Perspectives
US Credit
Market Update

In February, risk assets were mixed, with equity markets reaching new highs. Macro data during the month continues to point to strong US growth and sticky inflation. 4Q GDP growth was slightly below expectations but still posted a strong 3.2% q/q saar, with positive contribution from consumer spending. Notably, on the inflation front, headline and core PCE were in-line with expectations. The macro data continues to support the narrative for Fed rate cuts beginning in 2H24; however, the market has dialed back its expectations from the start of the year, with more tempered expectations for ~4 rate cuts as inflation is projected to return close to target in 2H24. Rates volatility continued as the 10-year Treasury yield moved higher this month, closing up +34bps to 4.25%. The US IG market posted total returns of -1.50%, while credit spreads were flat and closed at 96bps as the market continues to digest new supply. Meanwhile, US HY posted +0.29% of total return and the S&P returned +5.34%.

Primary issuance in February totaled $218.6bn, above the 5-year average of $140bn, and the initial forecast of ~$150bn. New issuance in February was driven by Industrials which accounted for 58% of total supply, with $125.7bn of issuance, while Financials issued $48.6bn. YTD issuance of $489.9bn, was greater than issuance of ~$390bn in the comparable 2023 period. Yankee Bank issuance was up 11% YoY to $23.55, with 72% of supply issued in the last week of February. This month was active on the M&A front, with $42bn in financing, with larger deals from Abbvie ($15bn), Cisco ($13.5bn), and Bristol-Myers ($13bn). ESG issuance for the month was $7.5bn, comprised of Air Products ($2.5bn Green bonds), Raizen Fuels, Dow Chemical and Verizon. ESG YTD 2024 issuance represents approximately ~1.3% of total corporate bond supply and is up around +82% YoY. It has been a record year for overall IG issuance, in part due to elevated M&A supply, but new issue outperformance has faded recently as the market digests the higher volumes. We expect new issuance to continue to be active in March, although estimates are below the long-term averages. New issue supply for February is projected to be ~$135bn, which is below the 5-year average of $179bn.

Industrials (-24bps excess return) underperformed both Financials (+14bps excess return) and Utilities (-16 bps) in February. Once again, BBB-rated credits (-3bps excess return) outperformed both A-rated credits (-11bps) and AA-rated credits (-6bps). The best performing sectors were Airlines (+107bps excess return), Paper (+68bps), Home Construction (+47bps), Financials (+43bps) and Autos (+32bps), while the worst performing sectors were Cable Satellite (-127bps), Media (-111bps), Railroads (-69bps), Restaurants (-59bps) and Aerospace/Defense (-54bps).

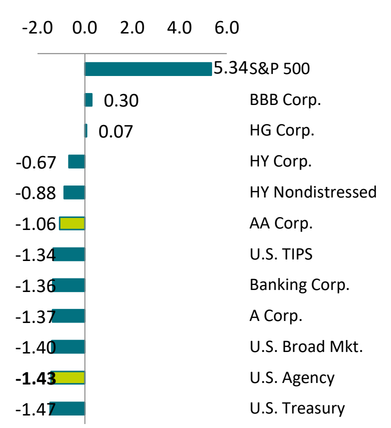
Annual New Issue

Year	Total Supply
2016	1436
2017	1469
2018	1208
2019	1297
2020	2102
2021	1673
2022	1404
2023	1451
2024 YTD	489

ICE BofA ML US Corporate Index YTD Returns %

	Total	Excess
US CORPORATE INDEX	**(1.25)**	**0.48**
Automotive	(0.18)	0.64
Banking	(0.25)	0.78
Basic Industry	(1.37)	0.49
Capital Goods	(1.75)	(0.03)
Consumer Goods	(1.83)	0.11
Energy	(1.22)	0.70
Financial Services	(0.48)	0.72
Healthcare	(1.96)	0.27
Insurance	(0.83)	1.02
Leisure	(0.33)	0.48
Media	(2.62)	(0.33)
Real Estate	(0.78)	0.62
Retail	(2.01)	0.06
Services	(1.34)	0.92
Technology & Electronics	(1.95)	0.06
Telecommunications	(2.05)	0.25
Transportation	(2.17)	0.25
Utility	(1.55)	0.67

ICE BofA ML Index Broad Asset Class Total Return – 1 Month



Sources: AXA IM, ICE BofA ML, Bloomberg, Deutsche Bank, Citibank, J.P. Morgan as of February 29, 2024.
Past performance is not indicative of future results. For illustrative purposes only. It is not possible to invest directly in an unmanaged index. Index performance is not illustrative of the strategy's performance.

