

AXA IM Sustainable Equity Fund

This material is for Wholesale clients only

Fund objective

The Fund aims to provide a superior risk adjusted return (total return divided by total risk (before fees, expenses and taxes) greater than the return of the MSCI ACWI ex Australia Index Net Dividend Withholding Tax (AUD) (the "Index") on a rolling six to eight year basis.

■ Investment process

- The Investment Manager will seek to achieve the investment objectives by screening the Index using proprietary screening and reweighting methodology with the goal of creating a portfolio with reduced exposure to what the Investment Manager believes to be undercompensated sources of risk in the equity market. Specifically, the Investment Manager will evaluate all stocks in the Index according to proprietary measures of sustainable earnings growth and distress risk, as well as stock Volatility, and speculation risk. Some stocks will be eliminated from the starting universe by virtue of not passing one or more of these fundamental screens. The screening process is complemented by a reweighting methodology called PowerRank™ that seeks to address concentration risk by diversifying the portfolio's positions away from, in part, the 'mega cap' names in the index. Finally, the Investment Manager will use individual equities' individual ESG score (a proprietary measure of ESG integration) to adjust the stocks final weight, or to eliminate stocks from the portfolio. The weight on any individual stock in the portfolio is therefore a function of how the stock fares in the fundamental screening process, the effect of the PowerRank process, and where available, the stock's ESG score.

■ Labour, environmental, social and ethical considerations

- We may take certain labour standards or environmental, social or ethical considerations into account when applying the Fund's ESG investment criteria in the process of making investment decisions. ESG refers to the three main areas of concern developed as central factors in measuring the sustainability, ethical impact, and corporate governance of a company or business. Within these areas are a broad set of concerns increasingly included in the non-financial factors that figure in the valuation of equity and other investments. The Investment Manager may use individual equities' individual ESG score (a proprietary measure of ESG integration) to up-weight, down-weight, or eliminate stocks from the portfolio.

Key figures (AUD) as of 31/3/2021

Total asset under management (in million)	559.28	Current NAV	1.4004
		Entry price	1.4032
		Exit price	1.3975

Fund performance (AUD) as of 31/3/2021

	Mar 2021	Q2 2020	Q3 2020	Q4 2020	Q1 2021	1Y	* 3Y	* 5Y	* Since Inception
AXA IM Sustainable Equity Fund - Gross of Fees ¹	5.99%	3.07%	3.17%	3.14%	5.79%	16.02%	12.82%	12.79%	14.15%
AXA IM Sustainable Equity Fund - Net of Fees ²	5.96%	2.98%	3.08%	3.05%	5.70%	15.62%	12.42%	12.40%	13.75%
Index ³	4.40%	5.83%	3.96%	6.39%	5.97%	24.04%	12.59%	13.86%	13.42%

Inception date: 7 August 2014

* Annualised return

¹Gross of Fees Return is the Total Net Return with on-going fees and expenses added back.

²Net of Fees Return is the Fund return after the deduction of ongoing fees and expenses and calculated from Fund's "Exit Price".

³The index is MSCI ACWI ex Australia Index Net Dividend Withholding Tax (AUD). Prior to 18th January 2019, the index was MSCI AC World Index Ex Australia Total Return Gross (AUD).

Past performance is no guide to future performance. No representation is given that the investment objectives will be achieved.

With effect from 23rd October 2017, the name of the Fund has been changed from "AXA IM ACWI SmartBeta Equity Fund" to "AXA IM Sustainable Equity Fund".

ROSENBERG EQUITIES
AXA IM Sustainable Equity Fund

Characteristics as of 31/3/2021

	Fund	Index
Price / Earnings	25.82	31.05
Beta	0.90	1.01
Price / Earnings (Forecast) *	20.39	20.00
Price / Operating Income	12.66	12.70
Price / Cashflow	18.07	17.21
Price / Book	3.21	2.83
Debt / Equity	0.86	1.00
Return on Equity	13.89%	10.40%
ESG Score **	6.60	5.83
Adjusted Herfindahl ***	27.99%	43.08%
Weighted Average Market Cap (AUD mil)	318,874	404,819
Total Number of Stocks	507	2,787

* Price/Earnings (Forecast) data based on IBES 1-year forward earnings forecast data.

