

## Mitteilung an alle Anteilseigner der AXA World Fonds:

Anbei finden Sie die Information der Fondsgesellschaft, folgende Fonds sind betroffen:

LU0868490201	AXA World Framlington Evolving Trends Small Cap - A CAP
LU0327689542	AXA World Framlington Emerging Markets - A CAP
LU0316218527	AXA World Framlington Human Capital - A CAP
LU0276014999	AXA World US High Yield Bonds - A CAP
LU0266009793	AXA World Global Inflation Bonds - A CAP
LU0266009959	AXA World Global Inflation Bonds - A USD Hedged 95% CAP
LU0266013472	AXA World Framlington Longevity Economy - A CAP
LU0251658372	AXA World Global Emerging Markets Bonds - E EUR Hedged 95% CAP
LU0251658455	AXA World Global Emerging Markets Bonds - A CAP
LU0251659180	AXA World Euro 7-10 - A CAP
LU0251661756	AXA World Euro Credit Short Duration - A CAP
LU0251661244	AXA World Euro 10 + LT - A DIS
LU0361791394	AXA World Framlington American Growth - A CAP
LU0184633930	AXA World Global Sustainable Aggregate - A DIS
LU0184627536	AXA World Framlington Switzerland - A CAP
LU0179866438	AXA World Optimal Income - A Acc CAP
LU0164100710	AXA World Euro Credit Plus - A CAP
LU0184630167	AXA World Global High Yield Bonds - A CAP
LU0216734045	AXA World Framlington Europe Real Estate Securities - A CAP
LU0251661087	AXA World Euro 10 + LT - A CAP
LU0125750256	AXA World Global High Yield Bonds - A EUR Hedged 95% DIS
LU0087657150	AXA World Swiss Equities - A CAP
LU0125741180	AXA World European Small Cap Equities - A CAP
LU0087656699	AXA World Framlington Italy - A CAP
LU0087657077	AXA World Framlington Switzerland - A Distribution DIS
LU0149002841	AXA World Global Sustainable Aggregate - A USD Hedged 95% DIS
LU0011972741	AXA World II Continental European Opportunities Equities – A DIS
LU0011972238	AXA World II North American Equities - A DIS
LU0868490201	AXA World Framlington Evolving Trends Small Cap - A CAP
LU0087656699	AXA World Framlington Italy - A CAP

Details können Sie der beigefügten Anlage entnehmen. Falls Ihre Kunden diesen Änderungen nicht zustimmen und die Möglichkeit besteht, die Anteile ohne Gebühren seitens der Fondsgesellschaft zurückzugeben, können Sie den Verkauf der Anteile direkt in MomentumOffice erfassen.

Bitte nehmen Sie zur Kenntnis, dass für die Abwicklung dieser Aufträge die im Preis- und Leistungsverzeichnis von Momentum ausgewiesenen Gebühren und die auf MomentumOffice angegebenen Annahmeschlusszeiten gelten.



AXA WORLD FUNDS  
(the "Sicav")  
A Luxembourg Société d'Investissement à Capital Variable

Registered Office: 49, avenue J. F. Kennedy  
L-1855 Luxembourg  
Commercial Register: Luxembourg, B-63.116

10 March 2021

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**  
**IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.**

Dear Shareholders,

We are pleased to inform you that the directors of the Sicav (the "**Directors**") have decided to introduce a number of changes to the prospectus of the Sicav (the "**Prospectus**"), which will enable it to look after your interests more effectively.

*Except as otherwise specified in this notice, words and expressions contained hereafter shall have the same meaning as in the Prospectus.*

- I. **Sub-Funds classification and additional disclosures in relation to sustainable finance, as per the SFDR and the Applicable Requirements**
- II. **Update of the sub-section "General Risks" under section "Risks Descriptions" of the general part of the Prospectus and insertion of sustainability risks scoring within the "Sub-Funds Descriptions" section**
- III. **Sub-Funds renaming**
- IV. **Sub-Funds reshaping**
- V. **Update of the sub-section "The Board of Directors" under section "The SICAV" of the general part of the Prospectus**
- VI. **Update of the sub-section "The Board of Directors" under section "The Management Company" of the general part of the Prospectus**
- VII. **Update of the "Terms with Specific Meaning" section of the general part of the Prospectus**
- VIII. **Removal of liquidated Sub-Fund**
- IX. **Amendments to the share class table**
- X. **Miscellaneous**

**I. Sub-Funds classification and additional disclosures in relation to sustainable finance, as per the SFDR and the Applicable Requirements (as defined below)**

On 27 November 2019, Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector was published (the “**SFDR**”). The SFDR aims to increase the harmonization and transparency towards the end investors with regard to the integration of sustainability risks, the consideration of adverse sustainability impacts, the promotion of environmental or social characteristics and sustainable investment by requiring pre-contractual and ongoing disclosures to end investors. The Prospectus must be adapted accordingly by March 10, 2021.

The SFDR provides high-level definitions and distinguishes the three following product categories:

- Article 6 products which are considered as non-RI or standard products (“**SFDR Article 6 Products**”).
- Article 8 products which are financial products that promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices (“**SFDR Article 8 Products**”).
- Article 9 products which are products that have sustainable investment as their objective (“**SFDR Article 9 Products**”).

The Directors have identified the following categories in order to classify the sub-funds of the Sicav (the “**Sub-Funds**” and each a “**Sub-Fund**”):

- Products which are SFDR Article 6 Products (“**Article 6**”).
- Products which are SFDR Article 8 Products (“**Article 8**”).
- Products which are SFDR Article 9 Products (“**Article 9**”). Article 9 are also differentiated according to whether they have a theme (“**Article 9 Thematic**”) or not (“**Article 9 Non-Thematic**”).

Such classification is also explained to the investors in the Prospectus through the inclusion of an explanatory disclosure in the introductory section of the “Sub-Fund Descriptions” section.

Depending on the classification, the level of disclosures is adapted in the description of the investment strategy of each Sub-Fund in the Prospectus to comply with the transparency requirements (the “**Sub-Funds Disclosures**”).

Furthermore, the modifications also comply with the new regulatory framework in relation to sustainable finance and meet the local requirements applicable to the Sicav in the relevant registration countries (“**Applicable Requirements**”).

Examples of Sub-Funds Disclosures relevant for each of the categories above and added within the section “Investment Objective and Strategy” and where relevant, “Management Process” of each concerned Sub-Fund are reproduced in the examples list below, being precised that such disclosures are adapted to each Sub-Fund depending on its specific investment policy or objective for instance:

(i) **Example of Article 6** (e.g. AXA WF Framlington Europe MicroCap)

**“Objective**

*To seek long-term growth of your investment, in EUR, from an actively managed listed equity, equity-related securities and derivatives portfolio.*

**Investment Strategy**

*The Sub-Fund is actively managed and references MSCI Europe MicroCap Total Return Net (the “Benchmark”) for both comparative purposes and performance fees’ calculation of the performance fee share class against it. The Investment Manager has full discretion over the composition of the portfolio of the Sub-Fund and can take exposure to companies, countries or sectors not included in the Benchmark. There are no restrictions on the extent to which the Sub-Fund’s portfolio and performance may deviate from the ones of the Benchmark.*

*The Sub-Fund invests essentially in equities of small and micro-cap companies (with a majority on the latter) domiciled or listed in Europe, while ensuring sector diversification.*

*The Sub-Fund may invest up to 10% of net assets in units of UCITS and/or UCIs.*

The Sub-Fund bindingly applies at all times AXA IM's Sectorial Exclusion Policy, as described in the document available on <https://www.axa-im.com/responsible-investing/sector-investment-guidelines> website, with the exception of derivatives and underlying eligible UCIs.

**Derivatives and Techniques**

The Sub-Fund may use derivatives for efficient portfolio management.

The Sub-Fund does not use total return swaps.

All derivatives usage will be consistent with the terms in "More about Derivatives and Efficient Portfolio Management".

For the purpose of efficient portfolio management, the Sub-Fund may use the following techniques (as a % of net assets):

- securities lending: expected, ≈20%; max, 100%

Main types of assets in scope are equities.

The Sub-Fund uses neither securities borrowing transactions nor repos/reverse repos.

**Management Process**

The Investment Manager uses a strategy that combines macro-economic, sector and company specific analysis. The securities selection process relies on a rigorous analysis of the companies' business model, management quality, growth prospects and risk/return profile.

