Short Report

Fixed Income
An AXA Investment Managers Expertise

AXA Global High Income Fund
For the Year Ended 30 June 2013

AXA Investment Managers (AXA IM) is a dedicated investment manager within the AXA Group, a world leader in financial protection and wealth management. Our aim is to develop close relationships with our customers and to provide them with outstanding investment solutions backed up with exceptional customer service.

As a 'multi-expert' investment manager, we aim to offer investment expertise across a broad range of asset classes that few of our competitors can match, but we focus on specific areas within each asset class where we can add real value for our clients. Our total funds under management now exceed £487 billion. (Source: AXA IM as at 30 June 2013).

Investment objective and policy

The aim of this Fund is to provide long term, high-yield returns. The Fund aims to deliver long-term high-yield returns by compounding high current income and any capital growth through investing in a broadly diversified portfolio of 'sub-investment grade' bonds. The Fund may also invest in transferable securities, derivatives, cash, deposits, units in collective investment schemes and money market instruments. Use may be made of stocklending, borrowing, cash holdings, hedging and other investment techniques permitted in the applicable Financial Conduct Authority rules.

Results

Share Class	Share Type	Price at 30.06.13 (p)	Price at 30.06.12 (p)	Fund Performance	Comparative Benchmark
Z gross	Acc	167.7	149.2	12.00%	11.08%
Z gross	Inc	108.7	103.8	12.06%	11.08%
Z net	Acc	162.2	147.1	10.54%	11.08%
Z net	Inc	101.1	96.82	10.62%	11.08%
R net	Acc	186.4	169.8	9.89%	11.08%
R net	Inc	90.05	86.24	9.92%	11.08%
R gross	Acc	175.9	157.6	11.29%	11.08%
R gross	Inc	102.3	97.62	11.22%	11.08%
H gross	Acc	173.4	153.5	12.64%	11.08%
H net	Acc	156.9	141.7	11.01%	11.08%

Past performance is not a guide to future returns. Source of all performance data: AXA Investment Managers and Lipper to 30 June 2013. Comparative benchmark: BoA Merrill Lynch Global High-Yield Hedged to Sterling Index (gross).

Review and outlook

Despite a sharp rise in volatility in the last two months of the period, Global High Yield bond markets have proved generally robust over the twelve month review period, generating a strong performance for investors. Risk assets generally benefited from continued support from global central banks, mostly healthy corporate fundamentals and modest economic growth (at least in the US). High yield in particular saw strong demand for assets met by robust new issuance and an extremely low default environment. Only towards the end of the period was this balance threatened by the US Federal Reserve discussing the beginning of tapering its quantitative easing (QE) programme.

Coming into the period “muddling through” described conditions in both the US and Europe although the US was operating with a base line of at least some growth. After a suboptimal performance in the second quarter there was little improvement in overall employment in the third. Private sector job growth did improve albeit at a pace unacceptable to the Federal Reserve policy makers. As such they chose to extend their commitment to an exceptionally low level of interest rates well into 2015, while concurrently announcing intentions to actively grow their balance sheet each month until some point in the future when they achieve a comfort level they are fulfilling one of their two mandates; foster full

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employment. Said differently, inflation concerns were now clearly secondary.

As the Federal Reserve was pressing forward in the US the European Central Bank (ECB) was finally forced to really commit in Europe. Economically the spotlight was being shone on the lack of economic growth in Italy and Spain. Government bonds in these countries began to rise above 6% at 10years in the middle of the year and corporate bonds in these countries weakened significantly. So far there has been little resolution to these problems from the politicians. Ultimately the only institution with the power to help in the short term is the ECB which has the power to impact the symptoms of the problem – high government bonds yields in Italy and Spain – quite dramatically. Mario Draghi signalled in late July that they would do what needed to be done. This was the single most important development to date. Without this support 2H 2012 would have been very different. So great is the ability of the ECB to influence markets that Spain has not actually been required to ask for support. Consequently peripheral government bond yields have fallen considerably thru the second half and brought corporate yields down with them. While these actions undoubtedly stabilised markets last year there is much more to do to return economies to growth and stabilise government debt burdens.

