AXA Framlington
An AXA Investment Managers Expertise

AXA Framlington Japan Fund

Issued by AXA Investment Managers UK Ltd
Authorised and regulated by the Financial Conduct Authority

Annual Long Report and Audited Financial Statements
For the year ended 15 February 2014

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More information on any AXA unit trust, copies of the latest Manager's Reports and Prospectus are available free of charge. Telephone 0845 777 5511 or visit our website: www.axa-im.co.uk. Telephone calls may be recorded or monitored for quality assurance purposes.

Fund Objective

To achieve maximum capital growth through investment principally in Japan, but also in other areas of the Far East. Investment is made in companies which, in the Manager's opinion, show above average profitability, management quality and growth.

The AXA Framlington Japan Fund is an authorised unit trust scheme under section 243 of the Financial Services and Markets Act 2000. The Fund is a UCITS scheme and is subject to the Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL).

Results

Unit Class	Unit Type	Price at 15.02.13 (p)	Price at 15.02.14 (p)	Unit Class Performance	Comparative Benchmark
R	Acc*	239.6	291.5	21.66%	8.99%^
Z	Acc*	103.0	126.4	22.72%	8.99%^
R	Inc**	235.6	286.1	21.43%	6.94%^^

* Acc units include net income reinvested, total return. ** Inc units do not include net income reinvested, capital return dividends excluded. ^ FTSE Japan (Total Return) Index, ^^ FTSE Japan (Capital Return) Index, please note that the comparative benchmarks changed from the Topix Index to FTSE Japan after the merger with AXA Framlington Japan Smaller Companies Fund due to the enhanced suitability of the Index compared to the Fund. Past performance is not a guide to future performance. Source of all performance data: AXA Investment Managers and Lipper, bid to bid, net of fees to 15 February 2014.

Review

Top Ten Holdings as at 15 February 2014	%
Japan Communications *Telecommunications*	1.53
Sumitomo Mitsui Financial *Financials*	1.41
Denso *Consumer Goods*	1.38
Softbank *Telecommunications*	1.32
LIXIL *Industrials*	1.30
Toyota Motor *Consumer Goods*	1.29
Toho *Health Care*	1.25
Nidec *Industrials*	1.24
Ain Pharmaciez *Consumer Services*	1.22
Tokio Marine *Financial Services*	1.21

The year in review saw an important change made to the AXA Framlington Japan Fund when, on 12 April 2013, it was merged with the AXA Framlington Japan Smaller Companies Fund. Previously, the AXA Framlington Japan Fund maintained a 10% exposure to smaller companies, via investment in the AXA Framlington Japan Smaller Companies Fund. Following the merger of the two Funds, the new AXA Framlington Japan Fund portfolio now has around 50% of its total assets invested in small cap stocks, held directly, rather than via investment in another fund. This increased, direct exposure to smaller company stocks gives the Fund a great advantage in our view, as many structural growth businesses in Japan are smaller companies, providing the opportunity for us to capitalise on our expertise in this under-researched segment of the market.

Japanese equities continued to rally strongly throughout the review period, a rally that began when Prime Minister Shinzo Abe's new Liberal Democratic Party (LDP) government took office in the autumn of 2012. Investors were encouraged by Mr Abe's bold plans, promising to revive the flagging Japanese economy via the *three arrows* of *'Abenomics',* namely: 1) bold monetary measures to dispel deflation, 2) fiscal spending to promote investment 3) structural reform to generate growth.

This commitment from the government had an immediate impact as the extreme strength of the yen, having severely depressed the earnings of major manufacturers over the preceding years, began to weaken in autumn 2012. In turn, this has significantly improved manufacturers' overall global competitiveness. The Japanese stock market reflected the more upbeat environment, performing strongly in the first half of 2013 as corporate earnings and economic statistics showed an upward trend and signs that deflation was coming to an end, became more visible. In the second half of 2013, share prices retreated somewhat as the exuberance of the first half was adjusted for, before accelerating again towards the end of the year. The market indeed rose by more than 50% (FTSE Japan Index) in local currency terms over the 2013 calendar year, while the TSE Mothers and Jasdaq indices were stronger still.

