



## **AXA INVESTMENT MANAGERS US INC.**

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**March 31, 2022**

### ***Item 1: Cover Page***

This brochure provides information about the qualifications and business practices of AXA Investment Managers US Inc. ("AXA IM US," "we," "us," or "our"). If you have any questions about the contents of this brochure, please contact us directly at (203) 983-4200 and/or [usclientservice@axa-im.com](mailto:usclientservice@axa-im.com). Our website address is [www.axa-im-usa.com](http://www.axa-im-usa.com).

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

We are an investment adviser registered with the SEC. Registration with the SEC does not imply a certain level of skill or training.

Additional information about AXA IM US also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ***Item 2: Material Changes***

Until this year, AXA Investment Managers has operated in the US through three SEC-registered investment advisers: AXA Investment Managers, Inc., AXA Rosenberg Investment Management LLC (AXA Rosenberg US) and AXA Real Estate Investment Managers US LLC (AXA REIM US). In keeping with global initiatives, AXA Investment Managers has simplified its corporate structure through a restructuring, which involved the merger of AXA Rosenberg US and AXA REIM US into AXA IM US, our largest US operating entity, through a series of transactions that closed on January 1, 2022. In the process, AXA Investment Managers, Inc. was renamed AXA Investment Managers US Inc. as of the closing date.

Accordingly, AXA Investment Managers now provides its full range of investment products and solutions ranging from traditional to alternative asset classes in the US through a single SEC-registered investment adviser, AXA Investment Managers US Inc.

The reorganization is purely administrative in nature, and AXA Investment Managers has implemented procedures to assure that it has no impact on the services provided by AXA Investment Managers to its clients. See Item 12 below.

Various descriptions of AXA IM US strategies and corresponding investment risks have been updated in Item 8 to account for the aforementioned reorganization.

Since March 30, 2021, the date of our last Form ADV annual amendment, AXA IM US has included the following material changes:

- As listed in Item 5, AXA IM US has launched two (4) new issuers of Collateralized Debt Obligations (“CDOs”).
- In Item 5, we have updated all fee schedules, as applicable.
- In Item 8, we updated the section to address additional investment risks, new investment strategy procedures and risks applicable to new products and services.

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#### ***Item 4: Advisory Business***

AXA IM US is a Delaware corporation registered with the Securities and Exchange Commission as an investment adviser. AXA IM US's investment management business originated in 2001 when the high yield bond group of Cardinal Capital Management, based in Greenwich, CT, joined AXA IM US.

AXA IM US is a wholly owned, indirect subsidiary of AXA SA a Société Anonyme organized under the laws of France. Our chain of ownership to our ultimate parent holding company, AXA SA, is as follows:

- AXA SA directly and indirectly owns substantially all of AXA Investment Managers SA's equity ownership interests
- AXA Investment Managers SA directly owns 100% of AXA IM U.S. Group Holding Inc.
- AXA IM U.S. Holding Inc. directly owns 100% of AXA IM US.

For purposes of this brochure, AXA SA and its direct and indirect subsidiaries are collectively referred to as the "AXA Group." The AXA Group is a diversified, global financial services company.

We offer discretionary portfolio management services under the following investment strategies: (i) core, dynamic and enhanced high yield, (ii) short duration high yield, (iii) U.S. active corporate investment grade, (iv) structured finance and structured products (which are strategies in respect of which AXA IM relies on the resources and capabilities, including certain personnel, of AXA Investment Managers Paris to supply services pursuant to a PAA as defined and described in Item 10 below), (v) U.S. buy & maintain, which includes U.S. corporate bonds, U.S. government issued securities and select U.S. municipal bonds, (vi) long equity strategies, including a broad range of global and regional quantitative equity strategies, which AXA IM US relies on the resources and capabilities, including certain personnel, of AXA Investment Managers UK, AXA Investment Managers Paris and AXA IM Asia (Singapore) Ltd. to supply services pursuant to a PAA, (vii) Managed Volatility Asset Allocation (which is also a strategy in respect of which AXA IM relies on the resources and capabilities, including certain personnel, of AXA Investment Managers UK and AXA Investment Managers Paris to supply services pursuant to a PAA), (viii) asset backed securities, including, but not limited to residential mortgage backed securities ("RMBS"), commercial mortgage backed securities ("CMBS"), and collateralized securitizations, and (ix) equity real estate investments and commercial mortgage loans, which AXA IM US relies on the resources and capabilities, including certain personnel, of AXA Real Estate Investment Managers SGP. In addition to the above referenced strategies, in the future, AXA IM US may provide portfolio management services utilizing additional investment strategies provided by certain AXA IM US foreign affiliates pursuant to PAAs with such AXA IM US foreign affiliates. See Item 10.

We manage and/or sub-advise separate accounts for international and domestic institutional clients. Our separately managed account clients are permitted to impose restrictions or limitations on how we manage their accounts within our investment strategies. These restrictions or limitations generally appear either in the client's investment management agreement or in the investment guidelines adopted for the account.

In addition, we are the investment manager for the St. Bernard Opportunity Fund I, Ltd. (the "St. Bernard Fund"), an offshore private investment fund domiciled in the Cayman Islands. The St. Bernard Fund pursues a long-short credit strategy with a focus on "credit-sensitive" U.S. RMBS, asset-backed securities ("ABS"), Collateralized Loan Obligations ("CLO") and derivatives thereon.

In addition, we are the investment manager for the AXA IM U.S. High Yield Fund, LLC (the "U.S. High Yield Fund"), a US private investment fund domiciled in Delaware. The U.S. High Yield Fund pursues a core high yield strategy. The U.S. High Yield Fund seeks to achieve its investment objective through investing primarily in a diversified portfolio of U.S. dollar-denominated high yield corporate debt securities in order to seek high income and total return and to seek to outperform the BofA Merrill Lynch U.S. High Yield Master II Index over a full market cycle.

As referenced above, as of the date on this brochure we also serve as a sub-adviser to seven U.S. investment companies registered under the Investment Company Act of 1940, as amended (the "U.S. Investment Companies").

In addition, we serve as a sub-investment adviser to several of our non-U.S. affiliated investment advisers (the "Affiliated Adviser Clients") that provide investment advice to various institutional (i) non-U.S. funds marketed to non-U.S. retail and institutional investors (and which are not marketed to, nor available for investment by, U.S. investors), (ii) offshore private investment vehicle accounts, and (iii) other non-U.S. accounts (collectively, the "Underlying Portfolios"). For more information concerning the Affiliated Adviser Clients, see Item 5 and Item 10 below.

We also provide a structured finance strategy focused on foreign and domestic private debt, whole loans, and collateralized loan obligations on behalf of CLO issuers and (ii) certain Affiliated Adviser Clients that manage certain offshore private investment vehicles.

AXA IM US also provides analytical support services for and/or trades certain swaps, futures, and derivatives under the jurisdiction of the Commodity Futures Trading Commission. AXA IM US relies on an annually filed exemptions from commodity pool operator and commodity trading advisor registration in respect of such trading.

In addition to the foregoing activities, AXA IM US also provides support services to other AXA IM US regional affiliates in the Americas. Some of the support services that AXA IM US provides to such AXA IM US affiliates includes 1) compliance support; 2) sales and distribution support; 3) finance support including tax, accounting and CFO assistance; 4) client services; 5) legal support; and 6) select operational, audit and organizational support ("Support Services"). AXA IM US may be reimbursed for a portion of these services either under the Master Fee Services Agreement or the Expense Allocation Recharges Procedure described in Item 5 below.

As of December 31, 2021, our regulatory assets under management calculated on a gross basis and managed on a discretionary basis was \$ 96,780,326,520. In addition to the discretionary regulatory assets under management calculated above, AXA IM US also advised \$15,445,623,937 of separately managed account assets on a non-discretionary basis.

#### ***Item 5: Fees and Compensation***

Terms used but not defined in this Item 5 have the meanings given to them in the offering documents of the referenced fund or investment vehicle, copies of which are available to investors in such fund or vehicle upon request.

##### Fee Schedule for the St. Bernard Fund:

The St. Bernard Fund has the following compensation structure:

The annual management fee charged to investors is 2.0% (50 basis points per quarter) of the net asset value of each share series (before deduction of the Management Fee and before deduction of any accrued Incentive Fee), except that no management fee is charged in respect of assets invested in Manager Investments (as defined below). Manager Investments include securities issued by investment vehicles the investment portfolios of which are managed by AXA IM US or certain affiliates of AXA IM US, and for which AXA IM US or its affiliates receive separate compensation.

The incentive fee charged to investors is:

- 50% of the amount of any net realized and unrealized appreciation in the net asset value of each share series over a specified calculation period that is in excess of LIBOR but less than or equal to 166.67% of LIBOR.
- 20% of the amount of any net realized and unrealized appreciation in the net asset value of each share series over a specified calculation period that is in excess of 166.67% of LIBOR.
- Notwithstanding the foregoing, no incentive fee will be payable to AXA IM US unless the St. Bernard Fund has recouped any net losses allocated to such series of shares (as adjusted

for subscriptions, redemptions, and distributions) from the immediately preceding fiscal year.

Investment management and incentive fees for the St. Bernard Fund generally are negotiable, depending on the size of or the liquidity offered to the account and the nature of the contemplated investments. Therefore, management fees sometimes vary from the applicable fees in the schedule above due to the particular circumstances of an investor or as otherwise negotiated with a particular investor, which result in certain investors paying fees that are actually higher or lower than the fees represented in the schedule above.

Management fees are payable quarterly, in arrears, within 30 days after the end of the quarter and any incentive fees shall be payable annually within 30 days following each specified calculation period as described in the St. Bernard Fund's offering memorandum. Fees are invoiced separately by AXA IM and are paid through the St. Bernard Fund's administrator and are therefore not deducted directly from the fund's account. Please be advised that 50% of the above described management fee and incentive fee are paid to Ellington Management Group, L.L.C., an SEC-registered investment adviser located in Old Greenwich, CT, ("Ellington"). Ellington acts as investment adviser to the St. Bernard Fund. For additional information about the respective roles of AXA IM and Ellington with respect to the St. Bernard Fund, please see "Risks Applicable to the St. Bernard Fund and the ABS Account" in Item 8 below.

Fee Schedule for the U.S. High Yield Fund:

The U.S. High Yield Fund has the following compensation structure:

A monthly Management Fee, payable in arrears, with respect to each investor is assessed as compensation. The monthly Management Fee is allocated to, and charged against, such investor's Capital Account, and is the amount equal to one-twelfth (1/12) of:

- (i) 0.55% of first \$25 million of the Capital Account balance of each investor;
- (ii) 0.50% of the Capital Account balance of each investor in excess of \$25 million up to and including \$50 million; and
- (iii) 0.45% of the Capital Account balance of each investor in excess of \$50 million up to and including \$100 million

The Management Fee payable with respect to each investor whose total Capital Account balance is in excess of \$100 million shall be negotiated on a case-by-case basis.

There is no incentive or performance fee charged to investors. Fees are invoiced separately to the U.S. High Yield Fund's administrator and are not deducted directly from the fund's account.

#### Fee Schedule for Allegro CLO II-S, Ltd.:

AXA IM US, as the Collateral Manager, will be entitled on each CLO payment date and on any Subordinated Notes Redemption Date to receive the Collateral Management Fee which will consist of the Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee.

The Senior Collateral Management Fee is equal to 0.15% per annum (calculated on the basis of a 360- day year consisting of twelve 30-day months) of the Fee Basis Amount measured as of the first day of the Collection Period relating to the applicable Payment Date or Subordinated Notes Redemption Date. The Subordinated Collateral Management Fee is equal to 0.25% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount measured as of the first day of the Collection Period relating to the applicable Payment Date or Subordinated Notes Redemption Date. The Incentive Collateral Management Fee is equal to 20.0% of the Interest Proceeds and Principal Proceeds available for distribution under the Priority of Payments on and after the Payment Date or Subordinated Notes Redemption Date on which the Subordinated Notes issued on the Closing Date have realized an Internal Rate of Return of at least 12.0% (calculated from the Closing Date to and including such Payment Date or Subordinated Notes Redemption Date). The Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee are each payable quarterly in arrears. Fees are calculated and disbursed by the CLO's trustee in accordance with the Collateral Management Agreement and Indenture and are not deducted directly by the Collateral Manager from the CLO's account.

The Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee are subject to the Priority of Payments and the limitations described under the Collateral Management Agreement and Indenture for the CLO.

#### Fee Schedule for Allegro CLO III, Ltd.:

AXA IM US, as the Collateral Manager will be entitled on each CLO payment date and each Subordinated Notes Redemption Date to receive the Collateral Management Fee which will consist of the Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee.

The Senior Collateral Management Fee is equal to 0.15% per annum (calculated on the basis of a 360- day year consisting of twelve 30-day months) of the Fee Basis Amount measured as of the first day of the Collection Period relating to the applicable Payment Date or Subordinated Notes Redemption Date. The Subordinated Collateral Management Fee is equal to 0.285% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount measured as of the first day of the Collection Period relating to such Payment Date or



Subordinated Notes Redemption Date. The Incentive Collateral Management Fee is equal to 20.0% of the Interest Proceeds and Principal Proceeds available for distribution under the Priority of Payments on and after the Payment Date or Subordinated Notes Redemption Date on which the Subordinated Notes issued on the Closing Date have realized an Internal Rate of Return of at least 12.0% (calculated from the Closing Date to and including such Payment Date or Subordinated Notes Redemption Date). The Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee are each payable quarterly in arrears. Fees are calculated and disbursed by the CLO's trustee in accordance with the Collateral Management Agreement and Indenture and are not deducted directly by the Collateral Manager from the CLO's account.

The Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee are subject to the Priority of Payments and the limitations described under the Collateral Management Agreement and Indenture for the CLO.

Fee Schedule for Allegro CLO IV, Ltd.:

AXA IM US, as the Collateral Manager will be entitled on each CLO payment date and each Subordinated Notes Redemption Date to receive the Collateral Management Fee which will consist of the Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee.

The Senior Collateral Management Fee is equal to 0.15% per annum (calculated on the basis of a 360- day year consisting of twelve 30-day months) of the Fee Basis Amount measured as of the first day of the Collection Period relating to the applicable Payment Date or Subordinated Notes Redemption Date. The Subordinated Collateral Management Fee is equal to 0.15% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount measured as of the first day of the Collection Period relating to such Payment Date or Subordinated Notes Redemption Date. The Incentive Collateral Management Fee is equal to 20.0% of the Interest Proceeds and Principal Proceeds available for distribution under the Priority of Payments on and after the Payment Date or Subordinated Notes Redemption Date on which the Subordinated Notes issued on the Closing Date have realized an Internal Rate of Return of at least 12.0% (calculated from the Closing Date to and including such Payment Date or Subordinated Notes Redemption Date). The Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee are each payable quarterly in arrears. Fees are calculated and disbursed by the CLO's trustee in accordance with the Collateral Management Agreement and Indenture and are not deducted directly by the Collateral Manager from the CLO's account.

The Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee are subject to the Priority of Payments and the limitations described under the Collateral Management Agreement and Indenture for the CLO.

Fee Schedule for Allegro CLO V, Ltd.:

AXA IM US, as the Collateral Manager will be entitled on each CLO payment date and each Subordinated Notes Redemption Date to receive the Collateral Management Fee which will consist of the Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee.

The Senior Collateral Management Fee is equal to 0.15% per annum (calculated on the basis of a 360- day year consisting of twelve 30-day months) of the Fee Basis Amount measured as of the first day of the Collection Period relating to the applicable Payment Date or Subordinated Notes Redemption Date. The Subordinated Collateral Management Fee is equal to 0.225% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount measured as of the first day of the Collection Period relating to such Payment Date or Subordinated Notes Redemption Date. The Incentive Collateral Management Fee is equal to 20.0% of the Interest Proceeds and Principal Proceeds available for distribution under the Priority of Payments on and after the Payment Date or Subordinated Notes Redemption Date on which the Subordinated Notes issued on the Closing Date have realized an Internal Rate of Return of at least 12.0% (calculated from the Closing Date to and including such Payment Date or Subordinated Notes Redemption Date). The Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee are each payable quarterly in arrears. Fees are calculated and disbursed by the CLO's trustee in accordance with the Collateral Management Agreement and Indenture and are not deducted directly by the Collateral Manager from the CLO's account.

The Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee are subject to the Priority of Payments and the limitations described under the Collateral Management Agreement and Indenture for the CLO.

Fee Schedule for Allegro CLO VI, Ltd.:

AXA IM US, as the Collateral Manager will be entitled on each CLO payment date and each Subordinated Notes Redemption Date to receive the Collateral Management Fee which will consist of the Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee.

The Senior Collateral Management Fee is equal to 0.15% per annum (calculated on the basis of a 360- day year consisting of twelve 30-day months) of the Fee Basis Amount measured as of the

first day of the Collection Period relating to the applicable Payment Date or Subordinated Notes Redemption Date. The Subordinated Collateral Management Fee is equal to 0.225% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount measured as of the first day of the Collection Period relating to such Payment Date or Subordinated Notes Redemption Date. The Incentive Collateral Management Fee is equal to 20.0% of the Interest Proceeds and Principal Proceeds available for distribution under the Priority of Payments on and after the Payment Date or Subordinated Notes Redemption Date on which the Subordinated Notes issued on the Closing Date have realized an Internal Rate of Return of at least 12.0% (calculated from the Closing Date to and including such Payment Date or Subordinated Notes Redemption Date). The Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee are each payable quarterly in arrears. Fees are calculated and disbursed by the CLO's trustee in accordance with the Collateral Management Agreement and Indenture and are not deducted directly by the Collateral Manager from the CLO's account.

The Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee are subject to the Priority of Payments and the limitations described under the Collateral Management Agreement and Indenture for the CLO.

Fee Schedule for Allegro CLO VII, Ltd.:

AXA IM US, as the Collateral Manager will be entitled on each CLO payment date and each Subordinated Notes Redemption Date to receive the Collateral Management Fee which will consist of the Senior Collateral Management Fee, the Subordinated Collateral Management Fee, the Additional Subordinated Collateral Management Fee and the Incentive Collateral Management Fee.

The Senior Collateral Management Fee is equal to 0.15% per annum (calculated on the basis of a 360- day year consisting of twelve 30-day months) of the Fee Basis Amount measured as of the first day of the Collection Period relating to the applicable Payment Date or Subordinated Notes Redemption Date. The Subordinated Collateral Management Fee is equal to 0.14% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount measured as of the first day of the Collection Period relating to such Payment Date or Subordinated Notes Redemption Date. The Additional Subordinated Collateral Management Fee is equal to 0.04% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount at the beginning of the Collection Period relating to such Payment Date or Subordinated Notes Redemption Date; provided any portion of the Additional Subordinated Collateral Management Fee that is unpaid on any Payment Date due to the failure to satisfy the Cash Hurdle Condition shall not be due or payable on such Payment Date, but shall be deferred until the next Payment Date, provided that amount of Additional Subordinated

Collateral Management Fee that is deferred and unpaid due to the failure to satisfy the Cash Hurdle Condition may not exceed an amount equal to four quarters of Additional Subordinated Collateral Management Fee (calculated on the basis of the Fee Basis Amount applicable to each Payment Date in such quarters) and any amount in excess thereof shall not be payable on any Payment Date. The Incentive Collateral Management Fee is equal to 20.0% of the Interest Proceeds and Principal Proceeds available for distribution under the Priority of Payments on and after the Payment Date or Subordinated Notes Redemption Date on which the Subordinated Notes issued on the Closing Date have realized an Internal Rate of Return of at least 12.0% (calculated from the Closing Date to and including such Payment Date or Subordinated Notes Redemption Date). The Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee are each payable quarterly in arrears. Fees are calculated and disbursed by the CLO's trustee in accordance with the Collateral Management Agreement and Indenture and are not deducted directly by the Collateral Manager from the CLO's account.

The Senior Collateral Management Fee, the Subordinated Collateral Management Fee, the Additional Subordinated Collateral Management Fee and the Incentive Collateral Management Fee are subject to the Priority of Payments and the limitations described under the Collateral Management Agreement and Indenture for the CLO.

Fee Schedule for Allegro CLO VIII, Ltd.:

AXA IM US, as the Collateral Manager will be entitled on each CLO payment date and each Subordinated Notes Redemption Date to receive the Collateral Management Fee which will consist of the Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee.

The Senior Collateral Management Fee is equal to 0.125% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount measured as of the first day of the Collection Period relating to the applicable Payment Date or Subordinated Notes Redemption Date. The Subordinated Collateral Management Fee is equal to 0.25% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount measured as of the first day of the Collection Period relating to such Payment Date or Subordinated Notes Redemption Date. The Incentive Collateral Management Fee is equal to 20.0% of the Interest Proceeds and Principal Proceeds available for distribution under the Priority of Payments on and after the Payment Date or Subordinated Notes Redemption Date on which the Subordinated Notes issued on the Closing Date have realized an Internal Rate of Return of at least 12.0% (calculated from the Closing Date to and including such Payment Date or Subordinated Notes Redemption Date). The Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee are each

payable quarterly in arrears. Fees are calculated and disbursed by the CLO's trustee in accordance with the Collateral Management Agreement and Indenture and are not deducted directly by the Collateral Manager from the CLO's account.

The Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee are subject to the Priority of Payments and the limitations described under the Collateral Management Agreement and Indenture for the CLO.

Fee Schedule for Allegro CLO IX, Ltd.:

AXA IM US, as the Collateral Manager will be entitled on each CLO payment date and each Subordinated Notes Redemption Date to receive the Collateral Management Fee which will consist of the Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee.

