

# AXA IM Euro Liquidity SRI

(In accordance with Regulation(EU) 2017/1131 - approved as a money market fund)

## PROSPECTUS

*The UCITS is subject to  
European Directive  
2009/65/EC*

### **I - General characteristics :**

#### **1°) Structure of the Fund :**

2°) **Name:** AXA IM Euro Liquidity SRI.

3) **Legal form and Member State in which the Fund was established:** French Common Fund(FCP) .

4°) **Date of approval, creation and intended lifetime:** UCITS approved on 7 September 2001 and created on 3 October 2001 for 99 years.

#### **5°) Summary of the management offer:**

ISIN	Allocation of distributable sums	Base currency	Target investors	Original NAV	Minimum initial subscription amount
FR0000978371	Accumulation	Euro	All subscribers	€35000	€500000 <sup>(*)</sup>

<sup>(\*)</sup> With the exception of the AXA Group and the funds managed by the entities of the Group to which the Management Company belongs.

#### **(6) Address at which the latest annual and semi annual reports are available:**

The latest annual reports and the composition of the assets shall be sent to unitholders within eight business days upon written request to (postal address):

**BNP PARIBAS ASSET MANAGEMENT EUROPE**  
Majunga Tower -6 place de la Pyramide  
92908 PARIS - La Défense cedex

upon request, please contact [client@axa-im.com](mailto:client@axa-im.com).

### **II Directory :**

#### **1) Management Company**

##### **BNP PARIBAS ASSET MANAGEMENT EUROPE**

Société par Actions Simplifiée (simplified joint stock company)

Registered office: 1 boulevard Haussmann -75009 Paris

Postal address: Tour Majunga La Défense 9 - 6 Place de la Pyramide, 92800 Puteaux

Portfolio management company approved by the AMF on 19 April 1996 under number GP 96002

#### **2°) Custodian, custodian, and, by delegation, centralising agent and registrar:**

The UCITS 'custodian is **BNP PARIBAS SA**, a subsidiary of the BNP PARIBAS SA Group located at 9, rue du Débarcadère, 93500 PANTIN (the 'Custodian').

BNP PARIBAS SA, a société anonyme (public limited company) registered in the Trade and Companies Register under number 662,042,449 , is authorised by the Autorité de Contrôle Prudentiel et de Résolution(ACPR) and subject to the supervision of the Autorité des Marchés Financiers(AMF), having its registered office at 16, boulevard des Italiens, 9<sup>ème</sup>Paris.

#### ***Description of the Custodian's responsibilities and potential conflicts of interest:***

The Custodian carries out three types of responsibilities, respectively the control of the regularity of the management company's decisions (as defined in article 22.3 of the UCITS 5 directive), the monitoring of the UCITS 'cash flows (as defined in article 22.4) and the custody of the UCITS' assets (as defined in article 22.5).

The primary objective of the Custodian is to protect the interests of the unitholders/investors of the UCITS, which will always take precedence over the commercial interests.

Potential conflicts of interest may be identified, particularly in the event that the Management Company also has commercial relations with BNP Paribas SA in parallel with its appointment as Custodian (which may be the case when BNP Paribas S.A. is delegated by the Management Company to calculate the net asset value of UCITS for which BNP Paribas S.A. is the custodian or when there is a group link between the Management Company and the custodian ).

In order to manage these situations, the Custodian has put in place and updates a conflict of interest management policy aimed at:

- Identifying and analysing potential conflicts of interest
- Recording, managing and monitoring conflicts of interest by:
  - Based on the permanent measures in place to manage conflicts of interest such as the maintenance of separate legal entities, segregation of duties, separation of hierarchical lines, monitoring of lists of internal insiders;
  - Implementing on a case by case basis:
    - ✓ Preventive and appropriate measures such as the creation of ad hoc follow up lists, new Chinese walls or by verifying that transactions are processed appropriately and/or informing the clients concerned;
    - ✓ Or by refusing to manage activities that may give rise to conflicts of interest.

***Description of any safekeeping activities delegated by the Custodian, list of delegates and sub delegates and identification of conflicts of interest liable to result from such delegation :***

The Custodian of the UCITS, BNP Paribas SA, is responsible for the safekeeping of the assets (as defined in article 22.5 of Directive 2009/65/EC as amended by Directive 2014/91/EU).

In order to offer the services related to the custody of assets in a large number of States, allowing the UCITS to achieve their investment objectives, BNP Paribas SA has appointed sub custodians in States where BNP Paribas SA would not have a local presence. They are listed on the following website <https://securities.cib.bnpparibas/all-our-solutions/asset-fund-services/depository-bank-trustee-services-2/>. The process for appointing and supervising sub custodians follows the highest quality standards, including managing potential conflicts of interest that may arise as a result of these appointments.

Up to date information on the above points will be sent to the investor upon request.

**3) Institutions responsible for centralising subscription and redemption orders and keeping accounts issued by the Management Company:**

- **For bearer units to be registered or registered with Euroclear France:**

**BNP PARIBAS SA**, a subsidiary of the BNP PARIBAS SA Group located at 9, rue du Débarcadère 93500 PANTIN  
BNP PARIBAS SA, a société anonyme (public limited company) registered in the Trade and Companies Register under number 662,042,449 , is authorised by the Autorité de Contrôle Prudentiel et de Résolution(ACPR) and subject to the supervision of the Autorité des Marchés Financiers(AMF), having its registered office at 16, boulevard des Italiens, 9<sup>ème</sup>Paris.

- **For registered units to be registered or registered in a Shared Electronic Registration Facility(DEEP) reserved solely for legal entities acting on own behalf:**

**IZNES**, a société par actions simplifiée (simplified joint stock company), is registered with the Greffe du Tribunal de Commerce de Paris under number 832,488,415, approved by the Autorité de Contrôle Prudentiel et de Résolution(ACPR), approved and supervised by the Autorité des Marchés Financiers(AMF) and having its registered office at 20, rue Vernier, Paris, 75017.

**4°) Prime broker :** None

**5) Statutory auditor:** PricewaterhouseCoopers Audit -63, rue de Villiers -92208 Neuilly sur Seine cedex.

**6) Promoter :** **BNP Paribas**, a société anonyme (public limited company) with registered office at 16, boulevard des Italiens, -75009 Paris

And BNP Paribas Group companies.

BNP PARIBAS ASSET MANAGEMENT EUROPE may delegate the marketing of units of the UCITS to third parties duly authorised by the latter. As the UCITS is admitted to Euroclear France, its units may be subscribed or redeemed from financial intermediaries that are not known to the Management Company.

**7) Delegates:**

BNP PARIBAS ASSET MANAGEMENT EUROPE does not delegate the financial management of the UCITS.

**Delegated accounting management and Middle Office:**

**STATE STREET BANK INTERNATIONAL GMBH PARIS BRANCH**

Branch of the German credit institution STATE STRretrait BANK INTERNATIONAL GMBH (parent company), which was established under the European passport under Directive 2013/36/EU (CRD IV).

Address: Cœur Défense - Tour A -100, Esplanade du Général de Gaulle -92931 Paris La Défense Cedex, registered with the Nanterre Trade and Companies Register under number 850,254,673.

State STRretrait BANK INTERNATIONAL GMBH is a credit institution which was authorised in June 1994 by the predecessor of the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin) under identification number 108514.

It is supervised directly by the European Central Bank(ECB).

The accounting delegated manager is responsible for the accounting of the UCITS and calculates the net asset value.

**Delegation of administrative management:**

BNP PARIBAS ASSET MANAGEMENT EUROPE does not delegate the administrative management of the UCITS.

**8) Advisers:** None.

**III - Operating and management procedures:**

**General features :**

## 1°) Characteristics of the units:

A) **ISIN codes** : FR0000978371(Accumulation)

B) **Nature of the right attached to the unit class** : Each unitholder has a co ownership right in the assets of the fund proportional to the number of units they hold.

C) **Registration to a register or clarification of the terms and conditions of liabilities keeping** : The Management Company carries out the issuing account, which delegates to BNP PARIBAS SA the keeping of the register of units to be registered or registered in bearer form within Euroclear France and delegates to IZNES the keeping of the register of units reserved for legal entities acting on their own behalf to register or registered in registered form within DEEP.

D) **Voting rights** : In the case of a mutual fund, no voting rights are attached to the units held, as decisions are taken by the management company.

However, unitholders are provided with information on the Fund's operating changes either individually, via the press or by any other means, in accordance with AMF Instruction No. 2011-19 of 21 December 2011.

E) **Form of units**: Bearer or registered.

F) **Decimalisation** : ten thousandths of units.

2°) **Closing date**: last Valuation Day in December.

3) **Tax regime**: as the Fund is not incorporated, it is not subject to corporation tax. Each unitholder is taxed as if they were directly owner of a portion of the assets, depending on the tax regime applicable to them.

If the subscription to units of the UCITS is part of the participation in a life insurance policy, subscribers will be subject to the taxation of life insurance contracts.

This information is not a substitute for information provided for individual tax advice.

**Disclaimer**: Depending on your tax status, realised or unrealised capital gains and any income resulting from the holding of units of the UCITS may be subject to taxation. We advise you to seek advice on this from your tax adviser.

### FATCA related obligation:

Under the US Foreign Account Tax Compliance Act(FATCA), unitholders may be required to provide the UCITS, the Management Company in respect of each UCI or their agent with information, in particular on their personal identity and place of residence (domicile and tax residence) . This information may be sent to the US tax authorities via the French tax authorities. Any breach by unitholders of this obligation could result in a 30% flat rate withholding tax imposed on US source financial flows.

Notwithstanding the duties carried out by the management company under FATCA, unitholders are invited to ensure that the financial intermediary they have used to invest in the UCITS benefits itself from the so called Participating FFI status. For further information, unitholders may turn to a tax advisor.

<sup>1</sup>*The concept of 'US Person' defined by the US Internal Revenue Code is available on the website <https://funds.axa-im.com/> (in the section *Legal notices*).*

### Automatic exchange of tax information (CRS regulations) :

In order to meet the requirements of the Automatic Exchange of Information in the tax field and in particular the provisions of Article 1649 AC of the French General Tax Code and Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU , unitholders will be required to provide the UCI, the management company or their agent with information particularly (but not exclusively) on their personal identity, their direct or indirect beneficiaries, the final beneficiaries and persons controlling them. Unitholders will be required to comply with any request from the management company to provide this information in

order to enable the management company and the UCI to comply with their reporting obligations. This information may be transmitted by the French tax authorities to foreign tax authorities.

### **Special provisions:**

#### **1°) Classification:**

Standard Variable Net Asset Value(VNAV) MMF.

**2°) Investment in money market funds as defined in Regulation(EU) of the European Parliament and of the Council of 14 June 2017:** up to 10% of the net assets.

#### **3°) Investment objective:**

The UCITS 'objective is to seek to outperform, after deduction of actual management fees, the capitalised € STR plus 2 basis points over a recommended investment horizon of 2 months. The UCITS implements an active, discretionary management strategy based in particular on the selection of financial instruments based on the financial analysis of issuers, while taking into account an approach linked to socially responsible investment that meets the environmental, social and governance(ESG) responsibility criteria, which are key elements used in investment decisions.

*Investors are reminded that in the event of very low money market interest rates, the return generated by the UCITS may not be sufficient to cover management fees and its net asset value may fall structurally.*

#### **4°) Benchmark:**

Capitalised € STR (Ester or Euro Short Term Rate).

The € STR is a benchmark short term interest rate in the euro area. It is calculated overnight by the European Central Bank(ECB) on the basis of the previous day's transactions.

*For more information, please visit : [www.ecb.europa.eu](http://www.ecb.europa.eu)*

*As the management of the UCITS is not index linked, its performance may differ, but to a limited extent, from that of its benchmark index.*

#### **5) Investment strategy:**

##### **A. Description of the strategies used:**

The UCITS, formerly managed by the management company AXA Investment Managers Paris, which was absorbed by BNP PARIBAS Asset Management Europe, is managed according to the specific procedures and organisation of AXA Investment Managers (hereinafter 'AXA IM') which have been integrated into BNP PARIBAS Asset Management Europe.

The UCITS is a financial product that promotes environmental and/or social characteristics within the meaning of Article 8 of European Regulation 2019/2088 of 27 November 2019 on sustainability related disclosures in the financial services sector. It should be noted, however, that to date the UCITS does not take into consideration the criteria for sustainable environmental activities set out in European Regulation 2020/852 on the establishment of a framework to promote sustainable investment (hereinafter 'The European Taxonomy Regulation') and therefore has no commitment to aligning its portfolio with the criteria of the Taxonomy Regulation. Thus, for the moment, the principle of 'not causing significant harm' is not considered on the assets of the UCITS.

The management of the UCITS consists in implementing various investment and/or arbitrage strategies on the main fixed income and credit markets of OECD member countries, markets denominated in euro or other currencies. In the event of exposure to securities denominated in currencies other than the euro, currency risk will be hedged.

The Fund is actively managed. The portfolio will be invested on a discretionary basis, under the conditions set out in the regulatory documentation, without any additional restrictions in terms of investment universe in relation to any market index. It should be noted that the volatility of the UCITS and the reference indicator or any other index should not vary significantly.

The UCITS 'strategy consists in dynamically managing a portfolio of fixed and/or floating rate fixed rate and/or credit securities directly and/or via units or shares of UCIs.

Similarly, exposure to issuers is based on the manager's micro and macroeconomic forecasts (level of growth, level of deficits, level of inflation, etc.) and credit research recommendations on issuers (analysis based on quantitative data (turnover, debt, etc.) or qualitative data (rating, quality of issuer management).

The issuer's credit curve strategy is carried out by selecting the investment maturity on a discretionary basis. Credit and sector allocation strategies are implemented through relative value strategies between credit securities and/or sectors of any type, or between sectors.

Our SRI approach is built around three complementary axes to ensure a complete assessment of the fundamentals and ESG profile of the securities in the management of the UCITS, from the definition of the investment universe to the construction of the portfolio.

### **1.1/Definition of the investment universe:**

The investment universe defined for the purpose of implementing the UCITS 'non financial objective is composed of a broad list of financial instruments that form part of the ICE Bank of America Euro Corporate Index.

For clarification, this index is a broad market index that does not necessarily take into account, in its composition or calculation methods, available on the <https://indices.theice.com> website, the ESG characteristics promoted by the UCITS.

The UCITS applies the AXA IM sector exclusion policies and the AXA IM Environmental, Social and Governance Standards Policy ('AXA IM ESG Standards Policy'), available on the website: <https://www.axa-im.fr/investissement-responsable/nos-politiques-et-rapports>, as described in the 'Risk Profile' section under " Integration of sustainability risks into the investment decision making process. "

AXA IM sector exclusion policies and ESG Standards are applied systematically and continuously during the security selection process.

The UCITS applies exclusions to 'Paris Agreement' benchmarks as defined in Article 12(1)(a) to(g) of Commission Regulation(EU) 2020/2018 covering controversial weapons, tobacco, the principles of the United Nations Global Compact and the Organisation for Economic Co operation and Development(OECD) Guidelines for Multinational Enterprises, oil, gas and electricity generation, with the exception of green bonds issued under the Regulation establishing European Green Bond Standards (Regulation(EU) 2023/2631). For other types of product generating instruments, these exclusions are applied after reviewing the projects they fund, building on the AXA IM Green Bond Evaluation Framework. Exclusion requirements for controversial weapons, tobacco, UN Global Compact principles and Organisation for Economic Co operation and Development(OECD) guidelines for multinational companies are already covered by the application of sector exclusion policies and AXA IM ESG Standards.