During the period under review, the AXA Framlington Japan Fund returned +21.43% in sterling terms, significantly outperformed the comparative FTSE Japan Index return of +6.94%. Our investments in both large and small businesses, offering superior long-term growth prospects in our view, proved successful during the review period.

OUTLOOK

We continue to be positive about Japan's outlook. The yen's depreciation appears likely to continue and we expect manufacturer's earnings to also continue to recover. This should, in turn, raise wages and boost private consumption, which accounts for almost 60% of the economy. Japan is also finally emerging from the deflationary hole that has dogged the economy over the last 15 years. During these years, Japanese corporations have been transforming themselves into leaner operations. Productivity has improved significantly and now cash levels are at a record high. Indeed, with a weaker yen, Japanese manufacturers' global competitiveness, which once appeared to be diminishing against other Asian competitors, particularly from Korea, has already started looking much more solid. Accordingly, we expect the global share of Japanese products to expand from here.

As for short-term risk, at present there are concerns over the scheduled rise in the Japan consumption tax (similar to VAT) from the current 5%, to 8% in April 2014. Some argue that this could frustrate the current, early-stage economic recovery. However, the majority believe this is necessary to support long-term confidence in the fiscal health of the Japanese government. Japanese companies' earnings should continue to grow in fiscal year 2014 in our view.

We are also positive about Japan over the longer-term, as there are many growth areas to point to. Numerous opportunities are opening up for Japan on its doorstep. The fast-growing Asian middle class market is offering Japanese businesses new growth opportunities across the full spectrum of industries, from baby nappies, cosmetics and food & beverages, to new unexpected growth services, such as wedding planners. Meanwhile, labour costs are rising, particularly in China. Demand for automation systems and robots is strong and will only become stronger. The leading players in this area are Japanese companies. Recently, many companies which were believed to be purely domestic businesses have also started establishing a presence in overseas markets. Examples include Kadokawa, a publisher, and Kameda Seika, a leading maker of rice crackers.

An ageing population is often talked about as a negative factor, but this is also creating a number of high-quality growth businesses in Japan, such as Message and Tsukui. There are also companies that are growing steadily in mature sectors by taking market share, such as Komeri, an operator of home centres, and Ain Pharmazies. A number of innovative internet businesses run by young entrepreneurs are also doing well. Cookpad, the operator of the most successful recipe website, accessed by more than 80% of Japanese women in their 20s and 30s regularly, is becoming an essential marketing platform for many retailers and food companies.

Meanwhile, Tokyo is to host the 2020 Olympic Games, meaning that the world's attention will increasingly be focused on Japan over the next six years. This attention, coupled with growing corporate earnings, should attract significant investment. Ahead of the Olympics, an extensive programme of repair and renewal of social infrastructure, a large part of which was built around the previous Tokyo Olympics in 1964, will be conducted on a large scale. This will provide a significant boost to the economy.

Finally, the AXA Framlington Japan Fund continues to focus on identifying and investing in quality, growth businesses with clear strengths, good management and when they appear under-valued. There are many excellent investment opportunities in Japan and we will continue to try to capitalise on these.

Chisako Hardie

4 March 2014

Portfolio Changes

For the year ended 15 February 2014

Major Purchases	Cost (£)
Ain Pharmaciez	1,270,899
Tsukui	1,213,958
Endo Lighting	1,172,975
JP	949,792
Toyota Motor	909,157
Nachi Fujikoshi	871,482
Japan Drilling	784,985
Avex	770,970
Outsourcing	737,388
Gulliver	699,112
Other purchases	52,280,934
Total purchases for the year	**61,661,652**

Major Sales	Proceeds (£)
AXA Framlington Japan Smaller Companies Fund	3,861,404
Endo Lighting	1,114,590
Hulic	1,033,188
Bridgestone	1,000,749
Taisei	981,284
Mitsubishi Heavy Industries	979,333
Nissan Motor	957,891
Mitsubishi UFJ Financial	912,131
Nuflare Technology	906,345
F N Communications	879,023
Other sales	49,801,761
Total sales for the year	**62,427,699**

Managing Risks

Past performance is not a guide to future performance. The price of units and the revenue from them can go down as well as up and investors may not get back the amount originally invested. An initial charge is usually made when you purchase units. Changes in exchange rates will affect the value of Fund investments overseas. Investment in smaller companies and newer markets offers the possibility of higher returns but may also involve a higher degree of risk.

