



BNP PARIBAS ASSET MANAGEMENT

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.

Date: 27 August 2026

Dear Investor,

A New Brand and Changes to AXA Green Short Duration Bond Fund (the "Fund")

We, AXA Investment Managers UK Limited, are writing to you in our role as the Authorised Corporate Director of the Fund, which is a sub-fund of AXA Fixed Interest Investment ICVC (the "**Company**").

The purpose of this letter is to inform you of some planned changes to the Company and the Fund. Although the changes do not require shareholder approval, and you are not required to take any action, we recommend that you read this letter carefully.

The Financial Conduct Authority ("**FCA**") has been notified of the changes and has confirmed that they will not affect the ongoing authorisation of the Fund. Under the FCA's Rules, you are entitled to a minimum of 60 days' advance notice of the changes because we regard the investment policy aspects of them as "significant" for the purposes of the Rules, and this letter constitutes that notice.

What is changing?

The Company's name and the name and investment policy of the Fund will change as described below. As explained, however, the Fund's core investment philosophy, process and risk profile will remain unaltered after the changes take effect.

Branding and Name Changes

First, you may be aware that in July 2025 AXA Investment Managers was acquired by BNP Paribas. We have been operating within the enlarged BNP Paribas Asset Management group since the start of this year, using its branding on our fund literature, investor communications and website. We are now announcing that, as part of the next stage of the rebranding, AXA Investment Managers UK Limited's name will be changed to "**BNP PARIBAS ASSET MANAGEMENT (UK) Limited**".

Also as part of the reorganisation, the names of the umbrella investment companies and of the Funds which we manage are being changed so that they align with BNP Paribas branding and naming conventions. Consequently, the names of the Company and the Fund will change as set out below:

The Company - Current Name	The Company - New Name
AXA Fixed Interest Investment ICVC	BNP Paribas AM(UK) Fixed Interest Investment ICVC

The Fund - Current Name	The Fund - New Name
AXA Green Short Duration Bond Fund	BNP Paribas AM(UK) Short Duration Green Bond Fund

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www.bnpparibas-am.com/

Registered in England and Wales no 01431068. Registered office as above.
Authorised and regulated by the Financial Conduct Authority and a member of the Investment Association

Following their implementation, these changes will be reflected in the Fund's legal documents and in our reporting and other communications with investors.

Investment Policy - ESG Criteria and Related Changes

Second, and as a consequence of our integration within the BNP Paribas Group, we are making some changes relating to the environmental, social and governance (ESG) criteria which are applied as part of the Fund's investment policy. These changes will update the description of the exclusions and screening methods used, including our ESG scoring framework, as we move to adopt the BNP Paribas Group standards for responsible investment (governed by its Responsible Business Conduct Policy) in place of the AXA Investment Managers guidelines which are currently followed.

The corresponding AXA Investment Managers and BNP Paribas Asset Management policies are closely aligned on ESG-based exclusions and standards. The exclusions applying to equity and fixed income corporates are very compatible in terms of the sectors and issues covered, including on the exclusion of companies based on norms-based screening and standards. There is also a nearly complete match (around 95% of the total number) between the sovereign issuers which are currently excluded and those that will continue to be excluded when the changes take effect. There are just two sovereign issuers which we exclude currently and which will become eligible, in certain restricted circumstances, but these are emerging markets in which the Fund is highly unlikely to invest.

Also, the aim and effect of the ESG scoring methodology will remain the same, with no change (under the BNP Paribas Asset Management policy) to the purpose or influence of a company's ESG score in the overall investment decision-making process. We will continue to use MSCI as the primary external data provider for scoring corporate issuers (equities and fixed income holdings), with Beyond Ratings (a new external provider) and internal fundamental analysis as the primary inputs for sovereign issuers' scores going forward.

