



AXA WORLD FUNDS (the "Sicav")

A Luxembourg Société d'Investissement à Capital Variable

Registered Office: 49, avenue J. F. Kennedy
L-1855 Luxembourg
Commercial Register: Luxembourg, B-63.116

30 May 2016

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.

Dear Shareholders,

We are pleased to inform you that the directors of the Sicav (the "Directors") have decided to introduce a number of changes to the prospectus and/or the appendices relating to certain sub-funds, which will enable it to look after your interests more effectively.

Please refer to the relevant sub-fund(s) as indicated below in order to find out whether there are any changes affecting the sub-funds in which you hold shares.

- I. **Modification and clarification of the investment policy**
- II. **Decrease of the maximum annual management fees**
- III. **Closing and deletion of a share classes**
- IV. **Other amendments of the prospectus**

I – Modification and clarification of the investment policy

I.1. The Directors have decided to amend the investment policy of the following sub-funds so as to allow such sub-funds to invest up to 10% of their net assets in Chinese A shares listed on Shanghai Hong-Kong Stock Connect

- **AXA World Funds – Framlington Emerging Markets**
- **AXA World Funds – Framlington Global**
- **AXA World Funds – Framlington Global High Income**
- **AXA World Funds – Framlington Talents Global**

This change mentioned above will take effect on the 1st of July 2016.

Shareholders who do not agree with such changes may request the redemption of their shares free of charge up to 1st of July 2016.

I.2. The Directors have decided to clarify the investment policy of the following sub-funds so as to make clear that the transferable debt securities (including mortgage and asset back securities up to 5% of the sub-fund's net assets) will be mainly (i) rated investment grade and (ii) denominated in Euro.

- **AXA World Funds – Euro 3-5**
- **AXA World Funds – Euro 5-7**
- **AXA World Funds – Euro 7-10**
- **AXA World Funds – Euro 10 + LT**
- **AXA World Funds – Euro Bonds**

I.3. The Directors have decided (i) to amend the investment policy of the following sub-fund in order to provide that the sub-fund may use derivative instruments not only for efficient portfolio management purposes but also for investment purposes and (ii) to clarify that such derivative instruments may be notably interest rate swaps and CDS.

- **AXA World Funds – Global Credit Bonds**

This change mentioned above will take effect on the 1st of July 2016.

Shareholders who do not agree with such changes may request the redemption of their shares free of charge up to 1st of July 2016.

I.4. The Directors have decided to amend the investment policy of the following sub-fund in order to clarify that the securities in which the sub-fund may invest cannot be rated CCC+ or below by Standard & Poor's or equivalent rating by Moody's or Fitch or if unrated then deemed to be so by the investment manager, and in case of downgrade below B- by Standard & Poor's or equivalent rating by Moody's or Fitch or if unrated then deemed to be so by the investment manager, securities will be sold within 6 months.

The Directors have further decided that the UCITS and/or UCIs in which the sub-fund may invest no more than 10% of its net assets (i) will be managed only by the management company or any other AXA IM group entity, and (ii) that such UCITS and/or UCIs will themselves not invest in securities rated CCC+ or below by Standard & Poor's or equivalent rating by Moody's or Fitch or if unrated then deemed to be so by the investment manager of such UCITS and/or UCIs.

- **AXA World Funds – Global SmartBeta Credit Bonds**

This last change mentioned above will take effect on the 9th of June 2016.

II – Decrease of the maximum annual management fees

The Directors have decided to decrease the maximum annual management fees applicable to the share class F of the following sub-funds from 0.60% to 0.45%.

- **AXA World Funds – Global Aggregate Bonds**
- **AXA World Funds – Planet Bonds**

This change mentioned above will take effect on the 9th of June 2016.

III – Closing and deletion of share classes

- **AXA World Funds – Global SmartBeta Equity**

The Directors have decided to close and to delete the I share classes and in the meantime no to accept any new subscription in these share classes. The Directors have further decided that (i) the current shareholder of these I share classes will switch to the ZI share classes and (ii) the ZI share classes will be rebranded as new I shares.

Simultaneously to such switch and rebranding, the Directors have decided:

- to reduce the minimum initial subscription requirement applicable to the new I share class from 30,000,000 USD, EUR, GBP, CHF, AUD depending on the relevant reference currency to 5,000,000 USD, EUR, GBP, CHF, AUD depending on the relevant reference currency, and
- to reduce the maximum annual management fee from 0.25% to 0.19%.

This change mentioned above will take effect on the 9th of June 2016.

IV – Other amendments of the prospectus

- **Time zone**

The Directors have decided to amend the glossary about the time reference so as to replace the Central European Time (“CET”) by the Luxembourg time.

This change mentioned above will take effect on the 1st of July 2016.

