

FIXED INCOME

AXA US Short Duration High Yield Fund ZI (G) GBP

**CARL WHITBECK****Head of US Fixed Income and
Head of US High Yield****Joined September 2002**

Carl joined AXA Investment Managers, Inc. in 2002 as a US high yield credit analyst. Prior to joining AXA IM, Carl was an analyst in the investment banking division of Lehman Brothers, where he performed financial analysis on companies in the consumer and retail sectors, and worked on a variety of Merger & Acquisition and high yield transactions.

Over the past nine years, he has served in various capacities within the US High Yield team, including head of research, portfolio manager for US High Yield portfolios and co-portfolio manager for multiple Global High Yield funds. In addition, Carl has been the lead sector head for several industries including Automotive, Services and Special Situations.

Carl received his undergraduate degree from Williams College and has the CFA professional designation.

Objective

The aim of the Fund is to provide high income.

Fund manager's commentary

Main changes to the portfolio during May

Position count increased slightly during May and the Fund remains well diversified. We believe that diversification is important to help manage credit risk. Our top holding, a 1.3% position, was Solera. At month-end, approximately 81% of the portfolio was invested in securities in excess of three years, but which we expect to be redeemed early. This is up roughly 1% from the previous month.

Factors affecting performance during May

With the outsized jumps in the March data fading into the background, April's data - released in May - seemed somewhat disappointing. Slowing gains in employment, personal income, manufacturing, construction, and retail sales, worked in unison to dial down lofty expectations for the current quarter's GDP. Inflationary expectations, on the other hand, surged upward as reports on goods and service pricing clearly revealed demand supply imbalances were continuing to plague global supply chains. Many suggest these imbalances will, in time, subside. Others are less optimistic on their transitory nature. Either way, it's likely that the debate will remain an open question until well into the third quarter of the year.

The ICE BofAML US High Yield Index generated a modestly positive return of +0.29% during the month, the eighth consecutive positive monthly return. High yield performance was driven by accelerating economic growth along with strong corporate earnings but was partially weighed down by a rise in inflation metrics. The high yield market saw an outflow during May of approximately -\$4.6bn. New issuance continued its torrid pace as 73 bonds priced totaling \$49.2bn, which was the ninth highest monthly volume on record. This was a minimal decrease from the \$49.4bn that priced in April, and an increase from the \$47.3bn that priced in May 2020. There were no high yield bond defaults and no distressed exchanges in May.

The Fund generated another modest return during May, slightly outperforming the overall market's +0.29% return. Performance during the month benefited from the shorter duration (a measure of a bond's sensitivity to a change in interest rates) nature of our holdings, partially offset by our positioning and security selection within the energy sector, which remained one of the top performing sectors. The yield-to-worst (the lowest potential yield that an investor can expect to receive) of the Fund widened by three basis points (bps) to 2.69%, while the market yield widened by 3bps to 4.15%.

Current market influences and outlook

Market technicals (supply and demand) weakened during May as flows turned negative again, and the primary market (companies issuing new debt) remained very active. That being said, the majority of new issue proceeds continue to be used for refinancings, thus limiting the amount of net new issuance. With a declining high yield default rate and generally improving corporate earnings, the overall health of the high yield market continues to improve. We expect interest rates and inflation expectations to drive near-term market movements; however, we would view any pronounced weakness to be a buying opportunity. With markets focused on the trajectory of interest rates, we believe the Fund remains well positioned in this rising rate environment.

Past performance is not a guide to future performance. The value of investments and the income from them can fall as well as rise and you may not get back the full amount originally invested. **Before investing you should read the fund's Key Investor Information Document (KIID) for full product details including investment risks and contact a financial adviser where unsure.**

Top ten holdings

	%
SOLERA LLC / SOLERA FINANCE INC 10.5% 03/01/2024	1.3
COMMSCOPE INC 5.5% 03/01/2024	1.2
B&G FOODS INC 5.25% 04/01/2025	1.2
CHANGE HEALTHCARE HLDG-FIN INC 5.75% 03/01/2025	1.1
WESCO DISTRIBUTION INC 7.125% 06/15/2025	1.1
VERSCEND ESCROW CORP 9.75% 08/15/2026	1.1
ARAMARK SERVICES INC 6.375% 05/01/2025	1.0
VALEANT PHARMACEUTICALS INTL 5.5% 11/01/2025	1.0
HERBALIFE NUTRITION LTD 7.875% 09/01/2025	1.0
DELL INTERNATIONAL EMC CORP 7.125% 06/15/2024	1.0
Total*	11.0
Total number of holdings	235

* Total may not equal sum of top ten holdings weightings (above) due to rounding. Stocks shown for information purposes only. They should not be considered as advice or a recommendation.

