FRAMLINGTON EQUITES

AXA Framlington American Growth Fund

AXA Framlington is a leading equity expertise within the AXA Investment Managers Group, with teams in London and Paris.

We are primarily a bottom-up, active equity manager. This fundamental approach to stock selection, combined with the experience of our team of fund managers, focuses on delivering long-term investment performance for our clients.

We offer competitive products backed up with excellent service. Our structure and size creates a dynamic environment for our fund managers. This encourages a high level of personal responsibility in which both individual flair and teamwork flourish.

AXA Framlington funds under management exceed £48.8 billion (as at 31 August 2016).

Investment objective and policy

Capital growth through investment principally in US, Canadian and Mexican large and medium capitalisation companies which, in the Manager's opinion, show above average profitability, management quality and growth.

Results

Unit Class	Unit Type	Price at 31.08.16 (p)	Price at 29.02.16 (p)	Unit Class Performance	Comparative Benchmark
R	Acc	472.9	401.3	+17.84%	+19.08%^
Z	Acc	212.1	179.3	+18.29%	+19.08%^
R	Inc	472.8	401.2	+17.85%	+18.08%^^
Z	Inc	211.9	179.2	+18.25%	+18.08%^^

^ Russell 1000 Growth Index (Total Return) ^^ Russell 1000 Growth Index (Capital Return). Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and you may not get back the full amount invested.
Source of all performance data: AXA Investment Managers and Lipper.

Review

It continues to be a relatively challenging environment for growth stocks in the US equity market. The policies of various monetary authorities around the world have created a negative interest rate environment that is fuelling fears of global deflation amongst many investors. This in turn has created a series of distortions in equity markets that have acted as a major headwind to the Fund’s relative performance (against its comparative benchmark index) in recent times. However, as we look at the economic environment we continue to feel relatively positive about the outlook and believe current market conditions are not sustainable and that the prospects for growth stocks are bright.

Investors and central bankers continue to worry about a long list of perceived problems. As this calendar year began past concerns such as the ongoing slowdown in China, lacklustre growth in Europe, and the collapse in the price of oil and other commodities were exacerbated by an economic slowdown in the US and a sharp widening in credit spreads (the difference in yield between corporate bonds and their equivalent government-issued bond). The monetary authorities in several key economic blocks (Japan and Europe) responded by further extending quantitative easing, an action that succeeded mainly in driving interest rates into negative territory (whether this will positively impact economic growth is highly debatable). Investors responded by seeking out yield wherever they could find it. In the US equity market, this resulted in significant outperformance for the highest yielding stocks and underperformance of the fastest growing companies as investors flocked to ‘bond-like’ equities. These companies are typically very mature, with little (or often negative) revenue growth and have few internal opportunities to deploy the cash flow they generate into future growth opportunities. Instead they return capital to shareholders in the form of dividends and share buybacks (where a company purchases their own shares from the marketplace). Through the first eight months of 2016, the highest yielding stocks in the Russell 1000 Growth Index outperformed the index by almost 9%, while those companies in the index with the fastest earnings growth underperformed the slowest growing quintile by over -8.5%. As a growth fund this presented a significant headwind.

Our investment approach continues to focus on companies that we believe are in the process of growing their revenues (and profits) at above average rates and have the opportunity to continue doing so for the foreseeable future. In order to do this many of these companies have to re-invest their cash flows back into their business. They are busy building new factories, opening new restaurants or expanding into new geographic areas. Essentially they have opportunities to deploy their cash other than return it to shareholders. The Fund is therefore heavily underweight in higher-yielding stocks relative to its comparative benchmark.

