AXA WORLD FUNDS

(the "Sicav")
A Luxembourg Société d'Investissement à Capital Variable

Registered Office: 49, avenue J. F. Kennedy
L-1855 Luxembourg
Commercial Register: Luxembourg, B-63.116

July 30, 2018

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.

Dear Shareholders,

We are pleased to inform you that the directors of the Sicav (the "Directors") have decided to introduce a number of changes to the Hong Kong Offering Memorandum and/or the Product Key Facts Statements (collectively, the "Hong Kong Offering Documents"), which will enable it to look after your interests more effectively.

Except as otherwise specified in this notice, words and expressions contained hereafter shall have the same meaning as in the Hong Kong Offering Documents.

I. Reshaping of AXA World Funds – Framlington Health

II. Name change for AXA World Funds – Framlington Euro Relative Value into AXA World Funds – Framlington Euro Opportunities

III. Modifications of the investment strategy of AXA World Funds – Global Inflation Bonds

IV. Clarifications of the investment strategy of various sub-funds

V. Other amendments to the Hong Kong Offering Documents

I. Reshaping of AXA World Funds – Framlington Health

The Directors decided to reshape the sub-fund and to change its name from **"**AXA World Funds – Framlington Health" to "AXA World Funds – Framlington Longevity Economy", following the amendments to its investment strategy detailed below:

- **Investment Strategy**

In order to better position the sub-fund to capture market opportunities, the Directors decided to reshape the sub-fund's investment strategy which now reads as follows:

Current Investment Strategy	New Investment Strategy
The Sub-Fund invests in equities of companies anywhere in the world that are in the healthcare sector. *Specifically, at all times the Sub-Fund invests at least two thirds of net assets in equities and equity-related securities of pharmaceuticals producers, biotechnology firms, medical device and instrument manufacturers, distributors of healthcare products, care providers and managers and other healthcare services companies. The Sub-Fund may invest in equity securities of any market capitalisation.* *The Sub-Fund may invest up to 10% of net assets in UCITS and/or UCIs.*	*The Sub-Fund invests in equities of companies anywhere in the world that are* ***linked to the ageing of the population and increasing life expectancy.*** *Specifically, at all times the Sub-Fund invests at least two thirds of* ***its*** *net assets in equities and equity-related securities of* ***companies that focus on aged care, wellness and medical treatments. The Sub-Fund also aims at benefiting from the increasing silver spending (including leisure activities, financial planning and aesthetics).*** *The Sub-Fund may invest in equity securities of any market capitalisation.* *The Sub-Fund may invest up to 10% of net assets in UCITS and/or UCIs*

- **Use of Derivatives and SFTs**

The Directors decided that securities borrowing transactions and repurchase / reverse repurchase agreements ("repos/reverse repos") will no longer be accepted as transaction types.

Therefore, the following sentence was included in the sub-section "Derivatives and Techniques" (formerly "Use of Derivatives and SFTs") in the sub-fund's description:

"The Sub-Fund uses neither securities borrowing transactions nor repos / reverse repos."

- **Management Process**

The Directors elaborated the disclosure in the sub-section "Management Process" in the sub-fund description to precise that the investment manager will use a securities selection process which relies on a rigorous analysis of the companies' business model, management quality, growth prospects and risk/return profile *with a focus on medium to long-term benefits from the expanding long-term demographic trend of the ageing of the population*.

- **Risk Factors**

The shift in investment sector focus as described above may impact the overall risk profile of the sub-fund. The sub-fund will become more exposed to the increase or decrease of the markets of equities of companies that focus on aged care, wellness and medical treatments.

Besides, the sub-fund's exposure to emerging markets is anticipated to be insignificant. Therefore, the Directors decided to delete the "*Emerging market risk*" from the list of specific risks relevant to the sub-fund.

- **Modification of the management fees**

The Directors furthermore decided to reduce the maximum management fees applicable to the share classes “A” and “F” of the sub-fund as follows:

- Share class “A” from 2.00% to 1.75% of NAV per annum
- Share class “F” from 1.00% to 0.90% of NAV per annum

For the avoidance of doubt, there is no change to other recurrent fees and expenses payable by the sub-fund. Moreover, there will not be any additional fees payable by the Shareholders as a result of the above changes.

Apart from the changes as described above, there is no change in the operation and/or manner in which the sub-fund is being managed.

These changes mentioned above will take effect on August 31, 2018.

Shareholders who do not agree with such changes may request the redemption of their shares free of charge up to August 31, 2018.

