal Revenue Code or provided that it is a 'Benefit Plan Investor' for the purposes of ERISA.
The unitholders of the UCITS must be classified as 'Non United States Persons' under the Commodity Exchange Act.

The notions of 'U.S.' Person, Non United States Person and Benefit Plan Investor are available on the website https://funds.axa-im.com/(à under the section Legal Information). For purposes hereof, 'U.S. Investors' are the 'U.S. Persons, 'Benefit Plan Investors' and other persons subject to ERISA, and persons who are not Non United States Persons.

Persons wishing to purchase or subscribe units may have to certify in writing that they are not US Investors. If they do so, they shall no longer be allowed to acquire new units and shall immediately inform the UCITS management company, which may force the redemption of their units.

Derogations may be granted in writing by the management company of the UCITS, especially if such derogations are necessary under applicable law.

The recommended minimum investment period is 2 months.

9°) Methods of determining and allocating Distributable amounts: Accumulation

Distributable Amounts consist of:
- Net income plus retained earnings, plus or minus the balance of accrued income;
- Realised capital gains after costs, less realised capital losses after costs, recognised during the financial year, plus capital gains after costs recognised during previous financial years that have not been distributed or capitalised and minus or plus the balance of capital gain accruals.

10°) Frequency of distribution

The Distributable Amounts are fully accumulated each year.

11°) Characteristics of the units: Units denominated in euros are decimalised in ten thousandths.

12°) Subscription and redemption procedures:
Subscription and redemption orders shall be received every day up to 12 noon CET * (Paris time) by the Custodian for units registered in bearer form within Euroclear France and by IZNES for units reserved to legal entities acting on behalf of themselves that are registered or registered in the DEEP.

Orders are executed in accordance with the table below:

Centralisation of subscription orders	Centralisation of redemption orders	Execution of the order	Publication of the net asset value * *	Delivery of subscriptions	Settlement of redemptions
J	J	J	J	J	J

* Unless a specific deadline has been agreed with your financial institution.
* * The net asset value on which subscription and redemption orders will be executed is calculated based on the previous day's price (D-1) and is published on D-1. However, it may be recalculated to take account of any exceptional market event that occurred prior to the centralisation cut off time. The date of publication of the net asset value, which is no longer likely to be recalculated, is J.

A number of units or an amount may be subscribed.

There are a number of units or an amount to redeem, except in the case of a total redemption, which only represents a number of units.

Any fractional Units shall be settled in cash or supplemented with the subscription of one additional Unit or fraction of a Unit.

For the avoidance of doubt, the net asset value calculated on the day preceding a weekend or a public holiday includes coupons accrued at a weekend or public holiday. The performance fee is calculated on the next valuation date.

Subscription and redemption requests are centralised by the Management Company

- With BNP PARIBAS SA for bearer units listed on Euroclear France and whose address is as follows:

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

- **IZNES** for registered units reserved for investors, legal entities acting on behalf of themselves that are registered or registered in the Partagé Electronic Registration Facility (DEEP) and whose address is:

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

13°) NAV calculation frequency: Daily.
The net asset value will not be determined or published on trading days corresponding to legal holidays. The reference stock market calendar is that of Euronext (Paris).

14°) Place of publication of the net asset value: Premises of the management company.

15°) Fees and commissions:

Subscription and redemption fees: Subscription fees increase the subscription price paid by the investor, while redemption fees decrease the redemption price. The fees charged by the UCITS serve to offset the costs incurred by the UCITS in investing and divesting investors' monies. Fees not paid to the UCITS are paid to the manager, the promoter, etc.

Fees payable by the investor, deducted at the time of subscriptions and redemptions	Basis	Rate
Subscription fee not payable to the UCITS	Net asset value x number of units	Maximum rate: 1% ➢ AXA Group insurance companies are exempt from the payment of this commission when this UCITS is used as a support for unit linked contracts.
Subscription fee payable to the UCITS	Net asset value x number of units	None
Redemption fee payable to third parties	Net asset value x number of units	None
Redemption fee payable to the UCITS	Net asset value x number of units	None

Management and administration fees:
These fees cover all the costs invoiced directly to the UCITS, except for transaction costs. Operational AND MANAGEMENT FEES These fees cover all the costs invoiced directly to the Sub fund, except for transaction expenses And any turnover fee that may be charged by the depositary or the asset manager, in particular.

The following may be charged in addition to the operating and management fees:
⇨ Transfer commissions invoiced to the UCITS;
⇨ The remuneration received by the lending agent resulting from the implementation of temporary purchases and sales of securities.

For more information on the fees or expenses that the Fund must pay, see the Key Investor Information Document.

	Fees charged to the UCITS	Basis	Rate
1 2	Financial management fees Administrative fees external to the management company	Net assets (Including UCIs)	Maximum rate: 0.20% These costs are charged directly to the Fund's profit and loss account
3	Maximum indirect fees (management fees and charges)	Assets of the selected UCIs	➢ Maximum 0.20% inclusive of tax (management fees) ➢ The indirect subscription/redemption fees will not exceed a maximum limit of 1%, it being specified that no indirect subscription/redemption fee will be paid when the underlying UCI is managed, directly or by delegation, by the same management company. The UCITS does not invest in units or shares of targeted money market UCIs whose subscription and redemption fees are paid to the UCI.
4	Turnover fee Depositary	Deducted from each transaction	€50 maximum inclusive of tax
5	Performance fee (1) (2) ***With effect from 1 January 2019*** The Management Company is entitled to a performance fee ('Performance Fee') which will be calculated in respect of each reference period ('Reference Period') by the Investment Manager. **First Reference Period:** The first Reference Period begins on 1 January 2019 and ends on the last Valuation Day of December 2019. The subsequent Reference Periods correspond to the Fund's accounting year and will last for a period of one year.	**Performance calculation:** On any Valuation Day, if the Out performance is positive, a performance fee provision equivalent to 30% of the Out performance is retained. If the Out performance is positive but lower than that of the previous Valuation Day, this provision will be adjusted through write backs up to the total of provisions already accumulated	Reference Rate The UCITS will pay the Management Company a performance fee, at the end of the Reference Period, if the performance of the UCITS exceeds the performance of the capitalised € STR, increased by 2 basis points ('bps'). This performance fee will be equivalent to 30% of the outperformance between the UCITS 'performance and the performance of the capitalised € STR plus 2 bps.