**Reference Currency** EUR."

(ii) **Example of Article 8** (e.g. AXA WF Framlington Digital Economy)

**"Objective**

To seek long-term growth of your investment, in USD, from an actively managed listed equity and equity-related securities portfolio.

**Investment Strategy**

The Sub-Fund is actively managed and references MSCI AC World Total Return Net (the "Benchmark") for comparative purposes only. The Investment Manager has full discretion over the composition of the portfolio of the Sub-Fund and can take exposure to companies, countries or sectors not included in the Benchmark. There are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the ones of the Benchmark.

The Sub-Fund invests in equities of companies anywhere in the world that operate within the digital economy sector.

Specifically, at all times the Sub-Fund invests at least two thirds of its net assets in equities and equity-related securities of companies active in the overall value chain of the digital economy, from the customers' initial discovery of products and services, to the buying decision and then the final payment and delivery, and also in the technology enablers providing support and data analysis to develop companies' digital presence. Investments may include companies of any market capitalisation.

The Sub-Fund may also invest in money market instruments.

The Sub-Fund may invest up to 10% of net assets in UCITS and/or UCIs.

In the securities selection process, the Investment Manager bindingly applies at all times AXA IM's Sectorial Exclusion and ESG Standards Policies with the exception of derivatives and underlying eligible UCIs, as described in the documents available on the website: <https://www.axa-im.com/responsible-investing/sector-investment-guidelines>.

**Derivatives and Techniques**

The Sub-Fund may use derivatives for efficient portfolio management and hedging.

The Sub-Fund does not use total return swaps.

All derivatives usage will be consistent with the terms in "More about Derivatives and Efficient Portfolio Management".

For the purpose of efficient portfolio management, the Sub-Fund may use the following techniques (as a % of net assets):

- securities lending: expected, ≈15%; max, 100%

Main types of assets in scope are equities.

The Sub-Fund uses neither securities borrowing transactions nor repos/reverse repos.

**Management Process**

The Investment Manager uses a strategy that combines macro-economic, sector and company specific analysis. The securities selection process relies on a rigorous analysis and selection of high quality companies which typically include strong management teams, robust business models and healthy competitive environments, and where the expanding digital economy is expected to have a material positive impact on their financial results on a mid to long term basis.

**Reference Currency** USD."

(iii) **Example of Article 8** (e.g. AXA WF Global Flexible Property)

**"Objective**

To seek long-term growth of your investment, in USD, from an actively managed listed equity and debt securities portfolio in the global real estate market universe.



### **Investment Strategy**

The Sub-Fund is actively managed without reference to any benchmark. The Sub-Fund invests mainly in equities and bonds issued by REITs anywhere in the world.

Specifically, the Sub-Fund invests in equities, preferred shares, convertible bonds and bonds. The Sub-Fund may also invest in warrants and asset-backed securities.

The Sub-Fund invests mainly in Investment Grade transferable debt securities that are issued by governments, public or private companies and supranational entities anywhere in the world.

The Sub-Fund always invests in such transferable debt securities rated Sub-Investment Grade. However, the Sub-Fund does not invest in securities rated CCC+ or below by Standard & Poor's or equivalent rating by Moody's or Fitch. Ratings are based on the lower of two ratings or the second highest of three ratings depending on how many ratings are available. If securities are unrated, they must be judged equivalent to those levels by the Investment Manager. In case of a credit downgrade below such minimum, securities will be sold within 6 months.

The selection of debt securities is not exclusively and mechanically based on their publicly available credit ratings but also on an internal credit or market risk analysis. The decision to buy or sell securities is also based on other analysis criteria of the Investment Manager.

The Sub-Fund may invest in equities from other sectors on an ancillary basis, and in money market instruments.

The Sub-Fund may invest up to 10% of net assets in UCITS and/or UCIs that are managed by an AXA IM group entity and will then themselves not invest in securities rated in accordance with the above rating limits.

The Sub-Fund may not invest in external UCITS or UCIs.

Exposure of the Sub-Fund's assets in non-USD currency may be partially hedged against USD.

The Sub-Fund always aims at outperforming the ESG rating of a parallel comparison portfolio internally defined by the Investment Manager for ESG purposes as a strategic asset allocation constituted of 50% FTSE EPRA Nareit Developed + 50% ICE BofA Global Real Estate indexes, both ESG scores of the Sub-Fund and the composition of this comparison portfolio being calculated on a weighted average basis. The ESG rating method is described in the following link: <https://www.axa-im.com/responsible-investing/framework-and-scoring-methodology>. The ESG analysis coverage rate within the portfolio is at least 85% of the net assets of the Sub-Fund, this rate being calculated according to the weighted average assets allocation mix within the investment universe between minimum 90% ESG analysis coverage rate for securities issued in developed countries and/or rated Investment Grade and minimum 75% ESG analysis coverage rate for securities issued in emerging countries and/or rated Sub-Investment Grade and/or equities issued of small and medium capitalization companies. For the sake of clarity, the above indexes are broad market indexes that do not necessarily consider in their composition or calculation methodology the ESG characteristics promoted by the Sub-Fund.

In addition, in the securities selection process, the Investment Manager bindingly applies at all times AXA IM's Sectorial Exclusion and ESG Standards Policies with the exception of derivatives and underlying eligible UCIs, as described in the documents available on the website: <https://www.axa-im.com/responsible-investing/sector-investment-guidelines>. The ESG criteria contribute to, but are not a determining factor in, the Investment Manager's decision making.

### **Derivatives and Techniques**

The Sub-Fund may use derivatives for efficient portfolio management, hedging and investment.

For hedging purposes, the Sub-Fund may enter into CDS index transactions. Such derivatives with underlying indexes will not have significant rebalancing costs. In exceptional market conditions, the Sub-Fund's exposure to a single issuer in an underlying index may be over 20%, and up to 35% of net assets, especially when underlying indexes are highly concentrated. The Sub-Fund does not use total return swaps. All derivatives usage will be consistent with the terms in "More about Derivatives and Efficient Portfolio Management".

For the purpose of efficient portfolio management, the Sub-Fund may use the following techniques (as a % of net assets):

- securities lending: expected, ~25%; max, 100%

Main types of assets in scope are bonds and equities.

The Sub-Fund uses neither securities borrowing transactions nor repos/reverse repos.

**Management Process** The Investment Manager combines a "bottom-up" research process for selecting securities and, to a lesser extent, a "top-down" approach for geographical and thematic asset allocation. Investment decisions are based on a combination of macroeconomic, sector and company specific analysis. Tactical allocation between equities and bonds is driven by economic analysis and portfolio construction considerations. The securities selection process relies on a rigorous analysis of the companies' business model, governance and risk/return profile.

**Reference Currency** USD."

(iv) **Example of Article 9 Thematic** (e.g. AXA WF Framlington Clean Economy)

**"Objective**

To seek both long-term growth of your investment, in USD, from an actively managed listed equity and equity-related securities portfolio, and a sustainable investment objective, in line with a socially responsible investment (SRI) approach.

#### **Investment Strategy**

The Sub-Fund is actively managed and references MSCI AC World Total Return Net (the “Benchmark”) for comparative purposes only. The Investment Manager has full discretion over the composition of the portfolio of the Sub-Fund and can take exposure to companies, countries or sectors not included in the Benchmark. There are no restrictions on the extent to which the Sub-Fund’s portfolio and performance may deviate from the ones of the Benchmark. For the sake of clarity, the Benchmark is a broad market index which is not aligned with the sustainable investment objective of the Sub-Fund, but is used as a reference for its financial objective.

The Sub-Fund seeks to deliver both a financial return, and a positive and measurable impact on society, and more specifically environmental issues.

The Sub-Fund aims to support on the long run the SDGs established by the United Nations with a focus on the environmental themes. Thus, the Sub-Fund bindingly applies at all times AXA IM’s Impact approach for listed assets available on <https://www.axa-im.com/responsible-investing/impact-investing/listed-assets>, according to which the Investment Manager applies an impact approach in the securities selection process, which considers five key pillars: intentionality (securities targeting a specific positive environmental or social outcome), materiality (investments in companies where the positive outcomes are of material significance to the beneficiaries, the company, or to both), additionality (decisions are judged on the likely ability to resolve unmet environmental or social needs), negative consideration (company’s corporate practices or products and services may significantly undermine the positive impact it is generating elsewhere) and measurability (clear methodology and commitment to measuring and reporting the social performance of investments).

