

# AXA IM Euro 6M

## PROSPECTUS

*The UCITS is regulated by  
European Directive 2009/65/EC*

### **I – General Characteristics:**

#### **–1) Form of the UCITS:**

2) **Fund Name:** AXA IM Euro 6M.

3) **Legal form and Member State in which the UCITS was established:** Mutual Investment Fund (hereafter the “Fund”) Fund under French law.

4) **Approval date, creation date and planned duration:** UCITS approved 19 October 2010, created 24 November 2010 for a term of 99 years

#### **5) Summary of the management offering:**

<i>Categories of units</i>	<i>ISIN Codes</i>	<i>Allocation of Distributable Sums</i>	<i>Currency denomination</i>	<i>Subscribers concerned</i>	<i>Acquisition value</i>	<i>Decimalisation</i>	<i>Minimum value of the 1st subscription</i>
E	FR0010950055	Capitalisation	Euros	All subscribers	€10,000	Ten-thousandths of units	None
I	FR0010950063	Capitalisation	Euros	Institutional investors	€10,000	Ten-thousandths of units	€500,000(*)
IX	FR0013308855	Capitalisation	Euros	Employee savings fund CIUs managed by an entity in the AXA Investment Managers Group	€10,000	Ten-thousandths of units	€500,000(*)

(\*) *excluding the asset management company or any company belonging to the AXA Group.*

#### **6) Name of the place where the latest annual report and the periodic statement can be obtained:**

The latest annual documents, as well as the make-up of the assets, will be sent within eight business days of a simple written request by the unitholder sent to:

**AXA INVESTMENT MANAGERS PARIS**  
Tour Majunga - 6 place de la Pyramide  
92908 PARIS – La Défense Cedex – France

*For additional information, contact: AXA INVESTMENT MANAGERS PARIS at the postal address listed above or send us an e-mail at the following address: [client@axa-im.com](mailto:client@axa-im.com).*

### **II Involved parties:**

**1) Asset Management Company:** AXA INVESTMENT MANAGERS PARIS, a *société anonyme* [public limited company] with a Board of Directors

Registered office: Tour Majunga - La Défense 9 - 6, place de la Pyramide - 92800 Puteaux - France.

Postal Address: Tour Majunga - 6 place de la Pyramide - 92908 PARIS La Défense Cedex - France.

Company authorised as a portfolio management company by the AMF [*Autorité des Marchés Financiers* – the French securities commission] on 7 April 1992 under no. GP 92008, as defined in the directive 2009/65/EC (the UCITS Directive).

## **2) Depositary, custodian and centralising agent:**

### **Identity of the depositary of the UCITS:**

The appointed depositary is **BNP – Paribas Securities Services SCA**, a wholly-owned subsidiary of BNP Paribas SA, located at 9 rue du Débarcadère 93500 PANTIN (the “Depositary”).

BNP PARIBAS SECURITIES SERVICES is a licensed bank registered in France with the Register of Business and Companies as a *Société en commandite par actions* [limited partnership with share capital] under number 552 108 011, authorised by the *Autorité de contrôle prudentiel et de résolution* (ACPR) and supervised by the *Autorité des Marchés Financiers* (AMF), with its registered office at 3 rue d’Antin, 75002 Paris.

### **Description of its duties and of conflicts of interest that may arise:**

The Depositary exercises three types of responsibilities, namely the oversight of the Management Company (as defined in Art 22.3 of the UCITS V directive), the monitoring of the cash flows of the UCITS (as set out in Art 22.4) and the safekeeping of the UCITS assets (per Art 22.5).

The overriding objective of the Depositary is to protect the interests of the holders / investors of the UCITS, which always prevail over any commercial interests.

Conflicts of interest may arise if and when the Management Company or the UCITS maintains other business relationships with BNP Paribas Securities Services SCA in parallel with an appointment of BNP Paribas Securities Services SCA acting as Depositary. For example, BNP Paribas Securities Services SCA could as well as acting as Depositary also be providing the UCITS or the Management Company with fund administration services, including net asset value calculation.

In order to address situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy, aiming at:

- Identifying and analysing potential situations of conflicts of interest;
- Recording, managing and monitoring the conflict of interest situations either in:
  - o Relying on the permanent measures in place to address conflicts of interest such as maintaining separate legal entities, segregation of duties, separation of reporting lines, insider lists for staff members;
  - o Implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall, making sure that operations are carried out at arm’s length and/or informing the concerned client, or (ii) refuse to carry out the activity giving rise to the conflict of interest.

### **Description of any safekeeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation:**

The depositary of the UCITS, BNP Paribas Securities Services SCA, is responsible for safekeeping of the assets (as defined in Art 22.5 of 2009/65/CE Directive modified by 2014/91UE Directive named the “UCITS V directive”).

In order to provide custody services in a large number of countries allowing UCITS to meet their investment objectives, in addition to its large proprietary network, BNP Paribas Securities Services SCA has appointed entities as delegates for sub-custody functions in countries where it has no direct local presence. These entities are listed in the following website: <http://securities.bnpparibas.com/solutions/asset-fund-services/depositary-bank-and-trustee-serv.html>

The process of appointing such delegates and their continuing oversight follows the highest quality standards, including the management of any potential conflict of interest that should arise from such an appointment.

3) **Prime Broker:** None

4) **Statutory auditor:** MAZARS – Exaltis – 61, rue Henri Regnault – 92400 Courbevoie – France.

5) **Marketer:** AXA INVESTMENT MANAGERS PARIS

AXA INVESTMENT MANAGERS PARIS may delegate the task of marketing units in the UCITS to any third parties that it has duly authorised for that purpose. As the UCITS is listed on Euroclear France, its units may be subscribed or redeemed through financial intermediaries that are not known to the fund manager.

**Category "I" units are reserved for institutional investors.**

**Category "IX" units are reserved for employee savings fund CIUs managed by an entity in the AXA Investment Managers Group**

6) **Delegates:**

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

*AXA INVESTMENT MANAGERS PARIS has delegated the accounting management of the Middle Office to:*

STATE STREET BANQUE SA

*A société anonyme* [public limited company]

Registered office: Défense Plaza - 23, 25 rue Delarivière-Lefoullon - 92064 Paris La Défense Cedex - France, registered with the Paris Register of Business and Companies (RCS) under number 381 728 724.

A credit institution authorised by the ACPR on 28 February 1997 and by the AMF on 21 July 1997 under no. GP 97-44.

