Month Ending February 2022
Active Fixed Income

Not for Retail distribution: this document is intended exclusively for Professional, Institutional, Qualified or Wholesale Investors / Clients, as defined by applicable local laws and regulation. Circulation must be restricted accordingly.

Perspectives
US Credit

Market Update

There was little in the month's new economic information that altered the prevailing belief that the current growth rate of the US economy has decelerated markedly from that recorded at year end 2021. To be sure some of the data such as employment, retail sales and existing home sales exhibited greater than forecasted results. However, looking through to the underlying trends revealed the strength came from seasonal adjustments to the data, rather than actual activity. Manufacturing activity remained robust, but not uniform across all industries, as supply chain issues continued to be evident. Inflationary pressures remained elevated as both goods and services pricing continued to reflect supply shortfalls stemming from both labor and supply chain constraints.

The Bloomberg US Corporate Investment Grade index posted a negative -200 bps of total return and negative -124 bps of excess return in February. The Corporate index's average OAS was 16 bps wider on the month and ended February at 122 bps. During February, within the broad market, the Industrial sector (-1.27% of excess return) underperformed the Financial Institutions sector (-1.03% excess return) but outperformed the Utility sector (-1.89%). Lower quality credit, BBB rated (-1.35% excess return) underperformed single A rated (-1.17%) and double A rated (-0.98%).

Gross new issue supply was $85 billion in the month of February ($-2 billion on a net basis), below the $90-$100 billion initially forecasted range. Industrials led supply with $37 billion, followed by Financials with $31 billion. Issuance during the month was 39% below the $138 billion in February 2021 and 53% below the $181 billion in January 2022. YTD 2022 issuance is 18% lower than YTD 2021. Primary market activity in March is projected to be $140-$160 billion, as March is a seasonally heavy month for issuance. Market volatility could weigh on volumes though, as it did in January when volatility shut down the primary market in the last week of the month. Green, Social, Sustainability and Sustainability-linked issuance comprised 6.9% of total corporate bond supply YTD.

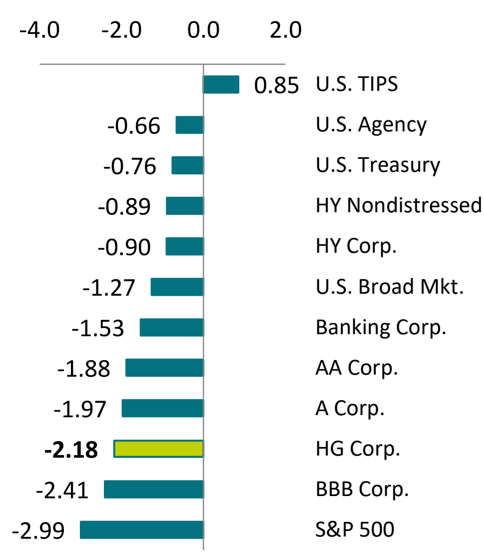
Annual New Issue

Year	Total Supply
2016	1436
2017	1469
2018	1208
2019	1297
2020	2102
2021	1673
2022 YTD	265

ICE BofA ML US Corporate Index
YTD Returns %

	Total	Excess
US CORPORATE INDEX	(5.24)	(2.47)
Automotive	(3.02)	(1.26)
Banking	(3.71)	(1.64)
Basic Industry	(6.52)	(3.61)
Capital Goods	(5.03)	(2.24)
Consumer Goods	(5.54)	(2.58)
Energy	(5.89)	(3.04)
Financial Services	(4.08)	(1.90)
Healthcare	(6.09)	(2.85)
Insurance	(5.21)	(2.34)
Leisure	(3.70)	(1.79)
Media	(7.13)	(3.79)
Real Estate	(4.11)	(1.74)
Retail	(5.70)	(2.63)
Services	(6.09)	(2.54)
Technology & Electronics	(5.43)	(2.50)
Telecommunications	(6.36)	(2.97)
Transportation	(6.04)	(2.74)
Utility	(6.08)	(2.83)

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



Sources: AXA IM, ICE BofA ML, Bloomberg, Deutsche Bank, Citibank, J.P. Morgan as of February 28, 2022.
Past performance is not indicative of future results. For illustrative purposes only.

