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# Perspectives

## US Credit

### Market Update

March was another strong month for risk assets, as financial markets shook off sticky inflation. The month's big event was the March FOMC meeting, which held rates steady, as expected. Chair Powell called the elevated inflation data in January and February bumps in the declining inflation trend. The market continues to price in Fed rate cuts starting in 2H24, although the number of cuts expected by the market continues to decline, with current estimates now at 2-3 (down from 5-6 at the beginning of the year). Dovish central banks and robust US growth led to higher risk assets during the month, with the S&P 500 posting total returns of +3.22% (5th straight month of positive returns). Rates volatility was muted during the month, with 10-year treasury yields decreasing -5bps to 4.20%. US IG posted +1.29% of total return, with spreads tightening -6bps to 90bps, and US HY returned +1.18%.

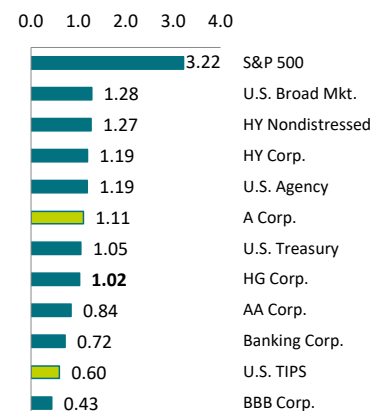
Primary issuance in March totaled \$167.8bn, below the 5-year average of \$179bn, but above the initial forecast of ~\$135bn. New issuance for March was driven by Industrials which accounted for 37% of total supply, with \$61.9bn of issuance, while Financials issued \$58.3bn and Utilities issued \$11.5bn. YTD issuance of \$657.7bn was greater than issuance of \$508.1bn in the comparable 2023 period. Long-end issuance picked up in February and March, accounting for 14% of 1Q24 supply. M&A issuance declined in March with \$14.5bn of issuance, down from \$48bn of M&A issuance in February. BAE Systems, Blackrock, Smurfit Kappa, Campbell Soup and AGCO all issued for M&A. UnitedHealth priced the largest deal during the month at \$6bn. ESG issuance in March accounted for \$2.7bn of total supply and is up +22% y-o-y. After a strong first quarter of issuance, we are expecting a slowdown for the remainder of the year given seasonality and the US election later in the year. New issue supply for April is projected to be ~\$100bn, which is below the 5-year average of \$139bn.

Industrials (+60bps excess return) outperformed both Financials (+51bps excess return) and Utilities (+54 bps) in March. Once again, BBB-rated credits (+66bps excess return) outperformed both A-rated credits (+47bps) and AA-rated credits (+21bps). The best performing sectors were Wirelines (+104bps excess return), Tobacco (+103bps), Refining (+100bps), Media Entertainment (+98bps) and Cable Satellite (+94bps), while the worst performing sectors were Aerospace/Defense (-8bps), Construction Machinery (+12bps), Capital Goods (+15bps), Airlines (+28bps) and Diversified Manufacturing (+32bps).

ICE BofA ML US Corporate Index  
YTD Returns %

	Total	Excess
<b>US CORPORATE INDEX</b>	<b>(0.08)</b>	<b>1.03</b>
Automotive	0.66	0.99
Banking	0.79	1.29
Basic Industry	(0.15)	1.05
Capital Goods	(1.01)	0.09
Consumer Goods	(0.60)	0.68
Energy	0.20	1.45
Financial Services	0.52	1.18
Healthcare	(0.71)	0.83
Insurance	0.28	1.50
Leisure	0.46	0.79
Media	(1.11)	0.50
Real Estate	0.38	1.22
Retail	(0.88)	0.54
Services	(0.31)	1.29
Technology & Electronics	(0.67)	0.70
Telecommunications	(0.44)	1.19
Transportation	(1.04)	0.68
Utility	(0.29)	1.23

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



Annual New Issue

Year	Total Supply
2016	1436
2017	1469
2018	1208
2019	1297
2020	2102
2021	1673
2022	1404
2023	1451
2024 YTD	658

Sources: AXA IM, ICE BofA ML, Bloomberg, Deutsche Bank, Citibank, J.P. Morgan as of March 31, 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