The Senior Collateral Management Fee is equal to 0.15% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount measured as of the first day of the Collection Period relating to the applicable Payment Date or Subordinated Notes Redemption Date. The Subordinated Collateral Management Fee is equal to 0.25% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount measured as of the first day of the Collection Period relating to such Payment Date or Subordinated Notes Redemption Date. The Incentive Collateral Management Fee is equal to 20.0% of the Interest Proceeds and Principal Proceeds available for distribution under the Priority of Payments on and after the Payment Date or Subordinated Notes Redemption Date on which the Subordinated Notes issued on the Closing Date have realized an Internal Rate of Return of at least 12.0% (calculated from the Closing Date to and including such Payment Date or Subordinated Notes Redemption Date). The Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee are each payable quarterly in arrears. Fees are calculated and disbursed by the CLO's trustee in accordance with the Collateral Management Agreement and Indenture and are not deducted directly by the Collateral Manager from the CLO's account.

The Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee are subject to the Priority of Payments and the limitations described under the Collateral Management Agreement and Indenture for the CLO.

Fee Schedule for Adagio CLO IV, Ltd.:

As compensation for the performance of its investment management services under the Investment Management and Collateral Administration Agreement, AXA IM US, as the Investment Manager, will receive from the Issuer, in arrears on each Payment Date, the Senior

Investment Management Fee, the Subordinated Investment Management Fee and the Incentive Investment Management Fee.

The Senior Investment Management Fee is equal to 0.15% per annum (calculated on the basis of a 360-day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance at the beginning of the Due Period relating to such Payment Date. The Subordinated Investment Management Fee is equal to 0.35% per annum (calculated on the basis of a 360-day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance at the beginning of the Due Period relating to such Payment Date. The Incentive Investment Management Fee is equal to 20.0% of the Interest Proceeds and Principal Proceeds available for distribution under the Priority of Payments on and after a Payment Date on which the Subordinated Notes Outstanding have received an internal rate of return of at least 12% on the Principal Amount Outstanding of the Subordinated Notes as of the first day of the Due Period preceding such Payment Date (after giving effect to all payments in respect of the Subordinated Notes to be made on such Payment Date). The Senior Investment Management Fee, the Subordinated Investment Management Fee and the Incentive Investment Management Fee are each payable quarterly in arrears unless a Frequency Switch Event has occurred in which case, those fees would be payable semi-annually. Fees are calculated and disbursed by the CLO's trustee in accordance with the Collateral Management Agreement and Indenture and are not deducted directly by the Collateral Manager from the CLO's account.

The Senior Investment Management Fee, the Subordinated Investment Management Fee and the Incentive Investment Management Fee are subject to the Priority of Payments and the limitations described under the Investment Management Agreement and Indenture for the CLO.

Fee Schedule for Adagio CLO V Designated Activity Company:

As compensation for the performance of its investment management services under the Investment Management and Collateral Administration Agreement, AXA IM US, as the Investment Manager, will receive from the Issuer, in arrears on each Payment Date, the Senior Investment Management Fee, the Subordinated Investment Management Fee and the Incentive Investment Management Fee.

The Senior Investment Management Fee is equal to 0.10% per annum (calculated on the basis of a 360-day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance at the beginning of the Due Period relating to such Payment Date. The Subordinated Investment Management Fee is equal to 0.35% per annum (calculated on the basis of a 360-day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance at the beginning of the Due Period relating to such Payment Date. The Incentive Investment Management Fee is equal to 20.0% of the Interest Proceeds and Principal

Proceeds available for distribution under the Priority of Payments on and after a Payment Date on which the Subordinated Notes Outstanding have received an internal rate of return of at least 12% on the Principal Amount Outstanding of the Subordinated Notes as of the first day of the Due Period preceding such Payment Date (after giving effect to all payments in respect of the Subordinated Notes to be made on such Payment Date). The Senior Investment Management Fee, the Subordinated Investment Management Fee and the Incentive Investment Management Fee are each payable quarterly in arrears unless a Frequency Switch Event has occurred in which case, those fees would be payable semi-annually. Fees are calculated and disbursed by the CLO's trustee in accordance with the Collateral Management Agreement and Indenture and are not deducted directly by the Collateral Manager from the CLO's account.

The Senior Investment Management Fee, the Subordinated Investment Management Fee and the Incentive Investment Management Fee are subject to the Priority of Payments and the limitations described under the Investment Management Agreement and Indenture for the CLO.

Fee Schedule for Adagio CLO VI, Ltd.:

As compensation for the performance of its investment management services under the Investment Management and Collateral Administration Agreement, AXA IM US, as the Investment Manager, will receive from the Issuer, in arrears on each Payment Date, the Senior Investment Management Fee, the Subordinated Investment Management Fee and the Incentive Investment Management Fee.

The Senior Investment Management Fee is equal to 0.10% per annum (calculated on the basis of a 360-day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance at the beginning of the Due Period relating to such Payment Date. The Subordinated Investment Management Fee is equal to 0.40% per annum (calculated on the basis of a 360-day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance at the beginning of the Due Period relating to such Payment Date. The Incentive Investment Management Fee is equal to 20.0% of the Interest Proceeds and Principal Proceeds available for distribution under the Priority of Payments on and after a Payment Date on which the Subordinated Notes Outstanding have received an internal rate of return of at least 12% on the Principal Amount Outstanding of the Subordinated Notes as of the first day of the Due Period preceding such Payment Date (after giving effect to all payments in respect of the Subordinated Notes to be made on such Payment Date). The Senior Investment Management Fee, the Subordinated Investment Management Fee and the Incentive Investment Management Fee are each payable quarterly in arrears unless a Frequency Switch Event has occurred in which case, those fees would be payable semi-annually. Fees are calculated and disbursed by the CLO's trustee in accordance with the Collateral Management Agreement and Indenture and are not deducted directly by the Collateral Manager from the CLO's account.

The Senior Investment Management Fee, the Subordinated Investment Management Fee and the Incentive Investment Management Fee are subject to the Priority of Payments and the limitations described under the Investment Management Agreement and Indenture for the CLO.

Fee Schedule for Adagio CLO VII, Ltd.:

As compensation for the performance of its investment management services under the Investment Management and Collateral Administration Agreement, AXA IM US, as the Investment Manager, will receive from the Issuer, in arrears on each Payment Date, the Senior Investment Management Fee and the Incentive Investment Management Fee.

The Investment Manager will also hold Class Z Notes in connection with which the Class Z Noteholder Amount will be payable subject to and in accordance with the Priorities of Payment

The Senior Investment Management Fee is equal to 0.10% per annum (calculated on the basis of a 360-day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance at the beginning of the Due Period relating to such Payment Date. The Incentive Investment Management Fee is equal to 20.0% of the Interest Proceeds and Principal Proceeds available for distribution under the Priority of Payments on and after a Payment Date on which the Subordinated Notes Outstanding have received an internal rate of return of at least 12% on the Principal Amount Outstanding of the Subordinated Notes as of the first day of the Due Period preceding such Payment Date (after giving effect to all payments in respect of the Subordinated Notes to be made on such Payment Date). The Senior Investment Management Fee and the Incentive Investment Management Fee are each payable quarterly in arrears unless a Frequency Switch Event has occurred in which case, those fees would be payable semi-annually. Fees are calculated and disbursed by the CLO's trustee in accordance with the Collateral Management Agreement and Indenture and are not deducted directly by the Collateral Manager from the CLO's account.

The Senior Investment Management Fee and the Incentive Investment Management Fee are subject to the Priority of Payments and the limitations described under the Investment Management Agreement and Indenture for the CLO.

Fee Schedule for Adagio CLO VIII, Ltd.:

As compensation for the performance of its investment management services under the Investment Management and Collateral Administration Agreement, AXA IM US, as the Investment Manager, will receive from the Issuer, in arrears on each Payment Date, the Senior Investment Management Fee, which will be payable senior to the Notes, but subordinated to certain fees and expenses of the Issuer, in accordance with the Priorities of Payment.



The Investment Manager will also hold Class Z Notes in connection with which the Class Z Noteholder Amount will be payable subject to and in accordance with the Priorities of Payment.

The Senior Investment Management Fee is equal to 0.10% per annum (calculated on the basis of a 360-day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance at the beginning of the Due Period relating to such Payment Date. The Incentive Investment Management Fee is equal to 20.0% of the Interest Proceeds and Principal Proceeds available for distribution under the Priority of Payments on and after a Payment Date on which the Subordinated Notes Outstanding have received an internal rate of return of at least 12% on the Principal Amount Outstanding of the Subordinated Notes as of the first day of the Due Period preceding such Payment Date (after giving effect to all payments in respect of the Subordinated Notes to be made on such Payment Date). The Senior Investment Management Fee and the Incentive Investment Management Fee are each payable quarterly in arrears unless a Frequency Switch Event has occurred in which case, those fees would be payable semi-annually. Fees are calculated and disbursed by the CLO's trustee in accordance with the Collateral Management Agreement and Indenture and are not deducted directly by the Collateral Manager from the CLO's account.

Fee Schedule for Adagio CLO IX, Ltd.:

As compensation for the performance of its investment management services under the Investment Management and Collateral Administration Agreement, AXA IM US, as the Investment Manager, will receive from the Issuer, in arrears on each Payment Date, the Senior Investment Management Fee, which will be payable senior to the Notes, but subordinated to certain fees and expenses of the Issuer, in accordance with the Priorities of Payment. The Senior Investment Management Fee is equal to 0.15% per annum (calculated on the basis of a 360-day year and the actual number of days elapsed in such Due Period) of the Aggregate Collateral Balance at the beginning of the Due Period relating to such Payment Date.

As consideration for its investment management services, the Investment Manager shall also be entitled to subscribe for all or a portion of the Class Z Notes, on the Issue Date at their stated issue price. in connection with which the Class Z Noteholder Amount will be payable subject to and in accordance with the Priorities of Payment.

In addition to the Senior Investment Management Fee and the Class Z Noteholder Amount, the Investment Manager will receive the Incentive Investment Management Fee, if the Incentive Investment Management Fee IRR Threshold has been met, payable out of Interest Proceeds and Principal Proceeds that would otherwise be available to distribute to the Subordinated Noteholders in accordance with the Priorities of Payment. The Incentive Investment Management Fee is equal to 20.0% of the Interest Proceeds and Principal Proceeds available for

distribution under the Priority of Payments on and after a Payment Date on which the Subordinated Notes Outstanding have received an internal rate of return of at least 12% on the Principal Amount Outstanding of the Subordinated Notes as of the first day of the Due Period preceding such Payment Date (after giving effect to all payments in respect of the Subordinated Notes to be made on such Payment Date).

The Senior Investment Management Fee and the Incentive Investment Management Fee are each payable quarterly in arrears unless a Frequency Switch Event has occurred in which case, those fees would be payable semi-annually. Fees are calculated and disbursed by the CLO's trustee in accordance with the Collateral Management Agreement and Indenture and are not deducted directly by the Collateral Manager from the CLO's account.

Fee Schedule for Allegro X, Ltd.:

AXA IM US, as the Collateral Manager, will be entitled on each Payment Date and on any Subordinated Notes Redemption Date to receive the Collateral Management Fee which will consist of the Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee. The Senior Collateral Management Fee is equal to 0.125% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount at the beginning of the Collection Period relating to such Payment Date or Subordinated Notes Redemption Date. The Subordinated Collateral Management Fee is equal to (i) during the Reinvestment Period, 0.245% per annum and (ii) after the Reinvestment Period, 0.225% per annum (in each case calculated on the basis of a 360-day year consisting of twelve 30-day months), of the Fee Basis Amount at the beginning of the Collection Period relating to such Payment Date or Subordinated Notes Redemption Date. The Incentive Collateral Management Fee is equal to 20.0% of the Interest Proceeds and Principal Proceeds available for distribution under the Priority of Payments on and after the Payment Date or Subordinated Notes Redemption Date on which the Subordinated Notes issued on the Closing Date have realized an Internal Rate of Return of at least 12% (calculated from the Closing Date to and including such Payment Date or Subordinated Notes Redemption Date). The Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee are subject to the Priority of Payments and the limitations described under "The Collateral Management Agreement."

Fee Schedule for Allegro XI, Ltd.:

AXA IM US, as the Collateral Manager, will be entitled on each Payment Date and on any Subordinated Notes Redemption Date to receive the Collateral Management Fee which will consist of the Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee. The Senior Collateral Management Fee is equal to

(x) during the Reinvestment Period, 0.11% per annum and (y) after the Reinvestment Period, 0.15% per annum (in each case, calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount at the beginning of the Collection Period relating to such Payment Date or Subordinated Notes Redemption Date. The Subordinated Collateral Management Fee is equal to 0.20% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount at the beginning of the Collection Period relating to such Payment Date or Subordinated Notes Redemption Date. The Incentive Collateral Management Fee is equal to 15.0% of the Interest Proceeds and Principal Proceeds available for distribution under the Priority of Payments on and after the Payment Date or Subordinated Notes Redemption Date on which the Subordinated Notes issued on the Closing Date have realized an Internal Rate of Return of at least 12% (calculated from the Closing Date to and including such Payment Date or Subordinated Notes Redemption Date). The Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee are subject to the Priority of Payments and the limitations described under "The Collateral Management Agreement."

Fee Schedule for Allegro XII, Ltd.:

AXA IM US, as the Collateral Manager, will be entitled on each Payment Date and on any Subordinated Notes Redemption Date to receive the Collateral Management Fee which will consist of the Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee. The Senior Collateral Management Fee is equal to 0.15% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount at the beginning of the Collection Period relating to such Payment Date or Subordinated Notes Redemption Date. The Subordinated Collateral Management Fee is equal to 0.25% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount at the beginning of the Collection Period relating to such Payment Date or Subordinated Notes Redemption Date. The Incentive Collateral Management Fee is equal to 20.0% of the Interest Proceeds and Principal Proceeds available for distribution under the Priority of Payments on and after the Payment Date or Subordinated Notes Redemption Date on which the Subordinated Notes issued on the Closing Date have realized an Internal Rate of Return of at least 12% (calculated from the Closing Date to and including such Payment Date or Subordinated Notes Redemption Date). The Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee are subject to the Priority of Payments and the limitations described under "The Collateral Management Agreement."

Fee Schedule for Allegro CLO XII, Ltd.:

AXA IM, as the Collateral Manager will be entitled on each CLO payment date and each Subordinated Notes Redemption Date to receive the Collateral Management Fee which will consist of the Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee.

The Senior Collateral Management Fee is equal to 0.15% per annum (calculated on the basis of a 360- day year consisting of twelve 30-day months) of the Fee Basis Amount measured as of the first day of the Collection Period relating to the applicable Payment Date or Subordinated Notes Redemption Date. The Subordinated Collateral Management Fee is equal to 0.25% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount measured as of the first day of the Collection Period relating to such Payment Date or Subordinated Notes Redemption Date. The Incentive Collateral Management Fee is equal to 20.0% of the Interest Proceeds and Principal Proceeds available for distribution under the Priority of Payments on and after the Payment Date or Subordinated Notes Redemption Date on which the Subordinated Notes issued on the Closing Date have realized an Internal Rate of Return of at least 12.0% (calculated from the Closing Date to and including such Payment Date or Subordinated Notes Redemption Date). The Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee are subject to the Priority of Payments and the limitations described under the *“Collateral Management Agreement”*.

Fee Schedule for Allegro CLO XIII, Ltd.:

AXA IM, as the Collateral Manager will be entitled on each CLO payment date and each Subordinated Notes Redemption Date to receive the Collateral Management Fee which will consist of the Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee.

The Senior Collateral Management Fee is equal to 0.15% per annum (calculated on the basis of a 360- day year consisting of twelve 30-day months) of the Fee Basis Amount measured as of the first day of the Collection Period relating to the applicable Payment Date or Subordinated Notes Redemption Date. The Subordinated Collateral Management Fee is equal to 0.25% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount measured as of the first day of the Collection Period relating to such Payment Date or Subordinated Notes Redemption Date. The Incentive Collateral Management Fee is equal to 20.0% of the Interest Proceeds and Principal Proceeds available for distribution under the Priority of Payments on and after the Payment Date or Subordinated Notes Redemption Date on which the Subordinated Notes issued on the Closing Date have realized an Internal Rate of Return of at least 12.0% (calculated from the Closing Date to and including such Payment Date or Subordinated Notes Redemption Date). The Senior Collateral Management Fee, the

Subordinated Collateral Management Fee and the Incentive Collateral Management Fee are subject to the Priority of Payments and the limitations described under the “*Collateral Management Agreement*”.

Fee Schedule for Allegro CLO XIV, Ltd.:

AXA IM, as the Collateral Manager will be entitled on each CLO payment date and each Subordinated Notes Redemption Date to receive the Collateral Management Fee which will consist of the Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee.

The Senior Collateral Management Fee is equal to 0.15% per annum (calculated on the basis of a 360- day year consisting of twelve 30-day months) of the Fee Basis Amount measured as of the first day of the Collection Period relating to the applicable Payment Date or Subordinated Notes Redemption Date. The Subordinated Collateral Management Fee is equal to 0.25% per annum (calculated on the basis of a 360-day year consisting of twelve 30-day months) of the Fee Basis Amount measured as of the first day of the Collection Period relating to such Payment Date or Subordinated Notes Redemption Date. The Incentive Collateral Management Fee is equal to 20.0% of the Interest Proceeds and Principal Proceeds available for distribution under the Priority of Payments on and after the Payment Date or Subordinated Notes Redemption Date on which the Subordinated Notes issued on the Closing Date have realized an Internal Rate of Return of at least 12.0% (calculated from the Closing Date to and including such Payment Date or Subordinated Notes Redemption Date). The Senior Collateral Management Fee, the Subordinated Collateral Management Fee and the Incentive Collateral Management Fee are subject to the Priority of Payments and the limitations described under the “*Collateral Management Agreement*”.

Fee Schedule for the U.S. Investment Companies:

We provide portfolio management services in our capacity as sub-adviser to the U.S. Investment Companies. In accordance with our sub-advisory assignments, AXA IM US receives negotiated management fees based on assets under management for each of the U.S. Investment Companies, which is calculated and accrued on a daily basis and paid monthly in arrears. For those sub-advisory assignments that involve other AXA affiliates pursuant to the PAAs, AXA IM US shares with such entities a portion of the fees it receives from such U.S. clients pursuant to a fee sharing agreement with such AXA affiliates. Fees are invoiced separately to the managers of the U.S. Investment Companies and are not deducted directly from the U.S. Investment Companies’ accounts. See also “Fee and Expense Sharing between AXA Affiliates” at the end of this Item 5.

Fee Schedule for the Affiliated Adviser Clients:

We provide investment advisory services in our capacity as investment adviser to the Affiliated Adviser Clients on behalf of the Underlying Portfolios. The payment for our services from the Affiliated Adviser Clients is pursuant to annually reviewed fee-sharing schedules appended to master fee sharing agreements among AXA IM US and each Affiliated Adviser Client. Fees are invoiced separately to the Affiliated Adviser Clients and are not deducted directly from an Underlying Portfolio's account.

Fee Schedule for the Asset Backed Strategy Managed Account:

We provide investment advisory services in our capacity as investment manager to a managed account focused exclusively within the RMBS asset class (the "ABS Account"). The annual management fee charged to the account is 40 basis points on the market value of the account's assets. Such fee is paid 50% to AXA IM as the investment manager and 50% to Ellington, which acts as investment adviser to the managed account. For additional information about the respective roles of AXA IM US and Ellington with respect to this account please see "Risks Applicable to the St. Bernard Fund and the ABS Account" in Item 8 below.

Fee Schedule for Remaining Client Accounts:

Clients, other than those specified elsewhere in this Item 5, will be charged annual management fees based upon the investment strategy selected by the client. The current fee schedule for each strategy is set forth below.

*U.S. Core High Yield*

- 48 basis points on assets up to and including \$50 million
- 44 basis points on assets greater than \$50 million up to and including \$100 million
- 41 basis points on assets greater than \$100 million up to and including \$150 million
- 39 basis points on assets greater than \$150 million up to and including \$200 million
- 37 basis points on assets greater than \$200 million

*U.S. Dynamic High Yield*

- 60 basis points

*U.S. Short Duration High Yield*

- 45 basis points

*U.S. Corporate Investment Grade*

- 26 basis points on assets up to and including \$50 million
- 24 basis points on assets greater than \$50 million up to and including \$100 million
- 20 basis points on assets greater than \$100 million up to and including \$150 million
- 18 basis points on assets greater than \$150 million up to and including \$200 million
- 17 basis points on assets greater than \$200 million

#### European Small Cap Equity

- 60 basis points on assets greater than \$50 million up to and including \$75 million
- 58.8 basis points on assets greater than \$75 million up to and including \$100 million
- 54 basis points on assets greater than \$100 million up to and including \$150 million
- 49.8 basis points on assets greater than \$150 million up to and including \$200 million
- 45 basis points on assets greater than \$200 million

#### Managed Volatility Asset Allocation Strategy

- 26 basis points on assets up to and including \$50 million
- 24 basis points on assets greater than \$50 million up to and including \$150 million
- 22 basis points on assets greater than \$150 million up to and including \$300 million
- 20 basis points on assets greater than \$300 million

For Clients that may request services for accounts that are less than the stated minimum asset levels, the fee terms and any other financial impacts to such accounts shall be negotiated on a case-by-case basis.

While the investment management fees generally are not negotiable for the above referenced strategies, AXA IM US, in its sole discretion, is permitted to enter into advisory agreements with certain clients (including both affiliated and unaffiliated) that deviate from the above fee schedule depending on the size of the account and the nature of the contemplated investments. Therefore, management fees sometimes vary from the applicable fees in the schedule above due to the particular circumstances of an investor or as otherwise negotiated with a particular investor, which result in certain investors paying fees that are actually higher or lower than the fees represented in the schedule above.

