



## 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

30 May 2016

**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 the Product Key Facts Statements (collectively, the "Hong Kong Offering Documents") relating to certain sub-funds, which will enable it to look after your interests more effectively.

Please refer to the relevant sub-fund(s) as indicated below in order to find out whether there are any changes affecting the sub-funds in which you hold shares.

- I. **Modification of the investment policy**
- II. **Other amendments to the Hong Kong Offering Documents**

## **I – Modification of the investment policy**

I.1. The Directors have decided to amend the investment policy of the following sub-fund so as to allow the sub-fund to invest up to 10% of its net assets in China A-Shares (i.e. securities issued by companies incorporated in the People's Republic of China ("PRC") and listed on stock exchanges in the PRC) through the Shanghai-Hong Kong Stock Connect (the "Stock Connect") which is a securities trading and clearing linked program with an aim to achieve mutual stock market access between the PRC and Hong Kong.

- **AXA World Funds – Framlington Emerging Markets**

**This change mentioned above will take effect on the 1 July 2016.**

**Shareholders who do not agree with such changes may request the redemption of their shares free of charge up to 1 July 2016.**

## **II – Other amendments to the Hong Kong Offering Documents**

### **▪ Special Risk Considerations**

The Directors have decided to amend the "Special Risk Considerations" section of the Hong Kong Offering Memorandum so as to add risk consideration linked to the investment in China through the Stock Connect program.

**This change mentioned above will take effect on the 1 July 2016.**

### **▪ Fees, Charges and Expenses**

The Directors have decided to change the way according to which fees, reasonable disbursements and out-of-pocket expense incurred by the Sicav, the custodian, the domiciliary agent, the paying agent and the administrative and registrar agent and the depositary of the bearer shares are paid out of the assets of the Sicav and decides that with effect from 1 July 2016 the management company will be paid a lump sum ("Applied Service Fee") which will cover such fees, disbursements and expenses. This change seeks to protect the Shareholders from fluctuations in the ordinary operating expenses.

Consequently the Directors have decided that (i) the yearly total amount of these expenses to be charged to each share class of the Sicav will be up to 0.50% of the net asset value of the relevant share class and (ii) the level of the effective or actual Applied Service Fee might be below the maximum level with different fixed Applied Service Fee rates applicable across share classes. Please refer to Annex I to this letter for the current effective Applied Service Fee rate for each share class.

The Applied Service Fee is fixed in the sense that the management company will bear the excess in actual ordinary operating expenses to any such Applied Service Fee charged to the relevant share class. Conversely, the management company will be entitled to retain any amount of Applied Service Fee charged to the relevant share class exceeding the actual ordinary operating expenses incurred by the respective share classes.

The Applied Service Fee is accrued to each calculation of the net asset value and included in the calculation of the ongoing charges of each share class.

In cases where any ordinary operating expenses are paid directly by the Sicav out of its assets, the Applied Service Fee amount due by the Sicav to the management company will be reduced accordingly.

In return for the Applied Service Fee, the management company shall then provide and/or procure, on behalf of the Sicav, several services and bears all expenses (including any reasonable out-of-pocket

expenses) incurred in the day-to-day operations and administration of the share classes , including but not limited to:

- Custodian fees except transaction related fees;
- Auditor's fees;
- Directors' fees and expenses, and remuneration of officers and employees of the Sicav: any Director of the Sicav will be entitled to a fee in remuneration for their services as a Director or in their capacity as a member of any committee of the board of Directors;
- The Luxembourg 'Taxe d'abonnement';
- Share class currency hedging cost;
- the registrar agent, the domiciliary and administrative agent, any paying agent, the depositary of bearer shares, and of any representatives in jurisdictions where the shares are qualified for sale, and of all other agents employed on behalf of the Sicav; such remuneration may be based on the net assets of the Sicav or on a transaction basis or may be a fixed sum;
- the cost of preparing, printing and publishing in such languages as are necessary, and distributing offering information or documents concerning the Sicav, annual and semi-annual reports and such other reports or documents, as may be allowed or required under the applicable laws or regulations of the jurisdictions or the authorities where the shares are qualified for sale;
- registrars' fees;
- the cost of printing certificates and proxies;
- the cost of preparing and filing the articles of incorporation and all other documents concerning the Sicav, including registration statements and offering circulars with all authorities (including local securities dealers' associations) having jurisdiction over the Sicav or the offering of shares;
- the cost of qualifying the Sicav or the sale of shares in any jurisdiction or of a listing on any exchange;
- the cost of accounting and bookkeeping;
- legal fees;
- the cost of preparing, printing, publishing and distributing public notices and other communications to the Shareholders;
- the cost of calculating the net asset value of each share class;
- insurance, postage, telephone and telex and any communication mean;
- distribution and sales support costs (including costs charged by local routing order platforms, local transfer agent costs, local representative agent and the translation costs); and
- all similar charges and expenses.

