

AXA WF US Credit Short Duration IG UA USD

Fund Manager's Comment

Ongoing tensions with Iran continued to generate headline noise during April without meaningful progress towards resolution; however, the month saw a strong rebound in risk assets, as the S&P 500 had its best month since November 2020 and reached record highs. At the same time, Treasuries weakened as yields rose across the curve. 2-year yields started near 4% and dipped mid-month given inflation concerns, higher oil prices and hawkish Fed signals. The 10-year increased +5bps, while the 30-year yield briefly reached 5.03%, its highest level since 2023. Oil prices followed a similar pattern, falling mid-month and then rebounding, with WTI crude surpassing \$105 and Brent reaching \$114 by late April. Given persistent inflation risks and economic resilience, markets are now pricing no rate cuts through year-end. Economic data reinforced this resilient backdrop as March nonfarm payrolls rose 60K reversing course from the decline of 92K in February. Earnings season themes also highlighted strong demand for AI related compute and infrastructure, along with continued strength in US consumer spending, contributing to a renewed sense of optimism around AI. With this backdrop, US IG returned +0.45%, underperforming US HY (+1.70%) and the S&P 500 (+10.49%). US IG spreads tightened -10bps during April.

Primary issuance in April totaled \$193bn, above the initial forecast of \$100bn, and ahead of the 5-yr average of \$104bn. During the month, issuance was led by Financials, issuing \$82bn (43%), as companies reported 1Q earnings and came out of blackout periods. Industrials issued \$72bn (38%) and Utilities issued \$8bn, followed by non-corporates at \$31bn. This was the 2nd highest April issuance on record after 2020. Non-financial issuance included hyperscaler issuance from META of \$25bn and data center issuance of \$22bn. M&A issuance slowed during the month, with just \$6bn in supply. New issue supply for May is projected to be \$175bn, ahead of the 5-year average of \$138bn.

Utilities (+88bps excess return) outperformed both Industrials (+77bps excess return) and Financials (+75bps) in April. BBB-rated credits (+98bps excess return) outperformed A-rated credits (+72bps) and AA-rated credits (+31bps). The best performing sectors were Health Insurance (+145bps excess return), Metals & Mining (+137bps), Life Insurance (+129bps) and Oil Field Services (+122bps) while the worst performing sectors were Media Entertainment (+37bps) and Environmental (+45bps).

In April, the AXA WF US Credit Short Duration Fund slightly underperformed its performance indicator, the ICE BofA Merrill Lynch 1-3 Year US Corporate Index (gross-of-fees, USD). The main driver of performance was negative yield curve effect. Security selection also contributed slightly negatively to performance, particularly in the Banking and Financial services sectors. Duration effect also had a slightly negative contribution to performance, while sector allocation had a neutral contribution. The index posted +39bps of total return for the month as the 2-year US treasury yield increased +8bps to 3.87%. The index posted +16ps of excess return as credit spreads tightened. The index's average OAS was -7bps tighter and ended the month at +57bps. The fund maintains a mild yield advantage relative to the performance indicator (4.52% yield to worst relative to 4.48%).

The outlook for the US Investment Grade market remains neutral. The Macro is neutral as the US economy continues to show resilience; however, significant tail risks now exist due to the conflict in Iran and ultimately its severity and duration. Fed easing has been pushed out and is less certain as the energy shock impacts inflation. Corporate fundamentals remain strong and are not exhibiting late cycle leverage concerns. On Valuation, absolute yields remain attractive, while spreads remain at the tighter end. Sentiment has taken a more negative tone due to the geopolitical uncertainty, the Iran conflict and resulting energy shock. Technicals remain supportive. Supply remains very well digested as flows continue into the asset class and reflect strong interest from yield-base buyers. The primary market is running above expectations, influenced by M&A deals and the AI hyperscaler capex boom. Within sectors, we are overweight Financials, Healthcare and Telecommunications and underweight Technology & Electronics, Automotive, Basic Industry and Consumer Goods.

Benchmark

The fund doesn't have a benchmark.

The Fund is actively managed without reference to any benchmark.