In addition to the changes described above, we are making some minor updates to the wording in the investment policy. These cover notably the substitution of references to the BNP Paribas Green Bond Framework in place of the current AXA Investment Managers Green Bond Framework. This is essentially a change of name, and there will not be any change to the purpose, influence and overall approach, or to the practical effect, of the methodology in the Fund's investment process.

Details of the changes being made to the Fund's investment policy are provided for your review in the **Appendix** to this letter.

Will the investment policy changes result in a change to the Fund's investment objective or risk profile?

No, the changes described in this notification are being made to align the Fund with BNP Paribas Group processes, and there will be no material change in practice to how the Fund is managed. The existing investment strategy will continue to be followed, and the investment policy changes will not alter the Fund's investment objective or risk profile.

Please note also that the Fund will continue to use a "Sustainability Impact" label under the FCA's labelling regime for products which seek to achieve positive outcomes by investing in assets that have the potential to achieve a positive impact on environmental and / or social sustainability.

When will the changes take effect?

The name changes will take effect on **30 November 2026**. The amended investment policy of the Fund will be effective from **11 January 2027**.

What is the cost of making these changes?

We will meet the costs of amending the Fund's documentation to reflect the changes described in this letter and the costs associated with notifying shareholders.

It is expected that any realignment of the Fund's assets following the changes outlined above, and the resulting trading costs, will be minimal only. Any disinvestment required (for example, resulting from the adoption of the BNP Paribas Group exclusions) will be carried out in the ordinary management of the Fund, thereby reducing the impact to investors.

Further Information

The Prospectus for the Company and its sub-funds (the "**Prospectus**") and the Fund's Key Investor Information documents ("**KIIDs**") will be amended and republished to reflect the coming into effect of the changes described in this notification. Copies of the Prospectus, the KIIDs, and the Consumer Facing Disclosure document which provides investors with information regarding the sustainability characteristics of the Fund (the "**CFD**") are available on our website <https://www.axa-im.co.uk>.

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 KIID(s) or the CFD, please contact our Customer Services team by phone on 0345 777 5511 (Monday to Friday 9.00am - 5.30pm) or via email on axa-im@uk.dstsyste.ms.com. Alternatively, please contact your usual local representative.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ouajnat', with a long horizontal flourish extending to the right.

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

Appendix

Changes to the Investment Policy of the Fund

With effect from 11 January 2027, the investment policy of the Fund will be amended as set out below.

Current Investment Policy	Amended Investment Policy
The Fund seeks to achieve its objective by investing at least 90% of its Gross Asset Value in publicly listed Green Bonds typically purchased in the secondary market issued by governments, supranational organisations and companies anywhere in the world which finance projects directly contributing to the Outcome and/or one or more of the Solutions. The Fund invests at least 80% of its Net Asset Value in investment grade bonds (meaning bonds with a rating of at least BBB- by Standard & Poor or equivalent rating by Moody's or Fitch), with a maximum of 10% in sub-investment grade bonds. At least 70% of the Fund's Net Asset Value will be invested in bonds of shorter (i) maturities (where the full repayment of the bond is expected to occur within five years of its purchase by the Fund) and (ii) duration, the price sensitivity of a bond (or a portfolio of bonds) to a change in interest rates (where the duration of the Fund is expected to be between 0 and 5 years), with the aim of reducing the effect of fluctuations in interest rates. The ACD will aim to hedge any non-sterling denominated bonds back to sterling. The Fund may also invest at the ACD's discretion in other transferable securities (for example, other fixed income investments) for the purpose of achieving its financial objective. Cash, deposits, borrowing and money market funds and instruments may be held for liquidity purposes. The Fund may use derivatives (such as credit default swaps, interest rate futures and foreign exchange swaps) for hedging. No investments falling in this category will conflict with the Fund's sustainability objective. When defining the Funds investment universe, the ACD will initially seek to exclude issuers which the ACD considers present excessive degrees of environmental, social and governance ("ESG") risk by applying (i) AXA IM's sector-specific investment guidelines, which exclude investment in soft commodity derivatives or exposure to certain issuers	The Fund seeks to achieve its objective by investing at least 90% of its Gross Asset Value in publicly listed Green Bonds typically purchased in the secondary market issued by governments, supranational organisations and companies anywhere in the world which finance projects directly contributing to the Outcome and/or one or more of the Solutions. The Fund invests at least 80% of its Net Asset Value in investment grade bonds (meaning bonds with a rating of at least BBB- by Standard & Poor or equivalent rating by Moody's or Fitch), with a maximum of 10% in sub-investment grade bonds. At least 70% of the Fund's Net Asset Value will be invested in bonds of shorter (i) maturities (where the full repayment of the bond is expected to occur within five years of its purchase by the Fund) and (ii) duration, the price sensitivity of a bond (or a portfolio of bonds) to a change in interest rates (where the duration of the Fund is expected to be between 0 and 5 years), with the aim of reducing the effect of fluctuations in interest rates. The ACD will aim to hedge any non-sterling denominated bonds back to sterling. The Fund may also invest at the ACD's discretion in other transferable securities (for example, other fixed income investments) for the purpose of achieving its financial objective. Cash, deposits, borrowing and money market funds and instruments may be held for liquidity purposes. The Fund may use derivatives (such as credit default swaps, interest rate futures and foreign exchange swaps) for hedging. No investments falling in this category will conflict with the Fund's sustainability objective. When defining the Fund's investment universe, the ACD will initially seek to exclude issuers which the ACD considers present excessive degrees of environmental, social and governance ("ESG") risk by systematically applying BNP Paribas Asset Management's firm-wide approach to ESG integration, including the Responsible Business