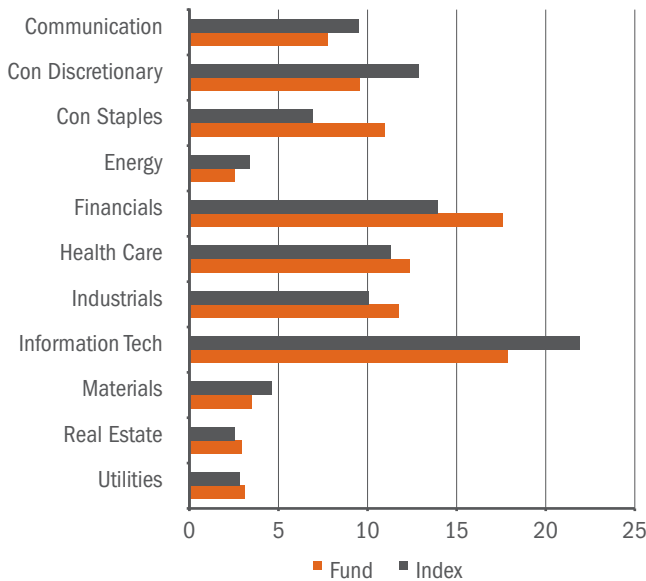
** ESG Score is a proprietary measure of ESG integration. The higher the score, the better the ESG integration for the Fund or Index.

*** Adjusted Herfindahl Index is a measure of portfolio concentration, adjusted for the number of stocks in the Fund or Index. The higher the score the more concentrated the Fund or Index.

Top ten holdings as of 31/3/2021

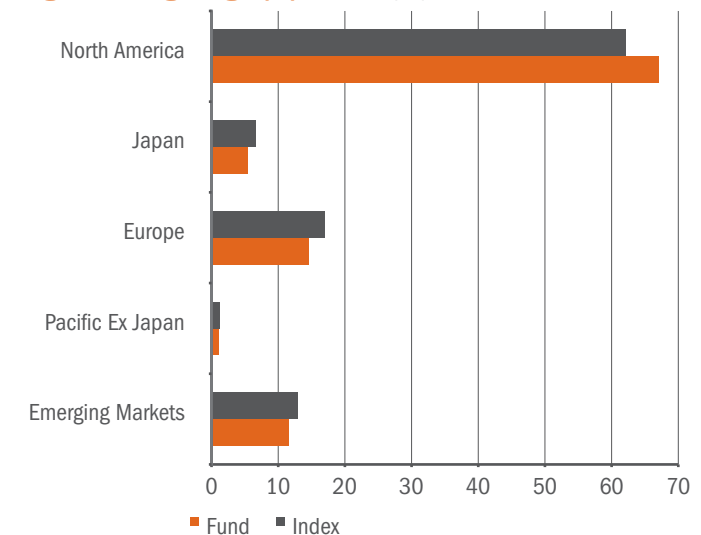
	Fund (%)	Index (%)	No. of Shares	
			Held	Amount in AUD
Apple Inc	2.76	3.42	96,242	15,434,859
Microsoft Corp	2.47	2.85	44,700	13,836,958
Alphabet Inc	1.55	2.08	3,200	8,665,482
Amazon.com Inc	1.52	2.21	2,088	8,482,162
Verizon Communications Inc	0.91	0.39	66,900	5,107,641
PepsiCo Inc	0.91	0.32	27,500	5,107,169
Johnson & Johnson	0.85	0.70	21,941	4,734,462
The Procter & Gamble Co	0.83	0.55	26,203	4,659,190
Visa Inc	0.79	0.60	15,957	4,435,864
Merck & Co Inc	0.79	0.32	43,266	4,410,530

