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 £48.3 billion (as at 28 February 2017).

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.

The Fund may use derivatives for Efficient Portfolio Management.

Review

The period under review was a difficult one in which to be a growth-oriented investor in the US equity market. Sentiment swung wildly causing a series of diametrically opposed distortions in equity markets that acted as a major headwind to the Fund's relative performance (against its comparative benchmark index). 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.

The beginning of 2016 saw investors and central bankers continuing to worry about a long list of perceived problems. The slowdown in China, lacklustre growth in Europe, a collapse in the price of oil and an economic slowdown in the US were all at the forefront of minds. 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. 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 buy backs. Over the first eight months of 2016 the highest yielding stocks in the Russell 1000 Growth Index outperformed the broader index by almost 9%, while those companies in the index with the fastest earnings growth underperformed the slowest growing quintile by more than 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 things to do with their cash other than return it to shareholders. The Fund is therefore heavily underweight higher yielding stocks relative to its comparative benchmark and this acted as a significant headwind to performance while the trend for high yield was in place.

As 2016 ended the underlying cause of the underperformance of the growth style shifted dramatically. Following the election of Donald Trump as US President, the leadership of the equity market turned about 180 degrees. Overnight, investors forgot about their fears of recession and deflation and instead embraced Trump's vision of industrial renaissance and ever stronger growth. Commodities, industrials, cyclicals and financials surged, driving the equity market higher in a so-called "Trump bump" rally. Quality growth companies were again left behind. In December alone value stocks outperformed growth stocks by almost 200 basis points (bps). In 2016 as a whole growth lagged value by almost 1000bps, or 10%, while quality has underperformed the market by almost 300bps. (1)

The complete about turn in investor sentiment can be best seen by looking at events in the US treasury market. In early July, 10-year treasuries yielded less than 1.4% and bond surrogates led the market. Five weeks after the election, US treasury yields had risen to 2.6% with cyclicals being the strongest performers. Impending inflation, imminent interest rate hikes and too rapid GDP growth replaced the previous concerns of deflation, leading investors to dramatically re-position their portfolios.

Our belief is that both views were, and remain, incorrect. The reality of the current economic situation in the US lies somewhere between these two extremes. While Trump talks about big economic stimulus

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plans, tax cuts and dramatically hiked infrastructure spending, this will, as always, be watered down as rhetoric collides with the reality of the US political system. The US has a firm constitution and there is little that the President can achieve without the co-operation of hundreds of career politicians. Indeed as we write we have just witnessed the first glaring example of the hurdles ahead as one of the foundation stones of Trump's election campaign, the repeal of the Affordable Care Act (also known as Obamacare), has been abandoned due to a lack of support for the President from within his own party. GDP growth may be slightly more robust under Trump than it would otherwise have been, but we believe that the US economy remains in an historically moderate economic expansion and that inflationary pressures remain low.

As measured by the Chicago Fed National Financial Conditions Index, the credit environment for the US economy remains healthy and is not suggestive of an impending recession. The headwinds that the US economy has faced 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 of the industrial economy, but that is now in the rear view mirror and as a result activity is already recovering in shale regions such as the Permian basin in Texas, with rig counts recovering. The large consumer sector of the economy also continues to do relatively well. The employment environment remains strong, interest rates are supportive of investment , 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 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 US holdings are focused, such as healthcare, technology and consumer discretionary. As a result of the markets recent obsession with deflationary threats, immediately followed by its conviction that rising inflation is a risk, many growth stocks have languished while the broader market has advanced. Many of these stocks have continued to grow their revenues and earnings at a rapid pace and we feel that in many cases they now offer very attractive valuations relative to the broader market.

(1) Figures quoted refer to MSCI indices.

Stephen Kelly

Tuesday, February 28, 2017

All performance data source: AXA Investment Managers and Lipper to 28 February 2017.

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

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 28 Feb 2017	£560m
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	66
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)	28 Feb^
Distribution dates (annual)	30 Apr

All data, source: AXA Investment Managers as at 28 February 2017.

***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.*

^ or 29 February in a leap year.

Top five purchases

Year ending 28 February 2017
Microsoft
Pioneer Natural Resources
UnitedHealth
Bristol-Myers Squibb
VCA

