

# Introducing AIPE – AXA IM Euro Credit PAB UCITS ETF

Marketing communication - October 2023

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# AGENDA

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## **AXA IM ETFs**

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- An innovative approach developed by AXA IM
- Our ETFs features

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## **AIPE – AXA IM Euro Credit PAB UCITS ETF**

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- Why active ETFs ?
- Euro Credit PAB strategy
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# AXA IM ETFs

# An innovative ETF range developed by AXA IM

## An efficient structure



- **Integrated model** based on existing portfolio management and research teams
- **Dedicated Capital Markets desk**

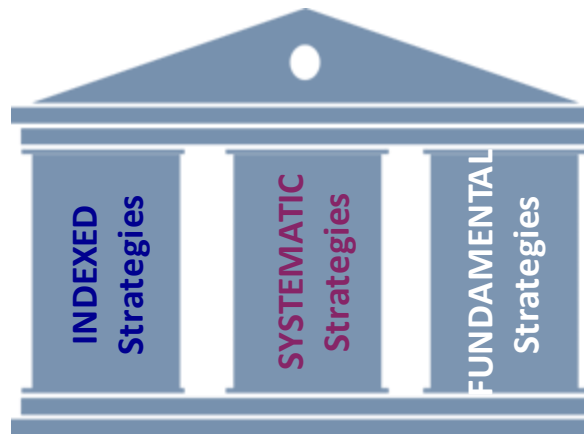


**Investment  
Managers**

## A wide range of investment capabilities



- **Indexed** strategies
- **Systematic** strategies
- **Fundamental / active** strategies



## Innovative ETFs



- **Attractive fee schedule\***
- Offering **innovative and proven expertise**
- **Open to new partnership** and product ideas if any client interest



Source: AXA IM. For illustrative purpose only.

3 \*in line with European-domiciled ETF standards. As of January 2023. Assessment based on internal peer groups with constituents made of similar vehicles, domiciles & strategy in Europe.

# Advancing the potential of ETFs

**Investor needs have evolved over time**



Clients at the heart

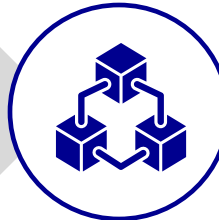
**So did our solutions with ETFs**

**Convenience:  
Diversification/Risk Monitoring**



**Technology**

**Liquidity**



**Improved price discovery and improved Liquidity**

**Cost perception**



**Cost efficiency**

**Reporting Disclosure**



**Daily transparency**

# AIPE - AXA IM Euro Credit PAB UCITS ETF

## Product Features

**AUM: €157M**

**Benchmark: ICE BofA Euro Corporate Index Paris Aligned (Absolute Emissions)**

### First active Euro Credit PAB ETF

The ETF is actively managed with deviation expected in term of constitution and performance compared to benchmark that is likely to be limited.

**Physical replication**

**Aim to combine long term alpha generation and a decarbonization strategy**

**Paris Aligned Benchmark**

Shareclass	Ticker	Listing Venue	Investment reduced by TER cost (bps)
AXA IM Euro Credit PAB UCITS ETF EUR Acc	AIPE GY	Xetra in EUR	20
	AIPE IM	Borsa Italiana in EUR	20
	AIPE SW	SIX in EUR	20

For more information on ETFs, including holdings lists, visit your local fund center available at [core.axa-im.com/etf](https://core.axa-im.com/etf)

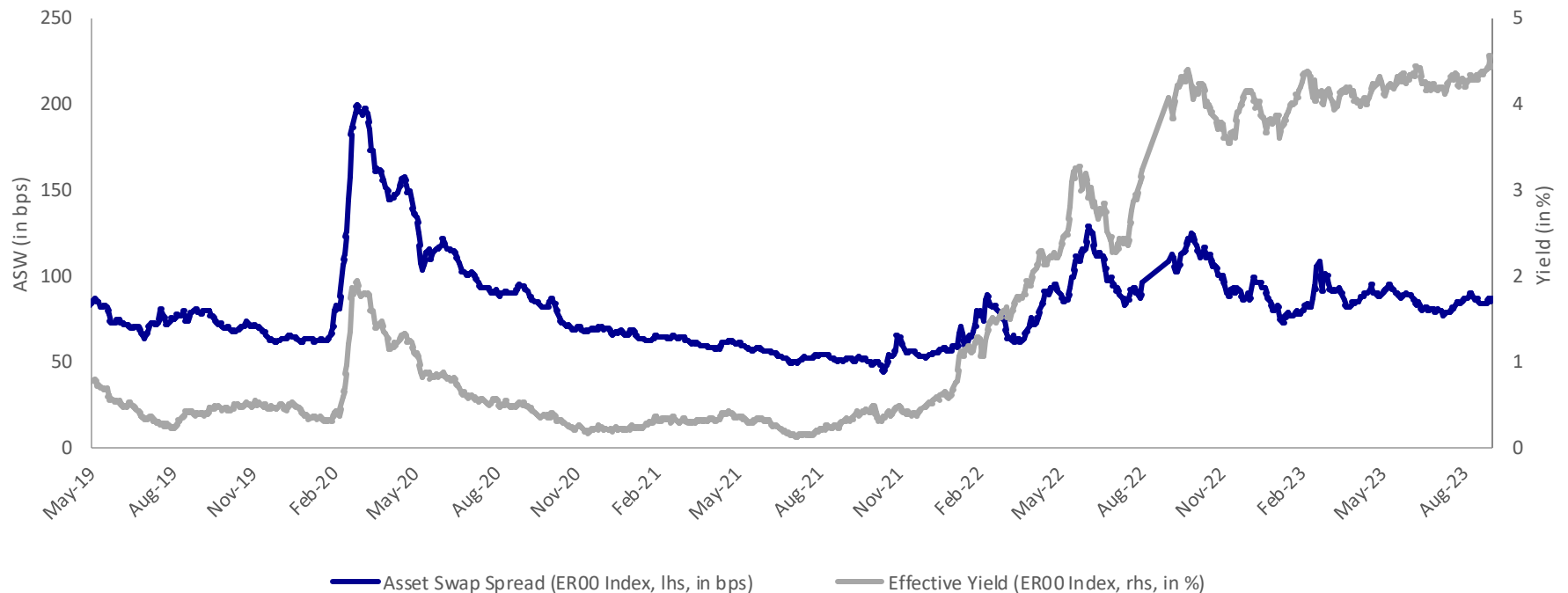
Source: AXA IM as at 29/09/2023. For illustrative purposes only.

# Market views & ETFs flows

# Fixed Income market views

## What's happening in Euro Credit IG markets ?

- In September, the Euro Corporate index traded in a narrow range between 84bps and 90bps and finished the month at 87bps.
- Real Estate was the largest outperformer tightening by 19bps on average, while other sectors such as Retail and Automotive slightly underperformed with a modest 5bps widening.



Source: AXA IM, Bloomberg, as of 30/09/2023. ER00: ICE BofA Euro Corporate Index



# AIPE

## AXA IM Euro Credit PAB UCITS ETF

# The first Innovative, Active and Liquid solution to invest in Euro Credit IG while keeping a decarbonization strategy in line with a Paris Aligned Benchmark



## Innovative

- The first actively managed\* Euro Credit PAB ETF **under UCITS format**, leveraging on **our long-standing sustainable investment capabilities**
- Leveraging our Global Fixed Income investment capabilities seeking to identify our **conviction Euro credit IG\*\* investment ideas** while keeping **a decarbonization strategy**
- **Art. 8 SFDR** classification.
- Aim to improve carbon emissions profile relative to benchmark\*\*\*



## Active

- **Long-term conviction driven** portfolio
- Investment process combining strong **top-down inputs and rigorous bottom-up research**
- Capturing the value of the Euro Credit market
- Diversified and risk-managed **exposure to euro denominated IG bonds**
- Monthly rebalancing



## Liquid

- Offer an innovative solution under a liquid UCITS ETF format
- **Accessible to all investors** (from institutional to deep retail) **at any time\*\*\*\***

Source AXA IM as of July 2023. For illustrative purposes only. The product categorization is provided based on the basis of the European Directive (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR Regulation") and on the basis of knowledge at the time of the creation of this document. More information available in the end disclaimer. The targeting of specific SDG does not imply the endorsement of the United Nations of AXA Investment Managers, its products or services, or of its planned activities and does not constitute, explicitly or implicitly, a recommendation for an investment strategy.

\*The Fund is actively managed with deviation expected in term of constitution and performance compared to benchmark that is likely to be limited. \*\* IG: Investment Grade, i.e. bonds rated at least BBB- by Standard & Poor's or equivalent ratings by Moody's or Fitch or, if unrated, judged equivalent to those ratings by the Investment Manager.

9 \*\*\*The ICE BofA Euro Corporate Index Paris Aligned (Absolute Emissions) is referenced for comparative purposes and for the financial objectives only of the strategy as per the prospectus. \*\*\*\*During regional market trading hours. Only Authorised participants can deal directly with the Fund.