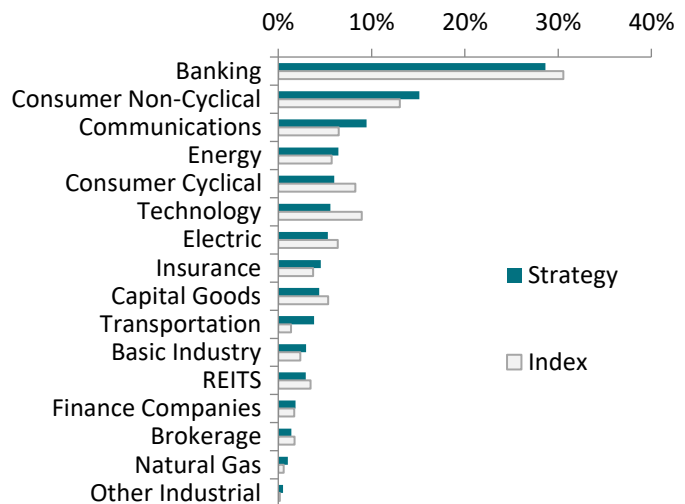
In March, the AXA IM US Corporate Intermediate Bonds Strategy performed in-line with its benchmark, the Bloomberg US Intermediate Corporate Index (both net-of-fees and gross-of-fees, USD). The primary performance driver was positive security selection, particularly in the Industrials sectors Automotive, Basic Industry and Capital Goods, offset by negative security selection in the Financial sector Financial Services. The index posted +96bps of total return and +44bps of excess return during the month. The index's average OAS was 6bps tighter and ended the month at +81bps. The strategy finished the month with an average OAS of +93bps compared to +81bps for the benchmark and a yield-to-worst of 5.36% compared to 5.22% 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 & Electronics, Retail, and Real Estate.

### Characteristics

CHARACTERISTICS	Strategy	Index
Average Maturity (Years)	5.0	4.8
Yield to Maturity	5.32%	5.22%
Current Yield	4.18%	4.13%
Effective Duration	4.10	4.04
Average Coupon	4.03%	3.94%
Option Adjusted Spread	92	81
Number of Issuers	138	760
Number of Positions	203	4,983
Average ML Rating	BBB1	A3
Cash Position	0.74%	N/A

### Sector Exposure



## US Credit Short Duration Investment Grade Strategy

### Portfolio management comments

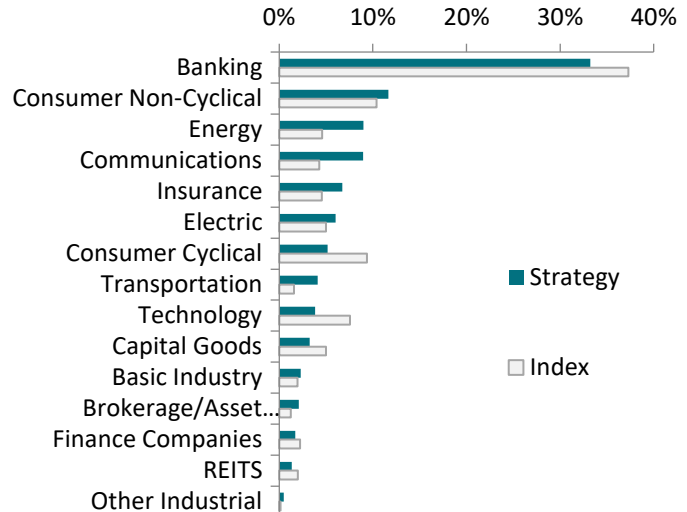
In March, the AXA US Credit Short Duration Strategy outperformed its performance indicator, the ICE BofA Merrill Lynch 1-3 Year US Corporate Index (both net-of-fees and gross-of-fees, USD). The main driver of performance was positive security selection, particularly in the Industrials sectors Capital Goods, Automotive, Basic Industry, Healthcare and Consumer Goods. The index posted +52bps of total return for the month as 2-year US Treasury yields were unchanged at 4.62%. The index posted +14bps of excess return as credit spreads tightened. The index's average OAS was -4bps tighter and ended the month at +64bps. The strategy aims to maintain a yield advantage relative to the performance indicator (5.57% yield to worst relative to 5.36%), despite having lower duration (1.58 effective duration relative to 1.82).

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 and Media and underweight Retail, Technology & Electronics, and Basic Industry.

