



AXA WORLD FUNDS
(the "Company")
A Luxembourg Société d'Investissement à Capital Variable

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

7 June 2023

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 Company (the "**Directors**" or together composing the board of directors of the Company, also referred to as the "**Board**") have decided to introduce a number of changes to the prospectus of the Company (the "**Prospectus**"), 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 Prospectus.

PART 1 – CHANGES RELATED TO THE SUB-FUNDS

1. **Reshaping of the Investment Objective and Strategy of "Framlington Emerging Markets" (the "Sub-Fund") to be renamed "Emerging Markets Responsible Equity QI"**
2. **Replacement of the sustainability indicator used by certain Sub-Funds**
3. **Update of the Investment Strategy of certain Sub-Funds in light of certain Taiwan investment guidelines constraints**

PART 2 – GENERAL CHANGES

4. **Creation of and amendments to Share Classes of the Company**
5. **Update of the "Depositary" section**
6. **Miscellaneous**

PART 1 – CHANGES RELATED TO THE SUB-FUNDS

1. Reshaping of the Investment Objective and Strategy of “Framlington Emerging Markets” (the “Sub-Fund”) to be renamed “Emerging Markets Responsible Equity QI”

The Board has decided to proceed with the reshaping of the Sub-Fund in order to (i) increase the ESG approach of the Sub-Fund, (ii) use the Equity QI management process, (iii) rename the Sub-Fund as “Emerging Markets Responsible Equity QI” and (iv) replace the Investment Manager following the restructuring of the Framlington and Rosenberg teams.

Therefore, the Prospectus supplement, SFDR annex and PRIIPs KID of the Sub-Fund will be amended accordingly and the new sub-sections “Objective”, “Investment Strategy”, and “Management Process” will read as follows:

Objective: To seek long-term growth return of your investment, in USD, above that of the MSCI Emerging Markets Total Return Net Index (the “Benchmark”), from an actively managed listed equity, equity-related securities and derivatives portfolio and to apply an ESG approach.

Investment Strategy The Sub-Fund is actively managed in order to capture opportunities in emerging market equities worldwide, by mainly investing in equities of companies that are part of the MSCI Emerging Markets Total Return Net benchmark index (the “Benchmark”). The investment universe of the Sub-Fund may extend to equity securities listed in countries of the Benchmark that are not constituents of the Benchmark. As part of the investment process, the Investment Manager has broad discretion over the composition of the Sub-Fund’s portfolio and can take, based on its investment convictions, large overweight or underweight positions on the countries, sectors or companies compared to the Benchmark’s composition and/or take exposure to companies, countries or sectors not included in the Benchmark, even though the Benchmark constituents are generally representative of the Sub-Fund’s portfolio. Thus, the deviation from the Benchmark is likely to be significant. For the sake of clarity, the Benchmark is a broad market index that does not necessarily consider in its composition or calculation methodology the ESG characteristics promoted by the Sub-Fund.

The Sub-Fund invests in equities of companies in emerging markets.

Specifically, the Sub-Fund invests at least two thirds of net assets in equities and equity-related securities of companies that are domiciled or do most of their business in emerging countries. Emerging countries are generally considered low or middle income countries by of the World Bank or countries included in any recognised emerging market index. Investment is made in developing countries in companies which in the Investment Manager’s opinion, show above average profitability, management quality and growth Benchmark. The Sub-Fund may invest in equity securities of any market capitalisation (including mid and small and micro sized capitalization companies).

The Investment Manager’s approach to portfolio construction is largely systematic and an optimiser is used to structure the portfolio in a way that is intended to meet the investment objective. The optimiser is designed to consider each stock’s factor exposure alongside its ESG scoring, Carbon Intensity and/or Water Intensity indicators. This process tilts the portfolio toward stocks with higher ESG scores and lower Carbon Intensity and/or Water Intensity while maintaining the desired factor exposure. The decision to hold, buy or sell a security is based on both financial and non-financial data.

The Sub-Fund may invest up to one third of net assets in money market instruments, up to 10% in A Shares listed in the Shanghai Hong Kong Stock Connect and up to 10% in bonds, including convertible bonds and Sub-Investment Grade and/or unrated sovereign debt securities that might be issued or guaranteed by any single country (including its government and any public or local authority there) Shenzhen and Shanghai Hong Kong Stock Connect.

The Sub-Fund may invest up to 10% of net assets in UCITS and/or UCIs.

The Sub-Fund promotes environmental and/or social characteristics by investing in securities that have implemented good practices in terms of managing their environmental, governance and social (“ESG”) practices.

More information about the promotion of environmental and/or social characteristics is available in the relative SFDR annex of the Sub-Fund.

