



## AXA WORLD FUNDS

(the "Sicav")

A Luxembourg Société d'Investissement à Capital Variable

Registered Office: 49, avenue J. F. Kennedy  
L-1855 Luxembourg  
Commercial Register: Luxembourg, B-63.116

12 September 2019

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**  
**IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.**

Dear Shareholders,

We are pleased to inform you that the directors of the Sicav (the "**Directors**") have decided to introduce a number of changes to the Hong Kong Offering Memorandum and/or the Product Key Facts Statements (collectively, the "**Hong Kong Offering Documents**"), which will enable it to look after your interests more effectively.

*Except as otherwise specified in this notice, words and expressions contained hereafter shall have the same meaning as in the Hong Kong Offering Memorandum.*

- I. **Amendment to the "Risks" Section for several sub-funds**
- II. **Amendment to the investment strategies for several sub-funds to invest in contingent convertible bonds and consequent amendment of the related "Risks" Sections**
- III. **Amendment of the investment strategies of several sub-funds to clarify that there is no limitation on the portion of the sub-funds' assets which can be invested in any one country or region**
- IV. **Amendment to the investment strategies of several sub-funds to apply AXA IM ESG Standards**
- V. **Amendment of the section "Risk Descriptions", paragraph "Specific Risks"**
- VI. **Update of the table "Minimum Subscription and Holding Exceptions – Currency"**
- VII. **Update of the section "Investing in the Sub-Funds", paragraph "How NAV is Calculated"**
- VIII. **Update of the section "Investing in the Sub-Funds", paragraph "Measures to Combat Illicit and Detrimental Activities"**

- IX. Update of the section “Terms with Specific Meanings”**
- X. Update of the list of directors of the Sicav and of the list of directors of the management company of the Sicav in the Hong Kong Offering Memorandum**
- XI. Cleaning up, correction of typos and omissions**

### I. Amendment to the “Risks” Section for several sub-funds

The Directors decided to review and amend the “Risks” sections of the following sub-funds as detailed below, in order to ensure consistency within the Hong Kong Offering Documents and enhance transparency towards the shareholders. Therefore, such amendments are not the consequence of a change in the respective investment strategies of the sub-funds listed below:

Name of the sub-fund / Type of change	Addition	Renaming
AXA World Funds – Framlington Europe Real Estate Securities	Addition of the “Derivatives and leverage risk”	Renaming of the risk denominated “Real estate securities risk” to “Investments in real estate securities and REITs risk”
AXA World Funds – Framlington Global Real Estate Securities		Renaming of the risk denominated “Real estate securities risk” to “Investments in real estate securities and REITs risk”

**These changes mentioned above will take effect on 19 September 2019.**

### II. Amendment to the investment strategies for several sub-funds to invest in contingent convertible bonds and consequent amendment of the related “Risks” Sections

1. The Directors decided to amend the investment strategies of the sub-funds listed below by adding the following sentence in the section “Investment Strategy” of each sub-fund: “*The Sub-Fund may invest up to 5% of net assets in contingent convertible bonds (CoCos)*”. For the avoidance of doubt, there is no change in the current investment strategies of the sub-funds in practice.

- **AXA World Funds – Asian High Yield Bonds**
- **AXA World Funds – Asian Short Duration Bonds**
- **AXA World Funds – Global Inflation Bonds**
- **AXA World Funds – Emerging Markets Short Duration Bonds**

2. The Directors decided to amend the investment strategies of the sub-funds listed below by adding the following sentence in the section “Investment Strategy” of each sub-fund: “*The Sub-Fund may invest up to 10% of net assets in contingent convertible bonds (CoCos)*”. For the avoidance of doubt, there is no change in the current investment strategies of the sub-funds in practice.

- **AXA World Funds – Global High Yield Bonds**
- **AXA World Funds – US High Yield Bonds**

As a consequence, the Directors decided to amend the “Risks” Sections of the above sub-funds in order to add among the specific risks the following one: (i) “Contingent convertible bonds risk”.

**These changes mentioned above will take effect on 14 October 2019.**

**Shareholders who do not agree with such changes may request the redemption of their shares free of charge up to 14 October 2019.**

### III. Amendment of the investment strategies of several sub-funds to clarify that there is no limitation on the portion of the sub-funds’ assets which can be invested in any one country or region

The Directors decided to amend the investment strategies of the sub-funds listed below by adding the following sentence in the section “Investment Strategy” of each sub-fund: “*The Sub-Fund is not subject to any limitation on the portion of its net assets that may be invested in any one country or region*”. For

the avoidance of doubt, there is no change in the current investment strategies of the sub-funds in practice.

