

AXA IM RISKS & CONTROLS STANDARDS

Treat Clients Fairly (TCF)

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Document Control

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Table of Contents

Document Control	2
Table of Contents	3
Introduction	4
Definition	4
Objectives	4
Scope	4
Detailed Description	5
Principles	5
Controls and Management information	6
Staff Training and Awareness	6
Levels of Control	7

Introduction

Definition

The requirement for investment firms and its associated staff to **act with due skill, care and diligence and in the clients' best interest** is present in the laws and regulations of almost all the jurisdictions where AXA Investment Managers ("AXA IM") operates.

Client protection is essential to the statutory objectives of regulators in most countries. This means increased expectations on AXA IM to demonstrate that its conduct and actions incorporate these expectations.

Objectives

This standard seeks to articulate AXA IM's commitment to the principle of Treating Clients Fairly ("TCF"), which should guide our conduct in all the jurisdictions AXA IM operates.

The objectives of the standard are the following:

- Reaffirm AXA IM's commitment to put the interests of clients at the heart of how AXA IM runs its business,
- Provide staff with guidance on the outcomes that AXA IM aims to achieve for its clients,
- Provide guidance on ways to measure and demonstrate the achievement of such outcomes, in order to provide Senior Management and regulators with a reliable assessment of how AXA IM abide by these principles.

Scope

This standard applies to all AXA IM entities and AXA IM Select entities and AXA IM Prime (together, 'the AXA IM entities') and governs their conduct in respect of all clients and applies to **all staff** – temporary and permanent – in all jurisdictions where AXA IM operates.

In case local regulatory requirements are stricter or different from what is contained within this standard, then the local regulatory requirements should prevail and be followed.

Otherwise, local rules shall be treated as complementary to this standard.

Detailed Description

Principles

All AXA IM staff of all entities should abide by these principles at all times.

A. General principle

AXA IM at all times conducts its business in a way that acts in the best interests of its clients and takes all necessary steps to meet this commitment.

B. Culture

AXA IM clients can be confident that they deal with a firm where the principle of treating clients fairly is central to the corporate culture.

C. Product Design and Marketing

AXA IM products and services are designed to meet the needs of identified client groups or target markets and distributed in a way that is consistent with the identified target market.

D. Information to Clients

AXA IM clients are provided with clear, fair and not misleading information and are kept appropriately informed before, during and after the sale.

E. Recommendations and Advice

Where AXA IM offers investment advice or portfolio management services to prospective or existing clients, these shall be suitable and take account of the client's financial situation, risk tolerance, knowledge and experience, their stated investment objectives and their sustainability preference.

F. Product Performance

AXA IM products are managed and perform in a way that is to be expected based on their governing documents, investment guidelines and promotional material. The associated service is both of an acceptable standard and as clients have been led to expect.

G. Barriers

There are no unreasonable post-sale barriers imposed by AXA IM when clients wish to change product, switch provider, submit a claim or make a complaint.

Controls and Management information

TCF is not limited to an enunciation of principles. As such, it is expected that business teams lead and drive this policy by embedding the principles above in decision-making, processes and procedures at all levels and by providing controls that aim to ensure and demonstrate the fair treatment of clients.

It is also expected that AXA IM entities develop appropriate Management Information to test whether clients are being treated fairly, including by delivering the outcomes described in the section above as required or expected by local regulation. As such, this Management Information would:

- Expand on existing information to include analysis to demonstrate delivery of TCF outcomes,
- Define expected behaviours linked to the achievement of the outcomes and demonstrate ways to measure them,
- Test those behaviours and define what constitutes success in delivering fair outcomes,
- Recognise that customer satisfaction by itself, even if indicative of fairness, is not enough to demonstrate fair outcomes,
- Be recognised at an appropriate level of management so that it can be acted upon and properly recorded.

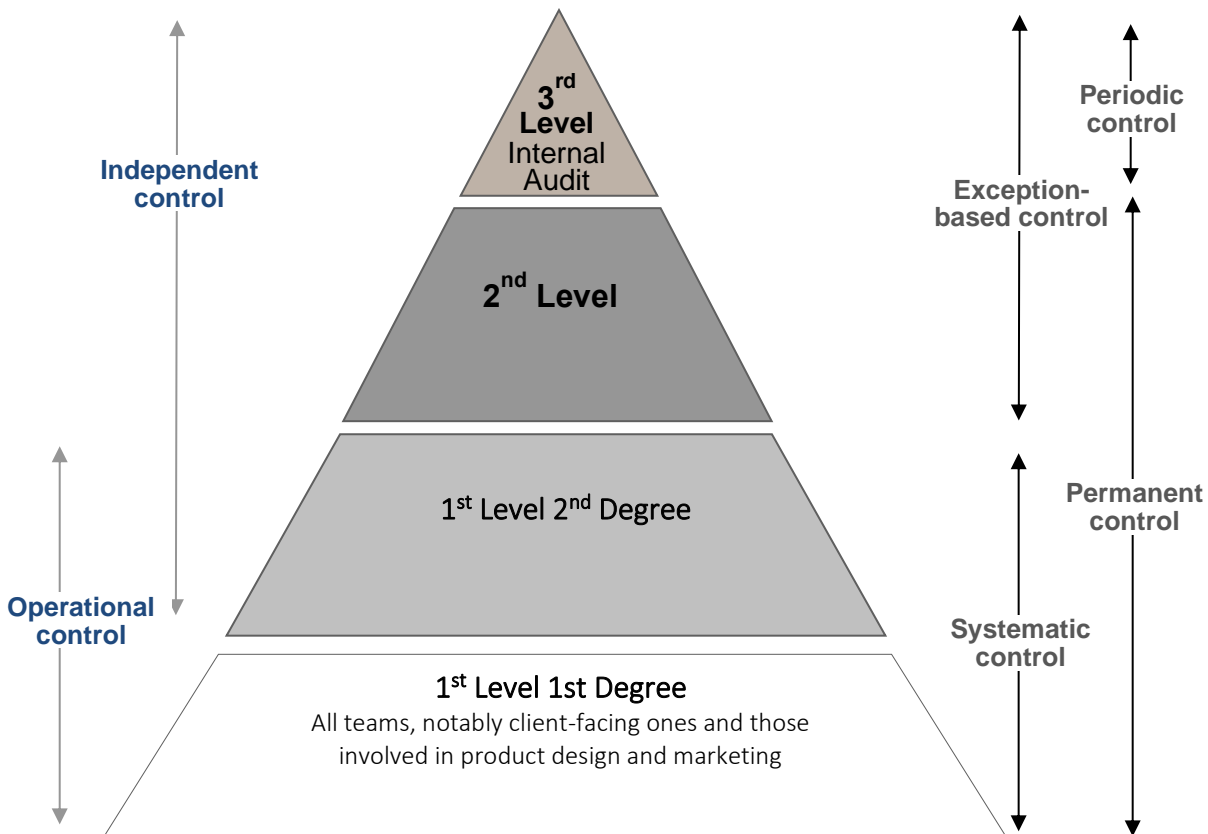
Staff Training and Awareness

All employees, and in particular client-facing staff, should be trained as to these principles to ensure they act appropriately and fully understand their responsibilities.

All AXA IM entities should have policies and principles in place that support and emphasise the ongoing conduct of employees as consistent with these principles. For certain entities this may be included in the local Code of Conduct.

Levels of Control

The roles and responsibilities applicable to this standard are:



The different levels of control have to be performed locally (with the exception of 3rd level). Each local policy should describe its own process of control.

