

AXA Global Short Duration Bond Fund Z GBP



NICOLAS TRINDADE, CFA

Senior Portfolio Manager

Joined July 2006

Nicolas TRINDADE joined AXA IM in 2006 and is a Senior Portfolio Manager within the Active Sterling Credit team. Nicolas is the lead Portfolio Manager of the AXA Sterling Credit Short Duration Bond Fund, AXA Global Short Duration Bond Fund and AXA WF Global Credit Bonds.

He holds an MSc in Diplomacy and International Strategy from the LSE as well as a Master's Degree in IT Engineering from Telecom SudParis. Nicolas is a CFA Charterholder.

Fund manager's commentary

Main changes to the portfolio during April

Sovereign: In order to further de-risk the portfolio, we increased our sovereign exposure by 4% to 10% by adding short-dated (having less than five years to redemption) US treasury inflation-linked and nominal bonds, and government-guaranteed debt.

Investment Grade: We reduced our exposure to investment grade by 4% to 45% in order to reallocate towards sovereign debt. We were active in both primary (companies issuing new debt) and secondary markets (existing debt traded among investors) as we continued to decrease our exposure to COVID-19-sensitive names that performed very strongly.

High Yield & Emerging Markets: We decreased our exposure to emerging markets while keeping our exposure to high yield broadly stable as the former should be further pressured by higher US treasury yields. We mostly reduced our exposure by selling expensive investment grade-rated emerging markets names. This means that our exposure to high yield and emerging markets peaked in February at 43% compared to 41% at the end of April.

Factors affecting performance during April

Despite concerns about spikes in COVID-19 infections in a number of key countries, credit spreads (yield premium over the relevant government bond) still tightened, supported by the gradual reopening of economies, positive economic data, and strong earnings results.

The US Federal Reserve (Fed) left policy unchanged, reiterating that it would be 'some time' before 'substantial further progress' was made and tapering of quantitative easing began. The Fed also dismissed the rising inflation expected over the coming months as 'transitory'. Meanwhile, the European Central Bank kept interest rates on hold and said it was too early to talk about tightening monetary policy.

US treasury yields fell in April on easing concerns that US interest rates would rise sooner than expected, while German bund yields rose as the pace of COVID-19 vaccinations increased in Europe. Gilt yields were broadly unchanged.

Current market influences and outlook

As we expect continued monetary and fiscal support over the medium term to ensure a full economic recovery, we believe 2021 will be all about carry (income).

While we aim to remain overweight in high yield and emerging markets in order to optimise the carry of the portfolio, we also plan to gradually reduce this overweight over the coming months as valuations have become very expensive, starting with emerging markets.

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

AXA FIXED INTEREST ICVC - US SHORT DURATION HY	7.5	%
US TREASURY NOTE 0.125% 03/31/2023	4.1	
KFW 0.875% 03/15/2022	1.6	
DEXIA CREDIT LOCAL SA 1.125% 06/15/2022	1.4	
BANK OF IRELAND GROUP PLC VAR 11/25/2025	1.3	
US TREASURY INFLATION IDX BONDS 0.125% 04/15/2022	1.2	
FCA BANK SPA/IRELAND 1.625% 09/29/2021	1.1	
RCI BANQUE SA VAR 01/12/2023	1.1	
SOCIETE GENERALE SA 1.25% 02/15/2024	1.1	
LAND SECURITIES CAPITAL MARKETS 1.97% 02/08/2024	1.0	
Total*	21.5	
Total number of holdings	156	

* 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.

FIXED INCOME

AXA Global Short Duration Bond Fund Z GBP

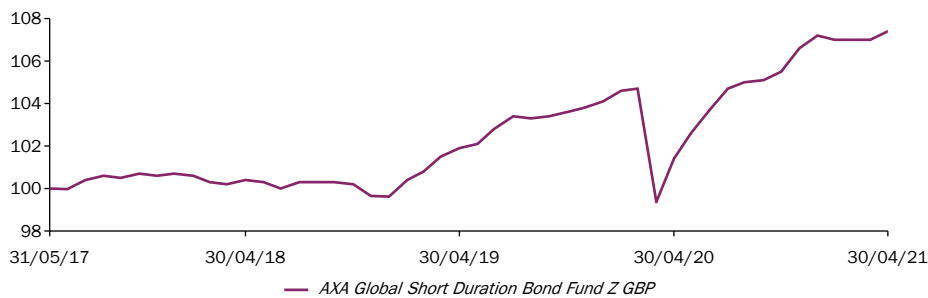
Discrete performance over 12 month periods to latest quarter end (%)

	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 Global Short Duration Bond Fund Z GBP	-	-	1.3	-2.1	7.7

Cumulative performance

	Fund (%)
6 M.	1.8
Year to date	0.2
1 Y.	5.9
3 Y.	7.0
5 Y.	-

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 gross income is reinvested. Source: AXA Investment Managers and Morningstar. Investments in security-orientated funds should normally be viewed as medium- to long-term investments.

Asset Class Allocation

Asset Class	Allocation %
Non Sterling Corporate Bonds	60.95
Sterling Corporate Bonds	28.46
Non Sterling Government Bonds	4.60
Non Sterling Index-Linked	3.00
Cash	2.99

Ratings allocation of bond portfolio

Ratings	Allocation %
AAA	9.01
AA	3.66
A	11.52
BBB	46.32
BB	17.56
B	10.94
CCC	0.91
NR	0.08

Sources: AXA Investment Managers UK Limited and Morningstar. Unless otherwise stated all data shown is at 30/04/2021.

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	£167.5m
Underlying Yield*	1.50%
Yield to Worst**	1.28%
Launch date	17/05/17
IA Sector	£ Strategic Bond
Currencies available	GBP
Dealing day	09:00 to 17:30 business hours
Valuation point	12:00 London time

* 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 Z only.

Investment information

Initial charge	0.00%
Ongoing charges	0.43%
Min initial investment	£100,000
Min subsequent investment	£5,000
ISA status	Eligible

Fund codes

Sedol	accumulation	BDFZQV3
	income	BDFZQW4
ISIN	accumulation	GB00BDFZQV30
	income	GB00BDFZQW47
MEX	accumulation	ELHORT
	income	ELDURA

Income payments

Accounting Ref Dates	Final	30 June
	Interim	30 Sep, 31 Dec, 31 Mar
Distributions	Final	31 Aug
	Interim	30 Nov, 28 Feb, 31 May
Calendar year	Net income (p)	
2017	0.52	
2018	1.86	
2019	2.07	
2020	1.70	