

# Annual Report

as at 31 December 2022  
including audited Financial Statements

## AXA IM FIXED INCOME INVESTMENT STRATEGIES

(Fonds Commun de Placement)

R.C.S. Luxembourg K1479

AXA Funds Management S.A.  
R.C.S. Luxembourg B-32.223



# **AXA IM Fixed Income Investment Strategies**

A mutual investment fund organised under the laws of the Grand Duchy of Luxembourg

Annual Report as at 31 December 2022  
including audited Financial Statements

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

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## General Information

### Management Company

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

### Board of Directors of the Management Company

#### Chairman

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

#### Members

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

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

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

### Investment Managers

AXA Investment Managers US Inc., 100 West Putnam Avenue, 4th floor, Greenwich, CT 06830, United States of America

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

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

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

### Depository, Paying Agent, Administrator, Registrar Agent

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

### Auditor

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

### Legal Adviser in Luxembourg

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

## Information to Unitholders

The Full Prospectus as well as the Key Investor Information Documents (“KIID”), the Key Information Documents (“KID”), the Management Regulations and any other information published are available at the registered office of the Management Company.

The semi-annual and annual reports can be obtained at the offices of the Management Company. Information on the issue and redemption prices is made available at the offices of the Management Company.

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

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

## Foreign Distribution

### Regarding the Distribution of the Fund in Austria

The Paying and Information Agent in the Republic of Austria is Erste Bank der österreichischen Sparkassen AG, Am Belvedere 1, 1100 Wien.

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

### Regarding the Distribution of the Fund in Belgium

The Paying and representative Agent in Belgium is CACEIS Investor Services, Avenue du Port, Havenlaan 86C b 320, B-1000 Brussels.

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

### Regarding the Distribution of the Fund in Chile

The Distributor in Chile is Latin America Asset Management Advisors Ltda., Enrique Foster Norte 0115, 5th Floor, Las Condes Santiago de Chile

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

### Regarding the Distribution of the Fund in Denmark

The Company has appointed StockRate Asset Management A/S (company number 3072 9722), Sdr. Jernbanevej 18D, 3400 Hillerød, Denmark, as its Danish representative.

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

### Regarding the Distribution of the Fund in Finland

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

### Regarding the Distribution of the Fund in France

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

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



## Foreign Distribution

### Regarding the Distribution of the Fund in Germany

Investors residing in Germany may obtain the Full Prospectus, the latest annual report or the latest semi-annual report, if published thereafter, free of charge from the Information Agent in Germany, AXA Investment Managers Deutschland GmbH, Thurn-und-Taxis-Platz 6, 60313 Frankfurt am Main. They may also request the Net Asset Value per unit, the latest issue, conversion and redemption prices, a detailed schedule of changes in investments as well as any other financial information relating to the Fund available to Unitholders at the registered office of the Management Company.

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

### Regarding the Distribution of the Fund in Italy

The Paying and representative Agents in Italy are the following:

- BNP Paribas Securities Services, Milan Branch, 3, Piazza Lina Bo Bardi, I-20124 Milan
- Allfunds Bank S.A.U., Italian Branch, 6, Via Bocchetto, I-20123 Milan
- Société Générale S.p.A., 19/A, Via Benigno Crespi – MAC 2, I-20159 Milan
- RBC Investor & Treasury Services Succursale di Milano, 26, Via Vittor Pisani, I-20124 Milan
- Banca Monte dei Paschi di Siena S.p.A., 3, Via Ludovico Grossi, I-46100 Mantova
- SGSS S.p.A., 19/A, Via Benigno Crespi – MAC 2, I-20159 Milan

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

### Regarding the Distribution of the Fund in Liechtenstein

The Paying and representative and Agent in Liechtenstein is LGT Bank AG, Herrengasse 12, FL-9490 Vaduz.

As at 31 December 2022, all Sub-Fund are registered in Liechtenstein.

### Regarding the Distribution of the Fund in the Netherlands

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

### Regarding the Distribution of the Fund in Norway

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

### Regarding the Distribution of the Fund in Portugal

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

## Foreign Distribution

### Regarding the Distribution of the Fund in Singapore

There is no representative in Singapore.

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

### Regarding the Distribution of the Fund in Spain

The representatives in Spain are the following:

- AXA Investment Managers Paris SA, Sucursal en España Paseo de la Castellana 93, 6ª Planta – 28046, Madrid, Spain
- Simmons & Simmons LLP, Calle Miguel Angel 11, 5 a Planta – 28010 Madrid, Spain

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

### Regarding the Distribution of the Fund in Sweden

The Paying and representative Agent in Sweden is Skandinaviska Enskilda Banken AB, Sergels Torg 2, SE-106 40 Stockholm.

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

### Regarding the Distribution of the Fund in Switzerland

The representative in Switzerland is BNP Paribas Securities Services, Paris, Branch of Zurich, Selnaustrasse 16, CH-8002 Zurich, Switzerland.

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

### Regarding the Distribution of the Fund in the United Kingdom

The representative in the United Kingdom is AXA Investment Managers UK Limited, 22 Bishopsgate London EC2N 4BQ, United Kingdom.

As at 31 December 2022, all Sub-Funds are registered in the United Kingdom.

# Directors' Report

Dear Unitholders,

The Board of Directors of the Management Company is pleased to report on the progress of your Fund for the financial year ended on 31 December 2022.

## 2022 Global macro summary

### Macroeconomic background

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

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

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

# Directors' Report

## 2022 Global macro summary (continued)

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

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

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

### Financial Markets

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

# Directors' Report

## 2022 Global macro summary (continued)

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

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

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

## Main's Fund events during the year ending 31 December 2022

- **AXA IM Fixed Income Investment Strategies – US Short Duration High Yield**

The High Yield market posted a negative return in the twelve months ending on December 31, 2022, as the ICE BofA Merrill Lynch U.S. High Yield Index generated a total return of -11.22% for the period. This significantly negative return can be attributed to increasing uncertainty regarding the hawkish actions of the US Federal Reserve, the ongoing Russia-Ukraine conflict, and a prolonged drop in overall risk asset valuations. Flows into the high yield market were negative for the year, with roughly -\$47 billion of outflows. Outflows were concentrated in the first three quarters of 2022 where we saw outflows of -\$27.2 (Q1), -\$17.8 (Q2) and -\$9.2 (Q3) billion respectively. The high yield primary market was muted over the last twelve months pricing roughly \$106.5 billion of high yield bonds. The period saw approximately \$12.2 billion of high yield default volume, higher than the roughly \$4.1 billion of high yield default volume for the twelve-month period ending on December 31, 2021. The par weighted high yield default rate ended the period at 0.84%, up from 0.27% in December 2021.

## Directors' Report

### Main's Fund events during the year ending 31 December 2022 (continued)

During the twelve months ending on December 31, 2022, U.S. High Yield outperformed US Corporates (-15.44%), US Equities (S&P 500 -18.11%) and US Treasuries (-12.86%). Within U.S. High Yield, CCC-and-lower rated credits (-16.32%) significantly underperformed single-B rated credits (-10.58%) and double-B rated credits (-10.57%). From a sector perspective, all of the 18 sectors posted negative total returns over the period. Energy (-5.48%), Transportation (-6.16%) and Capital Goods (-6.59%) were the best performing sectors. On a relative basis, Retail (-17.19%), Healthcare (-16.27%), and Media (-15.84%) were the worst performing sectors. During the period, the High Yield Index's Option Adjusted Spread widened from 310 basis points to 481 basis points. The yield to worst of the High Yield Index increased from 4.32% at the beginning of the period, to 8.98% at the end of the period. The High Yield Index's average price was \$85.88 on December 31, 2022, down from the \$103.31 average price at the start of the period.

AXA IM's U.S. Short Duration High Yield Fund performed very well in a difficult and volatile year, significantly outperforming the overall market and capturing roughly 45% (gross and net) of the market's -11.22% decline. Performance benefitted mainly from the shorter duration nature of our holdings, our up-in-quality positioning, and our positioning and security selection within the services sector, partially offset by our underweight to the energy sector. From December 31, 2021 to December 31, 2022 the yield-to-worst of the Fund (exclusive of cash) widened by 477 bps, from 3.11% to 7.88%, while the market yield widened by 466 bps, from 4.32% to 8.98%. The Option Adjusted Spread of the Fund widened by 102 bps, from 245 to 347 bps. The overall Fund duration (using a calculation of modified duration-to-worst) increased from 1.1 to 2.6, while the market duration increased from 3.8 to 4.2.

Position count decreased during the year and the Fund remains well diversified. We believe that diversification of portfolio holdings is important for the Fund and helps to manage credit risk. Our top holding, a 1.5% position, was IRB Holding Corp. At year-end, approximately 55% of the portfolio was invested in securities in excess of three years, which we expect to be redeemed early. This is down by approximately 30% versus the previous year end. Market technicals were mixed throughout most of the year, as flows were significantly negative, partially offset by a rather inactive primary market. While inflationary pressures and a hawkish Fed have led to an increased probability of an US recession, we believe corporate credit remains fairly healthy and the default rate will remain relatively benign, resulting in a potentially mild recessionary environment. We expect interest rates and inflation expectations to continue to drive near-term market movements, however with the substantial sell-off in 2022, valuations are very attractive and represent a buying opportunity. With markets focused on the trajectory of interest rates and the impact of an US recession, we believe the Short Duration Strategy remains well positioned in this market environment.

- **AXA IM Fixed Income Investment Strategies – US CORPORATE INTERMEDIATE BONDS**

#### Teaser:

Inflation-driven selloff drives negative total return in Investment Grade despite strong credit fundamentals. Volatility should persist in 2023, though current yields provide cushion to weather the storm.



# Directors' Report

## Main's Fund events during the year ending 31 December 2022 (continued)

### Story: 2022 review (absolute and relative performance and reasoning)

2022 was a negative year for practically all fixed income asset classes and US Investment Grade was no exception. Elevated inflation forced the Fed to embark on an extreme tightening cycle that drove interest rates higher across the yield curve and credit spreads wider, leading to the weakest performance in the asset class in many decades. Interest rates and spreads were volatile over the course of the year, reflecting stubbornly high inflation, mixed market views on a potential Fed pivot, and weakening economic data pointing to potential recession in 2023. Underlying credit fundamentals remained relatively strong though, as corporate earnings proved more resilient than expectations, the consumer remained in a position of strength, and management teams prioritized financial flexibility, with leverage declining across most sectors. This led to credit spreads finishing the year well off the wides, ultimately tightening from +165 bps in October to +130 bps at year-end. This capped a volatile year in which the range for corporate credit spreads was 74 bps, up significantly from the 21 bps seen in 2021. Shorter duration strategies outperformed longer duration by a wide margin.

The US intermediate portion of the corporate bond asset class generated a negative total return of -9.40% in 2022 and negative excess return of -0.84%. Within the broad market, Industrials (-101 bps of excess return) outperformed Financials (-176 bps) but underperformed Utilities (-92 bps). The OAS of the Bloomberg Barclays Capital US Corporate Intermediate index was +116 bps at the end of 2022, 48 bps wider vs. the end of 2021. Performance was impacted by higher Treasury yields and a flatter curve, as 2-year Treasury yields increased by 369 bps while the 10-year and 30-year part of the curve increased 236 bps and 206 bps, respectively. This caused the yield curve to significantly invert, with the spread between 2-year and 10-year Treasuries ending 2022 at -56 bps, the most inverted level since the early 1980's.

The AXA IM FIIS US Corporate Intermediate Bonds Fund outperformed its benchmark, the Bloomberg Barclays Capital US Corporate Intermediate index by 10 bps gross of fees (underperformed net of fees). We believe 2022's performance is a testament to our consistent investment process and style. We aim to outperform in both positive and negative credit and interest rate environments over the course of the cycle. The primary driver of performance this year was the combined positive impact from duration, yield curve, and sector allocation. We generally targeted a shorter duration for the fund over the course of the year given the interest rate outlook, while higher than typical cash balances supported overall performance given negative total returns in the asset class. Security selection had a negative impact on performance, as strong selection in Banking, Services, Basic Industry, and Retail was more than offset by weak selection in cyclical sectors such as Automotive, Media, Transportation, and Capital Goods. We attribute the drag from security selection largely to an overweight to lower rated BBB-rated credits (-155 bps excess returns), which broadly underperformed A-rated credits (-106 bps) and double A-rated credits (-3 bps). Challenging market liquidity also detracted from performance. As liquidity was at a premium, more seasoned off-the-run bonds underperformed, leading to increased trading costs.

### Performance contributors 2022:

Our strategy focuses on bottom-up credit selection, with an emphasis on avoiding the losers. This year we did a good job avoiding credit deterioration despite the challenging market environment. In fact, there were four rising stars across the fund in 2022. In this way we try to outperform each month in a consistent manor (~65% of the time historically). The largest positive contributors to performance were US Bancorp (USB), American Express Company (AXP), Oncor Electric Delivery Company (ONCRX), Massmutual Global Funding (MASSMU), and Celanese US Holdings (CE).

### Performance detractors 2022:

The largest negative contributors to performance were large US banks that underperformed the broader market, as well as higher beta credits in cyclical sectors. Specific tickers include Bank of America Corporation (BAC), JP Morgan Chase (JPM), General Motors (GM), AT&T Inc. (T), and Paramount Global (PARA).

# Directors' Report

## Main's Fund events during the year ending 31 December 2022 (continued)

### Outlook and positioning 2023:

#### 2023 Outlook

The outlook for global economic growth, inflation, and the ultimate response by central banks will continue to be the primary drivers for fixed income in 2023. The Fed is expected to continue hiking rates in 1H'23 before pausing at a terminal rate of ~5%, further tightening financial conditions and raising the likelihood of a recession in the process. To the extent that a US recession does materialize, this would likely influence rates lower and put mild upward pressure on credit spreads, particularly if corporate earnings, which have been resilient through the current inflationary environment, ultimately decline. Our base case view is a mild recession with -0.2% GDP growth in 2023, driven by a combination of weaker consumer spending, lower business investment, and inventory adjustments. With that said, IG issuers would enter a potential recession in relatively good shape in our view, with leverage below pre-pandemic levels and other late cycle periods given strong earnings growth over the past several years, limiting the degree of spread widening. In addition, many issuers took advantage of the low-rate environment in 2020-2021 to proactively refinance near-term maturities, insulating credit profiles from higher rates.

Despite potential for recession and additional rate volatility, we see several positive drivers for US IG credit. All-in yields are at the highest level since 2009, providing income cushion to the extent that rates and/or spreads move higher. The asset class is also less directly exposed than Europe to the impacts of the war in Ukraine, which better insulates the sector relative to Euro and UK credit. Positive technicals are supported by a reasonable pace of new supply (average forecasts are down 5-10% vs. 2022), as well as the yield advantage in the US market relative to global government bonds, though we note the headwind of higher FX hedging costs. Lastly, we note that our philosophy is based on compounding income and avoiding loss through fundamental credit analysis. As yields have increased substantially, the prospect for better returns improves as coupons are reset at these higher levels. As a result, it is rare to see consecutive negative return periods in fixed income, particularly given the magnitude of negative returns in 2022.

#### Fund Positioning:

The main strength of our Intermediate Corporate strategy is consistency – consistent alpha generation with low tracking error, high information ratio, and outperformance in all years since inception. In addition, the fund's shorter duration relative to a full duration strategy is attractive in the current market, whereby the inverted yield curve favors a shorter duration strategy in which comparable yields can be achieved without adding incremental interest rate risk; a superior risk reward in this environment.

Our strategy continues to focus on bottom-up security selection, which we expect will be a critical element of alpha generation in the current environment. We target a neutral view on duration and yield curve positioning. Our view on risk has moderated as we believe the aforementioned risk factors could drive moderately wider spreads in the near-term. Consistent with this view, we have proactively scaled back risk across cyclical sectors and favor US credits over Yankees. Our strategic recommended sector positioning is to maintain an overweight position to the Financial Institutions sector, particularly in Banking. Within the broad Industrial sector, we remain overweight Services, Transportation, and Telecommunications, and underweight Basic Industry, Capital Goods, Leisure, Automotive, Technology & Electronics, and Retail.

The portfolio finished December with 153 positions. As of year-end, the average yield to worst of the portfolio stood at 5.33%, in line with the benchmark yield to worst of 5.33%. The average option adjusted spread of the portfolio as of year-end was +122 bps versus the benchmark average OAS of +116 bps. The portfolio's average effective duration was 3.94 versus 4.09 for the benchmark.



# Directors' Report

## Main's Fund events during the year ending 31 December 2022 (continued)

The portfolio maintains a relative overweight to the lower rated BBB and BB portion of the market and average ML credit rating is BBB1 vs. the benchmark at A3. ESG remains a strong focus – the Fund had a 6.65 ESG score at year-end (benchmark 6.57), with Water and Carbon KPIs that were 48% and 93% of benchmark, respectively.

- **AXA IM Fixed Income Investment Strategies EUROPE SHORT DURATION HIGH YIELD**

Even as 2022 retreats from view, it seems unlikely that it will fade quite as quickly from memory. The worst annual performance for the S&P 500 (and the European High Yield Index) since 2008; the first bear market in global bonds for 70 years; and the most aggressive central bank tightening cycle in a generation (sources: all Bloomberg). All of it driven, of course, by inflation at multi-decade highs.

The year began in a pattern that was essentially set to repeat numerous times over the following twelve months: investors initial expectations for rate rises were shown to be insufficient, by both increasingly persistent inflation data and hawkish comments from central bankers, leading government bond yields to march ever upwards. Thus January's 75bps of hikes priced for 2022 was swiftly raised to 125bps by month end. Russia's invasion of Ukraine in February sparked a brief safe-haven rally in government bonds, before the inflationary impacts, particularly on energy and food prices, came into focus and this reversed. The yield on 10-year US Treasuries moved from 1.6% to 2.4% over the course of Q1 (source: Bloomberg), resulting in a large underperformance for risky assets.

Q2 then saw an acceleration of this trend, capping a -20.0% H1 decline for the S&P 500 that was the worst in 60 years (source: Bloomberg). Trading was particularly brutal in mid-June, after the release of the May US CPI figure again came in above expectations and prompted the Federal Reserve to raise rates by 75bps, something it hadn't done since the 1990s. The S&P 500 fell by more than -10% in a week for the first time since the onset of the pandemic, and 10-year Treasuries climbed to 3.5%, their highest level in a decade (sources: both Bloomberg). In Europe, gas prices began to dominate the conversation as they climbed to €145 per megawatt-hour (they would eventually peak in August at over €330 per megawatt-hour – up from a typical range of €10-€30 per megawatt-hour for much of the last decade [sources: all Bloomberg]).

Markets staged a brief rally at the beginning of Q3, after the July US CPI report showed the first monthly decline in prices since May 2020. But the bounce, along with any hopes of a Fed pivot by Chair Powell, was stamped out by his hawkish Jackson Hole speech in August. The ECB also joined the hiking cycle, raising rates for the first time in over a decade – by 50bps in July, and then 75bps in September. It was at this time in the late summer that recessionary fears also began to come to the fore, particularly after the Nord Stream gas pipeline from Russia was suspended. The huge spikes in prices mentioned previously then followed, as well as worries about shortages on the continent. The quarter ended with further turmoil, this time centered on the UK, after the disastrous Liz Truss mini-budget – eventually quelled by intervention from the Bank of England and a rapid change of UK Prime Minister.

In this context, the end of 2022 was relatively calm. After bottoming in early October, markets managed a more persistent recovery into year-end. Some long-awaited indications that inflation may have peaked eventually arrived, with US CPI readings in October and November surprising to the downside, and the Euro Area equivalent falling from 10.6% in October to “just” 10.1% in November. Both central banks felt able to slow their pace of rate hikes to 50bps each in December, though markets also chose to ignore the coincident hawkish messaging. In the end, Q4 marked the only quarter of the year when most risky assets, including European High Yield, managed positive returns.

# Directors' Report

## Main's Fund events during the year ending 31 December 2022 (continued)

And so, unsurprisingly, overall returns for the year were deeply negative. The S&P 500 was down -18.1%, with the Eurostoxx 600 delivering -9.9%. Given the war in Ukraine, commodities were among the few assets to deliver positive performance – Brent Crude rose +10.5% (though this had been +38.7% at the end of Q1, in the immediate aftermath of the invasion [sources: all Bloomberg]).

In Fixed Income, the yields on 10-year Treasuries and Bunds rose from 1.5% to 3.9%, and from -0.1% to 2.6%, respectively. This resulted in deeply negative returns in government bonds, and in investment grade corporate bond markets – for example, the European Corporates index fell -13.9% (source: Bloomberg). By comparison, the European High Yield index relatively outperformed, declining -11.5, whilst the US High Yield index similarly managed -11.2% (sources: all Bloomberg).

High yield was ultimately protected a little by its lower duration. But even in our European market, those large moves in underlying government bonds were still the key driver of performance. This helps explain why (higher duration) BBs and (lower duration) single-Bs had fairly similar returns, at -11.2% and -11.7% respectively, even as the risk-off tone meant spreads widened more for the latter. Still, this wasn't enough to support CCCs, which underperformed badly once recessionary fears grew. Bonds in this, the riskiest part of our market, lost -14.9%. Overall, spreads on the index widened from 294bps, to 396bps, with a peak of 535bps in July (source: Bloomberg, all asset swap spreads).

### Performance

In 2022, the Fund generated a total return of -3.98% (net of fees, A share class) and -3.44% (gross of fees, A share class). In comparison, the European High Yield universe, (the ICE BofA European Currency High Yield Index) delivered a performance of -11.5% (EUR hedged). On a EUR hedged basis, Sterling high yield had a particularly poor year – it fell -12.1%.

The Fund's performance during the year can largely be explained, as with almost everything else, by the impact of rates. Though our shorter duration focus helped us avoid larger losses, even these bonds still sold off somewhat as rates rose. We were also exposed to the spread widening that took place, though again our positioning in higher quality names provided a degree of protection.

On a sector basis, Leisure and Healthcare were our two best performers. Our holdings in the first achieved a positive return for the year – these were concentrated in Gaming, a sub-sector which was notable for its resilience. And Healthcare remains a defensive part of the market, with limited exposure to either energy costs or discretionary spending. Positive stock selection also allowed us to manage idiosyncratic situations well. For example, we avoided some of the worst performing bonds in the Real Estate and Retail sectors, which were particularly challenged by the macroeconomic environment.

### Outlook

And so, having arrived at the end of 2022, we have the opportunity to put this memorable, if challenging, year behind us. Though, in markets, there are always lessons to be learned, particularly when conditions are difficult – and on this basis, the last twelve months were instructive indeed.

# Directors' Report

## Main's Fund events during the year ending 31 December 2022 (continued)

That said, we increasingly are of the view that the key takeaway from 2022, namely investors “relearning” about the destructive power of inflation and rising rates on asset prices, will be less relevant in 2023. Partly this is a reflection of the different starting points: a year ago, the Fed Funds rate was 0.25%; today, it is already 4.5% (for the ECB, the corresponding figures are -0.5% and 2.0%). For both central banks, there is just less room for them to hike further, particularly as we begin to see signs that inflation is slowing down. Rather, we expect the second-order impact of this last year of extraordinarily rapid monetary tightening to be the big theme in 2023: that is, the looming recession. And to our mind, there remain two big open questions on this topic. Firstly, to what extent will central banks ignore market expectations and continue hiking even as a recession begins to bite? And secondly, just how badly will corporate earnings, in many ways the one bright spot in a difficult past year, deteriorate?