INVESTMENT MANAGERS

The consumer staple, utility and telecom sectors are dominated by these surrogate 'bond-like' companies and have performed strongly as a result. However, given the lack of revenue and earnings growth at many of these companies, their stock price appreciation is not a reflection of underlying growth in the company, but instead shows that the stock market is valuing these stocks more highly. Valuation levels for the utilities sector are now at a 30-year high (based on a price-to-earnings measure), despite an absence of any improvement in the underlying growth dynamics of the industry. Conversely, many growth stocks have continued generating well above average revenue and earnings growth, while their share prices' languish. Consequently, their equity is becoming more and more attractive given the strength of their underlying businesses. For example, the growth oriented biotech sector is trading at its lowest relative price-to-earnings ratio in more than a decade. We believe that such a situation is only sustainable if the naysayers are correct and that global deflation and a US recession are impending. Conversely any increases in interest rates driven by either sustained economic growth or a change in central bank policy should result in a reversal of the trend.

The issues confronting central bankers and investors listed above are not trivial. Indeed at the start of the year, widening credit spreads gave real cause for concern given their potential impact upon economic liquidity conditions. Without ample liquidity, bank lending can be impacted and thus companies will be unable to sufficiently fund their business operations. This results in cost-cutting, job losses and eventually recession. However, the issues that caused credit spreads to widen (commodity related stresses) were limited in their real world impact and spreads have since contracted meaningfully. The slowdown in the US economy has also proved to be just another in a series of such events that have taken place in the nine years since this recovery began and growth looks set to continue.

The credit environment for the US economy, as measured by the Chicago Fed National Financial Conditions Index, remains healthy and is not suggestive of an impending recession. The headwinds that have faced the US economy over the past 18 months have caused the current economic recovery to remain lacklustre, but have not derailed it. The collapse in the oil price did impact many sectors in the industrial economy, but that collapse is now in the rear view mirror and drilling activity, as measured by rig count, is already recovering in shale regions such as the Permian basin in Texas. The US dollar is also now broadly flat compared to many other major currencies year-over-year, which is easing pressures that a strong currency has had on the US manufacturing sector. Indeed the ISM manufacturing index has been in positive territory for six of the last seven months. The large consumer sector of the economy also continues to do relatively well. The employment environment remains strong, interest rates are at levels that should stimulate consumer spending, credit delinquency levels are low and the housing market continues to recover. Consumer confidence remains at elevated levels and unemployment stands at 5%. Jobs are relatively easy to get and wages are ticking up.

Outlook

We remain disciplined in our investment approach attempting to identify those companies with differentiated business models that can support sustained revenue and profit growth. If, as would appear likely, we are set to remain in a low growth environment, there are certain attributes that we believe investors need to pay close attention to. For corporates, incremental growth will be hard to achieve unless they are able to grow market share. Similarly, in a low inflation environment, pricing power will be hard to wield. It will only be those companies that are able to demonstrate differentiated product and service offerings that will be able to deliver revenue growth. Successful innovation will therefore be more important than ever in this environment. For that reason we remain optimistic for the prospects of companies in sectors where the Fund is focused, such as healthcare, technology and consumer discretionary.

Stephen Kelly

31 August 2016

All performance data source: AXA Investment Managers and Lipper to 31 August 2016.

AXA Framlington American Growth Fund

Risk and reward profile

The Fund invests primarily in shares of large and medium sized US listed companies which the fund manager believes will provide above-average returns. The fund manager selects shares based upon analysis of a company's financial status, quality of its management, expected profitability and prospects for growth.

Lower risk ← → **Higher risk**

Potentially lower reward — Potentially higher reward

1	2	3	4	5	6	7

The risk category is calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The risk category shown is not guaranteed and may shift over time. The lowest category does not mean risk free.

Why is this Fund in this category?

The capital of the Fund is not guaranteed. The Fund is invested in financial markets and uses techniques and instruments which may be subject to sudden and significant variation, which may result in substantial gains or losses.

Additional Risk

Concentration Risk: as this Fund may, from time to time, hold relatively few investments, it may be subject to greater fluctuations in value than a fund holding a larger number of investments.