Exclusions described in the SRI Label guidelines are also applied systematically and continuously during the security selection process. The SRI Social Label exclusions cover controversial weapons, UN Global Compact violations and tobacco. In terms of environmental criteria, the SRI Label exclusions cover unconventional oil and gas as well as the development of new conventional and/or unconventional projects, and electricity generation whose carbon footprint is above a certain threshold revised on an annual basis. Finally, on the governance criteria, the SRI Label exclusions are based on the EU list of countries and territories that are not cooperative for tax purposes, as well as the black and grey lists of the Financial Action Task Force. Sovereign bonds issued by states that do not meet the minimum eligibility criteria based on the EU list of non cooperative countries and territories, the Financial Action Task Force's black and grey lists and the corruption perception index are also excluded.

In addition, the UCITS applies a selective approach *Best in Universe* to its investment universe, which is applied in a binding manner at all times. This ESG screening approach consists in favouring the most highly rated non financial issuers regardless of their sector, and accepting sector biases as sectors considered to be more profitable overall will be more widely represented.

The selectivity approach consists in eliminating at least 25% of the lowest rated securities in the investment universe, as defined above, on the basis of a combination of the responsible investment exclusions applicable to the UCITS, described above, and their ESG score, excluding bonds and other debt securities issued by public issuers, ancillary liquid assets and solid assets. The threshold will be raised to 30% from 1 January 2026.

The AXA IM framework for ESG ratings of issuers is structured around three pillars: Environment, Social and Governance, to help assess how companies are reducing ESG risk and taking advantage of these criteria to improve their competitive positions in their business sector. The application of this framework results in an ESG issuer rating ranging from 0 to 10. AXA IM's ESG rating method is described in the following link: [https://particuliers.axa-im.fr/investissement-responsable/notre-cadre-esg-et-notre-methodologie-de-notation?Linkid = investissement responsable menu cadreesg](https://particuliers.axa-im.fr/investissement-responsable/notre-cadre-esg-et-notre-methodologie-de-notation?Linkid=investissement%20responsable%20menu%20cadreesg).

The UCITS may invest up to 10% of its net assets, excluding bonds and other debt securities issued by public issuers and ancillary liquid assets and solid assets, in securities outside the investment universe, as defined above, provided that the issuer is eligible on the basis of selectivity criteria.

The UCITS consistently outperforms its investment universe on the following non financial key performance indicators: The first related to the percentage of diversity within governance bodies and the second related to carbon intensity.

The following minimum coverages apply to the portfolio (expressed as a minimum percentage of net assets, excluding bonds and other debt securities issued by public issuers, ancillary liquid assets and solidarity assets): (I) 90% for ESG analysis; (II) 80% (90% by 31 December 2026) for the percentage of gender diversity in governance bodies ; (III) 55% (60% by 31 December 2026) for carbon intensity.

*Further information on the environmental and/or social characteristics promoted by the UCITS is available in its 'SFDR' appendix.*

### **1.2/Fundamental stock by stock research:**

The financial analysis is carried out on the basis of the management company's micro and macroeconomic forecasts (level of growth, level of deficits, level of inflation, etc.) and credit research recommendations on issuers (analysis based on quantitative data (turnover, debt, etc.) or qualitative data (rating, management qualities of issuers), in order to build a portfolio of debt securities and money market instruments. The UCITS may invest directly and up to 100% in this type of asset.

In addition, the Investment Manager uses ESG data when constructing the selection universe. ESG scores also help guide portfolio construction towards stocks with superior ESG characteristics.

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

The various AXA IM ESG methodologies described above may evolve in the future to take into account any improvement in the availability and reliability of data, any change in regulations or other external frameworks or initiatives, among others.

### **1.3/Portfolio construction:**

The quantitative and qualitative analysis of ESG factors contributes to the criteria taken into account by the manager when determining the weighting of a stock in the portfolio. The weighting will depend on the quality of the company's management, growth strategy and governance.

In choosing the stock's weighting in the portfolio, the manager may also take into account the measures taken by the company to reduce existing ESG risks, the company's ability to focus its growth on environmental opportunities and the quality of the company's communication on ESG issues.

This process is designed to take into account the factor exposures of each security in addition to the ESG rating. It naturally directs the portfolio of these funds towards securities with higher ESG scores while maintaining exposure to desired factors.

Financial and extra financial analysis is systematically taken into account by the investment manager when determining the weighting of a security in the portfolio. However, the decision to hold, buy or sell a security does not automatically and exclusively depend on its ESG rating criteria and is based on the manager's internal analysis.

In addition, the investment manager may use techniques and instruments relating to transferable securities that it believes will contribute economically to the optimal management of the portfolio (purchases/sales of financial instruments, subscriptions/redemptions of units or shares of French or foreign UCIs, investment funds of the BNP Paribas Group or not, use of forward financial instruments to hedge the portfolio against interest rate, currency and currency risks).

The strategy will be implemented in accordance with:

- ✓ A limited risk linked to changes in interest rates that are equated with modified duration. The weighted average maturity of the assets is 6 months or less;
- ✓ Limited credit and liquidity risk. The maturity of the assets shall not exceed 2 years, on the condition that the rate is to be revised within less than 397 days, and the weighted average life to the date of termination of the instruments in the portfolio shall not exceed 12 months.

Through a prudent and continuous internal assessment of the credit quality of money market instruments, implemented and systematically applied, the UCITS selects assets that benefit from a positive assessment.

The selection of the money market instruments making up the portfolio is based on an internal credit quality assessment procedure that takes into account, in particular, quantitative and qualitative indicators of the issuer and the characteristics linked to the instrument (such as the asset class, the liquidity profile, etc.) and the assessment of operational and counterparty risks. The internal assessment procedure may take into account, in addition to other indicators, the rating assigned by the rating agencies without relying exclusively and mechanically on the sole criterion of these external ratings.

## **2. Description of asset classes and financial contracts:**

The UCITS complies with the rules on eligible assets and diversification ratios set out in Regulation(EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 below 'European Regulation 2017/1131.'

### **Equities:**

The UCITS does not intervene directly or indirectly on the equity markets.

### **Money market instruments, securitisation instruments and asset backed commercial paper:**

The UCITS may invest up to 100% of its net assets in:

- Money market instruments, whether or not denominated in euro, traded on a regulated market within the meaning of Directive 2004/39/EC or traded on another market of a Member State, regulated, recognised and open to the public, or traded on another third market, regulated, in regular operation, recognised and open to the public provided that the choice of the market has been approved by the competent authorities (or is provided for by the law or by the fund regulations or by the constituent documents of the investment company);
- Money market instruments referred to in Article 50(1)(h) of Directive 2009/65/EC;

In particular:

- Certificates of Deposit;
- Short term or medium term transferable securities (including Euro Medium Term Notes indexed to short term references);
- Treasury bills;
- Commercial Paper;

Selected financial instruments (such as bonds, for example) may have a maximum residual maturity of less than or equal to 2 years, provided that the rate is revisable within a maximum period of 397 days.

The UCITS may invest up to a maximum of 15% of its net assets in:

- Asset Backed Commercial Paper(ABCP) that does not comply with the criteria relating to cross functional regulations  
For a simple, transparent and standardised securitisation(STS) that is sufficiently liquid and has received a positive assessment.

The selected Asset Backed Commercial Paper(ABCP) may be issued by a programme that meets the conditions laid down in article 11 of European Regulation 2017/1131.

By way of derogation, the initial limit of 5% of the net assets of the UCITS per entity may be raised to 100% of its net assets when the UCITS invests in money market instruments issued or guaranteed individually or jointly by the Union, national, regional and local administrations of EU Member States or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, the Central Authority or the Central Bank of a member country of the OECD (United States, Canada, Australia, Switzerland, United Kingdom...), the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, if, and only if, none of the six(6) issues, of securities and money market instruments of the same entity no more than 30% of the net assets.

It is specified that the manager will have appropriate information: Information on the issue and the legal and financial situation of the issuer allowing the issuer risk to be properly assessed.  
It should also be noted that the issuer is subject to a stand alone assessment of credit quality.

#### **Units or shares of UCITS, AIFs or investment funds**

The UCITS may invest up to 10% of its net assets in units or shares of money market UCIs within the meaning of European Regulation 2017/1131.

The holding of units or shares of funds not classified as SRI funds is limited to 10% of the UCITS 'net assets. The SRI approach of the underlying funds may be heterogeneous.

These may be UCIs and investment funds managed by the Management Company or by other entities - belonging or not to the same group as the Management Company - including affiliated companies.

### **3. Forward financial instruments(derivatives):**

To achieve the investment objective and in line with the significant SRI commitment policy, the UCITS may enter into forward financial instruments described below. The commitment on forward financial instruments may not exceed the value of the assets.

- Nature of the markets in which the Fund invests:

- Regulated
- OTC

- Risks on which the manager wishes to intervene (either directly or through the use of representative interest rate, currency or currency indices):

- Equities
- Fixed income
- FX
- Credit
- Other risks

- Nature of investments (all transactions must be limited to achieving the investment objective):

- Hedging
- Exposure
- Arbitrage
- Other

- Nature of the instruments used:

- Futures
- Options (including caps and floors)
- Swaps (including interest rate swaps, forward swaps and other forward financial instruments to hedge interest rate risk)
- Forward exchange contracts
- Credit derivatives
- Other

- Strategy for using forward financial instruments:

The overall risk associated with forward financial instruments does not exceed the total value of the portfolio.

The use of derivatives is not intended to significantly or sustainably distort the ESG selection policy.

Forward financial instruments enable:

- Only hedge the portfolio against interest rate or currency risks.

The UCITS carries out only hedging transactions. Therefore, in the case of exposure or overexposure, the temporary nature of a duration of 1 months or 12 months does not apply.

The UCITS will not use forward financial instruments constituting global return swaps (also known as performance swaps or *total return swaps*).

The UCITS may have as its counterparty to forward financial instruments any financial institution that meets the criteria mentioned in the second paragraph of article R214-19 II of the French Monetary and Financial Code and in article 13 of European Regulation 2017/1131 and selected by the Management Company in accordance with its order execution policy, available on its website : [www.axa-im.fr](http://www.axa-im.fr).

**Contracts constituting financial guarantees:**

Within the scope of the conclusion of forward financial instruments and/or repurchase and/or reverse repurchase agreements, and in accordance with applicable regulations, the UCITS may have to pay and/or receive a financial guarantee(collateral) in order to reduce counterparty risk. Collateral received by the UCITS may only be granted by an institution that is a depositary of UCITS, a credit institution whose registered office is established in an OECD Member State or an investment firm whose registered office is located in Europe (EU or EEA) authorized to provide custody account keeping services for financial instruments and whose capital amounts to at least 3.8 million euros.

This financial guarantee may be received in the form of cash (up to 10% of its net assets) in exchange for the assets transferred for the repurchase agreements.

This financial guarantee may be received in the form of assets (excluding securitisations and ABCPs), in particular deposits, money market instruments and/or bonds issued or guaranteed by Member States of the European Union and/or supranational organisations benefiting from a positive assessment by the Management Company, in exchange for cash paid in respect of reverse repurchase agreements.

In accordance with its internal collateral management policy, the Management Company determines:

- the level of financial guarantee required; and
- the level of discount applicable to assets received as financial guarantees, in particular according to their type, issuer creditworthiness, maturity, reference currency and liquidity and volatility.

In accordance with the valuation rules set out in this prospectus, the Management Company will value the collateral received daily on a mark to market basis. Margin calls shall be made in accordance with the terms of the financial guarantee agreements.

The UCITS may reinvest financial guarantees received in the form of cash in accordance with the provisions of European Regulation 2017/1131.

Financial guarantees other than cash received may not be sold, reinvested or pledged. The counterparty receiving assets transferred by the UCITS as collateral under the repurchase agreement may not transfer, invest, commit or otherwise transfer these assets without the prior consent of the management company of the UCITS.

Collateral received by the UCITS will be held by the UCITS 'custodian or, failing that, by any third party custodian (such as Euroclear Bank SA/NV) subject to prudential supervision and which is not linked in any way to the provider of the guarantee.

Despite the Management Company's positive assessment of the issuers of securities received as financial guarantees or securities acquired through cash received as financial guarantees, the UCITS may incur a risk of loss in the event of default by these issuers or the counterparty of these transactions.

#### **4. Securities with embedded derivatives:**

The UCITS is not permitted to use securities with embedded derivatives.

#### **5. For deposits:**

The UCITS may make deposits with several credit institutions in accordance with the provisions of article 12 of European Regulation 2017/1131.

This investment may represent up to 100% of the net assets of the UCITS within the limits of the diversification rules laid down in article 17 of the same European Regulation 2017/1131.

#### **6. For cash borrowings:**

**The UCITS is not authorised to borrow cash.** However, due to *to fail trade* events, a debtor position could arise exceptionally and in the best interests of unitholders.

The investment manager will take immediate and corrective measures to clear a debit position in the best interest of unitholders.

#### **7. temporary purchases and sales of securities:**

Temporary purchases or sales of securities (also known as securities financing transactions) are carried out in accordance with the French Monetary and Financial Code and the provisions of European Regulation 2017/1131.

They are carried out as part of the management of the Fund's cash.

These transactions consist of repurchase and/or reverse repurchase agreements. The UCITS is not authorised to enter into securities lending or borrowing transactions.

The assets of the UCITS that may be subject to securities financing transactions are bonds and/or transferable debt securities and/or money market instruments (excluding securitisation assets and ABCP).

Under a repurchase agreement, cash received by the UCITS shall not exceed 10% of its assets.

Under a reverse repurchase agreement, the assets received by the UCITS are sufficiently diversified with a maximum exposure to a single issuer of 15% of its assets (except in cases where the assets received take the form of money market instruments that comply with the requirements of Article 17 of European Regulation 2017/1131).

The Management Company expects these reverse repurchase agreements to account for around 15% of the UCITS 'assets, however, the UCITS may carry out such transactions within the limit of 100% of its net assets.

Additional information on these temporary purchases or sales of securities may be found in the Fund's annual report.

Temporary purchases or sales of securities shall be guaranteed according to the principles described in the section 'Contracts constituting financial guarantees' and shall be traded according to the counterparty criteria described in the section 'Financial futures(derivatives)' above.

Additional information can be found under the heading 'Fees and expenses' on remuneration conditions for temporary sales and purchases of securities.

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**Your money will mainly be invested in financial instruments selected by the manager. These instruments shall be subject to market trends and fluctuations.**

## **6°) Risk profile:**

### General consideration:

The risk profile of the UCITS is suitable for an investment horizon of at least 2 months. As with any financial investment, potential investors should be aware that the value of the UCITS 'assets is subject to market fluctuations and that it may vary significantly (depending on political, economic and stock market conditions, or the specific situation of the issuers). The Fund's performance may therefore fall short of its objectives.

**The Management Company does not guarantee subscribers that they will not suffer losses as a result of their investment in the UCITS, even if they retain the units for the recommended investment period. Investors may not get back their initial investment in full; they are exposed to a risk of loss limited to the capital invested.**

The risks described below are not exhaustive: It is up to investors to analyse the risk inherent in each investment and to form their own opinion.

The main risks to which the subscriber is exposed are as follows:

Direct and indirect exposure to equity risk is prohibited.

### 1 - Risk of capital loss :

The UCITS does not guarantee the capital invested. Investors may not get back their initial investment in full.

### 2 - Interest Risk :

Interest rate risk is the risk of short or medium term interest rate instruments depreciating as a result of changes in interest rates that have an impact on bond markets. For example, the price of a fixed rate bond tends to move in the opposite direction to interest rates.