The Applied Service Fee does not cover any cost or expense incurred by a share class or sub-fund in respect of:

- all taxes which may be due on the assets and the income of the Sicav (to the exception of the Luxembourg Taxe d'Abonnement listed above);
- the cost of investment dealing (including usual banking and brokerage fees due on transactions involving portfolio securities of each sub-fund, the latter to be included in the acquisition price and to be deducted from the selling price);
- fees linked to reduction of duration exposure of RedEx share classes paid to the Investment Manager and hedging fees linked to SolEx share class (Please note that these share classes are not offered to Hong Kong retail investors);
- Correspondent and other banking charges;
- Securities lending fees - the agent carrying out securities lending and repurchase agreement activities for its services. The details of the remuneration will set out in the annual report of the Sicav relative to the relevant sub-fund;
- extraordinary expenses including but not limited to expenses that would not be considered as ordinary expenses: litigation expenses, exceptional measures, particularly legal, business or tax expert appraisals or legal proceedings undertaken to protect Shareholders' interests, any expense linked to non-routine arrangements made by the domiciliary agent, the registrar and

transfer agent and the listing agent in the interests of the investors and all similar charges and expenses. Marketing and advertising expenses will not be paid by the Sicav in respect of the sub-funds whilst the sub-funds are authorised in Hong Kong.

A portion of commissions paid to selected brokers for certain portfolio transactions may be repaid to the sub-funds which generated the commissions with these brokers and may be used to offset expenses.

The Directors have further decided that, by way of a board resolution, the Sicav may amend at any time upon prior notice to the relevant Shareholders the current or maximum levels of Applied Service Fee applicable to all share classes.

The Directors draw the attention of the Shareholders to that the setup and the monitoring of such new system of payment of fees will constitute an increase of the administrative fee. Thus, the introduction of Applied Service Fee may result in increase in the overall fees and expenses for the sub-funds or the Sicav. The total ongoing charges chargeable to each sub-fund comprise of the fixed annual management fee, the Applied Service Fee and certain miscellaneous fees and expenses not covered in the Applied Service Fee as set out above. The table in Annex I to this letter is a comparison between the ongoing charges ratio of each share class based on the financial year ended 31 December 2015 and the estimated, ongoing charges ratio of each share class after introduction of the Applied Service Fee. Please note that the estimated ongoing charges ratios are estimated according to the best knowledge of the Directors in light of the current situation of the sub-funds. The estimated ongoing charges ratios may be different from the actual figures and the actual figures may vary from year to year. Shareholders may refer to the annual financial reports for the effective Applied Service Fee charged for each year.

This change will not result in any changes in the manner in which the sub-funds or the Sicav are being managed and will not result in any change in the investment objectives and strategies and risk profiles of the sub-funds or the Sicav.

The fees and expenses relating to this change represents less than 0.0014% of the assets under management of the Sicav as of 31 December 2015 and will be borne by the Sicav.

**This change mentioned above will take effect on the 1 July 2016.**

**Shareholders who do not agree with such changes may request the redemption of their shares free of charge up to 1 July 2016.**

▪ **Update of information**

The Directors have decided to update the following information in the Hong Kong Offering Documents:

- The deletion of the reference made to one member of the board of directors of the management company;
- The address of AXA Investment Managers Paris acting as investment manager of certain sub-funds of the Sicav;
- Clarificatory updates, typos and editing issues.

**These changes mentioned above will take effect on the 1 July 2016.**

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The Hong Kong Offering Documents, taking into account the changes mentioned in this letter, will be available at the registered office of the Sicav and by contacting us 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. Hong Kong investors should refer to the revised Hong Kong Offering Documents which will be available in due course, free of charge, at the office of the Hong Kong Representative.

Shareholders in Hong Kong may contact the Hong Kong Representative, AXA Rosenberg Investment Management Asia Pacific Limited, at 57/F, One Island East, 18 Westlands Road, Quarry Bay, Hong Kong (Tel: (852) 2285 2000) should you have any questions.