The accounting management delegatee shall keep the accounts of the UCITS and calculate its net asset value.

**Delegation of the administrative management:**

*AXA INVESTMENT MANAGERS PARIS has not delegated the administrative management of the UCITS.*

7) **Advisers:** None

### **III – Operating and management procedures:**

#### **General Characteristics:**

1) **Characteristics of the units:**

a) **ISIN Codes:** Category "E" units: FR0010950055  
Category "I" units: FR0010950063  
Category "IX" units: FR0013308855

b) **Nature of the right attached to the category of units:** Each unitholder shall have a right of co-ownership to the UCITS assets in proportion to the number of units held.

c) **Entry in a register or clarification of the procedures concerning the management of liabilities:** All units are bearer units. BNP - PARIBAS SECURITIES SERVICES (depository) is the holder of the issuer account.

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, notice of any modifications to the operation of the mutual fund shall be sent to the unitholders individually, through the press, or by any other method in accordance with AMF Instruction no. 2011-19 of 21 December 2011.

e) **Form of the units:** Bearer.

f) **Decimalisation:**

- Category "E" units, denominated in Euros, are divisible into ten-thousandths of units.
- Category "I" units, denominated in Euros, are divisible into ten-thousandths of units.
- Category "IX" units, denominated in Euros, are divisible into ten-thousandths of units.

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

3) **Information concerning the tax regime:** Since the mutual fund is not a company, it is not subject to corporation tax. All unitholders are taxed as if they were the direct owners of a proportion of the assets, in accordance with the tax regime that is applicable to them.

If subscription to units in the UCITS falls under investment in a life insurance policy, subscribers shall be subject to the taxation applicable to life insurance policies.

This information cannot replace that provided in the context of individual tax advice.

**Notice: Depending upon your tax regime, any potential or actual capital gains and income related to holding units in the UCITS may be subject to taxation. We recommend that you ask your tax advisers for more information in this regard.**

FATCA requirements:

Under the terms of the FATCA (Foreign Account Tax Compliance Act) US tax regulation, unitholders may be required, in order to identify "US Persons" within the meaning of FATCA<sup>(1)</sup>, to provide the UCITS, the management company for each CIU or their agent with information, in particular regarding their personal identity and residence (domicile and tax residence). This information may be forwarded to US tax authorities via the French tax authorities. Failure by the unitholders to do so may result in a 30% withholding being applied on US-originating from the USA. Notwithstanding the verifications carried out by the management company pursuant to FATCA, unitholders are invited to check that the financial intermediary they used to invest in the UCITS itself benefits from the status of Participating FFI. For more information, unitholders should consult a financial adviser.

Automatic Exchange of Information (CRS regulation):

In compliance with Automatic Exchange of Information requirements in tax matters, more specifically, with the provisions of Article 1649 AC of the General Tax Code [*Code Général des Impôts*] and of Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU, unitholders are required to provide the CIU, the management company, or their agent with information, in particular regarding, but not limited to, their personal identity, their direct and indirect beneficiaries, the ultimate beneficiaries, and the persons controlling them. The unitholder must comply with all requests to furnish this information made by the management company, so that the management company and the CIU may comply with their reporting obligations. The French tax authorities may forward this information to foreign tax authorities.

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<sup>1</sup> A definition of "U.S. Person", as defined by the US Internal Revenue Code, is available at [www.axa-im.fr](http://www.axa-im.fr) (under the legal mentions topic).

## **Special Provisions:**

**1) Classification:** UCITS Bonds and other debt securities denominated in Euros.

**2) Investment in CIUs:** Up to 10% of net assets.

### **3) Management Objective:**

The objective of the UCITS is to seek, over rolling six-month periods, annualised performance, after deducting current management fees, by direct or indirect exposure to the bond and money markets, as described below:

- greater than the capitalised EONIA for category "E" units ("All subscribers");
- greater than the capitalised EONIA + 25bps for category "I" units ("Reserved for institutional investors");
- and category "IX" units ("Reserved for employee savings fund CIUs managed by an entity in the AXA Investment Managers Group").

These assumptions, established by the asset management company, shall not constitute a promised yield given (i) the nature of the category of units held by the unitholder and (ii) market conditions at any time.

*The unitholder's attention is drawn to the fact that this UCITS is not subject to Regulation (EU) 2017/1131 on money market funds.*

### **4) Benchmark index:**

The trend in the net asset value may be compared to the capitalised EONIA (Euro OverNight Interest Average) rate expressed in Euros.

The EONIA rate is the average of the daily rates for the Eurozone; it is calculated by the European Central Bank (ECB) and represents the risk-free rate for the Eurozone.

*For additional information, visit the website: [www.euribor.org](http://www.euribor.org)*

*Since the management of the UCITS is not index-linked, its performance may vary significantly from the benchmark index.*

### **5) Investment Strategy:**

#### **1. Description of the strategies used:**

Management of the UCITS shall consist of implementing various investment and/or arbitrage strategies on the major interest rate and credit markets of the OECD member countries, whether members or non-members of the Eurozone.

In the event of exposure to securities denominated in currencies other than the Euro, the foreign exchange risk shall be residual.

The portfolio will be invested on a discretionary basis, under the conditions defined in the regulatory documentation, without any additional particular constraint in terms of investment universe compared to a possible market index. It is specified that the volatility of the UCITS and the benchmark indicator or any other index may significantly deviate.

The management team determines the allocation of the UCITS in a discretionary and active manner and, in consideration of interest rate trend expectations, carry out a distribution of debt instruments (bonds and money-market instruments) between fixed-, variable-, floating-, and indexed-rate securities. Fixed rate bond interest rate risk shall be managed on a discretionary basis by the management team and shall not be systematically hedged.

It will select debt instruments (bonds and money-market instruments) from the "Investment Grade" category. These instruments have a minimum rating of A3 over the short term and BBB- over the long term on the Standard & Poor's scale (or the equivalent rating in any other rating agency, or deemed equivalent to this rating by the management company).

Therefore, instruments from the speculative "High Yield" segment are excluded.

It is specified that the management team performs its own credit analysis for selecting these instruments. Thus, the decision to acquire or dispose of a debt instrument is made based on an internal analysis by the management team, not mechanically and exclusively on the criterion of its rating.

The UCITS applies AXA IM's environmental, social and governance (ESG) standards, which are available on the website <https://particuliers.axa-im.fr/fr/investissement-responsable>.