The UCITS is invested in fixed income products and money market instruments; if interest rates rise, the value of fixed rate assets will fall.

### 3 - Credit Risk:

In the event of a default or deterioration in the quality of the issuers of debt securities (for example, their rating downgrade), the value of the debt securities in which the UCITS is invested will fall.

### 4 - Discretionary Management Risk :

The discretionary management style is based on expected changes in fixed income markets. The Fund's performance will therefore depend on the manager's expectations of changes in the yield curve.

As management is discretionary, there is a risk that the manager does not anticipate this development.

The Fund's performance may fall short of its investment objective.

### 5 - Counterparty Risk:

This refers to the risk of the counterparty of the UCITS defaulting (or not performing all or part of its obligations) on any financial contract traded over the counter and/or on any temporary purchases and sales of securities before the transaction has been settled definitively in the form of a financial flow.

The default (or non performance of all or part of its obligations) of a counterparty to these transactions may have a significant negative impact on the net asset value of the UCITS.

### 6 - Risk associated with securitisation assets:

The manager has a prudent internal valuation procedure, however, these instruments result from complex arrangements that may involve legal risks and specific risks relating to the characteristics of the underlying assets.

If these risks are realised, the net asset value may fall.

#### 7 - Risks associated with securities financing transactions and risks associated with the management of financial guarantees:

These transactions and the associated guarantees may create risks for the UCITS such as:

- (i) Counterparty risk (as described above);
- (ii) Legal risk,
- (iii) Custody risk,
- (iv) Liquidity risk (i.e. the risk arising from the difficulty of buying, selling, terminating or valuing a security or transaction due to a lack of buyers, sellers, or counterparties), and, where applicable,
- (v) Risks associated with the reuse of collateral (i.e. mainly the risk that financial guarantees given by the UCITS may not be returned to it, for example as a result of counterparty default).

#### 8 - Risks inherent in investments in the same entity:

Risk arising from the concentration of investments made by the UCITS on certain issuers, which may cause the net asset value to fall when these issuers present a risk of loss of value or default.

#### 9 - Liquidity Risk:

The UCITS may, in very difficult market circumstances or due to an exceptionally high volume of redemption requests or other exceptional circumstances, be unable to cope with redemptions within the period indicated in the prospectus. In this case, the Management Company may, in accordance with the UCITS regulations and if this is in the interests of investors, suspend subscriptions or redemptions or extend the settlement period.

#### 10- ESG Risk :

The integration of ESG and sustainability criteria into the investment process may exclude securities from certain issuers for reasons other than investment and, therefore, certain market opportunities available for funds that do not use ESG or sustainability criteria may be unavailable for the UCITS, and the performance of the UCITS may sometimes be better or worse than that of comparable funds that do not use ESG or sustainability criteria. Part of the asset selection process may be based on an ESG scoring process or a 'ban list' which is based in part on third party data. The lack of common or harmonised definitions and labels incorporating ESG and sustainability criteria at EU level may lead managers to adopt different approaches when setting ESG objectives and determining that these objectives have been achieved by the funds they manage. It also means that it can be difficult to compare strategies that integrate ESG and sustainability criteria as the selection and weightings applied to the investments selected may, to some extent, be subjective or based on indicators that may share the same name, but whose underlying meanings are different. Investors should note that the subjective value they may or may not assign to certain types of ESG criteria may differ substantially from the Investment Manager's methodology. The lack of harmonised definitions may also result in certain investments not benefiting from preferential tax regimes or credits as ESG criteria are assessed differently than initially considered.

#### 11- Sustainability risk integration into investment decision making :

Sustainability risk is an environmental, social or governance event or situation that, if it occurs, could have a material, actual or potential negative impact on the value of the investment in the UCITS.

The UCITS uses an approach to sustainability risks which results from the significant integration of environmental, social and governance(ESG) criteria into the research and investment process. The UCITS has put in place a framework for integrating sustainability risks into investment decisions based on sustainability factors (or 'ESG factors,' hereinafter) which notably relies on sector and normative exclusions and an ESG rating methodology.

#### **Sector and normative exclusions**

In order to manage extreme ESG and sustainability risks, the UCITS has implemented a series of exclusion based policies. The policy aims to manage extreme ESG and sustainability risks, notably by:

- E: Climate (coal and oil sands), Biodiversity (protection of ecosystems and deforestation),
- S: health(Tobacco) and Human Rights (Controversial Weapons and White Phosphorus Weapons, Violations of International Standards and Standards, Serious Violations of Human Rights)
- G: Corruption (violations of international standards and norms, serious controversies, violations of the

principles of the United Nations Global Compact).

At the date of publication of this prospectus, the UCITS applies sectoral exclusion policies covering controversial weapons, agricultural commodities, the protection of ecosystems and deforestation, climate related risks and tobacco.

In addition, the UCITS applies AXA IM ESG standards to encourage ESG investments and, to this end, applies additional exclusions on white phosphorus weapons, violations of the principles of the United Nations Global Compact, violations of international standards and norms, severe controversies, countries with serious human rights violations and investments with a low ESG rating.

All these exclusion policies aim to systematically address the most serious sustainable risks in the decision making process and can change over time. For more information, please refer to the following link: <https://particuliers.axa-im.fr/fr/investissement-responsable>

### **ESG Rating**

AXA IM rating methodologies are used to assess issuers on ESG criteria (corporate, sovereign, green, social and sustainability).

These methodologies are based on quantitative data from third party data providers and have been obtained from extra financial information published by issuers and governments, as well as from internal and external research. Data used in these methods include carbon emissions, water stress, occupational health and safety, supply chain labour standards, business ethics, corruption and instability.

The corporate rating methodology is based on three pillars and several sub factors, covering the main issues facing companies in E, S and G. This framework is based on fundamental principles such as the United Nations Global Compact, the OECD Guidelines, International Labor Organization conventions and other international principles and conventions that guide companies' activities in the field of sustainable development and social responsibility. The analysis draws on the most material ESG risks and opportunities previously identified for each sector and company considering 10 factors: Climate change, natural capital, pollution and waste, opportunities related to environmental challenges, human capital, product reliability, stakeholder opposition, access to essential services, corporate governance and business ethics. The ESG score depends on the business sector, since for each sector, the most material factors are identified and overweighted. Materiality is not limited to the impacts of a company's business, but also includes impacts on external stakeholders as well as underlying reputational risk arising from a poor understanding of ESG issues.

Through this methodology, the severity of controversies is assessed and monitored on an ongoing basis. The controversy rating is also used to ensure that the most material risks are considered in the final ESG rating. As such, the rating of controversies affects the final ESG rating and high severity controversies will trigger significant penalties on the rating of the sub factors considered and finally on the ESG rating.

These ESG scores provide a standardised and holistic view of issuer performance on ESG factors, enabling both environmental and social factors to be promoted and ESG risks and opportunities to be more fully integrated into investment decisions.

One of the key limitations of this approach is the availability of data to assess sustainability risks: This data is not yet systematically disclosed by issuers and, when published, may follow different methodologies. The investor should be aware that most ESG information is based on historical data and may not reflect the future ESG performance or risks of investments.

The ESG rating is fully integrated into the UCITS 'investment process both for the integration of ESG criteria into the management strategy and for the monitoring of sustainability risk, the latter being assessed according to the UCITS' average ESG score.

Given the investment strategy and risk profile of the UCITS, the likely impact of sustainability risks on the UCITS 'returns is expected to be low.

For more information on the integration of sustainability risks into the investment decision making process and the assessment of the likely impact of sustainability risks on the UCITS 'returns, please refer to the 'SFDR' section of the website: <https://particuliers.axa-im.fr/investissement-responsable/> .

**7 ) Warranty or protection : None.**

## **8) Target investors and typical investor profile :** all investors.

This UCITS is intended for investors seeking exposure to fixed income, credit and money markets. They are advised that the UCITS incorporates a significant and committed approach to socially responsible investing that meets the environmental, social and governance(ESG) criteria.

The capital invested in a standard variable net asset value money market fund can go down as well as up.

The amount that is appropriate to invest in this UCITS depends on the personal situation of each unitholder. To determine this amount, each unitholder must take into account their personal assets, their regulations, their current needs over an investment horizon of at least 2 months, as well as their willingness to accept risks or their preference for a less risky investment. It is also highly recommended that investors sufficiently diversify their investments so as not to be exposed solely to the risks of this UCITS.

### **US Investor Restrictions:**

The units of the UCITS have not been, and shall not be, registered under the US Securities Act of 1933 and the UCITS is not, and shall not be, registered under the US Investment Company Act of 1940.

Therefore, the units may not be directly or indirectly subscribed, assigned, offered or sold in the United States of America by any US Person or any person if they are subject to the provisions of Title 1 of the US Employee Retirement Income Security Act (hereinafter 'ERISA') or the provisions of section 4975 of the US Internal Revenue Code or if they constitute a Benefit Plan Investor within the meaning of ERISA regulations. Unitholders of the UCITS must be classified as Non United States Persons under the Commodity Exchange Act.

The concepts of 'U.S. Person,' 'Non United States Person' and 'Benefit Plan Investor' are available at [https://funds.axa-im.com/\(under the legal notices section \)](https://funds.axa-im.com/(under the legal notices section )). For the purposes hereof, 'US Investors' are U.S. Persons, Benefit Plan Investors and other persons subject to ERISA, and persons who are not Non United States Persons.

Persons wishing to purchase or subscribe units may be required to certify in writing that they are not US Investors. In the event that they do so, they will no longer be authorised to acquire new units and must immediately inform the management company of the UCITS, which may, if necessary, compulsorily redeem their units.

Exemptions may be granted in writing by the management company of the UCITS, in particular where necessary under applicable law.

**The recommended minimum investment period is 2 months.**

## **9) Methods of determining and allocating Distributable Sums:** Accumulation

Distributable Amounts are composed in accordance with the legal provisions, by:

- Net income plus retained earnings, plus or minus the balance of the income equalisation account;
- Realised capital gains, net of fees, minus realised capital losses, net of fees, recorded during the financial year, plus net capital gains of the same kind recorded during previous financial years and that have not been distributed or accumulated, plus or minus the balance of the capital gains equalisation accounts.

## **10) Frequency of distribution**

All Distributable Amounts are fully capitalised each year.

**11) Characteristics of the units :** units, denominated in euro, are divided into ten thousandths.

## **12) Subscription and redemption procedures :**

Subscription and redemption requests are received every day until 12 noon \* (Paris time) by the custodian for units registered in bearer form with Euroclear France and by IZNES for units reserved for legal entities acting on their own behalf to be registered or registered with the DEEP.

Orders are executed in accordance with the table below:

Centralisation of subscription orders	Centralisation of redemption requests	Execution of the order	Publication of the net asset value * *	Delivery of subscriptions	Settlement of redemptions
J	J	J	J	J	J

\* Unless a specific deadline has been agreed with your financial institution.

\* \* The net asset value on which subscription and redemption orders will be executed is calculated on the basis of the previous day's prices(D-1) and is published on D-1. However, it may be recalculated to take into account any exceptional market event occurring before the centralisation time. The date of publication of the net asset value, which is no longer likely to be recalculated, is J.

Subscriptions are made in number of units or in amount.

Redemptions are carried out as a number of units or as an amount, except in the case of a total redemption which is carried out as a number of units only.

Any fractional units are either settled in cash or supplemented for the subscription of one or a fraction of an additional unit.

Note that the net asset value calculated on the previous weekend or public holiday includes accrued coupons on the weekend or public holiday. It is dated the last day of the anticipation period.

Subscription and redemption requests are centralised by delegation of the Management Company

- BNP PARIBAS SA for units registered in bearer form with Euroclear France and with the following address:

**BNP PARIBAS SA**  
Grands Moulins de Pantin  
9, rue Débarcadère  
93500 Pantin

- IZNES for registered units reserved for investors, legal entities acting on a proprietary basis to register or registered in the Shared Electronic Registration Scheme(DEEP) and whose address is:

**IZNES**  
Operations department  
20-22, rue Vernier -75017 Paris

**13°) Frequency of NAV calculation :** daily.

The net asset value will not be established or published on stock market days corresponding to legal holidays. The reference stock market calendar is that of Euronext(Paris).

**14°) Place of publication of the net asset value:** premises of the Management Company.

**15°) Fees and expenses:**

Subscription and redemption fees : subscription and redemption fees increase the subscription price paid by the investor or decrease the redemption price. The fees charged by the Fund serve to offset the costs incurred by the Fund to invest and disinvest investors' monies. Fees not paid to the Fund are paid to the investment manager, the promoter, etc.

Fees payable by the investor on subscriptions and redemptions	Basis	Rate/scale
Subscription fee not payable to the Fund	Net asset value x number of units	Maximum rate: 1%

		➤ AXA Group insurance companies are exempt from the payment of this fee when this UCITS is used as a vehicle for unit linked contracts
Subscription fee payable to the Fund	Net asset value x number of units	None
Redemption fee not payable to the Fund	Net asset value x number of units	None
Redemption fee payable to the Fund	Net asset value x number of units	None

**Management and administration fees:**

These charges cover all the costs invoiced directly to the Fund, with the exception of transaction costs. Transaction costs include intermediary fees (brokerage, stock market taxes, etc.) as well as transaction fees, if any, that may be charged by the custodian and the investment manager, in particular.

In addition to the operating and management fees:

⇒ Transaction fees invoiced to the UCITS;

⇒ The remuneration received by the lending agent resulting from the implementation of temporary purchases and sales of securities.

