

# Annual Report

as at 31 December 2022  
including audited Financial Statements

## AXA World Funds II

(The «SICAV»)

R.C.S. Luxembourg B-27.526  
VAT Number LU 216 82 420



# **AXA World Funds II** **(The “SICAV”)**

Société d'Investissement à Capital Variable

Annual Report as at 31 December 2022  
including audited Financial Statements

# **Annual Report as at 31 December 2022 including audited Financial Statements**

---

No subscription can be received on the sole basis of the present report. Subscriptions are only valid if made on the sole basis of the current Full Prospectus supplemented by the application form, the Key Investor Information Documents ("KIID"), the Key Information Documents ("KID"), the latest annual report and the latest semi-annual report if published hereafter.

# Table of contents

General Information	6
Information to Shareholders	8
Foreign Distribution	9
Directors' Report	10
Audit Report	14
Financial Statements	
Statement of Net Assets	17
Statement of Operations and Changes in Net Assets	19
Statistics	21
AXA World Funds II - Evolving Trends Equities	
■ Schedule of Investments and Other Net Assets	23
AXA World Funds II - North American Equities	
■ Schedule of Investments and Other Net Assets	25
AXA World Funds II - European Opportunities Equities	
■ Schedule of Investments and Other Net Assets	28
Notes to the Financial Statements	30
Additional Unaudited Appendix	37

## General Information

### Registered Office of the SICAV

49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

### Board of Directors

#### Chairman

Mr Geoffroy Reiss, Chief Operating Officer Core Investments, AXA Investment Managers Paris, residing in France

#### Members

Mr Emmanuel Dendauw, Head of Retail Distribution, AXA Investment Managers Benelux, residing in Belgium

Mr Jean-Louis Laforge, Research Technical Director and Deputy Chief Executive Officer, AXA Investment Managers Paris, residing in France

### Management Company

AXA Funds Management S.A., 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

#### Board of Directors of the Management Company

##### Chairman

Mr Laurent Caillot, Global Chief Operating Officer, AXA Investment Managers Paris, residing in France

##### Members

Mrs Beatriz Barros de Lis Tubbe, Head of Client Group Americas of AXA Investment Managers, residing in United States of America

Mr Fabien Lequeue, Country Head, General Manager, AXA Funds Management S.A., residing in Belgium

Mr Jean-Louis Laforge, Research Technical Director and Deputy Chief Executive Officer, AXA Investment Managers Paris, residing in France

### Investment Managers

AXA Investment Managers Paris, Tour Majunga, La Défense 9, 6, place de la Pyramide - F-92800 Puteaux, France

AXA Investment Managers UK Limited, 22 Bishopsgate London EC2N 4BQ, United Kingdom

### Agent to carry out Securities Lending and Repurchase Agreements Activities

AXA Investment Managers GS Limited, 22 Bishopsgate London EC2N 4BQ, United Kingdom

### Depositary, Registrar and Transfer Agent, Domiciliary, Administrative and Paying Agent

State Street Bank International GmbH, Luxembourg Branch, 49, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

## General Information

### Auditor

PricewaterhouseCoopers, Société coopérative, 2, rue Gerhard Mercator, L-2182 Luxembourg, Grand Duchy of Luxembourg

### Legal Adviser

Arendt & Medernach S.A., 41A, avenue J.F. Kennedy, L-2082 Luxembourg, Grand Duchy of Luxembourg

## Information to Shareholders

The Full Prospectus as well as the Financial Reports, the Key Investor Information Documents (“KIID”), the Key Information Documents (“KID”), the Articles of Association and any other information published are available at the SICAV's registered office, at the office of the registrar agent, and at the offices of distributor agents outside of Luxembourg.

Information on the issue and redemption prices is made available at the registered office of the Company.

These documents may also be downloaded from the website [www.axa-im.com](http://www.axa-im.com).

The Net Asset Value of the SICAV is determined on a daily basis. The financial year of the SICAV ends on 31 December of each year.



# Foreign Distribution

## Regarding the Distribution of the SICAV in Belgium

CACEIS Investor Services, Avenue du Port, Havenlaan 86C b 320, B-1000 Brussels has been appointed as Financial Service in Belgium and provides Nominee services.

As at 31 December 2022, all Sub-Funds are registered in Belgium.

## Regarding the Distribution of the SICAV in France

BNP Securities Services, 3, rue d'Antin, F-75002 Paris has been appointed as local correspondent ("agent centralisateur") and financial agent to whom subscription and sales orders should be addressed.

As at 31 December 2022, all Sub-Funds are registered in France.

## Regarding the Distribution of the SICAV in Germany

Investors residing in Germany may obtain the full prospectus, the SICAV's Articles of Association, the latest annual report or latest semi-annual report, if published thereafter, free of charge from the Information Agent in Germany, AXA Investment Managers Deutschland GmbH, Thurn-und-Taxis-Platz 6, 60313 Frankfurt am Main, Deutschland. They may also request the Net Asset Value per Share, the latest issue, conversion and redemption prices as well as any other financial information relating to the SICAV available to Shareholders at the registered office of the SICAV.

As at 31 December 2022, all Sub-Funds are registered in Germany.

# Directors' Report

Dear Shareholders,

The Board of Directors of the Management Company is pleased to report on the progress of your SICAV for the year 2022.

## 2022 Global macro summary

### Macroeconomic background

2022 was a historic year for all the wrong reasons. No sooner had the global economy started to recover from the Covid shock, than the invasion of Ukraine by Russia dramatically changed the scenario and in particular the outlook for inflation. Inflation skyrocketed as energy and wider commodity and food prices surged. As a result, central banks were forced to accelerate monetary policy tightening by raising rates and reversing direction to shrink balance sheets. Even if growth held up relatively well across 2022 as a whole, the outlook deteriorated and the risk of recessions were mounting by the close of the year.

In the Eurozone, the invasion of Ukraine by Russia triggered sanctions and retaliatory measures particularly on gas supply. Energy prices soared driving consumer prices to a high of 10.6% year-over-year in October, before retreating a little to 9.2% before year-end. Economic activity held up well in H1, with quarterly expansion of 0.6% and 0.8% in Q1 and Q2, due in a large part to pent up demand post Covid. However, growth had started to soften in H2, slowing to 0.3% in Q3 with a likelihood of outright contraction in Q4, which would leave annual growth around 3.25% for the year as a whole. This pattern was echoed across the larger Eurozone economies, with some variation earlier in the year reflecting the timing of COVID re-opening, particularly for Germany which recorded a 0.8% quarterly rise in Q1, on an earlier re-opening, a softer Q2 of 0.1% and still resilient growth of 0.4% in Q3. Preliminary official estimates of German GDP growth in 2022 were 1.8%, implying around a 0.5% contraction in Q4. The solid growth for the year as whole also underpinned a fall in unemployment from a high of 8.3% in January to 6.5% by November. This combination of surging inflation, falling unemployment and solid, if softening growth, drove the ECB to reverse its monetary policy accommodation, first by ending quantitative easing (QE), then by following a sharp pace of interest rate hikes (+250bps in 2022 to 2% in December) and ending the year with a promise of further hikes and a planned shrinkage of the balance sheet for 2023. On the political front, Emmanuel Macron was elected for a second mandate but lost his absolute majority in the Assembly. In Italy, Georgia Meloni and her party Fratelli di Italia were elected and formed a coalition Government with the Lega and Forza Italia.

The UK was also impacted by the war in Ukraine and the surge in energy prices. Inflation surged reaching 9% in April and peaking at 11.1% in October as utility bill increases fed through to the consumer. The rising cost-of-living crisis began to weigh on economic activity in Q2, further slowing growth from a robust COVID rebound pace at the close of 2021, to see quarterly expansion of 0.6% in Q1 and 0.1% in Q2. Growth contracted by 0.3% in Q3 – the number somewhat distorted by impact of the funeral of Queen Elizabeth II. But further contraction is expected in Q4, marking a recession that we expect to last into mid-2023. Despite that the labour market remained tight, unemployment falling from 4% at the start of the year to 3.5% over the summer, before rising a little to 3.7% in the 3-months to October. Political chaos also impacted the economy with Prime Minister Boris Johnson finally compelled to leave office over numerous offences. His eventual replacement Liz Truss lasted just 45 days, but in that time prompted a bond-market crisis with an ill-advised fiscal stimulus package that required Bank of England intervention policy to avert a full blown crash. The Bank of England also continued to tighten policy, raising rates by 325bp to 3.50% over 2022 and shrinking its balance sheet with both passive and active gilt sales.

# Directors' Report

## 2022 Global macro summary (continued)

The US also saw a sharp rise in inflation, led by supply-chain disruptions and energy and commodity costs, but compounded over the year by a further tightening of the domestic labour market. Annual inflation peaked in June at 9.1% and subsequently fell back to 6.5% on a headline basis in December (core from 6.6% in September to 5.7% in December). US unemployment fell from 4% in January to a joint 50-year low of 3.5% in December as strong employment gains met subdued labour supply. This was despite US GDP contracting in the first two quarters of the year by quarterly 0.4% and 0.1% respectively, before rebounding by 0.8% in Q3. Q4 is also expected to be relatively solid, likely to leave annual growth around 2% for the year as a whole. The Federal Reserve was forced to accelerate its monetary response in the face of rising inflation and a tight labour market as it first ended QE, then embarked on its fastest pace of tightening since the 1980s, including four successive 75bp increases, taking the Fed Funds Rate (upper limit) to 4.50% by year end from 0.25% at the start of the year. The Fed also began a faster pace of quantitative tightening from June. On the political front, President Biden and the Democratic party did better than expected at the mid-terms, but still lost the majority holding in the House, although improved their majority in the Senate.

China had a challenging year with an ongoing severe correction of the property sector alongside economic difficulties caused by the continuation of its zero Covid strategy, which led to restrictions being reimposed in various regions across the year. This looks set to slow growth to around 3% for 2022, which barring 2020, would be the weakest annual year's growth for China on records back to 1980. The Chinese government provided a raft of measures to bolster economic activity, including fiscal and modest monetary policy supports. However, the most impactful changes came late in the year with a rapid exit from the zero Covid policy and further support for the property sector, alongside a shift in other regulatory areas. These measures are expected to be positive for growth in the medium term across 2023, but the short term outlook remains highly uncertain as infections and mortality rates have soared.

In Japan, inflation also hit record highs – albeit that nationwide CPI was expected to only reach 4% by year-end, this was still the highest rate of inflation since 1990 - with again the primary cause being energy prices. Japan had been slower to recover from COVID with Q1 GDP contracting by a quarterly 0.5%, before a strong 1.1 rebound was recorded in Q2. Growth fell by 0.2% again in Q3 and is expected to come in around 1.5% for the year as a whole. The supply-side nature of the inflation shock and Japan's decades of combatting deflationary risks saw the Bank of Japan remain the only major central bank to be providing monetary policy accommodation. This led to a sharp depreciation of the yen, compounding the inflation issue. The Bank of Japan left policy unchanged throughout most of 2022, unexpectedly widening the parameters of its yield curve control to 50bps from 25bps late in 2022.

## Financial Markets

Against this background, equity markets corrected sharply whilst also experiencing strong bouts of volatility. At the beginning of the year, equity markets dropped as the war began and interest rates rose before recovering somewhat especially in the Eurozone from mid-October. Over the year (31 December 2021 – 30 December 2022), the MSCI AC World declined by -16% in local currency and by -12.8% in Euros. However, this hides some large differences between countries. The US has a terrible year (-20.7%) as did the Swiss markets at -17.1%. Eurozone equities fell a little less at -12.5% and individual country performance was disparate (France -7.7%, Germany -17.3%, Italy -8.8%, Spain -1.2% and Portugal +6.8%). The UK market rose by 7% which the Pacific region was flat in Euros. Emerging markets had a poor year, falling -14.9% in Euros and -20.1% in USD. In terms of sector performance, energy, utilities, healthcare, and consumer staples outperformed. Telecoms, consumer discretionary, technology and real estate had the worst performance (MSCI World sectors). Large caps outperformed small caps and the MSCI Europe in Euro declined by -9.5% versus -22.5% for the MSCI Europe Small Caps.

# Directors' Report

## 2022 Global macro summary (continued)

Fixed Income markets also suffered from the rise in inflation and the change of Central Bank monetary policy. As the Federal Reserve hiked rates to 4.25%, 10-year Treasury yields rose by 236bp to 3.87% after hitting a peak of 4.33% in the Autumn. In the Eurozone, the ECB tightened rates to 2.5% which also led to much higher bond yields. 10-year Bund yields surged to end at 2.57% and to 3.12% in France. Peripheral yields also rose sharply. BPT 10-year yields ended at 4.72%. UK 10-year Gilts closed at 3.67% but hit a high of 4.64% in October. Credit performance was also hit; spreads widened sharply up until the Autumn before tightening again somewhat as inflation data seemed to slow and expectations of even higher discount rates faded. The Bloomberg Global Aggregate index – representative of a global investment grade universe fell by -14.5% (performance hedged in Euros). Index linked bonds outperformed nominal bonds.

2022 was also a year of extreme currency movement. Most of the year was dominated by a surge in the US dollar, which rose by nearly 20% against a basket of currencies. The dollar's surge was a combination of the Fed's more proactive monetary tightening and the support that usually accompanies the world's reserve currency when risk appetite diminishes sharply. Yet this dollar surge reversed at the end of Q3 and the final quarter of the year saw a near 10% fall as policy tightening from other central banks accelerated and risk sentiment began to level out. The dollar's surge was marked against a number of currencies where the central banks were slower to adjust monetary policy, including the euro (which fell by 15.6% to \$0.96 in September), the yen (23.3% to ¥150) and the Swiss Franc (10% to CHF 1.01). However, from these lows, each has recovered somewhat in the last few months of the year (the euro up 11.6% to \$1.07, the yen up 14.5% to ¥131 and the Swiss franc up 9.6% to CHF 0.92), compounded by growing expectations of Federal Reserve rate cuts next year.

On the commodity front, oil appreciated by 9.7% (Brent in USD) whilst Gold was flat. On the agricultural side, corn rose by 23% but coffee fell 25% whilst within metals, copper fell -14%, Aluminium -15% but nickel gained +45%.

## Main SICAV's events from 1 January 2022 to 31 December 2022

We inform you that the assets under management of the SICAV amounted to EUR 256,246,337 as at 31 December 2022.

### I. SFDR and Taxonomy disclosures

The Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "Taxonomy") requires certain financial products subject to the SFDR to also integrate pre-contractual disclosures regarding their alignment with the Taxonomy and other information in relation thereto.

This new transparency obligation applied as from 1 January 2022.

"Sustainable Investments and promotion of ESG characteristics" section has been amended in the introductory part of the Prospectus to add Taxonomy disclosures.

### II. Update of the disclosures regarding the use of SFTs in light of CSSF FAQ on the use of securities financing transactions by UCITS

Based on the recent CSSF FAQ on the use of securities financing transactions by UCITS (the "FAQ"), a review of the Prospectus has been conducted to respond to the objective of the FAQ to bring further clarity and transparency to the disclosures to investors, revenues and costs/fees, conflict of interest (if any) and best execution concerning the use by the Company's relevant sub-funds of securities financing transactions ("SFTs"), thereby taking into account the applicable regulatory framework.

# Directors' Report

## Main SICAV's events from 1 January 2022 to 31 December 2022 (continued)

As a consequence, it has been decided to enhance the disclosures with respect to the use of SFTs both in the general part of the Prospectus and in the Sub-Funds' descriptions, where applicable, in order to increase the transparency and align the level of disclosure with the new regulatory and legal requirements.

