

# AXA Framlington Managed Balanced Fund

## AXA Framlington is a leading equity expertise within the AXA Investment Managers Group, with teams based 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 £51.5 billion (as at 31 May 2017).

### Investment objective and policy

The aim of this Fund is to provide long-term capital growth.

The Fund invests in shares of listed companies which the Manager believes will provide above-average returns. The Fund invests in companies of any size and based anywhere in the world. The Fund Manager seeks to reduce the impact on the Fund of fluctuations in value of equity markets by investing in bonds issued by governments. The Fund's typical asset mix ranges between 60 – 85% of its Net Asset Value in shares, with the remainder being mainly in bonds and cash. The Fund Manager selects shares based upon analysis of a company's financial status, quality of its management, expected profitability and prospects for growth.

The Fund may also invest in other transferable securities and units in collective investment schemes. The Fund may use derivatives for Efficient Portfolio Management. Use may be made of borrowing, cash holdings, hedging and other investment techniques permitted in the applicable Financial Conduct Authority rules.

### Review and outlook

The Fund delivered positive returns over the six month period with markets encouraged by the synchronised recovery in the global economy and corporate earnings for the first time since the financial crisis. There were additional hopes that the era of austerity would be relaxed as governments in developed countries sought to placate a disaffected electorate. The euro and sterling gained ground against the US dollar as their respective central banks highlighted scenarios for monetary tightening (implying higher interest rates). Commodities continued to slide, with the oil price ending the period firmly below \$50 per barrel. The Fund outperformed the IA Mixed Investment 40-85% Shares index during the period returning +5.65% (R Acc unit class) compared with the peer group return of +5.60%. Relative gains were driven by our North American, Japanese and Emerging Market portfolios.

In the UK domestic politics continued to dominate with Prime Minister Theresa May holding a snap election in June. However, the strategy backfired dramatically as the Conservatives suffered a significant slide in popularity which resulted in the loss of their parliamentary majority and a weak coalition government. Brexit negotiations commenced immediately thereafter. Expectations for consumer spending and the housing market deteriorated, while inward investment flows slowed. Rising inflationary pressures appear to be putting the squeeze on real incomes. Despite these headwinds, UK equities delivered positive returns, with small and mid-cap stocks outperforming their larger FTSE 100 peers. The UK equity portfolio gained +5.03% over the period, slightly behind the FTSE All Share Index return of +5.50%.

In terms of individual holdings, London Stock Exchange rallied following the acquisition of Citigroup's global bond analytics and data business, while consumer goods company Unilever benefited from a bid approach and a commitment to improve shareholder returns. Homebuilders Countryside and Persimmon were buoyed by the government help-to-buy scheme and a shortage of housing stock. Conversely, broadcaster ITV and electronics retailer Dixons Carphone underperformed, reflecting concerns over the domestic economy. Packaging manufacturer and distributor RPC declined, despite upgraded profit guidance, with fears over transparency of returns and cash generation. Shares in specialty pharma company, Vectura fell following the short-term failure to gain approval for its generic respiratory drug.

Relative to 2016, the first half of 2017 has brought with it a more favourable set of market conditions for growth investors in North America. While the end of last year saw investors embrace Trump's vision of an industrial renaissance and ever stronger economic growth by bidding up value-oriented sectors such as commodities, industrials and financials, this year the market has been more focused on economic reality. President Trump talks of big economic stimulus plans, tax cuts and dramatically higher infrastructure spending, yet inevitably these ambitious policy reforms will be watered down given the complex realities of the US political system. The realisation among market participants that we remain in a steady but historically sluggish economic recovery, rather than an inflationary boom, has driven a revival in the performance of secular growth stocks. The US segment of the Fund has benefited from this. Many of the sectors on which we focus, such as healthcare and technology have

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therefore enjoyed improved relative performance. The Fund's holdings in technology companies Alphabet (the company that owns Google), Facebook, Salesforce.com, as well as healthcare stocks Cooper Companies, Cerner and DexCom have all performed well. As a result the North American portfolio increased by +7.41% over the period compared with +3.93% for the FTSE World North American Index.