*For more details about the fees charged to the Fund, please refer to the Key Investor Information Document.*

	<b>Fees charged to the Fund</b>	<b>Basis</b>	<b>Rate/scale</b>
1	Financial management fees	Net assets (Including UCIs)	Maximum rate: 0.20% These fees are recognised directly on the Fund's income statement
2	Administrative fees not payable to the management company		
3	Maximum indirect fees (fees and management fees)	Assets of selected UCIs	<p>➤ Maximum 0.20% inclusive of tax (management fees)</p> <p>➤ Indirect subscription/redemption fees will not exceed a maximum of 1%, it being understood that no indirect subscription/redemption fee will be paid if the underlying fund is managed, directly or by delegation, by the same management company. The UCITS does not invest in units or shares of targeted money market UCIs whose subscription and redemption fees are paid to the UCI.</p>
4	Transaction fees Custodian	Levy on each transaction	Maximum €50, inclusive of tax
5	<p>Performance fee <sup>(1)(2)</sup> <u>With effect from 1 January 2019</u></p> <p>The Management Company is entitled to receive a performance fee (the 'Performance Fee'), which will be calculated by the Investment Manager for each reference period (a 'Reference Period').</p> <p><b>First Reference Period:</b> The first reference period starts on 1 January 2019 and ends on the last valuation day of December 2019. The following Reference Periods correspond to the accounting year of the UCITS and will have a duration of one year.</p>	<p><b>Performance calculation:</b></p> <p>On each Valuation Day, if the outperformance is positive, a performance fee provision equivalent to 30% of the outperformance will be deducted.</p> <p>If the outperformance is positive but nevertheless lower than that of the previous Valuation Day, the said provision will be adjusted by reversals of provisions up to the total provisions already accumulated.</p>	<p><u>Benchmark Rate</u></p> <p>The UCITS will pay the Management Company a performance fee at the end of the Reference Period, in the event that the performance of the UCITS exceeds the performance of the Capitalised € STR, increased by 2 basis points ('bps'). This performance fee will be equivalent to 30% of the outperformance between the performance of the UCITS and the performance of the Capitalised € STR increased by 2 bps.</p>

*(1) I - Procedures for calculating the performance fee:*

*Outperformance is defined as the difference between the Net Asset Value of the Fund, net of fees and expenses excluding Performance Fees, and that of a fictitious asset over a reference period. On the first date of a reference period, the value of the Fund and the fictitious asset are equal. The performance of the Reference Fund is equal to that of the € STER plus 2 bps.*

*The performance fee is based on a comparison between the performance of the fund and that of an incremental net asset at € STER plus 2 bps and presenting the same subscription, redemption or dividend payments as the actual fund (the " **Reference Fund** ").*

- *At the end of the Reference Period, provided that a provision for the Performance Fee has been established, the performance fees will be paid to the Management Company and the assets of the Reference Fund will be adjusted to the net assets of the Fund. At the end of the Reference Period, any existing provision will therefore be liquidated. If no provision is made at the end of the Reference Period, the assets of the Reference Fund are not adjusted.*

*In the event of a redemption of units or payment of dividends, part of the performance fee provision will be payable to the management company. It corresponds to the amount of the redemption or dividend distributed divided by the Fund's net assets. However, unitholders should note that under certain circumstances, an overall outperformance of the Fund over the reference period may give rise to the payment of a Performance Fee to the Management Company even if the individual return of certain unitholders is different due to their subscription and/or redemption dates.*

*An end of the Reference Period may also correspond to an asset transfer transaction by means of a merger - absorption, a split or any other exceptional transaction such as a closure, winding up or liquidation at the initiative of the management company.*

*It should be noted that if the reference indicator changes over the reference period, the management company will calculate the performance of the reference indicator corresponding to this period by combining the reference indicator in force until the date of change with the new reference indicator used thereafter.*

*II - Simplified explanatory examples*

*(Please refer to the chart below with a performance fee of 30%):*

*A - Definition:*

*Reference fund: Fictitious net assets increased by € STR plus a number of Basis points ('bps') and taking into account the same subscription and redemption movements or Dividend payment than the actual portfolio.*

*B - Examples:*

*At the end of the reference period:*

- *Reference Fund level equal to 110 and the Net Asset Value equal to 100,*

*It comes:*

- *Performance fee = 30% x Max (0; 100 - 110) = 0*
- *No alignment ('reset') of the level of the Reference Fund for the following period.*

- *Reference Fund level equal to 100 and the Net Asset Value equal to 110,*

*It comes:*

- *Performance fee = 30% x Max (0; 110 - 100) = 3*
- *Alignment ('reset') of the level of the Reference Fund for the following period, new level of the Reference Fund equal to 110.*

*III - illustrative chart:*

**The unitholders' attention is drawn to the fact that a performance fee may apply even in the event of the UCITS 'negative performance.**

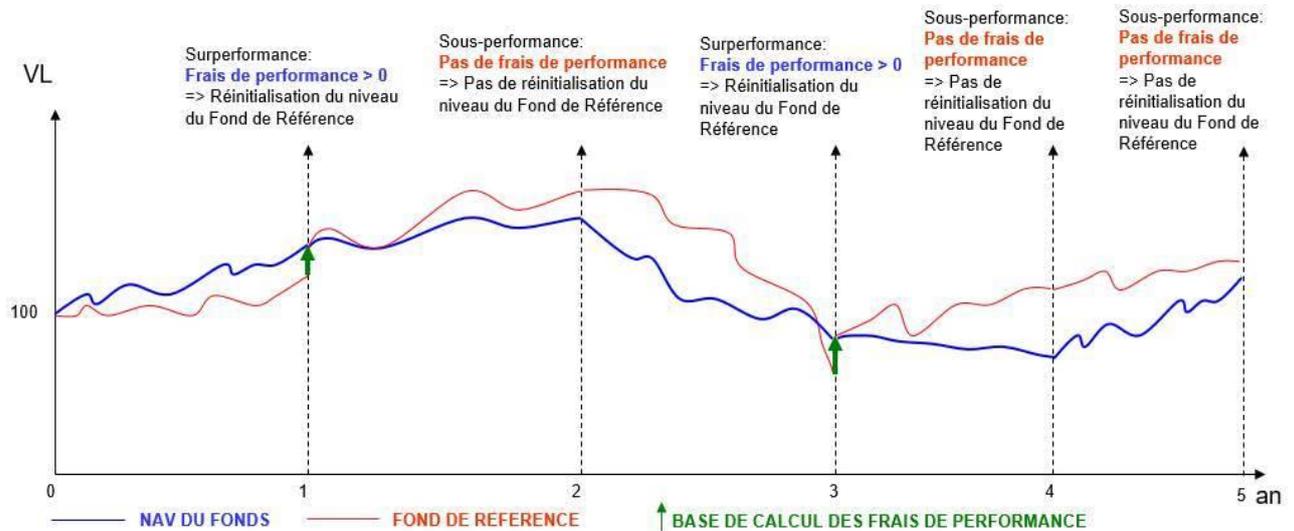


Chart comments:

At the end of each Reference Period:

In the event that the net asset value of the UCITS exceeds the Reference Fund (e.g. end of 1 and 3):  
 - a performance fee will be paid by the UCITS to the Management Company according to the following formula:

$[ \text{Percentage of performance fee} ] \% \times \text{Max} (0; [ \text{Net Asset Value (NAV)} - \text{Reference Fund} ])$

- the level of the Reference Fund will be aligned with the level of outperformance of the UCITS ('reset' of the Reference Fund).

In the event that the net asset value of the UCITS falls below the Reference Fund (see the end of 2, 4 and 5):

- no performance fee will be paid by the UCITS; and
- the Reference Fund will not be updated (no 'reset' of the Reference Fund).

<sup>(2)</sup> The EMMI (European Money Market Institute) administrator of the benchmark used to calculate the performance fee is entered in the register of administrators and benchmarks kept by ESMA. Additional information on the benchmark can be found on the EMMI administrator's website at [www.emmi-benchmarks.eu](http://www.emmi-benchmarks.eu).

In accordance with Regulation(EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016, the Management Company has a procedure for monitoring the benchmarks used describing the measures to be taken in the event of material changes to an index or cessation of the provision of this index.

The costs associated with contributions due to the Autorité des marchés financiers(AMF), extraordinary one off taxes, duties, royalties and government duties, as well as extraordinary legal costs associated with recovering the Fund's receivables, may be added to the fees charged to the Fund and set out in the table of fees presented above.

## 16) Temporary purchases and sales of securities:

For temporary purchases and sales of securities, the UCITS may use the following services:

- BNP Paribas Dealing Services,

In particular for the selection of counterparties and the management of financial guarantees.

The income (or losses) generated by these transactions are fully paid to the UCITS.

Details are set out in the UCITS 'annual report.

BNP Paribas Dealing Services selects the counterparties with which repurchase and reverse repurchase transactions are entered into in the name and on behalf of the UCITS in accordance with its execution policy available on the website <https://funds.axa-im.com/> :

BNP Paribas Dealing Services  
Registered office: 1 Boulevard Haussmann, 75009 Paris, France  
Postal address: Tour Majunga - La Défense 9  
6, place de la Pyramide  
92908 Puteaux

BNP Paribas Dealing Services and the Management Company are two entities belonging to the BNP Paribas group. In order to prevent potential conflicts of interest, the Management Company has implemented a policy for managing conflicts of interest, available at <https://funds.axa-im.com/>.

The UCITS 'policy with regard to financial guarantees and the selection of counterparties when concluding temporary purchases and sales of securities is in line with that followed for financial contracts and which is described above.

#### **17°) Selection of intermediaries:**

The procedure for selecting the investment manager's intermediaries is based on:

- Due diligence involving documentation requirements, and
- Participation in the authorisation process, in addition to the management teams, of the various teams covering the risk spectrum associated with entering into a relationship with a counterparty or broker: The Risk Management department, the Operations teams, the Compliance function and the Legal department. Each team has its own vote.

#### **IV - Commercial information :**

Information about the Fund can be obtained directly from the Management Company (postal address) :

**BNP PARIBAS ASSET MANAGEMENT EUROPE**  
Majunga Tower -6 place de la Pyramide  
92908 PARIS - La Défense cedex

- Subscription and redemption requests are delegated by the Management Company to: BNP PARIBAS SA for units registered in bearer form with Euroclear France and whose address is as follows:

**BNP PARIBAS SA**  
Grands Moulins de Pantin  
9, rue Débarcadère  
93500 Pantin

- **IZNES** for registered units reserved for legal entities acting on a proprietary basis to register or registered in the Shared Electronic Registration Scheme(DEEP) and whose address is:

**IZNES**  
Operations department  
20-22, rue Vernier -75017 Paris

#### **➤ Meeting social, environmental and governance objectives:**

Information on criteria relating to compliance with social, environmental and governance(ESG) objectives is available on the Management Company's website (<https://funds.axa-im.com/>) and will be mentioned in the

annual report for the annual financial years.

➤ **Voting rights policy and access to the report:**

Information on the voting policy and the report on the conditions under which voting rights are exercised is available on the Management Company's website ( <https://funds.axa-im.com/> ).

➤ **Information in the event of a change in the Fund's operating procedures:**

Unitholders are informed of any changes to the Fund's operating procedures, either individually, via the press or by any other means in accordance with the regulations in force. This information may be obtained, where applicable, through Euroclear France and its affiliated financial intermediaries.

The management company informs the unitholders of the UCITS that professional unitholders subject to regulatory requirements such as those related to Directive 2009/138/EC (Solvency 2) may receive the composition of the portfolio of the UCITS before making this information available to all unitholders.

**V - Investment rules :**

In accordance with the regulatory part of the French Monetary and Financial Code and the provisions of European Regulation 2017/1131

Changes to the French Monetary and Financial Code will be taken into account by the management company in the management of the UCITS as soon as they are applied.

**VI - Global Risk :**

The UCITS 'overall risk calculation method is the commitment calculation method.

**VII - Asset valuation and accounting rules :**

The net asset value of the fund on a given day is calculated on the basis of the previous day's prices. In the event of an exceptional market event occurring before the centralisation cut off time, it may be recalculated to ensure that there are no opportunities for *market timing*. The date of publication of the net asset value, which is no longer likely to be recalculated, is J.

1°) The portfolio is valued on each net asset value date and at the end of the annual financial statements as follows:

**Transferable securities:**

**Financial instruments and securities traded on French or foreign regulated markets :**

- Financial instruments and securities traded on a French or foreign regulated market: Closing price on the valuation day (source: Thomson Reuters).
- Transferable securities whose prices have not been determined on the valuation day are valued under the Management Company's responsibility at the last officially published price or at their foreseeable sale prices. Supporting documents are sent to the statutory auditor at the time of the audit.
- Currencies: Foreign securities are converted into the equivalent of the euro using the exchange rate published at 4.00pm in London on the valuation day (source: WM Company).
- Fixed or floating rate bonds and fixed rate products, including annual interest bills(BTAN), fixed rate and prepaid interest bills(BTF) , are valued daily at their market value on the basis of valuation prices from data providers considered eligible by the Management Company and ranked in order of priority according to the type of instrument. Ils are valued at a coupon price.

However, the following instruments are valued using the following specific methods:

Units or shares of UCIs :

- Units or shares of UCIs are valued at their last published official net asset value. Undertakings for collective investment valued within a period that is incompatible with the determination of the fund 's net asset value are valued on the basis of estimates made under the control and responsibility of the Management Company.

Tradeable Debt Securities excluding annual interest rate treasury bills(BTAN), fixed rate and prepaid interest bills(BTF):

Transferable debt securities are valued by means of an actuarial method; the discount rate used is that applied to the issue or issue of equivalent securities plus or minus, where applicable, a differential reflecting the issuer's specific characteristics (the issuer's market spread).

The market rates used are:

- for the euro, the € STR swap curve (Overnight Indexed Swap OIS method),
- for USD, Fed Funds swap curve (Overnight Indexed Swap OIS method),
- for GBP, SONIA swap curve (Overnight Indexed Swap OIS method).

The discount rate is an interpolated rate (by linear interpolation) between the two closest quoted periods governing the maturity of the security.

Securitisation instruments :

- Asset Backed Securities(ABS): ABS are valued on the basis of a valuation price derived from service providers, data providers, eligible counterparties and/or third parties appointed by the Management Company (i.e. eligible data providers).
- Collateralised Debt Obligations(CDOs) and collateralised loan obligations(CLOs):
  - (I) subordinated tranches issued by CDOs and/or CLOs and (II) 'bespoke' CLOs are valued on the basis of an evaluation price from the arranging banks, Lead Managers, counterparties that have committed to provide these valuation prices and/or third parties designated by the Management Company (ie, eligible data providers)
  - (II) securities issued by CDOs and/or CLOs that are not (I) subordinated tranches of CDOs and/or CLOs or (II) 'bespoke' CLOs are valued on the basis of an evaluation price from third parties appointed by the Management Company (ie, eligible data providers).

The prices used to value securitisation instruments are under the control and responsibility of the Management Company.

Temporary purchases and sales of securities :

- Pensions:
  - Reverse repurchase agreements: The receivable representing securities received under repurchase agreements is valued according to the contractual terms and conditions.
  - Repurchase agreements: Securities transferred under repurchase agreements are valued at the market value of the securities; the debt represented by securities transferred under a repurchase agreement is valued according to the contractual terms.

**Financial instruments not traded on a regulated market :**

They are valued under the Management Company's responsibility at their foreseeable sale prices.

- Forex Forwards: Forward FX is valued based on a calculation that takes into account:
  - The nominal value of the instrument,
  - The strike price of the instrument,

- Discount factors for the remaining term,
- The spot exchange rate at market value,
- The forward exchange rate for the remaining term, defined as the proceeds of the spot exchange rate and the ratio of discount factors in each currency calculated using the appropriate yield curves.

⇒ Money market OTC derivatives (excluding CDS, FX Forwards and CFD):

- Interest rate swaps:

- Interest rate swaps versus capitalised daily index (e.g. swaps vs. EONIA/€ STR, Fed Funds/SOFR, SONIA, etc.):

They are valued using the recovery cost method. On each NAV calculation, interest rate and/or currency swaps are valued at their market value based on the price calculated by discounting future cash flows (principal and interest) at the market interest and/or currency rate. Discount is calculated using a zero coupon yield curve.

- Interest rate swaps versus a forward benchmark index (eg swaps vs EURIBOR):

They are valued at their market value based on prices calculated by counterparties, under the control and responsibility of the Management Company.

⇒ Non cash OTC derivatives (excluding CDS, FX Forwards and CFD):

Forward financial instruments are valued at their market value using prices calculated by counterparties, under the control and responsibility of the Management Company.

If the Management Company deems it necessary, a specific investment or security may be valued using an alternative method than those described above, on the recommendation of Global Risk Management or a portfolio manager after validation by Global Risk Management. When the value of an investment is not verifiable by the usual method or an alternative method, it will correspond to the estimated probable realizable value, under the control and responsibility of the Management Company.

In practice, if the management company is forced to carry out a transaction at a price significantly different from the valuation provided for by the valuation rules presented here, all the securities remaining in the UCITS must be valued at this new price.

## 2°) Accounting methods:

Income is recorded on the basis of coupons received.

Trading costs are recorded in the specific accounts of the UCI and are therefore not added to the cost price of the transferable securities (excluding fees).

The WAPP (or Weighted Average Revenues Price) is used as a method for liquidating securities. However, for derivatives, the FIFO (First In First Out) method is used.