Fund Profile

ESG Rating



% of AUM covered by ESG absolute rating: Portfolio = 98.6% (not meaningful for coverage below 50%)

For more information about the methodology, please read the section 'ESG Metrics Definition' below

Fund Manager

Frank OLSZEWSKI

Guillaume ARNOULD - Co-Manager

Additional Information

Administration: UA USD

Legal form	SICAV
UCITS Compliant	Yes
AIF Compliant	No
Legal country	Luxembourg
1st NAV date	01/07/2024
Fund currency	USD
Shareclass currency	USD
Valuation	Daily
Share type	Accumulation
ISIN code	LU2819793378
Maximum initial fees	2%
Transaction costs	0.03%
Ongoing charges	0.35%
Financial management fees	0.23%
Maximum management fees	0.75%
Performance fees : none	
Management company	BNP PARIBAS ASSET MANAGEMENT EUROPE SAS
(Sub) Financial delegation	AXA INVESTMENT MANAGERS US INC.
Delegation of account administration	State Street Bank International GmbH (Luxembourg Branch)
Custodian	State Street Bank International GmbH (Luxembourg Branch)

The actual costs can be found in the annual reports and are deducted each time the net asset value is calculated. The value of the investment is reduced by these costs. As disclosed in the most recent Annual Report, the ongoing charges calculation excludes performance fees, but includes management and applied services fees. The effective Applied Service Fee is accrued at each calculation of the Net Asset Value and included in the ongoing charges of each Share Class. The investment will be reduced by the payment of the above mentioned fees.

Fund Objectives

The Sub-Fund's investment objective is to seek performance by investing in investment grade corporate debt securities in USD over a medium term period.

Investment Horizon

The risk and the reward of the product may vary depending on the expected holding period. We recommend holding this product at least for 2 years.

Risk Indicator

The information shown below is from the KID PRIIPS.



The risk indicator assumes you keep the product for 2 years.

The actual risk can vary significantly if you cash in at an early stage and you may get back less.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 2 out of 7 which is a low risk class. This rates the potential losses from future performance at a low level. The risk category associated to this product was determined based on past observations, it is not guaranteed and can evolve in the future.

Be aware of currency risk. You will receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

Other risks not included in the Summary risk indicator can be materially relevant, such as counterparty risk. For further information, please refer to the prospectus.

This product does not include any protection from future market performance so you could lose some or all of your investment.

Subscription Redemption

The subscription, conversion or redemption orders must be received by the Registrar and Transfer Agent on any Valuation Day no later than 3 p.m. Luxembourg time. Orders will be processed at the Net Asset Value applicable to such Valuation Day. The investor's attention is drawn to the existence of potential additional processing time due to the possible involvement of intermediaries such as Financial Advisers or distributors. The Net Asset Value of this Sub-Fund is calculated on a daily basis.

Additional Information (Continued)

How to Invest

Before making an investment, investors should read the relevant Prospectus and the Key Investor Information Document (particularly for UK investors) / Key Information Document / scheme documents, which provide full product details including investment charges and risks. These documents are available in English or in your national language (if available) at axa-im.com. The information contained herein is not a substitute for those documents or for professional external advice.

Retail Investors

Retail investors should contact their Financial intermediary.

ESG Metrics Definition

Our approach to ESG measurement seeks to combine qualitative and quantitative techniques. The tree rating shown in this report is a simple pictorial representation of the overall ESG rating of the fund's portfolio. A fund which has 1 tree has a poor ESG rating, whereas a fund with 5 trees has a high ESG rating. For more information on our ESG standards, approach and methodology please visit: [Putting ESG to work | AXA IM Core \(axa-im.com\)](http://Putting ESG to work | AXA IM Core (axa-im.com)).

ESG indicators are for informational purposes only.

The portfolio has a contractual objective on one or more ESG indicators.

Disclaimers

Not for distribution or dissemination to US investors

This marketing communication does not constitute on the part of BNPP Asset Management a solicitation or investment, legal or tax advice. This material does not contain sufficient information to support an investment decision. The information contained herein is intended solely for the entity and/or person(s) to which it has been delivered, unless otherwise allowed under applicable agreements.