European equities made positive progress in the first half of 2017 supported by healthy economic data and a reduction in perceived political risks following elections in the Netherlands and France. Further attempts to restructure the Italian banking system contributed to financials outperforming over the period. The portfolio lagged the IA Mixed Investment 40-85% Shares index during the period, due to a combination of sector allocation (the Fund was modestly overweight the energy sector which was impacted by a weaker oil price) and stock selection (disappointing performance of niche retailer Pandora). Few changes were made to the portfolio over the period. The European portfolio returned +10.39% compared with the FTSE European ex UK Index return of +13.0%.

Investors were generally cautious about the Japanese market for the first few months of the year due to a stronger yen. When the currency trend shifted around April, foreign investors turned net buyers of Japanese stocks embracing up-beat earnings trends, a general improvement in corporate governance, greater focus on profitability and attractive share price valuations. Growth stocks, particularly in the mid and small cap arena performed strongly, enabling the Japanese portfolio to deliver a healthy return of +10.07% compared with the FTSE World Japan Index return of +5.22%. Towards the end of June, market preferences shifted again, this time from growth to value style, small to large cap companies. This trend could continue during the summer months but we believe structural growth businesses will bring superior long-term investment returns.

Emerging markets performed strongly benefiting from a weaker US dollar over the period. Profit growth and valuations were considered attractive by investors as global trade improved and fears of President Trump's protectionist measures faded. Political reform, improving current accounts and monetary loosening all proved supportive. Our preferred region of India improved as markets focused on longer term benefits of Prime Minister Narendra Modi's reforms, while Mexico rallied, in particular the peso currency, from oversold levels. Economic

data remained fairly resilient and the interest rate rising cycle appeared to be ending. The Korean market delivered very strong performance led by gains in the technology sector and the election of a new reform-minded and accountable government. Banks also outperformed as the outlook for more benign regulation improved. Chinese economic growth and currency were resilient, but some commentators wondered whether regulatory efforts to push deleveraging will prove a drag on growth. Finally Brazil was affected by further political leadership scandals. This may stall social security reform and pause equity gains after a strong rally. Our emerging markets portfolio increased by +13.97% compared with the MSCI Emerging Markets Index return of +12.82%. Elsewhere the Asia Pacific ex Japan portfolio returned +12.46 compared with the FTSE World Pacific ex Japan Index return of +12.22%.

Volatility returned to the bond markets at the end of June after a reasonably benign period. The trigger for the sell-off appeared to be concerns over conflicting central bank comments. Both the European Central Bank and the Bank of England's Monetary Policy Committee suggested they could, in certain scenarios, raise interest rates. Others fear that the Federal Reserve may be behind the curve in the US as the unemployment rate hit new lows. However, global demand for fixed income remained strong given high cash levels (albeit at low yield levels and without much conviction). Investors debate what will happen next to rising bond yields as central banks continue their 'exit' strategies over the years ahead. For the six month period the UK gilt portfolio gained +0.05% compared with the FTSE UK Gilts All Stock Index return of +0.32%. Meanwhile the Fund's overseas bonds holdings gained +0.11% compared with the JP Morgan Global GBI ex UK Index return of +0.48%.

## Outlook

Since the financial crisis risk assets have been the clear beneficiaries of very low interest rates and quantitative easing. As such, they have significantly outperformed growth in the real world. More recently an improvement in the global economy has led to broad profit upgrades for the first time in many years. Despite increases in US interest rates, surplus liquidity is abundant with underlying global inflationary pressures remaining muted. High investor cash balances are begrudgingly finding their way back in to markets.

Valuations however appear elevated. As short-

term macro risks fade, share price volatility has fallen to multi year lows, which seems unsustainable on a medium term basis as central banks inevitably return to more normalised policy. UK investors must navigate political uncertainty and bruising Brexit talks, creating a more challenging backdrop for domestic growth. Corporate debt levels are approaching pre-crisis levels, while new companies are raising capital at an accelerating rate. Excessive debt is accumulating in China, the Canadian property boom is fragile, while the exuberant US auto loans and UK consumer credit card debt markets could prove vulnerable. Elsewhere geopolitical tensions risk boiling over.

