

## Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## Product

### AXA WF Global Inflation Bonds A (H) Capitalisation USD (ISIN LU0266009959)

AXA Funds Management S.A., part of the AXA IM Group

Website: <https://www.axa-im.lu>

Call +33 (0) 1 44 45 85 65 for more information

AXA Funds Management S.A. is regulated by Commission de Surveillance du Secteur Financier.

This Product is authorised in Luxembourg and in accordance with the UCITS Directive.

**Date of Production of the KID:** 18/01/2023

## What is this product?

### Type

The Product is a share of the Sub-fund "AXA World Funds - Global Inflation Bonds" (the Sub-fund) which is part of the SICAV "AXA World Funds" (the "Company").

### Term

This product has no maturity date, although it has been created for 99 years and could be liquidated under the conditions led down in the articles of incorporation of the company.

### Objectives

#### Investment Objective

The Sub-Fund's investment objective is to seek performance by investing mainly in inflation-linked bonds issued in OECD countries, over a medium term period.

#### Investment Policy

The Sub-Fund is actively managed in reference to the Bloomberg World Inflation-Linked Hedged EUR benchmark index (the "Benchmark") in order to capture opportunities in the inflation-linked bonds market. 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 following investment decisions are undertaken after comprehensive macroeconomic and microeconomic analysis of the market:

- positioning on the inflation-linked yield curve (the inflation-linked yield curve illustrates the relationship between the investment term and the inflationlinked bond yield)
- management of duration for inflation-linked bonds (duration measures, in numbers of years, the portfolio's sensitivity to interest rate variations)
- positioning according to inflation expectations
- geographical allocation

The Sub-Fund invests:

- at least two thirds of its total assets in inflation-linked bonds issued by OECD governments, corporations or public institutions worldwide
- up to one third of its total assets in non inflation-linked debt securities and in money market instruments

The Sub-Fund may invest 100% of its total assets in sovereign debt securities.

The Sub-Fund will invest at least 90% of its net assets in investment grade securities.

Investment grade securities will be rated at least BBB- by Standard & Poor's or equivalent rating by Moody's or Fitch or if unrated then deemed to be so by the Investment Manager. Sub-investment grade securities will be rated between BB+ and B- by Standard & Poor's or equivalent rating by Moody's or Fitch or if unrated then deemed to be so by the Investment Manager. In case of downgrade below B- by Standard & Poor's or equivalent rating by Moody's or Fitch or if unrated then deemed to be so by the Investment Manager, securities will be sold within 6

months. If two different ratings of rating agencies exist, the lower rating will be considered, if more than two different ratings of rating agencies exist, the second highest rating will be considered.

The selection of credit instruments 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 assets is also based on other analysis criteria of the Investment Manager.

The Sub-Fund may invest up to 5% of net assets in contingent convertible bonds (CoCos).

Within the limit of 200% of the Sub-Fund's net assets, the investment strategy may be achieved by direct investments and/or through derivatives, including Credit Default Swaps. Derivatives may also be used for hedging purposes. The use of derivatives for investment purposes is limited to 50% of the Sub-Fund's net assets.

The Sub-Fund targets a sensitivity between 5 and 15 years: if interest rates increase by 1%, the Net Asset Value of the Sub-Fund may decrease by 5% up to 15%.

Exposure of the Sub-Fund's assets denominated in a currency other than the Sub-Fund's reference currency is systematically hedged. There is no guarantee that such hedging be a perfect hedge at 100% of the net assets at all times.

The Sub-Fund is a financial product that promotes environmental and/or social characteristics within the meaning of article 8 of the Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector.

The Share Class aims at hedging the foreign exchange risk resulting from the divergence between the reference currency of the Sub-Fund and the currency of this Share Class by using derivatives instruments whilst retaining the exposure to Investment Policy of the Sub-Fund.

### Income

For Capitalisation share classes (Cap), the dividend is reinvested.

### Investment Horizon

The risk and the reward of the product may vary depending on the expected holding period. We recommend holding this product at least for 5 years.

### Processing of subscription and redemption orders

The subscription, conversion or redemption orders must be received by the Registrar and Transfer Agent on any Valuation Day no later than 3 p.m. Luxembourg time. Orders will be processed at the Net Asset Value applicable to such Valuation Day. The investor's attention is drawn to the existence of potential additional processing time due to the possible involvement of intermediaries such as Financial Advisers or distributors.

The Net Asset Value of this Sub-Fund is calculated on a daily basis.

### Intended retail investor

The sub-fund is designed for retail investors who have neither financial expertise nor any specific knowledge to understand the sub-fund but nevertheless may bear total capital loss. It is suitable for clients who seek growth of capital and ESG. Potential investors should have an investment horizon of at least 5 years.

### Depository

State Street Bank International GmbH (Luxembourg Branch)

### Further Information

Please refer to the 'Other relevant information' section below.

