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.

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Date: 16 January 2025

Dear Investor,

<u>Changes to AXA ACT People & Planet Equity Fund.</u>

We, AXA Investment Managers UK Limited, are writing to you in our role as Manager of AXA ACT People & Planet Equity Fund (the "**Fund**"). The purpose of this letter is to inform you of changes to the Fund which will take effect on 19 March 2025. 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 to be "significant changes" within the meaning of the FCA Rules and this letter constitutes that notice.

What is changing?

At the end of 2023, the FCA introduced new sustainability disclosure requirements and labelling regime, which affects certain funds, including UK UCITS funds, that use sustainability-related terms in their name and/or to describe any sustainability characteristics they may have. These labels are intended to help investors navigate the market for products seeking to achieve positive sustainability outcomes for the environment and/or society by ensuring consistency between products with the same label and to help investors distinguish between sustainability products.

There are four sustainability labels available for use by funds. Each label is designed to represent different sustainability objectives and different investment approaches to pursue those objectives. The labels are optional and funds are not obliged to adopt a label; however, there are restrictions around the naming and marketing of funds which do not have a label.

The Manager is adopting the Sustainability Impact label for the Fund under the sustainability disclosure requirements and labelling regime. The Sustainability Impact label is for funds with a sustainability objective that aims to achieve a pre-defined, positive and measurable impact in relation to an environmental and/or social outcome. The Manager believes that the use of the Sustainability Impact label will enable investors to be better informed about the Fund and how it compares to other sustainable funds and will provide greater transparency as to how the Fund will meet its sustainability objective.

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In order to use Sustainability Impact label for the Fund, certain additional disclosures need to be made in respect of the Fund. These include:

1. Changing the Fund's investment objective to more clearly explain the sustainability objective and positive environmental and societal impacts the Fund seeks to make.
2. Certain changes to the Fund's investment policy.
3. Including certain additional disclosures in the Prospectus, as described below in "Other changes we will make to the Fund's Prospectus".

Change of Fund name

We will also be changing the name of the Fund, as detailed in the appendix to this letter. The change of name reflects the fact that, from 19 March 2025, the Fund will make use of the Sustainability Impact label for the Fund under the sustainability disclosure requirements and labelling regime. The term "ACT" was originally used by the Manager to align the Fund with other funds in its fund range which set sustainable investment as part of their objective and seek out intentional, positive, measurable and sustainable impact. As the Fund will now make use of the Sustainability Impact label under the sustainability disclosure and labelling regime, the use of the term "ACT" in the name is no longer required.

Why have we decided to change the investment objective of the Fund?

We have made changes to the investment objective (as detailed at Appendix 1 to this letter) to more clearly explain the sustainability objective and positive environmental and societal impacts the Fund seeks to make in addition to its financial investment objective.

Why have we decided to change the investment policy of the Fund?

We have amended the investment policy (as detailed at Appendix 1 to this letter), to provide further details on how the Manager will manage the Fund to achieve both the Fund's financial objective of providing capital growth over the long term together with its sustainability objective to deliver a positive and measurable impact on the environment and on society.

The Fund will invest at least 90% of its assets in listed companies of any size based in developed or emerging economies. The Fund will also invest at least 70% of its gross asset value in a diversified portfolio of companies that demonstrate a strategic commitment to provide innovative, impactful and commercially viable solutions to the environmental and/or social challenges identified by the Manager in the Fund's investment objective.

The investment policy provides further information on how the Manager will assess and select which businesses are best placed to deliver strong positive impact the Fund seeks to make and/or respond most favourably to the Manager's engagement efforts that will contribute to delivering on the positive impact the Fund seeks to make.

The investment policy also sets out any environmental and/or social trade-offs that may arise in pursuing the environmental and societal impacts the Fund seeks to achieve.

Please note that the information on the benchmark of the Fund (which may be used by investors to compare the Fund's financial performance) remains the same but has been moved to form a separate disclosure in the Prospectus, beneath the investment policy.

Other changes we will make to the Fund's Prospectus

The following additional disclosures will be added to the Fund's prospectus:

(a) **Theory of Change** - this describes how and why the impact outlined in the Fund's sustainability objective is expected to occur.

(b) **Stewardship and Engagement** - this describes how the Manager will seek to influence change in the companies in which it invests to achieve the environmental and societal impacts the Fund seeks to make and the steps the Manager will take where it sees little progress in the changes it sought to influence as a result of its engagement with a company.

(c) **Key Performance Indicators -** outlines the key performance indicators which are used by the Manager to monitor performance both at individual company level and across the Fund as a whole.

Each of the above disclosures has been included in Appendix 2 to this letter.

These disclosures are intended to provide additional information in relation to how the Fund is currently being managed and therefore are not intended to change how the Fund is being managed in practice.

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 unitholders.

The portfolio will not change as a result of implementing the proposed changes, as such, the proposed changes will not lead to any re-alignment costs.

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

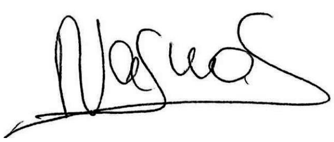
No, the changes described above will not result in a change to the Fund's risk profile.

Further Information

These changes will be reflected in the Fund's KIID, Prospectus and in a new document called the "Consumer Facing Disclosure" which sets out among other things, the label used for the fund, the Fund's sustainability objective, sustainability approach and the sustainability metrics used to show the progress of the Fund towards its sustainability objective. The KIID and the "Consumer Facing Disclosure" reflecting these changes will be available at https://www.axa-im.co.uk from 19 March 2025.

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 new KIID or the "Consumer Facing Disclosure" on or after 19 March 2025, please contact our Customer Services team on 0345 777 5511 (Monday to Friday 9.00am - 5.30pm) or your usual local representative.

Yours sincerely,



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Ouajnat Karim, Director
For and on behalf of
AXA Investment Managers UK Limited

Appendix 1

Change to name of the Fund

With effect from 19 March 2025, the name of the Fund will change as follows:

From	To
AXA ACT People & Planet Equity Fund	**AXA People & Planet Equity Fund**

Changes to the investment objective and policy of the Fund

With effect from 19 March 2025, the investment objective and policy for the Fund will change as follows:

	SDR Label: Sustainability Impact Sustainable investment labels help investors find products that have a specific sustainability goal. This Fund invests mainly in solutions to sustainability problems, with an aim to achieve a positive impact for people or the planet.
CURRENT Investment Objective	**NEW Investment Objective with effect from 19 March 2025**
The aim of this Fund is to: (i) provide capital growth over the long term (being a period of five years or more); and (ii) invest in companies that contribute to the achievement of the United Nation's Sustainable Development Goals.	The Fund seeks to deliver both financial returns and positive environmental and social outcomes. The aim of this Fund is to: (i) provide capital growth over the long term (being a period of five years or more); and (ii) deliver a positive and measurable impact on the environment (or "Planet") and on society (or "People") in an intentional manner. The Fund will seek to deliver a positive measurable impact by: (a) investing in listed companies in developed or emerging markets that provide products and/or services that are widely available, affordable and produced at scale (often to poorly served populations and communities in developed, emerging and developing economies) or to the industries most exposed to the environmental and social issues the Fund seeks to address that directly contributes to the "Outcomes" listed below ('Asset Contribution'); and (b) actively engaging with and providing stewardship to such companies to accelerate their contribution to the Outcomes and providing additional capital to such companies, ('Investor Contribution') In addition, the Fund will seek to avoid allocating capital to companies whose activities as a whole may have significant