In consideration of the maturity of the financial instruments and the term sought by the management team, the portfolio will be subject to active management and regular reviewing of the selected debt instruments. Depending upon market conditions, arbitrage may be more frequent (for example, in the event of an increase in interest rate levels or widening of credit spreads).

The strategy implemented is therefore materialised by the selection of debt instruments and management of the credit term, and takes the following characteristics into account:

Maximum Weighted Average Life (WAL) (*)	18 months
Maximum Weighted Average Maturity (WAM) (**)	6 months
Maximum Residual Life of Securities and Instruments	Fixed-rate securities and instruments = 3 years Variable-, floating-, and indexed--rate securities and instruments = within a maximum of 3 years

(\*) The Weighted Average Life (WAL) is the weighted average of the time remaining until the principal is fully repaid for the pool of securities held by the UCITS.

(\*\*) The Weighted Average Maturity (WAM) is the weighted average of the time remaining until the next monetary rate revision, rather than the repayment of the principal.

Range of sensitivity to interest rate variations: between 0 and +0.50	
Geographic zones of the issuers to which the UCITS is exposed	Corresponding exposure range
OECD member countries	From 90% to 200%
Non-OECD member countries	10% maximum

With respect to its benchmark index (EONIA), the UCITS aims to maintain annualised volatility below 0.50%.

The UCITS can be exposed to financial indexes (or sub-indexes) that may or may not be subject to periodic rebalancing. If the financial index (or sub-index) is rebalanced, the costs of implementing the strategy will be negligible. In exceptional market conditions (for example, including but not limited to, when an issuer is very dominant in the reference market of the index or sub-index, or following unusually large market movements affecting one or more components of the financial index or sub-index), a single component of the financial index (or sub-index) may account for over 20% (to a maximum of 35%) of the index (or sub-index).

## **2. Description of the categories of assets and financial contracts:**

### **Equities:**

The UCITS shall not have exposure in equity markets.

### **Debt instruments (including bonds and money-market instruments):**

The UCITS can invest either via direct lines or via CIU units or shares and/or have exposure by using derivative instruments. Bond management shall be short-term and maturity shall not exceed three years.

The UCITS will invest up to 100% of its assets in the following assets:

- Bonds or debt instruments issued or guaranteed by OECD Member States, whether Eurozone or non-Eurozone members;
- Bonds or debt instruments issued by public or private companies in OECD member countries, whether Eurozone or non-Eurozone members;
- Bonds or debt instruments indexed to the inflation rate of OECD member countries, whether Eurozone or non-Eurozone members;
- Money-market instruments, short- or medium-term traded debt instruments with or without a State guarantee, or equivalent instruments on the regulated or unregulated international markets, denominated in Euros or non-Euro currencies, of OECD member countries, whether Eurozone or non-Eurozone members.

The UCITS may also invest either in direct lines or via units and shares of CIUs and/or expose itself through the use of derivatives, for up to 10% of the assets, to government or non-government bonds or debt securities from non-OECD countries.

The UCITS may invest up to 35% of its assets in eligible securities or in money market instruments issued or guaranteed by a single entity if those securities and money market instruments are issued or guaranteed by a Member State of the European Union (EU) or the European Economic Area (EEA), by local or regional public authorities, by an OECD Member State, by international agencies (in which at least one State is a member of the EU or the EEA and/or the OECD or Singapore or Hong Kong), or by the France's Social Security Debt Repayment Fund (CADES) [*Caisse d'Amortissement de la dette Sociale*].

The 35-% limit per entity may be raised to 100% if and only if none of at least six (6) security and money market instrument issues by the single entity concerned accounts for more than 30% of the net assets

#### **Units or shares in UCITS, FIA or investment funds**

The UCITS can hold up to 10% of its assets in units or shares of French or European UCITS, French or foreign AIFs, or foreign investment funds meeting the eligibility criteria set in article R. 214-13 of the French Monetary and Financial Code [*Code Monétaire et Financier*], regardless of their classification (however, none of these CIUs and investment funds selected will be exposed to equity risks). Exposure in a single CIU or investment fund may exceed 5% of the UCITS's net assets.

These CIUs and investment funds can be managed by companies of the AXA Group.

Investors' attention is drawn to the fact that the UCITS is authorised to invest in CIUs ("Target Funds") which may:

- (i) have different UCITS investment strategies
- (ii) have different investment constraints.

In particular, the specific risks listed in Target Fund prospectuses may differ from the specific risks of the UCITS.

### **3. Financial futures instruments (derivatives):**

To achieve the management objective, and within the limit of 100% of the assets according to the commitment approach, the UCITS may invest in the following derivative instruments:

- Types of markets traded in:

- Regulated;
- Organised;
- Over-the-counter (OTC).

- Risks upon which the manager wishes to intervene (either directly, or by using indexes):

- Equities;
- Rates;

- Foreign exchange;
- Credit;
- Other risks (to be specified).

- Types of intervention (all the operations must be limited to achieving the management objective):

- Hedging;
- Exposure;
- Arbitrage;
- Other (to be specified).

- Types of instruments used:

- Futures (interest rate);
- Options (including futures, interest rate, and currency options);
- Swaps (including interest rate, currency, and index swaps);
- Foreign exchange (future, spot, swap);
- Credit derivatives (in particular, Credit Default Swaps (CDS));
- Other (to be specified).

- The strategy for using derivatives to achieve the management objective:

The UCITS can use financial futures instruments up to 100% of the net assets according to the commitment approach.

The use of financial futures instruments contributes to achieving the management objective of the UCITS.

The financial futures instruments can be used to:

- hedge the portfolio against the risks linked to foreign exchange, interest rates, credit, indexes and/or variations in one or more of their parameters or components;
- expose the fund to markets, foreign exchange, interest rates, indexes and/or some of their parameters or components such as credit risk;
- arbitrate credit risk.

The financial futures instruments may be used to benefit from the characteristics (in particular in terms of liquidity and price) of these instruments compared to the financial instruments that the UCITS invests in directly.

In addition, the financial futures instruments may also be used to make adjustments as a result of subscription and redemption movements so as to maintain the exposure or hedging in accordance with the cases mentioned above.

The UCITS will not use financial futures instruments constituting total return swaps.

The UCITS may have as counterparty for financial futures instruments any financial establishment meeting the criteria mentioned in article R214-19 II of the French Monetary and Financial Code [*Code monétaire et financier*], and selected by the Management Company in accordance with its policy concerning the execution of orders, which is available on its website.