# What is a Fixed Income Paris Aligned Benchmark (PAB) ?

Achieving a net zero carbon emissions level by 2050

*Indices designed from a “Parent Index” to be aligned to Paris Agreement, aiming to limit the rise in global temperatures to well below 2°C above pre-industrial levels, and to pursue efforts to keep the rise to 1.5°C.*



**Reducing the carbon emissions level relative to the Parent index (non-PAB) by 50% at inception, in absolute or intensity (% of EVIC\*) terms**

Maintaining that 50% reduction thereafter

**Minimum 7% annualized rate of reduction** versus previous rebalancing

**Reach net zero carbon emissions by 2050**



ESG, climate related and/or fossil fuels related business involvements **exclusions**



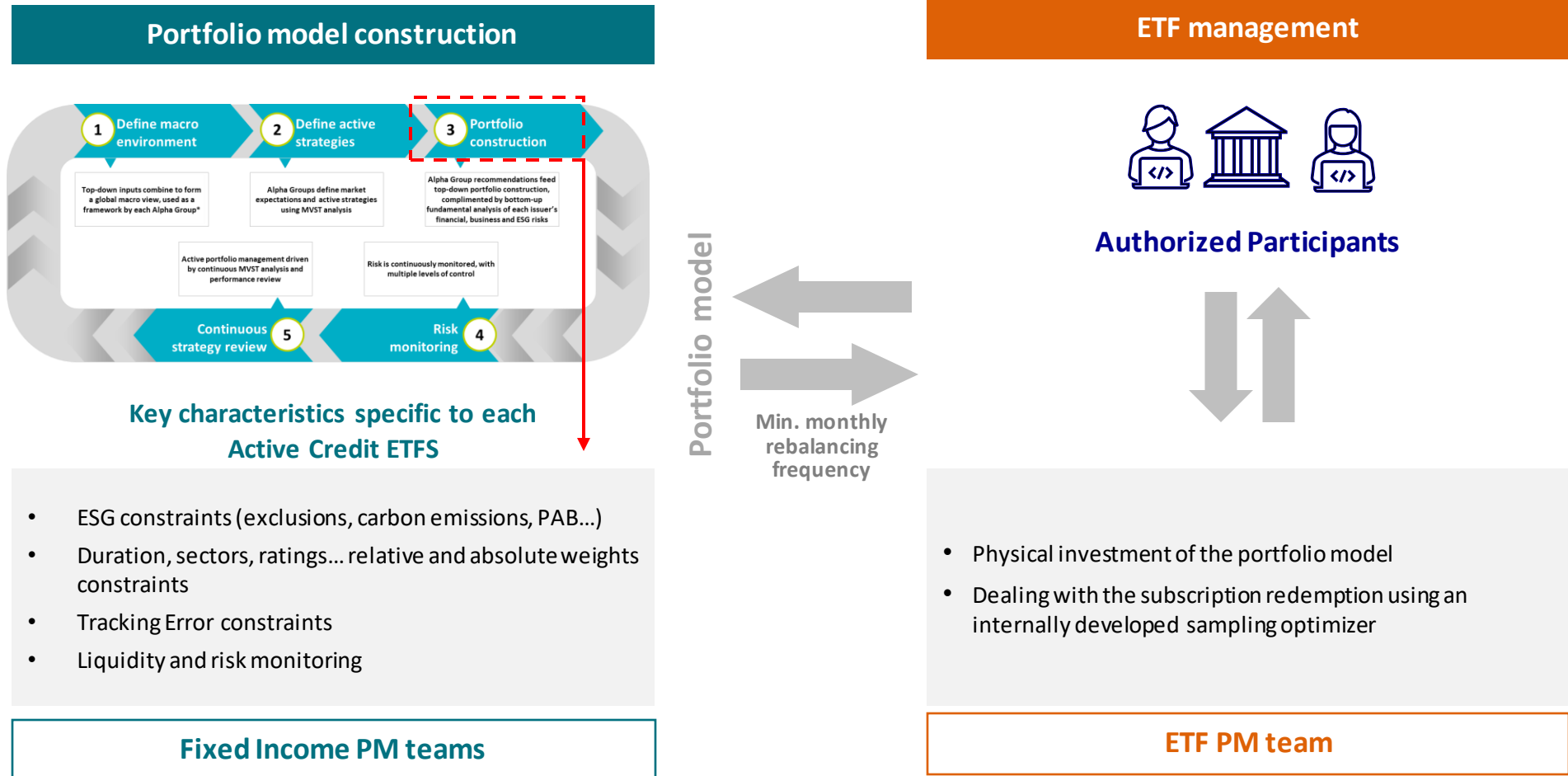
**Key measures** (duration, ratings distribution, sector allocations...) are **not significantly changed relative to Parent index**

**AIPE\*\* is managed against a PAB Absolute Emissions index**

Source: AXA IM, ICE, June 2023. \*EVIC: Enterprise Value Including Cash. \*\*AIPE: AXA IM Euro Credit PAB UCITS ETF

# Active Fixed Income ETF Investment Process

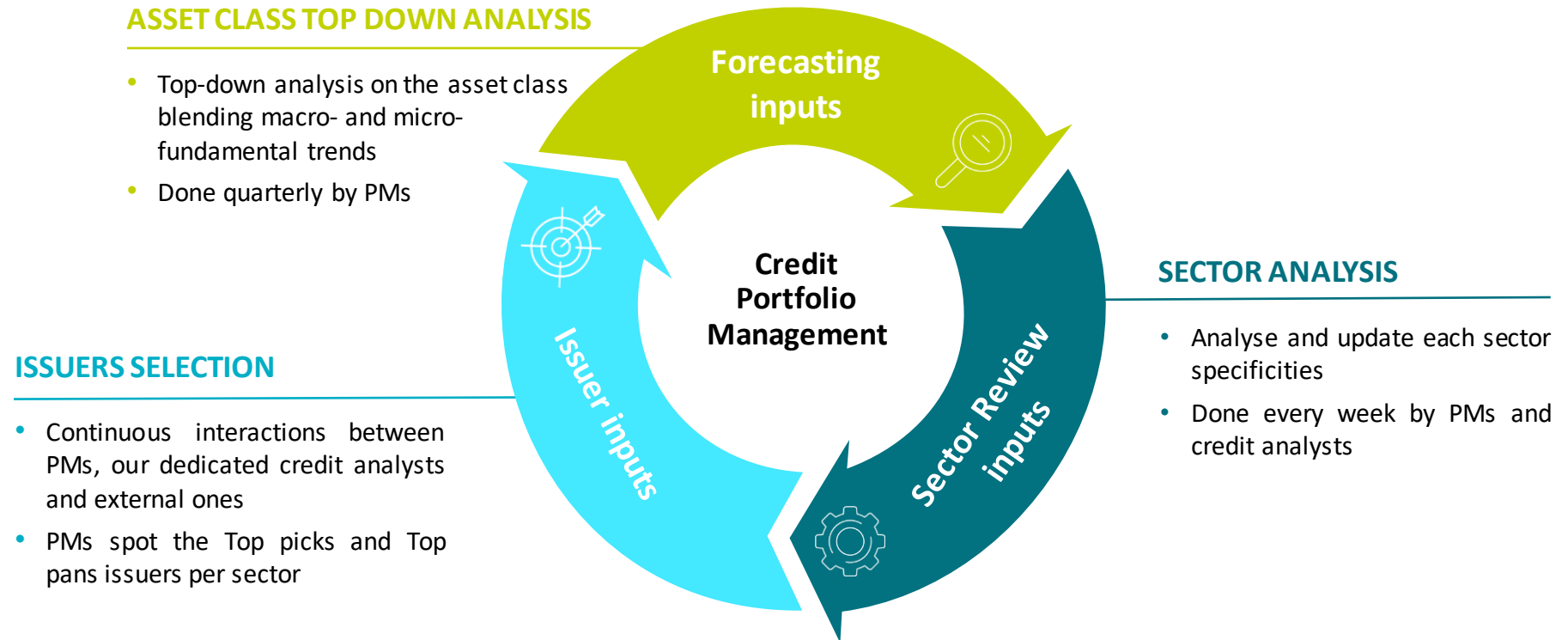
## Leveraging AXA IM Fixed Income global investment process



Source: AXA IM as of July 2023. For illustrative purposes only. There is no guarantee that AXA IM investment process will be the same going forward.

