FIXED INCOME

AXA World Funds – Global Inflation Bonds

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

Fund Manager:	AXA Funds Management S.A. (Luxembourg)
Fund Manager by delegation:	AXA Investment Managers Paris (internal delegation, in France)
Depositary:	State Street Bank International GmbH, Luxembourg Branch
Ongoing charges over a year*:	Class A capitalisation (USD Hedged 95%**): 0.87% Class A capitalisation (EUR): 0.84%
Dealing frequency:	Daily
Base currency:	EUR
Dividend policy:	No dividend distribution
Financial year end of this fund:	31 December
Minimum investment:	Class A: None (initial); None (subsequent)

* Class A capitalisation (USD Hedged 95%/EUR): 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.

** USD Hedged 95% refers to USD share class that will be hedged at least 95% against the reference currency of the Sub-Fund, i.e. EUR.

What is this product?

AXA World Funds – Global Inflation Bonds (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).

Investment Objective and Strategy

Objective

To seek performance of your investment, in EUR, from an actively managed inflation-linked bond portfolio.

Investment Strategy

The Sub-Fund is actively managed in reference to the Bloomberg World Inflation-Linked Hedged EUR benchmark index (the "Benchmark") in order to capture opportunities in the inflation-linked bonds market. The Sub-Fund invests at minimum one third of its net assets in the components of the Benchmark. Depending on its investment convictions and after comprehensive macroeconomic and microeconomic analysis of the market, the Investment Manager can take more active positioning in terms of duration (duration measures in numbers of years, the portfolio's sensitivity to interest rate variations), geographical allocation and/or sector or issuer selection compared to the Benchmark. Thus, the deviation from the Benchmark is expected to be significant. However, in certain market conditions (high credit market volatility, turmoil...), the Sub-Fund's positioning on the above indicators may be close to the Benchmark.

The Sub-Fund invests mainly in inflation-linked bonds issued in the Organisation for Economic Co-operation and Development (OECD).

Specifically, at all times the Sub-Fund invests at least two-thirds of net assets in inflation-linked bonds issued by governments, public institutions or companies in the OECD countries. The remaining part of the portfolio may be invested in debt securities that are not inflation-linked to reduce its exposure to inflation-linked bonds in anticipation of periods of lower inflation.

The Sub-Fund invests at least 90% of net assets in investment grade securities and less than 10% in sub-investment grade securities. However, the Sub-Fund does not invest in securities rated CCC+ or below by Standard & Poor's or equivalent rating by Moody's or Fitch. Ratings are based on the lower of two ratings or the second highest of three ratings depending on how many ratings are available. If securities are unrated (i.e. neither the security itself nor its issuer has a credit rating), they must be judged equivalent to those levels by the Investment Manager. In case of a credit downgrade below such minimum, securities will be sold within 6 months.

The selection of debt securities is not exclusively and mechanically based on their publicly available credit ratings but also on an internal credit or market risk analysis. The decision to buy or sell securities is also based on other analysis criteria of the Investment Manager.

The Sub-Fund may invest up to 100% of net assets in sovereign debt securities but does not invest more than 10% in securities issued or guaranteed by a single country (including its government and any public or local authority there) that are sub-investment grade or unrated.

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

The Sub-Fund may invest up to one-third of net assets in money market instruments.

The Sub-Fund may invest its net assets in 144A securities (which are US debt securities restricted to be invested by certain types of investors) in a substantial way (i.e. may be 30% or more of its net assets) depending on the opportunity.

The Sub-Fund may invest up to 10% of net assets in UCITS and/or UCIs that are managed by an AXA Investment Managers group entity and will then themselves not invest in securities rated in accordance with the above rating limits. The Sub-Fund may not invest in external UCITS or UCIs.

The Sub-Fund is managed within an interest rate sensitivity ranging from 5 to 15 years.

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

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 Investment Manager selects investments based on a number of factors, including macro- and microeconomic analysis and inflation trends. The Investment Manager also manages the positioning on the inflation-linked yield curve, the interest rate sensitivity and the exposure to different geographical areas.

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

The Sub-Fund may use derivatives for such purposes as:

- hedging currency risk within the portfolio (futures, currency forwards, currency swaps). The Sub-Fund does not take any active currency exposure and uses derivatives for currency hedging only.
- adjusting exposure to various types or maturities of bonds and sectors (futures, buying calls and puts on interest rate futures, interest rate swaps)
- adjusting exposure to inflation (inflation swaps)
- adjusting specific credit exposures (single-name or index credit default swaps (single name CDS and CDS index).