These changes took effect on the date of the publication of the prospectus dated January 2022.

### III. Investment managers and sub-investment managers restructuring

AXA Rosenberg Investment Management LLC merged into AXA Investment Managers Inc. due to an internal restructuring. In the process, AXA Investment Managers Inc has been renamed AXA Investment Managers US Inc. and all references to AXA Rosenberg Investment Management LLC have been deleted.

The restructuring was essentially an internal reorganization of activities and did not impact investors or the services provided by the relevant Investment Managers. This restructuring took effect on 1 January 2022.

In addition to the US restructuring, it has been decided to combine our Rosenberg and Framlington investment platforms to create the single "AXA IM Equity" platform. As part of this new set up, our equity quantitative investment approach has been renamed "AXA IM Equity QI" (Quant Investing).

As a result, all portfolio management activity that was previously done in the US has been conducted out of London by AXA Investment Managers UK Ltd as from 1 January 2022. It was not anticipated that this internal restructuring impact investors or the services provided as the Investment Manager provides substantially the same services as those previously provided by the prior relevant Sub-Investment Manager.

As a consequence, the AXA WORLD FUNDS II - North American Equities sub-investment management delegation agreements from AXA Investment Managers UK Ltd. was terminated. The prospectus has been updated accordingly.

### IV. Composition of the Board of Directors

We inform you that, as there were no changes since the beginning of the year, your Board of Directors is still composed, as at 31 December 2022, as follows:

Geoffroy Reiss, Chairman  
Emmanuel Dendauw  
Jean-Louis Laforge

For the Board of Directors

Luxembourg, 21 April 2023

Note: the figures stated in this report are historical and not necessarily indicative of future performance.



## Audit report

To the Shareholders of  
**AXA World Funds II**

---

### Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of AXA World Funds II (the “Fund”) and of each of its sub-funds as at 31 December 2022, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

#### *What we have audited*

The Fund’s financial statements comprise:

- the statement of net assets as at 31 December 2022;
- the statement of operations and changes in net assets for the year then ended;
- the schedules of investments and other net assets as at 31 December 2022; and
- the notes to the financial statements, which include a summary of significant accounting policies.

---

### Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

---

### Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

---

*PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg  
T : +352 494848 1, F : +352 494848 2900, [www.pwc.lu](http://www.pwc.lu)*

*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)  
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

---

#### **Responsibilities of the Board of Directors of the Fund for the financial statements**

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's and each of its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or close any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

---

#### **Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;



- conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund or any of its sub-funds to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 25 April 2023

Christophe Pittie



# Statement of Net Assets as at 31 December 2022

	Combined	AXA World Funds II Evolving Trends Equities	AXA World Funds II North American Equities
	EUR	USD	USD
<b>ASSETS</b>			
Investment portfolio at cost (note 2e)	253,425,030	11,350,570	110,163,182
Unrealised appreciation/(depreciation) on investments	2,479,642	1,893,752	7,962,144
<b>Investment portfolio at market value (note 2d)</b>	<b>255,904,672</b>	<b>13,244,322</b>	<b>118,125,326</b>
Cash and cash equivalent	686,216	61,525	670,837
Receivables resulting from sales of investments	134	-	-
Receivables resulting from subscriptions	14,443	1,641	3,086
Accrued securities lending income	224	-	239
Dividend and tax reclaim receivables	68,947	-	73,583
<b>Total assets</b>	<b>256,674,636</b>	<b>13,307,488</b>	<b>118,873,071</b>
<b>LIABILITIES</b>			
Bank overdraft	43,272	-	-
Payables resulting from purchases of securities	6,876	1,612	-
Payables resulting from redemptions	4,750	-	-
Accrued expenses	353,654	31,194	138,394
Other payables	19,747	-	21,074
<b>Total liabilities</b>	<b>428,299</b>	<b>32,806</b>	<b>159,468</b>
<b>NET ASSET VALUE</b>	<b>256,246,337</b>	<b>13,274,682</b>	<b>118,713,603</b>

The accompanying notes form an integral part of these financial statements.

# Statement of Net Assets as at 31 December 2022

AXA World Funds II  
European Opportunities  
Equities  
EUR

<b>ASSETS</b>	
Investment portfolio at cost (note 2e)	139,567,860
Unrealised appreciation/(depreciation) on investments	(6,755,234)
<b>Investment portfolio at market value (note 2d)</b>	<b>132,812,626</b>
Cash and cash equivalent	-
Receivables resulting from sales of investments	134
Receivables resulting from subscriptions	10,014
Accrued securities lending income	-
Dividend and tax reclaim receivables	-
<b>Total assets</b>	<b>132,822,774</b>
<b>LIABILITIES</b>	
Bank overdraft	43,272
Payables resulting from purchases of securities	5,366
Payables resulting from redemptions	4,750
Accrued expenses	194,752
Other payables	-
<b>Total liabilities</b>	<b>248,140</b>
<b>NET ASSET VALUE</b>	<b>132,574,634</b>

The accompanying notes form an integral part of these financial statements.

# Statement of Operations and Changes in Net Assets for the year ended 31 December 2022

	Combined	AXA World Funds II Evolving Trends Equities	AXA World Funds II North American Equities
	EUR	USD	USD
<b>NET ASSET VALUE AT THE BEGINNING OF THE YEAR</b>	<b>310,424,281 *</b>	<b>19,330,512</b>	<b>150,402,496</b>
<b>INCOME</b>			
Dividends (note 2h)	1,556,700	-	1,661,384
Securities lending income (note 9)	1,271	-	1,357
Other income	11,304	-	12,064
<b>Total income</b>	<b>1,569,275</b>	<b>-</b>	<b>1,674,805</b>
<b>EXPENSES</b>			
Management fees (note 4)	4,051,354	225,687	1,925,464
Transaction fees (note 7)	37,176	7,179	10,191
Securities lending expenses (note 9)	445	-	475
Accounting fees (note 6)	60,771	3,386	28,882
Legal fees	18,907	1,053	8,987
Professional fees	37,835	2,132	17,970
Publication and printing fees	56,719	3,160	26,956
Regulatory fees	40,513	2,257	19,254
Depositary fees (note 5)	6,806	-	7,264
General administration fees	43,214	2,407	20,538
Transfer agent fees (note 5)	162,054	9,027	77,019
Registration fees	35,110	1,956	16,686
<b>Total expenses</b>	<b>4,550,904</b>	<b>258,244</b>	<b>2,159,686</b>
<b>NET LOSS FROM INVESTMENTS FOR THE YEAR</b>	<b>(2,981,629)</b>	<b>(258,244)</b>	<b>(484,881)</b>
<b>Net realised gain/(loss)</b>			
- on sales of investments (note 2f)	105,518	308,181	116,162
- on spot foreign exchange	2,002	423	3,157
<b>Net realised gain/(loss) for the year</b>	<b>107,520</b>	<b>308,604</b>	<b>119,319</b>
<b>Net change in unrealised depreciation</b>			
- on investments (note 2f)	(41,354,928)	(5,189,519)	(26,205,919)
<b>Net change in net assets for the year resulting from operations</b>	<b>(44,229,037)</b>	<b>(5,139,159)</b>	<b>(26,571,481)</b>
Net proceeds from subscriptions/redemptions	(9,948,907)	(916,671)	(5,117,412)
<b>NET ASSET VALUE AT THE END OF THE YEAR</b>	<b>256,246,337</b>	<b>13,274,682</b>	<b>118,713,603</b>

\*The opening balance was combined at the exchange ruling used at Year end. With the exchange rates prevailing as at 31 December 2021, this amount was equal to EUR 300,640,871. Please refer to note 2b) for more details.

# Statement of Operations and Changes in Net Assets for the year ended 31 December 2022

AXA World Funds II  
European Opportunities  
Equities

EUR

<b>NET ASSET VALUE AT THE BEGINNING OF THE YEAR</b>	<b>151,386,150</b>
<b>INCOME</b>	
Dividends (note 2h)	-
Securities lending income (note 9)	-
Other income	-
<b>Total income</b>	<b>-</b>
<b>EXPENSES</b>	
Management fees (note 4)	2,035,746
Transaction fees (note 7)	20,900
Securities lending expenses (note 9)	-
Accounting fees (note 6)	30,536
Legal fees	9,500
Professional fees	19,000
Publication and printing fees	28,501
Regulatory fees	20,357
Depository fees (note 5)	-
General administration fees	21,715
Transfer agent fees (note 5)	81,430
Registration fees	17,643
<b>Total expenses</b>	<b>2,285,328</b>
<b>NET LOSS FROM INVESTMENTS FOR THE YEAR</b>	<b>(2,285,328)</b>
<b>Net realised gain/(loss)</b>	
- on sales of investments (note 2f)	(292,087)
- on spot foreign exchange	(1,352)
<b>Net realised gain/(loss) for the year</b>	<b>(293,439)</b>
<b>Net change in unrealised depreciation</b>	
- on investments (note 2f)	(11,937,717)
<b>Net change in net assets for the year resulting from operations</b>	<b>(14,516,484)</b>
Net proceeds from subscriptions/redemptions	(4,295,032)
<b>NET ASSET VALUE AT THE END OF THE YEAR</b>	<b>132,574,634</b>

The accompanying notes form an integral part of these financial statements.

## Statistics - Total Net Assets

	Currency	Total Net Assets as at 31 December 2022	Total Net Assets as at 31 December 2021	Total Net Assets as at 31 December 2020
AXA World Funds II - Evolving Trends Equities	USD	13,274,682	19,330,512	18,891,837
AXA World Funds II - North American Equities	USD	118,713,603	150,402,496	123,397,407
AXA World Funds II - European Opportunities Equities	EUR	132,574,634	151,386,150	128,419,039

## Statistics - Quantity of Shares and Net Asset Value per Share

	Quantity of shares as at 31 December 2022	Net Asset Value per Share in class currency as at 31 December 2022	Net Asset Value per Share in class currency as at 31 December 2021	Net Asset Value per Share in class currency as at 31 December 2020
<b>AXA World Funds II - Evolving Trends Equities</b>				
A Capitalisation USD	169,633.330	8.09	11.10	10.35
A Distribution USD	1,347,052.000	8.09	11.10	10.35
I Distribution USD	122,633.390	8.14	11.17	10.41
<b>AXA World Funds II - North American Equities</b>				
A Capitalisation USD	57,544.850	24.43	29.75	23.43
A Distribution USD	3,956,234.080	24.42	29.74	23.41
I Capitalisation USD	1,356.950	24.62	29.99	23.60
I Distribution USD	839,388.590	24.63	30.01	23.61
<b>AXA World Funds II - European Opportunities Equities</b>				
A Distribution EUR	9,452,402.870	13.12	14.53	11.59
I Distribution EUR	647,709.890	13.17	14.58	11.63

## Schedule of Investments and Other Net Assets as at 31 December 2022 (in USD)

Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>			
<b>OPEN-ENDED INVESTMENT FUNDS</b>			
<b>Luxembourg</b>			
AXA World Funds - Framlington Evolving Trends M Capitalisation USD	75,230	13,244,322	99.77
		<b>13,244,322</b>	<b>99.77</b>
<b>TOTAL OPEN-ENDED INVESTMENT FUNDS</b>		<b>13,244,322</b>	<b>99.77</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>		<b>13,244,322</b>	<b>99.77</b>
<b>Total Investment in Securities</b>		<b>13,244,322</b>	<b>99.77</b>
Cash and cash equivalent		61,524	0.46
Other Net Liabilities		(31,164)	(0.23)
<b>TOTAL NET ASSETS</b>		<b>13,274,682</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.  
\*Please refer to note 2d) for more information on valuation of Investments.

## Schedule of Investments and Other Net Assets as at 31 December 2022 (in USD)

### Economical Classification of Schedule of Investments

	% of Net Assets
Open-Ended Investment Funds	99.77
<b>Total</b>	<b>99.77</b>



## Schedule of Investments and Other Net Assets as at 31 December 2022 (in USD)

Description	Quantity/ Nominal Value	Market Value*	% of net assets	Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				<b>EQUITIES (CONTINUED)</b>			
<b>EQUITIES</b>				<b>United States of America (continued)</b>			
<b>Bermuda</b>							
Arch Capital Group Ltd	18,900	1,186,542	1.00	Comerica Inc	9,100	608,335	0.51
		<b>1,186,542</b>	<b>1.00</b>	CoStar Group Inc	7,600	587,328	0.49
<b>Ireland</b>				Costco Wholesale Corp	4,800	2,191,200	1.85
Perrigo Co PLC	3,100	105,679	0.09	CVS Caremark Corp	8,400	782,796	0.66
		<b>105,679</b>	<b>0.09</b>	Discover Financial Services	2,700	264,141	0.22
<b>United Kingdom</b>				Dow Inc	14,562	733,779	0.62
Coca Cola European Partners	30,300	1,676,196	1.41	Dxc Technology Co	17,700	469,050	0.40
		<b>1,676,196</b>	<b>1.41</b>	East West Bancorp Inc	2,000	131,800	0.11
<b>United States of America</b>				Eli Lilly & Co	800	292,672	0.25
3M Co	13,700	1,642,904	1.38	Eqt Corp	14,800	500,684	0.42
Abbvie Inc	2,200	355,542	0.30	Exlservice Holdings Inc	800	135,544	0.11
Acuity Brands Inc	2,100	347,781	0.29	Expeditors Intl Wash Inc	17,200	1,787,424	1.51
Adobe Systems Inc	6,009	2,022,209	1.70	Facebook Inc	4,241	510,362	0.43
Agilent Technologies Inc	6,700	1,002,655	0.84	Fair Isaac Corp	2,400	1,436,592	1.21
Alphabet Inc A shares	36,400	3,211,572	2.72	Ford Motor Credit Co LLC	63,300	736,179	0.62
Amazon.com Inc	26,000	2,184,000	1.84	Fortinet Inc	12,000	586,680	0.49
Amn Healthcare Services Inc	2,400	246,768	0.21	Gartner Inc	1,100	369,754	0.31
Amphenol Corp	2,000	152,280	0.13	General Motors Co	49,584	1,668,006	1.41
Apa Corp	15,636	729,888	0.61	Gilead Sciences Inc	12,000	1,030,200	0.87
Apple Computer Inc	57,600	7,483,968	6.31	H&R Block Inc	4,500	164,295	0.14
Archer Daniels Midland Co	21,500	1,996,275	1.68	Hanesbrands Inc	10,800	68,688	0.06
Arista Networks Inc	4,800	582,480	0.49	Hartford Financial Svcs Grp	24,700	1,873,001	1.58
Atkore Inc	1,200	136,104	0.11	Hewlett Packard Enterprise	15,500	247,380	0.21
Avangrid Inc	20,100	863,898	0.73	Home Depot Inc	4,000	1,263,440	1.06
Bank of America Corp	71,600	2,371,392	2.00	Idexx Laboratories Inc	756	308,418	0.26
Bristol-Myers Squibb Co	19,200	1,381,440	1.16	Iron Mountain Inc	5,200	259,220	0.22
Broadcom Inc	1,612	901,318	0.76	Jack Henry & Associates Inc	700	122,892	0.10
Bunge Ltd	5,300	528,781	0.45	Johnson & Johnson	5,500	971,575	0.82
Cadence Design Sys Inc	11,101	1,783,265	1.50	Jones Lang Lasalle Inc	800	127,496	0.11
Carlyle Group Inc	3,200	95,488	0.08	JP Morgan Chase & Co	1,500	201,150	0.17
Cf Industries Holdings Inc	6,600	562,320	0.47	Keysight Technologies	9,800	1,676,486	1.41
Cisco Systems Inc	47,400	2,258,136	1.90	Kroger Co	34,200	1,524,636	1.28
Citigroup Inc	18,200	823,186	0.69	Loews Corp	27,100	1,580,743	1.33
				Lumen Technologies Inc	98,200	512,604	0.43
				Marathon Oil Corp	58,800	1,591,716	1.34
				Marathon Petroleum Corp	6,400	744,896	0.63
				MarketAxess Holdings Inc	2,000	557,780	0.47

The accompanying notes form an integral part of these financial statements.  
\*Please refer to note 2d) for more information on valuation of Investments.

