



AXA WF Euro Strategic Bonds

Capturing opportunities in the Euro Bond market amid declining money market rates and high uncertainty

June 2025

Executive summary

Why AXA WF Euro Strategic bonds?



Why invest?

- **High quality and diversified universe:** focus on Investment Grade debt
- **Wide range of performance drivers:** exploit rates, spread and inflation dynamic
- **Flexibility** to navigate across market cycles and volatility with broad leeway in duration and asset allocation



Why now?

- **Attractive entry point:** benefit from attractive yields in a favourable macro environment
- **Declining money market rates:** after the ECB delivered 150bps rate cuts and more to come
- **Uncertain environment:** volatility is a source of opportunities for active management



Why AXA IM?

- **More than €270bn in Euro Fixed Income** strategies.
- **More than 10 years of experience** managing Total Return strategies
- **Proven track record** managing Euro Fixed Income strategies



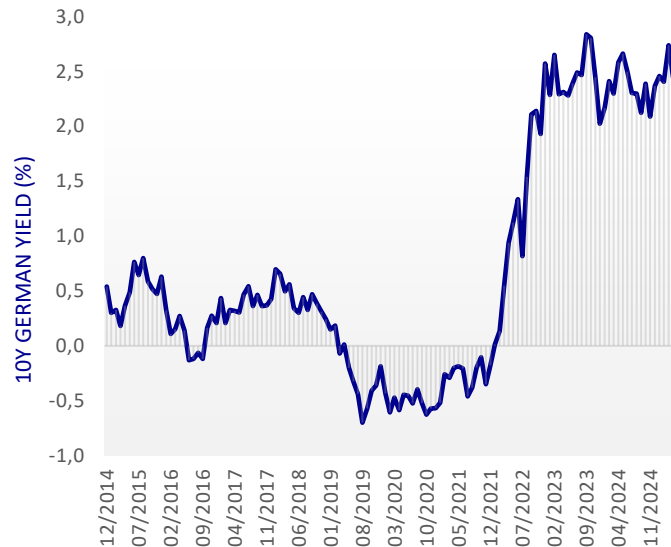
Source: AXA IM Paris.

Where do we stand?

Current market environment calls for flexibility and diversification

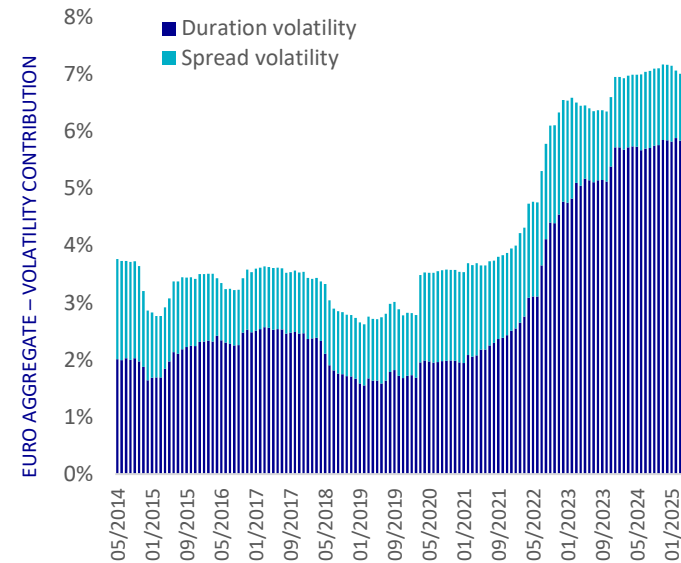
Attractive yields

- 10y German yield at historically high level, and should decline as ECB continues to cut rates



Higher volatility

- Significant increase in volatility in the FI segment
- Duration is the main volatility contributor, and an important source of return



Flexibility and diversification are key to seize current and future opportunities in the bond market

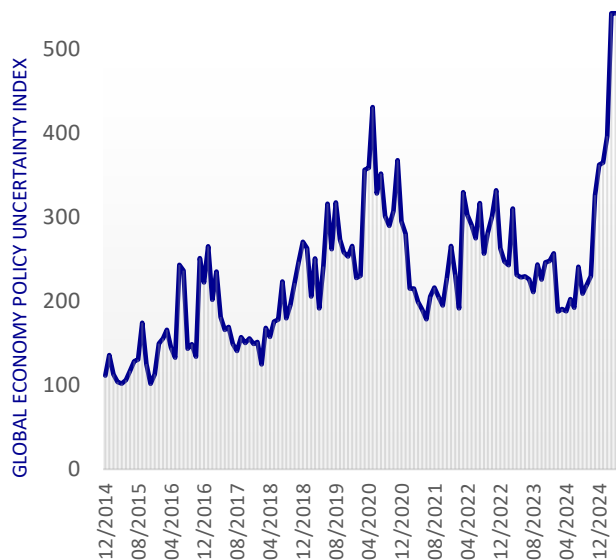
Source: AXA IM Paris, Bloomberg, as at 31/05/2025. Based on GDBR10, ER00, HE00, EPUCGLCP indices.

Where do we stand?

Current market environment calls for flexibility and diversification

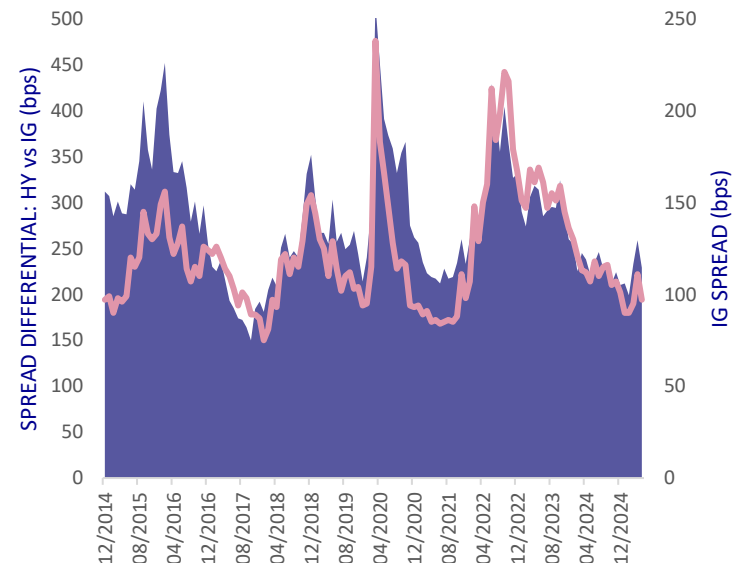
High uncertainty

- Geopolitical risk
- Tariffs threats
- Uncertainty on growth and inflation



Tight spreads

- Additional risk is not rewarded
- Spreads at tightest in the long term
- Potential risk asymmetry if trend reverse



Flexibility and diversification are key to seize current and future opportunities in the bond market

Source: AXA IM Paris, Bloomberg, as at 31/05/2025. Based on GDBR10, ER00, HE00, EPUCGLCP indices.