	unintentional harms or negative impacts that undermine the positive impact its products and/or services may have. <u>The Outcomes</u> The Fund and the Manager, through both Asset Contribution and Investor Contribution, will support: a) <u>**energy transition**</u>, the transition to a low carbon economy, by investing in companies that (i) develop renewable energy with competitive pricing, address the challenges related to renewable capacity or provide smart grid technology and energy storage solutions (***renewable and grid***), (ii) contribute to the electrification of the automotive industry and the production of low carbon fuels (***low carbon transport***) or (iii) provide decarbonisation solutions for buildings and improve the carbon footprint and resource efficiency of businesses (***energy efficiency***); b) <u>**protection of biodiversity**</u>, the halting of biodiversity loss and land degradation caused by humans as a result of land use and sea use change, climate change, pollution (from chemicals and waste, devastating freshwater and marine habitats) and the overexploitation of natural resources, by investing in companies that (i) develop sustainable materials, increase resource efficiency or facilitate waste management and recycling in order to reduce pollution and retain natural resources (***responsible production and consumption***) (ii) contribute to the development of sustainable agriculture in order to meet the growing demand for food whilst reducing the pressure on natural resources (***sustainable food and agriculture***) or (iii) seek to address water pollution and scarcity by modernizing water networks, increasing water recycling or supporting emerging water technology to reduce water consumption, pollution and loss of natural habitats (by, for example, preventing the pollution of waterways, capturing rainwater, and enabling the recharging of aquifers) and using the latest science and technology to build the next generation sustainable infrastructure (by, for example, integrating biodiversity and natural capital into their design, development and ongoing operations and incorporating sustainable building practices that lessen negative pressures on biodiversity and, in particular, water resources) (***resilient infrastructure***); and

	c) <u>social progress</u>, the improvement of living standards and access to basic needs (such as education, healthcare transport, utilities and digital infrastructure) for all regardless of gender, country or socio-economic backgrounds and often in poorly served populations and communities in developed, emerging and developing economies, by investing in companies that: (i) (a) widen access to financial products & services (e.g. through rural branches or digital products & services), (b) increase access to essential infrastructure and resources (e.g. roads, clean water for human consumption and sanitation, energy, digital technology and telecommunication infrastructure) across developed, emerging and developing economies enabling people and communities to fully participate in society, or (c) provide access to products & services that help support entrepreneurship and career development regardless of gender and background (***inclusion***), (ii) enable physical safety, protect against financial loss (which may include loss caused by accidents, injuries, illness, and natural disasters) and provide software and applications against cybercrime (***protection***), (iii) provide affordable and quality products and services in the healthcare industry, including treatment, testing and equipment which help drive improvements in diagnosis and treatment of disease, lower barriers to access medical services and help people improve their lifestyle through diet, exercise or hygiene (***healthcare solutions***). Details on the Key Performance Indicators that are used to measure and report on the Fund's impact can be found below. Any environmental and/or social trade-offs that may arise in pursuing the Outcomes are identified below under "*Adverse Consequences linked to pursuit of the Outcomes*".

CURRENT Investment Policy	NEW Investment Policy with effect from 19 March 2025
The Fund invests at least 80% of its Net Asset Value in shares of listed companies of any size based anywhere in the world. The Manager selects shares based upon: (i) a company's positive contribution to the achievement of one or more of the United Nation's Sustainable Development Goals (the "UN SDGs")[1] and (ii) an analysis of a company's financial status, quality of its management, expected profitability and prospects for growth. The UN SDGs provide a globally accepted framework through which companies can align their strategic goals, products and services to help solve the global environmental and social challenges faced by people and planet. To identify and invest in companies that contribute to the achievement of the environmentally and/or socially focussed UN SDGs, the Manager will assess how much of a company's revenue generated by its core products and services provide environmental or social benefits for the people and/or planet and therefore contribute to the realisation of the targets set by the UN for the achievement of such UN SDGs. The Manager primarily uses a company's products and services score ("P&S Score"), calculated by its selected external provider, to assess the total revenue generated by a company's core products and services that provide environmental and social benefits for the people and/or planet and contribute to such targets and the achievement of any one of the UN SDGs. The P&S Score also considers, among other things, the significance, effectiveness, efficiency and scale of the products and services contribution to the achievement of any one of the UN SDGs, together with negative effects they may have on the environment or society. The higher a company's P&S Score, the greater the proportion of a company's revenue derived from products and services that are deemed to provide environmental and social benefits for the people and/or planet and, by implication, the greater its contribution to targets set by the UN and the achievement of one or more or the UN SDGs through the distribution of those products and services. In addition, the Manager will use its proprietary analytical framework to analyse qualitative factors such as the alignment of a company's products and services to the UN SDGs (which may include an assessment of a company's revenue sources, research & development expenditure and any negative effects a company may have), the company's commitment to achieve and measure the contribution its core products and services make to the	The Fund invests at least 90% of its assets in listed companies of any size based in developed or emerging economies. The Fund will invest at least 70% of its gross asset value in a diversified portfolio of companies that demonstrate, as explained further below, a strategic commitment to provide innovative, impactful and commercially viable solutions to the environmental and/or social challenges addressed by one or more of the Outcomes. Public listed markets enable listed companies to access the capital and resources required and to reach the scale necessary to develop the expertise needed to provide the solutions to the Outcomes. Use may be made of borrowing and cash holdings for liquidity purposes. When defining the Fund's investment universe, the Manager will initially seek to exclude companies which the Manager considers present excessive degrees of environmental, social and governance ("**ESG**") risk by applying (i) AXA IM's sector specific investment guidelines[2], which exclude investment in soft commodity derivatives or exposure to certain companies based on their involvement in specific sectors (such as tobacco production, ecosystem protection and deforestation, controversial weapons and climate risks), and (ii) applying the AXA Investment Manager's ESG Standards policy, which excludes investment in companies based on (a) manufacture of white phosphorus weapons, certain criteria relating to human rights and anti-corruption as well as other ESG factors, (b) companies which cause, contribute, or are linked to violations of international norms and standards in a material manner or which are involved in incidents and/or events that pose a severe business or reputational risk to the relevant company due to the impact of its involvement on stakeholders or the environment and (c) companies with the lowest ESG score. The exclusion policies described above are collectively termed in this investment policy as the "ESG Filter"[3]. The Manager then filters the investment universe to identify and ensure that the investment universe comprises of companies that derive at least 20% of their total current revenues[4] from selling products and/or services which positively and materially impact one or more of the Outcomes (the "**Revenue Requirement**"). The Manager believes that 20% of a company's total current revenues is a sufficient filter in the context of creating an investment universe as further detailed impact analysis is subsequently carried out by

1 THE 17 GOALS \| Sustainable Development (un.org)

[2] All sector specific policies are accessible via the following link: https://www.axa-im.co.uk/responsible-investing/exclusion-policies

[3] AXA IM's ESG Standards policy is accessible via the following link: https://www.axa-im.co.uk/sites/uk/files/2021-03/20210316_RI%20Policy_EN_final1.pdf

[4] A company's current revenue figure is based on its last full year's reporting of its revenue.

achievement of the environmentally and socially focussed UN SDGs, its long-term strategic direction and the extent to which it makes such core products and services more accessible to society or commercially viable through innovation and new technologies, lower prices, or better distribution. The Manager will also take into account any controversies or harmful impacts of a company's activities on the people and/or planet, its corporate practices or its products or services which may have negative consequences for the people and/or planet.