Such derivatives with underlying indices will not have significant rebalancing costs. In exceptional market conditions, the Sub-Fund's exposure to a single issuer in an underlying index may be over 20%, and up to 35% of net assets, especially when underlying indices are highly concentrated.

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, 0-60%; max, 90%
- repos/reverse repos: expected, 0-10%; max, 20%

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). When using repos/ reverse repos, the Sub-Fund seeks to optimize the collateral management by entering in collateral transformation to manage liquidity and cash.

Main types of assets in scope are bonds.

The Sub-Fund does not use securities borrowing.

Use of derivatives

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

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.
- **Inflation-linked bonds risk**: The Sub- Fund invests in inflation-linked bonds, whose value generally fluctuates in response to changes to interest rates. If inflation is lower than expected during the period the Sub-Fund holds an inflation-linked bond, the Sub-Fund may earn less on the security than on a conventional bond. If real interest rates rise (i.e. if interest rates rise for reasons other than inflation), the value of the inflation-linked bonds in the Sub-Fund's portfolio and the net asset value of the Sub-Fund will decline. Moreover, because the principal amount of

inflation-linked bonds would be adjusted downward during a period of deflation, the Sub-Fund will be subject to deflation risk with respect to its investments in these securities and the net asset value of the Sub-Fund may be adversely affected. The market for these securities may also be less developed or liquid, and more volatile, than certain other securities markets.

- **Derivatives and leverage risk**: The Sub-Fund may use both listed and over-the-counter derivatives extensively for investment purposes. Should the extensive use of derivatives be incorrect, ineffective or unsuccessful due to market conditions, the Sub-Fund may suffer a substantial loss or even a total loss, having an adverse effect on the net asset value of the Sub- Fund. Derivative instruments are volatile and may be subject to various types of risks, including but not limited to:
  - ✓ higher degree of leverage inherent in trading of derivatives. Accordingly, a relatively small price movement in derivatives may result in an immediate and substantial loss to the Sub- Fund;
  - ✓ the insolvency or failure of counterparty to meet or defaults on its obligations to the derivative transaction;
  - ✓ the incorrect valuation or pricing of derivatives; and
  - ✓ the possible absence of a liquid market for any particular instrument at any particular time, i.e. liquidity risk.

- **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.

- **Interest rate risk:** The market value of financial instruments and, therefore, the net asset value of the Sub-Fund may change in response to fluctuations in interest rates. Interest rate risk involves the risk that, when interest rates increase, the market value of fixed-income securities tends to decline. Conversely, when interest rates decline, the market value of fixed-income securities tends to increase. As a result, the net asset value of the Sub-Fund may be adversely affected. Long-term fixed-income securities will normally have more price volatility because of this risk than short-term securities.

- **Credit risk:** The ability of bond issuer to honour its commitments depends on the financial condition of the issuer. An adverse change in the financial condition of the issuer could lower the quality of the bonds, leading to greater price volatility of the bonds. The Sub-Fund may be subject to the risk that the bond issuer not making payment on interest and principal of the bonds, causing the value of the investment to go down and the Sub-Fund may suffer substantial losses**.** In the event of the default of bond issuer, the Sub-Fund may experience both delays in liquidating the bonds and losses including a decline in value of the bonds during the period when the Sub-Fund seeks to enforce its rights.

- **Counterparty risk:** The Sub-Fund is exposed to counterparty risks associated to counterparties with which, or brokers, dealers and exchanges through which, they deal, whether they engage in exchange-traded or over-the-counter transactions. In the case of insolvency or failure of any such party, the Sub-Fund might recover, even in respect of property specifically traceable to it, only a pro rata share of all property available for distribution to all of such party's creditors and/or customers. Such an amount may be less than the amounts owed to the Sub-Fund. The Sub-Fund may suffer significant losses.

- **Rating downgrade risk:** Debt securities which the Sub-Fund acquired or their issuers may subsequently be downgraded. In the event of such downgrading, the value of the Sub-Fund may be adversely affected. The Investment Manager may or may not be able to dispose of the debt securities that are being downgraded.

- **Valuation risk:** Valuation of the Sub-Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the Sub-Fund.

- **Reliability of credit ratings:** Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

- **Sovereign debt risk:** The Sub-Fund may invest in sovereign debt securities. Investment in such sovereign debt issued or guaranteed by governments or governmental entities largely in-debt involves a higher degree of risk including but not limited to political, social and economic risks. The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. Holders may be requested to participate in the rescheduling of such sovereign debt and to extend further loans to the issuers. In the event of a default of the sovereign issuer, the Sub-Fund may suffer significant loss.