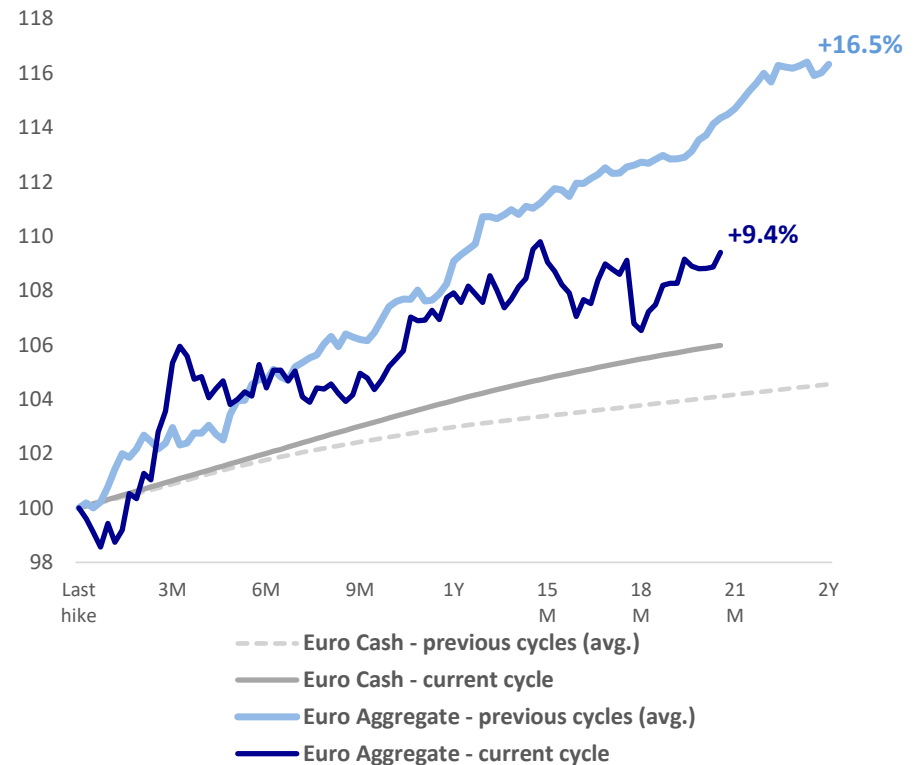
What can we learn from the past cycles?

ECB cutting rates has been supportive for diversified bond strategies

Cumulative performance over 2 years since ECB reached peak rate

Past performance is not a reliable indicator and does not predict future results

	Cycle 1999	Cycle 2005	Cycle 2011	Average
Euro Aggregate	17.1%	17.1%	15.1%	16.5%
Euro Govies	17.4%	17.0%	15.9%	16.8%
Euro Credit IG	16.1%	16.5%	14.1%	15.6%
Euro Inflation-linked Bonds	18.7%	8.4%	11.8%	13.0%
Euro Cash	8.1%	4.0%	1.5%	4.5%
Euro Equity	-53.7%	-17.5%	2.8%	-22.8%



Our approach

Offers the freedom to move across asset classes as opportunities arise



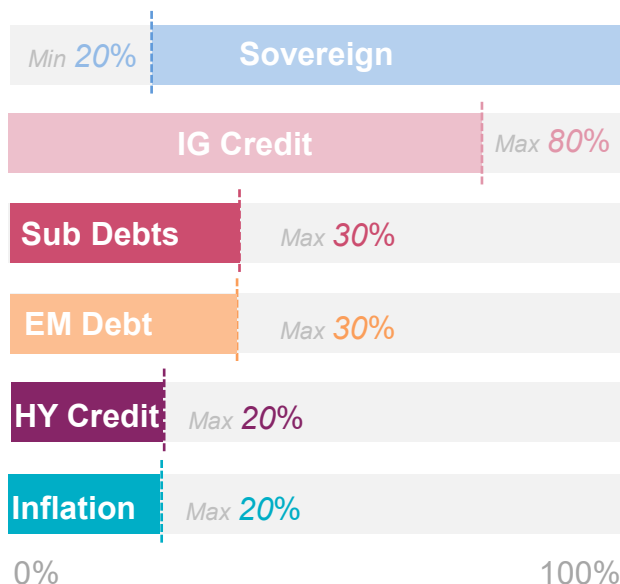
Flexible
Asset Allocation



Risk mitigation
through Derivatives



All weather
to navigate market cycles



Using **Futures**,
Options, **Swaps**,
and **CDS** to hedge
duration and
credit Risk



Duration: **-2 to 8 years**



Average **Investment Grade**
Credit rating



SRI 2
5% volatility cap



SFDR
Art. 8

Focus on Investment Grade Debt | Unconstrained by a benchmark | Controlled volatility and drawdown

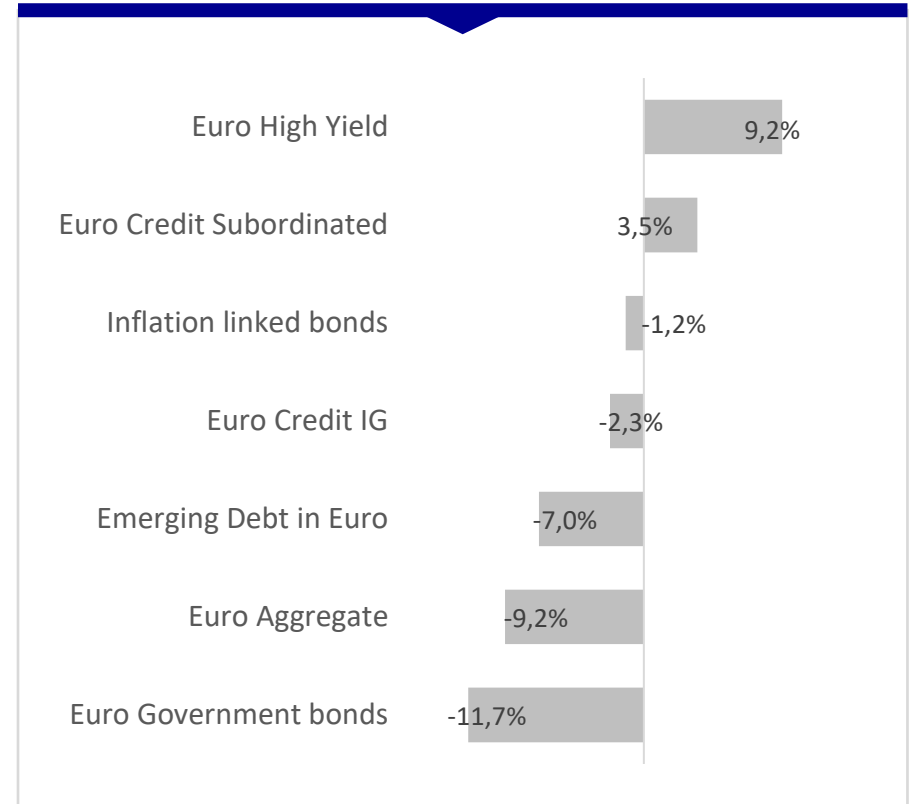
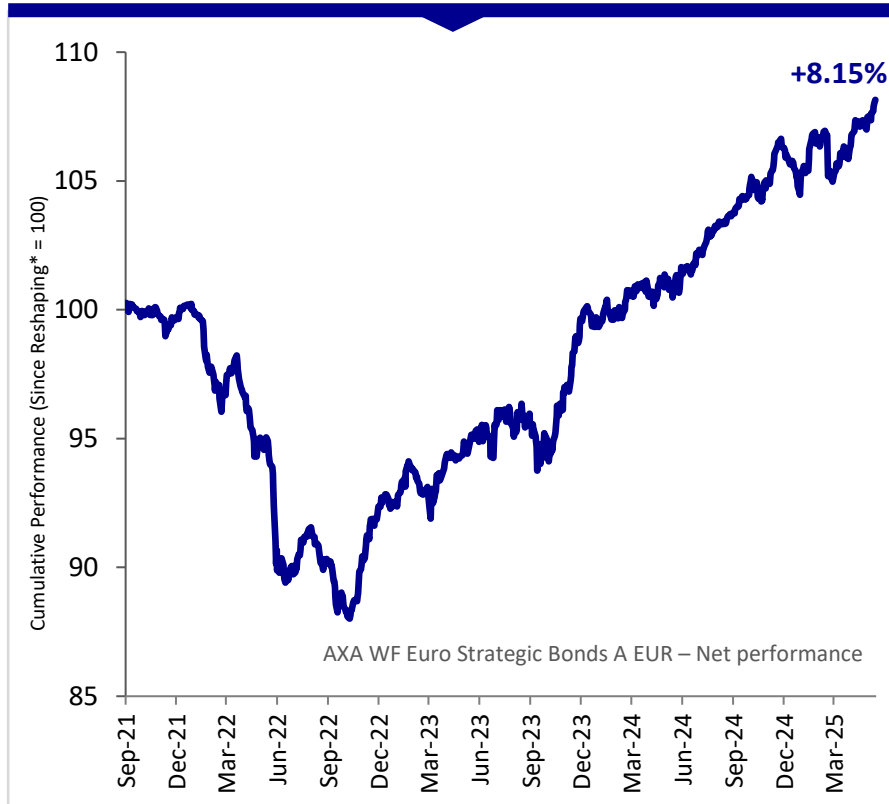
How does it translate?