## **VIII - Minimum information relating to the detailed description of the evaluation procedure of Credit risk (the 'Procedure')**

I- Description of the scope of the Procedure

- Purpose of the Procedure:

The Management Company has established an internal credit quality assessment procedure applicable to AXA IM money market funds. The objective of this document is to ensure that money market funds invest in assets that have received a positive assessment of credit quality from the Management Company.

- Scope of application:

This Procedure applies to money market instruments issued by private organisations but also by sovereign, quasi sovereign or supranational entities and Asset Backed Commercial Paper ('ABCP') issued by an ABCP program fully guaranteed by a regulated credit institution.

The Management Company's AXA IM money market funds may invest in ABCP programmes only when they are fully guaranteed. A scheme is fully guaranteed when investors are protected from a third party deterioration in the return on assets. This guarantor provides a 100% hedge against credit and liquidity risk.

II- The Management Company's analysis of a fully guaranteed programme is based on the financial soundness of the guarantor and not on the quality of the assets. The guarantor rating is therefore applied to the ABCP program.

III- Description of the participants in the procedure

The internal credit analysis process for AXA IM money market funds is shared between two distinct teams:

- Research team: It consists of analysts and economists based in Europe and the US. The financial analysts are responsible for defining a methodology for assessing and analysing the credit quality of issuers. Each analyst specialises in one or more sectors or geographical areas and has a designated back up from among the other financial analysts. There is a head of research in Europe and a second head for the US. This team of financial analysts covers:
  - o Developed countries/sovereigns;
  - o Financial and non financial corporates;
  - o Local and regional governments;
  - o Government agencies;
  - o Supranational financial institutions.

Economists located in Europe and Asia build scenarios, assess the associated risks and assess, through quantitative indicators, the credit quality of developed European countries.

The Research team is completely independent from the money market fund management teams. She reports directly to the Global Head of the CORE Investments platform.

The MMF team does not take part in and influence the Research team's internal credit analysis at any time. Analysts and economists are recruited on the basis of qualifications, skills and experience enabling them to carry out the evaluations independently.

Where a manager identifies a new issuer that does not benefit from an internal credit quality assessment, they will request that the analysis be undertaken.

- Global Risk Management ('GRM'): Within this department, a dedicated Investment Risk Analysis(IRA) team in Paris is responsible for providing the final scores based on the ratings of the Research team and quantitative inputs. This team is composed of a manager and employees (between 4 and 6) Quantitative Risk Analysts.

The GRM IRA team complements the assessment made by the Research team above by considering additional quantitative parameters and produces the final scores on which the managers' investment decision is based.

The GRM IRA team is ultimately responsible for the internal scores used by the management. In terms of organisation, the GRM department reports to the Chief Operating Officer(COO) Global of the Management Company, which in turn reports directly to the Global CEO of the Management Company, and is independent of the management teams. The MMF Team does not take part in and influence the internal credit analysis carried out by the GRM IRA Team at any time. Members of the GRM IRA team have the necessary qualifications, skills and experiences to independently conduct the assessments.

Description of the methodology

- Step 1: the Research Team conducts fundamental analysis based on factors that vary by issuer type, such as:
  - o Macroeconomic indicators;

- In depth understanding of the issuer's business sectors;
- Financial position of the issuer, liquidity of the issuer, including the ability to refinance short term debt;
- Key ESG factors considered most relevant for each issuer;
- Event risk associated with possible mergers, acquisitions or disposals;
- External rating agencies...

This analysis results in an internal credit quality rating on different scales depending on the type of issuer.

- Second stage : the GRM IRA AXA IM team conducts an additional assessment of issuers based on the scores of the Research team and quantitative data, such as:
  - Country risk: CDS spreads;
  - Issuer risk: Issuer CDS spreads;
  - External rating agencies...

A final score is produced and will be used to determine whether the issuer is eligible for investment in money market portfolios. Only issuers that have received a favourable internal rating from GRM IRA will be eligible for inclusion in the portfolios. It should be noted that the internal rating is made available automatically to the management platforms and cannot be changed.

- Credit Quality Revaluation: scores prepared by GRM are recalculated on a weekly basis taking into account changes in input parameters (ratings of the Research team, CDS spreads, etc.). Any material changes to these parameters would revise the established score.

For its part, the Research team carries out a constant analysis of market and issuer information based on information available in the press or in the issuers' financial reports. Each analyst or economist is responsible for the issuers included in its scope, and it is up to him to verify and assess whether the financial information received is likely to reassess the assigned score. The Research team also conducts an annual review of all issuer ratings.

#### IV- Description of the framework for the review of the Credit Quality Assessment Procedure

The Internal Credit Quality Assessment Procedure is approved by the Global Risk Management Board (GRMB).

To ensure that the Procedure works properly, the Chief Operating Officer of the Core Investments platform ensures that this Procedure is reviewed at least once a year by the GRMB and informs the latter at least once a year:

- The credit risk profile of MMFs, based on an analysis of internal credit quality assessments;
- Areas where weaknesses have been identified and progress in actions and work to address weaknesses previously identified.

#### Additional remarks:

In the event of material changes in market conditions, the Management Company may have to rapidly change its credit quality assessment procedure in order to adapt it as best as possible to the situation and will cover temporary cases where the information displayed does not reflect exactly the procedure at all times. The management company would then update the description of the procedure as soon as possible and in the best interests of the unitholders.

### **IX - Remuneration**

The Management Company (formerly AXA Investment Managers Paris) has validated and adopted the AXA IM Global Remuneration Policy, in accordance with applicable regulations and which ensures sound and effective risk management, does not encourage risk that is inappropriate to the risk profile of the Funds it manages or its Constitutive Acts and does not impair its obligations to act in the best interests of each Fund.

The AXA IM Global Remuneration Policy, which was approved by the Remuneration Committee, defines the compensation principles for all entities which were part of the AXA IM Group before 1 July 2025.

It takes into account AXA IM's strategy, objectives, risk tolerance and the long term interests of AXA IM's shareholders, employees and clients (including the Fund). The AXA IM Remuneration Committee is responsible for defining and reviewing AXA IM's remuneration principles, including the AXA IM Global Remuneration Policy, as well as reviewing the annual remuneration of AXA IM Group senior executives and executives exercising control functions.

The Management Company provides AXA IM with fixed and variable remuneration. An employee's fixed compensation is structured to reward his or her level of responsibility, professional experience and individual ability to perform his or her duties. Variable compensation is determined by performance and can be awarded annually on a non deferred basis, and for certain employees on a deferred basis. Non deferred variable compensation may be awarded in cash or, where applicable and in accordance with local laws and regulations, in the form of instruments indexed to the performance of AXA IM Funds.

Deferred variable compensation is awarded in the form of various instruments structured to reward medium and long term value creation for clients and AXA IM and to reward long term value creation for the Group to which the Management Company belongs. The Management Company ensures that the balance between fixed and variable compensation and deferred and non deferred compensation is appropriate.

Updated details of the AXA IM Global Remuneration Policy are available online at [www.axa-im.com/important-information/remuneration-policy](http://www.axa-im.com/important-information/remuneration-policy). A description of how compensation and benefits are allocated to employees, and information on the AXA IM Remuneration Committee, are available. The Management Company will provide a hard copy upon request and free of charge.

#### **X - Payment of shared commissions and negotiated discounts**

- a) As part of its business development policy, the Management Company may decide to develop contacts with various financial intermediaries who in turn are in contact with client segments likely to invest in the Management Company's funds. The Management Company applies a strict partner selection policy and determines their one off or recurring remuneration conditions, calculated either on a lump sum basis or in proportion to the management fees received in order to preserve the long term stability of the relationship.
- b) The Management Company may, on a discretionary basis based on commercial interests, grant discounts negotiated directly to investors on request. Negotiated rebates serve to reduce the fees or costs incumbent on the investors concerned.  
Negotiated discounts are authorized provided that they are paid out of the remuneration received by the Management Company and therefore do not represent an additional charge for the UCITS and are granted on the basis of objective criteria.

For more information, please refer to the document entitled 'Remuneration for the Distribution of Undertakings for Collective Investment and marketed to certain unitholders' available on the website: [www.axa-im.fr/informations-importantes](http://www.axa-im.fr/informations-importantes).

**Precontractual information for financial products referred to in Article 8(1), (2) and (2)(a) of Regulation (EU) 2019/2088 and in the first paragraph of Article 6 of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that it does no significant harm to either of these objectives and that the companies in which the financial product invest apply good governance practices.

The **EU taxonomy** is a classification system established by Regulation (EU) 2020/852, which lists **environmentally sustainable economic activities**. The regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective are not necessarily aligned with the taxonomy.

**Product name:** AXA IM EURO LIQUIDITY SRI (the "Financial Product")

**Legal entity identifier:** 969500UATFQJ33LPD348

## Environmental and social characteristics

**Does this financial product have a sustainable investment objective?**

**YES**
  **NO**

<p><input type="checkbox"/> It will make a minimum number of sustainable investments with an environmental objective: ____%</p> <p><input type="checkbox"/> in economic activities that are considered environmentally sustainable under the EU taxonomy</p> <p><input type="checkbox"/> in economic activities that are not considered environmentally sustainable under the EU taxonomy</p> <p><input type="checkbox"/> It will make a minimum number of sustainable investments with a social objective: ____%</p>	<p><input checked="" type="checkbox"/> It promotes environmental and/or social (E/S) characteristics, and though it does not have a sustainable investment objective, 10% of its investments are sustainable investments</p> <p><input type="checkbox"/> with an environmental objective and carried out in economic activities that are considered environmentally sustainable under the EU taxonomy</p> <p><input checked="" type="checkbox"/> with an environmental objective and carried out in economic activities that are not considered environmentally sustainable under the EU taxonomy</p> <p><input checked="" type="checkbox"/> with a social objective</p> <p><input type="checkbox"/> It promotes sustainable investment characteristics, but <b>did not make sustainable investments</b></p>
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**What environmental and/or social characteristics are promoted by this financial product?**

The environmental and social characteristics promoted by the Financial Product consist of investing in:

- issuers who take **gender diversity into account on the composition of the governance bodies**.
- issuers that take into account their **carbon intensity**.

The Financial Product also promotes other environmental and social characteristics, namely:

- Preserving the climate through exclusion policies on coal and oil and gas activities
- Ecosystem protection and prevention of deforestation
- Health through the tobacco exclusion policy
- Human rights, labour rights, society, business ethics, anti-corruption measures through the exclusion of companies that cause, contribute to or have significant links to violations of international norms and standards, focusing in particular on the principles of the United Nations Global Compact ("UNGC"), the conventions of the International Labour Organization ("ILO"), and the OECD Guidelines for Multinational Enterprises

- Protecting human rights, by avoiding investing in debt instruments issued by countries where the worst forms of human rights violations are observed.

No specific index has been designated as a benchmark to determine whether the Financial Product is aligned with the environmental and/or social characteristics it promotes. A broad market index, €STR Capitalised (the "Benchmark Index"), has been designated by the Financial Product.

The initial investment universe of the Financial Product will be defined as consisting of a broad list of financial instruments that are part of the ICE Bank of America Euro Corporate Index (the "Investment Universe").

**Sustainability indicators** are used to check whether the financial product complies with the environmental or social characteristics promoted by the financial product.

● ***What sustainability indicators are used to measure the achievement of each of the environmental or social characteristics promoted by the financial product?***

Promotion of the Financial Product's environmental and social characteristics, as described above, is measured by the following sustainability indicators:

- The weighted average of women on the board of directors is defined as the percentage of women members of the board of directors of the companies in which the Financial Product invests and that of its Investment Universe. This indicator is provided by a third-party data provider.
- The weighted average of the carbon intensity of the Financial Product and its Investment Universe. This indicator represents the amount of greenhouse gas (GHG, covering at least Scopes 1 and 2) emissions released into the atmosphere. This carbon intensity is expressed in tonnes of CO<sub>2</sub> equivalent per million USD of turnover.

The Financial Product outperforms its Investment Universe on these sustainability indicators in order to promote the environmental and/or social characteristics described above.

● ***What are the objectives of the sustainable investments that the Financial Product specifically intends to pursue and how do the sustainable investment contribute to these objectives?***

The Financial Product intends to invest in instruments considered to be sustainable investments by evaluating the positive contribution made by portfolio companies through at least one of the following dimensions:

**1. Alignment of portfolio companies with the United Nations Sustainable Development Goals (SDGs)** as a framework of reference, considering companies that contribute positively to at least one SDG according to a "Best-in-Universe" selection approach which consists of favouring the best rated issuers from an extra-financial point of view, regardless of their sector of activity. To be considered a sustainable asset and to certify a contribution to one or more environmental and/or social factors, a company must meet the following criteria:

- a. The SDG score relating to "products and services" offered by the company is greater than or equal to 2, i.e. the company derives at least 20% of its turnover from a sustainable activity; or
- b. Based on a "Best-In-Universe" selection approach which consists of giving preference to the issuers with the best ratings from an extra-financial point of view, regardless of their sector of activity, the SDG score for the issuer's Operations is in the top 2.5%, with the exception of SDG 5 (Gender equality), SDG 8 (Decent work), SDG 10 (Reduced inequality), SDG 12 (Responsible consumption and production) and SDG 16 (Peace and justice), where the issuer's SDG score for operations is in the top 5%. For SDGs 5, 8, 10 and 16, the selection criterion relating to the issuer's "Operations" is less restrictive because these SDGs are more adequately assessed through the way in which the issuer conducts its business rather than through the products and services offered by the portfolio company. The selection criterion related to Operations is also less restrictive for SDG 12, which can equally be evaluated in a relevant manner by the Products & Services or by the Operations of the issuer.

Quantitative results on the SDGs are obtained from third-party data providers and can be adjusted on the basis of a qualitative analysis carried out by the Investment Manager. More information on the qualitative analysis carried out by the Investment Manager can be found in the document entitled "Approach to sustainable investment under the SFDR regulation for traditional asset classes", available on the fund manager's website, the link to which is provided below.

**2. Integration of issuers engaged in a solid transition to carbon neutrality** and in line with the European Commission's aim to contribute to financing the transition to a world where global warming is limited to 1.5°C - on the basis of the framework developed by the Science Based Targets Initiative (SBTI) -, considering companies whose objectives have been validated by the SBTi.

**3. Investments in green, social or sustainable bonds and in sustainability linked bonds:**

- a. Green, social and sustainable bonds are instruments that aim to contribute to various sustainable objectives by nature. Thus, investments in corporate and government bonds that have been identified as green, social or sustainable bonds in the Bloomberg database are considered "sustainable investments" according to the AXA IM SFDR framework.
- b. For sustainability bonds, an internal framework has been developed to assess the strength of bonds used to finance a general sustainability objective. These instruments are more recent, the practices of issuers are heterogeneous. Thus, only sustainability linked bonds to which a positive or neutral opinion is attributed at the end of AXA IM's internal analysis process

are considered to be "sustainable investments". The analytical framework is based on the International Capital Market Association (ICMA) guidelines integrated into the approach developed by AXA IM and based on the following criteria: (i) the issuer's sustainability strategy and the relevance and materiality of key performance indicators; (ii) the ambitiousness of the sustainability performance target; (iii) the characteristics of the bonds; and (iv) monitoring and reporting of the sustainability performance target.

These methodologies may evolve to take into account, but are not limited to, any improvement in, for example, the availability and reliability of data, or any change in regulations or other external frameworks or initiatives.

The Financial Product does not take into consideration the environmental objectives of the European Union Taxonomy.