US Corporate Intermediate Investment Grade Strategy

Portfolio management comments

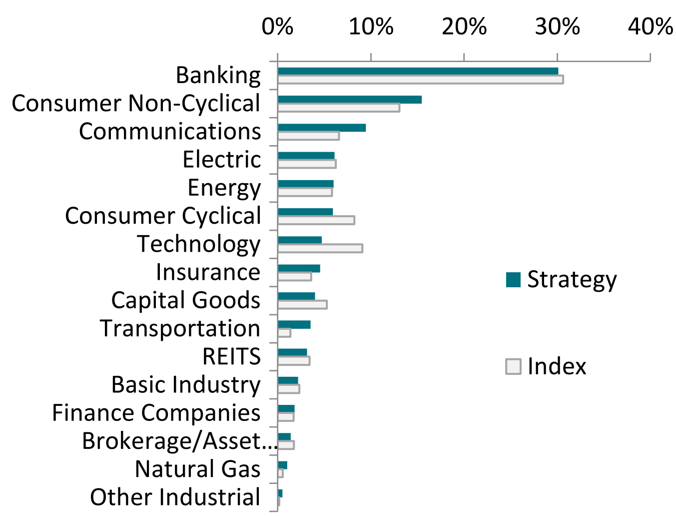
In February, the AXA IM US Corporate Intermediate Strategy underperformed its benchmark, the Bloomberg US Intermediate Corporate Index (both net-of-fees and gross-of-fees, USD). The primary performance driver was a slight negative yield curve effect and negative security selection, particularly in the Industrials sectors Media, Real Estate and Telecommunications, as well as the Financials sector Banking. The index posted -89bps of total return and +18bps of excess return during the month. The index's average OAS was 3bps tighter and ended the month at +87bps. The strategy finished the month with an average OAS of +93bps compared to +87bps for the benchmark and a yield-to-worst of 5.42% compared to 5.33% for the index.

The outlook for the US Investment Grade market remains impacted by the macro environment, anticipating a soft landing which should be supportive of sentiment and corporate spreads. We also now target a neutral positioning in Banking and took advantage of the active primary market in January and February following bank earnings. We remain cautious on lower-tier regional banks given potential pressure on profitability and uncertain impact from expected regulatory changes. Within the broad Industrial sector, we remain overweight Healthcare, Consumer Goods, Media and Services and underweight Technology, Retail, Real Estate and Basic Industry.

Characteristics

CHARACTERISTICS	Strategy	Index
Average Maturity (Years)	**4.8**	4.7
Yield to Maturity	**5.39%**	5.33%
Current Yield	**4.17%**	4.12%
Effective Duration	**3.98**	4.00
Average Coupon	**3.99%**	3.90%
Option Adjusted Spread	**93**	87
Number of Issuers	**138**	751
Number of Positions	**204**	4,955
Average ML Rating	**BBB1**	A3
Cash Position	**0.69%**	N/A

Sector Exposure



Sources: AXA IM, FactSet, as of February 29, 2024. Index: Bloomberg US Intermediate Corporate. The examples shown herein are intended only to illustrate the investment process and should not be considered a recommendation or solicitation to buy or sell any particular security. The representative account shown has been selected because it utilizes an investment setup that is typical for accounts in the relevant strategy and/or on the basis that it has adequate assets under management to effectuate a fair comparison. Please refer to the appendix for additional information about representative accounts.

US Credit Short Duration Investment Grade Strategy

Portfolio management comments

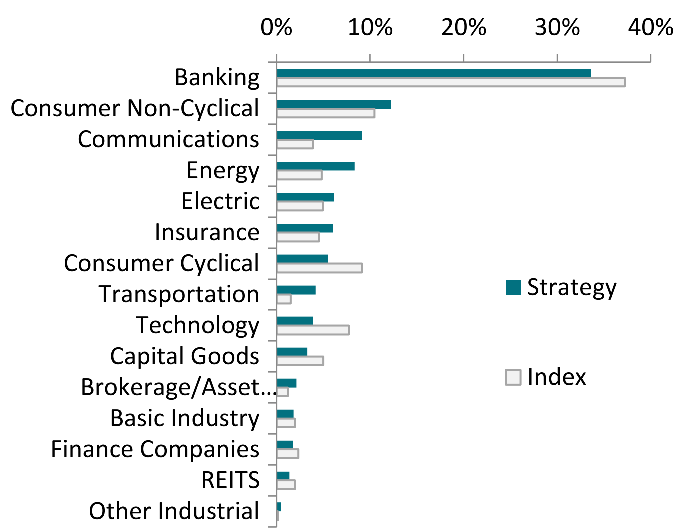
In February, the AXA US Credit Short Duration Strategy outperformed its performance indicator, the ICE BofA Merrill Lynch 1-3 Year US Corporate Index (both net-of-fees and gross-of-fees, USD). The main driver of performance was positive yield curve effect, offset slightly by negative security selection, particularly in the Financial sectors Banking, Financial Services and Insurance. The index posted -20bps of total return for the month as 2 Year US Treasury yields increased +41bps to 4.62%. The index posted +16bps of excess return as credit spreads tightened. The index’s average OAS was -5bps tighter and ended the month at +68bps. The strategy aims to maintain a yield advantage relative to the performance indicator (5.64% yield to worst relative to 5.42%), despite having slightly lower duration (1.63 effective duration relative to 1.72).