An all-weather and agile strategy able to seize opportunities where they are

Cumulative net performance since reshaping*

Broader Fixed Income universe performance since reshaping*

Past performance is not a reliable indicator and does not predict future results

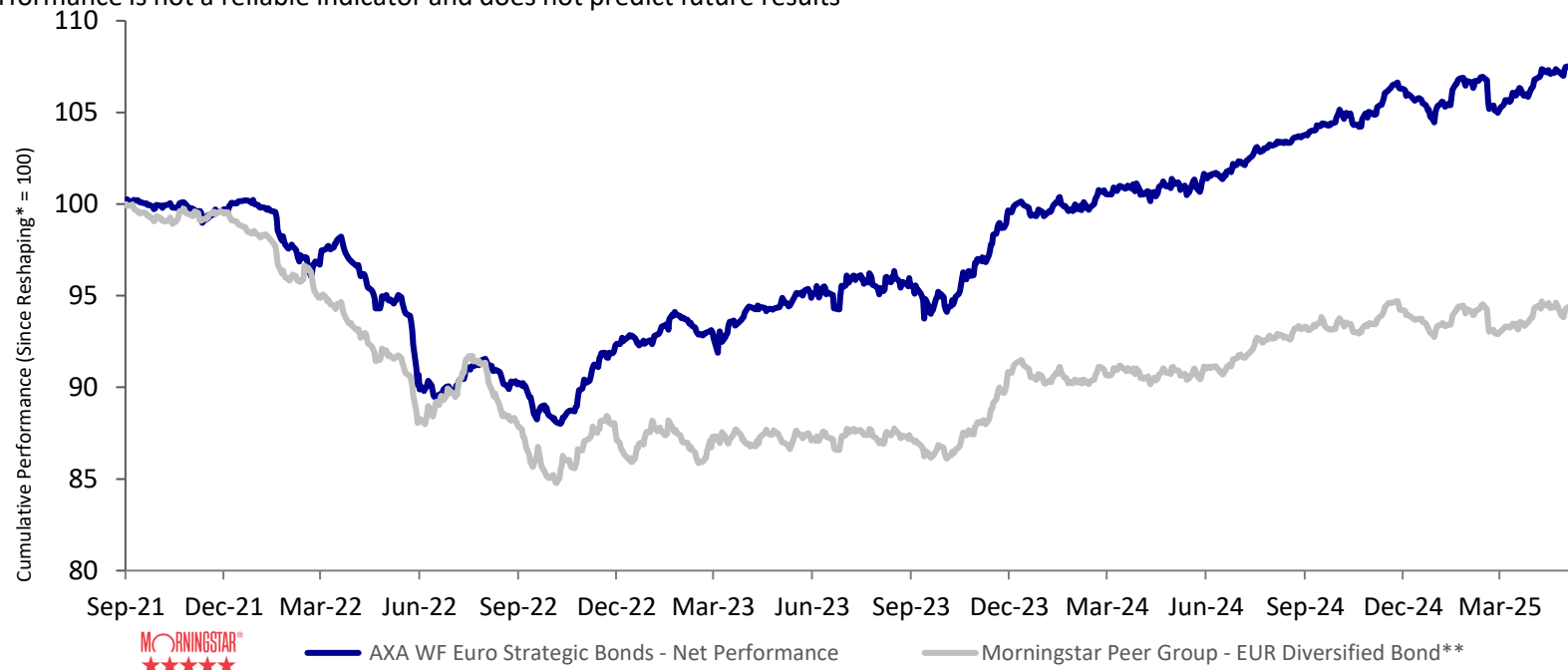


Source: AXA IM, Bloomberg as at 30/05/2025. *Since Reshaping with reference date of 16/09/2021. Basis: AXA WF Euro Strategic Bonds fund A EUR Share class. The fund is actively managed without reference to a benchmark. Non audited performance data. Some figures presented above are gross of fees. An investor's return will be reduced by the management fees and other expenses. Performance calculations are based on the reinvestment of dividends. No assurance can be made that profits will be achieved or that substantial losses will not occur. Returns may increase/decrease due to currency fluctuations, and you may not get back the original amount invested. **Please refer to the risk profile described in the succeeding slides.** Performance figures of select indices within the broader fixed income investment universes is non-audited performance.