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

Yours faithfully,

The Board of Directors  
AXA World Funds

## Annex I

Sub-fund / share class	Ongoing charges ratio based on the financial year ended 31 December 2015	Estimated ongoing charges ratio after introduction of Applied Service Fee <sup>1</sup>	Current effective Applied Service Fee rate
AXA World Funds – Framlington Europe Opportunities - Class A capitalisation (USD Hedged 95%)	1.69%	1.79%	0.28%
AXA World Funds – Framlington Europe Opportunities - Class A capitalisation (EUR)	1.65%	1.75%	0.24%
AXA World Funds – Framlington Europe Opportunities - Class F capitalisation (EUR)	0.91%	1.01%	0.25%
AXA World Funds – Framlington Health - Class A capitalisation (USD)	1.91%	2.01%	0.24%
AXA World Funds – Framlington Health - Class F capitalisation (USD)	1.07%	1.17%	0.25%
AXA World Funds – Framlington Europe Real Estate Securities - Class A capitalisation (USD Hedged 95%)	1.69%	1.79%	0.28%
AXA World Funds – Framlington Europe Real Estate Securities - Class A capitalisation (EUR)	1.65%	1.75%	0.24%
AXA World Funds – Framlington Europe Real Estate Securities - Class A distribution quarterly (USD Hedged 95%)	1.68%	1.78%	0.27%
AXA World Funds – Framlington Europe Real Estate Securities - Class A distribution quarterly (HKD Hedged 95%)	1.69%	1.79%	0.28%
AXA World Funds – Framlington Europe Real Estate Securities - Class F capitalisation (EUR)	0.90%	1.00%	0.24%
AXA World Funds – Framlington Global Real Estate Securities - Class A capitalisation (USD)	1.91%	2.01%	0.25%
AXA World Funds – Framlington Global Real Estate Securities - Class A distribution monthly (USD)	1.90%	2.00%	0.24%
AXA World Funds – Framlington Global Real Estate Securities - Class F capitalisation (USD)	1.05%	1.15%	0.24%
AXA World Funds – Framlington Euro Relative Value - Class A capitalisation (USD Hedged 95%)	1.73% <sup>2</sup>	1.83%	0.27%
AXA World Funds – Framlington Euro Relative Value - Class A capitalisation (EUR)	1.71%	1.81%	0.25%
AXA World Funds – Framlington Global	1.74% <sup>3</sup>	1.84%	0.28%

<sup>1</sup> This figure is an estimate only and represents the sum of the estimated ongoing expenses chargeable to this share class of the sub-fund expressed as a percentage of this share class' estimated average net asset value of the share class over a 12-month period.

<sup>2</sup> As this share class has not been incepted, this figure is an estimate only and represents the sum of the estimated ongoing expenses chargeable to this share class of the sub-fund expressed as a percentage of this share class' estimated average net asset value of the share class over a 12-month period.

Convertibles - Class HK capitalisation (USD Hedged 95%)			
AXA World Funds – Framlington Emerging Markets - Class A capitalisation (USD)	1.77%	1.87%	0.33%
AXA World Funds – Framlington Emerging Markets - Class A capitalisation (EUR)	1.78%	1.88%	0.34%
AXA World Funds – Framlington American Growth - Class A capitalisation (USD)	1.65%	1.75%	0.24%
AXA World Funds – Global Inflation Bonds - Class A capitalisation (USD Hedged 95%)	0.78%	0.86%	0.25%
AXA World Funds – Global Inflation Bonds - Class A capitalisation (EUR)	0.76%	0.84%	0.23%
AXA World Funds – Universal Inflation Bonds - Class A capitalisation (USD)	0.98%	1.06%	0.25%
AXA World Funds – Universal Inflation Bonds - Class A distribution quarterly (USD)	0.98%	1.06%	0.25%
AXA World Funds – Universal Inflation Bonds - Class A distribution quarterly (SGD hedged 95%)	1.01%	1.09%	0.28%
AXA World Funds – US High Yield Bonds - Class A capitalisation (USD)	1.35%	1.44%	0.23%
AXA World Funds – US High Yield Bonds - Class A distribution monthly (USD)	1.35%	1.44%	0.23%

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<sup>3</sup> As this is a new share class, this figure is an estimate only and represents the sum of the estimated ongoing expenses chargeable to this share class of the sub-fund expressed as a percentage of this share class' estimated average net asset value of the share class over a 12-month period.