Prospectus for the

AXA Pan European High Yield Bond Fund

Valid as at 7 August 2019

This document constitutes the prospectus for the AXA Pan European High Yield Bond Fund, a unit trust authorised by the Financial Conduct Authority ("FCA") and constituted pursuant to the Collective Investment Schemes Sourcebook (the "COLL Sourcebook") which forms part of the FCA's Handbook of Rules and Guidance. This prospectus has been prepared in accordance with the rules contained in the COLL Sourcebook.

IMPORTANT: IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR FINANCIAL ADVISER

Important Information

AXA Investment Managers UK Limited, the authorised fund manager of the Fund, (the "Manager") is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus does not contain any untrue or misleading statement or omit any matters required by the COLL Sourcebook to be included in it. The Manager accepts responsibility accordingly.

This Prospectus is based on information, law and practice at the date of this Prospectus. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Units shall not, under any circumstances, create any implication that the affairs of the Fund have not changed since the date of this Prospectus. The Manager cannot be bound by an out of date prospectus when it has issued a new prospectus and investors should check with the Manager that this is the most recently published prospectus. The most recently published prospectus may be found on the website of the Manager at https://www.axa-im.co.uk or can be provided free of charge on request by contacting the Manager at the address set out in the Directory.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Units.

No person has been authorised by the Manager to give any information or to make any representations in connection with the offering of Units other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been made by the Manager.

This Prospectus has been prepared and issued, and approved for the purpose of Section 21 of the Financial Services and Markets Act 2000, by the Manager. A copy of this Prospectus has been delivered to the Trustee and the FCA. The official language for the purposes of communications in relation to the Fund shall be English.

Automatic Exchange of Information

The United Kingdom government has enacted legislation enabling it to comply with its obligations in relation to international tax compliance including European Union directives and the United States provisions commonly known as FATCA and other intergovernmental agreements. As a result the Manager may need to disclose information about certain Unitholders including their name, address, taxpayer identification number and investment information to HM Revenue & Customs, who will in turn exchange this information with their overseas counterparts in relevant jurisdictions.

By signing the application form to subscribe for Units, each prospective Unitholder is agreeing to provide information upon request to the Manager or its agent. If a Unitholder does not provide the necessary information, the Manager will be required to report it to HM Revenue & Customs.

Restrictions on Overseas Investors

The distribution of this Prospectus and the offering of Units in certain jurisdictions outside of the United Kingdom may be restricted. Persons into whose possession this Prospectus comes are required by the Manager to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Units in the Fund are not listed on any investment exchange.

The Units have not been and will not be registered under the 1933 Act or the securities laws of the United States. The Units may not be offered or sold directly or indirectly in the United States or to or for the account or benefit of any US Person or in a transaction not subject to the regulatory requirements of, the 1933 Act and any applicable state securities laws. Any re-offer or resale of the Fund in the United States or to US Persons may constitute a violation of US law. The Fund has not been and will not be registered under the 1940 Act and investors will not be entitled to the benefit of registration.

The Fund has not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful. The Units are subject to restrictions on transferability and resale and may not be transferred or resold in the United States except as permitted under the 1933 Act and applicable state securities laws, pursuant to registration or exemption therefrom.

In order to ensure compliance with the restrictions referred to above, the Fund is, accordingly, not open for investment by any US Persons or ERISA Plans except in exceptional circumstances and then only with the prior consent of the Manager. A prospective investor may be required at the time of acquiring Units to represent that such investor is a qualified holder and not a US Person or acquiring Units for the account or benefit, directly or indirectly, of a US Person or with the assets of an ERISA Plan. The granting of prior consent by the Manager to an investment does not confer on the investor a right to acquire Units in respect of any future or subsequent application.

Contents

Directory

The Manager:

AXA Investment Managers UK Limited

7 Newgate Street

London EC1A 7NX

The Administrator and address for inspection of Register:

DST Financial Services International Limited and DST Financial Services Europe Limited

DST House

St Nicholas Lane

Basildon

Essex SS15 5FS

The Trustee:

NatWest Trustee and Depositary Services Limited

Trustee and Depositary Services

Drummond House

1 Redheughs Avenue

Edinburgh EH12 9RH

Legal advisers:

Eversheds LLP

One Wood Street

London EC2V 7WS

Auditor:

PricewaterhouseCoopers LLP

Hays Galleria,

1 Hays Lane, London SE1 2RD

Management Company of the Master Fund:

AXA Funds Management S.A.

49, Avenue J.F. Kennedy,

L- 1855 Luxembourg

Grand Duchy of Luxembourg

Definitions

Act	the Financial Services and Markets Act 2000, and all instruments, rules, regulations and guidance made thereunder, as such may be amended or re-enacted from time to time
Administrator	DST Financial Services International Limited and DST Financial Services Europe Limited or such other entity as may be appointed from time to time by the Manager as the administrator in respect of the Fund
Approved Bank	one of certain banks and credit institutions as defined in the glossary to the FCA Handbook
AXA Group	means the group of companies for which AXA S.A. is the ultimate holding company
AXA IM Group	means the group of companies for which AXA Investment Managers S.A. is the ultimate holding company
Class(es)	in relation to Units, means (according to the context) all of the Units of the Fund or of a particular class or classes of Unit of the Fund
COBS Sourcebook	the Conduct of Business Sourcebook which forms part of the FCA Handbook
COLL	refers to the appropriate chapter or rule in the COLL Sourcebook
COLL Sourcebook	the Collective Investment Schemes Sourcebook which forms part of the FCA Handbook
CSSF	Commission de Surveillance du Secteur Financier, the Luxembourg financial regulator
Dealing Cut Off	the point on a Dealing Day before which the Manager must have received a request to purchase, sell, switch or convert Units in order for that request to be dealt with at the Price calculated at the Valuation Point on that Dealing Day. The Dealing Cut Off for the Fund is set out in the Fund Profile in the "Details of the Fund" section of this Prospectus
Dealing Day	Monday to Friday except for (unless the Manager otherwise decides) a public or bank holiday in either of England and Wales and Luxembourg and any other days declared by the Manager to be a holiday for the Fund and other days (including, without limitation, days on which a relevant local exchange is closed for business) at the Manager's discretion with the prior agreement of the Trustee
EEA State	a member state of the European Union and any other state which is within the European Economic Area
Eligible Institution	one of certain eligible institutions as defined in the glossary to the FCA Handbook
Efficient Portfolio Management or EPM	as used in this Prospectus, shall mean efficient portfolio management, hedging and investment techniques where derivatives are used for one or more of the following purposes: reduction of risk, reduction of cost or generation of additional capital or income with a risk level which is consistent with the risk profile of the Fund and the risk diversification rules set out in the FCA Handbook
ERISA Plan	(i) any retirement plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"); (ii) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended; or (iii) an entity whose assets include plan assets by reason of a plan's investment in the entity (generally because 25% or more of a class of equity interests in the entity is owned by plans)
ESMA	the European Securities and Markets Authority or such entity or entities as may replace it from time to time
FCA	the Financial Conduct Authority or such entity or entities as may replace it from time to time
FCA Handbook	the FCA Handbook of Rules and Guidance as such may be amended from time to time

Fund	AXA Pan European High Yield Bond Fund whose details are contained in this Prospectus
Investment Manager	AXA Investment Managers UK Limited, appointed by the Management Company as the investment manager of the Master Fund
ISA	an individual savings account under The Individual Savings Account Regulations 1998 (as amended)
Management Company	AXA Funds Management S.A., the management company of the Master Fund
Manager	AXA Investment Managers UK Limited, the authorised fund manager of the Fund
Master Fund	AXA World Funds – European High Yield Bonds
Net Asset Value or NAV	the value of the scheme property of the Fund or Class of Units in the Fund (as the context requires), less the liabilities of the Fund (or of the Class concerned) as calculated in accordance with the Trust Deed and as further described under “Valuation of scheme property” in the “Units” section of this Prospectus
OTC	over the counter, in the context of derivatives, a transaction entered into off-exchange
Price	means the price at which Units may be bought or sold on any Dealing Day and calculated in accordance with the methodology further described in the “Units” section of this Prospectus
Register	the register of Unitholders
Registrar	AXA Investment Managers UK Limited, or such other entity as may be appointed from time to time as the registrar of the Fund
Regulations	the Act and the FCA Handbook
Trust Deed	the trust deed constituting the Fund, including all supplemental trust deeds
Trustee	NatWest Trustee and Depositary Services Limited, the trustee of the Fund
UCI	an undertaking for collective investment as defined by Luxembourg law
UCITS Depositary Regulations	Commission Delegated Regulation (EU) 2016/438 of 17.12.2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries
UCITS Directive	Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investments in transferable securities, as amended from time to time
UCITS Scheme	an undertaking for collective investments in transferable securities
Unit(s)	a unit or units in the Fund
Unitholder	a holder of Units in the Fund
United States or US	means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
US Person	a person described in any the following paragraphs: 1. With respect to any person, any individual or entity that would be a US Person under Regulation S of the 1933 Act. The Regulation S definition is set forth below. Even if you are not considered a US Person under Regulation S, you can still be considered a "US Person" within the meaning of this Prospectus under paragraphs 2 and 3, below. 2. With respect to any person, any individual or entity that would be excluded from the definition of "Non-United States person" in Commodity Futures Trading Commission ("CFTC") Rule 4.7. The definition of "Non-United States person" is set forth below.

3. With respect to persons other than individuals, (i) a corporation or partnership created or organised in the United States or under the law of the United States or any state, (ii) a trust where (a) a US court is able to exercise primary supervision over the administration of the trust and (b) one or more US persons have the authority to control all substantial decisions of the trust and (iii) an estate which is subject to US tax on its worldwide income from all sources.

Regulation S definition of US Person

1. Pursuant to Regulation S of the 1933 Act, "U.S. Person" means:

   (i) any natural person resident in the United States;

   (ii) any partnership or corporation organised or incorporated under the laws of the United States;

   (iii) any estate of which any executor or administrator is a US person;

   (iv) any trust of which any trustee is a US person;

   (v) any agency or branch of a foreign entity located in the United States;

   (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;

   (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; or

   (viii) any partnership or corporation if:

      (A) organised or incorporated under the laws of any non-US jurisdiction; and

      (B) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts.

2. Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States shall not be deemed a "US Person".

3. Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administrator is a US Person shall not be deemed a "US Person" if:

   (i) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and

   (ii) the estate is governed by non-US law.

4. Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a US Person shall not be deemed a "US Person" if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person.

5. Notwithstanding (1) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a "US Person".

6. Notwithstanding (1) above, any agency or branch of a US Person located outside the United States shall not be deemed a "US Person" if:

   (i) the agency or branch operates for valid business reasons; and

(ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.

7. The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans shall not be deemed "US Persons".

Non-United States persons definition

CFTC Rule 4.7 currently provides in relevant part that the following persons are considered "Non-United States persons":

1. a natural person who is not a resident of the United States or an enclave of the US government, its agencies or instrumentalities;

2. a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-US jurisdiction and which has its principal place of business in a non-US jurisdiction;

3. an estate or trust, the income of which is not subject to US income tax regardless of source;

4. an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided, that shares/units of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons (as defined in CFTC Rule 4.7(a)(2) or (3)) represent in the aggregate less than ten per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being Non-United States persons; and

5. a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States

The Manager may amend the definition of "US Person" without notice to Unitholders as necessary in order best to reflect then-current applicable US law and regulation. Contact your sales representative for a list of persons or entities that are deemed to be "US Persons".

1933 Act

the United States Securities Act of 1933 (as may be amended or re-enacted)

1940 Act

the United States Investment Company Act of 1940 (as may be amended or re-enacted)

Valuation Point

the point on a Dealing Day at which the Manager carries out a valuation of the scheme property for the Fund for the purpose of determining the Price at which Units of a Class may be issued, cancelled or redeemed. The Valuation Point for the Fund is set out in the Fund Profile in the “Details of the Fund” section of this Prospectus.

VAT

value added tax

Details Of The Fund

General

The Fund is an authorised unit trust for the purposes of the Act and is constituted as a trust by a Trust Deed pursuant to the COLL Sourcebook. The Fund is a UCITS Scheme which complies with the COLL Sourcebook. The Fund is a feeder fund of the Master Fund and as such ordinarily invests at least 85% in value of its scheme property in shares of the Master Fund.

Unitholders hold Units in the Fund which reflect the value of the assets held by the Fund. Unitholders are not liable for the debts of the Fund.

The base currency of the Fund is Pounds Sterling.

Details of the Fund, including its investment objectives and policy and past performance table, are contained in the profile below.

The Class R Units of the Fund are qualifying investments for the stocks and shares ISA managed by the Manager. For further details of how to invest in the Fund through this ISA, an applicant should refer to the latest "Terms & Conditions relating to AXA Investment Managers UK authorised funds and ISA". The Terms and Conditions are available at https://retail.axa-im.co.uk/literature/application-packs or in paper copy on request to the Manager.

Fund Profile

Investment objective and policy	To generate a high level of income, payable monthly into a UK bank or building society account, by investing primarily into the AXA World Funds-European High Yield Bonds. The Fund is a feeder fund which means that, ordinarily, at least 85% of its investment will be in the Master Fund. The Master Fund invests primarily in a diversified portfolio of high yield bonds issued by companies anywhere in the world and denominated in currencies of European countries. The Investment Manager focuses on credit analysis to create a portfolio of bonds that seeks diversification across companies showing improving resilience against default. The Master Fund is managed with reference to the composition and risk profile of the BofA Merrill Lynch BB-B European Currency High Yield Constrained Index (sterling hedged). The BofA Merrill Lynch BB-B European Currency High Yield Constrained Index (sterling hedged) is designed to measure the performance of Euro and British pound sterling-denominated below investment grade corporate debt publicly issued in the eurobond, sterling domestic or euro domestic markets (and has been hedged to sterling). This index best represents the types of companies in which the Master Fund predominantly invests. However the Investment Manager invests on a discretionary basis with a significant degree of freedom to take positions which are different from the index. Where bonds are denominated in a currency other than Sterling, the Master Fund aims to reduce the risk of movements in exchange rates between such currency and Sterling through the use of derivatives (financial instruments which derive their value from the value of other assets). It is anticipated that the investment returns of the Fund will be very similar to those of the Master Fund.The Fund may also invest in cash and near cash and may use derivatives only for the purposes of hedging.

Important information	The Fund is permitted to use derivatives for Efficient Portfolio Management purposes but, at present, does not currently intend to use them.
Type of fund	UCITS Scheme and feeder fund
Typical investor profile	The Fund is marketable to retail and institutional investors. The Fund is appropriate for investors who do not intend to withdraw their money for five years.
FCA product reference number	188124
Valuation point	5.00 pm
Dealing Cut Off	12.00 pm
Annual accounting period ends	31 December
Half-yearly accounting period ends	30 June
Additional interim accounting dates	Last day of each month
Income allocated	Last day of each month (one month after the relevant accounting period)

Unit Class details

Class	Accumulation (ACC) or Income (INC)	Initial charge	Annual Management Charge+	Minimum holding/ minimum initial investment	Minimum subsequent purchase/ redemption	Regular Savings
Class R	ACC INC	Nil	1.00% p.a.	£1,000	£100	£50 per month minimum (ACC only)
Class Z	ACC INC	Nil	0.50% p.a.	£100,000	£5,000	N/A

+ Charged to capital. Note that while this will increase the amount of income (which may be taxable) available for distribution to Unitholders in the Fund, it may constrain capital growth or even result in capital erosion over time.

5 year investment performance

Discrete Calendar Years to Latest Quarter End	September 2013 - September 2014	September 2014 - September 2015	September 2015 - September 2016	September 2016 - September 2017	September 2017 - September 2018

% Change	7.03%	3.05%	9.41%	7.65%	1.64%

Source: AXA Investment Managers, NAV-NAV, UK Sterling, Net of fees.

The past performance figures above are expressed as a percentage rounded to the nearest 0.01% and are based on a lump sum investment in Class Z ACC Shares.