Strong track record

Outperforming peer group

Past performance is not a reliable indicator and does not predict future results



Calendar Performance	2015*	2016*	2017*	2018*	2019*	2020*	2021*	2022	2023	2024	YTD
Fund performance (Net)	0.26%	2.30%	0.59%	-2.07%	4.59%	2.48%	-0.49%	-7.34%	7.69%	5.79%	2.24%
Peer Group performance	0.34%	2.37%	0.50%	-1.65%	4.46%	1.69%	-1.63%	-12.74%	6.17%	3.01%	1.06%
Fund volatility	3.16%	2.08%	1.87%	1.89%	1.93%	4.92%	1.81%	5.01%	3.84%	2.51%	3.93%
Peer Group volatility	3.83%	2.25%	1.64%	1.13%	2.10%	5.36%	1.70%	6.80%	4.39%	3.05%	2.59%
Fund Sharpe ratio	0.36	1.66	0.96	-0.47	3.04	0.77	0.46	-1.32	1.37	1.15	
Peer Group Sharpe ratio	0.22	1.39	0.80	-0.75	2.54	0.49	-0.41	-1.82	0.75	-0.11	

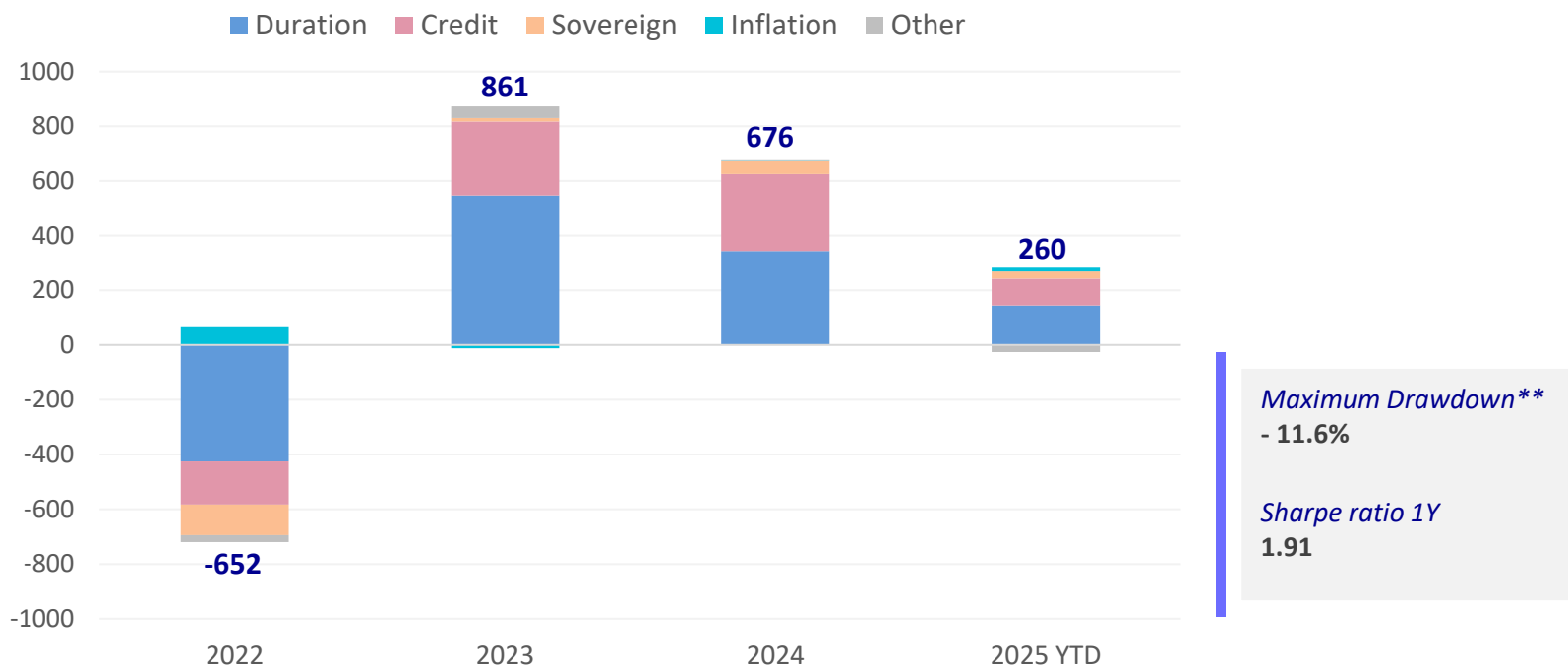
Source: AXA IM, as at 30/05/2025. *Formerly AXA WF Euro 5-7 and launched on 06/09/2005; Prior to this date, the Fund was managed in reference to the 100% FTSE EuroBIG 5-7 years. Since Reshaping the Fund is actively managed without reference to any benchmark. Data prior to reshaping may therefore not be representative of the current Fund investment strategy and is shaded in grey above to differentiate. ** Peer Group is composed of funds with a similar investment policy and a similar risks and rewards profile, based on Morningstar EAA Fund EUR Diversified Bond category.

Basis: AXA WF Euro Strategic Bond Fund A EUR Share class. Non audited performance data. Performance calculations are based on the reinvestment of dividends. No assurance can be made that profits will be achieved or that substantial losses will not occur. Returns may increase/decrease due to currency fluctuations, and you may not get back the original amount invested.

Wide range of performance drivers

Performance attribution (based on gross performance)

Past performance is not a reliable indicator and does not predict future results



Calendar Performance	2022	2023	2024	2025 YTD	Maximum Drawdown**	Sharpe Ratio 1Y
Euro Aggregate Index*	-1721 bps	727 bps	261 bps	96 bps	-19%	0.52