Companies selected by the Manager for the Fund are deemed to provide products and services with an environmental or social benefit for the people and/or planet and make (or have the potential to make) a significant positive contribution to the targets set by the UN and the achievement of one or more of such UN SDGs. Companies will typically provide products and services in sectors such as healthcare, transport, sustainable energy production, education and food manufacturing which help to solve urgent and important societal and environmental problems reflected in the UN SDGs and their targets.

The Manager expects companies selected for the Fund to define clear criteria by which their positive contribution to the achievement of the UN SDGs can be measured. The Manager may also engage with companies to define clear objectives to achieve a significant positive contribution for the people and/or planet and will monitor the actions taken by companies to achieve these objectives.

In addition, the Manager will consider the company's environmental, social and governance (ESG) score as one factor within its broader analysis to identify companies which are expected to generate capital growth. The Manager believes that companies with higher ESG scores manage risk associated with ESG issues more effectively, contributing to better financial performance of such companies in the long term. ESG scores are obtained from our selected external provider(s) and adjusted by the Manager using its own research. The Manager will only consider the lowest scoring issuers in exceptional circumstances, such as where the Manager deems, through its own research, that the ESG score of the company or issuer does not accurately or fully reflect its current ESG profile.

To avoid investing in companies which present excessive degrees of ESG risk, the Manager applies AXA IM'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

the Manager to assess the materiality of the company's impact. The manager will not include a company in the investment universe of the Fund unless it reasonably believes that at least 20% of their total current revenues derives from selling products and/or services which positively and materially impact one or more of the Outcomes. When selecting investments for the Fund the Manager will apply its proprietary Impact Framework (the "**Impact Framework**") described below which consider multiple factors beyond a company's level of revenue.

To identify companies that meet the Revenue Requirement, the Manager will use the company's 'products and services' scores ("**P&S Scores**"). P&S Scores are provided by the Manager's selected third-party data provider and measure the amount of a company's revenues generated by products and/or services that directly contribute to targets and achievement of one or more of the UN Sustainable Development Goals ("**UN SDGs**").[5] The UN SDGs provide a globally accepted framework through which companies can align their strategic goals, products and services to help solve the global environmental and social challenges faced by people and planet. The objectives of the Fund are mapped to those UN SDGs for which assessed products and services could potentially be relevant. For example, "*renewables and grid*" is relevant for SDG 7 - Affordable & Clean Energy, "*responsible production and consumption*" is relevant for SDG 12 - Responsible Production and Consumption and "*healthcare solutions*" is relevant for SDG 3 – Good Health and Well-Being. The P&S Score also includes any negative effects a company may have on the environment or society by considering the extent to which its products and services may obstruct the achievement of one or more of the UN SDGs . The significance of the scale of any negative effects of a company's products and services is assessed and scored as a negative. A company with a P&S Score of 2 or more meets the Revenue Requirement, and the Manager will therefore consider such companies which have at least one P&S Score of 2 or above. The higher a company's P&S Score, the greater the proportion of a company's revenue derived from products and services that are deemed to provide environmental and social benefits for the people and/or planet. P&S Scores can range from -10.0, where 100% of a company's revenues are generated by products and/or services classified as having a significant negative impact on the targets and achievement of one or more of the UN SDGs, to 10.0, where 100% of a company's revenues are generated by products and/or services classified as having a significant contributing impact on the targets and achievement of one or more of the UN SDGs. The Manager may include a company with P&S Scores of less than 2 in the investment universe where the Manager

[5] THE 17 GOALS | Sustainable Development (un.org)

specific sectors (such as tobacco production, ecosystem protection and deforestation, controversial weapons and climate risks).

The Manager also applies the AXA Investment Managers' ESG Standards policy. This policy excludes investment in companies based on: manufacture of white phosphorus weapons; certain criteria relating to human rights and anti-corruption as well as other ESG factors. The AXA Investment Managers' ESG Standards policy and AXA IM'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 available from the Manager on request.

If the Manager 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, the Manager 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 in other transferable securities and units in collective investment schemes. The Fund may use derivatives for Efficient Portfolio Management. Use may be made of borrowing, cash holdings, hedging and other investment techniques permitted in the applicable FCA rules.

The Manager has full discretion to select investments for the Fund in line with the above investment policy and in doing so may take into consideration the MSCI All Country World Total Return Index (the "Index"). The Index is designed to measure equity market performance in global markets. However, the Manager invests on a discretionary basis with a significant degree of freedom to invest in companies which are outside the Index and in accordance with the above investment policy.

The Manager currently does not consider any available benchmark as suitable for use by investors to measure the Fund's performance against its sustainability objective. However, the Index best represents the types of companies in which the Fund may invest and may be used by investors to compare the Fund's financial performance.

It should be noted that the Fund does not have a carbon emissions or carbon intensity target and, in pursuing its aim of investing in and supporting companies whose activities contribute to the achievement of the environment focussed UN SDGs, it is possible that the carbon emission level of the Fund's portfolio may, at times, be higher than that of the Index. The Fund may, for example, invest in utility companies with high carbon emissions (relative to other sectors) but are deemed by the Manager to be leaders in the development and production of renewable energy. Further, in line deems, through its own research, that at least 20% of the company's revenue is generated by products and/or services that contribute to the targets and achievement of one or more of the UN SDGs or Outcomes and it does not have a significant adverse impact on the Outcomes. Where a company does not have P&S Scores, the Manager may estimate the percentage of the company's total current revenue which contributes to one or more of the Outcomes.

In order to identify companies that the Fund will allocate capital to, the Manager then applies its Impact Framework. The Impact Framework seeks to identify companies that are sustainably generating a significant positive impact on the Outcomes ("**Impact Leaders**" and "**Impact Contributors**" as defined below) and companies which it deems to be contributing positively to the Outcomes ("**SDG-Aligned**" as defined below). The Manager will carry out an impact assessment on each company, under which it will evaluate the impact of a company's products and/or services and their operations management to select: (i) companies that demonstrate intentional, strategic commitment to generate positive impact on the Outcomes (*intentionality*); (ii) companies that offer solutions that are materially significant to their beneficiaries (especially to poorly served populations and communities in developed, emerging and developing economies) and to the companies themselves (in terms of contribution to their revenue and growth potential) (*materiality*); and (iii) companies that offer the best and most accessible solutions, through innovation, affordability or broader distribution, and whose operational practices are driving progress in sustainability in their industries (*additionality*). The Manager will also assess how companies are addressing any negative impacts of their activities on the Outcomes (*negative externalities*) and how they measure and report KPIs on their impact on the Outcomes (*measurability*). To make its assessment under each of the above areas, the Manager will take into account a range of information, including the company's reports, relevant KPIs related to the company's products and/or services and operations, the company's relative performance compared to its industry peers and its performance over time. For each area (materiality, additionality, intentionality, measurability, negative externalities) the Manager will attribute a score of between 1 and 5 (1 being the best or highest and 5 the worst or lowest) to each area and calculate and weighted average overall score. The Manager attributes a greater weight to materiality and additionality as the Manager believes that these areas are indicative of the ultimate impact a product and/or service may provide. Based upon this score and the managers overall assessment, companies are rated as:

with its investment objective, it is likely the Fund will not invest in some sectors included in the Index that have low carbon emissions because they are not providing environmental solutions, such as the financial sector. Details of the Fund's ESG and environmental profile and the companies in which it invests which contribute to the environment focussed UN SDGs, are available in its ESG report at Fund Centre - AXA IM UK - Individual (axa-im.co.uk). The "Responsible Investment" section of this Prospectus contains details on the Manager's selected external provider(s) and the metrics used.	(i) "Impact Leaders", being those companies which have the best scores (2.2 or lower) and are deemed by the Manager to be sustainably generating a significant and material net positive impact on the Outcomes. Companies categorised as Impact Leaders include companies which generate significant *additionality* to make their products and/or services widely accessible and at a cost that means they are available to poorly served populations and communities in developed, emerging and developing economies. (ii) "Impact Contributors", being those companies which score well (2.7 or lower) and are deemed by the Manager to be sustainably generating a significant net positive impact on the Outcomes, however the Manager has identified factors which adversely affect their score and impact, such as *negative externalities* or a lack of disclosure on their positive or negative impact; (iii) "SDG-Aligned", being those companies whose score (3 or lower) does not merit a rating as "Impact Leader" or "Impact Contributor" but which are deemed by the Manager to be contributing positively to the Outcomes, however their net positive contribution considering the 5 areas of the impact assessment does not warrant a rating as an "Impact Contributor"; (iv) "Neutral", being those companies whose positive and negative impact to the Outcomes are similar (whether limited or material), such that they cancel each other out; (v) "Detractor", being those companies whose negative impact on the Outcomes exceeds their positive impact.

	The ratings attributed to companies under the Impact Framework are monitored regularly and are reviewed upon the emergence of any negative information that could reasonably be considered to affect the rating of a company, or otherwise at least every 2 years. The Fund invests at least 70% of its gross asset value in listed companies deemed to be Impact Leaders or Impact Contributors. The Fund will invest its remaining assets in: (a) for the purpose of achieving its financial objective, listed companies of any size based in developed or emerging economies but deemed to be SDG-Aligned; or (b) for liquidity purposes, as otherwise permitted under this investment policy. The Fund will not invest in companies rated as Neutral or Detractor. The Manager will select companies which it deems will be able to sustainably generate the most material positive impact on the Outcomes, and/or will respond most favourably to the Manager's engagement to achieve the same based on an analysis of (i) the materiality of the company's impact using the Manager's Impact Framework; (ii) the company's long-term strategy, its market and growth opportunities; (iii) it's competitive advantage; (iv) its business model, cost structure and customer base; (v) the quality of its management team and ability of the same to execute; (vi) the company's financial status; and (vii) the company's market value. The Fund will typically seek to maintain its investment in a company for a period of 3 to 5 years. The Manager seeks to avoid investing in companies that conflict with the Outcomes and will ultimately divest from companies which it no longer believes are delivering a positive impact towards the Outcomes. By applying the ESG Filter the Manager seeks to exclude companies which it considers present excessive degrees of environmental, social and governance risk. Further, as part of its analysis of companies the manager will consider a company's sustainability policies and practices, including its operations, supply chain, the product's and/or service's use and end-of-useful life together with the consequences of its future decommissioning or retirement. Based on this analysis, the Investment Manager assesses the company's quality and suitability for the Fund and will not invest in assets that conflict with the sustainability objective of the fund. The Manager cannot guarantee that there will not be any negative impacts associated with investments it makes and there is always the possibility of ancillary unintended impacts resulting from pursuing the Outcomes, please refer to "*Adverse consequences linked to pursuit of the Outcomes*" sections below. The Manager will engage with at least 70% of all the companies in the Fund every 12 months, comprising of engagement with those companies deemed to be Impact Leaders or Impact Contributors.

	The Manager will also engage with companies that are deemed to be SDG Aligned. The Manager engagement will focus on companies where it believes engagement can provide the most material positive impact on the Outcomes and/or where it can encourage companies to take appropriate action to mitigate any negative impacts on the Outcomes. Through its engagement, the Manager may seek to encourage companies to, for example, increase the production capacity of impactful products and services or make products and services more affordable through differentiated pricing and/or product design. The Manager aims to increase the percentage of companies in the Fund that report impact KPIs, set targets for their impact KPIs and are on track to meeting these targets. The Manager believes that its engagement with such companies will positively impact the achievement of the Fund's sustainability objective. As well as engaging with investee companies, the Manager will also support the boards of such companies by voting in favour of or against proposals in line with its corporate governance and voting policy which the Manager believes is consistent with achieving the Outcomes of the Fund. For more detail on the Manager's engagement and stewardship approach and our potential areas of engagement, please refer to the "*Stewardship and Engagement*" and "*Theory of Change*" sections below. The "*Responsible Investment*" section of this Prospectus contains further details on the Manager's selected external provider(s). Adverse consequences linked to pursuit of the Outcomes While the application of our exclusionary policies (the AXA IM sector specific investment guidelines and the AXA IM ESG Standards policy) aims to reduce the likelihood of exposure to poor ESG corporate practices and unsustainable business activities, nevertheless, there are some potential negative outcomes that could arise from pursuing the above investment strategy. The potential adverse consequences associated with addressing one or more of the Outcomes targeted by the Fund are: • Energy Transition: While transitioning away from fossil fuels is key to reducing carbon emissions from the energy sector, renewable energy generation infrastructure may disrupt local marine and land ecosystems. • Protection of biodiversity: While sustainable land use projects are designed to protect biodiversity, some companies, such as engineering and construction companies, may have negative environmental impacts through, for example, air and noise pollution and waste generation.

	Social Progress: While healthcare solutions support the development of life saving treatments and medical advancements, they can be misused, administered improperly or their quality and safety standards may be compromised, leading to an increase in adverse health outcomes. The misuse of healthcare products can contribute to the development of drug-resistant strains of infections, decrease in efficacy of treatments and strained healthcare resources. The Manager seeks to mitigate the risks associated with these trade-offs through (i) its qualitative impact assessments based on AXA IM's Proprietary Impact Framework; and (ii) engagement to ensure that companies are taking appropriate action to mitigate such risks and seeks to avoid investing in companies where it believes that the trade-off will have a significant negative impact on any of the Outcomes.
	Benchmark Information
	The Manager has full discretion to select investments for the Fund in line with the above investment policy and in doing so may take into consideration the MSCI All Country World Total Return Index (the "Index"). The Index is designed to measure equity market performance in global markets and best represents the markets in which the Fund may invest. However, the Manager invests on a discretionary basis with a significant degree of freedom to invest in companies which are outside the Index and in accordance with the above investment policy. This Fund is actively managed in reference to the Index, which may be used by investors to compare the Fund's financial performance. The fund manager currently does not consider any available benchmark as suitable for use by investors to measure the Fund's performance against its sustainability objective.