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

**To what extent have the sustainable investments that the Financial Product specifically intends to pursue caused no significant social or environmental harm?**

Application of the "Do no significant harm" principle to sustainable investments that the Financial Product partially intends to make means that an issuing company cannot be considered to be sustainable if it meets at least one of the criteria listed below:

- The issuer causes significant harm to one of the SDGs when an SDG has a score below -5, calculated from a third-party supplier's database and on a scale from +10 corresponding to a "significant contribution" to -10 corresponding to a "significant obstruction", except where the quantitative score has been adjusted following a qualitative analysis. This criterion is applied to portfolio companies considered to be sustainable.
- The issuer is on AXA IM's exclusion lists as defined in the sector-based exclusion policy and AXA IM's ESG Standards (described below) which take into account, among other factors, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This criterion is applied to the portfolio as a whole.
- The issuer had an ESG rating less than or equal to CCC (or 1.43) according to AXA IM's ESG rating methodology. The ESG rating is based on the ESG rating obtained from a third-party data provider, which evaluates data through the environmental, social and governance (ESG) dimensions. In the event of no coverage or disagreement on the ESG rating, AXA IM analysts may supplement this rating with a fundamental and documented ESG analysis, provided that it is approved by an internal governance body at AXA IM. This criterion is applied to the portfolio as a whole.

Indicators relating to the negative impacts on sustainability factors are taken into account, in particular through the application of AXA IM's exclusion and engagement policies.

*How were the negative impact indicators considered?*

This Financial Product takes into account indicators relating to negative impacts on sustainability (or "PAI" in English) to ensure that sustainable investments do not cause significant harm to the other sustainable development objectives defined under the SFDR regulation.

PAI are mitigated by the strict application of exclusion lists as defined in AXA IM's policies on sector-based exclusions and ESG standards (described below), as well as by applying a selection filter based on indicators relating to the United Nations Sustainable Development Goals. As part of the no significant harm approach, no specific thresholds or comparisons with reference values have been defined.

Where appropriate, engagement policies also help to mitigate risks associated with PAIs through direct dialogue with companies on sustainability and governance issues. Through engagement activities, the Financial Product will use its influence as an investor to encourage companies to mitigate the environmental and social risks related to their sectors. Voting at shareholders' meetings has also been an important part of the dialogue with portfolio companies, to sustain the long-term value of the companies in which the Financial Product invests and to mitigate adverse impacts, as described below.

**Exclusion policies:**

**Environment:**

Related AXA IM policies	PAI indicator
Climate Risk Policy	PAI 1: Greenhouse gas (GHG) emissions (levels 1, 2, & 3 from January 2023)
Ecosystem protection and anti-deforestation policy	PAI 2: Carbon footprint
	PAI 3: GHG intensity of investee companies
Climate Risk Policy	PAI 4: Exposure to companies active in the fossil fuel sector

Climate Risk Policy (engagement only)	PAI 5: Share of non-renewable energy consumption and production
Climate risk policy (taking into account an expected correlation between GHG emissions and energy consumption) <sup>1</sup>	PAI 6: Energy consumption intensity by sector with high climate impact
Ecosystem protection and anti-deforestation policy	PAI 7: Activities with a negative impact on biodiversity-sensitive areas

- **Social and Governance:**

Related AXA IM policies	PAI indicator
Policy on ESG standards: Violation of international norms and standards	PAI 10: Violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises
Policy on ESG standards: (Violation of international norms and standards considering that there is a correlation between companies not complying with international standards and the lack of implementation by companies of compliance processes and mechanisms to monitor compliance with these standards) <sup>2</sup>	PAI 11: Lack of compliance processes and mechanisms to monitor adherence to the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises
Voting and engagement policy with systematic application of gender-related voting criteria on boards	PAI 13: Gender diversity on governance bodies
Controversial weapons policy	PAI 14: Share of investment in companies involved in the manufacture or sale of controversial weapons

**Filter on indicators relating to the United Nations SDGs:**

AXA IM also relies on the SDG pillar of its responsible investment policy to monitor and take into account the negative impacts on these sustainability factors by excluding portfolio companies that have an SDG score below -5 for any SDG (on a scale from +10 corresponding to "a significant contribution" to -10 corresponding to "a significant obstruction"), except where the quantitative score has been adjusted following a qualitative analysis duly documented by AXA IM. This approach allows AXA IM to ensure that portfolio companies with the most significant negative impacts on an SDG are not considered as sustainable investments.

The availability and quality of the data are currently lower for certain sustainability factors, such as those related to biodiversity, which may have an impact on the coverage of the following PAI indicators: emissions to water (PAI 8), hazardous waste and radioactive waste ratio (PAI 9) and unadjusted gender pay gap (PAI 12). These sustainability factors are among the 17 goals targeted by the United Nations SDGs (more specifically, they are covered by SDG 5 "Gender equality", SDG 6 "Access to clean water and sanitation", SDG 8 "Access to decent jobs", SDG 10 "Reducing inequalities", SDG 12 "Responsible consumption" and SDG 14 "Protection of aquatic fauna and flora"). Pending better availability and quality of data, the AXA IM framework makes it possible to limit the worst impacts on these SDGs.

*To what extent do the sustainable investments comply with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Detailed description:*

The Financial Product does not invest in companies that cause, contribute to or are linked to significant violations of international norms and standards. These standards relate to human rights, society, labour and the environment. They thus offer a methodology for evaluating an issuer's good governance practices, in particular with regard to the strength of management structures, relations with employees, staff remuneration and tax compliance. AXA IM relies on an external service provider's screening system and excludes companies that have been found to be 'non-compliant' with the principles of the United Nations Global Compact, the International Labour Organization (ILO) conventions, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGP).

*The EU taxonomy establishes a 'do no significant harm' principle under which investments aligned with the taxonomy must do no significant harm to the objectives of the EU taxonomy. It is accompanied by EU-specific criteria.*

<sup>1</sup>The approach used to meet the PAI benchmarks though this carve-out policy will evolve as the availability and quality of data improves and AXA IM will be able to use the PAI more effectively. To date, not all sectors with a high climate impact are covered by the exclusion policy.

<sup>2</sup>The approach used to meet the PAI benchmarks though this carve-out policy will evolve as the availability and quality of data improves and AXA IM will be able to use the PAI more effectively.

The 'do no significant harm' principle applies only to 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 cause significant harm to environmental or social objectives.



## Does this financial product take into account the main adverse impacts on sustainability factors?

Yes

No

The main negative impacts are taken into account using (i) a qualitative approach and (ii) a quantitative approach:

(i) The qualitative approach for taking into account the negative impacts on sustainability factors is on an exclusion basis and, where appropriate, on engagement policies. The exclusions implemented in the context of applying (i) AXA IM's sectoral policies and AXA IM's ESG standards and (ii) the exclusion criteria under the benchmarks aligned with the Paris Agreement (PAB), defined in Article 12, point (1), subparagraphs (a) to (g), of Delegated Regulation (EU) 2020/1818 on benchmarks, cover the risks related to the most significant sustainability factors and are applied on a binding and continuous basis. The exclusions for benchmarks aligned with the Paris Agreement do not apply to green bonds issued under the European Green Bond Standards Regulation (Regulation (EU) 2023/2631). For other types of revenue-generating instruments, these exclusions are applied after reviewing the projects they finance, based on AXA IM's Green Bond Assessment Framework.

Where appropriate, engagement policies constitute an additional mitigation of the risks associated with the negative impacts on sustainability factors through direct dialogue with companies on sustainability and governance issues. Through its engagement activities, the Financial Product used its influence as an investor to encourage companies to mitigate the environmental and social risks inherent in their sector, as described below.

Voting at general meetings is an important element of dialogue with portfolio companies in order to promote the long-term value of these companies and to mitigate the main negative impacts on sustainability factors.

Through these exclusion and engagement policies, this Financial Product takes into account the potential negative impact on these specific PAI indicators:

Applicable to investments in companies:

	Relevant AXA IM policies and regulatory requirements	PAI indicator
Climate and other environment-related indicators	AXA IM Climate Risk Policy Exclusions applicable to the "Paris Agreement" benchmarks of Delegated Regulation (EU) 2020/1818 Article 12(1)(a)-(g))	PAI 1: Greenhouse gas (GHG) emissions (levels 1, 2, & 3 from 01/2023)
	AXA IM Ecosystem Protection and Deforestation Policy	
	AXA IM Climate Risk Policy Exclusions applicable to the "Paris Agreement" benchmarks of Delegated Regulation (EU) 2020/1818 Article 12(1)(a)-(g))	PAI 2: Carbon footprint
	AXA IM Ecosystem Protection and Deforestation Policy	
	AXA IM Climate Risk Policy Exclusions applicable to the "Paris Agreement" benchmarks of Delegated Regulation (EU) 2020/1818 Article 12(1)(a)-(g))	PAI 3: GHG emission intensity of portfolio companies
	AXA IM Ecosystem Protection and Deforestation Policy	
AXA IM Climate Risk Policy Exclusions applicable to the "Paris Agreement" benchmarks of Delegated	PAI 4: Exposure to companies active in the fossil fuel sector	

	Regulation (EU) 2020/1818 Article 12(1)(a)-(g))	
	AXA IM Climate Risk Policy (engagement only) Exclusions applicable to the "Paris Agreement" benchmarks of Delegated Regulation (EU) 2020/1818 Article 12(1)(a)-(g))	PAI 5: Share of non-renewable energy consumption and production
	AXA IM's climate risk policy (taking into account an expected correlation between GHG emissions and energy consumption) <sup>3</sup> Exclusions applicable to the "Paris Agreement" benchmarks of Delegated Regulation (EU) 2020/1818 Article 12(1)(a)-(g))	PAI 6: Energy consumption intensity by sector with high climate impact
	AXA IM Ecosystem Protection and Deforestation Policy	PAI 7: Activities with a negative impact on biodiversity-sensitive areas
<b>Social and personnel issues, respect for human rights, fight against corruption and acts of corruption</b>	AXA IM Policy on ESG Standards/ Violation of International Standards and Norms Exclusions applicable to the "Paris Agreement" benchmarks of Delegated Regulation (EU) 2020/1818 Article 12(1)(a)-(g))	PAI 10: Violations of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises
	AXA IM Policy on ESG Standards/breach of international standards and norms (taking into account an expected correlation between companies that do not comply with international standards and norms and the companies' failure to implement processes and compliance mechanisms to monitor compliance with these standards) <sup>4</sup> Exclusions applicable to the "Paris Agreement" benchmarks of Delegated Regulation (EU) 2020/1818 Article 12(1)(a)-(g))	PAI 11: Lack of compliance processes and mechanisms to monitor adherence to the UN Global Compact Principles and the OECD Guidelines for Multinational Enterprises
	AXA IM voting and engagement policy on gender-related voting criteria on boards	PAI 13: Gender diversity on governance bodies
	AXA IM Policy on Controversial Weapons Exclusions applicable to the "Paris Agreement" benchmarks of Delegated Regulation (EU) 2020/1818 Article 12(1)(a)-(g))	PAI 14: Exposure to controversial weapons

Applicable to investments in sovereign or supranational issuers:

	Related AXA IM policies	PAI indicator
<b>indicator</b>	AXA IM ESG Standards including the exclusion of countries where severe social violations are observed Countries on the AXA IM blacklist based on EU and international sanctions	PAI 16: Investment countries experiencing violations of social standards

(ii) The main negative impacts on sustainability factors are also considered quantitatively by measuring PAI indicators and are communicated each year in the notes to the interim SFDR report. The aim is to provide investors with transparency on significant negative impacts on other sustainability factors. AXA IM measures all mandatory PAI, as well as an additional optional environmental indicator and an additional optional social indicator.



## What investment strategy does this financial product follow?

<sup>3</sup> The approach used to meet the PAI benchmarks though this carve-out policy will evolve as the availability and quality of data improves and AXA IM will be able to use the PAI more effectively. To date, not all sectors with a high climate impact are covered by the exclusion policy.

<sup>4</sup> The approach used to meet the PAI benchmarks though this carve-out policy will evolve as the availability and quality of data improves and AXA IM will be able to use the PAI more effectively.

The Investment Manager selects investments by applying an extra-financial approach based on exclusion filters (i) as described in AXA IM's Policies on sector based exclusions and ESG standards and (ii) those applicable to benchmarks aligned with the Paris Agreement (PAB), as defined in Article 12, point (1), subparagraphs (a) to (g), of Delegated Regulation (EU) 2020/1818 on benchmarks. The exclusions for benchmarks aligned with the Paris Agreement do not apply to green bonds issued under the European Green Bond Standards Regulation (Regulation (EU) 2023/2631). For other types of revenue-generating instruments, these exclusions are applied after reviewing the projects they finance, based on AXA IM's Green Bond Assessment Framework.

These sectoral exclusions cover areas such as controversial weapons, climate risks, agricultural raw materials, protecting the ecosystem and deforestation, as well as tobacco. AXA IM's ESG standards include specific exclusions on white phosphorus munitions and exclude investments in securities issued by companies in violation of international standards and norms such as the principles of the United Nations Global Compact or the OECD Guidelines for Multinational Enterprises; as well as investments in companies involved in serious ESG-related incidents or in issuers of low ESG quality (i.e. with a score of less than 1.43 (on a scale of 0 to 10) as of the date of this Prospectus - this figure is subject to adjustment). Instruments issued by countries where specific categories of serious human rights violations are observed are also prohibited. More information on these policies can be found at: [Politiques et rapports | AXA IM Corporate \(axa-im.com\) \[Policies and Reports\]](#).

Exclusions aligned with the Paris Agreement cover controversial weapons, tobacco, the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises, oil and gas, as well as electricity production.

The Financial Product applies a "Best-In-Universe" selection approach to its Investment Universe, on a binding and continuous basis. This ESG selection approach consists of giving preference to issuers with the highest ratings from an extra-financial point of view, irrespective of their sector of activity, assuming sectoral biases, since sectors which are generally considered more virtuous will be more represented. The selectivity approach consists of eliminating at least 25% of the worst performing stocks from the Investment Universe, as defined above, based on a combination of exclusions related to sustainability applicable to the Financial Product, described in greater detail above, and their ESG ratings, excluding bonds and other debt securities issued by public issuers, cash held on an ancillary basis and solidarity assets. The threshold will be raised to 30% as of 1 January 2026.

The Financial Product takes socially responsible investment (SRI) as its management approach.

### **What constraints or selecting investments are defined in the investment strategy in order to achieve each of the environmental or social characteristics promoted by this financial product?**

The Financial Product applies at all times the elements described below.

1. The Investment Manager applies a first exclusion filter at all times through the Policies on sector-based exclusions and ESG standards.

Sector-based exclusion policies exclude companies linked to controversial weapons, climate risks, agricultural raw materials (based on food products and basic agricultural or marine raw materials), unsustainable practices related to protecting the ecosystem and deforestation, as well as tobacco.

The ESG Standards Policy (the "ESG Standards") includes specific exclusions such as white phosphorus munitions and excludes investments in securities issued by companies in violation of international standards and norms such as the principles of the United Nations Global Compact or the OECD Guidelines for Multinational Enterprises; as well as investments in companies involved in serious ESG-related incidents or in issuers of low ESG quality (i.e. with a score of less than 1.43 (on a scale of 0 to 10) as of the date of this Prospectus - this figure is subject to adjustment). Instruments issued by countries where specific categories of serious human rights violations are observed are also prohibited. More information on these policies can be found at: [Politiques et rapports | AXA IM Corporate \(axa-im.com\) \[Policies and Reports\]](#).