#### **4. Concerning securities with embedded derivatives:**

The UCITS can use securities with embedded derivatives up to a limit of 100% of the net assets. The strategy for using embedded derivatives is the same as the policy described for derivatives.

In particular, it concerns EMTNs and other financial instruments that can be categorised as securities with embedded derivatives according to changes in the regulations.

#### **5. Concerning deposits:**

In order to manage its cash balance, the UCITS may make deposits with one or more credit institutions up to a limit of 100% of the net assets.



## **6. Concerning cash borrowing:**

As part of its normal operation, the UCITS may occasionally find itself in a debt position and in this case make use of cash borrowings up to a limit of 10% of its assets.

## **7. Concerning transactions involving the temporary acquisition and sale of securities:**

Operations for the temporary purchase or sale of securities (also called securities financing) will be carried out in accordance with the French Monetary and Financial Code [*Code monétaire et financier*]. They will be carried out as part of achieving the management objective of the UCITS, managing the cash position and/or optimising the revenue of the UCITS.

These will consist of securities lending or borrowing operations and/or repurchase (repo) and/or reverse repurchase (reverse repo) operations.

The UCITS assets that may be the subject of securities financing operations are bonds and money-market instruments, and in particular short-term negotiable instruments.

The Management Company expects such securities lending/securities borrowing transactions to involve 5% of the assets of the UCITS, though the UCITS may invest up to 100% of the UCITS's net assets in such transactions.

The Management Company expects these operations for the temporary sale of securities (repos) to concern 10% of the assets of the UCITS; however, the UCITS can carry out such operations up to a limit of 100% of net assets of the UCITS.

The Management Company expects these operations for the temporary purchase of securities (reverse repos) to concern 20% of the assets of the UCITS; however, the UCITS can carry out such operations up to a limit of 100% of net assets of the UCITS.

Additional information concerning these operations for the temporary purchase or sale of securities is shown in the annual report of the UCITS.

The operations for the temporary purchase or sale of securities will be guaranteed according to the principles described in the section "Contracts constituting financial guarantees" and will be negotiated according to the criteria relating to counterparties described in the "Financial futures instruments (derivatives)" section above.

Additional information is shown in the section "Costs and Fees" concerning the remuneration terms and conditions for temporary purchases and sales of securities.

## **8. Contracts constituting financial guarantees:**

In the framework of the conclusion of financial futures instruments and/or operations for the temporary purchase or sale of securities, and in compliance with the applicable regulations, the UCITS may be required to give and/or receive a financial guarantee (collateral) with the aim of reducing the counterparty risk. This financial guarantee can be given in the form of liquidity and/or assets, in particular bonds judged liquid by the Management Company, of any maturity, issued or guaranteed by OECD Member States or by first-order issuers whose performance is not closely correlated with that of the counterparty. The UCITS may accept as guarantee representing more than 20% of its net assets securities issued or guaranteed by any supranational body or any OECD Member State. The UCITS may be fully guaranteed by one of these issuers.

In accordance with its internal management policy for financial guarantees, the Management Company determines:

- The level of financial guarantee required; and  
The discount level applicable to assets received as financial guarantee, in particular according to their type, the issuers' credit quality, their maturity, their reference currency, and their liquidity and volatility.

The Management Company will carry out, in accordance with the valuation rules specified in this prospectus, a daily valuation of the guarantees received based on the market price (mark-to-market).

Margin calls will be executed according to the terms of the financial guarantee contracts.

The UCITS may reinvest the financial guarantees received in the form of cash in accordance with the regulations in force. The non-cash financial guarantees received cannot be sold, reinvested or pledged. The counterparty may also reinvest the financial guarantees received from the UCITS according to the regulatory terms and conditions applicable to it.

The guarantees received from the UCITS will be kept by the depositary of the UCITS or, if not, by any third-party depositary (such as Euroclear Bank SA/NV) which is subject to prudential supervision and which has no links with the provider of the guarantee.

Despite the credit quality of the issuers of securities received as financial guarantee, or of securities acquired through cash received as financial guarantee, the UCITS may risk incurring a loss in the event of a default by these issuers or by the counterparty of these operations.

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**Your money will be invested principally in financial instruments selected by the manager. These instruments will experience all of the fluctuations and the vagaries of the markets.**

#### **9) Risk profile:**

##### General considerations:

The risk profile of the UCITS is designed for an investment horizon of 6 months. As with any financial investment, potential investors should be aware that the value of the assets of the UCITS is subject to market fluctuations, and this value may fluctuate greatly (depending upon political, economic and stock market conditions, or upon the specific situation of issuers). Consequently, the performance of the UCITS may not be in line with its objectives.

**The Management Company offers no guarantee to subscribers that they will not suffer losses on their investment in the UCITS, even if they hold the units through the entire recommended investment period. The capital initially invested may not be returned in full; the subscribers are exposed to a risk of loss limited to the capital invested.**

The risks described below are not exhaustive: it is the responsibility of the investor to analyse the risk inherent in each of their investments and to form their own opinion.

The principal risks to which investors will be exposed are as follows:

##### 1 – Risk of loss of capital:

No guarantee is made or supplied to investors with respect to the restitution of their initial or subsequent investments in the UCITS.

Loss of capital may be due to direct exposure, counterparty exposure or indirect exposure.

##### 2 - Credit Risk:

In the event of default or deterioration of the quality of the bond issuers (eg their rating is downgraded), the value of the debt securities in which the UCITS has invested will drop.

##### 3 – Interest rate risk:

Interest rate risk is the risk of the depreciation of long- and/or short-term rate instruments stemming from variations in interest rates that affect the bond and money markets. For example, a rise in interest rates tends to cause the price of fixed-rate bonds - and, consequently, the net asset value of the UCITS - to fall.

Therefore, the net asset value of the UCITS will be affected by interest rate movement and the volatility of its Benchmark Index.

#### 4 - Risks related to discretionary management:

The discretionary management style is based on anticipating changes in the interest rate and credit markets in which the UCITS will invest and on which the performance will depend. The performance of the UCITS will therefore depend in particular on the management team' anticipating changes in the rate curve and credit spreads.

As the management is discretionary, there is a risk of these changes being wrongly forecast by the management company.