# Objective: Generating alpha through active management

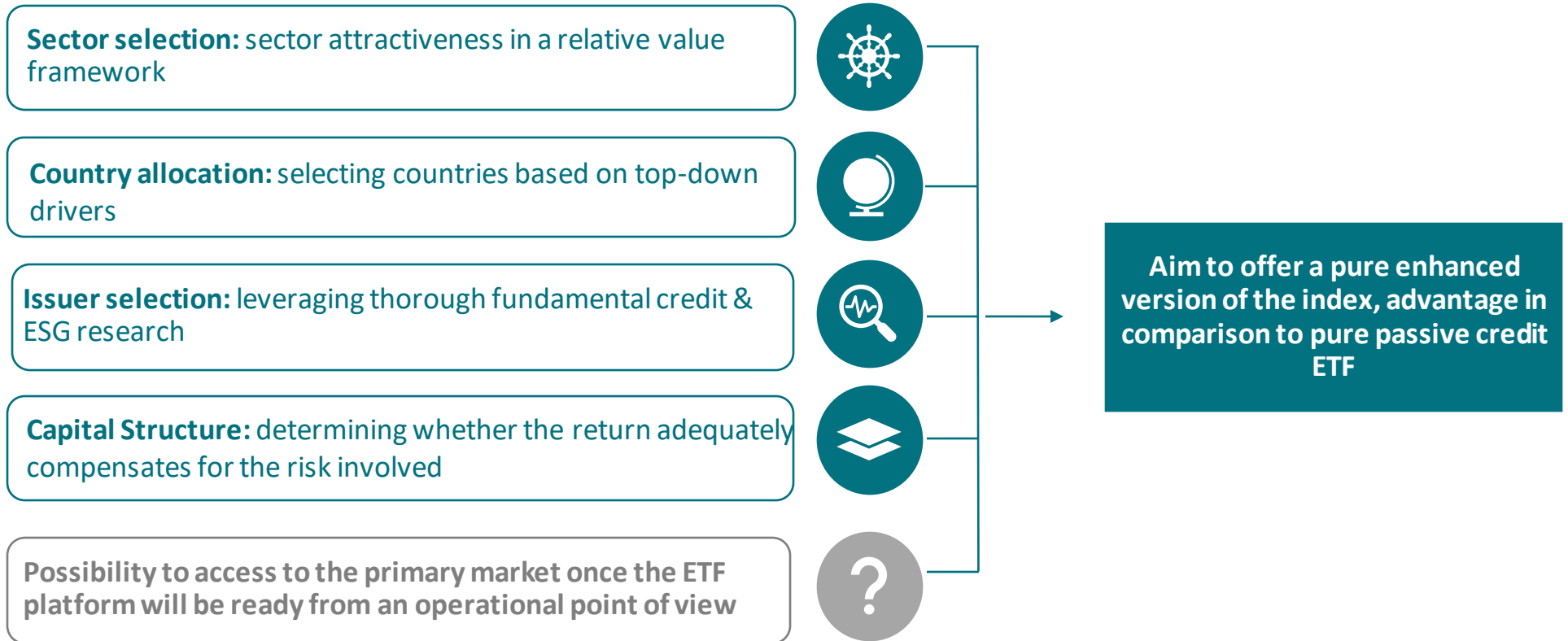
Fixed Income Portfolio Managers (PM) express their views throughout the overall investment process



**Seek to capture the value of the Euro Credit market**

# Alpha sources – potential performance drivers of the active credit ETFs

Leverage on existing FI expertise to propose an enhanced PAB



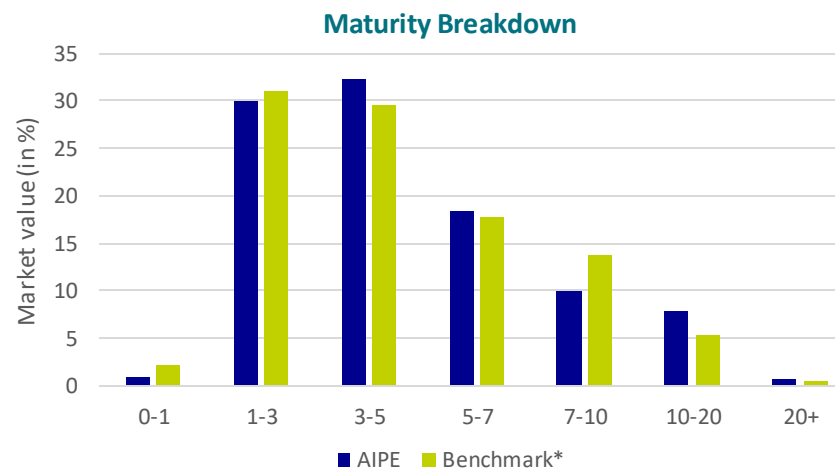
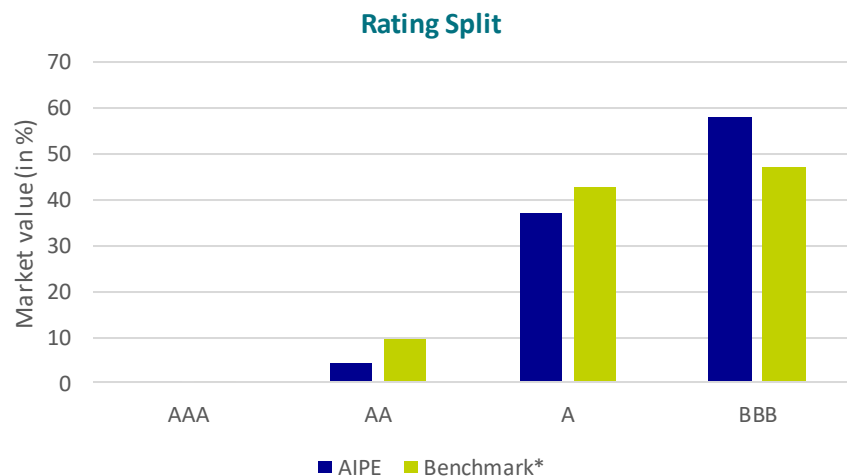
Source: AXA IM as of July 2023. For illustrative purposes only. There is no guarantee that AXA IM investment process will be the same going forward.

# AIPE - AXA IM Euro Credit PAB UCITS ETF

## Portfolio positioning as of 30/09/2023

Fund Characteristics	AIPE	ICE Euro Corporate Paris-Aligned Absolute Emissions Index
Duration	4.46 years	4,26 years
Yield to Worst	4.63%	4,54%
Average Coupon	2.36%	2.17%
Average Rating	A-	A-
Number of issues	251	3402

Top 10 issues	Sector	ETF	Benchmark*
AT&T Inc 2026	Telecom	1,47%	0,06%
Electricite de France SA 2029	Utility	1,26%	0,02%
AIB Group PLC 2028	Banking	1,24%	0,05%
Vicinity Centres Trust 2029	Real Estate	1,23%	0,02%
EDP Finance BV 2026	Utility	1,20%	0,02%
Verizon Communications Inc 2026	Telecom	0,94%	0,02%
UniCredit SpA 2026	Banking	0,91%	0,07%
Raiffeisen Bank International AG 2032	Banking	0,85%	0,03%
ABN AMRO Bank NV 2027	Banking	0,84%	0,02%
BBVA SA 2026	Banking	0,84%	0,06%