Management Process The Investment Manager uses a 2-step approach: 1/ defining the eligible universe after application of a first exclusion filter, as described in AXA IM's Sectorial Exclusion and ESG Standards Policies and 2/ proprietary quantitative process designed to identify fundamental drivers of risk and return while seeking to significantly improve the Sub-Fund's ESG profile compared to that of the Benchmark ~~a strategy that combines macro-economic, sector and companies' specific analysis. The securities selection process relies on a rigorous analysis of the companies' business model, management quality, growth prospects and risk/return profile.~~

As a consequence of the above, the risk "method and model" (linked to the use of the systematic models developed by AXA IM Equity QI) has been added in the specific risks section of the Sub-Fund's dedicated Prospectus supplement.

The above amendments will furthermore require a partial rebalancing of the portfolio of the Sub-Fund, which would entail estimated costs of approximately 0.17% of the NAV.

Following the combination of the Rosenberg and Framlington investment platforms on 1 January 2022, it has been decided to now use the equity quantitative investment approach (developed by the AXA IM Equity QI team, in the UK) for the Sub-Fund, and as a consequence to replace AXA Investment Manager Asia Ltd. (Hong Kong SAR) by AXA Investment Managers UK Ltd. It is not anticipated that this change of platform or replacement of the Investment Manager will impact your investment, nor the services provided as the Investment Manager will provide substantially the same services. This change will have no negative impact on fees.

In addition, the Board has decided to decrease the maximum management fees of each share class of the Sub-Fund, except for the BX share class, following the appointment of AXA Investment Managers UK Ltd as new investment manager, as follows:

- Share class "A": from 1.70% to 0.60%
- Share class "BL": from 1.70% to 0.60%

In the 'Derivatives and Efficient Management Portfolio Techniques' section, the Board has finally decided to delete the reference to "bonds" in the sentence "main types of assets in scope are bonds and equities" as all investments in the Sub-Funds are of an equity nature.

These changes will take effect on 7 July 2023, i.e. one month after the date of the present Notice.

Shareholders who do not agree with such changes may request the redemption of their shares free of charge until 7 July 2023.

2. Replacement of the sustainability indicator used by certain Sub-Funds

In relation to the French's Socially Responsible Investment ("SRI") label, the auditors have recently adopted a new position in relation to the use of certain key performance indicators ("KPI"), notably the "Carbon Delta Technology Opportunity (1.5C)" and have recommended to replace it.

The Board has therefore been decided to amend the SFDR annexes of the Sub-Fund in order to replace the Carbon Delta Technology Opportunity (1.5C) as specified below and as further described in the SFDR annexes:

- ACT – Clean Economy (label obtained in October 2019): replacement by (i) the level of Renewable Energy Production (MWh/€M EVIC) and (ii) the percentage of portfolio companies

in the GSS Watchlist & Non-compliant of the Sub-Funds and its Benchmark;

In that respect, the Board also updated the section “Terms with Specific Meanings” in the general part of the Prospectus in order to add the following definition of “Renewable Energy Production (MWh) / €M EVIC”:

“Metric provided by Trucost which represent the number of megawatt hours of renewable energy produced per million euros invested using the EVIC. The following renewable energy sources are considered in the calculation methodology: Biomass Power Generation; Geothermal Power Generation; Hydroelectric Power Generation; Solar Power Generation; Wave & Tidal Power Generation; and Wind Power Generation. For more details on the methodology, please refer to [trucost_environmental_data_methodology_guide.pdf](#) ([spglobal.com](#))”.

It is not anticipated that these changes will have an impact on the respective portfolio composition of the Sub-Funds.

These changes will take effect on 7 July 2023, i.e. one month after the date of the present Notice.

Shareholders who do not agree with such changes may request the redemption of their shares free of charge until 7 July 2023.

3. Update of the Investment Strategy of certain Sub-Funds in light of certain Taiwan investment guidelines constraints

Certain Sub-Funds are registered for distribution in Taiwan and in order to align their investment strategy with the relevant local investment limits requirements, the Board has decided to complete and clarify the “Investment Strategy” section of the relevant Sub-Funds’ dedicated Prospectus supplement and PRIIPs-KID as follows:

Name of the sub-fund	Amended wording
US High Yield Bonds	<p>The Sub-Fund may also invest in the following, up to the portion of net assets shown:</p> <ul style="list-style-type: none"> • money market instruments: one third • convertible securities: less than <u>210%</u> <u>(including contingent convertible bonds (CoCos))</u> • equities and equity related securities: one tenth <p>The Sub-Fund may invest up to 10% of net assets in contingent convertible bonds (CoCos).</p> <p><u>The Sub-Fund's portfolio has a weighted average duration of no less than one year.</u></p>
Optimal Income	<p>Specifically, the Sub-Fund invests in or is exposed to up to 400<u>90</u>% of its net assets in one or more of the following asset classes:</p> <p><u>equities including high dividend equities (with a minimum of investment of 25% of net assets in equities, at all times); and up to 100% of its net assets in one or more of the following asset classes:</u></p> <p><u>fixed income securities issued by governments, Investment Grade Securities issued by companies that are domiciled or listed in Europe and/or money market instruments.</u></p> <p>The Sub-Fund may invest in or be exposed to (in % of its net assets):</p> <ul style="list-style-type: none"> • Up to 50% in callable bonds, • up to 20%: equities from issuers based outside Europe,

