



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU DO NOT UNDERSTAND IT OR YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN PLEASE CONSULT YOUR STOCKBROKER, ACCOUNTANT, SOLICITOR OR FINANCIAL ADVISER IMMEDIATELY.

Notice of compulsory conversion of net share or unit classes

We are writing to you as a holder of net paying shares or units in certain funds managed by AXA Investment Managers UK Limited (each being a “Fund”) as listed in the Schedule to this letter. The purpose of this letter is to inform you of our plans to compulsorily convert your net paying shares or units into the equivalent gross paying share or unit class in the same Fund. You do not need to take any action as a result of this letter.

What are net and gross paying shares/units?

Net paying shares/units in a Fund are shares/units in respect of which any income is reflected in the price of those shares/units (accumulation shares/units) or distributed to investors (income shares/units) net of any tax deducted or accounted for in accordance with the tax rules. For gross paying shares/units, the income allocated to such shares/units is reflected in the price (accumulation shares/units) or distributed to investors (income shares/units) without any deduction for tax. Historically, gross paying shares/units were only available for certain eligible categories of investors.

You currently hold net paying shares/units in one or more Funds which also have gross paying shares/units.

Why are we compulsorily converting your shares or units?

With effect from 4 April 2017, HMRC introduced tax rule changes which required the Funds to pay all interest distributions gross without any deduction for tax. As a result, there is no longer any need for there to be net paying share/unit classes in the Fund. Therefore we have decided to convert your net paying shares or units into the equivalent existing gross paying share or unit class on 12th October 2018 (the “**Conversion Date**”).

We hope that the conversion of all net paying share and unit classes to the equivalent gross paying share or unit class will simplify matters for investors.

Will there be any change to the terms of your investment?

Other than a change in the share/unit class, there is no change to the terms of your investment. You will remain invested in the same Fund and the costs and charges will remain the same.

Will there be any change to the value of your investment?

No, there will not be a change to the value of your investment.

However, as many gross paying classes were launched at a different time to the equivalent net paying classes, it is possible that your net paying class will have a different price to its equivalent gross paying class. The number of gross paying shares/units that will be issued to you as result of the conversion will be calculated relative to the price of the net paying shares/units as at the Conversion Date. This means that you could hold a different number of shares/units as a result of the conversion, although the total value of your investment in the Fund will not change.

Will this impact my ability to deal in the Funds?

No. With effect from Monday 15th October any deals in a Fund will be in respect of the gross paying share or unit class in that Fund (represented by the "New ISIN" identified in the Schedule). The terms relating to such deals will not change.

Investors in the AXA Pan European High Yield Bond Fund should note that, for operational reasons, they will not be able to deal in the Fund on the Conversion Date. Any dealing instructions received on the Conversion Date will be effected on Monday 15th October.

Investors in all other Funds will be able to deal in the Funds on the Conversion Date.

What are the tax implications of the conversion?

The conversion will not be treated as a disposal for capital gains tax purposes.

Notification of the change

Under the FCA Rules, and in accordance with the Fund's prospectus, you are entitled to advance notice of the compulsory conversion of your shares or units and this letter constitutes that notice.

With effect from the Conversion Date, you will be able to identify your shares or units by using the ISIN code for the equivalent gross share or unit class as set out in the schedule to this letter.

Following the conversion you will receive a contract note that will confirm the number of gross paying shares/units that you hold as a result of the conversion.

Rebates

If you are contractually entitled to receive a rebate of the annual management charge in relation to your investment in a Fund, you will continue to be entitled to do so on the same terms as previously agreed with us in respect of your investment in the equivalent gross share or unit class. Please contact us should you no longer wish to receive a rebate.

Further information

If you have any questions, please contact our Customer Services team on 0345 777 5511 (Monday to Friday 9.00am - 5.00pm). Please note that telephone calls may be recorded, and the Customer Services team is not authorised to give financial or tax advice. If you do not understand this letter or are in any doubt as to its implications, please consult your financial adviser immediately.

