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Focus Product: AXA World Funds - US Credit Short Duration IG

Description

A fund that invests in short maturity USD Investment Grade bonds. The fund has a 11+ year track record of generating multiple positive monthly investment returns during varied positive and negative credit environments.

Team

3 Fund Managers with an average industry experience of 24 years. These individuals are dedicated to actively managing US investment grade credit portfolios and form part of a broader team managing a total of USD 44 billion in US investment grade corporate credit.

Characteristics

Style based on consistency together with in-depth credit selection through detailed fundamental analysis.
Close collaboration with High Yield team to identify rising stars and maintain a strong sell discipline if credit concerns arise.

FUND OBJECTIVE

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

WHAT IS THE FUND?

- Invests mainly in short duration (<5-year maturity) investment grade corporate bonds denominated in USD.
- Focuses on income generation and seeks to maintain a stable capital.
- Managed with a total return style, the fund aims to generate consistent and incremental returns.

WHY THE FUND?

1. A portfolio of short duration bonds has a reduced interest rate sensitivity against the overall US credit market.
2. Security selection is the main driver behind the income collection that has generated consistent positive monthly returns over multiple time periods.

WHY NOW?

- **Resilience in volatile markets.** Lower sensitivity to both rates and spread volatility amid US tariff implementation.
- **Attractive entry points.** Yields remain well above 10-year averages whilst ongoing volatility is creating better entry points for spread valuations.
- **Diversifier out of cash,** with short-term rates declining.

PERFORMANCE & DRIVER: Q2 2025

- Primary driver was positive security selection, primarily in the Banking, Energy, Healthcare, Media, Real Estate and Retail sectors.
- Duration/yield curve effects and sector allocation were also positive.
- The main negative contribution came from security selection in Utilities.

Annualized Returns (net of fees as at June 30, 2025) **				
1 Year	3 Year	5 Year	10 year	Since Inception
6.27	4.76	2.52	2.55	2.44

Calendar Year Returns (net of fees) **										
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1.16	0.44	2.71	2.15	1.27	5.71	4.13	-0.07	-3.30	5.36	5.34

Performance of institutional class I CAP USD shares shown for illustration purposes only. Past performance is not indicative of future results.*

Did you know? 100% of longer-term US credit returns come from coupon and only a small fraction from price movement – this is why the strategy targets income and seeks to maintain a stable capital.

Source: AXA IM. *Performance of representative institutional class I CAP USD shares shown for illustration purposes only. Retail investors cannot invest in such class. A dedicated Retail share class (UA CAP USD) was launched on July 1st, 2024 which is appropriate for accredited investors in Singapore, professional investors in Hong Kong and for retail investors in some additional jurisdictions. The class I CAP USD shares and class UA CAP USD shares have substantially the same features such as investment process and objectives, investment management team and the asset selection procedures in place. The results portrayed relate only to the I CAP USD share class and are not indicative of the future performance of the UA CAP USD share class. ** Source: fund Factsheet. Performance shown net of fees is calculated after the deduction of all management fees and using the UA CAP USD fees. Returns may increase or decrease as a result of currency fluctuations. Returns assume the reinvestment of distributions. The value of investments may fall as well as rise and you may not get back the full amount invested. Past performance is not indicative of future results. The fund is actively managed without reference to any benchmark. The information contained herein is not sufficient to support an investment decision. Any decision whether to invest in the securities must be based on the information in the prospectus.