(1) I - Calculation of the performance fee:

Outperformance is defined as the difference between the Fund's Net Asset Value, net of fees and expenses except for Performance Fees, and that of a notional asset over a reference period. At the first date of a reference period, the value of the Fund and the notional asset are equal. The performance of the Reference Fund is equal to the performance of the € STER plus 2 bps.

The performance fee is based on a comparison between the performance of the fund and that of an incremented net assets at the rate of € STER plus 2 bps and presenting the same movements in subscription and redemption or dividend payment as the real fund (the 'Reference Fund').

- *At the end of the Reference Period, provided that a Performance Fee provision is made, the Performance Fee will be paid to the Management Company and the assets of the Reference Fund will be adjusted from the net assets of the Fund. At the end of the Reference Period, any existing provision will therefore be met. If no provision is made at the end of the Reference Period, the assets of the Reference Fund are not adjusted.*

In case of redemption of units or dividend payment, a proportion of the Performance Fee provision is rightly kept by the Management Company. It is the amount of the redemption or the distribution divided by the net assets of the Fund. Unitholders must be aware that under certain circumstances, a global Out performance of *the Fund over the Reference Period would imply a Performance Fee payment to the Management Company while some unitholders producing different individual yields based on subscription and/or redemption dates.*

The end of the Reference Period may also correspond to an operation to contribute assets by means of a merger - absorption, a split or any other exceptional operation such as a closure, dissolution or liquidation at the initiative of the Management Company.

For the avoidance of doubt, if the benchmark changes during the reference period, the Management Company will calculate the performance of the corresponding benchmark for that period by combining the benchmark in force until the date of change with the new benchmark used subsequently.

II - Simplified explanatory examples
(To read independently of the chart below with a performance fee percentage of 30%):

A - Definition:

Reference Fund: Notional net assets incremented at the rate of € STR plus a number of Basis points ('bps') and retaining the same movements in subscriptions and redemptions or Payment of dividends as the actual portfolio.

B - Examples:

At the end of the reference period:

- *Benchmark Fund level equal to 110 and the Net Asset Value equal to 100,*

  It comes:

  - *Performance fees = 30% x Max (0; 100 - 110) = 0*
  - *No alignment ('reset') of the Benchmark Fund level for the following period.*

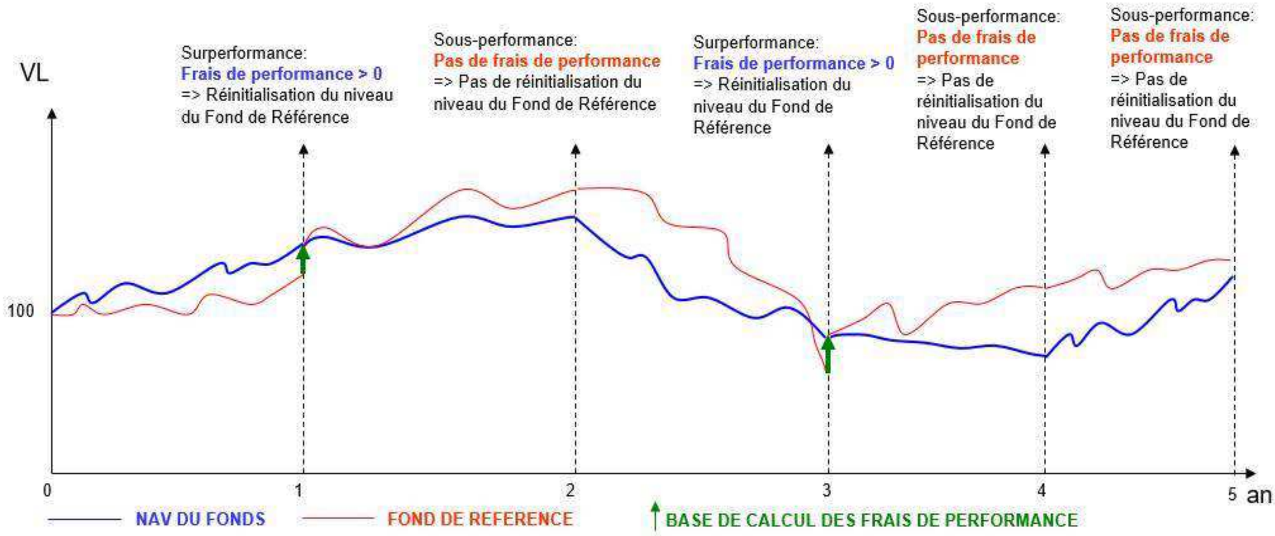
- *Benchmark Fund level equal to 100 and the Net Asset Value equal to 110,*

  It comes:

  - *Performance fees = 30% x Max (0; 110 - 100) = 3*
  - *Alignment ('reset') of the Benchmark Fund level for the following period, new Benchmark Fund level to 110.*

III - illustrative graph:

The attention of unitholders is drawn to the fact that a performance fee may apply even in case of negative performance of the UCITS.



Comments on the chart:

At the end of each Performance Period:

In the event that the net asset value of the UCITS exceeds the Reference Fund (e.g. the end of the years 1 and 3):
- a performance fee will be paid by the UCITS to the Management Company in accordance with the following formula:
[Percentage of the performance fee]% x Max (0; [Net Asset Value (NAV) - Reference Fund])

- the level of the Benchmark Fund will be aligned with the outperformance of the UCITS (the 'Benchmark Fund').

If the net asset value of the UCITS falls below the reference fund (see the end of the years 2, 4 and 5):

- no performance fee will be paid by the UCITS; and
- the Benchmark Fund will not be updated (no 'reset' of the Benchmark Fund).

(2) The EMMI (European Money Market Institute) administrator of the benchmark used in the calculation of the performance fee is entered in the register of administrators and benchmarks maintained by ESMA. Additional information on the benchmark index is available on the EMMI administrator's website: www.emmi-benchmarks.eu.

In accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016, the Management Company has in place an index tracking procedure that describes the measures to be implemented when significant changes are made to an index or when it is terminated.

The costs related to contributions due to the Autorité des Marchés Financiers (AMF), exceptional and non recurring government taxes, duties and fees as well as exceptional legal costs related to the recovery of the UCITS 'receivables may be added to the costs invoiced to the UCITS and shown in the table of expenses presented above.