Yours faithfully

AXA Investment Managers UK Limited

Schedule

ISIN codes following net to gross share / unit class conversion effective 12th October 2018

Fund	Share / Unit Class	Current ISIN	New ISIN
AXA Defensive Distribution Fund	Z Inc	GB0005409486	GB00B03KM113
	Z Acc	GB0005409379	GB00B03KM006
	R Inc	GB0005298178	GB00B0T9V151
	R Acc	GB0005298061	GB00B0TB4H82
	A Inc	GB00BYYMYZ25	GB00BYYMZ156
	A Acc	GB00BYYMY18	GB00BYYMZ040
	B Net Inc	GB00B7SB3J39	GB00B8HP4F66
	B Net Acc	GB00B7X8R315	GB00B83BPL17
AXA Framlington Managed Income Fund	R Inc Net	GB0003501144	GB00B54CCT91
	R Acc Net	GB0003501250	GB00B5NBZ430
	Z Inc Net	GB00B7MJJR38	GB00B71DB365
	Z Acc Net	GB00B6RPX228	GB00B7H1PG56
AXA Sterling Corporate Bond Fund	R Net Inc	GB0034229020	GB00B0T9V938
	R Net Acc	GB0034229137	GB00B0T9V821
	B Net Inc	GB00BYZ1XP14	GB00BYZ1XR38
	B Net Acc	GB00BYZ1XQ21	GB00BYZ1XS45
	Z Net Inc	GB0033984674	GB00B1Z48X29
	Z Net Acc	GB00B0T9V714	GB00B1Z48Z43
	H Net Acc	GB00B1Z49171	GB00B1Z4D821
AXA Sterling Index Linked Bond Fund	R Net Acc	GB00B0LLCP07	GB00B0T9VB55
	A Net Acc	GB00BP8Y0199	GB00BP8Y0207
	Z Net Acc	GB00B02Y6C39	GB00B02Y6B22
	H Net Acc	GB00B1SW2S61	GB00B1SW3Y96
AXA Sterling Strategic Bond Fund	R Net Inc	GB00B0LLCW73	GB00B0T9VJ32
	R Net Acc	GB00B0LLCV66	GB00B0T9VH18
	Z Net Inc	GB00BYZVB809	GB00BYZVB916
	Z Net Acc	GB00B02Y6M37	GB00B02Y6L20
	H Net Acc	GB00B1SY5L61	GB00B1SY5N85

AXA Global High Income Fund	A Inc	GB00BP8XZX34	GB00BP8XZY41
	A Acc	GB00BP8XZZ57	GB00BP8Y0082
	R Inc	GB0030019706	GB00B0T9V607
	R Acc	GB0030020142	GB00B0T9V599
	Z Inc	GB00B0T9V482	GB00B29NG940
	Z Acc	GB00B0T9V375	GB00B29NGF01
	H Acc	GB00B29NH351	GB00B29NHH99
AXA US Short Duration High Yield Fund	Z Net Inc	GB00B5VW2D63	GB00B5TX5Q59
	Z Net Acc	GB00B596YF60	GB00B59VLT43
	ZI Net Inc	GB00B5717N28	GB00B5T0SW38
	ZI Net Acc	GB00B5VGJF93	GB00B5WM6Y48
AXA Sterling Credit Short Duration Bond Fund	R Net Inc	GB00B5SPX913	GB00B5MZJY49
	R Net Acc	GB00B564MZ92	GB00B5LY8D49
	A Net Inc	GB00BP8Y0314	GB00BP8Y0421
	A Net Acc	GB00BP8Y0538	GB00BP8Y0645
	Z Net Inc	GB00B5WB6639	GB00B5VL0B78
	Z Net Acc	GB00B5VLK178	GB00B5L2N222
	H Net Acc	GB00B613Y856	GB00B5ND4C02
AXA Sterling Buy and Maintain Credit Fund	Z Net Acc	GB00B8192P08	GB00B7VXY261
AXA Pan European High Yield Bond Fund	R Net Inc	GB0005315113	GB00B558ZR53
	R Net Acc	GB0005320089	GB00B4PJKG53
	Z Net Inc	GB00B43K0P90	GB00B6XCXM71
	Z Net Acc	GB00B4T5HR93	GB00B6XDWS91