The outlook for the US Investment Grade market remains impacted by the macro environment, anticipating a soft landing which should be supportive of sentiment and corporate spreads. We also now target a neutral positioning in Banking and took advantage of the active primary market in January and February following bank earnings. We remain cautious on lower-tier regional banks given potential pressure on profitability and uncertain impact from expected regulatory changes. Within the broad Industrial sector, we remain overweight Healthcare, Energy, Consumer Goods and Media and underweight Retail, Technology & Electronics, and Basic Industry.

Characteristics

CHARACTERISTICS	Strategy	Index
Average Maturity (Years)	**1.9**	2.0
Yield to Worst	**5.64%**	5.42%
Current Yield	**4.02%**	3.65%
Effective Duration	**1.63**	1.79
Average Coupon	**3.96%**	3.51%
Option Adjusted Spread	**78**	68
Number of Issuers	**113**	755
Number of Securities	**147**	2,137
Average ML Rating	**BBB1**	A3
Cash Position	**0.92%**	N/A

Sector Exposure



Sources: AXA IM, FactSet, as of February 29, 2024. Index: BofA ML 1-3 Year US Corporate. The examples shown herein are intended only to illustrate the investment process and should not be considered a recommendation or solicitation to buy or sell any particular security. The representative account shown has been selected because it utilizes an investment setup that is typical for accounts in the relevant strategy and/or on the basis that it has adequate assets under management to effectuate a fair comparison. Please refer to the appendix for additional information about representative accounts.

US Corporate Investment Grade Low Carbon Strategy

Portfolio management comments

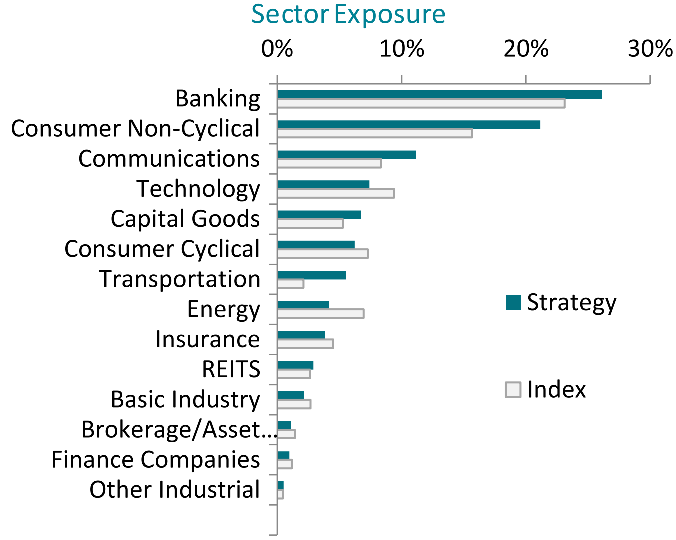
The US Corporate Bonds Low Carbon Strategy's objective is to outperform its benchmark with lower carbon emissions intensive exposures. The strategy outperformed its benchmark, the Bloomberg US Corporate Index (both net-of-fees and gross-of-fees, USD). The main driver of performance during the month was positive yield curve twist and shift effects, offset with negative security selection, particularly in the Industrials sectors Healthcare, Retail, Transportation and Consumer Goods and the Financial sector Insurance. The index posted -150bps of total return and -11bps of excess return during the month. The index’s average OAS was flat and ended the month at 96bps. The strategy finished the month with a yield-to-worst of 5.53% compared to 5.41% for the index. At month end, the strategy had an average ESG score of 7.03 (compared to 6.56 for the index), maintained an average Carbon footprint and Water intensity that were around ~47% and ~4% of the US Corporate Index, respectively, and had an allocation of more than 10% to impact bonds (e.g. green, social, and sustainable bonds).