Investment markets can therefore be volatile and investors should expect this. It is very difficult to predict the outcome of macro events and how markets will subsequently respond. It would therefore seem foolish to try. Consequently, we continue to concentrate our efforts on identifying well-invested franchises that can deliver reliable, consistent and repeatable growth over time. Such virtues are more likely to support higher valuations, the reward for reinvestment, providing stability in times of uncertainty. Given the extended nature of this equity rally it is even more important to reaffirm the quality characteristics of stocks in the portfolio.

**Jamie Hooper**

**Friday, June 30, 2017**

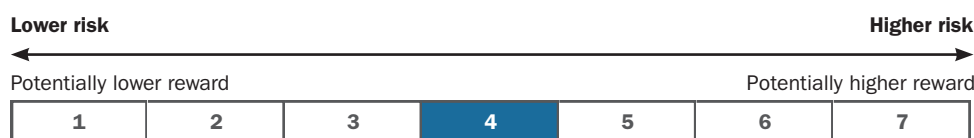
All performance data source: AXA Investment Managers and Lipper to 30 June 2017. Past Performance is not a guide to future performance.

All performance figures calculated as follows: Single Priced NAV with net revenue reinvested, net of fees in GBP, net of tax. Performance is representative of R Acc Class.

# AXA Framlington Managed Balanced Fund

## Risk and reward profile

The Fund invests in a wide range of securities, both in the UK and overseas and may therefore hold currencies other than sterling. As a result, exchange rate movements may cause the value of investments to fall or rise. The Fund invests a proportion of its assets in smaller companies which offer the possibility of higher returns but may also involve a higher degree of risk. The Fund may also invest in emerging markets which may involve a higher degree of risk than investing in established markets due to heightened geopolitical risk and potential large currency volatility. Investors should consider carefully whether this investment risk is suitable for them. The value of investments and the income from them is not guaranteed and can go down as well as up.



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 are subject to some level of variation which may result in gains or losses.

### Additional risks

**Credit Risk:** the risk that an issuer of bonds will default on its obligations to pay income or repay capital, resulting in a decrease in Fund value. The value of a bond (and, subsequently, the Fund) is also affected by changes in market perceptions of the risk of future default. Investment grade issuers are regarded as less likely to default than issuers of high yield bonds.

**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 affecting the Fund's value.

**Emerging Market Risks:** emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. As a result, investments in such countries may cause greater fluctuations in the Fund's value than investments in more developed countries. In addition the reliability of trading, settlement and custody systems in some emerging market countries may not be equal to more developed countries and result in greater operational and liquidity risk.

**Interest Rate Risk:** fluctuations in interest rates will change the value of bonds, impacting the value of the Fund. Generally, when interest rates rise, the value of the bonds fall and vice versa. The valuation of bonds will also change according to market perceptions of future movements in interest rates.

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

## FUND FACTS

|  |   |
|--|---|
| Lead Fund manager                          | Jamie Hooper                                |
| Sector                                     | IA Mixed Investment<br>40-85% Shares        |
| Comparative Benchmark                      | IA Mixed Investment<br>40-85% Shares        |
| Date of establishment                      | 21 Dec 1992                                 |
| Fund size at 30 Jun 2017                   | £1,071m                                     |
| Fund size at 31 Dec 2016                   | £1,053m                                     |
| Minimum investments                        |   |
| Minimum initial investment                 | R: £1,000<br>Z: £100,000<br>ZI: £50,000,000 |
| Minimum subsequent purchase and redemption | R: £100<br>Z: £5,000<br>ZI: £1,000          |
| Net Yield                                  |   |
| R Inc / R Acc                              | 0.94% / 0.93%                               |
| Z Inc / Z Acc                              | 1.49% / 1.46%                               |
| ZI Inc / ZI Acc                            | 1.60% / 1.57%                               |
| Unit type                                  | Inc/Acc                                     |
| Number of stocks                           | 212   |
| Initial charge                             | R: Nil<br>Z: Nil<br>ZI: Nil                 |
| Annual management charge                   | R: 1.25%<br>Z: 0.625%<br>ZI: 0.50%          |
| Ongoing charges**                          |   |
| R Inc / R Acc                              | 1.27% / 1.27%                               |
| Z Inc / Z Acc                              | 0.64% / 0.64%                               |
| ZI Inc / ZI Acc                            | 0.52% / 0.52%                               |
| Accounting dates (interim)                 | 30 Jun                                      |
| Accounting dates (annual)                  | 31 Dec                                      |
| Distribution dates (annual)                | 28 Feb*                                     |

All data, source: AXA Investment Managers as at 30 June 2017.  
\*or 29 February.