based on their involvement in sectors such as unsustainable palm oil production, controversial weapons, tobacco production and climate risks, and (ii) AXA IM's ESG Standards policy, which excludes investment in issuers based on, (a) the manufacture of white phosphorus weapons, and certain criteria relating to human rights and anti-corruption, as well as other ESG factors, (b) issuers 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) issuers with the lowest ESG score. The exclusion policies described above are collectively termed in this investment policy as the "ESG Filter". The ACD applies the AXA IM Green Bonds Framework (the "Framework") to identify Green Bonds that finance projects that make a material contribution to one or more of the Solutions and deliver a positive and measurable impact on the Outcome. The Framework also enables the ACD to identify issuers with a robust sustainability profile and strategy which is supported by their Green Bond issuances. The Framework assesses each Green Bond against four pillars. Each pillar rates a bond against the minimum standards AXA IM would require of a Green Bond and its issuer, AXA IM's expectation of leading Green Bond and its issuers and certain criteria that would lead to the exclusion of a Green Bond. Among the factors considered under each Pillar are: (i) Pillar 1 - Issuers Sustainability Strategy - whether (a) the issuer's environmental objectives and strategy align with a robust and credible climate strategy which is consistent with the Paris Agreement and senior management and the board of the issuer have demonstrated a clear commitment to align the issuers wider commercial strategy with the goals of the Paris Agreement, (b) the green bond aligns with this broader environmental strategy of the issuer and the financed projects directly supports the issuer's decarbonization goals and contributes	Conduct Policy exclusions and scoring framework described below, and stewardship. BNP Paribas Asset Management's Responsible Business Conduct Policy (the "RBC Policy") excludes companies assessed to be in violation of norms and standards relating to human and labour rights, the environment, and / or corruption, as well as companies operating in sensitive sectors (e.g tobacco, coal, unconventional oil and gas, and excluded weapons), as these companies are deemed to cause unacceptable harm to society and / or the environment. The RBC Policy is subject to change. The latest version is accessible via the link provided in the "Responsible Investment" section and is also available from the ACD on request. The ACD will generally exclude issuers with the lowest ESG scores, reflecting the worst ESG practices. ESG scores provide a standardized and holistic view on the performance of issuers on ESG factors, applying a scoring methodology based on a combination of criteria covering the most material risks. The ACD believes that issuers with higher or improving ESG scores may be expected to manage risk associated with ESG issues more effectively, which may be expected to contribute to the better ESG and financial performance of such issuers in the long term. ESG scores are obtained as detailed in the "Responsible Investment" section of this Prospectus. The ACD applies the BNP Paribas Asset Management Green Bonds Framework (the "Framework") to identify Green Bonds that finance projects that make a material contribution to one or more of the Solutions and deliver a positive and measurable impact on the Outcome. The Framework also enables the ACD to identify issuers with a robust sustainability profile and strategy which is supported by their Green Bond issuances. The Framework assesses each Green Bond against four pillars. Each pillar rates a bond against the minimum standards the ACD would require of a Green Bond and its issuer, the ACD's expectation of leading Green Bonds and their issuers, and certain criteria that would lead to the exclusion of a Green Bond. Among the factors considered under each Pillar are: (i) Pillar 1 - Issuers Sustainability Strategy - whether (a) the issuer's environmental
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to its carbon transition plan and (c) the issuer has articulated quantified short and long-term environmental targets. The ACD will also assess whether the issuer has considered and sought to mitigate any possible negative risks and externalities related to the projects financed by its Green Bond. (ii) Pillar 2 – Use of Proceeds and Project Selection - whether (a) the project or assets financed by the bond have a clear impact on the Outcome through one or more of the Solutions, (b) the issuer has disclosed the criteria used and a robust process to select and evaluate eligible projects and assets, (c) the projects or assets financed by the Green Bond are aligned with recognized environmental standards and (d) the issuer