Appendix 2

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<td>Theory of Change</td>
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<u>Impact Context</u>

In the next decade and beyond the Manager believes there are three interconnected challenges that must be addressed in order to protect and support the global population (or “People”) and the environment (or “Planet”). These challenges can be summarised in three themes which are reflected in the three Outcomes the Fund seeks:

1) Energy Transition - the need to limit global temperature rise to 1.5 degrees and reach net zero global CO2 emissions by 2050 or earlier in order to reduce the risk of severe and irreversible climate change associated with drought, food shortage, frequent extreme weather events, mass forced migration and biodiversity loss. This will require a reduction in the level of CO2 currently present in the atmosphere. To fulfil key global decarbonisation and climate goals by 2050 (or earlier), it is estimated that annual investment in energy transition companies will need to increase by 3-4 times over the next three decades.

2) Protect Biodiversity – the need to stop biodiversity loss, aiming to protect the natural world and halt the decimation of critical ecosystems – like the world’s forests – and the species they house. The latest Living Planet Report dated October 2022 reveals global wildlife populations have plummeted by 69% on average over the past 50 years, due to excessive production and consumption and harmful practices to harvest and grow food. Biodiversity loss has wide ranging consequences on climate, public health, and international security and stability while the goal of halting biodiversity loss and land degradation needs investment four times higher than current levels. There is a need to rethink our production and consumption practices, including the decarbonization of the built environment.

3) Social Progress - the need for society to meet the basic human needs of its citizens, establish the building blocks that allow citizens and communities (often located in poorly served parts of, emerging and developing economies) to enhance and sustain the quality of their lives, and create the conditions for all individuals to reach their full potential. After 20 years of progress, inequalities in Human Development Index (HDI) values—which measure a country’s health, education and standard of living—are growing between countries at the bottom and countries at the top of the index. Following the 2020 and 2021 declines in the global HDI value, the latest report from the United Nations Development Programme shows that the path of human development progress shifted downwards and is now below the pre-2019 trend, threatening to entrench permanent losses in human development. Source: https://hdr.undp.org/content/human-development-report-2023-24.

The Manager believes that these 3 global challenges also require significant investment into the development of technology which enables and directly contributes to the creation of new solutions to tackle, climate change, biodiversity loss and key social issues.

<u>Our Strategy</u>

Our Fund’s strategy seeks to support social progress, the energy transition and the protection of biodiversity by investing into the following segments which each contribute to the Fund’s targeted Outcomes:
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Targeted Outcomes	Energy Transition	Biodiversity Protection	Social Progress
Solutions	Low Carbon Transport	Sustainable Food & Agriculture	Inclusion
	Renewables & Grid	Responsible Production & Consumption	Healthcare Solutions
	Energy Efficiency	Resilient Infrastructure	Protection
UN SDGs	7- Affordable & clean energy 9- Innovation & infrastructure 11- Sustainable cities and communities 13- Climate action	2 – Zero hunger 6 – Clean water & sanitation 12 – Responsible consumption & production 14 – Life under water 15 – Life on land	1- No poverty 2- Zero hunger 3- Good health & well-being 4- Quality education 5- Gender equality 6- Clean water & sanitation 7- Affordable & clean energy 8- Decent work & economic growth Industry 9- Innovation & infrastructure 10- Reduced inequalities 11- Sustainable cities and communities 16- Peace, justice, and strong institutions

The Manager aims to deliver a positive and measurable impact on the environment and on society by allocating capital to companies whose activities have a direct impact on the Outcomes ('**Asset Contribution**') and the Manager's own investment activities, primarily as an active investor that pursues engagement with and stewardship of the companies it invests in to effect changes that directly affect the targeted Outcomes of the Fund ('**Investor Contribution**').

Asset Contribution

Based on our analysis we believe that listed companies operating in and providing products and services in the sectors listed below will directly contribute to the Outcomes the Fund seeks to address. The Fund will therefore invest in listed companies in one or more of the following sectors:

ENERGY TRANSITION

The Fund will invest in companies which enable the transition to a low carbon economy across renewable energy, transport, and energy efficiency solutions.

- Low carbon transportation - Fossil fuels burned for road, rail, air, and marine transportation produce greenhouse gas emissions that contribute toward global warming. The Fund will therefore invest in companies that contribute to the electrification of the automotive industry (including producers of hybrid and electric vehicles) and low-carbon fuels.
- Energy efficiency - Buildings represent a large part of energy, water and materials consumption. As of 2020, buildings accounted for 37% of global energy use and energy-related CO2 emissions, which the United Nations estimate contributes to 33% of overall worldwide emissions. The manufacturing and production sectors account for 20% of global carbon emissions and 54% of global energy usage. The Fund will therefore invest in companies that provide decarbonization solutions for buildings (such as green building and smart building technologies) and improving the carbon footprint and resource efficiency of businesses (e.g. by industrial automation).
- Renewables and Grid - Replacing fossil fuel-reliant power stations with renewable energy sources, such as wind and solar, is a vital part of stabilising climate change and achieving net zero carbon emissions. The Fund will therefore invest in companies that develop or produce renewable energy at competitive prices and address the challenges related to renewable capacity or provide smart grid technology and energy storage solutions.

For example, the Fund may invest in one of the developers of renewable electricity generation. By offer clean power purchase agreements to corporates, it enables companies to meet their net-zero commitments, ultimately mitigating climate change.

PROTECTION OF BIODIVERSITY

The Fund will invest in companies which provide solutions that help halt and reverse biodiversity loss caused by humans as a result of land use and sea use change, climate change, pollution and the overexploitation of natural resources by transforming the agriculture industry, encouraging responsible production and consumption, and decarbonising infrastructure.

- Sustainable food and agriculture - The agriculture sector is responsible for 80% of deforestation and uses 50% of all habitable land, while one third of all food produced is wasted. Furthermore, agriculture represents 70% of all freshwater usage and it is estimated that more than half of it is wasted due to poor irrigation systems or inefficient application methods. Unsustainable expansion of agriculture has created serious environmental problems such as soil erosion, water pollution through agrochemicals, deforestation, and emission of greenhouse gases. The Fund will therefore invest in companies that develop precision agriculture, new ingredients and alternative protein. The use of precision agriculture and technology will enable farmers to meet the growing demand for food by reducing the depletion of freshwater resources, the use fertilisers and pesticides and pollution while increasing food production. Encouraging the development and production of new ingredients and alternatives to proteins will shift consumption away from meat and dairy to alternatives. Pursuing sustainable methods of food production and agriculture will relieve the pressure on our natural resources and in turn protect biodiversity of our planet.
- Resilient infrastructure – Most of the water on Earth is saline (i.e. seas and oceans), with freshwater making up just 3% of the water on earth. Areas of fresh water are also hotspots for biodiversity. The rising global population and climate change are increasing water scarcity and insecurity, especially in low-income countries. While water is inherently a non-substitutable and scarce resource, human actions are exacerbating the situation and it is estimated that 80% of wastewater is released untreated, degrading the quality of existing water supplies. We rely on a network of decaying pipes and infrastructure to treat and deliver our freshwater leading to the loss of water or consumption and the pollution of our waterways and seas. Water scarcity, water pollution and droughts are among the main pressures negatively affecting biodiversity. The Fund will therefore invest in companies that are leaders and innovators in the sustainable management of water, addressing water scarcity, quality and pollution by modernizing water network (reducing loss from leaks and therefore consumption), increase water recycling or support emerging water technology (which test for and remove contaminants from water). Further, innovative design and construction of resource efficient infrastructure and equipment that integrates biodiversity and natural capital into their design, development and ongoing operations and incorporates sustainable building practices that lessen the negative pressures on biodiversity and, in particular, water resources).
- Responsible production and consumption - The world's current rate of consumption is at an unsustainable level that harms biodiversity, exacerbates climate change and will worsen global inequalities. It is crucial that we move towards a more circular consumption model where more resources are re-used and recycled. Recycling aims to reduce the amount of primary extraction of materials which is energy and land use intensive. Packaging, especially polymers, are a major source of pollution in oceans and on land, making the impact of plastic on ecosystems one of the most important issues threatening biodiversity. The durability of plastic and the toxins, microplastics and additives it releases as it degrades are a particular threat to marine life. In addition, poor waste management leads to water, soil and air pollution and is a significant source of GHG emissions. The Fund will therefore invest in companies that develop sustainable materials, increase resource efficiency, facilitate waste management and recycling and advance the development of a circular economy. These companies contribute to the preservation of biodiversity as increasing recycling will reduce the amount of primary extraction of materials, which is energy and land use intensive, utilising innovative waste management equipment and treatment solutions reduces the use of scarce resources and developing