## Schedule of Investments and Other Net Assets as at 31 December 2022 (in USD)

Description	Quantity/ Nominal Value	Market Value*	% of net assets	Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>EQUITIES (CONTINUED)</b>				<b>EQUITIES (CONTINUED)</b>			
<b>United States of America (continued)</b>				<b>United States of America (continued)</b>			
Masco Corp	2,600	121,342	0.10	Vertex Pharmaceuticals Inc	3,819	1,102,851	0.93
Mastercard Inc	4,000	1,390,920	1.17	Viatis Inc	78,741	876,387	0.74
Merck & Co Inc	17,600	1,952,720	1.64	Visa Inc	13,500	2,804,760	2.36
Mettler Toledo International	700	1,011,815	0.85	Waters Corporation	2,200	753,676	0.63
Microsoft Corp	25,900	6,211,338	5.24	Weyerhaeuser Co	9,900	306,900	0.26
Moderna Inc	4,707	845,471	0.71	Whirlpool Corp	800	113,168	0.10
Molina Healthcare Inc	2,300	759,506	0.64	Wr Berkley Corp	10,400	754,728	0.64
Murphy Oil Corp	8,800	378,488	0.32	XPO Logistics Inc	4,100	136,489	0.11
Murphy Usa Inc	2,400	670,896	0.57			<b>115,156,909</b>	<b>97.00</b>
Netapp Inc	24,300	1,459,458	1.23	<b>TOTAL EQUITIES</b>		<b>118,125,326</b>	<b>99.50</b>
Nortonlifelock Inc	69,600	1,491,528	1.26	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>		<b>118,125,326</b>	<b>99.50</b>
Old Dominion Freight Line	3,300	936,474	0.79	<b>Total Investment in Securities</b>		<b>118,125,326</b>	<b>99.50</b>
Onemain Holdings Inc	3,100	103,261	0.09	Cash and cash equivalent		670,837	0.57
Oracle Corp	7,800	637,572	0.54	Other Net Liabilities		(82,560)	(0.07)
Organon & Co	18,472	515,923	0.43	<b>TOTAL NET ASSETS</b>		<b>118,713,603</b>	<b>100.00</b>
Pfizer Inc	37,400	1,916,376	1.61				
Phillips 66	14,800	1,540,384	1.30				
Principal Financial Group Inc	14,100	1,183,272	1.00				
Procter & Gamble Co	8,900	1,348,884	1.14				
Prologis Trust Inc	1,100	124,003	0.10				
Quest Diagnostics Inc	5,800	907,352	0.76				
Regeneron Pharmaceuticals Inc	1,038	748,907	0.63				
Regions Financial Corp	27,800	599,368	0.50				
Staar Surgical Co	1,400	67,956	0.06				
State Street Corp	14,000	1,085,980	0.91				
Steel Dynamics Inc	14,200	1,387,340	1.17				
Synchrony Financial	53,300	1,751,438	1.48				
Synopsys Inc	5,601	1,788,343	1.51				
Tesla Inc	12,273	1,511,788	1.27				
The Coca Cola Co	21,900	1,393,059	1.17				
Timken Co	21,200	1,498,204	1.26				
United Parcel Service	11,700	2,033,928	1.71				
Unitedhealth Group Inc	2,500	1,325,450	1.12				
Unum Group	35,000	1,436,050	1.21				
Valero Energy Corp	13,400	1,699,924	1.43				
Verizon Communications	55,600	2,190,640	1.85				

The accompanying notes form an integral part of these financial statements.  
\*Please refer to note 2d) for more information on valuation of Investments.

## Schedule of Investments and Other Net Assets as at 31 December 2022 (in USD)

### Economical Classification of Schedule of Investments

	% of Net Assets
Internet, Software and IT Services	21.93
Pharmaceuticals and Biotechnology	10.46
Technology	9.56
Insurance	6.76
Food and Beverages	6.56
Banks	6.37
Oil and Gas	6.05
Communications	4.61
Healthcare	4.27
Industry	3.85
Automobiles	3.30
Traffic and Transportation	2.50
Commercial Services and Supplies	2.36
Consumer, Non-cyclical	1.77
Retail	1.63
Machinery	1.26
Metals and Mining	1.17
Consumer, Cyclical	1.14
Electrical Appliances and Components	1.13
Chemicals	1.09
Financial Services	0.92
Paper and Forest Products	0.26
Real Estate	0.21
Building Materials and Products	0.10
Household Products and Durables	0.10
Financial, Investment and Other Diversified Companies	0.08
Textiles, Garments and Leather Goods	0.06
<b>Total</b>	<b>99.50</b>

## Schedule of Investments and Other Net Assets as at 31 December 2022 (in EUR)

Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>			
<b>OPEN-ENDED INVESTMENT FUNDS</b>			
<b>Luxembourg</b>			
AXA World Funds - Framlington Europe Opportunities M Capitalisation USD	690,977	132,812,626	100.18
		<b>132,812,626</b>	<b>100.18</b>
<b>TOTAL OPEN-ENDED INVESTMENT FUNDS</b>		<b>132,812,626</b>	<b>100.18</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>		<b>132,812,626</b>	<b>100.18</b>
<b>Total Investment in Securities</b>		<b>132,812,626</b>	<b>100.18</b>
Bank overdraft		(43,272)	(0.03)
Other Net Liabilities		(194,721)	(0.15)
<b>TOTAL NET ASSETS</b>		<b>132,574,634</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.  
\*Please refer to note 2d) for more information on valuation of Investments.

## Schedule of Investments and Other Net Assets as at 31 December 2022 (in EUR)

### Economical Classification of Schedule of Investments

	% of Net Assets
Open-Ended Investment Funds	100.18
<b>Total</b>	<b>100.18</b>

# Notes to the Financial Statements as at 31 December 2022

## Note 1: General

### a) SICAV's details

AXA World Funds II (the "SICAV") is a Luxembourg domiciled Fund with multiple Sub-Funds organised as a "Société d'Investissement à Capital Variable" under the law of 10 August 1915 of the Grand Duchy of Luxembourg, as amended, (the "1915 law"). The SICAV is qualified under Part I of the law of 17 December 2010 on undertakings for collective investment for transferable securities ("UCITS"), as amended. The VAT number is LU 216 82 420.

The SICAV has been established for an unlimited duration on 29 February 1988 with the name Sun Life Global Portfolio. Its name was changed into AXA World Funds II as decided by the Extraordinary General Meeting of Shareholders held on 8 May 2002, with effect from 17 June 2002. The Articles were last amended at the Extraordinary General Meeting of Shareholders held on 30 April 2020 and published in the "Recueil électronique des sociétés et associations" on 8 June 2020.

The Board of Directors of the SICAV has confirmed its adherence to the ALFI's Code of conduct and to the standards of corporate governance described in this code.

The Management Company (AXA Funds Management S.A.) was incorporated on 21 November 1989 for an undetermined period of time and is registered in the register of commerce and companies of Luxembourg under the number B-32.223. Its Articles of Association were published in the "Recueil électronique des sociétés et associations" of 26 January 1990. The latest Consolidated Articles of Association have been filed in the register of commerce and companies of Luxembourg on 7 March 2015. The VAT number is LU 197 76 305.

The CSSF has approved AXA Funds Management S.A. as UCITS Management Company, under Article 77 of Chapter 13 of the Law of 20 December 2002 (amended by the Luxembourg Law of 17 December 2010 relating to undertakings for collective investment "the 2010 Law"), with effective date of 28 April 2006 and as Alternative Investment Fund Manager, under Article 5 of Chapter 2 of the Law of 12 July 2013 relating to alternative investment funds, with effective date of 28 July 2014.

The Management Company is registered pursuant to chapter 15 of the law of 17 December 2010, as amended.

AXA Funds Management S.A. is a public limited company ("société anonyme") organised under the laws of Luxembourg. Its share capital amounts to EUR 925,345.84.

### b) 2022 SICAV's summary

AXA World Funds II - European Opportunities Equities and AXA World Funds II - Evolving Trends Equities act as feeder funds by permanently investing at least 85% of their assets in shares of, respectively, AXA World Funds - Framlington Europe Opportunities and AXA World Funds - Framlington Evolving Trends.

The semi-annual and the annual reports of AXA World Funds (the "Master UCITS") can be obtained at the offices of the Depository. These documents may also be downloaded from the website [www.axa-im.com](http://www.axa-im.com).

The investment objectives and policies, the risk profile and risk factors of AXA World Funds II - European Opportunities Equities and AXA World Funds II - Evolving Trends Equities are therefore in accordance with those of, respectively, AXA World Funds - Framlington Europe Opportunities and, AXA World Funds - Framlington Evolving Trends.

# Notes to the Financial Statements as at 31 December 2022

## Note 1: General (continued)

### b) 2022 SICAV's summary (continued)

AXA World Funds may not charge subscription or redemption fees on account of the Sub-Fund's investment in the shares of the Master UCITS.

As at 31 December 2022, the percentages of ownership share of the Master UCITS Sub-Fund are the following:

Sub-Funds		% ownership	% aggregate charges*
-	Master Sub-Fund held in portfolio		
<b>AXA World Funds II – Evolving Trends Equities</b>			
-	AXA World Funds - Framlington Evolving Trends M Capitalisation USD	3.33%	1.69%
<b>AXA World Funds II - European Opportunities Equities</b>			
-	AXA World Funds - Framlington Europe Opportunities M Capitalisation EUR	44.36%	1.73%

\*The aggregate charges include the TER of the underlying funds in proportion of its investment.

### c) Sub-Funds List

As at 31 December 2022, the SICAV consists of 3 active Sub-Funds:

Sub-Funds	Currency
AXA World Funds II - Evolving Trends Equities	USD
AXA World Funds II - North American Equities	USD
AXA World Funds II - European Opportunities Equities	EUR

### d) Share Classes List

The classes of shares presented below correspond to the type of classes that may be available for Sub-Funds of the SICAV. The section "Statistics - Quantity of Shares and Net Asset Value per Share" indicates for each Sub-Fund the available classes of shares on the reporting date.

#### Class "A" and Class "I" Shares

Each Sub-Fund offers two different classes of shares. The classes differ principally in terms of sales charges and rate of expenses to which they are subject as well as their availability to certain types of investors.

Class "A" Shares are for all investors other than Institutional Investors. An initial fee of up to 5.5% of the Dealing Price of the class "A" Shares is normally charged. Class "I" Shares are specifically designed for Institutional Investors. No initial fee is charged to the class "I" Shares.

#### Capitalisation and Distribution Shares

Share classes can be further divided into capitalisation shares and distribution shares. These shares differ by their distribution policies, the first by accumulating income, and the other by distributing dividends. The assets of these two categories are gathered together.

# Notes to the Financial Statements as at 31 December 2022

## Note 2: Significant Accounting Policies

### a) Presentation of the Financial Statements

The financial statements have been prepared on a going-concern basis of accounting in accordance with generally accepted accounting principles in the Grand Duchy of Luxembourg.

### b) Foreign Currency Translation

The accounting records and the Financial Statements are denominated in the reference currency of the relevant Sub-Fund.

Transactions in currencies other than that in which the Sub-Fund is denominated are translated into the respective currency of the portfolio based on the exchange rate in effect at the date of the transaction.

Assets and liabilities denominated in other currencies are translated into the respective currency of the Sub-Fund at the last available rate of exchange at each balance sheet date.

The exchange rates applied at year end for the Net Asset Value calculation for all Sub-Funds, are as follows:

As at 30/12/2022		
1 EUR =	1.06725	USD

### c) Combined Figures

The combined Statement of Net Assets and the combined Statement of Operations and Changes in Net Assets are expressed in EUR and are presented for information purposes only.

### d) Valuation of Investments

The valuation of each security which is quoted or dealt in on a stock exchange is based on its last available price on the principal market on which such securities are traded. The value of each security dealt in on any other regulated market is based on its last available price on the principal market on which such securities are traded.

In the event that any of the securities held in a Sub-Fund's portfolio on the relevant day are not quoted or dealt in on any stock exchange or dealt in on any other regulated market or if, with respect to securities quoted or dealt in on any stock exchange or dealt in on any regulated market, the price as determined is not representative of the relevant securities, the value of such securities is determined based on a reasonable foreseeable sales price determined prudently and in good faith.

Investments for which no price quotation is available or for which the price referred to first and third paragraphs above is not representative of the fair market value, are valued prudently and in good faith by the Board of Directors of the SICAV on the basis of their reasonably foreseeable sales prices.

The Financial Statements are presented on the basis of the Net Asset Value calculated on 30 December 2022, last business day of the year ended 31 December 2022.



# Notes to the Financial Statements as at 31 December 2022

## Note 2: Significant Accounting Policies (continued)

### d) Valuation of Investments (continued)

Units of UCITS and/or other UCIs will be evaluated at their last available net asset value per unit. Open-end funds will be valued at the actual net asset value for such shares or units as of the relevant Valuation Day, or based on the market value under the condition that this valuation reflects the most adequate price. If the latter is not the case, funds shall be valued at the estimated net asset value as of such Valuation Day, or if no such estimated net asset value is available they shall be valued at the last available actual or estimated net asset value provided that if events have occurred which may have resulted in a material change in the net asset value of such shares or units since the date on which such actual or estimated net asset value was calculated, the value of such shares or units may be adjusted in order to reflect, in the reasonable opinion of the Directors, such change.

### e) Acquisition Cost of Investments

The acquisition cost of securities expressed in currencies other than the reference currency of the Sub-Fund is translated into the reference currency of the Sub-Fund on the basis of the exchange rates prevailing on the purchase date.

### f) Realised Gains/(Losses) on Sales of Investments

Realised gains/(losses) on sales of securities are determined on the basis of the average cost of the securities sold.

### g) Valuation of the Forward Foreign Exchange Contracts

Outstanding forward foreign exchange contracts are valued at the closing date using the forward rates of exchange applicable to the outstanding life of the contract. The Net unrealised appreciation/depreciation is included in the Statement of Net Assets.

### h) Dividend Income

Dividends are accounted for on an ex-dividend date basis, net of any irrecoverable withholding tax.

### i) Swing Pricing

If the net subscriptions and redemptions based on the last available NAV on any Valuation Day exceed a certain threshold of the value of a Sub-Fund or a Share Class on that Valuation Day, as determined and reviewed on a periodic basis by the management company, the NAV may be adjusted respectively upwards or downwards to reflect the dealing and other costs that may be deemed to be incurred in buying or selling assets to satisfy net daily transactions. The management company may apply a swing pricing mechanism across any Sub-Fund or Share Class. The extent of the price adjustment will be set by the management company and does not exceed 2% of the NAV.

