

# AXA World Funds – Framlington Global Real Estate Securities

Issuer: AXA Funds Management S.A.

- This statement provides you with key information about this product.
- This statement is a part of the offering document.
- You should not invest in this product based on this statement alone.

## Quick Facts

<b>Fund Manager:</b>	AXA Funds Management S.A. (Luxembourg)
<b>Fund Manager by delegation:</b>	AXA Real Estate Investment Managers SGP (internal delegation, in France)
<b>Depository:</b>	State Street Bank International GmbH, Luxembourg Branch
<b>Ongoing charges over a year*:</b>	Class A capitalisation (USD): 2.01% Class A distribution monthly "st" (USD): 2.01% Class F capitalisation (USD): 1.16%
<b>Dealing frequency:</b>	Daily
<b>Base currency:</b>	EUR
<b>Dividend policy:</b>	Capitalisation Shares: No dividend distribution Distributing Shares: Dividends will be discretionary and determined annually. "Monthly distribution" share class intends to distribute dividends monthly subject to the discretion of the Board of Directors. Dividends (if any) may be distributed to the relevant Shareholders or reinvested into the Sub-Fund. Distribution may be paid out of capital or effectively out of capital and, if so, may reduce the Sub-Fund's net asset value. Distributing share class with identifier "st" aims to pay a stable amount or rate (pro-rated according to the relevant distribution frequency) over the fiscal year without sustained and excessive erosion at the discretion of the Board of Directors.
<b>Financial year end of this fund:</b>	31 December
<b>Minimum investment:</b>	Class A: None (initial); None (subsequent) Class F: None (initial); None (subsequent)

\* Class A capitalisation (USD), Class A distribution monthly "st" (USD) and Class F capitalisation (USD): The ongoing charges figure is based on expenses for the twelve-month period ending 31 December 2021. This figure may vary from year to year.

## What is this product?

AXA World Funds – Framlington Global Real Estate Securities (the "Sub-Fund") is constituted in the form of an open-ended company. It is domiciled in Luxembourg and its home regulator is the "Commission de Surveillance du Secteur Financier" (CSSF).

The Sub-Fund is authorized under the SFC Code on Unit Trusts and Mutual Funds but not under the Code on Real Estate Investment Trusts. SFC authorization is not a recommendation or endorsement of the Sub-Fund nor does it guarantee the commercial merits of the Sub-Fund or its performance. It does not mean the Sub-Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investors or class of investors.

## Investment Objective and Strategy

### Objective

To seek long-term growth of your investment, in EUR, from an actively managed listed equity, equity-related securities and derivatives portfolio.

### Investment Strategy

The Sub-Fund is actively managed in order to capture opportunities in the international real estate market, by mainly investing in equities of companies that are part of the FTSE EPRA/NAREIT Developed Total Return Net benchmark index (the "Benchmark") universe. As part of the investment process, the Investment Manager has broad discretion over the composition of the Sub-Fund's portfolio and can take, based on its investment convictions, large overweight or underweight positions on the

countries or companies compared to the Benchmark's composition and/or take exposure to companies, countries or sectors not included in the Benchmark, even though the Benchmark constituents are generally representative of the Sub-Fund's portfolio. Thus, the deviation from the Benchmark is likely to be significant.

The Sub-Fund invests in equities of real estate companies anywhere in the world.

Specifically, at all times the Sub-Fund invests at least two-thirds of net assets in transferable securities issued by companies engaged in the real estate sector. The Sub-Fund may invest in

equity securities of any market capitalisation (including small and micro-sized companies).

The Sub-Fund is not subject to any limitation on the portion of its net assets that may be invested in any one country or region.

The Sub-Fund may invest up to 10% of net assets in collective investment schemes structured as UCITS and/or UCIs (as defined in the Hong Kong Offering Memorandum).

