Regular income and capital appreciation with global green bonds

For whom?
AXA WF Global Green Bonds is a fund aimed at investors who wish to diversify their portfolio with bonds used to finance environmental projects.
About green bonds

What are green bonds?
Green bonds are transparent tools used to finance projects that benefit the environment without incurring additional costs.*
As conventional bonds, they are subject only to counterparty risk – but they come with the benefit of deeper transparency: the issuer specifically highlights the projects to be financed and commits to issuing regular impact reports. Green bonds finance a wide range of initiatives, including renewable energy, pollution prevention, energy efficiency and biodiversity preservation.

Why should investors care about green bonds?
Contributing to and supporting the transition towards a low-carbon economy should be a priority for everyone. But returns and performance often come first for investors. Green bonds offer a unique opportunity to help the environment without sacrificing performance relative to other kinds of bonds.*

The green bond market is growing fast, and the potential for further growth is huge. The Global Commission on the Economy and Climate estimates the level of investment in infrastructure required for the global energy transition to be around €90 trillion over the next 15 years.** Moreover, COP21 has triggered a wave of regulatory change that requires investors to progressively become more transparent about their carbon footprint. This has raised awareness around the impact of climate risk on the financial stability of companies, as well as pushing green bond solutions into the spotlight.

The future of green bonds
Established players such as the Green Bond Principles or the Climate Bond Initiative continue to actively support market growth by developing new guidelines. This will contribute to further harmonisation and standardisation, making the green bond market even more attractive and accessible.

Responsible Investing (RI) and Impact Investing at AXA IM

The AXA IM Responsible Investing strategy aims to progressively integrate Environment, Social and Governance (ESG) factors into all areas of portfolio management¹ and to develop genuinely innovative RI products.

We pursue three levels of ESG integration.

1. Exclusion of certain sectors (e.g. controversial weapons, tobacco, companies too susceptible to climate, etc.²).
2. Inclusion of ESG scores: for most of the companies in the investment universe, portfolio managers have access to internally computed scores on a scale from 0 to 10 for individual ESG criteria. These scores are based on raw data from external providers (MSCI, Vigeo and Sustainalytics).
   - Environment (criterium “E”): We evaluate which environmental risks can impact company performance (e.g. pollutant emissions, hazardous waste etc.);
   - Social (criterium “S”): We determine whether the company faces human capital management issues (e.g. working conditions, health and safety, etc.) and analyse the proposed solutions.
   - Governance (criterium “G”): We identify and analyse problems

and risks relating to business organisation (e.g. board structure, board performance and remuneration, audit integrity and internal control risks).

3. Engagement with the companies and participation in shareholder voting.
Impact Investing represents the next frontier in the development of RI. More and more investors are dedicated to assuring the accountability of their portfolio companies. Impact investors seek to achieve measurable benefits for the environment and society – in addition to long-term financial success. Impact Investing encompasses a broad spectrum of social and ecological aims for a better future, going beyond the bounds of conventional RI. Impact Investing is about fostering human welfare and protecting the planet – through investments targeting ultimate realisation of the UN’s 2015 Sustainable Development Goals (SDGs)³.

¹ More information on ESG selection and methodology can be found at https://private-investors.axa-im.be/esg
² https://www.unglobalcompact.org/
³ https://un.org/esa/sustainabledevelopmentgoals/

Investment policy

AXA WF Global Green Bonds aims to generate income and growth, in euro, through sustainable investment in an actively managed bonds portfolio contributing to financing of the energy and ecology transition. The Sub-Fund aims to support on the long run the SDGs established by the United Nations with a focus on a clear positive environmental impact. The sub-fund applies at all times AXA IM’s sectorial exclusion and ESG Standards available on https://private-investors.axa-im.be/esg, as well as a proprietary green, social and sustainability bonds assessment framework. The Sub-Fund invests minimum 75% of its net assets in bonds financing environmental projects (Green Bonds).