The Fund is managed in accordance with the objective set out on page 3. By investing in financial markets there are associated risks and the following explains the Manager's approach to managing those risks.

RISK PROFILE

The Fund ordinarily invests at least 80% of the Fund's investment in Japan, but also has the power to invest in other areas of the Far East. Consequently, changes in exchange rates will affect the value of investments overseas.

As the Fund mainly invests in a single country it has the potential to be more volatile than a fund which invests in a more diversified portfolio of equities across a range of countries. The value of investments and the revenue from them is not guaranteed and can go down as well as up.

MARKET RISK

Future prices of investments within the Fund can go down as well as up and will affect the unit price accordingly. The Fund's exposure to stock specific price risk is reduced by diversification. Adherence to investment guidelines and to Investment and Borrowing Powers set out in the Trust Deed, the Prospectus and the rules of the Collective Investment Schemes Sourcebook limits the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Review and Portfolio Statement within this document. No derivatives were used during this accounting period. Derivatives may be used for Efficient Portfolio Management in accordance with the techniques set out in the Collective Investment Schemes Sourcebook and Prospectus.

FOREIGN CURRENCY RISK

The revenue and capital value of the Fund's investments can be affected by currency movements as a proportion of the Fund's assets and revenue are denominated in currencies other than Sterling, which is the Fund's base currency.

The Manager has identified three principal areas where foreign currency risk could impact the Fund. Movements in exchange rates may affect:

- the value of investments;
- short term timing differences; and
- the revenue received.

Currency exposure may be hedged when the Manager believes there to be the risk of a large fluctuation.

The Fund may be subject to short-term exposure to exchange rate movements, for instance where the date of an investment purchased and the date when the settlement occurs are different. To reduce this risk the Manager may execute a foreign currency contract on the day of the initial transaction.

The Fund receives revenue in currencies other than Sterling and hence movements in exchange rates can affect the Sterling value of this revenue. To minimise this risk arrangements are in place to convert all revenue receipts to Sterling on or as soon as is practical after the date of receipt.

INTEREST RATE RISK

The Fund does not currently invest significantly in fixed rate or floating rate securities.

LIQUIDITY RISK

The liquidity of the Fund is a function of the liquidity of the underlying investments. The Fund's assets mainly consist of readily realisable securities. This should enable the payment of the Fund's liabilities and any investor's redemption of units.

COUNTERPARTY RISK

Transactions in securities that the Fund may enter into expose it to the risk that the counterparty will not deliver the investment for a purchase or cash for a sale after the Fund has contracted to fulfil its responsibilities. This is minimised by the practice in the majority of markets of delivery versus payment and short settlement periods.

RISK AND REWARD PROFILE

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.

Fund Information

FIVE YEAR PERFORMANCE

In the five years to 15 February 2014, the price of R Inc units with no income reinvested, rose by +35.34% (bid to bid) from 211.4p to 286.1p. The FTSE Japan Index (Capital Return) increased by +20.47% over the same time period. During the same period, the price of R Acc units with net income reinvested, rose by +36.53% (bid to bid) from 213.5p to 291.5p. (Source: AXA Investment Managers and Lipper).

FIVE YEAR DISCRETE PERFORMANCE (DISCRETE YEARS TO LATEST REPORTING DATE)

15/02/09 – 15/02/10 = 4.07%
15/02/10 – 15/02/11 = 16.23%
15/02/11 – 15/02/12 = -8.49%
15/02/12 – 15/02/13 = 0.68%
15/02/13 – 15/02/14 = 21.43%

Source: AXA Investment Managers and Lipper. Basis: bid to bid, with no revenue reinvested, net of fees in GBP. Past performance is not a guide to future returns.

YIELD

R Inc	0.00%
R Acc	0.00%
Z Acc #	0.75%

CHARGES

	Initial Charge	Annual Management Charge
R Inc	5.25%	1.50%
R Acc	5.25%	1.50%
Z Acc #	0.00%	0.75%

(All charges are included in the unit price. Maximum charges permitted under the terms of the Trust Deed are 6% and 2% respectively).