2. "The Financial Product applies the exclusions related to benchmarks aligned with the Paris Agreement as defined in Article 12(1)(a) to (g) of the Benchmarks Regulation (Regulation [EU] 2020/1818), with the exception of green bonds issued under the European Green Bond Standards Regulation (Regulation (EU) 2023/2631). For other types of revenue-generating instruments, these exclusions are applied after reviewing the projects they finance, based on AXA IM's Green Bond Assessment Framework. These exclusions cover controversial weapons, tobacco, the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises, oil and gas, as well as electricity production. Exclusions relating to controversial weapons, tobacco, the UN Global Compact and the OECD Guidelines for Multinational Enterprises are already covered by AXA IM's policies on sector exclusions and standards.

3. The Financial Product must apply a "Best-in-Universe" socially responsible investment selection approach to its Investment Universe at all times. This ESG selection approach consists of giving preference to issuers with the best ratings from an extra-financial point of view, without taking into account their sector of activity, and accepting sectoral biases, because sectors considered more virtuous overall will represent a larger proportion. The selectivity approach consists of eliminating at least 25% of the worst performing stocks from the Investment Universe, as defined above, based on a combination of exclusions related to sustainability applicable to the Financial Product, described in greater detail above, and their ESG ratings, excluding

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

bonds and other debt securities issued by public issuers, cash held on an ancillary basis and solidarity assets. The threshold will be raised to 30% as of 1 January 2026.

AXA IM uses scoring methods for rating issuers (corporate, sovereign, green, social and sustainability bonds) based on ESG criteria. These methodologies make it possible to rate issuers of corporate and sovereign bonds and are based on quantitative data from different data providers and qualitative analysis of internal and external research. The data used in these methodologies include carbon emissions, water stress, occupational safety and health, labour standards in the supply chain, business ethics, corruption, and instability.

The rating methodologies for corporate and sovereign bonds are based on three pillars and several sub-factors that cover the most important risk factors encountered by issuers in the environmental (E), social (S) and governance (G) fields. The framework is based on fundamental principles, such as the United Nations Global Compact, the OECD Guidelines, the conventions of the International Labour Organisation, as well as other international conventions and principles that guide the activities of companies and governments in the field of sustainable development and social responsibility. The analysis is based on the most significant ESG risks and opportunities identified previously for each sector and company, taking into account 10 factors: climate change, natural capital, pollution and waste, environmental opportunities, human capital, product liability, stakeholder opposition, social opportunities, corporate governance and corporate behaviour. The final ESG score also incorporates the notion of industry-related factors and deliberately distinguishes between sectors, so as to overweight the most important industry-specific factors. The materiality is not limited to the impacts related to a company's operations, it also concerns the impacts on external stakeholders as well as the underlying reputation risk resulting from poor management of the main ESG issues. As the method is applied to companies, the severity of controversies is assessed and continuously monitored to ensure that the final ESG score reflects the most significant risks. Very serious controversies will appreciably decrease the subfactor scores and ultimately the ESG scores.

These ESG scores offer a standard, holistic view of performance by issuers with respect to ESG factors and allow the Financial Product's environmental and/or social characteristics to be promoted. AXA IM's ESG rating methodology is described in more detail in our methodology document on our website: [Sustainability Policies and Reports | AXA IM Corporate \(axa-im.com\)](#).

The Financial Product may invest up to 10% of its net assets, (excluding bonds and other debt securities issued by public issuers and cash held on an ancillary basis and Solidarity Assets, in securities outside the investment universe, as defined above, provided that the issuer is eligible on the basis of selection criteria.

The scope of eligible securities is reviewed at least every six months.

The ESG (including the ESG or SDG scores, if any) methods that employ the ESG data used in investing are based in part on third-party data and in some cases are developed in-house. They are subjective and may change over time. Despite a series of initiatives, harmonised definitions are lacking, and this may result in diverse ESG criteria. Comparing the different investment strategies using ESG criteria and ESG reporting can be difficult. Strategies that use ESG criteria should be differentiated from others that use sustainable development criteria, because while both may use apparently similar ESG data, different calculation methods may be involved. AXA IM's various ESG methodologies described herein may evolve in the future to take into account any improvements in data availability and reliability, or changes in regulation or other external repositories or initiatives, among others.

3. In addition, the Financial Product outperforms its Investment Universe at all times on at least two key ESG performance indicators, which are the percentage of diversity within governance bodies and carbon intensity.

4. The following minimum coverage rates applies to the Financial Product's portfolio (expressed as a minimum % of net assets excluding bonds and other debt securities of public issuers, cash held as an accessory and Solidarity Assets): i) 90% for the ESG analysis; ii) 80% for the male/female board member percentage indicator for governance bodies; and iii) 55% for the Carbon Intensity indicator. The threshold will be raised to 90% for KPI 1 and 60% for KPI 2 on 31 December 2026.

● ***What is the minimum proportion by which the financial product undertakes to reduce its investment scope before the applying this investment strategy?***

The initial investment universe is reduced by at least 25% by applying the investment strategy described above.

● ***What policy is implemented to evaluate the good governance practices of the companies in which the financial product invests?***

The Financial Product does not invest in companies that cause, contribute to or are linked to significant violations of international norms and standards. These standards relate to human rights, society, labour and the environment. They thus offer a methodology for evaluating an issuer's good governance practices, in particular with regard to the strength of management structures, relations with employees, staff remuneration and tax compliance. AXA IM relies on an external service provider's screening system and excludes companies that have been found to be 'non-compliant' with the principles

Good governance practices concern sound management structures, relations with staff, staff remuneration and compliance with tax obligations.

of the United Nations Global Compact, the International Labour Organization (ILO) conventions, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGP).

In addition, the guarantee of good governance practices is integrated into the engagement policies. AXA IM has implemented a comprehensive active shareholder engagement strategy - engagement and voting - under which AXA IM acts as manager of investments made on behalf of customers. AXA IM sees engagement as a means for investors to influence, shape and modify portfolio companies' policies and practices in order to mitigate their risks and guarantee their sustainable value. Corporate governance practices are initiated at the first level by portfolio managers and dedicated ESG analysts when they meet the management team of these companies. It is thanks to the long-term investor status and a thorough knowledge of investment objectives that AXA IM feels well placed to engage in a constructive but demanding dialogue with these companies.

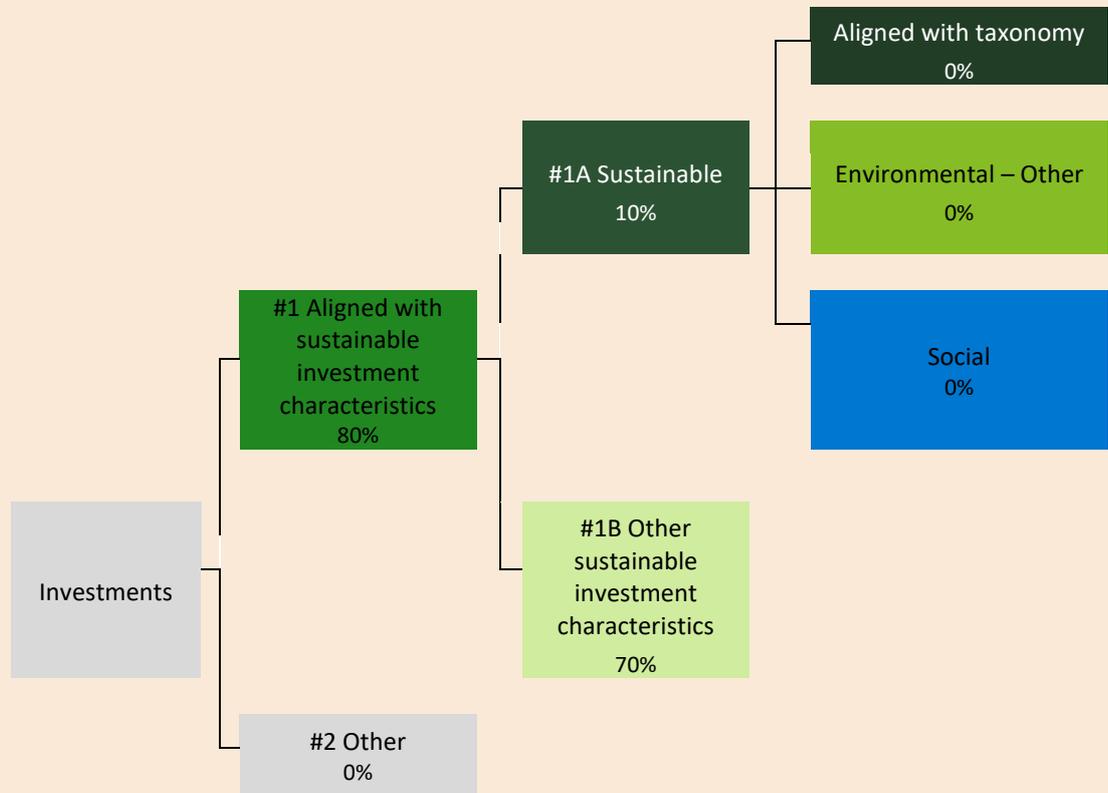


## What is the financial product's planned asset allocation?

The **asset allocation** describes the proportion of investments in specific assets.

The taxonomy-aligned activities are expressed as a %:

- **of turnover** to reflect the proportion of revenue from the green activities of the companies in which the financial product invests;
- **capital expenditure** (CapEx) to show the green investments made by the companies in which the financial product invests, for example in a transition to a green economy;
- **operating expenses** (OpEx) to reflect the green operational activities of the companies in which the financial product invests.



Category **#1 Aligned with sustainable investment characteristics** includes the investments of the financial product used to achieve the environmental or social characteristics promoted by the financial product.

Category **#2 Other** includes the remaining investments of the financial product that are neither aligned with environmental or social characteristics nor considered sustainable investments.

Category **#1 Aligned with sustainable investment characteristics** includes:

- subcategory **#1A Sustainable** covering sustainable investments with environmental or social objectives;
- subcategory **#1B Other E/S characteristics** covering investments aligned with environmental or social characteristics that are not considered as sustainable investments.

The allocation of assets within the Financial Product is planned as indicated in the graph above. The asset allocation could temporarily deviate from that set out herein.

The minimum proportion of investments used to achieve the environmental or social characteristics promoted by the Financial Product is 80% of the Financial Product's Net Asset Value.

The minimum planned proportion of sustainable investments to be undertaken by the Financial Product is 10% of the Financial Product's Net Asset Value.

"Other" investments will represent a maximum of 20% of the Financial Product's Net Asset Value.

### ● **How does the use of derivatives facilitate the achievement of the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to achieve the environmental or social characteristics promoted by this Financial Product, with the exception of derivatives relating to a single issuer on which the exclusion policies apply.



## What is the minimum proportion of sustainable investments with an environmental objective aligned with the EU taxonomy?

The Financial Product does not take into consideration the environmental objectives of the European Union Taxonomy. The Financial Product does not take into consideration the criteria relating to the EU Taxonomy principle of "not causing significant harm to the sustainability factors".

● **Does the Financial Product invest in fossil gas and/or nuclear energy activities that comply with the EU taxonomy?<sup>5</sup>**

Yes

In fossil gas

In nuclear energy

No

To be consistent with the EU taxonomy, the criteria for **fossil gas** include emission limits and a shift to 100% renewable electricity or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive nuclear safety and waste management rules.

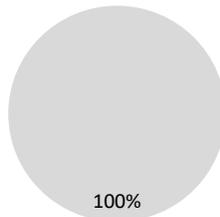
**Enabling activities** allow activities to make a substantial contribution to achieving an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and, inter alia, whose greenhouse gas emission levels correspond to the best achievable performance.

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

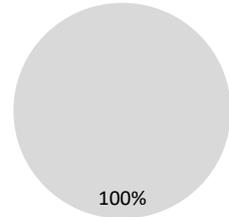
1. Alignment of investments with the taxonomy, **including sovereign bonds\***

- Alignés sur la taxinomie : gaz fossile
- Alignés sur la taxinomie : nucléaire
- Alignés sur la taxinomie (hors gaz et nucléaire)
- Non alignés sur la taxinomie



2. Alignment of investments with the taxonomy, **excluding sovereign bonds\***

- Alignés sur la taxinomie : gaz fossile
- Alignés sur la taxinomie : nucléaire
- Alignés sur la taxinomie (hors gaz et nucléaire)
- Non alignés sur la taxinomie



This graph represents 100% of total investments\*\*

\*For the purposes of these charts, 'sovereign bonds' include all sovereign exposures.

\*\*The proportion of total investments shown in this graph is purely indicative and may vary.

● **What is the minimum proportion of investments in transitional and enabling activities?**

The Financial Product does not commit to a minimum proportion of investments in enabling and transitional activities. The minimum proportion is therefore 0%.



**What is the minimum proportion of sustainable investments with an environmental objective not aligned with the EU taxonomy?**

The minimum proportion of sustainable investments with an environmental objective not aligned with the European Union Taxonomy is 0% of the Financial Product's Net Asset Value.



**What is the minimum proportion of socially sustainable investments?**

The minimum proportion of socially sustainable investments is 0% of the Net Asset Value.

The symbol represents sustainable investments with an environmental objective that do not take into account the criteria applicable to environmentally sustainable economic activities under the EU Taxonomy.

<sup>5</sup> Fossil gas and/or nuclear activities will only be compliant with the EU taxonomy if they contribute to limiting climate change ('climate change mitigation') and do no significant harm to any of the objectives of the EU taxonomy - see explanatory note in the left margin. The set of criteria for economic activities in the fossil gas and nuclear energy sectors that are in line with the EU taxonomy are defined in Commission Delegated Regulation (EU) 2022/1214.



## **What investments are included in the '2 Other' category, what is their purpose and what minimum environmental or social safeguards are applied to them?**

"Other" investments will represent a maximum of 20% of the Financial Product's Net Asset Value. "Other" assets may consist of:

- Investments in cash; and
- Other Instruments eligible for the Financial Product. These assets may be equity instruments, derivative investments and collective investment schemes that do not promote environmental or social characteristics and that are used to achieve the financial objective of the Financial Product and/or for diversification. When providing exposure to a company, with the exception of short positions, these other instruments comply with the exclusions for benchmarks aligned with the Paris Agreement.

When derivatives are used for hedging purposes, they do not promote the environmental or social characteristics of the Financial Product nor comply with the exclusions for benchmarks aligned with the Paris Agreement.

Environmental or social safeguards are applied and assessed to all 'Other' assets with the exception of (i) derivatives other than single-issues; (ii) UCITS and/or UCIs managed by other management companies; and (iii) investments in cash and cash equivalents described above.



## **Has a specific index been designated as a benchmark to determine whether the Financial Product is aligned with the environmental and/or social characteristics it promotes?**

Not applicable insofar as the designated benchmark is a broad market index that is not aligned with the environmental and/or social characteristics promoted by the Financial Product.



## **Where can I find more product-specific information online?**

More information on the Financial Product can be found on the AXA IM website at the following link: [Funds – AXA IM Global \(axa-im.com\)](https://www.axa-im.com).

More information on AXA IM's sustainable investment frameworks can be found at this link: [Sustainable Finance | SFDR | AXA IM Corporate \(axa-im.com\)](https://www.axa-im.com).