The pace of US economic activity in the year's first quarter arguably bore little resemblance to the sub 1% annualised rate recorded in the fourth quarter of 2012. Freed, perhaps, from the prospect of draconian fiscal policy shifts (taxes), consumers and business appeared to re-engage. Employment gains continued. Business inventory and capital expenditures resumed. Auto sales remained elevated and construction spending emerged from the winter doldrums. All of which not only boosted the confidence of Wall Street, driving the Dow Jones and S&P 500 to new highs, but also seemed to improve the consumer's willingness to spend, thus pushing retail sales to new record levels.

That said the litany of macroeconomic concerns ranging from tax increases to mandated federal spending cuts remains ever-present. And as such, policy makers at the Federal Reserve gave little public acknowledgement that the economy might indeed be robust enough to scale back on their planned open market operations. It therefore came as something of a surprise to markets when the Federal Reserve suggested that it would likely begin 'tapering' US quantitative easing earlier-than-expected. With investors struggling to comprehend a world without such massive central bank stimulus support, government bonds sold off, sending yields sharply higher. High yield bonds are typically less sensitive to interest-rate movements than other fixed income assets, so fared better than many other bond sectors amid an environment of sharply rising government yields. However, high yield was subject to some selling pressure amid the general 'de-risking' of portfolios that took place late in the review period. Similarly, the new issues market, so robust for most of the review period, slowed considerably in late May and into June, in line with a backdrop of heightened uncertainty.

Within the portfolio we have maintained a fairly neutral weighting between Europe and the US. Europe has typically offered more yield but has had higher headline risk. We remain concerned about European growth rates generally and in the periphery in particular leading us to be cautious in this area. Our portfolio is also typically structured with an overweight in the more defensive short duration area of the market matched by an overweight in the higher credit risk B-/CCC+ areas of the market and leaving us underweight in the BB more duration sensitive areas of the market. This positioning left us struggling to keep up with the very strong rally in the second half of 2012 as some of the defensive positions held us back and our underweight to the periphery did not benefit from the ECB support for Spain and Italy. However, we were well positioned for the recent rates driven setback through virtue of the lower duration positioning. Within the global universe there is also a mostly Latin American, emerging market component where we are also currently underweight. This reflects view on the nature of the credits represented in the market rather than the economies overall but this area also performed poorly in May and June. The last few months then, have demonstrated strong relative performance in a weak market.

The European macro outlook is perhaps improved but there remain big issues hanging over markets. For the time being the issues of the periphery and to a degree France seem to have been put to one side by the market but they are far from resolved. Little seems likely to happen before the German elections. The US economy is in much better shape but while you can argue the US is ready for less QE it is more difficult to say that the rest of the world is. Growth in the emerging markets also appears to be slowing.

Despite this muted economic outlook we remain positive on high yield. On fundamentals we expect the default rate to remain low in both the US and Europe. In the main this is because of the relatively cautious approach that companies are taking to risk. In Europe this is mostly because of a cautious approach to balance sheet while in the US they are being a little less conservative but do have a more positive macro environment. Typically default peaks occur when management expectations are materially different from the actual outcome i.e when management are planning for a very positive future and yet the outcome is weak. Currently we expect the outcome to be weak but crucially company management are also planning and preparing for that to be the case. This is not great for "animal spirits" and economic growth but it should mean that default rates remain low.

From a valuation perspective High Yield credit yields are historically low but this is mostly a function of extraordinarily low government bond yields. The spread or premium over governments paid for lending to a risky corporate is actually at about the average level over time despite the fact that default rates are at a low level and we expect them to continue to remain low.

Finally, the technical situation is positive. There are significant flows of money in financial markets looking for yield that would typically previously have been invested in government and investment grade bonds. We continue to see flows from such sources into High Yield and expect this to continue as we remain in this low interest rate environment. While government bond yields have moved higher in the last couple of months they remain at very low levels compared with recent history.

We are far from complacent. We continue to manage our exposure to financials as a percentage of the portfolio and have a cautious approach to peripheral risk where we continue to expect sentiment to be volatile and economic performance to be weakest. We will not see returns in 2013 as strong as in 2012 but we continue to expect reasonable returns, with the majority of return coming through the coupon.