ONGOING CHARGES

15 February 2014

R Inc	1.63%
R Acc	1.63%
Z Acc #	0.88%

UNIT TRUST INDIVIDUAL SAVINGS ACCOUNTS

The AXA Framlington Japan Fund is available as a Stocks and Shares ISA through the AXA Framlington Stocks and Shares ISA.

Launched 16 April 2012

Fund Facts

THREE YEAR RECORD

R Class

As at	Units in issue		Net asset value of Fund		
	R Inc units	R Acc units	Total (£)	R Inc units(p)	R Acc units(p)
2012	2,613,249	13,316,241	37,886,923	234.7	238.5
2013	2,158,219	11,873,955	33,570,793	235.2	240.0
2014	1,775,315	10,950,786	37,061,205	286.6	292.0

Z Class

As at	Units in issue	Net asset value of Fund	
	Z Acc units	Total (£)	Z Acc units(p)
2013	102,289	105,329	103.0
2014	3,873,562	4,891,593	126.3

Launched 16 April 2012
Please note, that the NAV prices shown above are different from the results prices as at 15.02.14. 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, notional dealing charges are removed).

DISTRIBUTION HISTORY

As at	Unit type	Distribution per unit (pence)	Per £1,000 invested Since 02/01/2009 (£)
2009	R Inc	0.518	2.07
2009	R Acc	0.523	2.07
2010	R Inc	0.120	0.48
2010	R Acc	0.121	0.48
2011	R Inc	0.278	1.11
2011	R Acc	0.281	1.11
2012	R Inc	0.592	2.36
2012	R Acc	0.610	2.41
2012#	Z Acc	Nil	Nil
2013	R Inc	0.829	3.31
2013	R Acc	0.852	3.37
2013	Z Acc	0.412	4.12
2014*	R Inc	-	-
2014*	R Acc	-	-
2014*	Z Acc	0.463	4.63

* Distribution to the 15 February 2014
# Launched 16 April 2012

PRICE HISTORY

Calendar Year	Unit class	Highest offer price (pence)	Lowest bid price (pence)
2009	R Inc	252.8	190.6
2009	R Acc	255.4	192.9
2010	R Inc	272.0	211.7
2010	R Acc	275.6	214.3
2011	R Inc	273.6	210.1
2011	R Acc	277.4	213.0
2012	R Inc	251.5	211.5
2012#	R Acc	255.7	215.1
2012	Z Acc	99.76	91.94
2013	R Inc	336.3	218.8
2013	R Acc	342.7	222.5
2013	Z Acc	140.3	95.49
2014+	R Inc	326.3	279.9
2014+	R Acc	332.4	285.2
2014+	Z Acc	136.8	123.7

+ Highest offer and lowest bid price quoted at any time in the calendar year to 15 February 2014. # Launched 16 April 2012.

Portfolio Statement

The AXA Framlington Japan Fund portfolio as at 15 February 2014 consisted of the following investments, which are ordinary shares unless otherwise stated.

Holding		Market Value (£)	Total net assets (%)
	UNITED KINGDOM: 0.00% (15/02/13: 9.35%)		
	Authorised Unit Trusts: 0.00% (15/02/13: 9.35%)		
	JAPAN: 99.89% (15/02/13: 89.66%)		
	OIL & GAS: 0.71% (15/02/13: 1.01%)		
	Oil & Gas Producers: 0.71% (15/02/13: 1.01%)		
10,600	Japan Drilling	300,886	0.71
		300,886	**0.71**
	BASIC MATERIALS: 3.60% (15/02/13: 8.10%)		
	Chemicals: 2.61% (15/02/13: 5.19%)		
13,000	Nitto Denko	334,020	0.80
196,000	Sakai Chemical Industry	344,411	0.82
102,000	Toray Industries	416,015	0.99
		1,094,446	**2.61**
	Industrial Metals & Mining: 0.99% (15/02/13: 2.91%)		
30,500	Toyota Tsusho	411,190	0.99
		411,190	**0.99**
	INDUSTRIALS: 26.67% (15/02/13: 24.71%)		
	Construction & Materials: 3.24% (15/02/13: 4.49%)		
199,000	Kajima	405,818	0.97
33,600	LIXIL	544,606	1.30
34,800	Totetsu Kogyo	406,374	0.97
		1,356,798	**3.24**

