

## Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## Product

### AXA IM Euro Credit PAB UCITS ETF EUR Distribution

AXA INVESTMENT MANAGERS PARIS S.A., part of the AXA IM Group

ISIN IE00053HJRU7

Website: <https://www.axa-im.fr>

Call +33 (0) 1 44 45 85 65 for more information

Central Bank of Ireland is responsible for supervising AXA INVESTMENT MANAGERS PARIS S.A. in relation to this Key Information Document.

This product is authorised in Ireland and in accordance with the UCITS Directive.

**Date of Production of the KID:** 21/02/2025

## What is this product?

### Type

The product is a share class of the Sub-fund "AXA IM Euro Credit PAB UCITS ETF" (the "fund") which is part of the ICAV "AXA IM ETF ICAV" (the "ICAV").

### Term

This product has no maturity date, and could be liquidated under the conditions led down in the instrument of incorporation of the ICAV.

### Objectives

#### Investment Objective

To seek long-term capital growth from an actively managed portfolio of investment grade Euro denominated corporate debt securities while maintaining a decarbonization strategy aligned with the carbon emissions of the ICE BofA Euro Corporate Index Paris Aligned (Absolute Emissions) (the Benchmark).

#### Investment Policy

The fund is actively managed in reference to the Benchmark. To achieve its investment objective, the fund invests at least 90% of net assets in investment grade, EUR denominated, fixed and floating rate debt securities (rated at least BBB- by Standard&Poor's or equivalent ratings by Moody's or Fitch or, if unrated, judged equivalent to those ratings by the Investment Manager) that are issued by companies that are component securities of the Benchmark, excluding cash and cash equivalent. As a result, the fund may invest in green, social, sustainability and sustainability linked bonds. While the Benchmark is used by the Investment Manager to determine the initial investment universe (Initial Investment Universe), the Investment Manager may not invest in all component securities of the Benchmark, will apply screens and other exclusions and will otherwise have general discretion when selecting the fund's investments to ensure that their characteristics are consistent with its convictions. The Benchmark applies specific targets and exclusionary filters to its parent index ICE BofA Euro Corporate Index to reduce the carbon emissions of the constituents by 50% compared to the parent index while following a trajectory toward net zero by end of 2050 by having an annualised carbon reduction rate of at least 7%, remove issuers with certain ESG and/or climate-related business involvements, and apply exclusions related to fossil fuel business involvements. In addition, the Benchmark must always be at least 50% below the carbon level of its parent index. The fund is restricted in the extent to which its portfolio holdings can deviate from those of the Benchmark as it widely forms the Initial Investment Universe. Such deviation from the Benchmark is expected to be limited. The Benchmark qualifies as an EU Paris-aligned Benchmark under Chapter 3a of Title III of Regulation EU 2016/1011 to progressively align with the objectives of the Paris Agreement.

The fund may invest in callable bonds. The fund may also invest up to 25% compared to the level of the Benchmark in investment grade subordinated debt securities, including perpetual bonds.

In case of a rating downgrade below investment grade, the fund may be invested in sub-investment grade securities up to 10%. However, the fund does not invest in securities rated CCC+ or below by Standard & Poor's or equivalent rating by Moody's or Fitch. Ratings are based on the lower of two ratings or the second highest of three ratings depending on how many ratings are available. If securities are unrated, they must be judged equivalent to those levels by the Investment Manager. In case of a credit downgrade below such minimum, securities will be sold within 6 months. The selection of debt securities 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 securities is also based on other analysis criteria of the Investment Manager.

As the components of the Benchmark widely form the Initial Investment Universe, the fund is restricted in the extent to which the components it is expected to invest in can deviate from those of the Benchmark and, in that regard, the deviation of the components of the fund as compared to those of the Benchmark is expected to be limited. However, the Investment Manager will apply its investment process to the Initial Investment Universe and so the constitution of the portfolio of the fund is expected to deviate from that of the Benchmark in terms of the level of holdings of any component.

The fund may invest up to 10% in the units/shares of Eligible Collective Investment Schemes, including money market funds. The fund may invest up to 10% in money market Instruments.