### Characteristics

CHARACTERISTICS	Strategy	Index
Average Maturity (Years)	1.9	2.0
Yield to Worst	5.57%	5.36%
Current Yield	4.04%	3.66%
Effective Duration	1.58	1.82
Average Coupon	3.99%	3.53%
Option Adjusted Spread	72	64
Number of Issuers	114	761
Number of Securities	149	2,161
Average ML Rating	BBB1	A3
Cash Position	1.02%	N/A

### Sector Exposure



## US Corporate Investment Grade Low Carbon Strategy

### Portfolio management comments

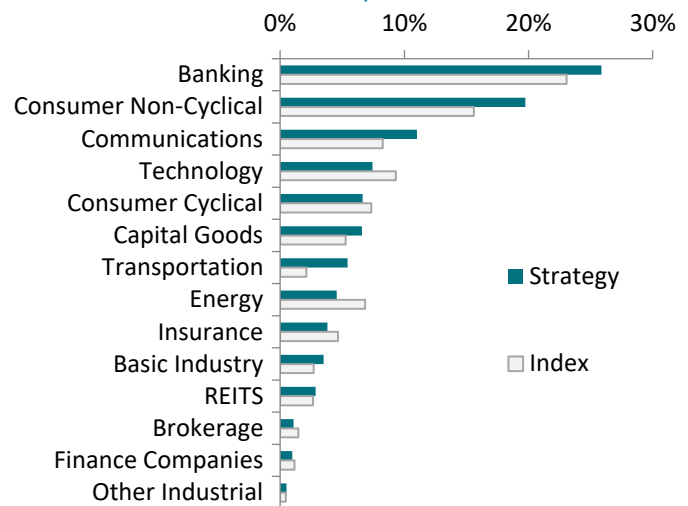
The US Corporate Bonds Low Carbon Strategy's objective is to outperform its benchmark with lower carbon emissions intensive exposures. The strategy underperformed its benchmark, the Bloomberg US Corporate Index (both net-of-fees and gross-of-fees, USD). The main driver of performance during the month was negative security selection, particularly in the Financial sectors Financial Services and Banking and the Industrials sectors Media and Transportation. The index posted +129bps of total return and +56bps of excess return during the month. The index's average OAS was -6bps tighter and ended the month at 90bps. The strategy finished the month with a yield-to-worst of 5.43% compared to 5.30% for the index. At month end, the strategy had an average ESG score of 7.02 (compared to 6.57 for the index), maintained an average Carbon footprint and Water intensity that were around ~49% 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)	11.5	10.8
Yield to Maturity	5.43%	5.30%
Current Yield	4.58%	4.48%
Effective Duration	7.02	7.01
Average Coupon	4.29%	4.13%
Option Adjusted Spread	99	90
Number of Issuers	116	879
Number of Securities	142	7,957
Average ML Rating	BBB1	A3
Cash Position	1.01%	N/A

### Sector Exposure



Sources: AXA IM, FactSet, as of March 31, 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 CO<sub>2</sub> 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. Reinvestment 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 with 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

Annualized (%)	1 year	3 year	5 year	10 year	Since inception
Composite (Gross)	5.24	-0.42	2.19	2.78	4.78
Composite (Net)	4.96	-0.68	1.93	2.51	4.51
Benchmark	4.94	-0.46	1.92	2.48	4.27

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
Composite Volatility 3y (%)	5.46	6.39	5.16	5.11	2.28	2.32	2.46	2.67	2.79	2.89
Benchmark Volatility 3y (%)	5.75	6.27	4.81	4.77	2.26	2.27	2.41	2.59	2.71	2.82

As of end of period	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Composite Assets (USD mil)	2,085	2,193	2,920	3,692	2,629	2,536	2,618	2,415	1,016	872
# of Portfolios in Composite	1	1	2	2	2	2	2	2	1	1
Total Firm Discr.Assets (USD mil)		245,657	291,036	250,851	208,569	191,910	223,150	177,183	182,303	215,895
Total Firm Assets (USD mil)		583,539	618,555	689,782	618,264	583,866	650,149	555,036	558,650	668,139

#### General Information

Reporting date	March 31, 2024
Composite Start Date	January 31, 2009
Composite Creation Date	June 17, 2013
Composite Currency	USD

Cumulative (%)	1 mo	3 mo	6 mo	YTD
Composite (Gross)	0.98	0.40	6.10	0.40
Composite (Net)	0.96	0.33	5.96	0.33
Benchmark	0.96	0.26	6.14	0.26

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.

## US CREDIT SHORT DURATION INVESTMENT GRADE COMPOSITE

### GIPS Compliant Performance Presentation

#### Investment Strategy Objective

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

#### Composite Benchmark

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

#### General Information

Reporting date	March 31, 2024
Composite Start Date	October 31, 2013
Composite Creation Date	December 13, 2013
Composite Currency	USD

Cumulative (%)	1 mo	3 mo	6 mo	YTD
Composite (Gross)	0.60	1.09	4.17	1.09
Composite (Net)	0.58	1.03	4.04	1.03
Benchmark	0.52	0.85	3.90	0.85

