

Sustainability Disclosure Reporting

This document provides disclosure requirements according to Article 10 of Regulation (EU) 2019/2088, for the financial products referred to in Article 8 of the Regulation.

Sub-Fund Name: **BONDS SATELLITE**

Legal Entity Identifier: **213800LMZSUGUKO5VQ59**

❖ Summary

The below information is the summary required under Articles 24 to 49 of Commission Delegated Regulation (EU) 2022/1288.

❖ No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

❖ Environmental or social characteristics of the financial product

The Sub-Fund promotes environmental and/or social characteristics by investing in eligible UCITS and/or other UCIs that have a sustainable objective or that promote environment and/or social characteristics.

The managers of the eligible UCITS and/or other UCIs shall have a responsible investment approach consistent with the Investment Manager's, regarding matters such as the fight against climate change by promoting carbon footprint or combatting inequality by promoting board gender diversity.

The Sub-Fund intends to hold at least 80% of its Net Asset Value in UCITS and/or other UCIs which are classified as either Article 8 (funds that promote E/S characteristics) or Article 9 (funds that have a sustainable investment objective) in line with the SFDR.

The Sub-Fund is actively managed and is not subject to any limitation on the portion of its assets that may be exposed, through investment in eligible UCITS and/or other UCIs, to any one E/S characteristic or any one sustainable investment objective.

No index has been designated for the Sub-Fund as a reference benchmark for the purposes of the SFDR.

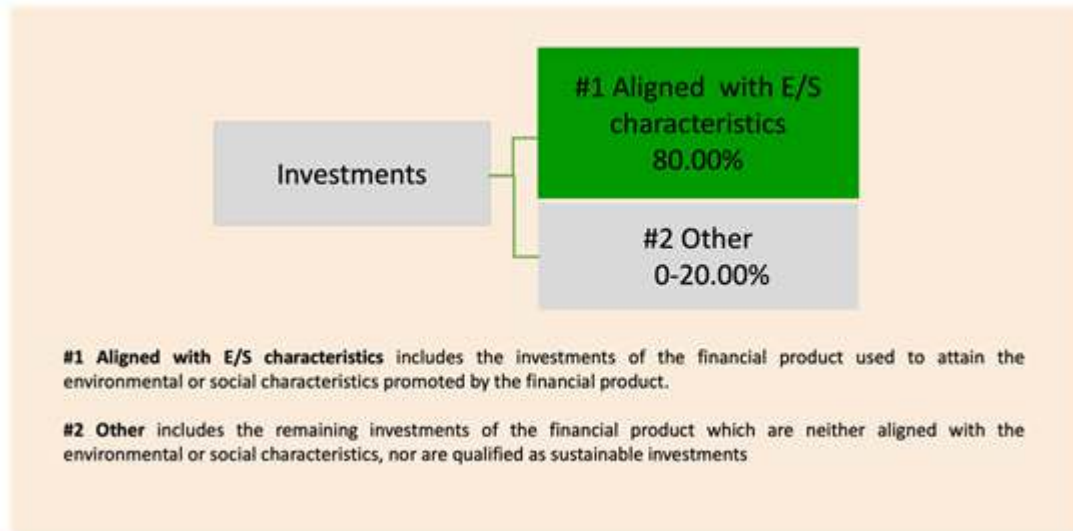
❖ Investment strategy

The Sub-Fund invests mainly in UCITS and/or other UCIs invested in turn in worldwide bonds markets.

For each eligible UCITS and/or other UCIs, the Investment Manager will conduct an independent ESG due diligence process in respect of each target UCITS and/or other UCIs (which is proprietary to the Investment Manager) and which covers:

- ESG policy and governance
- ESG Integration in investments
- Engagement and stewardship
- ESG Risk and reporting.

❖ Proportion of investments



It is intended that at least 80% of the investments of the Sub-Fund will be in underlying funds that promote E/S characteristics (Article 8 funds) and/or investment funds that have a sustainable investment objective (Article 9 funds).

The remaining "Other" investments will represent a maximum of 20% of the Net Asset Value of the Sub-Funds. The "Other" assets may consist in: ancillary liquid assets or others eligible liquid assets (such as bank deposit, money market instruments or money market funds), SFDR Article 6 funds and direct investments, for liquidity management and investment purposes.

❖ Monitoring of environmental or social characteristic

The Sub-Fund promotes environmental and/or social characteristics by investing in eligible UCITS and/or other UCIs that have a sustainable objective or that promote environment and/or social characteristics.