US Corporate Intermediate Investment Grade Strategy

Portfolio management comments

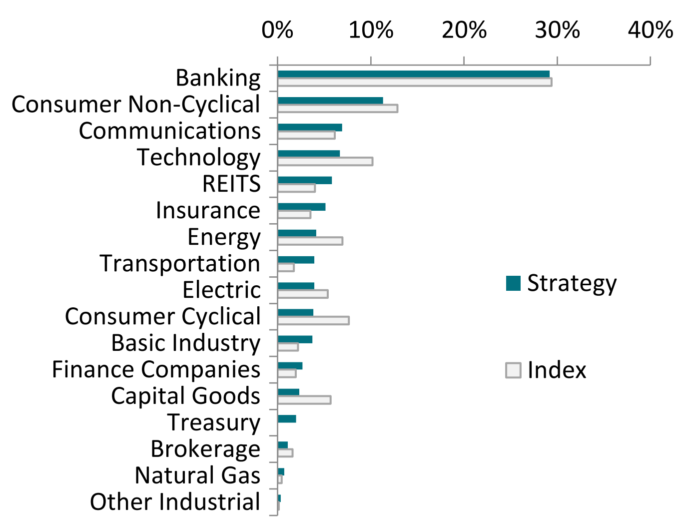
outperformed its benchmark, the Bloomberg Barclays US Intermediate Corporate index during the month of February (gross-of-fees USD). The main driver of the strategy's performance was positive security selection, particularly in the Financial sector Banking and the Industrial sector Real Estate. The US Intermediate Corporate index had a negative total return for the month as US Treasury interest rates increased across the Treasury yield curve, while credit spreads widened. The US Intermediate Corporate index posted a negative -109 bps of total return and a negative -57 bps of excess return in February. The US Intermediate Corporate index's average OAS was 15 bps wider on the month and ended February at 96 bps. During February, within the broad market, the Industrial sector (-1.27% of excess return) underperformed the Financial Institutions sector (-1.03% excess return) but outperformed the Utility sector (-1.89%). Lower quality credit, BBB rated (-1.35% excess return) underperformed single A rated (-1.17%) and double A rated (-0.98%).

The strategy's sector allocation maintains an overweight to the Financial Institutions sector, particularly in Insurance. Within the broad Industrial sector, the strategy remains overweight the Transportation, Telecommunications, Basic Industry, Real Estate, and Automotive sectors, and underweight the Leisure, Retail, Technology & Electronics, Energy, and Capital Goods sectors. The strategy maintains a relative overweight to the lower rated triple-B portion of the market. Also, the strategy's duration remains approximately in-line with the duration of the benchmark.

Characteristics

CHARACTERISTICS	Strategy	Index
Average Maturity (Years)	**5.3**	5.0
Yield to Maturity	**2.67%**	2.66%
Current Yield	**2.96%**	3.06%
Effective Duration	**4.28**	4.42
Average Coupon	**3.19%**	3.10%
Option Adjusted Spread	**107**	96
Number of Issuers	**153**	736
Number of Positions	**215**	4,372
Average ML Rating	**BBB1**	A3
Cash Position	**6.17%**	N/A

Sector Exposure



Sources: AXA IM, FactSet, as of February 28, 2022. Index: Bloomberg US Intermediate Corporate. The examples shown herein are intended only to illustrate the investment process and should not be considered a recommendation or solicitation to buy or sell any particular security. The representative account shown has been selected because it utilizes an investment setup that is typical for accounts in the relevant strategy and/or on the basis that it has adequate assets under management to effectuate a fair comparison. Please refer to the appendix for additional information about representative accounts.