The swing pricing mechanism is not applied to the Sub-Funds acting as feeders of AXA World Funds Sub-Funds.

# Notes to the Financial Statements as at 31 December 2022

## Note 2: Significant Accounting Policies (continued)

### i) Swing Pricing (continued)

During the year, the swing pricing mechanism has not been applied to Axa World Funds II - North American Equities.

## Note 3: Taxation

The SICAV is a registered investment fund in Luxembourg and is, as a result, exempt from tax except for subscription tax ("Taxe d'Abonnement"). Under current legislation and regulation, the SICAV is subject to a subscription tax calculated and payable quarterly in arrears on the Net Asset Value of the Sub-Fund or class at the end of the respective quarter. The SICAV pays the normal tax rate of 0.05% for all Sub-Funds. This tax only applies to the class "A" Shares. In respect of the class "I" Shares dedicated to institutional investors, such tax is reduced to 0.01% per annum of the Net Asset Value. The feeder sub-funds are exempted from the subscription tax as the tax is already paid at the level of the Master sub-funds.

## Note 4: Management Fees

The Management Company is entitled to receive, from the assets of the relevant Sub-Funds, a management fee in an amount to be specifically determined for each Sub-Fund or share class. The annual management fee is calculated as a percentage of the Net Asset Value of each Sub-Fund. The details and the percentage of this fee, per share class, are described in the Prospectus. This fee is calculated and accrued daily. The Management Company will remunerate the Investment Managers out of the management fee in accordance with the contracts signed with the different parties. The management fees are used in part to pay remuneration (trailer fees) for distribution activities concerning the Fund.

In case of Master-Feeder structure, the management fees charged to the Sub-Fund are only accrued at the Feeder level and are maximum 1.50% of the Net Asset Value of the Sub-Fund. No management fees are charged at the Master level.

As at 31 December 2022, the rates are the following:

Sub-Fund's name	Class A	Class I
AXA World Funds II - Evolving Trends Equities		
Actual	1.50%	1.50%
Maximum	1.50%	1.50%
AXA World Funds II - North American Equities		
Actual	1.50%	1.50%
Maximum	1.50%	1.50%
AXA World Funds II - European Opportunities Equities		
Actual	1.50%	1.50%
Maximum	1.50%	1.50%

# Notes to the Financial Statements as at 31 December 2022

## Note 5: Commissions of the Depository, Registrar and Transfer Agent, Domiciliary, Administrative and Paying Agent

The Depository fees may amount up to a maximum of 0.015% per year, payable monthly and calculated on the basis of the Net Asset Value determined on the last Valuation Day of each month. Notwithstanding such fees, the Depository will receive customary banking fees per transaction.

The Registrar and Transfer Agent as well as the Domiciliary, Administrative and Paying Agent are entitled to receive out of the net assets of each Sub-Fund a maximum fee of 0.20% per year.

## Note 6: Accounting Fees

The Accounting fees disclosed in the Statement of Operations and Changes in Net Assets constitute a service fee charged by the Administrative Agent which comprises fund accounting administration, share class specific administration, compliance services, shareholder tax calculation, regulatory and reporting services.

## Note 7: Transaction Fees

The Transaction fees are disclosed for each Sub-Fund in the Statement of Operations and Changes in Net Assets under the caption "Transaction fees". Those fees are detailed in the Additional Unaudited Appendix.

## Note 8: Changes in the Investment Portfolio

Changes in the investment portfolio during the year are available to the shareholders at the address of the Depository.

## Note 9: Securities Lending

The SICAV may lend positions of its securities portfolio to third parties. In general, lending may only be effected via recognised clearing houses, or through the intermediary of prime financial institutions that specialise in such activities and where collateral is received as guarantee.

The Management Company did not receive any commissions on securities lending transactions.

The Management Company has appointed AXA Investment Managers GS Limited as the stock lending and repurchase agent pursuant to a delegation agreement dated 15 February 2013. AXA Investment Managers GS and the management company are affiliates companies belonging to AXA IM group. In order to prevent any conflicts of interest and ensure Best Execution, AXA IM group has put in place a conflicts of interest policy and a Best Execution policy, details of which are available on <https://www.axa-im.lu/important-information/mifid>, and which provides respectively that (i) conflict of interests are mitigated in maintaining appropriate analyses mechanisms, controls and in ensuring that Securities Lending Agent is kept separate from the Portfolio Manager teams and (ii) that best execution is ensured by not typically using the same execution venues for securities lending transactions as for other transactions to ensure that the particular characteristics of such Securities lending transactions are taking into account.

Any revenues from efficient portfolio management techniques will be returned to the SICAV, minus direct and indirect operational costs.

Direct operational cost is defined as the cost directly attributable to the implementation of EPM techniques (e.g. agent lender staff cost, trading platform cost, market data, custody and safekeeping costs, collateral management and SWIFT messaging costs).

# Notes to the Financial Statements as at 31 December 2022

## Note 9: Securities Lending (continued)

Indirect cost is defined as the operational cost not directly attributable to the implementation of EPM techniques (e.g. insurance fee, premises and facilities).

Repurchase and reverse repurchase: 100% of the gross revenue generated by the repurchase (if any) and the reverse repurchase activities will benefit to the SICAV.

Securities lending: Each Sub-Fund pays 35 % of the gross revenues generated from securities lending activities as costs / fees to AXA Investment Managers GS Limited in its capacity of lending agent and retain 65% of the gross revenues generated from securities lending activities. All costs / fees of running the programme are paid from the lending agent's portion of the gross income (35%). This includes all direct and indirect costs / fees generated by the securities lending activities. AXA Investment Managers GS Limited is a related party to the Management Company and the Investment Manager of the Sub-Fund.

The accruals on securities lending income are booked daily in accounting and paid on a monthly basis.

As at 31 December 2022 there are no securities on loan.

As at 31 December 2022, the securities lending income generated by the Sub-fund is as follows:

Sub-Fund's name	Currency	Gross income of Securities Lending	Direct and indirect Costs and Fees of Securities Lending	Net income of Securities Lending
AXA World Funds II - North American Equities	USD	1,357	475	882

## Note 10: Subsequent Events

AXA Investment Managers has decided to proceed with the restructuring of AXA Funds Management S.A. ("AFM"), its Luxembourg subsidiary and the current management company of the Fund, into a Luxembourg branch of AXA Investment Managers Paris ("AXA IM Paris"), another of its subsidiaries.

The contemplated restructuring has essentially been effected via the merger of AFM into AXA IM Paris (the "Merger") and the creation of a Luxembourg branch from where the Luxembourg employees of AXA IM Paris would continue to operate. The Merger has been effective on 28 February 2023.

## Note 11: Sustainable Finance Disclosure regulation ("SFDR")

Information on environmental and/or social characteristics and/or sustainable investments are available in the unaudited Sustainable Finance Disclosure Regulation Section and its relevant annexes where applicable.

## Additional Unaudited Appendix

### Expense Ratios

	Calculated TER (1)	Ongoing charges (2)
<b>AXA World Funds II - Evolving Trends Equities</b>		
A Capitalisation USD	1.67%	1.91%
A Distribution USD	1.67%	1.91%
I Distribution USD	1.67%	1.91%
<b>AXA World Funds II - North American Equities</b>		
A Capitalisation USD	1.67%	1.68%
A Distribution USD	1.67%	1.68%
I Capitalisation USD	1.67%	1.68%
I Distribution USD	1.67%	1.68%
<b>AXA World Funds II - European Opportunities Equities</b>		
A Distribution EUR	1.67%	1.86%
I Distribution EUR	1.67%	1.86%

(1) The TERs above represent, as indicated in the prospectus, a weighted average of administrative expenses which shareholders could normally have expected to pay when being invested in the chosen share class as indicated in the prospectus. This methodology is in line with accepted standard market practices and represents a fair view of publications to be made in the market. The TERs do not include the TERs of the underlying funds in proportion to their investments.

(2) The Ongoing charges are based on historical expense data, as well as anticipated material budget changes for the year. For certain classes of shares and Sub-Funds where there is no relevant expense history, Ongoing charge figures are based on estimates. The figures represent the situation as assessed as at 31 December 2022. The Ongoing charges calculation excludes the Performance fees. The Ongoing charges includes the Ongoing charges of the underlying funds in proportion of its investment.

### PTR (Portfolio Turnover Ratio)

Sub-Funds	Currency	PTR I (1)	PTR II (2)
AXA World Funds II - Evolving Trends Equities	USD	2.96%	3.70%
AXA World Funds II - North American Equities	USD	232.32%	233.07%
AXA World Funds II - European Opportunities Equities	EUR	220.75%	221.59%

(1)  $PTR I = \frac{(TOTAL PURCHASES + TOTAL SALES) - (TOTAL SUBSCRIPTIONS + TOTAL REDEMPTIONS)}{MONTHLY AVERAGE TOTAL NET ASSETS} \times 100$

(2)  $PTR II = \frac{(TOTAL PURCHASES + TOTAL SALES) - SUM OF DAILY IN OR OUTFLOWS}{AVERAGE TOTAL NET ASSETS} \times 100$

## Additional Unaudited Appendix

### Remuneration policy

According to regulatory requirements on remuneration disclosure applicable to asset management companies, this disclosure provides an overview of the approach on remuneration taken by AXA Funds Management, which has adopted the group policy of AXA Investment Managers (hereafter “AXA IM”). Further information on the composition of the Remuneration Committee and driving principles of the Remuneration Policy is available on AXA IM website: [www.axa-im.com/en/remuneration](http://www.axa-im.com/en/remuneration). A copy of this information is available upon request free of charge.

**Governance** - AXA IM’s Remuneration Policy, which is reviewed and approved by the AXA IM Remuneration Committee every year, sets out the principles relating to remuneration within all entities of AXA IM and takes into account AXA IM’s business strategy, objectives, and risk tolerance, as well as the long-term interests of AXA IM’s shareholders, clients and employees. The AXA IM Remuneration Committee, in line with the remuneration policies and procedures set and validated at AXA Group level, ensures consistency and fair application of the Remuneration Policy within AXA IM, as well as compliance with applicable regulations.

The central and independent review that the effective implementation of the AXA IM’s Remuneration Policy complies with the procedures and policies adopted by AXA IM Group level, is performed by the AXA IM Internal Audit Department, who presents each year its conclusions to the AXA IM Remuneration Committee to enable it to perform its diligences.

These conclusions did not mention any particular comments regarding the compliance of the effective implementation of the AXA IM’s Remuneration Policy.

The result of the annual exam by the AXA IM Remuneration Committee is presented to the Board of Directors of AXA Funds Management S.A. along with the amendments implemented into the AXA IM’s Remuneration Policy.

These changes primarily relate to the global principles of the deferred remuneration policy, the removal of the allocation of AXA IM Performance Shares and AXA group stock options, a reminder of rules to ensure fair allocation of remuneration (neutrality in terms of sex, religion, age, sexual orientation, marital status, etc.) and the introduction of a section on the incorporation of sustainability risk in order to guarantee compliance with all regulations in force, in particular Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector and their alignment with sales and human resources strategies within the AXA Investment Managers Group.

The Global Remuneration Policy has been reviewed to factor the proposed deferral structure in and ensure compliance with all governing regulations and alignment with the AXA IM business and Human Resource strategies.

## Additional Unaudited Appendix

### Remuneration policy (continued)

**Quantitative information** - Data provided below are those of AXA Investment Managers covering all subsidiaries of the AXA Investment Managers Group and types of portfolios as at 31 December 2022 after application on remuneration data of the Fund's weighted Asset Under Management allocation key.

#### Total amount of remuneration paid and/or awarded to staff for the year ended 31 December 2022, prorated to the Fund's assets<sup>1</sup>

Fixed Pay <sup>2</sup> ('000 EUR)	92.35
Variable Pay <sup>3</sup> ('000 EUR)	114.96
Number of employees <sup>4</sup>	2,675 incl. 14 AFM's employees

<sup>1</sup> Excluding social charges.

<sup>2</sup> Fixed Pay amount is based on Fixed Pay effective for all staff at AXA IM during the financial year under review prorated to the Fund's assets.

<sup>3</sup> Variable Pay, prorated to the Fund's assets, composed of discretionary, upfront and deferred items, includes:

- Amounts awarded for the performance of previous the previous year and fully paid over the financial year under review (non-deferred variable pay);

- Amounts awarded for the performance of previous years and the performance of the year under review (deferred variable pay);

- Long-Term Incentives awarded by the AXA Group.

<sup>4</sup> Number of employees includes Permanent and Temporary contracts excluding internship as at 31 December 2022.

#### Aggregate amount of remuneration paid and / or awarded to risk takers and senior management whose activities have a significant impact on the risk profile of portfolios, prorated to the Fund's assets<sup>1</sup>

	Risk Takers	Senior Management	Total
Fixed Pay and Variable Pay ('000 EUR) <sup>2, 3</sup>	57.22	31.93	89.15
Number of employees <sup>4</sup>	277 incl. 2 AFM's employees	62 incl. 2 AFM's employees	339 incl. 4 AFM's employees

<sup>1</sup> Excluding social charges.

<sup>2</sup> Fixed Pay amount is based on Fixed Pay effective for all staff at AXA IM during the financial year under review prorated to the Fund's assets.

<sup>3</sup> Variable Pay, prorated to the Fund's assets, composed of discretionary, upfront and deferred items, includes:

- Amounts awarded for the performance of the previous year and fully paid over the financial year under review (non-deferred variable pay);

- Amounts awarded for the performance of previous years and the performance of the year under review (deferred variable pay);

- Long-Term Incentives awarded by the AXA Group.

<sup>4</sup> Number of identified employees within AXA IM Group level and AXA Funds Management SA as at 31 December 2022.

## Additional Unaudited Appendix

### Transaction fees

The Transaction fees presented in the Statement of Operations and Changes in Net Assets are the sum of the Depositary cash movement Charges, the Fund Administrator Charges on FOREX activity and the Depositary Settlement Charges.

Sub-Fund's name	Commissions				Settlement Fees	Tax				In the Sub-Funds currency	
	Broker Commissions	Broker Execution fee	Depositary cash movement Charges*	Fund Administrator Charges on FOREX activity*		Depositary Settlement Charges*	Stamp Duty	Other Transaction Tax	State Street Bank Settlement Charges waived by swing	Total	All other components of the Transaction fees**
AXA World Funds II - Evolving Trends Equities	-	-	7,179	-	-	17,050	-	-	-	24,229	17,050
AXA World Funds II - North American Equities	9,428	89	10,191	-	-	2,943	396	-	-	23,047	12,856
AXA World Funds II - European Opportunities Equities	-	-	20,900	-	-	15,346	-	-	-	36,246	15,346

### Risk disclosure linked to CSSF circular 11/512

The method to calculate the global exposure is the commitment approach for all the Sub-Funds.

### Securities Financing Transactions Regulation

There were no transactions during the year, nor positions opened at the end of the year that are in the scope of the EU Directive 2015/2365 published on 25 November 2015 on transparency of securities financing transactions and of reuse.

\* These fees are disclosed under the caption "Transaction fees" in the Statement of Operations and Changes in Net Assets.

\*\* The "All other components of the Transaction fees" do not form part of the account "Transaction fees" in the Statement of Operations and Changes in Net Assets. They are included in the "Net Change in unrealised appreciation/(depreciation) on investments" and the "Net realised gain/(loss) on sales of investments" in the Statement of Operations and Changes in Net Assets.



