

AXA WF Framlington Women Empowerment



Making gender diversity a reality through long-term active investment

In recent years, pressure has mounted for companies and individuals alike to work towards the goal of gender diversity in the workplace. AXA WF Framlington Women Empowerment¹ is one of the first truly global and actively-managed listed impact funds investing to make gender diversity a reality.



WHO IS IT FOR? INVESTORS:

- › **Seeking long-term growth**, supported by the fact that that companies with more gender-diverse boards tend to outperform their less-diverse peers².
- › **Aiming to mitigate risk**, companies with more diverse management teams are less likely to take on excessive risk or experience controversies².
- › **Looking to allocate their capital towards positive social change** without compromising on financial outcomes.



WHY AXA INVESTMENT MANAGERS?

- › **Long-established impact investor.** Our responsible investment (RI) experts have pioneered impact investing in public equities since 1998³, and we have a range of dedicated impact funds for different investor needs.
- › **We practice what we preach.** We have been certified for our gender equality practices by EDGE (Economic Dividends for Gender Equality), are part of the part of 30% Club, and have signed the Women in Finance charter.
- › **Active philosophy for long-term outcomes.** The strategy's management is embedded within the broader expertise of Framlington Equities' global equities and thematic teams.

“**AXA Investment Managers have made a global commitment to gender equality in the workplace, putting them at the forefront of financial institutions.**”

Aniela Unguresan, Co-founder EDGE Certified Foundation

Why should investors care about gender diversity?

Put simply, gender diversity can help investors deliver higher and more sustainable performance than traditional investment approaches. Research shows that companies with more gender diversity at the senior level are better managed, less likely to take on excessive risk, less prone to group-think, and display greater innovation, than companies with all-male senior leadership teams. This means they enjoy higher returns on equity and deliver better risk-adjusted performance. In short, the closer companies get to gender parity, the better they perform⁴.

Board diversity

Companies with at least one woman on board outperformed the broader investment universe by over 50% from 2006 to 2019,



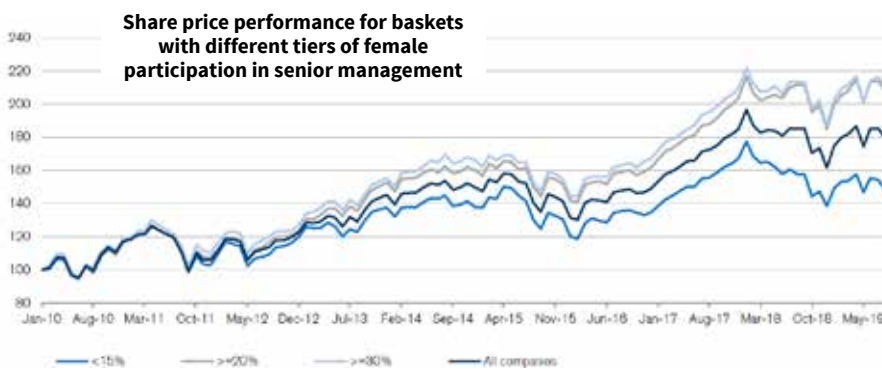
World - No WoB = Companies with no women on the board

World - > 1 WoB = Companies with at least one woman on the board

Source: The CS Gender 3000 in 2019, Credit Suisse Research, MSCI ACWI, Thomson Reuters, October 2019.

Executive management diversity

Companies with more than 30% women representation in senior management positions have historically outperformed the broader universe by 30% from 2010 to 2019.

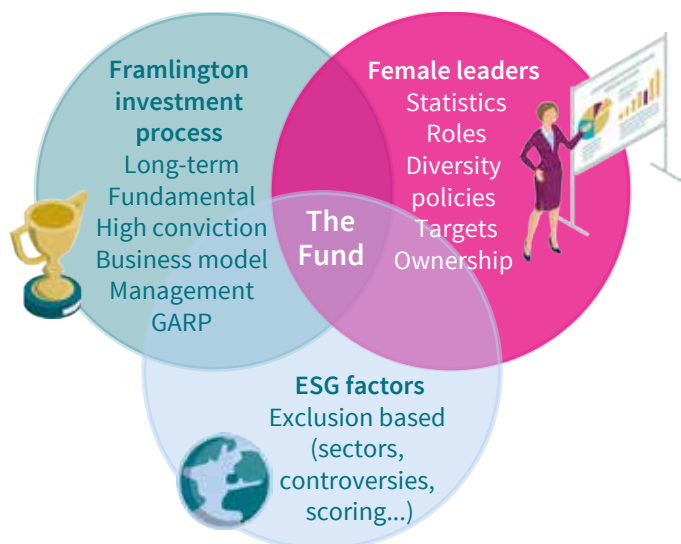


Investing for gender diversity

AXA WF Framlington Women Empowerment aims to deliver long-term financial performance and make a positive societal impact. We do this by investing in companies with good gender diversity practices and cultures, and by actively engaging with companies to maintain or improve these standards.