Currency Risk: the Fund holds investments denominated in currencies other than the base currency of the Fund. As a result, exchange rate movements may cause the value of investments (and any income received from them) to fall or rise effecting the Fund's value.

Further explanation of the risks associated with an investment in this Fund can be found in the prospectus.

FUND FACTS

Lead Fund manager	Stephen Kelly
Sector	North America
Comparative Benchmark	Russell 1000 Growth Index
Date of Establishment	21 Dec 1992
Fund size at 31 Aug 2016	£590m
Fund size at 29 Feb 2016	£596m
Minimum investments	
Lump sum	R: £1,000 Z: £100,000
Minimum subsequent purchase/redemption	R: £100 Z: £5,000
Net Yield	
R Inc / Acc	Nil / Nil
Z Inc / Acc	Nil / Nil
Unit type	Inc/Acc
Number of stocks	73
Initial charge	R: 5.25% / Z: Nil
Annual charge	R: 1.50% Z: 0.75%
Ongoing charges*	
R Inc / Acc	1.57% / 1.57%
Z Inc / Acc	0.82% / 0.82%
Accounting dates (interim)	31 Aug
Accounting dates (annual)	29 Feb
Distribution dates (annual)	30 Apr

*All data, source: AXA Investment Managers as at 31 August 2016. *For more information on AXA's fund charges and costs please use the following link https://retail.axa-im.co.uk/fund-charges-and-costs*

Top five purchases

Six months ending 31 August 2016
UnitedHealth
Bristol-Myers Squibb
Pioneer Natural Resources
VCA
Dollar General

Top five sales

Six months ending 31 August 2016
Amgen
Boeing
Signature Bank
WhiteWave Foods
TransDigm

AXA Framlington American Growth Fund

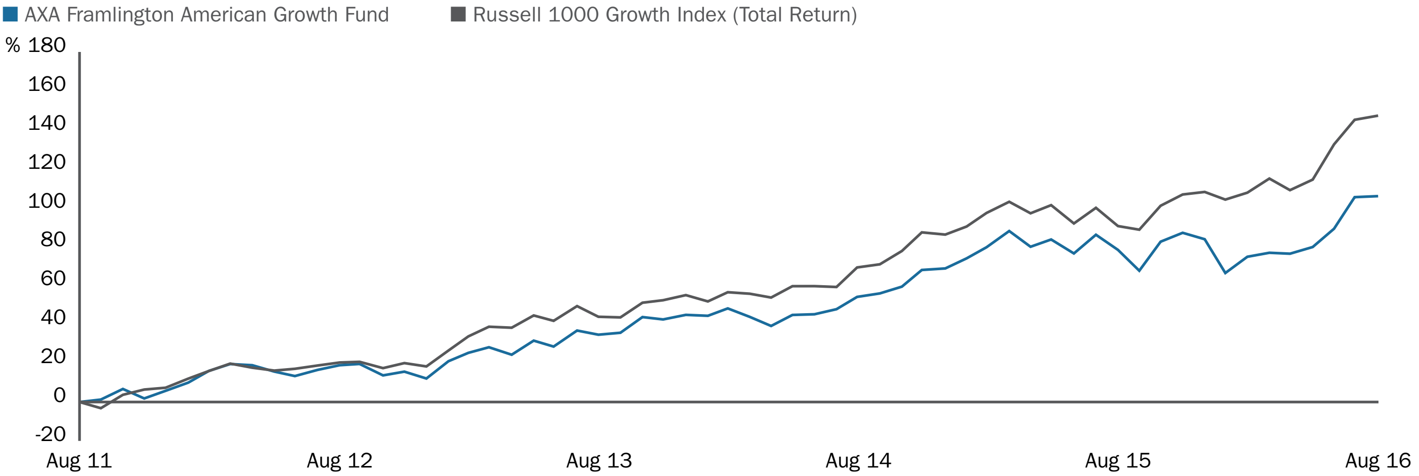
Five year discrete annual performance % *

Aug 11 to Aug 12	Aug 12 to Aug 13	Aug 13 to Aug 14	Aug 14 to Aug 15	Aug 15 to Aug 16
+18.92%	+13.20%	+14.44%	+15.68%	+15.51%

Past performance is not a guide to future performance. Sources: AXA Investment Managers and Lipper as at 31 August 2016. Basis: Single Price NAV, with net income reinvested, net of fees in GBP. Performance is representative of R Acc class.