The Sub-Fund seeks to achieve its objective through investments in sustainable securities by using a socially responsible investment ‘selectivity’ approach taking into account non-financial criteria which consists of selecting best issuers in the investable universe based on their extra-financial ratings with a focus on the Environment pillar (“E scores”). The ‘Best-in-Class’ selectivity approach is bindingly applied and consists in reducing by, at least, 20% the investment universe as defined by the Benchmark, by excluding issuers based on their E scores, where applicable, to the exception of bonds and other debt securities issued by public or quasi-public issuers, cash held on an ancillary basis and Solidarity Assets.

For illustrative purpose only, the ESG criteria may be carbon footprint and/or water intensity for the environmental aspect, health, safety and/or management of human resources and gender equality for the social aspect, remuneration policy and/or global ethics for the governance aspect.

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

In addition, in the securities selection process, the Investment Manager bindingly applies at all times AXA IM’s Sectorial Exclusion and ESG Standards Policies with the exception of derivatives and underlying eligible UCIs, as described in the documents available on the website: <https://www.axa-im.com/responsible-investing/sector-investment-guidelines>.

The ESG analysis coverage rate within the portfolio is at least 90% of the net assets of the Sub-Fund, with the exception of bonds and other debt securities issued by public or quasi-public issuers, cash held on an ancillary basis, and Solidarity Assets. The ESG rating method is described in the following link: <https://www.axa-im.com/responsible-investing/framework-and-scoring-methodology>.

The ESG data used in the investment process are based on ESG methodologies which rely in part on third party data, and in some cases are internally developed. They are subjective and may change over time. Despite several initiatives, the lack of harmonised definitions can make ESG criteria heterogeneous. As such, the different investment strategies that use ESG criteria and ESG reporting are difficult to compare with each other. Strategies that incorporate ESG criteria and those that incorporate sustainable development criteria may use ESG data that appear similar but which should be distinguished because their calculation method may be different.

The Sub-Fund invests in equities of worldwide companies in the clean economy that develop activities which allow the energy transition and resource optimization.

Specifically, the Sub-Fund invests at least two thirds of net assets in equities and equity-related securities of worldwide companies that seek to offer growth potential and are active in areas such as the sustainable transport, renewable energies, responsible agriculture, food and water production and supplies and also recycling and waste reduction. Investments may include companies of any market capitalization.

The Sub-Fund may also invest in money market instruments.

The Sub-Fund may invest up to 10% of net assets in UCITS and/or UCIs.

#### **Derivatives and techniques**

The Sub-Fund may use listed derivatives (such as futures and options) for efficient portfolio management and hedging purposes.

The Sub-Fund will not use total return swaps.

All derivatives usage will be consistent with the terms in “More about Derivatives and Efficient Portfolio Management”.

For the purpose of efficient portfolio management and hedging, the Sub-Fund may use the following technique(s) (as a % of net assets):

- Securities lending: expected, ≈15%; max, ≈100%

Main types of assets in scope are equities.

The Sub-Fund uses neither securities borrowing transactions nor repos/reverse repos.

#### **Management Process**

The Investment Manager selects investments by applying a 2-step approach: 1/ defining the eligible universe after application of a first exclusion filter, as described in AXA IM's Sectorial Exclusion and ESG Standards Policies, followed by a second 'Best-in-Class' filter, designed to eliminate the worst issuers from the investment universe on the basis of their extra financial rating calculated on the basis of the AXA IM proprietary ESG rating methodology; 2/ a combination of macroeconomic sector and company specific analysis which relies on a rigorous analysis of the companies' business model, management quality, growth prospects and risk/return profile, with a focus on medium to long-term benefits from companies that fill the social, environmental and governance criteria and respect the principles defined in the United Nations Global Compact Initiative.

**Reference Currency** USD."

#### **(v) Example of Article 9 Non-Thematic (e.g. AXA WF Framlington Europe Small Cap)**

##### **"Objective**

To seek both long-term growth of your investment, in EUR, and a sustainable investment objective, from an actively managed listed equity, equity-related securities and derivatives portfolio, in line with a socially responsible investment (SRI) approach.

##### **Investment Strategy**

The Sub-Fund is actively managed and references STOXX Europe Small 200 Total Return Net (the "Benchmark") for comparative purposes only. The Investment Manager has full discretion over the composition of the portfolio of the Sub-Fund and can take exposure to companies not included in the Benchmark. There are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the ones of the Benchmark. For the sake of clarity, the Benchmark is a broad market index which is not aligned with the sustainable investment objective of the Sub-Fund, but is used as a reference for its financial objective.

The Sub-Fund seeks to achieve its objective through investments in sustainable securities that have implemented good practices in terms of managing their environmental impacts, governance and social ("ESG") practices, by using a socially responsible investment 'selectivity' approach taking into account non-financial criteria which consists of selecting best issuers in the investable universe based on their extra-financial ratings with a focus on the Governance pillar ("G scores"). The 'Best-in-Class' selectivity approach, which is bindingly applied at all times, consists in reducing by, at least, 20% the investment universe as defined by the Benchmark, by excluding issuers based on their G scores, where applicable, to the exception of bonds and other debt securities issued by public or quasi-public issuers, cash held on an ancillary basis and Solidarity Assets.

For illustrative purpose only, the ESG criteria may be carbon footprint and/or water intensity for the environmental aspect, health, safety and/or management of human resources and gender equality for the social aspect, remuneration policy and/or global ethics for the governance aspect.

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

In addition, in the securities selection process, the Investment Manager bindingly applies at all times AXA IM's Sectorial Exclusion and ESG Standards Policies with the exception of derivatives and underlying eligible UCIs, as described in the documents available on the website: <https://www.axa-im.com/responsible-investing/sector-investment-guidelines>.

The ESG analysis coverage rate within the portfolio is at least 90% of the net assets of the Sub-Fund, with the exception of bonds and other debt securities issued by public or quasi-public issuers, cash held on an ancillary basis, and Solidarity Assets. The ESG rating method is described in the following link: <https://www.axa-im.com/responsible-investing/framework-and-scoring-methodology>.

The ESG data used in the investment process are based on ESG methodologies which rely in part on third party data, and in some cases are internally developed. They are subjective and may change over time. Despite several initiatives, the lack of harmonised definitions can make ESG criteria heterogeneous. As such, the different investment strategies that use ESG criteria and ESG reporting are difficult to compare with each other. Strategies that incorporate ESG criteria and those that incorporate sustainable development criteria may use ESG data that appear similar but which should be distinguished because their calculation method may be different.

The Sub-Fund invests essentially in equities of small and medium capitalisation companies domiciled in Europe, while ensuring sector diversification.

At all times the Sub-Fund invests at least two thirds of net assets in small cap companies and up to one third of net assets in medium capitalisation companies listed on European markets.

The Sub-Fund may invest less than 25% of net assets in money market instruments and up to 10% in bonds, including convertible bonds.

The Sub-Fund may invest up to 10% of net assets in UCITS and/or UCIs.

##### **Derivatives and Techniques**

The Sub-Fund may use derivatives for efficient portfolio management.

The Sub-Fund does not use total return swaps.

All derivatives usage will be consistent with the terms in "More about Derivatives and Efficient Portfolio Management".

For the purpose of efficient portfolio management, the Sub-Fund may use the following techniques (as a % of net assets):

- securities lending: expected, ≈20%; max, 100%

Main types of assets in scope are bonds and equities.

The Sub-Fund uses neither securities borrowing transactions nor repos/reverse repos.

#### **Management Process**

The Investment Manager selects investments by applying a 2-step approach: 1/ defining the eligible universe after application of a first exclusion filter, as described in AXA IM's Sectorial Exclusion and ESG Standards Policies, followed by a second 'Best-in-Class' filter, designed to eliminate the worst issuers from the investment universe on the basis of their extra financial rating calculated on the basis of the AXA IM proprietary ESG rating methodology; 2/ using a strategy that combines macro-economic, sector and company specific analysis that relies on a rigorous analysis of the companies' business model, management quality, growth prospects and risk/return profile.

**Reference Currency** EUR."

The Directors decided to proportionally reflect these sustainability-related disclosures in the KIID of the Sub-Funds.

**These changes take effect immediately, i.e. at the date of the publication of the updated prospectus.**

## **II. Update of the section "Risks Descriptions" of the general part of the Prospectus and insertion of sustainability risks scoring within the "Sub-Funds Descriptions" section**

A sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment (the "Sustainability Risk(s)").