James Gledhill

30 June 2013

Risk and reward profile

By investing in a fund which invests primarily in fixed interest stocks you are likely to be looking for an investment which will generate an income but has less potential for capital return than is the case with funds which invest primarily in equities. You are willing to accept that your investment will fall and rise in value and that you could get back less than you invest. You are aware that investing in a fund which has a global remit can increase risk because of currency movements in return for greater potential reward. However, the Fund is hedged back to Sterling. You are also aware that investing in sub investment grade bonds increases the potential income but also increases risk to your investment. Typically you would be investing for a period of at least five years.

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

Additional risks
Credit Risk: risk that issuers of debt securities held in the Fund may default on their obligations or have their credit rating downgraded, resulting in a decrease in the Net Asset Value.

Liquidity Risk: risk of low liquidity level in certain market conditions that might lead the Fund to face difficulties valuating, purchasing or selling all/part of its assets and resulting in potential impact on its net asset value.

Counterparty Risk: risk of bankruptcy, insolvency, or payment or delivery failure of any of the Fund's counterparties, leading to a payment or delivery default.

Impact of any techniques such as derivatives: certain management strategies involve specific risks, such as liquidity risk, credit risk, counterparty risk, legal risk, valuation risk, operational risk and risks related to the underlying assets.

The use of such strategies may also involve leverage, which may increase the effect of market movements on the Fund and may result in significant risk of losses.

FUND FACTS

Lead Fund manager	James Gledhill
Sector	IMA Other Corporate Bond
Comparative Benchmark	BoA ML Global High-Yield Hedged to Sterling Index
Launch date	11 Jan 2008
Find size at 30/06/13	£141m
Fund size at 30/06/12	£96m
Minimum investments (Lump sum)	R: £1,000 Z: £100,000 H: £20,000,000
Minimum per month	R: £50/ Z&H: N/A
Yield H Acc net/gross	7.50%
Yield R Inc net/gross	6.20%
Yield R Acc net/gross	6.20%
Yield Z Acc net/gross	7.00%
Yield Z Inc net/gross	7.00%
Share types	Inc & Acc
Number of stocks	419
Initial charge	R: 4%/ Z: Nil/ H: 5%
Annual charge	R: 1.25%/ Z: 0.50%/ H: Nil
Ongoing charges	
H Acc net/gross	0.03% / 0.05%
R Inc net/gross	1.30% / 1.30%
R Acc net/gross	1.30% / 1.30%
Z Acc net/gross	0.55% / 0.54%
Z Inc net/gross	0.57% / 0.54%
Accounting dates (int/ann)	31 Dec/ 30 Jun
Distribution dates (income)	28 Feb*, 31 May, 31 Aug, 30 Nov

*All data, source: AXA IM as at 30 June 2013. *or last day in Feb.*

Top five purchases

For the year ended 30 June 2013
Bombardier 6.125% 15/01/23
Continental 4.5% 15/04/23
Ingles Markets 5.75% 15/06/23
UK Treasury 0% 22/07/13
VPII Escrow 7.5% 15/07/21

Top five sales

For the year ended 30 June 2013
Cequel Communications 8.625% 15/11/17
HD Supply 10.5% 15/01/21
Intelsat Luxembourg 11.25% 04/02/17
UK Treasury 0% 22/07/13
YCC 10.25% 15/02/16