16°) Temporary purchases and sales of securities:

The Fund may use the following services to carry out temporary purchases and sales of securities:
- Of AXA Investment Managers IF (‘AXA IM IF’),

In particular for the selection of counterparties and the management of financial guarantees.

The income (or losses) generated from these transactions are fully retained by the UCITS.

The details are available in the Fund's annual report.

AXA IM IF selects the counterparties with which repurchase and reverse repurchase transactions are concluded in the name and on behalf of the UCITS in accordance with its execution policy available on the website https://funds.axa-im.com/:

AXA Investment Managers IF
Majunga Tower - La Défense 9
6, place de la Pyramide
92908 Puteaux

AXA IM IF and the Management Company are two entities belonging to the AXA IM Group. In order to prevent potential conflicts of interest, the AXA IM Group has put in place a conflict of interest management policy available on the website https://funds.axa-im.com/.

The UCITS 'policy on financial guarantees and the selection of counterparties when entering into temporary purchases and sales of securities is in line with that followed for financial contracts and is described above.

17°) Selection of intermediaries:

The procedure for selecting intermediaries for the Fund Manager is based on:
- A ‘due diligence’ phase involving requirements to collect documentation, and
- Participation in the authorisation process, beyond the management teams, of the various teams covering the spectrum of risks related to entering into a counterparty or a broker: The Risk Management department, the Operations teams, the Compliance function and the Legal department.

Each team shall exercise its own vote.

IV - Commercial information:

All information regarding the Fund can be obtained directly from the Management Company (postal address):

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

- Subscription and redemption requests are centralised by the management company to: BNP PARIBAS SA for bearer units listed on Euroclear France whose address is as follows:

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

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

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

Prospectus date: August 11, 2023

➢ **Compliance with social, environmental and governance quality objectives:**

Information on the criteria relating to compliance with social, environmental and governance quality objectives (ESG criteria) is available on the Management Company's website (https://funds.axa-im.com/) and will be the subject of a mention in the annual report for the open years.

➢ **Voting rights policy and access to the report:**

Information on voting policy and the report on the conditions governing the exercise of voting rights is available on the management company's website (https://funds.axa-im.com/).

➢ **Information in the event of a change in the operating procedures of the UCITS:**

Unitholders are informed of changes to the operating procedures of the UCITS, either individually, through the press or by any other means in accordance with the regulations in force. Where applicable, this information may be made through Euroclear France and the financial intermediaries affiliated therewith.

The management company shall inform unitholders of the UCITS that professional unitholders subject to regulatory requirements such as those related to Directive 2009/138/EC (Solvency 2) may receive the composition of the UCITS portfolio before making this information available to all unitholders.

V - Investment rules:

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

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

VI - Overall risk:

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

VII - Asset valuation and accounting rules:

The net asset value of the Fund for a given day is calculated on the basis of the previous day's prices. In the event of an exceptional market event occurring prior to the centralisation time, it may be recalculated in order to ensure the absence of market timing opportunities. The date of publication of the net asset value, which is no longer likely to be recalculated, is J.

1°) The portfolio is valued at each net asset value date and at the end of the annual financial statements as follows:

Transferable Securities:

<u>Financial instruments and securities traded on French or foreign regulated markets:</u>

- Financial instruments and securities traded on French or foreign regulated markets: Closing price on the valuation day (source: Thomson Reuters).

- Transferable securities whose price has not been noted on the valuation day are valued at the last officially published price or at their probable trading value, under the responsibility of the Management Company. Supporting documents are provided to the statutory auditor for audit purposes.

- Currencies: Foreign securities are converted into euro equivalent at 4: 00 pm in London on the valuation day (source: WM Company).

- Fixed rate or floating rate indexed bonds and interest products, including BTAN (annual Treasury Bonds), BTF (Fixed rate Treasury Bonds), are valued daily at their market value based on valuation prices from data providers considered eligible by the Management Company and classified in priority order according to the type of instrument. They are valued at coupon prices.

However, the following instruments are valued using the following specific valuation methods:

Units or shares of UCIs:

- Units or shares in UCIs are valued at the last published official net asset value. Undertakings for collective investment that value in a time period that is incompatible with the calculation of the fund's net asset value are valued on the basis of estimates under the control and the responsibility of the Management Company.

Negotiable debt securities other than Treasury bills of annual interest (BTAN - Bons du Trésor à intérêts annuel), fixed rate and pre counted interest (BTF):

Negotiable debt securities (negotiable debt securities) are valued by application of an actuarial method, with the discount rate used being that of the issue or issue of equivalent securities affected, as applicable, by a differential representing the intrinsic characteristics of the security's issuer (market spread of the issuer).

The market rates used are:
- for the Euro, swap curve € STR (Overnight Indexed Swap OIS method),
- for USD, Fed Funds swap curve (Overnight Indexed Swap OIS method),
- for the GBP, SONIA swap curve (Overnight Indexed Swap OIS method).

The discount rate is an interpolated rate (using linear interpolation) between the two closest quoted periods applicable to the security's maturity.

Securitisation instruments:

- Asset Backed Securities (ABS): ABS are valued on the basis of a valuation price obtained from service providers, data providers, eligible counterparties and/or third parties appointed by the Management Company (i.e. eligible data providers).

- Collateralised Debt Obligations (CDOs) and collateralised loan obligations (CLOs):
  - (I) subordinated tranches issued by CDOs and/or CLOs and (ii) 'custom' CLOs are valued based on a valuation price from arranging banks, 'Lead Managers,' counterparties having undertaken to provide such valuation prices and/or third parties appointed by the Management Company (ie, eligible data providers)
  - (II) Securities issued by CDOs and/or CLOs which are not (i) subordinated tranches of CDOs and/or CLOs or (ii) 'custom' CLOs are valued on the basis of a valuation price from third parties appointed by the Management Company (i.e. eligible data providers).

The prices used to value securitisation instruments are under the control and the responsibility of the Management Company.

Temporary purchases and sales of securities:

- Pensions:
  - Repurchase agreements: The receivable representing securities received under repurchase agreements is valued according to the contractual terms and conditions.
  - Repurchase agreements: Securities sold under repurchase agreements are valued at the market value of the securities; the debt representing securities sold under repurchase agreements is valued according to the contractual terms and conditions.

Financial instruments not traded on a regulated market:

They are valued under the Management Company's responsibility at their foreseeable sale prices.