- **Contingent convertible bonds (Cocos) risk:** The Sub-Fund may invest in CoCos, which are highly complex and are of high risk. Under the terms of a CoCo, the instruments become loss absorbing upon certain triggering events, including events under the control of the management of the CoCo issuer which could cause the permanent write-down to zero of principal investment and / or accrued interest, or a conversion to equity that may coincide with the share price of the underlying equity being low.

  Interest payments on CoCos are discretionary. It is possible in certain circumstances for interest payments on certain CoCos to be cancelled in full or in part by the issuer, without prior notice to bondholders at any point, for any reason, and for any length of time.

- **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.

- **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.

- **Securities lending and repurchase or reverse repurchase agreement transactions risk:** The Sub-Fund may enter into securities lending and repurchase or reverse repurchase agreement transactions, and may be subject to counterparty risk. The loaned securities may not be returned or returned in a timely manner and/or at a loss of rights in the collateral if the borrower or the lending agent defaults or fails financially and/or the value of the collateral may fall below the value of the securities lent out. The Sub-Fund may suffer significant losses.

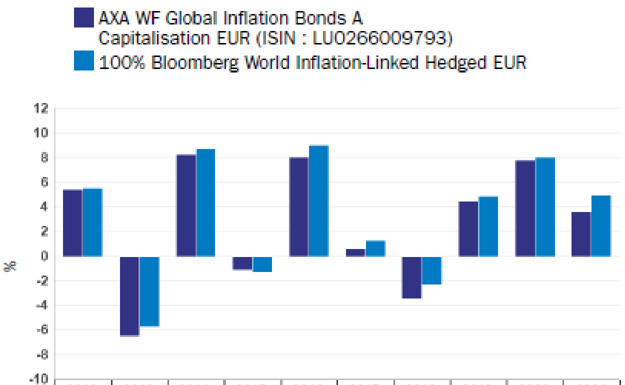
  In respect of repurchase agreements, in the event of the failure of the counterparty with which collateral has been placed, the Sub-Fund may suffer losses as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate pricing of the collateral and/or market movements.

  In respect of reverse repurchase agreements, in the event of the failure of the counterparty with which cash has been placed, the Sub-Fund may suffer losses as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral and/or market movements.

- **144A securities risk:** The Sub-Fund may invest in 144A securities which are restricted securities that benefit from an exemption from the registration obligation laid down by the 1933 "Securities Act" of the United States of America. These securities are restricted for resale to Qualified Institutional Buyers ("QIBs") as defined by the 1933 "Securities Act" and thus, administrative expenses are reduced due to this exemption. The 144A securities are traded between a limited number of QIBs, which may cause a higher price volatility and a lower asset liquidity of certain 144A securities.

- **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 relatable funds that do not use ESG or sustainability criteria. The selection of assets may in part rely on AXA Investment Managers' proprietary 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 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?



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
AXA WF Global Inflation Bonds A Capitalisation EUR	5.4	-6.5	8.3	-1.1	8.1	0.6	-3.4	4.5	7.8	3.6
100% Bloomberg World Inflation-Linked Hedged EUR	5.5	-5.7	8.7	-1.3	9.0	1.3	-2.3	4.9	8.1	5.0

- 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 EUR including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- The Investment Manager views Class A capitalisation (EUR), being the retail share class denominated in the Sub-Fund's base currency, as the most appropriate representative share class. Your attention is drawn to the fact that such share class is denominated in the Sub-Fund's base currency and if you were to invest in a share class denominated in a different currency, the performance of this latter share class might differ due to fluctuation of the currency exchange rate.
- The benchmark of the Sub-Fund is Bloomberg World Inflation-Linked Hedged EUR.
- Sub-Fund launch date: 2005
- Share Class A capitalisation (EUR) launch date: 2006

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
Subscription fee (Entry charge)	Class A: Up to 3.00% of the amount you buy
Switching fee (Switching charge)	None, except in the following circumstances: ▪ 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 ▪ 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.
Redemption fee	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)
Management fee	Class A: Up to 0.60%
Custodian fee (Depositary fee)	Included in Applied service fee
Performance fee	None
Administration fee	Included in Applied service fee
Applied service fee	All classes: Up to 0.50% Class A capitalisation (USD Hedged 95%): Current rate being 0.25% Class A capitalisation (EUR): Current rate being 0.23%

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.

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. 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, in the United States of America and in the United Kingdom, except 31 December.

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.