## What are the risks and what could I get in return?

### Risk Indicator



We have classified this product as 3 out of 7 which is the a medium-low risk class. This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact the return of the product.

**Be aware of currency risk.** If your local currency is different from the Product currency, you will receive payments in a different currency, so the final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

Other risks not included in the SRI can be materially relevant, such as counterparty risk, derivatives risk. For further information, please refer to the prospectus.

This product does not include any protection from future market performance so you could lose some or all of your investment.



The risk indicator assumes you keep the product for 5 years.

The actual risk can vary significantly if you cash in at an early stage and you may get back less.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

### Performance Scenarios

The figures shown include all the costs of the Product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The unfavourable, moderate and favourable scenarios shown are illustrations using the worst, average and best performance of the product over the last 10 years. Markets could develop very differently in the future.

| Recommended holding period: |  | 5 years                  |                           |
|-----------------------------|--|--------------------------|---------------------------|
| Example Investment:         |  | \$10000                  |                           |
|                             |  | If you exit after 1 year | If you exit after 5 years |
| Scenarios                   |  |                          |                           |
| Minimum                     | There is no minimum guaranteed return. You could lose some or all of your investment |                          |                           |
| Stress                      | What you might get back after costs  | \$5600                   | \$6160                    |
|                             | Average return each year   | -44.00%                  | -9.24%                    |
| Unfavourable                | What you might get back after costs  | \$8130                   | \$8130                    |
|                             | Average return each year   | -18.70%                  | -4.06%                    |
| Moderate                    | What you might get back after costs  | \$10040                  | \$11730                   |
|                             | Average return each year   | 0.40%                    | 3.24%                     |
| Favourable                  | What you might get back after costs  | \$10810                  | \$12810                   |
|                             | Average return each year   | 8.10%                    | 5.08%                     |

The stress scenario shows what you might get back in extreme market circumstances.

Unfavourable scenario: this type of scenario occurred for an investment between 2021 and 2022.

Moderate scenario: this type of scenario occurred for an investment between 2015 and 2020.

Favourable scenario: this type of scenario occurred for an investment 2015 and 2020.

## What happens if AXA Funds Management S.A. is unable to pay out?

The product's underlying assets are held separately by the depositary. If we encounter financial difficulties, these assets will not be affected. If the Product suffers a loss due to the depositary default you may lose the whole or part of your investments. There is no compensation or guarantee scheme protecting you from a default of the Product's depositary.

## What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

### Costs over Time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0 % annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario.

- USD 10 000 is invested

|                        | If you exit after 1 year | If you exit after 5 years |
|------------------------|--------------------------|---------------------------|
| Total costs            | \$404                    | \$940                     |
| Annual cost impact (*) | 4.1%                     | 1.7% each year            |

(\*) This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 5.0 % before costs and 3.2 % after costs.

We may share part of the costs with the person selling you the Product to cover the services they provide to you. They will inform you of the amount when required by the applicable laws.

#### Composition of Costs

| One-off costs upon entry or exit                            |   | If you exit after 1 year |
|---|---|--------------------------|
| Entry costs   | 3.0 % of the amount that you pay when you enter the investment. This includes distribution costs of 3.0 % of the amount invested. This is the maximum amount you will pay. The person who sold you the product will inform you of the actual costs. | Up to \$300              |
| Exit costs  | We do not charge an exit fee for this Product.  | \$0                      |
| Ongoing costs taken each year                               |   |                          |
| Management fees and other administrative or operating costs | 0.9% of the value of your investment per year. This percentage is based on actual costs over the last year.   | \$87                     |
| Transaction costs   | 0.2 % of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell.                       | \$16                     |
| Incidental costs taken under specific conditions            |   |                          |
| Performance fees  | There is no performance fee for this Product.   | \$0                      |

If this product is used as an investment option as part of an insurance contract, those costs will not include all of the costs that you will bear.

## How long should I hold it and can I take money out early?

### Recommended holding period: 5 years

This Product has no minimum required holding period, the 5 years has been calculated to be in line with the time frame which the Product may need in order to achieve its investment objectives.

You may sell your investment before the end of the recommended holding period without penalty. The performance or risk of your investment may be negatively impacted. The section "What are the costs?" provides information on the impact of costs over time.

## How can I complain?

Complaints shall be addressed to the Complaint Handling Officer with the complainant' details (name, role, contact details, involved account numbers and any other relevant document) to the following address AXA Funds Management S.A. 49, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg.

## Other relevant information

You can get further information about this Product, including the prospectus, latest annual report, any subsequent half-yearly report and the latest Net Asset Value from the Fund Administrator: State Street Bank International GmbH (Luxembourg Branch) and from <https://www.axa-im.com/fund-centre>. They are available free of charge, You can find an explanation of some of the terms used in this document at <https://www.axa-im.lu/fund-centre>.

You can find information related to the Product past performance on the last 10 years and to previous performance scenario calculations at <https://www.axa-im.lu/fund-centre>.