Top five sales

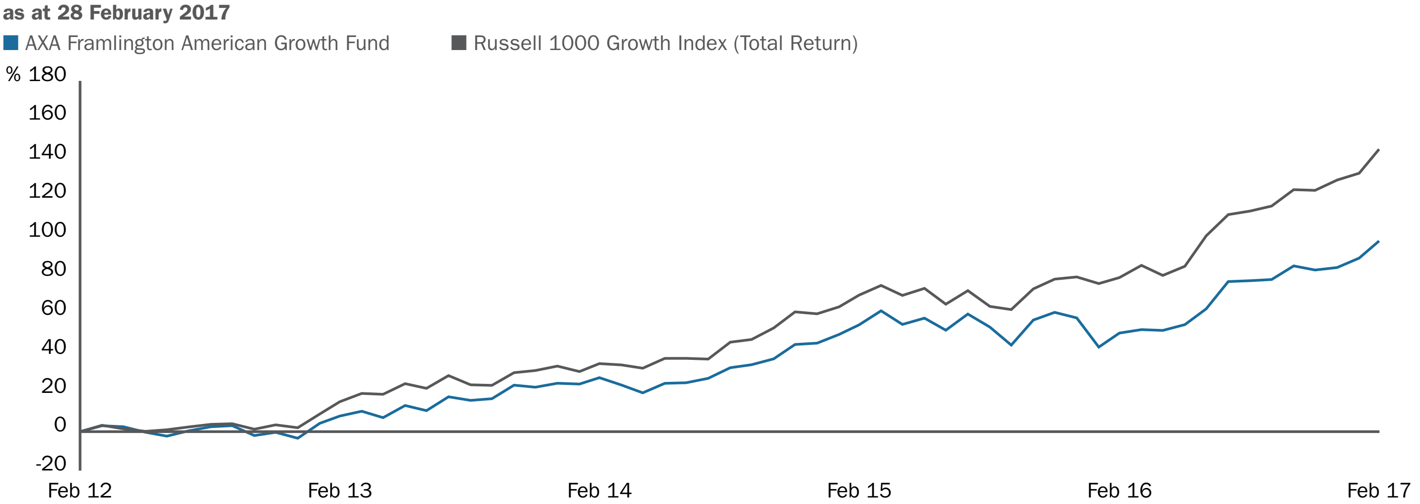
Year ending 28 February 2017
VCA
Zeltiq Aesthetics
Amgen
Alphabet
Amazon

Five year discrete annual performance % *

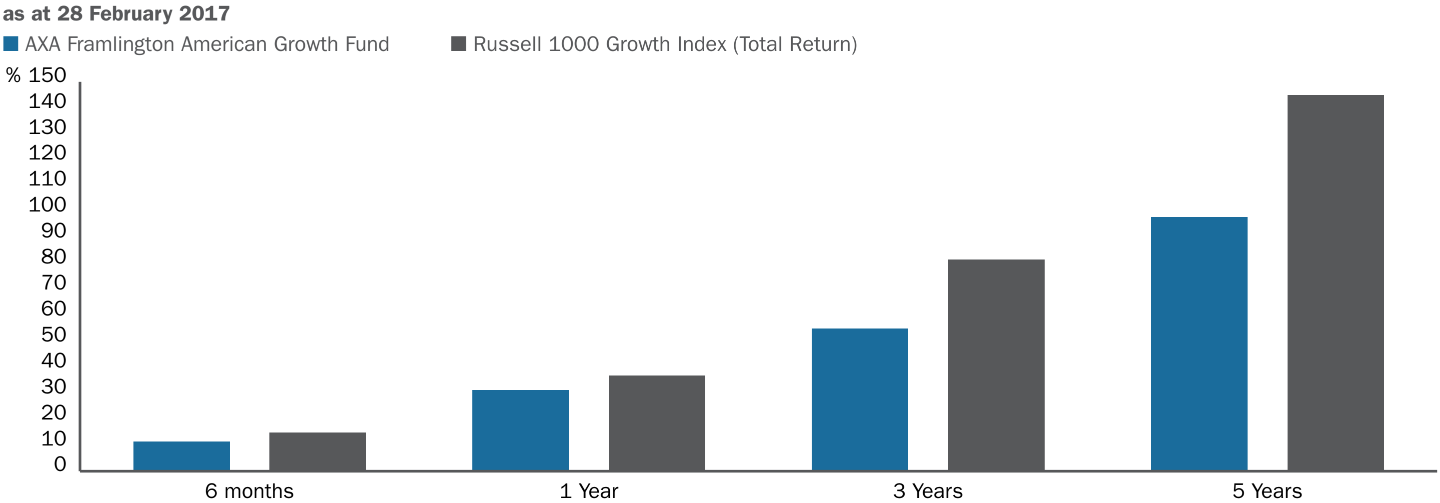
Feb 12 to Feb 13	Feb 13 to Feb 14	Feb 14 to Feb 15	Feb 15 to Feb 16	Feb 16 to Feb 17
+8.00%	+18.23%	+21.23%	-2.72%	+31.37%

Past performance is not a guide to future performance. Sources: AXA Investment Managers and Lipper as at 28 February 2017. 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*



Past performance is not a guide to future performance. Sources: AXA Investment Managers and Lipper as at 28 February 2017. Basis: Single Price NAV, with net income reinvested, net of fees in GBP. Performance is representative of R Acc class.