The tax treatment associated with holding, buying or disposing of shares or units in a fund depends on the status or tax treatment of each investor and may be subject to change. Potential investors are strongly encouraged to seek the advice of their own tax adviser.

Due to its simplification, this document is partial and opinions, estimates and forecasts herein are subjective and subject to change without notice. There is no guarantee forecasts made will come to pass. Data, figures, declarations, analysis, predictions and other information in this document is provided based on our state of knowledge at the time of creation of this document. Whilst every care is taken, no representation or warranty (including liability towards third parties), express or implied, is made as to the accuracy, reliability or completeness of the information contained herein. This material does not contain sufficient information to support an investment decision.

The Fund's characteristics do not protect the investors from the potential effect of inflation over time. The investments and/or any potential income generated during the period will not be adjusted by

the rate of inflation over the same period. Thus, the return on the fund adjusted from the rate of inflation could be negative. Consequently, the inflation might undermine the performance and/or the value of your investment.

The Fund referenced herein has not been registered under the United States Investment Company Act of 1940, as amended, nor the United States Securities Act of 1933, as amended. None of the shares may be offered or sold, directly or indirectly in the United States or to any US Person unless the securities are registered under the Act, or an exemption from the registration requirements of the Act is available. A US Person is defined as (a) any individual who is a citizen or resident of the United States for federal income tax purposes; (b) a corporation, partnership or other entity created or organized under the laws of or existing in the United States; (c) an estate or trust the income of which is subject to United States federal income tax regardless of whether such income is effectively connected with a United States trade or business. In the United States, this material may be distributed only to a person who is a "distributor," or who is not a "U.S. person," as defined by Regulation S under the U.S. Securities Act of 1933 (as amended).

The fund or sub fund is a part of AXA World Funds. AXA WORLD FUNDS 's registered office is 49, avenue J.F Kennedy L-1885 Luxembourg. The Company is registered under the number B. 63.116 at the "Registre de Commerce et des Sociétés" The Company is a Luxembourg SICAV UCITS IV approved by the CSSF and managed by BNPP Asset Management Europe, a company incorporated under the laws of France, having its registered office at 1 Boulevard Haussmann, 75009 Paris, France and its postal address at Tour Majunga - La Défense 9 - 6, place de la Pyramide - 92800 Puteaux, registered with the Paris Trade and Companies Register under number 319 378 832, and a Portfolio Management Company, holder of AMF approval no. GP 96002, issued on 19 April 1996.

For more information on sustainability-related aspects please visit <https://www.axa-im.com/what-sfdr>

Depending on the recipient's respective jurisdiction or region, the following additional disclosures may apply:

For Chilean Investors: This private offer avails itself of the General Regulation No. 336 of the Superintendencia de Securities and Insurances (currently the Financial Markets Commission). This offer relates to securities not registered with the Securities Registry or the Registry of Foreign Securities of the Financial Markets Commission, and therefore such securities are not subject to oversight by the latter; Being unregistered securities, there is no obligation on the issuer to provide public information in Chile regarding such securities; and these securities may not be subject to a public offer until they are registered in the corresponding Securities Registry.

Para inversionistas chilenos: ESTA OFERTA PRIVADA SE ACOGE AL REGLAMENTO GENERAL N° 336 DE LA SUPERINTENDENCIA DE VALORES Y SEGUROS (ACTUALMENTE COMISIÓN DE MERCADOS FINANCIEROS). ESTA OFERTA SE REFIERE A VALORES NO INSCRITOS EN EL REGISTRO DE VALORES O EN EL REGISTRO DE VALORES EXTRANJEROS QUE LLEVA LA COMISIÓN DE MERCADOS FINANCIEROS, POR LO QUE TALES VALORES NO ESTÁN SUJETOS A LA FISCALIZACIÓN DE ÉSTA; POR TRATARSE DE VALORES NO INSCRITOS NO EXISTE LA OBLIGACIÓN POR PARTE DEL EMISOR DE ENTREGAR EN

Additional Information (Continued)

CHILE INFORMACIÓN PÚBLICA RESPECTO A LOS VALORES SOBRE LOS QUE SE REFIERE ESTA OFERTA; ESTOS VALORES NO PODRÁN SER OBJETO DE OFERTA PÚBLICA MIENTRAS NO SEAN INSCRITOS EN EL REGISTRO DE VALORES CORRESPONDIENTE.