Except as otherwise noted, the management fees are payable quarterly, in arrears, based on the net asset value of the account as of the last day of the preceding quarter. For clients whose investments reside in managed accounts, we will utilize our own valuation of each portfolio for fee calculation purposes as outlined in detail in each client's investment management agreement. Such values sometimes do not agree with valuations issued by a client's custodian. Valuations generally will be the sum of the cash and net market value of the securities in the account. Fees are invoiced separately to managed account clients in the above four strategies and are not deducted directly from such client account.

#### Additional Fees and Expenses:

In addition to the foregoing fees, client accounts or Underlying Portfolios, pay, as applicable, custodian fees, account expenses and fund expenses. Fund expenses may include, without limitation, organizational, operating and other expenses, including, as applicable, transaction, administrative, custody, legal (including blue sky compliance), tax preparation, investor reporting, valuation agent and appraisal fees and expenses, insurance, accounting and audit expenses, broker-dealers, custodians, administrators, and transfer agent expenses, as well as any other fees or expenses that are documented in the applicable offering materials and/or client investment management agreement(s) or, in our determination, are reasonably incurred in connection with the business or maintenance of the relevant fund.

In addition, applicable fixed income account clients incur the cost of the bid-ask spread charged by broker-dealers on fixed income transactions. The "bid-ask spread" is the difference between the ask price and the bid price for a particular security. This is essentially the difference in price between the highest price that a buyer is willing to pay for a security and the lowest price at which a seller is willing to sell the security. Applicable equities account clients incur brokerage commissions and other transaction costs. Please see Item 12 below for more information regarding brokerage.

#### Real Estate Management Fees

AXA IM US receives management fees with respect to each RE Account based on negotiated fee rates with each client. Accordingly, the discussion herein is general in nature and the amounts, timing and other terms relating to compensation may vary significantly from RE Account to RE Account. The management fees received by AXA IM US with respect to an AXA IM US Real Estate Fund will be set forth in the relevant Governing Documents.

Generally, management fees applicable to RE Accounts are based on a percentage of either the net asset value of an RE Account, the gross asset value of an RE Account, the capital committed by a client to an RE Account, the carrying value of loans held by an account, or such other reference amount as negotiated with a client. The amount of the management fee varies



depending on the reference amount (i.e., net asset value, loan carrying value, etc.). The management fee applicable to a particular RE Account may be increased from time to time based on various factors as agreed to with each client or as set forth in an AXA IM US Real Estate Fund's Governing Documents.

Management fees are generally payable quarterly and, depending on the particular RE Account, may be payable in arrears or in advance. In addition, depending on the particular RE Account, management fees may directly be debited by AXA IM US or otherwise payable pursuant to an invoice issued by AXA IM US to a client. Management fees will be pro-rated when AXA IM US provides services for less than the full period for which such fees are due and, if paid in advance, will be refunded.

Pursuant to the PAA (as defined and more fully described in Item 10 below), AXA IM US shares a portion of the fees earned from its advisory services pertaining to commercial real estate debt investments with AXA REIM SGP.

#### Other Real Estate Fees and Expenses

*Loan Origination and Disposition Fees.* During the course of originating loans, AXA IM US assesses loan origination fees in order to compensate AXA IM US for its efforts in conducting borrower and collateral due diligence and for the additional processing efforts that must be completed in order to successfully close each loan. AXA IM US may also assess a loan disposition fee for its efforts in locating one or more buyers for part or all of a loan and in negotiating the terms of the disposition. These fees are individually negotiated with each client and are typically charged as a percentage of final loan totals.

*Loan Processing Fees/Loan Modification Fees.* During the course of managing commercial mortgage loans on behalf of clients, the client contract may specify that AXA IM US may receive additional fees from borrowers for underwriting, servicing accommodations and/or modifications to the loan agreement(s). Depending on the level of work required to make such accommodations/modifications, AXA IM US may receive fees from the borrowers in the approximate range of \$250 to \$150,000 which may vary depending on the type of request.

*Servicing/Administration Fees Relating to Loans.* For any RE Account holding loans, AXA IM US may outsource certain functions, such as loan servicing and/or accounting and reporting services. Such functions are outsourced to an unrelated third party and the cost of such services are normally borne by the client.

*Other Fees.* As negotiated with each client, AXA IM US and/or its affiliates may receive additional fees with respect to the services it or they provide to an RE Account. These fees could include fees for set-up fees (potentially applicable to new RE Accounts holding loans), consulting,

property development or other similar services. For example, in certain cases, an affiliate of AXA IM US may be appointed by an Account, Client Vehicle or AXA IM US Real Estate Fund to provide development, redevelopment or refurbishment services with respect to an RE Investment. Any fees applicable to an RE Account that are in addition to the management fee or performance-based fees are separately negotiated and agreed with clients. In the case of an AXA IM US RE Fund, such additional fees are disclosed in the relevant Governing Documents.

*Real Estate Expenses.* In addition, RE Accounts (particularly AXA IM US Real Estate Funds and Client Vehicles) are responsible for any costs and expenses associated with their own organization. RE Accounts may also be responsible for additional operating expenses, including without limitation costs and expenses related to investigation and review of investments; service provider fees in connection with the conduct of due diligence and credit assessment services related to acquisition and retention of investments; taxes, duties and other governmental charges; legal fees (such as structuring, documentation, and closing) and litigation costs and expenses (such as debt collection, foreclosure and/or other activities relating to the enforcement of lender rights); transfer fees, registration fees and other expenses and charges associated with the purchase, holding or sale of assets; costs associated with foreign exchange transactions; costs and expenses of certain investment or portfolio management services (such as due diligence, debt workout and other real estate services); and accounting, audit, administrative and other expenses necessary or appropriate to the Account's regulatory or tax compliance, business or investment operations. Some of these additional fees and expenses may be charged by and payable to affiliates of AXA IM US in accordance with terms or approval requirements as outlined in each RE Account's Governing Documents, as applicable.

*Real Estate Valuation.* The management fees, performance-based fees or allocations and certain other RE Account fees discussed above may be based on the market value and/or performance of the RE Accounts (and in particular, certain RE Accounts may be subject to performance-based fees that are based on unrealized appreciation in their market value). A significant percentage of the assets in which RE Accounts invest may, at any time or from time to time, be illiquid, thinly traded or otherwise difficult to value. Accordingly, to the extent AXA IM US or a related entity values an asset higher than its current market value (or where such market values are unreliable), AXA IM US may benefit by receiving a management fee or performance fee or allocation that is increased by the impact (if any) of such valuation discrepancy. In this respect, it should be noted that the valuation of RE Investments that are not publicly traded generally involves greater judgment and reliance upon internal valuation methodologies than valuation of publicly-traded RE Investments.

AXA IM US employs various valuation policies and procedures to mitigate the conflicts and potential for material pricing discrepancies in respect of RE Account assets and to assure that

assets are valued in good faith and as accurately as is reasonably practicable. For example, AXA IM US may from time to time utilize a third party valuation agent to value the assets of an RE Account if so negotiated with a client or, in the case of an AXA IM US Real Estate Fund, if provided by the Governing Documents.

#### Marketing Services of Employees:

AXA IM US employees do not receive compensation based upon sales of securities or other investment products and there is no commission-based compensation program. Nevertheless, AXA IM US has properly FINRA licensed employees who market the U.S. High Yield Fund, the St. Bernard Fund and AXA IM US Real Estate Funds, along with managed account services and other related investment advisory services.

AXA IM US has under its supervision properly licensed employees who build relationships with U.S. and non-U.S. / foreign institutional distribution channels for the purposes of adding offshore funds and managed accounts that are offered by foreign based advisory affiliates of AXA IM US to such institutions' preferred manager lists. In addition, such employees market such offshore funds and managed accounts to non-U.S. institutional and high net worth investors in accordance with the policies and procedures of not only AXA IM US, but also the applicable policies, procedures, and regulations of both the Affiliated Adviser Clients and the domicile of such Affiliated Adviser Clients. Such employees' compensation is not tied to the amount of assets invested in any of the aforementioned investment services. The applicable foreign based advisory affiliates reimburse AXA IM US for any compensation paid by AXA IM US to such employee that is attributable to such employee's time and efforts spent conducting the foregoing activities based on either the Master Fee Services Agreement and/or the Expense Allocation Recharges Procedure described in this Item 5 below.

Clients are not charged any additional fees due to the fees paid by AXA IM US to employees as described in this section.

#### Fee and Expense Sharing between AXA Affiliates

##### Master Fee Services Agreement

AXA IM US and certain of its affiliates, including, without limitation, the UK Participating Affiliate, the Paris Participating Affiliate and the Asia Participating Affiliate (as defined below) are parties to a master fee service agreement that allocates fee revenue (as a percentage of the net fees generated by the applicable client account) among these various entities for various services rendered within AXA Group including: Portfolio Management, select Distribution/Marketing/Client Services and select Operations services provided by the various entities for such client account.

As part of our master service agreement responsibilities, we find other entities (“Third Party Marketers”) to market products of our affiliates. However, we do not pay the Third-Party Marketers. Rather, it is the responsibility of the sponsor of the products marketed by such Third-Party Marketers to pay such Third-Party Marketers.

#### Expense Allocation Recharges Procedure

AXA IM US and certain of its affiliates also allocate expenses (including the cost of certain employees) between the various entities according to metrics intended to reflect the respective proportion of services provided by each entity (or its employees or department(s)). The proportion of services provided by each entity (or its employees or department(s)) is measured by the percentage of time dedicated by a given employee, by the assets under management of the various entities or by the headcount of the various entities.

#### ***Item 6: Performance-Based Fees and Side-by-Side Management***

From time to time, AXA IM US enters into arrangements with clients that provide for performance-based compensation based on, for example, a share of net realized gains and income in lieu of, or in addition to, our usual compensation. Such arrangements will be negotiated and will in all cases be in compliance with Rule 205-3 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

As noted above in Item 5, AXA IM US receives a performance-based fee for the portfolio management services it provides to (i) the St. Bernard Fund, (ii) the CLOs, (iii) a certain Affiliated Adviser Client with respect to a portion of select Underlying Portfolios, (iv) a single Underlying Portfolio in the Investment Grade Bond strategy, and v) a single Underlying Portfolio in the Enhanced High Yield Bond strategy.

Real Estate Accounts generally pay performance-based fees or allocations (sometimes referred to as “carried interest”) to AXA IM US. The amount of carried interest and any related terms, such as any hurdle rate applicable to an Account, are negotiated with each client or are otherwise specified in an AXA IM US Real Estate Fund’s Governing Documents. Carried interest is assessed periodically in accordance with the relevant Governing Documents of an AXA IM US Real Estate Fund or as otherwise negotiated with a client.

Clients should be aware that a performance-based fee creates a conflict of interest for an adviser, as there is an incentive for the adviser to make investments that are riskier or more speculative than would be the case in the absence of a performance fee. An additional conflict of interest arises for AXA IM US regarding clients that do not pay a performance-based fee and clients that do pay a performance-based fee, as well as between clients that pay different levels of asset or

performance-based fees. For example, AXA IM US has an incentive to favor those accounts for which we receive a performance-based fee because we will receive a higher fee if their performance exceeds the applicable benchmark. Similarly, AXA IM US has an incentive to favor those accounts that pay a greater management fee or performance fees over those accounts that pay us a lesser management fee or performance fee because we will receive greater compensation by doing so. In addition, AXA IM US has an incentive to favor those accounts where a performance-based fee is likely to be paid sooner.

#### AXA Group Investments

AXA IM affiliates may have pecuniary interests in AXA IM US Funds either as a result of a direct investment or as a result of carried interest provisions applicable to such funds. Additionally, AXA IM US manages separate account and other commingled investments for various affiliates. Investors and clients should be aware that AXA Group investments may be deemed to create a conflict of interest for AXA IM US, as there could be an incentive for AXA IM US to allocate investment opportunities to Accounts in which AXA IM US affiliates have pecuniary interests at the expense of other Accounts.

To address these conflicts of interest, we seek to treat all clients in a fair and equitable manner at all times, without regard to the level of compensation we receive from such clients. To that end, we have established a variety of policies, procedures, and other controls regarding allocation of investment opportunities that are designed to treat all clients fairly regardless of the level of compensation that we receive from such clients. Please see Item 12 below for more information about our allocation policies.

#### Side-by-side Management by Participating Affiliates:

In addition to the foregoing conflicts of interest, our affiliates, that assist in managing our client accounts through PAAs, also manage other client accounts. Such other accounts sometimes pay higher amounts of fees and/or performance fees than the Participating Affiliates (as defined in Item 10 below) receive for providing investment advice to the AXA IM US client accounts. In such cases, the Participating Affiliates have an incentive to allocate desirable investment opportunities to accounts that pay such higher fees. AXA IM US addresses this conflict of interest by reviewing the allocation policies of such Participating Affiliates to determine that they are designed to treat all of their clients fairly including the accounts they assist in managing under the PAAs. Please see Items 10's discussion of "AXA Group Investments" and Item 11's discussion of "Participation or Interest in Client Transactions" for more information about certain conflicts of interest that arise from side-by-side management of accounts.

### ***Item 7: Types of Clients***

AXA IM US provides investment advisory services to institutions (such as public pension plans, trusts and foreign corporations), CLOs, domestic private investment funds and U.S. investment companies registered under the Investment Company Act of 1940, as amended. We also manage portfolios for various types of institutional clients and insurance company affiliates within AXA Group. In addition, we provide investment advisory services to the Underlying Portfolios managed by Affiliated Adviser Clients. See Items 4 and 5 above, and Item 10 below, for more information regarding the advisory services that we provide to our clients.

We may require prospective clients, as well as our existing clients, to provide certain information and/or records necessary to meet any suitability or investor qualification standards, or customer identification requirements set forth by our program for anti-money laundering and combating terrorist financing.

#### **Conditions for Managing Separate Accounts:**

In most strategies, we require a minimum initial investment of \$50 million to open an individually managed account. In our sole discretion when we deem appropriate, we are permitted to accept accounts of less than \$50 million.

#### **Conditions for Managing Real Estate Separate Accounts**

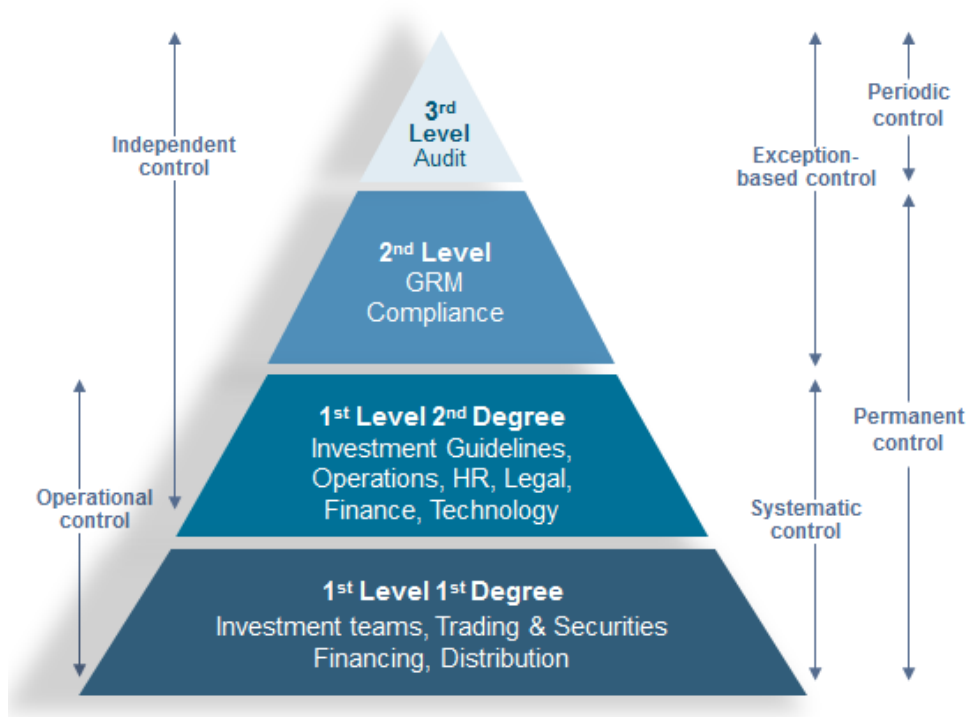
In connection with establishing a Real Estate separate account arrangement, AXA IM US requires a minimum initial investment of \$100 million. Accounts may be accepted under \$100 million at the sole discretion of AXA IM US.

#### **Conditions for Subscription to the Private Funds:**

AXA IM US will normally require a minimum investment for an AXA IM US Fund, as described in each AXA IM US Fund's Governing Documents, but it (or an affiliate of AXA IM US) reserves the right to waive this minimum requirement. In addition, AXA IM US requires that each investor in an AXA IM US Fund either be a non-United States Person as defined in the applicable Governing Documents or be an "accredited investor" as defined in Regulation D under the 1933 Act and a "qualified purchaser" as defined in the 1940 Act.

### ***Item 8: Methods of Analysis, Investment Strategies and Risk of Loss***

AXA IM US has built a stringent multi-layered risk management framework. Risk Management is embedded throughout the organization.



#### Internal Audit:

- Controls performed on ad hoc basis by a function independent from the rest of the organization altogether

#### Control functions:

- Permanent controls performed by dedicated and independent functions
- Setting of policies and limits
- Identification and analysis of risks and remedies
- Control of operator's activities on an exception basis
- Control of the relevance and efficiency of 1st level control procedures in place

#### Support functions:

- Permanent controls performed by an operational function
- On a regular and systematic basis
- Based on standards or quantitative KPIs monitoring

#### Front office:

- Controls performed by the operators on the perimeter of their activities
- Auto control done by the operator

- Supervision control done by the operator's hierarchy

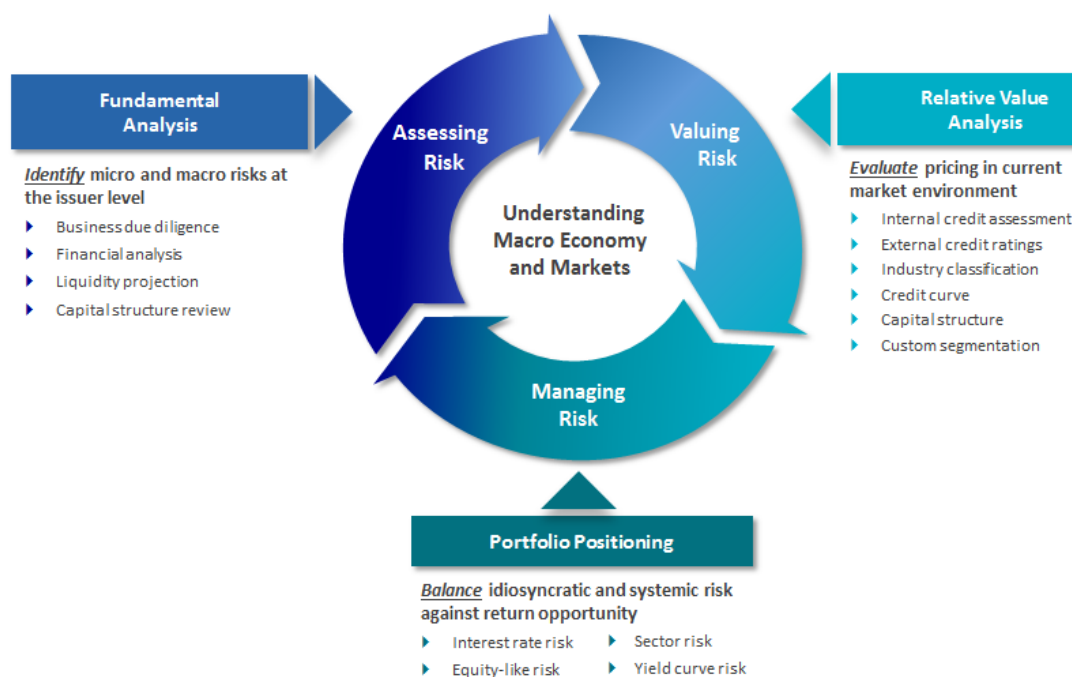
The monitoring performed by investment and operations teams is complemented by an independent risk management team

		Level 1 (Investment teams)	Level 1.2 (Operations)	Level 2 & 3 (Risk Management)
Financial risks	Performance and risk monitoring	Investment teams		Risk Management
	Portfolio guidelines monitoring		Operations	
	Credit, counterparty, liquidity and model risk	Investment teams	Operations	Risk Management
Fiduciary risks	Adherence to investment process	Investment teams		Risk Management
	Market suitability of new strategies and products	Investment teams		Compliance Risk Management
Operational risks	Integrity & continuity of operations		Operations, Technology	Risk Management
	Adherence to regulatory requirements	Investment teams	Operations Investment Guidelines	Compliance Risk Management

## Level 1 - Methods of Analysis

Our investment philosophy is predicated upon the idea that long term returns are built through the compounding of income earned over time and the avoidance of principal losses. Our investment process consists of three major components centered on assessing, valuing, and managing risk. We begin with an evaluation of the economic context and market outlook. This evaluation underlies our assessment, valuation, and management of risk.

Our investment strategies are based on...





*Step 1: Assessing risk through fundamental credit analysis:* This first step involves identifying the micro and macroeconomic risks through in-depth financial analysis to assess the credit profile of each issuer. This credit research process is designed to uncover the key drivers of a company's business, its sensitivity to various internal and external factors, and its long-term ability to operate within its existing capital structure under realistic assumptions.