In the securities selection process, the Investment Manager bindingly applies at all times AXA Investment Managers' sectorial exclusion policies encompassing areas such as Controversial Weapons, Climate Risks, Soft Commodities and Ecosystem Protection & Deforestation, and Environmental, Social and Governance ("ESG") standards policies with the exception of derivatives and underlying eligible UCIs (as defined in the Hong Kong Offering Memorandum), as described in the documents available on the website: <https://www.axa-im.com/responsible-investing/sector-investment-guidelines>. The ESG criteria contribute to, but are not a determining factor in, the Investment Manager's decision making.

The Investment Manager combines a "bottom-up" research process for selecting securities and, to a lesser extent, a "top-down" approach for geographical and thematic asset allocation. The securities selection process relies on a rigorous analysis of sector, companies' business model, management quality, growth prospects, underlying assets and risk/return profile.

#### Use of derivatives

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's net asset value.

The Sub-Fund may use derivatives for efficient portfolio management, hedging and investment.

The Sub-Fund does not use total return swaps.

For the purpose of efficient portfolio management, the Sub-Fund uses, as part of its daily investment management activity, the following techniques (as a % of net assets):

- securities lending: expected, 0-20%; max, 90%

By entering into securities lending, the Sub-Fund seeks to enhance yield on daily basis (the assets on loan will generate an incremental return for the Sub-Fund).

Main types of assets in scope are equities.

The Sub-Fund uses neither securities borrowing transactions nor repos/reverse repos.

#### What are the key risks?

**Investment involves risks. Please refer to the offering document for details including the risk factors.**

- **General investment risk:** The Sub-Fund's portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Sub-Fund may suffer losses. There is no guarantee of the repayment of principal.
- **Investments in real estate securities and REITs risk:** As compared with a fund investing in a diversified portfolio, the Sub-Fund concentrates its investment in companies in the real estate sector and therefore will be subject to the risks associated with concentrating investment in such sector and the value of the Sub-Fund may be more volatile. This type of strategy may lead to adverse consequences and adversely impacting the net asset value of the Sub-Fund when target markets drop or encounter liquidity issues.

The Sub-Fund investing in listed securities of companies engaged in the real estate industry is subject to certain risks associated with direct ownership of real estate and with the real estate sector in general. For example, overbuilding; oversupply of, or reduced demand for, commercial and residential real estate; changes in market rental rates; potential declines in the value of real estate; risks related to general, local and international economic conditions; possible lack of availability of mortgage funds; extended vacancies of properties; increases in competition, property taxes and operating expenses; changes in zoning laws; costs resulting from the clean-up of, and liability to third parties for damages resulting from, environmental problems; casualty or

condemnation losses; uninsured damages from floods, earthquakes or other natural disasters; limitations on and variations in rents; increases in interest rates; and depreciation of buildings over time, etc.

Besides, the value of real estate securities and Real estate companies and Real Investment Trusts (REITs) may be affected by the condition of the economy as a whole and by the changes related to the state and valuation of the real estate businesses which is of a cyclical nature, mainly sensitive to interest rate level and rental income. The REITs are impacted by the creditworthiness of the issuer of the investments and the level of taxes, liquidity of the credit markets and the real estate regulatory environment.

- **Equity risk:** Shares' prices on equity markets may fluctuate namely pursuant to investor's expectations or anticipations, changes in market sentiment, political and economic conditions and issuer-specific factors, causing high potential volatility risk. Volatility on equity markets has historically been much greater than volatility of fixed income markets. Should the price of shares fall within the Sub-Fund's portfolio, the net asset value of the Sub-Fund will also fall.
- **Investments in small and/or micro-capitalisation universe risk:** The Sub-Fund may invest in small and/or micro-capitalisation universe which implies specific liquidity risk. The possible lack of a liquid market may inhibit the ability of the Sub-Fund to purchase or sell such investment at an advantageous price. The net asset value of the Sub-Fund may be adversely affected. The stock of small and/or micro-capitalisation companies may have lower liquidity and their