has considered potential environment and social risks. The ACD will also assess how innovative a project is, whether it goes beyond the issuer’s “business as usual” and estimate the share of financing new assets versus refinancing existing assets; (iii) Pillar 3 - Management of Proceeds - whether (a) the issuer will provide evidence on how proceeds of a Green Bond are used (b) the proceeds of the Green Bond issuance are segregated from the other assets of the issuer and (c) there is external verification of the proceeds; (i) Pillar 4 - Impact Reporting - how the issuer plans to track the progress of the project financed by a Green Bond and measures impact. The ACD seeks to ensure that the issuer, typically on an annual basis, (a) reports on the allocation of proceeds and balance of unallocated proceeds, (b) provides qualitative and quantitative key performance indicators and (c) discloses details on the methodology,	objectives and strategy align with a robust and credible climate strategy which is consistent with the Paris Agreement and senior management and the board of the issuer have demonstrated a clear commitment to align the issuers wider commercial strategy with the goals of the Paris Agreement, (b) the green bond aligns with this broader environmental strategy of the issuer and the financed projects directly supports the issuer’s decarbonization goals and contributes to its carbon transition plan and (c) the issuer has articulated quantified short and long-term environmental targets. The ACD will also assess whether the issuer has considered and sought to mitigate any possible negative risks and externalities related to the projects financed by its Green Bond. (ii) Pillar 2 – Use of Proceeds and Project Selection - whether (a) the project or assets financed by the bond have a clear impact on the Outcome through one or more of the Solutions, (b) the issuer has disclosed the criteria used and a robust process to select and evaluate eligible projects and assets, (c) the projects or assets financed by the Green Bond are aligned with recognized environmental standards and (d) the issuer has considered potential environment and social risks. The ACD will also assess how innovative a project is, whether it goes beyond the issuer’s “business as usual” and estimate the share of financing new assets versus refinancing existing assets; (iii) Pillar 3 - Management of Proceeds - whether (a) the issuer will provide evidence on how proceeds of a Green Bond are used (b) the proceeds of the Green Bond issuance are segregated from the other assets of the issuer and (c) there is external verification of the proceeds; (iv) Pillar 4 - Impact Reporting - how the issuer plans to track the progress of the
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assumptions and baselines used to calculate any key performance indicators. Each Green Bond is assessed against the above criteria to determine the impact of its contribution on the Outcome and the Solutions. Each Green Bond is assessed against the relevant factors within a pillar and each pillar is attributed a rating of either Positive, Neutral, or Negative. Bonds rated either Positive or Neutral overall are deemed by the ACD to deliver a positive and measurable environmental impact by financing projects that directly contribute to the Outcome and/or one or more of the Solutions. Any bond with a Pillar that is rated Negative will be rated Negative overall and is excluded for investment by the ACD. Green Bonds that are deemed by the ACD to be investible by the fund will finance projects that the ACD considers directly contribute to the Outcome and/or one or more of the Solutions by demonstrating, among others, some or all of the following characteristics: (i) a clear definition of the issuer's environmental strategy and commitments; (ii) a clear description of eligible assets and projects that will be financed by the proceeds or the Green Bond; (iii) an alignment of the issuers eligibility criteria and selection process for assets and/or projects with AXA IM Green Bond Framework; (iv) an alignment of the assets and/or projects that will be financed by the proceeds or the Green Bond with the Outcome and/or one or more of the Solutions; (v) a transparent use of proceeds management; (vi) comprehensive reporting of allocation of the proceeds and impact achieved; and (vii) a significantly greater environmental impact than that which may be achieved through "business as usual".	