Past performance is not a guide to future performance.

Future performance of the Master Fund and the Fund may differ because of differences in attributable charges of each Fund and the marginal differences in costs of the investments.

Changes to the Fund

The terms of the Fund may, subject to the provisions of and in accordance with the COLL Sourcebook, be amended from time to time.

Where amendments are proposed (including amendments to the Master Fund which has the effect of a change to the Fund), the Manager will assess whether the change is fundamental, significant or notifiable in accordance with COLL 4.3. If the change is regarded as fundamental, Unitholders will be required to approve the change by way of extraordinary resolution at a meeting of Unitholders. If the change is regarded as significant, at least 60 days' prior written notice will be provided to Unitholders. If the change is regarded as notifiable (i.e. not regarded as fundamental or significant), Unitholders will receive notification in an appropriate manner at or after the date upon which the amendment will take place. Unitholders will not be notified of changes to this Prospectus which are assessed by the Manager as insignificant.

Investment and borrowing powers

As set out above, the Fund is a feeder fund of the Master Fund and, as such, ordinarily invests at least 85% in value of its scheme property in shares of the Master Fund.

The investment powers of the Fund are determined by the COLL Sourcebook, the Trust Deed and the investment objective and policy of the Fund as set out in the Fund Profile above. Included in this framework are the regulatory limitations in relation to investment and borrowing which are summarised in the "Investment and Borrowing Powers applicable to the Fund" section in Appendix I. A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by the Fund if the consent of the Trustee is obtained in writing but, in the event of a consequent breach, the Manager must then take such steps as are necessary to restore compliance with the investment limits as soon as practicable having regard to the interests of Unitholders.

Risk Management

The Manager will provide upon the request of a Unitholder further information relating to the quantitative limits applying in the risk management of the Fund and the Master Fund; the methods used in relation to the above; and any recent development of the risk and yields of the main categories of investment.

Details of the Master Fund

General

The Master Fund is a sub-fund of AXA World Funds, an open-ended investment company established as an investment company with variable capital (société d'investissement à capital variable or SICAV) and a UCITS Scheme organised under the laws of Luxembourg and authorised and regulated by the CSSF. The management company of AXA World Funds is AXA Funds Management S.A., a company in the AXA IM Group, which is part of the AXA Group.

The base currency of the Master Fund is Euros. The Fund invests in a Pounds Sterling denominated hedged share class of the Master Fund which aims to hedge the foreign exchange risk resulting from the divergence between the base currency of the Master Fund (Euros) and the currency of the share class (Pounds Sterling). Please refer to Currency Risk in the Risk Factors section of the Prospectus for further information.

Details of the Master Fund, including its investment objectives and policy, is contained in the profile below.

Master Fund Profile

Investment objective	The objective of the Master Fund is to achieve a high income by investing in fixed and floating rate securities.
Investment policy	The Investment Manager will seek to achieve the objective of the Master Fund by investing mainly in a broadly diversified portfolio of fixed income transferable debt securities issued by public or private companies including bonds denominated in a European currency and rated sub-investment grade (i.e. rated lower than BBB- by Standard & Poor's or lower than Baa3 by Moody's). The selection of credit instruments is not exclusively and mechanically based on their publicly available credit ratings but also on an internal credit or market risk analysis. The decision to buy or sell assets is also based on other analysis criteria of the Investment Manager. The Master Fund will invest not more than 10% of its net assets in units of UCITS Schemes and/or other UCIs. For efficient portfolio management purposes, this Master Fund may also expose itself to such assets through the use of derivative instruments within the limits set forth in the section "Investment Restrictions" of the Master Fund's prospectus.
Use of derivatives	In order to achieve its management objectives, the Master Fund may in particular engage in the credit derivatives market by entering, i.e., into credit default swaps in order to sell or buy protection. A credit default swap "CDS" is a bilateral financial contract in which one counterparty (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer acquires the right to sell a particular bond or other designated reference obligations issued by the reference issuer for its par value or the right to receive the difference between par value and market price of the said bond or other designated reference obligations (or some other designated reference or strike price) when a credit event occurs. A credit event is commonly defined as

	bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The International Swap and Derivatives Association (ISDA) has produced standardised documentation for these derivatives transactions under the umbrella of its ISDA Master Agreement. The Master Fund may use credit derivatives in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection. In addition, the Master Fund may, provided it is in its exclusive interest, buy protection under credit derivatives without holding the underlying assets. Provided it is in its exclusive interest, the Master Fund may also sell protection under credit derivatives in order to acquire a specific credit exposure. The Master Fund will only enter into OTC credit derivatives transactions with highly rated financial institutions specialised in this type of transaction and only in accordance with the standard terms laid down by the ISDA Master Agreement. The maximum exposure of the Master Fund may not exceed 100% of its net assets.
Type of fund	UCITS Scheme
Risk profile	The Master Fund is mainly invested in fixed income related assets for which there is risk of invested capital loss.

Master-Feeder Agreement

The Master-Feeder Agreement dated 31 October 2012 between the Manager and the Management Company sets out the terms on which (in accordance with the applicable laws of Luxembourg and England and Wales) the Management Company will provide the Manager with documents and both parties will provide each other with information and provide for the relevant arrangements in relation to the Fund's investment in the Master Fund. The Agreement covers, amongst other things, provisions relating to:

a. access to information by both the Fund and the Master Fund;

b. the basis of investment and disinvestment by the Fund in the Master;

c. changes to the Fund and the Master Fund;

d. standard dealing arrangements;

e. events affecting dealing arrangements;

f. standard arrangements for the audit report; and

g. changes to the standing arrangements.

Aggregate charges

The Fund invests in capitalisation shares of the Pounds Sterling denominated M (Hedged) class in the Master Fund. At the level of the Master Fund, the Management Company does not charge an annual management or distribution fee in relation to the M class. The fees and charges associated with an investment in the M class are represented by the Applied Service Fee. The Applied Service Fee covers the ordinary operating expenses of the Master Fund (including the share class currency hedging cost) and is further detailed in the Master Fund's prospectus. The fees paid by the Fund are set out in the "Fees and Expenses" section of this Prospectus.

The key investor information documents for each of the Fund and the Master Fund contain additional information on the ongoing charges incurred by the Fund and the Master Fund.

Further information

Further information on the Master-Feeder Agreement and a copy of the Master Fund's prospectus can be obtained from the Manager on request.

Risk Factors

Investment in the Fund carries with it a degree of risk. The risks described in this section should not be considered an exhaustive list of the risks that potential investors should consider before investing in the Fund. Potential investors should be aware that holding an investment in the Fund involves exposure to risks of an exceptional nature from time to time, which are not discussed here. Potential investors should consider the risks set out in this section before investing in the Fund.

As a feeder fund of the Master Fund, the Fund will also be subject to specific risks associated with its investment into the Master Fund as well as specific risks incurred at the level of the Master Fund and its investments. Therefore, before investing in Units, prospective investors should carefully read the description of the risk factors relating to an investment in the Master Fund, as disclosed in the prospectus of the Master Fund which is available free of charge from the Manager.

General risks related to investment in the Fund

The following risks relate to investing in the Fund generally:

- Past performance is not a guide to future performance.
- There is no assurance or guarantee that the investment objective of the Fund or the Master Fund will be achieved.
- The securities and instruments in which the Master Fund invests are subject to normal market fluctuations and other risks inherent in investing in such securities and instruments and there can be no assurance that any appreciation in value will occur.
- Unless the Fund's performance keeps up with or beats inflation, the real value of an investment in the Fund will fall over time.
- All of each Unitholder's investment is at risk. The value of Units and the income from Units may go down as well as up and accordingly, an investor may not get back the full amount invested and may not receive a return which is sufficient to meet their own investment objective. An investment in the Fund should only be made by those persons who are able to sustain a loss on their investment.
- It is the responsibility of each investor (or their professional adviser) to ensure that the investment objective of the Fund meets with their requirements. Prospective investors should review this Prospectus carefully and in its entirety before making an application for Units.

Management risk

The investment performance of the Fund is substantially dependent on the investment performance of the Master Fund and, therefore, on the Master Fund's service providers. The Investment Manager will apply its investment techniques and strategies in making investment decisions for the Master Fund, but there can be no guarantee that the Investment Manager will be successful and they may incur losses for the Master Fund, which will impact the Price of the Fund. Investment choices made by the Investment Manager will also affect the overall level of risk within the Master Fund and the Fund. This level of risk is likely to vary over time due to changing market conditions and/or changes to the Master Fund's holdings. Unitholders will have no right or power to participate in the day-to-day management or control of the business of the Fund or the Master Fund, nor an opportunity to evaluate the specific investments made by the Fund or the Master Fund or the terms of any of such investments.

Operational and legal risks

The main operational and legal risks associated with the Fund's investment in the Master Fund include, without being limited to, the Fund's access to information on the Master Fund, coordination of dealing arrangements between the Fund and the Master Fund, the occurrence of events affecting such dealing arrangements, the communication of documents from and to the Master Fund to and from the Fund, the coordination of the involvement of the Trustee and auditor of the SICAV and the depositary and auditor of the Master Fund and the identification and reporting of investment breaches and irregularities by the Master Fund. Such operational and legal risks will be mitigated and managed by the Manager, the Trustee and the Fund's auditor, as applicable, in coordination with the Management Company, the depositary, the administrator and the auditor of the Master Fund. A number of documents and/or agreements are in place to that effect, including (1) Master-Feeder Agreement between the Manager and the Management Company (see under "Details of the Master Fund" in this Prospectus for further details); (2) an information sharing agreement between the Trustee and the depositary of the Master Fund, and (3) an information sharing agreement between the respective auditors of the Fund and the Master Fund.

Effect of dealing charges

Where an initial charge or redemption charge is imposed, a Unitholder who sells his Units after a short period may not (even in the absence of a fall in the value of the relevant investments) receive the amount originally invested. Therefore, the Units should be viewed as medium to long-term investments.

In particular, where a redemption charge is payable, investors should note that the percentage rate at which the redemption charge is calculated is based on the market value rather than the initial value of the Units. If the market value of the Units has increased, the redemption charge will show a corresponding increase. Currently, there is no redemption charge.

Annual management charge taken from capital

The Manager's annual management charge is to be charged against capital instead of income, which will increase the amount of income (which may be taxable) available for distribution to Unitholders in the Fund, but may constrain capital growth or even result in capital erosion over time.

Suspension of dealings in Units

Unitholders are reminded that in certain circumstances their right to redeem Units (including a redemption by way of switching Units or converting Classes of Units) may be suspended (see the "Dealing in Units" section ("When might suspension of dealing in the Fund occur?") of this Prospectus).

Holding of assets by the Trustee

The Trustee has a duty to ensure that it safeguards and administers the scheme property in compliance with the Client Assets Sourcebook ("CASS") of the FCA Handbook. The Trustee is not under a duty to comply with the provisions of the FCA Handbook on handling money received or held for the purpose of buying or selling securities and investments. In the event that the Trustee becomes insolvent or otherwise fails, there is a risk of loss or delay in return of any scheme property which consists of cash or any other scheme property which the Trustee or any of its delegates is not required or has failed to hold in accordance with CASS.

Tax rules

Governments may change the tax rules which affect a Unitholder, the Fund or the Master Fund.

Settlement timing risk

The Fund's settlement period for subscriptions and redemptions in Units does not coincide exactly with the settlement period for subscriptions and redemption in shares of the Master Fund. For example, the Fund may not receive cash from a Unitholder to settle a subscription for Units in time to settle a subscription for shares in the Master Fund purchased as a result of the subscription for Units in the Fund. Equally, the settlement period for a redemption of Units in the Fund is longer than the settlement period for a redemption of shares in the Master Fund. For short periods of time, these 'settlement mismatches' may cause the Fund to become temporarily overdrawn or have more cash than desired. As a result, the Fund may experience short periods where either it has increased counterparty exposure due to holding higher levels of cash or it is paying for an overdraft facility.

Redemption risk

The Fund is daily dealing and may experience large redemptions from time to time. There is a risk that the level of redemption may become such that the remaining assets in the Fund are not at a level that makes proper management of the Fund viable. In these circumstances, the Manager may, acting in the best interests of remaining Unitholders, take steps to wind-up the Fund in accordance with the "Winding up of the Fund" section of this Prospectus.

Valuation risk

The rules applied to calculate the Price per Unit, as described in Appendix II of this Prospectus, presume the Fund's ability to value its investment in the shares of the Master Fund. In valuing such investment holdings, the Fund may rely on financial information provided by the Management Company and the administrator of the Master Fund. Independent valuation sources, such as an exchange listing, may not be available for the Master Fund.

Pricing error risk

In the event of an error in the pricing of the shares in the Master Fund resulting in a compensation payment to affected shareholders or former shareholders in the Master Fund, any such payment would be made to the Fund itself rather than directly to the Unitholders or former Unitholders of the Fund. If the payment is retained in the Fund this would only benefit Unitholders in the Fund at that time and former Unitholders would therefore not be compensated. The Manager will however take appropriate action to ensure Unitholders are treated fairly and in accordance with the Regulations.

Cyber Security Risk

The Manager and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g. through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber-attacks also may be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e. efforts to make services unavailable to intended users). Cyber security incidents affecting the Manager, Trustee or Administrator or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with the ability to calculate the Net Asset Value per Unit; impediments to trading of the Fund's or the Master Fund's portfolio; the inability of Unitholders to transact business with a Fund; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which the Fund or the Master Fund invests, counterparties with which the Manager or the Master Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. The Manager itself has in place a cyber security policy which a) describes the procedures whereby the directors satisfy themselves with respect to any threat to the Manager from a cyber security related event or attack, and b) ensures the Manager has appropriate safeguards in place to mitigate the risk of a successful cyber-security attack and to minimise the adverse consequences arising from any such event or attack. While information risk management systems and business continuity plans have been developed by the Manager and the service providers to the Fund which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

Potential Implications of Brexit

On 29 March 2017, the Government of the United Kingdom (UK) formally notified the European Union (EU) of its intention to leave the EU (i.e. "Brexit"). The UK's future economic and political relationship with the EU (and with other non-EU countries by agreement) remains uncertain. The nature and the extent of the impact of any Brexit related changes to the Fund may be significant.

The potential currency volatility resulting from this uncertainty may mean that the returns of the Master Fund and its investments are adversely affected by market movements. This may also make it more difficult, or more expensive, for the Master Fund to execute prudent currency hedging policies. The mid to long term uncertainty may have an adverse effect on the UK and EU economy generally and result in severe volatility in the global markets. This may restrict the ability of the Master Fund to execute its investment strategy effectively and to receive attractive returns, and may also result in increased costs to the Fund or the Master Fund.

Leaving the EU may also result in significant changes to law and regulation in the UK and create divergence between the UK and EU regulatory regimes. It is not currently possible to assess the effect of these changes on the Fund, the Unitholders, the Manager or its service providers and counterparties.

Specific risks related to the Master Fund

The following risks relate to the investments and strategy of the Master Fund.

The Master Fund invests in fixed interest securities. Fixed interest securities are the borrowings of governments or companies (the issuers), generally in the form of bonds. The issuers will pay the following to a holder of bonds: (a) a fixed rate of interest on the debt (also known as the coupon) on fixed due dates; and (b) the capital value of the debt (the principal) after a fixed period (the maturity). The market price of a bond is determined by its redemption yield. The redemption yield of a bond is the rate of return paid to a holder (expressed as an annual percentage of its current market value) if the bond is held to its maturity. The redemption yield (and therefore the market price) of such bonds are affected by a number of factors, including short term interest rates (shorter duration bonds respond more to these) and economic outlook and inflation expectations (medium and longer duration bonds follow these longer term trends and views) as well as the creditworthiness of the issuer.