Still, we are happy to reiterate our belief that good quality, short duration high yield remains a comfortable place to be invested, whatever the answers. If we are wrong about inflation, the rates risk is nonetheless low. And generally, companies in the BB segment, and selectively amongst single-Bs, are in decent fundamental shape – resulting in manageable credit risk, even as earnings fall. Perhaps most importantly, the turmoil of the last year means that starting valuations this January are rather attractive, certainly more so than twelve months ago. Of course, we'd prefer not to see any uptick in defaults. But we still think that these are likely to be fairly well contained, and that prices in our preferred part of the market provide ample compensation.

## Change of name of the Investment Manager AXA Investment Manager Inc.

The Investment Manager AXA Investment Managers Inc. has been renamed AXA Investment Managers US Inc., following an internal restructuring that will not impact the investors nor the services provided by the Investment Manager.

## SFDR and Taxonomy disclosures / Sustainability risks

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.

Unitholders have been informed accordingly of all the changes brought to the prospectus of the Fund.

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

This new transparency obligation applied as from 1 January 2022.

The “Sustainable Investments and promotion of ESG characteristics” section has been amended in the Prospectus to add Taxonomy disclosures.

The “Sustainable Investments and promotion of ESG characteristics” sub-section section under the section “THE FUND” in the general part of the Prospectus has been added/amended to reflect the disclosure.

# Directors' Report

## SFDR and Taxonomy disclosures / Sustainability risks (continued)

US Short Duration High Yield sub-fund and Europe Short Duration High Yield sub-fund have been reshaping in order to reclassify them from article 6 SFDR to article 8 SFDR product.

A new sub-section "Investment Strategy" of the section "Investment Objective and Strategy" of each Sub-Fund has been completed.

## SFDR Level II disclosures

The Commission Delegated Regulation (EU) 2022/1288 ("SFDR Level II"), setting out the regulatory technical standards (RTS) to be used by financial market participants and financial products when disclosing sustainability-related information under the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the "SFDR") has been adopted and published on 25 July 2022 in the Official Journal of the EU.

In order to comply by 1 January 2023 with SFDR Level II, pre-contractual templates detailing the content of the disclosures required under the SFDR, including any taxonomy-related information, have been included in the Prospectus for each of the Fund's sub-funds (the "Sub-Funds", each a "Sub-Fund") that are all caught by articles 8 of the SFDR ("SFDR Article 8 Products").

Review of the disclosures to be made under the SFDR and the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (the "Taxonomy Regulation") in light of market evolution and changes in internal policies and approaches.

Update of the Taxonomy disclosure according to which "The minimum underlying environmentally sustainable investments of the Sub-Funds categorized Article 8 Sub-Funds investing in sustainable assets under SFDR should represent 0% of each Sub-Fund's assets (including in enabling and transitional activities)".

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

Based on the CSSF FAQ regarding the Law of 2010 (the "FAQ"), a review of the Prospectus and the Management Regulations has been conducted to respond to the objective of the FAQ to bring further clarity and transparency to disclosures to investors.

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

## Update of the disclosures with regards to the holding of Cash and the investments in Money Market Instruments, money market UCITS/UCIs and deposits in light of the CSSF FAQ concerning the Law of 2010

Based on the CSSF FAQ regarding the Law of 2010 (the "FAQ"), a review of the Prospectus and the Management Regulations has been conducted to respond to the objective of the FAQ to bring further clarity and transparency to disclosures to investors.

## Directors' Report

### Update of the disclosures with regards to the holding of Cash and the investments in Money Market Instruments, money market UCITS/UCIs and deposits in light of the CSSF FAQ concerning the Law of 2010 (continued)

As a consequence, it has been decided to enhance the disclosures with respect to the holding of Cash and investments in Money Market Instruments and money market UCITS/UCIs and in deposits in the general part of the Prospectus and in the Management Regulations.

### Restrictions applicable to investments in covered bonds

Based on the Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/965/EC and 2014/59/EU (the "Covered Bond Directive") implemented in the Law of 2010, a review of the Prospectus has been conducted to respond to the objective of Covered Bond Directive and subsequent amended Law of 2010 to bring further disclosures to reflect the new rules and requirements applicable to covered bonds issued as from 8 July 2022.

The section "Investment Restrictions" of the general part of the Prospectus and the article "13) Investment Restrictions" of the Management Regulations have been updated by inserting a disclosure regarding investment in covered bonds issued by the same issuer to comply with the Covered Bond Directive/Law of 2010.

### Deletion of the reference made to the swing pricing in the Management Regulations

The reference made to the swing pricing in the article "16) Determination of the Net Asset Value per Unit" of the Management Regulations has been deleted insofar the Board does not currently intend to use such swing pricing mechanism.

### Amendment to the dividend policy of the Fund

In order to enhance the description of distribution classes of units and therefore to amend the "Dividend" section of the general part of the Prospectus and the article "17) Distribution Policy" of the Management Regulations. It has been added a warning risk related to the capital erosion in the section "Risk Consideration" of the general part of the Prospectus.

### Nomination of a sub delegated stock lending and repurchase agent

AXA Investment Managers GS has been appointed as securities lender and repurchase agent, to sub-delegate certain duties to AXA Investment Managers IF, depending on local licensing requirements.

### Replacement of the representative agent in Denmark

AXA Investment Managers Deutschland GmbH has been appointed as facilities agent of the Fund in Denmark in replacement of Stockrate Asset Management A/S currently acting as the Fund's representative agent in Denmark.

# Directors' Report

## Management Company Events during the year ending 31 December 2022

We inform you that the composition of the board of directors and of the management committee within AXA Fund Management SA, the Management Company of the Fund, as of 31 December 2022 is the following:

### Members of the Board of Directors

- Mr Laurent Caillot, Chairman and Director, Global Chief Operating Officer AXA Investment Managers, residing in France
- Mr Jean-Louis Laforge, Director, Research Technical Director and Deputy Chief Executive Officer AXA Investment Managers Paris, residing in France
- Mr Fabien Lequeue, Director and General Manager, Country Head AXA Funds Management S.A., residing in Belgium
- Mrs Beatriz Barros de Lis Tubbe, Director, Head of Client Group Americas, AXA IM Core, residing in the USA

### Conducting Officers

- Mr Fabien Lequeue, Country Head, AXA Funds Management S.A., residing in Belgium
  - Mr Frédéric Jacquot, Head of Operations, AXA Funds Management S.A., residing in France
  - Mr Jean-Yves Lassaut Head of Risk, AXA Funds Management S.A., residing in Luxembourg
  - Mr Jean-Michel Bonzom Head of Compliance (since 16 May 2022), AXA Funds Management S.A., residing in Luxembourg
- The Board of Directors of the Management Company

Luxembourg, 21 April 2023

The Board of Directors of the Management Company

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



## Audit report

To the Unitholders of  
**AXA IM Fixed Income Investment Strategies**

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### Our opinion

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

#### *What we have audited*

The Fund’s financial statements comprise:

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

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### Basis for opinion

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

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

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

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### Other information

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

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

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



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

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**Responsibilities of the Board of Directors of the Management Company for the financial statements**

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

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

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

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

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

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





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

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

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 24 April 2023

Martin Wais

## Statement of Net Assets as at 31 December 2022

	Combined	AXA IM Fixed Income Investment Strategies US Short Duration High Yield	AXA IM Fixed Income Investment Strategies US Corporate Intermediate Bonds
	USD	USD	USD
<b>ASSETS</b>			
Investment portfolio at cost (note 2e)	7,516,804,885	3,893,399,043	2,287,978,116
Unrealised depreciation on investments	(548,608,698)	(308,081,335)	(155,052,151)
<b>Investment portfolio at market value (note 2d)</b>	<b>6,968,196,187</b>	<b>3,585,317,708</b>	<b>2,132,925,965</b>
Cash and cash equivalent	219,694,485	159,158,918	47,649,097
Receivables resulting from sales of investments	14,339,831	14,339,831	-
Receivables resulting from subscriptions	22,367,078	10,380,006	7,633,433
Interest accruals	90,544,465	55,716,657	19,728,821
Accrued securities lending income	249,560	21,091	5,634
Net unrealised appreciation on forward foreign exchange contracts (notes 2g, 9)	6,209,855	1,325,631	602,347
Other receivables	383	41	-
<b>Total assets</b>	<b>7,321,601,844</b>	<b>3,826,259,883</b>	<b>2,208,545,297</b>
<b>LIABILITIES</b>			
Bank overdraft	4,851	-	4,851
Payables resulting from purchases of securities	10,683,734	-	10,683,734
Payables resulting from redemptions	24,428,725	6,517,827	2,873,279
Accrued expenses	4,206,842	2,387,670	1,023,685
Dividend payable	9,953,948	6,692,142	1,162,251
Other payables	287,536	16,825	3,786
<b>Total liabilities</b>	<b>49,565,636</b>	<b>15,614,464</b>	<b>15,751,586</b>
<b>NET ASSET VALUE</b>	<b>7,272,036,208</b>	<b>3,810,645,419</b>	<b>2,192,793,711</b>

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

# Statement of Net Assets as at 31 December 2022

AXA IM Fixed Income  
Investment Strategies  
Europe Short Duration  
High Yield

EUR

<b>ASSETS</b>	
Investment portfolio at cost (note 2e)	1,251,279,200
Unrealised depreciation on investments	(80,089,212)
<b>Investment portfolio at market value (note 2d)</b>	<b>1,171,189,988</b>
Cash and cash equivalent	12,074,462
Receivables resulting from sales of investments	-
Receivables resulting from subscriptions	4,079,306
Interest accruals	14,147,563
Accrued securities lending income	208,794
Net unrealised appreciation on forward foreign exchange contracts (notes 2g, 9)	4,012,066
Other receivables	318
<b>Total assets</b>	<b>1,205,712,497</b>
<b>LIABILITIES</b>	
Bank overdraft	-
Payables resulting from purchases of securities	-
Payables resulting from redemptions	14,090,062
Accrued expenses	745,361
Dividend payable	1,967,257
Other payables	250,105
<b>Total liabilities</b>	<b>17,052,785</b>
<b>NET ASSET VALUE</b>	<b>1,188,659,712</b>

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

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

	Combined USD	AXA IM Fixed Income Investment Strategies US Short Duration High Yield USD	AXA IM Fixed Income Investment Strategies US Corporate Intermediate Bonds USD
<b>NET ASSET VALUE AT THE BEGINNING OF THE YEAR</b>	<b>8,348,117,436 *</b>	<b>4,791,807,931</b>	<b>1,939,177,013</b>
<b>INCOME</b>			
Interest on investment portfolio, net	300,540,899	193,724,787	59,548,015
Securities lending income (note 11)	1,125,735	57,535	18,998
Other income	3,308	-	-
<b>Total income</b>	<b>301,669,942</b>	<b>193,782,322</b>	<b>59,567,013</b>
<b>EXPENSES</b>			
Distribution fees (note 4)	397,163	122,369	37,188
Management fees (note 5)	39,326,262	23,766,513	7,493,354
Transaction fees (note 7)	480,865	317,733	81,526
Securities lending expenses (note 11)	394,006	20,137	6,649
Applied service fee (note 6)	9,458,953	5,354,023	2,393,351
<b>Total expenses</b>	<b>50,057,249</b>	<b>29,580,775</b>	<b>10,012,068</b>
<b>NET INCOME FROM INVESTMENTS FOR THE YEAR</b>	<b>251,612,693</b>	<b>164,201,547</b>	<b>49,554,945</b>
<b>Net realised gain/(loss)</b>			
- on sales of investments (note 2f)	(131,276,102)	(63,585,041)	(43,465,191)
- on spot foreign exchange	3,295,902	2,633,064	(457,280)
- on forward foreign exchange contracts (notes 2g, 9)	(318,898,326)	(246,870,653)	(77,524,168)
<b>Net realised loss for the year</b>	<b>(446,878,526)</b>	<b>(307,822,630)</b>	<b>(121,446,639)</b>
<b>Net change in unrealised appreciation/(depreciation)</b>			
- on investments	(602,054,472)	(305,013,940)	(206,071,644)
- on forward foreign exchange contracts (notes 2g, 9)	43,792,030	40,022,242	(140,759)
<b>Net change in net assets for the year resulting from operations</b>	<b>(753,528,275)</b>	<b>(408,612,781)</b>	<b>(278,104,097)</b>
Net proceeds from subscriptions/redemptions	(292,582,699)	(548,765,366)	533,734,936
Dividends paid (note 10)	(29,970,254)	(23,784,365)	(2,014,141)
<b>NET ASSET VALUE AT THE END OF THE YEAR</b>	<b>7,272,036,208</b>	<b>3,810,645,419</b>	<b>2,192,793,711</b>

\*The opening balance was combined at the exchange ruling used at Year end. With the exchange rates prevailing as at 31 December 2021, this amount was equal to USD 8,454,107,989. Please refer to note 2b) for more details.

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

AXA IM Fixed Income  
Investment Strategies  
Europe Short Duration  
High Yield

EUR

<b>NET ASSET VALUE AT THE BEGINNING OF THE YEAR</b>	<b>1,515,233,068</b>
<b>INCOME</b>	
Interest on investment portfolio, net	44,289,620
Securities lending income (note 11)	983,089
Other income	3,100
<b>Total income</b>	<b>45,275,809</b>
<b>EXPENSES</b>	
Distribution fees (note 4)	222,634
Management fees (note 5)	7,558,112
Transaction fees (note 7)	76,464
Securities lending expenses (note 11)	344,081
Applied service fee (note 6)	1,603,729
<b>Total expenses</b>	<b>9,805,020</b>
<b>NET INCOME FROM INVESTMENTS FOR THE YEAR</b>	<b>35,470,789</b>
<b>Net realised gain/(loss)</b>	
- on sales of investments (note 2f)	(22,699,339)
- on spot foreign exchange	1,049,537
- on forward foreign exchange contracts (notes 2g, 9)	5,150,148
<b>Net realised loss for the year</b>	<b>(16,499,654)</b>
<b>Net change in unrealised appreciation/(depreciation)</b>	
- on investments	(85,236,719)
- on forward foreign exchange contracts (notes 2g, 9)	3,664,134
<b>Net change in net assets for the year resulting from operations</b>	<b>(62,601,450)</b>
Net proceeds from subscriptions/redemptions	(260,063,030)
Dividends paid (note 10)	(3,908,876)
<b>NET ASSET VALUE AT THE END OF THE YEAR</b>	<b>1,188,659,712</b>

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

## Statistics - Total Net Assets

	Currency	Total Net Assets as at 31 December 2022	Total Net Assets as at 31 December 2021	Total Net Assets as at 31 December 2020
AXA IM Fixed Income Investment Strategies - US Short Duration High Yield	USD	3,810,645,419	4,791,807,931	4,271,207,282
AXA IM Fixed Income Investment Strategies - US Corporate Intermediate Bonds	USD	2,192,793,711	1,939,177,013	2,705,756,689
AXA IM Fixed Income Investment Strategies - Europe Short Duration High Yield	EUR	1,188,659,712	1,515,233,068	1,307,001,723

# Statistics - Number of Units and Net Asset Value per Unit

	Number of Units as at 31 December 2022	Net Asset Value per Unit in class currency as at 31 December 2022	Net Asset Value per Unit in class currency as at 31 December 2021	Net Asset Value per Unit in class currency as at 31 December 2020
<b>AXA IM Fixed Income Investment Strategies - US Short Duration High Yield</b>				
A Capitalisation CHF Hedged (95%)	660,248.799	93.39	101.15	-
A Capitalisation EUR Hedged (95%)	8,226,329.589	167.46	180.78	176.73
A Capitalisation GBP Hedged (95%)	72,467.040	113.42	120.76	117.24
A Capitalisation USD	3,469,752.085	207.45	218.64	211.86
A Distribution monthly USD	2,361,784.498	84.00	92.43	93.33
A Distribution semi-annually EUR Hedged (95%)	1,193,894.798	64.05	72.29	73.55
A Distribution semi-annually GBP Hedged (95%)	17,679.274	83.54	93.01	94.03
A Distribution semi-annually USD	1,518,579.457	78.35	86.38	87.13
B Capitalisation CHF Hedged (95%)	202,400.742	119.03	129.33	127.03
B Capitalisation EUR Hedged (95%)	349,825.917	165.43	178.97	175.30
B Capitalisation GBP Hedged (95%)	6,192.704	108.92	116.19	113.12
B Capitalisation JPY Hedged (95%)	18,267,487.195	105.12	113.80	111.04
B Capitalisation USD	609,274.468	172.80	182.67	177.54
B Distribution semi-annually CHF Hedged (95%)	7,839.300	80.36	90.99	92.72
B Distribution semi-annually EUR Hedged (95%)	135,150.343	66.04	74.51	75.76
B Distribution semi-annually GBP Hedged (95%)	6,455.213	73.82	82.22	83.10
B Distribution semi-annually USD	100,607.301	84.07	92.67	93.48
E Capitalisation EUR Hedged (95%)	99,258.662	115.90	126.33	124.65
E Capitalisation USD	134,610.489	130.56	138.98	136.00
F Capitalisation CHF Hedged (95%)	234,702.196	114.55	124.85	122.98
F Capitalisation EUR Hedged (95%)	1,467,282.526	139.04	151.04	148.54
F Capitalisation USD	2,194,939.479	161.46	171.26	167.02
F Distribution monthly AUD Hedged (95%)	3,545.770	92.68	103.14	104.24
F Distribution monthly USD	740,246.705	90.53	99.60	100.41
F Distribution semi-annually CHF Hedged (95%)	1,450.300	80.26	90.90	92.63
F Distribution semi-annually EUR Hedged (95%)	238,823.288	65.15	73.57	74.80
I Capitalisation EUR Hedged (95%)	230,992.292	148.32	160.90	158.05
I Capitalisation USD	196,045.384	187.30	198.50	193.40
I Distribution semi-annually USD	146,227.911	79.33	87.44	88.20
Z Capitalisation CHF Hedged (95%)	60,787.087	98.30	106.85	105.01
Z Capitalisation EUR Hedged (95%)	536,297.494	102.83	111.37	109.23
Z Capitalisation USD	348,568.604	119.38	126.32	122.88
Z Distribution semi-annually CHF Hedged (95%)	230.300	80.31	90.98	92.77
Z Distribution semi-annually EUR Hedged (95%)	109,674.605	75.59	85.28	86.76
<b>AXA IM Fixed Income Investment Strategies - US Corporate Intermediate Bonds</b>				
A Capitalisation CHF Hedged (95%)	1,476,397.151	104.42	119.05	121.57
A Capitalisation EUR Hedged (95%)	5,274,410.715	131.14	148.86	151.72
A Capitalisation USD	3,136,410.256	205.11	227.48	229.71
A Distribution semi-annually EUR Hedged (95%)	532,028.334	80.09	93.34	97.29
A Distribution semi-annually JPY Hedged (95%)	285.716	7,935.53	9,284.22	9,636.29
A Distribution semi-annually USD	85,633.272	112.29	127.91	132.13
E Capitalisation EUR Hedged (95%)	61,643.779	100.47	115.26	118.70
E Capitalisation USD	6,812.685	115.29	129.20	131.84
F Capitalisation CHF Hedged (95%)	11,559.727	98.40	112.84	115.80
F Capitalisation EUR Hedged (95%)	1,125,912.203	111.57	127.30	130.39
F Capitalisation USD	2,165,104.746	130.04	144.99	147.22
F Distribution semi-annually USD	257,379.963	96.24	109.59	113.21

## Statistics - Number of Units and Net Asset Value per Unit

	Number of Units as at 31 December 2022	Net Asset Value per Unit in class currency as at 31 December 2022	Net Asset Value per Unit in class currency as at 31 December 2021	Net Asset Value per Unit in class currency as at 31 December 2020
<b>AXA IM Fixed Income Investment Strategies - US Corporate Intermediate Bonds (continued)</b>				
F Distribution monthly USD	3,587.406	97.55	-	-
I Capitalisation EUR Hedged (95%)	70,089.016	110.31	125.44	127.99
I Capitalisation USD	291,436.055	153.00	170.02	172.04
I Distribution semi-annually EUR Hedged (95%)	37,413.623	76.48	89.13	92.95
I Distribution semi-annually USD	42,464.596	92.20	105.02	108.48
U Capitalisation USD	31,323.100	98.21	109.68	111.54
U Distribution semi-annually USD	1,139.978	93.71	106.71	110.22
Z Capitalisation CHF Hedged (95%)	24,977.357	92.12	105.18	107.63
Z Capitalisation EUR Hedged (95%)	159,111.265	102.17	116.14	118.55
Z Capitalisation USD	498,267.625	115.07	127.86	129.36
<b>AXA IM Fixed Income Investment Strategies - Europe Short Duration High Yield</b>				
A Capitalisation CHF Hedged (95%)	208,913.932	101.90	106.58	104.36
A Capitalisation EUR	4,237,193.926	137.95	143.67	140.35
A Capitalisation USD Hedged (95%)	135,172.249	159.90	162.87	157.87
A Distribution semi-annually EUR	1,367,161.701	81.26	87.09	87.33
B Capitalisation CHF Hedged (95%)	9,960.167	113.53	119.09	116.98
B Capitalisation EUR	815,654.359	133.30	139.25	136.44
B Capitalisation GBP Hedged	1,496.984	103.13	-	-
B Capitalisation USD Hedged (95%)	50,598.318	143.54	146.60	142.61
B Distribution semi-annually EUR	127,142.085	83.06	89.00	89.24
E Capitalisation EUR	461,042.575	123.48	129.88	128.13
E Capitalisation USD Hedged (95%)	11,730.106	120.63	124.00	121.43
E Distribution semi-annually USD Hedged (95%)	4,696.994	99.54	104.09	103.48
F Capitalisation CHF Hedged (95%)	65,378.928	108.05	113.87	112.29
F Capitalisation EUR	1,017,094.033	128.50	134.68	132.41
F Capitalisation USD Hedged (95%)	46,232.296	132.30	135.51	132.25
F Distribution semi-annually CHF Hedged (95%)	47,815.000	78.14	84.14	84.58
F Distribution semi-annually EUR	93,988.503	81.34	87.16	87.39
M Capitalisation EUR	567,241.065	104.31	108.14	105.17
Z Capitalisation CHF Hedged (95%)	33,355.400	102.45	107.68	105.91
Z Capitalisation EUR	377,256.426	108.01	112.93	110.75
Z Capitalisation USD Hedged (95%)	198.395	108.90	111.29	108.35
Z Distribution semi-annually EUR	77,738.023	86.21	92.38	92.63