The SFDR requires the financial market participants to disclose specific information regarding their approaches to the integration of Sustainability Risks into their investment decisions. Relevant Sustainability Risks identified by the investment fund managers for each of the products they manage and the extent to which those Sustainability Risks might impact the performance of the financial product should be disclosed in the Prospectus. The Prospectus should therefore be amended in order to reflect:

- the manner in which Sustainability Risks are integrated into the investment decisions; and
- the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Sub-Funds.

The assessment is adapted depending on the investment strategy and ESG score of each Sub-Fund and relevant Sustainability Risks scoring should therefore be included in the description of each Sub-Fund in the Prospectus.

The Directors have therefore decided to update the sub-section "General Risks" under section "Risks Description" section of Prospectus to include a new "Sustainability Risks" as follows:

#### **"Sustainability Risks"**

The SICAV uses an approach to Sustainability Risks that is derived from the deep integration of ESG (environment, social and governance) criteria in its research and investment processes. For all the Sub-Funds within the SICAV and according to the investment strategy of each Sub-Fund, it has implemented a framework to integrate Sustainability Risks in investment decisions based on sustainability factors which relies notably on:

- Sectorial or/and normative exclusions
- Proprietary ESG scoring methodologies

**Sectorial and normative exclusions** In order to manage ESG and sustainability tail-risks, the SICAV has implemented a series of exclusion-based policies. These policies are aimed at managing ESG and sustainability tail-risks, with a focus on:

- E: Climate (coal and tar sands), Biodiversity (palm oil),
- S: Health (Tobacco) and Human Rights (Controversial and White Phosphorus Weapons, UNGC breach)
- G: corruption (UNGC breach).

All Sub-Funds have implemented the following sectorial exclusions: Controversial Weapons, Soft Commodities, Palm Oil and Climate Risks.



Sub-Funds which have ESG characteristics or which have sustainable investment as their objective have implemented additional ESG exclusions (Tobacco, White Phosphorus Weapons, severe violations of UNGC principles, low ESG quality).

All these exclusion policies aim to systematically address the most severe Sustainability Risks into the investment decision-making process.

**Proprietary ESG scoring** AXA IM has implemented proprietary scoring methodologies to rate issuers on ESG criteria (corporates, sovereigns, green bonds).

These methodologies are based on quantitative data from several data providers and have been obtained from non-financial information published by issuers and sovereigns as well as internal and external research. The data used in these methodologies include carbon emissions, water stress, health and safety at work, supply chain labour standards, business ethics, corruption and instability.

The corporate scoring methodology relies on a three-pillar and six-factor frame of reference that covers the main issues encountered by businesses in the E, S and G fields. The frame of reference draws on fundamental principles, such as the United Nations Global Compact, the OECD Guidelines, the International Labour Organisation conventions, and other international principles and conventions that guide companies' activities in the field of sustainable development and social responsibility. The analysis is based on the most material ESG risks and opportunities previously identified for each sector and company, with 6 factors: Climate Change, Resources and eco-systems, Human Capital, Social Relations, Business Ethics, Corporate Governance. The final ESG score also incorporates the concept of industry-dependent factors and deliberately differentiates between sectors, to overweight the most material factors for each industry. Materiality is not limited to impacts relating to a company's operations, it also includes the impacts on external stakeholders as well as the underlying reputational risk arising from a poor grasp of major ESG issues.

In the corporate methodology, controversy scores are also used in order to make sure that the most material risks are reflected in the final ESG score. To this end, the controversy scores are impacted to the final ESG scores as penalties.

These ESG scores provide a standardized and holistic view on the performance of issuers on ESG factors, and enable to further incorporate ESG risks in the investment decision.

One of the main limitations of this approach is related to the limited availability of data relevant to assess Sustainability Risks: such data is not yet systematically disclosed by issuers, and when disclosed may follow various methodologies. The investor should be aware that most of the ESG factors information is based on historical data and that they may not reflect the future ESG performance or risks of the investments.

For more details on the approach of integration of Sustainability Risks in investment decisions and the assessment of the likely impact of Sustainability Risks on each Sub-Fund's returns, please refer to the SFDR section of [www.axa-im.lu/important-information](http://www.axa-im.lu/important-information)."

The Directors also decided to update the "Risks" sub-section within the "Sub-Funds Description" section of the Prospectus to include the Sustainability Risks scoring of the Sub-Funds as follows:

**"Sustainability Risks** Given the Sub-Fund's Investment Strategy and risk profile, the likely impact of the Sustainability Risks on the Sub-Fund's returns is expected to be [low/ medium or high]."

The complete Sustainable Risk scoring table of the Sub-Funds is included in [Appendix1](#).

**This change takes effect immediately, i.e. at the date of the publication of the updated prospectus.**

### III. Sub-Funds renaming

In order to reflect the current level of ESG sensibility in the name of the Sub-Funds which already integrate significantly engaging ESG approaches, the Directors have decided to rename the followings Sub-Funds:

- AXA WF Framlington Sustainable Eurozone;
- AXA WF Framlington Sustainable Europe;
- AXA WF Euro Buy and Maintain Sustainable Credit.

The above-mentioned Sub-Funds' renames have no impact on the investment policy of the Sub-Funds.

**These changes take effect immediately, i.e. at the date of the publication of the updated prospectus.**

In order to align the names of the Sub-Funds with their new investment policy which will be reshaped, as described in section IV. below, the Directors have decided to rename the followings Sub-Funds:

- AXA WF Framlington ~~Women Empowerment~~ Social Progress;

- AXA WF Euro Sustainable Bonds-SRI.

**These changes will take effect on 10 April 2021, i.e. one month after the date of the present Notice.**

#### **IV. Sub-Funds reshaping**

Pursuant to the SFDR and the Applicable Requirements, the Directors decided to introduce or increase the integration of sustainability factors in some Sub-Funds (the “**Reshaped Sub-Funds**”) and to reshape the “Investment Objective and Strategy” of those Sub-Funds to increase and/or widen their sensibility to ESG approaches.

As a result of the reshaping, the below Reshaped Sub-Funds are considered as SFDR Article 9 Product (regardless of whether they were previously considered as Article 6, Article 8 or Article 9). The Reshaped Sub-Funds are:

- AXA WF Framlington Euro Opportunities;
- AXA WF Framlington Europe Small Cap;
- AXA WF Framlington Evolving Trends;
- AXA WF Framlington ~~Women Empowerment~~ Social Progress;
- AXA WF Euro Sustainable Bonds-SRI;
- AXA WF Euro Sustainable Credit;
- AXA WF Global Sustainable Aggregate;
- AXA WF Global Factors - Sustainable Equity;
- AXA WF Global Green Bonds.

The applied changes are described below:

##### **(i) AXA WF Framlington Euro Opportunities**

The Directors have decided to amend this Sub-Fund to introduce a new sustainable investment objective and reshape the investment policy to add a significantly engaging ESG approach in line with such objective.

As a consequence, the sections “Investment Objective and Strategy” and “Management Process” of the appendix of the Sub-Fund have been amended following the Article 9 Non-Thematic example provided above with a focus on the Environment pillar (“E score”).

##### **(ii) AXA WF Framlington Europe Small Cap**

The Directors have decided to amend this Sub-Fund to introduce a new sustainable investment objective and reshape the investment policy to add a significantly engaging ESG approach in line with such objective.

As a consequence, the sections “Investment Objective and Strategy” and “Management Process” of the appendix of the Sub-Fund have been amended following the Article 9 Non-Thematic example provided above with a focus on the Governance pillar (“G scores”).

##### **(iii) AXA WF Framlington Evolving Trends**

The Directors have decided to amend this Sub-Fund to introduce a new sustainable investment objective and reshape the investment policy to add a significantly engaging ESG approach in line with such objective.

As a consequence, the sections “Investment Objective and Strategy” and “Management Process” of the appendix of the Sub-Fund have been amended following the Article 9 Thematic example provided above with a focus on the Environment pillar (“E score”).

(iv) **AXA WF Framlington Social Progress (previously named AXA WF Framlington Women Empowerment)**

The Directors have decided to amend this Sub-Fund to change the new sustainable investment objective (from gender diversity and leveraging on the increasingly important economic role of women to social progress) and reshape the investment policy according to the new sustainable investment objective.