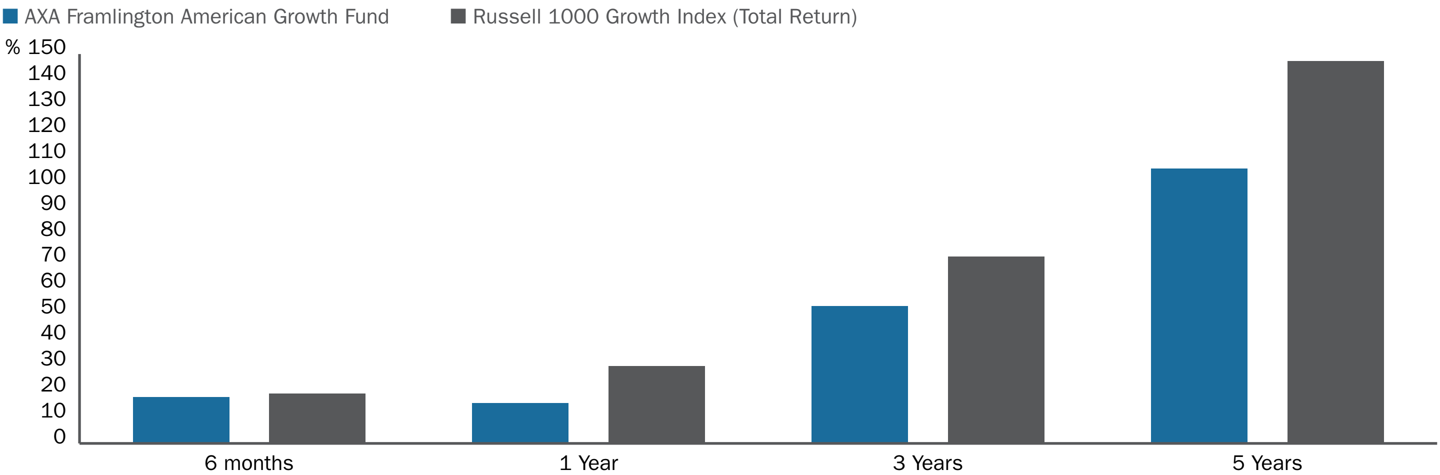
Cumulative fund performance versus comparative benchmark*

as at 31 August 2016



Past performance is not a guide to future performance. Sources: AXA Investment Managers and Lipper as at 31 August 2016. Basis: Single Price NAV, with net income reinvested, net of fees in GBP. Performance is representative of R Acc class.

as at 31 August 2016



Past performance is not a guide to future performance. Sources: AXA Investment Managers and Lipper as at 31 August 2016. Basis: Single Price NAV, with net income reinvested, net of fees in GBP. Performance is representative of R Acc class.

** Performance Calculation for all of the above: Single price NAV from 15 September 2014 and bid price prior to this. To ensure consistent performance figures between bid and NAV prices, an adjustment factor has been applied.*