- **AXA World Funds – Framlington Global Real Estate Securities**
- **AXA World Funds – Framlington Global Convertibles**
- **AXA World Funds – Framlington Longevity Economy**

**This change mentioned above will have an immediate effect.**

#### **IV. Amendment to the investment strategies of several sub-funds to apply AXA IM ESG Standards**

The Directors decided to amend the investment strategies of the sub-funds listed below by adding the following sentence in the section “Investment Strategy” of each sub-fund: “*The Sub-Fund applies AXA IM ESG Standards available on [www.axa-im.com.hk](http://www.axa-im.com.hk). The AXA IM ESG Standards set out the criteria to integrate Environmental (environmental risks), Social (human capital management) and Governance (corporate governance, business and reputation issues) (ESG) factors into the investment process.*” Please note that the website has not been reviewed by the SFC and may contain information of the funds not authorised by the SFC.

- **AXA World Funds – Framlington Euro Opportunities**
- **AXA World Funds – Framlington Europe Opportunities**
- **AXA World Funds – Framlington Emerging Markets**
- **AXA World Funds – Framlington Longevity Economy**

**These changes mentioned above will take effect on 14 October 2019.**

**Shareholders who do not agree with such changes may request the redemption of their shares free of charge up to 14 October 2019.**

#### **V. Amendment of the section “Risk Descriptions”, paragraph “Specific Risks”**

The Directors decided to amend the section “Risk Descriptions”, paragraph “Specific Risks” in order to

- (a) change denomination of the risk “Real estate securities risk” with “Investments in real estate securities and REITs risk”;
- (b) amend the previous risk description by replacing the following wording:
  - (i) “*Investors should note that investing in Sub-Funds that are investing in listed securities of companies engaged in the real estate industry are subject to certain risks associated with direct ownership of real estate and with the real estate sector in general. For example, overbuilding; oversupply of, or reduced demand for, commercial and residential real estate; changes in market rental rates; potential declines in the value of real estate; risks related to general, local and international economic conditions; possible lack of availability of mortgage funds; extended vacancies of properties; increases in competition, property taxes and operating expenses; changes in zoning laws; costs resulting from the clean-up of, and liability to third parties for damages resulting from, environmental problems; casualty or condemnation losses; uninsured damages from floods, earthquakes or other natural disasters; limitations on and variations in rents; increases in interest rates; and depreciation of buildings over time, etc.*”

With the following new risk description:

- (ii) “*Investors should note that investing in Sub-Funds that are investing in listed securities of companies engaged in the real estate industry are subject to certain risks associated with direct ownership of real estate and with the real estate sector in general. For example, overbuilding; oversupply of, or reduced demand for, commercial and residential real estate; changes in market rental rates; potential declines in the value of real estate; risks related to general, local and international economic conditions; possible lack of availability of*

*mortgage funds; extended vacancies of properties; increases in competition, property taxes and operating expenses; changes in zoning laws; costs resulting from the clean-up of, and liability to third parties for damages resulting from, environmental problems; casualty or condemnation losses; uninsured damages from floods, earthquakes or other natural disasters; limitations on and variations in rents; increases in interest rates; and depreciation of buildings over time, etc.*

*Besides, the value of real estate securities and REITs may be affected by the condition of the economy as a whole and by the changes related to the state and valuation of the real estate businesses which is of a cyclical nature, mainly sensitive to interest rate level and rental income. The REITs are impacted by the creditworthiness of the issuer of the investments and the level of taxes, liquidity of the credit markets and the real estate regulatory environment.”*

**These changes mentioned above will take effect on 19 September 2019.**

#### **VI. Update of the table “Minimum Subscription and Holding Exceptions – Currency”**

The Directors decided to update the table “Minimum Subscription and Holding Exceptions – Currency” by removing the following sub-funds:

- **AXA World Funds - Framlington American Growth**
- **AXA World Funds – Framlington Emerging Markets**
- **AXA World Funds – Framlington Longevity Economy**
- **AXA World Funds – Global High Yield Bonds**
- **AXA World Funds – US High Yield Bonds**

**This change mentioned above will have an immediate effect.**

#### **VII. Update of the section “Investing in the Sub-Funds”, paragraph “How NAV is Calculated”**

The Directors decided to update the section “Investing in the Sub-Funds”, paragraph “How NAV is Calculated”, sub-paragraph “How the SICAV Values Assets” by:

(i) Removing the following bullet point:

- *“The value of money market instruments not listed or dealt in on any regulated market, stock exchange in an Other State or any another regulated market and with remaining maturity of less than 12 months. Valued by the amortized cost method, which approximates market value”, and*