Interest rate risk

Interest rate risk is the risk that the market value of bonds held by the Master Fund could fall as a result of higher market rates (yields). Yields can change as a result of, among other things, the economic and inflation outlook which also affects supply and demand as well as future interest rate expectations, without necessarily a change in official central bank short term interest rates. Higher yields result in a decline in the value of bonds. Conversely, lower yields tend to increase the value of bonds. Duration (a measure based on the coupon and maturity payments schedule of a bond) is an important concept in understanding how the price of that bond might change for a 1% move in its redemption yield. A bond with a longer duration is more sensitive to a change in yields and, generally speaking, will experience more volatility in its market value than bonds with shorter durations.

Credit risk

All bonds have a potential credit risk, in that the issuer could default on its obligations to pay income and/or capital. An issuer default would likely result in a large drop in the value of that bond. The value of a bond will also be affected by the perceived credit risk of the issuer, including changes to credit ratings and the general level of aversion to credit risk in the market. Generally, an increased level of perceived credit risk leads to a fall in the value of the bond, and vice versa. Credit risk can be measured by ratings assigned to issuers of bonds by third party credit rating agencies. The largest credit rating agencies are Moody's, Standard & Poor's and Fitch Ratings. Each credit rating agency uses different designations. The highest designation (Aaa (Moody's), AAA (Standard & Poor's and Fitch Ratings)) are intended to represent a lower probability of default of the issuer. The credit rating agencies designate "investment grade" bonds as Baa3 or above (Moody's) or BBB- or above (Standard & Poor's or Fitch Ratings). See further below under "High yield bonds risk".

High yield bonds risk

High yield bonds (also known as sub-investment grade bonds) are fixed interest securities issued by companies with lower credit ratings (Ba1 and below (Moody's) or BB+ and below (Standard & Poor's and Fitch Ratings)). They are potentially more risky than investment grade bonds which have higher ratings. The issuers of high yield bonds will be at greater risk of default or ratings downgrades. The capital value of the Master Fund's investment in high yield bonds and the level of income it receives may fall as a result of such issuers ceasing to trade. The

Master Fund will endeavour to mitigate the risks associated with high yield bonds, by diversifying their holdings by issuer, industry and credit quality.

Prepayment and extension risk

Prepayment risk is the risk associated with the early unscheduled return of capital (i.e., repayment of the debt) by the issuer on a bond. Prepayment generally occurs in a declining interest rate environment. When capital is returned early, no future interest payments will be paid on that part of the capital. If the bond was purchased at a premium (i.e., at a price greater than the value of the capital), the return on the bond will be less than what was estimated at the time of purchase.

The opposite of prepayment risk is extension risk which is the risk of a bond's expected maturity lengthening in duration due to a slowdown in prepayments of capital. Extension risk is mainly the result of rising interest rates. If the bond was purchased in anticipation of an early repayment of capital, an extension of the maturity could impact the price of the bond.

Liquidity risk

Under certain market conditions, it may be difficult to buy or sell investments for the Master Fund. For example, corporate and emerging market bonds may be affected by the demand in the market for such bonds carrying credit risk, particularly in times of significant market stress. As a result, it may not be possible to buy or sell such investments at a preferred time, close to the last market price quoted or in the volume desired. The Investment Manager may be forced to buy or sell such investments as a consequence of shareholders buying or selling shares in the Master Fund. Depending on market conditions at the time, this could lead to a significant drop in the Master Fund's value, which will impact the Price of the Fund.

Leverage

A proportion of the capital of the Master Fund may be leveraged through borrowing cash or use of derivatives (i.e., the exposure of the Master Fund to an asset may be greater than the amount invested). While leverage presents opportunities for increasing the capital return, it has the effect of potentially increasing losses as well. Any event which adversely affects the Master Fund's underlying investment would be magnified to the extent the capital is leveraged. The cumulative effect of the use of leverage in a market that moves adversely to the underlying investment vehicles would result in a substantial loss to capital that would be greater than if capital were not leveraged.

Settlement/registration risk

The Master Fund's investments may carry risks associated with failed or delayed settlement of market transactions or failures in the registration and custody of the investments. Such failure or delay could result in the Master Fund suffering losses, which will impact the Price of the Fund.

Political economic, convertibility and regulatory risk

Some geographical areas in which the Master Fund may invest (including but not limited to Asia, the Eurozone and the US) may be affected by economic or political events or measures, changes in government policies, laws or tax regulations, currency convertibility, or by currency redenomination, restrictions on foreign investments, and more generally by economic and financial difficulties. In such contexts, volatility, liquidity, credit and currency risks may increase and adversely impact the net asset value of the Master Fund.

Currency risk

Assets of the Master Fund (including cash), and any income paid on those assets, may be denominated in a currency other than the base currency of the Master Fund. Changes in the exchange rate between the base currency and the currency of an asset may cause the value of the asset/income (expressed in the base currency) to fall as well as rise even if there is no change of the value of such assets in its local currency. This may also cause additional volatility in the price of shares of the Master Fund. It may not be possible or practicable to hedge against such exchange rate risk.

The Fund invests in a Pounds Sterling denominated hedged share class of the Master Fund which aims to hedge the foreign exchange risk resulting from the divergence between the base currency of the Master Fund (Euros) and the currency of the share class (Pounds Sterling). There can be no guarantee that this strategy will be successful. No hedging strategy can eliminate currency risk entirely and should the strategy be incomplete or unsuccessful, the net asset value and investment performance of the share class of the Master Fund (and therefore the performance of the Fund) may remain vulnerable to changes in the value of the base currency of the Master Fund and the currency of the share class. Furthermore, the use of such hedging strategies may substantially limit the Fund from benefiting if the currency of the share class falls against the base currency of the Master Fund.

Counterparty risk

At any one time, the Master Fund may be exposed to the creditworthiness and stability of the counterparties to transactions entered into by the Master Fund (including derivative and stock lending and repo/reverse repo transactions). The Master Fund will be subject to the risk of the inability of its counterparties to perform its obligations under such transactions (default), whether due to insolvency, bankruptcy or other causes. In the event of the insolvency of a counterparty, the Master Fund might not be able to recover cash or assets of equivalent value, to that invested, in full. The Master Fund may receive assets or cash from the counterparty (collateral) to protect against any such adverse effect. Where relevant, a counterparty will forfeit its collateral if it defaults on the transaction with the Master Fund. However, if the collateral is in the form of securities, there is a risk that when it is sold, it will realise insufficient cash to settle the counterparty's debt to the Master Fund under a transaction or to purchase replacement securities that were lent to the counterparty under a stock lending arrangement. In relation to stock lending arrangements, there is also the risk that while cash is recovered in the event of a default, the actual stock cannot be repurchased. Furthermore, to the extent that collateral is not present to cover part or all of the debt, a counterparty default may result in losses for the Master Fund. To assist in managing these types of risks, the Management Company sets criteria around the types of eligible collateral the Master Fund may accept. Please refer to the prospectus of the Master Fund for more information.

Derivatives risk

The Master Fund may enter into a variety of transactions taking the form of "derivatives transactions" (namely, options, futures or contracts for differences/swaps) or forward currency transactions. A derivatives transaction must either be in a derivative which is traded or dealt in on an eligible derivatives market, and effected in accordance with the rules of that market, (an "exchange traded" derivative), or be an off-exchange derivative entered into with an eligible counterparty (an "over-the-counter" or "OTC" derivative). Forward currency transactions are over-the-counter transactions. Derivative transactions are designed to provide exposure to the value or performance of different assets including shares, bonds and indices, the credit risk of companies or governments, interest rates, the value of currencies or other assets or investments, without the Master Fund owning the relevant asset(s) or making a direct investment. A forward currency transaction is a contract that locks in the exchange rate for the sale or purchase of a particular currency on a future date. Each derivative and forward transaction bears various risks and its use may result in losses to the Master Fund, which will impact the Price of the Fund. The price or value of derivative and forward currency transactions may move in unexpected ways, particularly in abnormal market conditions, and therefore the use of derivatives and forward currency transactions may increase the volatility of the price of shares in the Master Fund. If a derivative transaction involves leverage (i.e., it increases the Master Fund's exposure to the underlying asset or investment), this may magnify investment losses suffered by the Master Fund and the Master Fund may lose in excess of the amount invested. Exchange traded and OTC transactions are subject to liquidity risk as it may not always be possible to sell or terminate the relevant transaction. OTC derivative and forward currency transactions are subject to counterparty risk as the counterparty to the transaction may not settle the transaction in accordance with its terms and conditions (due to dispute of the terms or because of a credit or liquidity problem), thus causing the Master Fund to suffer a loss. Derivative and forward currency transactions may also involve legal risk which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

The successful use of derivative and forward currency transactions (whether for investment purposes or for Efficient Portfolio Management purposes) requires sophisticated management and the Master Fund will depend on the ability of the Investment Manager to analyse and predict market movements and manage the transactions. The value of a derivative or forward currency transaction will be determined by a range of factors, including the volatility and market price of the underlying asset, interest rates, government intervention in derivatives markets, the duration of the contract and the risk of default of the counterparty. As a result, there are many factors upon which market participants may have divergent views and there is a risk that the Investment Manager may incorrectly value the derivative/currency forward. Furthermore, there is a risk that the value of the derivative/currency forward may not correlate to the underlying asset or investment in the way anticipated by the Investment Manager, due to unexpected market behaviour or interest rate trends. Therefore, where the Master Fund uses derivative or forward currency transactions to achieve a particular result, whether for investment purposes or for Efficient Portfolio Management, there is a risk that such use will not be successful and could leave the Master Fund in a worse position than if such transactions had not been used.

In certain circumstances, the Master Fund may use derivatives or forward currency transactions to reduce or eliminate risk arising from fluctuations in interest rates or exchange rates and in the price of investments, or use them for other Efficient Portfolio Management purposes. Where such transactions are used for the purposes of reducing or eliminating (i.e., hedging) certain risks (for example, the use of forward currency transactions to hedge against movements in foreign currency exchange rates), such use will limit any potential gain for the Master Fund should the value of the hedged asset increase. The precise matching of the relevant contract amounts and the value of the hedged asset involved will not generally be possible because the future value of such assets will change as a consequence of market movements between the date when the relevant contract is entered into and the date when it matures. Therefore, the successful execution of a hedging strategy which matches exactly the profile of the investments of the Master Fund cannot be assured. Furthermore, it may not be possible to hedge against generally anticipated exchange rate or interest rate fluctuations at a price sufficient to protect the Master Fund from the anticipated decline in value of its assets as a result of such fluctuations.

The use of derivatives and forward currency transactions by the Master Fund is not intended to increase the overall risk profile of the Master Fund compared to similar funds investing directly in securities. However, in unusual market situations their use may lead to higher volatility in the share price of the Master Fund.

Units

The Trust Deed of the Fund permits the issue of a number of different Classes and types of Units. Each Class and type of Unit that is currently available is stated in the Fund Profile in the "Details of the Fund" section of this Prospectus and may vary by factors such as whether it is an income or accumulation Unit, attracts different fees and expenses or is restricted to certain types of Unitholders.

The Trustee may from time to time at the request of the Manager create one or more Classes of Units. The creation of additional Classes of Units will not result in any material prejudice to the interests of Unitholders of existing Unit Classes.

The nature of the right represented by each type of Unit is that of a beneficial interest under a trust.

Income and accumulation Units

The Fund may issue "accumulation Units" and, or "income Units", as set out in the Fund Profile in the "Details of the Fund" section of this Prospectus. An income Unit represents one undivided share in the property of the Fund, whilst an accumulation Unit represents an increasing number of undivided shares in the property of the Fund. Each undivided share ranks pari passu with the other undivided shares in the property of the Fund. Unitholders are entitled to participate in the property of the Fund and the income from that property in proportion to the number of undivided shares in the Fund represented by the Units held by them.

With income Units, the distribution of income in respect of an accounting period is made to all those who were Unitholders at the end of that accounting period and the distribution is paid on the relevant income allocation dates as set out in the Fund Profile in the "Details of the Fund" section of this Prospectus.

If a Unitholder holds accumulation Units, there will be no actual payment of income. With accumulation Units, any income of the Fund allocated at the end of the relevant accounting period to such Units is retained in the Fund and consequently is reflected in the Price of accumulation Units, which gradually draws away from that of income Units, as the income is "rolled up" in the value of each Unit.

Other types and Class of Units

Where the Fund has different Classes, each Class may attract different charges and so monies may be deducted from Classes in unequal proportions. In these circumstances the proportionate interests of the Classes within the Fund will be adjusted accordingly.

Variation of Class rights

The rights attached to a Class or the Fund may not be varied without the sanction of a resolution passed at a meeting of Unitholders of that Class or the Fund by a 75% majority of those votes validly cast for and against such resolution.

Valuation of scheme property

The Fund will be valued at the Valuation Point for the purpose of determining the Net Asset Value of the Fund and the Prices of Units in the Fund. Additional valuations may be carried out if the Manager considers it desirable to do so, or is required to do so, under the Regulations, for example, where necessary for the purposes of effecting a scheme of reconstruction or amalgamation; or on the day on which the annual or half-yearly accounting period ends. The Fund is a single priced scheme in accordance with the COLL Sourcebook and the Trust Deed. A single priced scheme must have a single price for buying and selling units on any Dealing Day. The Net Asset Value of the Fund is calculated at the mid-market value in the manner described in the Trust Deed and in the information relating to valuation and pricing in Appendix II of this Prospectus.

Where permitted and subject to the Regulations, the Manager may in certain circumstances substitute the price of an investment with a more appropriate price which in its opinion reflects a fair and reasonable price of that investment (a "fair value price"). The circumstances which may give rise to a fair value price being used include (i) no recent trade in the investment concerned; or (ii) the occurrence of a significant event since the most recent closure of the market where the price of the investment is taken. Such events may include but are not limited to market-specific events, political or economic announcements, war, natural disasters, acts of terrorism or similar, but may also include matters such as litigation, credit defaults, changes in interest rates, or corporate activity, as required.

Where an investment is valued at a fair value price, there is no guarantee that the investment will be sold at that price. The Manager monitors domestic and foreign markets and news information for any developing events that may have an impact on the valuation of the Fund's investments.

Pricing of Units

Where more than one Class of Units are in issue in the Fund, the proportionate interests of each Class in the assets and income of the Fund shall be ascertained in accordance with the provisions of the Trust Deed to calculate the Net Asset Value of that Class.

The Price at which Units in the Fund are purchased (bought) and redeemed (sold) is calculated by dividing the Net Asset Value of the relevant Class of Units by the number of Units in issue in that Class. In addition, for subscriptions, redemption, switches and conversions, there may be an initial charge, redemption charge or switching charge.

The Price of the Units which you buy and sell will be calculated at the Valuation Point on the Dealing Day on which you have given instructions to the Manager in accordance with the "Dealing in Units" section of this Prospectus, unless the deal is placed after the Dealing Cut Off on that Dealing Day in which case the Price of Units will be that calculated at the Valuation Point on the next Dealing Day after the Dealing Day on which the deal is placed. This is known as forward pricing.

Price publication

The Manager will make available the most recent Price of Units, for information purposes only, on a daily basis on the Manager's website at https://retail.axa-im.co.uk and by telephone on 0345 777 5511.

Dilution in the Master Fund

Subscriptions or redemptions in the Master Fund or a share class of the Master Fund can create dilution of the Master Fund's or share class' assets if shareholders subscribe or redeem at a price that does not necessarily reflect the real dealing and other costs that arise when the Investment Manager buys or sells assets to accommodate net subscriptions or net redemptions. In order to protect the interest of the existing shareholders of the Master Fund or a share class, a swing pricing mechanism may be adopted. If the net subscriptions and redemptions based on the last available net asset value of the Master Fund or a share class on any valuation day exceed a certain threshold of the value of the Master Fund or a share class on that dealing day, as determined and reviewed on a periodic basis by the Management Company, the price of shares may be adjusted respectively upwards or downwards to reflect the dealing and other costs that may be deemed to be incurred in buying or selling assets to satisfy net daily transactions. The extent of the price adjustment will be set by the Management Company to reflect estimated dealing and other costs. Further details on the swing pricing mechanism applied by the Management Company at the level of the Master Fund are available in the Master Fund's prospectus. No swing pricing mechanism will be applied at the level of the Fund.