## **Additional Unaudited Appendix**

### **Sustainable Finance Disclosure Regulation (“SFDR”) Disclosures**

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

Product Name: AXA WORLD FUNDS II - EVOLVING Entity LEI: 2138003QS17FYQNJX765  
TRENDS EQUITIES

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?

<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___%	<input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 77.23% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>

**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 investee companies 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 might be aligned with the Taxonomy or not.



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Financial Product acts as a feeder of AXA WORLD FUNDS - EVOLVING TRENDS (the “Master”), thus it indirectly promotes the same environmental and/ or social characteristics as its Master.

For the record, the environmental and social characteristics promoted by the Master have been met by investing in companies considering their:

- Carbon intensity
- Water Intensity

The Master has also promoted other specific environmental and social characteristics, mainly:

- Preservation of climate with exclusion policies on coal and oil sand activities
- Protection of ecosystem and prevention of deforestation
- Better health with exclusion on tobacco
- Labor rights, society and human rights, business ethics, anti-corruption with exclusion on companies in violation of international norms and standards such as the United Nations Global Compact Principles, International Labor Organization’s (ILO) Conventions or the OECD guidelines for Multinational Enterprises AXA IM sectorial exclusions and ESG standards have been applied bindingly at all times during the reference period.

The Master has applied bindingly at all time during the reference period AXA IM sectorial exclusions and ESG standards.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

The Financial Product has not designated an ESG Benchmark to promote environmental or social characteristics.

● **How did the sustainability indicators perform?**

During the reference the period, the attainment of the environmental and social characteristics promoted by the Master has been measured with the sustainability indicators mentioned above:

Sustainability KPI Name	Value	Benchmark	Coverage
Carbon intensity	219.03 CO2 tons per millions \$ revenue for corporate and in CO2 Kg per PPP \$ of GDP for sovereign	238.18 CO2 tons per millions \$ revenue for corporate and in CO2 Kg per PPP \$ of GDP for sovereign	99.66%
Water intensity	2107.87Thousands of cubic meters for corporates	11618.89Thousands of cubic meters for corporates	99.66%

● **... And compared to previous periods?**

Not applicable.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objective?**

Indirectly, through its investments into the Master, the Financial Product was partially exposed in instruments qualifying as sustainable investments with various social and environmental objectives (without any limitation), by assessing the positive contribution of investee companies through at least one of the following dimensions:

**1.UN Sustainable Development Goals alignment (SDG)** of investee companies as reference framework, considering companies which contribute positively to at least one SDG either through the Products and Services they offer or the way they carry their activities (“Operations”). To be considered as a sustainable asset, a company must satisfy the following criteria:

a) the SDG scoring related to the “products and services” offered by the issuer is equal or above 2, corresponding to at least 20% of their revenues being derived from a sustainable activity, or

b) using a best in universe approach consisting of giving priority to the issuers best rated from a non-financial viewpoint irrespective of their sector of activity, the SDG scoring of the issuer’s operations is on the better top 2.5%, except in consideration to the SDG-5 (gender equality), SDG 8 (decent work), SDG 10 (reduced inequalities), SDG 12 (Responsible Production and Consumption) and SDG 16 (peace & justice), for which the SDG scoring of the issuer’s Operation is on the better top 5%. For SDG 5, 8, 10 and 16 the selectivity criteria on issuer’s “Operations” is less restrictive as such SDGs are better addressed considering the way the issuer carries their activities than the Products and Services offered by the investee company. It is also less restrictive for SDG 12 which can be addressed through the Products & Services or the way the investee company carries their activities.

The quantitative SDG results are sourced from external data providers and can be overridden by a duly supported qualitative analysis performed by the Investment Manager.

**2.Integration of issuers engaged in a solid Transition Pathway** consistently with the European Commission’s ambition to help fund the transition to a 1.5°c world - based on the framework developed by the Science Based Targets Initiative, considering companies which have validated Science-Based targets.

The Financial Product did not take into consideration the criteria of the EU Taxonomy environmental objectives.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

During the reference period, the Do No Significant Harm Principle for the sustainable investments the Financial Product made had been achieved by not investing in company meeting any of the criteria below:

- The issuer caused significant harm along any of the SDGs when one of its SDG scores is below –5 based on a quantitative database from an external provider on a scale ranging from +10 corresponding to ‘significantly contributing’ to -10 corresponding to ‘significantly obstructing’, unless the quantitative score has been qualitatively overridden.
- The issuer failed within in AXA IM’s sectorial and ESG standards ban lists, which consider among other factors the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.
- The issuer had a CCC (or 1.43) or lower ESG rating according to AXA IM ESG scoring methodology (as defined in SFDR precontractual annex).

## How were the indicators for adverse impacts on sustainability factors taken into account?

Where relevant, Stewardship policies are an additional risk mitigation on principal adverse impacts through direct dialogue with companies on sustainability and governance issues. Through the engagement activities, the Master has used its influence as an investor to encourage companies to mitigate environmental and social risks relevant to their sectors.

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

AXA IM also relies on the SDG pillar of its sustainable investment framework to monitor and take into account adverse impacts on those sustainability factors by excluding investee companies which have a SDG score under – 5 on any SDG (on a scale from + 10 corresponding to 'significant contributing impact' to – 10 corresponding to 'significant obstructing impact'), unless the quantitative score has been qualitatively overridden following a duly documented analysis by AXA IM Core ESG & Impact Research. This approach enables us to ensure investee companies with the worst adverse impacts on any SDG are not considered as sustainable investments.

### Environment:

Relevant AXA IM policies	PAI indicator	Units	Measurement
Climate Risk policy	PAI 1: Green House Gas (GHG) emissions (scope 1, 2, & 3 starting 01/2023)	Metric tonnes	
Ecosystem Protection & Deforestation policy	PAI 2: Carbon Footprint	Metric tonnes of carbon dioxide equivalents per million euro or dollar invested (tCO <sub>2</sub> e/M€ or tCO <sub>2</sub> e/M\$)	
	PAI 3: GHG intensity of investee companies	Metric tonnes per eur million revenue	
Climate Risk policy	PAI 4: Exposure to Companies active in the fossil fuel sector	% of investments	
Climate Risk policy (engagement only)	PAI 5 : Share of non-renewable energy consumption and production	% of total energy sources	
Climate risk policy (considering an expected correlation between GHG emissions and energy consumption) <sup>1</sup>	PAI 6: Energy consumption intensity per high impact climate sector	GWh per million EUR of revenue of investee companies, per high impact climate sector	
Ecosystem Protection & Deforestation policy	PAI 7: Activities negatively affecting biodiversity sensitive areas	% of investments	
SDG no significantly negative score	PAI 8: Emissions to water	Tonnes per million EUR invested, expressed as a weighted average	
SDG no significantly negative score	PAI 9: Hazardous waste and radioactive waste ratio	Tonnes per million EUR invested, expressed as a weighted average	

### Social and Governance:

Relevant AXA IM policies	PAI indicator	Units	Measurement
--------------------------	---------------	-------	-------------

ESG standards policy: violation of international norms and standards	PAI 10: Violations of UN Global Compact principles & OECD Guidelines for multinational enterprises	% of investments	
ESG standards policy: violation of international norms and standards (considering an expected correlation between companies non-compliant with international norms and standards and the lack of implementation by companies of processes and compliance mechanisms to monitor compliance with those standards) <sup>2</sup>	PAI 11: Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles & OECD Guidelines for multinational enterprises	% of investments	
SDG no significantly negative score	PAI 12: Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	
Voting and Engagement policy with systematic voting criteria linked with board gender diversity	PAI 13: Board gender diversity	Expressed as a percentage of all board members.	
Controversial weapons policy	PAI 14: Exposure to controversial weapons	% of investments	

The Financial Product is also taking into account the environmental optional indicator PAI 6 ‘Water usage and recycling’ and the social optional indicator PAI 15 ‘Lack of anti-corruption and anti-bribery policies’.

Please note that, despite our commitment in the precontractual SFDR annex to publish these indicators in our periodic reporting SFDR annex, SFDR Level 2 requirements – such as the integration of PAI indicators in the investment process – only entered into force on 01/01/2023, after this report’s reference period. Therefore, PAI indicators will start being disclosed in the periodic reporting SFDR annex relative to the reference period in which SFDR Level 2 requirements entered into application.

***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

Indirectly, through its investments into the Master, the Financial Product has not been exposed to companies which cause, contribute or are linked to violations of international norms and standards in a material manner. Those standards focus on Human Rights, Society, Labor and Environment. AXA IM relies on an external provider’s screening framework and excludes any companies that have been assessed as “non compliant” to UN’s Global Compact Principles, International Labor Organization’s (ILO) Conventions, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs).

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union 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.*

*Any other sustainable investment must also not significantly harm any environmental or social objectives.*



**How did this financial product consider principal adverse impacts on sustainability factors?**

**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.

The Master took into consideration the following Principal Adverse Impact indicators applying AXA IM exclusion policies and stewardship policies:

Relevant AXA IM policies	PAI indicator	Units	Measurement
Climate Risk policy	PAI 1: Green House Gas (GHG) emissions (scope 1, 2 & 3 starting 01/2023)	Metric tonnes	
Ecosystem protection & Deforestation policy			
Climate Risk policy	PAI 2: Carbon Footprint	Metric tonnes of carbon dioxide equivalents per million euro or dollar invested (tCO <sub>2</sub> e/M€ or tCO <sub>2</sub> e/M\$)	
Ecosystem protection & Deforestation policy			
Climate Risk policy	PAI 3: GHG intensity of investee companies	Metric tonnes per eur million revenue	
Ecosystem protection & Deforestation policy			
Climate Risk policy	PAI 4: Exposure to companies active in the fossil fuel sector	% of investments	
Climate Risk policy (engagement only)	PAI 5: Share of non-renewable energy consumption and production	% of total energy sources	
Ecosystem protection & Deforestation policy	PAI 7: activities negatively affecting biodiversity sensitive area	% of investments	
ESG standard policy / violation of international norms and standards	PAI 10: Violation of UN global compact principles & OECD guidelines for Multinational Enterprises	% of investments	
Voting and Engagement policy with systematic voting criteria linked with board gender diversity	PAI 13: Board Gender diversity	Expressed as a percentage of all board members	
Controversial weapons policy	PAI 14: Exposure to controversial weapons	% of investments	

Please note that, despite our commitment in the precontractual SFDR annex to publish these indicators in our periodic reporting SFDR annex, SFDR Level 2 requirements – such as the integration of PAI indicators in the investment process – only entered into force on 01/01/2023, after this report’s reference period. Therefore, PAI indicators will start being disclosed in the periodic reporting SFDR annex relative to the reference period in which SFDR Level 2 requirements entered into application.



## What were the top investments of this financial product?

The top investments of the Financial Product are detailed below:

Top investments	Sector	Proportion	Country
AXA WF Evolving Trends M Capitalisation USD	Trusts, funds and similar financial entities	100%	LU

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 2022-12-30

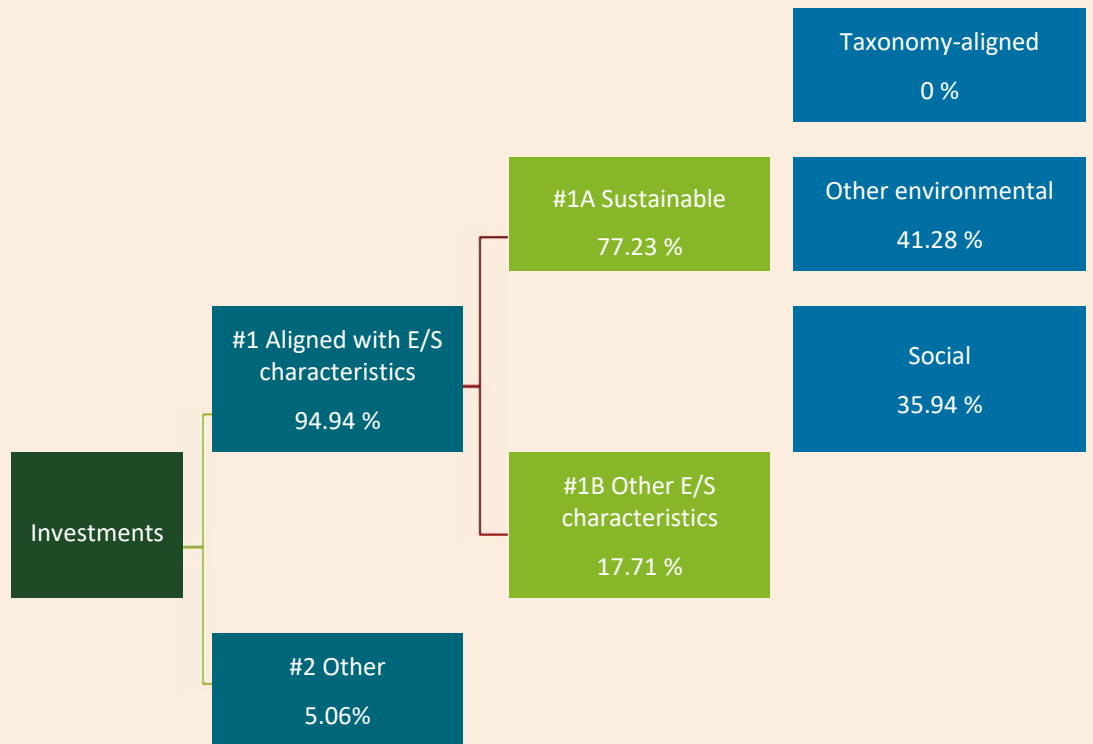
The portfolio proportions of investments hereabove presented were measured on 30/12/2022 and may not be representative of the reference period.



## What was the proportion of sustainability-related investments?

### ● What was the asset allocation?

**Asset allocation** describes the share of investments in specific assets.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The actual asset allocation has been reported based on the assets weighted average at the end of the reference period. Depending on the potential usage of derivatives within this product's investment strategy, the expected exposure detailed below could be subject to variability as the portfolio's NAV may be impacted by the Mark to Market of derivatives. For more details on the potential usage of derivatives by this product, please refer to its precontractual documents and its investment strategy described within.