- Forward Foreign Exchange (Forex Forwards): Forward exchange transactions are valued on the basis of a calculation taking into account:
  - The nominal value of the instrument,
  - The exercise price of the instrument,
  - Discount factors for the remaining period,
  - The spot rate of exchange at market value,
  - Forward exchange rates for the remaining time to maturity are defined as the spot exchange rate product and the discount factors ratio in each currency calculated using the appropriate rate curves.

⇨ OTC derivatives within monetary management (excluding CDS, FX Forwards and CFD):

- Interest rate swaps:

  - compounded daily rate swaps (example: Swaps vs EONIA/€ STR, Fed Funds/SOFR, SONIA..):

    They are valued according to the reversal cost method. Whenever the net asset value is calculated, interest rate and/or currency swaps are valued at their market value based on the price calculated by discounting future cash flows (principal and interest) at the market interest and/or currency rate. Discount is made using a zero coupon rate curve.

  - Interest rate swaps against a forward benchmark (e.g. swaps vs EURIBOR):

    They are valued at their market value based on prices calculated by the counterparties, under the control and the responsibility of the Management Company.

⇨ OTC derivatives outside monetary management (excluding CDS, FX Forwards and CFD):

Forward financial instruments are valued at their market value based on the prices calculated by the counterparties, under the control and the responsibility of the Management Company.

If the Management Company deems it necessary, a specific investment or security may be valued using an alternative method to those presented above, on the recommendation of Global Risk Management or a portfolio manager after validation by Global Risk Management. Where the value of an investment is not ascertainable by either the usual or an alternative method, it shall correspond to the estimated probable realisation value, under the control and responsibility of the Management Company.

In practice, if the management company is obliged to carry out a transaction at a price significantly different from the valuation provided for by reading the valuation rules presented here, all remaining securities in the UCITS shall be valued at this new price.

(2) Accounting methods:

Revenues are recognised using the coupon received method.

Transaction costs are recorded in the specific accounts of the UCI and are therefore not added to the cost of the transferable securities (excluding costs).

The weighted Average Withdrawal Price (PRMP) is used as the method of liquidation of the securities. For derivatives, on the other hand, the FIFO method ('First In' 'First Out'; 'First In First Out') is used.

VIII - Minimum information for a detailed description of the assessment procedure for the <u>Credit risk (the 'Procedure')</u>

I- Description of the scope of the Procedure

- Purpose of the Procedure:

  AXA IM has implemented a Procedure for an internal assessment of the credit quality applicable to money market funds. The purpose of this document is to ensure that the money market funds invest in assets that have been positively assessed by AXA IM as to credit quality.

- Scope of application:

  This Procedure applies to money market instruments issued by private organisations but also by sovereigns, quasi sovereigns and supranational entities, and Asset Backed Commercial Paper ('ABCP') issued by an ABCP programme that is fully guaranteed by a regulated credit institution.

  AXA IM money market funds may only invest in ABCP programmes when they are fully collateralised. A programme is fully collateralised when investors are protected from a third party's deterioration in asset returns. This guarantor provides a 100% hedge against credit and liquidity risk.

  AXA IM's analysis of a fully guaranteed programme is based on the guarantor's financial soundness and not on the quality of the assets. The guarantor's rating is therefore applied to the ABCP program.

  Description of participants in the procedure

The internal credit analysis process for money market funds within AXA IM is shared between two separate teams:

- Research team: It is composed of analysts and economists based in Europe and the United States. The fund analysts define an assessment methodology and analyse issuers' credit quality. Each analyst is specialised in one or more sectors or geographic areas and has a back up designated as one of the other financial analysts. There is a research officer in Europe and a second research officer in the United States. This team of financial analysts covers:
    - Developed sovereign/countries;
    - Financial and non financial corporations;
    - Local and regional governments;
    - Government agencies;
    - Supranational financial institutions.

  Economists located in Europe and Asia draft scenarios, assess the associated risks and evaluate the credit quality of developed European countries through quantitative indicators.

  The Research team is completely independent from the money fund management teams. It is directly linked to the Global Head of CORE Investments Platform.
  The money market fund management team does not at any time intervene and influence the internal credit analysis carried out by the Research team. Analysts and economists are recruited on the basis of qualifications, skills and experiences to conduct evaluations independently.
  When a manager identifies a new issuer that does not benefit from an internal assessment of credit quality, he/she shall send a request for the analysis to be carried out.

- Global Risk Management ('GRM'): Within this department, a Paris based team dedicated to IRA analysis is responsible for providing final scores based on the ratings of the Research and quantitative teams. This team is composed of a head and employees (between 4 and 6) Quantitative Risk Analysts.
  The GRM IRA team completes the evaluation carried out by the above research team by

considering additional quantitative parameters and produces the final scores on which the managers' investment decision is based.

The GRM IRA team is ultimately responsible for the internal scores used by the management. In terms of organization, the GRM department is attached to AXA IM's Chief Operating Officer (COO) Global, which in turn is directly attached to AXA IM's Global CEO, and is independent of management teams. The money market fund management team does not intervene and at any time influence the internal credit analysis carried out by the GRM IRA team. Members of the GRM IRA Team have the qualifications, skills and experiences to conduct the evaluations independently.

Description of the methodology

- First stage: The Research team performs fundamental analysis based on the factors that vary according to the type of issuer, and which can be, for example:
    - Macroeconomic indicators;
    - In depth understanding of the issuer's business sectors;
    - The financial situation of the issuer, the liquidity of the issuer, including the ability to refinancing the short term debt;
    - Key ESG factors deemed most relevant to each issuer;
    - Risk of occurrence of possible mergers, acquisitions or disposals;
    - Rating of external agencies...

  This analysis results in an internal credit quality rating on different scales depending on the type of issuer.

- Second stage: AXA IM's GRM IRA team performs a complementary assessment of issuers based on research team scores and quantitative data such as:
    - Country risk: CDS spreads;
    - Issuer risk: Spreads CDS issuers;
    - Rating of external agencies...

  A final score is produced and will be used to determine whether or not the issuer is eligible for the money market portfolios. Only issuers that have received a favourable internal rating from GRM IRA will be eligible to the portfolio assets. It should be noted that the internal rating is made available automatically to management platforms and cannot be changed.

- Revaluation of credit quality: The scores set by GRM are recalculated on a weekly basis, taking into account changes in input parameters (ratings of the Research team, CDS spreads, etc.). Any material changes to these parameters are likely to change the established score.