Shareholders who do not agree with such changes may request the redemption of their shares free of charge up to 1st of July 2016.

- **Special Risk Considerations**

The Directors have decided to amend the section V “Special Risk Consideration” of the prospectus so as to add risk consideration linked to the investment in China through the RQFII Quota or through the stock connect program.

- **Fees, Charges and Expenses**

The Directors have decided to change the way according to which fees, reasonable disbursements and out-of-pocket expense incurred by the Sicav, the custodian, the domiciliary agent, the paying agent, the administrative and registrar agent and the depository of the bearer shares are paid out of the assets of the Sicav and decides that henceforth the management company will be paid a lump sum (“Applied Service Fee”) which will cover such fees, disbursements and expenses.

Consequently the Directors have decided that (i) the yearly total amount of these expenses to be

charged to each class of units by the Sicav will be set at a maximum level of 0.50% of the net asset value of the relevant share class (the "Maximum Level"), (ii) the level of the effective Applied Service Fee might be set out below the Maximum Level with different fixed effective Applied Service Fee rates applicable across share classes.

The Applied Service Fee is fixed in the sense that the management company will bear the excess in actual ordinary operating expenses to any such Applied Service Fee charge the relevant share class. Conversely, the management company will be entitled to retain any amount of Applied Service Fee charged to the relevant share class exceeding the actual ordinary operating expenses incurred by the respective share class.

The effective Applied Service Fee is accrued to each calculation of the net asset value and included in the ongoing charges of each share class disclosed in the relevant KIID from time to time.

In cases where any ordinary operating expenses are paid directly by the Sicav out of its assets, the Applied Service Fee amount due by the Sicav to the management company will be reduced accordingly.

In counterparty of the Applied Service Fee, the management company shall then provide and/or procure, on behalf of the Sicav, several services and bears all expenses (including any reasonable out-of-pocket expenses) incurred in the day-to-day operations and administration of the share classes as disclosed in the prospectus of the Sicav.

The Directors have further decided that, by way of a board resolution, the Sicav (i) may modify the level of the effective Applied Service Fee and (ii) may amend at any time upon prior notice to the relevant shareholders the Maximum Level of the Applied Service Fee applicable to all share classes.

The Directors draw the attention to the shareholders that the set up and the monitoring of such new system of payment of fees will constitute an increase of the administrative fee.

As consequence, the Directors draw the attention to the shareholders that for the following sub-funds, the maximum rate of administration expenses as formerly stated in the prospectus is no longer applicable.

- **AXA World Funds – Euro 3-5**
- **AXA World Funds – Euro 5-7**
- **AXA World Funds – Euro 7-10**
- **AXA World Funds – Euro 10+LT**

This change mentioned above will take effect on the 1st of July 2016.

Shareholders who do not agree with such changes may request the redemption of their shares free of charge up to 1st of July 2016.

▪ **Update of information**

The Directors have decided to update the following information in the prospectus:

- The update of the glossary;
- The deletion of the reference made to one member of the board of directors of the management company;
- The address of AXA Investment Managers Paris acting as investment manager of certain sub-funds of the Sicav;
- The "Additional Information for Investors" section so as (i) to delete the reference made to the local paying agents and (ii) to reflect the fact that the prospectus is no longer translated in Dutch;
- The details concerning the management company;
- The details and the information concerning the investment managers so as to (i) add details about sub-delegation of the investment duties of the management company with respect to

- AXA World Funds – China Short Duration Bonds sub-fund, AXA World Funds – Framlington Europe Flexible sub-fund and AXA World Funds – Global SmartBeta Equity ESG sub-fund;
- Deletion of any reference to (i) AXA World Funds – Global Opportunities sub-fund which has been liquidated as from 18 December 2015 and to (ii) AXA World Funds – Optimal Absolute Piano which has been merged into AXA World Funds – Optimal Absolute on 27 November 2015;
 - Typos and editing issues.

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The prospectus, taking into account the changes mentioned in this letter, is available at the registered office of the Sicav.

For the attention of the Belgian shareholders: when redemption is offered free of charge (except potential taxes) to the shareholders of the sub-fund concerned, such redemption request may be made to the financial service located in Belgium: AXA Bank Europe S.A., 25 Boulevard du Souverain, 1170 Bruxelles. The current prospectus taking into account the changes mentioned here above, the key investor information documents, the articles of incorporation as well as the annual and half year reports may also be freely obtained at the office of the financial service in Belgium. The Belgian shareholders should note that the class I shares is not open for subscription in Belgium.

For the attention of the Swiss shareholders: all information in regard to a local representative, paying agent, available documents and any proceed specific to Switzerland will be available in a separate document to the prospectus.

Yours faithfully,

The Board of Directors
AXA World Funds