US Credit Short Duration Investment Grade Strategy

Portfolio management comments

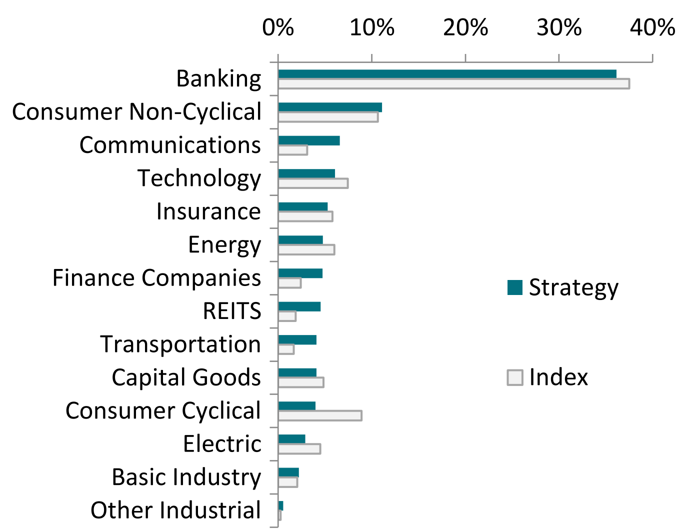
The AXA US Credit Short Duration strategy outperformed its performance indicator, the ICE BofA Merrill Lynch 1-3 Year US Corporate index during the month of February (gross-of-fees USD). The primary driver of performance during the month was positive security selection, particularly in the Industrial sectors Basic Industry, Energy, and Telecommunications. The 1-3 Year US Corporate index had a negative total return for the month as the 2 Year US Treasury interest rate increased +25 bps to 1.43% while credit spreads widened. The 1-3 Year US Corporate index posted a negative -77 bps of total return during the month and -44 bps of excess return. The 1-3 Year index's average OAS was 25 bps wider on the month and ended February at 84 bps. During February, within the broad market, the Industrial sector (-1.27% of excess return) underperformed the Financial Institutions sector (-1.03% excess return) but outperformed the Utility sector (-1.89%). Lower quality credit, BBB rated (-1.35% excess return) underperformed single A rated (-1.17%) and double A rated (-0.98%).

The strategy maintains a slightly lower yield relative to the performance indicator (2.01% yield to worst relative to 2.21%), though duration is also lower (1.70 effective duration relative to 1.86). The strategy positioning aims to benefit from income and security selection with less volatility derived from interest rates. The strategy's sector allocation maintains an overweight position to the Financial Institutions sector. Within the broad Industrial sector, the strategy remains overweight the Services, Telecommunications, Real Estate, Transportation, and Media sectors, and underweight the Retail, Automotive, Energy, Consumer Goods, and Capital Goods sectors. The strategy maintains a significant relative overweight to the lower rated triple-B portion of the market.

Characteristics

CHARACTERISTICS	Strategy	Index
Average Maturity (Years)	**2.3**	2.0
Yield to Worst	**2.01%**	2.21%
Current Yield	**2.52%**	2.88%
Effective Duration	**1.70**	1.86
Average Coupon	**2.61%**	2.90%
Option Adjusted Spread	**79**	84
Number of Issuers	**110**	682
Number of Securities	**132**	1,706
Average ML Rating	**BBB1**	A3
Cash Position	**3.01%**	N/A

Sector Exposure



Sources: AXA IM, FactSet, as of February 28, 2022. Index: BofA ML 1-3 Year US Corporate. The examples shown herein are intended only to illustrate the investment process and should not be considered a recommendation or solicitation to buy or sell any particular security. The representative account shown has been selected because it utilizes an investment setup that is typical for accounts in the relevant strategy and/or on the basis that it has adequate assets under management to effectuate a fair comparison. Please refer to the appendix for additional information about representative accounts.

US Corporate Investment Grade Low Carbon Strategy

Portfolio management comments

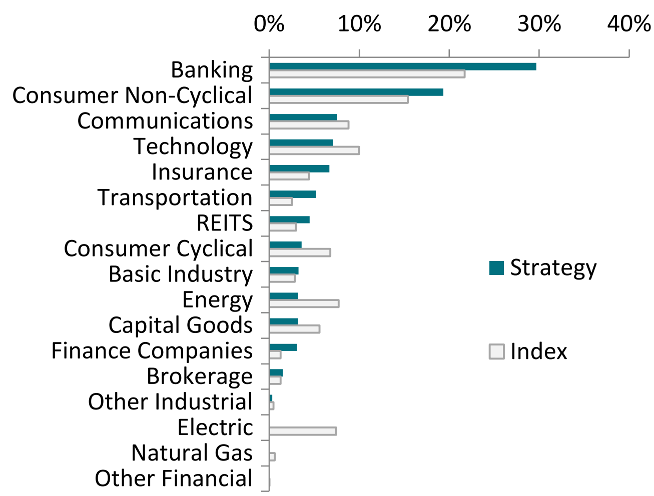
The AXA US Corporate Bonds Low Carbon Strategy's objective is to outperform the Bloomberg US Corporate index with lower carbon emissions intensive exposures. The AXA US Corporate Bonds Low Carbon strategy underperformed its benchmark, the Bloomberg Barclays US Corporate index during the month of February (gross-of-fees USD). The main driver of the strategy's performance was negative security selection in the Industrial sectors Healthcare, Telecommunications, and Basic Industry. The US Corporate index had a negative total return for the month as US Treasury interest rates increased across the Treasury yield curve, while credit spreads widened. The Corporate index posted a negative -200 bps of total return and negative -124 bps of excess return in February. The Corporate index's average OAS was 16 bps wider on the month and ended February at 122 bps. During February, within the broad market, the Industrial sector (-1.27% of excess return) underperformed the Financial Institutions sector (-1.03% excess return) but outperformed the Utility sector (-1.89%). Lower quality credit, BBB rated (-1.35% excess return) underperformed single A rated (-1.17%) and double A rated (-0.98%).