project financed by a Green Bond and measures impact. The ACD seeks to ensure that the issuer, typically on an annual basis, (a) reports on the allocation of proceeds and balance of unallocated proceeds, (b) provides qualitative and quantitative key performance indicators and (c) discloses details on the methodology, assumptions and baselines used to calculate any key performance indicators. Each Green Bond is assessed against the above criteria to determine the impact of its contribution on the Outcome and the Solutions. Each Green Bond is assessed against the relevant factors within a pillar and each pillar is attributed a rating of either Positive, Neutral, or Negative. Bonds rated either Positive or Neutral overall are deemed by the ACD to deliver a positive and measurable environmental impact by financing projects that directly contribute to the Outcome and/or one or more of the Solutions. Any bond with a Pillar that is rated Negative will be rated Negative overall and is excluded for investment by the ACD. Green Bonds that are deemed by the ACD to be investible by the fund will finance projects that the ACD considers directly contribute to the Outcome and/or one or more of the Solutions by demonstrating, among others, some or all of the following characteristics: (i) a clear definition of the issuer's environmental strategy and commitments; (ii) a clear description of eligible assets and projects that will be financed by the proceeds or the Green Bond; (iii) an alignment of the issuer's eligibility criteria and selection process for assets and/or projects with the BNP Paribas Asset Management Green Bond Framework; (iv) an alignment of the assets and/or projects that will be financed by the proceeds or the Green Bond with
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Green bonds meeting this minimum criteria will be rated by the ACD as Neutral under its Green Bond Framework. For Green bonds rated as Neutral, the ACD may identify areas that it believes the issuer could improve upon and will be targeted by the ACD's engagement with that issuer. These could include more ambitious environmental targets, enhancing the environmental standards of projects or improving the quality of the issuer's reporting. Green Bonds rated "Neutral" finance those projects that, while not demonstrating the level of impact of a Positive rating, meet the ACD's requirement for delivering positive measurable impact on addressing one or more Solutions and/or the Outcome. Bonds that the ACD believes exceed the minimum criteria set out above will be rated as Positive overall by the ACD. Bonds rated Positive will typically be rated Positive for both Pillar 1 and 2 and be deemed by the ACD to exceed the minimum criteria by: (i) providing innovative solutions to achieving Outcome; (ii) financing new assets rather than refinancing existing assets; (iii) conforming to the high independent standards of environmental integrity, such as the technical screening criteria of the EU Taxonomy across renewable energy projects and low-carbon transportation initiatives or meet the top certification levels for green buildings (e.g. Building Research Establishment Environmental Assessment Method - Excellent certification) (iv) driving progress in sustainability in the issuer's industry or sector The Fund will only invest in Green Bonds that are rated Positive or Neutral. Ratings are regularly reviewed and are reviewed at a minimum of every 2 years. The ACD seeks to avoid investing in Green Bonds and/or Issuers that conflict with the Outcome and will ultimately divest from Green Bonds and/or Issuers which it no longer believes are delivering a positive impact towards the Solutions and Outcome. By applying the ESG Filter the ACD seeks to exclude Issuers which it considers present excessive degrees of environmental, social and governance risk.	the Outcome and/or one or more of the Solutions; (v) a transparent use of proceeds management; (vi) comprehensive reporting of allocation of the proceeds and impact achieved; and (vii) a significantly greater environmental impact than that which may be achieved through "business as usual". Green bonds meeting these minimum criteria will be rated by the ACD as Neutral under its Green Bond Framework. For Green bonds rated as Neutral, the ACD may identify areas that it believes the issuer could improve upon and will be targeted by the ACD's engagement with that issuer. These could include more ambitious environmental targets, enhancing the environmental standards of projects or improving the quality of the issuer's reporting. Green Bonds rated "Neutral" finance those projects that, while not demonstrating the level of impact of a Positive rating, meet the ACD's requirement for delivering positive measurable impact on addressing one or more Solutions and/or the Outcome. Bonds that the ACD believes exceed the minimum criteria set out above will be rated as Positive overall by the ACD. Bonds rated Positive will typically be rated Positive for both Pillar 1 and 2 and be deemed by the ACD to exceed the minimum criteria by: (i) providing innovative solutions to achieving Outcome; (ii) financing new assets rather than refinancing existing assets; (iii) conforming to the high independent standards of environmental integrity, such as the technical screening criteria of the EU Taxonomy across renewable energy projects and low-carbon transportation initiatives or meet the top certification levels for green buildings (e.g. Building Research Establishment Environmental Assessment Method - Excellent certification)