II. Name change for AXA World Funds – Framlington Euro Relative Value into AXA World Funds – Framlington Euro Opportunities

- **Name change**

The Directors have decided to change the name of the sub-fund from “AXA World Funds – Framlington Euro Relative Value” to “AXA World Funds – Framlington Euro Opportunities”.

The name change will not have an impact on the investment strategy of the sub-fund.

This change will take effect on August 3, 2018.

III. Modification of the investment strategy of AXA World Funds – Global Inflation Bonds

The Directors decided to add the following paragraph in the investment strategy of the sub-fund denominated “**AXA World Funds – Global Inflation Bonds**” regarding exposure of the sub-fund’s assets:

“*Exposure of the Sub-Fund’s assets denominated in a currency other than the Sub-Fund’s Reference Currency is systematically hedged. There is no guarantee that such hedging be a perfect hedge at 100% of the net assets at all times.”*

It is further clarified, in the context of hedging currency risk within the portfolio, that the sub-fund does not take any active currency exposure and uses foreign exchange derivatives for currency hedging only.

In order to allow the investment manager for more leeway in managing the sub-fund, the Directors also decided to increase the expected principal amount under normal circumstances for securities lending transactions for the sub-fund from 25% to 50% of the proportion of the sub-fund’s NAV. As a result, the sub-fund’s potential risk to securities lending transactions may become more significant and the overall risk profile of the sub-fund may be affected. Apart from the changes as described above, there is no change to the level of fees payable by the sub-fund and the Shareholders, nor any change in the operation and/or manner in which the sub-fund is being managed.

These changes mentioned above will take effect on August 31, 2018.

Shareholders who do not agree with such changes may request the redemption of their shares free of charge up to August 31, 2018.

IV. Clarifications of the investment strategies of various sub-funds

- **General clarifications**

IV.1. The Directors decided to clarify the wording of the investment policy of some of the sub-funds regarding the sub-funds' investment in 144A securities. 144A securities are US securities restricted to be invested by certain types of investors. As a consequence, the following disclosure has been added to the investment policy:

"*The Sub-Fund may invest its net assets in 144A securities, in a substantial way (i.e. may be 30% or more of its net assets) depending on the opportunity*."

This additional disclosure is a clarification of the investment policy of the sub-fund which already allowed to invest in 144A securities. This additional disclosure does not, *de facto,* entail that a higher proportion of the sub-fund's assets will be invested in 144A securities.

This change mentioned above will be valid for the following sub-funds:

- **AXA World Funds – Framlington Global Convertibles**
- **AXA World Funds – Global Inflation Bonds**
- **AXA World Funds – US High Yield Bonds**

As a consequence of the above clarification, the Directors decided to add the disclosure relating to "144A securities risk" in the risk section of the sub-funds listed above. Given that 144A securities are traded between a limited number of qualified institutional buyers, 144A securities may be subject to higher price volatility and lower asset liquidity.

This change mentioned above has an immediate effect.

- **Clarifications in relation to the use of derivatives and securities financing transactions**

IV.2. The Directors decided that securities borrowing transactions and repurchase / reverse repurchase agreements ("repos/reverse repos") will no longer be accepted as transaction types for certain sub-funds. Therefore, the existing sentence clarifying such prohibition on the use of derivatives and SFTs will be amended as follows:

"The Sub-Fund uses neither securities borrowing transactions nor repos / reverse repos."

This change mentioned above will be valid for the following sub-funds:

- **AXA World Funds – Framlington Europe Real Estate Securities**
- **AXA World Funds – Framlington Global Real Estate Securities**
- **AXA World Funds – Framlington Euro Opportunities (formerly AXA World Funds – Framlington Euro Relative Value)**
- **AXA World Funds – Framlington Europe Opportunities**
- **AXA World Funds – Framlington American Growth**
- **AXA World Funds – Framlington Emerging Markets**
- **AXA World Funds – Framlington Global Convertibles**

This change mentioned above has an immediate effect.

IV.3. The Directors clarified that the following sub-funds may invest up to 10% of net assets in UCITS and/or UCIs that are managed only by the management company or any other AXA IM group entity and will themselves not invest in securities rated CCC+ or below by Standard & Poor's or equivalent rating by Moody's or Fitch (the lowest rating will be considered) or if unrated then deemed to be so by the investment manager of such UCITS and/or UCIs. The Directors consider that such investments are in the best interest of the Shareholders of the following sub-funds:

- **AXA World Funds – Framlington Global Convertibles**
- **AXA World Funds – Asian Short Duration Bonds**

Please note that no subscription or redemption fee may be charged on account of a sub-fund's investment in the units/shares of other UCITS and/or UCIs that are managed directly or by delegation by the management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding.