  For its part, the Research team carries out a constant analysis of market and issuer information based on information available in the press or in the financial reports of the issuers. Each analyst or economist remains responsible for issuers falling within its scope, and it is up to him to verify and estimate whether the financial information received is likely to reassess the score allocated. The Research team also conducts an annual review of all issuer evaluations.

II- Description of the credit quality assessment framework

The Internal Credit Quality Assessment Procedure is approved by the Global Risk Management Board (GRMB).

To ensure the smooth operation of the procedure, the Chief Operating Officer of the Core Investments platform ensures that this procedure is reviewed at least once a year by GRMB and informs the GRMB at least once a year:

- The credit risk profile of the money market funds, based on an analysis of internal credit quality evaluations;
- Areas where weaknesses have been noted and progress in addressing previous weaknesses identified.

Additional Notes:

In the event of material changes in market conditions, AXA IM could rapidly adjust its credit quality assessment procedure to better reflect the situation and cover temporary cases where the information posted does not reflect exactly the procedure at all times. The Management Company would then update the description of the procedure as soon as possible and in the best interest of the unitholders.

IX - Remuneration

AXA Investment Managers Paris has validated and adopted AXA IM's Global Compensation Policy, in accordance with applicable regulations and which ensures sound and effective risk management, does not encourage risk taking which is inappropriate relative to the risk profile of the Funds that it manages or its Constitutional Acts and does not compromise on its obligations to act in the best interests of each Fund.

The AXA IM Global Remuneration Policy, which was validated by the AXA IM Compensation Committee, sets out the remuneration principles for all AXA IM Group entities (including AXA Investment Managers Paris).

It takes into account AXA IM's strategy, objectives, risk tolerance and long term interests of AXA IM's shareholders, employees and clients (including the Fund). AXA IM's Compensation Committee is responsible for defining and reviewing AXA IM's remuneration principles, including AXA IM's Global Compensation Policy, as well as reviewing the annual compensation of AXA IM Group senior management and supervisory executives.

AXA IM provides for both fixed and variable remuneration. The fixed remuneration of an employee is structured to reward the level of responsibility, professional experience and individual ability to perform function related tasks. Variable compensation is determined by performance and may be awarded annually on a non deferred basis and, for certain employees, on a deferred basis. The non deferred variable compensation may be awarded in cash or, where applicable, in compliance with local laws and regulations, in the form of performance linked instruments of AXA IM Funds.

Deferred variable compensation is awarded in the form of various structured instruments to reward the medium and long term creation of value for clients and for AXA IM, and to reward the long term creation of value for the AXA Group. AXA IM ensures that the balance between fixed and variable remuneration, and deferred and non deferred remuneration is appropriate.

The updated details of AXA IM's Global Remuneration Policy are published online at www.axa-im.com/important-information/remuneration-policy. A description of how compensation and benefits are allocated to employees and information on the AXA IM Compensation Committee are available. AXA Investment Managers Paris will provide a paper copy on request and free of charge.

X - Payment of retrocessions and negotiated discounts

a) As part of its commercial development policy, the Management Company may decide to develop contacts with various financial intermediaries who in turn are in contact with customer segments that may invest in the Management Company's funds. The Management Company follows a strict selection policy for its partners and determines their conditions of one off or recurring remuneration, calculated either on a lump sum basis or in proportion to management fees earned in order to preserve long term stability of the relationship.
b) The Management Company may grant rebates, on a discretionary basis based on business interests, which are traded directly on request to investors. Negotiated rebates serve to reduce any fees or charges incurred by the relevant investors.
   Negotiated rebates are permitted provided they are paid out of the remuneration received by the Management Company and therefore do not represent an additional charge for the Fund and are granted on the basis of objective criteria.

For more information, please refer to the document ‘Fees for the distribution of Undertakings for Collective Investment and rebates traded on certain holders,’ available on the website www.axa-im.fr/informations-importantes.

Prospectus date: August 11, 2023

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2bis, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the companies in which the Financial Product invests follow good governance practices.

The **EU taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective are not necessarily aligned with the taxonomy.

Product name: AXA IM Euro Liquidity SRI (the "Financial Product")

Legal Entity Identifier: 969500UATFQJ33LPD348

Environmental and/or social characteristics

Does this Financial Product have a sustainable investment objective?

☐ **YES**	☒ **NO**
☐ It will **invest a minimum amount in activities that have an environmental objective:** ___%	☒ it **promotes environmental and social (E/S) characteristics** and, although it does not have the objective of sustainable investment, it will contain a minimum 10% of sustainable investments
☐ in economic activities that are considered environmentally sustainable under the EU taxonomy	☐ having an environmental objective and conducted in economic activities that are considered environmentally sustainable under the EU taxonomy
☐ in economic activities that are not considered environmentally sustainable under the EU taxonomy	☒ having an environmental objective and conducted in economic activities that are not considered environmentally sustainable under the EU taxonomy
	☒ with a social objective
☐ It will **invest a minimum amount in activities that have a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make sustainable investments**

What environmental and/or social characteristics are promoted by this Financial Product?

The environmental and social characteristics promoted by the Financial Product consist of investing in:

- issuers that take into account their **gender diversity on boards of directors**.
- issuers that take their **carbon intensity** into account.

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

- Climate preservation through exclusion policies on coal and fossil fuels
- Protection of ecosystems and prevention of deforestation
- Health through the tobacco exclusion policy
- Human rights, labour rights, society, business ethics and the fight against corruption, through the exclusion of companies that cause, contribute or are linked to significant violations of international norms and standards,

focusing in particular on the principles of the United Nations Global Compact (UNGC), the International Labour Organisation (ILO) conventions, and the OECD Guidelines for Multinational Enterprises

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

The initial Investment Universe of the Financial Product will be defined as composed of a broad list of financial instruments that are constituents of the ICE Bank of America Euro Corporate Index (the "Investment Universe").

Sustainability indicators check if the Financial Product is aligned with the environmental or social characteristics it promotes.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by the Financial Product?

The attainment of the environmental and social characteristics promoted by the Financial Product and described above is measured with the following sustainability indicators:

- The weighted average of women on the Board of Directors of the Financial Product and its Investment Universe. This indicator represents the percentage of women on the board of directors of the companies in which the Financial Product invests and that of its Investment Universe. This indicator is provided by an external data provider.
- The weighted average of the carbon intensity relative to the revenues of the Finance Product and its Investment Universe. This environmental indicator is obtained from a third-party data provider and represents the amount of greenhouse gas equivalent released into the atmosphere. Carbon intensity is expressed in tons of CO_2 equivalent per million dollars of revenue.