Holding		Market Value (£)	Total net assets (%)
	Electronic & Electrical Equipment: 8.78% (15/02/13: 6.38%)		
43,200	Aiphone	397,072	0.95
10,100	Enplas	362,076	0.86
14,600	Iriso Electronics	399,413	0.95
1,800	Keyence	431,177	1.03
7,500	Nidec	519,886	1.24
155,100	NPC	280,745	0.67
22,800	Olympus	438,829	1.05
16,900	Omron	401,749	0.96
49,900	Sumitomo Electric Industries	450,737	1.07
		3,681,684	**8.78**
	General Industrials: 0.66% (15/02/13: 0.00%)		
55,300	Sanix	276,894	0.66
		276,894	**0.66**
	Industrial Engineering: 11.12% (15/02/13: 11.20%)		
56,000	Daifuku	434,421	1.04
109,000	Ebara	435,597	1.04
3,900	Fanuc	371,303	0.89
19,600	Horiba	454,415	1.08
119,000	Isuzu Motors	432,200	1.03
20,000	JGC	431,013	1.03
46,000	Kubota	378,743	0.90
116,000	Nachi Fujikoshi	413,805	0.99
185,000	NTN	407,711	0.97
44,700	OSG	483,101	1.15
30,900	Yushin Precision Equipment	419,125	1.00
		4,661,434	**11.12**
	Industrial Transportation: 0.00% (15/02/13: 1.01%)		
	Support Services: 2.87% (15/02/13: 1.63%)		
43,300	Infomart	412,751	0.98
142,200	JP	387,763	0.92
81,400	Toppan Forms	408,059	0.97
		1,208,573	**2.87**
	CONSUMER GOODS: 13.16% (15/02/13: 16.05%)		
	Automobiles & Parts: 5.89% (15/02/13: 11.26%)		
154,600	Akebono Brake Industry	420,668	1.00
18,600	Denso	579,127	1.38
143,000	Sanden	422,720	1.01

Holding		Market Value (£)	Total net assets (%)
28,700	Takata	508,532	1.21
15,900	Toyota Motor	543,184	1.29
		2,474,231	**5.89**
	Food Producers: 2.10% (15/02/13: Nil%)		
56,000	Ajinomoto	487,078	1.16
24,200	Kameda Seika	398,077	0.94
		885,155	**2.10**
	Household Goods & Home Construction: 3.28% (15/02/13: 1.99%)		
20,800	Pola Orbis	473,679	1.13
17,600	Sanrio	407,011	0.97
14,700	Unicharm	496,487	1.18
		1,377,177	**3.28**
	Leisure Goods: 1.89% (15/02/13: 2.80%)		
58,800	Panasonic	397,051	0.95
50,700	Yamaha	395,988	0.94
		793,039	**1.89**
	HEALTH CARE: 7.12% (15/02/13: 1.32%)		
	Health Care Equipment & Suppliers: 5.87% (15/02/13: Nil%)		
17,800	Asahi Intecc	407,975	0.97
37,400	DVX	422,888	1.00
26,000	JCR Pharmaceuticals	325,005	0.77
22,100	Message	435,747	1.04
13,000	Sysmex	429,367	1.02
77,000	Tsukui	447,997	1.07
		2,468,979	**5.87**
	Pharmaceuticals & Biotechnology: 1.25% (15/02/13: 1.32%)		
46,000	Toho	523,645	1.25
		523,645	**1.25**
	CONSUMER SERVICES: 16.44% (15/02/13: 10.68%)		
	Food & Drug Retailers: 2.41% (15/02/13: 1.54%)		
18,200	Ain Pharmaciez	512,337	1.22
22,100	Seven & I	499,907	1.19
		1,012,244	**2.41**