**In which economic sectors were the investments made?**

Financial product's investments were made in the economic sectors detailed below:

Top sector	Proportion
Trusts, funds and similar financial entities	100%



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

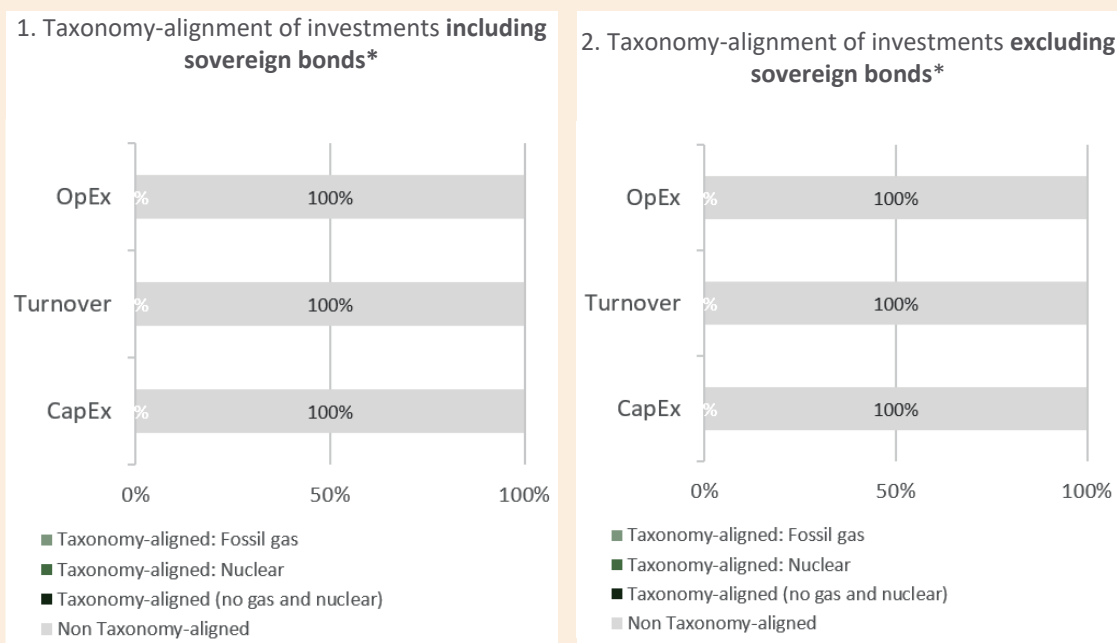
- Yes
- In fossil gas  In nuclear energy
- No

The Financial Product and its Master did not take into consideration the criteria of the EU Taxonomy environmental objectives during the reference period. The Financial Product did not consider the 'do not significant harm criteria' of the EU Taxonomy.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting the green operational activities of investee companies.

*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 in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

To comply with the EU Taxonomy, the criteria

**What was the share of investments made in transitional and enabling activities?**


<sup>1</sup> 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 significantly harm 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.



for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

The Financial Product and its Master did not take into consideration the criteria of the EU Taxonomy environmental objectives during the reference period. The Financial Product did not consider the 'do not significant harm criteria' of the EU Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable.

 **What was the share of sustainable investments with an environmental objective not aligned with the EU taxonomy?**

The share of the sustainable investments with an environmental objective not aligned with the EU Taxonomy has been 41.28% for this Financial Product during the reference period.

Investee companies with an environmental sustainable objective under SFDR are contributing to support UN SDGs or transition to decarbonization based on defined criteria as described above. Those criteria applying to issuers are different from technical screening criteria defined in EU Taxonomy applying to economic activities.

 **What was the share of socially sustainable investments?**

During the reference period, the Financial Product invested in 35.94% of sustainable investments with a social objective.

 **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The remaining “Other” investments represented 5.06% of the Financial Product’s Net Asset Value.

The “other” assets may have consisted in, as defined in the precontractual annex:

- cash and cash equivalent investments being bank deposit, eligible money market instruments and money market funds used for managing the liquidity of the Financial Product, and ;
- other instruments eligible to the Financial Product and that do not meet the Environmental and/or Social criteria described in this appendix. Such assets may be equity instruments, derivatives investments and investment collective 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.

Environmental or social safeguards were applied and assessed on all “other” assets except on (i) non single name derivatives, (ii) on UCITS and/or UCIs managed by other management company and (iii) on cash and cash equivalent investments described above.



**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

In 2022, the Financial Product reinforced exclusion policies applied with new exclusions related to unconventional oil and gas, mainly (i) oil sands leading to the exclusion of companies for which oil sands represents more than 5% of global oil sands production, (ii) Shale/ Fracking excluding players that produce less than 100kboepd with more than 30% of their total production derived from fracking, and (ii) Arctic with divestment from companies deriving more than 10% of their production from Arctic Monitoring and Assessment Programme (AMAP) region or representing more than 5% of the total global Arctic production. More details on those enrichments are available under the following link: <https://www.axa-im.com/our-policies-and-reports>



## How did this financial product perform compared to the reference benchmark?

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable.

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

Product Name: AXA WORLD FUNDS II - NORTH AMERICAN EQUITIES Entity LEI: 2138008KXUHHJ27ZCRQ89

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?



YES



NO

It made sustainable investments with an environmental objective: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made sustainable investments with a social objective: \_\_\_%

It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 55.02% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but did not make any sustainable investments

**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 investee companies 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 might be aligned with the Taxonomy or not.



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Financial Product has met the environmental and social characteristics promoted for the reference period by investing in companies considering their:

- Carbon intensity
- Water Intensity

The Financial Product has also promoted other specific environmental and social characteristics, mainly:

- Preservation of climate with exclusion policies on coal and oil sand activities
- Protection of ecosystem and prevention of deforestation
- Better health with exclusion on tobacco
- Labor rights, society and human rights, business ethics, anti-corruption with exclusion on companies in violation of international norms and standards such as the United Nations Global Compact Principles, International Labor Organization's (ILO) Conventions or the OECD guidelines for Multinational Enterprises AXA IM sectorial exclusions and ESG standards have been applied bindingly at all times during the reference period.

The Financial Product has not designated an ESG Benchmark to promote environmental or social characteristics.

### ● How did the sustainability indicators perform?

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

During the reference the period, the attainment of the environmental and social characteristics promoted by the Financial Product has been measured with the sustainability indicators mentioned above:

The Financial Product has outperformed its ESG Score compared to during the reference period.

Sustainability KPI Name	Value	Benchmark	Coverage
Carbon intensity	155.56 CO2 tons per millions \$ revenue for corporate and in CO2 Kg per PPP \$ of GDP for sovereign	213.07 CO2 tons per millions \$ revenue for corporate and in CO2 Kg per PPP \$ of GDP for sovereign	100%
Water intensity	1947.25Thousands of cubic meters for corporates	12887.15Thousands of cubic meters for corporates	100%

● **... And compared to previous periods?**

Not applicable.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objective?**

During the reference period, the Financial Product has partially invested in instruments qualifying as sustainable investments with various social and environmental objectives (without any limitation) by assessing the positive contribution of investee companies through at least one of the following dimensions:

1. **UN Sustainable Development Goals alignment (SDG)** of investee companies as reference framework, considering companies which contribute positively to at least one SDG either through the Products and Services they offer or the way they carry their activities (“Operations”). To be considered as a sustainable asset, a company must satisfy the following criteria:

- a) the SDG scoring related to the “products and services” offered by the issuer is equal or above 2, corresponding to at least 20% of their revenues being derived from a sustainable activity, or
- b) using a best in universe approach consisting of giving priority to the issuers best rated from a non-financial viewpoint irrespective of their sector of activity, the SDG scoring of the issuer’s operations is on the better top 2.5%, except in consideration to the SDG-5 (gender equality), SDG 8 (decent work), SDG 10 (reduced inequalities), SDG 12 (Responsible Production and Consumption) and SDG 16 (peace & justice), for which the SDG scoring of the issuer’s Operation is on the better top 5%. For SDG 5, 8, 10 and 16 the selectivity criteria on issuer’s “Operations” is less restrictive as such SDGs are better addressed considering the way the issuer carries their activities than the Products and Services offered by the investee company. It is also less restrictive for SDG 12 which can be addressed through the Products & Services or the way the investee company carries their activities.

The quantitative SDG results are sourced from external data providers and can be overridden by a duly supported qualitative analysis performed by the Investment Manager.

2. **Integration of issuers engaged in a solid Transition Pathway** consistently with the European Commission’s ambition to help fund the transition to a 1.5°c world - based on the framework developed by the Science Based Targets Initiative, considering companies which have validated Science-Based targets.

The Financial Product did not take into consideration the criteria of the EU Taxonomy environmental objectives.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

During the reference period, the Do No Significant Harm Principle for the sustainable investments the Financial Product made had been achieved by not investing in company meeting any of the criteria below:

- The issuer caused significant harm along any of the SDGs when one of its SDG scores is below –5 based on a quantitative database from an external provider on a scale ranging from +10 corresponding to ‘significantly contributing’ to -10 corresponding to ‘significantly obstructing’, unless the quantitative score has been qualitatively overridden.
- The issuer failed within in AXA IM’s sectorial and ESG standards ban lists, which consider among other factors the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.
- The issuer had a CCC (or 1.43) or lower ESG rating according to AXA IM ESG scoring methodology (as defined in SFDR precontractual annex).

## How were the indicators for adverse impacts on sustainability factors taken into account?

The Financial Product has taken into consideration Principal Adverse Impacts (“PAIs”) indicators to ensure that the sustainable investments did not harm significantly any other sustainability objectives under SFDR.

Principal adverse impacts have been mitigated through AXA IM sectorial exclusion policies and AXA IM ESG standards (as described in the SFDR precontractual annex that have been applied bindingly at all times by the Financial Product), as well as through the filters based on UN Sustainable Development Goals scoring.

Where relevant, Stewardship policies have been an additional risk mitigation on principal adverse impacts through direct dialogue with companies on sustainability and governance issues. Through the engagement activities, the Financial Product has used its influence as an investor to encourage companies to mitigate environmental and social risks relevant to their sectors as described below.

Voting at general meetings has also been an important element of the dialogue with investee companies in order to foster sustainably long-term value of the companies in which the Financial Product invests and mitigate adverse impacts as described below.

AXA IM also relies on the SDG pillar of its sustainable investment framework to monitor and take into account adverse impacts on those sustainability factors by excluding investee companies which have a SDG score under – 5 on any SDG (on a scale from + 10 corresponding to ‘significant contributing impact’ to – 10 corresponding to ‘significant obstructing impact’), unless the quantitative score has been qualitatively overridden following a duly documented analysis by AXA IM Core ESG & Impact Research. This approach enables us to ensure investee companies with the worst adverse impacts on any SDG are not considered as sustainable investments.

### Environment:

Relevant AXA IM policies	PAI indicator	Units	Measurement
Climate Risk policy	PAI 1: Green House Gas (GHG) emissions (scope 1, 2, & 3 starting 01/2023)	Metric tonnes	
Ecosystem Protection & Deforestation policy	PAI 2: Carbon Footprint	Metric tonnes of carbon dioxide equivalents per million euro or dollar invested (tCO <sub>2</sub> e/M€ or tCO <sub>2</sub> e/M\$)	
	PAI 3: GHG intensity of investee companies	Metric tonnes per eur million revenue	
Climate Risk policy	PAI 4: Exposure to Companies active in the fossil fuel sector	% of investments	
Climate Risk policy (engagement only)	PAI 5 : Share of non-renewable energy consumption and production	% of total energy sources	
Climate risk policy (considering an expected correlation between GHG emissions and energy consumption) <sup>1</sup>	PAI 6: Energy consumption intensity per high impact climate sector	GWh per million EUR of revenue of investee companies, per high impact climate sector	
Ecosystem Protection & Deforestation policy	PAI 7: Activities negatively affecting biodiversity sensitive areas	% of investments	
SDG no significantly negative score	PAI 8: Emissions to water	Tonnes per million EUR invested, expressed as a weighted average	
SDG no significantly negative score	PAI 9: Hazardous waste and radioactive waste ratio	Tonnes per million EUR invested, expressed as a weighted average	

### Social and Governance:

Relevant AXA IM policies	PAI indicator	Units	Measurement
ESG standards policy: violation of international norms and standards	PAI 10: Violations of UN Global Compact principles & OECD Guidelines for multinational enterprises	% of investments	
ESG standards policy: violation of international norms and standards (considering an expected correlation between companies non-compliant with international norms and standards and the lack of implementation by companies of processes and compliance mechanisms to monitor compliance with those standards) <sup>2</sup>	PAI 11: Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles & OECD Guidelines for multinational enterprises	% of investments	
SDG no significantly negative score	PAI 12: Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	
Voting and Engagement policy with systematic voting criteria linked with board gender diversity	PAI 13: Board gender diversity	Expressed as a percentage of all board members.	
Controversial weapons policy	PAI 14: Exposure to controversial weapons	% of investments	

The Financial Product is also taking into account the environmental optional indicator PAI 6 ‘Water usage and recycling’ and the social optional indicator PAI 15 ‘Lack of anti-corruption and anti-bribery policies’.

Please note that, despite our commitment in the precontractual SFDR annex to publish these indicators in our periodic reporting SFDR annex, SFDR Level 2 requirements – such as the integration of PAI indicators in the investment process – only entered into force on 01/01/2023, after this report’s reference period. Therefore, PAI indicators will start being disclosed in the periodic reporting SFDR annex relative to the reference period in which SFDR Level 2 requirements entered into application.

***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

During the reference period, the Financial Product did not invest in companies which cause, contribute or are linked to violations of international norms and standards in a material manner. Those standards focus on Human Rights, Society, Labor and Environment. AXA IM excluded any companies that have been assessed as “non compliant” to UN’s Global Compact Principles, International Labor Organization’s (ILO) Conventions, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs).

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union 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.*

*Any other sustainable investment must also not significantly harm any environmental or social objectives.*



**How did this financial product consider principal adverse impacts on sustainability factors?**

**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.

The Financial Product took into consideration the following Principal Adverse Impact indicators applying the following exclusion policies and stewardship policies :

Relevant AXA IM policies	PAI indicator	Units	Measurement
Climate Risk policy	PAI 1: Green House Gas (GHG) emissions (scope 1, 2 & 3 starting 01/2023)	Metric tonnes	
Ecosystem protection & Deforestation policy			
Climate Risk policy	PAI 2: Carbon Footprint	Metric tonnes of carbon dioxide equivalents per million euro or dollar invested (tCO <sub>2</sub> e/M€ or tCO <sub>2</sub> e/M\$)	
Ecosystem protection & Deforestation policy			
Climate Risk policy	PAI 3: GHG intensity of investee companies	Metric tonnes per eur million revenue	
Ecosystem protection & Deforestation policy			
Climate Risk policy	PAI 4: Exposure to companies active in the fossil fuel sector	% of investments	
Climate Risk policy (engagement only)	PAI 5: Share of non-renewable energy consumption and production	% of total energy sources	
Ecosystem protection & Deforestation policy	PAI 7: activities negatively affecting biodiversity sensitive area	% of investments	
ESG standard policy / violation of international norms and standards	PAI 10: Violation of UN global compact principles & OECD guidelines for Multinational Enterprises	% of investments	
Voting and Engagement policy with systematic voting criteria linked with board gender diversity	PAI 13: Board Gender diversity	Expressed as a percentage of all board members	
Controversial weapons policy	PAI 14: Exposure to controversial weapons	% of investments	

Please note that, despite our commitment in the precontractual SFDR annex to publish these indicators in our periodic reporting SFDR annex, SFDR Level 2 requirements – such as the integration of PAI indicators in the investment process – only entered into force on 01/01/2023, after this report’s reference period. Therefore, PAI indicators will start being disclosed in the periodic reporting SFDR annex relative to the reference period in which SFDR Level 2 requirements entered into application.