sustainable materials such as bio based, biodegradable or long-lasting alternatives reduces the need for primary resource extraction.

For example, the Fund may invest in (i) a water technology company with a portfolio of products and services for the management of scarce water resources and water networks (including water recycling or technologies that facilitate water and contaminant monitoring) or (ii) a company that provide services essential to build critical water infrastructure across the entire water value chain (from producing drinking water, to services relating to wastewater treatment). These solutions help to preserve water and prevent water pollution contributing to the protection of biodiversity by saving scarce freshwater resources and reducing the contamination of ground water, lakes, rivers, and oceans.

SOCIAL PROGRESS

The Fund will invest in companies providing solutions which help improve living standards for all, regardless of gender, country or socio-economic background (often to poorly served populations and communities in developed, emerging and developing economies.

- Inclusion - Social inclusion is key to reducing inequality, poverty and enabling investment in human development. Widening access to financial services, telecommunications and the internet, software, access to clean water in to poorly served populations and communities can help increase inclusion and improve living standards for all. The Fund will therefore invest in companies that widen access to financial products and services, provide and increase access essential infrastructure and resources (e.g. roads, clean water for human consumption and sanitation, energy, digital technology and telecommunication infrastructure) and support entrepreneurship and career development (e.g. providing loans to micro enterprises and solutions for small business and the self-employed to better manage their finances such as efficient bookkeeping, to manage their expenses or to file their taxes) regardless of gender and background and across developed, emerging and developing economies enabling people and communities to fully participate in society.
- Protection - Physical safety, financial protection, and cyber security are important to the wellbeing of both individuals and businesses. New risks to safety have emerged due to our increased reliance on technology and the threat of climate change for example. The risk of cyber-attacks increases as we move to virtual environments and the critical functioning of society increasingly relies on technology. The Fund will therefore invest in companies that enable physical safety, protect against financial loss caused by accidents, injuries, illness, and natural disasters and provide software and applications against cybercrime.
- Healthcare Solutions - An ageing population and data which shows an increase in chronic health conditions indicates increasing global healthcare costs met by already fragile public healthcare systems. The proportion of the global population spending over 10% of their household budget on health, out of pocket increased from 12.6% in 2015 to 13.5% in 2019 and affects approximately 1 billion people. The Fund will therefore invest in companies that provide affordable and quality products and services in the healthcare industry (often to poorly served populations and communities in developed, emerging and developing economies), such as biotechnology, pharmaceutical and medical equipment which help drive improvements in diagnosis and treatment of disease, lower barriers to access medical services and help people improve their lifestyle through diet, exercise or hygiene.

For example, the Fund may invest in:

Inclusion

(i) a bank primarily operating in a developing country in South-East Asia, facilitating inclusion by providing loans to micro enterprises and banking services to populations living in underserved rural areas.

(ii) a company providing telecommunications network infrastructure, facilitating inclusion by expanding access to telecommunication services in underserved areas. Increasing mobile internet coverage and use enhances the way people communicate, earn a living and access education and healthcare services.

(iii) a company operating a digital payment network, enabling companies (in developing and developed markets) to accept digital payments and gain greater access to the digital economy.

Protection

(i) a company providing cybersecurity solutions for customers including enterprises and government entities. This ensures that digital infrastructure remains reliable and resilient and reduce the threats from cybercrime.

(ii) a company providing property-casualty insurance and re-insurance, improving the resilience of its customers to climate related hazards and natural disasters around the world.

Healthcare Solutions

(i) a pharmaceutical company focused on discovering, developing and commercializing prescription medicines, vaccines and immune therapies. This contributes to social progress by providing a range of medical treatments for life-threatening communicable and non-communicable diseases and making these affordable and available in Emerging Markets.

(ii) a biotechnology company providing innovative treatments for various diseases, with a focus on addressing unmet clinical needs and a commitment to responsible pricing.

(iii) a company providing nutrition solutions, natural ingredient, healthier food and alternative proteins, contributing to social progress by enabling people to access to safe and nutritious food which in turn helps tackle malnutrition and improve immunity against disease.

Portfolio Structure

The Fund invests in listed companies of all sizes across developed and emerging economies. Public listed markets enable companies to reach a scale such that they are best placed to provide the solutions to the Outcomes. The Manager seeks to invest in companies which have the size and stability to deliver positive impact on the Outcomes at volume and over a long time period. The Manager aims to identify companies which have a strong competitive advantage, operating leverage, proven execution capabilities, a strong balance sheet and the potential to increase in value. The Manager aims to invest in companies with cutting edge product development, based on a belief that such companies will drive the transformation of the global economy necessary to address social issues, climate change and biodiversity loss. The Manager also aims to select companies that have a material portion of their business directed toward poorly served populations and communities in developed, emerging and developing economies, geographies in need, or providing solutions to the industries most exposed to the environmental and social issues the Fund seeks to address. The Manager has developed a set of KPIs and targets to measure the Fund's contribution to its sustainability objective and each of the targeted Outcomes. The Manager also monitors company specific KPIs and encourages companies to set company specific KPIs that contribute to the Outcomes. While the portfolio's sector and regional exposure is a result of bottom-up stock picking, the Manager aims to maintain a well-diversified portfolio.

Investor Contribution

The Manager aims to provide its Investor Contribution through;

1) Active stewardship activities with investee companies
2) Providing additional capital to investee companies

Engagement and stewardship activities with investee companies:

The Manager will engage with at least 70% of the companies in the Fund every 12 months, comprising of engagement with those companies deemed to be Impact Leaders or Impact Contributors and on topics related to the Fund's targeted Outcomes. The Manager will also engage with companies that are deemed to be SDG Aligned. The Manager systematically monitors its engagement with companies and will report on it each year. While the majority of the Manager's engagement with companies held by the Fund is based solely on the Fund's own holding and efforts, the Manager believes that collaboration with other investors (including its parent the AXA Group), stakeholders and industry bodies can help in the Fund achieving its Outcomes, particularly when targeting engagement with large companies. The Manager actively participates in industry initiatives and groups and often takes a leadership position. The Manager aims to retain its investment in companies on average over a 3-to-5 year horizon. This long-term investment horizon enables the Manager to carry out effective engagement with individual companies.