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

Description	Quantity/ Nominal Value	Market Value*	% of net assets	Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				<b>BONDS (CONTINUED)</b>			
<b>BONDS</b>				<b>Luxembourg</b>			
<b>Canada</b>							
Burger King New Red Finance 5.75% 15/04/2025	1,905,000	1,893,414	0.05	Altice France SA 10.5% 15/05/2027	22,815,000	17,445,490	0.46
GFL Environmental Inc 3.75% 01/08/2025	26,265,000	24,861,792	0.65	Camelot Finance Sa 4.5% 01/11/2026	25,680,000	24,108,400	0.63
GFL Environmental Inc 4.25% 01/06/2025	18,439,000	17,644,586	0.46	Dana Financing Lux Sarl 5.75% 15/04/2025	10,408,000	10,201,680	0.27
GFL Environmental Inc 5.125% 15/12/2026	3,550,000	3,400,678	0.09			<b>51,755,570</b>	<b>1.36</b>
Nova Chemicals Corp 4.875% 01/06/2024	11,067,000	10,732,679	0.28	<b>The Netherlands</b>			
Nova Chemicals Corp 5% 01/05/2025	3,135,000	2,956,966	0.08	Trivium Packaging Finance BV 5.5% 15/08/2026	37,724,000	34,671,586	0.91
Open Text Corp 6.9% 01/12/2027	4,906,000	4,912,378	0.13	Trivium Packaging Finance BV 8.5% 15/08/2027	10,167,000	9,344,540	0.25
Ritchie Bros Auctioneers 5.375% 15/01/2025	17,920,000	17,637,222	0.46	Ziggo Bond Company BV 6% 15/01/2027	23,914,000	22,287,848	0.58
		<b>84,039,715</b>	<b>2.20</b>			<b>66,303,974</b>	<b>1.74</b>
<b>Cayman Islands</b>				<b>United Kingdom</b>			
Sable International Finance Ltd 5.75% 07/09/2027	9,000,000	8,373,420	0.22	EG Global Finance Plc 8.5% 30/10/2025	17,480,000	16,312,393	0.43
		<b>8,373,420</b>	<b>0.22</b>	Ineos Quattro Finance 2 3.375% 15/01/2026	26,502,000	24,381,707	0.64
<b>France</b>				<b>United States of America</b>			
Altice France Sa 8.125% 01/02/2027	20,130,000	18,377,482	0.48	Academy Ltd 6% 15/11/2027	20,114,000	19,285,420	0.51
		<b>18,377,482</b>	<b>0.48</b>	ACI Worldwide Inc 5.75% 15/08/2026	24,764,000	24,096,486	0.63
<b>Ireland</b>							
Ardagh Packaging Finance 4.125% 15/08/2026	44,987,000	39,060,551	1.03	ADT Corp 4.125% 15/06/2023	3,004,000	2,979,021	0.08
Ardagh Packaging Finance 5.25% 30/04/2025	39,557,000	37,709,226	0.99	Aecom 5.125% 15/03/2027	15,218,000	14,672,130	0.39
		<b>76,769,777</b>	<b>2.02</b>	Aethon United 8.25% 15/02/2026	13,956,000	13,859,719	0.36
				Albertsons Companies Inc 3.25% 15/03/2026	28,007,000	25,588,033	0.67
				Albertsons Companies Inc 3.5% 15/02/2023	2,531,000	2,518,956	0.07
				Alliance Data Systems Co 4.75% 15/12/2024	43,496,000	38,638,281	1.01
				Alliance Data Systems Co 7% 15/01/2026	31,392,000	27,486,521	0.72
				Allied Universal Holdco 6.625% 15/07/2026	40,262,000	36,922,670	0.97

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

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

Description	Quantity/ Nominal Value	Market Value*	% of net assets	Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>BONDS (CONTINUED)</b>				<b>BONDS (CONTINUED)</b>			
<b>United States of America (continued)</b>				<b>United States of America (continued)</b>			
Allied Universal Holdco 9.75% 15/07/2027	23,976,000	20,910,668	0.55	Cedar Fair Entertainment Company 5.5% 01/05/2025	8,255,000	8,179,357	0.21
Amkor Technology Inc 6.625% 15/09/2027	9,800,000	9,714,237	0.25	Centurylink Inc 5.125% 15/12/2026	10,935,000	9,523,346	0.25
Aramark Services Inc 5% 01/04/2025	39,511,000	38,615,557	1.01	Churchill Downs Inc 5.5% 01/04/2027	13,900,000	13,192,561	0.35
Aramark Services Inc 6.375% 01/05/2025	45,792,000	45,322,174	1.19	Cogent Communications Group 3.5% 01/05/2026	39,754,000	36,163,717	0.95
Ardagh Metal Packaging 6% 15/06/2027	5,139,000	5,037,197	0.13	Colt Merger Sub Inc 6.25% 01/07/2025	31,071,000	30,254,004	0.79
B&G Foods Inc 5.25% 01/04/2025	55,254,000	48,534,710	1.28	Commercial Metals Co 4.875% 15/05/2023	2,844,000	2,841,384	0.07
Beacon Roofing Supply Inc 4.5% 15/11/2026	25,395,000	23,764,600	0.62	Commscope Inc 6% 01/03/2026	51,997,000	48,094,625	1.27
Berry Global Inc 4.5% 15/02/2026	25,703,000	24,598,074	0.65	CommScope Tech Finance LLC 6% 15/06/2025	41,748,000	38,076,681	1.00
Berry Global Inc 4.875% 15/07/2026	1,680,000	1,621,285	0.04	Crestwood Mid Partner Lp 5.75% 01/04/2025	46,469,000	45,284,970	1.19
Berry Global Inc 5.625% 15/07/2027	6,070,000	5,931,967	0.16	Crown Amer/Cap Corp Vi 4.75% 01/02/2026	2,082,000	2,024,683	0.05
Blackstone Mortgage Trust Inc 3.75% 15/01/2027	25,415,000	21,886,232	0.57	Crownrock LP 5.625% 15/10/2025	33,658,000	32,548,464	0.85
Block Inc 2.75% 01/06/2026	7,293,000	6,524,464	0.17	CSC Holdings LLC 5.5% 15/04/2027	37,715,000	31,719,310	0.83
Blue Racer 7.625% 15/12/2025	18,191,000	18,078,197	0.47	Darling Ingredients Inc 5.25% 15/04/2027	3,399,000	3,276,840	0.09
Brinks Company 4.625% 15/10/2027	4,851,000	4,447,009	0.12	Dave & Buster's Inc 7.625% 01/11/2025	16,324,000	16,429,453	0.43
BWAY Holding Co 5.5% 15/04/2024	50,158,000	48,874,314	1.29	DCP Midstream Operating 5.375% 15/07/2025	2,195,000	2,178,164	0.06
Caesars Entertainment Inc 8.125% 01/07/2027	10,140,000	9,983,945	0.26	Delek Logistics Partners 6.75% 15/05/2025	12,060,000	11,669,738	0.31
Caesars Resort 5.75% 01/07/2025	22,170,000	21,734,716	0.57	Energizer Holdings Inc 6.5% 31/12/2027	11,620,000	11,073,153	0.29
Catalent Pharma Solution 5% 15/07/2027	13,500,000	12,582,920	0.33	Ford Motor Credit Co LLC 2.3% 10/02/2025	24,680,000	22,571,834	0.59
CCO Holdings Capital Corp 4% 01/03/2023	2,056,000	2,048,326	0.05	Ford Motor Credit Co LLC 4.95% 28/05/2027	9,561,000	8,937,336	0.23
CCO Holdings Capital Corp 5.125% 01/05/2027	22,490,000	21,011,732	0.55	Ford Motor Credit Co LLC 5.584% 18/03/2024	9,050,000	8,950,902	0.23
CCO Holdings Capital Corp 5.5% 01/05/2026	28,556,000	27,691,625	0.73	Gen Digital Inc 6.75% 30/09/2027	25,934,000	25,449,034	0.67
CDR Smokey Buyer Inc 6.75% 15/07/2025	57,299,000	49,455,912	1.31	General Motors Financial Co 3.8% 07/04/2025	3,848,000	3,717,753	0.10
CDW LLC 4.125% 01/05/2025	5,803,000	5,645,158	0.15	Getty Images Inc 9.75% 01/03/2027	19,025,000	18,808,952	0.49

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

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

Description	Quantity/ Nominal Value	Market Value*	% of net assets	Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>BONDS (CONTINUED)</b>				<b>BONDS (CONTINUED)</b>			
<b>United States of America (continued)</b>				<b>United States of America (continued)</b>			
Gray Television Inc 5.875% 15/07/2026	46,851,000	41,814,518	1.10	Level 3 Financing Inc 4.625% 15/09/2027	21,655,000	18,065,684	0.47
Gray Television Inc 7% 15/05/2027	45,998,000	40,864,393	1.07	Live Nation Entertainment 4.875% 01/11/2024	14,881,000	14,431,511	0.38
Greystar Real Estate 5.75% 01/12/2025	41,631,000	40,755,604	1.07	Live Nation Entertainment 6.5% 15/05/2027	17,296,000	16,960,115	0.45
Hanesbrands Inc 4.625% 15/05/2024	17,621,000	17,095,147	0.45	Lumen Technologies Inc 5.625% 01/04/2025	1,415,000	1,360,227	0.04
Hanesbrands Inc 4.875% 15/05/2026	16,565,000	14,830,991	0.39	Mattel Inc 3.375% 01/04/2026	7,374,000	6,789,277	0.18
HCA Holdings Inc 5.375% 01/02/2025	1,971,000	1,970,208	0.05	Matthews International C 5.25% 01/12/2025	29,000,000	27,350,625	0.72
Herbalife Nutrition 7.875% 01/09/2025	48,591,000	43,273,687	1.14	MPT Operating Partnership LP 5% 15/10/2027	10,950,000	9,228,222	0.24
Hillenbrand Inc 5.75% 15/06/2025	3,810,000	3,798,037	0.10	MPT Operating Partnership LP 5.25% 01/08/2026	22,189,000	20,245,355	0.53
Hilton Domestic Operating Company 5.375% 01/05/2025	2,091,000	2,074,911	0.05	NCR Corp 5.75% 01/09/2027	998,000	956,558	0.03
Hub International Ltd 7% 01/05/2026	23,837,000	23,384,574	0.61	Newell Brands Inc 4.45% 01/04/2026	17,190,000	16,210,089	0.43
Icahn Enterprises Fin 4.75% 15/09/2024	30,399,000	29,214,842	0.77	Newell Brands Inc 4.875% 01/06/2025	2,353,000	2,292,128	0.06
Icahn Enterprises Fin 6.25% 15/05/2026	32,235,000	31,048,464	0.81	Newell Brands Inc 6.375% 15/09/2027	11,498,000	11,426,712	0.30
Icahn Enterprises Fin 6.375% 15/12/2025	36,570,000	35,528,486	0.93	Nexstar Escrow Inc 5.625% 15/07/2027	34,720,000	31,921,134	0.84
Indigo Merger Sub Inc 2.875% 15/07/2026	12,094,000	10,960,467	0.29	Nortonlifelock Inc 5% 15/04/2025	31,040,000	30,263,062	0.79
International Game Tech 4.125% 15/04/2026	13,662,000	12,759,685	0.33	Novelis Corp 3.25% 15/11/2026	39,508,000	35,468,505	0.93
International Game Tech 6.5% 15/02/2025	3,050,000	3,073,546	0.08	NuStar Logistics LP 5.75% 01/10/2025	23,527,000	22,657,753	0.59
Iqvia Inc 5% 15/05/2027	21,945,000	20,968,448	0.55	Olin Corp 5.125% 15/09/2027	9,881,000	9,354,540	0.25
Iqvia Inc 5% 15/10/2026	12,950,000	12,393,784	0.33	Oracle Corp 5.8% 10/11/2025	3,660,000	3,746,006	0.10
Irb Holding Corp 7% 15/06/2025	55,469,000	55,416,303	1.46	Outfront Media Capital LLC 5% 15/08/2027	13,000,000	11,723,353	0.31
Jeld Wen Inc 4.625% 15/12/2025	40,645,000	34,096,278	0.89	Outfront Media Capital LLC 6.25% 15/06/2025	25,128,000	24,933,167	0.65
Jeld Wen Inc 6.25% 15/05/2025	4,053,000	3,819,140	0.10	Owens Brockway 5.375% 15/01/2025	12,026,000	11,556,388	0.30
Kar Auction Services Inc 5.125% 01/06/2025	14,914,000	14,593,196	0.38	Owens Brockway 5.875% 15/08/2023	2,021,000	2,014,790	0.05
Labl Escrow Issuer 6.75% 15/07/2026	48,330,000	45,631,922	1.21	Owens Brockway 6.375% 15/08/2025	31,101,000	30,523,765	0.80

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

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

Description	Quantity/ Nominal Value	Market Value*	% of net assets	Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>BONDS (CONTINUED)</b>				<b>BONDS (CONTINUED)</b>			
<b>United States of America (continued)</b>				<b>United States of America (continued)</b>			
Owens Brockway 6.625% 13/05/2027	14,083,000	13,685,259	0.36	Sprint Corp 7.125% 15/06/2024	2,943,000	3,006,981	0.08
Park Intermed Holdings 7.5% 01/06/2025	20,215,000	20,234,811	0.53	Sprint Corp 7.875% 15/09/2023	2,272,000	2,308,775	0.06
Penske Automotive Group 3.5% 01/09/2025	3,687,000	3,427,563	0.09	SS&C Technologies Inc 5.5% 30/09/2027	36,489,000	34,242,230	0.90
Perform Group Financing 5.5% 15/10/2027	12,490,000	11,806,672	0.31	Standard Industries Inc 5% 15/02/2027	44,491,000	41,119,386	1.08
Perform Group Financing 6.875% 01/05/2025	12,253,000	12,299,439	0.32	Starwood Property Trust 3.625% 15/07/2026	12,813,000	11,227,327	0.29
Photo Holdings Merger SU 8.5% 01/10/2026	17,068,000	9,870,449	0.26	Starwood Property Trust 3.75% 31/12/2024	33,208,000	31,221,184	0.82
Picasso Finance Sub Inc 6.125% 15/06/2025	40,036,000	39,697,696	1.04	Starwood Property Trust 4.375% 15/01/2027	15,129,000	13,260,500	0.35
Polyone Corp 5.75% 15/05/2025	27,260,000	26,625,393	0.70	Starwood Property Trust 5.5% 01/11/2023	14,304,000	14,201,150	0.37
Post Holdings Inc 5.75% 01/03/2027	17,840,000	17,278,754	0.45	Stericycle Inc 5.375% 15/07/2024	44,375,000	43,783,259	1.15
Prime Security Services Borrower 5.25% 15/04/2024	25,640,000	25,230,523	0.66	Sunoco LP 6% 15/04/2027	11,076,000	10,925,573	0.29
Prime Security Services Borrower 5.75% 15/04/2026	38,340,000	36,986,598	0.97	Surgery Center Holdings 10% 15/04/2027	9,825,000	10,012,461	0.26
PTC Inc 3.625% 15/02/2025	8,364,000	7,979,304	0.21	Surgery Center Holdings 6.75% 01/07/2025	11,472,000	11,340,058	0.30
Raptor Acquisition 4.875% 01/11/2026	26,599,000	23,668,330	0.62	T Mobile USA Inc 2.25% 15/02/2026	6,426,000	5,857,370	0.15
Rlj Lodging Trust 3.75% 01/07/2026	40,745,000	36,337,755	0.95	T Mobile USA Inc 2.625% 15/04/2026	2,788,000	2,560,168	0.07
Rocketmtge CO Issuer Inc 2.875% 15/10/2026	35,320,000	30,335,019	0.80	Targa Resources Partners 6.5% 15/07/2027	13,513,000	13,620,698	0.36
SBA Communications Corp 3.875% 15/02/2027	6,345,000	5,743,580	0.15	Tegna Inc 4.75% 15/03/2026	10,000,000	9,713,755	0.25
Shift4 Payments LLC 4.625% 01/11/2026	29,323,000	27,751,874	0.73	Tenet Healthcare Corp 4.625% 01/09/2024	33,527,000	32,612,286	0.86
Sirius Xm Radio Inc 3.125% 01/09/2026	21,985,000	19,548,732	0.51	Tenet Healthcare Corp 4.625% 15/07/2024	2,121,000	2,071,617	0.05
Sirius Xm Radio Inc 5% 01/08/2027	39,661,000	36,748,340	0.96	Tenet Healthcare Corp 4.875% 01/01/2026	20,014,000	18,966,722	0.50
Six Flags Entertainment Corp 4.875% 31/07/2024	30,221,000	29,144,377	0.76	Tenet Healthcare Corp 6.25% 01/02/2027	26,248,000	25,264,750	0.66
Six Flags Entertainment Corp 7% 01/07/2025	3,847,000	3,879,476	0.10	The Brink's Company 5.5% 15/07/2025	21,828,000	21,468,893	0.56
Specialty Building Products Holdings LLC 6.375% 30/09/2026	40,859,000	32,962,590	0.87	Unisys Corp 6.875% 01/11/2027	30,218,000	23,246,707	0.61
Spectrum Brands Inc 5.75% 15/07/2025	36,113,000	35,757,982	0.94	Univar Solutions USA Inc 5.125% 01/12/2027	5,429,000	5,157,930	0.14

The accompanying notes form an integral part of these financial statements.  
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## Schedule of Investments and Other Net Assets as at 31 December 2022 (in USD)

Description	Quantity/ Nominal Value	Market Value*	% of net assets	Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>BONDS (CONTINUED)</b>				<b>GOVERNMENTS AND SUPRANATIONAL BONDS</b>			
<b>United States of America (continued)</b>				<b>United States of America</b>			
Univision Communications 5.125% 15/02/2025	33,001,000	31,496,821	0.83	Treasury Bill 0% 02/02/2023	30,000,000	29,904,942	0.78
US Foods Inc 6.25% 15/04/2025	24,997,000	24,776,104	0.65	Treasury Bill 0% 02/03/2023	30,000,000	29,795,363	0.78
Vail Resorts Inc 6.25% 15/05/2025	5,843,000	5,853,054	0.15	United States Treasury Notes 0% 16/02/2023	35,000,000	34,826,162	0.91
Verscend Escrow Corp 9.75% 15/08/2026	41,532,000	40,778,610	1.07			<b>94,526,467</b>	<b>2.47</b>
Vici Properties Inc 3.5% 15/02/2025	3,237,000	3,057,217	0.08	<b>TOTAL GOVERNMENTS AND SUPRANATIONAL</b>		<b>94,526,467</b>	<b>2.47</b>
Vici Properties Inc 4.625% 15/06/2025	10,567,000	10,144,848	0.27	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>		<b>3,585,317,708</b>	<b>94.09</b>
Vici Properties Inc 5.625% 01/05/2024	3,481,000	3,453,622	0.09	<b>Total Investment in Securities</b>		<b>3,585,317,708</b>	<b>94.09</b>
Watco Companies 6.5% 15/06/2027	37,921,000	36,084,865	0.95	Cash and cash equivalent		159,158,918	4.18
Wesco Distribution Inc 7.125% 15/06/2025	32,157,000	32,630,098	0.86	Other Net Assets		66,168,793	1.73
WR Grace & Co 5.625% 01/10/2024	8,006,000	7,897,038	0.21	<b>TOTAL NET ASSETS</b>		<b>3,810,645,419</b>	<b>100.00</b>
XHR LP 6.375% 15/08/2025	37,300,000	35,921,490	0.94				
Zayo Group Holdings Inc 4% 01/03/2027	11,231,000	8,319,026	0.22				
		<b>3,144,477,203</b>	<b>82.53</b>				
<b>TOTAL BONDS</b>		<b>3,490,791,241</b>	<b>91.62</b>				

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\*Please refer to note 2d) for more information on valuation of Investments.

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

### Forward Foreign Exchange Contracts

Counterparty	Currency Bought	Amount purchased	Currency Sold	Amount sold	Maturity	Unrealised appreciation/ (depreciation) in sub-fund currency
<b>Hedged unit classes</b>						
State Street	EUR	1,885,340,615	USD	2,013,124,804	18/01/2023	921,141
State Street	USD	35,578,943	EUR	33,414,683	18/01/2023	(116,838)
State Street	USD	251,038	GBP	208,584	18/01/2023	40
State Street	USD	143,384	CHF	132,647	18/01/2023	(202)
State Street	USD	264,396	JPY	35,420,876	18/01/2023	(4,518)
State Street	USD	674	AUD	993	18/01/2023	-
State Street	GBP	11,133,220	USD	13,603,579	18/01/2023	(206,439)
State Street	CHF	119,796,758	USD	129,511,922	18/01/2023	163,966
State Street	JPY	1,951,696,012	USD	14,250,564	18/01/2023	566,746
State Street	AUD	332,858	USD	224,120	18/01/2023	1,735
				<b>Total</b>		<b>1,325,631</b>

### Economical Classification of Schedule of Investments

	% of Net Assets
Industry	45.96
Financial Services	23.54
Communications	4.90
Energy and Water Supply	2.10
Technology	2.07
Food and Beverages	1.79
Banks	1.56
Healthcare	1.41
Hotels, Restaurants and Leisure	1.17
Internet, Software and IT Services	1.11
Governments and Supranational	0.91
Textiles, Garments and Leather Goods	0.84
Media	0.83
Automobiles	0.82
Utilities	0.65
Chemicals	0.64
Entertainment	0.62
Real Estate	0.57
Environmental Control	0.55
Personal Products	0.51
Consumer, Cyclical	0.51
Mechanical Engineering and Industrial Equipments	0.46
Household Products and Wares	0.30
Commercial Services and Supplies	0.17
Building Materials and Products	0.10
<b>Total</b>	<b>94.09</b>

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

Description	Quantity/ Nominal Value	Market Value*	% of net assets	Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				<b>BONDS (CONTINUED)</b>			
<b>BONDS</b>				<b>France</b>			
<b>Australia</b>				Banque Fédérative du Crédit Mutuel SA 0.65% 27/02/2024			
Gaif Bond Issuer P/L 3.4% 30/09/2026	7,000,000	6,440,305	0.29		10,382,000	9,833,176	0.45
Macquarie Group Ltd FRN 12/01/2027	7,621,000	6,650,113	0.30	Banque Fédérative du Crédit Mutuel SA 2.375% 21/11/2024	6,387,000	6,043,242	0.28
Transurban Finance Co 2.45% 16/03/2031	8,618,000	6,799,014	0.31	BPCE SA 3.5% 23/10/2027	8,875,000	8,005,441	0.37
Transurban Finance Co 4.125% 02/02/2026	2,315,000	2,226,678	0.10	BPCE SA FRN 06/10/2026	10,000,000	8,896,598	0.41
		<b>22,116,110</b>	<b>1.00</b>	Orange SA 9% 01/03/2031	6,545,000	8,026,728	0.37
						<b>40,805,185</b>	<b>1.88</b>
<b>Canada</b>				<b>Ireland</b>			
Bank of Montreal 2.65% 08/03/2027	17,204,000	15,737,910	0.72	AerCap Ireland Capital Ltd 1.75% 29/10/2024	8,300,000	7,637,861	0.35
Bank of Montreal 3.3% 05/02/2024	12,866,000	12,630,393	0.58	AerCap Ireland Capital Ltd 4.875% 16/01/2024	4,241,000	4,202,280	0.19
Bank of Nova Scotia 1.35% 24/06/2026	10,000,000	8,880,030	0.40			<b>11,840,141</b>	<b>0.54</b>
Bank of Nova Scotia 3.4% 11/02/2024	15,365,000	15,117,346	0.69	<b>Japan</b>			
Brookfield Finance Inc 4.35% 15/04/2030	14,990,000	13,664,178	0.62	NTT Finance Corp 1.162% 03/04/2026	8,758,000	7,755,262	0.35
Burger King New Red Finance 5.75% 15/04/2025	9,623,000	9,564,476	0.44	Sumitomo Mitsui Financial Group Inc 0.508% 12/01/2024	3,637,000	3,463,795	0.16
Canadian Imperial Bank 3.3% 07/04/2025	21,140,000	20,303,890	0.93	Takeda Pharmaceutical Co Ltd 2.05% 31/03/2030	5,755,000	4,710,352	0.21
CCL Industries Inc 3.25% 01/10/2026	4,140,000	3,756,053	0.17			<b>15,929,409</b>	<b>0.72</b>
Element Fleet Management Corp 3.85% 15/06/2025	17,752,000	16,824,017	0.77	<b>New Zealand</b>			
National Bank of Canada FRN 09/06/2025	10,000,000	9,723,608	0.44	Bank of New Zealand 3.5% 20/02/2024	6,340,000	6,223,556	0.28
National Bank of Canada FRN 15/11/2024	19,213,000	18,395,314	0.84			<b>6,223,556</b>	<b>0.28</b>
Videotron Ltd 3.625% 15/06/2029	7,164,000	6,044,983	0.28	<b>Norway</b>			
		<b>150,642,198</b>	<b>6.88</b>	Aker BP ASA 4% 15/01/2031	9,507,000	8,355,112	0.38
				Var Energi 7.5% 15/01/2028	14,112,000	14,402,202	0.66
						<b>22,757,314</b>	<b>1.04</b>