This change mentioned above will take effect on August 3, 2018.

IV.4. The Directors decided that the following sub-fund may also use derivatives for hedging purposes in addition to efficient portfolio management and investment purposes:

- **AXA World Funds – Global Inflation Bonds**

This change mentioned above will take effect on August 3, 2018.

IV.5. The Directors decided to delete the following sentence in the investment strategy of the sub-fund denominated "**AXA World Funds – Global Inflation Bonds**":

"*The Sub-Fund may enter into repurchase agreements up to 10% of net assets to borrow bonds in order to sell them.*"

For the avoidance of doubt, the above change is editorial amendment without any change in the sub-fund's exposure limit to repurchase/reverse repurchase agreement transactions.

This change mentioned above has an immediate effect.

V. Other amendments to the Hong Kong Offering Documents

- **Update of the "Notes on Sub-Fund's Costs" section**

The Directors decided to enhance the following paragraph regarding "Applied service fee" in the sub-section "Recurrent charge taken from the Sub-Fund over a year" to clarify the current policy for increase in the current and maximum levels of applied service fee as shown in bold and underlined below:

"*By way of a **Board** resolution, the **current or maximum levels of ~~Board (i) may modify in its sole discretion the level of effective~~** applied service fee **~~and (ii), may amend~~ may be increased** at any time upon **at least one month** prior notice to the relevant Shareholders~~, the maximum level of the applied service fee applicable to all Share Class~~.*"

- **Update of the "TAXES" section - Common Reporting Standards**

The Directors decided to delete the following paragraph due to the fact that the section "Data Protection" is being amended to comply with the GDP Regulation (as defined hereafter).

"Additionally, the SICAV is responsible for the processing of personal data and each Shareholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the SICAV are to be processed in accordance with the Luxembourg law dated 2 August 2002 on the protection of persons with regard to the processing of personal data, as amended."

- **Update of the section "General Risks"**

The Directors decided to add the following paragraph to the definition of **"Foreign exchange and currency risk"**:

"The successful execution of a hedging strategy which mitigates exactly this risk cannot be assured. The implementation of the hedging strategy described above may generate additional costs for the Sub-Fund."

The Directors also decided to include the following definition of **"Contagion risk"**:

"**Contagion risk**: Currency hedged Share Classes may incur losses due to their specific hedging strategy, which will primarily be borne by their Shareholders but may, in specific adverse scenario and despite mitigation procedures in place, impact the other Shareholders in the Sub-Fund.
The Share Class aims at hedging the foreign exchange risk resulting from the divergence between the reference currency of the Sub-Fund and the currency of this Share Class by using derivative instruments, which may generate additional costs. The successful execution of a hedging strategy which mitigates exactly the risk cannot be assured.
Where the SICAV seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the SICAV. However, over-hedged positions will not exceed 105%, and under-hedged position will not fall short of 95% of the NAV of the Share Class. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed and under-hedged positions do not fall short the permitted level. This review will also incorporate a procedure to ensure that positions materially in excess of 100% of NAV of the Share Class will not be carried forward from month to month."

- **Update of the section "Specific Risks"**

- The Directors decided to add the following paragraph to the definition of **"China market risk"**:

"Moreover, as securities purchase transactions in China markets may require cash to be available in the custody account before trading, there may be a time lag before market exposure can be obtained and after the pricing point of a subscription; consequently the Sub-Fund may be under-exposed and subject to performance dilution risk. i.e. If markets rise between the day of the pricing point of the subscription into the Sub-Fund and the day the Sub-Fund is able to invest, Shareholders may see the performance of their investments diluted. Conversely, if markets fall between those two dates, Shareholders may benefit."

In that same section, the Directors also decided to remove the following reference:

"In particular, in the PRC, some securities transactions are not settled on a delivery versus payment basis, consequently, the SICAV may be exposed to settlement risk."

- The Directors decided to delete the following sentence under the definition of **"Derivatives and leverage risk"**:

"The amount of leverage or borrowings induced by the level of Value-at-Risk may be higher than 100% of the assets of the Sub-Fund."