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

What are the objectives of the sustainable investments that the Financial Product intends to pursue in particular and how do the investments made contribute to these objectives?

The Financial Product intends to partially invest in instruments qualifying as sustainable with various social and environmental objectives (without any limitation) by assessing the positive contribution of companies in the portfolio through at least one of the following dimensions:

1. **Alignment of portfolio companies with the United Nations Sustainable Development Goals (SDGs)** as a reference framework, making it possible to consider companies that contribute positively to at least one SDG either through the "Products & Services" they offer or according to the way in which they conduct their activities ("Operations"). To be considered as a sustainable asset, a company must satisfy at least one of the following criteria:

a. The SDG score for "Products & Services" offered by the company is equal to or greater than 2, corresponding to at least 20% of its revenue coming from a sustainable activity;

B. Based on a selective "Best-In-Universe" approach, which consists in selecting the issuers with the highest ratings from a non-financial viewpoint regardless of their business sector, the SDG score for the issuer's Operations is among the top 2.5%, with the exception of SDG 5 (Gender Equality), SDG 8 (Decent work for all and economic growth), SDG 10 (Reduced inequalities), SDG 12 (Responsible consumption and production) and SDG 16 (Peace, justice and the fight against all forms of organised crime). For these five SDGs, the criterion used to qualify an issuer as sustainable relates to the SDG score for Operations, for which the issuer is among the top 5%. For these five SDGs, the selection criterion for the issuer's Operations is less restrictive as these SDGs are assessed more appropriately through operational excellence rather than by the issuer's economic activities. The selectivity criterion related to Operations is also less restrictive for SDG 12, which can be appropriately assessed by the issuer's Products & Services or Operations.

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

2. **Integration of issuers committed to a solid transition to carbon neutrality** in line with the European Commission's ambition to help finance the transition to a world where global warming is limited to 1.5 °C – based on the framework developed by the Science Based Targets Initiative (SBTI) –, considering companies whose objectives have been validated by the SBTI.

3. **Investments in Green, Social and Sustainable Bonds and Sustainability-Linked Bonds**:

a. Green, social and sustainable bonds are instruments that aim to contribute to various objectives that are by nature sustainable. As such, investments in bonds issued by corporates and sovereigns that have been identified as green bonds, social bonds or sustainable bonds in Bloomberg data base are considered as "sustainable investments" under AXA IM's SFDR framework.

b. With regards to sustainability-linked bonds, an internal framework was developed to assess the soundness of bonds used to finance an overall sustainable development objective. As these instruments are more recent, issuer practices are mixed. Thus, only sustainability-linked bonds with a positive or neutral opinion from AXA IM's internal analysis process are considered as "sustainable investments". This analysis framework is based on the guidelines of the International Capital Market

Association (ICMA) combined with the approach developed by AXA IM based on the following criteria: (i) the issuer's sustainability strategy and the relevance and materiality of key performance indicators, (ii) the ambition of the sustainability performance target, (iii) the bond characteristics and (iv) the monitoring and reporting on the sustainability performance target.

These methodologies may need to evolve to take into account any improvement, including for example, but not limited to, the availability and reliability of data, or any changes in regulations or other external frameworks or initiatives.

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

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

The application of the "Do No Significant Harm" Principle for the sustainable investments the Financial Product partially intends to make means that an issuer company cannot qualify as sustainable if it meets at least one of the criteria listed below:

- The issuer causes significant harm to one of the SDGs when an SDG has a score of less than -5, calculated on the basis of a database of an external provider and on a scale ranging from +10 corresponding to "significant contribution" to -10 corresponding to "significant obstruction", unless the quantitative score has been adjusted following a qualitative analysis.
- The issuer is included in the exclusion lists as defined in AXA IM's Sector Exclusion Policies and ESG Standards (described below), which, inter alia, take into account the OECD Guidelines for Multinational Enterprises and the United Nations Principles on Business and Human Rights.
- The issuer has an ESG rating equal to or lower than CCC (or 1.43) according to AXA IM's ESG assessment methodology. The ESG rating is based on the ESG score obtained from an external data provider, assessing the criteria through the Environmental, Social and Governance (ESG) dimensions. If there is no coverage or disagreement on the ESG rating, AXA IM analysts can supplement this rating with a fundamental and documented ESG analysis, provided it is approved by an AXA IM internal governance body.

Indicators for adverse impacts on sustainability factors are considered, including through the application of AXA IM's exclusion and engagement policies.

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

This Financial Product takes into account indicators on adverse impacts on sustainability (or "PAI") to ensure that sustainable investments do not cause material harm to other sustainable development goals defined under the SFDR.

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

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

Voting at general meetings is also an important element of the dialogue with investee companies in order to sustain the long-term value of the companies in which the Financial Product invests and to mitigate adverse sustainability impacts.

Exclusion policies:

- **Environmental:**

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

Climate risk policy (considering an expected correlation between GHG emissions and energy consumption)[1]	PAI 6: Energy consumption intensity by high-impact climate sector
Policy on the protection of ecosystems and the fight against deforestation	PAI 7: Activities having an adverse impact on biodiversity sensitive areas

- **Social and Governance:**

Associated AXA IM policies	PAI indicator
Voting and engagement policy with a systematic application of voting criteria related to diversity on Boards of Directors	PAI 13: Diversity within governance bodies
ESG Standards Policy: Violation of international norms and standards	PAI 10: Violations of the principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises
ESG Standards Policy: Breach of international standards and standards (considering that there is a correlation between companies that do not comply with international standards and the lack of implementation by companies of compliance processes and mechanisms to monitor compliance with these standards)[2]	PAI 11: Lack of compliance processes and mechanisms to monitor compliance with UN Global Compact Principles & OECD Guidelines for multinational enterprises
Controversial weapons policy	PAI 14: Share of investments in companies involved in the manufacture or sale of controversial weapons

UN SDG indicators filter:

AXA IM also draws on the SDG pillar of its responsible investment policy to monitor and take into account adverse impacts on these sustainability factors by excluding investee companies with an SDG score under – 5 on any SDG (on a scale from + 10 corresponding to "significant contribution" to – 10 corresponding to "significant obstruction"), unless the quantitative score has been qualitatively overridden following a duly documented analysis by the AXA IM Core ESG & Impact Research team. This approach enables us to ensure investee companies with the worst adverse impacts on an SDG are not considered as sustainable investments.