\*\*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 30 June 2017

|  |
|--|
| Diageo   |
| UK Treasury 2% 22/07/2020                      |
| US Treasury 2.25% 15/08/2046                   |
| Compass  |
| Japan Government Ten Year Bond 0.1% 20/09/2026 |

## Top five sales

### Six months ending 30 June 2017

|                             |
|-----------------------------|
| US Treasury 1% 07/09/2017   |
| Lloyds Banking              |
| Reckitt Benckiser           |
| Rio Tinto                   |
| US Treasury 1.5% 31/01/2022 |

# AXA Framlington Managed Balanced Fund

## Five year discrete annual performance %\*

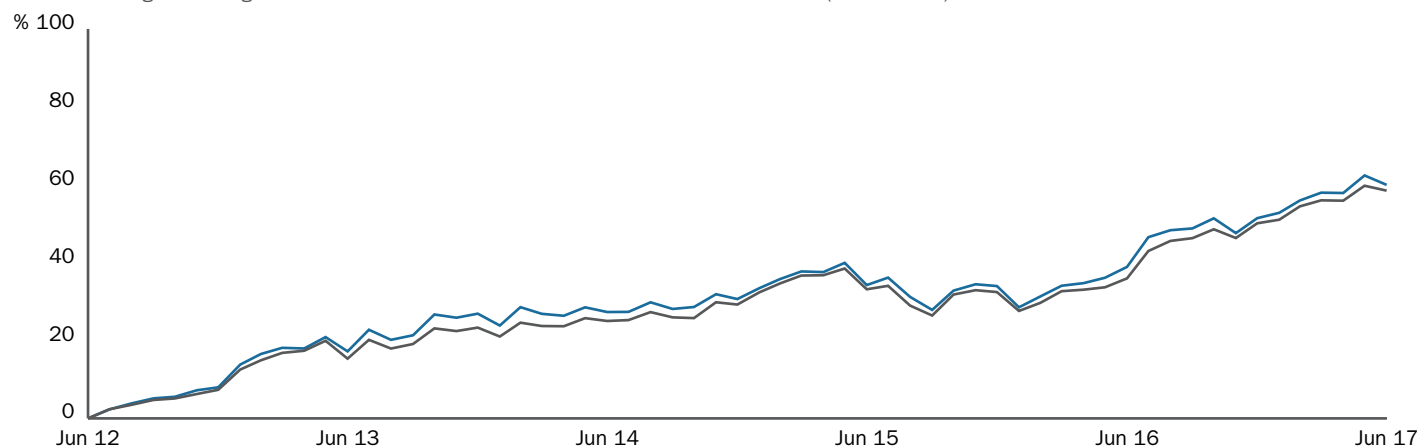
| Jun 12 to Jun 13 | Jun 13 to Jun 14 | Jun 14 to Jun 15 | Jun 15 to Jun 16 | Jun 16 to Jun 17 |
|------------------|------------------|------------------|------------------|------------------|
| +17.20%          | +8.62%           | +5.44%           | +3.48%           | +15.16%          |

Past performance is not a guide to future performance. Sources: AXA Investment Managers and Lipper as at 30 June 2017. Basis: Single Price NAV, with no revenue reinvested, net of fees in GBP. Performance is representative of R Acc class.