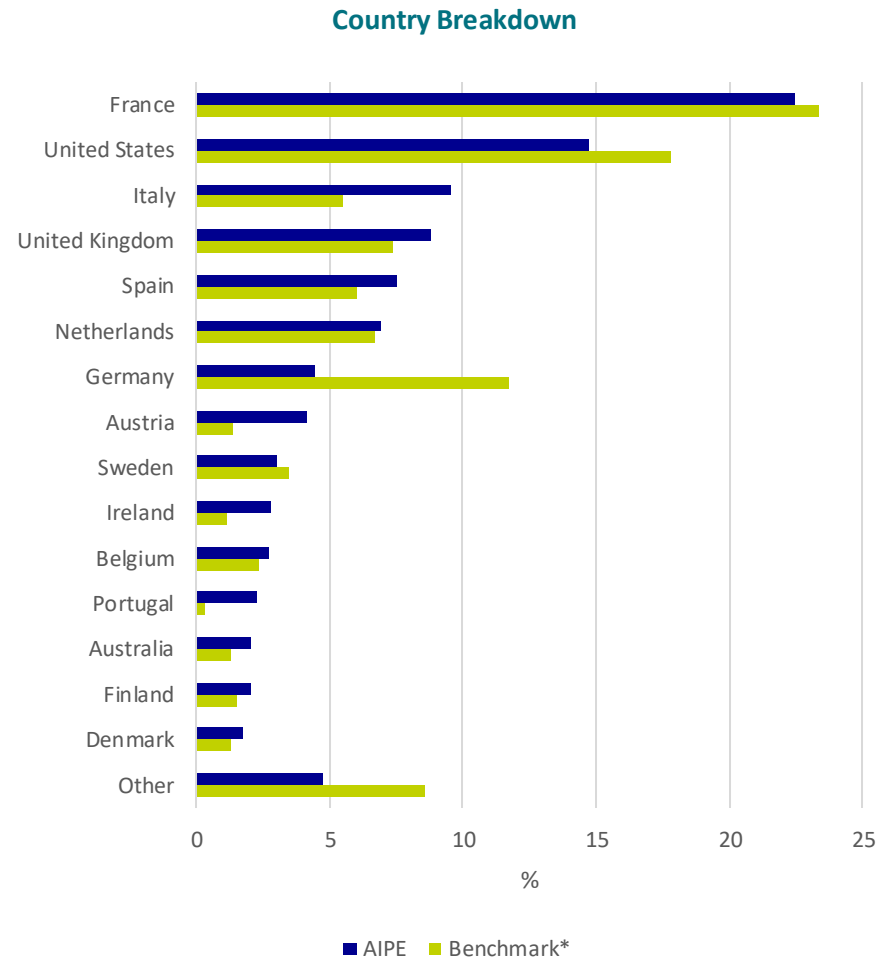
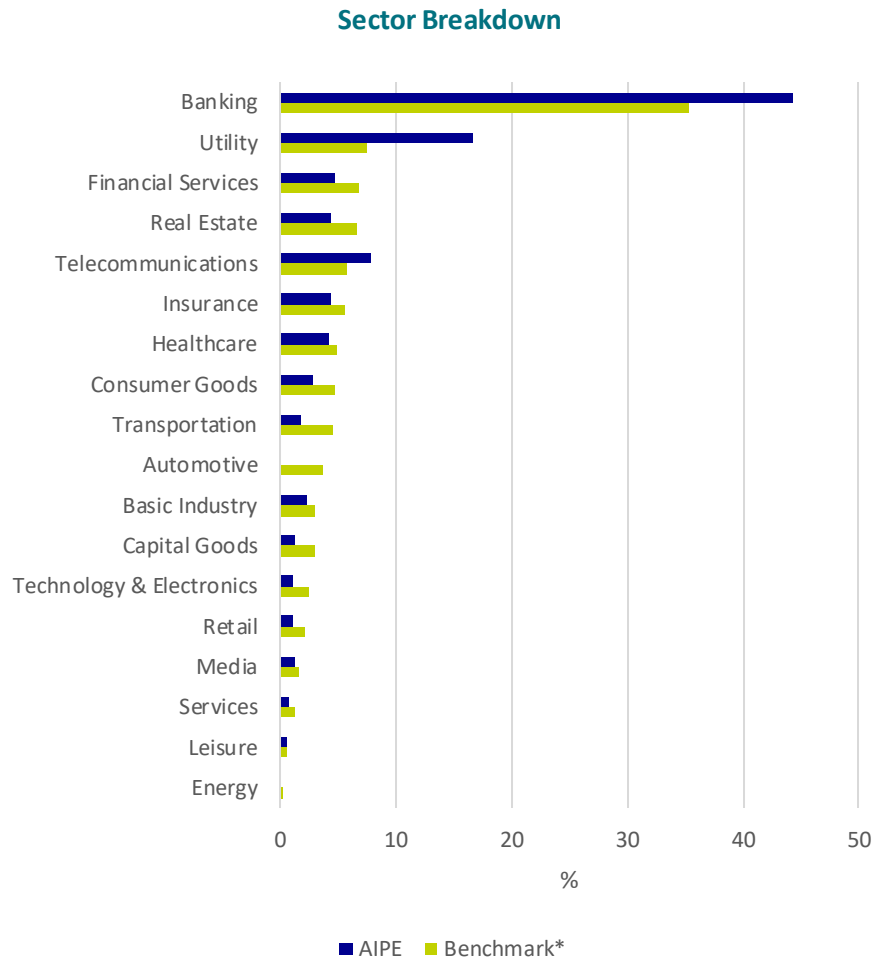
Source: AXA IM as of 30/09/2023. For illustrative purposes only. Rating by Standard & Poor's or equivalent ratings by Moody's or Fitch or, if unrated, judged equivalent to those ratings by the Investment Manager \*The ICE BofA Euro Credit Paris Aligned Absolute Emissions Index (ER00PABA) is referenced for comparative purposes and for the financial objectives only of the strategy as per the prospectus. **Companies shown herein are for illustrative purposes only as of**

14 30/09/2023 and may no longer be in the portfolio later. This information should not be considered a recommendation to purchase or sell any security.



# AIPE - AXA IM Euro Credit PAB UCITS ETF

## Portfolio Positioning as of 30/09/2023



Source: AXA IM as of 30/09/2023. For illustrative purposes only. Sectors classification: Merrill Lynch Level 3. \*The ICE BofA Euro Credit Paris Aligned Absolute Emissions Index (ER00PABA) is referenced for comparative purposes and for the financial objectives only of the strategy as per the prospectus.



# TER of AIPE - AXA IM Euro Credit PAB UCITS ETF



Shareclass	Ticker	Listing Venue	Investment reduced by TER cost (bps)
AXA IM Euro Credit PAB UCITS ETF EUR Acc	AIPE GY	Xetra in EUR	20
	AIPE IM	Borsa Italiana in EUR	20
	AIPE SW	SIX in EUR	20

For more information on ETFs, including holdings lists, visit your local fund center available at [core.axa-im.com/etf](https://core.axa-im.com/etf)

## Contact Us



Get in touch with your local sales representative

For questions on ETFs, please contact:

### Global ETF Sales Team:

 [ContactETF@axa-im.com](mailto:ContactETF@axa-im.com)  
 +33 1 44 45 67 19

For questions on Liquidity, please contact:

### ETF Capital Market Team:

 [etfcapitalmarkets@axa-im.com](mailto:etfcapitalmarkets@axa-im.com)  
 +33 1 44 45 77 42

Source: Source: AXA IM as at 18/07/2023.

# AXA IM Euro Credit PAB UCITS ETF

## Main risks

**The list below of risk factors is not exhaustive. Please refer to the prospectus & prospectus supplement for full product details and complete information on the risks.**

**Interest rate risk:** This corresponds to the risk of depreciation in rate-based instruments over either the short or medium term stemming from interest rate variations. For purposes of illustration, the price of a fixed-rate bond tends to decrease as interest rates increase.

The Fund is particularly exposed to bonds and other debt securities; in the event of a rise in interest rates, the value of assets invested at a fixed rate may fall.

**Credit risk:** In the event of default or deterioration of the quality of private bond issuers (for example, a reduction in rating), the value of debt securities in which the Fund is invested may fall. In such case, the Net Asset Value of the Fund may fall.

**Risk related to investments in high yield instruments:** The Fund may be exposed to a risk related to investments in high yield financial instruments. These instruments present higher default risks than those of the investment grade category. In case of default, the value of these instruments may decrease significantly, which would affect the Net Asset Value of the Fund.

Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time: accordingly, such securities carry liquidity risk

**Derivatives Risk and Leverage:** The Fund may use both listed and OTC derivatives for investment or hedging purposes. These instruments are volatile and may be subject to various types of risks, including but not limited to market risk, liquidity risk, credit risk, counterparty risk, legal risk and operations risks. In addition, the use of derivatives can involve significant economic leverage and may, in some cases, involve significant risks of loss. Furthermore, investments in OTC derivatives may have limited secondary markets liquidity and it may be difficult to assess the value of such a position and its exposure to risk. For these reasons, there can be no guarantee that strategies using derivatives instruments will meet their expected target.

**Counterparty risk:** This is the risk of default (or counterparty's failure to perform any of its obligations) of any counterparties of the Fund to any OTC financial derivatives transactions. The counterparty's default (or the counterparty's failure to perform any of its obligations) under these transactions may have a material adverse effect on the Net Asset Value of the Fund.

Given the investment strategy of the Fund and its risk profile, the likely impact of sustainability risks on the Fund's returns is expected to be low.

Source: AXA IM. Please see the fund Key Investor Information Document (KIID) or Prospectus for full product details.

# AXA IM Euro Credit PAB UCITS ETF

## Investment Information

### Main Characteristics

<b>Investment Objective</b>	The investment objective of the Fund is to seek long-term capital growth from an actively managed portfolio of investment grade Euro denominated corporate debt securities while maintaining a decarbonization strategy aligned with the carbon emissions of the ICE BofA Euro Corporate Index Paris Aligned (Absolute Emissions) ER00PABA (the "Benchmark").
<b>Investment Horizon</b>	5 years
<b>Investment Universe/Benchmark</b>	ICE BofA Euro Corporate Index Paris Aligned (Absolute Emissions)
<b>Inception Date</b>	11 July 2023
<b>Legal Form</b>	ICAV
<b>Reference Currency</b>	EUR€
<b>Type of Share</b>	Accumulation
<b>Valuation</b>	Daily
<b>Subscription / Redemption</b>	Daily
<b>Settlement</b>	T+3
<b>Management Company</b>	AXA INVESTMENT MANAGERS PARIS
<b>Investment Manager</b>	AXA INVESTMENT MANAGERS PARIS
<b>Administrator</b>	State Street Fund Services Ireland Ltd
<b>Depository</b>	State Street Custodial Services Ireland Ltd

**The investment will be reduced by the payment of the below costs/fees – ACC EUR:**

**For all clients, on the secondary market:**

Transaction costs occur when purchasing/selling ETF shares on the market and may be subject to broker fees and/or other charges. Only Authorized participants can deal directly with the Fund.

**For Authorized Participants (AP), on the primary market :**

Redemption Fee : Up to 3%.  
Subscription Fee : Up to 3%.  
Transaction costs : 0.2 %

This is the maximum that might be taken out of your money before it is invested. Entry and exit charges are not applicable to investors buying/selling shares of the Fund on stock exchanges, but these investors will do so at market prices and may be subject to broker fees and/or other charges.