#### 5 - Risk linked to exposure to financial futures instruments:

Recourse to financial futures instruments allows the UCITS to have exposure in any market, index, instrument, or economic or financial parameter, which may lead to the risk of a faster and more significant fall in the Net Asset Value of the UCITS than any fall that may occur in the markets in which the UCITS has invested.

#### 6 – Counterparty risk:

This concerns the risk of failure (or the non-execution of all or part of its obligations) of the counterparty of the UCITS in any operation involving an OTC financial contract and/or any operation for the temporary purchase of securities.

The failure (or the non-execution of all or part of its obligations) of a counterparty to these operations can have a significant negative impact on the net asset value of the UCITS.

#### 7 – Risk related to the impact of management techniques, such as derivative products:

The use of derivative products for exposure may increase the impact of the effects of market movements on the Sub-fund and can lead to a risk of significant losses.

The use of derivative products for hedging may reduce the effect of market movements, in particular rises, and therefore minimise variations in the net asset value.

The use of derivative products may carry a certain number of associated risks, such as lever, liquidity, counterparty, market and operational risks.

#### 8 – Impact of inflation:

The UCITS may be exposed to risks related to inflation, ie to the general increase in prices.

#### 9 – Risks related to securities financing operations and risks related to the management of financial guarantees:

These operations and the guarantees associated with them are likely to create risks for the UCITS, such as (i) counterparty risk (as described above), (ii) legal risk, (iii) custody risk, (iv) liquidity risk (ie the risk arising from a difficulty in purchasing, selling, rescinding or valuing a security or a transaction because of a lack of buyers, sellers or counterparties), and, where applicable, (v) risks related to the reuse of guarantees (ie mainly the risk that the financial guarantees given by the UCITS may not be returned to it, for example following the counterparty's failure).

#### 10 – Risks inherent in investments in a single entity:

Risk resulting from focusing investments by the UCITS on certain issuers, which could result in a decrease in the net asset value where the issuers are subject to a risk of a loss in value or default.

#### 11 – Foreign exchange risk:

The UCITS may invest in foreign securities, i.e., securities denominated in currencies other than the reference currency.

Consequently, the UCITS may be subject to foreign exchange rate risk through trading on international markets (outside the eurozone) when these investments and/or exposure are not completely hedged or when the foreign exchange hedges are not perfect.

**10) Guarantee or protection:** None.

**11) Subscribers concerned and profile of the typical investor:**

Category "E" units: All subscribers

Category "I" units: Reserved for institutional investors

Category "IX" units: Reserved for employee savings fund CIUs managed by an entity in the AXA Investment Managers Group.

This UCITS is intended for investors seeking a return higher than the EONIA.

**The amount that it is reasonable to invest in this UCITS depends** upon the personal situation of each unitholder. To determine this, unitholders must take into account their personal wealth, the regulations applicable to them, their actual needs over an investment horizon of 6 months, as well as whether they wish to take risks or, in contrast, would prefer a less risky investment. Unitholders are also strongly advised to diversify their investments sufficiently so that they are not only exposed to the risks of this UCITS.

#### Restrictions for U.S. Investors

Units in the mutual fund have not been, nor will they be, registered pursuant to the 1933 U.S. Securities Act and the mutual fund is not, nor will it be, registered pursuant to the 1940 U.S. Investment Company Act.

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 referred to as "U.S. Person", or by any person subject to title 1 of the U.S. Employee Retirement Income Security Act (hereinafter "ERISA") or to the provisions of section 4975 of the US Internal Revenue Code or where said person constitutes a "Benefit Plan Investor" in the meaning of the ERISA regulations.

Holders of units in the mutual fund must have the status of "Non-United States Persons", pursuant to the Commodity Exchange Act.

Definitions for "U.S. Person", "Non-United States Person" and "Benefit Plan Investor" are available at [www.axa-im.fr](http://www.axa-im.fr) (under the legal mentions topic). In regards hereof, "US Investors" are "U.S. Persons"; "Benefit Plan Investors" and other persons subject to ERISA; and persons who are not "Non-United States Persons".

Persons wishing to acquire or subscribe to units may have to provide written certification that they are not US Investors. Should they become such, they will no longer be allowed to acquire further units and will have to immediately notify same to the mutual fund's management company, which will, where applicable, proceed with the forced redemption of their units.

Exceptions may be granted in writing by the mutual fund's management company, particularly where these are required by applicable law.

**The minimum recommended investment period is 6 months.**

#### **12) Procedures for determining and allocating income:**

- Category "E" units: capitalisation.
- Category "I" units: capitalisation.
- Category "IX" units: capitalisation.

In accordance with the law, the Distributable Sums are comprised of:

- The net profit, plus the balance brought forward, and plus or minus the balance of the income equalisation account;
- The capital gains realised, net of costs, less the capital losses realised, net of costs, recorded during the financial year, plus the net capital gains of the same type recorded in previous years that were not the subject of a distribution or capitalisation, and plus or minus the balance of the capital gains equalisation account.

**13) Distribution frequency:** The Distributable Sums are fully capitalised each year.

#### **14) Characteristics of the units:**

- Category "E" units, denominated in Euros, are divisible into ten-thousandths of units.
- Category "I" units, denominated in Euros, are divisible into ten-thousandths of units.
- Category "IX" units, denominated in Euros, are divisible into ten-thousandths of units.

### 15) Procedures for subscriptions and redemptions:

Subscription, redemption and conversion orders must be received by the depositary before 12 noon (Paris time) on trading days, and are executed on the basis the next net asset value (ie not known at the time of execution).

Redemptions are by number of units or (at the option of the unitholder) amount, except in cases of full redemptions, which are solely by number of units.

“The orders are executed in accordance with the table below:

D	D	D: day of establishment of the NAV	D+1 Business day	D+2 Business days	D+2 Business days
Centralisation before 12:00 noon (Paris time) of the subscription orders <sup>1</sup>	Centralisation before 12:00 noon (Paris time) of the redemption orders <sup>1</sup>	Execution of the order on D at the latest	Publication of the net asset value	Settlement of subscriptions	Settlement of redemptions

<sup>1</sup> Except where a specific deadline has been agreed with your financial institution.”

Any fractions are either settled in cash or supplemented for the subscription of one additional unit or fraction of unit.