Sector weightings (%) as of 31/3/2021*



*Sector weightings based on GICS sector classifications

Regional weightings (%) as of 31/3/2021

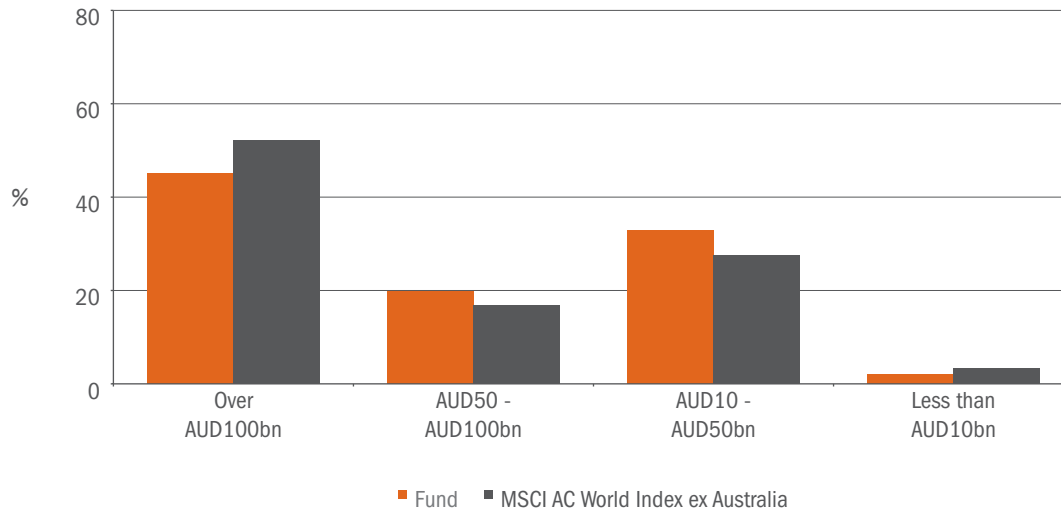


ROSENBERG EQUITIES
AXA IM Sustainable Equity Fund

Asset Class Overview

Global equities made gains in the first quarter of 2021, as the roll-out of COVID-19 vaccinations across the world fuelled I

Market Cap Breakdown as of 31/3/2021



About Rosenberg Equities

Rosenberg Equities is AXA Investment Manager’s systematic equity team, with offices located in major financial markets worldwide. Rosenberg Equities has been synonymous with quantitative investing since 1985, and was among the first investment firms to develop advanced models of fundamental data to analyse millions of data points to identify investment opportunities. The team has built on over 30 years of heritage with investments in machine learning and alternative data to ensure portfolios are built using the best quantitative modelling techniques available. This experience extends to non-financial data, and Rosenberg Equities was one of the first quantitative managers to fully integrate Environmental, Social and Governance (ESG) considerations into all of its portfolios.

About AXA IM RI Team

Environmental, Social, and Governance factors are at the heart of Responsible Investment. At AXA IM, we believe that Responsible Investment (RI) can help deliver superior risk-adjusted returns for our clients over the long term. Our investment approach enables us to systematically incorporate ESG data directly and efficiently into our models. We take data from a variety of external vendors in addition to the corporate scoring framework that is maintained by the RI team. Once the data is in our system we can work with it in a variety of ways, from research and analysis to portfolio construction and reporting. For example, we add ESG scores and key performance indicator (KPI) targets alongside our traditional alpha and risk measures. In this way, we guarantee that ESG will be ‘part of the dialogue’ when it comes to driving portfolio positioning and real investment outcomes. That said, we are unwilling to sacrifice the traditional risk and reward profiles of our strategies when integrating ESG, so when faced with two stocks of identical ESG scores, our optimiser would always favour the one with the highest alpha, all other considerations being equal.

As a centre of excellence, the 16-strong dedicated RI team at AXA IM is supported by 17 RI specialists across the investment platforms. The team focuses on thematic research, corporate governance and shareholder engagement along with developing quantitative solutions. Within the Core investment platform, dedicated ESG analysts are responsible for ESG research and supporting portfolio managers in incorporating ESG considerations into their investment decisions.

The AXA IM Sustainable Equity strategy is an ESG integrated approach in which risk indicators and ESG risks factors will be used in combination to determine the final portfolio.

Asset Class Overview

Global equities made gains in the first quarter of 2021, as the roll-out of COVID-19 vaccinations across the world fuelled hopes of a swift economic rebound, despite supply constraints. A \$1.9 trillion fiscal stimulus package in the US buoyed sentiment and helped the MSCI ACWI ex-Australia Index to reach all-time-high levels during February. Further support emerged in March as the US Federal Reserve (Fed) upgraded its economic growth outlook for 2021. The pandemic, nevertheless, continued to cause bouts of unease, particularly as new strains of COVID-19 spread, and some countries tightened restrictions because of rising infections. Increases in government bond yields, as investors worried about growing inflation, added further pressure. Oil prices surged as they benefited from the improved economic outlook and from cold-weather-induced supply disruptions in the US in February.

Portfolio Highlights

What helped performance during the quarter:

- After holding back relative performance for several months, a nil weight in Tesla proved to be the top stock contributor in the first quarter of 2021.
- Although unhelpful over the full quarter, the Fund's defensive factor positioning provided a degree of protection during brief bouts of market volatility during the period.