## Cumulative fund performance versus comparative benchmark\*

as at 30 June 2017

■ AXA Framlington Managed Balanced Fund ■ IA Mixed Investment 40-85% Shares (Total Return)

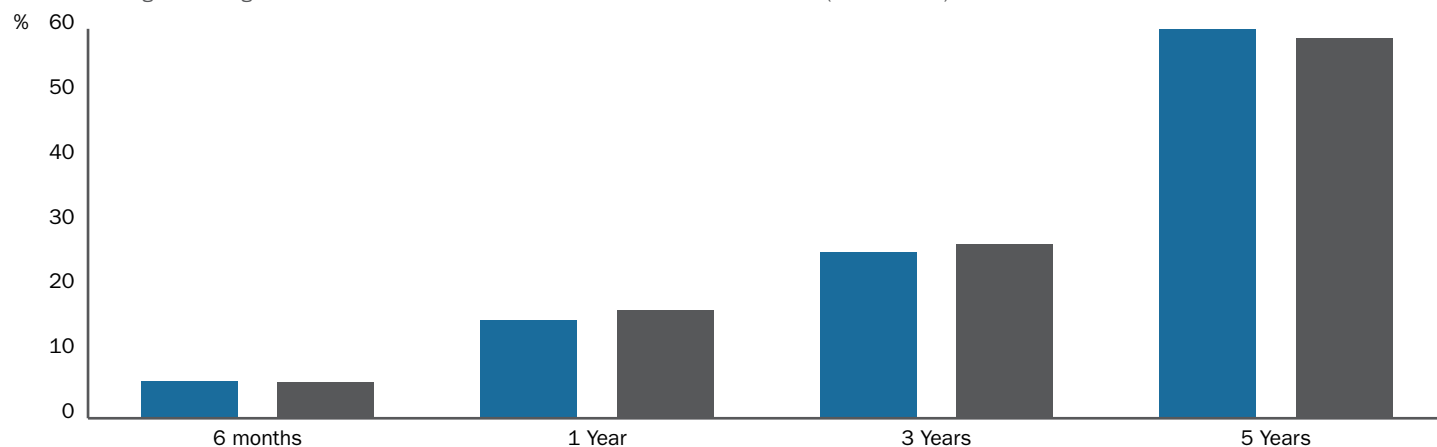


Past performance is not a guide to future performance. Sources: AXA Investment Managers and Lipper as at 30 June 2017. Basis: Single Priced NAV with net revenue reinvested, net of fees in GBP, net of tax. Performance is representative of R Acc Class.

The Fund does not have a performance benchmark. The Fund's performance indicator, the IA Mixed Investment 40-85% Shares (Total Return) Index, is given as a basis for comparison only.

as at 30 June 2017

■ AXA Framlington Managed Balanced Fund ■ IA Mixed Investment 40-85% Shares (Total Return)



Past performance is not a guide to future performance. Sources: AXA Investment Managers and Lipper as at 30 June 2017. Basis: Single Price NAV, with no revenue reinvested, net of fees in GBP, net of tax. Performance is representative of R Acc class.

\* Performance Calculation for all of the above: Single prices basis (NAV) from 6 October 2014 and bid prices prior to this. To ensure consistent performance figures between bid and NAV prices, an adjustment factor has been applied.

The Fund does not have a performance benchmark. The Fund's performance indicator, the IA Mixed Investment 40-85% Shares (Total Return) Index, is given as a basis for comparison only.

