

Our ref: Sample

(Date)

Sample copy

Dear (Salutation)

Fund name, investment objective & policy changes

Account number: *****
Your financial adviser: *****

I am writing to you because you are invested in the AXA ACT Carbon Transition Sterling Buy and Maintain Credit fund, provided by AXA Investment Managers UK Limited.

AXA will change the name, investment objective & policy of the fund from **07 April 2025**.

You'll see the new fund name on our valuations and statements after this date.

Old fund name	New fund name
AXA ACT Carbon Transition Sterling Buy and Maintain Credit	AXA Carbon Transition Sterling Buy and Maintain Credit

The old and new investment objective and policy are overleaf for you to compare.

You may want to speak to your financial adviser about the impact of the change. Please speak to them before making any investment decisions, or if you have any questions about the change.

If you don't have a financial adviser, we recommend that you consider the benefits of receiving professional financial advice, which can be especially important when you need to make investment decisions. If you would like to search for an adviser in your area you can start by visiting quilter.com/financial-advice/find-an-adviser.

How this will affect your account

- **The value of your holding** – The changes will not affect the value of your fund holding.
- **Risk profile** – The fund's risk profile will not change.
- The Annual Management Charge (AMC) of the fund will not change.

Why the funds are changing

The term 'ACT' was originally used by AXA to align the fund with other funds which set sustainable investment as part of their objectives. As the fund will now make use of the 'Sustainability Improvers' label under the FCA's sustainability disclosure and labelling regime, the use of the term 'ACT' is no longer required.

AXA are updating the wording of the sustainability element of the objective to explicitly state the aim of the fund i.e. to support the transition to a net zero carbon economy by 2050. The additions to the investment policy are being made to provide further detail of the sustainability element of the selection process.

The next steps

You don't need to take any action unless you would like to choose a new asset from our extensive range. Please speak to your financial adviser before making any investment decisions or if you have any questions about this change.

If you have any questions about this letter, please speak to your financial adviser who will be able to help you. Alternatively, you can call or email us using the details shown and we will be happy to help. Our Customer Service Centre is open 8:30am – 5:30pm, Monday to Friday.

Yours sincerely

A handwritten signature in dark ink that reads "Callum Earl". The signature is written in a cursive, flowing style.

Callum Earl

Head of Client Services

Fund objectives

Current fund AXA ACT Carbon Transition Sterling Buy and Maintain Credit	New fund AXA Carbon Transition Sterling Buy and Maintain Credit
<p>Fund objective:</p> <p>To: (i) generate an income and capital return (net of fees) over the long term (being a period of five years or more) in line with the sterling-denominated investment grade corporate bond market, as represented by the ICE BofA Sterling Non-Gilt Index (the Index); and (ii) keep its weighted average carbon intensity (WACI) lower than the ACD's carbon emissions benchmark (the Emissions Benchmark), while maintaining a low turnover of bonds held by the fund. The Emissions Benchmark is calculated initially as a 30% reduction of the WACI of the Index as at 31st December 2021. Thereafter, the Emissions Benchmark will be calculated as a further 7% reduction of the WACI of the Emissions Benchmark per year, based on the WACI of the Emissions Benchmark from the previous year.</p> <p>The fund seeks to achieve its investment objective by investing at least 70% of its Net Asset Value in sterling-denominated investment grade corporate bonds (meaning bonds with a credit rating of at least BBB- by Standard & Poor or equivalent rating by Moody's or Fitch or, if unrated, an equivalent rating as deemed by the ACD). The ACD may also invest in non-sterling-denominated investment grade corporate bonds, hedged back into sterling. Investment will be made globally, largely in more developed markets, but may also be made in emerging markets. The fund is managed in a way that seeks to limit turnover and therefore avoids unnecessary trading costs. The ACD also focuses on avoiding downgrades and defaults through its analysis and selection of issuers and bonds and, by diversifying the fund's portfolio across different corporate sectors, it aims to mitigate the risks associated with any particular sector.</p>	<p>Fund objective:</p> <p>To:</p> <p>(i) generate an income and capital return (net of fees) over the long term (being a period of five years or more) in line with the sterling-denominated investment grade corporate bond market, as represented by the ICE BofA Sterling Non-Gilt Index (the Index); and</p> <p>(ii) contribute to the global transition to net zero by investing in issuers which demonstrate a clear and credible commitment to achieving net zero carbon emissions by 2050 or are decreasing their carbon emissions intensity to achieve net zero emissions by 2050. The ACD will seek to keep the weighted average carbon intensity (WACI) of the fund lower than its Emissions Benchmark. The fund's Emissions Benchmark has been calculated by the ACD to ensure that the fund's investments are on a trajectory to reach net zero carbon emissions by 2050. The initial value of the Emissions Benchmark is calculated as a 30% reduction of the WACI of the ICE BofA Sterling Non-Gilt index (the "Index") as of 31st December 2021. Thereafter, the Emissions benchmark will be reduced by 7% year on year.</p> <p>The fund invests:</p> <p>(i) at least 70% of its Net Asset Value in sterling-denominated investment grade corporate bonds (meaning bonds with a credit rating of at least BBB- by Standard & Poor or equivalent rating by Moody's or Fitch or, if unrated, an equivalent rating as deemed by the ACD). The ACD may also invest in non-sterling-denominated investment grade corporate bonds, hedged back into sterling. Investment will be made globally, largely in more developed markets, but may also be made in emerging markets; and</p> <p>(ii) at least 70% of its Gross Asset Value in issuers which are categorised by the ACD as either Committed to Align, Aligning or Aligned to a net zero carbon economy (each term is defined below). The ACD expects that the proportion of assets in the fund invested in issuers categorised as "Aligned" will increase over time in line with the investment objective. The fund will invest its remaining assets as permitted under this investment policy.</p>