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

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

Description	Quantity/ Nominal Value	Market Value*	% of net assets	Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>BONDS (CONTINUED)</b>				<b>BONDS (CONTINUED)</b>			
<b>Spain</b>				<b>United States of America</b>			
Banco Santander SA 1.849% 25/03/2026	7,400,000	6,539,854	0.30	Abbvie Inc 2.95% 21/11/2026	15,390,000	14,333,977	0.65
Banco Santander SA 3.306% 27/06/2029	9,800,000	8,553,096	0.39	AES Corp 1.375% 15/01/2026	17,592,000	15,640,399	0.71
Telefonica Emisiones SAU 4.103% 08/03/2027	5,000,000	4,751,335	0.22	Agilent Technologies Inc 2.75% 15/09/2029	3,000,000	2,593,407	0.12
		<b>19,844,285</b>	<b>0.91</b>	Alcon Finance Corp 5.375% 06/12/2032	13,200,000	13,308,520	0.61
<b>Switzerland</b>				Alexandria Real Estate E 2% 18/05/2032	3,971,000	3,051,117	0.14
UBS Group Funding 4.125% 15/04/2026	13,105,000	12,586,419	0.57	Alexandria Real Estate E 2.75% 15/12/2029	3,400,000	2,898,784	0.13
		<b>12,586,419</b>	<b>0.57</b>	Alexandria Real Estate E 4.7% 01/07/2030	7,500,000	7,209,663	0.33
<b>The Netherlands</b>				American Express Co 5.85% 05/11/2027	13,889,000	14,483,845	0.66
Cooperatieve Rabobank UA FRN 24/02/2027	16,341,000	14,290,970	0.65	Amgen Inc 2.2% 21/02/2027	17,000,000	15,276,413	0.70
ING Groep NV 3.55% 09/04/2024	10,779,000	10,549,015	0.48	Anheuser Busch InBev Worldwide 4.75% 23/01/2029	12,565,000	12,429,756	0.57
Lundin Energy Finance 3.1% 15/07/2031	7,267,000	5,977,850	0.27	Apple Inc 3.35% 08/08/2032	24,000,000	21,859,807	1.01
Nxp Bv/Nxp Funding LLC 2.7% 01/05/2025	6,569,000	6,188,589	0.28	Ares Capital Corp 3.875% 15/01/2026	10,020,000	9,193,529	0.42
Nxp Bv/Nxp Funding LLC 4.875% 01/03/2024	8,142,000	8,091,764	0.37	AT&T Inc 1.65% 01/02/2028	4,615,000	3,905,336	0.18
		<b>45,098,188</b>	<b>2.05</b>	AT&T Inc 2.3% 01/06/2027	9,750,000	8,686,394	0.40
<b>United Kingdom</b>				AT&T Inc 4.3% 15/02/2030	17,701,000	16,709,101	0.76
AXIS Specialty Finance Plc 4% 06/12/2027	10,226,000	9,484,695	0.43	Athene Global Funding 2.5% 14/01/2025	3,412,000	3,198,191	0.15
Crédit Agricole London FRN 16/06/2026	15,616,000	14,248,283	0.65	Athene Global Funding 2.75% 25/06/2024	3,512,000	3,342,413	0.15
Lloyds Banking Group Plc FRN 05/02/2026	7,303,000	6,804,919	0.31	Athene Global Funding 2.8% 26/05/2023	2,600,000	2,576,148	0.12
Natwest Markets Plc 3.479% 22/03/2025	14,329,000	13,714,081	0.63	Atmos Energy Corp 5.45% 15/10/2032	3,481,000	3,611,108	0.16
Weir Group 2.2% 13/05/2026	9,778,000	8,683,007	0.40	Aviation Capital Group 1.95% 30/01/2026	2,875,000	2,505,939	0.11
		<b>52,934,985</b>	<b>2.42</b>	Aviation Capital Group 5.5% 15/12/2024	1,872,000	1,840,298	0.08
				Bank of America Corp FRN 04/02/2033	20,367,000	16,460,594	0.75
				Bank of America Corp FRN 07/02/2030	15,443,000	14,056,766	0.64
				Bank of America Corp FRN 22/10/2025	14,962,000	14,147,123	0.65
				Bank of America Corp FRN 23/01/2026	14,038,000	13,395,853	0.61

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

Description	Quantity/ Nominal Value	Market Value*	% of net assets	Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>BONDS (CONTINUED)</b>				<b>BONDS (CONTINUED)</b>			
<b>United States of America (continued)</b>				<b>United States of America (continued)</b>			
Bank Of America Corp FRN 27/04/2028	7,000,000	6,705,075	0.31	Citigroup Inc FRN 24/05/2028	10,000,000	9,693,405	0.44
Bank of Ny Mellon Corp FRN 13/06/2028	25,000,000	23,955,748	1.10	Citigroup Inc FRN 24/07/2028	10,000,000	9,199,640	0.42
Berry Global Inc 4.875% 15/07/2026	16,772,000	16,185,829	0.74	Citigroup Inc FRN 25/01/2033	9,185,000	7,436,019	0.34
Block Financial 2.5% 15/07/2028	6,505,000	5,540,899	0.25	Citigroup Inc FRN 28/01/2027	18,575,000	16,207,669	0.74
Block Financial 3.875% 15/08/2030	14,590,000	12,798,943	0.58	Citizens Bank FRN 09/08/2028	16,253,000	15,718,225	0.72
BNY Mellon FRN 25/10/2028	4,412,000	4,570,164	0.21	Citizens Bank FRN 23/05/2025	5,265,000	5,154,748	0.24
Boardwalk Pipelines LP 3.4% 15/02/2031	7,334,000	6,151,960	0.28	Comcast Corp 3.95% 15/10/2025	10,405,000	10,200,818	0.47
Boardwalk Pipelines LP 4.95% 15/12/2024	16,120,000	15,937,387	0.73	Comcast Corp 5.35% 15/11/2027	7,679,000	7,856,129	0.36
Boston Gas Company 3.001% 01/08/2029	3,085,000	2,647,004	0.12	Comerica Inc 3.7% 31/07/2023	13,141,000	13,047,517	0.60
Brighthouse Financial Inc 5.625% 15/05/2030	22,385,000	21,342,384	0.98	Connecticut Light & Power 3.2% 15/03/2027	5,377,000	5,051,880	0.23
Bristol Myers Squibb Co 2.95% 15/03/2032	11,597,000	10,122,144	0.46	Corebridge Financial Inc 3.65% 05/04/2027	13,310,000	12,427,481	0.57
Bristol-Myers Squibb Co 3.4% 26/07/2029	10,000,000	9,276,751	0.42	CVS Health Corp 3.25% 15/08/2029	6,080,000	5,452,427	0.25
Bunge Ltd Finance Corp 1.63% 17/08/2025	8,237,000	7,508,715	0.34	CVS Health Corp 4.1% 25/03/2025	2,498,000	2,463,576	0.11
Celanese Us Holdings Llc 6.05% 15/03/2025	14,670,000	14,625,323	0.67	Daimler Trucks AG 3.65% 07/04/2027	15,082,000	14,117,433	0.64
Centene Corp 2.5% 01/03/2031	4,425,000	3,470,962	0.16	Dell Inc 5.45% 15/06/2023	6,292,000	6,296,710	0.29
Centene Corp 4.25% 15/12/2027	6,392,000	6,008,916	0.27	Dell Inc 5.85% 15/07/2025	1,047,000	1,059,127	0.05
CenterPoint Energy Resources Corp 4% 01/04/2028	10,610,000	10,140,782	0.46	Duquesne Light Holdings Inc 2.532% 01/10/2030	8,317,000	6,609,224	0.30
Centurylink Inc 4% 15/02/2027	10,005,000	8,501,074	0.39	Duquesne Light Holdings Inc 3.616% 01/08/2027	6,210,000	5,595,885	0.26
Charles Schwab Corp 2.9% 03/03/2032	13,013,000	11,094,517	0.51	Ecolab Inc 0.9% 15/12/2023	6,020,000	5,795,270	0.26
Charles Schwab Corp 4.2% 24/03/2025	5,000,000	4,945,782	0.23	Eversource Energy 4.2% 27/06/2024	13,334,000	13,187,242	0.60
Charter Communications Operating LLC 3.75% 15/02/2028	13,484,000	12,181,694	0.56	Exelon Corp 3.95% 15/06/2025	7,922,000	7,743,986	0.35
Charter Communications Operating LLC 4.2% 15/03/2028	7,194,000	6,624,711	0.30	Extra Space Storage LP 2.35% 15/03/2032	7,075,000	5,371,449	0.24
				Extra Space Storage LP 3.9% 01/04/2029	7,743,000	6,951,624	0.32
				Fidelity National Information Services Inc 1.65% 01/03/2028	5,607,000	4,651,042	0.21

The accompanying notes form an integral part of these financial statements.  
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## Schedule of Investments and Other Net Assets as at 31 December 2022 (in USD)

Description	Quantity/ Nominal Value	Market Value*	% of net assets	Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>BONDS (CONTINUED)</b>				<b>BONDS (CONTINUED)</b>			
<b>United States of America (continued)</b>				<b>United States of America (continued)</b>			
Fidelity National Information Services Inc 4.5% 15/07/2025	11,111,000	10,905,667	0.50	Indigo Merger Sub Inc 2.875% 15/07/2026	3,394,000	3,075,891	0.14
Fifth Third Bancorp 3.65% 25/01/2024	9,222,000	9,086,430	0.41	Ingredion Inc 2.9% 01/06/2030	8,300,000	7,050,351	0.32
Fifth Third Bancorp FRN 01/11/2027	11,382,000	10,110,805	0.46	Jackson Financial Inc 5.17% 08/06/2027	13,315,000	13,139,809	0.60
First American Financial 4% 15/05/2030	6,333,000	5,319,494	0.24	Jackson National Life Company 2.65% 21/06/2024	9,175,000	8,762,263	0.40
First American Financial 4.3% 01/02/2023	5,150,000	5,144,900	0.23	John Deere Capital Corp 4.85% 11/10/2029	6,784,000	6,806,827	0.31
First American Financial 4.6% 15/11/2024	9,249,000	9,103,209	0.42	JP Morgan Chase & Co FRN 14/06/2030	8,821,000	8,318,346	0.38
First Horizon Bank 5.75% 01/05/2030	12,316,000	11,970,178	0.55	JP Morgan Chase & Co FRN 23/01/2029	12,038,000	10,945,515	0.50
Fiserv Inc 3.2% 01/07/2026	10,160,000	9,521,202	0.43	JP Morgan Chase & Co FRN 25/01/2033	17,392,000	14,200,703	0.65
FNB Corp 2.2% 24/02/2023	7,974,000	7,934,433	0.36	JP Morgan Chase Bank FRN 19/11/2026	19,750,000	17,440,310	0.80
Ford Motor Credit Co LLC 7.35% 04/11/2027	9,850,000	10,117,920	0.46	JP Morgan Chase Bank FRN 22/04/2026	13,000,000	12,078,926	0.55
General Motors Co 5.6% 15/10/2032	9,078,000	8,459,282	0.39	Key Bank 5.85% 15/11/2027	11,685,000	12,081,918	0.55
Global Payments Inc 1.5% 15/11/2024	7,976,000	7,409,568	0.34	Keycorp 2.25% 06/04/2027	7,143,000	6,333,113	0.29
Goldman Sachs Group Inc FRN 10/09/2024	17,075,000	16,431,331	0.75	Kinder Morgan Energy Partners Ltd 7.3% 15/08/2033	7,345,000	7,953,342	0.36
Goldman Sachs Group Inc FRN 21/10/2027	25,773,000	22,569,147	1.04	Kinder Morgan Energy Partners Ltd 7.4% 15/03/2031	1,377,000	1,493,981	0.07
Gsk Consumer Healthcare 3.375% 24/03/2027	11,534,000	10,754,964	0.49	Kraft Heinz Foods Company 3.75% 01/04/2030	8,000,000	7,304,068	0.33
Hasbro Inc 3.55% 19/11/2026	18,252,000	17,140,830	0.78	Kraft Heinz Foods Company 3.875% 15/05/2027	4,000,000	3,827,896	0.17
HCA Holdings Inc 5.375% 01/09/2026	10,000,000	9,902,306	0.45	Magallanes Inc 4.279% 15/03/2032	18,542,000	15,320,653	0.70
Healthcare Trust of America Holdings 2.4% 15/03/2030	2,414,000	1,889,478	0.09	Marathon Oil Corp 4.4% 15/07/2027	5,668,000	5,421,910	0.25
Healthpeak Properties 2.125% 01/12/2028	6,322,000	5,311,535	0.24	Massmutual Global Fundin 5.05% 07/12/2027	26,000,000	26,173,367	1.20
Hillenbrand Inc 3.75% 01/03/2031	6,942,000	5,701,465	0.26	Mattel Inc 3.75% 01/04/2029	12,187,000	10,721,757	0.49
Home Depot Inc 4.5% 15/09/2032	15,000,000	14,693,532	0.67	Merck & Co Inc 1.9% 10/12/2028	11,610,000	9,990,733	0.46
Host Hotels & Resorts Inc 3.875% 01/04/2024	4,320,000	4,206,680	0.19	Met Life Global Funding I 3.45% 18/12/2026	5,000,000	4,680,454	0.21
Humana Inc 4.875% 01/04/2030	11,500,000	11,301,190	0.52	Microchip Technology Inc 0.972% 15/02/2024	17,592,000	16,713,388	0.76

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

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

Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>BONDS (CONTINUED)</b>			
<b>United States of America (continued)</b>			
Mid-America Apartments 4% 15/11/2025	6,348,000	6,173,924	0.28
Morgan Stanley 3.875% 27/01/2026	5,410,000	5,243,211	0.24
Morgan Stanley FRN 21/01/2033	15,777,000	12,804,080	0.58
Morgan Stanley FRN 21/10/2025	16,097,000	14,779,302	0.67
Morgan Stanley FRN 21/10/2025	13,027,000	12,000,198	0.55
Morgan Stanley FRN 24/04/2024	3,500,000	3,481,523	0.16
MPLX LP 1.75% 01/03/2026	12,000,000	10,709,843	0.49
MPLX LP 4.875% 01/12/2024	5,028,000	4,990,634	0.23
MSCI Inc 4% 15/11/2029	9,565,000	8,348,426	0.38
National Fuel Gas Co 2.95% 01/03/2031	2,588,000	2,034,011	0.09
National Fuel Gas Co 5.2% 15/07/2025	2,245,000	2,235,566	0.10
National Retail Properties 3.6% 15/12/2026	9,738,000	9,097,320	0.41
Newell Brands Inc 6.625% 15/09/2029	10,820,000	10,708,662	0.49
Nextera Energy Capital Holdings 2.44% 15/01/2032	11,199,000	9,066,132	0.41
Niagara Mohawk Power 3.508% 01/10/2024	9,805,000	9,426,324	0.43
Oaktree Specialty Lend 3.5% 25/02/2025	3,079,000	2,923,551	0.13
Omnicom Group Inc 3.6% 15/04/2026	3,000,000	2,881,481	0.13
Omnicom Group Inc 3.65% 01/11/2024	7,461,000	7,320,183	0.33
Oncor Electric Delivery 5.75% 15/03/2029	11,200,000	11,642,123	0.53
Penske Truck Leasing 1.2% 15/11/2025	11,754,000	10,354,019	0.47
Pepsico Inc 3.9% 18/07/2032	20,000,000	18,919,500	0.86
PNC Bank NA 3.1% 25/10/2027	20,000,000	18,756,058	0.86
PNC Financial Services Group 2.2% 01/11/2024	14,735,000	14,089,335	0.64

Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>BONDS (CONTINUED)</b>			
<b>United States of America (continued)</b>			
Principal Life Global Funding II 0.875% 12/01/2026	13,780,000	12,151,147	0.55
Progress Energy Inc 7.75% 01/03/2031	8,325,000	9,455,791	0.43
Public Service Enterprise 1.6% 15/08/2030	9,041,000	7,030,406	0.32
Public Service Enterprise 2.875% 15/06/2024	8,722,000	8,427,994	0.38
Public Service Enterprise 5.85% 15/11/2027	4,300,000	4,432,558	0.20
Realty Income Corp 5.625% 13/10/2032	5,148,000	5,244,467	0.24
Retail Properties of America Inc 4.75% 15/09/2030	11,734,000	10,360,184	0.47
Royalty Pharma Plc 1.2% 02/09/2025	9,456,000	8,471,608	0.39
S&P Global Inc 2.9% 01/03/2032	13,954,000	11,940,999	0.54
State Street Corp FRN 04/08/2033	5,555,000	5,147,916	0.23
State Street Corp FRN 04/11/2028	3,000,000	3,103,451	0.14
State Street Corp FRN 30/03/2026	4,106,000	3,908,658	0.18
Steel Dynamics Inc 2.8% 15/12/2024	2,334,000	2,218,762	0.10
Steel Dynamics Inc 5% 15/12/2026	4,115,000	4,120,766	0.19
Suntrust Banks Inc 4% 01/05/2025	14,662,000	14,345,067	0.65
SVB Financial Group 1.8% 28/10/2026	2,131,000	1,867,431	0.09
SVB Financial Group 2.1% 15/05/2028	8,471,000	7,018,270	0.32
SVB Financial Group 3.125% 05/06/2030	18,050,000	14,981,581	0.68
SVB Financial Group 3.5% 29/01/2025	1,992,000	1,914,221	0.09
Sysco Corp 3.3% 15/07/2026	12,619,000	11,919,532	0.54
T Mobile USA Inc 3.5% 15/04/2025	13,128,000	12,636,641	0.58
T Mobile USA Inc 5.2% 15/01/2033	5,000,000	4,970,933	0.23
Targa Resources Corp 5.2% 01/07/2027	18,548,000	18,209,461	0.83

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

Description	Quantity/ Nominal Value	Market Value*	% of net assets	Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>BONDS (CONTINUED)</b>				<b>BONDS (CONTINUED)</b>			
<b>United States of America (continued)</b>				<b>United States of America (continued)</b>			
Target Corp 4.5% 15/09/2032	10,835,000	10,549,909	0.48	WP Carey Inc 4.6% 01/04/2024	3,855,000	3,820,235	0.17
Tennessee Gas Pipeline 7% 15/10/2028	4,315,000	4,619,081	0.21	Xcel Energy Inc 4.6% 01/06/2032	7,817,000	7,488,927	0.34
Triton Container 2.05% 15/04/2026	12,339,000	10,789,839	0.49			<b>1,698,294,660</b>	<b>77.44</b>
Truist Bank 2.25% 11/03/2030	4,822,000	3,920,476	0.18	<b>TOTAL BONDS</b>		<b>2,099,072,450</b>	<b>95.73</b>
Truist Financial Corp FRN 07/06/2029	17,631,000	14,788,665	0.67	<b>GOVERNMENTS AND SUPRANATIONAL BONDS</b>			
UDR Inc 2.95% 01/09/2026	1,290,000	1,185,972	0.05	<b>United States of America</b>			
Union Pacific Corp 2.8% 14/02/2032	14,243,000	12,336,062	0.56	United States Treasury Notes 1.375% 15/11/2031	20,000,000	16,283,984	0.74
Union Pacific Corp 3% 15/04/2027	8,393,000	7,826,603	0.36	United States Treasury Notes 1.75% 31/01/2029	20,000,000	17,569,531	0.80
Unitedhealth Group Inc 4.2% 15/05/2032	15,000,000	14,284,272	0.65			<b>33,853,515</b>	<b>1.54</b>
US Bancorp FRN 21/10/2033	5,287,000	5,505,737	0.25	<b>TOTAL GOVERNMENTS AND SUPRANATIONAL</b>		<b>33,853,515</b>	<b>1.54</b>
US Bancorp FRN 22/07/2028	15,000,000	14,673,957	0.67	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>			
Verisk Analytics Inc 4% 15/06/2025	10,781,000	10,488,890	0.48			<b>2,132,925,965</b>	<b>97.27</b>
Verizon Communications 2.1% 22/03/2028	8,808,000	7,659,689	0.35	<b>Total Investment in Securities</b>		<b>2,132,925,965</b>	<b>97.27</b>
Verizon Communications 3% 22/03/2027	3,750,000	3,490,125	0.16	Cash and cash equivalent		47,649,097	2.17
Viacom Inc 4.2% 19/05/2032	4,551,000	3,736,377	0.17	Bank overdraft		(4,851)	0.00
Viacomcbs Inc 4.95% 15/01/2031	5,655,000	5,039,180	0.23	Other Net Assets		12,223,500	0.56
Waste Connections Inc 3.2% 01/06/2032	4,266,000	3,671,605	0.17	<b>TOTAL NET ASSETS</b>		<b>2,192,793,711</b>	<b>100.00</b>
Waste Management Inc 4.15% 15/04/2032	13,389,000	12,779,563	0.58				
Webster Financial Corp 4.1% 25/03/2029	15,780,000	14,343,264	0.65				
Williams Companies Inc 3.75% 15/06/2027	5,000,000	4,714,171	0.21				
Williams Companies Inc 4.55% 24/06/2024	14,500,000	14,349,727	0.65				
Williams Partners Ltd 4% 15/09/2025	4,163,000	4,050,716	0.18				
WP Carey Inc 4.25% 01/10/2026	1,200,000	1,157,530	0.05				

The accompanying notes form an integral part of these financial statements.  
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# Schedule of Investments and Other Net Assets as at 31 December 2022 (in USD)

## Forward Foreign Exchange Contracts

Counterparty	Currency Bought	Amount purchased	Currency Sold	Amount sold	Maturity	Unrealised appreciation/ (depreciation) in sub-fund currency
<b>Hedged unit classes</b>						
State Street	EUR	901,562,654	USD	962,666,419	18/01/2023	442,631
State Street	USD	9,917,086	EUR	9,315,221	18/01/2023	(34,054)
State Street	USD	180,906	CHF	167,264	18/01/2023	(153)
State Street	USD	249	JPY	32,766	18/01/2023	-
State Street	CHF	158,668,773	USD	171,560,257	18/01/2023	193,256
State Street	JPY	2,290,633	USD	16,723	18/01/2023	667
				<b>Total</b>		<b>602,347</b>

## Economical Classification of Schedule of Investments

	% of Net Assets
Banks	23.15
Financial Services	22.70
Industry	21.87
Energy and Water Supply	5.29
Communications	4.32
Healthcare	2.14
Real Estate	1.60
Governments and Supranational	1.54
Mechanical Engineering and Industrial Equipments	1.48
Food and Beverages	1.18
Retail	1.15
Technology	1.01
Insurance	0.95
Automobiles	0.85
Oil and Gas	0.82
Internet, Software and IT Services	0.78
Diversified Services	0.75
Electrical Appliances and Components	0.75
Entertainment	0.70
Engineering and Construction	0.69
Media	0.69
Chemicals	0.67
Pipelines	0.65
Household Products and Wares	0.49
Financial, Investment and Other Diversified Companies	0.48
Pharmaceuticals and Biotechnology	0.21
Metals and Mining	0.19
Containers and Packaging	0.17
<b>Total</b>	<b>97.27</b>