Dealing in Units

General

The dealing office of the Manager is open from 9.00 a.m. until 5.30 p.m. on each Dealing Day to receive requests for the purchase, sale, switching and conversion of Units.

A request must be received by the Manager before the Dealing Cut Off on a Dealing Day in order to be dealt with at the Price calculated as at the Valuation Point on that Dealing Day or at such other Valuation Point as the Manager, at the request of the Unitholder giving the relevant instruction, may agree.

An applicant should refer to the latest "Terms & Conditions relating to AXA Investment Managers UK authorised funds and ISA" for further details relating to dealing in Units and any cancellation rights. The Terms and Conditions are available at https://retail.axa-im.co.uk/literature/application-packs or in paper copy on request to the Manager.

How do I buy Units?

Units can be bought either by sending a completed application form to the Manager or, at the Manager's discretion, by telephoning the Manager on 0345 777 5511. Application forms may be obtained from the Manager.

Units may be bought directly from the Manager or through your professional adviser or other intermediary.

In addition, the Manager may from time to time make arrangements to allow Units to be bought through other communication media.

The Manager has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Units in whole or part, and in this event the Manager will return any money sent, or the balance of such monies, at the risk of the applicant.

What documents will I (as a buyer) receive?

A contract note giving details of the Units purchased and the Price used will be issued by the end of the next business day following the purchase together with, where appropriate, a notice of the applicant's right to cancel.

When is settlement due?

Settlement is due within four working days of the Dealing Day shown on the contract note.

An order for the purchase of Units will only be deemed to have been accepted by the Manager once it is in receipt of cleared funds for the application. If settlement is not made within a reasonable period, then the Manager has the right to cancel any Units issued in respect of the application. Upon cancellation, any shortfall representing the difference between the Price of the Units at issue and the Price of the Units at cancellation, shall represent a debt due to the Manager by the Unitholder and be enforceable as such.

How is my ownership of Units recorded?

Unit certificates will not be issued in respect of Units. Ownership of Units will be evidenced by an entry on the Register of Unitholders. The Register shall (save where a Unitholder has defaulted for the purposes of COLL 6.4.4 and the Manager makes a necessary alteration to the Register) be conclusive evidence as to the persons respectively entitled to the Units entered in the Register. No notice of any trust, express, implied or constructive, shall be entered on the Register in respect of any Unit and the Manager and the Trustee shall not be bound by any such notice.

Statements in respect of periodic distributions on Units will show the number of Units held by the recipient Unitholder. Individual statements of a Unitholder's Units will be issued as at 31 October and 30 April of each year and will also be issued at any time on request by the registered holder. Where the Units are jointly held such statements will be sent to the first named holder on the register. Details of a Unitholder's entry on the Register are available from the Manager on request.

Please note that an applicant does not own Units until they are recorded on the Register of Unitholders and the Manager has received the subscription monies.

What are the minimum investment levels?

The minimum initial subscription, additional subscription and minimum holding levels relating to the Fund are set out in the Fund Profile in the "Details of the Fund" section of this Prospectus. The Manager may at its discretion accept subscriptions and/or holdings lower than the minimum amount(s).

If following a redemption a holding in any class of Unit should fall below the minimum holding for that class, the Manager has a discretion to require redemption of that Unitholder's entire holding in that class of Unit.

Does the Manager operate a regular savings plan?

Regular savings can be made by direct debit for the purchase of Class R accumulation Units subject to a minimum monthly subscription as set out in the Fund Profile in the "Details of the Fund" section of this Prospectus. To invest in this way, Unitholders will need to complete a direct debit mandate and return it to the Manager before contributions may begin. Monthly contributions may be increased, decreased (subject to the minimum monthly contribution) or stopped at any time by notifying in writing such party as the Manager may direct. If, however, payments are not made into the regular savings plan for more than three months and the Unitholder holds less than the minimum holding for that Class, then the Manager reserves the right to redeem that Unitholder's entire holding in that Class.

Contract notes will not be issued to Unitholders investing through a regular savings plan.

How do I sell Units?

Subject to the Manager's ability to suspend dealing, as set out in the paragraph below entitled "When might suspension of dealing in the Fund occur?", every Unitholder has the right to redeem his Units on any Dealing Day unless the value of Units which a Unitholder wishes to redeem will mean that the Unitholder will hold Units with a value less than the required minimum holding.

Requests to redeem Units may be made to the Manager by telephone on 0345 777 5511 or in writing to the Manager. In addition, the Manager may from time to time make arrangements to allow Units to be redeemed through other communication media.

A redemption request (whether made by telephone or in writing) will be placed by the Manager at the Valuation Point on that Dealing Day, unless the request is received after the Dealing Cut Off in which case the deal will be placed at the Valuation Point on the next Dealing Day. Requests to redeem Units are irrevocable once they have been placed by the Manager. In certain circumstances (including in respect of joint Unitholders, corporate Unitholders or where the value of the Units to be redeemed exceeds an amount determined by the Manager) the Manager will require written confirmation of the redemption request by way of a form of renunciation. Unitholders should note that the Manager will place the redemption request at the Valuation Point following the redemption request and any delay in completing and returning a form of renunciation will result in a delay in the settlement of the proceeds of such redemption.

What documents will I (as a seller) receive?

A contract note giving details of the number and Price of Units sold will be sent to the selling Unitholder (the first-named on the Register, in the case of joint Unitholders) together with a form of renunciation (where required) for completion and execution by the Unitholder(s).

When will I receive redemption proceeds?

Settlement of redemptions will be made by the fourth business day following the later of:

(a) receipt by the Manager of the redemption request or, where required, the renunciation form duly signed by all the relevant Unitholders and completed as to the appropriate number of Units, together with any other appropriate evidence of title; and

(b) the Valuation Point following receipt by the Manager of the request to redeem subject to such request being received before the Dealing Cut Off.

Payment of redemption proceeds will be made by cheque, or by arrangement by bank transfer in accordance with any written instruction received. If no written instructions are given, payment will be made by cheque posted to the Unitholder (at the Unitholder's risk). Instructions to make payments to a third party will not normally be accepted.

Are there limits on partial redemptions?

Part of a Unitholder's holding may be sold but the Manager reserves the right to refuse a request to redeem part of a holding if:

(a) the value of the Units to be redeemed in any Class is less than the applicable minimum redemption amount for that Class; or

(b) the value of the remaining holding of Units of any Class following the redemption would be less than the applicable minimum holding for that Class.

Can I switch or convert Units and what are the implications?

Subject to minimum investment levels for each Class and any applicable restrictions on holding a particular Class or the Fund (each as detailed in the Fund Profile in the "Details of the Fund" section of this Prospectus), a holder of Units in the Fund may at any time:

(a) Convert all or some of their Units of one Class for Units of another Class in the Fund ("Convert" or "Conversion"); or

(b) Switch all or some of their Units in one Fund for Units in another fund managed by the Manager ("Switch" or "Switching").

Conversions

Conversions will be effected by the Manager recording the change of Unit Class on the Register.

The Manager will carry out instructions to Convert Units as soon as possible but this may not be at the next Valuation Point and instructions may be held over and processed with Conversion instructions given by other Unitholders and in some cases may not be effected until the end of the relevant accounting period. Unitholders should contact the Manager for further information on when a Conversion may be effected.

Conversions will not be treated as a disposal for capital gains tax purposes.

The Manager may at its discretion make a charge on the Conversion of Units between Classes but does not currently do so.

The number of Units to be issued in the new Class will be calculated relative to the Price of the Units being Converted.

Converting may be effected either by telephone on 0345 777 5511 or in writing to the Manager and the Unitholder will be required to complete a Conversion form (which, in the case of joint Unitholders must be signed by all the joint holders). Conversion forms may be obtained from the Manager.

A Unitholder who Converts Units in one Class for Units in another Class in the Fund will not be given a right by law to withdraw from or cancel the transaction.

Switches

Subject to the qualifications below, a Unitholder may at any time Switch all or some of their Units in the Fund ("Original Units") for units or shares of another fund managed by the Manager ("New Units"), provided they satisfy the relevant subscription and eligibility criteria.

The number of New Units issued will be determined by reference to the respective prices of New Units and Original Units at the Valuation Points applicable at the time the Original Units are repurchased and the New Units are issued.

Switching may be effected either by telephone on 0345 777 5511 or in writing to the Manager and the Unitholder will be required to complete a switching form (which, in the case of joint Unitholders must be signed by all the joint holders). Switching forms may be obtained from the Manager.

The Manager may at its discretion charge a fee on the Switching of Units between the Fund and any other fund managed by the Manager or increase an existing charge in accordance with the COLL Sourcebook. Any such charge on Switching does not constitute a separate charge payable by a Unitholder, but is only the application of any redemption charge on the Original Units and any initial charge on the New Units. No Switching fees are currently charged.

For details on Switching into any other fund managed by the Manager, please contact the Manager.

If the Switch would result in the Unitholder holding a number of Original Units or New Units of a value which is less than the minimum holding for the Class concerned, the Manager may, if it thinks fit, Switch the whole of the applicant's holding of Original Units to New Units (and make a charge on such a Switch) or refuse to effect any Switch of the Original Units. No Switch will be made during any period when the right of Unitholders to require the redemption of the relevant Units is suspended. The general provisions on procedures relating to redemption will apply equally to a Switch.

Where a duly completed Switching form is received by the Manager before the Dealing Cut Off on a Dealing Day the Switch will be dealt with at the Prices applicable at the Valuation Point on that Dealing Day. Switching requests received after the Dealing Cut Off will be held over until the next day which is a Dealing Day in the Fund.

The Manager may adjust the number of New Units to be issued to reflect the imposition of any Switching fee together with any other charges or levies in respect of the issue or sale of the New Units or repurchase or cancellation of the Original Units as may be permitted pursuant to the COLL Sourcebook.

Please note that a Switch of Units in the Fund for units or shares in any other fund managed by the Manager is treated as a redemption and sale and will, for persons subject to United Kingdom taxation, be a realisation for the purposes of capital gains taxation. The disposal of Original Units may give rise to a liability to tax, depending on the Unitholder's circumstances. This is not the case for a Conversion from one Class to another, which is not considered to be a realisation for the purposes of capital gains taxation.

A Unitholder who Switches Units in the Fund for units or shares in any other fund managed by the Manager will not be given a right by law to withdraw from or cancel the transaction.

Can the Manager carry out a compulsory Conversion of Units?

The Manager may carry out a compulsory Conversion of Units from one Class into another Class in the Fund where it reasonably believes it is in the interests of Unitholders (for example, to merge two existing Unit Classes). The Manager will give all Unitholders affected by any such Conversion 60 days' written notice before any compulsory Conversion is carried out.

Can I transfer my Units to a third party?

Unitholders are entitled to transfer their Units to another person or body, subject to any applicable restriction on holding Units or a particular Class of Units. All transfers must be in writing in the form of an instrument of transfer approved by the Manager for this purpose. Completed instruments of transfer must be returned to the Manager in order for the transfer to be registered by the Manager.

Restrictions and compulsory transfer and redemption

The Manager may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held by any person in circumstances ("relevant circumstances") which constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or this prospectus or which would result in the Fund incurring any liability to taxation which the Fund is not able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory). In connection with this, the Manager may, inter alia, reject in its discretion any application for the purchase, redemption, transfer, conversion or switching of Units.

If it comes to the notice of the Manager that any Units ("affected Units") are owned directly or beneficially in any of the relevant circumstances referred to in the paragraph above or by virtue of which the Unitholder or Unitholders in question is/are not qualified to hold such Units or if it reasonably believes this to be the case, the Units may give notice to the holder(s) of the affected Units requiring the transfer of such Units to a person who is qualified or entitled to own them or that a request in writing be given for the repurchase of such Units in accordance with the Regulations. If any person upon whom such a notice is served does not within thirty days after the date of such notice transfer his affected Units to a person qualified to own them or submit a written request for their redemption to the Manager or establish to the satisfaction of the Manager (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the affected Units, he shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption of all the affected Units pursuant to the Regulations.

A person who becomes aware that he is holding or owns affected Units in any of the relevant circumstances, or by virtue of which he is not qualified to hold such affected Units, shall forthwith, unless he has already received notice of this fact from the Manager, either transfer all his affected Units to a person qualified to own them or give a request in writing for the redemption of all his affected Units pursuant to the Regulations.

The Manager as principal

The Manager will advise the Trustee of the Price of the Units on completion of the valuation of the Fund. The Manager pays this Price to the Trustee for the issue of Units or receives this Price from the Trustee upon the cancellation of Units. The Manager deals as principal in these Units and may hold Units for its own account.

However, Units are generally only held by the Manager to facilitate Unit orders and will not be held for speculative purposes. Any profits or losses arising from such transactions shall accrue to the Manager and not to the Fund. The Manager is under no obligation to account to the Trustee, or to the Unitholders, for any profit it makes on the issue or re-issue of Units or cancellation of Units which it has redeemed.

Subject to and in accordance with the Regulations, the issue or cancellation of Units may take place through the Trustee directly.

When might suspension of dealing in the Fund occur?

The Manager may, with the prior agreement of the Trustee, and must without delay if the Trustee so requires, temporarily suspend the issue, cancellation, sale and redemption of Units in the Fund where, due to exceptional circumstances, it is in the interests of all the Unitholders in the Fund. This may include during the whole or part of any period when the Master Fund suspends the determination of its net asset value and the issue and redemption of its shares. Unitholders should refer to the Master Fund's prospectus for further details of when suspension of dealing in the Master Fund might occur.

The Manager and the Trustee must ensure that the suspension is only allowed to continue for as long as is justified having regard to the interests of Unitholders.

The Manager will notify Unitholders as soon as is practicable after the commencement of the suspension, including details of the exceptional circumstances which have led to the suspension, in a clear, fair and not misleading way and giving Unitholders details of how to find further information about the suspension.

Where such suspension takes place, the Manager will publish details on its website or other general means, sufficient details to keep Unitholders appropriately informed about the suspension, including, if known, its possible duration.

During the suspension none of the obligations in COLL 6.2 (Dealing) will apply but the Manager will comply with as much of COLL 6.3 (Valuation and Pricing) during the period of suspension as is practicable in light of the suspension.

Suspension will cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased but the Manager and the Trustee will formally review the suspension at least every 28 days and will inform the FCA of the review and any change to the information given to Unitholders.

The Manager may, however, during the period in which the issue, redemption, switch and conversion of Units is suspended, agree to issue, redeem, switch or convert Units at Prices calculated by reference to the first Valuation Point after resumption of issue and redemption.

What charges may be imposed on dealing?

Initial charge

The Manager may impose a charge on the sale of Units. The initial charge currently payable in respect of each Class of Units is set out in the Fund Profile in the "Details of the Fund" section of this Prospectus, as a percentage of the amount invested by the prospective Unitholder. The initial charge is payable to the Manager and may be waived at the Manager's discretion.

The Manager is permitted to increase the initial charge payable on purchase of Units (or to introduce such a charge where none is currently payable) in accordance with the COLL Sourcebook.

Redemption charge

The Manager may make a charge on the redemption of Units. At present no redemption charge is levied on the Fund.

The Manager may introduce a redemption charge or increase an existing charge in accordance with the COLL Sourcebook. Such a charge will only be levied on Units issued after the date of introduction of the charge. Units will be deemed to be redeemed in the order in which they were purchased for the purposes of making a charge on redemption.

In the event of a change to the rate or method of calculation of a redemption charge, details of the previous rate or method of calculation will be available from the Manager.

Switching fee

On the switching or conversion of Units between Classes or other funds managed by the Manager, the Trust Deed authorises the Fund to impose a switching or conversion fee. No switching or conversion fees are currently charged.

The Manager may introduce a switching or conversion charge or increase an existing charge in accordance with the COLL Sourcebook.