Focus on performance potential in rates dynamics | Enhanced by the credit carry

Flexible duration management



Enhanced flexibility

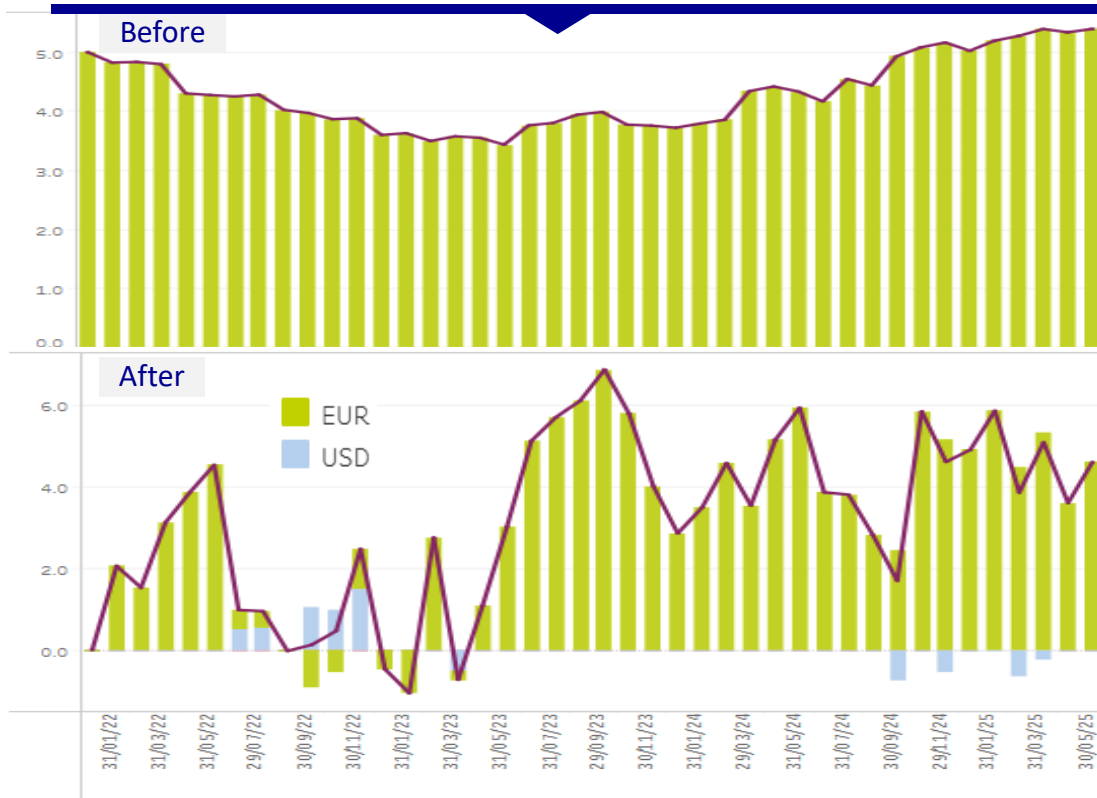
Using interest rate futures



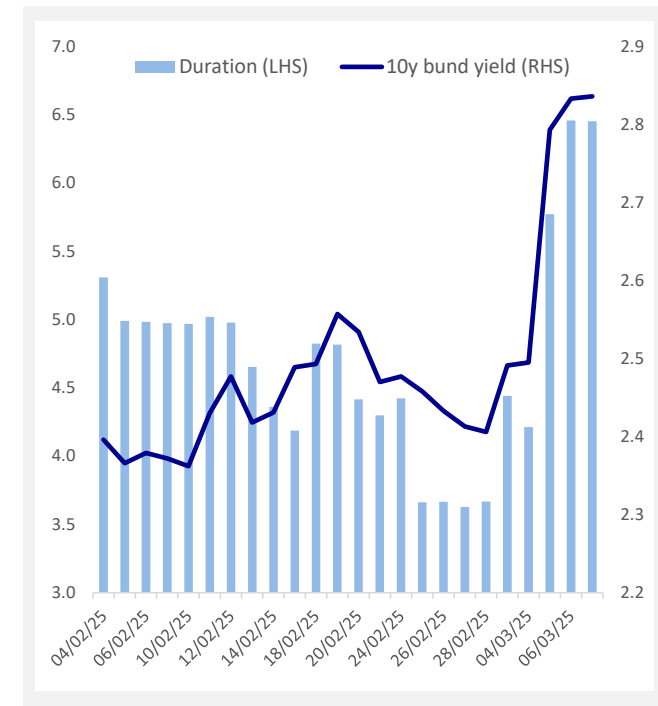
Mitigate drawdowns

To manage risk profile efficiently

Duration evolution before and after using derivatives



Focus on Feb-Mar 2025



Diversified asset allocation



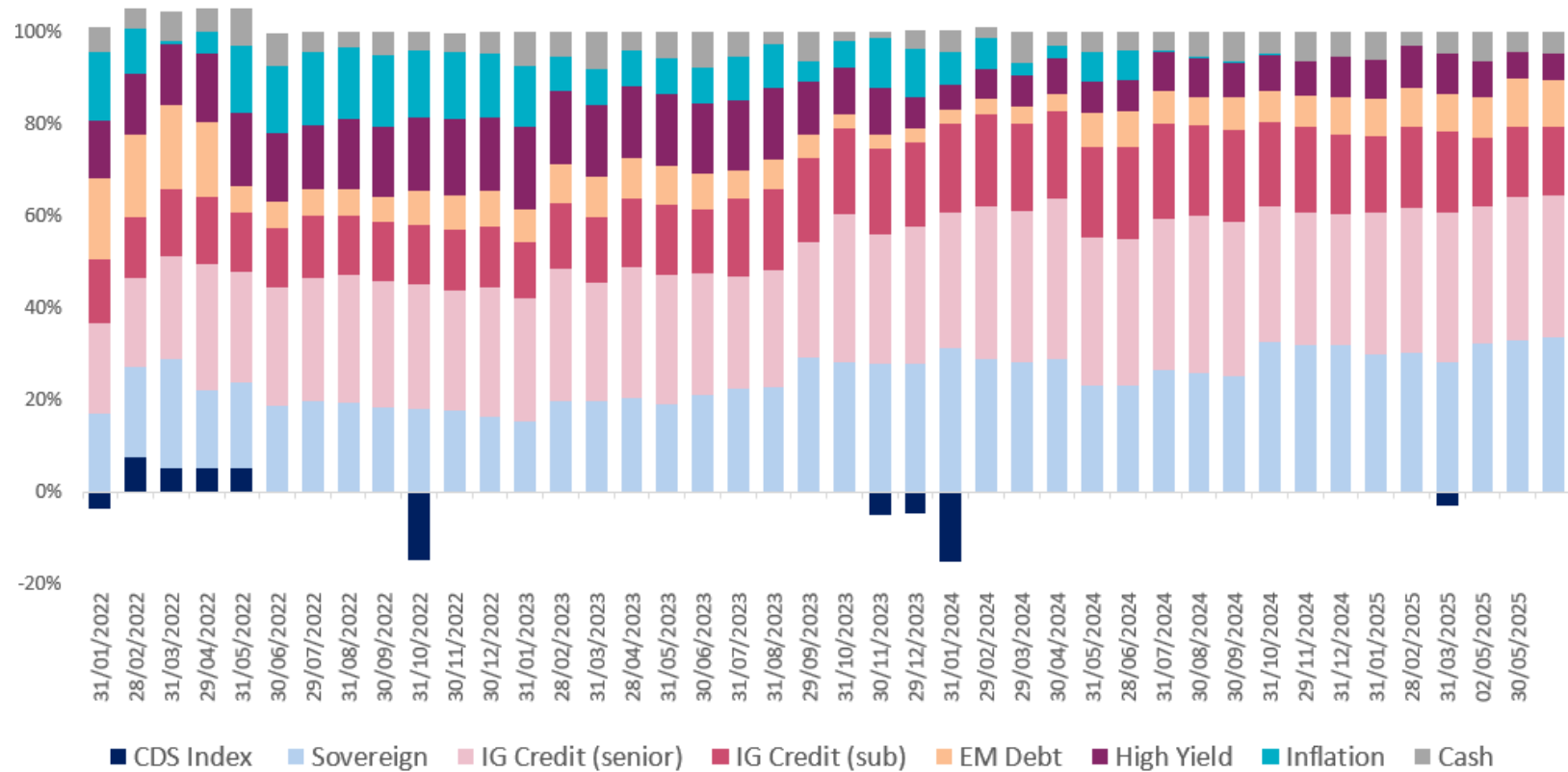
Optimal allocation

Maximizing risk-adjusted return



Active management

To seize opportunities across asset classes



Opportunistic allocation



High Yield

Carry enhancement



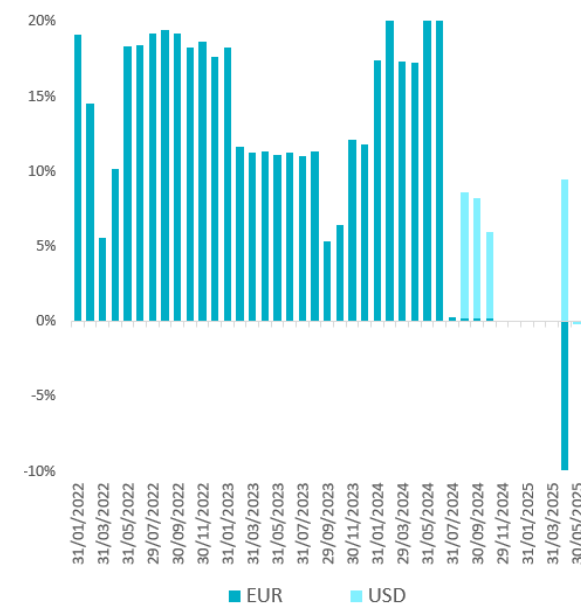