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

Description	Quantity/ Nominal Value	Market Value*	% of net assets	Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>BONDS (CONTINUED)</b>				<b>BONDS (CONTINUED)</b>			
<b>Greece</b>				<b>Luxembourg</b>			
Public Power Corp 3.875% 30/03/2026	11,100,000	10,371,396	0.87	Aramark International Finance 3.125% 01/04/2025	12,185,000	11,728,062	0.99
		<b>10,371,396</b>	<b>0.87</b>	Contourglobal Power Holding 4.125% 01/08/2025	13,861,000	13,641,996	1.15
<b>Ireland</b>				Garfunkelux Holdco 3 SA 6.75% 01/11/2025	1,246,000	1,004,058	0.08
Eircom Finance 3.5% 15/05/2026	12,100,000	10,955,764	0.92	Hanesbrands Finance Lux 3.5% 15/06/2024	3,500,000	3,401,125	0.29
James Hardie International Finance 3.625% 01/10/2026	8,555,000	8,019,833	0.67	Lincoln Financing Sarl 3.625% 01/04/2024	10,559,000	10,455,934	0.88
		<b>18,975,597</b>	<b>1.59</b>	Motion Finco Sarl 7% 15/05/2025	9,484,000	9,494,651	0.80
<b>Isle of Man</b>				Mytilineos SA 2.5% 01/12/2024	5,850,000	5,754,938	0.48
Playtech Plc 3.75% 12/10/2023	6,613,585	6,569,195	0.55	PLT VII Finance Sarl 4.625% 05/01/2026	10,674,000	10,082,020	0.85
		<b>6,569,195</b>	<b>0.55</b>	Rossini Sarl 6.75% 30/10/2025	14,539,000	14,447,157	1.22
<b>Italy</b>				Sig Combibloc Purchaser 1.875% 18/06/2023	5,705,000	5,668,773	0.48
Centurion Bidco SPA 5.875% 30/09/2026	10,900,000	9,457,064	0.80			<b>85,678,714</b>	<b>7.22</b>
Dobank SpA 5% 04/08/2025	11,218,000	10,838,832	0.91	<b>Norway</b>			
Intesa Sanpaolo SpA FRN 04/03/2029	8,300,000	8,421,172	0.71	Adevinta ASA B 2.625% 15/11/2025	13,800,000	12,868,500	1.08
Limacorporate SpA FRN 15/08/2023	14,140,000	13,795,974	1.16	Nassa Topco As 2.875% 06/04/2024	1,000,000	968,413	0.08
LKQ Italia Bondco SpA 3.875% 01/04/2024	6,400,000	6,405,766	0.54			<b>13,836,913</b>	<b>1.16</b>
Nexi SpA 1.75% 31/10/2024	4,000,000	3,875,100	0.33	<b>Romania</b>			
Rekeep SpA 7.25% 01/02/2026	13,572,000	11,428,099	0.96	RCS & RDS SA 2.5% 05/02/2025	13,800,000	12,595,122	1.06
Telecom Italia SpA 3.625% 19/01/2024	5,000,000	4,915,080	0.41			<b>12,595,122</b>	<b>1.06</b>
Telecom Italia SpA 4% 11/04/2024	14,600,000	14,269,675	1.20	<b>Slovenia</b>			
Unicredit SpA FRN 20/02/2029	8,750,000	8,678,915	0.73	United Group BV 4.875% 01/07/2024	11,789,000	11,016,172	0.93
		<b>92,085,677</b>	<b>7.75</b>			<b>11,016,172</b>	<b>0.93</b>
<b>Japan</b>							
Softbank Group Corp 2.125% 06/07/2024	12,408,000	11,700,868	0.98				
		<b>11,700,868</b>	<b>0.98</b>				

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

Description	Quantity/ Nominal Value	Market Value*	% of net assets	Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>BONDS (CONTINUED)</b>				<b>BONDS (CONTINUED)</b>			
<b>Spain</b>				<b>The Netherlands (continued)</b>			
Aedas Homes Opco 4% 15/08/2026	3,500,000	2,957,500	0.25	PPF Telecom Group BV 3.5% 20/05/2024	15,100,000	14,876,067	1.25
Banco Bilbao Vizcaya Argentaria FRN 22/02/2029	9,300,000	9,064,896	0.76	Q Park Holding BV 1.5% 01/03/2025	10,494,000	9,658,216	0.81
Banco de Sabadell SA FRN 24/03/2026	6,800,000	6,385,744	0.54			<b>99,963,757</b>	<b>8.40</b>
Cellnex Finance Company SA 2.25% 12/04/2026	6,400,000	5,908,026	0.50	<b>United Kingdom</b>			
Grifols SA 1.625% 15/02/2025	2,727,000	2,584,263	0.22	Anglian Water Osprey FIN 5% 30/04/2023	11,350,000	12,762,432	1.07
Grifols SA 3.2% 01/05/2025	10,900,000	10,095,689	0.85	Avis Budget Finance Plc 4.125% 15/11/2024	14,000,000	13,407,744	1.13
Unicaja Banco SA FRN 13/11/2029	7,000,000	6,365,800	0.54	B&M European Value Retail SA 3.625% 15/07/2025	6,075,000	6,402,087	0.54
		<b>43,361,918</b>	<b>3.66</b>	Co Operative Group Ltd 5.125% 17/05/2024	9,725,000	10,440,428	0.88
<b>Sweden</b>				Drax Finco Plc 2.625% 01/11/2025	1,700,000	1,602,250	0.13
Hoist Finance AB 2.75% 03/04/2023	8,000,000	7,950,000	0.67	Heathrow Finance Plc 5.25% 01/03/2024	9,500,000	10,454,656	0.88
Intrum AB 4.875% 15/08/2025	13,737,000	12,546,002	1.06	HSBC Holdings Plc FRN 13/11/2026	6,950,000	7,073,296	0.60
Verisure Holding AB 3.875% 15/07/2026	3,000,000	2,726,274	0.23	Ineos Finance Plc 3.375% 31/03/2026	9,000,000	8,052,372	0.68
Volvo Car AB 2.125% 02/04/2024	6,880,000	6,699,297	0.56	Ineos Quattro Finance 2 2.5% 15/01/2026	6,641,000	5,664,155	0.48
		<b>29,921,573</b>	<b>2.52</b>	Iron Mountain Uk Plc 3.875% 15/11/2025	14,600,000	15,268,980	1.28
<b>The Netherlands</b>				Jaguar Land Rover Automotive Plc 2.2% 15/01/2024	3,900,000	3,720,015	0.31
Axalta Coating Systems Ltd 3.75% 15/01/2025	5,816,000	5,587,233	0.47	Jerrold Finco Plc 4.875% 15/01/2026	10,011,000	9,757,347	0.82
Darling Global Finance 3.625% 15/05/2026	11,000,000	10,766,360	0.91	Newday Bondco Plc 13.25% 15/12/2026	8,577,000	9,739,668	0.82
Dufry One BV 2.5% 15/10/2024	6,000,000	5,844,834	0.49	Ocado Group Plc 3.875% 08/10/2026	5,667,000	4,946,001	0.42
ING Groep NV FRN 15/02/2029	12,100,000	11,736,395	0.99	Pinewood Finance Co Ltd 3.25% 30/09/2025	16,304,000	17,002,664	1.43
IPD 3 BV 5.5% 01/12/2025	8,912,000	8,481,550	0.71	Rolls Royce Plc 0.875% 09/05/2024	15,000,000	14,156,430	1.19
Nobian Finance 3.625% 15/07/2026	5,157,000	4,370,918	0.37	Rothesay Life FRN 17/09/2029	3,500,000	3,858,193	0.32
OCI NV 3.625% 15/10/2025	7,830,000	7,773,232	0.65	Royal Bank of Scotland Plc FRN 14/08/2030	5,000,000	5,191,087	0.44
Oi European Group BV 2.875% 15/02/2025	14,828,000	14,309,020	1.20	Sherwood Financing Plc 4.5% 15/11/2026	8,454,000	6,859,153	0.58
Oi European Group BV 3.125% 15/11/2024	2,000,000	1,944,490	0.16				
Phoenix PIB Dutch Finance BV 2.375% 05/08/2025	4,900,000	4,615,442	0.39				

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

Description	Quantity/ Nominal Value	Market Value*	% of net assets	Description	Quantity/ Nominal Value	Market Value*	% of net assets
<b>BONDS (CONTINUED)</b>				<b>BONDS (CONTINUED)</b>			
<b>United Kingdom (continued)</b>				<b>United States of America (continued)</b>			
Stonegate Pub Company Financing PLC 8.25% 31/07/2025	6,000,000	6,140,290	0.52	Sealed Air Corp 4.5% 15/09/2023	5,700,000	5,724,584	0.48
Synthomer Plc 3.875% 01/07/2025	6,455,000	5,936,664	0.50	Silgan Holdings Inc 3.25% 15/03/2025	11,100,000	10,793,626	0.91
Talktalk Telecom Group 3.875% 20/02/2025	4,050,000	3,605,911	0.30	Spectrum Brands Inc 4% 01/10/2026	14,545,000	13,726,844	1.15
Titan Global Finance Plc 2.375% 16/11/2024	6,318,000	6,145,594	0.52			<b>169,258,252</b>	<b>14.23</b>
Virgin Media Fin 5% 15/04/2027	11,100,000	11,173,362	0.94	<b>TOTAL BONDS</b>		<b>1,115,641,901</b>	<b>93.85</b>
		<b>199,360,779</b>	<b>16.78</b>	<b>OPEN-ENDED INVESTMENT FUNDS</b>			
<b>United States of America</b>				<b>France</b>			
Adient Global Holdings 3.5% 15/08/2024	5,300,000	5,099,835	0.43	AXA IM Euro Liquidity Capitalisation EUR	1,254	55,548,087	4.68
Avantor Funding Inc 2.625% 01/11/2025	11,155,000	10,554,883	0.89			<b>55,548,087</b>	<b>4.68</b>
Ball Corp 0.875% 15/03/2024	13,604,000	13,156,020	1.11	<b>TOTAL OPEN-ENDED INVESTMENT FUNDS</b>		<b>55,548,087</b>	<b>4.68</b>
Belden Inc 3.375% 15/07/2027	4,000,000	3,680,300	0.31	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>			
Boxer Parent Co Inc 6.5% 02/10/2025	13,179,000	12,599,849	1.06			<b>1,171,189,988</b>	<b>98.53</b>
Bway Holding Co 4.75% 15/04/2024	14,514,000	14,016,866	1.18	<b>Total Investment in Securities</b>		<b>1,171,189,988</b>	<b>98.53</b>
Encore Capital Group Inc 4.875% 15/10/2025	12,900,000	12,149,994	1.02	Cash and cash equivalent		12,074,462	1.02
Ford Motor Credit Co LLC 2.748% 14/06/2024	8,250,000	8,811,774	0.74	Other Net Assets		5,395,262	0.45
Ford Motor Credit Co LLC 3.021% 06/03/2024	9,000,000	8,842,500	0.74	<b>TOTAL NET ASSETS</b>		<b>1,188,659,712</b>	<b>100.00</b>
International Game Tech 3.5% 15/06/2026	11,600,000	11,103,775	0.93				
International Game Tech 3.5% 15/07/2024	3,800,000	3,790,454	0.32				
Iqvia Inc 1.75% 15/03/2026	7,149,000	6,568,144	0.55				
Iqvia Inc 2.875% 15/09/2025	4,500,000	4,351,928	0.37				
Levi Strauss & Co 3.375% 15/03/2027	7,000,000	6,581,582	0.55				
MPT Operating Partnership LP 2.55% 05/12/2023	10,200,000	10,944,624	0.92				
Netflix Inc 3% 15/06/2025	6,852,000	6,760,670	0.57				

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

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

### Forward Foreign Exchange Contracts

Counterparty	Currency Bought	Amount purchased	Currency Sold	Amount sold	Maturity	Unrealised appreciation/ (depreciation) in sub-fund currency
<b>Hedged unit classes</b>						
State Street	EUR	2,752,731	USD	2,936,698	18/01/2023	3,699
State Street	EUR	1,057	GBP	923	18/01/2023	18
State Street	EUR	299,103	CHF	295,333	18/01/2023	(155)
State Street	USD	39,762,839	EUR	37,236,248	18/01/2023	(14,429)
State Street	GBP	154,376	EUR	176,602	18/01/2023	(2,705)
State Street	CHF	36,696,317	EUR	37,156,524	18/01/2023	27,573
<b>Not allocated to a specific unit class</b>						
BNP Paribas SA	EUR	54,356,952	GBP	47,300,000	28/02/2023	1,167,880
Société Générale	EUR	54,940,627	GBP	47,900,000	31/01/2023	1,010,539
State Street	CHF	6,681	EUR	6,744	03/01/2023	23
J.P. Morgan SE	EUR	58,747,149	GBP	50,700,000	31/03/2023	1,819,623
				<b>Total</b>		<b>4,012,066</b>

### Economical Classification of Schedule of Investments

	% of Net Assets
Financial Services	31.72
Industry	8.97
Communications	7.72
Banks	7.12
Containers and Packaging	5.04
Open-Ended Investment Funds	4.68
Healthcare	3.44
Entertainment	3.30
Real Estate	3.10
Internet, Software and IT Services	2.96
Consumer, Non-cyclical	2.76
Commercial Services and Supplies	2.65
Automobiles	2.33
Engineering and Construction	2.28
Energy and Water Supply	1.37
Mechanical Engineering and Industrial Equipments	1.34
Chemicals	1.13
Pharmaceuticals and Biotechnology	1.07
Diversified Services	0.96
Electrical Appliances and Components	0.87
Traffic and Transportation	0.80
Toys, Games and Hobbies	0.80
Retail	0.54
Distribution and Wholesale	0.54
Food and Beverages	0.42
Insurance	0.32
Technology	0.30
<b>Total</b>	<b>98.53</b>

# Notes to the Financial Statements as at 31 December 2022

## Note 1: General

### a) Fund's details

AXA IM Fixed Income Investment Strategies (the "Fund") has been established in Luxembourg as a mutual investment fund ("Fonds Commun de Placement") with separate Sub-Funds each constituting a separate portfolio of assets and liabilities. The Fund was created for an indefinite term in Luxembourg on 12 March 2004. The Fund is registered pursuant to Part I of the Law of 17 December 2010 (the "Law") on undertakings for collective investment ("UCI"), as amended.

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

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

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

Since 29 November 2016, in accordance with the Luxembourg Law of 27 May 2016, the Fund is registered at the Trade and Companies Register of Luxembourg under the number K1479.

### b) 2022 Fund's Summary

During the year ended 31 December 2022, 2 classes of units have been launched:

#### **AXA IM Fixed Income Investment Strategies - Europe Short Duration High Yield**

- LU0814376611: Class « B » – Capitalisation in GBP Hedged

#### **AXA IM Fixed Income Investment Strategies - US Corporate Intermediate Bonds**

- LU2496290730: Class « F » – Distribution monthly in USD

### c) Sub-Funds list

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

Sub-Funds	Currency
AXA IM Fixed Income Investment Strategies - US Short Duration High Yield	USD
AXA IM Fixed Income Investment Strategies - US Corporate Intermediate Bonds	USD
AXA IM Fixed Income Investment Strategies - Europe Short Duration High Yield	EUR

# Notes to the Financial Statements as at 31 December 2022

## Note 1: General (continued)

### d) Unit Classes list

The classes of units presented below correspond to the type of classes that may be available for Sub-Funds of the Fund. The section “Statistics - Number of Units and Net Asset Value per Unit” indicates for each Sub-Fund the available classes of units on the reporting date.

The Distribution and Capitalisation Units are as follows:

- Class « A » Units are dedicated for large Institutional Investors investing directly or indirectly on their own behalf and/or financial intermediaries providing discretionary portfolio management service and with a high amount of minimum initial subscription;
- Class « B » Units are dedicated for smaller Institutional Investors investing directly or indirectly on their own behalf and/or financial intermediaries providing discretionary portfolio management service and with a smaller amount of minimum initial subscription;
- Class « E » Units are dedicated for all investors;
- Class « F » Units are dedicated for all investors;
- Class « I » Units are dedicated for all other Institutional Investors, including funds of funds, investing directly or indirectly on their own behalf and/or financial intermediaries providing discretionary portfolio management service;
- Class « M » Units are only subscribed with the prior approval of the Directors and held (i) by AXA Investment Managers or its subsidiaries for use in institutional mandates or investment management agreements for a dedicated fund contracted with the AXA Group or (ii) by Institutional Investors investing directly or indirectly on their own behalf and/or to financial intermediaries providing discretionary portfolio management service;
- Class « U » Units are only offered to distributors based in the Americas (South and North America regions, including the United States).
- Class « Z » Units are only offered: (i) through financial intermediaries which according to either regulatory requirements (e.g. in the European Union, financial intermediaries providing discretionary portfolio management or investment advice on an independent basis) or separate fee arrangements with their clients, are not allowed to keep trail commissions, and/ or (ii) to Institutional investors investing on their own behalf.
- Class “ZF” Units are offered only through larger financial intermediaries which (i) are expressly prior authorized by the Management Company and (ii) according to either regulatory requirements (e.g. in the European Union, financial intermediaries providing discretionary portfolio management or investment advice on an independent basis) or separate fee arrangements with their clients, are not allowed to keep trail commissions. There were no active Class “ZF” Units during the year.

### Capitalisation and Distribution Units

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

## Note 2: Significant Accounting Policies

### a) Presentation of the Financial Statements

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

# Notes to the Financial Statements as at 31 December 2022

## Note 2: Significant Accounting Policies (continued)

### b) Foreign Currency Translation

The accounting records and the financial statements are denominated in the reference currencies of each Sub-Fund.

Values expressed in a currency other than the reference currency of the Sub-Fund are converted into the reference currency of the Sub-Fund at the average of the last available buying and selling price for such currency.

Assets and Liabilities denominated in other currencies are converted into the respective currency of the portfolio at the rate of exchange at each balance sheet date.

For all Sub-Funds, the exchange rates applied for the Net Asset Value calculation and to combine all Sub-Funds Net Asset Value at the end of the year are as follows:

As at 30 December 2022		
1 USD =	0.92520	CHF
1 USD =	0.93699	EUR
1 USD =	0.83132	GBP
1 USD =	131.945	JPY
1 USD =	1.47460	AUD

### c) Combined Figures

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

### d) Valuation of Investments

The assets of the Fund will be valued as follows:

The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriate in such case to reflect the true value thereof.

Transferable securities which are admitted to an official exchange listing or dealt on another regulated market are valued at the closing price on such markets. If the investments are listed or traded on several markets, the closing price at the market, which constitutes the main market for such investments, will be determining.

Transferable securities not admitted to an official listing nor dealt on another regulated market are valued at the latest available price.

Transferable securities for which no price quotation is available or for which the price referred to in the two above paragraphs is not representative of the fair market value, will be valued prudently, and in good faith on the basis of their reasonably foreseeable sales prices.

# Notes to the Financial Statements as at 31 December 2022

## Note 2: Significant Accounting Policies (continued)

### d) Valuation of Investments (continued)

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

The value of money market instruments not listed or dealt in any regulated market, stock exchange in another state or any other regulated market and with remaining maturity of less than 12 months and of more than 90 days is deemed to be the nominal value thereof, increased by any interest accrued thereon. Money market instruments with a remaining maturity of 90 days or less are valued by the amortised cost method, which approximates market value. These amortisation/accretion interests are disclosed in interests on investment portfolio.

In managing the daily priced funds, the Board of Directors of the Management Company' principle is to ensure that portfolios are appropriately valued to give equal treatment to Unitholders.

### e) Acquisition Cost of Investments

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

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

Realised gain/(loss) on sales of Investments are determined on the basis of the average cost of the Investments sold.

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

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

The Sub-Funds may use Forward Foreign Exchange Contracts as part of their investment policy for efficient portfolio management and/or for hedging purposes, under the conditions laid down in the prospectus and under the regulatory limits.

### h) Interest Income

Interest income is recognised on a daily accrual basis, net of any irrecoverable withholding tax (interest on investment portfolio, interest on deposits and interest on call accounts and security lending income). Interest income is disclosed net of any amortization. The negative net interest income has been classified as Other expenses.

# Notes to the Financial Statements as at 31 December 2022

## Note 3: Taxation

The Fund is subject to Luxembourg law in respect of its tax status. Under legislation and regulations currently prevailing in Luxembourg, the Fund is subject to a capital tax on the net assets of each of its Sub-Funds at an annual rate of 0.05% for the assets related to units reserved for retail investors. This tax rate is reduced to 0.01% for the assets related to units reserved for institutional investors, calculated and payable quarterly on the basis of the value of the aggregate Net Value of the Sub-Fund or class at the end of the relevant quarter. The tax is part of the Applied Service Fees within the Statement of Operations and Changes in Net Assets.

## Note 4: Distribution Fees

The distribution fees are recorded under the caption “Distribution fees” within the Statement of Operations and Changes in Net Assets. They are calculated as a percentage of the Net Asset Value per unit class.

As at 31 December 2022, the maximum distribution fees applied are the following:

	Class A	Class B	Class E	Class F	Class I	Class M	Class U	Class Z
AXA IM Fixed Income Investment Strategies – US Short Duration High Yield	-	-	0.35%	-	-	-	-	-
AXA IM Fixed Income Investment Strategies – US Corporate Intermediate Bonds	-	-	0.50%	-	-	-	0.55%	-
AXA IM Fixed Income Investment Strategies – Europe Short Duration High Yield	-	-	0.35%	-	-	-	-	-

## Note 5: Management Fees

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

# Notes to the Financial Statements as at 31 December 2022

## Note 5: Management Fees (continued)

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

	Class A	Class B	Class E	Class F	Class I	Class M	Class U	Class Z
AXA IM Fixed Income Investment Strategies – US Short Duration High Yield								
Actual	0.45%	0.75%	1.00%	1.00%	1.00%	-	-	0.75%
Maximum	0.70%	0.75%	1.00%	1.00%	1.00%	-	-	0.75%
AXA IM Fixed Income Investment Strategies – US Corporate Intermediate Bonds								
Actual	0.30%	-	0.75%	0.75%	0.50%	-	0.45%	0.40%
Maximum	0.30%	-	0.75%	0.75%	0.50%	-	0.45%	0.40%
AXA IM Fixed Income Investment Strategies – Europe Short Duration High Yield								
Actual	0.45%	0.75%	1.00%	1.00%	-	-	-	0.75%
Maximum	0.75%	0.75%	1.00%	1.00%	-	-	-	0.75%

## Note 6: Applied Service Fee

In order to pay its ordinary operating expenses, the Fund pays an Applied Service Fee to the Management Company out of the assets of the relevant Sub-Fund. To seek to protect the Unitholders from fluctuations in these ordinary operating expenses, the yearly total amount of these expenses to be charged with respect to each Class of Units by the Management Company (the "Applied Service Fee"), will be at a maximum level of 0.50% of the Net Asset Value in respect of each Class of Units (the "Maximum Level"). The level of effective Applied Service Fee might be set-out below this Maximum Level with different fixed effective Applied Service Fee rates applicable across Classes of Units. The level of the Applied Service Fee per Sub-Fund and per Class of Units is defined taking into account different criteria. These criteria are including, but not limited to, the costs charged to the Class of Units and the variation of costs linked to a change of the Net Asset Value in respect of the relevant Class of Units that might be due to market effects and/or dealing in shares.

The effective level of those fees is disclosed in the Additional Appendix.

By way of a board of directors resolution, the Management Company (i) may modify the level of effective Applied Service Fee and (ii), may amend at any time upon prior notice to relevant unitholders, the Maximum Level of the Applied Service Fee applicable to all Classes of Units.