The Manager's engagements focus on enhancing the ability of investee companies to deliver positive impact on the targeted Outcomes. The Manager's engagement efforts focus on increasing the production capacity of impactful products and services or by making products and services more affordable through differentiated pricing or product design. The Manager also use engagement to encourage companies to set, enhance and report on KPIs directly related to the Outcomes. By encouraging companies to set and report against KPIs the targets become embedded into the business strategy and management's goals driving the direction of the company to continue to develop innovative solutions to the Outcomes.

The Manager also engages with companies to ensure they address any negative impact that a company may have in producing products or services to address the Outcomes.

A company's baseline impact performance is used as a starting point to assess a company's performance with regard to the Fund's Outcomes, identify engagement priorities and set engagement targets. The Managers in-depth analysis on companies allows it to identify the companies where its engagement can have a material impact in relation to the Fund's Outcomes and to select the most relevant engagements to target to contribute to the Fund's targeted outcomes.

The Manager will vote at companies' AGMs and EGMs. The Manager has a clearly defined corporate governance policy that has been developed to ensure investee companies adhere to the highest standards of good corporate governance. The Manager may vote in a way to ensure board independence, adherence to corporate ethics, environmental risks & climate-related disclosure, labour rights, and executive pay, alongside ESG topics which the Manager believes is consistent with achieving the Outcomes.

The Manager will measure and report annually on how its engagement activities contribute positively to the Fund's targeted Outcomes, as described in the '*Key Performance Indicators'* section under '*Engagement and Stewardship*' below.

Examples of the Managers engagement with companies may include engaging with:

- *Outcome targeted: Social Progress* - banks to ask them to set tangible targets for the growth of their portfolio of micro loans and continued support of the inclusion of the most underserved populations facilitating financial inclusion and social progress.

- *Outcome targeted: Social Progress* - providers of advanced therapies, asking them to reinforce existing access to medicine and adopt a more strategic and long-term approach to access initiatives. Company donating units of advanced therapies to developing countries, including products specifically manufactured for donation, contributes to social progress.
- *Outcome targeted: Protection of Biodiversity* - water utility companies to reduce the amount of drinking water lost every year due to water main breaks and leakages by, for example, encouraging companies to accelerate its transition to advanced metering infrastructure (AMI). As water leakages are reduced, scarce freshwater resources are preserved, protecting biodiversity.
- *Outcome targeted: Energy Transition/Protection of Biodiversity* – leading manufacturers and producers of recycled goods to ensure that their emissions will follow the company's long-term target pathway,

	encourage the adoption of reuse/recycling as a viable model for value creation and ensure offerings integrate sustainable design. • *Outcome targeted: Energy Transition* - Electric utilities, to encourage them to set targets for the growth of their renewable electricity generation capacity. These targets encourage the company to direct capital towards projects that increase the generation of electricity from renewable sources, hence supporting the energy transition to renewable sources. • companies, to encourage them to report scope 1, 2 and 3 carbon emissions and set SBTi-validated targets for their carbon emission reduction. Reporting and setting targets for carbon emissions helps companies improve their energy efficiency. As the companies start reporting emissions and commit to set science-based reduction targets, this contributes to the energy transition. Providing additional capital to investee companies: The Manager will aim to participate in follow-on offerings of the companies in our portfolio or IPOs in the market (and hence adding a stock to our portfolio), supporting the ability of these companies to continue their positive impact and/or accelerate their positive impact on the Fund's targeted outcomes, in line with the strategy's theory of change. The Manager will measure and report annually on such participation, as described in the '*Key Performance Indicators*' section under '*Capital provided directly to investee companies*' below.
Stewardship and Engagement	The Manager focuses on direct dialogue with companies to seek to create change within these companies. The Manager will seek to meet and engage with representatives of the investee company, which may include the board, senior management and operational specialists. The Manager challenges companies on their strategy and risks, financial and non-financial performance and their environmental, social, and governance policies. The Manager engages with companies with the aim of making the most material impact in relation to the Fund's Outcomes. The Manager sets clear and pre-defined engagement targets for companies which are aligned with delivering the Fund's Outcomes. The Manager focuses its engagement efforts on: (i) products and services, where the Manager seeks to encourage companies to (a) increase the production and distribution of impactful products and services, (b) accelerate the shift towards solutions that contribute to the Fund's impact objective, (c) allocate more capital, reinvest profits and increase Research & Development resources towards these solutions, (d) mitigate negative impacts that may arise from their products and services and move away from products and services with negative externalities and (e) delivering improvements to their business operations and/or supporting high quality management in order to support the delivery of the Funds impact objective. (ii) target setting and reporting, where the Manager seeks to encourage companies to set targets for their impact KPIs and report on these annually and transparently. The Manager also aims to increase the percentage of companies in the Fund that report impact KPIs, set targets for their impact KPIs and are on track to meeting these targets. Engagement themes include but are not limited to encouraging companies to: • increase lending to small entrepreneurs and/or female entrepreneurs in developing markets. • improve access to medicines, through, for example, implementing co-payment programs or entering into voluntary licensing agreements in developing markets. • make their products more affordable and accessible. • set targets related to Green House Gas emissions avoided by their products.

- set their own decarbonization targets around the positive outcomes of their products and solutions.
- increase the volume of electricity generation coming from renewables
- leverage new technologies to develop precision agricultural solutions and make these solutions more affordable to customers.
- setting and/or upgrading clear growth objectives for impact KPIs.
- report impact KPIs annually and transparently and set multi-year targets for their impact KPIs.

AXA IM also has a firmwide engagement policy, under which AXA IM as a firm will undertake engagements with investee companies with the aim of preserving or enhancing long-term value and creating better sustainable investment outcomes for its investors over the long-term. This policy pursues specific firmwide objectives which may vary over time. AXA IM's firmwide objectives may overlap with one or more Outcome. For information on AXA IM's engagement objectives and priorities and how these are selected, please refer to AXA IM's Engagement Policy.

The Manager will set expected time frames to reach the targets and monitors and reports progress every year. The Manager aims to retain its investment in companies on average over a 3-to-5 year horizon. This long-term investment horizon enables the Manager to carryout effective engagement with individual companies. The Manager systematically tracks each engagements progress across the stages outlined below, with a range of outcome stages ranking from a zero-to-five scale, and expected time periods for reaching each stage:

1: Engagement commences

2: Company Responds (3 months)

3: Insufficient progress, leading to escalation (6-18 months)

4: Company acknowledges issue (6-18 months)

5: Engagement Succeeds - milestone (24-36 months)

6: Engagement fails (24-36 months)

The Manager usually allows companies up to 36 months from engagement inception before closing an engagement. If a company fails to reach the target within the expected time frame, the Manager will use escalation techniques and potentially divest.

Alongside the Managers engagement activities, the Manager will also support investee companies by voting in favour of or against proposals line with its corporate governance and voting policy which the Manager believes is consistent with achieving the Outcomes of the Fund. Voting at company meetings is an important part of how the Manager communicates with investee companies, and it regularly engages companies before and after the vote. Voting may also occasionally be used as an escalation option if the Manager believes that engagement on a thematic issue has stalled.

AXA Investment Managers is a signatory to the UK Stewardship Code 2020, published by the Financial Reporting Council.