Our investment criteria⁵

We combine three sources of alpha to deliver long-term financial performance with a measurable diversity impact:



We focus on impact metrics like:

- › % of women on the company board
- › % of women in top management roles
- › % of women more broadly across management and the workforce

To meet our KPIs for positive societal impact, companies must:

- › Either have min. 20% women in executive committee and on the board (min. 10% when it comes to emerging markets)
- › Or be a United Nations Women Empowerment Principles signatory

⁴ Credit Suisse: The CS Gender 3000: The Reward for Change, 11 September 2016 (latest data available); McKinsey: Diversity Matters, February 2015; Morgan Stanley: Gender Diversity: Profile of the Financial Sector, February 2017; Bank of America Merrill Lynch: Women: The X Factor, March 2018; Thomson Reuters, Diversity and Inclusion Total Return Index as at 30 June 2018.

⁵ AXA IM reserves the right to modify any part of the investment process described herein at its discretion.



Anne Tolmunen
Portfolio Manager

“Our impact-focused approach to gender diversity helps investors signal to companies and successive generations the behaviours and values which we as a society should be rewarding and encouraging - all without compromising on financial outcomes.”

Why invest in AXA WF Framlington Women Empowerment?

1 Truly active impact strategy focussing on gender diversity.

Our impact approach to gender diversity is grounded in Framlington Equities long-established active investment approach – and we aim to generate performance as well as impact outcomes through bottom-up, fundamentally-driven investment selection. This helps us improve outcomes by only investing where a company’s good diversity practices are supported by attractive fundamentals.

2 Access high-potential companies globally.

By investing across both developed and emerging markets (EM), we offer investors access to the large and expanding universe of companies leading the global development of corporate diversity. For example, China has one of the highest proportions of female CFOs globally⁶. This allows us to benefit from the structural growth of EM, while investing only in the better-run businesses demonstrating progressive diversity values.

3 Comprehensive approach for long-term outcomes.

By maintaining an ongoing dialogue with the 40-60 companies in our concentrated portfolio⁷, we look more closely at companies’ corporate culture and long-term diversity agenda than the information provided by diversity indices. We also maintain relationships with companies we are not invested in that have poor gender diversity records, and look to see how we could influence them through our corporate responsibility efforts.



40-60
stocks⁷

Global multi-cap strategy investing in a concentrated portfolio⁸



5th

UN Sustainable Development Goal (SDG)

The strategy is aligned with the 5th UN SDG: Achieve gender equality and empower for all women and girls.



50+

Regional and sector experts in Framlington Equities⁸.

6 Credit Suisse: The CS Gender 3000 in 2019, October 2019

7 These are internal guidelines which are subject to change without notice. Please refer to the prospectus for the fund’s full investment guidelines and risks.

8 AXA IM as at 30 June 2020. We do not guarantee the fact that staff remain employed by AXA Investment Managers and exercise or continue to exercise in the Framlington Equities team of AXA Investment Managers.

AXA IM's listed impact range

Our dedicated range of impact funds focusses on financing businesses and projects that are designed to have intentional, positive and measurable impacts on society, while simultaneously delivering financial market returns:

AXA WF Framlington Human Capital

Promoting human capital as a key asset of small and mid-cap European companies.
Launched 2007.

AXA WF Framlington Women Empowerment

Promoting gender diversity within companies and communities.
Launched 2017.

AXA WF Global Green Bonds

Promoting energy transition through green bonds investments.
Launched 2015.

Key risks — AXA WF Framlington Women Empowerment

All investment involves risk and capital is not guaranteed. AXA WF Framlington Women Empowerment is invested in financial markets and uses techniques and instruments which are subject to some levels of variation, which may result in gains or losses. The Fund is also subject to the following additional risks:

Counterparty Risk: Risk of bankruptcy, insolvency, or payment or delivery failure of any of the Sub-Fund's counterparties, leading to a payment or delivery default.

Geopolitical Risk: investments in securities issued or listed in different countries may imply the application of different standards and regulations. 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.

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