The Applied Service Fee is fixed in the sense that the Management Company will bear the excess in actual ordinary operating expenses to any such Applied Service Fee charged to the Classes of Units. Conversely, the Management Company will be entitled to retain any amount of Applied Service Fee charged to the Classes of Units exceeding the actual ordinary operating expenses incurred by the respective Classes of Units.

In counterparty of the Applied Service Fee received by the Fund, the Management Company then provides and/or procures, on behalf of the Fund the following services and bears all expenses (including any reasonable out of pocket expenses) incurred in the day to day operations and administration of the Classes of Units, including but not limited to:

- Depository fees except transaction related fees;
- Auditor's fees;
- the Luxembourg 'Taxe d'abonnement';
- Class of Units currency hedging cost;



# Notes to the Financial Statements as at 31 December 2022

## Note 6: Applied Service Fee (continued)

- the fees of the registrar agent and administrator (including the calculation of the Net Asset Value), any paying agent and of any representatives in jurisdictions where the Units are qualified for sale, and of all other agents employed on behalf of the Fund; such remuneration may be based on the net assets of the Fund or on a transaction basis or may be a fixed sum;
- the cost of preparing, printing and publishing in such languages as are necessary, and distributing offering information or documents concerning the Fund (including unitholder notification), annual and semi-annual reports and such other reports or documents, as may be required under the applicable laws or regulations of the jurisdictions or the authorities where the Units are qualified for sale;
- the cost of printing certificates and proxies;
- the cost of preparing and filing the Management Regulations and all other documents concerning the Fund, including registration statements and offering circulars with all authorities (including local securities dealers' associations) having jurisdiction over the Fund or the offering of Units;
- the cost of qualifying the Fund or the sale of Units in any jurisdiction or of a listing on any stock exchange;
- the cost of accounting and bookkeeping;
- legal fees;
- insurance, postage, telephone and telex and any communication mean;
- distribution and sales support costs (including costs charged by local routing order platforms, local transfer agent costs, local representative agent and the translation costs);
- and all similar charges and expenses.

## Note 7: Transaction Fees

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

## Note 8: Forward Foreign Exchange Contracts

The Net unrealised appreciation/depreciation on forward foreign exchange contracts is disclosed in the Statement of Net Assets.

## Note 9: Changes in the Investment Portfolio

The Changes in the Investment Portfolio during the reporting year are available to the Unitholders at the address of the Depositary.

## Note 10: Dividend Distribution

During the year ended 31 December 2022, the following semi-annual dividends were paid:

	Ex-date	Payment date	Distribution rate
<b>AXA IM Fixed Income Investment Strategies - US Short Duration High Yield</b>			
I Distribution semi-annually USD	30/06/2022	07/07/2022	1.54
	30/12/2022	06/01/2023	1.59
A Distribution semi-annually USD	30/06/2022	07/07/2022	1.76
	30/12/2022	06/01/2023	1.79
A Distribution semi-annually EUR Hedged (95%)	30/06/2022	07/07/2022	1.50

# Notes to the Financial Statements as at 31 December 2022

## Note 10: Dividend Distribution (continued)

	Ex-date	Payment date	Distribution rate
<b>AXA IM Fixed Income Investment Strategies - US Short Duration High Yield (continued)</b>			
	30/12/2022	06/01/2023	1.45
B Distribution semi-annually EUR Hedged (95%)	30/06/2022	07/07/2022	1.44
	30/12/2022	06/01/2023	1.39
B Distribution semi-annually GBP Hedged (95%)	30/06/2022	07/07/2022	1.61
	30/12/2022	06/01/2023	1.55
B Distribution semi-annually USD	30/06/2022	07/07/2022	1.75
	30/12/2022	06/01/2023	1.79
F Distribution semi-annually EUR Hedged (95%)	30/06/2022	07/07/2022	1.29
	30/12/2022	06/01/2023	1.26
A Distribution semi-annually GBP Hedged (95%)	30/06/2022	07/07/2022	1.96
	30/12/2022	06/01/2023	1.89
Z Distribution semi-annually EUR Hedged (95%)	30/06/2022	07/07/2022	1.60
	30/12/2022	06/01/2023	1.56
B Distribution semi-annually CHF Hedged (95%)	30/06/2022	07/07/2022	1.74
	30/12/2022	06/01/2023	1.69
F Distribution semi-annually CHF Hedged (95%)	30/06/2022	07/07/2022	1.58
	30/12/2022	06/01/2023	1.55
Z Distribution semi-annually CHF Hedged (95%)	30/06/2022	07/07/2022	1.70
	30/12/2022	06/01/2023	1.65
<b>AXA IM Fixed Income Investment Strategies - US Corporate Intermediate Bonds</b>			
F Distribution semi-annually USD	30/06/2022	07/07/2022	0.94
	30/12/2022	06/01/2023	1.12
I Distribution semi-annually USD	30/06/2022	07/07/2022	1.08
	30/12/2022	06/01/2023	1.23
U Distribution semi-annually USD	30/06/2022	07/07/2022	0.84
	30/12/2022	06/01/2023	1.01
A Distribution semi-annually USD	30/06/2022	07/07/2022	1.44
	30/12/2022	06/01/2023	1.61
A Distribution semi-annually EUR Hedged (95%)	30/06/2022	07/07/2022	1.07
	30/12/2022	06/01/2023	1.13
I Distribution semi-annually EUR Hedged (95%)	30/06/2022	07/07/2022	0.93
	30/12/2022	06/01/2023	1.00
A Distribution semi-annually JPY Hedged (95%)	30/06/2022	07/07/2022	111.00
	30/12/2022	06/01/2023	114.68
<b>AXA IM Fixed Income Investment Strategies - Europe Short Duration High Yield</b>			
Z Distribution semi-annually EUR	30/06/2022	07/07/2022	1.03
	30/12/2022	06/01/2023	1.08
F Distribution semi-annually CHF Hedged (95%)	30/06/2022	07/07/2022	0.81
	30/12/2022	06/01/2023	0.87
A Distribution semi-annually EUR	30/06/2022	07/07/2022	1.14
	30/12/2022	06/01/2023	1.18
B Distribution semi-annually EUR	30/06/2022	07/07/2022	1.03
	30/12/2022	06/01/2023	1.08
E Distribution semi-annually USD Hedged (95%)	30/06/2022	07/07/2022	0.81
	30/12/2022	06/01/2023	0.94
F Distribution semi-annually EUR	30/06/2022	07/07/2022	0.86
	30/12/2022	06/01/2023	0.92

# Notes to the Financial Statements as at 31 December 2022

## Note 10: Dividend Distribution (continued)

During the year ended 31 December 2022, the following monthly dividends were paid:

	Ex-date	Payment date	Distribution rate
<b>AXA IM Fixed Income Investment Strategies - US Short Duration High Yield</b>			
A Distribution monthly USD	28/01/2022	09/02/2022	0.32
	28/02/2022	07/03/2022	0.31
	31/03/2022	07/04/2022	0.31
	28/04/2022	09/05/2022	0.31
	31/05/2022	07/06/2022	0.31
	30/06/2022	07/07/2022	0.31
	29/07/2022	05/08/2022	0.31
	31/08/2022	07/09/2022	0.31
	30/09/2022	12/10/2022	0.31
	31/10/2022	07/11/2022	0.31
	30/11/2022	07/12/2022	0.31
	30/12/2022	06/01/2023	0.31
F Distribution monthly USD	28/01/2022	09/02/2022	0.27
	28/02/2022	07/03/2022	0.27
	31/03/2022	07/04/2022	0.30
	28/04/2022	09/05/2022	0.27
	31/05/2022	07/06/2022	0.28
	30/06/2022	07/07/2022	0.28
	29/07/2022	05/08/2022	0.28
	31/08/2022	07/09/2022	0.28
	30/09/2022	12/10/2022	0.29
	31/10/2022	07/11/2022	0.29
	30/11/2022	07/12/2022	0.31
	30/12/2022	06/01/2023	0.28
F Distribution monthly AUD Hedged (95%)	28/01/2022	09/02/2022	0.27
	28/02/2022	07/03/2022	0.29
	31/03/2022	07/04/2022	0.31
	28/04/2022	09/05/2022	0.27
	31/05/2022	07/06/2022	0.30
	30/06/2022	07/07/2022	0.28
	29/07/2022	05/08/2022	0.29
	31/08/2022	07/09/2022	0.28
	30/09/2022	12/10/2022	0.30
	31/10/2022	07/11/2022	0.31
	30/11/2022	07/12/2022	0.32
	30/12/2022	06/01/2023	0.28
F Distribution monthly USD	31/08/2022	07/09/2022	0.26
	30/09/2022	12/10/2022	0.26
	31/10/2022	07/11/2022	0.26
	30/11/2022	07/12/2022	0.26
	30/12/2022	06/01/2023	0.26

# Notes to the Financial Statements as at 31 December 2022

## Note 11: Securities Lending

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

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

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

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

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

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

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

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

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

Please find below details on the market value of securities on loan and related collateral information as at 31 December 2022:

Sub-Fund's name	Currency	% of investments	Amount lent	Amount of collateral received securities	Amount of collateral received cash	Total collateral
AXA IM Fixed Income Investment Strategies - US Short Duration High Yield	USD	2.39%	85,593,730	87,469,085	-	87,469,085
AXA IM Fixed Income Investment Strategies - US Corporate Intermediate Bonds	USD	3.54%	75,480,172	79,011,781	-	79,011,781
AXA IM Fixed Income Investment Strategies - Europe Short Duration High Yield	EUR	11.71%	137,122,703	141,334,833	-	141,334,833

# Notes to the Financial Statements as at 31 December 2022

## Note 11: Securities Lending (continued)

The counterparties for the securities lending transactions listed above are:

Barclays Bank Plc Wholesale, BNP Paribas SA, Citigroup Global Markets Limited, Credit Suisse International, Deutsche Bank AG London, Goldman Sachs International, JP Morgan Securities Plc, Merrill Lynch International, RBC Europe Limited, and Société Générale S.A..

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

Sub-Fund's name	Currency	Gross income of Securities Lending	Direct and indirect Costs and Fees of Securities Lending	Net income of Securities Lending
AXA IM Fixed Income Investment Strategies - US Short Duration High Yield	USD	57,535	20,137	37,398
AXA IM Fixed Income Investment Strategies - US Corporate intermediate Bonds	USD	18,998	6,649	12,349
AXA IM Fixed Income Investment Strategies - Europe Short Duration High Yield	EUR	983,089	344,081	639,008

## Note 12: Sustainable Finance Disclosure regulation ("SFDR")

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

## Note 13: Subsequent Events

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

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

## Additional Unaudited Appendix

### Expense Ratios

The following TERs are calculated in accordance with the Swiss Funds and Asset Management Association (SFAMA) registration. Since 2020, the Asset Management Platform (AMP) Switzerland and the SFAMA have merged to form the Asset Management Association Switzerland (AMAS).

	Calculated TER (1) Swiss method	Applied Service Fee (2)	Ongoing Charges (3)
<b>AXA IM Fixed Income Investment Strategies - US Short Duration High Yield</b>			
A Capitalisation CHF Hedged (95%)	0.58%	0.13%	0.59%
A Capitalisation EUR Hedged (95%)	0.58%	0.13%	0.59%
A Capitalisation GBP Hedged (95%)	0.58%	0.13%	0.59%
A Capitalisation USD	0.55%	0.10%	0.56%
A Distribution monthly USD	0.55%	0.10%	0.59%
A Distribution semi-annually EUR Hedged (95%)	0.58%	0.13%	0.59%
A Distribution semi-annually GBP Hedged (95%)	0.58%	0.13%	0.56%
A Distribution semi-annually USD	0.55%	0.10%	0.56%
B Capitalisation CHF Hedged (95%)	0.88%	0.13%	0.89%
B Capitalisation EUR Hedged (95%)	0.88%	0.13%	0.89%
B Capitalisation GBP Hedged (95%)	0.88%	0.13%	0.89%
B Capitalisation JPY Hedged (95%)	0.88%	0.13%	0.89%
B Capitalisation USD	0.85%	0.10%	0.86%
B Distribution semi-annually CHF Hedged (95%)	0.88%	0.13%	0.89%
B Distribution semi-annually EUR Hedged (95%)	0.88%	0.13%	0.89%
B Distribution semi-annually GBP Hedged (95%)	0.88%	0.13%	0.89%
B Distribution semi-annually USD	0.85%	0.10%	0.86%
E Capitalisation EUR Hedged (95%)	1.57%	0.22%	1.58%
E Capitalisation USD	1.54%	0.19%	1.55%
F Capitalisation CHF Hedged (95%)	1.22%	0.22%	1.23%
F Capitalisation EUR Hedged (95%)	1.22%	0.22%	1.23%
F Capitalisation USD	1.19%	0.19%	1.20%
F Distribution monthly AUD Hedged (95%)	1.22%	0.22%	1.23%
F Distribution monthly USD	1.19%	0.19%	1.23%
F Distribution semi-annually CHF Hedged (95%)	1.22%	0.22%	1.23%
F Distribution semi-annually EUR Hedged (95%)	1.22%	0.22%	1.20%
I Capitalisation EUR Hedged (95%)	1.13%	0.13%	1.14%
I Capitalisation USD	1.10%	0.10%	1.11%
I Distribution semi-annually USD	1.10%	0.10%	1.11%
Z Capitalisation CHF Hedged (95%)	0.97%	0.22%	0.98%
Z Capitalisation EUR Hedged (95%)	0.97%	0.22%	0.98%
Z Capitalisation USD	0.94%	0.19%	0.95%
Z Distribution semi-annually CHF Hedged (95%)	0.97%	0.22%	0.97%
Z Distribution semi-annually EUR Hedged (95%)	0.97%	0.22%	0.98%
<b>AXA IM Fixed Income Investment Strategies - US Corporate Intermediate Bonds</b>			
A Capitalisation CHF Hedged (95%)	0.42%	0.12%	0.42%
A Capitalisation EUR Hedged (95%)	0.42%	0.12%	0.42%
A Capitalisation USD	0.39%	0.09%	0.39%
A Distribution semi-annually EUR Hedged (95%)	0.42%	0.12%	0.42%
A Distribution semi-annually JPY Hedged (95%)	0.42%	0.12%	0.42%
A Distribution semi-annually USD	0.39%	0.09%	0.39%
E Capitalisation EUR Hedged (95%)	1.46%	0.21%	1.46%
E Capitalisation USD	1.43%	0.18%	1.43%
F Capitalisation CHF Hedged (95%)	0.96%	0.21%	0.96%
F Capitalisation EUR Hedged (95%)	0.96%	0.21%	0.96%
F Capitalisation USD	0.93%	0.18%	0.93%
F Distribution semi-annually USD	0.93%	0.18%	0.93%
F Distribution monthly USD	0.93%	0.18%	0.93%
I Capitalisation EUR Hedged (95%)	0.62%	0.12%	0.62%
I Capitalisation USD	0.59%	0.09%	0.60%
I Distribution semi-annually EUR Hedged (95%)	0.62%	0.12%	0.62%
I Distribution semi-annually USD	0.59%	0.09%	0.59%
U Capitalisation USD	1.09%	0.09%	1.09%

## Additional Unaudited Appendix

### Expense Ratios (continued)

	Calculated TER (1) Swiss method	Applied Service Fee (2)	Ongoing Charges (3)
<b>AXA IM Fixed Income Investment Strategies - US Corporate Intermediate Bonds (continued)</b>			
U Distribution semi-annually USD	1.09%	0.09%	1.09%
Z Capitalisation CHF Hedged (95%)	0.61%	0.21%	0.61%
Z Capitalisation EUR Hedged (95%)	0.61%	0.21%	0.61%
Z Capitalisation USD	0.58%	0.18%	0.58%
<b>AXA IM Fixed Income Investment Strategies - Europe Short Duration High Yield</b>			
A Capitalisation CHF Hedged (95%)	0.58%	0.13%	0.61%
A Capitalisation EUR	0.55%	0.10%	0.58%
A Capitalisation USD Hedged (95%)	0.58%	0.13%	0.62%
A Distribution semi-annually EUR	0.55%	0.10%	0.58%
B Capitalisation CHF Hedged (95%)	0.88%	0.13%	0.91%
B Capitalisation EUR	0.85%	0.10%	0.88%
B Capitalisation GBP Hedged	0.88%	0.13%	1.03%
B Capitalisation USD Hedged (95%)	0.88%	0.13%	0.91%
B Distribution semi-annually EUR	0.85%	0.10%	0.88%
E Capitalisation EUR	1.54%	0.19%	1.57%
E Capitalisation USD Hedged (95%)	1.57%	0.22%	1.60%
E Distribution semi-annually USD Hedged (95%)	1.57%	0.22%	1.60%
F Capitalisation CHF Hedged (95%)	1.22%	0.22%	1.25%
F Capitalisation EUR	1.19%	0.19%	1.22%
F Capitalisation USD Hedged (95%)	1.22%	0.22%	1.25%
F Distribution semi-annually CHF Hedged (95%)	1.22%	0.22%	1.25%
F Distribution semi-annually EUR	1.19%	0.19%	1.22%
M Capitalisation EUR	0.10%	0.10%	0.13%
Z Capitalisation CHF Hedged (95%)	0.97%	0.22%	1.00%
Z Capitalisation EUR	0.94%	0.19%	0.98%
Z Capitalisation USD Hedged (95%)	0.97%	0.22%	1.00%
Z Distribution semi-annually EUR	0.94%	0.19%	0.97%

(1) The TERs above represent, as indicated in the prospectus, a weighted average of administrative expenses which unitholders could normally have expected to pay when being invested in the chosen unit class as indicated in the prospectus. This methodology is in line with accepted standard market practices and represents a fair view of publications to be made in the market.

(2) Please refer to note 6 for more details on the Applied Service Fee.

(3) The Ongoing charges are based on historical expense data, as well as anticipated budget changes for the year. For certain classes of units and Sub-Funds where there is no relevant expense history, Ongoing charge figures are based on estimates. The figures represent the situation as assessed per 31 December 2022. The Ongoing charges calculation excludes the Performance fees.

### PTR (Portfolio Turnover Ratio)

Sub-Funds	Currency	PTR I (1)	PTR II (2)
AXA IM Fixed Income Investment Strategies – US Short Duration High Yield	USD	115.20%	126.93%
AXA IM Fixed Income Investment Strategies – US Corporate Intermediate Bonds	USD	35.75%	59.33%
AXA IM Fixed Income Investment Strategies – Europe Short Duration High Yield	EUR	222.54%	251.36%

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

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



## Additional Unaudited Appendix

### Remuneration policy

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

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

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

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

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

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

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



## Additional Unaudited Appendix

### Remuneration policy (continued)

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

Total amount of remuneration paid and/or awarded to staff for the year ended 31 December 2022, prorated to the Fund's assets <sup>1</sup>	
Fixed Pay <sup>2</sup> ('000 EUR)	2,418.71
Variable Pay <sup>3</sup> ('000 EUR)	3,010.84
Number of employees <sup>4</sup>	2,675 incl. 14 AFM's employees

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

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

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

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

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

- Long-Term Incentives awarded by the AXA Group.

<sup>4</sup> Number of employees includes Permanent and Temporary contracts excluding internship as at 31 December 2021.

Aggregate amount of remuneration paid and / or awarded to risk takers and senior management whose activities have a significant impact on the risk profile of portfolios, prorated to the Fund's assets <sup>1</sup>			
	Risk Takers	Senior Management	Total
Fixed Pay and Variable Pay ('000 EUR) <sup>2, 3</sup>	1,498.73	836.27	2,335.00
Number of employees <sup>4</sup>	277 incl. 2 AFM's employees	62 incl. 2 AFM's employees	339 incl. 4 AFM's employees

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

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

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

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

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

- Long-Term Incentives awarded by the AXA Group.

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

## Additional Unaudited Appendix

### Transaction fees

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

Sub-Funds	Commissions				Settlement Fees	Tax			In the Sub-Funds currency	
	Broker Commissions	Broker Execution fee	Depository cash movement Charges*	Fund Administrator Charges on FOREX activity*		Depository Settlement Charges*	Stamp Duty	Other Transaction Tax	State Street Bank Settlement Charges waived by swing	Total
AXA IM Fixed Income Investment Strategies - US Short Duration High Yield	-	-	243,871	10,114	63,748	14,578	-	-	332,311	14,578
AXA IM Fixed Income Investment Strategies - US Corporate Intermediate Bonds	-	-	81,526	-	-	7,210	-	-	88,736	7,210
AXA IM Fixed Income Investment Strategies - Europe Short Duration High Yield	-	-	74,810	263	1,391	24,618	-	-	101,082	24,618

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

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

### Securities Financing Transactions Regulation

#### Foreword

The SICAV may lend positions of its securities portfolio to third parties through different techniques whereas:

- Bilateral should be understood as trading executed directly with the counterparty and the collateral, managed by AXA Investment Managers GS Limited, is safe-kept at State Street Luxembourg S.C.A..
- Triparty should be understood as trading executed directly with the counterparty and collateral managed by a triparty agent who manages and safe-keep the collateral.
- CCP should be understood as Central Counterparties Clearing House.

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

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

# Additional Unaudited Appendix

## Securities Financing Transactions Regulation (continued)

### Foreword (continued)

#### Data on cost and return

The return from securities lending transactions is split between the relevant Fund and the agent lender. The Funds receive 65% while the agent lender receive 35% of the income, with all operational costs supported by the agent lender. The income earned by the Funds from securities lending transactions is disclosed in the stock lending note (note 11).

#### Eligible collateral

Collateral received by a Sub-Fund may be used to reduce its counterparty risk exposure with a counterparty if it complies with the criteria listed in circulars issued by the CSSF from time to time in terms of liquidity, valuation, issuer credit quality, correlation, risks linked to the management of collateral and enforceability. In particular, collateral should comply with the following conditions:

- Any collateral received other than cash should be of high quality, highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation.
- It should be valued on a daily basis on a mark-to-market price basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place. Margin calls will be implemented in accordance with the terms negotiated in the collateral arrangements.
- It should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- It should be sufficiently diversified in terms of country, markets and issuers and shall not entail on an aggregate basis an exposure to a given issuer for more than 20% of its Net Asset Value. By way of derogation, a Sub-Fund may be fully collateralised in different Transferable Securities or Money Market Instruments issued or guaranteed by any of the Member States, one or more of their local authorities, a third party sovereign country such as Canada, Japan, Norway, Switzerland and the United States of America, or any public international body to which one or more Member State(s) belong(s) such as the European Investment Bank, provided that it receives such securities from at least six different issues and that securities from any single issue should not account for more than 30% of such Sub-Fund's Net Asset Value. The collateral shall further comply with the limits set forth above under section "b) Limitations on Control".
- The financial guarantees received by the Sub-Fund will be kept by the Depositary or, failing that, by any third party depositary (such as Euroclear Bank SA/NV) which is subject to a prudential supervision and that has no link with the guarantee provider.
- It should be capable of being fully enforced by the Company for the account of the Sub-Fund at any time without reference to or approval from the counterparty.

#### Eligible assets

As long as it complies with the above mentioned conditions, the collateral may consist of (i) sovereign OECD bonds; and/or (ii) direct investment in bonds issued or guaranteed by first class issuers offering an adequate liquidity or shares listed or dealt on a Regulated Market of a Member State of the European Union or on a stock exchange of a member state of the OECD provided that they are included in a main index.