## What were the top investments of this financial product?

The top investments of the Financial Product are detailed below:

Top investments	Sector	Proportion	Country
APPLE INC XNGS USD	Manufacture of communication equipment	6.34%	US
MICROSOFT CORP XNGS USD	Other software publishing	5.26%	US

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 2022-12-30

ALPHABET INC-CL A XNGS USD	Web portals	2.72%	US
VISA INC-CLASS A SHARES XNYS USD	Other activities auxiliary to financial services, except insurance and pension funding	2.37%	US
BANK OF AMERICA CORP XNYS USD	Other monetary intermediation	2.01%	US
CISCO SYSTEMS INC XNGS USD	Manufacture of communication equipment	1.91%	US
COSTCO WHOLESALE CORP XNGS USD	Retail trade, except of motor vehicles and motorcycles	1.85%	US
VERIZON COMMUNICATIONS INC XNYS USD	Wireless telecommunications activities	1.85%	US
AMAZON.COM INC XNGS USD	Retail sale via mail order houses or via Internet	1.85%	US
UNITED PARCEL SERVICE-CL B XNYS USD	Other postal and courier activities	1.72%	US
ADOBE INC XNGS USD	Other software publishing	1.71%	US
ARCHER-DANIELS-MIDLAND CO XNYS USD	Wholesale trade, except of motor vehicles and motorcycles	1.69%	US
MERCK & CO. INC. XNYS USD	Manufacture of basic pharmaceutical products	1.65%	US
PFIZER INC XNYS USD	Manufacture of basic pharmaceutical products	1.62%	US
HARTFORD FINANCIAL SVCS GRP XNYS USD	Non-life insurance	1.59%	US

The portfolio proportions of investments hereabove presented were measured on 30/12/2022 and may not be representative of the reference period.

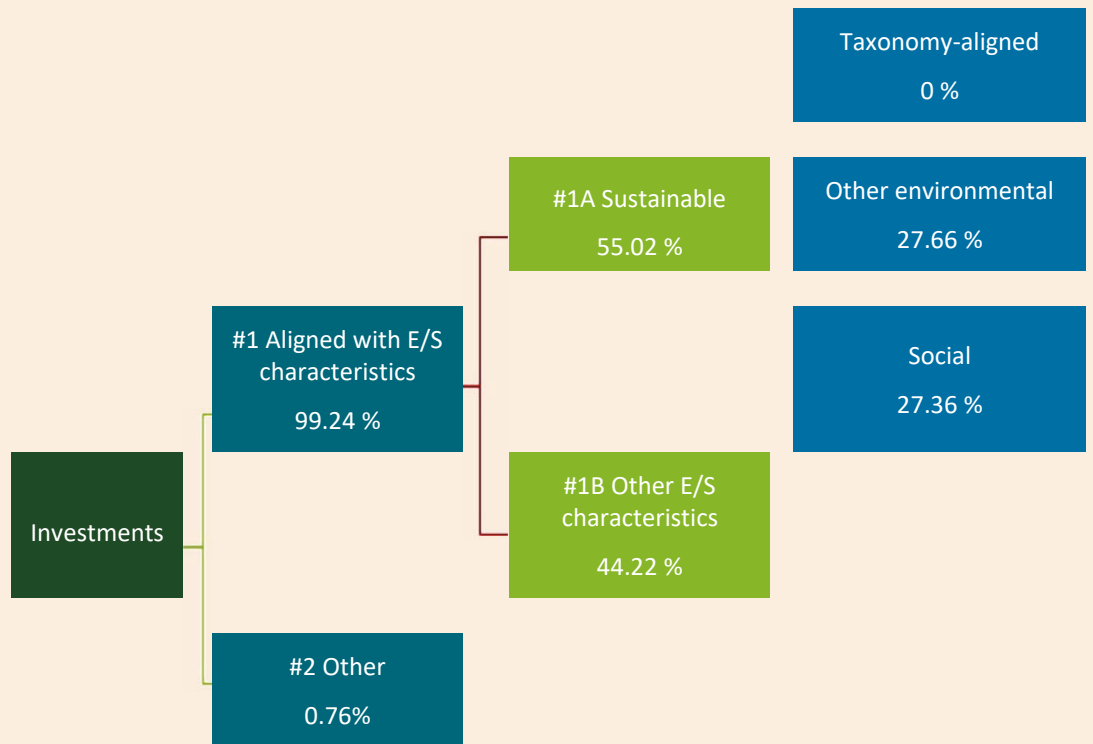




## What was the proportion of sustainability-related investments?

### ● What was the asset allocation?

**Asset allocation** describes the share of investments in specific assets.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The actual asset allocation has been reported based on the assets weighted average at the end of the reference period. Depending on the potential usage of derivatives within this product's investment strategy, the expected exposure detailed below could be subject to variability as the portfolio's NAV may be impacted by the Mark to Market of derivatives. For more details on the potential usage of derivatives by this product, please refer to its precontractual documents and its investment strategy described within.

● ***In which economic sectors were the investments made?***

Financial product's investments were made in the economic sectors detailed below:

Top sector	Proportion
Other software publishing	12.29%
Manufacture of communication equipment	8.74%
Manufacture of basic pharmaceutical products	7.08%
Non-life insurance	6.33%
Other activities auxiliary to financial services, except insurance and pension funding	4.58%
Other monetary intermediation	4.01%
Manufacture of instruments and appliances for measuring, testing and navigation	3.76%
Manufacture of motor vehicles	3.32%
Research and experimental development on biotechnology	3.16%
Web portals	3.15%
Retail trade, except of motor vehicles and motorcycles	3.15%
Manufacture of soft drinks, production of mineral waters and other bottled waters	2.6%
Other information service activities n.e.c.	2.5%
Life insurance	2.22%
Wholesale trade, except of motor vehicles and motorcycles	2.14%
Extraction of crude petroleum and natural gas	2.09%
Manufacture of refined petroleum products	2.07%
Retail sale of automotive fuel in specialised stores	1.87%
Wireless telecommunications activities	1.85%
Retail sale via mail order houses or via Internet	1.85%
Other postal and courier activities	1.72%
Other credit granting	1.57%
Other transportation support activities	1.51%
Manufacture of electrical equipment	1.51%
Manufacture of bearings, gears, gearing and driving elements	1.27%
Manufacture of magnetic and optical media	1.24%
Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	1.17%
Manufacture of household and sanitary goods and of toilet requisites	1.14%

Retail sale of hardware, paints and glass in specialised stores	1.07%
Freight transport by road	0.91%
Other human health activities	0.77%
Manufacture of electronic components	0.76%
Distribution of electricity	0.73%
Wholesale of pharmaceutical goods	0.66%
Manufacture of chemicals and chemical products	0.62%
Extraction of crude petroleum	0.62%
Renting and operating of own or leased real estate	0.58%
Manufacture of fertilisers and nitrogen compounds	0.48%
Wired telecommunications activities	0.43%
Computer programming, consultancy and related activities	0.4%
Manufacture of electric lighting equipment	0.29%
Manufacture of pharmaceutical preparations	0.26%
Trusts, funds and similar financial entities	0.22%
Manufacture of computers and peripheral equipment	0.21%
Activities of employment placement agencies	0.21%
Accounting, bookkeeping and auditing activities, tax consultancy	0.14%
Manufacture of computer, electronic and optical products	0.13%
Other information technology and computer service activities	0.11%
Real estate activities	0.11%
Manufacture of ceramic sanitary fixtures	0.1%
Manufacture of electric domestic appliances	0.1%
Activities of holding companies	0.08%
Manufacture of underwear	0.06%
Manufacture of medical and dental instruments and supplies	0.06%



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

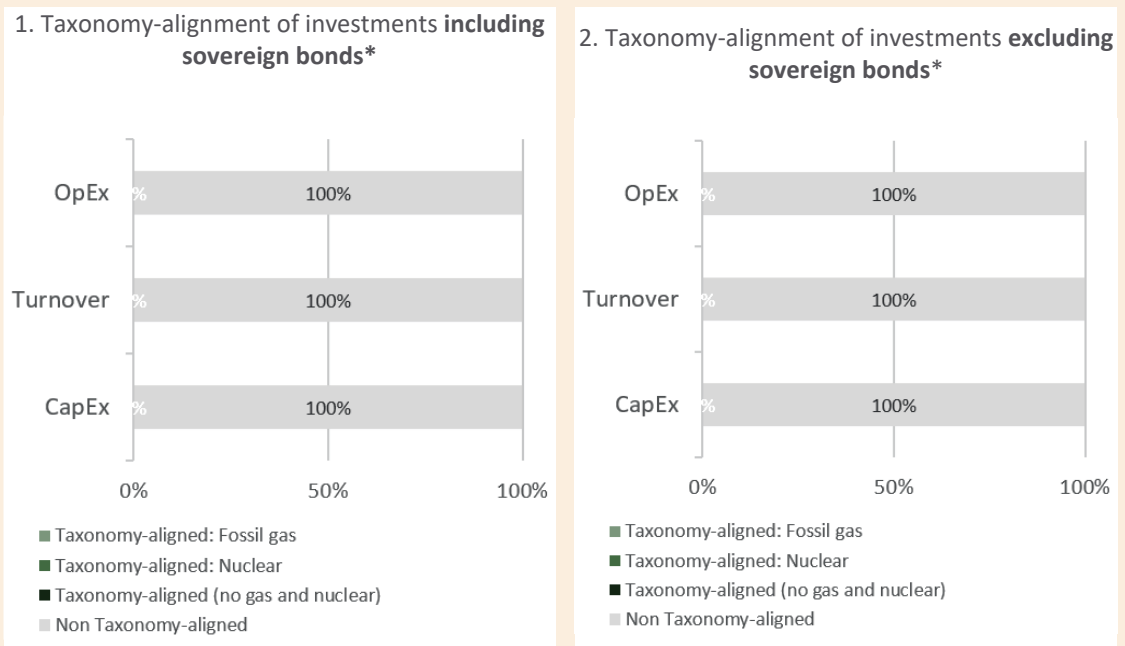
● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

- Yes  
 In fossil gas  In nuclear energy  
 No

The Financial Product did not take into consideration the criteria of the EU Taxonomy environmental objectives. The Financial Product did not consider the 'do not significant harm criteria' of the EU Taxonomy.

Taxonomy-aligned activities are expressed as a share of:  
 - **turnover** reflecting the share of revenue from green activities of investee companies.  
 - **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g for a transition to a green economy.  
 - **operational expenditure (OpEx)** reflecting the green operational activities of investee companies.

**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 in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas

● **What was the share of investments made in transitional and enabling activities?**


The Financial Product did not take into consideration the criteria of the EU Taxonomy environmental objectives. The financial Product did not consider the "do not significantly harm" criteria of the EU Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable.

<sup>1</sup> 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 significantly harm 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.

emission levels corresponding to the best performance.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

### **What was the share of sustainable investments with an environmental objective not aligned with the EU taxonomy?**

The share of the sustainable investments with an environmental objective not aligned with the EU Taxonomy has been 27.66% for this Financial Product during the reference period.

Investee companies with an environmental sustainable objective under SFDR are contributing to support UN SDGs or transition to decarbonization based on defined criteria as described above. Those criteria applying to issuers are different from technical screening criteria defined in EU Taxonomy applying to economic activities.

### **What was the share of socially sustainable investments?**

During the reference period, the Financial Product invested in 27.36% of sustainable investments with a social objective.

### **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The remaining “Other” investments represented 0.76% of the Financial Product’s Net Asset Value.

The “other” assets may have consisted in, as defined in the precontractual annex:

- cash and cash equivalent investments being bank deposit, eligible money market instruments and money market funds used for managing the liquidity of the Financial Product, and ;
- other instruments eligible to the Financial Product and that do not meet the Environmental and/or Social criteria described in this appendix. Such assets may be equity instruments, derivatives investments and investment collective 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.

Environmental or social safeguards were applied and assessed on all “other” assets except on (i) non single name derivatives, (ii) on UCITS and/or UCIs managed by other management company and (iii) on cash and cash equivalent investments described above.



### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

In 2022, the Financial Product reinforced exclusion policies applied with new exclusions related to unconventional oil and gas, mainly (i) oil sands leading to the exclusion of companies for which oil sands represents more than 5% of global oil sands production, (ii) Shale/ Fracking excluding players that produce less than 100kboepd with more than 30% of their total production derived from fracking, and (ii) Arctic with divestment from companies deriving more than 10% of their production from Arctic Monitoring and Assessment Programme (AMAP) region or representing more than 5% of the total global Arctic production. More details on those enrichments are available under the following link: <https://www.axa-im.com/our-policies-and-reports>



### **How did this financial product perform compared to the reference benchmark?**

Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

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

Product Name: AXA WORLD FUNDS II - EUROPEAN OPPORTUNITIES EQUITIES

Entity LEI: 213800W9JWC189NJY177

## Environmental and/or social characteristics

### Did this financial product have a sustainable investment objective?



YES



NO

It made sustainable investments with an environmental objective: \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made sustainable investments with a social objective: \_\_\_%

It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 81.78% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but did not make any sustainable investments

**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 investee companies 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 might be aligned with the Taxonomy or not.



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Financial Product acts as a feeder of AXA WORLD FUNDS - Europe Opportunities (the "Master"), thus it indirectly promotes the same environmental and/ or social characteristics as its Master.

For the record, the environmental and social characteristics promoted by the Master have been met by investing in companies considering their:

- Carbon intensity

The Master has also promoted other specific environmental and social characteristics, mainly:

- Preservation of climate with exclusion policies on coal and oil sand activities
- Protection of ecosystem and prevention of deforestation
- Better health with exclusion on tobacco
- Labor rights, society and human rights, business ethics, anti-corruption with exclusion on companies in violation of international norms and standards such as the United Nations Global Compact Principles, International Labor Organization's (ILO) Conventions or the OECD guidelines for Multinational Enterprises AXA IM sectorial exclusions and ESG standards have been applied bindingly at all times during the reference period.

The Master has applied bindingly at all time during the reference period AXA IM sectorial exclusions and ESG standards.

The Financial Product has not designated an ESG Benchmark to promote environmental or social characteristics.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

● **How did the sustainability indicators perform?**

During the reference the period, the attainment of the environmental and social characteristics promoted by the Master has been measured with the sustainability indicators mentioned above:

Sustainability KPI Name	Value	Benchmark	Coverage
Carbon intensity	150.82 CO2 tons per millions \$ revenue for corporate and in CO2 Kg per PPP \$ of GDP for sovereign	199.18 CO2 tons per millions \$ revenue for corporate and in CO2 Kg per PPP \$ of GDP for sovereign	100%

● **... And compared to previous periods?**

Not applicable.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objective?**

Indirectly, through its investments into the Master, the Financial Product was partially exposed in instruments qualifying as sustainable investments with various social and environmental objectives (without any limitation), by assessing the positive contribution of investee companies through at least one of the following dimensions:

**1.UN Sustainable Development Goals alignment (SDG)** of investee companies as reference framework, considering companies which contribute positively to at least one SDG either through the Products and Services they offer or the way they carry their activities (“Operations”). To be considered as a sustainable asset, a company must satisfy the following criteria:

a) the SDG scoring related to the “products and services” offered by the issuer is equal or above 2, corresponding to at least 20% of their revenues being derived from a sustainable activity, or

b) using a best in universe approach consisting of giving priority to the issuers best rated from a non-financial viewpoint irrespective of their sector of activity, the SDG scoring of the issuer’s operations is on the better top 2.5%, except in consideration to the SDG-5 (gender equality), SDG 8 (decent work), SDG 10 (reduced inequalities), SDG 12 (Responsible Production and Consumption) and SDG 16 (peace & justice), for which the SDG scoring of the issuer’s Operation is on the better top 5%. For SDG 5, 8, 10 and 16 the selectivity criteria on issuer’s “Operations” is less restrictive as such SDGs are better addressed considering the way the issuer carries their activities than the Products and Services offered by the investee company. It is also less restrictive for SDG 12 which can be addressed through the Products & Services or the way the investee company carries their activities.

The quantitative SDG results are sourced from external data providers and can be overridden by a duly supported qualitative analysis performed by the Investment Manager.

