



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU DO NOT UNDERSTAND IT OR ARE IN DOUBT AS TO THE ACTION TO BE TAKEN PLEASE CONSULT YOUR STOCKBROKER, ACCOUNTANT, SOLICITOR, FINANCIAL ADVISER OR WEALTH MANAGER IMMEDIATELY.

26 July 2023

Dear Investor,

Changes to the investment objective and the investment policy for AXA Global Sustainable Distribution Fund (the “Fund”) a sub-fund of the AXA Distribution Investment ICVC (the “Company”).

We, AXA Investment Managers UK Limited, are writing to you in our role as authorised corporate director of the Company. The purpose of this letter is to inform you of changes to the investment objective and the investment policy for the Fund which will take effect on 2 October 2023. Although **the changes do not require you to take any action** or require your approval, we recommend that you read this letter.

The Financial Conduct Authority (“FCA”) has been notified of the changes and has confirmed that the changes will not affect the ongoing authorisation of the Fund. Under the FCA Rules, you are entitled to 60 days’ advance notice of the proposed changes given that we deem these changes each to be a “significant change” within the meaning of the FCA Rules and this letter constitutes that notice.

What is changing?

With effect from 2 October 2023, the investment objective and the investment policy of the Fund will change as explained below and described in the Appendix to this letter. The Fund’s core investment philosophy¹, investment process and risk profile will remain unaltered.

How and why have we changed the investment objective of the Fund?

We have amended the investment objective (as detailed in the Appendix to this letter). As you will note, we have added a sustainability objective to the investment objective to clarify that we aim to invest in companies which have leading or improving environmental, social and governance practices, in line with the selection criteria described in the investment policy.

We have added the sustainability objective to keep the name, investment objective and investment policy consistent and to emphasise the sustainability objective as separate to the financial objective.

We believe that the financial and sustainable objectives complement each other, such that the sustainable objective assists, or at least does not work to the detriment of, the achievement of the financial objective. It is not anticipated that investors will sacrifice any financial returns by the inclusion of a separate sustainability objective.

¹ An investment philosophy of a Fund refers to the core beliefs of the Fund’s manager about the performance of particular investments in the market, changes in the market and investor behaviour which guides the Fund’s investment strategy.

How and why have we changed the investment policy of the Fund?

We have amended the investment policy (as detailed in the Appendix to this letter) to add further detail on certain aspects of the investment strategy and engagement process of the Fund for greater clarity. This is part of a wider project at AXA IM to ensure that our investors are fully informed of the selection process of investments and how this supports the achievement of the investment objective of their fund. For the avoidance of doubt, please note that the investment strategy is not changing.

You will also note some more minor amendments, which have been made to achieve consistency of style between investment policies across our fund ranges where strategies are similar.

How can you track the performance of the Fund against its investment objectives?

The Fund’s reporting can be found on the following website: <https://retail.axa-im.co.uk/fund-centre> where investors can find information on the Fund’s performance against its investment objectives and its ESG, Voting and Engagement Reports.

What is the cost of making these changes?

We will meet the costs of amending the Fund’s documentation to reflect these changes and the costs associated with notifying the Fund’s shareholders. There will be no portfolio re-alignment required as a result of these changes.

Will these changes result in a change to the Fund’s risk profile?

No, the changes described above will not result in a change to the Fund’s risk profile.

Further Information

These changes will be reflected in the Fund’s Key Investor Information Document (KIID) and Prospectus, which can be found on the following website: <https://retail.axa-im.co.uk/fund-centre>.

Should you have any questions about the changes being made or any other aspect of the Fund, or would like to request a copy of the KIID, please contact our Customer Services team on 0345 777 5511 (Monday to Friday 9.00am - 5.30pm) or your usual local representative.

Yours sincerely,



Marcello Arona
Director

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For and on behalf of
AXA Investment Managers UK Limited

Appendix

Changes to the investment objective and investment policy of the Fund

With effect from 2 October 2023, the investment objective for the Fund will change as follows:

CURRENT Investment Objective	NEW Investment Objective with effect from 2 October 2023
<p>The aim of this Fund is to achieve income and capital growth over a period of five years or more.</p>	<p>The aim of this Fund is to: <u>(i) achieve income and long-term capital growth over a period of five years or more; and (ii) invest in companies which have leading or improving environmental, social and governance (ESG) practices, in line with the selection criteria described in the investment policy.</u></p>

With effect from 2 October 2023, the investment policy for the Fund will change as follows:

CURRENT Investment Policy	NEW Investment Policy with effect from 2 October 2023
<p>The Fund invests in shares of listed companies worldwide and index-linked bonds issued by developed market governments. The Fund's typical asset mix ranges between 50-60% of its Net Asset Value invested in shares, with the remainder being invested mostly in index-linked bonds and cash.</p> <p>The ACD invests in shares of listed companies which it believes have leading or improving ESG practices. These companies will either demonstrate leadership on sustainability issues (such as promoting better social outcomes, increasing the amount of renewable energy and using the planet's resources more sustainably and increased digitalisation) through strong environmental, social and governance (ESG) practices ("leaders") or will have shown a clear commitment to improve their ESG practices ("companies in transition"). The majority of the Fund's equity investments (50% or more) will be in "leaders". The ACD will actively engage on sustainability issues with a particular focus on "companies in transition". The ACD will also analyse a company's financial status, quality of management, expected profitability and prospects for growth when selecting shares.</p> <p>In selecting investments (bonds and shares), the ACD will take into account the ESG score of the sovereign issuer or company (as appropriate). ESG scores are produced by our selected external provider(s), as detailed in the "Responsible Investment" section of this prospectus above. In certain circumstances (including unavailability of a score), the ACD will calculate the sovereign issuer's or company's ESG score using its proprietary internal scoring methodology. The ACD believes that companies with a high ESG score will generate sustained growth and returns over time and that sovereign issuers with high ESG scores will benefit in terms of</p>	<p>The Fund invests in shares of listed companies worldwide and index-linked bonds issued by developed market governments. The Fund's typical asset mix ranges between 50-60% of its Net Asset Value invested in shares, with the remainder being invested mostly in index-linked bonds and cash.</p> <p>The ACD invests in shares of listed companies which <u>it believes have leading or improving ESG practices. These companies will</u> either demonstrate leadership on sustainability issues (such as promoting better social outcomes, increasing the amount of renewable energy and using the planet's resources more sustainably and increased digitalisation) through strong environmental, social and governance (ESG) practices ("leaders") or <u>will</u> have shown a clear commitment to improve their ESG practices ("companies in transition"). <u>More than 50% of the Fund's equity investments (50% or more) will be in "leaders". The ACD will actively engage on sustainability issues with a particular focus on "companies in transition".</u> The ACD will also analyse a company's financial status, quality of management, expected profitability and prospects for growth when selecting shares.</p> <p>In selecting investments (bonds and shares), the ACD will take into account the ESG score of the sovereign issuer or company (as appropriate) <u>as one factor within its broader analysis of the company or issuer to identify investments which are expected to generate long-term capital growth and which have leading or improving ESG practices. The Manager believes that companies and issuers with higher or improving ESG scores may be expected to manage risk associated with ESG issues more effectively, which may be expected to contribute to better financial performance of such companies and issuers in the long term.</u> ESG scores are <u>obtained</u></p>

their ongoing ability to issue. The ACD will only consider the lowest scoring companies for the Fund in exceptional circumstances.

In addition, to avoid investing in bonds or shares which present excessive degrees of environmental, social and governance (ESG) risk, the ACD applies AXA IM Group's sector specific investment guidelines relating to responsible investment to the Fund. Such guidelines exclude investment in (or exposure to) certain companies based on their involvement in specific sectors (such as soft commodity derivatives, palm oil (including deforestation and natural ecosystems conversion), controversial weapons and climate risks).

The ACD also applies the AXA Investment Managers' ESG Standards policy. This policy excludes investment in companies based on: tobacco production; manufacture of white phosphorus weapons; human rights; anti-corruption and other environmental, social and governance (ESG) factors. The AXA Investment Managers' ESG Standards policy and AXA IM Group's sector specific investment guidelines are subject to change and the latest copies are accessible via the links provided in the "Responsible Investment" section of this prospectus above and are also available from the ACD on request.

If the ACD deems that an investment no longer meets the criteria set out in this investment policy or its expectations in terms of that investment's prospects for achieving income and long term capital growth or, in the case of a company, becomes unresponsive to the ACD's engagement efforts, the ACD will disinvest as soon as practicable having regard to the best interests of the Fund's investors and in accordance with its best execution policy.