Holding		Market Value (£)	Total net assets (%)
	General Retailers: 6.00% (15/02/13: 9.14%)		
120,200	Gulliver	481,062	1.15
27,400	Komeri	393,068	0.94
29,200	Monotaro	335,833	0.80
7,800	Nitori	437,771	1.04
14,600	Pigeon	375,817	0.90
50,200	Rakuten	488,850	1.17
		2,512,401	**6.00**
	Media: 5.22% (15/02/13: 0.00%)		
34,300	Avex	417,468	1.00
21,300	Cookpad	359,637	0.86
18,700	F N Communications	442,340	1.05
23,100	Kadokawa	460,215	1.10
280	M3	508,470	1.21
		2,188,130	**5.22**
	Support Services: 1.78% (15/02/13: 0.00%)		
51,300	Novarese	261,991	0.63
80,200	Outsourcing	482,640	1.15
		744,631	**1.78**
	Travel & Leisure: 1.03% (15/02/13: 0.00%)		
40,800	Resorttrust	430,401	1.03
		430,401	**1.03**
	TELECOMMUNICATIONS: 2.85% (15/02/13: 2.20%)		
	Telecommunications: 2.85% (15/02/13: 2.20%)		
6,827	Japan Communications	639,941	1.53
12,600	Softbank	555,294	1.32
		1,195,235	**2.85**
	REAL ESTATE: 1.94% (15/02/13: 4.75%)		
	Real Estate: 1.94% (15/02/13: 4.75%)		
56,600	Hulic	422,777	1.01
27,000	Mitsubishi Estate	390,027	0.93
		812,804	**1.94**
	FINANCIALS: 9.77% (15/02/13: 14.71%)		

Holding		Market Value (£)	Total net assets (%)
	Banks: 1.41%		
	(15/02/13: 8.21%)		
21,700	Sumitomo Mitsui Financial	590,714	1.41
		590,714	**1.41**
	Financial Services: 6.16%		
	(15/02/13: 3.20%)		
182,900	Kenedix	386,959	0.92
84,100	Mec	474,973	1.13
9,300	Nihon M&A Center	464,570	1.11
119,700	Nomura	479,061	1.14
84,000	Nomura Co Ltd	385,055	0.92
54,000	SBI	394,153	0.94
		2,584,771	**6.16**
	Insurance: 2.20%		
	(15/02/13: 3.30%)		
67,400	Anicom	415,513	0.99
28,000	Tokio Marine	508,635	1.21
		924,148	**2.20**
	TECHNOLOGY: 15.77%		
	(15/02/13: 4.99%)		
	Software& Computer Services: 8.17%		
	(15/02/13: 3.57%)		
28,700	Dwango	457,932	1.09
28,600	Hearts United	432,805	1.03
28,800	Internet Initiative Japan	321,754	0.77
32,500	Kakaku.com	324,508	0.77
60,300	NSD	466,715	1.11
20,400	NTT Data	455,578	1.09
6,700	Otsuka	507,154	1.21
26,800	Scsk	460,219	1.10
		3,426,665	**8.17**
	Technology Hardware & Equipment: 7.6%		
	(15/02/13: 1.42%)		
130,200	Artiza Networks	381,822	0.91
109,000	Hitachi	496,452	1.18
118,400	Innotech	315,905	0.75
28,900	Macnica	488,128	1.16
43,800	Megachips	320,989	0.77
23,700	Misumi	393,752	0.94
29,800	Sato	390,895	0.93
136,500	UT	401,099	0.96
		3,189,042	**7.60**

Holding		Market Value (£)	Total net assets (%)
	UTILITIES: 1.86% (15/02/13: 1.14%)		
	Electric Utilities: 0.86% (15/02/13: 0.00%)		
121,100	Sumida	360,829	0.86
		360,829	**0.86**
	Gas Utilities: 1.00% (15/02/13: 1.14%)		
150,000	Tokyo Gas	419,611	1.00
		419,611	**1.00**
	Investments as shown in the balance sheet	41,905,757	99.89
	Net current assets	47,041	0.11
	Total net assets	**41,952,798**	**100.00**

SUMMARY OF FUND ASSETS

The following type of securities were held by the Fund at the year end:

		Total net assets (%)
Listed	- eligible markets	99.89
Net current assets		0.11
Total net assets		**100.00**