*Step 2: Valuing risk through market segmentation:* This second step identifies relative and absolute value opportunities by assessing the fundamental characteristics and risk/return profile of each issuer against those of the market. Market segmentation is sought using a proprietary quantitative evaluation tool that relies upon data from FactSet, a third-party analytics platform, or other proprietary quantitative evaluation tools. These tools consider criteria such as internal credit assessment, external credit rating, industry classification, credit curve position and issuer capital structure to compare credit risks and market yields in order to segment the market into “buckets” or pools of securities with similar return and risk characteristics.

*Step 3: Managing risk through portfolio positioning:* This third step aims to balance bottom-up (idiosyncratic) and top-down (systemic and market-related) risks against return opportunities. Our integrated investment process utilizes both quantitative and qualitative processes to construct portfolios. **Level 2 - Methods of Analysis**

Monitoring of performance, risk, and exposures of client portfolios to monitor that portfolios are managed within the strategy's stated objectives and constraints. Such level of review also includes oversight of market, counterparty, and credit risks, which enables us to monitor and assess exposure to systemic and market structure risks.

## **Investment Strategies**

### *U.S. Core High Yield*

The investment objective of this strategy is to achieve a long-term total return in excess of a high yield index selected by our clients. A typical high yield index tracks the performance of U.S. dollar-denominated below investment grade corporate debt publicly issued in the U.S. domestic market.

We seek to achieve the investment objective for this strategy through investing primarily in U.S. dollar-denominated debt securities, rated below investment grade, of U.S. corporations.

Available investment vehicles include separate accounts, Luxembourg-domiciled mutual fund (for those eligible non-U.S. Persons), and AXA U.S. High Yield Fund L.L.C.

### *Dynamic U.S. High Yield*

The investment objective of this strategy is to invest primarily in U.S. dollar-denominated debt securities rated below investment grade of U.S. corporations and credit default swaps referencing such bonds. The net market exposure of the account will be between 75% and 150% of its net assets. The volatility of the strategy is targeted to be equal to or less than the high yield market.

Available investment vehicles include separate accounts and Luxembourg-domiciled mutual fund (for those eligible non-U.S. Persons).

#### Enhanced U.S. High Yield

The investment objective of this strategy is to seek high income, in U.S. dollars, mainly through exposure to short duration securities of U.S.-domiciled companies, including sub-investment grade corporate bonds and floating rate debt securities (i.e., high yield bonds with short duration issued by U.S. companies).

The strategy primarily entails investment in short -duration high yield cash bonds or single-name total return swaps based on individual short -duration high yield bonds. Total return swaps investments are used to obtain leverage for the portfolio and to gain exposure to additional underlying single-name, short -duration U.S. corporate high yield bonds.

Available investment vehicles include separate accounts and Luxembourg-domiciled mutual funds (for those eligible non-U.S. Persons).

#### U.S. Short Duration High Yield

The investment objective of this strategy is to generate current income while experiencing lower volatility than the broader high yield market. This strategy does not follow a benchmark.

We seek to achieve the investment objective for this strategy by investing primarily in U.S. dollar-denominated debt securities, rated below investment grade, of U.S. corporations. The expected take out of these debt securities is expected to be three years or less.

Available investment vehicles include separate accounts, UK-domiciled mutual fund, and Luxembourg-domiciled mutual funds (for those eligible non-U.S. Persons).

#### U.S. Corporate Investment Grade

The investment objective of this strategy is to achieve a return over a full market cycle in excess of a U.S. corporate investment grade index selected by our clients. A typical U.S. corporate investment grade index tracks the performance of U.S. dollar-denominated investment grade corporate debt publicly issued in the U.S. domestic market.

Available investment vehicles include separate accounts and Luxembourg-domiciled mutual fund (for those eligible non-U.S. Persons).

### *U.S. Structured Finance*

The investment objective of this strategy is to seek to achieve consistent rates of returns through credit cycles by investing mainly in a diversified portfolio of U.S. senior secured loans.

The AXA IM US Structured Finance team seeks to achieve this investment objective primarily through the use of both a “top-down” and a “bottom-up” approach to asset allocation. The team’s “top-down” approach involves an initial allocation of assets on a sector and risk profile basis. This allocation is based on macroeconomic research and AXA IM’s long-term views on the performance of a particular asset class. Once the “top-down” asset allocation approach has been determined, AXA IM US uses a “bottom-up” approach to build a portfolio based on a relative value basis. Resources are then focused on the individual positions contained in each portfolio. New investment opportunities are reviewed by a research analyst who focuses on a particular sector and assesses the general quality, relative value, fit and needs of each portfolio. Assets that are viewed favorably are then processed through a formal credit committee (the “Credit Committee”) that will approve the inclusion of the asset in the eligible universe on a majority basis. The Credit Committee meets as often as necessary to discuss potential new investments and existing positions.

The investments may range from unrated (first-loss) securities (“Equity”) to AAA senior securities and may include unsecuritized whole loan residential mortgages.

### *U.S. Buy & Maintain Strategies*

The objective of this strategy is to achieve a long-term return in excess of the U.S. corporate bond market as compared to applicable benchmarks AXA IM US seeks to achieve the investment objective through disciplined credit selection processes allowing maintenance of bond holdings while aiming to avoid risk deterioration and realized capital losses

The strategy is primarily implemented through purchases of: (i) U.S. dollar-denominated securities issued by investment-grade corporate issuers; (ii) U.S. government bonds and (iii) select municipal bonds issued by U.S. localities.

Available investment vehicles include separate accounts and non-U.S. domiciled mutual funds (for those eligible non-U.S. Persons).

### *European Small Cap Equity Strategy*

The objective of this strategy seeks to achieve long-term capital growth by investing in small and medium capitalized companies domiciled or listed in the European geographical area. AXA IM US offers this strategy through the aforementioned PAA.

The strategy is actively managed in order to capture opportunities in the European equity markets. Investment decisions are based on a combination of macroeconomic, sector and company specific analysis. The share selection process relies on a rigorous analysis of the companies' business model, quality of management, growth prospects and overall risk return profile.

The strategy invests approximately two thirds of its total assets in small cap equities and the remaining one third of its total assets in medium sized companies listed on the European markets.

#### Asset Backed Strategy

The strategy's objective is to invest exclusively in asset backed securities such as RMBS to seek a yield premium over other traditional credit instruments with similar credit exposure while aiming to secure a diversified income stream. Such assets can offer a hedge against the rise of interest rates and lower mark-to-market volatility. AXA IM US generally will focus on assets with near to short term duration and generally within the investment grade credit rating for the ABS Account.

The return profile for the strategy seeks to generate stable income and cash flow over an interest rate threshold.

#### Managed Volatility Asset Allocation Strategy

The strategy's objective is to seek long-term capital appreciation through a blended investment portfolio consisting of U.S. and international equities, as well as high quality U.S. corporate bonds, while aiming to provide a buffer against adverse market movements and drawdown. The drawdown's mitigation is reached through a volatility management strategy. Under normal market conditions, the strategy's assets will be allocated to achieve targeted exposures among equity investments and fixed income investments. The strategy's current target allocation for long-term investments is approximately 55% of its net assets in equity investments and approximately 45% of its net assets in fixed income investments. On a periodic basis, the strategy investment may be rebalanced in response to changes in market value or other factors to maintain these target allocations. During periods before or after such rebalancing, the strategy may deviate from its target allocations.

The strategy's equity allocation will be invested in the following equity asset categories: U.S. Large Cap Equity, U.S. Mid Cap Equity, U.S. Small Cap Equity, and International Equity.

Substantially all the strategy's fixed income allocation will be invested in ETFs and in instruments that provide exposure to the corporate debt asset category. The strategy's fixed income allocation will be invested primarily (either directly or indirectly through other investments) in U.S. dollar-denominated corporate debt securities that are rated investment grade at the time of purchase (i.e., at least Baa by Moody's Investors Service, Inc. ("Moody's") or BBB by Standard & Poor's Global Ratings("S&P") or Fitch Ratings Ltd. ("Fitch")), or if unrated, determined by the adviser to be of comparable quality.

#### Real Estate Equity Investments

AXA IM US invests in equity Real Estate Investments ("RE Investments") on behalf of Accounts on different points on the risk spectrum of equity RE Investments. For example, AXA IM US may invest pursuant to a "Core" strategy that emphasizes prime assets (e.g., substantially leased properties located in large markets) and that presents a lower risk profile than the "Value Added" and "Opportunistic" strategies described herein. In this respect, the Core strategy generally seeks to avoid real estate assets that require significant repositioning, refurbishing or reletting in the short term. AXA IM US may also invest in equity RE Investments on behalf of Accounts pursuant to a "Value Added" strategy, which entails the acquisition of non-prime real estate assets or the acquisition of real estate assets from distressed sellers with a view to reposition, refurbish and relet those assets. The Value-Added strategy is further along the risk spectrum than the Core strategy. In addition to the Core and Value-Added strategies, AXA IM US may manage an Account pursuant to an "Opportunistic" strategy. This strategy is furthest along the risk spectrum when compared to the Core and Value-Added strategies as it entails investing in non-traditional real estate sectors, new developments and properties that may require recapitalization. Across the three strategies described above, the amount of leverage utilized is expected to increase from Core to Value Added to Opportunistic in line with the risk profile of each strategy. Real estate assets acquired pursuant to these strategies may be located in the U.S. or Europe. In connection with equity RE Investments, AXA IM US provides ongoing oversight and management of the real estate assets owned by an Account, including, as applicable, the selection and oversight of property managers; the development and monitoring of annual business plans, operating budgets and capital budgets; preparation of a "hold/sell" analysis; development of a property cash flow model for valuation and other purposes; and development and implementation of a leasing strategy.

#### Real Estate Debt Investments

AXA IM US invests in commercial real estate loans and may invest in other debt related RE Investments on behalf of Accounts pursuant to a commercial real estate strategy. Other debt investments may consist of, but are not necessarily limited to, senior and subordinated (e.g.,

mezzanine) secured and unsecured loans related to real estate property and real estate debt securities (e.g. CMBS). In connection with debt RE Investments, AXA IM US actively monitors the performance of the underlying collateral and the sponsor's adherence to financing covenants, and, in its capacity (or its affiliate's capacity) as Manager, may participate in credit committees in connection with any workout of a RE Investment.

#### Quantitative Equity Strategy

The objective for the Quantitative Equity strategy is to build diversified portfolios with strong fundamentals and sustainability profiles relative to the market, modest and controlled active exposures to characteristics such as size or industry risk, through the combined output of our stock-selection and risk models and when appropriate, portfolio manager discretion. An optimizer is designed to simultaneously consider the opportunity associated with any given combination of stocks and the active risk implied by such a combination. The optimizer also aims to limit risk along specified dimensions such as target benchmark exposures to industries, sectors, countries, and risk factors, in addition to trading costs, stock position, active weight limits or client specific restrictions, and certain ESG-related risks. AXA IM US offers this strategy through the aforementioned PAA.

The Quantitative Equity Strategy investment approach is driven by rigorous fundamental analysis of company valuations and earnings combined with an understanding of company level and Environmental, Social and Governance insights. The investment approach is also anchored on core principles of sustainable investing, meaning that as an adjunct to the fundamental analysis that our investment approach encapsulates, we actively consider a company's Environmental, Social, and Governance (ESG) profile (as available) within the investment strategy from an investment perspective. While the approach is akin to that of a traditional fundamental investor, the implementation is principally systematic with our portfolio managers retaining ultimate discretion over our clients' portfolios.

The investment process does not presume to model or create a singular perfect portfolio for our clients. Instead, the strategy seeks to build portfolios with exposures to stock characteristics that reflect investment beliefs and philosophy, with a long-term investment horizon. In this, the strategy is similar to other fundamentally oriented investors. The systematic approach primarily allows the strategy to express robust and easily scalable views on a large number of equity securities, thereby affording great flexibility in addressing unique investor strategic objectives and investment constraints in constructing portfolios.

#### St. Bernard Fund

The St. Bernard Fund seek to achieve attractive rate of returns through investments in a wide range of securities and derivatives, with a focus on “credit-sensitive” mortgage backed securities (“MBS”) and asset backed securities (“ABS”) (i.e., the analysis of which involves assessment of credit risk) and derivatives thereon. The St. Bernard Fund may also invest in non-credit-sensitive MBS and ABS, as well as other instruments, including without limitation, collateralized debt obligation transactions (“CDOs”) (in particular, through secondary purchases of CDOs of MBS and ABS), CLOs, single name and index credit default swaps (“CDS”) referencing MBS/ABS, corporate issuers or other reference obligations, long and short equity positions, and distressed securities. The investments may range from unrated (first-loss) securities (“Equity”) to AAA senior securities and may include unsecuritized whole loan residential mortgages.

The St. Bernard Fund can invest in an extremely wide range of securities, derivatives and other financial instruments, including, without limitations: RMBS, CMBS, CDO, CLO, in vehicles that hold, manage, trade or originate mortgages; U.S. treasuries and securities issued by non-U.S. governments and governmental agencies; federal agency and government sponsored debt securities; interest rate derivatives (such as swap, caps and floors); exchange traded and over-the-counter futures contracts on securities, currencies, or commodities; currencies; U.S. and non-U.S. public and private debt instruments; indices of debt instruments and tranches of indices of debt instruments (both U.S. dollar and non-U.S. dollar denominated and representing obligations of governments, agencies, or corporations of varying degrees of creditworthiness); long or short positions in public and private equities of U.S. and foreign issuers, including, without limitation, real estate investment trusts (“REITs”), financial companies, mortgage companies, real estate companies and home builders and which may include equity securities purchased or received as part of an issuer’s corporate or financial reorganization or restructuring; real estate; warrants; exchange traded funds (“ETFs”) and other commingled investment vehicles and instruments or vehicles representing indices of equity securities or equity related instruments or other indices; corporate bonds (including convertible bonds); interests in other pooled investment vehicles (including, without limitation, hedge funds, private or public investment funds and other commingled vehicles) that invest in, without limitation, ABS, MBS, CDO, CLO securities, other credit risk assets such as loans or corporate bonds or any other investment in which the Fund may invest (“Credit Funds”); corporate loans; limited partnership interests, limited liability company interests and other similar interests; large and small balance whole loan residential mortgages (including second lien loans and home equity lines of credit); large and small balance commercial mortgage loans; consumer loans; auto loans; mixed use loans; leveraged loans; and other unsecuritized loans; foreign exchange (“FX”) spot, forward and swap contracts and other FX or FX related instruments; commercial, residential or mixed-use real property and other real assets; other investment vehicles investing in any of the foregoing; options, swaps (including, without limitation, credit default swaps (“CDS”) and total return swaps, forwards and other

contracts, derivatives or other synthetic instruments on or related to any of the foregoing; and other financial assets and financial derivatives.

Investments are acquired in both the primary and secondary markets, in U.S. Dollar and Euro denominated transactions and at varying levels of the capital structure in those transactions, including both rated and unrated tranches, and in cash, hybrid, funded, synthetic, private and public form and in static and managed transactions.

AXA IM US has, in its discretion, leveraged investments in the St. Bernard Fund to obtain financing, including through the use of repurchase transactions; provided that AXA IM US may not engage in financing transactions resulting in a net increase in the aggregate amount borrowed while the leverage ratio exceeds 200%.

AXA IM US uses trading expertise and proprietary trading models in an effort to identify and purchase assets for the St. Bernard Fund that it believes to be attractive for the fund, The Fund may also utilize derivative instruments as standalone investments (representing long or short positions) or as hedges for other investments.

#### Trading Restrictions with Respect to Controversial Weapons:

Subject to applicable law, including fiduciary duties under the Advisers Act and ERISA, AXA IM US intends to abide by the AXA Group's policy not to trade in certain issuers related to the manufacturing, dealing and/or distribution of controversial weapons.

#### Trading Restrictions with Respect to Climate Impact

Subject to applicable law, including fiduciary duties under the Advisers Act and ERISA, AXA IM US intends to abide by the AXA Group's policy not to trade in certain issuers significantly exposed to coal and tar sands-related activities, specifically mining companies that derive significant amount of their revenue from thermal coal and utilities with a significant amount of coal in their energy mix.

#### Material Risks:

There can be no assurances that any client will achieve its investment objective or that the strategies pursued, and methods utilized by AXA IM US, will be successful under all or any market conditions. Past performance is no guarantee of future performance. Investing in financial instruments involves the risk of loss of principal that clients should be prepared to bear. A brief explanation of the material risks associated with AXA IM US principal investment strategies and methods of analysis follows. Additional risk factors are set forth in the offering documents of the applicable client.



The risks generally applicable to all the client accounts managed by AXA IM US are as follows:

- *Risks Associated with General Economic and Market Conditions.* The success of the investment strategy is often affected by general economic and market conditions, such as interest rates, mortgage prepayment rates, availability of credit, inflation rates, global or national health crisis, economic uncertainty, and changes in laws. These factors often affect the level and volatility of prices of financial instruments and the liquidity of the investments made for the client accounts. Volatility or illiquidity could impair the client accounts' profitability or result in losses. The liquidity environment may deteriorate and affect other markets and financial institutions before market conditions improve. In a period of broad de-leveraging by all market participants, as happened following the 2008 financial crisis or other types of global market dislocations, the values of all asset classes may be adversely affected.
- *Allocation Risk.* An investment strategy's investment performance depends upon how its assets are allocated across broad asset categories and applicable sub-classes within such categories. Some broad asset categories and sub-classes may perform below expectations or the securities markets generally over short and extended periods. The allocation strategies used, and the allocation decisions made, may not produce the desired results.
- *Reliance on Management Risk.* All decisions regarding the management and affairs of the funds and/or accounts will be made exclusively by us. Accordingly, no person should purchase interests or open an account unless such person is willing to entrust all aspects of management of the funds or accounts to AXA IM US.
- *Market Risk.* Financial institutions may be adversely affected by global and local market and economic conditions that may cause fluctuations in interest rates, exchange rates, equity and commodity prices and credit spreads. Many financial institutions have large proprietary trading and investment positions, including positions in fixed income (including RMBS and CDOs), currency, commodities and equity securities, as well as in real estate (including mortgages and subprime related assets), private equity, hedge funds, derivatives and other investments. As a result, financial institutions may incur losses because of increased market volatility, as these fluctuations may adversely impact the valuation of their trading and investment positions. Conversely, a decline in volatility may adversely affect the results of their trading business, which depend on market volatility to create client and proprietary trading opportunities.

- *Systemic Risk.* Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by other institutions.
- *Brokerage Firms and Custodians May Fail.* The institutions with which AXA IM US does business for the client accounts, or to which the assets of the client accounts have been entrusted for custodial purposes, may encounter financial difficulties that impair the operational capabilities or the capital positions of the client accounts. Recent events in the credit market have challenged the financial stability of a number of established financial institutions, including brokerage firms. In the event that one of the brokerage firms used by AXA IM becomes bankrupt and fails to segregate the assets on deposit of one or more of the client accounts as required, there is a risk of loss for any deficiency. Even if the client accounts do not lose their assets on deposit with the brokerage firms (or other financial institutions with which AXA IM deals for the client accounts from time to time), the client accounts could incur market losses as a result of financial difficulties at such brokerage firms (including, but not limited to, situations where the client accounts may be unable to access their assets and/or execute transactions through their brokers or other financial institutions in a timely manner). In addition, non-U.S. institutions, including non-U.S. brokerage firms, are subject to different bankruptcy or other regulatory regimes than those applicable to U.S. institutions, and in doing business with such non-U.S. institutions through AXA IM US, the client accounts may not be afforded certain of the protective measures provided by the SEC and FINRA. Although AXA IM US will attempt to minimize the client accounts' risk in this area, there is no action that AXA IM US can take which is completely risk-free.
- *Idiosyncratic Investment Risk.* This is the risk that deterioration in an issuer's credit trends causes investors to demand a higher level of income to support investment in the credit relative to the initial investment level.
- *Systemic Investment Risk.* This is the risk of a market wide shock that causes risk premiums to increase, creating falling market values not necessarily driven by the fundamentals of the investments in the portfolio.
- *Sector Risk.* This is the risk that all of the securities in an entire sector will be affected by economic or other factors which pertain to that sector more specifically than other sectors.

- *Reliance on Fundamental Analysis Risk.* Fundamental analysis considers factors such as inflation, trade balances, inventories, and interest rates, which do not have an impact on traditional technical trading systems, in an attempt to identify investment opportunities. To the extent that such factors provide mixed or conflicting signals, fundamental analysis may not be able to detect and/or accurately predict price trends. There can be no guarantee that the fundamental analysis undertaken by AXA IM US will enable it to accurately value the financial instruments in which AXA IM US will invest for the client accounts or that any anticipated price trends will materialize with respect to such investments.
- *Investment Strategy Risks.* Strategy success depends on our ability to implement the specific investment strategy. Any factor that would make it more difficult to execute more timely transactions, such as a significant reduction in liquidity in a particular market, may also be detrimental to profitability. No assurance can be given that the investment strategy to be used will be successful under all or any market conditions. Past performance is no guarantee of future results.
- *Lack of Diversification.* Certain client accounts generally are not diversified among a wide range of financial instruments, industries or asset classes and have no restrictions on either the amount of assets that can be invested in a certain industry or the percentage of assets invested in a single security. Such client accounts will likely be exposed to wider fluctuations in value than otherwise would be the case if the client accounts were required to maintain a high degree of diversification among their investments.
- *General Risks of Investments.* A potential investor should note that the prices of the securities and other instruments in which our funds and/or accounts under management invest may be volatile. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, regulators from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. Such intervention (as well as other factors) may cause these markets and related investments to move rapidly.
- *Cash Management Risk:* Upon entering into certain derivatives contracts, such as futures contracts, and to maintain open positions in certain derivatives contracts, our funds and/or accounts under management invest may be required to post collateral for the

contract, the amount of which may vary. In addition, the funds and/or accounts under management invest may maintain cash and cash equivalent positions as part of the applicable strategy in order to take advantage of investment opportunities as they arise, to manage overall market exposure and for other asset management purposes. As such, the funds and/or accounts may maintain cash balances, including foreign currency balances, which may be significant, with counterparties. Maintaining larger cash and cash equivalent positions could negatively affect performance due to missed investment opportunities and may also subject the funds and/or accounts to additional risks, such as increased credit risk with respect to the custodian bank holding the assets and the risk that a counterparty maybe unable or unwilling to honor its obligations.