- The Directors decided to clarify the following paragraph in the definition of **"Hedging and income enhancement strategies risk"** as shown in bold and underlined below:

"The adverse consequences of the use of options, warrants, foreign currency, swap and futures contracts and options on futures contracts may cause a loss to the Sub-Funds higher than the amount invested in these instruments. The ***~~risk associated with the use of~~ global exposure to*** *the said instruments may not exceed 100% of the NAV of the relevant Sub-Fund* ***in the case of Sub-Funds using the commitment approach****. Accordingly, the global risk associated with the investments of a Sub-Fund may amount to 200 % of the NAV of the Sub-Fund. As temporary borrowing is allowed up to a maximum of 10%, the global risk can never exceed 210 % of the NAV of the relevant Sub-Fund."*

- The Directors decided to add the following paragraph to the definition of **"Hedging and income enhancement strategies risk"**:

"For Sub-Funds using the Value-at-Risk approach, the risk associated with the use of derivative instruments may not cause the Sub-Fund to exceed the level of Value-at-Risk indicated in the relevant "Sub-Fund Descriptions" section."

- **Update of the section "Risks associated with investments in financial derivative instruments ("FDI")"**

The Directors decided to enhance the definition of **"Credit Default Swap risk"** as shown in bold and underlined below:

*"**Credit Default Swap risk:** Sub-Funds may in particular engage in the credit derivatives market by entering, i.e., into credit default swaps in order to sell or buy protection. A credit default swap ("CDS") is a bilateral financial contract in which one counterparty (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer acquires the right to sell a particular bond or other designated reference obligations issued by the reference issuer for its par value or the right to receive the difference between par value and market price of the said bond or other designated reference obligations (or some other designated reference or strike price) when a credit event occurs. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The International Swap and Derivatives Association (ISDA) have produced standardized documentation for these derivatives transactions under the umbrella of its ISDA Master Agreement. The Sub-Fund may use credit derivatives in order to hedge the specific credit risk of some of the issuers in its portfolio by buying protection. In addition, the Sub-Fund may, provided it is in its exclusive interest, buy protection under credit derivatives without holding the underlying assets. Provided it is in its exclusive interest, the Sub-Fund may also sell protection under credit derivatives in order to acquire a specific credit exposure. The Sub-Fund will only enter into OTC credit derivatives transactions with highly rated financial institutions specialized in this type of transaction and only in accordance with the standard terms laid down by the ISDA Master Agreement. The maximum exposure of the Sub-Fund may not exceed 100% of its net assets **in the case it is using the commitment approach. For Sub-Funds using the Value-at-Risk approach, the risk associated with the use of derivative instruments may not cause the Sub-Fund to exceed the level of Value-at-Risk indicated in the relevant "Sub-Fund Descriptions" section of each Sub-Fund using the Value-at-Risk approach in order to control the risk associated with the use of said instruments.** ~~unless otherwise specified in the investment policy of a specific Sub-Fund. As with all OTC derivatives, a CDS exposes a Sub-Fund to counterparty default risk. There may also be dispute between the buyer and seller as to whether a credit event has occurred, which could mean the Sub-Fund does not realise the full value of CDS.~~"*

- **Update of the section "General Investment Rules for UCITS"**

The Directors decided that the following requirement concerning investment in shares of other UCITS or UCIs should be added to point 4 for shares of UCITS or UCIs of the table "Eligible Securities and Transaction" to clarify the existing practice.

"The management company may not obtain a rebate on any fees or charges levied by the target UCITS and/or UCIs or its management company."

The Directors decided that the requirement concerning the global derivatives exposure of point 6 for derivatives and equivalent cash-settled instruments (exchange-traded or OTC) of the table "Eligible Securities and Transaction", should be amended as shown in bold and underlined as follows:

*"Global derivatives exposure must not exceed 100% of the ~~Sub-Fund's~~ net assets **of the relevant Sub-Fund in the case it is using the commitment approach. For Sub-Funds using the Value-at-Risk approach, the risk associated with the use of derivative instruments may not cause the Sub-Fund to exceed the level of Value-at-Risk indicated in the relevant "Sub-Fund Descriptions" section.**"*

The Directors decided that the category of securities concerning point A of the table "Limits to Promote Diversification", should be amended as shown in bold and underlined below to clarify the existing practice that:

A Sub-Fund may invest up to 35% of its assets, for any one issuer, in *"Transferable securities and money market instruments issued or guaranteed by ~~the central bank of the EU or any sovereign power, a regional or local authority within the EU, or~~**an EU State, a public local authority within***

the EU, an OECD (Organisation for Economic Cooperation and Development) or G20 (Group of Twenty) member state or Singapore or Hong Kong, *an international body to which at least one EU member belongs****, or any other non-EU member state recognized in this context by the CSSF****.”*

- In relation to its investments in transferable securities and money market instruments, a Sub-Fund may invest, out of its assets, *“100% in at least six issues provided that: the issues are transferable securities or money market instruments* ***being at least one of the categories listed in A*** ~~*issued or guaranteed by an EU State, a public local authority within the EU, an international body to which at least one EU member belongs, or any other non-EU member state recognized in this context by the CSSF*~~*;*
- *the Sub-Fund invests no more than 30% in any one single issue.”*