At month end, the ACT US Corporate Bonds Low Carbon strategy had an average ESG score of 6.32 (compared to 5.84 for the US Corporate index), maintained an average Carbon footprint and Water intensity that were 44% and 2% of the US Corporate index, respectively, and had an allocation of more than 10% to impact bonds (e.g. green, social, and sustainable bonds). The strategy's sector allocation maintains an overweight to the Financial Institutions sector. Within the broad Industrial sector, the strategy remains overweight the Transportation, Healthcare, Consumer Goods, and Services sectors, and underweight the Leisure, Energy, Media, Technology & Electronics, and Retail sectors. The strategy maintains a relative overweight to the lower rated triple-B portion of the market. Also, the strategy's duration remains approximately in-line with the duration of the benchmark.

Characteristics

CHARACTERISTICS	Strategy	Index
Average Maturity (Years)	**12.8**	11.9
Yield to Maturity	**3.29%**	3.08%
Current Yield	**3.30%**	3.45%
Effective Duration	**8.26**	8.25
Average Coupon	**3.42%**	3.55%
Option Adjusted Spread	**142**	122
Number of Issuers	**121**	845
Number of Securities	**146**	7,078
Average ML Rating	**BBB1**	A3
Cash Position	**1.81%**	N/A

Sector Exposure



Sources: AXA IM, FactSet, as of February 28, 2022. Index: Bloomberg US Corporate Investment Grade. The examples shown herein are intended only to illustrate the investment process and should not be considered a recommendation or solicitation to buy or sell any particular security. The representative account shown has been selected because it utilizes an investment setup that is typical for accounts in the relevant strategy and/or on the basis that it has adequate assets under management to effectuate a fair comparison. Please refer to the appendix for additional information about representative accounts. Carbon Intensity is defined as the amount of carbon dioxide released into the atmosphere as a result of the activities of a particular organization, most often expressed as tons of CO2 emission per USD million of revenues. Water Intensity is defined as the volume of water purchased by the company from utility companies divided by revenue. For more information about AXA IM's Responsible Investment practices please refer to https://www.axa-im.com/responsible-investing. The ESG data used in the investment process are based on ESG methodologies which rely in part on third party data, and in some cases are internally developed. They are subjective and may change over time. Despite several initiatives, the lack of harmonized definitions can make ESG criteria heterogeneous. As such, the different investment strategies that use ESG criteria and ESG reporting are difficult to compare with each other. Strategies that incorporate ESG criteria and those that incorporate sustainable development criteria may use ESG data that appear similar but which should be distinguished because their calculation method may be different. ESG Score is a metric that reflects a company's performance across a range of environmental (E), social (S), and governance (G) criteria. An ESG score may not be available for all of the investments in the universe. It applies a floor at 0 (worst) and a cap at 10 (best). ESG scores contribute to, but are not the only item in AXA IM's decision making. The ESG score consists of many metrics. For more information, please see: https://www.axa-im.com/who-we-are/environmental-social-and-governance

Market Outlook

Macro Outlook - US View

As Covid-19 related restrictions are rolled back across the US, there is reason to suggest some resurgence in service-related economic activity may certainly occur. However, with higher food and energy prices working their way through the system at the same time, a complete return to previously achieved activity levels may be more protracted. Contributions to growth from construction, trade and inventory restocking are already fading, and with both fiscal and monetary policies supportive of growth taking a step back, the first quarter's growth prospect is challenged at best.

Source: AXA IM as of February 28, 2022.

US IG Risks Overview

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

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

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

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

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

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

Source: AXA IM as of February 28, 2022.