The outlook for the US Investment Grade market remains impacted by the macro environment, anticipating a soft landing which should be supportive of sentiment and corporate spreads. We also now target a neutral positioning in Banking and took advantage of the active primary market in January and February following bank earnings. We remain cautious on lower-tier regional banks given potential pressure on profitability and uncertain impact from expected regulatory changes. Within the broad Industrial sector, we remain overweight Healthcare, Consumer Goods, Capital Goods, Telecommunications, Media and Services and underweight Technology, Retail and Basic Industry.

Characteristics

CHARACTERISTICS	Strategy	Index
Average Maturity (Years)	**11.2**	10.7
Yield to Maturity	**5.53%**	5.41%
Current Yield	**4.55%**	4.49%
Effective Duration	**6.82**	6.93
Average Coupon	**4.20%**	4.11%
Option Adjusted Spread	**104**	96
Number of Issuers	**113**	870
Number of Securities	**139**	7,938
Average ML Rating	**BBB1**	A3
Cash Position	**1.13%**	N/A

Sector Exposure



Sources: AXA IM, FactSet, as of February 29, 2024. Index: Bloomberg US Corporate Investment Grade. The examples shown herein are intended only to illustrate the investment process and should not be considered a recommendation or solicitation to buy or sell any particular security. The representative account shown has been selected because it utilizes an investment setup that is typical for accounts in the relevant strategy and/or on the basis that it has adequate assets under management to effectuate a fair comparison. Please refer to the appendix for additional information about representative accounts. Carbon Intensity is defined as the amount of carbon dioxide released into the atmosphere as a result of the activities of a particular organization, most often expressed as tons of CO2 emission per USD million of revenues. Water Intensity is defined as the volume of water purchased by the company from utility companies divided by revenue. For more information about AXA IM’s Responsible Investment practices please refer to https://www.axa-im.com/responsible-investing. The ESG data used in the investment process are based on ESG methodologies which rely in part on third party data, and in some cases are internally developed. They are subjective and may change over time. Despite several initiatives, the lack of harmonized definitions can make ESG criteria heterogeneous. As such, the different investment strategies that use ESG criteria and ESG reporting are difficult to compare with each other. Strategies that incorporate ESG criteria and those that incorporate sustainable development criteria may use ESG data that appear similar but which should be distinguished because their calculation method may be different. ESG Score is a metric that reflects a company’s performance across a range of environmental (E), social (S), and governance (G) criteria. An ESG score may not be available for all of the investments in the universe. It applies a floor at 0 (worst) and a cap at 10 (best). ESG scores contribute to, but are not the only item in AXA IM's decision making. The ESG score consists of many metrics. For more information, please see: https://www.axa-im.com/who-we-are/environmental-social-and-governance

US IG Risks Overview

CREDIT RISK - If an issuer of bonds defaults on its obligations to pay income or repay capital, it may result in a decrease in portfolio value. The value of a bond (and subsequently, the portfolio) is also affected by changes in credit rating downgrades and/ or market perceptions of the risk of future default. Investment grade issuers are regarded as less likely to default than issuers of high yield bonds. High-yield, lower-rated, securities involve greater risk than higher-rated securities. Portfolios that invest in them may be subject to greater levels of credit and liquidity risk than portfolios that do not.

RISK OF CAPITAL LOSS – Any investment in our high yield strategies are not guaranteed and returns can be negative. The performance of a portfolio may not be consistent with the objectives of investors and their investment may not be fully returned.

INTEREST RATE RISK - Fluctuations in interest rates will change the value of bonds, impacting the value of the investment portfolio. Often, when interest rates rise, the value of the bonds fall and vice versa. The valuation of bonds will also change according to market perceptions of future movements in interest rates.

LIQUIDITY RISK - Some investments may trade infrequently and in small volumes and the risk of low liquidity level in certain market conditions might lead to difficulties in valuing, purchasing or selling bonds.

RE-INVESTMENT RISK - Reinvestment risk describes the risk that, as interest rates or market environment changes, the future coupons and principal from any bond may have to be reinvested in a less favorable rate environment. This is more likely to occur during periods of declining interest rates when issuers can issue bonds with lower levels of coupon. Re-investment risk may be greater with callable bonds

HIGH YIELD BOND RISK –US Credit IG portfolios may be exposed to a risk related to investments in high yield financial instruments. These instruments present higher default risks than those of the investment grade category. In case of default, the value of these instruments may decrease significantly, which would affect the value of the portfolio. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates.