Most of the bonds have an investment-grade* rating. Up to 30% of the net asset value may be invested in securities with a lower rating**

The sub-fund is actively managed and invests at least two-thirds of its assets in global fixed in-come instruments. Up to one-third of the assets may be invested in money market instruments, a maximum of 25% in convertible bonds and a maximum of 25% in inflation-linked bonds. The risk of securities denominated in a currency other than the euro may be hedged against the euro.

* Standard & Poor’s rating from AAA to BBB- or equivalent rating from Moody’s or another agency.
** Standard & Poor’s rating from BB+ to B- or equivalent rating from Moody’s or another agency.
Why choose AXA WF Global Green Bonds?

The investment universe is broad
The international market for green bonds has grown considerably in recent years and now totals USD 842 billion. *

Access to businesses that improve the environment
The sub-fund invests in companies that are best placed to seize the opportunities of a low-carbon economy (renewable energy, electric vehicles, green buildings) and that are willing to finance green projects. These companies are selected using a flexible and transparent internal scoring methodology relying on more than 53 raw scores from external providers, rigorously selected according to their respective strengths.

Active instrument selection
Investment decisions are based on intensive macro and microeconomic analysis:
- Duration (measure of a portfolio's interest rate sensitivity fluctuations expressed in years),
- Yield curve management (the yield curve reflects the relationship between maturity and yield),
- Country allocation,
- Issuer selection.

Insight through our impact report
To ensure transparency, we produce an impact report that reflects the environmental performance of the portfolio. It includes breakdowns by project type, highlighting KPIs such as CO2 emissions avoided, renewable energy produced (based on externally verified data) and information on contributions of the portfolio to achieving the UN Sustainable Development Goals.

The sub-fund seeks to positively impact the environment and advance progress towards the SDGs, with a focus on goals 11 (Sustainable Cities and Communities) and 13 (Measures to Combat Climate Change). To this end, investments are made in topics including green buildings, low carbon transport, smart energy solutions, etc.

Risks

Any investment involves risks, including an investment in AXA WF Global Green Bonds:

Credit Risk: risk that issuers of debt securities held in the sub-fund may default on their obligations or have their credit rating downgraded, resulting in a decrease in the Net Asset Value.

Liquidity risk: risk to encounter difficulties in buying or selling the assets of the compartment.

Counterparty Risk: risk of bankruptcy, insolvency, or payment or delivery failure of any of the counter-parties, leading to a payment or delivery default.

Currency risk: risk that the value of the investment is affected by changes in exchange rates.

Geopolitical risk: investments in securities issued or listed in different countries may be affected by movements of foreign exchange rates, changes in laws or restrictions applicable to such investments, changes in exchange control regulations or price volatility

* AXA IM, Bank of America Merrill Lynch, as at 31/05/2021.
** Further information on the ESG scoring methodology can be found at https://private-investors.axa-im.be/esg

Risk and Reward Profile (3)

<table>
<thead>
<tr>
<th>Lower risk</th>
<th>Higher risk</th>
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<tr>
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<td>Potentially higher reward</td>
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<tr>
<td>1</td>
<td>2</td>
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</table>

About the investment team

Johan Plé, Lead Manager of AXA WF Global Green Bonds

"Green bonds are a transparent tool for investors to express their commitment to a low-carbon economy while mitigating their exposure to climate risks.

Thanks to the dynamic growth of the green bond market, the asset class is moving from a niche to a credible and diversified alternative to the conventional bond universe.

AXA WF Global Green Bonds focuses on green bonds from issuers with a clear environmental strategy and significant funding projects.

The sub-fund is based on a proven global bond investment process and the management team is supported by a dedicated investment team of 15 professionals, including 3 green bond analysts and 43 credit analysts who perform fundamental analysis of companies according to ESG factors."
## Main characteristics - AXA WF Global Green Bonds - Shareclass A EUR

<table>
<thead>
<tr>
<th>Legal form</th>
<th>Sub-fund of the AXA World Funds SICAV incorporated for an indefinite period (4)</th>
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<td>Belgian tax on savings</td>
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<td>AXA Funds Management S.A. [(8)]</td>
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</tr>
<tr>
<td>‘Nominee’ structure [(9)]</td>
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<td>Swing pricing [(10)]</td>
<td>2% max. of the NAV</td>
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### Prior to any investment decision, an investor is kindly requested to read the KIID and the prospectus.