Comparative Tables

Change in net asset per unit	R Inc 31/08/2016	R Inc 29/02/2016	R Inc 28/02/2015	R Acc 31/08/2016	R Acc 29/02/2016	R Acc 28/02/2015
Opening net asset value per unit†	401.20	412.41	342.95	401.30	412.49	339.94
Return before operating charges^	78.29	(4.67)	74.96	78.31	(4.69)	78.08
Operating charges	(6.70)	(6.53)	(5.50)	(6.72)	(6.50)	(5.53)
Return after operating charges^	71.59	(11.21)	69.46	71.59	(11.19)	72.55
Distributions on income units	-	-	-	-	-	-
Closing net asset value per unit	**472.79**	**401.20**	**412.41**	**472.89**	**401.30**	**412.49**
Retained distributions on accumulations units	-	-	-	-	-	-
*^ after direct transaction costs of:	0.33	0.49	0.71	0.33	0.49	0.71
Performance						
Return after charges	17.84%	-2.72%	20.25%	17.84%	-2.71%	21.34%
Other information						
Closing net asset value†	6,605,283	8,287,273	31,362,588	180,436,860	183,959,656	314,863,494
Closing number of units	1,397,093	1,942,576	7,604,784	38,155,869	45,807,281	76,331,598
Operating charges	1.57%	1.57%	1.57%	1.57%	1.57%	1.57%
Direct transaction costs*	0.08%	0.12%	0.21%	0.08%	0.12%	0.21%
Prices						
Highest unit price #	484.90	440.80	412.70	485.00	440.90	412.80
Lowest unit price #	391.70	349.30	315.00	391.70	349.40	315.10

Change in net asset per unit	Z Inc 31/08/2016	Z Inc 29/02/2016	Z Inc 28/02/2015	Z Acc 31/08/2016	Z Acc 29/02/2016	Z Acc 28/02/2015
Opening net asset value per unit†	179.15	182.77	149.26	179.28	182.90	149.40
Return before operating charges^	34.33	(2.11)	34.79	34.36	(2.11)	34.79
Operating charges	(1.57)	(1.51)	(1.28)	(1.57)	(1.51)	(1.29)
Return after operating charges^	32.76	(3.62)	33.51	32.79	(3.62)	33.50
Distributions on income units	-	-	-	-	-	-
Closing net asset value per unit	**211.91**	**179.15**	**182.77**	**212.07**	**179.28**	**182.90**
Retained distributions on accumulations units	-	-	-	-	-	-
*^ after direct transaction costs of:	0.15	0.22	0.31	0.15	0.22	0.32
Performance						
Return after charges	18.29%	-1.98%	22.45%	18.29%	-1.98%	22.42%
Other information						
Closing net asset value†	94,919,605	101,212,112	81,439,998	307,657,498	303,017,863	204,936,006
Closing number of units	44,792,897	56,591,022	44,559,475	145,076,168	169,275,371	112,048,153
Operating charges	0.82%	0.82%	0.82%	0.82%	0.82%	0.82%
Direct transaction costs*	0.08%	0.12%	0.21%	0.08%	0.12%	0.21%
Prices						
Highest unit price #	217.30	195.50	182.90	217.40	195.70	183.00
Lowest unit price #	174.90	155.90	138.70	175.00	156.00	138.80

† Valued at bid-market prices. High and low price disclosures are based on quoted unit prices.

 # High and Low price disclosures are based on quoted unit prices. Therefore the opening and closing NAV prices may fall outside the high / low price threshold.

^ Operating charges include indirect costs incurred in the maintenance and running of the fund, as disclosed (but not limited to) the detailed expenses within the Statement of Total Return.

**Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, which are offset (where applicable) against any dilution adjustment applied within the accounting year. Direct transaction costs are stated after deducting dilution adjustments that relate to direct transaction costs. The figures used within the table have been calculated against the average Net Asset Value for the accounting year.*

NB: The Fund performance returns figures shown on the results table are based on quoted unit prices. The % return figures disclosed in the comparative tables are based on accounting NAV per unit prices and are adjusted to include income distributions distributed for income unit classes as well as accounting adjustments.