Annualized (%)	1 year	3 year	5 year	10 year	Since inception
Composite (Gross)	5.96	1.40	2.48	2.32	2.36
Composite (Net)	5.68	1.14	2.21	2.05	2.09
Benchmark	5.15	0.71	1.96	1.92	1.92

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	1.53
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	1.19
Composite Volatility 3y (%)	2.29	3.68	3.29	3.26	0.91	0.83	0.91	1.02	N/A	N/A
Benchmark Volatility 3y (%)	2.44	3.02	2.41	2.39	0.91	0.86	0.83	0.87	N/A	N/A

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 Firm Discr.Assets (USD mil)		245,657	291,036	250,851	208,569	191,910	223,150	177,183	182,303	215,895
Total Firm Assets (USD mil)		583,539	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.

## 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)

Annualized (%)	1 year	3 year	5 year	10 year	Since inception
Composite (Gross)	4.83	-2.04	1.88	3.01	4.48
Composite (Net)	4.56	-2.30	1.62	2.75	4.29
Bloomberg 2765	4.43	-1.87	1.52	2.61	4.18

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
Composite Volatility 3y (%)	8.89	9.23	6.97	6.89	3.71	3.61	3.85	4.14	4.23	4.12
Benchmark Volatility 3y (%)	9.14	9.32	6.93	6.86	3.63	3.65	3.88	4.15	4.13	4.01

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 Firm Discr.Assets (USD mil)		245,657	291,036	250,851	208,569	191,910	223,150	177,183	182,303	215,895
Total Firm Assets (USD mil)		583,539	618,555	689,782	618,264	583,866	650,149	555,036	558,650	668,139

General Information	
Reporting date	March 31, 2024
Composite Start Date	June 30, 2004
Composite Creation Date	June 17, 2013
Composite Currency	USD

Cumulative (%)	1 mo	3 mo	6 mo	YTD
Composite (Gross)	1.30	-0.21	8.08	-0.21
Composite (Net)	1.28	-0.27	7.94	-0.27
Bloomberg 2765	1.29	-0.40	8.07	-0.40

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.



## Error Disclosure

In previous versions of the GIPS Composite slides in this presentation from January to February 2024, there were material and/or immaterial errors in the 3 and/or 6-month cumulative performance. This error resulted from an anomaly between a third-party and our local systems.

An internal GIPS review revealed that some GIPS-required information was omitted or erroneous in prior iterations of this GIPS presentation, including:

- For all composites: Calendar year composites and respective indexes volatility 3y % were omitted. The Total Firm AUM for 2022 and the total discretionary AUM incorrectly were incorrectly stated.
- US Corporate Bond- Intermediate Composite: the 2014 - 2023 composite assets were omitted.

These errors and omissions have all been addressed in presentations dated after March 31, 2024.

## 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, 2022. The verification reports are available upon request. 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. Verification does not ensure the accuracy of any specific composite presentation.

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## Presentation of the Firm

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

**Equity Fundamental** (formerly Framlington) - active, 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 ;

**Fixed Income** - 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; 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; 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 ;

**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.

**Alternative Credit** - 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 ;

## Listed Real Assets Equity

GIPS firm historical changes are available upon request.

## List of Composites and Pool funds

A list of composite descriptions and a list of fund descriptions for limited and broadly distributed pooled funds are available upon request.

## Use of derivatives:

Portfolios may invest in derivatives including Credit Default Swaps (CDS) and Total Return Swaps (TRS) for leverage purposes. Please refer to composite investment strategy for any use of derivatives.

## 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.

### Dispersion

Dispersion is defined as the standard deviation of portfolios returns for the period in question, taking into account the portfolio beginning relative weight (equally weighted measure until December 2020, asset weighted dispersion measure since January 2021). It is only displayed if there are at least five portfolios that remain for the entire period in the composite.

### Currency Used to Express Performance

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

### Performance Results / Fees

Composite returns are calculated both gross and net of fees. Gross of fees returns are calculated gross of management and custodial fees and net of all trading expenses. Net performance results shown are net of a model management fee which represents the highest fee applicable to institutional investors shown below:

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 Enhanced High Yield Composite: Flat fee: 0.95%

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%.

Global 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 High Yield Low Carbon 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%.

### 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 centres included in the Firm perimeter.

### 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.

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Net Performance shown is calculated after the deduction of all management fees and all trading expenses. Net performance results shown are net of a model management fee which represents the highest fee applicable to institutional investors Gross performance shown is calculated before management fees, expenses, carried interest, taxation costs and other expenses the investor may incur and net of trading expenses. An investor's return will be reduced by management fees and other expenses. All returns assume the reinvestment of distributions.

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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.

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