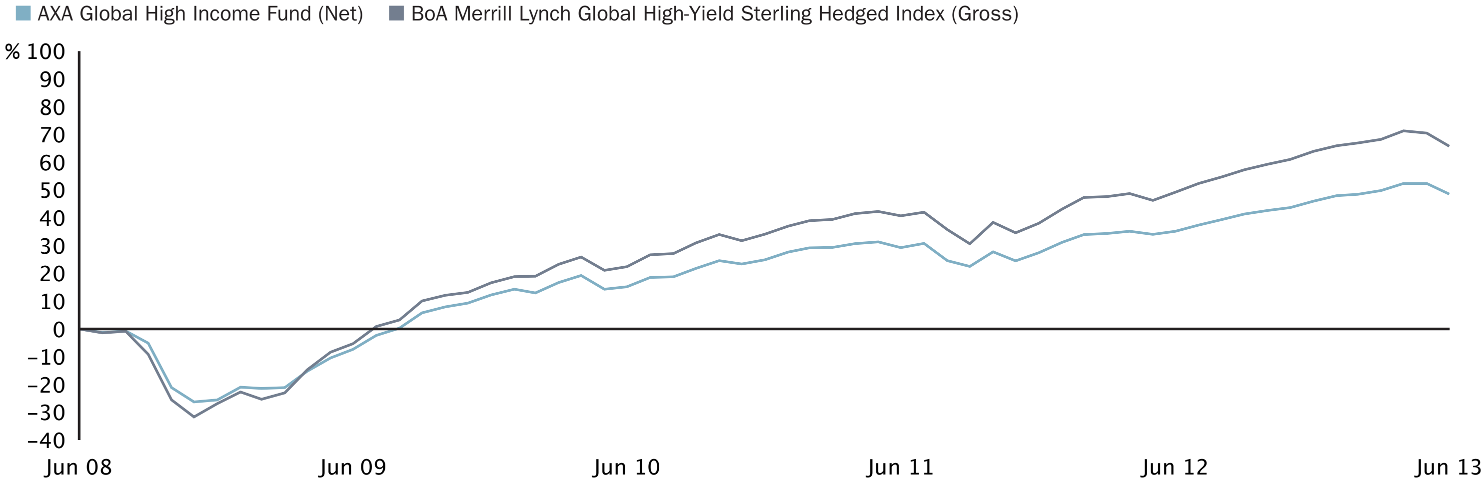
Five year discrete annual performance

June 08 to June 09	Jun 09 to Jun 10	Jun 10 to Jun 11	Jun 11 to Jun 12	Jun 12 to Jun 13
-7.33%	+24.30%	+12.23%	+4.56%	+9.89%

Past performance is not a guide to future performance. Source: AXA IM & Lipper Hindsight, mid to mid and assume income is reinvested, in sterling terms to 30 June 2013. Performance refers to AXA Global High Income Fund Net (tax and fees) R Acc net Share Class.

Cumulative Fund performance versus comparative benchmark

as at 30 June 2013



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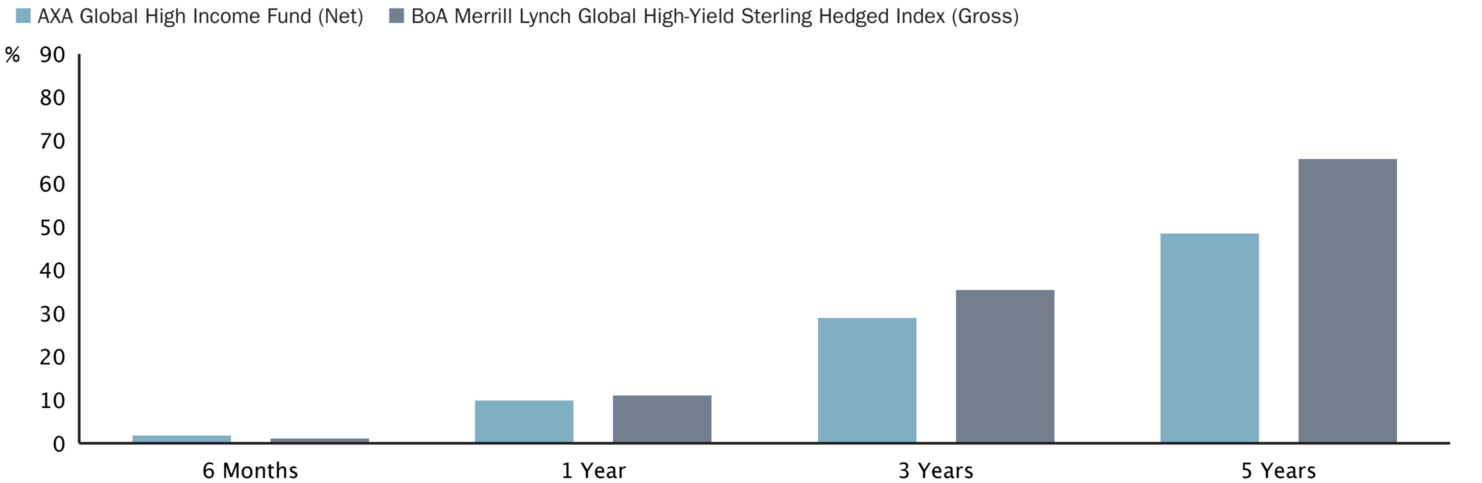
as at 30 June 2013



Past performance is not a guide to future performance. Source: AXA IM & Lipper Hindsight, mid to mid, and assume income is reinvested, in sterling terms to 30 June 2013. Performance refers to AXA Global High Income Fund Net (tax and fees) R Acc net Share Class.