The Investment Manager aims over the long-term to outperform the financial performance net of management fees of the Benchmark and to have absolute carbon emissions less than or equal to the Benchmark by systematically buying and selling investments for the fund by applying a 2-step approach: 1/ defining the eligible universe after application of a first exclusion filter, as described in AXA IM's Sectorial Exclusion, ESG Standards Policies and excluding issuers not engaged in a decarbonization and transition pathway to progressively align with the Paris Agreement objectives, 2/ establishing the fund's sector and security strategies. The Investment Manager uses a top down and bottom-up analysis to determine the sector weightings of the portfolio. Sectors are evaluated based on comprehensive macro- and microeconomic analysis of the market. The security strategy involves using bottom-up analysis leveraging on analysing fundamental factors, including earning prospects, anticipated cash flow, interest or dividend coverage and payment history, asset coverage, debt maturity schedules and borrowing requirements. The Investment Manager monitors carbon emissions of the fund and of the Benchmark on a pre- and post-trade basis using weighted average absolute carbon emissions scope 1, 2 and 3 data according to its internal methodology combining internal and external data.

The ESG analysis coverage rate within the portfolio is at least 90% of the net assets, excluding bonds and other debt securities issued by public issuers, cash and solidarity assets.

The ESG data used in the investment process are based on ESG methodologies which rely in part on third party data and in some cases are internally developed. They are subjective and may change over time. Despite several initiatives, the lack of a harmonised definition of sustainable investments may result in ESG metrics applied and ESG scores assigned to the same company by different data providers varying widely. As such, the investment strategy may be difficult to compare with other investment strategies that also use ESG criteria and ESG reporting. Strategies that incorporate ESG criteria and those that incorporate sustainable development criteria may use ESG data that appear similar but which should be distinguished because their calculation method may be different. The Investment Manager's ESG methodologies described herein may evolve over time to take into account, among other things, any improvements in data availability and reliability, or any developments of regulations or other external frameworks or initiatives.

For investment purposes, the fund may engage in the credit derivatives market by entering into single name credit default swaps (CDS) in order to acquire a specific credit exposure. The maximum exposure in terms of inherent commitment to CDS will not exceed 20%. The fund may also use the following financial derivative instruments: interest rate futures, futures on bonds, forward currency contracts, swaps and foreign exchange spot transactions for efficient portfolio management, investment or hedging purposes.

The fund will not enter total return swaps or instruments with similar characteristics.

The funds will not engage in lending/borrowing of securities nor repurchase/reverse agreements.

The fund is a financial product that promotes environmental and/or social characteristics within the meaning of article 8 of the Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector.

### Income

For Distribution share classes (Dis), the dividend is distributed.

### Investment Horizon

The risk and the reward of the product may vary depending on the expected holding period. We recommend holding this product at least for 5 years.

### Processing of subscription and redemption orders

The investor can buy or sell shares of the fund on a daily basis, as further defined in the prospectus. Only Authorised participants can deal directly with the fund.

### Intended retail investor

The fund is designed for retail investors who have neither financial expertise nor any specific knowledge to understand the fund but may bear total capital loss. It is suited for clients who seek growth of capital and an ESG overlay. Potential investors should have an investment horizon of at least 5 years.

### Depository

STATE STREET CUSTODIAL SERVICES (IRELAND) LIMITED

## What are the risks and what could I get in return?

### Risk Indicator



The risk indicator assumes you keep the product for 5 years.

The actual risk can vary significantly if you cash in at an early stage and you may get back less.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

### Performance Scenarios

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The unfavourable, moderate and favourable scenarios shown are illustrations using the worst, average and best performance of the product and the suitable benchmark over the last 10 years. Markets could develop very differently in the future.

| Recommended holding period: |  | 5 years                  |                           |
|-----------------------------|--|--------------------------|---------------------------|
| Example Investment:         |  | €10 000                  |                           |
|                             |  | If you exit after 1 year | If you exit after 5 years |
| Scenarios                   |  |                          |                           |
| Minimum                     | There is no minimum guaranteed return. You could lose some or all of your investment |                          |                           |
| Stress                      | What you might get back after costs  | €8 130                   | €7 860                    |
|                             | Average return each year   | -18.70%                  | -4.70%                    |
| Unfavourable                | What you might get back after costs  | €8 390                   | €8 820                    |
|                             | Average return each year   | -16.10%                  | -2.48%                    |
| Moderate                    | What you might get back after costs  | €10 110                  | €9 740                    |
|                             | Average return each year   | 1.10%                    | -0.53%                    |
| Favourable                  | What you might get back after costs  | €10 980                  | €11 270                   |
|                             | Average return each year   | 9.80%                    | 2.42%                     |

The stress scenario shows what you might get back in extreme market circumstances.