Subscription, redemption, and conversion requests are centralised at BNP-PARIBAS SECURITIES SERVICES (BPSS) at the following address:

#### **BNP – PARIBAS SECURITIES SERVICES (BPSS)**

Grands Moulins de Pantin  
9, rue Débarcadère  
93500 Pantin  
France

- Original net asset value of a category "E" unit: €10,000
- Original net asset value of a category "I" unit: €10,000
- Original net asset value of a category "IX" unit: €10,000
- Minimum amount of the 1<sup>st</sup> subscription for category "E" units: None
- Minimum amount of the 1<sup>st</sup> subscription for category "I" units: €500,000 (except for the asset management company or any company belonging to the AXA Group)
- Minimum amount of the 1<sup>st</sup> subscription for category "IX" units: €500,000 (except for the asset management company or any company belonging to the AXA Group)

- Procedure for changing from one category of units to another category of units (conversion): subject to meeting the conditions for access, the unitholder's decision to change from one category of units to another category of units is analysed as an operation:

- ♦ firstly, selling one or more units and/or fractions of units held in the original category;
- ♦ secondly, subscribing to one or more units and/or fractions of units in the new category.

Consequently, this unitholder decision may generate capital gains on the sale of transferable securities that is subject to tax.

#### ➤ **Swing-Pricing :**

If the net subscription and redemption orders assessed at the last net asset value available on a given valuation date exceed a certain threshold as set by the Management Company on that valuation date (to be reviewed by the Management Company from time to time), the net asset value may be adjusted upward or downward to cover net daily trading transactions when buying or selling assets, to account for trading fees and other costs that may be incurred.

The Management Company may use swing pricing to adjust the UCITS price. The Management Company may set the amount of the swing price, not to exceed 2 % of the net asset value".

**16) Frequency of the net asset value calculation:** Daily.

The net asset value will not be calculated or published on trading days that fall on official public holidays in France. The reference stock market calendar is that of NYSE Euronext (Paris).

**17) Place of publication of the net asset value:** Offices of the asset management company.

**18) Costs and fees:**

Subscription and redemption fees:

Subscription and redemption fees will increase the subscription price paid by the investor or reduce the redemption price. The fees received by the UCITS are used to offset the costs that the UCITS incurs in investing or disinvesting the assets entrusted to it. The fees not intended for the UCITS revert to the Management Company, the marketer, etc.

<b>Costs charged to the investor, levied during subscription or redemption operations For category "E", "I", and "IX" units</b>	<b>Calculation basis</b>	<b>Rate scale</b>
Subscription fee not intended for the UCITS	Net asset value x number of units	<ul style="list-style-type: none"> <li>➤ Maximum rate: 1%</li> <li>➤ The companies of the AXA Group shall be exempt from paying this fee when this UCITS is used as support for contracts denominated in accumulation units</li> </ul>
Subscription fee intended for the UCITS	Net asset value x number of units	None
Redemption fee not intended for the UCITS	Net asset value x number of units	None
Redemption fee intended for the UCITS	Net asset value x number of units	None

Operating and management costs:

These costs cover all the costs billed directly to the UCITS, except for the costs of transactions. The transaction costs include the intermediation fees (brokerage, stock market taxes, etc) and the activity charge, where applicable, that may be collected in particular by the depositary and the Management Company.

The following may be added to the operating and management costs:

- ⇒ activity charges billed to the UCITS;
- ⇒ the remuneration received by the borrowing agent arising from the implementation of repo and reverse repo operations.

*For more information on the fees actually billed to the UCITS, refer to the Key Investor Information Document.*

Costs billed to the UCITS	Calculation basis	Rate scale
<b>Category "E" units:</b>		
Financial management fees	Net assets (including CIUs)	Maximum rate: 0.40%, inc. taxes These costs are directly charged to the profit and loss account of the UCITS
Management fees other than those of the portfolio management company		
<b>Category "I" units:</b>		
Financial management fees	Net assets (including CIUs)	Maximum rate: 0.15% inc. taxes These costs are directly charged to the profit and loss account of the UCITS
Management fees other than those of the portfolio management company		
<b>Category "IX" units:</b>		
Financial management fees	Net assets (including CIUs)	Maximum rate: 0.15% inc. taxes These costs are directly charged to the profit and loss account of the UCITS
Management fees other than those of the portfolio management company		
Maximum indirect costs (fees and management costs)	Assets of the CIUs selected	None <sup>(1)</sup>
Activity charge	Levied on each transaction	Maximum €50 inc. tax
Depository		
<p><b>Outperformance fee <sup>(2), (3)</sup>:</b> <i>(applicable for categories "E" and "I" of units)</i></p> <p>The Management Company is entitled to receive a performance fee ("the Performance Fee"), which will be calculated each reference period ("Reference Period") by the Financial Manager.</p> <p><b>First Reference Period:</b> The first Reference Period begins on the net asset valuation dated 1<sup>st</sup> June 2017, and ends on the last valuation day in December 2018.</p> <p>Subsequent Reference Periods will correspond to the financial year of the UCITS, and will have a duration of one year.</p>	<p>Net assets</p> <p><b>Calculating performance:</b> Each Valuation Day, if there has been outperformance, a provision for the performance fee will be collected equivalent to 20% of the outperformance, subject to a 0.05% cap. If the outperformance is below that for the previous Valuation Day, this provision will be adjusted by a reversal of provisions up to the total amount of provisions already accumulated.</p>	<p><u>Reference rate</u></p> <p><b>For category "E" and "I" units:</b> 20% above the Capitalised EONIA plus 25bps, subject to a floor of zero (0).</p>

(1) Insofar as the investment of the UCITS in underlying CIUs does not represent more than 20% of its assets, the level of indirect costs does not have to be specified in the above table. This does not mean, however, that the UCITS will not incur costs as a result of this investment.

(2) Outperformance is defined as the difference between the Net Asset Value of the Fund, net of costs and fees other than Performance Fees, and the value of the Reference Fund. The performance of the Reference Fund is equal to that of the "Reference Index".

In addition, the following elements must be replicated in the Reference Fund:

- The same change in subscriptions at the UCITS level.
- In the event of the redemption of units or a dividend payment, the value of the Reference Fund will be reduced according to the following ratio:  
⇒ The amount of the redemption or of the dividends distributed divided by the total Net Asset Value of the UCITS.

At the end of the Reference Period, on condition that a provision for the Performance Fee has been collected, performance fees will be paid to the Management Company and the value of the Reference Fund will be adjusted based on the net asset value of the UCITS corresponding to the following period. At the end of the Reference Period, any existing provision will consequently be released.