As a consequence, the following sections of the appendix of the Sub-Fund have been amended as follows:

The new section "Investment Objective and Strategy" will read as follows:

**Objective**

To seek both long-term growth of your investment, in USD, and a sustainable investment objective, from an actively managed listed equity and equity-related securities portfolio through, by selecting companies that create financial and societal value by fostering gender diversity and leveraging on the increasingly important economic role of women social progress.

**Investment Strategy**

The Sub-Fund is actively managed in order to capture opportunities in the equity market, by mainly investing at least 20% of its net assets in equities of companies that are part of the MSCI AC World Total Return benchmark index (the "Benchmark") universe. As part of the investment process, the Investment Manager has broad discretion over the composition of the Sub-Fund's portfolio and can take, based on its investment convictions, large overweight or underweight positions on the countries, sectors or companies compared to the Benchmark's composition and/or take exposure to companies, countries or sectors not included in the Benchmark, even though the Benchmark constituents are generally representative of the Sub-Fund's portfolio. Thus, the deviation from the Benchmark is likely to be significant. For the sake of clarity, the Benchmark is a broad market index which is not aligned with the sustainable investment objective of the Sub-Fund but is used as a reference for its financial objective. The Sub-Fund invests in equities issued by companies anywhere in the world which promote gender diversity and women leadership.

Specifically, at all times the Sub-Fund invests at least two thirds of net assets in equities and equity-related securities of companies which (i) are leaders in the reduction of gender gap and foster diversity; (ii) have a high representation of women in management and/or (iii) demonstrate a strong commitment to adopt and implement women-friendly policies. Investments may include companies of any market capitalisation.

The Sub-Fund may invest up to one third of net assets in money market instruments.

The Sub-Fund seeks to deliver both a financial return, and a positive and measurable impact on society, and more specifically social issues. The Sub-Fund mainly invests in worldwide listed equities which address the United Nations Sustainable Development Goals (SDGs) in their social dimension. The following SDGs have a direct social dimension: alleviating poverty and access to essential products and services (SDG 1), access to safe and nutritious food (SDG 2), the promotion of health, safety and well-being (SDG 3), the promotion of education and labour upskilling (SDG 4), the attainment of gender equality (SDG 5), access to safe water and sanitation (SDG 6), access to modern and affordable electricity (SDG 7), the promotion of inclusive economic growth and decent work for all (SDG 8), the promotion of an industrialization inclusive of small businesses and fostering innovation (SDG 9), the reduction of social inequalities (SDG 10), the making of safe, resilient and affordable human settlements (SDG 11) and the promotion of peace and justice and the fight against all forms of organized crime (SDG 16). Specifically, the Fund aims to target the areas of social progress highlighted by those SDGs such as: housing and essential infrastructure, financial and technology inclusion, healthcare solutions, well-being and safety, education and entrepreneurship.

The Sub-Fund aims to support on the long run the SDGs established by the United Nations with a focus on the social themes. Thus, the Sub-Fund applies AXA IM's Impact approach for listed assets available on <https://www.axa-im.com/responsible-investing/impact-investing/listed-assets>, according to which the Investment Manager applies an impact approach in the securities selection process, which considers five key pillars: intentionality (securities targeting a specific positive environmental or social outcome), materiality (investments in companies where the positive outcomes are of material significance to the beneficiaries, the company, or to both), additionality (decisions are judged on the likely ability to resolve unmet environmental or social needs), negative consideration (company's corporate practices or products and services may significantly undermine the positive impact it is generating elsewhere) and measurability (clear methodology and commitment to measuring and reporting the social performance of investments). The Sub-Fund bindingly commits to have at all times at least 70% of assets invested in companies which have been assessed internally through the above-mentioned impact assessment approach.

The Sub-Fund adopts a socially responsible investment approach by applying a Best-in-Class methodology according to which the Investment Manager bindingly applies at all times Environmental, Social and Governance (ESG) 'selectivity' approach taking into account non-financial criteria in the



~~securities selection process with the exception of derivatives and underlying eligible UCIs. The eligible which consists of selecting best issuers in the investable universe based on their contribution to the socially-focused United Nations Sustainable Development Goals ("social UN SDGs"). The selectivity approach consists in reducing by, at least, 20% the investment universe is consequently reduced and defined according to ESG criteria, the described above, using a combination of external and internal SDGs alignment data.~~

~~The scope of the eligible ESG securities being reviewed every 6 months at the latest, as described in the transparency code of the Sub-Fund available at <https://www.axa-im.com/fund-centre>.~~

~~In addition, the Sub-Fund applies the AXA Investment Managers' Environmental, Social and Governance standards policy ("ESG Standards") available on [www.axa-im.com/en/responsible-investing](https://www.axa-im.com/en/responsible-investing) according to which in the securities selection process, the Investment Manager aims at integrating the ESG Standards in the investment process by applying specific sectorial exclusions such as tobacco and white phosphorus weapons and by excluding investments in securities issued by companies in severe breach of the United Nations Global Compact principles and with the lowest ESG scores as described in the policy document. The Investment Manager bindingly applies at all times the AXA IM's Sectorial Exclusion and ESG Standards in the securities selection process.~~  
~~Policies with the exception of derivatives and underlying eligible UCIs, as described in the documents available on the website: <https://www.axa-im.com/responsible-investing/sector-investment-guidelines>.~~

~~The ESG analysis coverage rate within the portfolio is at least 90% of the net assets of the Sub-Fund, with the exception of cash held on an ancillary basis and Solidarity Assets. The ESG rating method is described in the following link: <https://www.axa-im.com/responsible-investing/framework-and-scoring-methodology>.~~

~~The ESG data used in the investment process are based on ESG methodologies which rely in part on third party data, and in some cases are internally developed. They are subjective and may change over time. Despite several initiatives, the lack of harmonised definitions can make ESG criteria heterogeneous. As such, the different investment strategies that use ESG criteria and ESG reporting are difficult to compare with each other. Strategies that incorporate ESG criteria and those that incorporate sustainable development criteria may use ESG data that appear similar but which should be distinguished because their calculation method may be different.~~

~~Investments may include companies of any sector and market capitalisation.~~

~~The Sub-Fund may invest up to 30% of net assets in money market instruments and up to 5% of net assets in Chinese A Shares listed in the Shanghai Hong-Kong Stock Connect.~~

~~The Sub-Fund may invest up to 10% of net assets in UCITS and/or UCIs.~~

~~(...)"~~

The new section "Management Process" will read as follows:

**"Management Process"**

~~The Investment decisions are based on Manager selects investments by applying a 2-step approach: 1/ defining the eligible universe after application of a first exclusion filter, as described in AXA IM's Sectorial Exclusion and ESG Standards Policies, followed by a second 'Best-in-Class' filter on SDGs indicators; 2/ using a combination of macro-economic, sector and company specific analysis. The securities selection process that relies on a rigorous analysis of the companies' business model, management quality, growth prospects and risk/return profile, with a focus on medium to long-term benefits from the companies which demonstrate a strong commitment to promote women leadership social progress. The process also relies on responsible investments filters and analysis as well as impact appraisal, monitoring and measurement to verify and demonstrate that the desired outcome could be attained.~~

The new section "Risks Factors" will read as follows:

**"Risk Factors"**

The Sub-Fund is subject to the risks described in "General Risks", as well as to the following specific risks (described in "Specific Risks"):

- Emerging markets
- Global investments
- Investments in small and/or micro capitalisation universe
- Investments in specific sectors or asset classes
- ESG
- Impact investments

In order to achieve the amended investment objective, AXA Investment Managers Paris has also been appointed as investment advisor of this Sub-Fund.

- (v) **AWF Euro Sustainable Bonds (previously named Euro Bonds SRI)**

The Directors have decided to amend this Sub-Fund to introduce a new sustainable investment objective and reshape the investment policy to add a significantly engaging ESG approach in line with such objective.

As a consequence, the "Investment Objective and Strategy" and "Management Process" sections of the appendix of the Sub-Fund have been amended following the Article 9 Non-Thematic example provided above with a basis on the extra-financial ratings ("ESG scores").

(vi) **AWF Euro Sustainable Credit**

The Directors have decided to amend this Sub-Fund to introduce a new sustainable investment objective and reshape the investment policy to add a significantly engaging ESG approach in line with such objective.

As a consequence, the "Investment Objective and Strategy" and "Management Process" sections of the appendix of the Sub-Fund have been amended following the Article 9 Non-Thematic example provided above with a basis on the extra-financial ratings ("ESG scores").