- *Risks Associated with Credit Default Swaps.* The “buyer” in a credit default swap contract is obligated to pay the “seller” a periodic stream of payments over the term of the contract in return for a contingent payment upon the occurrence of a credit event with respect to an underlying reference obligation. Generally, a credit event means bankruptcy, failure to pay, obligation acceleration or modified structuring. A client may either be the buyer or the seller in the transaction. As a seller, the client receives a fixed rate of income throughout the term of the contract, which typically is between one month and five years, provided that no credit event occurs. If a credit event occurs, the client typically must pay the contingent payment to the buyer, which typically is the “par value” (full notional value) of the reference obligation. The contingent payment may be a cash settlement or by physical delivery of the reference obligation in return for payment of the face amount of the obligation. If the client is a buyer and no credit event occurs, the client may lose its investment and recover nothing. However, if a credit event occurs, the buyer typically receives full notional value for a reference obligation that may have little or no value. Credit default swap agreements may involve greater risks than if the client had invested in the reference obligation directly. Credit default swap agreements are subject to general market risk, liquidity risk, counterparty risk and credit risk. As noted above, if the client is a buyer and no credit event occurs, it will lose its investment. In addition, the value of the reference obligation received by the client as a seller if a credit event occurs, coupled with the periodic payments previously received, may be less than the full notional value it pays to the buyer, resulting in a loss of value to the client.
- *Risks Associated with Total Return Swaps (“TRS”).* A TRS is a contract between two parties, i.e., the payer and the receiver, in which the TRS payer agrees to pay the TRS receiver the total return on an underlying asset. The TRS payer therefore pays any price appreciation in the underlying asset over the life of the swap. The TRS receiver pays the TRS payer the absolute value of any price depreciation in the asset over the term and also

pays a floating amount equivalent to the funding cost for the TRS payer to acquire the relevant notional amount of the underlying asset, so the TRS synthetically mimics the economic position the TRS receiver would have if it borrowed money and purchased the underlying asset directly for a period of time equal to the term of the TRS. The underlying asset may be a corporate bond, bank loan, sovereign bond, equity index or any other asset. AXA IM US clients generally are the TRS receiver.

One of the benefits of total return swaps is their operational efficiency. In a TRS, the total return receiver does not have to deal with interest collection, settlements, payment calculations, and reports that are required in a transfer of ownership transaction. The maturity date of the TRS agreement and the payment dates are agreed upon by both parties and does not have to correspond to the expiry date of the underlying asset. Another benefit of a total return swap is that it enables the TRS receiver to make a leveraged investment, thus making maximum use of its investment capital. Unlike in a repurchase agreement where there is a transfer of asset ownership, there is no ownership transfer in a TRS contract, so the receiver does not have to deal with the asset transfer process. This means that the total return receiver does not have to lay out substantial capital to purchase the asset. Instead, a TRS allows the receiver to benefit from the underlying asset without actually owning it.

Because a TRS is an over-the-counter derivative and does not give the total return receiver ownership of any asset, it is subject to the economic risks of investing in the underlying asset on a leveraged basis (including, without limitation, market risk and interest rate risk) plus all the risks of derivative transactions (including, without limitation, counterparty credit risk and liquidity risk). Since TRS documentation typically allows the payer to terminate the TRS prior to maturity if it is unable to hedge the TRS with the underlying assets, one such derivative risk is that the TRS may not achieve the receiver's objective. Another such risk is counterparty risk. Even if the underlying asset appreciates, the TRS receiver will not have a gain on the swap unless the TRS payer is able to make its payments.

When a party enters into TRS contracts, any decline in the value of these assets will result in reduced returns as the party that entered into the TRS contract continues to make regular payments to the TRS payer. If the value of the underlying asset rises or falls significantly over the term of the TRS and the party obligated to make the relevant payment is not adequately capitalized, then the risk of default arises. Secondly, both parties in a TRS contract are affected by interest rate risk. The payments made by the total return receiver are typically equal to an interest rate +/- an agreed upon contractual

spread. An increase in the applicable interest rate during the agreement increases the number of payments due to the payer, while a decrease in the applicable interest rate decreases the payments to the payer.

- *Risks Associated with the Use of Swap Agreements.* The use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary investment transactions. Interest rate swaps, for example, do not typically involve the delivery of financial instruments, other underlying assets, or principal. Accordingly, the market risk of loss with respect to an interest rate swap is often limited to the amount of interest payments that the client is contractually obligated to make on a net basis. If the other party to an interest rate swap defaults, the client's risk of credit loss may be the amount of interest payments that it is contractually entitled to receive on a net basis. However, where swap agreements require one party's payments to be "up-front" and timed differently than the other party's payments (such as is often the case with currency swaps), the entire principal value of the swap may be subject to the risk that the other party to the swap will default on its contractual delivery obligations. If there is a default by the counterparty, the client may have contractual remedies pursuant to the agreements related to the transaction. The investment performance of the Manager, however, may be adversely affected by the use of swaps if the client's forecasts of market values, interest rates or currency exchange rates are inaccurate.
- *Commodities and Futures Trading Risk.* Substantially all trading in commodities and futures has as its basis a contract to purchase or sell a specified quantity of a particular asset for delivery at a specified time, although certain financial instruments, such as market index futures contracts, may be settled only in cash based on the value of the underlying composite index. Futures trading involves trading in contracts for future delivery of standardized, rather than specific, lots of particular assets. A principal risk in trading futures contracts is the traditional volatility (rapid fluctuation) in market prices. Because of the low margin deposits typically required in futures contract trading, a relatively small movement in the market price of a futures contract may result in a disproportionately large profit or loss. Commodity futures trading may also be illiquid. Certain commodity exchanges do not permit trading in particular futures beyond certain set limits. If prices fluctuate during a single day's trading beyond those limits – which conditions have in the past sometimes lasted for several days in certain contracts – the Manager could be prevented from promptly liquidating unfavorable positions and thus be subject to substantial losses.

- *Risks Associated with Trading in Currencies.* A client may be exposed in the interbank market to risks associated with any government or market action that might suspend or restrict trading or otherwise render illiquid, in whole or in part, the client's position. For certain clients, AXA IM US is permitted to trade currencies and financial instruments in interbank and forward contract markets that AXA IM US believes to be well-established and of recognized standing. AXA IM US is permitted to affect such trades with brokers and other market participants that it believes to be creditworthy.
- *Derivatives Risk.* Investing in derivatives involves numerous risks many of which are described in detail in the ISDA Disclosure Statement currently available at <https://www.isda.org/a/nE8EE/ISDA-General-Disclosure-Statement-March-2018.pdf>.
- *Disaster Recovery and Data Security Risks.* AXA IM US relies heavily on information technology and data management systems, which can fail or be subject to interruption or destruction caused by natural or man-made occurrences such as extreme weather, fires, earthquakes, power loss, telecommunications failures, terrorist attacks, hacking, break-ins, sabotage, intentional acts of destruction, vandalism, or similar events or misconduct. Any failure, interruption, or destruction of AXA IM US information technology systems or data could have a material adverse impact on AXA IM US operations and client accounts. In addition, a breach in the security of AXA IM US systems could result in the theft, disclosure, or loss of client, proprietary, and other sensitive information. AXA IM US continues to maintain information security, incident response, backup, and disaster recovery procedures intended to prevent or mitigate damage if such an event(s) occurs or are left open. However, a breach could nevertheless occur, and such procedures could fail or be insufficient to avoid, mitigate, or remedy the breach. Moreover, the ever-changing methods and technologies used to obtain unauthorized access to systems through means such as third-party acts, computer error, malicious code, employee error, or malfeasance often are not known until used against a potential target. Therefore, AXA IM US may be unable to anticipate the destructive or invasive methods and technologies that could be used against its systems or to implement adequate protections. The relative importance of some of the above described risk factors varies amongst our different strategies.
- *Risks Associated with Epidemics and Pandemics.* Many countries have been susceptible to epidemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu and, currently, COVID-19 (commonly known as the "Coronavirus"). The epidemic or pandemic outbreak of an infectious disease in a country or region of the world or globally, together with any resulting restrictions on travel, transportation or production of goods or

quarantines imposed, could have a negative impact on the national, regional or global economy and business activity in any of the countries in which a client may invest (some economists have warned that global economic growth could be cut by more than half and that countries and the global economy could be plunged into recession) and thereby adversely affect the performance of a client's investments. While the economic impact of the ongoing global outbreak of the Coronavirus is presently uncertain, such outbreak and any future outbreak of an infectious disease or any other serious public health concern in a country, region or globally could materially harm a client's investments. In addition, the Coronavirus has led to significant volatility in the securities markets and the Coronavirus and any future outbreak of an infectious disease or any other serious public health concern may lead to additional volatility and illiquidity of a client's investments. Furthermore, the Coronavirus and any future outbreak of an infectious disease or any other serious public health concern may lead to significant interruption in normal business activity of AXA IM US and/or other service providers that service the client's investment account (e.g., brokers and custodians) which could negatively affect the performance of the client's account.

- *Cybersecurity Risk.* Investment advisers, including AXA IM US, must rely in part on digital and network technologies (collectively, "cyber networks") to conduct their businesses. Such cyber networks might in some circumstances be at risk of cyber-attacks that could potentially seek unauthorized access to digital systems for purposes such as misappropriating sensitive information, corrupting data, or causing operational disruption. Cyber-attacks might potentially be carried out by persons using techniques that could range from efforts to electronically circumvent network security or overwhelm websites to intelligence gathering and social engineering functions aimed at obtaining information necessary to gain access. We maintain an information technology security policy and certain technical and physical safeguards intended to protect the confidentiality of its internal data. Nevertheless, cyber incidents could potentially occur, and might in some circumstances result in unauthorized access to sensitive information about AXA IM US or our clients.
- *Environmental, Social and Governance Risks.* Consideration of Environmental, Social and Governance ("ESG") factors in the investment process may limit the types and number of investment opportunities available to the portfolio, and therefore carries the risk that, under certain market conditions, the portfolio may underperform funds that do not consider ESG factors. The integration of ESG consideration may affect the portfolio's exposure to certain sectors or types of investments and may impact the portfolio's relative investment performance depending on whether such sectors or investments are



in or out of favor in the market. In addition, we may be unsuccessful in creating a portfolio that consists of companies that exhibit more positive ESG characteristics or a portfolio that assigns more weight to such companies.

- *Sustainability risk.* Sustainability risk is assessed through integration of ESG criteria in research and investment processes. Our framework integrates the assessment of sustainability risks aspects of our investment decisions making process, through the application, where appropriate and consistent with applicable law or regulation, of sectorial and normative exclusions and proprietary ESG scoring methodologies. We seek to manage ESG and sustainability tail-risks, with a focus on the following themes: Environmental: Climate and Biodiversity (exclusion of companies engaged in the production of coal, tar sands and palm oil); Social: Health and Human Rights (exclusion of companies engaged in the production of tobacco, controversial and white phosphorus weapons, or in breach of the United Nations Global Compact (UNGC)); Governance: corruption (exclusion of companies in breach of the UNGC).

Exclusion policies aim to systematically address the most severe sustainability risks in the investment decision making process. Proprietary scoring methodologies are used to rate issuers (i.e. corporates, sovereigns, green bond issuers) on ESG criteria and ensure the most materials risks are reflected in scoring. These methodologies are based on quantitative data from several data providers and have been obtained from nonfinancial information published by issuers as well as from internal and external research. The data used in these methodologies include data in respect of carbon emissions, water stress, health and safety at work, supply chain labour standards, business ethics, corruption, and instability.

Controversy scores have the effect of lowering the final ESG scores for a given issuer. ESG scores provide a standardized and holistic view on performance of issuers based on ESG factors. One of the main limitations of this approach is related to the limited availability of data relevant to assess sustainability risks: such data is not yet systematically disclosed by issuers, and when disclosed may follow various methodologies. Most ESG factors information used is based on historical data and may not reflect the future ESG performance or risks of the investments.

In addition to the risks applicable to all client accounts that are outlined above, there are several risks that are specific to certain of AXA IM US investment strategies as described below.

## General Risks Applicable to Fixed-Income Strategies

- *Fixed-Income Investments and Interest Rate Risk.* This is the risk that the value of fixed-income financial instruments will change as the general levels of volatility fluctuate and as there are changes in the absolute level of interest rates, in the spread between two rates, in the shape of the yield curve or in any other interest rate relationship. When interest rates decline, the value of fixed-income financial instruments can be expected to rise. Conversely, when interest rates rise, the value of such financial instruments can be expected to decline. To the extent that interest rates move in a direction contrary to the direction anticipated by AXA IM US, the overall investment performance of the client accounts may be affected. The market value of fixed-income financial instruments also varies according to the relative financial condition of the issuer. Investments in lower rated or unrated fixed-income financial instruments, while generally providing greater opportunity for gain and income than investments in higher rated financial instruments, usually entail greater risk (including the possibility of default or bankruptcy of the issuers of such financial instruments).
- *Credit Risk.* This is the risk that issuers of debt instruments may face significant ongoing uncertainties and exposure to adverse conditions that will undermine their ability to make timely payments of interest and principal. In addition, major economic downturns and financial market swings have adversely affected, and could in the future adversely affect, the ability of some of the issuers of such instruments to repay principal and pay interest thereon and may increase the incidence of default for such instruments. Lower-quality debt securities (e.g., those below investment grade) involve greater risk of default or price changes due to change in the credit quality of the issuer. This is the principal risk of investing in high yield bonds.
- *Risks Associated with Credit Ratings.* Credit ratings of debt securities are not a guarantee of quality. A credit rating represents only the applicable rating agency's opinion regarding credit quality based on the rating agency's evaluation of the safety of the principal and interest payments. In determining a credit rating, rating agencies do not evaluate the risks of fluctuations in market value. As a result, a credit rating likely does not fully reflect the risks inherent in the relevant security. Rating agencies may fail to make timely changes to credit ratings in response to subsequent events. In addition, to the extent that a rating agency rates a security at the request of an issuer, the rating agency has a conflict of interest in providing such rating.

- *Risks Associated with Competition and Supply for Fixed-Income Securities.* The potential for capital appreciation and interest will depend, in large part, on AXA IM US ability to acquire investments for the client accounts on advantageous terms. In acquiring fixed-income securities for the client accounts, AXA IM US will compete with a broad spectrum of institutional investors, many of which have greater financial resources than the client accounts. Increased competition for, or a reduction in the available supply of, qualifying investments could result in higher prices for, and thus lower yields on, such investments, which could further narrow the yield spread over borrowing costs.

The relative importance of some of the above described risk factors varies amongst our different fixed-income strategies.

Risks Applicable to the Core High Yield, Dynamic High Yield, Enhanced High Yield, Short Duration High Yield, and/or U.S. Corporate Investment Grade Strategies:

- *Risks of Relying on Target Returns/Benchmark Objectives.* As discussed above, the core high yield and the U.S. corporate investment grade strategies are measured against benchmarks. There can be no assurance that these strategies will meet their target returns. Target returns are goals based on AXA IM US research and are not guarantees or predictions of performance. If applicable, target returns will be periodically re-evaluated in light of actual returns and may be revised.
- *Risks Associated with High Yield Securities.* The core high yield and the short duration high yield strategies seek to invest in “high yield” bonds and possibly preferred securities that are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). In addition to the fact that they are, as noted above, generally considered to be predominately speculative with respect to the issuer’s capacity to pay interest and repay principal, financial instruments in the lower rating categories are generally considered to be subject to greater risk than financial instruments with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated financial instruments, the yields and prices of such financial instruments tend to fluctuate more than those of higher-rated financial instruments. The market for lower-rated financial instruments is thinner and less active than that for higher-rated financial instruments, which can adversely affect the prices at which these financial instruments can be sold. In addition, adverse publicity, and negative investor perceptions about lower-rated financial instruments, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated financial instruments.

- *Risks Associated with U.S. Government Securities.* U.S. government securities include direct obligations of the U.S. Treasury and obligations issued by U.S. government agencies and instrumentalities, including securities that are supported by: (1) the full faith and credit of the United States (*e.g.*, certificates of the Government National Mortgage Association); (2) the right of the issuer to borrow from the U.S. Treasury (*e.g.*, Federal Home Loan Bank securities); (3) the discretionary authority of the U.S. Treasury to lend to the issuer (*e.g.*, Fannie Mae securities); and (4) solely the creditworthiness of the issuer (*e.g.*, Freddie Mac securities). Neither the U.S. government nor any of its agencies or instrumentalities guarantees the market value of the securities they issue. Therefore, the market value of such securities can be expected to fluctuate in response to changes in interest rates.
- *Risks Associated with Municipal Bonds.* Municipal bonds are debt securities issued by a U.S. state, county, city, town, village, or local authority to raise funds for general use or public works projects. Depending on the debt structure, these bonds are typically backed by the full faith and tax authority of the issuing entity. These instruments can provide a stream of income based on their coupon or interest payments that can be exempt from federal, state and local taxes. Due to the historically low default risk and tax-exempt status of municipal debt instruments, the coupon rate or interest paid on such bonds is often less than corporate debt instruments that pay taxable interest payments. Therefore, they are less likely to keep pace with other debt security returns and/or overall inflation. Therefore, there may also be opportunity costs when investing in such instruments as compared to the higher returns that may be available on taxable bonds. It is anticipated that most of AXA IM US municipal securities investments will generally consist of general obligations (for which the taxing power of the issuer is the source of repayment), pre-refunded municipal obligations and certain essential purpose obligation bonds. Revenue or essential purpose obligation bonds are not direct obligations of any government, and the payment of such obligations is generally dependent on the collection of anticipated revenues from a particular facility or special excise tax. In the event that special revenues backing such obligations are not received, neither AXA IM US nor investors will have any recourse against the issuer or any other party for repayment of such obligations. In the case of general obligations, there is the risk that an issuer of such obligations could become insolvent and default on the obligations. In such case, investors would be treated as creditors of the issuer and would likely not receive full payment of principal and interest on the obligations.
- *Special Characteristics of the Municipal Securities Market.* The municipal securities markets are fragmented to a significantly greater degree than comparable taxable markets. This fragmentation can lead to aberrational pricing as well as periods of

illiquidity, each of which could have a material adverse effect on investors. Various factors may adversely affect the value and yield of municipal securities which do not apply to taxable instruments. These factors include imbalances in demand, potential legislative changes, and uncertainties related to the tax status of municipal securities or the rights of investors holding these securities. Any of these factors could cause losses for investors.

- *Risks Associated with Money Market Securities.* The value and liquidity of the securities held by the funds and/or accounts may be affected by changing interest rates, changes in the credit quality of the issuers, changes in credit ratings of the securities and general market conditions. For example, the values of these securities may decline when interest rates rise and increase when interest rates fall.
- *Rating Agency Risk:* The funds and/or accounts may purchase securities rated by a rating agency. The funds and/or accounts may use these ratings to determine whether to purchase, sell or hold a security. Ratings are general and are not absolute standards of quality. Securities with the same maturity, interest rate and rating may have different market prices. Credit ratings attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value. In addition, ratings are only the opinions of the agencies issuing them, may change less quickly than relevant circumstances and are not absolute guarantees of the quality of the securities. Furthermore, credit ratings and ratings agencies have recently been criticized for credit ratings which did not fully reflect the risks of certain securities or which did not reflect such risks in a timely manner. In the event that such ratings are inaccurate, otherwise misleading or untimely, the value of fund's and/or account's portfolio(s) may be adversely affected.
- *Risks Associated with Investments with Limited Liquidity.* The funds and/or accounts may invest in, or receive, securities, loans or other assets for which no (or only a limited) liquid market exists or that are subject to legal or other restrictions on transfer. The market prices, if any, for such assets tend to be volatile, and fluctuate due to a variety of factors that are inherently difficult to predict including, but not limited to, changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic or international economic or political events, developments or trends in any particular industry, and the financing condition of obligors on the fund's and/or account's assets. The fund and/or accounts may not be able to sell assets when we desire to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of illiquid assets and restricted securities often requires more time and results in higher selling expenses than does the sale of securities eligible for trading on national securities

exchanges or in the over-the-counter markets. The funds and/or accounts may be required to hold illiquid securities before any disposition can be affected.