In the event of a share purchase or a dividend payment a portion of the provision for the Performance Fee will be due to the UCITS. It corresponds to the amount of the purchase or of the dividends distributed divided by the total Net Asset Value of the UCITS. The reference index used for calculating the outperformance fee is the maximum between the Cap EONIA + 25 bps and zero (0). Investors should, however, note that, in certain circumstances, an overall outperformance of the Fund may give rise to the payment of a Performance Fee to the UCITS even if the individual performance for certain investors is different.

(3) The EMMI (European Money Market Institute) administrator of the benchmark index used to calculate the outperformance fee is registered with the ESMA register of administrators and benchmarks. Additional information about the benchmark index is available from the EMMI administrator website: [www.emmi-benchmarks.eu](http://www.emmi-benchmarks.eu).

Pursuant to Regulation (EU) 2016/1011 of the European Parliament of 8 June 2016 the Management Company has a procedure for tracking the benchmark indexes it uses that describes the measures to implement in the event of substantial modifications to an index or if the index is no longer provided.

The costs related to the contributions due to the AMF, the exceptional and non-recurring taxes, duties, fees and government fees, and the exceptional legal costs linked to the collection of debts of the UCITS may be added to the costs billed to the UCITS and specified in the table of costs presented above.

### **19) Operations involving the temporary purchase or sale of securities:**

For carrying out transactions involving the temporary purchase or sale of securities, the UCITS may use the services:

- of AXA Investment Managers GS Limited ("AXA IM GS"),
- of AXA Investment Managers IF ("AXA IM IF"),

in particular for selecting counterparties and for managing the financial guarantees.

The income (or losses) generated by these operations belong entirely to the UCITS.

The details are shown in the annual report of the UCITS.

AXA IM GS selects the counterparties with which securities lending and borrowing operations are concluded in the name of and on behalf of the UCITS in accordance with its execution policy, available on the website [www.axa-im.co.uk](http://www.axa-im.co.uk).

AXA Investment Managers GS Limited  
7 Newgate Street  
London EC1A 7NX  
United Kingdom



AXA IM IF selects the counterparties with which the repurchase and/or reverse repurchase operations are concluded in the name of and on behalf of the UCITS in accordance with its execution policy, available on the website [www.axa-im.fr](http://www.axa-im.fr).

AXA Investment Managers IF  
Tour Majunga – La Défense 9  
6, place de la Pyramide  
92908 Puteaux  
France

AXA IM GS, AXA IM IF, and the Management Company are three entities in the AXA IM Group. In order to prevent any conflict of interest, the AXA IM Group has implemented a policy for managing conflicts of interest, available on the website [www.axa-im.fr](http://www.axa-im.fr).

The policy of the UCITS with regard to financial guarantees for the conclusion of operations involving the temporary purchase or sale of securities are in line with the policy applied for financial contracts, which is described above.

#### **20) Selection of intermediaries:**

The financial manager's selection procedure for intermediaries is based on:

- a due diligence phase entailing requirements to collect documentation, and
- the participation in the procedure, in addition to the management teams, of various teams covering the range of risks related to entering into a relationship with a counterparty or a broker: the Risk Management Department, Operations teams, the Compliance unit and the Legal Department.

Each team has its own vote.

For further information, unitholders can refer to the annual report of the UCITS.

#### **IV – Commercial information:**

All information concerning the UCITS may be obtained by directly contacting the Asset Management Company (postal address):

**AXA INVESTMENT MANAGERS PARIS**  
Tour Majunga - 6 place de la Pyramide  
92908 PARIS – La Défense Cedex  
France

The subscription, redemption, and conversion requests are centralised at BNP - PARIBAS SECURITIES SERVICES (BPSS), whose address is:

**BNP – PARIBAS SECURITIES SERVICES (BPSS)**  
Grands Moulins de Pantin  
9, rue du Débarcadère  
93500 Pantin  
France

#### **➤ Compliance with social, environmental and good governance objectives**

Information concerning the criteria relating to compliance with the social, environmental and good governance objectives (ESG criteria) is available on the Asset Management Company's website ([www.axa-im.fr](http://www.axa-im.fr)) and will be included in the annual report relating to the open financial years.

#### **➤ Voting rights and report availability**

Information concerning voting policies and the report on the conditions for exercising voting rights are available on the asset management company's website ([www.axa-im.fr](http://www.axa-im.fr)).

### ➤ **Notification of changes to the operating procedures of the UCITS:**

The unitholders are notified of changes made to the operating procedures of the UCITS individually, through the press, or by any other method complying with the regulations in force. This notification may be made, where necessary, through Euroclear France and financial intermediaries affiliated to it.

The management company informs holders in the UCITS that professional holders subject to regulatory requirements, such as those linked to Directive 2009/138/EC (Solvency II), may receive the composition of the UCITS portfolio before this information is made available to all holders.

### **V – Investment rules:**

In compliance with the regulatory section of the French Monetary and Financial Code [*Code monétaire et financier*].

The management company will take modifications to the French Monetary and Financial Code into account in the UCITS management as soon as they come into effect.

### **VI – Overall risk:**

The method for calculating the overall risk of the UCITS is the commitment approach.

### **VII – Rules for valuing the assets**

The portfolio is valued as follows during each net asset valuation and when the annual accounts are closed:

#### **Transferable securities:**

#### **Financial instruments and securities traded on a French or foreign regulated market:**

- Financial instruments and securities traded on a French or foreign regulated market: Closing rate on the valuation day (source: Thomson-Reuters).
- Transferable securities for which no rate is known on the valuation day are valued at the most recent officially published rate or their probable trading value, at the discretion of the Asset Management Company. Supporting documents are communicated to the Statutory Auditor when it performs its audit.
- Foreign currencies: Foreign securities are converted into their local currency equivalent in Euros using the currency exchange rates published at 4 PM in London on the valuation day (source: WM Company).
- Fixed- or variable-rate indexed products and bonds, including annual interest treasury notes [*Bon du Trésor à intérêts annuels*: BTAN), fixed rate discount treasury notes [*Bon du Trésor à taux fixe et à intérêt précompté*: BTF], are valued daily at their market value, using valuation prices obtained from data providers considered eligible by the Management Company, in order of priority according to the type of instrument. These are valued at ex-coupon prices.