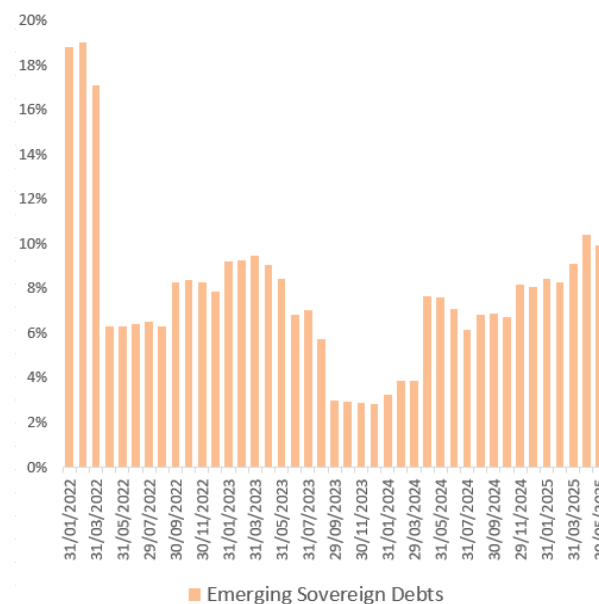
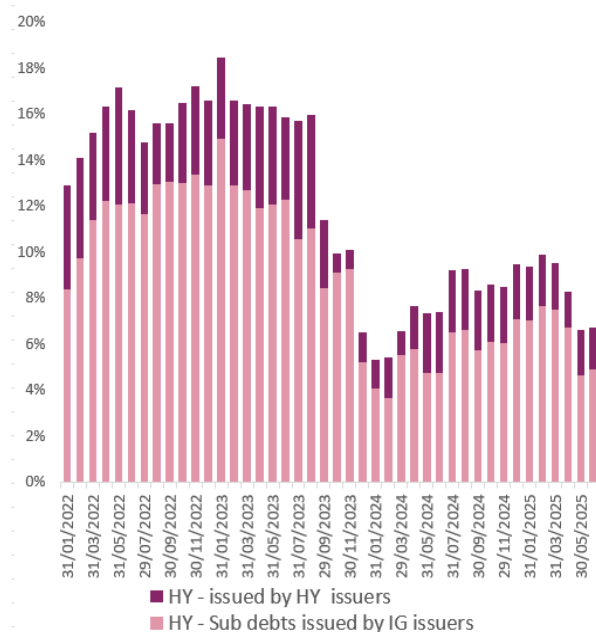
Emerging sovereign in EUR

Diversification benefit











Inflation

Downside protection

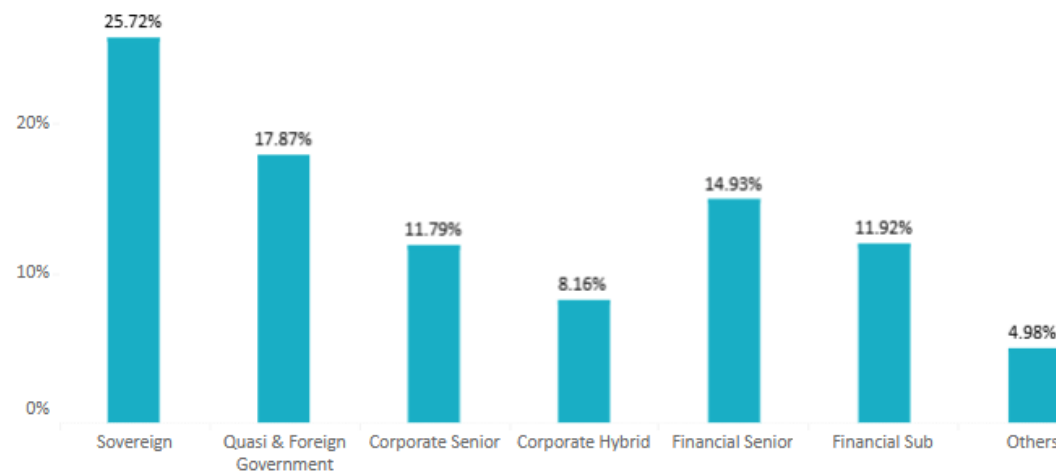


Looking under the hood of AXA WF Euro Strategic Bonds

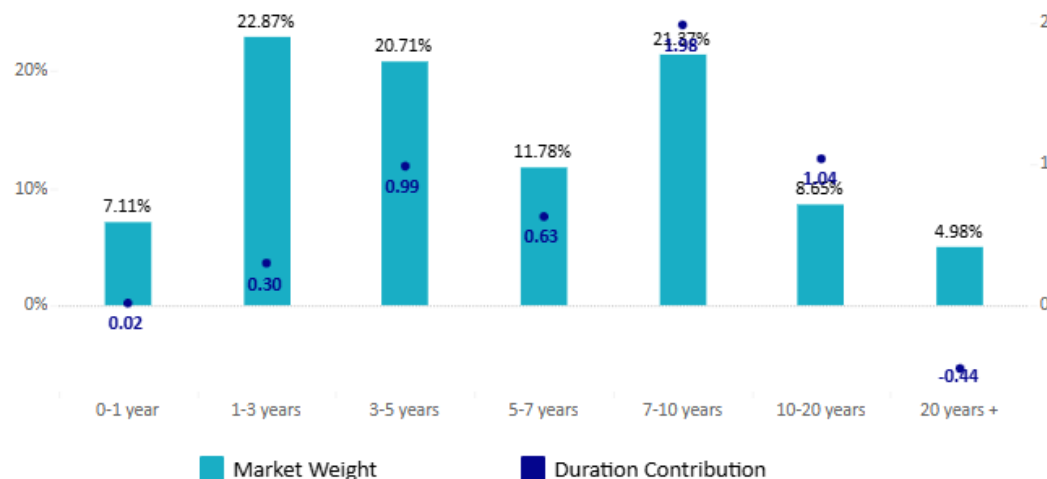
Highly diversified and high-quality portfolio offering attractive yield level

Fund		
	AUM	€ 494 M
	Yield to Worst Fund	3,27%
	Duration	4.51
	Average Rating	BBB+
	Spread Duration	2,48
	OAS Spread	119
	Number of issues	254
	Number of issuers	122

Sector Breakdown (Market weight (%))



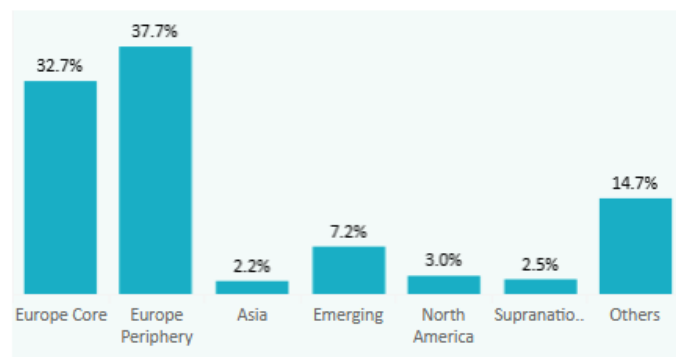
Maturity Breakdown (Market weight (%) vs Duration Contribution)