**Charges taken from the fund over a year**

TER 0.20%

**Charges taken from the fund under specific conditions**

Performance Fees None

**Minimum initial and subsequent subscription**

Minimum initial subscription	1 share on secondary market 100 000 for the AP
Subsequent subscription	1 share on secondary market 100 000 for the AP

**Risk Indicator**



We have classified this product as 2 out of 7 which is the 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 concentration risk due to the decarbonisation and transition pathway strategy. For further information, please refer to the prospectus.



The risk indicator assumes you keep the product for 5 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.

Source: AXA IM as of 19/06/2023. Please refer to the fund Key Information Document (KID) or Prospectus for full product details and the special risk consideration. AP = Authorized Participant

# Appendices

## AXA IM ETFs range

Equity

ETF Name	Shareclass	Exchange	Ticker	Trading Currency	Investment reduced by TER cost (bps)	SFDR* classification
<i>Active Strategies</i>						
AXA IM ACT CLIMATE EQUITY UCITS ETF	USD Acc	Xetra	ACLU GY	USD	50	Article 8
		Xetra	ACLT GY	EUR		
		Borsa Italiana	ACLU IM	EUR		
		SIX	ACLU SW	USD		
EUR Hedged Acc	Xetra	ACLE GY	EUR	53		
	Borsa Italiana	ACLE IM	EUR			
AXA IM ACT BIODIVERSITY EQUITY UCITS ETF	USD Acc	Xetra	ABIU GY	USD	50	Article 8
		Xetra	ABIT GY	EUR		
		Borsa Italiana	ABIU IM	EUR		
		SIX	ABIU SW	USD		
EUR Hedged Acc	Xetra	ABIE GY	EUR	53		
	Borsa Italiana	ABIE IM	EUR			
<i>Indexed Strategies</i>						
AXA IM NASDAQ 100 UCITS ETF	USD Acc	Xetra	ANAU GY	USD	14	Article 6
		Borsa Italiana	ANAU IM	EUR		
		SIX	ANAU SW	USD		
		BIVA	AXAQ MU	MXN		

Fixed Income

ETF Name	Shareclass	Exchange	Ticker	Trading Currency	Investment reduced by TER cost (bps)	SFDR* classification
<i>Active Strategies</i>						
AXA IM EURO CREDIT PAB UCITS ETF	EUR Acc	Xetra	AIPE GY	EUR	20	Article 8
		Borsa Italiana	AIPE IM	EUR		
		SIX	AIPE SW	EUR		

The value of investments, and the income from them, can fall and investors may not get back the amount originally invested.

For more information on ETFs, visit your local fund center available at [core.axa-im.com/etf](https://core.axa-im.com/etf)

Any questions on **ETF liquidity**, please contact our Capital Markets Desk at **+33 (0)1 44 45 77 42**

Source: AXA IM as at 05/09/2023

\*SFDR: Sustainable Financial Disclosure Regulation. The product categorization is provided based on the basis of the European Directive (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR Regulation") and on the basis of knowledge at the time of the creation of this document. More information available in the end disclaimer.

# Investment process & team

# Why AXA IM for Fixed Income?

**€461 billion in Fixed Income, €212 billion in Credit\*, c.120 investment professionals**

## Team

investment experts located in each major market around the world, ensuring our clients benefit from local insights

## Philosophy

focused on income generation and downside mitigation while aiming at optimising the risk/return profile over the market cycle

## Process

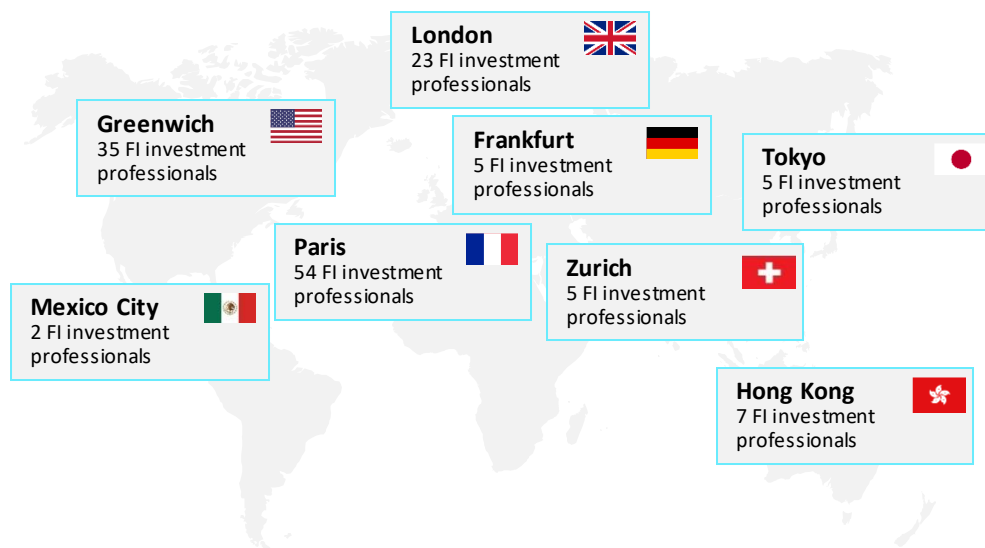
a global, top-down approach complemented by bottom-up research specific to the drivers of each sub-asset class

## Solutions

proven ability to provide bespoke solutions to meet our clients' evolving needs

## Scale

critical size, particularly in corporate credit, affords us excellent access to the markets

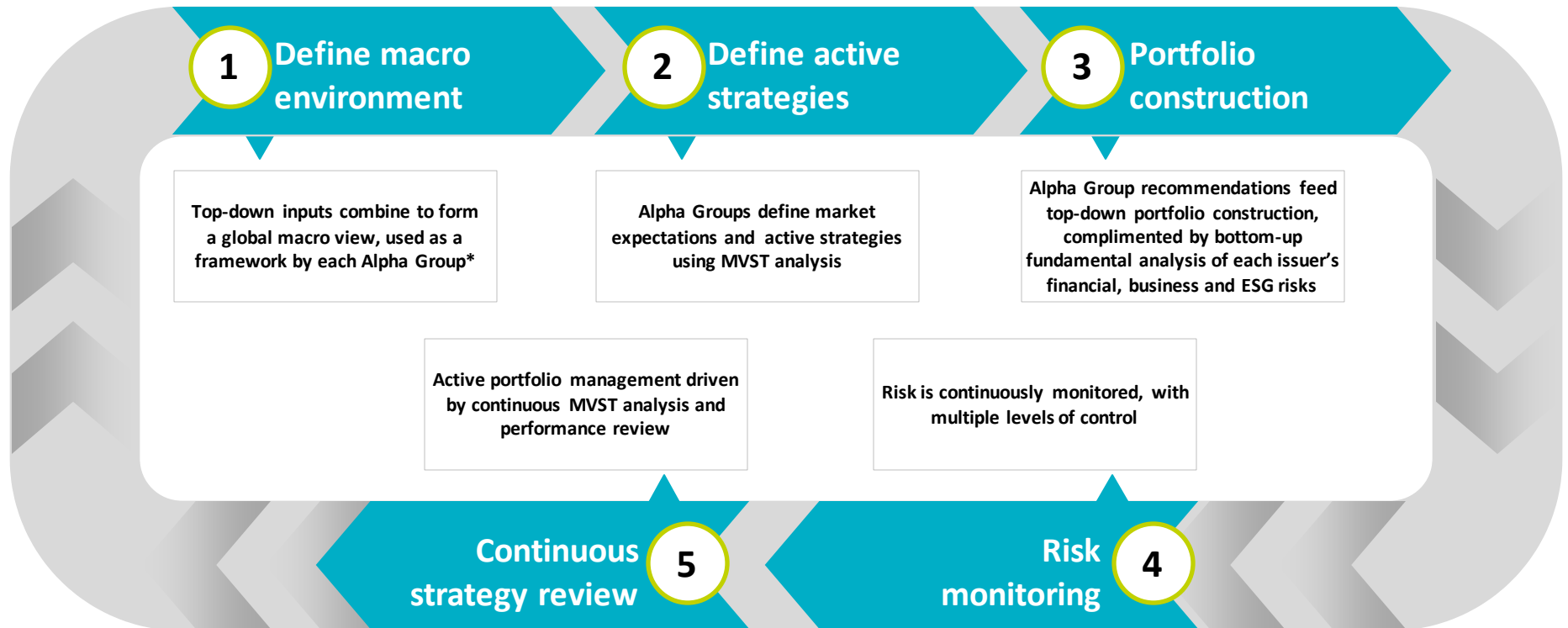


## Robust global framework bringing together local experts

Source: AXA IM as at 31/12/2022. \*Credit figure does not include AXA IM joint ventures' underlying assets.

Information about the staff team of AXA Investment Managers and / or AXA Investment Managers is only informative. We do not guarantee the fact that staff remain employed by AXA Investment Managers and exercise or continue to exercise in the team of AXA Investment Managers and / or

# AXA IM Fixed Income Global investment process



**Top-down focus complemented by rigorous bottom-up research**

Source: AXA IM, as of 31/12/2022. \*Alpha Groups: small sub teams of the FI team split by expertise: country allocation/term structure/inflation/investment grade/high yield/emerging markets. MVST: Macro, Valuation, Sentiment, Technicals.