However, the following instruments are valued according to the following specific methods:

#### **Units or shares in CIUs:**

- Units or shares in CIUs are valued at the most recent officially published net asset value. If the timescale for valuing collective investment undertakings is incompatible with the calculation of the net asset value of the fund, the CIUs are valued based on estimations under the control of, and at the discretion of, the Asset Management Company.

Traded Debt Instruments, other than annual interest treasury notes (BTAN), fixed rate discount treasury notes (BTF):

Traded Debt Instruments [*Titres de Créance Négociable*: TCN] are valued by applying an actuarial method, the discount rate selected being that of the issue or issues of equivalent securities, adjusted where necessary by a spread representing the intrinsic characteristics of the issuer of the instrument (the market spread of the issuer).

The markets rates employed are:

- for EUR, the EONIA swap curve (Overnight Indexed Swap (OIS) method);
- for USD, the Fed Funds swap curve (Overnight Indexed Swap (OIS) method);
- for GBP, the SONIA swap curve (Overnight Indexed Swap (OIS) method).

The discount rate is an interpolated rate (by means of linear interpolation) between the two closest trading periods framing the maturity of the security.

Securitisation instruments:

- Asset-backed securities (ABS): ABSs are valued using a valuation price obtained from service providers, data providers, eligible counterparties and/or third parties designated by the Management Company (ie eligible data providers).
- Collateralised debt obligations (CDOs) and collateralised loan obligations (CLOs):
  - (i) the subordinated tranches issued by CDOs and/or CLOs, and (ii) tailor-made CLOs are valued using a valuation price obtained from arranger banks, Lead Managers, counterparties undertaking to provide these valuation prices, and/or third parties designated by the Management Company (ie eligible data providers)
  - (ii) the securities issued by CDOs and/or CLOs that are neither (i) subordinated tranches of CDOs and/or CLOs, nor (ii) tailor-made CLOs are valued using a valuation price obtained from third parties designated by the Management Company (ie eligible data providers).

The prices used for valuing securitisation instruments are under the control of, and at the discretion of, the Asset Management Company.

Operations involving the temporary purchase or sale of securities:

- Loans/Borrowing:
  - Borrowed securities: repo outward securities lent are valued at the market value of the securities; the loan representing the borrowed securities is valued based on the terms and conditions of the loan agreement.
  - Loaned securities: the debt representing the loaned securities is valued in accordance with the conditions of the agreement.
- Repos:
  - Reverse repurchase agreements: the loan representing the repo inward securities is valued in accordance with the conditions of the agreement.
  - Repurchase agreements: the repo outward securities are valued at the market value of the securities; the debt representing the outward repos is valued in accordance with the conditions of the agreement.

**Financial instruments not traded on a regulated market:**

These are valued at the discretion of the Management Company at their probable trading value.

- Contracts for difference (CFD): CFDs are valued at their market value based on the closing rate of the underlying securities on the valuation day. The stock market value of

the corresponding lines indicates the difference between the stock market value and the strike price of the underlying securities.

- Credit default swaps: CDSs are valued using the standard method specified for CDSs by the ISDA (sources: Markit for CDS curves and the recovery rate, and Bloomberg for interest rate curves).
- Forex Forwards: Forex forwards are valued based on a calculation taking into account:
  - The nominal value of the instrument;
  - The strike price of the instrument;
  - The discount factors for the period remaining;
  - The cash exchange rate at the market value;
  - The forward exchange rate for the period remaining, defined as the product of the spot exchange rate and the ratio of the discount factors in each currency calculated using the appropriate rate curves.

⇒ Over-the-counter derivative products for monetary management (other than CDSs, FX Forwards and CFDs):

- Rate swaps against EONIA, FED FUNDS, or SONIA:

These are valued using the cost of reversal method. Each time the net asset value is calculated, the currency and/or interest rate swap contracts are valued at their market value based on the price calculated by discounting the future cash flows (principal and interest) at the market currency and/or interest rates. The discounting is carried out using a zero-coupon rate curve.

- Interest rate swaps against a EURIBOR or LIBOR reference:

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

⇒ Over-the-counter derivative products other than for monetary management (other than CDSs, FX Forwards and CFDs):

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

## **2) Accounting methods:**

The method used for the recognition of revenue is the coupons received method.

Trading charges are posted in specific accounts of the CIU and are therefore not added to the cost price of the securities (excluding charges).

The WAPP (Weighted Average Purchase Price) method is used for the liquidation of securities. For derivative products, on the other hand, the FIFO (First In, First Out) method is used.

## **VIII - Remuneration**

AXA Investment Managers Paris has approved and adopted the AXA IM Overall Remuneration Policy, in compliance with the applicable regulations, which ensures a sound, effective management of risks, does not encourage risk-taking that is inappropriate with regard to the risk profile of the Fund it manages or its Acts of Incorporation, and does not hamper its obligations to act in the best interests of each Fund.

The AXA IM Overall Remuneration Policy, which has been approved by the AXA IM Remuneration Committee, defines the remuneration principles for all entities of the AXA IM Group (AXA Investment

Managers Paris included). It takes into account AXA IM's strategy, objectives, risk tolerance and the long-term interests of its shareholders, the employees and customers of AXA IM (Funds included). The AXA IM Remuneration Committee is responsible for defining and reviewing the principles concerning AXA IM remuneration, including the AXA IM Overall Remuneration Policy, and for reviewing the annual remuneration of top executives of the AXA IM Group and of senior executives exercising a supervisory role.

AXA IM specifies a fixed remuneration and a variable remuneration. An employee's fixed remuneration is structured so as to recompense the level of responsibility, professional experience and individual ability to carry out the duties related to the role. The variable remuneration is determined by performance and can be allocated yearly on a non-deferred basis; for some employees it can be allocated on a deferred basis. The non-deferred variable remuneration can be allocated in cash or, where applicable and in compliance with legislation and local regulations, in the form of instruments pegged to the performance of the AXA IM Funds. The deferred variable remuneration is allocated in the form of various structured instruments to recompense medium- and long-term value creation for customers and for AXA IM, and to recompense long-term value creation for the AXA Group. AXA IM makes sure that the balance between the fixed and variable remuneration, and the deferred and non-deferred remuneration, is appropriate.

The updated details of the AXA IM Overall Remuneration Policy are published online at <https://www.axa-im.com/en/remuneration>. This provides a description of the way in which remuneration and benefits are allocated to employees, and information about the AXA IM Remuneration Committee. AXA Investment Managers Paris will provide a printed copy upon request free of charge.