US CORPORATE BOND – INTERMEDIATE COMPOSITE

GIPS Compliant Performance Presentation

Investment Strategy Objective

The "US Corporate - Intermediate" composite has an objective of generating high total returns by investing in US dollar denominated debt of investment grade companies w ith strong fundamentals. The portfolios in this composite are managed against indices of an intermediate maturity (typically 10 years or less). This is a total return investment strategy and aims to provide risk-adjusted out-performance, given their respective benchmarks and constraints.

Composite Benchmarks

Bloomberg US Corporate Intermediate Investment Grade

General Information

Reporting date	February 29, 2024
Composite Inception Date	January 31, 2009
Composite Creation Date	January 31, 2009
Composite Currency	USD

Cumulative (%)	1 mo	3 mo	6 mo	YTD
Composite (Gross)	-0.92	5.07	4.42	-0.57
Composite (Net)	-0.94	4.96	4.24	-0.62
Benchmark	-0.89	5.13	4.11	-0.70

Annualized (%)	1 year	3 year	5 year	10 year	Since inception
Composite (Gross)	5.56	-1.03	2.35	2.67	4.74
Composite (Net)	5.28	-1.29	2.09	2.40	4.47
Benchmark	6.02	-1.11	2.06	2.36	4.23

Quarterly (%)	2023 1Q	2023 2Q	2023 3Q	2023 4Q
Composite (Gross)	1.95	-0.20	-0.62	5.68
Composite (Net)	1.89	-0.26	-0.68	5.61
Benchmark	2.50	-0.16	-0.96	5.86

Calendar year (%)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Composite (Gross)	6.86	-9.42	-0.58	8.53	10.57	-0.16	4.52	4.43	1.26	4.97
Composite (Net)	6.58	-9.66	-0.84	8.25	10.28	-0.42	4.24	4.16	0.99	4.64
Benchmark	7.29	-9.40	-1.00	7.47	10.13	-0.23	3.92	4.04	0.95*	4.35

As of end of period	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
# of Portfolios in Composite	1	1	2	2	2	2	2	2	1	1
Total Strategy Assets (USD mil)	N/A	N/A	N/A	N/A	N/A	N/A	35,272	36,182	30,373	28,264
Total Firm Discr.Assets (USD mil)		262,178	291,036	250,851	208,569	191,910	223,150	177,183	182,303	215,895
Total Firm Assets (USD mil)		583,476	618,555	689,782	618,264	583,866	650,149	555,036	558,650	668,139

Source: AXA IM Past results are not indicative of future performance. No assurances can be made that profits will be achieved or that substantial losses will not be incurred. Returns assume the reinvestment of distributions. More information on the fees and expenses charged to clients of the investment adviser is available in Part II of the adviser's Form ADV.

US CREDIT SHORT DURATION INVESTMENT GRADE COMPOSITE

GIPS Compliant Performance Presentation

Investment Strategy Objective

The US Credit Short Duration Invesment Grade composite seeks to generate a higer return than short-term government bonds and cash/cash equivalents, by investing predominantly in short duration US corporate bonds.

General Information	
Reporting date	February 29, 2024
Composite Inception Date	October 31, 2013
Composite Creation Date	October 31, 2013
Composite Currency	USD

Composite Benchmark

The "US Credit Short Duration IG" composite is show n against the ICE BofA Merrill Lynch 1-3 year US Corporate benchmark.

Cumulative (%)	1 mo	3 mo	6 mo	YTD
Composite (Gross)	-0.09	3.55	4.80	0.49
Composite (Net)	-0.11	3.44	4.61	0.45
Benchmark	-0.20	3.36	4.31	0.32

Annualized (%)	1 year	3 year	5 year	Since inception
Composite (Gross)	5.51	1.14	2.51	2.32
Composite (Net)	5.23	0.87	2.24	2.05
Benchmark	5.52	0.51	2.01	1.88

Quarterly (%)	2023 1Q	2023 2Q	2023 3Q	2023 4Q
Composite (Gross)	0.89	0.52	1.21	3.05
Composite (Net)	0.83	0.45	1.14	2.98
Benchmark	1.29	0.28	0.91	3.03

Calendar year (%)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Composite (Gross)	5.76	-2.95	0.31	4.54	6.12	1.61	2.54	3.09	0.79	1.52608
Composite (Net)	5.48	-3.20	0.05	4.28	5.85	1.39	2.27	2.82	0.53	1.26
Benchmark	5.61	-4.05	-0.01	4.16	5.43	1.62	1.91	2.39	1.01	1.186702