**2.Integration of issuers engaged in a solid Transition Pathway** consistently with the European Commission’s ambition to help fund the transition to a 1.5°c world - based on the framework developed by the Science Based Targets Initiative, considering companies which have validated Science-Based targets.

The Financial Product did not take into consideration the criteria of the EU Taxonomy environmental objectives.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

During the reference period, the Do No Significant Harm Principle for the sustainable investments the Financial Product made had been achieved by not investing in company meeting any of the criteria below:

- The issuer caused significant harm along any of the SDGs when one of its SDG scores is below –5 based on a quantitative database from an external provider on a scale ranging from +10 corresponding to ‘significantly contributing’ to -10 corresponding to ‘significantly obstructing’, unless the quantitative score has been qualitatively overridden.
- The issuer failed within in AXA IM’s sectorial and ESG standards ban lists, which consider among other factors the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.
- The issuer had a CCC (or 1.43) or lower ESG rating according to AXA IM ESG scoring methodology (as defined in SFDR precontractual annex).

----- **How were the indicators for adverse impacts on sustainability factors taken into account?**

Where relevant, Stewardship policies are an additional risk mitigation on principal adverse impacts through direct dialogue with companies on sustainability and governance issues. Through the engagement activities, the Master has



used its influence as an investor to encourage companies to mitigate environmental and social risks relevant to their sectors.

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

AXA IM also relies on the SDG pillar of its sustainable investment framework to monitor and take into account adverse impacts on those sustainability factors by excluding investee companies which have a SDG score under – 5 on any SDG (on a scale from + 10 corresponding to ‘significant contributing impact’ to – 10 corresponding to ‘significant obstructing impact’), unless the quantitative score has been qualitatively overridden following a duly documented analysis by AXA IM Core ESG & Impact Research. This approach enables us to ensure investee companies with the worst adverse impacts on any SDG are not considered as sustainable investments.

Environment:

Relevant AXA IM policies	PAI indicator	Units	Measurement
Climate Risk policy	PAI 1: Green House Gas (GHG) emissions (scope 1, 2, & 3 starting 01/2023)	Metric tonnes	
Ecosystem Protection & Deforestation policy	PAI 2: Carbon Footprint	Metric tonnes of carbon dioxide equivalents per million euro or dollar invested (tCO <sub>2</sub> e/M€ or tCO <sub>2</sub> e/M\$)	
	PAI 3: GHG intensity of investee companies	Metric tonnes per eur million revenue	
Climate Risk policy	PAI 4: Exposure to Companies active in the fossil fuel sector	% of investments	
Climate Risk policy (engagement only)	PAI 5 : Share of non-renewable energy consumption and production	% of total energy sources	
Climate risk policy (considering an expected correlation between GHG emissions and energy consumption) <sup>1</sup>	PAI 6: Energy consumption intensity per high impact climate sector	GWh per million EUR of revenue of investee companies, per high impact climate sector	
Ecosystem Protection & Deforestation policy	PAI 7: Activities negatively affecting biodiversity sensitive areas	% of investments	
SDG no significantly negative score	PAI 8: Emissions to water	Tonnes per million EUR invested, expressed as a weighted average	
SDG no significantly negative score	PAI 9: Hazardous waste and radioactive waste ratio	Tonnes per million EUR invested, expressed as a weighted average	

Social and Governance:

Relevant AXA IM policies	PAI indicator	Units	Measurement
ESG standards policy: violation of international norms and standards	PAI 10: Violations of UN Global Compact principles & OECD Guidelines for multinational enterprises	% of investments	

ESG standards policy: violation of international norms and standards (considering an expected correlation between companies non-compliant with international norms and standards and the lack of implementation by companies of processes and compliance mechanisms to monitor compliance with those standards) <sup>2</sup>	PAI 11: Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles & OECD Guidelines for multinational enterprises	% of investments	
SDG no significantly negative score	PAI 12: Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	
Voting and Engagement policy with systematic voting criteria linked with board gender diversity	PAI 13: Board gender diversity	Expressed as a percentage of all board members.	
Controversial weapons policy	PAI 14: Exposure to controversial weapons	% of investments	

The Financial Product is also taking into account the environmental optional indicator PAI 6 ‘Water usage and recycling’ and the social optional indicator PAI 15 ‘Lack of anti-corruption and anti-bribery policies’.

Please note that, despite our commitment in the precontractual SFDR annex to publish these indicators in our periodic reporting SFDR annex, SFDR Level 2 requirements – such as the integration of PAI indicators in the investment process – only entered into force on 01/01/2023, after this report’s reference period. Therefore, PAI indicators will start being disclosed in the periodic reporting SFDR annex relative to the reference period in which SFDR Level 2 requirements entered into application.

***Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

Indirectly, through its investments into the Master, the Financial Product has not been exposed to companies which cause, contribute or are linked to violations of international norms and standards in a material manner. Those standards focus on Human Rights, Society, Labor and Environment. AXA IM relies on an external provider’s screening framework and excludes any companies that have been assessed as “non compliant” to UN’s Global Compact Principles, International Labor Organization’s (ILO) Conventions, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs).

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union 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.*

*Any other sustainable investment must also not significantly harm any environmental or social objectives.*



**How did this financial product consider principal adverse impacts on sustainability factors?**

**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.

The Master took into consideration the following Principal Adverse Impact indicators applying AXA IM exclusion policies and stewardship policies:

Relevant AXA IM policies	PAI indicator	Units	Measurement
Climate Risk policy	PAI 1: Green House Gas (GHG) emissions (scope 1, 2 & 3 starting 01/2023)	Metric tonnes	
Ecosystem protection & Deforestation policy			
Climate Risk policy	PAI 2: Carbon Footprint	Metric tonnes of carbon dioxide equivalents per million euro or dollar invested (tCO <sub>2</sub> e/M€ or tCO <sub>2</sub> e/M\$)	
Ecosystem protection & Deforestation policy			
Climate Risk policy	PAI 3: GHG intensity of investee companies	Metric tonnes per eur million revenue	
Ecosystem protection & Deforestation policy			
Climate Risk policy	PAI 4: Exposure to companies active in the fossil fuel sector	% of investments	
Climate Risk policy (engagement only)	PAI 5: Share of non-renewable energy consumption and production	% of total energy sources	
Ecosystem protection & Deforestation policy	PAI 7: activities negatively affecting biodiversity sensitive area	% of investments	
ESG standard policy / violation of international norms and standards	PAI 10: Violation of UN global compact principles & OECD guidelines for Multinational Enterprises	% of investments	
Voting and Engagement policy with systematic voting criteria linked with board gender diversity	PAI 13: Board Gender diversity	Expressed as a percentage of all board members	
Controversial weapons policy	PAI 14: Exposure to controversial weapons	% of investments	

Please note that, despite our commitment in the precontractual SFDR annex to publish these indicators in our periodic reporting SFDR annex, SFDR Level 2 requirements – such as the integration of PAI indicators in the investment process – only entered into force on 01/01/2023, after this report’s reference period. Therefore, PAI indicators will start being disclosed in the periodic reporting SFDR annex relative to the reference period in which SFDR Level 2 requirements entered into application.



## What were the top investments of this financial product?

The top investments of the Financial Product are detailed below:

Top investments	Sector	Proportion	Country
AXA WF Europe Opportunities M Capitalisation EUR	Trusts, funds and similar financial entities	100%	LU

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 2022-12-30

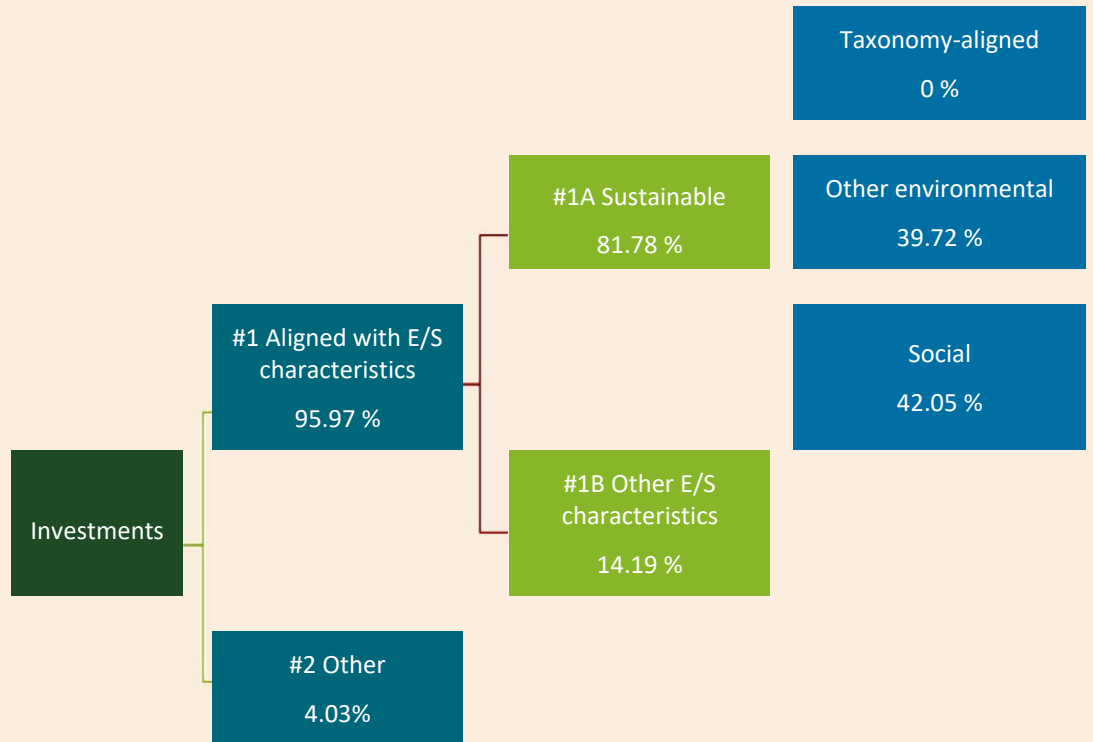
The portfolio proportions of investments hereabove presented were measured on 30/12/2022 and may not be representative of the reference period.



## What was the proportion of sustainability-related investments?

### ● What was the asset allocation?

**Asset allocation** describes the share of investments in specific assets.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The actual asset allocation has been reported based on the assets weighted average at the end of the reference period. Depending on the potential usage of derivatives within this product's investment strategy, the expected exposure detailed below could be subject to variability as the portfolio's NAV may be impacted by the Mark to Market of derivatives. For more details on the potential usage of derivatives by this product, please refer to its precontractual documents and its investment strategy described within.

**In which economic sectors were the investments made?**

Financial product's investments were made in the economic sectors detailed below:

Top sector	Proportion
Trusts, funds and similar financial entities	100%



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

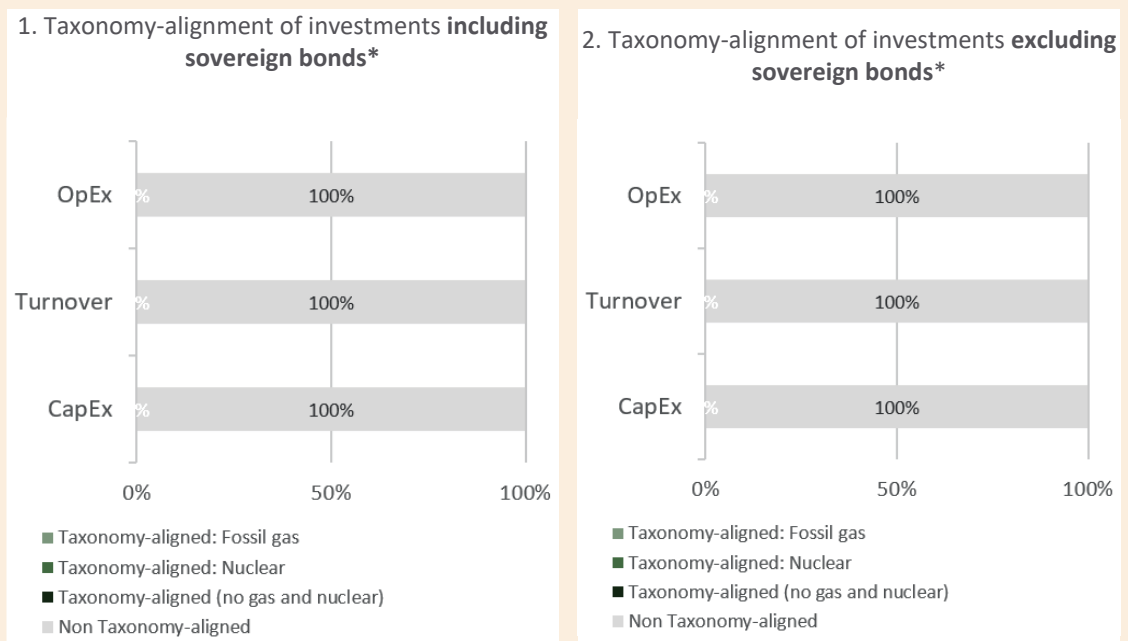
- Yes
- In fossil gas  In nuclear energy
- No

The Financial Product and its Master did not take into consideration the criteria of the EU Taxonomy environmental objectives during the reference period. The Financial Product did not consider the 'do not significant harm criteria' of the EU Taxonomy.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting the green operational activities of investee companies.

*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 in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

To comply with the EU Taxonomy, the criteria


**What was the share of investments made in transitional and enabling activities?**

<sup>1</sup> 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 significantly harm 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.

for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.


**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

The Financial Product and its Master did not take into consideration the criteria of the EU Taxonomy environmental objectives during the reference period. The Financial Product did not consider the 'do not significant harm criteria' of the EU Taxonomy.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable.


 **What was the share of sustainable investments with an environmental objective not aligned with the EU taxonomy?**

The share of the sustainable investments with an environmental objective not aligned with the EU Taxonomy has been 39.72% for this Financial Product during the reference period.

Investee companies with an environmental sustainable objective under SFDR are contributing to support UN SDGs or transition to decarbonization based on defined criteria as described above. Those criteria applying to issuers are different from technical screening criteria defined in EU Taxonomy applying to economic activities.

 **What was the share of socially sustainable investments?**

During the reference period, the Financial Product invested in 42.05% of sustainable investments with a social objective.

 **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The remaining “Other” investments represented 4.03% of the Financial Product’s Net Asset Value.

The “other” assets may have consisted in, as defined in the precontractual annex:

- cash and cash equivalent investments being bank deposit, eligible money market instruments and money market funds used for managing the liquidity of the Financial Product, and ;
- other instruments eligible to the Financial Product and that do not meet the Environmental and/or Social criteria described in this appendix. Such assets may be equity instruments, derivatives investments and investment collective 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.

Environmental or social safeguards were applied and assessed on all “other” assets except on (i) non single name derivatives, (ii) on UCITS and/or UCIs managed by other management company and (iii) on cash and cash equivalent investments described above.



**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

In 2022, the Financial Product reinforced exclusion policies applied with new exclusions related to unconventional oil and gas, mainly (i) oil sands leading to the exclusion of companies for which oil sands represents more than 5% of global oil sands production, (ii) Shale/ Fracking excluding players that produce less than 100kboepd with more than 30% of their total production derived from fracking, and (ii) Arctic with divestment from companies deriving more than 10% of their production from Arctic Monitoring and Assessment Programme (AMAP) region or representing more than 5% of the total global Arctic production. More details on those enrichments are available under the following link: <https://www.axa-im.com/our-policies-and-reports>



## How did this financial product perform compared to the reference benchmark?

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable.