## Additional Unaudited Appendix

### Securities Financing Transactions Regulation (continued)

#### Securities lending

	AXA IM Fixed Income Investment Strategies - US Short Duration High Yield USD	AXA IM Fixed Income Investment Strategies - US Corporate Intermediate Bonds USD	AXA IM Fixed Income Investment Strategies - Europe Short Duration High Yield EUR
Settlement and clearing (e.g. Bilateral, tri-party, CCP)	Bilateral, Triparty	Bilateral, Triparty	Bilateral, Triparty
<b>Amount of securities and commodities on loan as a proportion of total lendable assets</b>	5.00%	4.00%	20.00%
<b>Amount of assets engaged</b>			
Absolute amount	85,593,730	75,480,172	137,122,703
Proportion of the Assets Under Management	2.39%	3.54%	11.71%
<b>Type and quality of collateral<sup>1</sup></b>			
Bank deposits	-	-	-
Bonds	87,469,085	73,279,111	140,845,655
Equities	-	5,732,670	489,178
Other	-	-	-
<b>Maturity tenor of the SFTs (absolute value)</b>			
Less than one day	-	-	-
One day to one week	-	-	-
One week to one month	-	-	-
One month to three months	-	34,040,502	-
Three months to one year	-	-	-
Above one year	-	-	-
Open	85,593,730	41,439,670	137,122,703
<b>Currencies<sup>2</sup></b>			
<b>Maturity tenor of the collateral (absolute value)</b>			
Less than one day	-	-	-
One day to one week	-	-	-
One week to one month	-	-	-
One month to three months	-	-	-
Three months to one year	4,984	15,268	23,275,070
Above one year	87,464,101	73,263,843	117,570,585
Open transactions	-	5,732,670	489,178

Note: At year-end, there is no collateral reinvested for any Sub-Fund, either in the form of cash or securities.

<sup>1</sup> Collateral received by the Subfund in respect of the SFT are in the form of debt securities having investment grade credit rating and listed shares.

<sup>2</sup> Collateral received by the Subfund in respect of the SFT is held in the following currencies: CAD, CHF, DKK, EUR, GBP, JPY, NOK, SEK, USD.

## Additional Unaudited Appendix

### Securities Financing Transactions Regulation (continued)

#### Securities lending (continued)

##### Top 10 Counterparties

	AXA IM Fixed Income Investment Strategies - US Short Duration High Yield USD	AXA IM Fixed Income Investment Strategies - US Corporate Intermediate Bonds USD	AXA IM Fixed Income Investment Strategies - Europe Short Duration High Yield EUR
1	Name Gross volume outstanding transactions Counterparty's country	Barclays Bank PLC 38,153,390 United Kingdom	SOCIETE GENERALE SA 34,040,502 France GOLDMAN SACHS INTERNATIONAL 46,093,569 United Kingdom
2	Name Gross volume outstanding transactions Counterparty's country	BNP PARIBAS SA 24,762,986 France	GOLDMAN SACHS INTERNATIONAL 21,362,669 United Kingdom J.P. MORGAN SECURITIES PLC 22,631,709 United Kingdom
3	Name Gross volume outstanding transactions Counterparty's country	CREDIT SUISSE INTERNATIONAL 15,193,200 United Kingdom	Barclays Bank PLC 10,177,496 United Kingdom Barclays Bank PLC 20,541,705 United Kingdom
4	Name Gross volume outstanding transactions Counterparty's country	GOLDMAN SACHS INTERNATIONAL 5,447,432 United Kingdom	DEUTSCHE BANK AG LONDON 6,239,545 United Kingdom BNP PARIBAS SA 18,197,510 France
5	Name Gross volume outstanding transactions Counterparty's country	DEUTSCHE BANK AG LONDON 2,036,722 United Kingdom	Zuercher Kantonalbank 3,659,960 Switzerland MERRILL LYNCH INTERNATIONAL 10,477,916 United Kingdom
6	Name Gross volume outstanding transactions Counterparty's country	- - -	DEUTSCHE BANK AG LONDON 7,391,792 United Kingdom
7	Name Gross volume outstanding transactions Counterparty's country	- - -	SOCIETE GENERALE SA 5,688,542 France
8	Name Gross volume outstanding transactions Counterparty's country	- - -	CREDIT SUISSE INTERNATIONAL 3,139,411 United Kingdom
9	Name Gross volume outstanding transactions Counterparty's country	- - -	RBC EUROPE LIMITED 2,077,290 United Kingdom
10	Name Gross volume outstanding transactions Counterparty's country	- - -	CITIGROUP GLOBAL MARKETS LIMITED 883,259 United Kingdom

Note: At Year-end, there is no collateral reinvested for any Sub-Fund, either in the form of cash or securities.

<sup>1</sup> Collateral received by the Subfund in respect of the SFT are in the form of debt securities having investment grade credit rating and listed shares.

<sup>2</sup> Collateral received by the Subfund in respect of the SFT is held in the following currencies: CAD, CHF, DKK, EUR, GBP, JPY, NOK, SEK, USD.

## Additional Unaudited Appendix

### Securities Financing Transactions Regulation (continued)

#### Securities lending (continued)

##### 10 largest collateral issuers

		AXA IM Fixed Income Investment Strategies - US Short Duration High Yield USD	AXA IM Fixed Income Investment Strategies - US Corporate Intermediate Bonds USD	AXA IM Fixed Income Investment Strategies - Europe Short Duration High Yield EUR
1	Name	Bundesrepublik Deutschland	Republique Francaise	United States of America
	Volume collateral received (absolute value)	32,490,945	26,106,064	65,018,037
2	Name	Republique Francaise	United States of America	Republique Francaise
	Volume collateral received (absolute value)	31,449,830	22,430,748	28,210,156
3	Name	United States of America	European Union	Her Majesty The Queen In Right Of New Zealand
	Volume collateral received (absolute value)	21,161,816	14,172,340	21,213,734
4	Name	European Stability Mechanism	Bundesrepublik Deutschland	Bundesrepublik Deutschland
	Volume collateral received (absolute value)	1,408,635	9,901,178	20,387,626
5	Name	European Union	Kingdom of Norway	European Union
	Volume collateral received (absolute value)	896,841	2,382,773	3,254,882
6	Name	Royaume de Belgique	United Kingdom of Great Britain and Northern Ireland	Swiss Confederation
	Volume collateral received (absolute value)	55,034	377,809	1,255,026
7	Name	European Financial Stability Facility SA	SALESFORCE, INC.	European Stability Mechanism
	Volume collateral received (absolute value)	4,266	283,253	1,049,586
8	Name	United Kingdom of Great Britain and Northern Ireland	QUALCOMM INCORPORATED	Royaume de Belgique
	Volume collateral received (absolute value)	1,191	283,235	257,350
9	Name	Commonwealth of Australia	ALPHABET INC.	Aktiebolaget Electrolux
	Volume collateral received (absolute value)	527	283,230	141,560
10	Name	-	JOHNSON & JOHNSON	Enbridge Inc.
	Volume collateral received (absolute value)	-	283,216	141,557

Note: At Year-end, there is no collateral reinvested for any Sub-Fund, either in the form of cash or securities.

<sup>1</sup> Collateral received by the Subfund in respect of the SFT are in the form of debt securities having investment grade credit rating and listed shares.

<sup>2</sup> Collateral received by the Subfund in respect of the SFT is held in the following currencies: CAD, CHF, DKK, EUR, GBP, JPY, NOK, SEK, USD.

## Additional Unaudited Appendix

### Securities Financing Transactions Regulation (continued)

#### Securities lending (continued)

##### Safekeeping of collateral received

	AXA IM Fixed Income Investment Strategies - US Short Duration High Yield USD	AXA IM Fixed Income Investment Strategies - US Corporate Intermediate Bonds USD	AXA IM Fixed Income Investment Strategies - Europe Short Duration High Yield EUR
Custodians	EUROCLEAR	BONY	EUROCLEAR
Collateral safe-kept	81,749,314	58,281,596	92,936,583
Custodians	BONY	EUROCLEAR	BONY
Collateral safe-kept	5,719,771	16,745,371	48,398,250
Custodians	-	JPMorgan	-
Collateral safe-kept	-	3,984,814	-

##### Safekeeping of collateral granted

As at 31 December 2022, there is no collateral granted from any Sub-Fund.

<sup>1</sup> Collateral received by the Subfund in respect of the SFT are in the form of debt securities having investment grade credit rating and listed shares.

<sup>2</sup> Collateral received by the Subfund in respect of the SFT is held in the following currencies: CAD, CHF, DKK, EUR, GBP, JPY, NOK, SEK, USD.

## **Additional Unaudited Appendix**

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



**Product Name:** AXA IM Fixed Income Investment Strategies - US SHORT DURATION HIGH YIELD **Entity LEI:** 2138004B7WO5WYWQR680

## Environmental and/or social characteristics

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

<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective:</b> ___%	<input checked="" type="checkbox"/> It promoted <b>Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 18.95% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It made <b>sustainable investments with a social objective:</b> ___%	<input checked="" type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

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

- ESG Score

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

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

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

### How did the sustainability indicators perform?

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

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

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

Sustainability KPI Name	Value	Benchmark	Coverage
ESG Score	4.86 Score over max 10	4.79 Score over max 10	100%

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

Not applicable.

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

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

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

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

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

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

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

**3.Investments in Green, Social or Sustainability Bonds (GSSB), Sustainability Linked Bonds:**

a) GSSB are instruments which aim to contribute to various sustainable objectives by nature. As such, investments in bonds issued by corporates and sovereigns that have been identified as green bonds, social bonds or sustainability bonds in Bloomberg data base are considered as “sustainable investments” under AXA IM’s SFDR framework.

b) With regards to Sustainability Linked Bonds, an internal framework was developed to assess the robustness of those bonds that are used to finance general sustainable purpose. As these instruments are newer leading to heterogeneous practices from issuers, only Sustainability LinkedBonds that get a positive or neutral opinion from AXA IM’s internal analysis process are considered as “sustainable investments”. This analysis framework draws on the International Capital Market Association (ICMA) guidelines with a stringent proprietary approach based on the following defined criteria: (i) issuer’s sustainability strategy and key performance indicators relevance and materiality, (ii) Sustainability performance target’s ambition, (iii) bond characteristics and (iv) sustainability performance target’s monitoring & reporting.

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

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

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

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

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

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

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

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

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

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

### Environment:

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

### Social and Governance:

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

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

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

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

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

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

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

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



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

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

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

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

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



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

The top investments of the Financial Product are detailed below:

Top investments	Sector	Proportion	Country
ARGIHC 7% - 15/06/2025 Call	Restaurants and mobile food service activities	1.53%	US
RDIO 6.75% - 15/07/2025 Call	Other manufacturing n.e.c.	1.4%	US

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

BWY 5.5% - 15/04/2024 Call	Manufacture of other articles of paper and paperboard	1.36%	US
BGS 5.25% - 01/04/2025 Call	Manufacture of condiments and seasonings	1.35%	US
COMM 6% - 01/03/2026 Call	Manufacture of communication equipment	1.34%	US
LABL 6.75% - 15/07/2026 Call	Manufacture of other articles of paper and paperboard	1.3%	US
CMLP 5.75% - 01/04/2025 Call	Transport via pipeline	1.26%	US
ARMK 6.375% - 01/05/2025 Call	Other food service activities	1.26%	US
SRCL 5.375% - 15/07/2024 Call	Collection of hazardous waste	1.23%	US
HLF 7.875% - 01/09/2025 Call	Manufacture of other food products n.e.c.	1.22%	US
GTN 5.875% - 15/07/2026 Call	Television programming and broadcasting activities	1.18%	US
VCVHHO 9.75% - 15/08/2026 Call	Other information service activities n.e.c.	1.16%	US
BMCAUS 5% - 15/02/2027 Call	Manufacture of other builders' carpentry and joinery	1.15%	US
GTN 7% - 15/05/2027 Call	Television programming and broadcasting activities	1.13%	US
GRSTAR 5.75% - 01/12/2025 Call	Renting and operating of own or leased real estate	1.12%	US

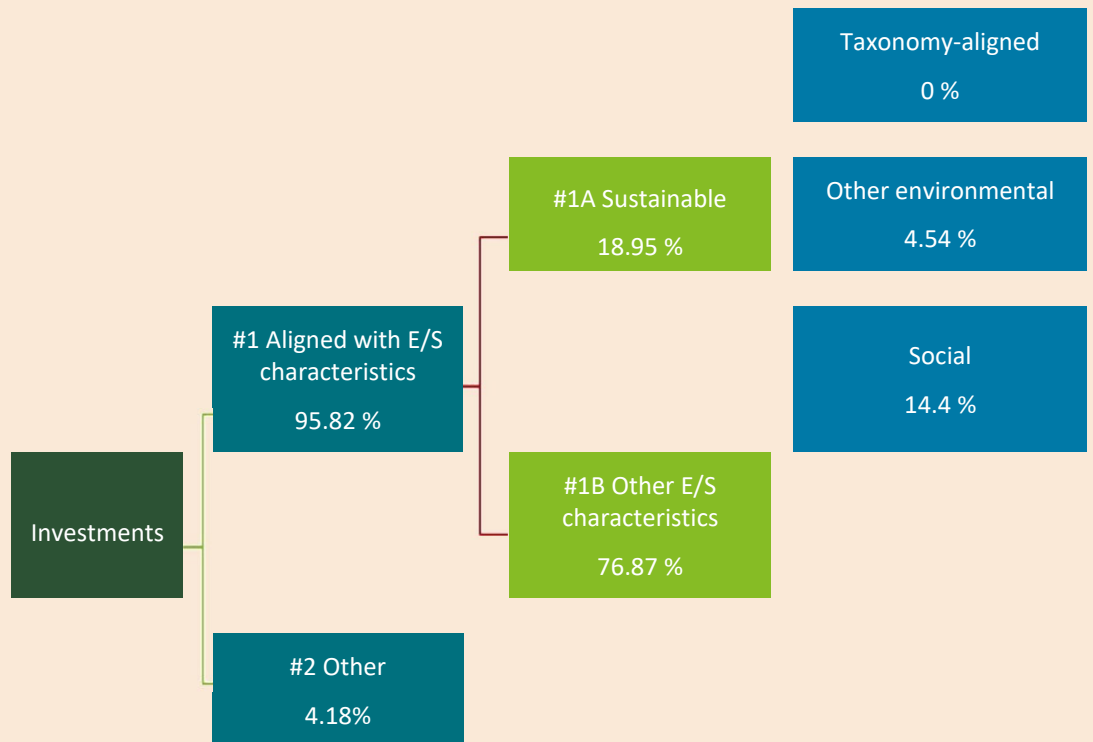
The portfolio proportions of investments hereabove presented were measured on 30/12/2022 and may not be representative of the reference period.



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

### ● What was the asset allocation?

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



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

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

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

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

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

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

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



Top sector	Proportion
Manufacture of other articles of paper and paperboard	5.6%
Renting and operating of own or leased real estate	5.16%
Satellite telecommunications activities	4.49%
Other software publishing	4.32%
Private security activities	4.2%
Other monetary intermediation	3.41%
Gambling and betting activities	3.22%
Television programming and broadcasting activities	3.22%
Transport via pipeline	3.16%
Hospital activities	2.87%
Wired telecommunications activities	2.77%
Activities of holding companies	2.65%
General public administration activities	2.6%
Manufacture of communication equipment	2.4%
Other food service activities	2.33%
Other manufacturing n.e.c.	2.24%
Manufacture of other builders' carpentry and joinery	2.2%
Restaurants and mobile food service activities	2.04%
Other credit granting	1.85%
Manufacture of hollow glass	1.6%
Other human health activities	1.58%
Retail sale of hardware, paints and glass in specialised stores	1.58%
Manufacture of light metal packaging	1.38%
Agents involved in the sale of food, beverages and tobacco	1.36%
Manufacture of condiments and seasonings	1.35%
Manufacture of batteries and accumulators	1.32%
Extraction of crude petroleum and natural gas	1.3%
Waste collection, treatment and disposal activities, materials recovery	1.27%
Collection of hazardous waste	1.23%
Manufacture of other food products n.e.c.	1.22%
Manufacture of motor vehicles	1.22%

Other information service activities n.e.c.	1.16%
Activities of amusement parks and theme parks	1.15%
Rental and leasing activities	1.09%
Advertising agencies	1.02%
Freight rail transport	0.99%
Aluminium production	0.98%
Other activities auxiliary to financial services, except insurance and pension funding	0.95%
Wireless telecommunications activities	0.9%
Manufacture of plastic packing goods	0.9%
Manufacture of electrical equipment	0.9%
Manufacture of underwear	0.88%
Motion picture, video and television programme production activities	0.88%
Support activities to performing arts	0.87%
Web portals	0.81%
Retail trade, except of motor vehicles and motorcycles	0.78%
Retail sale of automotive fuel in specialised stores	0.76%
Manufacture of paints, varnishes and similar coatings, printing ink and mastics	0.74%
Manufacture of chemicals and chemical products	0.68%
Activities of insurance agents and brokers	0.65%
Computer programming, consultancy and related activities	0.65%
Retail sale of sporting equipment in specialised stores	0.53%
Sale of cars and light motor vehicles	0.5%
Wholesale trade, except of motor vehicles and motorcycles	0.5%
Manufacture of grain mill products	0.48%
Architectural and engineering activities, technical testing and analysis	0.41%
Manufacture of other organic basic chemicals	0.38%
Manufacture of other parts and accessories for motor vehicles	0.28%
Manufacture of other special-purpose machinery n.e.c.	0.27%
Publishing of newspapers	0.27%
Manufacture of other inorganic basic chemicals	0.26%

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

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

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

Taxonomy-aligned activities are expressed as a share of:

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

Manufacture of other chemical products n.e.c.	0.22%
Manufacture of games and toys	0.19%
Manufacture of computers and peripheral equipment	0.18%
Other amusement and recreation activities	0.16%
Wholesale of chemical products	0.14%
Manufacture of machinery and equipment n.e.c.	0.1%
Processing and preserving of meat	0.09%
Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	0.08%
Accommodation	0.06%



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

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

Yes

In fossil gas  In nuclear energy

No

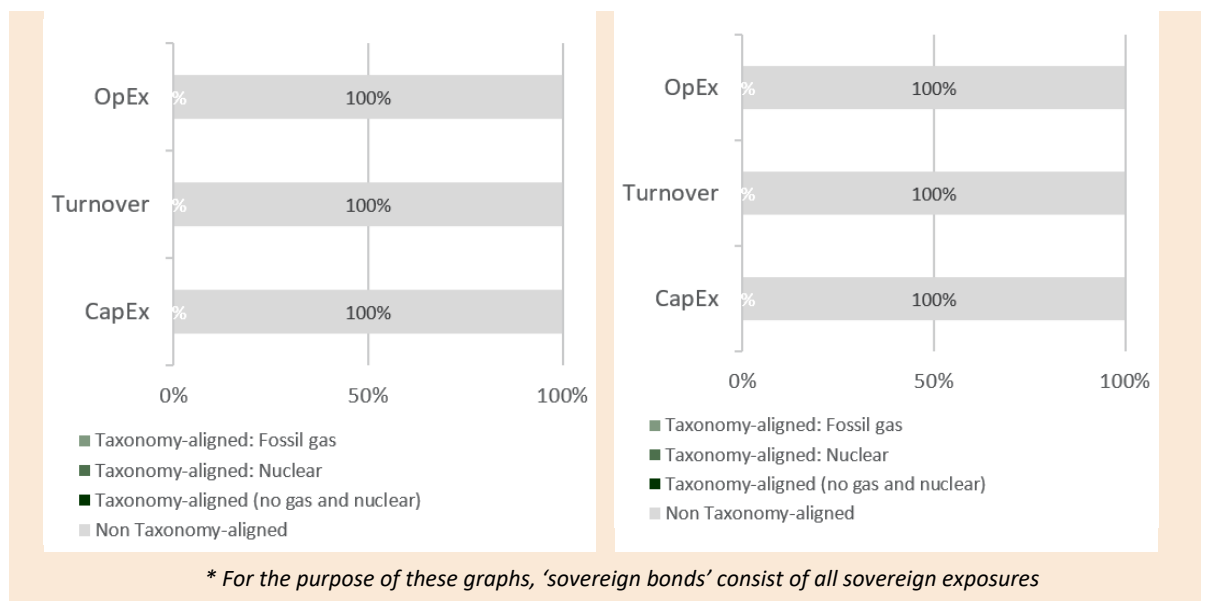
The Financial Product did not take into consideration the criteria of the EU Taxonomy environmental objectives. The Financial Product did not consider the 'do not significant harm criteria' of the EU Taxonomy.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments **including** sovereign bonds\*

2. Taxonomy-alignment of investments **excluding** sovereign bonds\*

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



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

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

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

Not applicable.

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

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

The share of the sustainable investments with an environmental objective not aligned with the EU Taxonomy has been 4.54% for this Financial Product during the reference period.

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

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

During the reference period, the Financial Product invested in 14.4% of sustainable investments with a social objective.

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

The remaining “Other” investments represented 4.18% of the Financial Product’s Net Asset Value. The “other” assets may have consisted in, as defined in the precontractual annex:

- cash and cash equivalent investments being bank deposit, eligible money market instruments and money market funds used for managing the liquidity of the Financial Product, and;
- other instruments eligible to the Financial Product and that do not meet the Environmental and/or Social criteria described in this appendix. Such assets may be debt instruments, derivatives investments and investment collective schemes that do not promote environmental or social characteristics and that are used to attain the financial objective of the Financial Product and / or for diversification and / or hedging purposes.

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



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

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



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

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

Not applicable.

**Product Name:** AXA IM Fixed Income Investment **Entity LEI:** 213800BRVSRRTZ2NBI83  
Strategies - US CORPORATE INTERMEDIATE  
BONDS

## Environmental and/or social characteristics

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

<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective</b> : ___%	<input checked="" type="checkbox"/> It promoted <b>Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of 43.18% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It made <b>sustainable investments with a social objective</b> : ___%	<input checked="" type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

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

- ESG Score

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

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

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

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

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

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

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

Sustainability KPI Name	Value	Benchmark	Coverage
ESG Score	6.66 Score over max 10	6.57 Score over max 10	100%

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

Not applicable.

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

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

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

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

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

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

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

**3.Investments in Green, Social or Sustainability Bonds (GSSB), Sustainability Linked Bonds:**

a) GSSB are instruments which aim to contribute to various sustainable objectives by nature. As such, investments in bonds issued by corporates and sovereigns that have been identified as green bonds, social bonds or sustainability bonds in Bloomberg data base are considered as “sustainable investments” under AXA IM’s SFDR framework.

b) With regards to Sustainability Linked Bonds, an internal framework was developed to assess the robustness of those bonds that are used to finance general sustainable purpose. As these instruments are newer leading to heterogeneous practices from issuers, only Sustainability LinkedBonds that get a positive or neutral opinion from AXA IM’s internal analysis process are considered as “sustainable investments”. This analysis framework draws on the International Capital Market Association (ICMA) guidelines with a stringent proprietary approach based on the following defined criteria: (i) issuer’s sustainability strategy and key performance indicators relevance and materiality, (ii) Sustainability performance target’s ambition, (iii) bond characteristics and (iv) sustainability performance target’s monitoring & reporting.