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Further, as part of its analysis of Issuers and Green Bonds the ACD may consider an Issuer's sustainability policies and practices, the scale of the project financed by the Green Bond and whether an independent environmental assessment has been commissioned for the project. Based on this analysis, the ACD assesses an Issuer and a Green Bonds quality and suitability for the Fund and will not invest in an Issuer or a Green Bonds that conflicts with the sustainability objective of the Fund. The ACD 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 Solutions and Outcome, please refer to "Adverse consequences linked to pursuit of the Outcome" sections below. The AXA IM Green Bonds Framework incorporates international best standards and including recommendations from the International Capital Markets Association's Green Bond Principles, the Climate Bond Initiative and the EU Taxonomy on sustainable economic activity (the "EU Taxonomy"), ensuring that ACD adheres to stringent technical and scientific criteria in the assessment and selection of Green Bonds. The ACD will engage with issuers with the aim of increasing the reduction of GHG emissions and where it can encourage issuers to take appropriate action to mitigate any negative impacts on the Outcome or Solutions. The ACD believes that its engagement with such issuers will positively impact the achievement of the Fund's sustainability objective. The ACD will also engage and collaborate with other investors, underwriters and industry bodies where such engagement and/or collaboration supports our engagement goals and the environmental impact that the Fund seeks to make. <u>Adverse consequences linked to pursuit of the Outcome</u> While the application of our exclusionary policies (the AXA IM sector specific investment guidelines and the AXA IM ESG Standards policy) and the assessments conducted on the issuers' sustainability profile and the stated safeguards disclosed within issuers' Green Bond issuance programs aim to reduce the likelihood of exposure to poor ESG corporate practices and unsustainable business activities, nevertheless, there	(iv) driving progress in sustainability in the issuers industry or sector The Fund will only invest in Green Bonds that are rated Positive or Neutral. Ratings are regularly reviewed and are reviewed at a minimum of every 2 years. The ACD seeks to avoid investing in Green Bonds and/or Issuers that conflict with the Outcome and will ultimately divest from Green Bonds and/or Issuers which it no longer believes are delivering a positive impact towards the Solutions and Outcome. By applying the RBC Policy, the ACD seeks to exclude Issuers which it considers present excessive degrees of environmental, social and governance risk. Further, as part of its analysis of Issuers and Green Bonds the ACD may consider an Issuer's sustainability policies and practices, the scale of the project financed by the Green Bond and whether an independent environmental assessment has been commissioned for the project. Based on this analysis, the ACD assesses an Issuer and a Green Bonds quality and suitability for the Fund and will not invest in an Issuer or a Green Bonds that conflicts with the sustainability objective of the Fund. The ACD 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 Solutions and Outcome, please refer to "Adverse consequences linked to pursuit of the Outcome" sections below. The Framework incorporates international best standards and including recommendations from the International Capital Markets Association's Green Bond Principles, the Climate Bond Initiative and the EU Taxonomy on sustainable economic activity (the "EU Taxonomy"), ensuring that ACD adheres to stringent technical and scientific criteria in the assessment and selection of Green Bonds. The ACD will engage with issuers with the aim of increasing the reduction of GHG emissions and where it can encourage issuers to take appropriate action to mitigate any negative impacts on the Outcome or Solutions. The ACD believes that its engagement with such issuers will positively impact the achievement of the Fund's sustainability objective. The ACD will also engage and collaborate with other investors, underwriters and industry bodies where such
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are some potential negative outcomes that could arise from pursuing the above investment strategy. The potential adverse consequences associated with projects addressing one or more of the Outcomes targeted by the Fund are:

- **Smart Energy Solutions:** While transitioning away from fossil fuels is key to reducing carbon emissions from the energy sector, renewable generation assets can pose potential risks to biodiversity, as they may disrupt local marine and land ecosystems.
- **Low Carbon Transportation:** The shift towards electric vehicles and low-carbon fuels can drive increased demand for minerals essential in battery technology, such as lithium, cobalt, and nickel. The extraction of these minerals can raise environmental and social concerns in areas where mining is present.
- **Green Buildings:** Environmental risks may arise from challenges in sustainably sourcing construction materials, managing construction waste, and minimising negative ecological impacts throughout the building's lifecycle. Social risks may include issues related to health and safety in human capital management, community relations, and local economic impacts.

The ACD seeks to mitigate negative consequences associated with the investment in Green Bonds through (i) the qualitative assessment based on AXA IM Green Bond Framework and (ii) engagement with the issuers, to ensure that they are assessing the risk associated with the projects supported by the Green Bond and are taking actions to mitigate them.

engagement and/or collaboration supports our engagement goals and the environmental impact that the Fund seeks to make.

Adverse consequences linked to pursuit of the Outcome

While the application of the RBC Policy and the assessments conducted on the issuers' sustainability profile and the stated safeguards disclosed within issuers' Green Bond issuance programs aim 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 projects addressing one or more of the Outcomes targeted by the Fund are:

- **Smart Energy Solutions:** While transitioning away from fossil fuels is key to reducing carbon emissions from the energy sector, renewable generation assets can pose potential risks to biodiversity, as they may disrupt local marine and land ecosystems.
- **Low Carbon Transportation:** The shift towards electric vehicles and low-carbon fuels can drive increased demand for minerals essential in battery technology, such as lithium, cobalt, and nickel. The extraction of these minerals can raise environmental and social concerns in areas where mining is present.
- **Green Buildings:** Environmental risks may arise from challenges in sustainably sourcing construction materials, managing construction waste, and minimising negative ecological impacts throughout the building's lifecycle. Social risks may include issues related to health and safety in human capital management, community relations, and local economic impacts.

The ACD seeks to mitigate negative consequences associated with the investment in Green Bonds through (i) the qualitative assessment based on the Framework and (ii) engagement with the issuers, to ensure that they are assessing the risk associated with the projects supported by the Green Bond and are taking actions to mitigate them.