- *Risks Associated with 144A Securities.* If and when they become eligible, the funds and/or accounts are permitted to invest in certain restricted securities that are subject to substantial holding periods or that are not traded in public markets. Generally, only QIBs will be eligible to participate in transactions involving such restricted securities pursuant to Rule 144A under the 1933 Act. Such restricted securities generally are less liquid than publicly traded securities. No assurance can be given that any such restricted securities will be eligible to be traded on a public market even if a public market for securities of the same class were to develop. It is highly speculative as to whether and when an issuer will be able to register its securities so that they become eligible for trading in public markets.
- *Reinvestment Risk.* Reinvestment risk is the risk that income from the U.S. High Yield portfolios will decline if and when the U.S. High Yield strategy invests the proceeds from matured, traded or called debt obligations at market interest rates that are below the portfolio's current earnings rate.
- *Call/Extension Risk.* Call risk involves the risk that an issuer will exercise its right to pay principal on an obligation held by the funds and/or accounts earlier than expected. This may happen when there is a decline in interest rates. Under these circumstances, the funds and/or accounts may be unable to recoup all of its initial investment and will also suffer from having to reinvest in lower yielding securities. Extension risk involves the risk that an issuer will exercise its right to pay principal on an obligation held by the funds and/or accounts later than expected. This may happen when there is a rise in interest rates. Under these circumstances, the value of the obligation will decrease, and the funds and/or accounts will also suffer from the inability to invest in higher yielding securities.
- *Risks Linked to Investments in Specific Sectors or Asset Classes.* Certain funds and/or accounts concentrate their investments in certain asset classes (commodities, real estate) or in companies of certain sectors of the economy and are therefore subject to the risks associated with concentrating investments in such classes and sectors. This type of strategy will likely have adverse consequences if such asset classes or sectors become less valued or less liquid.
- *Risk Linked to Investments in Emerging Markets.* Emerging markets securities may be substantially less liquid and more volatile than those of mature markets. Securities of companies located in emerging markets may be held by a limited number of persons. This may adversely affect the timing and pricing of the acquisition or disposal of securities. Practices in relation to settlement of securities transactions in emerging markets involve

higher risks than those in developed markets, in part because the funds or accounts will need to use brokers and counterparties, which are less well capitalized, and custody and registration of assets in some countries may be unreliable. AXA IM US will seek, where possible, to use counterparties, whose financial status is such that this risk is reduced. However, there can be no certainty that it will be successful in eliminating this risk, particularly as counterparties operating in emerging markets frequently lack the substance or financial resources of those in developed countries. The legal infrastructure, in certain countries in which investments may be made, may not provide with the same degree of investors' protection or information to investors, as would generally apply to major securities markets. Generally accepted accounting, auditing and financial reporting practices in emerging markets may be significantly different from those in developed markets. Compared to mature markets, some emerging markets may have a low level of regulations, enforcement of regulations and monitoring of investors' activities. Those activities may include practices such as trading on material non-public information. Some governments exercise substantial influence over the private economic sector and investments may be affected by political and economic instability. In adverse social and political circumstances, governments have been involved in policies of expropriation, confiscatory taxation, nationalization, intervention in the securities market and trade settlement and imposition of foreign investment restrictions and exchange controls, and these could be repeated in the future. In addition to withholding taxes on investment income, some emerging markets may impose differential capital gain taxes on foreign investors.

- *Convertible Securities Risk.* Certain funds and/or accounts invest in convertible securities which are securities generally offering fixed interest or dividend yields which may be converted either at a stated price or stated rate for common or preferred stock. Although to a lesser extent than with fixed income securities generally, the market value of convertible securities tends to decline as interest rates rise. Because of the conversion feature, the market value of convertible securities also tends to vary with fluctuations in the market value of the underlying common or preferred stock.

Risks Applicable to the St. Bernard Fund and the ABS Account:

The risks described below apply to AXA IM US management of both the St. Bernard Fund and the ABS Account except for the last two risks (the CDO Focus Risk and the Repurchase Agreements Risk) which only apply to the St. Bernard Fund.

- *Performance Risk.* The St. Bernard Fund has a relatively limited operating history upon which prospective investors are able to base an evaluation of the likely performance of the St. Bernard Fund. Similarly, the ABS Account has been managed by AXA IM US for a

limited amount of time. Furthermore, past performance is not indicative of future results and there can be no assurance that the St. Bernard Fund and the ABS Account will achieve results comparable to those they may have achieved in the past.

- *Relationship between the Manager and the Investment Advisor Risks.* AXA IM US makes all decisions relating to the St. Bernard Fund's and the ABS Account's investments and performs investment management services with respect to the St. Bernard Fund and the ABS Account. AXA IM US has retained Ellington to advise with respect to the investments of the St. Bernard Fund and the ABS Account. In such capacity, Ellington makes investment recommendations and provides investment advice to AXA IM US. The appointment of Ellington may be terminated by AXA IM US or Ellington at any time in accordance with the advisory agreement between them. Such termination may have a materially adverse effect on the ABS Account and/or the St. Bernard Fund and its investors (including, but not limited to, significant impact on the term or the underlying performance of the St. Bernard Fund). There is no guarantee that the relationship between AXA IM US and Ellington will continue or develop as AXA IM US and Ellington intend.
- *Risks specific to Highly Volatile Markets.* The prices of derivative instruments, including, without limitation, commodities contracts, futures and option prices, can be highly volatile. Price movements of forward, futures, and other derivative contracts in which the assets of the ABS Account and/or St. Bernard Fund may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary, and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies, securities, futures, and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The ABS Account and the St. Bernard Fund also are subject to the risk of the failure of any exchanges on which the positions of the ABS Account and/or the St. Bernard Fund trade or of their clearing houses.
- *Illiquidity of Investments Risk.* Many of the ABS Account's and St. Bernard Fund's investments do not have established or liquid trading markets. The principal markets in which the St. Bernard Fund and/or the ABS Account expect to invest, including, without limitation, the markets for CDO securities, RMBS, commercial loans and credit derivatives, have also (since the second half of 2007) experienced a sharp decline in liquidity. While such events are sometimes attributable to changes in interest rates or other factors, the



cause is not always apparent. During periods in which the liquidity of certain types of financial instruments is particularly constrained, the St. Bernard Fund and/or the ABS Account may be unable to secure adequate financing to implement its investment strategy. Such “liquidity risk” could adversely affect the value of the St. Bernard Fund’s and/or the ABS Account’s investments and may be difficult or impossible to hedge against. As a result, the St. Bernard Fund and/or the ABS Account may not be able to readily dispose of portions of its portfolio without incurring significant losses. In addition, many of the St. Bernard Fund’s and ABS Account’s investments will not be registered under the Securities Act or any other securities laws. Therefore, such investments cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. As a result, many of the St. Bernard Fund’s and ABS Account’s investments will be subject to transfer restrictions that further contribute to illiquidity.

- *Price Volatility Risk.* The prices of assets in which the St. Bernard Fund and/or the ABS Account invest or to which the St. Bernard Fund and/or ABS Account may have exposure, including CDO securities, MBS, ABS, other subprime related assets and securities of Monolines and other financial institutions, are highly volatile.
- *Interest Rate Risk.* A change in interest rates can have a significant effect on any portfolio of fixed income assets, but specifically, callable or pre-payable investments such as “swaptions”, cancellable swaps, callable bonds, MBS, and ABS may react very differently from other fixed income securities: their durations can vary dramatically as interest rates move, making them more difficult to hedge, and some may be “negatively convex,” meaning that price increases may be limited in relation to price declines. Some securities can have unusually high durations (rising dramatically in price when rates fall, and falling dramatically in price when rates rise), while others can have highly negative durations (falling dramatically in price when rates fall and rising dramatically in price when rates rise).
- *CDO Focus Risk.* All, or a significant part of, the St. Bernard Fund’s portfolio could consist of CDO securities. CDOs are subject to, among other risks, credit, liquidity, and interest rate risks. The CDO equity purchased by the St. Bernard Fund is generally unrated or non-investment grade. In addition, as a holder of CDO equity, the St. Bernard Fund will have limited remedies available upon the default of the CDO.
- *Repurchase Agreements Risk.* The St. Bernard Fund enters into repurchase agreements from time to time, which may be viewed as a type of secured lending by the St. Bernard Fund, and which typically involve the acquisition by the St. Bernard Fund of debt securities from a selling financial institution, such as a bank, savings and loan association, or broker-

dealer. In a repurchase agreement, the St. Bernard Fund purchases a debt security from a seller who undertakes to repurchase the security at a specified resale price on an agreed future date (ordinarily a week or less). The resale price generally exceeds the purchase price by an amount that reflects an agreed upon market interest rate for the term of the repurchase agreement. The principal risk is that, if the seller defaults, the St. Bernard Fund might suffer a loss to the extent the proceeds from the sale of the underlying securities and other collateral held by the St. Bernard Fund in connection with the related repurchase agreement are less than the repurchase price.

Investors or potential investors in the St. Bernard Fund should refer to the offering memorandum therefore that the investor has received or will receive that sets out a more detailed description of risks associated with the St. Bernard Fund.

Risks Applicable to the structured finance strategy (including the CLOs):

- *Credit Risk.* Investments consists of loans and high yield securities, primarily rated below investment grade (or of equivalent credit quality), some of which may be unsecured, or may be subordinated to other obligations of the obligor and all of which will have greater credit and liquidity risk than investment grade sovereign or corporate bonds or loans. High yield debt securities are often issued in connection with leveraged acquisitions or recapitalisations in which the issuers incur a substantially higher amount of indebtedness than the level at which they had previously operated. The lower rating of below investment grade loans reflects a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both may impair the ability of the relevant borrower or issuer, as the case may be, to make payments of principal or interest. Moreover, in certain circumstances, any such asset may default.
- *Counterparty Risk.* In addition to the credit risks associated with holding loans and high yield debt securities, with respect to synthetic securities, the client account will usually have a contractual relationship with the relevant synthetic counterparty only, and not with the reference obligor of the reference obligation. The client account generally will have no right directly to enforce compliance by the reference obligor with the terms of the reference obligation nor any rights of set-off against the reference obligor, nor have any voting rights with respect to the reference obligation. The client account will not directly benefit from the collateral supporting the reference obligation and will not have the benefit of the remedies that would normally be available to a holder of such reference obligation. In addition, in the event of the insolvency of the synthetic counterparty, the client account will be treated as a general creditor of such synthetic counterparty and will not have any claim with respect to the reference obligation. Consequently, the client

account will be subject to the credit risk of the synthetic counterparty as well as that of the reference obligor. As a result, concentrations of synthetic securities in any one synthetic counterparty subject the assets to an additional degree of risk with respect to defaults by such synthetic counterparty as well as by the reference obligor.

- *Credit Risk linked to Collateral of Loans.* A client account will generally invest in loans that are secured with specific collateral. However, the value of collateral may not equal the client account's investment or exposure when the loan is acquired. Moreover, the value of collateral may decline below the principal amount of the loan subsequent to the client account's investment or exposure. Also, to the extent that collateral consists of stock of the borrower or its subsidiaries or affiliates, the client account bears the risk that the stock may decline in value, be relatively illiquid, or may lose all or substantially all of its value, causing the loan to be undercollateralized. Therefore, the liquidation of the collateral underlying a loan may not satisfy the issuer's obligation to the client account in the event of non-payment of scheduled interest or principal, and the collateral may not be readily liquidated. In addition, in some circumstances the liquidation of the collateral may not be permitted, or the collateral mechanism may not be enforceable, depending on the different applicable laws.
- *Loan Prepayments and Reinvestment Risk.* Loans are generally pre-payable in whole or in part at any time at the option of the obligor thereof at par plus accrued unpaid interest thereon. Prepayments on loans may be caused by a variety of factors which are often difficult to predict. Consequently, there exists a risk that loans purchased at a price greater than par may experience a capital loss as a result of such a prepayment. Moreover, there is no assurance that a client account will be able to reinvest proceeds in assets with comparable characteristics (including interest rates) or, if it is able to make such reinvestments, as to the length of any delays before such investments are made. A client account cannot predict the actual rate of prepayments, accelerated amortization or defaults which will be experienced with respect to its assets.

Risks Applicable to the European Small Cap Equity strategy:

- *Risks of Global Investments.* Investments in securities issued or listed in different countries may imply the application of different standards and regulations (accounting, auditing and financial reporting standards, clearance and settlement procedures, taxes on dividends, etc.). Investments may be affected by movements of foreign exchange rates, changes in laws or restrictions applicable to such investments, changes in exchange

control regulations or price volatility. This strategy is mainly invested in equity for which there is high risk of invested capital loss.

- *Risks Associated with Investment Techniques.* Impact of any techniques such as derivatives: certain management strategies, including, but not limited to the use of derivatives, involve specific risks, such as liquidity risk, credit risk, related to the underlying assets. The use of such techniques may also involve leverage, which may increase the effect of market movements on the strategy and may result in significant risk of loss.
- *Risk Linked to Investments in Emerging Markets.* Legal infrastructure, in certain countries in which investments may be made, may not provide with the same degree of investors' protection or information to investors, as would generally apply to major securities markets (governments' influence, social, political and economic instability, different accounting, auditing and financial report practises). Emerging markets securities may also be less liquid and more volatile than similar securities available in major markets, and there are higher risks associated to transactions settlement, involving timing and pricing issues.
- *Risks linked to investments in specific countries or geographical zones.* The strategy may concentrate its investments in certain countries or geographical regions are therefore subject to the risks associated with concentrating investments in regions. This type of strategy may lead to adverse consequences when target markets drop or encounter liquidity issues.
- *Small Cap Securities Risk.* Liquidity risks linked to investments in small and micro capitalisation securities implies specific liquidity risks. Small cap companies may have limited product lines or markets. They may be less financially secure than larger, more established companies.

Risks Applicable to the Managed Volatility Strategy:

- *ETFs Risk.* The strategy's investors will indirectly bear fees and expenses paid by the ETFs in which it invests, in addition to the strategy's direct fees and expenses. The cost of investing in the strategy, therefore, may be higher than the cost of investing in a mutual fund that invests directly in individual stocks and bonds. In addition, the strategy's net asset value will be subject to fluctuations in the market values of the ETFs in which it invests. The strategy is also subject to the risks associated with the securities or other investments in which the ETFs invest, and the ability of the strategy to meet its investment

objective will directly depend on the ability of the ETFs to meet their investment objectives. An index-based ETF's performance may not match that of the index it seeks to track. An actively managed ETF's performance will reflect its adviser's ability to make investment decisions that are suited to achieving the ETF's investment objective. It is also possible that an active trading market for an ETF may not develop or be maintained, in which case the liquidity and value of the strategy's investment in the ETF could be substantially and adversely affected. The extent to which the investment performance and risks associated with the strategy correlate to those of a particular ETF will depend upon the extent to which the strategy's assets are allocated from time to time for investment in the ETF, which will vary.

- *Securities Lending Risk.* The strategy may lend its securities to seek income. There is a risk that a borrower may default on its obligations to return loaned securities, however, the strategy's securities lending agent may indemnify the strategy against that risk. The strategy will be responsible for the risks associated with the investment of cash collateral, including any collateral invested in an affiliated money market fund. The strategy may lose money on its investment of cash collateral or may fail to earn sufficient income on its investment to meet obligations to the borrower. In addition, delays may occur in the recovery of securities from borrowers, which could interfere with the strategy's ability to vote proxies or to settle transactions.
- *Volatility Management Risk.* AXA IM US from time to time may employ various volatility management techniques or make short-term adjustments to the strategy's asset mix (such as by using ETFs or futures and options to manage equity exposure) in managing the portfolio. Although these actions are intended to reduce the overall risk of investing in the strategy, they may not work as intended and may result in losses by the strategy or periods of underperformance, particularly during periods when market values are increasing but market volatility is high or when the portfolio has reduced its equity exposure, but market changes do not impact equity returns adversely. The result of the strategy's volatility management strategy will be subject to the AXA IM US ability to correctly assess the degree of correlation between the performance of the relevant market index and the metrics used by the AXA IM US to measure market volatility. Since the characteristics of many securities change as markets change or time passes, the result of the strategy's volatility management strategy also will be subject to AXA IM US ability to continually recalculate, readjust, and execute volatility management techniques in an efficient manner. In addition, market conditions change, sometimes rapidly and unpredictably, and AXA IM US may be unable to execute the volatility management strategy in a timely manner or at all. AXA IM US uses proprietary modelling tools to

implement the strategy's volatility management strategy. If the proprietary modelling tools prove to be flawed or for other reasons do not produce the desired results, any decisions based on the modelling tools may expose the strategy to additional risks and losses. The use of modelling tools has inherent risks, and the success of using a modelling tool depends, among other things, on the accuracy and completeness of the tool's development, implementation and maintenance; on the tool's assumptions and methodologies; and on the accuracy and reliability of the inputs and output of the tool. AXA IM US from time to time may make changes to its proprietary modelling tools that do not require shareholder notice. Moreover, volatility management strategies may increase transaction costs, which could cause or increase losses or reduce gains. In addition, it is not possible to manage volatility fully or perfectly. Futures contracts and other instruments used in connection with the volatility management strategy are not necessarily held by the strategy to hedge the value of the strategy's other investments and, as a result, these futures contracts and other instruments may decline in value at the same time as the strategy's other investments. Anyone or more of these factors may prevent the strategy from achieving the intended volatility management or could cause the strategy to underperform or experience losses (some of which may be sudden) or volatility for any particular period that may be higher or lower. In addition, the use of volatility management techniques may not protect against market declines and may limit the strategy's participation in market gains, even during periods when the market is rising. Volatility management techniques, when implemented effectively to reduce the overall risk of investing in the strategy, may result in underperformance by the strategy. For example, if the strategy has reduced its overall exposure to equities to avoid losses in certain market environments, the strategy may forgo some of the returns that can be associated with periods of rising equity values. The strategy's performance may be lower than the performance of similar funds where volatility management techniques are not used.

Risks Applicable to the CLOs:

- *Collateralized Loan Obligations.* CLOs are trusts or other special purpose entities that are backed by a pool of loans. Such loans may include domestic and foreign senior secured loans, senior unsecured loans, and subordinate corporate loans, some of which may be below investment grade or equivalent unrated loans. CLOs issue classes or "tranches" that vary in risk and yield, and may experience substantial losses due to actual defaults, decrease of market value due to collateral defaults and disappearance of subordinate tranches, market anticipation of defaults, and investor aversion to CLO securities as a class. The risks of CLOs depend largely on the type of the underlying loans and the tranche of CLOs in which the client invests. In addition, CLOs carry risks including interest rate risk,

credit risks and default risk. Certain CLOs may not hold loans directly, but rather, use derivatives such as swaps to create “synthetic” exposure to the collateral pool of loans.

- *Risks Associated with Collateral Obligation performance may not continue to improve.* Negative economic trends nationally as well as in specific geographic areas of the United States could result in an increase in loan defaults and delinquencies. Though levels of defaults and delinquencies have been decreasing from peak levels, there is a material possibility that economic activity will be volatile or will slow, and some obligors may be significantly and negatively impacted by negative economic trends. A continuing decreased ability of obligors to obtain refinancing (particularly as high levels of required refinancing approach) may result in an economic decline that could delay an economic recovery and cause a deterioration in loan performance generally and defaults of Collateral Obligations. There is no way to determine whether such trends in the credit markets will continue, improve, or worsen in the future.
- *Commodities-Linked Investments Risk.* The performance of commodity-linked notes and related investments, including derivatives, may depend on the performance of the overall commodities markets and on other factors that affect the value of commodities, including weather, political, tax, and other regulatory and market developments. Commodity-linked notes may be leveraged. Commodity-linked investments may be hybrid instruments that can have substantial risk of loss with respect to both principal and interest. Commodity-linked investments may be more volatile and less liquid than the underlying commodity, instruments, or measures and are subject to the credit risks associated with the issuer, and their values may decline substantially if the issuer’s creditworthiness deteriorates. As a result, returns of commodity-linked investments may deviate significantly from the return of the underlying commodity, instruments, or measures. Legal and regulatory changes also can affect the value of these investments.

#### Quantitative Equity Strategy Risks

- *Technology and Licensing Risk.* The quantitative equity investment strategy of and recommendations developed by AXA IM US Participating Affiliates rely heavily on the use of proprietary and non-proprietary software, data and intellectual property being licensed to us on a non-exclusive basis by commercial software analytics, research, and data supply entities. To the extent that an unforeseeable software or hardware malfunction or problem is caused by a defect, virus or other outside force, or if the licensed material is found to be owned by a party other than the licensing company (as represented), AXA IM US business, including our financial condition, and/or our client’s portfolios could be adversely affected.

- *Analytical Model Risk.* AXA IM US Participating Affiliates seek to achieve AXA IM US clients' investment objectives primarily through reliance on the modelling of proprietary and 3rd party financial and non-financial data, information, and considerations, the sources, and weights of which may be subject to change. Although many of our investment approaches are driven by bottom-up stock selection based on the rigorous fundamental analysis akin to that of a traditional fundamental investor, we seek to deliver on our clients' investment objectives utilizing an investment approach which primarily relies on analytical models. The goal of our systematic approach is not to replicate a perfect "model" portfolio; instead, like other long-term, fundamentally oriented investors, seeks to create portfolios that ex ante have those fundamental and statistically important characteristics reflecting our investment beliefs. Further, while the investment process principally relies on models (and is subject to the risks referred to above), the portfolio managers also exercise discretion in attempting to capture the intent of the models, incorporating elements of investment judgment throughout our investment process, and particularly in changing market conditions.

The ability to implement our key investment objectives is dependent on a number of considerations including, without limitation, the economic, analytical and mathematical underpinning of the models, the accurate encapsulation of those principles in a complex computational (including software code) environment, the quality of the data incorporated into the models, changes in market conditions, the successful expression of the models' views into the investment portfolio construction process and the ability of portfolio managers and others to interpret and implement the outputs of our models. Many of these elements have subjective elements that present the possibility of human error. AXA IM US Participating Affiliates have established certain systematic rules and processes for monitoring client portfolios to assure that they are managed in a manner consistent with their investment objectives. However, there is no guarantee that these rules or processes will effectively manage the risks associated with our investment process under all market conditions.

While AXA IM US Participating Affiliates employ controls designed to assure that our models are sound in their development and appropriately adapted, calibrated, and configured, analytical, software development, and implementation errors are an inherent risk of complex analytical models and quantitative investment management processes. These errors may be extremely hard to detect in some cases, and some errors may go undetected for long periods of time, or not be detected at all. Our controls and procedures (including our escalation policies) are designed to assure that certain types of errors are subject to review once discovered. However, the effect of errors on our



investment process and, where relevant performance (which can be either positive or negative) may not be fully apparent even when discovered. Given the inevitability of errors in a complex programming environment and the speculative nature of investing itself, one critical control we implement is to ensure our portfolios are robust to small errors by monitoring them for adherence to the key elements of our investment philosophy. As noted above, in all of these areas (e.g., the calibration of models, the interpretation of model outputs and investment decision-making more generally), our investment personnel can and do exercise judgment and discretion over our client portfolios.