As of end of period	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Composite Assets (USD mil)	428	522	327	270	286	279	240	164	156	92
# of Portfolios in Composite	1	1	1	1	1	1	1	1	1	1
Total Strategy Assets (USD mil)	428	522	327	270	286	279	240	164	156	92
Total Firm Discr.Assets (USD mil)		262,178	291,036	250,851	208,569	191,910	223,150	177,183	182,303	215,895
Total Firm Assets (USD mil)		583,476	618,555	689,782	618,264	583,866	650,149	555,036	558,650	668,139

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US CORPORATE BOND – INVESTMENT GRADE COMPOSITE

GIPS Compliant Performance Presentation

Composite Investment Strategy

The "US Corporate Bond - Investment Grade" composite has an objective of generating high total returns by investing in the full maturity spectrum of investment grade debt of U.S. companies with strong fundamentals. The portfolios in the composite are managed with a total return investment strategy and aim to provide risk-adjusted out-performance, given their respective benchmarks and constraints.

Composite Benchmarks

Bloomberg US Corporate Investment Grade (Bloomberg 2765)

General Information	
Reporting date	February 29, 2024
Composite Inception Date	June 30, 2004
Composite Creation Date	June 30, 2004
Composite Currency	USD

Cumulative (%)	1 mo	3 mo	6 mo	YTD
Composite (Gross)	-1.52	6.69	3.79	-1.49
Composite (Net)	-1.54	6.58	3.62	-1.53
Bloomberg 2765	-1.50	6.69	3.39	-1.67
ICE C0A0	-1.40	6.56	3.69	-1.25

Annualized (%)	1 year	3 year	5 year	10 year	Since inception
Composite (Gross)	5.57	-2.90	2.16	2.89	4.43
Composite (Net)	5.30	-3.16	1.90	2.63	4.24
Bloomberg 2765	5.97	-2.85	1.77	2.49	4.13
ICE C0A0	6.13	-2.54	1.88	2.56	4.15

Quarterly (%)	2023 1Q	2023 2Q	2023 3Q	2023 4Q
Composite (Gross)	2.85	-0.29	-2.71	2.63
Composite (Net)	2.78	-0.36	-2.78	2.57
Bloomberg 2765	3.50	-0.29	-3.09	2.59
ICE C0A0	3.45	-0.21	-2.70	2.74

Calendar year (%)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Composite (Gross)	8.04	-16.31	-0.63	11.87	15.13	-2.46	6.72	6.76	-0.08	8.26
Composite (Net)	7.77	-16.53	-0.89	11.60	14.84	-2.71	6.43	6.50	-0.33	7.97
Bloomberg 2765	8.52	-15.76	-1.04	9.89	14.54	-2.51	6.42	6.11	-0.68	7.46
ICE C0A0	8.40	-15.44	-0.95	9.81	14.23	-2.25	6.48	5.96	-0.63	7.51

As of end of period	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Composite Assets (USD mil)	784	737	1,334	1,236	524	459	490	258	1,351	1,351
# of Portfolios in Composite	3	3	3	3	3	3	3	3	2	2
Total Strategy Assets (USD mil)			51,869	62,904	48,742	30,632	35,272	36,182	30,373	28,264
Total Firm Discr.Assets (USD mil)		262,178	291,036	250,851	208,569	191,910	223,150	177,183	182,303	215,895
Total Firm Assets (USD mil)		583,476	618,555	689,782	618,264	583,866	650,149	555,036	558,650	668,139

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GIPS® Performance Disclosure Notes

Claim of Compliance

AXA IM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. AXA IM has been independently verified for the periods from December 31, 1999 through December 31, 2018. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with GIPS standards. The US Core High Yield and the US Short Duration High Yield Composites have been examined since inception. GIPS verification and performance examination reports are available upon request. Select AXA IM Funds under management that are included in select GIPS composites are subject from time to time to "swing" pricing. In order to ensure that AXA IM maintains its GIPS compliance standards, it has developed a comprehensive set of policies and procedures to account for such swing price impacts. As with other policies and procedures, the GIPS standards are reviewed and revised on an as needed basis.

Presentation of the Firm

AXA IM is an active long-term, responsible multi-asset manager with investment centers in the Americas, Asia Pacific and Europeoffering the following investment capabilities:

Framlington Equity - an active, Fundamental, bottom-up stock selection approach for core equities and thematic equity strategies incorporating specialist investment capabilities and responsible investing (RI).

Equity QI (Quant Investing) - offering quantitative investing by the use of technology and modelling to deliver Fundamental strategies including advanced factor, systematic alpha and targeted outcome, underpinned by environmental, social and governance (ESG) principles.

Active Fixed Income Europe & Asia - a robust, repeatable process, which involves bottom-up credit analysis and top-down macroeconomic research to deliver outcome-oriented solutions that span the fixed income spectrum.