Statement of Total Return

For the year ended 15 February

	Notes		2014		2013
		£	£	£	£
Income					
Net capital gains/(losses) on investments during the year	3		9,315,491		(54,378)
Revenue	4	558,020		677,556	
Expenses	5	(698,239)		(495,587)	
Finance costs: interest	7	(564)		(121)	
Net (expense)/revenue before taxation		(140,783)		181,848	
Taxation	6	(42,441)		(47,124)	
Net (expense)/revenue after taxation			(183,224)		134,724
Total return for the year			**9,132,267**		**80,346**
Finance costs: distribution	7		37,094		(134,724)
Change in net assets attributable to unitholders' funds from investment activities			**9,169,361**		**(54,378)**

Statement of Change in Net Assets Attributable to Unitholders

For the year ended 15 February

		2014		2013
	£	£	£	£
Net assets at start of the year		**33,676,122**		**37,886,923**
Movement due to sales and repurchases of units:				
- Merger of AXA Framlington Japan Smaller Companies Fund	23,343,145		-	
- Amounts receivable on creation of units	7,967,052		22,594,944	
- Amounts payable on cancellation of units	(32,220,799)		(26,852,575)	
Total movement		(910,602)		(4,257,631)
Change in net assets attributable to unitholders' funds from investment activities		9,169,361		(54,378)
Retained distribution on accumulation units		17,917		101,624
Stamp duty reserve tax		-		(416)
Net assets at end of the year		**41,952,798**		**33,676,122**

Balance Sheet

For the year ended 15 February

	Notes	2014 £	2014 £	2013 £	2013 £
ASSETS					
Investment assets			41,905,757		33,341,078
Debtors	8	264,622		77,268	
Cash and bank balances	9	776,532		521,461	
Total current assets			1,041,154		598,729
Total assets			**42,946,911**		**33,939,807**
LIABILITIES					
Creditors	10	994,113		245,799	
Distribution payable on income units		-		17,886	
Total other liabilities			994,113		263,685
Total current liabilities			994,113		263,685
Net assets attributable to unitholders			**41,952,798**		**33,676,122**

Notes to the Financial Statements

1 Accounting policies

a) The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Authorised Funds issued by the IMA in October 2010, and in accordance with UK GAAP. The Financial Statements have been prepared on a going concern basis.

b) All revenue from shares quoted ex-dividend during the accounting year ended 15 February 2014 and interest accrued until this date, is included in the Statement of Total Return.

c) Listed investments of the Fund are valued at bid-market prices ruling at 12pm on the appropriate market on the last business day of the accounting period. The fair value of unlisted securities, and unquoted securities where the quotation has been suspended, is estimated by the Manager, using independent sources where available.

d) Any transactions in overseas currencies are translated to Sterling at the rates of exchange ruling on the day of any such transaction. Foreign currency balances and investments priced in overseas currencies at the end of the period are converted into Sterling at the exchange rates ruling at noon on the last business day of the accounting period.

e) All expenses are charged in full against revenue, with the exception of transaction charges and Stamp Duty Reserve Tax which are charged directly to capital. The Manager's periodic fee is deducted from revenue for the purposes of calculating the amount available for distribution.

f) Revenue produced by the Fund's investments accumulates during each accounting period. If, at the end of the accounting period, revenue exceeds expenses, the net revenue of the Fund is available to be distributed/accumulated to unitholders. Any net revenue deficit will be borne by the capital account.

The type of distribution being made by the Fund is a dividend distribution.

g) The total revenue received in respect of scrip dividends is separated with an amount equal to the cash alternative credited to revenue and any enhancement credited to capital. The revenue portion forms part of the revenue distribution amount.

h) Special dividends and share buybacks are treated as revenue or capital depending on the facts of each particular case. It is likely that where the receipt of a special dividend results in a significant reduction in the capital value of the holding, then the special dividend should be treated as capital in nature so as to ensure that the matching principle is applied to gains and losses. Otherwise, the special dividends should be recognised as revenue.

i) Corporation Tax is provided at 20% on revenue, other than UK dividends and foreign dividends received after 1 July 2009, after deduction of expenses. Where overseas tax has been deducted from overseas revenue, that tax can, in some cases, be set off against Corporation Tax payable, by way of double tax relief. Deferred taxation is provided on a full provision basis on timing differences arising from the different treatment of items for accounting and tax purposes. Potential future liabilities and assets are recognised where the transactions or events giving rise to them occurred before the balance sheet date.