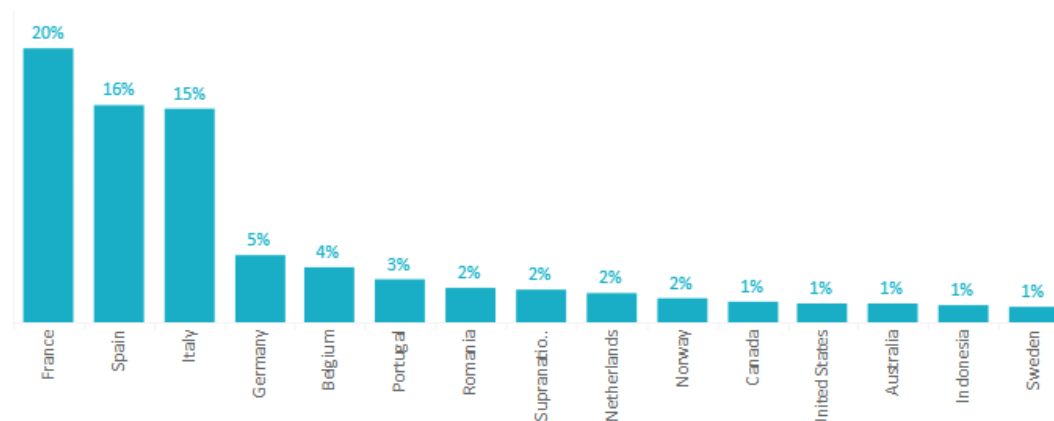
Looking under the hood of AXA WF Euro Strategic Bonds

Freedom to reflect our views through diversified and high conviction positioning

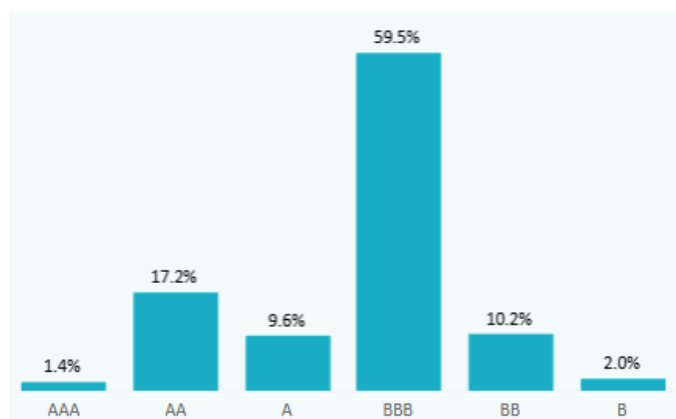
Region Allocation



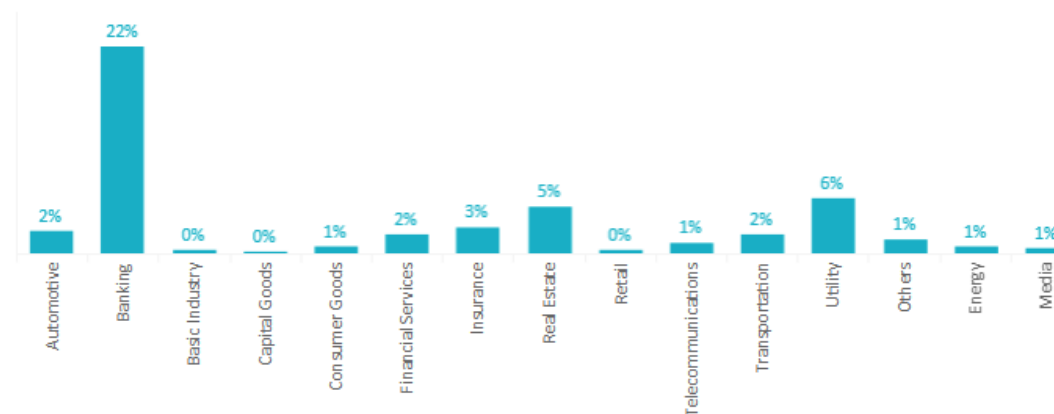
Top 15 Country Allocation



Rating Allocation



Sector Allocation (Corporate)