Late trading and market timing

"Late Trading" is defined as the acceptance of a subscription, redemption, conversion or switch order received after the Fund's dealing cut-off time and applied to the Fund's applicable Valuation Point for that dealing day. Late Trading is not permitted. As such, orders will not be accepted using the applicable Price established at the Valuation Point for that Dealing Day, if orders are received after the official cut-off time.

Late Trading will not include a situation in which the Manager is satisfied that orders are received after the cut-off time, on condition that such orders have been made by the investors before the dealing cut-off time (e.g. a facsimile transmission – sent prior to but received after the Valuation Point).

In exceptional circumstances, the Manager may, at its discretion, accept orders after the dealing cut-off time where such orders were knowingly received from investors before the applicable cut-off time. This would typically occur where the transmission of an order has been delayed for purely technical reasons (e.g. interruption in power supply).

"Market Timing" is defined as a technique that is applied by investors placing orders within a short period of time and exploiting time differences and/or inefficiencies in the method of calculation of the Price or in the way underlying securities are priced.

The Manager has a regulatory responsibility and a duty of care to prevent Late Trading and Market Timing practices and will take active measures to frustrate such practices where it has reasonable grounds to suspect these strategies are being or may be attempted.

The Manager has implemented procedures to prevent Late Trading and Market Timing and monitors the activities of suspected market timers and arbitrageurs.

The Manager reserves the right to cancel or to suspend orders where it reasonably suspects Late Trading or Market Timing activity in relation to those orders.

The Manager may declare suspicious cases of Late Trading or Market Timing to the FCA and to the Trustee and reserves the right to cancel or to suspend orders.

The Manager will seek to ensure that its contractual arrangements with intermediaries impose a positive obligation to cooperate with the Manager to prevent Market Timing and Late Trading practices and to monitor the dealings of any client who they suspect may be engaging in such practice.

Money laundering

As a result of legislation in force in the United Kingdom to prevent money laundering, persons conducting investment business are responsible for compliance with money laundering regulations. In order to implement these procedures, in certain circumstances investors may be asked to provide proof of identity when buying or selling Units. Until satisfactory proof of identity is provided, the Manager reserves the right to refuse to sell Units or pay the proceeds of a redemption of Units or pay income on Units to the investor.

Automatic exchange of information for international tax compliance

In order to comply with the legislation implementing the United Kingdom's obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including the United States provisions commonly known as FATCA), the Manager (or its agent) will collect and report information about Unitholders for this purpose, including information to verify their identity and tax status.

When requested to do so by the Manager or its agent, Unitholders must provide information to be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities.

Governing law

All deals in Units are governed by the laws of England and Wales.

Income

Income allocation and distribution

Allocations of income are made in respect of the income available for allocation in each accounting period.

Accounting dates and income allocation dates for the Fund are set out in the Fund Profile in the "Details of the Fund" section of this Prospectus.

Distributions of income for the Fund are paid on or before the relevant income allocation dates. Each holder of income Units is entitled, on the relevant income allocation date, to the income attributable to their holding. Payment will be made by cheque or BACS transfer for those Unitholders who have provided appropriate bank details to the Manager. Income on accumulation Units is not distributed but is accumulated into the value of each Unit, as set out in the "Units" section of this Prospectus.

The Manager reserves the right to change or create additional accounting and income allocation dates, usually as a result of accounting or taxation changes.

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the Fund in respect of that period, and deducting the charges and expenses of the Fund paid or payable out of income (where appropriate) in respect of that accounting period. The Manager then makes such other adjustments as it considers appropriate (and after consulting the auditors as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and other matters.

For an interim income distribution, the amount distributed may be less than (but may not exceed) the amount calculated as available for distribution.

The Manager and the Trustee may agree a de minimis amount in respect of which a distribution of income is not required, and how such amounts are to be treated. Notice of such a decision will be dealt with in accordance with the Regulations.

If a distribution remains unclaimed for a period of six years after it has become due, it will be allocated and will revert to the relevant Class (or, if that no longer exists, to the Fund).

Income equalisation

When an incoming Unitholder purchases a Unit during an accounting period, part of the purchase Price will reflect the relevant share of accrued income in the Net Asset Value of the Fund. On the first allocation of income in respect of that Unit, the Unitholder will receive as part of that income allocation, a capital sum representing a refund of this amount. This is known as "equalisation".

The amount of equalisation is usually calculated by dividing the aggregate of the amount of income included in the Price of the relevant Units of that class issued or sold in a grouping period by the number of those Units and applying the resulting average to each of the Units in question. Income equalisation may have UK tax consequences as set out in the "Taxation" section of this Prospectus.

Grouping periods are consecutive periods within each annual accounting period, being the interim or half yearly accounting periods (including the period from the end of the last interim or half yearly accounting period in an annual accounting period to the end of that annual accounting period) as specified in the Fund Profile in the "Details of the Fund" section of this Prospectus. If there is no distribution of income at the interim or half yearly accounting periods, the periods for grouping of Units will be annual accounting periods. Grouping is permitted by the Trust Deed for the purposes of equalisation.

Management and Administration

The Manager

The Manager of the Fund is AXA Investment Managers UK Limited, whose place of business and whose registered office is at 7 Newgate Street, London, EC1A 7NX. The Manager was incorporated in England and Wales as a limited liability company on 19 June 1979. Both the Manager and the Management Company are part of the AXA IM Group, which is part of the AXA Group. The AXA IM Group is the group of companies for which AXA Investment Managers S.A. is the ultimate holding company. AXA Group is the group of companies for which AXA S.A. is the ultimate holding company.

The Manager is authorised and regulated by the FCA and is a member of the Investment Association. The issued share capital of the Manager is 20,048,233 shares of £1 each, all of which are fully paid. The principal activity of the Manager is to act as a fund manager. The Manager is the authorised fund manager of the other authorised unit trusts and authorised corporate director of the open-ended investment companies listed in Appendix III.

The directors of the Manager, some of whom hold other positions within the AXA IM Group, are:

Colin Clark
Paul Dackombe
Hans-Christof Kutscher
Philippe Le Barrois d'Orgeval
Joseph Pinto
Paolo Andrea Rossi
John Stainsby

As a firm authorised and regulated by the FCA, the Manager is bound to observe those provisions of COBS and COLL, published by the FCA, that apply to it. The Manager is also required to comply with the provisions of the Act, the Trust Deed and this Prospectus.

Complaints concerning the operation or marketing of the Fund may be referred to the Manager's Compliance Officer at the Administrator's registered office. Complaints may also be referred to the Trustee, or directly to the Financial Ombudsman Service at Exchange Tower, London, E14 9SR.

The Manager may delegate its management, administration and registrar functions to third parties including associates subject to the rules in the COLL Sourcebook. Details of delegated functions are set out in the sections below.

The Trustee

The Trustee and UCITS depositary of the Fund is NatWest Trustee and Depositary Services Limited, a private limited company incorporated in England and Wales on 8 February 2018. The ultimate holding company of the Trustee is The Royal Bank of Scotland Group plc, which is incorporated in Scotland. The Trustee's registered and head office is located at 250 Bishopsgate, London EC2M 4AA. The principal business activity of the Trustee is the provision of trustee and depositary services. The Trustee is authorised and regulated by the Financial Conduct Authority.

Duties of the Trustee

The Trustee's duties under the UCITS Depositary Regulations include the following:

a. Ensuring that the Fund's cash flows are properly monitored and that all payments made by or on behalf of applicants upon the subscription to Units have been received.

b. Safekeeping the assets of the Fund, which includes (i) holding in custody all financial instruments that may be held in custody; and (ii) verifying the ownership of other assets and maintaining records accordingly.

c. Ensuring that issues, redemptions and cancellations of the Units are carried out in accordance with applicable law and the relevant rules in the COLL Sourcebook.

d. Ensuring that the value of the Units is calculated in accordance with applicable law and the relevant rules in the COLL Sourcebook.

e. Carrying out the instructions of the Manager, unless they conflict with applicable law and the relevant rules in the COLL Sourcebook.

f. Ensuring that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits.

g. Ensuring that the Fund's income is applied in accordance with applicable law and the relevant rules in the COLL Sourcebook.

Terms of appointment

The Trustee was appointed as the trustee of the Fund by virtue of the Trust Deed and is authorised by the Prudential Regulation Authority to act as depositary of a UCITS Scheme.

The Trustee was appointed as UCITS depositary under a depositary agreement dated 15 October 2018 between the Manager and the Trustee (the "Depositary Services Agreement"). Under the Depositary Services Agreement, the Trustee is free to render similar services to others and the Trustee and the Manager are subject to a duty not to disclose confidential information.

The Trustee provides services to the Manager as set out in the Depositary Services Agreement and, in doing so, shall comply with the UCITS Depositary Regulations, the OEIC Regulations and the relevant rules in the COLL Sourcebook.

Subject to the COLL Sourcebook, the Trustee has full power to delegate, (and to authorise its delegate to sub-delegate) the safekeeping of scheme property. In particular, the Trustee has power to delegate custody of the scheme property of the Fund and has, in exercise of those powers, appointed HSBC Bank plc to act as custodian of the Fund (the "Custodian"). In turn, the Custodian has delegated the custody of assets in certain markets in which the Fund may invest to various sub-custodians. A list of the sub-custodians is given in Appendix IV of this Prospectus. Investors should note that the list of sub-custodians is updated only at each Prospectus review.

The powers, duties, rights and obligations of the Trustee and the Manager under the Depositary Services Agreement shall, to the extent of any conflict, be overridden by the Regulations.

Under the Depositary Services Agreement, the Trustee will be liable to the Fund for any loss of financial instruments held in custody as well as for any liabilities incurred by the Fund as a result of the Trustee's negligent or intentional failure to properly fulfil its obligations. However, the Depositary Services Agreement excludes the Trustee from any liability in relation to loss of financial instruments where such loss is not a result of an act or omission of the Trustee, Custodian or a sub-custodian and the Trustee could not have reasonably prevented the loss. Subject to applicable law and regulations, the Trustee has the right to be held harmless and indemnified from the scheme property of the Fund from any loss suffered or incurred by the Trustee as a direct result of the proper performance of its obligations and duties under the Depositary Services Agreement or as a direct result of the Trustee acting in good faith on any proper instructions from the Manager, except in the case of failure of the Trustee or the Custodian to exercise due care and diligence in the discharge of their duties or the negligence, fraud, wilful default or the intentional failure of the Trustee or the Custodian to properly fulfil their obligations under the Depositary Services Agreement or applicable law and regulations.

Unitholders have no personal right to directly enforce any rights or obligations under the Depositary Services Agreement.

The Depositary Services Agreement may be terminated on not less than six months' notice by the Manager or the Trustee or earlier on certain breaches or the insolvency of a party. However, termination of the Depositary Services Agreement will not take effect, nor may the Trustee retire voluntarily, until the appointment of a new UCITS depositary.

Details of the Trustee's right to receive its fees and to be reimbursed for its expenses are set out in the "Fees and Expenses" section of this Prospectus.

Up-to-date information regarding the Trustee, its duties, its conflicts of interest and the delegation of its safekeeping functions (including the list of sub-custodians) will be made available to Unitholders on request.

The Auditor

The Auditor of the Fund is PricewaterhouseCoopers LLP of Hay's Galleria, 1 Hay's Lane, London SE1 2RD.

Delegated functions

Administration

The Manager has delegated the administration and registrar functions of the Fund to DST Financial Services International Limited and DST Financial Services Europe Limited as applicable. The fees of the Administrator will be paid by the Manager from the fee it receives from the Fund.

The Manager is entitled to give further instructions to the Administrator and may terminate its agreement with the Administrator when it is in the best interests of Unitholders to do so.

The Manager has also appointed State Street Bank and Trust Company to provide fund accounting and also certain administration services. State Street Bank and Trust Company Limited's registered office is at State Street House, 225 Franklin Street, Boston, Massachusetts 02025 USA.

The Registrar and registers of Unitholders

The Manager is the person responsible for the establishment and maintenance of the Register of Unitholders of the Fund in accordance with the COLL Sourcebook.

The Manager has delegated this function to the Administrator. Unit certificates are not issued in respect of holdings in the Fund. Registration details of all new Unitholders will be supplied to the Administrator, for entry on the Register. The Register and the register of the ISA managed by the Manager are available for inspection by Unitholders, or their duly authorised agents, free of charge during normal business hours, at the place of business of the Administrator which is DST House, St Nicholas Lane, Basildon, Essex SS15 5FS. Copies of the entries on the Register, relating to a Unitholder are available on request by that Unitholder free of charge.

Distribution

The Manager issues and approves all marketing and promotional literature in relation to the Fund. The Manager is responsible for the promotion and sale of the Fund through direct offers and execution only transactions. The Manager retains literature despatch agents to fulfil mailing requests. The Manager also services an extensive network of authorised financial advisers, intermediaries, fund platforms and supermarkets in the United Kingdom and may enter into distribution agreements, from time to time, with overseas distributors to promote the Fund in certain overseas jurisdictions, subject to any restrictions on promotion imposed by such jurisdictions.

Potential conflicts of interest

The Manager and other companies within the AXA IM Group may, from time to time, act as investment manager or advisers to other funds which follow similar investment objectives to those of the Fund. It is therefore possible that the Manager may in the course of its business have potential conflicts of interest with the Fund or that a conflict exists between the Fund and other funds managed by the Manager. The Manager will, however, have regard in such event to its obligations under the Trust Deed and, in particular, where the Manager has identified a potential or actual conflict of interest, it will put in place procedures and measures in order to prevent or manage such conflicts from adversely affecting the interests of the Fund.

Where the counterparties to derivative and other Efficient Portfolio Management transactions with the Fund are related to the Manager or the Trustee or an associate of the Manager or the Trustee, such transaction may involve a conflict of interest. Where a conflict cannot be avoided the Manager will put in place procedures and measures in order to manage the conflict from adversely affecting the interests of the Fund.

The Manager will take all reasonable steps to prevent conflicts from adversely affecting the interests of the Fund and will only revert to disclosure as a measure of last resort.

Where organisational or administrative arrangements made by the Manager to prevent conflicts of interest from adversely affecting the interests of the Fund or Unitholders are not sufficient to ensure, with reasonable confidence, that the risk of damage to their interests will be prevented, the Manager will clearly disclose the general nature and/or sources of conflict of interest, as well as the risks to the Fund or Unitholders that may arise as a result of the conflicts of interest and the steps taken to mitigate the risks before undertaking business on their behalf. Such disclosure will be made in a durable form, be fair, clear and not misleading.

The Manager has a conflicts of interest policy which can be found at https://retail.axa-im.co.uk/en/mifid.

The Trustee may act as the depositary of other open-ended investment companies and as trustee or custodian of other collective investment schemes.

It is possible that the Trustee and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the Fund and/or other funds managed by the Manager or other funds for which the Trustee acts as the depositary, trustee or custodian. The Trustee will, however, have regard in such event to its obligations under the Depositary Services Agreement and the Regulations and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Unitholders collectively so far as practicable, having regard to its obligations to other clients.

Nevertheless, the Trustee operates independently from the Unitholders, the Manager and its associated suppliers, the Custodian and the sub-custodians. As such, the Trustee does not anticipate any conflicts of interest with any of the aforementioned parties.

Fees and Expenses

General

All fees and expenses payable out of scheme property of the Fund are set out in this section. Unitholders should also have regard to the charges that may be imposed on dealing in Units in the “Dealing in Units” section of this Prospectus.

Charges payable to the Manager

The Manager is entitled to receive (with effect from the Dealing Day on which Units of any Class are first allotted), an annual management charge payable on and out of the scheme property of the Fund (and applicable value added tax, if any), at the annual percentage rate set out in the Fund Profile in the “Details of the Fund” section of this Prospectus. The annual management charge will be based on the value of the scheme property of the Fund on the immediately preceding Dealing Day as determined in accordance with the Trust Deed and the Regulations for the purpose of calculating the Price of Units. This fee is calculated and accrued daily within the Fund based on the value of the scheme property of the Fund on the immediately preceding Dealing Day. Each month’s fee is based on a calendar month and is settled in arrears as soon as practicable after the end of each calendar month. The annual management charge is charged against capital instead of against income. This has been agreed with the Trustee. Note that while this will increase the amount of income (which may be taxable) available for distribution to Unitholders in the Fund, it may constrain capital growth or even result in capital erosion over time.