US Active Fixed Income and European & Global High Yield - a range of high yield strategies investing within and across regions, sectors and maturities. Dedicated high yield teams employ a consistent investment process which has been tested over a range of market cycles and conditions.

Fixed Income for AXA and Buy & Maintain - a strong bottom-up credit analysis and top-down macroeconomic research approach for traditional, benchmarked to fully flexible strategies which employ several different investment styles, including active and buy-and-maintain.

Structured Finance - a broad range of alternative sources of return from across the credit continuum, beyond traditional credit investments, to suit various risk/return and liquidity profiles through standalone and multi-strategy investments.

Multi Asset - a combined Fundamental top-down and bottom-up analysis with embedded risk monitoring to all client types for outcome-oriented and customized multi-asset solutions.

Chorus - a research and technology-driven approach to deliver stable and sustainable, positive returns regardless of market conditions offering clients a differentiated proposition with low correlation to traditional assets..

Composite List and Description

A complete list and description of all composites is available on request.

Portfolio Valuation

Portfolios are valued according to the market closing prices each day, except for certain portfolios valued in Germany, which use the closing price of the previous day, and the UK, where the price used is the 2pm price of the same day. In order to apply this valuation policy, the NAV of the day following the valuation date is used for certain portfolios. Dividends paid on securities in the portfolio are accounted for using ex-dividend date and are gross of any withholding taxes. Buy and sell transactions are taken into account using trade-date valuation after confirmation of the trade by the counterparty, except in Germany where settlement date valuation is used. Accrued interest on debt securities is recorded each time the portfolio is valued. All proceeds, including realized and unrealized gains or losses in the portfolio are included in the value of assets. There are minor exceptions to these general rules for specific types of portfolios. Some securities in portfolios of US High Yield composites are valued by reference to broker quotes.

Minimum Asset Level & Total Firm Assets

The minimum portfolio size for the US High Yield and US Investment Grade composites is 10,000,000 USD. If the portfolio falls below 10,000,000 USD for more than three months it is excluded from the performance calculations for the following month. For all other composites, the upper threshold is defined at 10,000,000 EUR the lower threshold at 8,000,000 EUR, with a 6-month grace period. AUM figures for the Firm include all portfolios falling within the definition of the Firm.

GIPS® Performance Disclosure Notes (continued)

Significant Cash Flows

If the average cash balance of a portfolio is above 10% for a specific month, the entire portfolio is temporarily removed from the composite performance for that particular month. Additional information regarding the treatment of significant cash flows is available upon request.

Currency Used to Express Performance

Composite performance figures are presented in the currency of the composite.

Performance Results / Fees

Composite returns are calculated gross of fees. Gross of fees returns are calculated gross of management and custodial fees and net of all trading expenses. The management fee schedule is as follows:

US Core High Yield Composite: First $50 million: 0.48%; next $50 million: 0.44%, next $50 million: 0.41%, next $50 million: 0.39%, Amount above $200 million: 0.37%.

US Short Duration High Yield Composite: Flat fee: 0.45%.

US Dynamic High Yield Composite: Flat fee: 0.60%.

US Investment Grade Corporate Bond Composites: First $50 Million: 0.26%; next $50 million: 0.24%; next $50 million: 0.20%; next $50 million: 0.18%. Amount above $200 million: 0.17%.

Benchmarks

The composite may be managed against a specific benchmark as indicated on the composite page. The extent to which any given composite invests in countries or regions not included in the benchmark depends on the limits (if any) specified in the investment management contracts of the individual portfolios in the composite. In general, such investment is marginal and is typically less than 10% for any given portfolio.

Compliance with Local Laws

This performance presentation does not conflict with any relevant local laws in any of the AXA IM management centers included in the Firm perimeter as at 31/12/2016.

Calculation Methods

Composite performance is calculated on a monthly basis as follows:

- The portfolios entering the performance calculation are determined according to the Minimum Asset Level described above.
- Each portfolio brings its own specific start and end dates to the calculation, depending on the particular valuation dates of the portfolio.
- The performance of each portfolio is calculated using the start and end dates relevant to the period in question, and using daily-weighted cash flows.
- The performance of a composite is calculated as a weighted average (using each portfolio's assets under management as at each portfolio's specific start date for the period in question) of the performances of the portfolios.
- Quarterly, annual, cumulative and since-inception returns are calculated by linking the composite monthly returns through compounded multiplication.

The benchmark performance is calculated in a similar fashion, using the same portfolio-related weights and date values, and replacing the portfolio values by the composite benchmark values. The calculation of the composite benchmark return is always comparable in terms of time periods and asset-weightings to the calculation of the composite return.