## AXA Framlington Managed Balanced Fund

## Comparative Tables

| Change in net assets per unit                | R Inc             |                   |                   | R Acc             |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | 30/06/2017<br>(p) | 31/12/2016<br>(p) | 31/12/2015<br>(p) | 30/06/2017<br>(p) | 31/12/2016<br>(p) | 31/12/2015<br>(p) |
| Opening net asset value per unit†            | 239.44            | 214.20            | 210.20            | 362.91            | 321.50            | 313.20            |
| Return before operating charges^             | 16.75             | 30.43             | 8.29              | 25.41             | 45.66             | 12.40             |
| Operating charges                            | (3.15)            | (2.82)            | (2.75)            | (4.80)            | (4.25)            | (4.10)            |
| Return after operating charges^              | 13.60             | 27.61             | 5.54              | 20.61             | 41.41             | 8.30              |
| Distributions                                | -                 | (2.37)            | (1.54)            | -                 | (3.55)            | (2.29)            |
| Retained distributions on accumulation units | -                 | -                 | -                 | -                 | 3.55              | 2.29              |
| <b>Closing net asset value per unit†</b>     | <b>253.04</b>     | <b>239.44</b>     | <b>214.20</b>     | <b>383.52</b>     | <b>362.91</b>     | <b>321.50</b>     |
| *^ after direct transaction costs of:        | 0.13              | 0.24              | 0.25              | 0.20              | 0.37              | 0.37              |
| <b>Performance</b>                           |                   |                   |                   |                   |                   |                   |
| Return after charges                         | 5.68%             | 12.89%            | 2.63%             | 5.68%             | 12.88%            | 2.65%             |
| <b>Other information</b>                     |                   |                   |                   |                   |                   |                   |
| Closing net asset value†                     | 12,646,671        | 26,304,436        | 31,260,057        | 386,181,166       | 385,704,535       | 398,108,394       |
| Closing number of units                      | 4,997,937         | 10,985,954        | 14,592,318        | 100,693,853       | 106,280,783       | 123,819,714       |
| Operating charges                            | 1.27%             | 1.27%             | 1.31%             | 1.27%             | 1.27%             | 1.31%             |
| Direct transaction costs*                    | 0.05%             | 0.11%             | 0.12%             | 0.05%             | 0.11%             | 0.12%             |
| <b>Prices</b>                                |                   |                   |                   |                   |                   |                   |
| Highest unit price #                         | 259.60            | 246.60            | 227.50            | 393.40            | 370.10            | 338.90            |
| Lowest unit price #                          | 240.00            | 194.90            | 204.10            | 363.80            | 292.60            | 304.10            |

| Change in net assets per unit                | Z Inc             |                   |                   | Z Acc             |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | 30/06/2017<br>(p) | 31/12/2016<br>(p) | 31/12/2015<br>(p) | 30/06/2017<br>(p) | 31/12/2016<br>(p) | 31/12/2015<br>(p) |
| Opening net asset value per unit†            | 141.93            | 126.70            | 124.60            | 152.31            | 133.90            | 129.80            |
| Return before operating charges^             | 9.48              | 18.33             | 4.66              | 10.17             | 19.32             | 4.97              |
| Operating charges                            | (0.95)            | (0.86)            | (0.83)            | (1.02)            | (0.91)            | (0.87)            |
| Return after operating charges^              | 8.53              | 17.47             | 3.83              | 9.15              | 18.41             | 4.10              |
| Distributions                                | -                 | (2.24)            | (1.73)            | -                 | (2.36)            | (1.80)            |
| Retained distributions on accumulation units | -                 | -                 | -                 | -                 | 2.36              | 1.80              |
| <b>Closing net asset value per unit†</b>     | <b>150.46</b>     | <b>141.93</b>     | <b>126.70</b>     | <b>161.46</b>     | <b>152.31</b>     | <b>133.90</b>     |
| *^ after direct transaction costs of:        | 0.08              | 0.15              | 0.15              | 0.08              | 0.15              | 0.16              |
| <b>Performance</b>                           |                   |                   |                   |                   |                   |                   |
| Return after charges                         | 6.01%             | 13.79%            | 3.07%             | 6.01%             | 13.75%            | 3.16%             |
| <b>Other information</b>                     |                   |                   |                   |                   |                   |                   |
| Closing net asset value†                     | 66,483,345        | 63,023,201        | 48,073,342        | 531,704,439       | 506,299,424       | 434,169,919       |
| Closing number of units                      | 44,185,685        | 44,404,524        | 37,931,918        | 329,317,680       | 332,424,478       | 324,335,477       |
| Operating charges                            | 0.64%             | 0.64%             | 0.67%             | 0.64%             | 0.64%             | 0.67%             |
| Direct transaction costs*                    | 0.05%             | 0.11%             | 0.12%             | 0.05%             | 0.11%             | 0.12%             |
| <b>Prices</b>                                |                   |                   |                   |                   |                   |                   |
| Highest unit price #                         | 154.30            | 146.80            | 135.10            | 165.60            | 155.10            | 140.70            |
| Lowest unit price #                          | 142.30            | 115.60            | 121.50            | 152.70            | 122.10            | 126.60            |