In addition, the Manager shall be entitled to a registrar’s fee for the maintenance of the register which is 0.06% of the Net Asset Value of the Fund per calendar year per holding. It is calculated and accrued daily and charged to the Fund monthly.

Trustee’s Fee

Periodic charge

The Trustee receives for its own account a periodic fee which will accrue in the same way as the annual management charge, as described above and is due monthly on the last UK business day in each calendar month in respect of that day and the period since the last UK business day in the preceding month and is payable within seven days after the last UK business day in each month. The rate of the Trustee’s periodic fee is 0.015% per annum of the scheme property, subject to a minimum amount of £3,750.

The charge as noted above will be subject to a review after each period of 6 months (either up or down).

These rates can be varied from time to time in accordance with the Regulations.

The first accrual in relation to the Fund will take place in respect of the period beginning on the day on which the first valuation of the Fund is made and ending on the last business day of the month in which that day falls.

The Trustee’s expenses

Where relevant, the Trustee may make a charge for its services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending or derivative transactions, in relation to the Fund and may purchase or sell or deal in the purchase or sale of Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions of the Regulations. Such charges accrue at the time of provision of the relevant services and are payable as soon as is reasonably practicable.

The Trustee will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Trust Deed, the Regulations or by the general law.

On a winding up of the Fund the Trustee will be entitled to its pro rata fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

Any value added tax on any fees, charges or expenses payable to the Trustee will be added to such fees, charges or expenses.

In each such case such payments, expenses and disbursements may be payable to any person (including the Manager or any associate or nominee of the Trustee or of the Manager) who has had the relevant duty delegated to it pursuant to the Regulations by the Trustee.

Other Expenses

In addition, all expenses permitted by the Regulations and by the Trust Deed to be paid out of the property of the Fund may be so paid. At present, these comprise in relation to the Fund, payments permitted by the Regulations and the following:

a. broker's commission, fiscal charges and other disbursements which are:
   i. necessary to be incurred in effecting transactions for the Fund, and
   ii. normally shown in contract notes, confirmation notes and difference accounts as appropriate;

b. interest on any borrowings permitted under the Trust Deed and all charges incurred in negotiating, entering into, varying, carrying into effect with or without variation, maintaining and terminating the borrowing arrangements;

c. taxation and duties payable in respect of the property of the Fund, the Trust Deed or the issue of Units and any stamp duty reserve tax charged in accordance with Schedule 19 of the Finance Act 1999 (or any statutory modification or re-enactment of it);

d. any costs incurred in modifying the Trust Deed constituting the Fund, including costs incurred in respect of meetings of Unitholders convened for that purpose, where the modification is:
   i. necessary to implement any change in the law (including changes in the Regulations), and
   ii. necessary as a direct consequence of any change in the law (including changes in the Regulations), or
   iii. expedient having regard to any fiscal enactment and which the Managers and the Trustee agree is in the interests of the Unitholders, or
   iv. to remove obsolete provisions from the Trust Deed constituting the Fund;

e. any costs incurred in respect of meetings of Unitholders convened on a requisition by Unitholders not including the Manager or an associate of the Manager;

f. the audit fee properly payable to the auditor and any proper expenses of the auditor;

g. the fees of the FCA under Schedule 1, Part III of the Act or the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Units in the Fund are or may be marketed;

h. any payment connected with payment of liabilities on transfer of assets permitted by the COLL Sourcebook; and

i. value added tax in connection with (a) to (h) where appropriate.

Expenses are allocated between capital and income in accordance with the Regulations. Where an expense is treated as a capital expense, this may result in capital erosion or constrain capital growth.

Taxation

General

The information below is a general guide based on current United Kingdom law and HM Revenue & Customs' practice as at the date of this Prospectus. It summarises the tax position of the Fund and of investors who are United Kingdom resident and hold Units as investments. It does not constitute legal or tax advice and is not a guarantee to any investor of the tax implications of investing in the Fund. **Tax law and practice may be subject to change in the future and the tax position of an investor in the Fund depends on the individual circumstances of that investor. Prospective investors who are in any doubt about their tax position or the implications of investing in, holding or disposing of Units and the receipt of distributions or deemed distributions with respect to the Units, or who may be subject to tax in a jurisdiction other than the United Kingdom, are recommended to take professional advice.**

What tax does the Fund pay?

The Fund is generally exempt from United Kingdom tax on capital gains realised on the disposal of investments (including interest-paying securities and derivative contracts) held by the Fund. This exemption should apply to any gains realised on the disposal of part of all of its holding in the Master Fund.

The income the Fund receives (or is treated as receiving from the Master Fund) will be taxable. The Fund will be subject to corporation tax at 20% on any income remaining after deducting allowable management expenses (including the agreed fees and expenses of the Manager and the Trustee) and the amount of interest distributions if paid by the Fund. If the Fund should suffer any foreign tax on income received, this may generally be treated as an expense or deducted from any United Kingdom tax payable on that income.

What tax do Unitholders pay on income?

The Fund currently pays interest distributions (which will be automatically retained in the Fund in the case of accumulation Units).

Individual Unitholders resident in the United Kingdom may benefit from a personal savings allowance in each tax year. For basic rate taxpayers, the first £1,000 of interest distributions (and interest) are free of tax. For higher rate taxpayers, the allowance is £500, but for additional rate taxpayers the amount is nil. Where United Kingdom resident individual Unitholders receive total interest and interest distributions in excess of their personal savings allowances then they will be liable to pay income tax at their marginal rates (normally 20% for basic rate taxpayers, 40% for higher rate and 45% for additional rate taxpayers) on the excess amount.

Unitholders chargeable to United Kingdom corporation tax must account for their holding in the Fund (including distributions received) in accordance with the loan relationships regime.

How is income equalisation treated?

The first income allocation received by a Unitholder after buying Units may include an amount of income equalisation. This is effectively a repayment of the income equalisation paid by the Unitholder as part of the purchase Price. It is a return of capital, and it is not taxable. Rather it should be deducted from the acquisition cost of the Units for capital gains tax purposes. There is an exception to this rule when the equalisation forms part of the first income distribution following a switch or Unit Class conversion, in which case the entire distribution should be treated as income and no part of it will represent a return of capital.

What tax do Unitholders pay on capital gains?

Individual Unitholders who are resident in the United Kingdom for tax purposes may, depending on their personal circumstances, be liable to capital gains tax on gains arising from the redemption, transfer or other disposal of Units (but not on switches between Classes within the Fund).

Part of any increase in value of accumulation Units represents the accumulation of income (including income equalisation). These amounts may be added to the allowable cost when calculating the capital gain realised on their disposal.

Unitholders subject to United Kingdom corporation tax must treat their holding in the Fund as a creditor loan relationship subject to a fair value basis of accounting.

Individual Unitholders will find further information in the HM Revenue & Customs Help Sheets for the capital gains tax pages of their tax returns.

Tax implications of the investment in shares of the Master Fund

The Master Fund has reporting fund status for the share class into which the Fund invests with the result that any gains realised as a result of the disposal of shares in the Master Fund by the Fund will be treated as capital gains (in respect of which the Fund is generally exempt from United Kingdom tax) rather than income.

The holding in the Master Fund is a qualifying investment for the purposes of the bond fund rules so no capital profits, gains or losses are taken into account in the Fund, but the Fund will be taxable on the non-capital element.

Automatic exchange of information for international tax compliance

In order to comply with the legislation implementing the United Kingdom's obligations in relation to international tax compliance including European Union directives and the United States provisions commonly known as FATCA and other intergovernmental agreements. As a result the Manager may need to disclose information about certain Shareholders including their name, address, taxpayer identification number and investment information to HM Revenue & Customs, who will in turn exchange this information with their overseas counterparts in relevant jurisdictions.

When requested to do so by the Manager or its agent, Unitholders must provide information to be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities.

General Information

Notice provisions

All notices or other documents sent by the Manager to a Unitholder will be sent by normal second class post to the Unitholder's address as it appears on the Register. Notices for the Manager should be sent to the address for the Register in the Directory.

Accounting periods

The annual accounting and interim accounting periods for the Fund are set out in the Fund Profile in the "Details of the Fund" section of this Prospectus.

When will I receive the annual reports?

Annual reports of the Fund will be published within four months of each annual accounting period and half-yearly reports will be published within two months of each half-yearly interim accounting period. The current reports are available to Unitholders on request. Unitholders will receive copies of the annual and half-yearly short reports on publication.

Documents of the Fund

The following documents may be inspected free of charge during normal business hours on any business day at the offices of the Manager at 7 Newgate Street, London EC1A 7NX:

a. the most recent annual and half-yearly reports of the Fund and the Master Fund;

b. the Trust Deed (and any amending trust deeds);

c. the key investor information documents;

d. the Prospectus; and

e. the prospectus of the Master Fund.

Unitholders may obtain copies of the above documents from the Manager. The Manager may make a charge at its discretion for copies of documents except for the most recent annual and half yearly reports, key investor information documents, the Prospectus and the prospectus of the Master Fund which will be supplied to any person on request free of charge.

Complaints

Complaints concerning the operation or marketing of the Fund may be referred to the compliance officer of the Manager at DST House, St Nicholas Lane, Basildon, Essex SS15 5FS. Complaints may also be referred to the Trustee, or directly to the Office of the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

Recording of client communications

All communications including telephone calls and/or electronic communications such as email or conversations between the Manager and its clients that result in or may result in the purchase or redemption of Units will be recorded and stored in accordance with applicable laws.

Property

There is no intention for the Fund to have an interest in any immovable property or tangible moveable property.

Provision of investment advice

All information concerning the Fund and about investing in Units is available from the Manager at 7 Newgate Street, London EC1A 7NX. The Manager is not authorised to give investment advice and persons requiring such advice should consult an independent financial adviser. All applications for Units are made solely on the basis of the current prospectus of the Fund, and investors should ensure that they have the most up to date version.

Strategy for the exercise of voting rights

The Manager has a strategy for determining when and how voting rights attached to ownership of scheme property are to be exercised for the benefit of the Fund. A summary of this strategy is available from the Manager's website at https://www.axa-im.com/en/voting. Details of the actions taken on the basis of this strategy in relation to the Fund are available from the Manager on request.

Best Execution

The Manager is required to ensure Unitholders' best interests are served when placing dealing instructions with securities dealings firms. In all arrangements with brokers, the Manager monitors the quality of the execution arrangements they maintain with the brokers it uses and promptly makes any changes where it identifies a need to do so. Details of the best execution policy are available on the Manager's website at https://retail.axa-im.co.uk/en/mifid.

Inducements

When providing investment services and activities and ancillary services to its clients (including the Fund), the Manager does not pay to, or accept from any third party, or person acting on behalf of a third party (other than its clients or a person on behalf of its clients) any fees, commissions, or any monetary or non-monetary benefits in connection with the provision of its investment services and activities and ancillary services to its clients, except when:

a. it is designed to enhance the quality of the relevant service to the client and does not impair compliance with the Manager's duty to act honestly, fairly and professionally in the best interests of its clients; or
b. it is an acceptable minor non-monetary benefit.

Externally produced investment research that is consumed by the Manager is paid for by the Manager and not charged to the Fund.

Where Units are sold to retail investors who employ the services of a financial adviser or broker, the Manager may, subject to the FCA Regulations and/or other applicable laws, make initial and/or ongoing sales commission payments to those financial advisers.

The Manager will make disclosures to the Trustee in relation to inducements as required under the Regulations.

The provisions of benefits described above will not result in any additional cost to the Fund.

Remuneration policy of the Manager

The Manager has approved and adopted AXA IM's Global Remuneration Policy, in accordance with the Regulations, which is consistent with, and promotes, sound and effective risk management; does not encourage risk-taking which is inconsistent with the risk profiles of the Fund or the Trust Deed, and does not impair compliance of the Manager's duty to act in the best interests of the Fund.

AXA IM's Global Remuneration Policy, which has been approved by the AXA IM Remuneration Committee, sets out the principles relating to remuneration within all entities of AXA IM (including the Manager) and takes into account AXA IM's business strategy, objectives, and risk tolerance, as well as the long-term interests of AXA IM's shareholders, employees and clients (including the Fund). The AXA IM Remuneration Committee is responsible for determining and reviewing the AXA IM remuneration guidelines, including the AXA IM Global Remuneration Policy, as well as reviewing the annual remuneration of senior executives of the AXA IM Group and senior officers in control functions.

AXA IM provides both fixed and variable remuneration. An employee's fixed remuneration is structured to reward organisational responsibility, professional experience and the individual's capability to perform the duties of the role. Variable remuneration is based on performance and may be awarded annually on both a non-deferred and, for certain employees, a deferred basis. Non-deferred variable remuneration may be awarded in cash or, where appropriate and subject to local laws and regulation, in instruments linked to the performance of AXA IM funds. Deferred remuneration is awarded through various instruments structured to reward medium and long-term value creation for clients and AXA IM and long-term value creation for the AXA Group. AXA IM ensures appropriate balances between fixed and variable remuneration and deferred and non-deferred remuneration.

Details of the up to date Global Remuneration Policy are published online at www.axa-im.com/en/remuneration. This includes the description of how remuneration and benefits are awarded for employees, and further information on the AXA IM remuneration committee. A paper copy of the up-to-date Global Remuneration Policy is also available from the Manager free of charge upon request.

Responsible Investment

The ACD applies AXA IM Group's sector specific investment guidelines relating to responsible investment to the Funds. Such guidelines exclude investment in (or exposure to) certain companies based on their involvement in specific sectors (such as soft commodities, palm oil, controversial weapons and coal) in accordance with the AXA IM Group guidelines. Further details of the guidelines can be found at: https://www.axa-im.com/en/responsible-investing.

For certain Funds (as identified in that Fund's investment policy), the ACD applies the AXA Investment Managers' ESG Standards policy in addition to the AXA IM Group's sector specific investment guidelines. This policy excludes investment in companies based on: their contribution to climate change; tobacco production; manufacture of controversial weapons; human rights; anti-corruption and other environmental, social and governance (ESG) factors. The AXA Investment Managers' ESG Standards policy is available from the ACD on request.

Unitholder Meetings and Voting Rights

Annual General Meeting

The Fund does not hold annual general meetings.

Class meetings

The provisions below, unless the context otherwise requires, apply to Class meetings as they apply to general meetings of the Fund but by reference to Units of the Class concerned and the Unitholders and Prices of such Units.

Requisitions of meetings

The Manager may requisition a general meeting of the Fund at any time.

Unitholders may also requisition a general meeting of the Fund. A requisition by Unitholders must state the objects of the meeting, be dated, be signed by Unitholders who, at the date of the requisition, are registered as holding not less than one-tenth in value of all Units then in issue and the requisition must be deposited at the head office of the Manager. The Manager must convene a general meeting no later than eight weeks after receipt of such requisition.

The Trustee also has the power to convene a meeting using a procedure similar to that used by Unitholders requisitioning a meeting, as set out above.

Notice and quorum

Unitholders will receive at least 14 days' notice of a Unitholders' meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Unitholders, present in person or by proxy. If at an adjourned meeting a quorum is not present after a reasonable time from time for the meeting, one person entitled to be counted in a quorum present at the meeting shall constitute a quorum. Notices of meetings and adjourned meetings will be sent to Unitholders at their registered addresses.

Voting rights

At a Unitholders' meeting, on a show of hands, each Unitholder who (being an individual) is present in person or (being a corporation) is present by its representative, properly authorised in that regard, has one vote. On a poll vote, a Unitholder may vote either in person or by proxy. The voting rights attaching to each Unit are such proportion of the voting rights attached to all the Units in issue that the Price of the Unit bears to the aggregate Price(s) of all the Units in issue at the date given in the notice of the meeting.