Past performance is not a guide to future performance. Sources: AXA Investment Managers and Lipper as at 28 February 2017. 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.*

INVESTMENT MANAGERS

Comparative Tables

Change in net asset per unit	R Inc 28/02/2017 (p)	R Inc 29/02/2016 (p)	R Inc 28/02/2015 (p)	R Acc 28/02/2017 (p)	R Acc 29/02/2016 (p)	R Acc 28/02/2015 (p)
Opening net asset value per unit†	401.20	412.41	342.95	401.30	412.49	339.94
Return before operating charges^	132.99	(4.68)	74.96	133.02	(4.69)	78.08
Operating charges	(7.18)	(6.53)	(5.50)	(7.19)	(6.50)	(5.53)
Return after operating charges^	125.81	(11.21)	69.46	125.83	(11.19)	72.55
Distributions on income units	-	-	-	-	-	-
Retained distributions on accumulations units	-	-	-	-	-	-
Closing net asset value per unit	**527.01**	**401.20**	**412.41**	**527.13**	**401.30**	**412.49**
*^ after direct transaction costs of:	0.74	0.49	0.71	0.74	0.49	0.71
Performance						
Return after charges	31.36%	-2.72%	20.25%	31.36%	-2.71%	21.34%
Other information						
Closing net asset value†	6,599,700	8,287,273	31,362,588	179,725,703	183,959,656	314,863,494
Closing number of units	1,252,280	1,942,576	7,604,784	34,094,909	45,807,281	76,331,598
Operating charges	1.57%	1.57%	1.57%	1.57%	1.57%	1.57%
Direct transaction costs*	0.16%	0.12%	0.21%	0.16%	0.12%	0.21%
Prices						
Highest unit price #	528.70	440.80	412.70	528.80	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 28/02/2017 (p)	Z Inc 29/02/2016 (p)	Z Inc 28/02/2015 (p)	Z Acc 28/02/2017 (p)	Z Acc 29/02/2016 (p)	Z Acc 28/02/2015 (p)
Opening net asset value per unit†	179.15	182.77	149.26	179.28	182.90	149.40
Return before operating charges^	59.61	(2.11)	34.79	59.67	(2.11)	34.79
Operating charges	(1.67)	(1.51)	(1.28)	(1.68)	(1.51)	(1.29)
Return after operating charges^	57.94	(3.62)	33.51	57.99	(3.62)	33.50
Distributions on income units	-	-	-	-	-	-
Retained distributions on accumulations units	-	-	-	-	-	-
Closing net asset value per unit	**237.09**	**179.15**	**182.77**	**237.27**	**179.28**	**182.90**
*^ after direct transaction costs of:	0.33	0.22	0.31	0.33	0.22	0.32
Performance						
Return after charges	32.34%	-1.98%	22.45%	32.35%	-1.98%	22.42%
Other information						
Closing net asset value†	66,596,885	101,212,112	81,439,998	306,973,364	303,017,863	204,936,006
Closing number of units	28,089,024	56,591,022	44,559,475	129,377,604	169,275,371	112,048,153
Operating charges	0.82%	0.82%	0.82%	0.82%	0.82%	0.82%
Direct transaction costs*	0.16%	0.12%	0.21%	0.16%	0.12%	0.21%
Prices						
Highest unit price #	237.80	195.50	182.90	238.00	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. 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 this table have been calculated against the average Net Asset Value for the accounting year.*

AXA Framlington American Growth Fund

Top ten holdings as at 28 February 2017

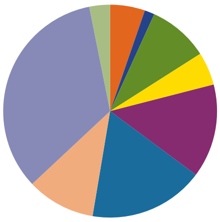
Company	Sector	%
Apple	Technology	6.18
Alphabet	Technology	5.02
Microsoft	Technology	4.66
Facebook	Technology	3.26
Amazon	Consumer Services	2.96
Visa	Financials	2.31
Celgene	Health care	2.22
Starbucks	Consumer Services	1.61
Cooper Cos	Health care	1.60
Hexcel	Industrials	1.56

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	Health care	1.98
Amgen	Health care	1.78
Celgene	Health care	1.78
Priceline	Consumer Services	1.67
Hexcel	Industrials	1.64
Allergan	Health care	1.62

Portfolio breakdown

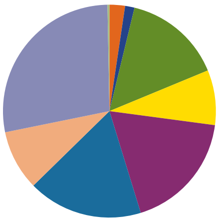
as at 28 February 2017



Sector	%
Oil & Gas	5.27
Basic Materials	1.50
Industrials	9.18
Consumer Goods	5.03
Health care	14.22
Consumer Services	17.43
Financials	10.37
Technology	33.87
Net current assets	3.13

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
Health care	18.14
Consumer Services	17.42
Financials	9.14
Technology	27.89
Net current assets	0.30

AXA Framlington American Growth Fund

Important information

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

The Administrator and address for inspection of Register:
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Essex, SS15 5FS

The Trustee
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Trustee and Depositary Services
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Edinburgh, EH12 9RH
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Dealing and Correspondence
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Chelmsford, CM99 2UT

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Auditor
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Ten George Street
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Fund Accounting Administrator
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+44 1268 448667

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.

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 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.

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