AXA WF US Credit Short Duration IG UA USD

Fund Manager's Comment

Markets were resilient in August despite persistent inflation, geopolitical uncertainty and AI concerns. Treasury markets experienced some volatility during the month but were mostly firmer. The curve ultimately flattened with 2-year yields rising +5bps amidst rising expectations for a September rate hike and 30-year yields were tighter by -3bps but reached an intra-month high of 5.34%. 10-year yields ended the month at 4.75% close to its highest level since 2025. During Jackson Hole, Warsh noted that inflation remains too high. Expectations remain skewed toward a Fed hike in September. AI continues to be a key theme with concerns about rapid growth in demand, expanding capex plans, and debt issuance. US equities were higher in August, with the S&P and Nasdaq rising after two months of declines. There was heavy new issue supply for the month of August, but despite this, spreads remained resilient against a more challenging rates backdrop. US IG returned +0.43%, underperforming US HY (+0.99%) and the S&P 500 (+2.72%). US IG spreads were flat during August.

Primary issuance in August totaled $170bn, above the initial forecast of $115bn, and ahead of the 5-yr average of $98bn, a consistent theme throughout 2026. During the month, issuance was led by Industrials, issuing $93.5bn (55%). Financials issued $41.5bn (24%), non-corporates issued $22.5bn and Utilities issued $12.9bn. Issuance in August is historically led by Industrials, as many companies come out of earnings blackouts. This August was no different, and yet another hyperscaler issued (GOOGL for $25bn). M&A funding in August picked up again and accounted for $23.4bn of issuance. YTD M&A supply is $173bn, up 50% y/y. Once again, non-USD issuance by US issuers was active and rose to $16.2bn during the month, driven by hyperscalers tapping non-USD currencies, with GOOGL issuing $4bn in AUD. New issue supply for September is projected to be $200bn, ahead of the 5-year average of $156bn.

Industrials (+17bps excess return) outperformed both Financials (+6bps excess return) and Utilities (+4bps) in August. BBB-rated credits (+23bps excess return) outperformed both Aa+ rated credits (+0bps) and A-rated credits (+7bps). The best performing sectors were Cable Satellite (+104bps excess return), Wirelines (+53bps), Independent (+48bps) and Refining (+46bps), while the worst performing sectors were P&C (-7bps), Health Insurance (-4bps) and Tobacco (-4bps).

In August, the AXA WF US Credit Short Duration Fund performed in-line with its performance indicator, the ICE BofA Merrill Lynch 1-3 Year US Corporate Index (gross-of-fees, USD). Duration effect contributed slightly negatively to performance. Security selection had a neutral contribution to performance, with slightly positive performance in the Healthcare sector, offset with slightly negative performance in the Real Estate sector. Yield curve effect and sector allocation had a neutral contribution to performance. The index posted +32bps of total return for the month as the 2-year US treasury yield increased +5bps to 4.34%. The index posted +6ps of excess return. The index's average OAS was -1bps tighter and ended the month at +47bps. The fund aims to maintain a mild yield advantage relative to the performance indicator (4.82% yield to worst relative to 4.82%).

The outlook for the US Investment Grade market remains neutral. The Macro is neutral as the US economy continues to show resilience. 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 been positive as the energy shock recedes and geopolitical risk decreases. Technicals remain supportive. Supply remains well digested as flows continue into the asset class and reflect strong interest from yield-based buyers. The primary market is running above expectations, influenced by M&A deals and the AI hyperscaler capex boom. Within sectors, we are overweight Healthcare and Telecommunications and underweight Technology & Electronics, Automotive, Consumer Goods and Capital 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 = 99.5% (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

Source(s): BNPP Asset Management as at 31/08/2026

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

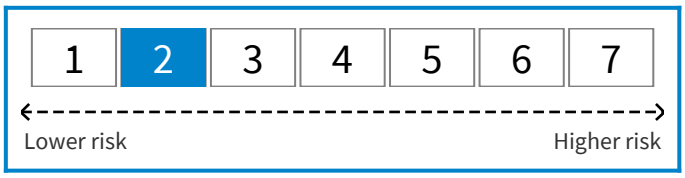
The Sub-Fund's investment objective is to seek performance by investing in investment grade corporate debt securities in USD over a medium term period.

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)

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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).

ESG indicators are for informational purposes only.

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

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Additional Information (Continued)

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Additional Information (Continued)

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