A Unitholder entitled to more than one vote, need not, if he votes, use all his votes or cast all the votes he uses in the same way.

For joint Unitholders, the vote of the most senior who votes, whether in person or proxy, must be accepted to the exclusion of the votes of the other joint Unitholders. For this purpose, seniority must be determined by order in which the names stand in the Register.

Except where the COLL Sourcebook or the Trust Deed require an extraordinary resolution (which needs 75% of the votes cast at the meeting to be in favour if the resolution is to be passed), any resolution required by the COLL Sourcebook will be passed by a simple majority of the votes validly cast for and against the resolution.

The Manager may not be counted in the quorum for a meeting but associates of the Manager (as defined in the COLL Sourcebook) may be so counted. Neither the Manager nor any associate (as defined in the COLL Sourcebook) of the Manager is entitled to vote at any meeting of the Fund except in respect of Units which the Manager or associate holds on behalf of or jointly with a person who, if the registered Unitholder, would be entitled to vote and from whom the Manager or associate has received voting instructions.

“Unitholder” in this context means Unitholders entered on the Register seven days before the notice of the meeting was sent out, but excluding persons who are known not to be entered on the Registers at the date of the meeting. For joint Unitholders, only the vote of the first Unitholder named in the Register can be taken.

Winding up the Fund

The Trustee shall proceed to wind-up the Fund:

a. if the order declaring the Fund to be an authorised unit trust scheme is revoked;

b. if the Manager or the Trustee requests the FCA to revoke the order declaring the Fund to be an authorised unit trust scheme and the FCA has agreed (provided no material change in any relevant factor occurs) that on the winding-up of the Fund, the FCA will accede to that request;

c. on the effective date of a duly approved amalgamation of the Fund with another authorised unit trust scheme or a recognised scheme (as defined in the Act);

d. if an extraordinary resolution of Unitholders to wind up the Fund is passed, provided the FCA's prior consent to the resolution has been obtained by the Manager or the Trustee;

e. on the effective date of a duly approved scheme of arrangement which is to result in the Fund being left with no property; or

f. where the FCA directs the Manager or the Trustee to wind-up the Fund in the following circumstances:

   i) where the Master Fund is wound-up, for whatever reason, unless one of the following conditions is satisfied:

      - the FCA approves the investment by the Fund of at least 85% in value of the scheme property in units/shares of another master UCITS; or

      - the FCA approves an amendment of the Trust Deed which would enable the Fund to convert into a UCITS Scheme which is not a feeder UCITS Scheme.

   ii) where the Master Fund merges with another UCITS Scheme or is divided into two or more UCITS Schemes, unless one of the following conditions is satisfied:

      - the FCA approves the investment by Fund of at least 85% in value of the scheme property in units/shares of:

         - the master UCITS Scheme which results from the merger;
         - one of the UCITS Schemes resulting from the division; or
         - another UCITS Scheme or master UCITS Scheme; or

      - the FCA approves an amendment of the Trust Deed which would enable the Fund to convert into a UCITS Scheme which is not a feeder UCITS.

If any of these events occur, COLL 5 (Investment and Borrowing Powers), COLL 6 (in relation to dealing and valuation and pricing) of the Regulations, will cease to apply. The Trustee shall cease the creation and cancellation of Units and the Manager will stop redeeming and selling Units.

In the case of a scheme of arrangement, the Trustee shall wind-up the Fund in accordance with the approved scheme of arrangement.

In any other case, the Trustee shall, as soon as practicable after the Fund falls to be wound up, realise the assets of the Fund and after paying, or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of the winding up, distribute the proceeds to the Unitholders and the Manager proportionately to the size of their holdings (upon production by them of such evidence, if any, as the Trustee may reasonably require as to their entitlement).

Any unclaimed net proceeds or other cash held by the Trustee after twelve months from the date the proceeds became payable shall be paid by the Trustee into Court, although the Trustee will have the right to retain any expenses incurred in making and relating to that payment. On completion of the winding-up, the Trustee shall notify the FCA in writing of that fact and the Trustee or the Manager shall request the FCA to revoke the order of authorisation.

APPENDIX I
Investment and Borrowing Powers applicable to the Fund

1. General rules of investment

1.1. The scheme property of the Fund will be invested with the aim of achieving its investment objective but subject to the limits set out in the Fund's investment policy and the limits set out in Chapter 5 of the COLL Sourcebook ("**COLL 5**") that are applicable to feeder UCITS Schemes, which are summarised in this Appendix.

1.2. The Manager must ensure that, taking account of the investment objective and policy of the Fund and to the extent that the Fund invests in assets other than shares in the Master Fund, the scheme property of the Fund aims to provide a prudent spread of risk.

1.3. The Manager's investment policy may mean that at times, where it is considered appropriate, the scheme property of the Fund will not be fully invested and that prudent levels of liquidity will be maintained.

2. UCITS Schemes - general

2.1. The Fund, which is a feeder UCITS Scheme, must invest at least 85% of its scheme property in units of a single master UCITS Scheme.

2.2. The Fund may hold up to 15% in value of its scheme property in one or more of the following:

2.2.1. cash or near cash; and

2.2.2. permitted derivatives and forward transactions.

2.3. It is not intended that the Fund will have an interest in any immovable property or tangible movable property.

3. Eligible markets regime: purpose and requirements

3.1. To protect Unitholders the markets on which investments of the Fund are dealt in or traded on should be of an adequate quality ("**eligible**") at the time of acquisition of the investment and until it is sold.

3.2. Where a market ceases to be eligible, investments on that market cease to be approved securities.

3.3. A market is eligible if it is:

3.3.1. a regulated market as defined in the FCA Handbook; or

3.3.2. a market in an EEA State which is regulated, operates regularly and is open to the public.

3.4. A market not falling within paragraph 3.2 is eligible if:

3.4.1. the Manager, after consultation with and notification to the Trustee, decides that market is appropriate for investment of, or dealing in, the scheme property;

3.4.2. the market is included in a list in this Prospectus; and

3.4.3. the Trustee has taken reasonable care to determine that:

3.4.3.1. adequate custody arrangements can be provided for the investment dealt in on that market; and

3.4.3.2. all reasonable steps have been taken by the Manager in deciding whether that market is eligible.

3.5. In paragraph 3.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.

3.6. The eligible markets in which the Fund may invest include any regulated market or a market established in a European Economic Area member state which is regulated, operates regularly and is open to the public.

4. Spread: general

4.1. The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the scheme property. This limit is raised to 10% where the counterparty is an Approved Bank.

4.2. The COLL Sourcebook provides that in applying the above limit in relation to a single body, not more than 20% in value of the scheme property is to consist of any combination of two or more of the following:

4.2.1. deposits made with that body; or

4.2.2. exposures from OTC derivatives transactions and other Efficient Portfolio Management transactions made with that body.

4.3. **Counterparty risk and issuer concentration**

The Manager must ensure that counterparty risk arising from an OTC derivative is subject to the limits set out in paragraphs 4.1 and 4.2 above.

4.3.1. When calculating exposure of the Fund to a counterparty in accordance with the limits in paragraph 4.1 the Manager must use the positive mark-to-market value of the OTC derivative contract with that counterparty.

4.3.2. The Manager may net the OTC derivative positions of the Fund with the same counterparty provided:

4.3.2.1. it is able legally to enforce netting agreements with the counterparty on behalf of the Fund; and

4.3.2.2. such netting agreements do not relate to any other exposures the Fund may have with that same counterparty.

4.3.3. The Manager may reduce the exposure of scheme property to a counterparty to an OTC derivative through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.

4.3.4. The Manager must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 4.1 when it passes collateral to an OTC counterparty on behalf of the Fund.

4.3.5. Collateral passed in accordance with paragraph 4.3.4 may be taken into account on a net basis only if the Manager is able legally to enforce netting arrangements with this counterparty on behalf of the Fund.

4.3.6. The Manager must calculate the issuer concentration limits referred to in paragraph 4 on the basis of the underlying exposure created through the use of OTC derivatives in accordance with the commitment approach.

4.3.7. In relation to the exposure arising from OTC derivatives as referred to in paragraph 4.2, the Manager must include any exposure to OTC derivative counterparty risk in the calculation.

5. Derivatives: general

The Fund may use its scheme property to invest in derivatives and forward transactions under COLL, only for the purposes of Efficient Portfolio Management techniques (see "Efficient portfolio management" below) which is not expected to have a detrimental effect on the risk profile of the Fund. **Please refer to the "Risk Factors" section of this Prospectus for a description of the risk factors associated with the use of derivatives.**

5.1. A transaction in derivatives or a forward transaction must not be effected for the Fund unless the transaction is of a kind specified in paragraph 7 (Permitted transactions (derivatives and forwards)) below, and the transaction is covered, as required by paragraph 16 (Cover for investment in derivatives) of this Appendix.

5.2. Where the Fund invests in derivatives, the exposure to the underlying assets must not exceed the spread limits set out in COLL 5 except for index based derivatives where the rules below apply.

5.3. Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with this Appendix.

5.4. A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:

5.4.1. by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;

5.4.2. its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and

5.4.3. it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.

5.5. A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.

5.6. Where the Fund invests in an index based derivative, provided the relevant index falls within paragraph 8 (Financial Indices underlying derivatives), the underlying constituents of the index do not have to be taken into account for the purposes of paragraphs 12 (Spread: general) and 13 (Spread: government and public securities). This relaxation is subject to the Manager continuing to ensure that the scheme property provides a prudent spread of risk.

5.7. The Fund does not currently invest in "total return swaps" as such term is defined in accordance with Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012.

6. Efficient portfolio management

6.1. The Fund may also utilise the scheme property to enter into hedging transactions for the purposes of Efficient Portfolio Management ("EPM"). Permitted EPM transactions (excluding stock lending arrangements) are transactions in derivatives and forward transactions e.g. to hedge against price or currency fluctuations, dealt with or traded on an eligible derivatives market; off-exchange options or contracts for differences resembling options; or synthetic futures in certain circumstances. The Manager must take reasonable care to ensure that the transaction is economically appropriate to the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or to the reduction of the relevant costs and/or to the generation of additional capital or income for the Fund with a risk level which is consistent with the risk profile of the Fund and the risk diversification rules laid down in COLL.

The exposure must be fully "covered" by cash and/or other property sufficient to meet any obligation to pay or deliver that could arise.

6.2. Permitted transactions are those that the Manager reasonably regards as economically appropriate to EPM, that is:

6.2.1. transactions undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates where the Manager reasonably believes that the transaction will diminish a risk or cost of a kind or level which it is sensible to reduce; or

6.2.2. transactions for the generation of additional capital growth or income for the Fund by taking advantage of gains which the Manager reasonably believes are certain to be made (or certain, barring events which are not reasonably foreseeable) as a result of:

6.2.2.1. pricing imperfections in the market as regards the scheme property which the Fund holds or may hold; or

6.2.2.2. receiving a premium for the writing of a covered call option or a cash covered put option on property of the Fund which the Manager is willing to buy or sell at the exercise price, or

6.2.2.3. stock lending arrangements.

A permitted arrangement in this context may at any time be closed out.

6.3. Transactions may take the form of "derivatives transactions" (that is, transactions in options, futures or contracts for differences) or forward currency transactions. A derivatives transaction must either be in a derivative which is traded or dealt in on an eligible derivatives market (and effected in accordance with the rules of that market), or be an off-exchange derivative which complies with the relevant conditions set out in the COLL Sourcebook, or be a "synthetic future" (i.e. a composite derivative created out of two separate options). Forward currency transactions must be entered into with counterparties who satisfy the COLL Sourcebook. A permitted transaction may at any time be closed out.

7. Permitted transactions (derivatives and forwards)

7.1. A transaction in a derivative must be in a future or an option or a contract for differences and must be either an approved derivative or be one which complies with paragraph 11 (OTC transactions in derivatives).

7.2. A transaction in a derivative must have the underlying consisting of any one or more of the following to which the Fund is dedicated:

7.2.1. transferable securities;

7.2.2. approved money-market instruments;

7.2.3. deposits;

7.2.4. derivatives;

7.2.5. collective investment scheme units;

7.2.6. financial indices which satisfy the criteria set out in paragraph 8 (Financial indices underlying derivatives);

7.2.7. interest rates;

7.2.8. foreign exchange rates; and

7.2.9. currencies.

7.3. A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.

7.4. A transaction in a derivative must not cause the Fund to diverge from its investment objective as stated in the Trust Deed constituting the Fund and the most recently published version of this Prospectus.

7.5. A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, approved money-market instruments, units in collective investment schemes, or derivatives provided that a sale is not to be considered as uncovered if the conditions in paragraph 10 (Requirement to cover sales) are satisfied.

7.6. Any forward transaction must be with an Eligible Institution or an Approved Bank.

7.7. A derivative includes an instrument which fulfils the following criteria:

7.7.1. it allows the transfer of the credit risk of the underlying independently from the other risks associated with that underlying;

7.7.2. it does not result in the delivery or the transfer of assets other than those referred to in paragraph 2 (UCITS Schemes – general), including cash;

7.7.3. in the case of an OTC derivative, it complies with the requirements in paragraph 11 (OTC transactions in derivatives); and

7.7.4. its risks are adequately captured by the risk management process of the Manager and by its internal control mechanisms in the case of risks of asymmetry of information between the Manager and the counterparty to the derivative resulting from potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.

7.8. The Fund may not undertake transactions in derivatives on commodities.

8. Financial indices underlying derivatives

8.1. The financial indices referred to in paragraph 7.2 are those which satisfy the following criteria:

8.1.1. the index is sufficiently diversified;

8.1.2. the index represents an adequate benchmark for the market to which it refers;

8.1.3. the index is published in an appropriate manner; and

8.1.4. the index otherwise meets the requirements for financial indices set out in the ESMA Guidelines on ETFs and other UCITS issues dated 18 December 2012 (ESMA/2012/832/EN).

8.2. A financial index is sufficiently diversified if:

8.2.1. it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;

8.2.2. where it is composed of assets in which the Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this Appendix; and

8.2.3. where it is composed of assets in which the Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this Appendix.

8.3. A financial index represents an adequate benchmark for the market to which it refers if:

8.3.1. it measures the performance of a representative group of underlyings in a relevant and appropriate way;

8.3.2. it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and

8.3.3. the underlyings are sufficiently liquid, allowing users to replicate it if necessary.

8.4. A financial index is published in an appropriate manner if:

8.4.1. its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and

8.4.2. material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

8.5. Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 7.2, be regarded as a combination of those underlyings.

9. Transactions for the purchase of property

A derivative or forward transaction which will or could lead to the delivery of property for the account of the Fund may be entered into only if that property can be held for the account of the Fund, and the Manager having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of the rules in the COLL Sourcebook.

10. Requirement to cover sales

No agreement by or on behalf of the Fund to dispose of property or rights may be made unless the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment (or, in Scotland, assignation) of rights, and the property and rights above are owned by the Fund at the time of the agreement. This requirement does not apply to a deposit.

11. OTC transactions in derivatives

11.1. Any transaction in an OTC derivative under paragraph 7.1 must be:

11.1.1. with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank; or a person whose permission (including any requirements or limitations), as published in the FCA Register or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;

11.1.2. on approved terms; the terms of the transaction in derivatives are approved only if the Manager: carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value; and

11.1.3. capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the Manager having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:

11.1.3.1. on the basis of an up-to-date market value which the Manager and the Trustee have agreed is reliable; or

11.1.3.2. if the value referred to in paragraph 11.1.3.1 is not available, on the basis of a pricing model which the Manager and the Trustee have agreed uses an adequate recognised methodology; and

11.1.4. subject to verifiable valuation: a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:

11.1.4.1. an appropriate third party which is independent from the counterparty of the derivative at an adequate frequency and in such a way that the Manager is able to check it; or

11.1.4.2. a department within the Manager which is independent from the department in charge of managing the Fund and which is adequately equipped for such a purpose.