Data availability and quality is lower for the time being on certain sustainability factors, such as those related to biodiversity for example, which may impact the coverage for the following PAI indicators: emissions to water (PAI 8), hazardous and radioactive waste ratio (PAI 9) and unadjusted gender pay gap (PAI 12). These sustainability factors are among the 17 goals of the UN SDGs (more specifically they are covered by SDG 5 "Gender Equality", SDG 6 "Clean water and sanitation", SDG 8 "Decent work", SDG 10 "Reduced inequalities", SDG 12 "Responsible Consumption" and SDG 14 "Protection of Aquatic Fauna and Flora"). Pending better data availability and quality, AXA IM's framework helps to limit the worst impacts on these SDGs.

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

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

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

The "do no significant harm" principle applies only to those investments underlying the Financial Product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this Financial Product do not take into account the EU criteria for environmentally sustainable economic activities.

[1] The approach used to mitigate the PAI indicators through this exclusion policy will evolve as the improvement in data availability and quality enables us to use the PAI more effectively. For the moment, not all high-impact climate sectors are covered by the exclusion policy.

[2] The approach used to mitigate the PAI indicators through this exclusion policy will evolve as the improvement in data availability and quality enables us to use the PAI more effectively.

Does this Financial Product take into account the principal adverse impacts on sustainability factors?

☒ Yes

☐ No

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

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

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

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

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

(ii) The principal adverse impacts on sustainability factors are also taken into account using a quantitative approach through the measurement of PAI indicators, and are reported annually in the Annex to the SFDR Periodic Report. The objective is to ensure transparency to investors on significant adverse impacts on other sustainability factors. AXA IM measures all mandatory PAIs, as well as an additional optional environmental indicator and an additional optional social indicator.

What is the investment strategy pursued by this Financial Product?

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

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

What are the constraints defined in the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this Financial Product?

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

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

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

2. The Financial Product applies a Best-in-Class socially responsible investment selectivity approach to its Investment Universe on a binding and continuous basis. This ESG selection approach consists in favouring the best rated companies from a non-financial viewpoint within their sector of activity, without favouring or excluding one sector relative to its Investment Universe used as a starting point. The selectivity approach reduces its Investment Universe by at least 20% based on a combination of AXA IM's sector exclusion policy, ESG standards policies and their ESG score, excluding bonds and other debt securities issued by public issuers, ancillary liquid assets, and socially responsible assets.

AXA IM has implemented scoring methodologies to rate issuers (corporate, sovereign, green, social and sustainability bonds) on ESG criteria. These methodologies allow corporate and sovereign bond issuers to be rated and are based on quantitative data from several data providers as well as on qualitative analysis from internal and external research. The data used in these methodologies include carbon emissions, water stress, health and safety at work, supply chain labour standards, business ethics, corruption and instability. The corporate and sovereign scoring methodologies are based on three pillars and several sub-factors that cover the most material risk factors encountered by issuers in the environmental (E), social (S) and governance (G) fields. The frame of reference draws on fundamental principles, such as United Nations Global Compact, the OECD Guidelines, the International Labour Organisation conventions, and other international principles and conventions that guide company and government activities in the field of sustainable development and social responsibility. The analysis is based on the most significant ESG risks and opportunities identified previously for each sector and company, taking into account ten factors: climate change, natural capital, pollution and waste, environmental opportunities, human capital, product liability, stakeholder opposition, social opportunities, corporate governance and corporate behaviour. The final ESG score also incorporates the concept of industry-dependant factors and deliberately differentiates between sectors, so as to overweight the most material factors for each industry. Materiality is not limited to impacts relating to a company's operations, it also includes the impacts on external stakeholders as well as the underlying reputational risk arising from a poor grasp of major ESG issues. In the corporate methodology, the severity of controversies is assessed and monitored on an ongoing basis to ensure that the most material risks are reflected in the final ESG score. The controversies with high severity will trigger large penalties on the sub-factor scores and ultimately on the ESG scores.

These ESG scores provide a standardised and holistic view on issuer performance on ESG factors and enable the environmental and/or social characteristics of the Financial Product to be promoted.

The Financial Product can invest up to 10 % of its net assets (excluding bonds and other debt securities issued by public issuers, ancillary liquid assets and solidarity assets) in securities outside the Investment Universe, as defined above, on condition that the issuer is eligible based on the selectivity criteria.

3. In addition, the Financial Product outperforms its Investment Universe at all times on at least two key ESG performance indicators, which are Diversity on Boards and Carbon Intensity.

4. The following minimum coverage rates apply to the Financial Product portfolio (expressed as a minimum % of net assets, excluding bonds and other debt securities issued by public issuers, ancillary liquid assets and solidarity assets): i) 90% for the ESG analysis, ii) 90% for the Diversity on boards indicator and iii) 70 % for the Carbon Intensity indicator.

The scope of the eligible securities is reviewed every 6 months at the latest, as described in the transparency code of the Financial Product available at https://www.axa-im.com/fund-centre

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

To what minimum extent does the Financial Product commit to reducing its investment scope before the application of this investment strategy?

The initial Investment Universe is reduced by at least 20% through the investment strategy described above.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy put in place to assess good governance practices of the companies in which the Financial Product is invested?

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

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

What is the planned asset allocation for this Financial Product?