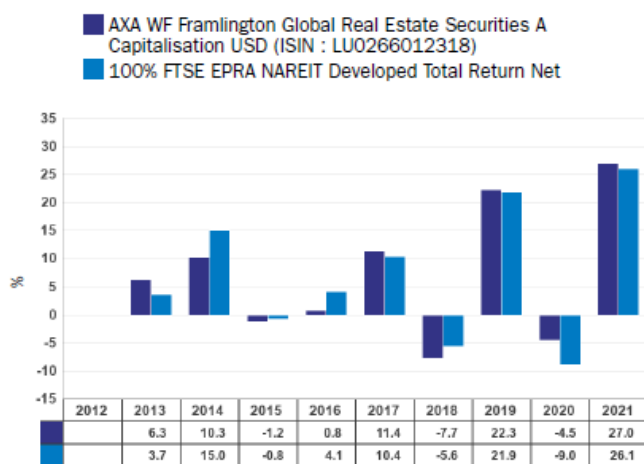
prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

- **Global Investments risk:** Investments in securities issued or listed in different countries may imply the application of different standards and regulations (including but not limited to accounting, auditing and financial reporting standards, clearance and settlement procedures, taxes on dividends). The value of investments of the Sub-Fund may be adversely affected by movements of foreign exchange rates, changes in laws or restrictions applicable to such investments, changes in exchange control regulations or price volatility.
- **Emerging markets risk:** Legal infrastructure, in certain countries in which investments may be made, may not provide the same degree of investors' protection or information to investors, as would generally apply to major securities markets. The value of the Sub-Fund's assets may be adversely affected by uncertainties such as social, political and economic instability, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations, different accounting, auditing and financial report practices and other developments in laws and regulations of emerging countries in which the Sub-Fund invests. Emerging markets securities may also be less liquid and more volatile than similar securities available in major markets, and there are higher risks associated with transactions settlement and custody, involving timing and pricing issues. The Sub-Fund may experience difficulties in purchasing or selling holdings of emerging markets securities and the value of the asset of the Sub-Fund may be adversely affected.
- **Concentration risk:** The Sub-Fund may focus its investments in certain companies, groups of companies, sectors of the economy, countries or geographical regions, or ratings. This may lead to adverse consequences for the Sub-Fund when such companies, sectors, countries or ratings become less valued. The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the companies, groups of companies, sectors of the economy, countries or geographical regions that the Sub-Fund is focused on. The value of the Sub-Fund with a focus on certain companies, groups of companies, sectors of the economy, countries or geographical regions, or ratings may be more volatile than that of a fund having a more diverse portfolio of investments.
- **Foreign exchange and currency risk:** The Sub-Fund may invest in foreign securities, i.e. securities denominated in currencies different from the base currency in which the Sub-Fund is denominated. Also, the Sub-Fund has share class(es) denominated in currency(ies) different from the Sub-Fund's base currency. The net asset value of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.
- **Derivatives and leverage risk:** The Sub-Fund may use both listed and over-the-counter derivatives for efficient portfolio management and hedging purposes. Risks associated with derivatives include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a derivative can result in a loss significantly greater than the

amount invested in the derivative by the Sub-Fund. Exposure to derivatives may lead to a high risk of significant loss by the Sub-Fund.

- **Distribution out of / effectively out of capital risks:** For distributing shares with share class identifier "st", investors should be aware that dividends may be paid directly or effectively out of the Sub-Fund's capital at the Board of Directors' discretion. This may result in an immediate decrease in the net asset value per share of the distributing shares. Payment of distribution out of the Sub-Fund's capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment, which may further decrease the net asset value per share and may also reduce the capital available for the Sub-Fund for future investment and capital growth.
- **ESG risk:** Applying ESG and sustainability criteria to the investment process may exclude securities of certain issuers for non-investment reasons and therefore some market opportunities available to funds that do not use ESG or sustainability criteria may be unavailable for the Sub-Fund, and the Sub-Fund's performance may at times be better or worse than the performance of comparable funds that do not use ESG or sustainability criteria. The selection of assets may in part rely on AXA Investment Managers' ESG scoring methodology or ban lists that rely partially on third party data which may be subjective, incomplete, inaccurate or unavailable. The selection of securities may involve the Investment Manager's subjective judgment and there is a lack of common or harmonised definitions and labels integrating ESG and sustainability criteria at the European Union level. As a result, there is a risk that the Investment Manager may incorrectly assess a security or issuer. Besides, the securities held by the Sub-Fund may be subject to style drift which no longer meets the ESG or sustainability criteria for investment. The Investment Manager may have to sell such security held by the Sub-Fund which could incur transaction costs within the Sub-Fund.