For analytical model or investment process errors that are determined to cause trade errors (i.e., an unintentional action in the placement, execution or settlement of an advisory client's trade), we adhere to the industry standard that a client should never suffer a loss resulting from a trade error. For investment process errors that do not give rise to trade errors (i.e. an error has occurred in the process of generating the list of trade recommendations), determining whether we breached our fiduciary duty or other contractual obligations is not based on the fact that investment decisions made in good faith have performed poorly. When we discover an investment process error in one of our models, we may in good faith and in accordance with our obligations decide not to correct the error, to delay correction of the error, or develop another methodology to address the error, if such action is not inconsistent with our client's interests (e.g., if the error does not impair our ability to implement our key investment objectives and correction of the error could be disruptive, or if the benefit of any correction is unclear).

Also, we generally will not disclose to affected client's investment process errors that are not the result of a contractual or regulatory breach or that are non-compensable, unless we otherwise determine that information regarding the error is material to our clients.

- *Programming Language Risk.* One or more nonstandard programming languages are utilized in some aspects of our investment process, which could subject us to a higher degree of exposure to modeling risk in two ways depending on their level of usage: 1) Nonstandard programming languages tend not have the breadth of developer support that other more mainstream languages have; therefore they can be heavily reliant upon self-development and self-testing of complex constructs. 2) There may only be a small community of developers for the language; therefore, it can be difficult to hire and retain skilled programmers on short notice.

#### Risks applicable to Equity Real Estate Investments

Equity RE Investments are subject to several risks, any of which could cause a loss to an Account. These risks include, among others: (i) substantial costs to acquire, develop, refurbish, operate, finance, and dispose of real estate; (ii) the possibility that a property may not generate sufficient cash from operations to meet fixed obligations such as financing payments; (iii) changes in real estate tax rates and other operating expenses; (iv) adverse changes in laws, governmental rules (including those governing usage, improvements, zoning and taxes) and fiscal policies; (v) structural or property level latent defects; (vi) local competition from other real estate investors and property managers, including the potential that new and existing construction will compete for a limited pool of tenants; (vii) joint venture or other transaction structuring risks; and (viii) the financial condition of tenants, buyers and sellers of real estate properties. Investments in existing entities could also create risks of successor liability.

- *Environmental Risks.* Under various laws, ordinances, and regulations of the jurisdictions in which AXA IM US operates, an owner of real property may be liable for the costs of removal or remediation of 12 certain hazardous or toxic substances on or in such property. The cost of any required remediation and the owner's liability as to any property are generally not limited under such laws and could exceed the value of the property and/or the aggregate assets of the owner.
- *Casualty Losses; Uninsurable Losses.* AXA IM US expects to maintain (or require its borrowers to maintain in the case of debt investments) comprehensive casualty insurance on Investments, including liability and fire and extended coverage, in amounts sufficient to permit replacement in the event of a total loss, subject to applicable deductibles. There are certain types of losses, however, generally of a catastrophic nature, which may be uninsurable or not economically insurable. For debt investments, if the property owner suffers an uninsured loss then the security for such investments could be impaired and an unsecured debt investment may be at greater risk of default).
- *Financial Condition of Tenants or Borrowers.* An equity RE Investment's results of operations, distributable cash flow and the value of the interests would be adversely affected if a significant number of its tenants are unable to meet their lease obligations. In the event of default by a significant number of tenants, the RE Investments may experience delays and incur substantial costs in enforcing rights as the owner of the properties. Similarly, debt RE Investments would be adversely affected if a borrower is unable to meet its obligations under the loan.

#### Risks applicable to Real Estate Debt Investments

- *Imperfect Collateralization of Loans.* RE Accounts may originate, participate in and/or acquire real estate loans that are non-recourse to the borrower, including subordinated or mezzanine loans. Mortgage investments have special inherent risks relative to collateral value. To the extent the client makes or acquires subordinated or mezzanine debt investments, AXA IM US does not anticipate having absolute control over the underlying collateral as the Account will be dependent upon third-party borrowers' payments of debt service and performance of other obligations under the mortgage loan documents. Additionally, with respect to certain loans, RE Accounts may have rights that are subordinate to those of senior lenders. In the event of default, the client's source of repayment will be limited to the value of the collateral and may be subordinate to other lien holders. The collateral value of the property may be less than the outstanding amount of an RE Account's investment.
- *Prepayment Risk.* Pre-payment risk is the risk that all or part of the principal of a loan will be paid prior to the scheduled maturity of the principal. Prepayments generally occur when interest rates decline following the loan origination. If a borrower prepays a loan owned by an RE Account, AXA IM US may be forced to reinvest the proceeds of the prepayment at interest rates lower than those previously achieved on the loan for which prepayment occurred.
- *Additional Interest Rate Risks.* Loans owned in client RE Accounts are subject to the risk that the loans could lose value because of market interest rate increases. For example, loans tend to decrease in value if interest rates rise. Additionally, loans with longer payment schedules are subject to greater price impacts as a result of interest rate changes than those with shorter time horizons.
- *Repayment Risk.* Risk that general economic or property market conditions could result in a loss due to borrower's inability to meet its obligations under the loan or repay the loan at maturity.
- *Construction Risk.* In construction lending, risk that underlying collateral is not able to be completed within the prescribed timeframe or budget; or upon completion that market conditions have changed such that lease-up is delayed or otherwise impaired such that borrower is unable to meet its obligations

***There can be no assurance that we will achieve our investment objectives or avoid substantial losses for the funds and/or accounts under management. Investing in securities involves risk of loss that clients should be prepared to bear. Investors are urged to consult with their***

***independent financial advisers in connection with an investment in accounts or funds managed or sub-advised by AXA IM US.***

***Item 9: Disciplinary Information***

This item requires us to disclose any legal or disciplinary events material to a client's or prospective client's evaluation of our business or the integrity of our management. Currently, there are no legal or disciplinary events material to a client's or prospective client's evaluation of our business or the integrity of our management to disclose for this Item.

***Item 10: Other Financial Industry Activities and Affiliations***

Our indirect parent, AXA SA, is one of the world's largest financial services companies, concentrating in insurance and asset management. Affiliates of AXA IM US provide a broad range of financial services including investment management services and capital investment activities.

We currently provide investment advisory services to certain of our affiliated non-U.S. investment advisers, referred to herein as the Affiliated Adviser Clients and which are registered and regulated under the laws of various foreign countries, including, but not limited to, Luxembourg, France, or the United Kingdom. We provide such investment advisory services to the Affiliated Adviser Clients for the benefit of Underlying Portfolios managed by the Affiliated Adviser Clients, which include (i) non-U.S. investment companies marketed to non-U.S. retail and institutional investors (and which are not marketed to, nor available for investment by, U.S. investors), (ii) offshore private investment vehicle accounts and (iii) other non-U.S. accounts. We also have several appointments as investment adviser to insurance companies that are part of the AXA Group.

The advisory services that we provide to affiliated clients or on behalf of affiliated Underlying Portfolios create conflicts of interests with our other unaffiliated clients. Please see Item 6 above for a description of these conflicts and how we address them.

In addition to the advisory services described above, AXA IM US is responsible for sales, distribution and client service activity for North and South America, on behalf of AXA IM US (see Item 14 "Client Referrals and Other Compensation" for more information regarding these solicitation activities). Further, AXA IM US has entered into joint marketing arrangements with select affiliates. As a natural part of the foregoing arrangements, client confidential information is shared among AXA IM US, its affiliates and Affiliated Adviser Clients employees, as appropriate in accordance with applicable regulations for us to, among other things, (i) assess the suitability of products and services for clients, (ii) provide contractually agreed products and services to our clients, and (iii) comply with applicable regulatory requirements, such as anti-money laundering laws. AXA IM and its affiliates are subject to standards of confidentiality, information security,

and data privacy regulations (both domestic and international) and physical, electronic, and procedural safeguards as required by applicable law to guard confidential or non-public information.

AXA IM US has elected to enhance its advisory capabilities through the use of select expert network service providers. In order to monitor that the use of such networks and the information that they provide is in line with regulatory requirements and internal standards, we have developed a comprehensive set of oversight policies and procedures, as well as audit controls, that are integrated into the risk management and compliance framework described in Item 8. AXA IM US monitors the use of networks, the manner in which such experts are hired and compensated, as well as how the information is shared. See also the Insider Trading Policy section in Item 11 below.

#### Participating Affiliate Arrangements (“PAAs”):

In reliance on a series of SEC no-action letters, AXA IM US has entered into PAAs with certain of its Paris-based affiliates, London-based affiliates and Asian-based affiliates, and may in the future enter into additional PAAs with other of its non-U.S. affiliates (“Participating Affiliates”), in order to utilize the resources and capabilities, including certain personnel, of such Participating Affiliates to provide various non-U.S. account management services to its U.S. clients and prospective U.S. clients. The UK-based entities with which AXA IM has entered into PAAs are AXA Investment Managers GS LTD and AXA Investment Managers UK LTD (collectively, the “UK Participating Affiliate”). The Paris-based entities with which AXA IM has entered into a PAA are AXA Investment Managers IF, AXA Real Estate Investment Managers SGP and AXA Investment Managers Paris (collectively, the “Paris Participating Affiliate”). The Asian-based entity with which AXA IM US has entered into a PAA is AXA Investment Managers Asia (Singapore) Ltd.

The Participating Affiliates are not registered, and not required to be registered, with the SEC as investment advisers. However, the PAAs have the practical effect of requiring the AXA IM non-U.S. Participating Affiliates to comply with the Advisers Act when they provide advice to AXA IM US clients. It also subjects the personnel of any Participating Affiliates involved in providing the advice to U.S. compliance obligations similar to those that apply to AXA IM US personnel, including the obligations found in the AXA IM US code of ethics adopted pursuant to Rule 204A-1 under the Advisers Act. See Item 11.

#### Affiliated Broker-Dealers:

We do not use broker-dealers that are affiliated with us in executing securities transactions for our clients.

#### AXA Group and Other Affiliate Relationships:

AXA IM US, through its relationship with AXA SA and its subsidiaries, is affiliated with certain other members of AXA Group, including certain investment advisors located in the U.S. or internationally. However, AXA IM US and these affiliates generally conduct their business independently of one another. We believe that this structure best enables us to meet the investment objectives of our various affiliates and encourages individual responsibility for investment performance. However, it may result in situations where investment positions or actions taken by our affiliates competes with or contradicts positions taken for AXA IM clients.

In addition, AXA IM US may purchase publicly traded securities issued by one of our related parties. However, these purchases are subject to client constraints, applicable laws, and regulations (e.g., where AXA IM does not possess material nonpublic information about the issuer and where effective information barriers exist between AXA IM US and the issuer).

#### AXA Group Investments:

AXA IM US also manages certain client accounts and funds that include investments by affiliated entities in the AXA Group. In addition, with respect to our CLO products, we hold for our own account certain of the CLOs' assets as required by EU and/or U.S. risk retention rules. Such accounts and funds create a conflict of interest for AXA IM US, as there is an incentive for AXA IM US to allocate investment opportunities to these accounts and funds at the expense of other advisory clients. To mitigate these conflicts of interest, we have adopted allocation policies and procedures to oversee such activities. Please see Item 12 below for information about our allocation policies. Please also see Item 6 above and the Item 11's discussion below regarding "Participation of Interest in Client Transactions" for additional discussion on side-by-side management of accounts.

#### Selection of other Investment Advisers:

AXA IM US has hired Ellington an SEC-registered investment adviser to act as a non-discretionary sub-adviser to AXA IM US with respect to the assets of the St. Bernard Fund and the ABS Account. Ellington is responsible for making investment recommendations and providing investment advice to AXA IM US regarding the St. Bernard Fund and the ABS account. Ellington's recommendations and advice do not bind AXA IM US, and AXA IM US makes all the decisions relating to the St. Bernard Fund and the ABS account. An employee of AXA IM US (the "Employee") may work within Ellington's offices and has access to its trading systems. Aside from the Employee, no other employee of AXA IM US has access to Ellington's offices or trading systems and the Employee does not (nor does anyone at Ellington) have access to AXA IM' US trading systems or proprietary positions and recommendations for clients of its high yield, short duration high yield, investment grade or structured finance investment management services.

AXA IM US and Ellington each monitor the Employee's trades for the St. Bernard Fund, as well as any other accounts under management, and also monitor the Employee's personal trading. We do not have any ability to monitor whether Ellington is taking advantage of the Employee's trading ideas for its own benefit or the benefit of its clients. Nevertheless, due to the nature of the markets in asset-backed securities and mortgage-backed securities, we believe that the possibility of Ellington taking advantage of the Employee's trading ideas is either extremely remote or impossible. In addition, Ellington is subject to allocation and valuation procedures that AXA IM US has reviewed and determined to be fair. Furthermore, Ellington certifies quarterly to AXA IM US that there have been no changes to such procedures.

#### Real-Estate Broker

AXA IM US is licensed with the State of New York as a real-estate brokerage firm. As discussed above in "Item 5: Fees and Compensation", AXA IM US or its affiliates may receive fees in connection with the direct or indirect acquisition of certain RE Investments on behalf of an RE Account ("acquisition fees") and/or the direct or indirect disposition of certain RE Investments on behalf of an RE Account ("disposition fees"). Any such fees are separately negotiated with each client and, in the case of an AXA IM US Real Estate Fund, will generally be set forth in the applicable Governing Documents.

#### ***Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***

##### Code of Ethics:

AXA IM US has adopted a Code of Ethics (the "Code") that applies to all of our employees. This Code describes the standard of conduct which we require of all of our employees and describes certain restrictions on activities such as personal trading, receipt of material, non-public information, and engaging in outside business activities.

The Code is designed to:

- Protect our clients by deterring misconduct
- Educate employees regarding our expectations and the laws governing their conduct
- Remind employees that they are in a position of trust and must act in accordance with this position of trust and responsibility
- Establish pre-clearance for "covered" securities through our automated Compliance tool
- Articulate the review and resolution of personal account trade alerts or exceptions, including but not limited to potential blocks from purchasing restricted or watch list securities

- Review and resolve trade alerts or exceptions within an automated compliance tool
- Require quarterly/annual certification of accounts, transactions, holdings, and acknowledgment of understanding the Code as well as other ethical policies
- Establish procedures for employees to follow so that we may determine whether persons covered by the Code are complying with our ethical principals
- Protect our reputation
- Guard against violation of the securities laws and violations of ERISA
- Summarize the values, principals, and business practices that guide our business conduct

Compliance with the Code is a condition of employment for all of our employees. A violation of the Code or its related policies may result in a combination of documented warning, management escalation, serious reprimand, up to and including dismissal. Certain key provisions of the Code are summarized below. We will provide a copy of the Code to any client or prospective client upon request.

#### Personal Trading:

Employees considered “access persons” within the meaning of Rule 204A-1 under the Advisers Act are permitted to purchase and sell for their own accounts the same securities purchased or sold on behalf of our clients. Because the Code permits employees to invest in the same securities as our clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee or that employees might compete with clients for some investment opportunities. To mitigate these possible conflicts of interest and others that may arise, we have established policies requiring “access persons” to obtain pre-clearance before investing in certain reportable securities such as stocks, bonds and private placements (“Covered Securities”). Employees are also required to report personal securities transactions in all Covered Securities, which includes all securities, but excluding the following:

- Direct investments in obligations of the U.S. Government
- Shares of open-end mutual funds for which we are not the investment adviser or sub-adviser
- Bankers’ acceptances, bank certificates of deposit, commercial paper, certificates of deposit, and high-quality short-term investments
- Shares issued by money market funds
- Unit investment trusts that are invested exclusively in one or more open-end funds, none of which we advise or sub-advise



- Commodities
- Direct investment in real estate (excluding securities investing in real estate)
- Securities held in managed accounts over which the employee has no direct or indirect control (to be reported annually).
- Currencies and cryptocurrency tokens

In addition, we monitor for conflicts of interest and will not allow any of our “access persons” to buy or sell securities for their own accounts at or about the same time that we buy or sell securities for client accounts if we feel that there is a possibility that the personal trade would benefit from, or compete with, our investment activities.

AXA IM US and each of its Participating Affiliates have taken measures to restrict the use of material non-public information. To that end, each entity has established a restricted list (“Restricted List”) that controls which transactions are available for trading for client portfolios and for personal trading. The Restricted List is a list of securities and security types subject to trading restrictions for all client and employee accounts and the accounts of their immediate family members. Securities that will be placed on the Restricted List include securities of an issuer about which AXA IM US receives non-public information. The placement of a security type on the Restricted List restricts client and personal trading in the specified issuer until the Chief Compliance Officer removes the issuer from the Restricted List. In addition, AXA IM US and certain of its Participating Affiliates maintain a watch list (the “Watch List”). The placement of a security on the Watch List may restrict personal and/or client trading in the specified issuer unless the trade is determined permissible by the Chief Compliance Officer or until the Chief Compliance Officer removes the issues from the Watch List.

All of our employees are required to certify annually that they have complied with the Code. Access persons are required to make annual reports regarding their personal securities account holdings and quarterly reports regarding their personal securities trading activity other than certain exempted accounts and securities.

#### PAAAs:

With respect to each PAA, the relevant Participating Affiliate will adopt policies and procedures to meet its compliance obligations under the PAA with respect to the services it provides to AXA IM US clients. Each applicable Participating Affiliate adopted amendments to its own code of ethics applicable to its personnel that makes explicit reference to PAAAs. The amendments will subject certain personnel of Participating Affiliates to personal transactions reporting requirements equivalent to those of AXA IM’s access persons. The applicable Participating Affiliates forward information to AXA IM US about compliance with these reporting requirements no less frequently than on a quarterly basis.

#### Participation or Interest in Client Transactions:

Our employees are allowed to invest in AXA IM US Funds only upon the prior written notification to the AXA IM US Chief Compliance Officer. Institutional affiliates within AXA Group are allowed to invest in AXA IM US Funds. Clients should be aware that such investments create a conflict of interest, as there is an incentive for us to allocate investment opportunities to funds or accounts in which our employees or institutional affiliates are invested at the expense of other advisory clients. At all times, we seek to treat all of our clients in a fair and equitable manner and will act in a manner that we believe to be in our clients' best interests. While it is not expected that in the normal course investments for the AXA IM US Funds will overlap with investments for other AXA IM US strategies, to the extent there is such overlap, we have established a variety of policies and procedures that aim to facilitate and oversee the fair allocation of investment opportunities. Please see Item 6 for more information about our side-by-side management of accounts and Item 12 for more information about our allocation policy.

#### Brokered Cross-Trades:

From time to time, AXA IM US may deem that it is in the best interests of clients to transfer a security from one account under management to another such account. All such trades must be executed through a broker-dealer or other properly qualified third party, unaffiliated with Adviser. AXA IM US periodically reviews the fee schedule of such unaffiliated broker-dealers to monitor that they are in line with other broker-dealers used by AXA IM US.

The price of the transferred security should be a mid-market price, calculated by taking either the average of bid and ask prices, the pre-populated mid-market price directly from our pricing service feed(s), or by utilizing a third party valuation agent in connection with such a transaction. If the pricing service only provides bid prices, our policies and procedures set forth guidelines concerning how the asset valuations are to be determined and recorded. In addition, charges from the broker-dealer shall be evenly shared between the buyer and seller by adding half of the charge to the buyer's price and subtracting half of the charge from the seller's price.

#### Cross-Trades Involving ERISA Accounts:

The prohibited transaction rules under ERISA bar investment managers from engaging in cross-trades or brokered cross-trades absent an exemption. AXA IM US shall not execute any cross-trades or brokered cross-trades between two of its accounts if at least one of such accounts is subject to ERISA.

Certain AXA IM US funds may from time to time accept contributions from clients subject to ERISA. Under ERISA's plan asset regulations, generally, if 25% of any class of equity of either fund is held by plans subject to ERISA, 100% of such fund's assets will be considered "plan assets" for

purposes of ERISA. Accordingly, if the entirety of the assets of either fund are deemed to be “plan assets”, Adviser will not execute any cross-trades or brokered cross-trades involving such fund.

AXA IM US maintains a log of accounts subject to ERISA, which shall be available to the traders and portfolio managers at all times.

#### Principal Trades:

Rule §206(3) of the Advisers Act prohibits an investment adviser from, directly or indirectly, acting as a principal in transactions with its advisory clients without (i) disclosing to such client in writing before the completion of any settlement of such transaction the capacity in which AXA IM US is acting, and (ii) obtaining the written consent of such client prior to the settlement if to such transaction. AXA IM US does not invest in securities for its own account, although AXA IM US does retain certain assets from CLO issuances in compliance with (and solely to the extent required by) applicable law. Nevertheless, accounts managed by AXA IM US may contain sufficient assets attributable to its parents or affiliates to render such accounts “principal accounts” for purposes of this section of the Advisers Act. Generally, AXA IM US deems any account that is 25% or greater beneficially owned by any of its affiliates a principal account.

AXA IM US does not cause accounts it manages to enter into principal trades without the prior written approval of the applicable clients and the compliance department. We monitor and report on a monthly basis to the local control committee (the “LCC”), which consists of our Chief Risk Officer, Chief Operations Officer and Chief Compliance Officer, any and all cross trades and/or principal trades. AXA IM US maintains a log of all portfolios classified as principal accounts, which shall be available to the traders and portfolio managers at all times.