(vii) **AXA WF Global Sustainable Aggregate**

The Directors have decided to amend this Sub-Fund to introduce a new sustainable investment objective and reshape the investment policy to add a significantly engaging ESG approach in line with such objective.

As a consequence, the following sections of the appendix of the Sub-Fund have been amended as follows:

The new section "Investment Objective and Strategy" will read as follows:

**Objective**

*To seek both income and growth of your investment, in EUR, and a sustainable investment objective, from an actively managed bond portfolio, in line with a socially responsible investment approach invested in sustainable securities (i.e. securities from issuers that the Investment Manager believes show effective governance and superior management of environmental and social issues).*

**Investment Strategy**

*The Sub-Fund seeks to achieve its objective through investments in sustainable securities that have implemented good practices in terms of managing their environmental impacts, governance and social ("ESG") practices, by using a socially responsible investment 'selectivity' approach taking into account non-financial criteria which consists of selecting best issuers in the investable universe based on their extra-financial ratings ("ESG scores"). The 'Best-in-Class' selectivity approach, which is bindingly applied at all times, consists in reducing by, at least, 20% the investment universe as defined by Bloomberg Barclays Global Aggregate OECD Currencies benchmark index (the "Benchmark"), by excluding issuers based on their ESG scores, where applicable, to the exception of bonds and other debt securities issued by public or quasi-public issuers, cash held on an ancillary basis and Solidarity Assets, by incorporating binding Environmental, Social and Governance ("ESG") criteria exclusions and positioning the portfolio positively towards investments in companies with above average ESG scores. The Sub-Fund will maintain an average asset-weighted ESG score above the ESG score of the corporate investments of Bloomberg Barclays Global Aggregate OECD Currencies benchmark index (the "Benchmark") excluding cash holdings, currencies, derivatives and securitized investments, according to the methodology described in the transparency code of the Sub-Fund available at <https://www.axa-im.com/fund-centre>. The ESG qualitative review is integrated by the Investment Manager at the portfolio level for all issuances, nevertheless the ESG score optimization concerns corporate investments only (with the exception of sovereigns).*

*For illustrative purpose only, the ESG criteria may be carbon footprint and/or water intensity for the environmental aspect, health, safety and/or management of human resources and gender equality for the social aspect, remuneration policy and/or global ethics for the governance aspect.*

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

*In addition, in the securities selection process, the Investment Manager bindingly applies at all times AXA IM's Sectorial Exclusion and ESG Standards Policies with the exception of derivatives and underlying eligible UCIs, as described in the documents available on the website: <https://www.axa-im.com/responsible-investing/sector-investment-guidelines>.*

*The ESG analysis coverage rate within the portfolio is at least 90% of the net assets of the Sub-Fund, with the exception of bonds and other debt securities issued by public or quasi-public issuers, cash held on an ancillary basis, and Solidarity Assets. The ESG rating method is described in the following link:*

<https://www.axa-im.com/responsible-investing/framework-and-scoring-methodology>.

The ESG data used in the investment process are based on ESG methodologies which rely in part on third party data, and in some cases are internally developed. They are subjective and may change over time. Despite several initiatives, the lack of harmonised definitions can make ESG criteria heterogeneous. As such, the different investment strategies that use ESG criteria and ESG reporting are difficult to compare with each other. Strategies that incorporate ESG criteria and those that incorporate sustainable development criteria may use ESG data that appear similar but which should be distinguished because their calculation method may be different.

~~In addition, the Sub-Fund also applies the AXA Investment Manager's Environmental, Social and Governance standards policy ("ESG Standards") available on [www.axa-im.com/en/responsible-investing](http://www.axa-im.com/en/responsible-investing) according to which the Investment Manager aims at integrating the ESG Standards in the investment process by applying specific sectorial exclusions such as tobacco and white phosphorus weapons and by excluding investments in securities issued by companies in severe breach of the United Nations Global Compact principles and with the lowest ESG scores as described in the policy document. The Investment Manager bindingly applies at all times the ESG Standards in the securities selection process with the exception of derivatives and underlying eligible UCIs.~~

The Sub-Fund is actively managed in reference to the Benchmark in order to capture opportunities in the bonds market. The Sub-Fund invests in fixed and floating rate debt securities issued by OECD governments and Investment Grade companies or public institutions, and that are denominated in any freely convertible currencies and are part of the components of the Benchmark by at least 50% of its net assets. Depending on its investment convictions and after comprehensive macroeconomic and microeconomic analysis of the market, the Investment Manager can take more active positioning in terms of duration, geographical allocation and/or sector or issuer selection compared to the Benchmark. Thus, the deviation from the Benchmark is expected to be significant. However, in certain market conditions (high credit market volatility, turmoil...), the Sub-Fund's positioning on the above indicators may be close to the Benchmark. For the sake of clarity, the Benchmark is a broad market index which is not aligned with the sustainable investment objective of the Sub-Fund, but is used as a reference for its financial objective.

The Sub-Fund also invests in mortgage and asset backed securities from issuers anywhere in the world. (...)"

The new section "Management Process" will read as follows:

**"Management Process"**

The Investment Manager selects investments by applying a 2-step approach: 1/ defining the eligible universe after application of a first exclusion filter, as described in AXA IM's Sectorial Exclusion and ESG Standards Policies, followed by a second 'Best-in-Class' filter, designed to eliminate the worst issuers from the investment universe on the basis of their extra financial rating calculated on the basis of the AXA IM proprietary ESG rating methodology; 2/ selecting investments based on a number of factors, including macro- and microeconomic analysis and credit analysis of issuers and ~~The investment manager~~ Investment Manager also management of s the Interest Rate Sensitivity, the yield curve positioning and the exposure to different geographical areas."

(viii) **AXA WF Global Factors - Sustainable Equity**

The Directors have decided to amend this Sub-Fund to introduce a new sustainable investment objective and reshape the investment policy to add a significantly engaging ESG approach in line with such objective.

As a consequence, the following sections of the appendix of the Sub-Fund have been amended as follows:

The new section "Investment Objective and Strategy" will read as follows:

**"Objective"**

To seek to achieve long-term growth above that of your investment, in USD, and to outperform the MSCI World Total Return Net Index (the "Benchmark"), with a lower level of total risk (volatility) and a sustainable investment objective that seeks significantly improved sustainability characteristics ESG metrics and lower carbon intensity than compared to the Benchmark, by using a socially responsible investment approach.

**Investment Strategy**

The Sub-Fund is actively managed in reference to the Benchmark and seeks to achieve its financial goal by primarily investing in a well-diversified basket of equity securities of issuers that comprise the Benchmark. The investment universe of the Sub-Fund may extend to equity securities listed in countries of the Benchmark that are not constituents of the Benchmark, from the countries of the Benchmark.

The Investment Manager may take, based on its investment convictions, overweight or underweight positions compared to the Benchmark, meaning that deviation from the Benchmark is likely to be significant. However, in certain market conditions, the Sub-Fund's performance may be close to the

Benchmark. This could occur, for example, when share performances are closely aligned to earnings growth, there is a low level of macroeconomic risk and the performance of the equity market aligns closely with the performance of the low volatility and quality factors targeted by the Investment Manager. For the sake of clarity, the Sub-Fund's Benchmark is a broad market index that has neither an explicit investment nor sustainability objective, but is used to measure the success of the Sub-Fund's investment and sustainability objectives.

The Investment Manager uses proprietary quantitative models that incorporate both financial and non-financial data to select securities for the Sub-Fund. The Investment Manager's approach to portfolio construction is largely systematic, and an optimiser is used to structure the portfolio in a way that is intended to meet the investment objective. The optimiser is designed to consider each stock's factor exposure alongside its ESG rating and carbon footprint (measured in CO2 Tonnes/Million \$ revenue). The Investment Manager applies an ESG 'rating upgrade' approach, which requires the ESG rating of the Sub-Fund to be higher than the rating of the investment universe after omitting the worst 20% of the rated securities, excluding liquid assets held on an ancillary basis and Solidarity Assets.

This process tilts the portfolio toward stocks with higher ESG scores and lower carbon intensity while maintaining the desired factor exposure. The decision to hold, buy or sell a security is based on both financial and non-financial data. The ESG approach in place for the Sub-Fund is described in detail in the transparency code of the Sub-Fund available at <https://www.axa-im.com/fund-centre>.

In the securities selection process, the Investment Manager uses proprietary quantitative models to identify companies with high quality earnings and lower share-price volatility through a combination of both financial and non-financial data. By doing so, the Investment Manager intends to build a portfolio of stocks that targets 20% less volatility than the Benchmark.