## AXA Framlington Managed Balanced Fund

## Comparative Tables

| Change in net assets per unit                | ZI Inc            |                   |                   | ZI Acc            |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | 30/06/2017<br>(p) | 31/12/2016<br>(p) | 31/12/2015<br>(p) | 30/06/2017<br>(p) | 31/12/2016<br>(p) | 31/12/2015<br>(p) |
| Opening net asset value per unit†            | 119.09            | 106.30            | 104.50            | 124.75            | 109.50            | 106.10            |
| Return before operating charges^             | 7.89              | 15.39             | 3.95              | 8.26              | 15.85             | 3.96              |
| Operating charges                            | (0.65)            | (0.58)            | (0.57)            | (0.68)            | (0.60)            | (0.56)            |
| Return after operating charges^              | 7.24              | 14.81             | 3.38              | 7.58              | 15.25             | 3.40              |
| Distributions                                | -                 | (2.02)            | (1.58)            | -                 | (2.08)            | (1.61)            |
| Retained distributions on accumulation units | -                 | -                 | -                 | -                 | 2.08              | 1.61              |
| <b>Closing net asset value per unit†</b>     | <b>126.33</b>     | <b>119.09</b>     | <b>106.30</b>     | <b>132.33</b>     | <b>124.75</b>     | <b>109.50</b>     |
| *^ after direct transaction costs of:        | 0.07              | 0.12              | 0.13              | 0.07              | 0.13              | 0.13              |
| <b>Performance</b>                           |                   |                   |                   |                   |                   |                   |
| Return after charges                         | 6.08%             | 13.93%            | 3.24%             | 6.08%             | 13.93%            | 3.20%             |
| <b>Other information</b>                     |                   |                   |                   |                   |                   |                   |
| Closing net asset value†                     | 2,868,814         | 2,967,502         | 2,989,438         | 70,708,239        | 69,189,187        | 64,885,596        |
| Closing number of units                      | 2,270,976         | 2,491,902         | 2,811,430         | 53,435,166        | 55,463,424        | 59,252,660        |
| Operating charges                            | 0.52%             | 0.52%             | 0.54%             | 0.52%             | 0.52%             | 0.53%             |
| Direct transaction costs*                    | 0.05%             | 0.11%             | 0.12%             | 0.05%             | 0.11%             | 0.12%             |
| <b>Prices</b>                                |                   |                   |                   |                   |                   |                   |
| Highest unit price #                         | 129.60            | 123.30            | 113.30            | 135.70            | 127.00            | 115.00            |
| Lowest unit price #                          | 119.40            | 96.99             | 102.00            | 125.10            | 99.92             | 103.50            |

† Valued at bid-market 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 period. 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 period.

## AXA Framlington Managed Balanced Fund

## Top ten holdings as at 30 June 2017

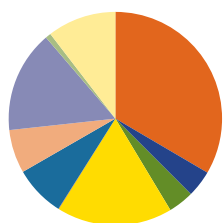
| Company  | Sector                  | %    |
|--|-------------------------|------|
| AXA Framlington Emerging Markets Fund          | Emerging Markets        | 3.88 |
| UK Treasury 4.75% 07/03/2020                   | UK Government Stocks    | 2.10 |
| BP   | UK Equities             | 1.64 |
| Japan Government Ten Year Bond 0.1% 20/09/2026 | Japan Government Stocks | 1.64 |
| GlaxoSmithKline                                | UK Equities             | 1.56 |
| Diageo   | UK Equities             | 1.37 |
| Royal Dutch Shell 'B'                          | UK Equities             | 1.37 |
| Unilever                                       | UK Equities             | 1.25 |
| UK Treasury 2% 22/07/2020                      | UK Government Stocks    | 1.18 |
| AstraZeneca                                    | UK Equities             | 1.10 |