# MVST

A single common investment language...

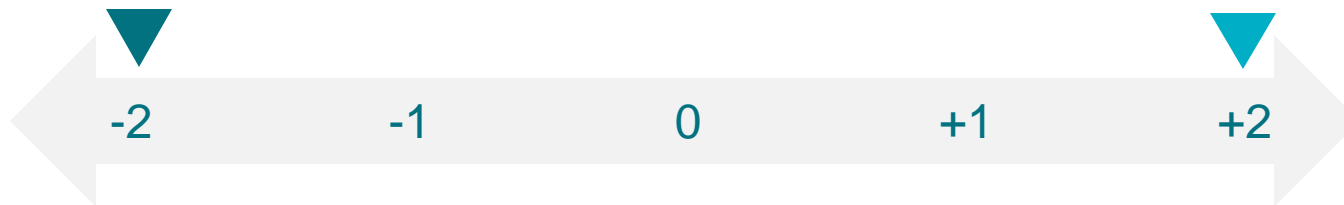
Investment teams assess performance potential based on four factors:

<p><b>M</b> Macro</p>	<p><b>V</b> Valuation</p>	<p><b>S</b> Sentiment</p>	<p><b>T</b> Technicals</p>
<p>A regular review of the global economic and policy outlook allows Portfolio Managers to assess the likely macro influences; taking into account potential changes in the level of risk-free yields, credit spreads and corporate earnings.</p>	<p>A consideration of how current levels reflect fundamentals and risks. Deviations from fair value are assessed in terms of the likely contribution to expected return.</p>	<p>Ongoing review of market positioning, consensus views and market commentary to reach an understanding of how potential changes in sentiment may affect investor behavior.</p>	<p>Analysis of likely changes in supply and demand and regulatory factors (government funding, cash-flows, corporate issuance) and the expected impact of these on yield and spread changes.</p>

Expected **negative** impact on returns (yields higher / spreads wider / equities down)

Scores reflect qualitative views and provide a consistent framework across our teams globally

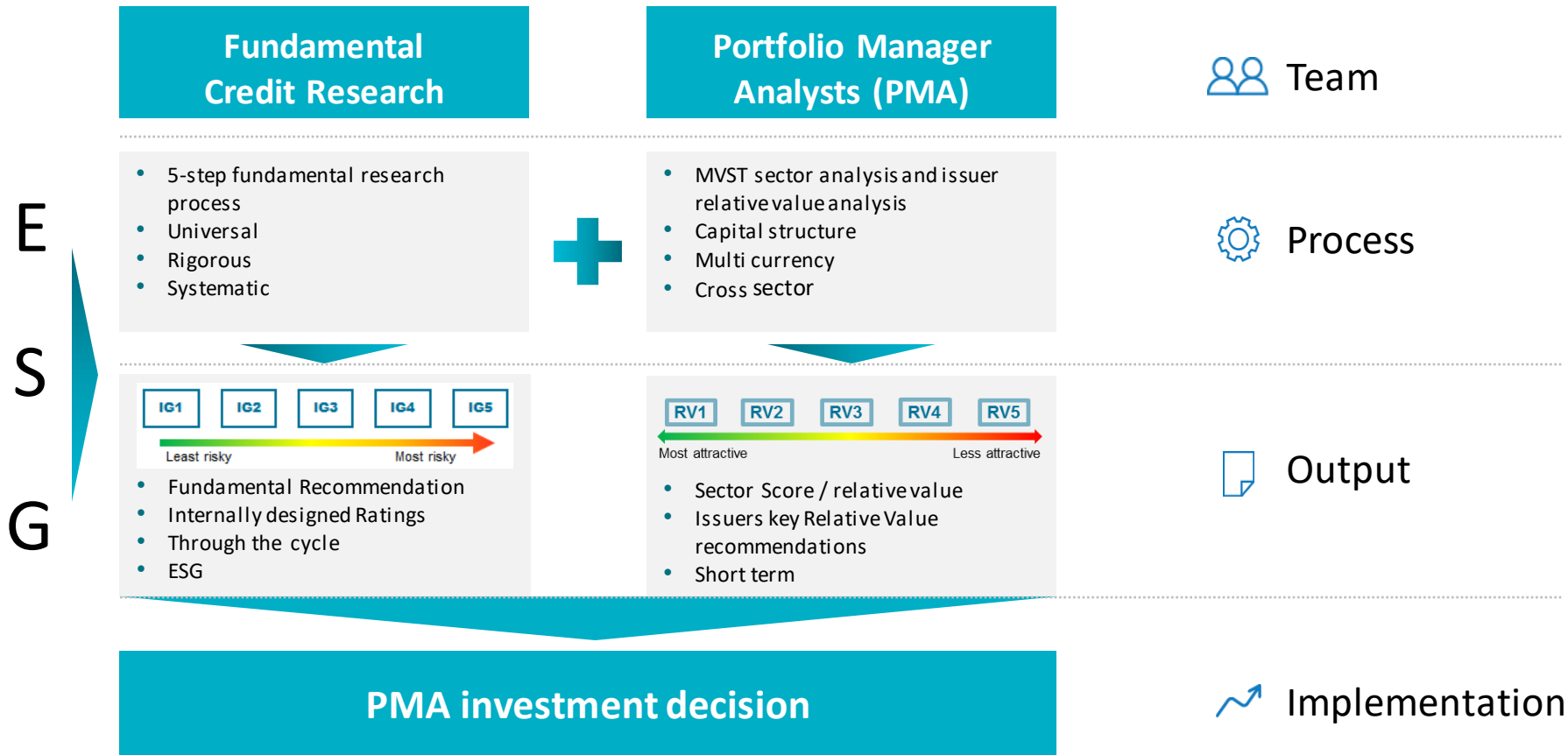
Expected **positive** impact on returns (yields lower/ spreads tighter/equities up)



Helping investment teams position portfolios according to their views

Source: AXA IM, as of 31/12/2022. For illustrative purpose only.

# Credit selection: combining fundamental and market analysis

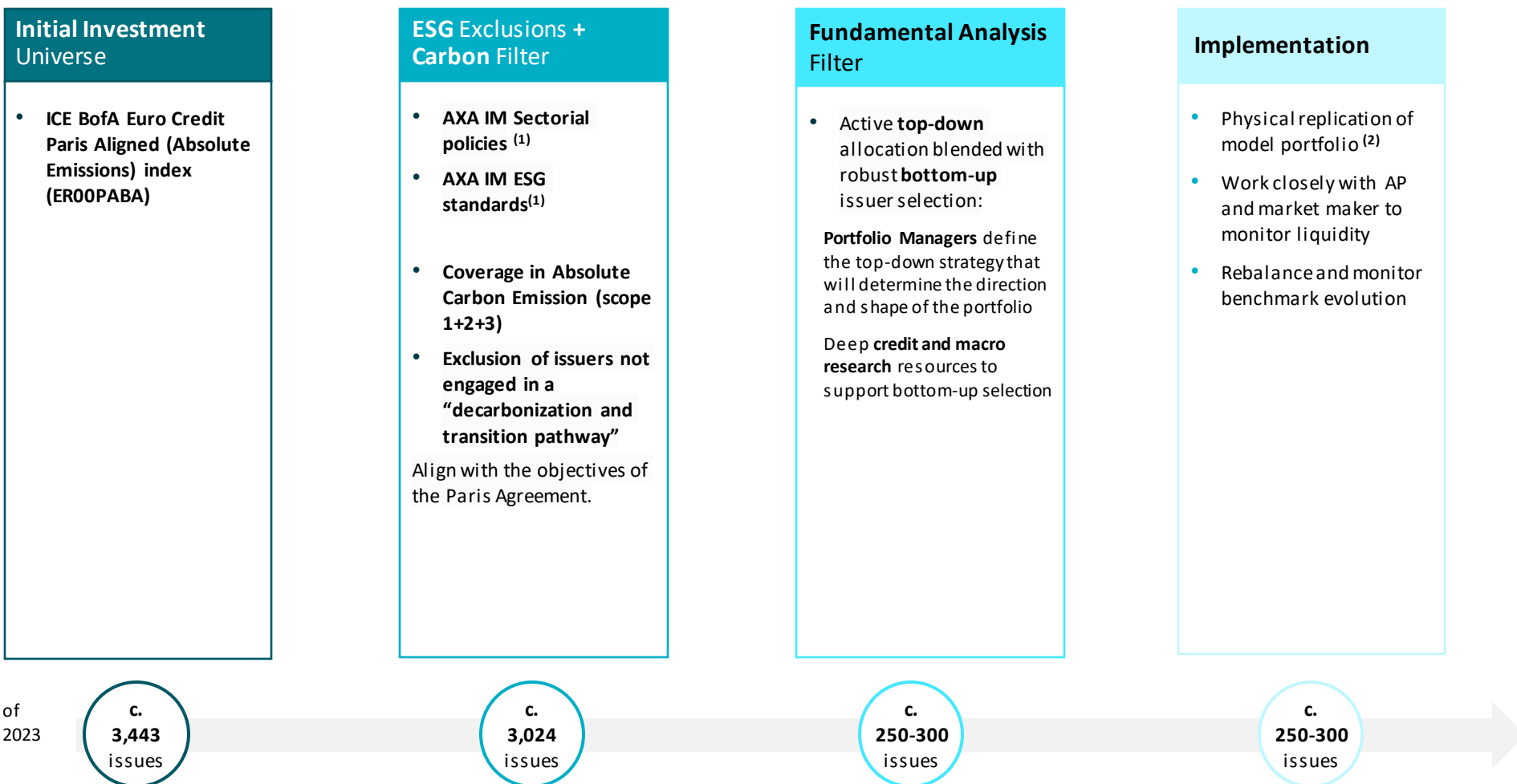


**Fundamental views with ESG factors embedded, in a market context**

Source : AXA IM as at 31/12/2022.