The Investment Manager also considers sustainability issues when selecting equity securities, with the intention to build a portfolio with an Environmental, Social and Governance (ESG) score that is higher than the Benchmark and that has less environmental impact. The Investment Manager bindingly considers data such as carbon emissions, water intensity, societal impact and governance issues, and excludes those companies with the least desirable ESG features, as described in the transparency code of the Sub-Fund available at <https://www.axa-im.com/fund-centre>.

In addition, in the securities selection process, the Investment Manager bindingly applies at all times AXA IM's Sectorial Exclusion and ESG Standards Policies, with the exception of derivatives and underlying eligible UCIs, as described in the documents available on the website: <https://www.axa-im.com/responsible-investing/sector-investment-guidelines>.

The ESG analysis coverage rate within the portfolio is at least 90% of the net assets of the Sub-Fund, except for cash held on an ancillary basis and Solidarity Assets. The ESG rating method is described in the following link: <https://www.axa-im.com/responsible-investing/framework-and-scoring-methodology>.

The ESG data used in the investment process are based on ESG methodologies which rely in part on third party data, and in some cases are internally developed. They are subjective and may change over time. Despite several initiatives, the lack of harmonised definitions can make ESG criteria heterogeneous. As such, the different investment strategies that use ESG criteria and ESG reporting are difficult to compare with each other. Strategies that incorporate ESG criteria and those that incorporate sustainable development criteria may use ESG data that appear similar but which should be distinguished because their calculation method may be different.

In addition, the Sub-Fund also applies the AXA Investment Managers' Environmental, Social and Governance standards policy ("ESG Standards"), available at [www.axa-im.com/en/responsible-investing](http://www.axa-im.com/en/responsible-investing), according to which the Investment Manager integrates the ESG Standards in the investment process by applying specific sectoral exclusions such as tobacco and white phosphorus weapons and excluding investments in securities issued by companies in severe breach of the United Nations Global Compact principles and with the lowest ESG scores as described in the policy document. The Investment Manager bindingly applies at all times the ESG Standards in the securities selection process with the exception of derivatives and underlying eligible UCIs.

The Sub-Fund invests in equities of companies anywhere in the world, excluding emerging markets. Specifically, the Sub-Fund invests in equities and equity-related securities of companies of any capitalisation, with a minimum of investment of 51% of net assets in equities, at all times.  
(...)"

The new section "Management Process" will read as follows:

**"Management Process"**

In selecting individual securities, the Investment Manager uses a proprietary quantitative process designed to identify fundamental drivers of risk and return while seeking to significantly improve the Sub-Fund's ESG profile compared to that of the Benchmark."

(ix) AXA WF Global Green Bonds

The Directors have decided to amend this Sub-Fund to introduce a new sustainable investment objective and reshape the investment policy to add a significantly engaging ESG approach in line with such objective.



As a consequence, the following sections of the appendix of the Sub-Fund have been amended as follows:

The new section "Investment Objective and Strategy" will read as follows:

**Objective**

*To seek both income and growth of your investment, in EUR, and a sustainable investment objective, from an actively managed bonds portfolio contributing to financing of the energy and ecology transition and demonstrating a positive environmental impact.*

**Investment Strategy**

*The Sub-Fund is actively managed in reference to the BofA Merrill Lynch Green Bond Hedged Euro benchmark index (the "Benchmark") in order to capture opportunities in the investment grade government, institutions - such as supranational, agencies and quasi-government – and corporate bonds markets. The Sub-Fund invests at minimum one third of its net assets in the components of the Benchmark. Depending on its investment convictions and after comprehensive macroeconomic and microeconomic analysis of the market, the Investment Manager can take more active positioning in terms of duration (duration measures in numbers of years, the portfolio's sensitivity to interest rate variations), geographical allocation and/or sector or issuer selection compared to the Benchmark. Thus, the deviation from the Benchmark is expected to be significant. However, in certain market conditions (high credit market volatility, turmoil...), the Sub-Fund's positioning on the above indicators may be close to the Benchmark. The Benchmark is aligned with the sustainable investment objective of the Sub-Fund, as it tracks the performance of securities issued for qualified "green" purposes which must have a clearly designated use of proceeds solely applied toward projects or activities that promote climate change mitigation or adaptation or other environmental sustainability purposes as outlined by the ICMA Green Bond Principles. The methodology used for the calculation of the index is available on: [https://www.theice.com/publicdocs/Green\\_Bond\\_Index.pdf](https://www.theice.com/publicdocs/Green_Bond_Index.pdf)*

*The Sub-Fund invests in a diversified portfolio of fixed and floating rate transferable debt securities issued by Investment Grade governments, public institutions or corporations anywhere in the world, and that are denominated in any freely convertible currencies.*

*The Sub-Fund invests mainly minimum 75% of its net assets in bonds financing environmental projects (green bonds).*

*The Sub-Fund adopts a green and social impact investing approach that aims to support on the long run the Sustainable Development Goals (SDGs) established by the United Nations with a focus on the environmental themes (green buildings, low carbon transport, smart energy solutions, sustainable ecosystem etc.) and involves purchasing bonds where the proceeds are earmarked for projects which support a low carbon economy or the basic needs of underserved populations and communities, by financing initiatives such as renewable energy, pollution prevention, access to healthcare, affordable housing and women empowerment.*

*In the securities selection process, the Investment Manager applies a proprietary green, social and sustainability bonds assessment framework, mainly based on the ICMA Green and Social Bond Principles ("GSBP") and the Climate Bonds Initiative ("CBI") guidelines. The Investment Manager employs a rigorous internal green, social and sustainability bond selection process by filtering out bonds which are not in line with our internal green, social and sustainability bonds requirements.*

*AXA IM's green bond framework is composed of four pillars: 1/ the environmental, social and governance (ESG) quality of the issuer (a firm needs to demonstrate minimum ESG commitments, to ensure that corporations properly deal with environmental and social risks in the projects financed and that the green projects being financed are strategic activities); 2/ the use of proceeds of a green or social bond should reflect the issuer's efforts towards improving the environment and society and its overall sustainability strategy, full transparency regarding the projects financed and tracking the proceeds being essential; 3/ management of proceeds (an issuer must have sufficient guarantees in place to ensure the proceeds of the bond will effectively finance the eligible projects); 4/ ESG impact (particular attention is paid to impact reporting, where both qualitative and quantitative indicators are expected, allowing to demonstrate the positive impact of a bond on the environment and society).*

*The ESG analysis coverage rate within the portfolio is at least 90% of the net assets of the Sub-Fund, with the exception of bonds and other debt securities issued by public or quasi-public issuers, cash held on an ancillary basis, and Solidarity Assets. The ESG rating method is described in the following link: <https://www.axa-im.com/responsible-investing/framework-and-scoring-methodology>.*

*In addition, in the securities selection process, the Investment Manager bindingly applies at all times AXA IM's Sectorial Exclusion and ESG Standards Policies with the exception of derivatives and underlying eligible UCIs, as described in the documents available on the website: <https://www.axa-im.com/responsible-investing/sector-investment-guidelines>.*

*The ESG data used in the investment process are based on ESG methodologies which rely in part on third party data, and in some cases are internally developed. They are subjective and may change over time. Despite several initiatives, the lack of harmonised definitions can make ESG criteria heterogeneous. As such, the different investment strategies that use ESG criteria and ESG reporting are difficult to compare with each other. Strategies that incorporate ESG criteria and those that incorporate*

sustainable development criteria may use ESG data that appear similar but which should be distinguished because their calculation method may be different.

*Specifically, the Sub-Fund invests at least two thirds of net assets in fixed income securities, including asset-backed securities representing less than 20% of net assets, from issuers anywhere in the world. These securities are mainly rated Investment Grade (direct or indirect exposure through units of UCITS and/or other UCIs within the limit set out below).*

(...)"

The new section "Management Process" will read as follows:

**"Management Process**

*The iInvestment mManager selects investments based on a 2-step approach: 1/ defining the eligible universe after application of a green and social impact filter, and 2/ using a number of factors, including macro- and microeconomic analysis and credit analysis of issuers. The iInvestment mManager also manages the Interest Rate Sensitivity, the yield curve positioning and the exposure to different geographical areas."*

For the avoidance of doubt, the risk profile of the Reshaped Sub-Funds is not modified.