What hurt performance during the quarter:

- Low volatility and quality factors – the investment strategy's key focus - went unrewarded over the quarter. This meant that holding stocks which exhibit low price volatility and stable, high quality earnings such as Colgate-Palmolive detracted from performance
- The Fund's active sector exposure contributed negatively to performance, particularly the underweight to the energy sector. Not holding Exxon Mobil and Chevron featured among the top detractors from performance at a stock level.

Portfolio Positioning and Outlook

The Fund maintains its exposure to stocks with low volatility and high quality earnings, which we believe leads to above-benchmark returns with less volatility over a full market cycle. Currently, given its exposure to defensive sectors, low volatility investing is under pressure in a cyclically-led rebound. However, the road to recovery will take time and low volatility should be a safe haven in the event of any re-opening setbacks or if the speed of recovery disappoints.

Source: AXA IM, MSCI. Earnings Sustainability is a proprietary measure of earnings quality.

This document has been issued by AXA Investment Managers Asia (Singapore) Ltd (ARBN 115203622) ("AXA IM Asia"). AXA IM Asia is exempt from the requirement to hold an Australian Financial Services License and is regulated by the Monetary Authority of Singapore under Singaporean laws, which differ from Australian laws. AXA IM Asia offers financial services in Australia only to residents who are "wholesale clients" within the meaning of Corporations Act 2001 (Cth).

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the AXA IM Sustainable Equity Fund. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT).

This document and the information contained herein are intended for the use of wholesale clients only and should not be relied upon by retail clients or investors. They have been prepared and issued for private informational and educational purposes only at the sole request of the specified recipients, and not intended for general circulation. They are strictly confidential, and must not be reproduced, circulated, distributed, redistributed or otherwise used, in whole or in part, in any way without the prior written consent of AXA IM Asia. They are not intended for distribution to any persons or in any jurisdictions for which it is prohibited.

To the maximum extent permitted by law, Equity Trustees nor any of its related parties, their employees or directors, and AXA IM Asia makes no warranty as to the accuracy or suitability of any information contained herein and accepts no responsibility whatsoever for errors or misstatements, whether negligent or otherwise. Such information may be subject to change without notice. The data contained herein, including but not limited to any backtesting, simulated performance history, scenario analysis and investment guidelines, are based on a number of key assumptions and inputs, and are presented for indicative and/or illustrative purposes only.

The information contained in this document is not an indication whatsoever of possible future performance and must be considered on this basis. Where information, contents or materials are provided by or quoted from any third party ("Third Party Information"), AXA IM Asia does not accept any responsibility or liability for such Third Party Information, and cannot and does not provide, and shall not be taken to provide, any warranty as to the accuracy, suitability, completeness or correctness of such Third Party Information. Any views, opinions or recommendations (if any) that may be contained in such Third Party Information, unless otherwise stated, do not reflect or constitute views, opinions or recommendations of AXA IM Asia.

This document has been prepared without taking into account the specific personal circumstances, investment objectives, financial situation or particular needs of any particular person. Nothing contained within this document shall constitute an offer to enter into, or a term or condition of, any business, trade, contract or agreement with the recipient or any other party. This document shall not be deemed to constitute investment, tax or legal advice, or an offer for sale or solicitation to invest in any particular fund. If you are unsure about the meaning of any information contained in this document, please consult your financial or other professional advisers. The data, projections, forecasts, anticipations, hypothesis and/or opinions herein are subjective, and are not necessarily used or followed by AXA IM Asia or its affiliates who may act based on their own opinions and as independent departments within the organization.

Investment involves risks. You should be aware that investments may increase or decrease in value and that past performance is no guarantee of future returns, you may not get back the amount originally invested. Investors should not make any investment decision based on this material alone.

If any Fund is highlighted in this communication (the "Fund"), its offering document or Product Disclosure Statement (PDS) or Prospectus contains important information on selling restrictions and risk factors, you should read them carefully before entering into any transaction. It is your responsibility to be aware of and to observe all applicable laws and regulations of any relevant jurisdiction. AXA IM Asia does not intend to offer any Fund in any country where such offering is prohibited.

If MSCI information appears herein, it may only be used for your internal use, it may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.mscibarra.com).

© 2021 AXA Investment Managers. All rights reserved.

Contact Information

For enquiries, please contact client service: +61 (0) 4881 99958 or email: AXAIMAustralia@axa-im.com.