Escalation

Where there is little progress on the engagement with a company is otherwise unsatisfactory, the Manager will initiate an escalation engagement process.

Escalation options typically include:

- Targeting more senior individuals within the investee organisation;
- Collaborating with other investors: this can send a unified message through formal industry groups or ad-hoc associations

	- Voting against resolutions at company AGMs and EGMs that are inconsistent with or that conflict with its corporate governance and voting policy which the Manager believes is consistent with achieving the Outcomes. Divestment Where the Manager deems that a company no longer sufficiently contributes to the Outcomes, is failing to respond to the Manager's engagement efforts (i.e. the relevant investee company refuses to engage or the Manager sees no commitment on the company's part to define and/or achieve the engagement target) and/or the company conflicts with the Fund's sustainability objective, the Manager will usually divest from such company as soon as reasonably practicable, considering the best interests of the Fund's investors and in line with the Manager's best execution policy. Further details on our tracking and escalation methods, as well as our governance and oversight of our engagement approach, are contained in AXA IM's Engagement Policy. The Manager will use disinvestment as a persuasive strategy to compel companies to change their practices in cases where the Manager deems there is evidence (financially or otherwise) to indicate a decrease in the company's ability to deliver a positive impact on the Outcomes in a sustainable manner.
Key Performance Indicators	Asset contribution The Fund's key performance indicators ("KPIs") set out below are designed to allow investors in the Fund to measure the real-world positive impact of the Fund and its investments. The KPIs measure the progress of the Fund on each of the Outcomes the Fund seeks to address. A company's products and/or services are allocated to an Outcome (or Outcomes) at the point of Investment by the Manager based on the materiality of the contribution to each Outcome. The data used to report against the KPIs is provided in and extracted from companies annual audited financial statements and Sustainability Reports. These KPIs are not definitive and may vary year on year based on the assets held in the portfolio and may change over time as the impact reporting of the companies that the Fund invest in and the Manager engages with matures and becomes more innovative and sophisticated. The Manager has also identified an initial set of improvement targets over the next 6 years that it will seek to achieve however there can be no guarantee that these targets will be met. The KPIs and targets may be revised as companies' reporting evolves over time and changes in the portfolio composition. In order to calculate the number of the "number of people benefitting" per £1M invested by the Fund, the Manager will: (i) use the number of people accessing or utilising a product or service (the "Company KPI") from the company's reporting (ii) divide the Company KPI by the "*Enterprise Value Including Cash*" of the company in millions and (iii) multiply it by the weight of that company in the Fund's portfolio. This provides the "number of people benefitting" per £1M invested in Fund for each company. The company level contribution to the relevant KPI is then aggregated with all companies contributing that KPI to provide the Fund level contribution. The target increases over time are calculated using what the Manager believes are reasonable rates of growth to target however there is no guarantee that these will be achieved. • Social Progress The table below sets out the number of people the Fund has benefitted or will seek to benefit per £1 million pounds invested in companies whose products and/or services are directly aimed at improving living standards for all by accessing products and/or services that historically may have been less available to certain populations and communities in developed, emerging and developing economies, excluding them from opportunities and leading to unequal living standards.

Solutions Based KPIs	Number of people benefiting per £1 million invested by the Fund		
	End 2023	Target end 2026	Target end 2029
Total People benefiting from Inclusion through access	22	25	30
(i) to financial products & services	15	17	20
(ii) essential infrastructure and resources	4	5	6
(iii) products & services that help support entrepreneurship and career development	3	3	4
Total People benefiting from Protection through access to	138	160	185
(i) personal safety	137	159	184
(ii) insurance	1	1	1
(iii) cybersecurity (no. companies benefiting)	-	-	-
People benefiting from Healthcare solutions through access to medical products & services and wellbeing through diet, exercise or hygiene	130	151	175
(i) medical products & services	130	151	175
(ii) wellbeing through diet, exercise or hygiene	-	-	-

- Energy Transition

The table below sets out (i) the amount of CO_2 emissions in tonnes the Fund has avoided or will seek to avoid and (ii) the amount of renewable energy the Fund has produced per £1 million pounds invested in companies whose products and/or services are directly aimed at facilitating the energy transition.

Solutions Based KPIs	Per £1 million invested by the Fund		
	End 2023	Target end 2026	Target end 2029
Low Carbon Transportation (avoided emissions in tonnes CO2)	1.2	1.5	1.8
Energy Efficiency (avoided Green House Gas emissions in tonnes CO2)	95.0	116.4	142.5
Generation Capacity installed and operated at the end of the year (Gigawatts)	16.8	20.6	25.2

- Biodiversity

The table below sets out the:

(i) number of people the Fund has benefitted or will seek to benefit from water infrastructure services reflecting the reduction in demand on freshwater resources through increased efficiency of water use and the volume and toxicity of wastewater entering the natural environment and (ii) amount waste materials collected and processed or which it will seek to collect and process for reuse reflecting the reduction in the volume and toxicity of waste materials that enter the natural environment and (iii) acres covered or which it seeks to cover by sustainable agriculture technology reflecting the reduction of the use of water and pesticides and pollution while increasing food production

per £1 million pounds invested in companies whose products and/or services directly target halting of biodiversity loss and land degradation.

Solutions Based KPIs	Per £1 million invested by the Fund		
	End 2023	Target end 2026	Target end 2029
Resilient infrastructure (no. people benefiting from water infrastructure solutions)	9	11	12
Responsible Production and Consumption (tons of waste materials collected and processed for reuse per year)	1.4	1.6	1.9
Sustainable Food and Agriculture (acres covered by sustainable agriculture technology per year)	23.0	26.6	30.8

- Research & Development investment:

The table below sets out the Research & Development investment by companies that provide the technology required to address the three Outcomes above per £1 million pounds invested in companies, as well as the Fund's targets for such investment.

	Research &Development investments £ per £1 million invested by the Fund		
	End 2023	Target end 2026	Target end 2029
	3,538	4,096	4,742

In each of the tables above, figures in column "End 2023" were calculated using portfolio holdings as of 31/03/2024 and using the most recent full year KPI numbers that were available at the time of the calculations.

Investor contribution

(i) Engagement and Stewardship

The Manager will measure and report annually in "AXA People & Planet Equity Fund Impact Report" on how its engagement activities contribute positively to the Fund's targeted Outcomes, and therefore to achieving a positive environmental and/or social impact it seeks. This measurement and reporting will provide quantitative data (including the number of engagement targets that are achieved by the companies the Fund is invested in) and a qualitative assessment, with a narrative disclosure explaining how and the Manager's engagement activities contributed to positive developments in the investee companies' and their contributions to the Fund's targeted Outcomes. The Manager believes that a qualitative measurement of its engagement efforts is appropriate because it engages with investee companies on various objectives related to the Fund's targeted Outcomes, and the impact of the Managers engagements cannot be fully captured by quantitative indicators.

	End March 2023	Target end 2026	Target end 2029
Companies reporting impact KPIs	75%	78%	81%
Companies setting targets for impact KPIs	27%	32%	37%
Companies on track to meet their KPI targets	25%	30%	35%

(ii) Capital provided directly to investee companies

The Manager will report annually on any participation in follow-on offerings of equity in any companies in the Fund's portfolio or any IPOs in which the Fund participates.