## Top ten holdings as at 31 December 2016

| Company  | Sector                  | %    |
|--|-------------------------|------|
| AXA Framlington Emerging Markets Fund          | Emerging Markets        | 3.46 |
| UK Treasury 4.75% 07/03/2020                   | UK Government Stocks    | 2.19 |
| BP   | UK Equities             | 2.09 |
| Royal Dutch Shell 'B'                          | UK Equities             | 1.91 |
| GlaxoSmithKline                                | UK Equities             | 1.49 |
| UK Treasury 1% 07/09/2017                      | UK Government Stocks    | 1.41 |
| Rio Tinto                                      | UK Equities             | 1.35 |
| Japan Government Ten Year Bond 0.1% 20/09/2026 | Japan Government Stocks | 1.19 |
| AstraZeneca                                    | UK Equities             | 1.16 |
| Vodafone                                       | UK Equities             | 1.14 |

## Portfolio breakdown

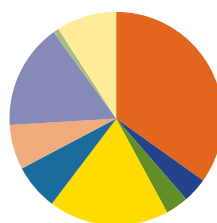
as at 30 June 2017



| Sector                     | %     |
|----------------------------|-------|
| United Kingdom             | 33.45 |
| Asia/Pacific (ex. Japan)   | 4.05  |
| Emerging Markets           | 3.88  |
| Europe (ex. UK)            | 17.54 |
| Forward Currency Contracts | 0.05  |
| Japan                      | 7.72  |
| UK Bonds                   | 6.59  |
| North America              | 15.45 |
| Overseas Bonds             | 0.84  |
| Net Current Assets         | 10.43 |

All data, source: AXA Investment Managers

as at 31 December 2016



| Sector                     | %     |
|----------------------------|-------|
| United Kingdom             | 34.87 |
| Asia/Pacific (ex. Japan)   | 3.78  |
| Emerging Markets           | 3.46  |
| Europe (ex. UK)            | 18.25 |
| Forward Currency Contracts | -0.07 |
| Japan                      | 6.95  |
| UK Bonds                   | 6.79  |
| North America              | 15.99 |
| Overseas Bonds             | 0.85  |
| Net Current Assets         | 9.13  |



# AXA Framlington Managed Balanced Fund

## Important information

### The Manager

AXA Investment Managers UK Limited  
7 Newgate Street  
London, EC1A 7NX

*Authorised and regulated by the Financial Conduct Authority. Member of the IA.*

### The Administrator and address for inspection of Register

International Financial Data Services Limited and International Financial Data Services (UK) Limited  
IFDS House  
St Nicholas Lane  
Basildon  
Essex SS15 5FS

### Trustee

National Westminster Bank plc  
Trustee and Depositary Services  
Younger Building  
1st Floor

3 Redheughs Avenue  
Edinburgh, EH12 9RH

*Authorised and regulated by the Financial Conduct Authority.*

### Legal advisers

Eversheds LLP  
One Wood Street  
London EC2V 7WS

### Auditor

Ernst & Young LLP  
Ten George Street  
Edinburgh, EH2 2DZ

*Authorised and regulated by the Financial Conduct Authority.*

### Fund Accounting Administrator

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

Telephone dealing & enquiries

**0345 777 5511**

IFA dealing & enquiries

**0370 707 0073**

If you are calling us from outside of the UK:

**+44 1268 443976**

Our lines are open Monday to Friday between 9am and 5:30pm.

**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.

## 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) Rules. If you would like any additional information about the Fund you can request a free 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.

### 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.

### AXA IM Coal Policy

Effective 30 June 2017, AXA Investment Managers has implemented a policy to divest from companies that derive more than 50% of their revenues from coal-related activities, specifically mining and electric utilities companies. Should you require further information on this matter please contact AXA Investment Managers UK Ltd.

The value of investments and the income from them can fluctuate and investors may not get back the amount originally invested. Past performance is not a guide to future performance. AXA Framlington is an expertise of AXA Investment Managers UK Limited. Issued by AXA Investment Managers UK Ltd registered in England No. 01431068. The registered office address is 7 Newgate Street, London EC1A 7NX. AXA Investment Managers UK Ltd (119368) is authorised and regulated by the Financial Conduct Authority under the account shown. A member of the IA. Telephone calls may be recorded or monitored for quality assurance purposes.

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[www.axa-im.co.uk](http://www.axa-im.co.uk)