**These changes will take effect on 10 April 2021, i.e. one month after the date of the present Notice.**

**Shareholders who do not agree with such changes may request the redemption of their shares free of charge until 10 April 2021.**

**V. Update of the sub-section "The Board of Directors" under section "The SICAV" of the general part of the Prospectus**

The Directors decided to update the sub-section "The Board of Directors" under section "The SICAV" of the general part of the Prospectus in order to reflect the resignation of M. Paul Flavien as of 14 October 2020 and the appointment of M. Matthieu Tonneau as of 6 January 2021.

**This change takes effect immediately, i.e. at the date of the publication of the updated prospectus.**

**VI. Update of the sub-section "The Board of Directors" under section "The Management Company" of the general part of the Prospectus**

The Directors decided to update the sub-section "The Board of Directors" under section "The Management Company" of the general part of the Prospectus in order to reflect the resignation of M. Laurent Jaumotte as of 15 October 2020 and the appointment of Mrs. Beatriz Barros de Lis Tubbe as of 22 December 2020.

**These changes take effect immediately, i.e. at the date of the publication of the updated prospectus.**

**VII. Update of the "Terms with Specific Meaning" section**

The Directors decided to add to the Glossary of the Prospectus the following definitions of:

**"Solidarity Assets** *Securities issued by companies undertaking solidarity projects with a strong social and/or environmental utility such as support to people living in difficult circumstances, fight against exclusion and inequalities, preservation and development of the social link, maintenance and strengthening of territorial cohesion, contribution to sustainable development, etc."*

**"Sustainable Investment** *An investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration*

*and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.”*

*“Sustainability Risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.”*

**These changes take effect immediately, i.e. at the date of the publication of the updated prospectus.**

#### **VIII. Removal of liquidated Sub-Fund**

The Directors decided to remove all mentions of the following Sub-Funds from the revised Prospectus:

- AXA World Funds - Framlington Asia Select Income pursuant to its liquidation on 18 December 2020, and
- AXA World Funds – China Domestic Growth Equity pursuant to its liquidation on 5 March 2021.

**These changes take effect immediately, i.e. at the date of the publication of the updated prospectus.**

#### **IX. The Board hereby resolves to amend the share class table**

The Directors decided to amend and complete the share class table as follows:

- Notes for share class G: The Share Class will be closed to subscriptions the day after the threshold of 100 million\* in all the G Share Class currencies is reached or exceeded at the Sub-Fund's level. The Company also reserves the right to close subscriptions before the threshold of 100 million\* in all the G Share Class currencies is reached at the Sub-Fund's level.

\* By exception, the threshold in all the G Share Class currencies of:

- (i) AXA World Funds – US Enhanced High Yield Bonds is set at 150 million;
- (ii) AXA World Funds – US High Yield Bonds Low Carbon is set at 300 million.

**These changes take effect immediately, i.e. at the date of the publication of the updated prospectus.**

#### **X. Miscellaneous**

The Directors decided to implement a limited number of other clerical changes, amendments, clarifications, corrections, adjustments and/or updates, including reference update and adjustment of defined terms.

**These changes take effect immediately, i.e. at the date of the publication of the updated prospectus.**

\* \*

The Prospectus, taking into account the changes mentioned in this letter, will be available at the registered office of the Sicav.

For the attention of the Belgian shareholders:

When redemption is offered free of charge (except potential taxes) to the shareholders of the sub-fund concerned, such redemption request may be made to the financial service located in Belgium: CACEIS Belgium SA, Avenue du Port 86 C b320, 1000 Brussels. The prospectus taking into account the changes mentioned here above, the Key Investor Information Documents, the articles of



incorporation as well as the annual and half year reports may also be freely obtained at the office of the financial service in Belgium. The Belgian shareholders should note that the class I shares is not open for subscription in Belgium.

For the attention of the Swiss shareholders:

The Swiss representative: First Independent Fund Services S.A., Klausstrasse 33, 8008 Zurich

The Swiss paying agent: Credit Suisse (Switzerland) Ltd., Paradeplatz 8, 8001 Zurich

The articles of incorporation, the prospectus, the Key Investor Information Documents as well as the annual and semi-annual reports can be obtained free of charge from the Swiss representative.

Yours faithfully,

The Board of Directors  
AXA World Funds

## **Appendix 1**

### **Sustainability Risks scoring**

<b>Sub-Fund name</b>	<b>Sustainability Risk scoring</b>
AXA WF Asian High Yield Bonds	High
AXA WF Asian Short Duration Bonds	Medium
AXA WF China Short Duration Bonds	Medium
AXA WF Chorus Equity Market Neutral	Medium
AXA WF Chorus Multi Strategy	Medium
AXA WF Chorus Systematic Macro	Medium
AXA WF Defensive Optimal Income	Low
AXA WF Emerging Markets Euro Denominated Bonds	Medium
AXA WF Emerging Markets Short Duration Bonds	Medium
AXA WF Emerging Markets Bonds Total Return	Medium
AXA WF Euro 5-7	Medium
AXA WF Euro 7-10	Medium
AXA WF Euro 10+ LT	Low
AXA WF Euro Bonds	Medium
AXA WF Euro Buy and Maintain Sustainable Credit (previously named AXA WF Euro Buy and Maintain Credit)	Low
AXA WF Euro Credit Plus	Low
AXA WF Euro Credit Short Duration	Medium
AXA WF Euro Credit Total Return	Medium
AXA WF Euro Government Bonds	Medium
AXA WF Euro Inflation Bonds	Medium
AXA WF Euro Aggregate Short Duration	Medium
AXA WF Euro Sustainable Bonds (previously named AXA WF Euro Bonds SRI)	Low
AXA WF Euro Sustainable Credit	Low
AXA WF European High Yield Bonds	Medium
AXA WF Framlington All China Evolving Trends	Medium
AXA WF Framlington American Growth	Medium
AXA WF Framlington Clean Economy	Low
AXA WF Framlington Digital Economy	Medium
AXA WF Framlington Emerging Markets	Medium
AXA WF Framlington Euro Opportunities	Low
AXA WF Framlington Europe ex-UK MicroCap	Medium
AXA WF Framlington Europe Microcap	Medium
AXA WF Framlington Europe Opportunities	Low
AXA WF Framlington Europe Real Estate Securities	Medium
AXA WF Framlington Europe Small Cap	Low
AXA WF Framlington Eurozone RI	Low
AXA WF Framlington Evolving Trends	Low
AXA WF Framlington Fintech	Medium
AXA WF Framlington Global Convertibles	Medium
AXA WF Framlington Global Real Estate Securities	Low
AXA WF Framlington Human Capital	Low
AXA WF Framlington Italy	Medium
AXA WF Framlington Longevity Economy	Medium
AXA WF Framlington Global Small Cap	Low
AXA WF Framlington Robotech	Medium
AXA WF Framlington Social Progress (previously named AXA WF Framlington Women Empowerment)	Low
AXA WF Framlington Sustainable Europe (previously named AXA WF Framlington Europe)	Low
AXA WF Framlington Sustainable Eurozone (previously	Low

named AXA WF Framlington Eurozone)	
AXA WF Framlington Switzerland	Medium
AXA WF Framlington Talents Global	Medium
AXA WF Framlington UK	Medium
AXA WF Global Buy and Maintain Credit	Low
AXA WF Global Credit Bonds	Medium
AXA WF Global Emerging Markets Bonds	Medium
AXA WF Global Factors -Sustainable Equity	Low
AXA WF Global Flexible Property	Low
AXA WF Global Green Bonds	Low
AXA WF Global High Yield Bonds	Medium
AXA WF Global Income Generation	Medium
AXA WF Global Inflation Bonds	Medium
AXA WF Global Inflation Bonds Redex	Medium
AXA WF Global Inflation Short Duration Bonds	Medium
AXA WF Global Optimal Income	Medium
AXA WF Global Short Duration Bonds	Medium
AXA WF Global Strategic Bonds	Medium
AXA WF Global Sustainable Aggregate	Low
AXA WF Multi Asset Optimal Impact	Low
AXA WF Optimal Absolute	Medium
AXA WF Optimal Income	Low
AXA WF Selectiv' Infrastructure	Low
AXA WF US Corporate Bonds	Low
AXA WF US Credit Short Duration IG	Medium
AXA WF US Dynamic High Yield Bonds	Medium
AXA WF US Enhanced High Yield Bonds	Medium
AXA WF US High Yield Bonds	Medium
AXA WF US Short Duration High Yield Bonds	Medium