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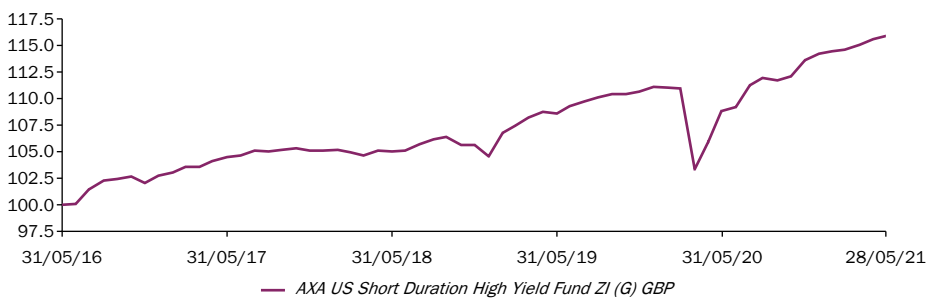
Discrete performance over 12 month periods to latest quarter end (%)

	31/03/16	31/03/17	31/03/18	31/03/19	31/03/20
	- 31/03/17	- 31/03/18	- 31/03/19	- 31/03/20	- 31/03/21
AXA US Short Duration High Yield Fund ZI (G) GBP	5.4	1.0	3.4	-4.5	11.3

Cumulative performance

	Fund (%)
6 M.	2.0
Year to date	1.5
1 Y.	6.5
3 Y.	10.4
5 Y.	15.9

Cumulative performance over five years



Performance data takes into account the annual management charges, but not any initial charge that may be payable. Figures are quoted on a single pricing basis, in sterling terms, net of fees and expenses, and assume net income is reinvested. Investments in stock market Funds should normally be viewed as medium to long-term investments.

In order that investors can monitor the progress of their investment, the returns on the Fund are compared with those of a Composite Index/Benchmark/Sector which we believe best matches the long term objectives of the Fund. This information has been included for comparative purposes only. The objective and policy of the Fund may not precisely match this comparison.

Asset Class Allocation

Asset Class	Allocation %
Non Sterling Corporate Bonds	97.82
Cash	2.18

Ratings allocation of bond portfolio

Ratings	Allocation %
BBB	3.68
BB	44.36
B	38.56
CCC	12.21
NR	1.19

Sources: AXA Investment Managers UK Limited and Morningstar. Unless otherwise stated all data shown is at 28/05/2021.

Important information

The value of investments and income generated from them can go down as well as up and is not guaranteed. Investors may not get back the amount originally invested. Past performance is not a guide to future returns.

This document does not provide you with all of the facts you need to make an informed investment decision. Before investing you should read the Key Investor Information Document and where appropriate seek professional investment advice.

Fund facts

Fund type	OEIC
Fund size	£719.1m
Underlying Yield*	4.25%
Yield to Worst**	2.69%
Launch date	30/04/10
IA Sector	Specialist Bond
Currencies available	GBP
Dealing day	09:00 to 17:30 business hours
Valuation point	12:00

* Underlying Yield is gross of tax and net of expenses.

** Yield to worst is gross of tax and expenses.
All information in this factsheet relates to share class ZI only.

Investment information

Initial charge	5.00%
Ongoing charges	0.46%
Min initial investment	£30,000,000
Min subsequent investment	£100,000
ISA status	Eligible

Fund codes

Sedol	accumulation	B5WM6Y4
	income	B5T0SW3
ISIN	accumulation	GB00B5WM6Y48
	income	GB00B5T0SW38

Income payments

Accounting Ref Dates	Final	30 Jun
	Interim	31 Dec
Distributions	Final	31 Aug
	Interim	28 Feb
Calendar year		Net income (p)
2016		4.65
2017		3.90
2018		3.82
2019		4.16
2020		4.03