The managers of the eligible UCITS and/or other UCIs shall have a responsible investment approach consistent with the Investment Manager's, regarding matters such as the fight against climate change by promoting carbon footprint or combatting inequality by promoting board gender diversity.

The Sub-Fund intends to hold at least 80% of its Net Asset Value in UCITS and/or other UCIs which are classified as either Article 8 (funds that promote E/S characteristics) or Article 9 (funds that have a sustainable investment objective) in line with the SFDR.

The sustainability indicator for the Sub-Fund is:

- The % of investments invested in UCITS and/or other UCIs classified Article 8 or 9 under SFDR respecting our ESG Scoring approach (for which further information may be found in the Responsible Investment Policy of the Investment Manager: [axa-im-select_global-responsible-investment-policy.pdf](#)).

In addition to using the SFDR classification of each eligible UCITS and/or other UCIs, the Investment Manager will conduct an independent ESG due diligence process in respect of each target UCITS and/or other UCIs (which is proprietary to the Investment Manager) and which covers:

- ESG policy and governance
- ESG Integration in investments
- Engagement and stewardship
- ESG Risk and reporting

The Investment Manager will form a view on the underlying eligible UCITS and/or other UCIs' ESG process (including peer review and application of a qualitative scoring system) and this may result in its removal from the list of eligible UCITS and/or other UCIs.

❖ Methodologies

The methodologies used to measure how the environmental and social characteristics are met are:

- the daily check that the sustainability indicator for the Sub-Fund, i.e. the percentage of investments invested in Article 8 or 9 under SFDR continues to be 80% or higher.
- the review of the results of the ESG due diligence assessments.

❖ Data sources and processing

The Investment Manager uses the following data sources: proprietary qualitative ESG scoring, TRUCOST (ESG Data Provider) and Morningstar (fund transparency to obtain complete inventories and underlying funds EETs). The collection and matching of ESG data with the underlying assets, as well as the calculation of regulatory data (SFDR, EU TAXONOMY) are performed by an external aggregator specialized in sustainable finance - Weefin. All data produced by Weefin is checked internally by ESG/SFDR Analyst of Data Reporting team.

❖ Limitations to methodologies and data

Currently, the ESG data market is still developing. ESG Data Provider TRUCOST regularly updates its database, which allows us to enrich our analyses, internal methodologies and to complete our regulatory calculations (SFDR, EU TAXONOMY).

The ESG data used in the investment process are based on ESG methodologies which rely in part on third party data. 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 are difficult to compare with each other. Strategies that incorporate ESG criteria may use ESG data that appear similar, but which should be distinguished because their calculation method may be different.

One of the main limitations of this approach is related to the limited availability of data relevant to assess ESG risks and opportunities: such data is not yet systematically disclosed by issuers, and when disclosed may follow various methodologies. The investor should be aware that most of the ESG information is based on historical data and that they may not reflect the future ESG performance or risks of the investments.

Limitations related to the current availability of reliable ESG data should not affect our financial products as we remain very cautious in the use of this data.

In addition, all our internal methodologies as well as those of our aggregator Weefin and internal calculations related to ES are analyzed and validated by the Risk Department.

❖ Due diligence

A proprietary, qualitative ESG Due Diligence assessment is undertaken for new investments and as part of regular monitoring and focuses on both firm level and fund/product level assessments taking into account ESG risks and opportunities. It focuses on multiple questions in 4 main sections: ESG Policy and governance, ESG Integration in investment, Engagement and Stewardship and Risk and Reporting. This is completed through a dedicated questionnaire of the Manager to be completed by the Investment Manager followed by face-to-face due diligence meeting(s).

Based on the information gathered, the sector specialists form a view on the robustness of the ESG process (including peer comparison) and present findings back to the investment team, where an ESG score is awarded to new investments or updated if part of regular monitoring. The ESG function is responsible for maintaining a qualitative scoring system with a minimum ESG Score Threshold based on type of fund, under which the fund is flagged for further review if it scores below the ESG Score Threshold; this could result in removal from approved buy lists.

Further information on the binding ESG scoring approach and threshold may be found in the Responsible Investment Policy of the Investment Manager here: [axa-im-select_global-responsible-investment-policy.pdf](#)

❖ Engagement policies

Due to the types of funds managed by the Investment Manager (multi manager funds and fund of funds) it has not published an Engagement Policy. It has made the required disclosures under the Shareholders Rights Directive here: <https://select.axa-im.ie/globalassets/ireland/policies/ammel-shareholders-rights-directive-disclosure.pdf>

❖ Designated reference benchmark

No index has been designated for the Sub-Fund as a reference benchmark for the purposes of the SFDR.