Disclaimer

El presente documento y cualquier información y/o datos financieros reseñados en el mismo no suponen invitación o recomendación de adquisición o inversión, ni deben constituir la base para la toma de decisiones inversoras ni de garantía de rentabilidad futura de inversiones financieras y, en ningún caso, está dirigido a clientes minoristas y/o inversores finales. La información contenida en el mismo está destinada a clientes profesionales y contrapartes elegibles tal y como son definidos en tanto en los artículos 205 y 207 del Texto Refundido de la Ley del Mercado de Valores como en las normas MiFID (Directiva sobre Mercados de Instrumentos Financieros) 2004/39/CE, presumiéndose, por tanto, la experiencia, conocimientos y cualificación necesarios para tomar sus propias decisiones de inversión y valorar correctamente sus riesgos y el de sus clientes. Dicha información y datos tienen una finalidad meramente informativa y se recomienda tener un conocimiento más detallado a través de los documentos y folletos inscritos en los organismos nacionales e internacionales de regulación especialmente la toma en consideración y conocimiento del Documento de Datos Fundamentales para el Inversor (DFI). El receptor de esta información debe tener presente que la evolución de las variables económicas y los valores de los mercados financieros pueden cambiar significativamente y ser diferentes a los análisis e indicaciones que figuran en este documento. Los inversores deben tener en cuenta que el mercado financiero es fluctuante y que está sujeto a variaciones y que los tipos de cambio pueden sufrir oscilaciones que incidan directamente en la rentabilidad de las inversiones, tanto al alza como a la baja. No debe tomarse como referencia la rentabilidad pasada del producto pues no implica que se comporte de igual forma en el futuro. Para una mayor información y especialmente para el conocimiento de la disponibilidad de los productos se recomienda visitar las páginas web, www.axa-im.com y www.axa-im.es. Les invitamos a verificar con la sociedad de gestión o directamente en nuestra página web, www.axa-im.com, la lista de países en los que se comercializa el fondo.

AXA INVESTMENT MANAGERS no asume responsabilidad alguna por cualquier acto u omisión derivada del uso de la información facilitada, declinando toda responsabilidad por el uso incorrecto o inadecuado del presente documento.

AXA INVESTMENT MANAGERS PARÍS, S.A., SUCURSAL EN ESPAÑA, tiene su domicilio social en Madrid, Paseo de la Castellana núm. 93, 6ª planta, se encuentra inscrita en el Registro Mercantil de Madrid, hoja M-727252, tomo 41006, folio 1; y se encuentra registrada en la CNMV bajo el número 38 como Sociedad gestora UCITS del espacio económico europeo con sucursal.

AXA FUNDS MANAGEMENT, es una sociedad anónima constituida conforme a la legislación vigente en Luxemburgo, con número de Registro en Luxemburgo B 32.223RC, y con domicilio social situado en el nº 49, Avenue J.F. Kennedy L-1885 Luxemburgo.

AXA ROSENBERG MANAGEMENT IRELAND LIMITED es una sociedad de responsabilidad limitada constituida y regulada por las leyes de Irlanda, con domicilio social en 78 Sir Johnn Rogerson´s Quay Dublín 2, regulada por el Banco Central de Irlanda y registrada en dicho Estado con el número 310308.

Los subfondos de AXA WORLD FUNDS, SICAV de derecho luxemburgués armonizada domiciliada en 49 Avenue J.F. Kennedy L-1855 (Luxemburgo), registrada en la CSSF y en el Registro Mercantil de Luxemburgo bajo el número B-63.116 están inscritos en la CNMV con el número 239 (*verificar en CNMV las clases registradas).

Los subfondos de AXA ROSENBERG EQUITY ALPHA TRUST, fondo de derecho irlandés armonizado, domiciliado en Dublín 1 (Irlanda) Guiad House Guiad Street registrado en la Ireland Financial Market Authority (IFMA) bajo el número 310308 están inscritos en la CNMV **con** el número 294 (*verificar en CNMV las clases registradas).

Los subfondos de AXA IM FIXED INCOME INVESTMENT STRATEGIES, Fondo de Inversión de derecho luxemburgués armonizado, domiciliado en 49 Avenue J.F. Kennedy L-1855 (Luxemburgo), autorizado y registrado en la Commission de Surveillance du Secteur Financier CSSF bajo el número 3692 están inscritos en la CNMV con el número 867 (*verificar en CNMV las clases registradas).