The Directors decided to amend the last sentence of the description of “Monitoring of the Global exposure” as shown in bold and underlined as follows:

“The VaR used by the investment manager will have a five Business Days horizon and 95% confidence level parameters; ***where the VaR is complemented with the monitoring of the leverage, based on the sum of the notional approach which is defined as the sum of the absolute value of the notional of all financial derivatives in the Sub-Fund.****”*

- **Update of the section “Investing in the Sub-Funds”**

The Directors decided to amend the description of the “Dividend Policy” to state that unclaimed dividend payments will be returned to the Sicav after five years.

- **Update of the minimum initial investment, minimum additional investment, minimum balance in all sub-funds and minimum balance in any share class of any one sub-fund**

The Directors decided to amend the definition of the share class “F” to:

A share class which is “*offered: (i) through financial intermediaries which according to either regulatory requirements (e.g. in the European Union, financial intermediaries providing discretionary portfolio management or investment advice on an independent basis) or separate fee arrangements with their clients, are not allowed to keep trail commissions, and/ or (ii) to Institutional Investors investing on their own behalf.*”

In addition, the minimum initial investment, minimum additional investment, minimum balance in all sub-funds and minimum balance in any share class of any one sub-fund requirements in respect of share class F have been removed.

- **Update of the section “Buying, switching, redeeming and transferring shares”**

The Directors decided to add the following paragraph to the description of “Buying Shares”:

“At the Shareholder’s request, the SICAV may accept subscription in kind, having due regard to all applicable laws and regulations, all Shareholders’ interest and the relevant sub-fund’s investment strategy. In such case of subscription in kind, the auditor of the SICAV shall deliver, if applicable, an audit report in accordance with applicable laws. Any costs incurred in connection with a subscription in kind of securities shall be borne by the relevant Shareholder.”

Besides, the Directors decided to amend the maximum period for settlement of redemption payment from “*28 Hong Kong Business Days*” to “*28 days*”. This is editorial amendment for clarification without any change in the current maximum period for settlement of redemption payment.

- **Clarification on the “Sub-Fund Business Day” in the sub-fund description of AXA World Funds – Global Inflation Bonds**

The Directors decided to amend the sub-fund description of “**AXA World Funds – Global Inflation Bonds**” to clarify that 31 December is excluded from the definition of “Sub-Fund Business Day” for the sub-fund.

- **Update of the section “How NAV is calculated”**

The Directors decided to clarify in the description of “Swing Pricing” that the management company may apply a swing pricing mechanism across any sub-fund or share class and on the portion of cash generated by a merger affecting a sub-fund.

- **Update of the section “Measures to combat illicit and detrimental activities”**

The Directors decided to merge the point “Market Timing” and “Late Trading” to one point called “Market Timing and Late Trading”.

- **Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (“GDP Regulation”)**

The Directors decided to amend the section “Data Protection” of the Hong Kong Offering Documents where applicable, to make it compliant as per the requirements of the GDP Regulation.

- **Update of the list of the members of the board of directors for both the Sicav and the management company**

The Directors have decided to reflect in the Hong Kong Offering Documents the changes which occurred in the board of directors of both the Sicav and the management company.

- **Update of information**

The Directors decided to update the following information in the Hong Kong Offering Documents:

- Terms with Specific Meanings;
- Change of the Hong Kong Representative and Placement Agent which came into effect on 29 December 2017;
- Update on management company’s website to http://www.axa-im.com; and
- Typos, editing and reformatting issues.

The changes mentioned above have an immediate effect.

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The costs incurred in connection with the above changes of the Hong Kong Offering Documents will notably be borne via the applied service fee payable by the Sicav.

The Hong Kong Offering Documents, taking into account the changes mentioned in this notice, will be available in due course for inspection free of charge at any time during normal business hours at the office of the Hong Kong Representative. The revised Hong Kong Offering Documents will also be available online at: www.axa-im.com.hk. Shareholders should note that the website has not been reviewed by the SFC.

Shareholders in Hong Kong may contact the Hong Kong Representative, AXA Investment Managers Asia Limited, at Units 5701-4, 57/F, One Island East, 18 Westlands Road, Quarry Bay, Hong Kong (Tel: (852) 2285 2000) should you have any questions.

The Board of Directors of the Sicav accepts full responsibility for the accuracy of the contents of this document.

Yours faithfully,

The Board of Directors
AXA World Funds