Top ten holdings as at 31 August 2016

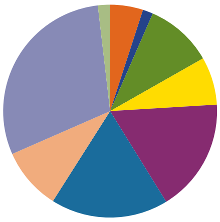
Company	Sector	%
Alphabet	Technology	5.06
Apple	Technology	4.67
Amazon	Consumer Services	3.12
Facebook	Technology	3.05
Visa	Financials	2.08
Celgene	Healthcare	1.76
Pioneer Natural Resources	Oil & Gas	1.75
Gilead Sciences	Healthcare	1.67
Concho Resources	Oil & Gas	1.64
LKQ	Consumer Goods	1.64

Top ten holdings as at 29 February 2016

Company	Sector	%
Alphabet	Technology	5.08
Apple	Technology	4.52
Facebook	Technology	3.00
Amazon	Consumer Services	2.75
Gilead Sciences	Healthcare	1.98
Amgen	Healthcare	1.78
Celgene	Healthcare	1.78
Priceline	Consumer Services	1.67
Hexcel	Industrials	1.64
Allergan	Healthcare	1.62

Portfolio breakdown

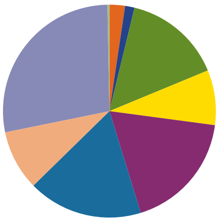
as at 31 August 2016



Sector	%
Oil & Gas	4.98
Basic Materials	1.55
Industrials	10.22
Consumer Goods	7.28
Healthcare	17.18
Consumer Services	17.77
Financials	9.43
Technology	29.75
Net current assets	1.84

All data, source: AXA Investment Managers

as at 29 February 2016



Sector	%
Oil & Gas	2.36
Basic Materials	1.43
Industrials	14.97
Consumer Goods	8.35
Healthcare	18.14
Consumer Services	17.42
Financials	9.14
Technology	27.89
Net current assets	0.30

AXA Framlington American Growth Fund

Important information

Authorised Unit Manager and Investment Manager
AXA Investment Managers UK Limited
7 Newgate Street
London, EC1A 7NX
Authorised and regulated by the Financial Conduct Authority. Member of IA.

Trustee
National Westminster Bank plc
Trustee and Depositary Services
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Dealing and Correspondence
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Auditor
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Unit Trust Registrars
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Authorised and regulated by the Financial Conduct Authority.

Fund Accounting Administrator
State Street Bank & Trust Company
20 Churchill Place
London, E14 5HJ

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IFA dealing & enquiries
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Our lines are open Monday to Friday between 9am and 5:30pm

ADDITIONAL INFORMATION

Report and accounts
The purpose of sending this Short Report for the Fund is to give you a summary of how the Fund has performed during the accounting period in accordance with the Collective Investment Schemes Sourcebook (COLL). If you would like any additional information about the Fund you can request a free of charge copy of the more detailed long form accounts for the Fund . For a copy of this, please contact our dedicated customer services team on 0345 777 5511.

Telephone Number Change
Please note our telephone number has now changed from 0845 777 5511 to 0345 777 5511 and our fax number has changed from 0844 620 0151 to 0344 620 0151. All UK based calls to any 03 number are charged at a local rate from landlines and mobiles.
If you have any questions regarding this statement, please contact us on 0345 777 5511.
Please note that the IFA number currently stays the same.

UCITS V Directive
The UCITS V Directive was implemented into national law on the 18 March 2016. The Directive aims to increase the level of protection already offered to investors in UCITS and to improve investor confidence in UCITS. It aims to do so by enhancing the rules on the responsibilities of depositaries, including a strict liability regime making the depositary liable for the avoidable loss of a financial instrument held in custody and by introducing remuneration policy requirements for UCITS fund managers.

INVESTMENT MANAGERS

AXA Framlington American Growth Fund

For more information on any AXA Framlington unit trust please contact us via our website or telephone number.
Copies of the latest Manager's Report (long form) and Prospectus are available free of charge from the administration office: PO Box 10908, Chelmsford, CM99 2UT.

AXA/FAG/1016. Produced using a combination of FSC and recycled materials.
All data sources: AXA Investment Managers unless otherwise stated.

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