#### Gifts and Entertainment:

We have policies in place governing the types and value of gifts and forms of entertainment that our employees are permitted to accept from broker-dealers, vendors, current or prospective clients. All receipt of gifts and entertainment must be reported to Compliance. Employees are prohibited from receiving extravagant gifts or entertainment through our business relationships. A conflict of interest occurs when personal interests of employees interfere or could potentially interfere with their responsibilities to AXA IM US and our clients. Employees should never encourage a quid pro quo (i.e., “favor for favor”) business transaction or feel beholden to a person or firm. On a quarterly basis, all AXA IM US employees are required to certify that any gifts or entertainment, either given or received, was properly disclosed and in compliance with documented AXA IM policy.

### Political Contributions:

Subject to permitted exceptions, AXA IM US and our employees may not make any payment of any kind, directly or indirectly, to any official of any government or government instrumentality, any political party, political official or any candidate for any political office (domestic or foreign), for the purpose of influencing any act or decision in order to help AXA IM US obtain or retain business for or with, or direct business to, any person, as outlined in our Political Contributions Policy, unless reviewed and approved by the Chief Compliance Officer. On an annual basis, or more frequently if required for such disclosures to remain current, AXA IM US employees are required to certify that any and all political contributions were properly disclosed and compliant with documented AXA IM US policy.

### Conflicts of Interest - Outside Activities:

AXA IM US generally prohibits its employees from engaging in outside activities (whether business, investment or otherwise) that interfere or could potentially interfere with their duties at AXA IM US, AXA IM US's interests or the interests of AXA IM US clients, as outlined in our Conflicts of Interest Policy.

Regardless of whether an outside activity is specifically addressed in the Code, employees must disclose to their manager and obtain written approval from both their manager and Compliance prior to engaging in any outside business activity. At least on an annual basis, or more frequently as needed, employees are required to report and/or update any approved disclosures of outside activities.

As part of our compliance oversight program specific to addressing conflicts of interests, AXA IM US, at least on an annual basis, requires all staff to complete a comprehensive conflicts of interest questionnaire, which not only addresses such topics as outside activities, but also requires that all staff disclose any relationships that they may have with any of our clients, investors, vendors and other service providers that may be considered to be a conflict. In the event there are conflicts disclosed, AXA IM US has designed a series of forensic tests and periodic assessments that are performed both annually and quarterly, depending on the underlying conflicts to seek to manage such conflicts in a manner that properly fulfills AXA IM US fiduciary obligations to its clients.

### Insider Trading Policy:

AXA IM US policy prohibits employees from trading on material non-public information as outlined in our Insider Trading Policy. Employees are required to escalate receipt of non-public information to Compliance for further evaluation and monitoring. Information is deemed non-public if it has not been disseminated in a manner making it available to investors or the market

generally. Information is “material” if there is a “substantial likelihood that a reasonable investor would consider it important in making an investment decision.

We have taken measures to establish inside information controls that serve to restrict firm and employee trading when AXA IM US and /or certain affiliates have material non-public information on an issuer. Therefore, if we or certain affiliates possess such information, our ability to buy or sell securities of such issuers for our clients may be restricted.

#### Policy on Anti-Bribery and Corruption in International Business Transactions:

AXA IM US policy prohibits the paying, offering, giving, authorizing, or promising, either directly or indirectly, of money or “anything of value” to any government official in order to secure an improper benefit, obtain or retain business, or direct business to any person or entity, as outlined in our Anti-Bribery and Corruption in International Business Transactions Policy.

#### Information Security and Data Protection:

AXA IM US Information Security and Data Security Policies address employee obligations in connection with administrative, technological, and physical safeguards for customer information and other sensitive personal data. This includes the use of third-party software, virus and spyware protections and internet use.

#### Other Conflicts

As part of their regular business, AXA Group companies may hold, purchase, sell, trade or take other related actions both for their respective accounts and for the accounts of their respective clients (other than AXA IM US client accounts), on a principal or agency basis, with respect to loans, securities and other investments and financial instruments of all types. These companies may have economic interests in or other relationships with borrowers in whose debt obligations an AXA IM US client account may invest. In particular, AXA Group companies may make and/or hold an investment in borrower’s loans that may be *pari passu*, senior or junior in ranking to an investment in such borrower’s loans held by an AXA IM US client account. Such investments may be held in different proportions than those held by an AXA IM US client account and may be held in different tranches of the same credit facility in which an AXA IM US client account holds an investment. AXA IM US client accounts may also invest in loans secured by real estate property in which an AXA Group company or a client of any such company has an equity or participation interest. As a consequence, the purchase, holding and sale of such loans by an AXA IM US client account may enhance the profitability of such companies’, or its clients’, investments in such property. In acting in these multiple capacities, AXA Group companies may have obligations to other persons, the fulfillment of which may not be in the best interests of an AXA IM US client

account. AXA IM US client accounts may compete with these other entities and other AXA Group client AXA IM US client accounts for available financing and investment opportunities.

Managers and other affiliates of AXA IM US may participate in creditors' committees with respect to the bankruptcy, restructuring or workout of borrowers whose loans are held by AXA IM US client accounts. In such circumstances, a Manager or such other affiliate may take positions on behalf of itself or AXA IM US affiliates (to the extent holding an interest in a different tranche than an AXA IM US client account) that are adverse to the interests of an AXA IM US client account and may obtain material.

### ***Item 12: Brokerage Practices***

#### **Allocation Policy:**

AXA IM US has adopted an allocation policy that applies to investment opportunities which have limited capacity and/or time availability. This policy directs us to allocate investment opportunities amongst our clients fairly and provides consistent treatment of clients with similar investment objectives and guidelines to the extent practicable.

Although we attempt to obtain capacity in the market for all of our clients that may participate, capacity is not always available. Under such circumstances, we have an incentive to allocate, aggregate or sequence trades in favor of, or to otherwise favor, (i) those accounts for which we receive a performance-based fee because we will receive a higher fee if their performance exceeds the applicable benchmark or (ii) related accounts of our affiliates. To address this and other potential conflicts of interest, generally, we will allocate investment opportunities between participating accounts on a pro rata basis based on account size. Allocations may be subject to rounding to ensure that resulting lot sizes are economic and tradable. Situations may arise, however, where we believe in good faith that an allocation to a particular account may not be appropriate because, amongst other reasons, (i) client guidelines and restrictions, (ii) insufficient cash in an account for such investment, or (iii) where the resulting allocation will result in a de minimis allocation which is neither tradable nor scalable. All trade allocations are documented at the time of placing an order in the market without client favoritism. Under no circumstances will we allocate trades based upon subsequent market movements.

Although AXA IM US' goal is to be fundamentally fair on an overall basis with respect to all accounts, there can be no assurance that on a trade-by-trade basis that one account will not be treated differently from another. The allocation procedures will sometimes cause an account to receive a different price or amount of assets than it would have otherwise received. For example, if AXA IM US did not manage multiple client accounts, each client individually would be able to receive or sell a greater percentage of limited opportunity securities. Consequently, when multiple clients participate in limited opportunity trades, each participating account reduces the

opportunity available to other participating accounts. Furthermore, since certain accounts include assets of AXA IM US or affiliated entities within the AXA Group, the allocation of limited opportunity trades to such accounts will reduce the opportunity available to unrelated client accounts.

We monitor and report on a monthly basis to the LCC any and all allocation exceptions, along with any specific information that may be necessary for complete reporting.

#### Block Trades:

We will block or aggregate trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading allows us to execute trades in a more timely and equitable manner and to reduce overall transaction costs to our clients. As described below under “Directed Brokerage,” we may not block trades where a client directs brokerage. Clients may pay more when we do not aggregate trades, as seeking to place separate, non-simultaneous transactions in the same security for multiple clients may have a negative effect on market price, transaction commissions and/or trade execution.

#### Directed Brokerage:

Clients have the right to direct us to use a particular broker or dealer to execute transactions, but such instructions are rare. Clients seeking to utilize directed brokerage should be aware of certain risks that directed brokerage raises. First, clients that direct brokerage may not participate in block trades. Second and relatedly, clients that direct brokerage may trade after clients that do not direct brokerage. Because of these issues, clients seeking to direct brokerage should understand that (i) they may pay higher commissions on some transactions, (ii) they may lose opportunities to purchase securities, especially securities of limited availability, and (iii) they may receive less favorable execution of some transactions.

#### Broker-Dealer Selection:

AXA IM US has adopted a global procedure governing how counterparties and brokers with whom AXA IM US will enter into transactions are authorized. When selecting and approving these counterparties, AXA IM entities will perform a thorough due diligence to monitor that the counterparty, at a minimum, is financially sound, including sufficient capital requirements, and effective supervision, is not subject to material disciplinary or legal action(s) and has the necessary organizational structure and resources for performing the services which are to be provided.

In selecting a broker-dealer for trade execution, we seek those broker-dealers who can provide best execution of transactions under the circumstances. By “best execution” we mean that we seek the transaction that will provide the most favorable total cost or proceeds reasonably attainable in the circumstances. The principal factors determining this selection include, but are not limited to: (1) a broker’s capital depth; (2) a broker’s market access; (3) a broker’s transaction confirmation and account statement practices; (4) our knowledge of bid-ask spreads currently available; (5) our valuation of the security to be bought or sold; (6) the nature and character of the markets for the security to be purchased or sold; (7) the desired timing of the transaction; (8) the execution; (9) clearance and settlement capabilities of the broker selected and others considered; (10) our knowledge of any actual or apparent operational problems of a broker; and (11) the reasonableness of the mark-up or its equivalent for the specific transaction. In light of the factors described above, “best execution” is not synonymous with lowest brokerage mark-up or lowest bid-ask spread. Consequently, in a particular transaction a client may pay a brokerage mark-up, or a bid-ask spread in excess of that which another broker might have charged for executing the same transaction. The performance of broker-dealers is periodically evaluated by AXA IM US and the results are periodically reported to the LCC.

Certain AXA IM employees have family members employed by broker-dealers used by AXA IM US for client transactions. AXA IM US employees have a conflict in selecting broker-dealers where their family members are employed because using such broker-dealers may benefit the AXA IM US employees and/or their family members. AXA IM US has put in place policies and procedures to monitor that such broker-dealers are providing AXA IM US clients with best execution and to monitor for any red flags that would indicate improper use of such broker-dealers. See Item 11, Conflicts of Interest - Outside Activities, for additional information.

#### Real Estate Equity and Debt Transaction Allocation and Aggregation Policies

AXA IM US has adopted allocation policies which apply to RE Investment opportunities which have limited capacity and/or time availability. These policies direct AXA IM US to allocate investment opportunities among RE Accounts fairly and provides consistent treatment of Accounts with similar investment objectives and guidelines over time to the extent practicable. In addition, AXA IM US will aggregate RE Investments for RE Accounts where possible and when advantageous to RE Accounts. For example, AXA IM US may aggregate RE Accounts for the purposes of underwriting a real-estate related loan that a single RE Account could not, by itself, acquire or originate as a result of the RE Account’s size or restrictions on concentration. By aggregating RE Accounts participating in such loan, AXA IM US may be able to pursue investment opportunities on behalf of more than one RE Account that it otherwise would not be able to acquire or originate. Additionally, by aggregating RE Accounts, AXA IM US may be able to negotiate more advantageous terms with a prospective borrower. To the extent consistent with



AXA IM US fiduciary obligations and policy to treat all RE Accounts in a fair and equitable manner over time, certain allocation or aggregation decisions may be more or less advantageous to a given RE Account or group of RE Accounts. For example, an investment opportunity may be allocated on a rotation basis, which may result in an RE Account that has recently been allocated an investment opportunity being unable to participate in such available investment opportunity. Where appropriate, investment opportunities may be allocated to more than one RE Account based on, among other factors, the expressed interest of those RE Accounts in an opportunity. Investment opportunities may also be allocated in such other manner as AXA IM US determines is consistent with the foregoing obligations. Allocation decisions involve consideration of RE Account-specific issues—such as tax issues, legal and regulatory considerations, concentration or other mandate-specific policies—and will be made in what AXA IM US considers the best interests of each RE Account, consistent with AXA IM US’s fiduciary obligations. For example, situations may arise where AXA IM US believes in good faith that an allocation to a particular Account may not be appropriate because of, among other reasons: (i) client guidelines and restrictions, or (ii) insufficient cash in an Account for such investment. AXA IM US’s allocation policy relating to commercial mortgage loans also includes provisions designed to protect pre-existing relationships that Clients, including those that are affiliated with AXA IM US by virtue of common ownership and/or control, may have with certain borrowers. Specifically, Clients with pre-existing lending relationships are provided with first rights to additional financing and re-financing activities relating to current borrowers in their portfolios, other borrowers with whom Clients have engaged in multiple transactions over time (collectively, “relationship borrowers”) and affiliates of such relationship borrowers. While the primary purpose of these provisions is to ensure fairness to Clients who have invested significant time and resources in developing these relationships over time, such provisions may also limit AXA IM US’s ability to offer certain opportunities to Clients that do not have pre-existing relationships with the prospective borrowers. All commercial loan opportunities that are not sourced from a pre-existing Client lending relationship, or which are not fully allocated through the exercise of Clients’ first rights, will be allocated as otherwise described in this sub-section. AXA IM US has an incentive to allocate, aggregate or sequence transactions in favor of, or to otherwise favor, those Accounts for which AXA IM US receives a performance-based fee or allocation because AXA IM US will receive a higher fee if their performance exceeds the applicable benchmark. To address this and other potential conflicts of interest, AXA IM US has adopted policies and procedures that seek to treat all Accounts fairly and equitably over time. Allocations are documented prior to the closing of the applicable transaction and such documentation along with AXA IM US RE Investment allocation policy are available upon request for Clients’ review.

### Soft Dollar Benefits:

While it is AXA IM US policy to engage only in soft commission arrangements that are compliant with the “safe harbor” provision of Section 28(e) of the Securities Exchange Act of 1934, we have discontinued our soft dollar program to align with AXA IM’s company-wide approach to pay for all relevant externally produced investment research directly from its own resources. AXA IM US has amended its policies and procedures in terms of both how third-party research is solicited, and also how such research providers are compensated. Globally, AXA IM US and affiliates will only accept research from third parties that have executed a formal agreement to provide such services. Furthermore, AXA IM US has elected to compensate such providers from its own internal source and will not assess its clients for such costs.

### ***Item 13: Review of Accounts***

Client accounts are generally reviewed on a daily basis by AXA IM US operations staff or Affiliated Adviser Clients, as applicable, to monitor that such accounts are adhering to their applicable investment objectives, guidelines, and limitations.

With respect to individually managed accounts, we send portfolio reports directly to individually managed clients or, in the case of Underlying Portfolios that are separate accounts, to the applicable Affiliated Adviser Client, on at least a quarterly basis, or more frequently, upon request. These reports are often in the form of letter and may include a portfolio summary including performance.

With respect to our insurance company affiliates for which we manage certain portfolios, we share with such insurance companies internally produced investment grade research reports as a result of such insurance companies’ local insurance regulations. Such research reports are shared only after we make investment recommendations based on such research for all applicable clients, and do not include the recommendations within the research reports.

Client reports for RE Investments are generally prepared quarterly. Reports typically include an investment market update, a performance update, a review of activities undertaken with respect to a particular RE Investment (e.g., purchases, sales, lettings, lease renewals, etc.), portfolio structure and profile, recommendations for future portfolio investment strategy changes, and financial statements.

### ***Item 14: Client Referrals and Other Compensation***

We do not receive compensation from sources other than our clients for providing investment advice or other advisory services to our clients. Nonetheless, we are reimbursed for providing Support Services to our affiliates as described in Item 4 above and for providing marketing and

product specialist services for our affiliates as described in Item 5 above pursuant to the Master Fee Services Agreement and/or the Expense Allocation Recharges Procedure described in Item 5 above.

We have established relationships with consultants to institutional investors and pension plans. In addition, on a voluntary basis, for the U.S. Investment Companies that we currently sub-advise, we may elect to pay for marketing support to assist with raising assets for the underlying applicable U.S. Investment Company. The fact that we may share a portion or percentage of the compensation we receive for investment advisory services will not result in charging any client fees at a rate in excess of, or less than, the rate or level of advisory fees we customarily charge to our investment advisory clients for similar services to comparable accounts.

In addition to the foregoing, as part of our master service agreement responsibilities, we find other non-affiliated entities to market products of our affiliates. However, we do not pay such other non-affiliated entities. Rather, it is the responsibility of the sponsor of the products marketed by such other non-affiliated entities to pay such entities.

#### ***Item 15: Custody***

With respect to AXA IM US separate accounts clients, we are not deemed to have custody of client assets. Separate account clients receive periodic statements from their qualified custodians.

Although we do not have physical custody, as manager of certain Private Funds, we are authorized to act with respect to the assets of such funds in a manner that causes us to be deemed to have custody of each such fund's assets under the SEC's custody rule applicable to registered investment advisers. Accordingly, to meet the requirements of the custody rule, such funds are subject to an annual audit in accordance with generally accepted accounting principles conducted by an independent public accountant registered with the Public Company Accounting Oversight Board and the audited financial statements are distributed to investors in each such fund within 120 days of the end of such fund's fiscal year, as applicable. For AXA IM US Funds that do not rely upon the audit exception and with respect to separate accounts, to the best of AXA IM US knowledge, the applicable investors/clients receive periodic statements from the relevant qualified custodians.

Clients should carefully review account statements. In addition, we urge each of our clients to compare the account statements that they receive from their qualified custodians with those that we provide to clients either on a monthly or quarterly basis, if applicable. Our statements may vary from custodial statements based upon pricing methodologies, accrued interest in bonds, or timing of the settlement dates of trades. We discuss these variations in our reports and are happy to discuss them further with our clients upon request.

### ***Item 16: Investment Discretion***

Generally, clients will grant discretionary authority to us to manage their securities accounts by executing an investment management agreement or other similar document with us that includes a limited power of attorney. Pursuant to the terms of the investment management agreements entered into with our clients, we generally have complete discretion in managing the portfolio with respect to buying and selling securities and choosing the brokers with which to transact, as well as the transaction price and commission rates, subject to the investment guidelines and applicable law. The client's investment management agreement and guidelines specify the types of investments permitted for the account and may place limits on the amount of securities of issuers or industries that we can purchase for the account. Clients generally establish their own custodial arrangements and provide the custodian with a letter granting us the authority to manage their accounts. In limited circumstances, AXA IM US has been hired to manage client and/or Affiliated Adviser Client portfolios on a non-discretionary basis.

#### **Parent Company Investment Discretion:**

In making investment decisions, AXA IM US will abide by the security selection policies or restrictions agreed to between AXA IM US and/or its direct or indirect parent companies with regard to the impacted portfolios holding of either individual securities or various categories or classes of securities for specific AXA accounts. The security selection universe for all client accounts may also be modified as a result of any local regulatory limitations or material non-public information known by certain AXA IM US employees.

The non-U.S. based subsidiaries of AXA SA operate in compliance with applicable laws and regulations of the various jurisdictions where they operate, including applicable international (United Nations and European Union) laws and regulations. While AXA Group companies based and operating outside the United States generally are not subject to U.S. law, as an international group, AXA Group has in place policies and standards (including the AXA Group International Sanctions Policy) that apply to all AXA Group companies worldwide and often impose requirements that go beyond local law.

### ***Item 17: Voting Client Securities***

AXA IM US invests primarily in debt securities, private debt / whole loans of U.S. corporations on behalf of its advisory clients. Accordingly, AXA IM rarely directly receives voting proxy proposals, amendments, consents, or resolutions (collectively, "proxies"). On rare occasions, AXA IM US may receive proxies for corporate restructurings of debt issuers or other exceptional circumstances. Unless a client specifically reserves the right, in writing, to vote its own proxies, AXA IM US will vote all proxies in a timely manner as part of its discretionary authority over client assets in accordance with its proxy voting policy.

For AXA IM US clients that invest in common equity securities via strategies managed under the PAAs, to the extent that AXA IM US exercises or is deemed to be exercising voting authority over client securities, our general policy is to vote proxies in a manner that serves the best interest of the client, as determined by us in our discretion, taking into account factors described in our proxy policy. When conflicts of interest between us in our capacity as investment adviser and any client arise, we will disclose the conflict to the client and obtain the consent of the client before voting the securities on the client's behalf or, if that is not possible for any reason, we may instead delegate the voting authority to an independent third party.

With respect to the equity strategies, the UK and Paris Participating Affiliates votes proxies for our clients in accordance with established Proxy Policy and Procedures adopted by AXA IM's Global Corporate Governance and Voting Policy ("AXA IM Voting Policy"). Under the terms of the PAAs, AXA IM US has delegated certain administrative responsibilities for voting proxies of its clients to the select Participating Affiliates, as applicable. AXA IM US and the Participating Affiliates have developed customized guidelines to assist in performing their duties on behalf of AXA IM US. The policy of the Participating Affiliates is to vote proxies in the best interests of clients taking into account factors described in the Participating Affiliates' proxy policy.

The AXA IM Corporate Governance team develops customized guidelines to assist in performing their duties on behalf of AXA IM US. Currently, the AXA IM Corporate Governance team retains the services of Institutional Shareholder Services Inc. ("ISS" or "Service Provider"), a third party proxy research and voting service, to assist in coordinating and voting proxies with respect to client securities in accordance with our Proxy Policy and Procedures and the AXA IM Voting Policy. It is our policy and practice to vote US contracted client accounts pursuant to AXA IM's custom voting guidelines, which follow a predetermined policy. If there is no custom recommendation on a resolution, we will defer to the ISS voting recommendation.

Clients who wish to obtain either a copy of the Participating Affiliates' proxy voting policies and procedures or information as to how we or the Participating Affiliates voted securities in their account should contact our Chief Compliance Officer, AXA Investment Managers US Inc., 100 West Putnam Avenue, 4<sup>th</sup> Floor, Greenwich, CT 06830.

#### ***Item 18: Financial Information***

This item requires disclosure of any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Currently, there is no financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.