

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

4 December 2023

Dear ,

Proposed Closure of AXA Sterling Index Linked Bond Fund

AXA Investment Managers UK Limited (referred to in this Letter as “**AXA IM**” or “**we**”) has taken the decision to close the AXA Sterling Index Linked Bond Fund (the “**Fund**”), a sub-fund of the AXA Fixed Interest Investment Company ICVC. Our reasons for this decision and the options open to you are explained below.

Over the past three years the Fund has largely experienced significant annual net outflows: (2022: approx. -£41 million; 2021: approx. -£13.5 million; 2020: approx. -£37.5 million).

We are aware that, due to the continuing reduction in the size of the Fund, the Fund is no longer viable in the long term and as such, investors will cease to receive the benefit and value of pooling their investments in the Fund. Further, there does not appear to be any prospect of a resurgence of demand in this Fund, its asset class or its strategy, to attract sufficient new inflows to make the Fund value for money.

In light of this, and to avoid the remaining shareholders being unduly disadvantaged, we have decided to close the Fund.

We have the consent of the Fund’s Depositary, HSBC Bank plc, to close the Fund and also the consent of the Financial Conduct Authority (“FCA”), under the relevant regulations, to change the Fund’s documents to reflect its closure. The FCA’s consent is not a recommendation or endorsement of the Fund’s closure.

It is anticipated that closure will begin immediately following the suspension of dealing in the Fund on 22 February 2024, or on such other date as may be notified to you (the “**Fund Closure Date**”). The Fund will also not be processing new subscriptions, including through direct debit or through a regular savings facility, from 4 December 2023. We have set out the options available to you below. These include options for you to remain invested with AXA IM.

Options for direct investors (Non-ISA holders)

There are three options available. You can:

1. switch your shareholding(s) to any other AXA IM fund available to UK investors (including the AXA Global Strategic Bond Fund and the AXA Defensive Distribution Fund) without any initial or switching charge. The last date for doing this is 12p.m. on 22 February 2024;

Please note: Key Investor Information Documents for all AXA IM funds are available on our website Home - AXA IM UK (axa-im.co.uk)

2. sell your shareholding and have the proceeds sent to you. You can do this at any time up until 12p.m. on 22 February 2024;

or

3. hold your investment to the Fund Closure Date, after which, your proceeds will be sent to you. **Please note that this is also the default option if you do not choose either of the options above.**

Please note that a sale or switch of your share holding will constitute a disposal of shares for Capital Gains Tax purposes for Non-ISA holders. If you have any questions about the tax consequences of this Letter please consult your tax or financial adviser.

For more information please call 0845 777 5511 or consult our website. Please quote: AXA STERLING INDEX LINKED BOND FUND SWITCH when making a switch.

You may, of course, choose to exercise any of these options at any time from receipt of this Letter.

We recommend that you consult with your financial adviser as to the suitability of any alternative AXA IM fund. The options outlined above and below do not constitute financial advice.

Options for ISA Holders

There are four options available. You can:

1. switch your ISA holding to any other AXA IM fund (including the AXA Global Strategic Bond Fund and the AXA Defensive Distribution Fund) without any initial or switching charge (and there will be no impact on the ISA);

Please note: Key Investor Information Documents for all AXA IM funds are available on our website Home - AXA IM UK (axa-im.co.uk)

2. choose an alternative ISA plan manager and transfer your ISA investment to another fund not managed by AXA IM.

Your chosen plan manager will need to submit the appropriate transfer instructions to us by 12 February 2024. Provided these are submitted no later than this date, your transfer will be carried out as soon as practicable (and there will be no impact on your ISA);

3. sell your ISA holding and have the proceeds sent to you* (and your ISA holding in the Fund will be terminated); or

or

4. hold your ISA holding to the Fund Closure Date, after which your proceeds will be sent to you. Your ISA holding in the Fund will be terminated*. Please note that this is also the default option if you choose to do nothing.

* Please note that if you choose option 3 or 4, you will lose the tax benefits of your ISA.

For more information please call 0845 777 5511 or consult our website Home - AXA IM UK (axa-im.co.uk). Please quote: AXA STERLING INDEX LINKED BOND FUND SWITCH when making your switch.

You may, of course, choose to exercise any of these options at any time from receipt of this Letter.

We recommend that you consult with your financial adviser as to the suitability of any alternative AXA IM fund or ISA plan provider.

What are the cost implications of this closure?

AXA IM will not charge you for transferring investments or for selling your holding and sending you the proceeds, but, if you elect Option 2 as an ISA Holder, you should check with your new plan manager what charges, if any, they may levy.

Furthermore, costs of closure of the Fund will not be charged to the Fund, but will be paid by AXA IM. There will be transaction costs associated with liquidating the portfolio holdings prior to closure (i.e. turning the fund to cash). These transaction costs will be charged to the Fund.

Other important information

Windfall

In the unlikely circumstance that we receive a future windfall related to the assets within the Fund after the closure of the Fund, your entitlement will be sent to you by cheque along with a tax voucher. We will be unable to transfer these amounts to your new plan manager if you have chosen Option 2 as an ISA Holder.

Dilution adjustment

You should be aware that where it is appropriate and in the best interests of continuing shareholders in the Fund, we may decide to apply a dilution adjustment in accordance with the terms of the prospectus of AXA Fixed Interest Investment Company ICVC.

What you need to do

PLEASE CHOOSE ONE OF THE OPTIONS AVAILABLE TO YOU AS A NON-ISA HOLDER OR AN ISA HOLDER. IF YOU DO NOT CHOOSE, YOUR INVESTMENT IN THE FUND WILL BE SOLD AND THE PROCEEDS SENT TO YOU AFTER THE FUND CLOSURE DATE.

It is important that you understand, in detail, all of the options available to you. If you do not understand any point, you should speak with your financial adviser.

If you have any questions about the contents of this Letter and the action that you need to take, please contact the AXA IM Customer Services team on 0845 777 5511 (Monday to Friday 9.00am-5.30pm). Please note that telephone calls may be recorded. You may also contact the AXA IM Customer Services team via email by sending your query to firm.queries@fca.org.uk. Please note that the AXA IM Customer Services team is not authorised to give financial or tax advice.

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Marcello Arona
Director
For and on behalf of AXA Investment Managers UK Limited