11.2. For the purposes of paragraph 11.1.2, "fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

12. Valuation of OTC derivatives

12.1. For the purposes of paragraph 11.1.3, the Manager must:

12.1.1. establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of the Fund to OTC derivatives; and

12.1.2. ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.

12.2. Where the arrangements and procedures referred to in paragraph 12.1 involve the performance of certain activities by third parties, the Manager must comply with the requirements in Chapter 8.1.13.R (Additional requirements for a management company) of the Senior Management Arrangements, Systems and Controls sourcebook of the FCA Handbook and COLL 6.6A.4 R(4) to (6) (Due diligence requirements of AFMs of UCITS schemes).

12.3. The arrangements and procedures referred to in this rule must be:

12.3.1. adequate and proportionate to the nature and complexity of the OTC derivative concerned; and

12.3.2. adequately documented.

13. Risk management and reporting

13.1. The Manager uses a risk management process enabling it to monitor and measure at any time the risk of the Fund's positions and their contribution to the overall risk profile of the Fund. Before using this process, the Manager will notify the FCA of the details of the risk management process.

13.2. The following details of the risk management process must be regularly notified by the Manager to the FCA and at least on an annual basis:

13.2.1. a true and fair view of the types of derivatives and forward transactions to be used within the Fund together with their underlying risks and any relevant quantitative limits; and

13.2.2. the methods for estimating risks in derivatives and forward transactions.

13.3. The Manager must notify the FCA in advance of any material additions to the details in paragraphs 13.2.1 or 13.2.2 above.

14. Investment in deposits

14.1. The Fund shall not use deposits except as cash or near cash in accordance with the paragraph 21 (Cash and near cash).

14.2. The Fund may invest in deposits only with an Approved Bank and which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months.

15. Derivative exposure

15.1. The Fund may invest in derivatives and forward transactions as long as the exposure to which the Fund is committed by that transaction itself is suitably covered from within its scheme property. Exposure will include any initial outlay in respect of that transaction.

15.2. Cover ensures that the Fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the scheme property. Therefore, the Fund must hold scheme property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Fund is committed. Paragraph 16 (Cover for investment in derivatives) below sets out detailed requirements for cover of the Fund.

15.3. A future is to be regarded as an obligation to which the Fund is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for); a written option as an obligation to which the Fund is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something).

15.4. Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.

16. Cover for investment in derivatives

The Manager must ensure that the global exposure of the Fund relating to derivatives and forward transactions held in the Fund does not exceed the net value of the scheme property.

17. Daily calculation of global exposure

17.1. The Manager must calculate the global exposure of the Fund on at least a daily basis.

17.2. Exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

18. Calculation of global exposure

18.1. The Manager must calculate the global exposure of any Fund it manages either as:

18.1.1. the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in paragraph 5 (Derivatives: general), which may not exceed 100% of the net value of the scheme property of the Fund, by way of the commitment approach; or

18.1.2. the market risk of the scheme property of the Fund, by way of the value at risk approach.

18.2. The Manager must ensure that the method selected above is appropriate, taking into account:

18.2.1. the investment strategy pursued by the Fund;

18.2.2. the types and complexities of the derivatives and forward transactions used; and

18.2.3. the proportion of the scheme property comprising derivatives and forward transactions.

18.3. Where the Fund employs techniques and instruments including repo contracts in order to generate additional leverage or exposure to market risk, the Manager must take those transactions into consideration when calculating global exposure.

18.4. For the purposes of paragraph 18.1.2, value at risk means a measure of the maximum expected loss at a given confidence level over the specific time period.

19. Cover and Borrowing

19.1. Cash obtained from borrowing, and borrowing which the Manager reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is not available for cover under paragraph 16 (Cover for investment in derivatives) except where paragraph 19.2 below applies.

19.2. Where, for the purposes of this paragraph the Fund borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time being in paragraph 19.1 on deposit with the lender (or his agent or nominee), then this paragraph 19.2 applies as if the borrowed currency, and not the deposited currency, were part of the scheme property.

20. Collateral management policy

20.1. The Manager has a collateral management policy which is subject to regular review. The collateral policy sets out what is regarded as eligible collateral for the Fund and includes details of any applicable haircuts to be applied in relation to each class of assets which may be received as collateral. Collateral will generally be of high quality and liquid. The collateral management policy includes any additional restrictions deemed appropriate by the Manager.

20.2. All collateral used to reduce counterparty risk will comply with the following criteria:

20.2.1. it must be highly liquid and traded on a regulated market;

20.2.2. it must be valued at least daily;

20.2.3. it must be of high quality;

20.2.4. it will not be highly correlated with the performance of the counterparty;

20.2.5. it will be sufficiently diversified in terms of country, markets, and issuers (in accordance with ESMA's Guidelines on ETFs and other UCITS issues (ESMA/2012/832EN);

20.2.6. it will be held by the Trustee or by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral; and

20.2.7. it will be capable of being fully enforced by the Manager at any time without reference or approval from the counterparty.

20.3. Where non cash collateral is received by the Fund, it will not be sold, re-invested or pledged.

20.4. Where cash collateral is received by the Fund (whether in relation to a securities lending agreement, repurchase agreement or under an OTC derivative), such cash collateral shall only be:

20.4.1. placed on deposit with an Approved Bank;

20.4.2. invested in high quality government bonds;

20.4.3. used for the purpose of reverse repurchase transactions provided that the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on an accrued basis; or

20.4.4. invested in short term money market funds as defined in ESMA's Guidelines on a Common Definition of European Money Market Fund.

21. Cash and near cash

21.1. Cash and near cash must not be retained in the scheme property except to the extent that, where this may reasonably be regarded as necessary in order to enable:

21.1.1. the pursuit of the Fund's investment objectives; or

21.1.2. redemption of Units; or

21.1.3. efficient management of the Fund in accordance with its investment objective; or

21.2. other purposes which may reasonably be regarded as ancillary to the investment objective of the Fund.

21.3. During the period of the initial offer the scheme property of the Fund may consist of cash and near cash without limitation.

22. Borrowing powers

22.1. The Trustee on the instruction of the Manager may, in accordance with this paragraph, borrow money for the use of the Fund on terms that the borrowing is to be repayable out of the scheme property. This power to borrow is subject to the obligation of the Fund to comply with any restriction in the Trust Deed. The Trustee may borrow money only from an Eligible Institution or an Approved Bank.

22.2. The Manager must ensure that any borrowing is on a temporary basis and that borrowings are not persistent, and for this purpose the Manager must have regard in particular to the duration of any period of borrowing; and the number of occasions on which resort is had to borrowing in any period.

22.3. The Manager must ensure that no period of borrowing exceeds three months, whether in respect of any specific sum or at all, without the prior consent of the Trustee; the Trustee's consent may be given only on such conditions as appear to the Trustee appropriate to ensure that the borrowing does not cease to be on a temporary basis only.

22.4. The Manager should ensure when calculating the Fund's borrowing that:

22.4.1. the figure calculated is the total of all borrowing in all currencies in the Fund; and

22.4.2. long and short positions in different currencies are not netted off against each other.

22.5. The Manager must ensure that the Fund's borrowing does not, on any business day, exceed 10% of the value of the scheme property. "Borrowing" includes, as well as borrowing in a conventional manner, any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into the scheme property in the expectation that the sum will be repaid.

22.6. These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes (i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates).

23. Restrictions on lending

23.1. None of the money in the scheme property of the Fund may be lent and, for the purposes of this prohibition, money is lent by the Fund if it is paid to a person ("**the payee**") on the basis that it should be repaid, whether or not by the payee. Acquiring a debenture is not lending; nor is the placing of money on deposit or in a current account.

23.2. The scheme property of the Fund other than money must not be lent by way of deposit or otherwise.

23.3. The scheme property of the Fund scheme must not be mortgaged.

23.4. Nothing in these restrictions prevents the Trustee at the request of the Manager, from lending, depositing, pledging or charging scheme property for margin requirements or transferring scheme property under the terms of an agreement relating to margin requirements (providing the Manager reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to Unitholders) where transactions in derivatives or forward transactions are used for the account of the Fund in accordance with any other of the rules in COLL 5.

24. General power to accept or underwrite placings

24.1. Any power in COLL 5 to invest in transferable securities may be used for the purpose of entering into transactions to which this paragraph applies, subject to compliance with any restriction in the Trust Deed. This paragraph applies, to any agreement or understanding: which is an underwriting or sub-underwriting agreement, or which contemplates that securities will or may be issued or subscribed for or acquired for the account of the Fund.

24.2. This ability does not apply to an option, or a purchase of a transferable security which confers a right to subscribe for or acquire a transferable security, or to convert one transferable security into another.

24.3. The exposure of the Fund to agreements and understandings as set out above must, on any business day, be covered under paragraph 16 and be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in the COLL Sourcebook.

25. Guarantees and indemnities

25.1. The Trustee for the account of the Fund must not provide any guarantee or indemnity in respect of the obligation of any person.

25.2. None of the scheme property may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

25.3. Paragraphs 25.1 and 25.2 do not apply in respect of the Fund to:

25.3.1. any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with COLL 5; and

25.3.2. an indemnity given to a person winding up a body corporate or other scheme in circumstances where those assets are becoming part of the scheme property by way of unitisation.

APPENDIX II
Valuation and pricing

The value of the scheme property shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions:

1. All the property of the Fund (including receivables) is to be included, subject to the following provisions.

2. Property which is not cash (or other assets dealt with in paragraph 3 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

2.1 Units or shares in a collective investment scheme:

2.1.1 if a single price for buying and selling units or shares is quoted, at that price; or

2.1.2 if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or

2.1.3 if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the Manager, is fair and reasonable;

2.2 Exchange-traded derivative contracts:

2.2.1 if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or

2.2.2 if separate buying and selling prices are quoted, at the average of the two prices

2.3 Over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the Manager and the Trustee;

2.4 Any other investment:

2.4.1 if a single price for buying and selling the security is quoted, at that price; or

2.4.2 if separate buying and selling prices are quoted, at the average of the two prices; or

2.4.3 if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the Manager's best estimate of the value, at a value which, in the opinion of the Manager, is fair and reasonable; and

2.5 Property other than that described in 2.1, 2.2, 2.3 and 2.4 above: at a value which in the opinion of the Manager, represents a fair and reasonable mid-market price.

3. Cash and amounts held in current, deposit and margin accounts and in other time related deposits shall be valued at their nominal values.

4. In determining the value of the scheme property, all instructions given to issue or cancel Units shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential action required by the Regulations or the Trust Deed shall be assumed (unless the contrary has been shown) to have been taken.

5. Subject to paragraphs 6 and 7 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such

unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager, their omission will not materially affect the final net asset amount.

6. Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 5.

7. All agreements are to be included under paragraph 5 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the Manager's employment take all reasonable steps to inform it immediately of the making of any agreement.

8. Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Fund: on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax.

9. Deduct an estimated amount for any liabilities payable out of the property of the Fund and any tax thereon treating periodic items as accruing from day to day.

10. Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.

11. Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.

12. Add any other credits or amounts due to be paid into the property of the Fund.

13. Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.

14. Currencies or values in currencies other than the base currency shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Unitholders or potential Unitholders.

APPENDIX III
Unit Trusts and OEICs managed by the Manager

Other authorised unit trusts for which AXA Investment Managers UK Limited acts as authorised fund manager:

AXA Framlington American Growth Fund

AXA Framlington Biotech Fund

AXA Framlington Blue Chip Equity Income Fund

AXA Framlington Emerging Markets Fund

AXA Framlington European Fund

AXA Framlington Financial Fund

AXA Framlington Global Thematics Fund

AXA Framlington Global Technology Fund

AXA Framlington Health Fund

AXA Framlington Japan Fund

AXA Framlington Managed Balanced Fund

AXA Framlington Managed Income Fund

AXA Framlington Monthly Income Fund

AXA Framlington UK Growth Fund

AXA Framlington UK Mid Cap Fund

AXA Framlington UK Select Opportunities Fund

AXA Framlington UK Smaller Companies Fund

AXA General Trust

Open-ended investment companies for which AXA Investment Managers UK Limited acts as authorised corporate director:

AXA Distribution Investment ICVC

AXA Fixed Interest Investment ICVC

AXA Rosenberg Global Investment Company ICVC

AXA IM Multi Asset Investment ICVC

APPENDIX IV
List of Sub-Custodians

Country	Sub-Custodians
Australia	HSBC Bank Australia Limited
Austria	UniCredit Bank Austria AG
Belgium	BNP Paribas Securities Services
Brazil	HSBC Bank Brazil S.A. – Banco Múltiplo
Bulgaria	Unicredit Bank Bulgaria
Canada	RBC
Chile	Banco Santander Chile
China	HSBC (China Shanghai) Company Limited HSBC Bank (China Shenzhen) Company Ltd
Colombia	Corpbanca Investment Trust Colombia SA
Croatia	Privredna Banka Zagreb
Cyprus	HSBC Bank plc
Czech Republic	Unicredit Bank Czech Republic A.S.
Denmark	Skandinaviska Enskilda Banken
Egypt	HSBC Bank Egypt S.A.E.
Estonia	AS SEB Pank, Tallinn
Finland	Skandinaviska Enskilda Banken
France	CACEIS Bank France NYSE Euronext Paris
Germany	HSBC Trinkaus & Burkhardt
Greece	HSBC Bank plc
Guernsey	HSBC Bank plc HSBC Securities Services
Hong Kong	The Hong Kong and Shanghai Banking Corporation Ltd * For Hong Kong Listed Securities The Hongkong & Shanghai Banking Corporation Limited * For Northbound Shanghai Stock Exchange Listed A shares

Hungary	UniCredit Bank Hungary Zrt
India	The Hongkong and Shanghai Banking Corporation Ltd
Indonesia	The Hongkong and Shanghai Banking Corporation Ltd
Ireland	HSBC Bank plc HSBC Securities Services
Israel	Bank Leumi le-Israel B.M.
Italy	BNP Paribas Securities Services
Japan	The Hongkong & Shanghai Banking Corporation Limited
Jersey	HSBC Bank plc HSBC Securities Services
Latvia	AS SEB Banka
Lithuania	AS SEB Bankas
Luxembourg	Clearstream Banking SA
Malaysia	HSBC Bank Malaysia Berhad Bursa Malaysia
Mexico	HSBC Mexico SA Bolsa Mexicana de Valores (BMV)
Netherlands	BNP Paribas Securities Services
New Zealand	The Hongkong and Shanghai Banking Corporation Limited New Zealand Stock Market (NZSX)
Norway	Skandinaviska Enskilda Banken
Peru	Citibank del Peru
Philippines	The Hongkong & Shanghai Banking Corporation Ltd
Poland	Bank Polska Kasa Opieki SA
Portugal	BNP Paribas Securities Services
Qatar	HSBC Bank Middle East Limited
Romania	Citibank Europe plc Dublin Romania

Russia	ZAO Citibank
Singapore	The HongKong and Shanghai Banking Corporation Limited
Slovenia	UniCredit Banka Slovenija d.d
South Africa	Standard Bank of South Africa Ltd JSE Securities Exchange (JSE)
South Korea	The Hong Kong and Shanghai Banking Corporation Ltd
Spain	BNP Paribas Securities Services
Sweden	Skandinaviska Enskilda Banken
Switzerland	Credit Suisse Six Swiss Exchange
Taiwan	HSBC Bank (Taiwan) Limited
Thailand	The Hongkong and Shanghai Banking Corporation Ltd
Turkey	HSBC Bank A.S.
United Arab Emirates-NASDAQ	HSBC Bank Middle East Limited
United Arab Emirates-ADX	HSBC Bank Middle East Limited
United Arab Emirates-DFM	Dubai Financial Market
United Kingdom	HSBC Bank plc HSBC Securities Services
United States	Brown Brothers Harriman & Co.