Dispersion

Dispersion is the weighted average (using the AUM of each portfolio at the start of the period) of the tracking error between the composite and those portfolios satisfying the Minimum Asset Level test (see above) for the whole period. Composites dispersion is defined as the standard deviation of the returns of the portfolios for the period in question, taking into account the relative size of the portfolios. It is only displayed if there are at least 5 such portfolios.

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Information concerning portfolio holdings and sector allocation is subject to change and, unless otherwise noted herein, is representative of the target portfolio for the investment strategy described herein and does not reflect an actual account. The performance information shown herein reflects the performance of a composite of accounts that does not necessarily reflect the performance that any particular account investing in the same or similar securities may have had during the period. Actual portfolios may differ as a result of client-imposed investment restrictions, the timing of client investments and market, economic and individual company considerations. The examples provided above are for illustrative purposes only and are intended to reflect the typical securities, sectors, and/or geographies that could be deployed by the strategy to generate the target returns. These examples do not represent all of the securities purchased, sold or recommended for the client's accounts. No representation is made that these examples are past or current recommendations, that they should be bought or sold, nor whether they were successful or not.

The performance information shown herein may reflect the performance of a composite of accounts or a representative account of the strategy, as specified. Composite: The performance of a composite of accounts does not necessarily reflect the performance that any particular account investing in the same or similar securities may have had during the period. Actual performance may differ from composite performance as a result of client-imposed investment restrictions, the timing of client investments and market, economic and individual company considerations. Representative Account: Representative accounts have been selected based on objective, non-performance based criteria, including, but not limited to the size and the overall duration of the management of the account, the type of investment strategies and the asset selection procedures in place. Therefore, the results portrayed relate only to such representative accounts and are not indicative of the future performance of such accounts or other accounts, products and/or services described herein. Composite and representative account performance may be similar to the applicable GIPS composite results, but may not be identical and are not being presented as such. The results portrayed relate only to such accounts and are not indicative of the performance of other accounts in the relevant strategy, and an investor's actual experience may vary due to various factors such as inception date of the account, restrictions on the account, along with other factors. The performance results for composites and representative accounts are gross of all fees, unless otherwise indicated, and do reflect the reinvestment of dividends or other earnings.

Performance shown gross of fees is calculated before the deduction of applicable management fees and other expenses. An investor's actual return will be reduced by management fees and other expenses the investor may incur. Further information on the firm's fees may be found in its Form ADV Part 2 (for US investors) or provided upon request. The collection of management fees produces a compounding effect on the total rate of return net of management fees. [As an example, the effect of management fees on the total value of an investor's portfolio assuming a) quarterly fee assessment, b) $1,000,000 investment, c) portfolio return of 8% a year, and d) 1.00% annual investment management fee would be $10,416 in the first year, and cumulatively $59,816 over five years and $143,430 over ten years.]

The information has been established on the basis of data, projections, forecasts, anticipations and hypothesis which are subjective. This analysis and conclusions are the expression of an opinion, based on available data at a specific date. Due to the subjective aspect of these analyses, the effective evolution of the economic variables and values of the financial markets could be significantly different for the projections, forecast, anticipations and hypothesis which are communicated in this material.

The risk information provided herein is not sufficient to support an investment decision, and is qualified in its entirety by the more complete disclosures, risk factors and other terms available upon request from AXA Investment Managers.

The Adviser is not a tax or legal advisor. Prospective investors should consult their tax and/or legal advisors before making tax-related and/or legal-related investment decisions.

The Bloomberg US Corporate Credit – Intermediate Index is composed dollar-denominated investment grade debt from U.S. and non-U.S. industrial, utility, and financial institutions issuers of intermediate maturities (1-10 years). Subordinated issues, securities with normal call and put provisions and sinking strategies, medium-term notes (if they are publicly underwritten), 144A securities with registration rights, and global issues that are SEC-registered are included. Structured notes with embedded swaps or other special features, as well as private placements, floating-rate securities, and Eurobonds are excluded from the U.S. Corporate Index.

The ICE BofA Merrill Lynch 1-3 Year US Corporate Index, a subset of the BofA Merrill Lynch US Corporate Master Index, tracks the performance of US dollar denominated investment grade rated corporate debt publically issued in the US domestic market. This subset includes all securities with a remaining term to maturity of less than 3 years. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of $250 million.

The AXA IM US Corporate IG Perspectives is a publication of AXA Investment Managers US Inc. For additional information, please cont us at 100 West Putnam Avenue, Greenwich, CT 06830 USA. Tel: (203) 983-4200.

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