Summary of historic prices and distributions

Year	Share class	Share type	Highest share price (pence)	Lowest share price (pence)	Distribution per share (pence)	Share type	Highest share price (pence)	Lowest share price (pence)	Distribution per share (pence)
2013*+	H	Acc (net)	162.5	153.8	4.756	Acc (gross)	178.3	167.7	6.486
2013*+	R	Inc (net)	93.31	89.64	2.289	Inc (gross)	105.4	101.2	3.232
2013*+	R	Acc (net)	193.1	183.4	4.704	Acc (gross)	181.2	171.2	5.508
2013*+	Z	Inc (net)	104.7	100.6	2.873	Inc (gross)	111.8	107.3	3.838
2013*+	Z	Acc (net)	168.1	159.3	4.565	Acc (gross)	172.5	162.6	5.862
2012	H	Acc (net)	153.8	133.1	8.660	Acc (gross)	167.8	143.1	11.68
2012	R	Inc (net)	90.89	82.47	4.374	Inc (gross)	102.8	93.04	6.148
2012	R	Acc (net)	183.4	160.3	8.667	Acc (gross)	171.3	147.9	10.00
2012	Z	Inc (net)	102.1	92.52	5.423	Inc (gross)	109.2	99.00	7.377
2012	Z	Acc (net)	159.4	138.5	8.295	Acc (gross)	162.6	139.5	10.56
2011	H	Acc (net)	136.3	124.4	8.269	Acc (gross)	145.2	133.3	10.98
2011	R	Inc (net)	88.43	78.28	4.466	Inc (gross)	100.0	88.33	6.289
2011	R	Acc (net)	165.2	150.2	8.398	Acc (gross)	151.1	138.1	9.616
2011	Z	Inc (net)	99.26	87.84	5.407	Inc (gross)	106.0	94.00	6.733
2011	Z	Acc (net)	142.5	129.8	8.184	Acc (gross)	142.1	130.1	9.840
2010	H	Acc (net)	129.5	114.0	8.830	Acc (gross)	136.7	118.8	11.52
2010	R	Inc (net)	86.84	80.51	5.310	Inc (gross)	98.12	90.83	7.394
2010	R	Acc (net)	157.8	139.9	9.355	Acc (gross)	143.3	125.5	10.50
2010	Z	Inc (net)	97.51	90.43	6.353	Inc (gross)	104.1	96.40	8.339
2010	Z	Acc (net)	135.2	119.5	8.888	Acc (gross)	134.4	117.2	10.62
2009	H	Acc (net)	114.7	75.80	7.228	Acc (gross)	119.4	77.52	9.225
2009	R	Inc (net)	82.67	58.17	4.668	Inc (gross)	93.50	65.45	6.552
2009	R	Acc (net)	141.0	94.11	7.749	Acc (gross)	126.3	82.92	8.591
2009	Z	Inc (net)	92.97	65.34	5.552	Inc (gross)	99.42	69.49	7.642
2009	Z	Acc (net)	120.3	80.03	6.986	Acc (gross)	117.9	76.98	8.539

*Highest offer and lowest bid price quoted at anytime in the calendar year and * to 30 June 2013. + Distribution paid 31 August 2013.*

Net asset value record

Share class	Share type	Net Asset Value as at 30 June 2013 (pence)	Net Asset Value as at 30 June 2012 (pence)	Share type	Net Asset Value as at 30 June 2013 (pence)	Net Asset Value as at 30 June 2012 (pence)
H	Acc (net)	156.5	141.1	Acc (gross)	172.0	152.8
R	Inc (net)	88.57	84.74	Inc (gross)	99.93	95.59
R	Acc (net)	185.7	169.1	Acc (gross)	174.5	157.0
Z	Inc (net)	99.35	95.06	Inc (gross)	106.0	101.5
Z	Acc (net)	161.7	146.6	Acc (gross)	166.3	148.6

Please note, that the NAV prices shown above are different from the results prices as at 30.06.13. The differences are due to the fund performance tables taking the quoted valuation prices on the last day of the period, whereas the NAV table above is showing prices including any accounting adjustments at the end of the period (for example, moving the portfolio from mid to bid). Basis: mid to mid.