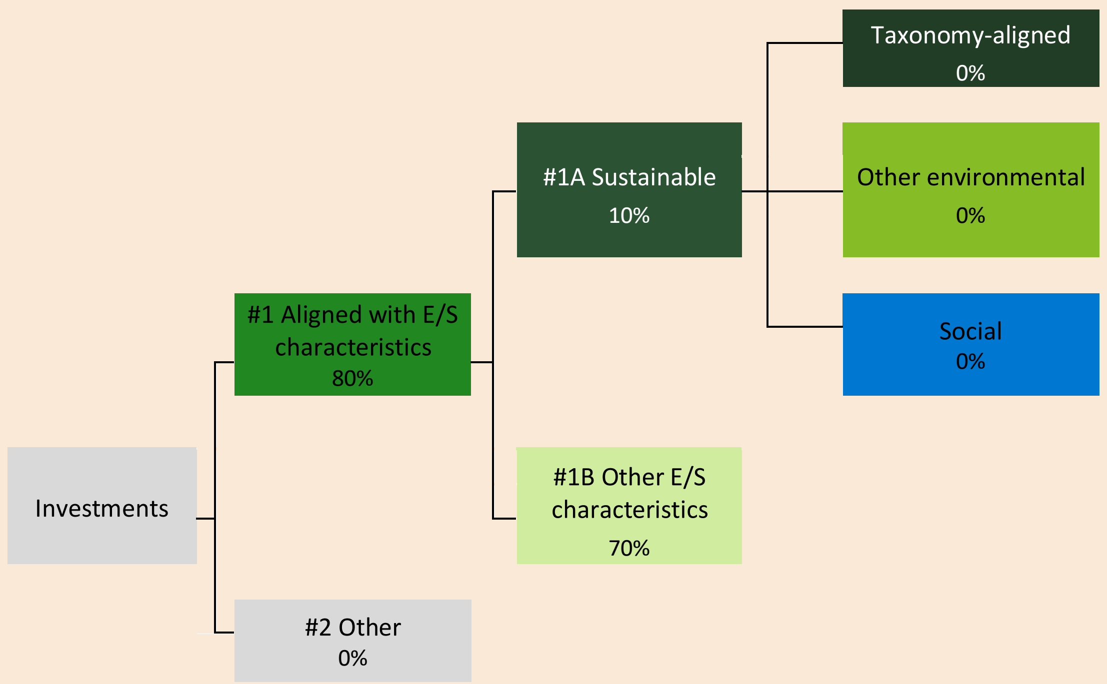
Asset allocation describes the proportion of investments in specific assets.

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

- **revenues,** reflecting the share of revenue from the green activities of the companies in which the Financial Product invests;

- **capital expenditure** (CapEx), showing the green investments made by companies in which the Financial Product invests, e.g. for transition to a green economy.

- **operational expenditure** (OpEx), reflecting the green operational activities of the companies in which the Financial Product invests.



Category **#1 Aligned with E/S characteristics** includes investments made by the Financial Product used to attain the environmental or social characteristics promoted by the Financial Product.

Category **#2 Others** includes the remaining investments of the Financial Product that are neither aligned with environmental or social characteristics nor considered as sustainable investments.

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

The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

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

The allocation of assets within the Financial Product is expected to be as shown in the chart below. Asset allocation may deviate temporarily from that expected.
The minimum expected percentage of investments used to attain environmental or social characteristics promoted by the Financial Product is 80% of the Net Asset Value of the Financial Product.
The minimum expected percentage of sustainable investments is 10% of the Net Asset Value of the Financial Product.
The other investments will represent a maximum of 20% of the Net Asset Value of the Financial Product.

How does the use of derivatives enable the environmental or social characteristics promoted by the Financial Product to be attained?

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

To what minimum extent are sustainable investments with an environmental objective aligned with the EU taxonomy?

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

In order to comply with the EU taxonomy, the criteria for **fossil gas** include emission limitations and the transition to renewable electricity or low-carbon fuels by the end of 2035. With regard to **nuclear energy**, the criteria include comprehensive rules on nuclear safety and waste management.

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

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

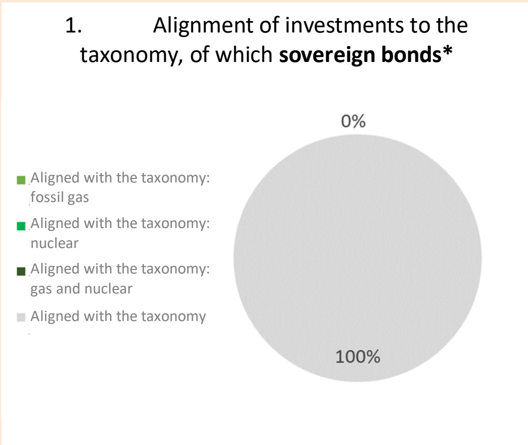
Does the Financial Product invest in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy[3]?

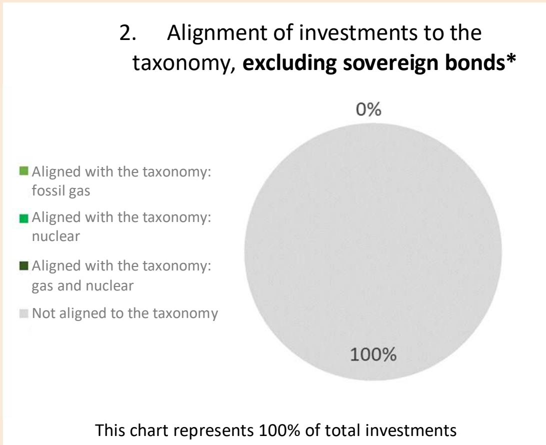
☐ Yes

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU taxonomy. As there is no appropriate methodology to determine the taxonomy alignment of sovereign bonds, the first graph shows the taxonomy alignment with respect to all investments in the Financial Product, including sovereign bonds, while the second graph represents the taxonomy alignment only with respect to investments in the Financial Product other than sovereign bonds.*





** For the purposes of these graphs, "sovereign bonds" include all sovereign exposures*

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

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

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

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

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

What is the minimum proportion of socially sustainable investments?

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

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

"Other" assets may consist of:

- Investments in cash, i.e. bank deposits, eligible money market instruments and money market funds used to manage the liquidity of the Financial Product; and
- other instruments eligible for the Financial Product and that do not meet the environmental and/or social criteria described in this appendix. Such assets may be debt instruments, derivative investments and collective investment schemes that do not promote environmental or social characteristics and that are used to attain the financial objective of the Financial Product and/or for diversification and/or hedging purposes.

3 Fossil gas and/or nuclear related activities will only comply with the EU taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not cause material harm to any EU taxonomy objectives – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Environmental or social safeguards are applied and assessed on all “other” assets, except on **(i)** derivatives other than those relating to a single issuer, (ii) UCITS and/or UCIs managed by other management companies and (iii) cash and cash equivalent investments described above.

Has a specific index been designated as a benchmark to determine whether this Financial Product is aligned with the environmental and/or social characteristics it promotes?

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

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

Further information on AXA IM’s sustainable investment frameworks can be found by clicking this link: Sustainable Finance | SFDR | AXA IM Corporate.