In constructing the Fund's portfolio of shares, the ACD references a composite benchmark made up of the following indices in the stated proportions: 55% MSCI AC World Total Return Net; 45% ICE BofAML Global Govt Inflation Linked (GBP Hedged) (the "Benchmark"). The ACD has full discretion to select investments for the Fund in line with its investment policy and in doing so may take into consideration the Benchmark. The Benchmark is designed to measure the performance of medium to large-cap stocks from a number of developed and emerging markets as selected by the Benchmark provider and index-linked bonds issued by developed market governments. This Benchmark best represents the types of bonds and companies in which the Fund predominantly invests.

The Fund may also invest at the ACD's discretion in other transferable securities, cash, deposits, units in collective investment schemes and money market instruments. The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management. Use may be made of borrowing, cash

~~from produced by~~ our selected external provider(s), as detailed in the "Responsible Investment" section of this prospectus above. ~~In certain circumstances (including unavailability of a score), the ACD will calculate the sovereign issuer's or company's ESG score using its proprietary internal scoring methodology. The ACD believes that companies with a high ESG score will generate sustained growth and returns over time and that sovereign issuers with high ESG scores will benefit in terms of their ongoing ability to issue.~~ The ACD will only consider the lowest scoring companies for the Fund in exceptional circumstances, such as where it deems, through its own research, that the ESG score of the company or issuer does not accurately or fully reflect its current ESG profile.

~~In addition, to~~ avoid investing in bonds or shares which present excessive degrees of ~~environmental, social and governance (ESG)~~ risk, the ACD applies AXA IM Group's sector specific investment guidelines relating to responsible investment to the Fund. Such guidelines exclude investment in soft commodity derivatives (or exposure to) certain companies based on their involvement in specific sectors (such as soft commodity derivatives, unsustainable palm oil (including deforestation and natural ecosystems conversion) production, controversial weapons and climate risks).

The ACD also applies the AXA Investment Managers' ESG Standards policy. This policy excludes investment in companies and issuers based on: tobacco production; manufacture of white phosphorus weapons; certain criteria related to human rights; ~~and~~ anti-corruption and as well as other ~~environmental, social and governance (ESG)~~ factors. The AXA Investment Managers' ESG Standards policy and AXA IM Group's sector specific investment guidelines are subject to change and the latest copies are accessible via the links provided in the "Responsible Investment" section of this prospectus above and are also available from the ACD on request.

The ACD will actively engage on sustainability issues and identified areas of weakness with a particular focus on a selection of investee companies. The ACD will focus on companies where the continued enhancement of sustainability practices is expected to help support the robust, long-term profitability of such companies. Where weaknesses are identified, the ACD may consider the use of escalation techniques (such as voting against certain resolutions presented by management at Annual General Meetings) in certain cases. More details on the ACD's approach to sustainability and its engagement with companies are available on the website <https://www.axa-im.co.uk/> under the heading "Responsible Investing".

holdings, hedging and other investment techniques permitted in the applicable Financial Conduct Authority rules.

The Benchmark may be used by investors to compare the Fund's performance.

If the ACD deems that an investment no longer meets the criteria set out in this investment policy or its expectations in terms of that investment's prospects for achieving [the Fund's objective income and long term capital growth](#) or, in the case of a company, becomes unresponsive to the ACD's engagement efforts, the ACD will disinvest as soon as practicable having regard to the best interests of the Fund's investors and in accordance with its best execution policy.

The Fund may also invest ~~at the ACD's discretion~~ in other transferable securities, cash, deposits, units in collective investment schemes [\(including those that are managed by the ACD or its associates\)](#) and money market instruments. The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management. Use may be made of borrowing, cash holdings, hedging and other investment techniques permitted in the applicable [Financial Conduct Authority](#) rules.

[The ACD has full discretion to select investments for the Fund in line with the above investment policy and in doing so may take into consideration](#) ~~in constructing the Fund's portfolio of shares, the ACD references~~ a composite benchmark made up of the following indices in the stated proportions: 55% MSCI AC World Total Return Net; 45% ICE BofAML Global Govt Inflation Linked (GBP Hedged) (the "Benchmark"). ~~The ACD has full discretion to select investments for the Fund in line with its investment policy and in doing so may take into consideration the Benchmark.~~ The Benchmark is designed to measure the [financial](#) performance of medium to large-cap stocks from a number of developed and emerging markets as selected by the Benchmark provider and index-linked bonds issued by developed market governments. This Benchmark best represents the types of bonds and companies in which the Fund predominantly invests.

The Benchmark may be used by investors to compare the Fund's [financial](#) performance. ~~The ACD currently does not consider any available benchmarks as a suitable performance comparator for investors to compare the Fund's performance against its sustainability objective.~~

