Key Information Document

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 ACT Emerging Markets Short Duration Bonds Low Carbon A (H) Capitalisation EUR

AXA INVESTMENT MANAGERS PARIS S.A., part of the AXA IM Group

ISIN LU0800572702

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The Autorité des Marchés Financiers (AMF) is responsible for supervising AXA INVESTMENT MANAGERS PARIS S.A. in relation to this Key Information Document.

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

Date of Production of the KID: 20/10/2023

What is this product?

Type

The Product is a share class of the Sub-Fund "AXA World Funds - ACT Emerging Markets Short Duration Bonds Low Carbon" (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 laid down in the articles of incorporation of the company.

Objectives

Investment Objective

To seek performance, in USD, by investing mainly in short duration debt securities issued in the emerging debt universe over a medium term period, whose carbon footprint is at least 30% lower than that of the index composed of 75% J. P. Morgan Corporate Emerging Market Bond Index Broad Diversified + 25% J. P. Morgan Emerging Market Bond Index Global Diversified (Benchmark). As a secondary 'extra-financial objective', the water intensity of the portfolio aims at being at least 30% lower than the Benchmark.

Investment Policy

The Sub-Fund is actively managed in order to capture opportunities in emerging short duration bonds market, primarily investing in securities that are part of the Benchmark universe. The investment manager has broad discretion over the composition of the portfolio and can 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. The deviation from the Benchmark is likely to be significant.

The Sub-Fund invests in transferable debt securities issued by emerging countries governments, corporations, public or private companies and supranational entities in non-local currency, including investment in warrants.

The Sub-Fund may invest up to 100% of its assets in debt securities rated sub-investment grade or unrated (i.e. neither the security itself nor its issuer has a credit rating).

The total assets of the Sub-Fund may be invested in or exposed to callable bonds.

The Sub-Fund may, up to 10%, hold distressed and defaulted securities as a result securities of their rating downgrade, if they are considered to be consistent with the Sub-Fund's objective. These securities are expected to be sold within 6 months unless specific events prevent the Investment Manager from sourcing their liquidity.

The Sub-Fund may invest up to 100% in sovereign debt securities but it is not the current intention that the Sub-Fund will invest more than 10% of its assets in sub-investment grade securities issued or guaranteed by any single country (including its government, public or local authority of that country). 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 one-third of its assets in money market instruments and up to 49% of its assets in anticipation of or during unfavourable market conditions.

The Sub-Fund will not invest in equity and equity related instruments.

The Investment Manager anticipates that the average duration of the Sub-Fund's investments will generally be three years or less.

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 promotes environmental and/or social characteristics by investing in securities that have implemented good practices in terms of managing their ESG practices. The investment manager bindingly uses at all times an ESG 'extra-financial indicator improvement' approach, as further described in the SFDR annex of the Sub-Fund.

Firstly, the investment manager analyses carbon intensity and water intensity data to ensure that the average of KPI carbon intensity and water intensity calculated at Sub-Fund's level is at least 30% better than that calculated for the Benchmark, followed by the application of a second exclusion filter, described in AXA IM's Sectorial Exclusion and ESG Standards Policies (https://https://www.axa-im.com/our-policies). Secondly, investment decisions are undertaken after comprehensive macro and microeconomic analysis of the market:

- geographical allocation
- duration positioning (duration measures, in number of years, the portfolio's sensitivity to interest rate variations)
- yield curve positioning (the yield curve illustrates the relationship between investment term and bond yield)
- issuer selection.

The Sub-Fund excludes from its investment universe the securities of all issuers exceeding 800 CO2s tons/mn$ revenue and non-green steel and oil sovereign owned entities. The Sub-Fund aims at excluding securities within the most carbon-intensive sectors including utilities and basic industries (e.g. metals and protein producers) and has the opportunity to invest in issuers who are transitioning to a more carbon sustainable path in sectors such as renewable energy and basic industry issuers who are focusing on de-carbonising their process and supply-chain.

The ESG data used in the investment process are based on ESG methodologies relying in part on third-party data, and in some cases are internally developed, are subjective and may change over time. 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 incorporating ESG criteria and those incorporating sustainable development criteria may use ESG data that appear similar, but which should be distinguished because their calculation method may be different. AXA IM's ESG different methodologies described herein may evolve in the future to take into account any improvements in data availability and reliability, or any developments of regulations or other external frameworks or initiatives - among others.

The 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 3 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. Potential investors should have an investment horizon of at least 3 years.

Depositary

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

1	2	3	4	5	6	7

Lower risk — Higher risk

The risk indicator assumes you keep the product for 3 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.

We have classified this product as 2 out of 7 which is the a low risk class. This rates the potential losses from future performance at a low level. The risk category associated to this product was determined based on past observations, it is not guaranteed and can evolve in the future.

Be aware of currency risk. You will receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

Other risks not included in the Summary risk indicator 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.

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 and the suitable benchmark over the last 10 years. Markets could develop very differently in the future.

Recommended holding period:		**3 years**	
Example Investment:		**€10 000**	
		If you exit after 1 year	**If you exit after 3 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	€7 370	€7 830
	Average return each year	-26.30%	-7.83%
Unfavourable	What you might get back after costs	€7 820	€7 830
	Average return each year	-21.80%	-7.83%
Moderate	What you might get back after costs	€9 720	€10 010
	Average return each year	-2.80%	0.03%
Favourable	What you might get back after costs	€11 170	€10 490
	Average return each year	11.70%	1.61%

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

Unfavourable Scenario : This type of scenario occurred for an investment between 10 2019 and 10 2022.

Moderate Scenario : This type of scenario occurred for an investment between 01 2018 and 01 2021.

Favourable Scenario : This type of scenario occurred for an investment between 01 2015 and 01 2018.

An appropriate benchmark of the Product was used to calculate the performance.

What happens if AXA INVESTMENT MANAGERS PARIS S.A. is unable to pay out?

The product is constituted as a separate entity from AXA Investment Managers Paris S.A. In case of default of AXA Investment Managers Paris S.A., the assets of the product kept by the custodian will not be affected. In case of default of the custodian, the risk of financial loss of the product is mitigated because of the legal segregation of the assets of the custodian from those of the product.

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.
- EUR 10 000 is invested

	If you exit after 1 year	**If you exit after 3 years**
Total costs	€455	€788
Annual cost impact (*)	4.6%	2.6% 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 2.67 % before costs and 0.03 % 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.

Composition of Costs

One-off costs upon entry or exit		If you exit after 1 year
Entry costs	3.00 % of the amount that you pay when you enter the investment. This includes distribution costs of 3.00 % 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	1.32% of the value of your investment per year. This percentage is based on actual costs over the last year.	€128
Transaction costs	0.28 % 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.	€27
Incidental costs taken under specific conditions		
Performance fees (and carried interest)	There is no performance fee for this Product.	€0

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

Recommended holding period: 3 years

This Product has no minimum required holding period, the 3 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.
Please refer to the "What is this product" section for the redemption procedure.

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 World Funds 49, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg or to compliancelux2@axa-im.com.

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.
For information about the performance of the product up to 10 years and previous performance scenario calculations, please visit : https://www.axa-im.com/fund-centre.
When this product is used as part of a unit-linked contract, or similar contract, the additional information, such as the costs of the contract, which are not included in the this document, in addition to the contact in case of claim and what happens in the event of failure of the insurance company, must be provided in the key information document of the contract issued by your insurer, broker or other insurance intermediary in accordance with their legal obligation.