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

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

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

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

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

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

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

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

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

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

### Environment:

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

### Social and Governance:



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

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

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

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

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

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

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

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



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

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

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

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

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



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

The top investments of the Financial Product are detailed below:

Top investments	Sector	Proportion	Country
MASSMU 5.05% - 07/12/2027	Life insurance	1.23%	US
BK 3.992% Var - 13/06/2028 Call	Trusts, funds and similar financial entities	1.11%	US

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

GS 1.948% Var - 21/10/2027 Call	Security and commodity contracts brokerage	1.05%	US
AAPL 3.35% - 08/08/2032 Call	Manufacture of communication equipment	1.03%	US
BHF 5.625% - 15/05/2030 Call	Life insurance	1%	US
CM 3.3% - 07/04/2025	Other monetary intermediation	0.95%	CA
PEP 3.9% - 18/07/2032 Call	Manufacture of soft drinks, production of mineral waters and other bottled waters	0.9%	US
PNC 3.1% - 25/10/2027 Call	Other monetary intermediation	0.88%	US
TRGP 5.2% - 01/07/2027 Call	Transport via pipeline	0.87%	US
NACN 0.55% Var - 15/11/2024 Call	Other monetary intermediation	0.86%	CA
T 1.75% - 31/01/2029	General public administration activities	0.82%	US
JPM 1.045% Var - 19/11/2026 Call	Other monetary intermediation	0.81%	US
HAS 3.55% - 19/11/2026 Call	Manufacture of games and toys	0.8%	US
T 4.3% - 15/02/2030 Call	Wireless telecommunications activities	0.79%	US
EFNCN 3.85% - 15/06/2025 Call	Renting and leasing of trucks	0.78%	CA

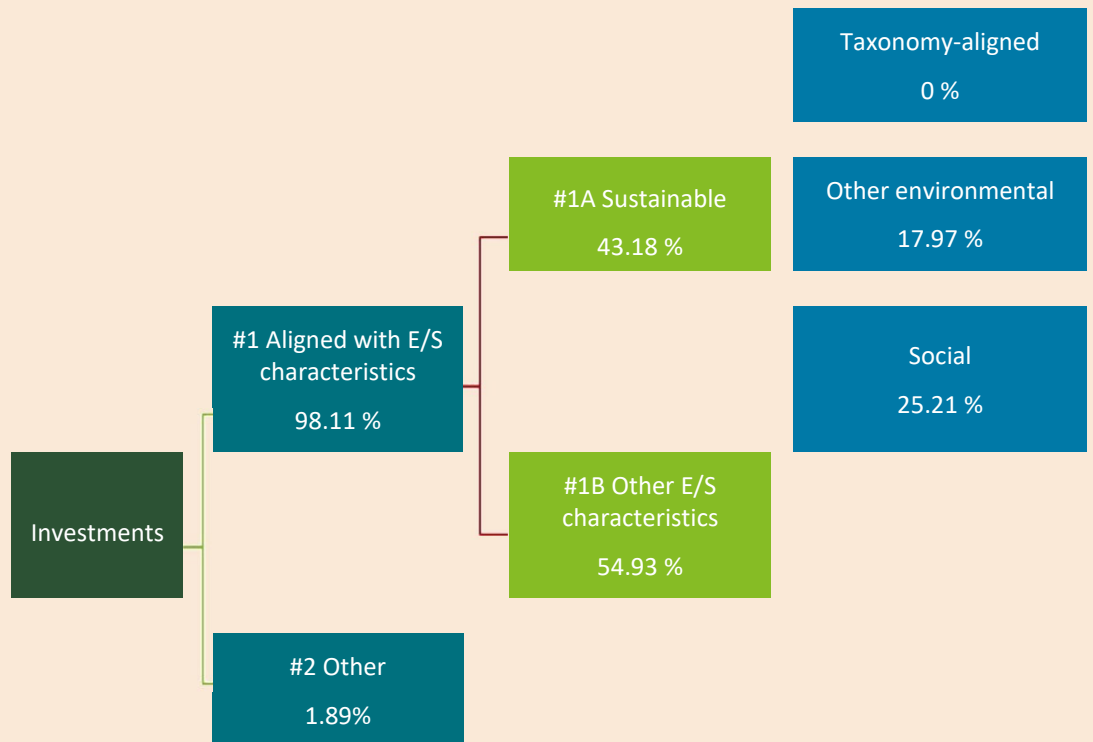
The portfolio proportions of investments hereabove presented were measured on 30/12/2022 and may not be representative of the reference period.



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

### ● What was the asset allocation?

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



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

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

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

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

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

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

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

Top sector	Proportion
Other monetary intermediation	28.33%
Life insurance	5.04%
Transport via pipeline	4.38%
Electricity, gas, steam and air conditioning supply	4.26%
Security and commodity contracts brokerage	4.08%
Renting and operating of own or leased real estate	3.77%
Other activities auxiliary to financial services, except insurance and pension funding	3.45%
Wireless telecommunications activities	3.11%
Non-life insurance	2.56%
Trusts, funds and similar financial entities	2.33%
Manufacture of basic pharmaceutical products	2.27%
Satellite telecommunications activities	2.01%
Extraction of crude petroleum and natural gas	1.61%
General public administration activities	1.58%
Manufacture of motor vehicles	1.54%
Manufacture of electronic components	1.45%
Other information service activities n.e.c.	1.44%
Distribution of electricity	1.4%
Manufacture of games and toys	1.3%
Financial leasing	1.24%
Motion picture, video and television programme production activities	1.14%
Research and experimental development on biotechnology	1.11%
Manufacture of communication equipment	1.03%
Wired telecommunications activities	0.99%
Distribution of gaseous fuels through mains	0.97%
Freight rail transport	0.95%
Manufacture of soft drinks, production of mineral waters and other bottled waters	0.9%
Accounting, bookkeeping and auditing activities, tax consultancy	0.87%
Renting and leasing of trucks	0.78%
Manufacture of plastic packing goods	0.77%

Manufacture of chemicals and chemical products	0.69%
Retail sale of hardware, paints and glass in specialised stores	0.69%
Other credit granting	0.68%
Manufacture of medical and dental instruments and supplies	0.62%
Treatment and disposal of non-hazardous waste	0.6%
Manufacture of beer	0.59%
Activities of holding companies	0.57%
Agents involved in the sale of food, beverages and tobacco	0.56%
Manufacture of food products	0.52%
Other manufacturing n.e.c.	0.51%
Manufacture of household and sanitary goods and of toilet requisites	0.5%
Rental and leasing activities	0.5%
Retail trade, except of motor vehicles and motorcycles	0.5%
Advertising agencies	0.48%
Hospital activities	0.47%
Restaurants and mobile food service activities	0.45%
Reinsurance	0.44%
Service activities incidental to land transportation	0.42%
Manufacture of machinery for mining, quarrying and construction	0.4%
Wholesale of pharmaceutical goods	0.37%
Wholesale trade, except of motor vehicles and motorcycles	0.35%
Manufacture of computers and peripheral equipment	0.34%
Manufacture of margarine and similar edible fats	0.33%
Manufacture of agricultural and forestry machinery	0.32%
Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	0.29%
Manufacture of other chemical products n.e.c.	0.27%
Manufacture of machinery and equipment n.e.c.	0.27%
Packaging activities	0.18%
Collection of non-hazardous waste	0.17%
Other human health activities	0.14%

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

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

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

Manufacture of instruments and appliances for measuring, testing and navigation	0.12%
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**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

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

Yes

In fossil gas    In nuclear energy

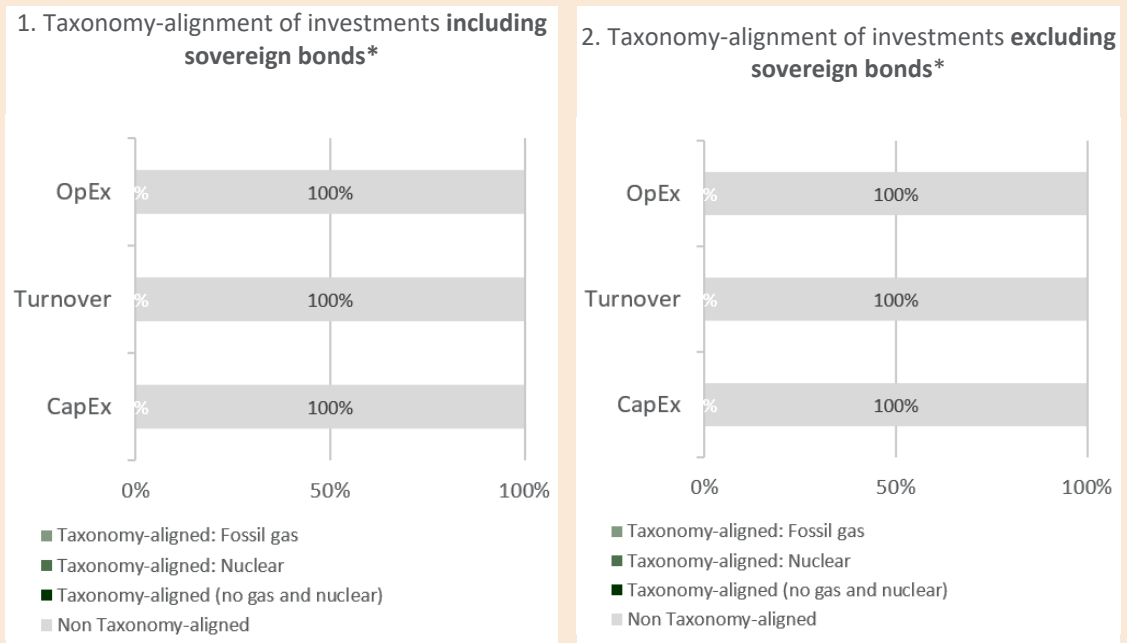
No

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

Taxonomy-aligned activities are expressed as a share of:

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

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**



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

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


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

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

Not applicable.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



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

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

The share of the sustainable investments with an environmental objective not aligned with the EU Taxonomy has been 17.97% for this Financial Product during the reference period.

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

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

During the reference period, the Financial Product invested in 25.21% of sustainable investments with a social objective.

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

The remaining “Other” investments represented 1.89% of the Financial Product’s Net Asset Value.

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

- cash and cash equivalent investments being bank deposit, eligible money market instruments and money market funds used for managing the liquidity of the Financial Product, and ;
- other instruments eligible to the Financial Product and that do not meet the Environmental and/or Social criteria described in this appendix. Such assets may be debt instruments, derivatives investments and investment collective schemes that do not promote environmental or social characteristics and that are used to attain the financial objective of the Financial Product and / or for diversification and / or hedging purposes.

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



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

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



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

Not applicable.

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

**Product Name:** AXA IM Fixed Income Investment **Entity LEI:** 213800FTL8OP544CLZ24  
Strategies - EUROPE SHORT DURATION HIGH  
YIELD

## Environmental and/or social characteristics

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

<input checked="" type="radio"/> <input type="checkbox"/> <b>YES</b>	<input type="radio"/> <input checked="" type="checkbox"/> <b>NO</b>
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___%	<input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 35.42% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> with a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

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

- ESG Score

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

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

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

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

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

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

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

Sustainability KPI Name	Value	Benchmark	Coverage
ESG Score	6.08 Score over max 10	5.73 Score over max 10	98.21%

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

Not applicable.

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

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

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

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

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

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

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

**3.Investments in Green, Social or Sustainability Bonds (GSSB), Sustainability Linked Bonds:**

a) GSSB are instruments which aim to contribute to various sustainable objectives by nature. As such, investments in bonds issued by corporates and sovereigns that have been identified as green bonds, social bonds or sustainability bonds in Bloomberg data base are considered as “sustainable investments” under AXA IM’s SFDR framework.

b) With regards to Sustainability Linked Bonds, an internal framework was developed to assess the robustness of those bonds that are used to finance general sustainable purpose. As these instruments are newer leading to heterogeneous practices from issuers, only Sustainability LinkedBonds that get a positive or neutral opinion from AXA IM’s internal analysis process are considered as “sustainable investments”. This analysis framework draws on the International Capital Market Association (ICMA) guidelines with a stringent proprietary approach based on the following defined criteria: (i) issuer’s sustainability strategy and key performance indicators relevance and materiality, (ii) Sustainability performance target’s ambition, (iii) bond characteristics and (iv) sustainability performance target’s monitoring & reporting.

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

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

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

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

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

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

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

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

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

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

### Environment:

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

### Social and Governance:

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

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

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

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

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

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

*The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.*

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



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

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

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

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

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



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

The top investments of the Financial Product are detailed below:

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

Top investments	Sector	Proportion	Country
AXA IM EURO LIQUIDITY SRI Capitalisation EUR pf	Trusts, funds and similar financial entities	4.76%	FR
PINEFI 3.25% - 30/09/2025 Call	Motion picture, video and television programme production activities	1.46%	GB

PAPREC 4% - 31/03/2025 Call	Collection of non-hazardous waste	1.39%	FR
IRM 3.875% - 15/11/2025 Call	Renting and operating of own or leased real estate	1.31%	GB
PPFTEL 3.5% - 20/05/2024 Call	Wireless telecommunications activities	1.3%	NL
TITIM 4% - 11/04/2024 Call	Wired telecommunications activities	1.25%	IT
ROSINI 6.75% - 30/10/2025 Call	Manufacture of basic pharmaceutical products	1.25%	LU
OI 2.875% - 15/02/2025 Call	Manufacture of other articles of paper and paperboard	1.23%	NL
ROLLS 0.875% - 09/05/2024 Call	Manufacture of air and spacecraft and related machinery	1.21%	GB
TCHEN 2% - 15/07/2025 Call	Repair of other equipment	1.21%	DE
BWY 4.75% - 15/04/2024 Call	Manufacture of other articles of paper and paperboard	1.2%	US
ILDFP 1.875% - 25/04/2025 Call	Wired telecommunications activities	1.19%	FR
LIMACO Float - 15/08/2023 Call	Manufacture of medical and dental instruments and supplies	1.18%	IT
CONGLO 4.125% - 01/08/2025 Call	Production of electricity	1.18%	LU
SPB 4% - 01/10/2026 Call	Manufacture of batteries and accumulators	1.17%	US

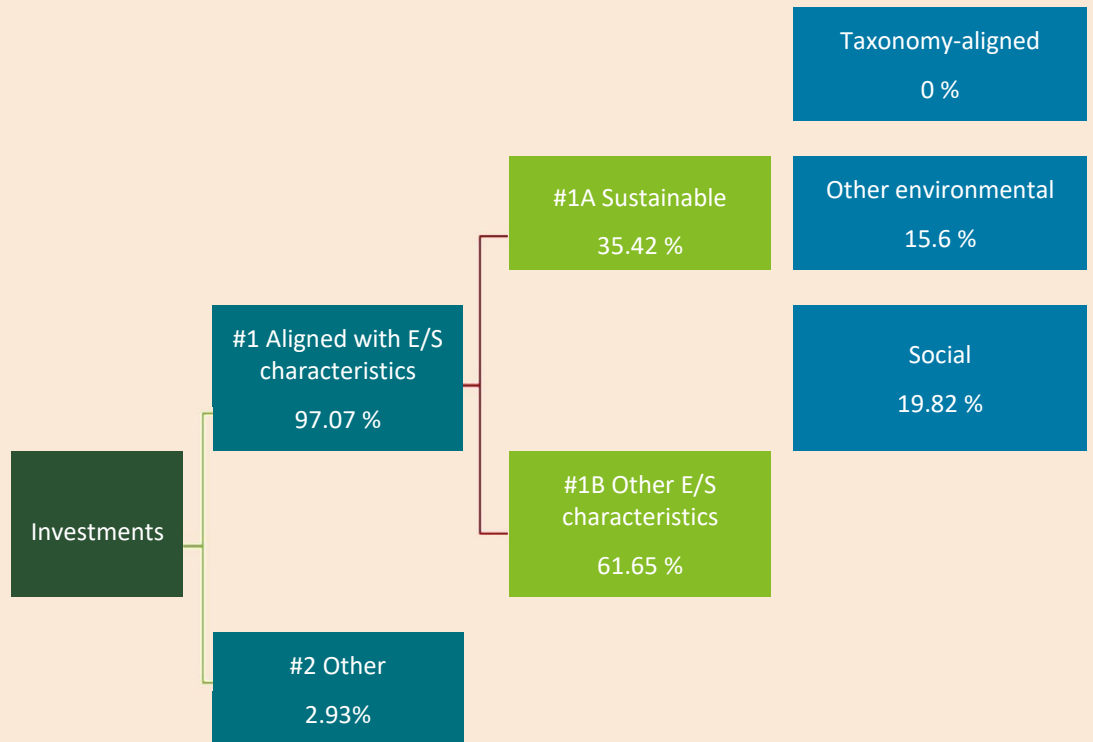
The portfolio proportions of investments hereabove presented were measured on 30/12/2022 and may not be representative of the reference period.



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

### ● What was the asset allocation?

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



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

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

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

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



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

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

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

Top sector	Proportion
Other monetary intermediation	7.82%
Wired telecommunications activities	5.57%
Trusts, funds and similar financial entities	4.76%
Wireless telecommunications activities	4.44%
Gambling and betting activities	3.41%
Renting and operating of own or leased real estate	3.25%
Manufacture of motor vehicles	3.2%
Manufacture of other articles of paper and paperboard	3.09%
Satellite telecommunications activities	3.01%
Retail trade, except of motor vehicles and motorcycles	2.49%
Motion picture, video and television programme production activities	2.41%
Other financial service activities, except insurance and pension funding n.e.c.	2.21%
Manufacture of light metal packaging	2.05%
Manufacture of basic pharmaceutical products	1.8%
Web portals	1.67%
Other software publishing	1.66%
Rental and leasing activities	1.57%
Manufacture of motor vehicles, trailers and semi-trailers	1.55%
Other credit granting	1.53%
Architectural and engineering activities, technical testing and analysis	1.42%
Collection of non-hazardous waste	1.39%
Manufacture of other parts and accessories for motor vehicles	1.33%
Production of electricity	1.31%
Manufacture of air and spacecraft and related machinery	1.21%
Repair of other equipment	1.21%
Manufacture of other chemical products n.e.c.	1.19%
Manufacture of medical and dental instruments and supplies	1.18%
Manufacture of batteries and accumulators	1.17%
Manufacture of wearing apparel	1.15%
Renting and leasing of cars and light motor vehicles	1.15%

Water collection, treatment and supply	1.1%
Manufacture of builders ware of plastic	1.09%
Research and experimental development on biotechnology	1.09%
Food and beverage service activities	1%
Manufacture of corrugated paper and paperboard and of containers of paper and paperboard	1%
Combined facilities support activities	1%
Other retail sale of new goods in specialised stores	0.98%
Mining of other non-ferrous metal ores	0.95%
Manufacture of communication equipment	0.94%
Other human health activities	0.94%
Processing and preserving of meat	0.92%
Warehousing and support activities for transportation	0.91%
Manufacture of instruments and appliances for measuring, testing and navigation	0.9%
Financial leasing	0.9%
Electricity, gas, steam and air conditioning supply	0.9%
Other business support service activities n.e.c.	0.84%
Wholesale trade of motor vehicle parts and accessories	0.83%
Service activities incidental to land transportation	0.83%
Computer programming, consultancy and related activities	0.82%
Activities of amusement parks and theme parks	0.81%
Retail sale of audio and video equipment in specialised stores	0.77%
Other information service activities n.e.c.	0.73%
Legal and accounting activities	0.71%
Manufacture of other organic basic chemicals	0.69%
Manufacture of concrete products for construction purposes	0.69%
Manufacture of pesticides and other agrochemical products	0.67%
Security and commodity contracts brokerage	0.59%
Beverage serving activities	0.54%
Manufacture of cement	0.53%
Construction of utility projects for electricity and telecommunications	0.51%

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

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

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

Manufacture of plastic packing goods	0.49%
Manufacture of chemicals and chemical products	0.49%
Manufacture of paints, varnishes and similar coatings, printing ink and mastics	0.48%
Wholesale of pharmaceutical goods	0.4%
Manufacture of other inorganic basic chemicals	0.38%
Life insurance	0.33%
Other activities auxiliary to financial services, except insurance and pension funding	0.33%
Manufacture of electrical equipment	0.32%
Private security activities	0.24%
Manufacture of electrical and electronic equipment for motor vehicles	0.17%



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

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

Yes

In fossil gas  In nuclear energy

No

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

Taxonomy-aligned activities are expressed as a share of:

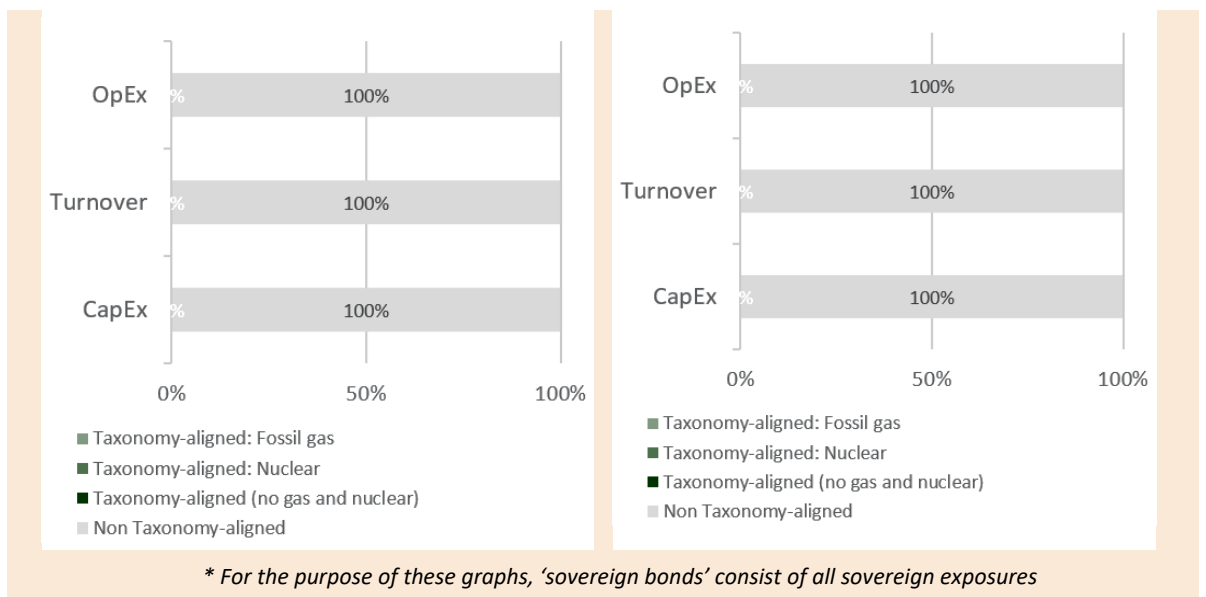
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities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

**The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.**

1. Taxonomy-alignment of investments **including** sovereign bonds\*

2. Taxonomy-alignment of investments **excluding** sovereign bonds\*

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



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

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

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

Not applicable.

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

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

The share of the sustainable investments with an environmental objective not aligned with the EU Taxonomy has been 15.6% for this Financial Product during the reference period.

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

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

During the reference period, the Financial Product invested in 19.82% of sustainable investments with a social objective.

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

The remaining “Other” investments represented 2.93% of the Financial Product’s Net Asset Value.

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

- cash and cash equivalent investments being bank deposit, eligible money market instruments and money market funds used for managing the liquidity of the Financial Product, and ;
- other instruments eligible to the Financial Product and that do not meet the Environmental and/or Social criteria described in this appendix. Such assets may be debt instruments, derivatives investments and investment collective schemes that do not promote environmental or social characteristics and that are used to attain the financial objective of the Financial Product and / or for diversification and / or hedging purposes.

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



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

In 2022, the Financial Product reinforced exclusion policies applied with new exclusions related to unconventional oil and gas, mainly (i) oil sands leading to the exclusion of companies for which oil sands represents more than 5% of global oil sands production, (ii) Shale/ Fracking excluding players that produce less than 100kboepd with more than 30% of their total production derived from fracking, and (ii) Arctic with divestment from companies deriving more than 10% of their production from Arctic

Monitoring and Assessment Programme (AMAP) region or representing more than 5% of the total global Arctic production. More details on those enrichments are available under the following link: <https://www.axa-im.com/our-policies-and-reports>



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

Not applicable.

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