For Peruvian Investors: BNPP Asset Management is not licensed and it is not legally required to be licensed by the Peruvian Securities Regulator (Superintendencia del Mercado de Valores - SMV) for these activities. Consequently, the Peruvian Securities Regulator does not exercise any kind of supervision regarding this fund, strategy and/or service; and, the information furnished to the investors and the rest of the services rendered by BNPP Asset Management are subject to its exclusive responsibility. In Peru, this document is only for the exclusive use of persons or entities qualifying as "Inversionistas Institucionales" under Peruvian Law. This document is not for public distribution. BNPP Asset Management no tiene y no está legalmente obligada a tener una autorización por parte de la Superintendencia del Mercado de Valores para estas actividades. En consecuencia, la Superintendencia del Mercado de Valores no ejerce ningún tipo de supervisión sobre el fondo, la estrategia, y/o los servicios; y la información proporcionada a los inversionistas y los demás servicios que les presta son de exclusiva responsabilidad de BNPP Asset Management. En el Perú, este documento es para el uso exclusivo de personas o entidades que califiquen como "Inversionistas Institucionales" bajo las leyes peruanas. Este documento no es para distribución al público.

For Uruguayan Investors: The sale of the shares/units qualifies as a private placement pursuant to section 2 of Uruguayan law 18,627. The shares/units must not be offered or sold to the public in Uruguay, except in circumstances which do not constitute a public offering or distribution under Uruguayan laws and regulations. The shares/units are not and will not be registered with the Financial Services Superintendency of the Central Bank of Uruguay. The shares/units correspond to investment funds that are not investment funds regulated by Uruguayan law 16,774 dated September 27, 1996, as amended.

For Singapore Investors: This document is issued by AXA Investment Managers Asia (Singapore) Ltd. ("AXA IM Asia") (Registration No. 199001714W) for the use of Institutional Investors and/or Accredited Investors only as defined in Section 4A of the Securities and Futures Act (Cap. 289) (subject to the Fund being registered under the Restricted Schemes), and must not be relied upon by retail investors. Circulation must be restricted accordingly. As an exempt financial adviser under the Financial Advisers Act ("FAA"), AXA IM Asia is exempted from complying with certain business conduct rules (including but not limited to Sections 25, 27 and 36 of the FAA) when providing financial advisory services to Accredited Investors.

Information for investors and interested persons in Austria: The current prospectus of the fund as well as the current respective key information document for packaged retail and insurance-based investment products ("PRIIP") were published in electronic form on www.axa-im.at and by deposition at BNPP Asset Management Germany GmbH, Thurn-und-Taxis-Platz 6, 60313 Frankfurt am Main. Investors and interested persons in Austria receive the respective prospectus in German language, the respective key information document for packaged retail and insurance-based investment products ("PRIIP") in German in paper form, the respective fund rules (Fondsbestimmungen) and the respective annual and semi-annual

report free of charge at BNPP Asset Management Germany GmbH and on www.axa-im.at. There further information and documents regarding the product may be examined. The issue prices and redemption prices are also available at there and on www.axa-im.at. Please refer to the respective applicable prospectus to find information on where the subscription-, payment-, repurchase- and redemption orders may be submitted. At the BNPP Asset Management Germany GmbH as well as at [Rechtliche Hinweise | AXA IM DE](http://RechtlicheHinweise|AXAIMDE) (www.axa-im.de) a summary of information on investor rights is available upon request in German language.

Information for investors and interested persons in Germany : Please read the latest prospectus including the general and special terms and conditions of the fund respectively the articles of association, which are the only relevant basis for the purchase of fund units/shares. Any transaction on the basis of information or explanation which is not contained within the prospectus is carried out exclusively on risk of the buyer.

