

AXA WF US Credit Short Duration IG UA (H) GBP

Fund Manager's Comment

During June, risk assets saw another positive month, despite volatility around trade agreements, the reconciliation bill and the Fed. Regarding trade, Trump asked for "best and final" offers at the start of June, although June closed with no trade deals signed; however, Trump officials suggested that the July 9th deadline was not critical, and negotiations could extend past that point. Trade talks between the US and China continued to improve. Additionally, there were geopolitical tensions in the Middle East, as Israel launched a series of attacks against Iran and the US later got involved and bombed key Iranian nuclear sites. A ceasefire between Iran and Israel occurred toward the end of the month. The GOP's reconciliation bill is close to a resolution following a fairly volatile month of negotiations. Fed headlines were also volatile, including those on both hawkish and dovish sides. The June FOMC meeting ended with no change to the fed funds rate, as expected. Treasuries were firmer across the curve, with 2-year yields dropping -18bps to 3.72% and 10-year yields falling -17bps to 4.23%. US equities were higher this month, with the S&P 500 up for a second-straight month, hitting new record highs toward the end of the month and returning +5.09%. US IG and US HY indices posted total returns of +1.87% and +1.86%, respectively. US IG spreads tightened -5bps.

Primary issuance in June totaled \$149.2bn, which was above the 5-year average of \$116bn and the initial forecast of ~\$100bn. New issuance during the month was led by Industrials which accounted for \$50.9bn (34%) of issuance, while Financials issued \$44.9bn (30.1%) and Utilities issued \$5.8bn. In 1H25, the average maturity of new IG issuance was 9 years, lower than 10.3 years in 1H24. M&A funding increased to \$13bn in June after two lighter months in May and April; however, it still remains significantly below the \$50bn M&A issuance from March where we had larger deals (i.e. Mars issuing for Kellanova), as the M&A backdrop continues to remain uncertain. In 1H25, M&A issuance accounts for \$95bn, down 10% from 2024. The consumer sector accounts for \$30bn (31%) of M&A issuance. New issue supply for July is projected to be ~\$100bn, which is slightly above the 5-year average of \$96bn.

Industrials (+32bps excess return) underperformed Financials (+42bps excess return) and Utilities (+52bps) in June. BBB-rated credits (+46bps excess return) outperformed A-rated credits (+36bps) and AA-rated credits (+8bps). The best performing sectors were Independents (+108bps excess return), Health Insurance (+95bps), Oil Field Services (+93bps), Midstream (+80bps) and Refining (+80bps), while the worst performing sectors were Media Entertainment (-265bps), Construction Machinery (+7bps) and Retailers (+10bps).

In June, the AXA WF US Credit Short Duration Fund outperformed its performance indicator, the ICE BofA Merrill Lynch 1-3 Year US Corporate Index (both net-of-fees and gross-of-fees, USD). The main driver of performance was positive security selection, particularly in the Media, Healthcare, and Energy sectors, offset slightly by negative performance in the Insurance sector. Duration effect, yield curve effect and sector allocation all had a neutral contribution on performance. The index posted +73bps of total return for the month as 2-year US treasury yields tightened -18bps to 3.72%. The index posted +14bps of excess return as credit spreads tightened. The index's average OAS was -6bps tighter and ended the month at +54bps. The fund aims to maintain a yield advantage relative to the performance indicator (4.54% yield to worst relative to 4.39%).

The outlook for the US Investment Grade market is neutral as uncertain trade policy influences risk sentiment while yields may benefit from lower benchmark rates. Macro remains supportive as ultimate tariff impacts have yet to be seen and corporate fundamentals have been stable. Valuations have been running at the lower end of the range but may see increased volatility on ultimate trade policy. Technicals have been decent with supply running slightly ahead of last year's run rate and expected to be down on a net basis for the year, while flows have been positive but may get tested with upcoming volatility. Within sectors, we are overweight Financials and Telecommunications and underweight Technology & Electronics, Consumer Goods, Basic Industry and Retail.

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 = 72.1% (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 (H) GBP

Legal form	SICAV
UCITS Compliant	Yes
AIF Compliant	No
Legal country	Luxembourg
1st NAV date	18/12/2024
Fund currency	USD
Shareclass currency	GBP
Valuation	Daily
Share type	Accumulation
ISIN code	LU2948494757
Transaction costs	0.03%
Ongoing charges	0.38%
Performance fees : none	
Management company	AXA INVESTMENT MANAGERS PARIS SA
(Sub) Financial delegation	AXA Investment Manager US Inc
Delegation of account administration	State Street Bank International GmbH (Luxembourg Branch)
Custodian	State Street Bank International GmbH (Luxembourg Branch)

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.

The Share Class aims at hedging the foreign exchange risk resulting from the divergence between the reference currency of the Sub-Fund and the currency of this Share Class by using derivatives instruments whilst retaining the exposure to Investment Policy of the Sub-Fund.

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 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 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. 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).

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 AXA Investment Managers 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 AXA Investment Managers Paris, a company incorporated under the laws of France, having its registered office located at Tour Majunga – La Défense 9 – 6, place de la Pyramide – 92800 Puteaux, registered with the Nanterre Trade and Companies Register under number 353 534 506, and a Portfolio Management Company, holder of AMF approval no. GP 92-008, issued on 7 April 1992.

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 Superintendence of 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 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

Additional Information (Continued)

REGISTRO DE VALORES CORRESPONDIENTE.

For Peruvian Investors: AXA Investment Managers 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 AXA Investment Managers 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. AXA Investment Managers 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 AXA Investment Managers. 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 AXA Investment Managers Deutschland 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 AXA Investment Managers Deutschland 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 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 AXA Investment Managers Deutschland GmbH as well as at Rechtliche Hinweise | AXA IM DE (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 AXA Investment Managers Deutschland GmbH • Thurn-und-Taxis-Platz 6 • 60313 Frankfurt/Main or from our distribution partners or under www.axa-im.de. At the AXA Investment Managers Deutschland GmbH as well as at Rechtliche Hinweise | AXA IM DE (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 AXA Investment Managers Deutschland 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 AXA Investment Managers Deutschland GmbH as well as at Rechtliche Hinweise | AXA IM LI (axa-im.li) a summary of information on investor rights is available upon request in German language.

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 AXA Investment Managers products or services, you have the right to make a complaint, either with the marketer or directly with the management company (more information on AXA IM complaints policy is available in English: <https://www.axa-im.com/important-information/comments-and-complaints>)

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 AXA IM website

Additional Information (Continued)

<https://www.axa-im.com/important-information/summary-investor-rights>.

Translations into other languages are available on local AXA IM entities' websites.