Top ten holdings as at 30 June 2013

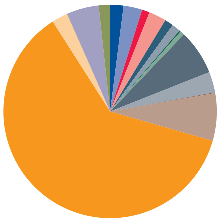
Company	Sector	%
DynCorp 10.375% 01/07/17	United States Bonds	0.78
Ace Cash Express 11% 01/02/19	United States Bonds	0.77
VPII Escrow 7.5% 15/07/21	Canadian Bonds	0.75
Sitel Finance 11.5% 01/04/18	United States Bonds	0.72
AMC Entertainment 9.75% SNR Notes 01/12/20	United States Bonds	0.70
MGM Resorts International 11.375% 01/03/18	United States Bonds	0.67
Nord Anglia Education 10.25% 01/04/17	United Kingdom Bonds	0.67
Ahern Rentals 9.5% 15/06/18	United States Bonds	0.62
Sequa 7% 15/12/17	United States Bonds	0.60
Reynolds 9.875% 15/08/19	United States Bonds	0.60

Top ten holdings as at 30 June 2012

Company	Sector	%
AMC Entertainment 9.75% SNR Notes 01/12/20	United States Bonds	0.73
YCC 10.25% 15/02/16	United States Bonds	0.68
Dave & Buster's 11% 01/06/18	United States Bonds	0.67
AES 9.75% 15/04/16	United States Bonds	0.63
SunGard Data Systems 10.25% 15/08/15	United States Bonds	0.62
DynCorp 10.375% 01/07/17	United States Bonds	0.60
BWAY 10.125% 01/11/15	United States Bonds	0.57
Avaya 9.75% 01/11/15	United States Bonds	0.57
Intelsat Luxembourg 11.25% 04/02/17	Luxembourg Bonds	0.56
Royal Caribbean Cruises 11.875% 15/07/15	Liberia Bonds	0.56

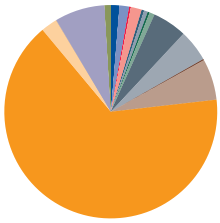
Portfolio breakdown

As at 30 June 2013



Sector	%
Australia	2.02
Canada	2.84
Cayman Island	1.15
France	2.65
Germany	1.32
Ireland	1.31
Japan	0.20
Liberia	0.67
Luxembourg	6.83
Netherlands	3.16
Sweden	0.07
United Kingdom	7.22
United States	61.52
Other European Geographic*	2.44
Forward Currency Contracts	0.03
Cash	4.85
Other	1.72

As at 30 June 2012



Sector	%
Australia	1.32
Canada	1.51
Cayman Island	0.25
France	1.73
Germany	0.37
Ireland	0.61
Japan	0.29
Liberia	0.82
Luxembourg	5.33
Netherlands	4.94
Sweden	0.17
United Kingdom	6.38
United States	67.23
Other European Geographic*	2.58
Forward Currency Contracts	-2.28
Cash	7.78
Other	0.97

All data, source: AXA Investment Managers unless otherwise stated. * Includes Austria, Belgium, Croatia, Finland, Hungary, Italy, Jersey, Portugal, Spain & Switzerland

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Fund accounting administrator
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For more information on any AXA IM Fund please contact us via our website or telephone number below.
Copies of the latest Report and Accounts (long form) and Prospectus are available free of charge from the administration office: PO Box 10908, Chelmsford, CM99 2UT.

Telephone calls may be recorded or monitored for quality assurance purposes.

0845 777 5511

www.axa-im.co.uk

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 copy of the more detailed long form accounts for the Fund. For a copy of this, please contact our dedicated customer services team on 0845 777 5511.

Other information
The Fund is a sub-fund of the AXA Fixed Interest Investment Company ICVC which is an open ended investment company authorised by the FCA, and has a UCITS certificate. The Company is managed in accordance with the FCA Collective Investment Schemes Sourcebook (COLL).

European Savings Directive
Under the European Savings Directive, information is collected about the payment of savings income to non-UK residents. The Fund falls within the 25% debt investment reporting threshold. This means that details of all income distributions and redemption proceeds paid to non UK investors will be reported by AXA Investment Managers to HM Revenue & Customs to be exchanged with the relevant tax authorities.

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17419 SR/GHIF 08/13
All data sources: AXA Investment Managers unless otherwise stated.

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