	<p>including Chinese A Shares listed in the Shanghai Hong Kong Stock Connect;</p> <ul style="list-style-type: none"> • up to 20%: Sub-Investment Grade Securities; • up to 40%: securities from emerging markets; • up to 15%: securities traded on the CIBM through Bond Connect; • up to 10% : securitisation vehicles or equivalent such as asset-backed securities (ABS), collateralised debt obligations (CDO) or collateralised loan obligations (CLO) or any similar assets of any currency and of any rating (or unrated); • up to 5%: contingent convertible bonds (CoCos). <p>The Sub-Fund may invest in or be exposed to:</p> <ul style="list-style-type: none"> • <u>up to 20% equities from issuers based outside Europe, including Chinese A Shares listed in the Shanghai Hong-Kong Stock Connect;</u> • <u>up to 15%: securities traded on the CIBM through Bond Connect;</u> being understood that in aggregate, such investments in mainland China related securities market may not exceed 20% of net assets.
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It is not anticipated that these changes will have an impact on the respective portfolio composition of the Sub-Funds.

These changes will take effect on 7 July 2023, i.e. one month after the date of the present Notice.

Shareholders who do not agree with such changes may request the redemption of their shares free of charge until 7 July 2023.

PART 2 – GENERAL CHANGES

4. Creation of and amendments to Share Classes of the Company

The Board has decided to amend the Share Classes Table of the general part of the Prospectus and where applicable, the relevant Sub-Funds' specifics as follows:

- to amend the column "Notes" of the "BL" Share Class in the table detailing the characteristics of Share Classes within the general part of the Prospectus in order to (i) include a precise date for the automatic conversion into "A" shares, that is the 15th day of the relevant month (or, if it is not a Business Day, on the next dealing day) and (ii) provide for the possibility to have exceptions in relation to conversions into shares having the same features in terms of distribution.
- to remove the Minimum Initial Investment and Minimum Balance of the "T" Share Class.

These changes take effect immediately, i.e. at the date of the publication of the updated prospectus.

5. Update of the "Depositary" section

Following comments received on the Prospectus from State Street Bank International GmbH, Luxembourg Branch, as Depositary of the Company, it has been decided to slightly adapt the depositary clause of the main part of the Prospectus, notably the section on conflicts of interests, with a limited number of non-material changes.

This change takes effect immediately, i.e. at the date of the publication of the updated prospectus.

6. Miscellaneous

The Board has finally decided to implement in the Prospectus a limited number of other clerical changes, amendments, clarifications, corrections, adjustments and/or updates, including reference updates and adjustments of defined terms, including the following:

- Removal of the reference to the former names of previously renamed Sub-Funds.
- Update of the “Derivatives and leverage risk” wording to take into account that Sub-Funds subject Article 9 of the SFDR will not use derivatives for investment purposes.
- Update of the Emerging markets risk disclaimer to reflect market evolutions of the past few years.
- Amendment of the RQFII and QFII risk sections following the merger of these two regimes and subsequent renaming of the relevant risk.
- Addition of AXA Investment Managers IF as securities lending and repurchase agent and insertion of its contact details in the “Service Providers” section.
- Update of the “General Investment Rules for UCITS” section in order to complete and clarify certain eligible investments as follows: *“Sub-Funds may, within the limits set out in the 2010 Law, invest in other UCIs, including exchange traded funds (including, but not limited to, REITs, commodities funds, exchange-traded funds, hedged funds). In addition, Sub-Funds may take exposure to alternative assets through the investment in units or shares of special purpose acquisition companies, listed closed-ended funds, including REITs of any legal form, having exposure to commodities, infrastructure, private equity and hedge funds strategies and/or real estate assets, provided that such units or shares qualify as eligible transferable securities under applicable Luxembourg laws and regulations”*.
- Minor updates of the “Management Company” section regarding the filing date of the latest articles of incorporation of the Management Company with the *greffe du tribunal de commerce de Nanterre* and the description of the function of certain members of its board of directors.
- Update of the address of AXA Investment Managers Asia (Singapore) Ltd. in the “Service Providers” section.
- Update of certain contact details of certain agents of the Company in the “Country-Specific Information” section.

Update regarding (i) the order of the Sub-Funds, (ii) the table of contents and (iii) the table which indicates the ESG classification for each concerned Sub-Fund.

- **These changes take effect immediately, i.e. at the date of the publication of the updated prospectus.**

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The Prospectus, taking into account the changes mentioned in this letter, will be available at the registered office of the Company.

Yours faithfully,

The Board of Directors
AXA World Fund