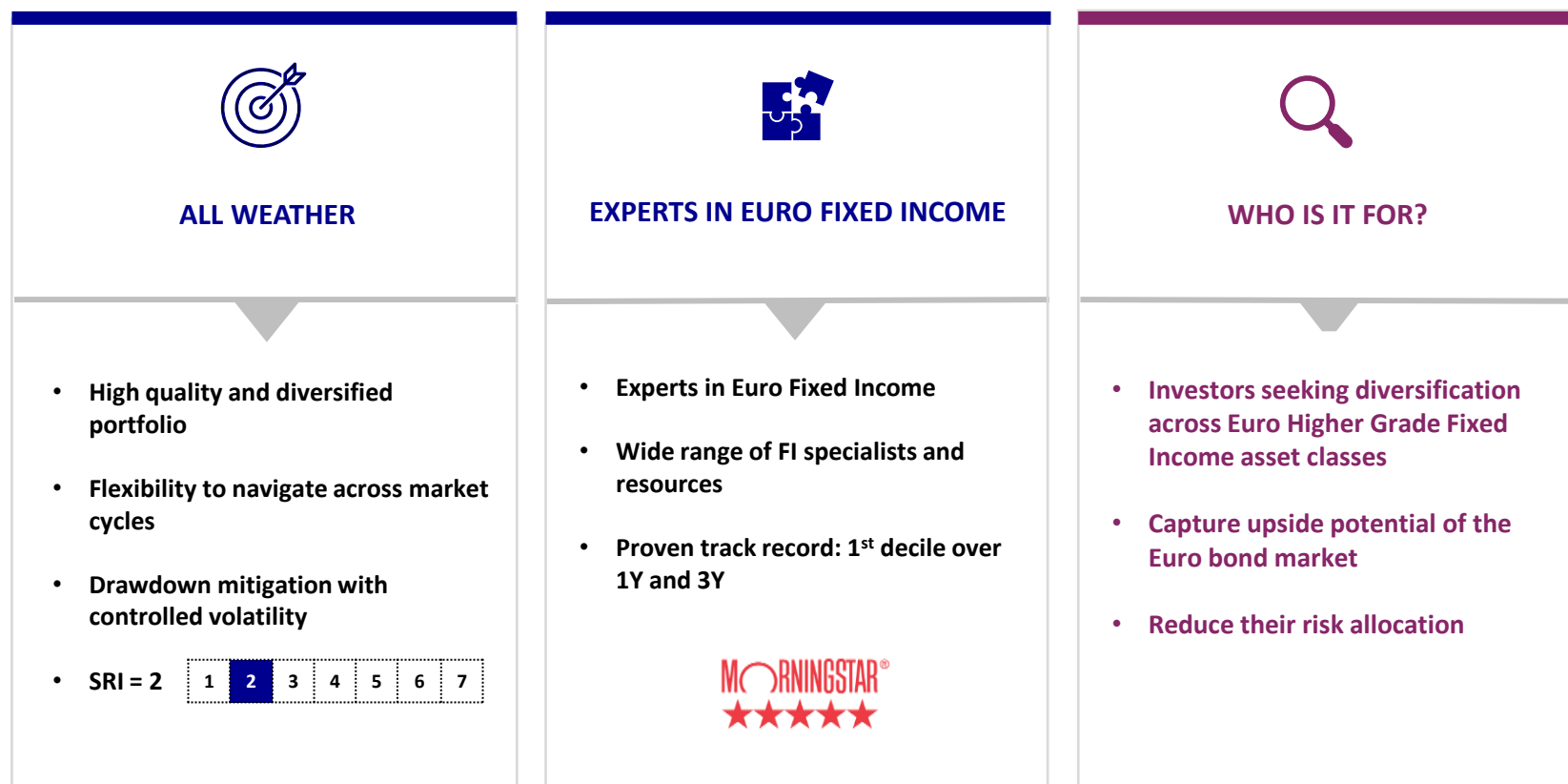


Portfolio

Source: AXA IM, unaudited data sourced by our front office tool as of 30/05/2025. For illustrative purposes only. The above represents our current positioning. Past positioning is not a reliable indicator of future positioning and there is no guarantee that the internal process will be the same going forward. Data based on AXA WF Euro Strategic Bonds I EUR share class.

Why invest in AXA WF Euro Strategic Bonds?

Capturing opportunities in the Euro Bond market amid declining money market rates and high uncertainty



Source: AXA IM Paris.

AXA WF Euro Strategic Bonds*

Key characteristics and risk profile

KEY CHARACTERISTICS

Investment Objective	To seek both income and growth of your investment, in EUR, from an actively managed bond portfolio
Investment Horizon	3 years
Investment Zone	Global
Investment Universe	The Sub-Fund will mainly invest in investment-grade transferable debt securities denominated in EUR and issued by governments, public institutions, and companies.
Inception Date	06/09/2005
Legal Form	Sub-fund of AXA World Funds, a Luxembourg-based SICAV
Reference Currency	EUR
Type of Share	Capitalisation and Distribution
Valuation	Daily
Subscription / Redemption	Forward price, daily (D) before 3:00 pm (CET)
Settlement	D+4 working days
Management Company	AXA Funds Management S.A. (Luxembourg)
Investment Manager	AXA Investment Managers Paris
Custodian	State Street Bank Luxembourg S.A.
SFDR category	Article 8 product

The investment will be reduced by the payment of the below costs / fees:**

Maximum one-off charges taken when you invest		Maximum recurrent charges taken from the Sub-Fund over a year		
Class	Entry Charge	Management Fee	Applied Service Fee	Distribution Fee
I	-	0.30%	0.50%	-

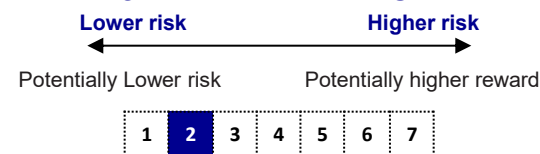
RISKS

The Fund is exposed to risk of capital loss. Please refer to the full prospectus & KID/KIID supplement for full product details and complete information of risks. The information herein is not a substitute for those documents or professional external advice.

The list of specific risk factors indicated below is not exhaustive and is in addition to general risks described in the abovementioned documents:

- Derivatives & leverage
- Inflation-linked products
- Emerging markets
- High-yield debt securities
- Subordinated debts
- Contingent convertible bonds
- 144A securities
- ESG
- Extension
- Reinvestment

RISK AND REWARD PROFILE



The risk indicator assumes you keep the product for 3 years. Actual risk can vary significantly if you cash in at an early stage and you may get back less.

Be aware of currency risk. You will receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

The risk category is calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The risk category shown is not guaranteed and may shift over time. The lowest category does not mean risk free.

The most recent risk category, which may be different for each share class, is available in the latest KID/KIID supplement.

* Formerly AXA WF Euro 5-7. Prior to 16/09/2021, the Fund was managed in reference to the 100% FTSE EuroBIG 5-7 years. Since 16/09/2021, the Fund is actively managed without reference to any benchmark. Source: AXA IM as at 26/11/2024. For further details, please refer to the prospectus of the fund. Please contact your sales manager or client service for more information on available share classes and registration as not all share classes are available in certain jurisdictions. **Fees as presented in the prospectus, contact your sales manager or client service for more information.

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- For more information on sustainability-related aspects please visit <https://www.axa-im.com/what-is-sfdr>
- For investors located in the European Union: please note that the management company reserves the right, at any time, to no longer market the product(s) mentioned in this communication in the European Union by filing a notification to its supervision authority, in accordance with European passport rules.
- In the event of dissatisfaction with AXA Investment Managers products or services, you have the right to make a complaint, either with the marketer or directly with the management company (more information on AXA IM complaints policy is available in English: <https://www.axa-im.com/important-information/comments-and-complaints>). If you reside in one of the European Union countries, you also have the right to take legal or extra-judicial action at any time. The European online dispute resolution platform allows you to submit a complaint form (available at: <https://ec.europa.eu/consumers/odr/main/index.cfm?event=main.home.chooseLanguage>) and provides you with information on available means of redress (available at: <https://ec.europa.eu/consumers/odr/main/?event=main.adr.show2>).
- Summary of investor rights in English is available on AXA IM website <https://www.axa-im.com/important-information/summary-investor-rights>. Translations into other languages are available on local AXA IM entities' websites. Past performance is not a guide to current or future performance, and any performance or return data displayed does not take into account commissions and costs incurred when issuing or redeeming units. References to league tables and awards are not an indicator of future performance or places in league tables or awards and should not be construed as an endorsement of any AXA IM company or their products or services. Please refer to the websites of the sponsors/issuers for information regarding the criteria on which the awards/ratings are based. The value of investments, and the income from them, can fall as well as rise and investors may not get back the amount originally invested. Exchange-rate fluctuations may also affect the value of their investment. Due to this and the initial charge that is usually made, an investment is not usually suitable as a short term holding.
- The mentioned funds are sub-funds of AXA World Funds. AXA WORLD FUNDS's registered office is 49, avenue J.F Kennedy L-1885 Luxembourg. The Company is registered under the number B. 63.116 at the "Registre de Commerce et des Sociétés" The Company is a Luxembourg SICAV UCITS IV approved by the CSSF and managed by AXA Investment Managers Paris, a company incorporated under the laws of France, having its registered office located at Tour Majunga – La Défense 9 – 6, place de la Pyramide – 92800 Puteaux, registered with the Nanterre Trade and Companies Register under number 353 534 506, and a Portfolio Management Company, holder of AMF approval no. GP 92-008, issued on 7 April 1992
- Issued by AXA INVESTMENT MANAGERS PARIS, a company incorporated under the laws of France, having its registered office located at Tour Majunga, 6 place de la Pyramide, 92800 Puteaux, registered with the Nanterre Trade and Companies Register under number 353 534 506, and a Portfolio Management Company, holder of AMF approval no. GP 92-08, issued on 7 April 1992. In other jurisdictions, this document is issued by AXA Investment Managers SA's affiliates in those countries.
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