## AXA IM Euro Liquidity SRI

**Depositary** : BNP PARIBAS SA  
16, boulevard des Italiens  
75009 PARIS

**Management Company** : BNP Paribas Asset Management Europe  
Registered office: 1, Boulevard Haussmann, 75009 Paris  
Postal address: Tour Majunga - La Défense 9  
6, place de la Pyramide  
92800 Puteaux



### Regulations

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*Approved by the Autorité des Marchés Financiers(AMF)*

*7 September 2001 (AMF approval date, e.g. COB)*

*Updated on 28 September 2001*

*Updated on 2 November 2001*

*Updated on 6 July 2005*

*Updated on 1 September 2005*

*Updated on 2 January 2006*

*Updated on 16 March 2012*

*Updated on 26 September 2013*

*Updated on 9 December 2014*

*Updated on 25 January 2016*

*Updated on 1 May 2016*

*Updated on 18 January 2019*

*Updated on 2 April 2019*

*Updated on 28 June 2019*

*Updated on 23 June 2020*

*Updated on 3 January 2022*

*Updated on 1 October 2022*

*Updated on 31 December 2025*

## SECTION I

### ASSETS AND UNITS

#### **Article 1 Co ownership - units**

The rights of co owners are expressed in units, with each unit corresponding to the same fraction of the assets of the Fund (or, if applicable, the sub fund). Each unitholder has a co ownership right in and to the assets of the fund proportional to the number of units they hold.

The duration of the fund is 99 years from the date of its approval by the Autorité des Marchés Financiers, except in the event of early dissolution or extension provided for in these regulations

Where the Fund is an umbrella fund, each sub fund issues units representing the assets of the Fund allocated to it. In such a case, the provisions of these regulations that apply to the Fund's units shall apply to units issued as representing the sub fund's assets.

The Fund reserves the right to issue different classes of units The characteristics of the different classes of units and their eligibility requirements are described in the Fund's prospectus.

The different classes of units may:

- Benefit from different dividend policies (distribution or accumulation);
- Be denominated in different currencies;
- Be charged different management fees;
- Be charged different subscription and redemption fees;
- Have a different nominal value;
- Be systematically hedged against risk, in part or in full, as defined in the prospectus. This hedge is created using financial instruments that reduce to a minimum the impact of the hedging transactions on the UCITS 'other unit classes;
- Be reserved for one or more distribution networks.

The fund may consolidate or divide the units.

The Board of Directors of the Management Company may decide that the units shall be sub divided into tenths, hundredths, thousandths or ten-thousandths, with such subdivisions being referred to as fractions of units.

The provisions of the regulations governing the issue and redemption of units are applicable to fractions of units, whose value will always be proportional to that of the unit they represent. All other provisions relating to units apply to fractions of units without the need to stipulate this, unless indicated otherwise.

Lastly, the Board of Directors of the management company may decide, at its own discretion, to sub divide the units by issuing new units, which shall be allocated to unitholders in exchange for their existing units.

#### **Article 2 - Minimum assets**

Units may not be redeemed if the fund's (or a sub fund's) assets fall below euros300,000; if the assets remain below this amount for a period of 30 days, the management company shall make the necessary provisions to liquidate the fund in question, or to carry out one of the operations mentioned in article 411-16 of the AMF General Regulation (transfer of the fund).

#### **Article 3 - Issue and redemption of units**

Units are issued at any time at the request of unitholders on the basis of their net asset value plus, if applicable, subscription fees.

Subscriptions and redemptions are executed under the conditions and according to the procedures defined in the prospectus.

Fund units may be listed in accordance with the applicable regulations.

Subscriptions must be fully paid up on the day the net asset value is calculated.

They may be made in cash and/or by a contribution in kind in the form of financial instruments. The management company is entitled to refuse any securities offered and, for that purpose, must announce its decision within seven days of the date on which the securities were tendered. If they are accepted, the securities contributed in kind shall be valued according to the rules laid down in Article 4 and the subscription shall be based on the first net asset value following acceptance of the securities concerned.

Redemptions may be made in cash and/or in kind. If the redemption in kind corresponds to a representative portion of the portfolio assets, then only the written agreement signed by the outgoing unitholder must be obtained by the UCITS or the management company. Where the redemption in kind does not correspond to a representative portion of the assets of the portfolio, all holders must give written notice authorising the outgoing unitholder to redeem his units against certain specific assets, as explicitly defined in the agreement.

In general, redeemed assets are valued in accordance with the rules set out in Article 4 and the redemption in kind is carried out on the basis of the first net asset value following acceptance of the securities in question. Redemptions are settled by the registrar within a maximum of five days from the valuation day of the units.

However, if in exceptional circumstances the redemption requires the prior sale of assets held in the Fund, this deadline may be extended to a maximum of 30 days.

Except in the case of inheritance or-sharing, the disposal or transfer of units between unitholders, or from unitholders to a third party, is treated as a redemption followed by a subscription; if this involves a third party, the disposal or transfer amount must, where applicable, be supplemented by the beneficiary in order to at least reach the minimum subscription amount stipulated by the prospectus.

Pursuant to Article L.214-8-7 of the French Monetary and Financial Code, the management company may temporarily suspend redemption of units or the issue of new units by the Fund when exceptional circumstances and the interests of the unitholders so require.

If the net assets of the Fund (or, if applicable, of a sub fund) fall below the amount set by the regulations, no redemption of units may be carried out (on the sub fund concerned, if applicable).

In application of articles L. 214-8-7 of the French Monetary and Financial Code and 411-20-1 of the AMF's General Regulation, the management company may decide to limit redemptions under exceptional circumstances and if holders' or the public's interests so require.

The minimum subscription terms and conditions are set out in the Prospectus.

In application of the third paragraph of Article L.214-8-7 of the French Monetary and Financial Code, the UCITS may cease to issue units, temporarily or definitively, partially or completely, in situations involving the closure of subscriptions, such as a maximum number of units issued, a maximum amount of assets reached or the expiry of a fixed subscription period. The launch of this tool will be the subject of all information by existing holders regarding its activation, as well as the threshold and objective situation that led to the decision to partially or completely close down. In the case of a partial closure, this information by any means will explicitly indicate how existing unitholders can continue to subscribe for the duration of the partial closure.

Unitholders are also informed by any means of the decision of the UCITS or the Management Company either to terminate the complete or partial closure of subscriptions (when crossing the trigger threshold) or not to terminate them (in case of change of threshold or change in the objective situation leading to the implementation of this tool). A change to the invoked objective situation or the tool trigger must always be made in the interest of the unitholders. All the information will state the exact reasons for these changes.

Clause resulting from the Dodd Frank Act and the ERISA Regulations:

The Fund's management company may restrict or prevent the direct or indirect holding of units by any U.S. Investor.

For this purpose, the Fund's management company may consider that the holding of units by a US Investor is illegal or contrary to the Fund's interests:

(I) refuse to issue any units if it seems that as a result of such issuance, said units would or could be held directly or indirectly by or on behalf of a US Investor;

(II) at any time request that a person or entity whose name appears in the unitholders' register provide it with all information, and a statement to that effect, that it deems necessary in order to determine whether the actual beneficiary of the units is a US Investor or not; and

(III) carry out a forced redemption of all the units held by a unitholder if it appears to it that the latter is (A) a US Investor and, (B) alone or jointly, as the beneficial owner of the units.

The compulsory redemption shall be carried out at the last known net asset value, less, if applicable, the applicable fees, duties and commissions, which shall be borne by the said unitholder.

This power also extends to any person (I) who is in direct or indirect violation of the laws and regulations of any country or government authority, or (II) that may, in the opinion of the management company of the mutual fund, cause damage to the mutual fund, which it would have otherwise not endured or suffered.

#### **Article 4 - Calculation of the Net Asset Value**

The net asset value is calculated in accordance with the valuation rules set out in the prospectus.

Contributions in kind may comprise only stocks, securities, or contracts admissible as assets of UCITS; contributions and redemptions in kind are valued according to valuation rules governing the calculation of the net asset value.

## **SECTION II**

### **OPERATION OF THE FUND**

#### **Article 5 - The Management Company**

The fund is managed by the asset management company in accordance with policy defined for the fund.

The management company shall act in all circumstances in the exclusive interest of the unitholders and has the exclusive right to exercise the voting rights attached to the securities held in the Fund.

#### **Article 5 bis - Operating rules**

The instruments and deposits in which the assets of the UCITS may be invested as well as the investment rules are described in the prospectus.

#### **Article 5 b - Admission to trading on a regulated market and/or a multilateral trading facility**

The units may be listed on a regulated market and/or a multilateral trading facility in accordance with applicable regulations. If the Fund's units are listed on a regulated market and it has an index based investment objective, it must implement a means to ensure that the price of its units does not deviate significantly from its net asset value.

#### **Article 6 - The Depositary**

The custodian performs the tasks entrusted to it by the legal and regulatory provisions in force as well as those entrusted to it contractually by the management company. It is responsible for ensuring that legal decisions made by the management company comply with the necessary regulations. It must, where applicable, take any precautionary measures it deems necessary. In the event of a dispute with the management company, it shall inform the AMF.

In case the Fund is a Feeder UCITS:

- The custodian has therefore entered into an information exchange agreement with the custodian of the master UCITS.
- When he is also the custodian of the master UCITS, he has drawn up adapted specifications.

#### **Article 7 - The Statutory Auditor**

A statutory auditor is appointed by the management company's Board of Directors for a term of six financial years, with the approval of the AMF.

It certifies the accuracy and consistency of the accounts.

The statutory auditor's mandate may be renewed.

The statutory auditor is required to notify the AMF as soon as possible of any fact or decision relating to the Fund of which he becomes aware in the course of his audit that may:

- 1° Constitute a breach of the laws or regulations applicable to this Fund that may have a significant impact on its financial position, income or assets;
- 2° Undermine the conditions or continuity of its business;
- 3° Lead to the expression of reservations or the refusal to certify the financial statements.

Assessments of the assets and the determination of exchange parities during transformation, merger or demerger operations are carried out under the supervision of the auditor.

It shall evaluate any contribution or redemption in kind under its own responsibility.

It checks the composition of the assets and other elements before publication.

The statutory auditor's fees shall be set by mutual agreement between the auditor and the management company's Board of Directors, on the basis of a work schedule setting out the checks deemed necessary.

The statutory auditor certifies positions serving as the basis for the payment of interim dividends.

In case the Fund is a Feeder UCITS:

- The statutory auditor has entered into an information exchange agreement with the statutory auditor of the master UCITS.
- If the statutory auditor is also the master UCITS auditor, he or she will draw up an adapted work programme.

The statutory auditor's fees are included in the management fees.

#### **Article 8 - The accounts and the management report**

At the closing of each financial year, the management company prepares the financial statements and a report on the management of the fund (or, if applicable, of each sub fund) during the past financial year.

The management company prepares a statement of the Fund's assets and liabilities, at least once every half year and under the supervision of the custodian.

The management company shall make these documents available to unitholders within four months of the financial year end and shall notify them of the amount of income attributable to them: These documents shall be sent by post if expressly requested by the unitholders, or made available to them at the offices of the management company.

### SECTION III

#### **ALLOCATION OF DISTRIBUTABLE INCOME**

##### **Article 9 - Terms and conditions of allocation of distributable income**

Net income for the year includes (I) realised gains and losses net of fees, (II) net unrealised gains and losses and (III) net income, which, in accordance with legal provisions, is equal to the amount of interest, arrears, premiums and prizes, dividends, remuneration and all other income relating to the securities constituting the Fund's portfolio, plus income from temporary cash holdings, less management fees and borrowing costs.

The Management Company decides on the allocation of Distributable Amounts on an annual basis.

Distributable amounts (**Distributable Amounts**) consist of the following sums in accordance with the law:

- Net income plus retained earnings, plus or minus the balance of accrued income;
- Realised capital gains after costs, less realised capital losses after costs, recognised during the financial year, plus capital gains after costs recognised during previous financial years that have not been distributed or capitalised and minus or plus the balance of capital gain accruals.

For each unit class, the Fund's prospectus provides that the Fund adopts one of the following formulae:

**- Pure accumulation:**

The Distributable Amounts are fully accumulated each year.

**- Pure distribution:**

The Distributable Amounts are distributed within the following limits:

- net income is fully distributed, rounded off to the nearest figure.
- net realised capital gains may be decided by the management company partially or fully distributed.

Non distributed Distributable amounts will be carried forward.

Interim dividends may be distributed during the financial year at the discretion of the Management Company within the limit of the Distributable Amounts realised at the date of the decision.

**-Accumulation and/or distribution:**

Distributable Amounts may be distributed and/or accumulated and/or carried forward, in whole or in part, independently of each other, at the decision of the Management Company.

Interim dividends may be distributed during the financial year at the discretion of the Management Company within the limit of the Distributable Amounts realised at the date of the decision.

### SECTION IV

#### **Merger - SPLIT - DISSOLUTION - LIQUIDATION**

## **Article 10 - Merger - De merger**

The management company may either transfer, in full or in part the assets included in the fund to another UCITS or split the fund into two or more other funds.

Such mergers or splits may not be carried out until the unitholders have been notified. After each transaction, new certificates will be issued stating the number of units held by each unitholder.

The provisions of this Article apply to each Sub Fund.

## **Article 11 - Dissolution - Extension**

- If the assets of the Fund (or, if applicable, the sub fund) remain below the amount set in Article 2-above for thirty days, the Management Company shall inform the AMF and shall dissolve the Fund (or, if applicable, the sub fund), except in the event of a merger with another fund.
- The management company may dissolve the fund before its term (or, if applicable, the sub fund); it shall inform the unitholders of its decision, after which no further subscription or redemption requests shall be accepted.
- The Management Company shall also dissolve the Fund or, if applicable, the sub fund in the event of an application for redemption of all of the units, or in the event of termination of the custodian's duties if no other custodian has been appointed, or on expiry of the term of the Fund, if it has not been extended.

The Management Company shall inform the AMF by post of the dissolution date and procedure selected. It shall then send the AMF the Statutory Auditor's report.

The management company may decide to extend the Fund's term, subject to the agreement of the custodian. Its decision must be taken at least 3 months prior to expiry of the fund's term, and both unitholders and the French Financial Markets Authority must be informed at the same time.

## **Article 12 - Liquidation**

If the Fund is to be dissolved, the management company or the custodian shall act as liquidator, failing which a liquidator shall be appointed by the courts at the request of any interested party. For such purposes, they shall be entrusted with full powers to realise assets, pay off any creditors and distribute the available balance among the unitholders in the form of cash or securities.

The statutory auditor and the custodian shall continue in their respective capacities until the liquidation process is complete.

## **SECTION V**

### **DISPUTES**

## **Article 13 - Competent courts - Choice of jurisdiction**

All disputes related to the Fund that may arise during the term in which it operates-hereinafter, or during its liquidation, either among the unitholders or between the unitholders-hereinafter and the Management Company or the Custodian, shall be submitted to the courts having jurisdiction.

## **SECTION VI**

**SPECIFIC PROVISIONS FOR FUNDS AGREED UNDER THE REGULATION(EU) 2017/1131  
REFERRED TO AS ‘MMF REGULATIONS’**

**Article 14 - Fund characteristics**

Pursuant to Article 36(1) of the MMF Regulation, the Fund is classified as follows: Standard open ended money market fund(NAV).

**Article 15 Investment policy disclosures**

The French Monetary Fund regulation, which makes use of the exemption for investment in public debt provided for in Article 17 No. 7 of Regulation(EU) 2017/1131, reads as follows: The Fund may consequently invest, in accordance with the principle of risk spreading, up to 100% of its assets in different money market instruments issued or guaranteed, individually or jointly, by a list of entities mentioned in the prospectus.

**Article 16 - Credit quality disclosures for selected instruments**

In compliance with the provisions of Regulation(EU) 2017/1131, the Management Company has in place an internal credit quality assessment procedure that is applied as part of the Fund's investment policy. This procedure is described in the prospectus.