(ii) Adding the following ones:

- **“Money market instruments listed or traded on any regulated market, stock exchange in an Other State or another regulated market. Valued at the closing price on such markets. If a security is listed or traded on several markets, the closing price of the market which constitutes the main market for such securities, will be determining”**
- **“Money market instruments not listed or traded on any regulated market, stock exchange in an Other State or another regulated market. Valued at their last available price”.**

The Directors further decided to update the section “Investing in the Sub-Funds”, paragraph “How NAV is Calculated”, sub-paragraph “Fair Market Valuation” in order to:

(i) Add the following information:

*“The fair value of an item is the price at which two people agree to exchange the item (security, bond, real estate, etc.). The purpose is then to define the price of an asset when*

*the market is unable to provide the fair value (e.g. when the market is closed, when a security is delisted or when the market is not liquid, etc.) based on models or proxies, etc.”*

(ii) Clarify that in the event that extraordinary circumstances render valuations impracticable or inadequate, the Sicav is authorised, prudently and in good faith, to follow other rules that the Board deems more accurate to achieve a fair valuation of the Sicav’s assets.

(iii) Add the following information:

*“Fair valuation might be used, for example, where the underlying markets are closed for business at the time of calculating the NAV of certain Sub-Funds or where governments chose to impose fiscal or transaction charges on foreign investment. The Board may set specific thresholds that, where exceeded, result in adjustment to the value of the SICAV’s assets to their fair value.”*

(iv) Clarify that the Sicav has implemented internal procedures regarding the Fair Market Valuation.

(v) Add the following information:

*“In certain circumstances the Board may be required to provide fair value prices for certain assets of the SICAV and that, in such circumstances, the Board’s “fair value” may diverge significantly from the next available market price of such assets.*

*The process and conduct of fair valuation will be done by the management company in consultation with the depositary.”*

**These changes mentioned above will have an immediate effect.**

**VIII. Update of the section “Investing in the Sub-Funds”, paragraph “Measures to Combat Illicit and Detrimental Activities”**

The Directors decided to update the section “Investing in the Sub-Funds”, paragraph “Measures to Combat Illicit and Detrimental Activities” by replacing “Late” with “Excessive” in the title “Market Timing and Late Trading”.

**This change mentioned above will have an immediate effect.**

**IX. Update of the section “Terms with Specific Meanings”**

The Directors decided to update the section “Terms with Specific Meanings” by adding the following “REITs” definition:

*“Real estate companies and Real Investment Trusts which are entities dedicated to owning, and in most cases, managing real estate. This may include, but is not limited to, real estate in the residential (apartments), commercial (shopping centres, offices) and industrial (factories, warehouses) sectors. Certain REITs may also engage in real estate financing transactions and other real estate development activities. The legal structure of a REIT, its investment restrictions and the regulatory and taxation regimes to which it is subject will differ depending on the jurisdictions in which it is established.”*

**This change mentioned above will have an immediate effect.**

**X. Update of the list of directors of the Sicav and of the list of directors of the management company of the Sicav in the Hong Kong Offering Memorandum**

Further to the appointments of Mr. de Taffanel de la Jonquière and Mr. Flavier and Mr. Burke as directors of the Sicav, the appointment of Mr. Lequeue as directors of the management company of the Sicav and the resignations of:

- Mrs. Sauloup, Mr. Gissler and Mr. Christory from the board of directors of the Sicav, and
  - Mr. O'Driscoll from the board of directors of the management company of the Sicav,
- the Directors decided to update the related lists in the Hong Kong Offering Memorandum.

**These changes mentioned above will have an immediate effect.**

#### **XI. Cleaning up, correction of typos and omissions**

The Directors decided to update the Hong Kong Offering Documents with minor amendments in order to clean it up, correct typos and omissions.

**These changes mentioned above will have an immediate effect.**

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The revised Hong Kong Offering Documents, taking into account the changes mentioned in this notice, will be available in due course for inspection free of charge at any time during normal business hours at the office of the Hong Kong Representative. The revised Hong Kong Offering Documents will also be available online at: [www.axa-im.com.hk](http://www.axa-im.com.hk). Shareholders should note that the website has not been reviewed by the SFC.

Shareholders in Hong Kong may contact the Hong Kong Representative, AXA Investment Managers Asia Limited, at Suites 3603 – 06, 36/F, One Taikoo Place, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong (Tel: (852) 2285 2000) should you have any questions.

The Board of Directors of the Sicav accepts full responsibility for the accuracy of the contents of this document.

Yours faithfully,

The Board of Directors  
AXA World Funds