You will receive the respective prospectus in German language, respective key information document for packaged retail and insurance-based investment products ("PRIIP") in your national language in paper form and the respective annual and semi-annual report upon request free of charge and in paper form at BNPP Asset Management Germany GmbH . Thurn-und-Taxis-Platz 6 . 60313 Frankfurt/Main or from our distribution partners or under www.axa-im.de. At the BNPP Asset Management Germany GmbH as well as at [Rechtliche Hinweise | AXA IM DE](http://RechtlicheHinweise|AXAIMDE) (www.axa-im.de) a summary of information on investor rights is available upon request in German language. Please refer to the respective applicable prospectus to find information on where the subscription-, payment-, repurchase- and redemption orders may be submitted.

Information for Investors and interested persons in the Principality of Liechtenstein: Investors and interested persons in the Principality of Liechtenstein receive in their most current version the prospectus in German language, the key information document for packaged retail and insurance-based investment products ("PRIIP") in German language in paper form, the respective annual and semi-annual report of the Fund free of charge at BNPP Asset Management Germany GmbH, Thurn-und-Taxis-Platz 6, 60313 Frankfurt am Main or in electronic form on www.axa-im.li. Please refer to the respective applicable prospectus to find information on where the subscription-, payment-, repurchase- and redemption orders may be submitted. At the BNPP Asset Management Germany GmbH as well as at [Rechtliche Hinweise | AXA IM LI](http://RechtlicheHinweise|AXAIMLI) (www.axa-im.li) a summary of information on investor rights is available upon request in German language.

For Hong Kong investors: The authorisation of any fund by the Securities and Futures Commission in Hong Kong ("SFC") does not imply official approval or recommendation. SFC authorization of a fund is not a recommendation or endorsement of a fund nor does it guarantee the commercial merits of a fund or its performance. It does not mean the fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. Where any of the Funds is not authorized by the SFC, the information contained herein in connection with such unauthorized Fund is solely for the use of professional investors in Hong Kong. Materials exempted from authorization by the SFC have not been reviewed by the SFC.

For Taiwan investors: The offer, distribution, sale or re-sale of fund units/shares in Taiwan requires approval from and/or registration with Taiwanese regulatory authorities. To the extent that any units/shares of the Funds are not so licensed or registered, such units/shares are made available in Taiwan on a private placement basis only to banks,

Additional Information (Continued)

bills houses, trust enterprises, financial holding companies and other qualified entities or institutions (collectively, "Qualified Institutions") and other entities and individuals meeting specific criteria ("Other Qualified Investors") pursuant to the private placement provisions of the Rules Governing Offshore Funds. No other offer or sale of such units/shares in Taiwan is permitted. Taiwanese purchasers of such units/shares may not sell or otherwise dispose of their holdings except by redemption, transfer to a Qualified Institution or Other Qualified Investor, transfer by operation of law or other means approved by the Taiwan Financial Supervisory Commission.

For investors located in the European Union :

Please note that the management company reserves the right, at any time, to no longer market the product(s) mentioned in this communication in the European Union by filing a notification to its supervision authority, in accordance with European passport rules. In the event of dissatisfaction with BNPP Asset Management products or services, you have the right to make a complaint, either with the marketer or directly with the management company (more information on BNPP Asset Management complaints policy is available in English:

<https://www.bnpparibas-am.com/en/complaint-management-policy/>).

If you reside in one of the European Union countries, you also have the right to take legal or extra-judicial action at any time. The European online dispute resolution platform allows you to submit a complaint form (available at:

<https://ec.europa.eu/consumers/odr/main/index.cfm?event=main.home.chooseLanguage>) and provides you with information on available means of redress (available at:

<https://ec.europa.eu/consumers/odr/main/?event=main.adr.show2>). Summary of investor rights in English is available on BNPP Asset Management website

<https://www.bnpparibas-am.com/en-gb>.

Translations into other languages are available on local BNPP Asset Management entities' websites.