The KIID, the prospectus, the last annual report and the last semi-annual report are available free from Caceis Belgium’s financial service, avenue du Port B66-C-b320, 1000 Brussels, from AXA IM Benelux: Place du Trône 1 - 1000 Brussels, Belgium or from your distributor. The KIID, the annual and semi-annual reports are available in French, Dutch, English and German; the prospectus in French, English and German.

Should you have a problem, we suggest you make your complaint to your distributor. You can find the contact persons of the internal complaint service of each distributor via the following web link: https://private-investors.axa-im.be/fr/plainte or https://private-investors.axa-im.be/klacht.

If the treatment given does not satisfy you, we recommend you contact the Ombudsman in financial conflicts: ombudsman@ombudsfin.be or +32 (0) 2 545 77 70.

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(1) Morningstar Rating is an independent agency which evaluates the past performances of different funds on a quantitative basis on a scale from 1 to 5 stars. ©2021, Morningstar. All rights reserved. For further information about the Morningstar stars and their methodology, go to http://media.morningstar.com/uk/ dotcodotuk/Analyst_Research/Stars_vs_AnalytickRI20Rating_OneSheet.pdf or contact the Caceis Belgium’s financial service. Past performance and past ratings do not give any guarantee for the future.

(2) AXA WF Global Green Bonds satisfies the conditions set out in the recommendation of Febelfin (Belgian Financial Sector Federation) concerning sustainable financial products. For more information on sustainable products, please consult https://www.towardsssustainability.be/ en/qualitystandard. This label is awarded for a limited period of time and is subject to re-evaluation. The label does not mean that the sub-fund meets your individual sustainability targets or future national and European regulations. Further information on this subject can be found at www.fsma.be/fr/finance-durable or www.fsma.be/nl/duurzame-financiering.

(3) The risk category is calculated using historical performance data and may not be a reliable indicator of the future risk profile of the sub-fund. The published risk category is not guaranteed and may change in the future. The lowest category does not mean it is risk-free. Category 1 is the lowest category, category 7 the highest. (4) AXA WF Global Green Bonds is a sub-fund of AXA World Funds, a UCITS IV SICAV under Luxembourg law, set up at 49 Avenue J.F. Kennedy, L - 1885 Luxembourg and registered under number B 63.116 in the Trade and Companies Register. AXA WF Global Green Bonds has the UCITS status and is available for public offering in Belgium. (5) Based on the rate scheme applied by distributors. (6) Cut off before 3:00 p.m. (Luxembourg time) for SSB Luxembourg in Luxembourg. (7) The physical persons will be subject to the withholding tax rate of 30% on dividends distribution (distribution class) and/or on the gain when redeeming accumulating shares (accumulating and/or distribution class) in the sub-fund - holding more than 25% in debt securities if the physical person acquired the share before January 1st, 2018 or - holding more than 10% in debt securities if the physical person acquired the shares from January 1st, 2018. (8) AXA Funds Management is the management company governed by Luxembourg law of AXA WF Global Green Bonds and is domiciled at 49 Avenue J.F. Kennedy, L - 1855 Luxembourg and is registered on the Luxembourg trade register under number B322223 RC. (9) ‘Nominee’ structure: the shares of the shareholders are held in a securities account under their own name at the ‘Nominee’. Then all shareholders of shares are globally registered on an investors ‘nominee’-account in the shareholders register of the sub-fund. (10) The swing pricing mechanism consists in adjusting a fund share price to subscriptions/ redemptions up (in case of positive net flows) or down (in case of negative net flows) for a given dealing day, to counter the trading costs incurred by large in- or outflows, thus preserving the fund performance.

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The information shown may differ from updated data. Due to its simplification, the information in this document is partial. Updated data are available in the prospectus and the KIID.

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Place du Trône 1 - 1000 Brussels

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