FRAMLINGTON EQUITIES

AXA World Funds – Framlington Global Convertibles

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 HK capitalisation (USD Hedged 95%**): 1.83%
Dealing frequency:	Daily
Base currency:	EUR
Dividend policy:	No dividend distribution
Financial year end of this fund:	31 December
Minimum investment:	Class HK: None (initial); None (subsequent)

* Class HK (USD Hedged 95%) has not been incepted as at the date of this document. This figure is an estimate only and represents the sum of the estimated ongoing expenses chargeable to this share class of the Sub-Fund expressed as an annualised percentage of this share class' estimated average net asset value. The actual figure may be different from this estimated figure and 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 – Framlington Global Convertibles (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 medium to long-term growth of your investment from an actively managed convertible security portfolio.

Investment Strategy

The Sub-Fund is actively managed in order to capture opportunities in in convertible securities, by investing at least one third of its net assets in securities that are part of the Thomson Reuters Convertible Global Focus Hedged Net ("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, sectors or companies compared to the Benchmark's composition and/or take exposure to companies, countries or sectors not included in the Benchmark. Thus, the deviation from the Benchmark is likely to be significant.

The Sub-Fund invests in convertible securities of issuers anywhere in the world that, the investment manager believes, appear to have undervalued credit ratings.

Specifically, at all times the Sub-Fund invests at least two-thirds of net assets in convertible securities of which the underlying shares may be issued by companies of any capitalisation or sector. The Sub-Fund invests at least 51% of net assets in investment grade convertible securities, taking into account that the Sub-Fund may invest up to 49% of net assets 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, they must be judged equivalent to those levels by the investment manager. In case of a credit downgrade below the 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 one-third 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 are unrated.

The Sub-Fund may invest in listed equities and equity-related securities, and 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 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) that are managed only by the management company or any other AXA IM group entity and will themselves not invest in securities rated CCC+ or below by Standard & Poor's or equivalent rating by Moody's or Fitch (the lowest rating will be considered) or if unrated then deemed to be so by the investment manager of such UCITS and/or UCIs.

The investment manager uses a strategy that combines macro-economic, sector and issuer selection. The securities selection process relies on a rigorous analysis of the companies' business model, management quality, growth prospects and risk/return profile.

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 may use the following techniques (as a % of net assets):

- securities lending: expected, ≈25%; max, 100%

Main types of assets in scope are bonds and equities.

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

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.

- **Convertible securities risks:** The Sub-Fund may invest in convertible securities which are corporate securities, being a hybrid between debt and equity, generally offering fixed interest or dividend yields which may be converted either at a stated price or stated rate for common or preferred stock at specified times during the life of the convertible securities. Although to a lesser extent than with fixed income securities generally, the market value of convertible securities tends to decline as interest rates rise. Because of the conversion feature, the market value of convertible securities also tends to vary with fluctuations in the market value of the underlying common or preferred stock and is more volatile than straight bond investments. Convertible bonds may also have call provisions and other features which may give rise to the risk of a call. The value and performance of the Sub-Fund may also be adversely affected as a result.

  Investments in convertible securities are subject to the same interest rate, credit, liquidity and prepayment risks associated with comparable conventional corporate bonds. Price changes in fixed- interest securities are influenced significantly by interest rate developments in the capital markets, which in turn are influenced by macro-economic factors. The values of convertible securities also may be affected by changes in the credit rating, liquidity or financial condition of the issuer. The Sub-Fund may also be exposed to the credit and insolvency risks of the issuers of the securities. The net asset value of the Sub-Fund may be adversely affected.

- **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.

- **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.

- **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.

- **High yield debt securities risk:** The Sub-Fund will invest in high yield debt securities which are generally sub-investment grade or unrated. Some of the high yield securities held in the portfolio may involve increased credit and market risk; such securities are subject to the risk of an issuer's inability to meet principal and interest payments on its obligations (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. The net asset value of the Sub-Fund may be adversely affected.

- **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.

- **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.

- **Derivatives and leverage risk:** The Sub-Fund may use both listed and over-the-counter derivatives for efficient portfolio management, hedging and non-extensive investment 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.

- **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.

- **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.

How has the Sub-Fund performed?

As Class HK capitalisation (USD Hedged 95%) has not been incepted as at the date of this document, there is insufficient data to provide a useful indication of past performance in respect of this share class.

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 HK: 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	Up to 1.50%
Custodian fee (Depositary fee)	Included in Applied service fee
Performance fee	None
Administration fee	Included in Applied service fee
Applied service fee	Up to 0.50% Current rate being 0.28%

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.

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 and in the United States of America.

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.