# AXA IM Euro Credit PAB UCITS ETF

## Investment process overview



Source: AXA IM – for illustrative purposes only. No assurance can be given that the strategy will be successful or that investors will not lose some or all of their capital. AXA IM reserves the right to modify any of the investment process described herein at its discretion.

(1) Refer to the appendix for more details on AXA IM Sectorial and ESG Standard policies (2) The sampling methodology can lead to small discrepancy between model portfolio and actual portfolio

# Our index management capabilities

An experienced team using advanced portfolio management technology



## **An experienced portfolio management team**

A team of **11 experts** with **more than 15 years** average professional experience in fund management and \$17bn of assets under management



## **Advanced portfolio management technology**

Ability to manage a multiplicity of portfolios and indices replicated yet remain competitive in price



## **Global trading capabilities**

Access to AXA IM's Trading and Securities Financing team, with expert traders based locally in the US, Hong Kong, Paris and London



## **Robust independent risk management framework**

Daily controls performed by AXA IM's risk management team to ensure efficient index replication



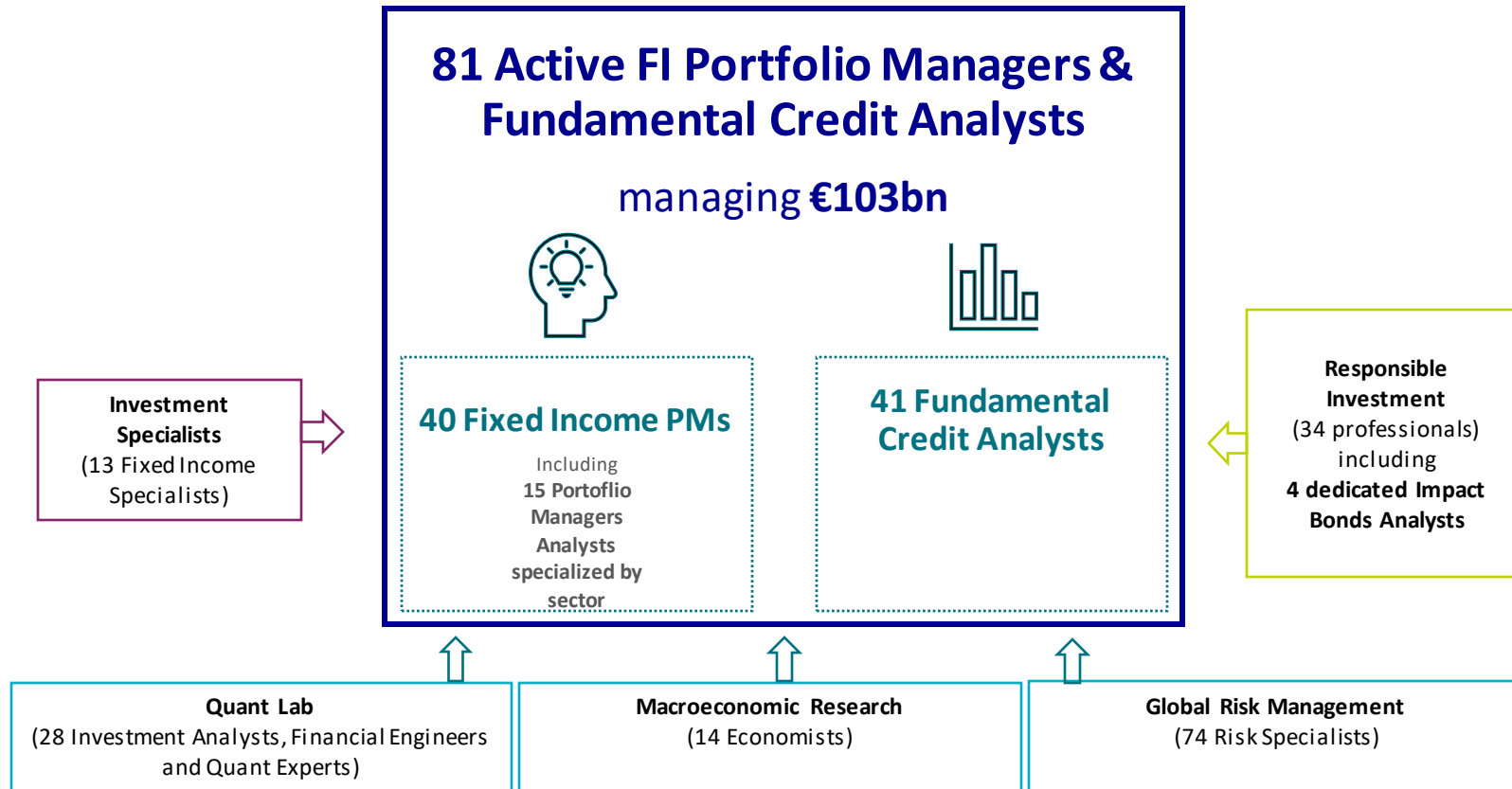
## **Permanent watch**

Continuous monitoring of market risks, asset class liquidity, asset management regulation, derivatives counterparty regulation (banks), index methodology, index providers offerings

Source: AXA IM, as at 31 December 2022

# Our active fixed income management capabilities

An experienced team in active fixed income investment, leveraging internal research and models

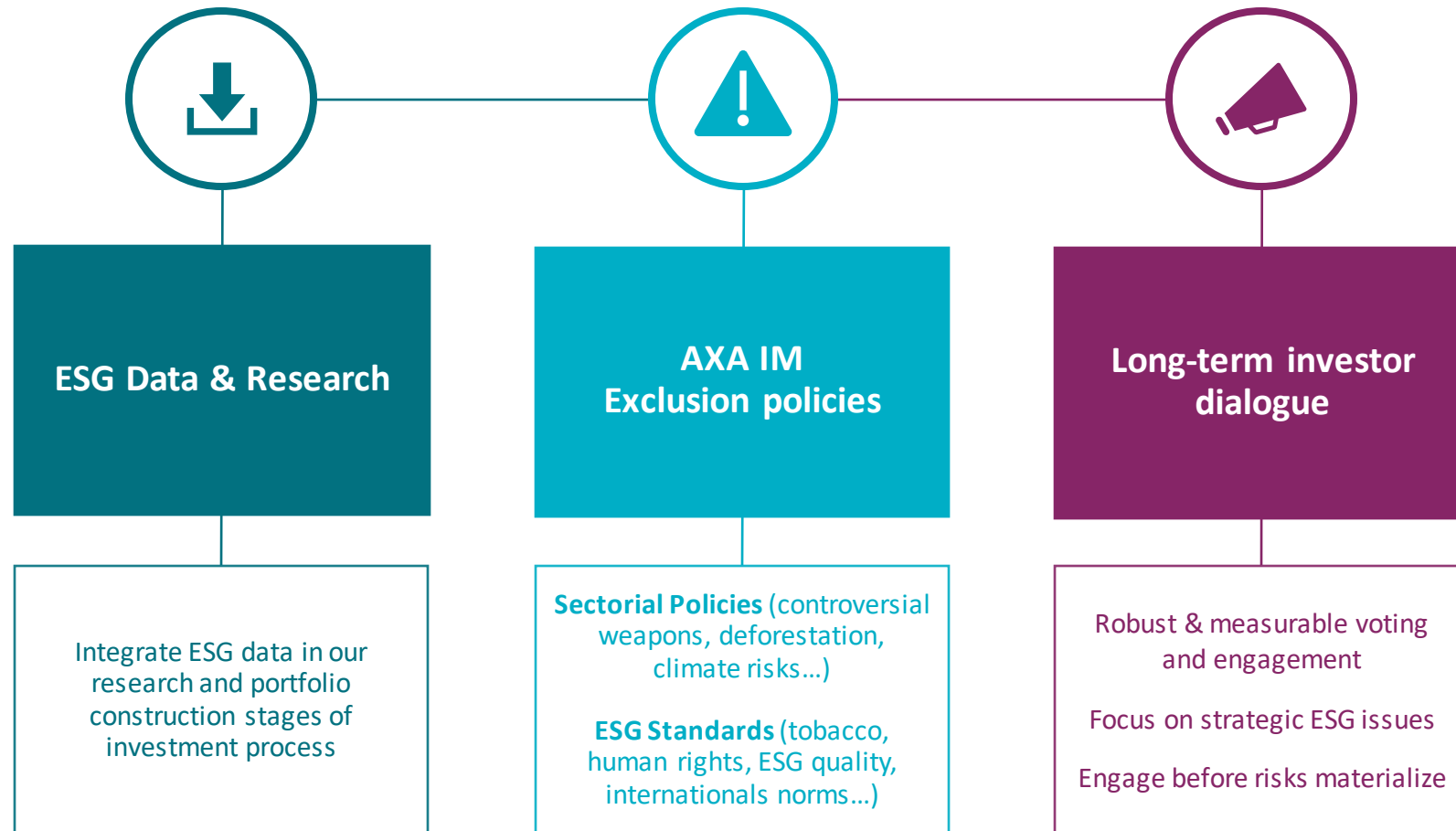


Source: AXA IM, as at 31 December 2022. Information about the staff team of AXA Investment Managers and / or AXA Investment Managers is only informative. We do not guarantee the fact that staff remain employed by AXA Investment Managers and exercise or continue to exercise in the team of AXA Investment Managers and / or AXA Investment Managers.