## How has the Sub-Fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much the share class has increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- The Investment Manager views Class A capitalisation (USD), being the retail share class offered in Hong Kong, as the most appropriate representative share class.
- The benchmark of the Sub-Fund is FTSE EPRA/NAREIT Developed Total Return Net.
- Sub-Fund launch date: 2006
- Share Class A capitalisation (USD) launch date: 2012

## Is there any guarantee?

This Sub-Fund does not have any guarantees. You may not get back the full amount of money you invest.

## What are the fees and charges?

## Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the Sub-Fund.

Fee	What you pay
<b>Subscription fee (Entry charge)</b>	Class A: Up to 5.50% of the amount you buy Class F: Up to 2.00% of the amount you buy
<b>Switching fee (Switching charge)</b>	None, except in the following circumstances: <ul style="list-style-type: none"> <li>▪ the shareholder has already made 4 conversions in the last 12-month period; in such case the shareholder may be charged a total fee of a maximum of 1% of the net asset value of the shares converted for each additional conversion in that 12-month period; or</li> <li>▪ the shareholder converts his shares to a Sub-Fund with a higher entry charge within the first 12-month period following initial investment in the Sub-Fund; in such case the shareholder may have to pay the difference between the two entry charge levels.</li> </ul>
<b>Redemption fee</b>	None

## Ongoing fees payable by the Sub-Fund

The following expenses will be paid out of the Sub-Fund. They affect you because they reduce the return you get on your investments.

Fee	Annual rate (as a % of the Sub-Fund's/Share Class's value)
<b>Management fee</b>	Class A: Up to 2.00% Class F: Up to 1.00%
<b>Custodian fee (Depositary fee)</b>	Included in Applied service fee
<b>Performance fee</b>	None
<b>Administration fee</b>	Included in Applied service fee

**Applied service fee**

All classes: Up to 0.50%  
Class A capitalisation (USD): Current rate being 0.25%  
Class A distribution monthly "st" (USD): Current rate being 0.24%  
Class F capitalisation (USD): Current rate being 0.24%

**Other fees**

You may have to pay other fees when dealing in the shares of the Sub-Fund. The Sub-Fund will also bear the costs which are directly attributable to it, as set out in the Hong Kong Offering Memorandum.

**Additional Information**

You generally buy and redeem shares at the Sub-Fund's next-determined net asset value (NAV) after the Registrar and Transfer Agent receives your request in good order on or before 3 pm Luxembourg time being the Luxembourg dealing cut-off time, or the Hong Kong representative receives your request in good order on or before 4 pm Hong Kong time being the Hong Kong dealing cut-off time. Distributors may impose different dealing deadlines for receiving requests from investors.

Investors may obtain the past performance information of other share classes offered to Hong Kong investors from [www.axa-im.com.hk](http://www.axa-im.com.hk).

The net asset value of the Sub-Fund is calculated and the price of shares is published each "business day" on [www.axa-im.com.hk](http://www.axa-im.com.hk). For this Sub-Fund, a Business Day shall be understood as a day on which banks are open all the day for business in Luxembourg and in the United States of America.

The compositions of the dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months are available by the Hong Kong representative on request and also on [www.axa-im.com.hk](http://www.axa-im.com.hk).

Please note that the website as cited in this document has not been reviewed by the SFC.

**Important**

If you are in doubt, you should seek professional advice. The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.