Unfavourable Scenario: This type of scenario occurred for an investment between 10 2017 and 10 2022.

Moderate Scenario: This type of scenario occurred for an investment between 04 2017 and 04 2022.

Favourable Scenario: This type of scenario occurred for an investment between 12 2015 and 12 2020.

An appropriate benchmark of the product was used to calculate the performance.

## What happens if AXA INVESTMENT MANAGERS PARIS S.A. is unable to pay out?

The product is constituted as a separate entity from AXA Investment Managers Paris S.A. In case of default of AXA Investment Managers Paris S.A., the assets of the product kept by the custodian will not be affected. In case of default of the custodian, the risk of financial loss of the product is mitigated because of the legal segregation of the assets of the custodian from those of the product.

## What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

### Costs over Time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0 % annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario.

- EUR 10 000 is invested

|                        | If you exit after 1 year | If you exit after 5 years |
|------------------------|--------------------------|---------------------------|
| Total costs            | €51                      | €253                      |
| Annual cost impact (*) | 0.5%                     | 0.5% each year            |

(\*) This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be -0.01 % before costs and -0.53 % after costs.

We may share part of the costs with the person selling you the product to cover the services they provide to you. They will inform you of the amount.

#### Composition of Costs

| One-off costs upon entry or exit                            |  | If you exit after 1 year |
|---|--|--------------------------|
| Entry costs   | 0% We do not charge entry costs on the secondary market.*  | €0                       |
| Exit costs  | 0% We do not charge exit costs on the secondary market.*   | €0                       |
| Ongoing costs taken each year                               |  |                          |
| Management fees and other administrative or operating costs | 0.20% of the value of your investment per year. This percentage of ongoing costs is an estimate.   | €20                      |
| Transaction costs   | 0.31 % of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell. | €31                      |
| Incidental costs taken under specific conditions            |  |                          |
| Performance fees (and carried interest)                     | There is no performance fee for this product.  | €0                       |

\*Secondary market: No entry cost applies to investors who buy/sell shares of the fund on stock exchanges. These investors will pay/receive the market price, so they may pay more than the fund's net asset value at the time of their purchase or receive less than the fund's net asset value at the time of their sale. They may be subject to brokerage, trading and/or other fees charged by their intermediary (e.g. broker) and not charged by the fund nor its management company.

Primary market: Authorised participants dealing directly with the fund pay the related transaction fees and subscription/redemption fees up to 3% may be applied.

## How long should I hold it and can I take money out early?

### Recommended holding period: 5 years

This product has no minimum required holding period, the 5 years has been calculated to be in line with the time frame which the product may need in order to achieve its investment objectives.

You may sell your investment before the end of the recommended holding period without penalty. The performance or risk of your investment may be negatively impacted. The section "What are the costs?" provides information on the impact of costs over time.

Please refer to the "What is this product" section for the redemption procedure.

## How can I complain?

For any complaint, please contact customer service at any time by email, specifying the subject of the message: [client@axa-im.com](mailto:client@axa-im.com)

By post to the following address: AXA Investment Managers Paris ( Client Service) Tour Majunga - 6, place de la Pyramide 92908 Paris - La Défense cedex - France.

By phone: +33 (0) 1 44 45 85 65

If you have subscribed to one of our funds on the advice of an intermediary not belonging to the AXA Investment Managers Group, we recommend that you file your complaint directly with this institution.

## Other relevant information

You can get further information about this product, including the prospectus, latest annual report, any subsequent half-yearly report and the latest Net Asset Value from the Fund Administrator: STATE STREET FUND SERVICES (IRELAND) LIMITED and from <https://funds.axa-im.com/>. They are available free of charge.

For information about the performance of the product up to 10 years and previous performance scenario calculations, please visit : <https://funds.axa-im.com/>.

When this product is used as part of a unit-linked contract, or similar contract, the additional information, such as the costs of the contract, which are not included in this document, in addition to the contract in case of claim and what happens in the event of failure of the insurance company, must be provided in the key information document of the contract issued by your insurer, broker or other insurance intermediary in accordance with their legal obligation.