**ESG**

# ESG Integration based on common foundations

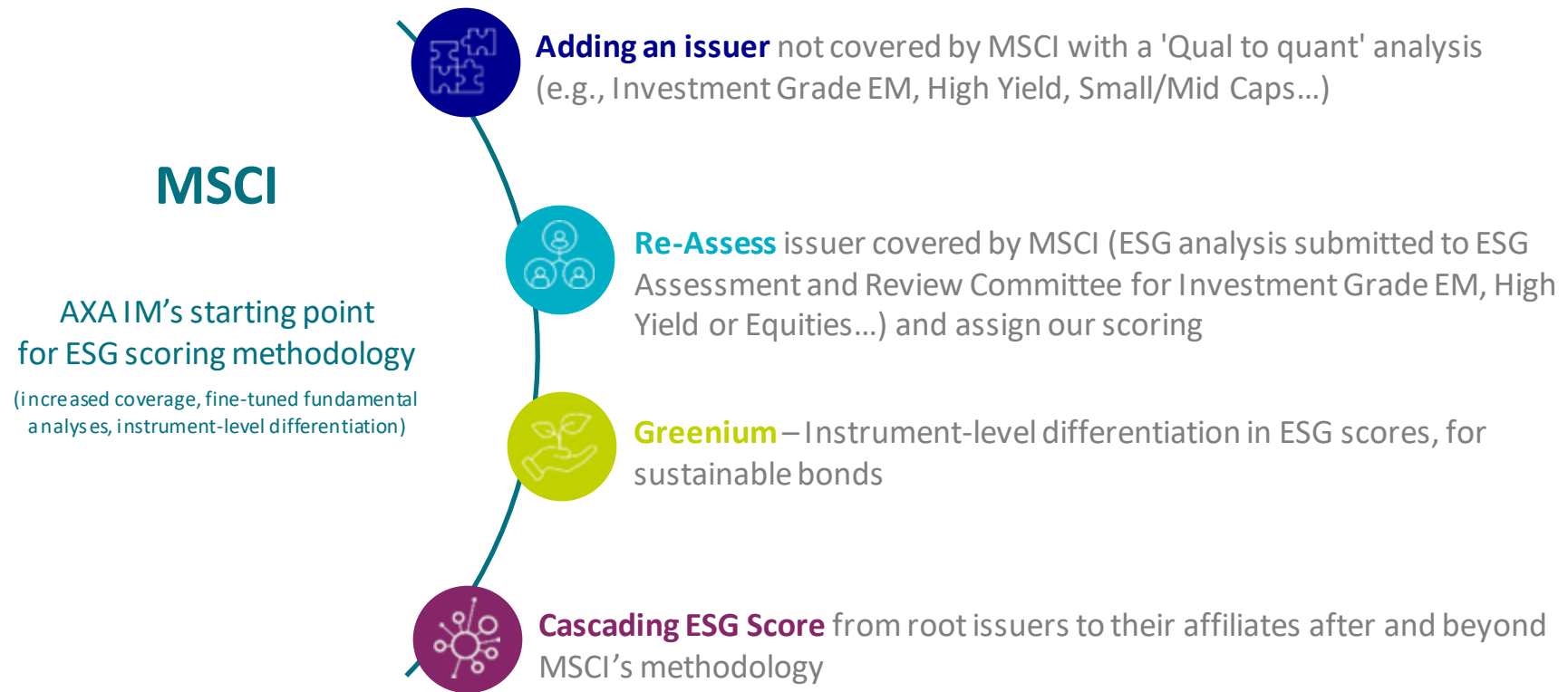
3 pillars incorporated across AXA IM's Core portfolios



Source: AXA IM. For illustrative purposes only. AXA IM reserves the right to modify any of the procedures, process and controls described herein at its discretion. \*The ESG data used in the investment process are based on ESG methodologies which rely in part on third party data, and in some cases are internally developed. They are subjective and may change over time. Despite several initiatives, the lack of harmonised definitions can make ESG criteria heterogeneous. As such, the different investment strategies that use ESG criteria and ESG reporting are difficult to compare with each other. Strategies that incorporate ESG criteria and those that incorporate sustainable development criteria may use ESG data that appear similar but which should be distinguished because their calculation method may be different.

# AXA IM Q<sup>2</sup> ESG Scoring Methodology

A Quant & Qual (Q<sup>2</sup>) approach



Source: AXA IM as at December 2022, for Illustration Purpose only

ESG Score is a metric that reflects a company's performance across a range of environmental (E), social (S), and governance (G) criteria. An ESG score may not be available for all of the stocks in the universe.



# Responsible investment exclusions

## AXA IM sectorial policies



### Climate Risks

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- Companies that derive 30% or more of their revenue from thermal coal
- Mining companies that extract more than 20 million tons of coal per year
- Power generation companies that have 30% or more of electricity generation capacities powered by coal
- Power generation companies that plan to expand coal power generation capacity by more than 300 MW.
- Mining companies developing new coal mining and coal industry partners developing significant new coal assets
- Power Generation companies with more than 10 GW of installed coal-based capacities
- Mining companies that derive 20% or more of their revenue from tar sands extraction
- Pipelines companies that derive 20% or more of their revenue from tar sands transportation



### Ecosystem Protection & Deforestation

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- Palm oil producers which have not achieved “sustainable palm oil” production certifications, and/or have significant unresolved land rights conflicts and/or conducting illegal logging
- Companies in any sector facing “high” and “severe” controversies related to “Land use and biodiversity”.
- Companies producing palm oil, soy, cattle and timber that are facing “significant” “land use and biodiversity” controversies and that are found to have a “critical” impact on deforestation and natural ecosystems conversion



### Controversial Weapons

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- Companies that produce, use, store, trade or ensure the maintenance, transport and financing of controversial weapons or components specifically designed for those types of controversial weapons (customized components)
- Companies that support or provide assistance, research and technology dedicated only to those controversial weapons
- Companies that Breach the Non-proliferation Treaty for the nuclear weapons
- Companies that own 50% or more of an excluded company



### Soft Commodities

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AXA IM strives to **not participate**:

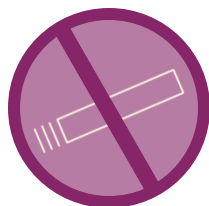
- **in short-term instruments** (such as commodity futures, ETF, **based on food (“soft”) commodities**, or
- **enter into speculative transactions** that may contribute to **price inflation in basic agricultural or marine commodities** (such as wheat, rice, meat, soy, sugar, dairy, fish, and corn)

Source : AXA IM. For illustrative purposes only. AXA IM reserves the right to modify any of the procedures, process and controls described herein at its discretion.

# Responsible investment exclusions

## AXA IM ESG standards

A higher exclusions level for our ESG integrated and ACT range of funds



### TOBACCO

Exclusion of:

- Companies involved in the production of tobacco
- Revenue generated by production of tobacco > 0%



### WHITE PHOSPHORUS WEAPONS PRODUCERS

Exclusion of:

- Companies involved in the development, production, maintenance or sale of white phosphorus weapons



### LOW ESG QUALITY

We monitor:

- Companies with a low ESG score < 2 for scores between 0 and 10
- Using AXA IM Corporate ESG scoring methodology



### VIOLATIONS OF INTERNATIONAL NORMS AND STANDARDS

Exclusion of:

- Companies assessed as being “non-compliant” with the UNGC, OECD guidelines for MNE, ILO Conventions or UNGP for Business and Human Rights.



### SEVERE CONTROVERSIES

Exclusion of:

- Companies exposed to severe controversies



### SEVERE HUMAN RIGHTS VIOLATIONS

Exclusion of:

- Countries in the bottom quintile of the Civil Liberties index from Freedom House
- Countries in the bottom quartile of the Modern Slavery index from the Walk Free Foundation and the Child Labor index of Unesco

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