j) Bank interest is accounted for on an accruals basis.

k) Underwriting commission is accounted for when the issue underwritten takes place. Where the Fund is required to take up all of the shares underwritten, the commission received is treated as a deduction from the cost of the shares taken up. Where the Fund is required to take up a proportion of the shares underwritten, the same proportion of the commission received is treated as a deduction from the cost of the shares taken up and the balance is taken to revenue.

l) Revenue equalisation currently applies to the Fund, with the result that part of the purchase price of a unit reflects the relevant share of accrued revenue received or to be received by the Fund. This sum is returned to a Unitholder with the first allocation of revenue in respect of a Unit issued during an accounting period. The amount representing the revenue equalisation in the Unit's price is a return of capital and is not taxable in the hands of the Unitholder. The amount of revenue equalisation is calculated by dividing the aggregate of the amounts of revenue included in the price of Units issued or sold to Unitholders in an annual or interim accounting period by the number of those Units and applying the resultant average to each of the Units in question.

m) With the exception of the annual management charge, which is directly attributable to individual Unit Classes, all revenue and expenses are allocated to Unit Classes pro rata to the value of the net assets of the relevant Unit Class on the day the revenue or expense is recognised.

2 Financial instruments

The analysis and tables provided below refer to the narrative disclosure on financial instruments risks on pages 7 and 8.

a) Currency exposures

A majority of the financial assets of the Fund are denominated in currency other than Sterling, with the effect that the Fund's balance sheet and total return can be significantly affected by currency movements.

2014	Monetary exposure	Non-Monetary exposure	Total
	£	£	£
Sterling	672,057	-	672,057
Japanese Yen	(625,016)	41,905,757	41,280,741
Total	**47,041**	**41,905,757**	**41,952,798**

2013	Monetary exposure	Non-Monetary exposure	Total
	£	£	£
Sterling	300,543	3,147,021	3,447,564
Japanese Yen	34,501	30,194,057	30,228,558
Total	**335,044**	**33,341,078**	**33,676,122**

b) Interest rate risk

The majority of the Fund’s financial assets are equity shares and other investments which neither pay interest nor have a maturity date. Therefore interest rate risk is not deemed to be significant.

c) Fair Values

The financial assets and liabilities of the Fund are included in the balance sheet at fair value. These fair values have, where possible, been determined by reference to prices available from the markets on which the instruments are traded.

3 Net capital gains/(losses) on investments

The net gains/(losses) on investments during the year comprise:

	2014	2013
	£	£
Non-derivative securities	9,374,960	(41,390)
(Losses) on foreign currency exchange	(49,029)	(9,823)
Transaction charges	(10,440)	(3,165)
Net capital gains/(losses) on investments	**9,315,491**	**(54,378)**

4 Revenue

	2014	2013
	£	£
Dividends from UK companies	-	11,657
Overseas dividends	556,748	664,773
Bank interest	1,272	1,126
Total revenue	**558,020**	**677,556**

5 Expenses

	2014	2013
	£	£
Payable to the Manager or associates of the Manager		
Manager's periodic charge	650,881	450,050
Registrar's fees	27,479	22,824
	678,360	**472,874**
Payable to the Trustee or associates of the Trustee		
Trustee's fees	13,329	10,274
Other expenses		
Audit fee	7,632	8,064
FCA fee	312	1,043
Swiss regulatory fee	-	269
Publication fee writeoff	(5,752)	-
Safe custody charges	4,358	3,063
	6,550	**12,439**
Total expenses	**698,239**	**495,587**

Expenses include irrecoverable VAT where applicable.
The audit fee for the year excluding VAT was £6,360 (2013: £6,360).

6 Taxation

a) Analysis of charge in the year

	2014	2013
	£	£
Foreign tax suffered	42,441	47,124
Total tax for the year (see note 6b)	**42,441**	**47,124**

b) The tax assessed for the year is higher than the standard rate of corporation tax in the UK for an authorised unit trust (20%) (2013: 20%).

The differences are explained below:

	2014	2013
	£	£
Net (expense)/revenue before taxation	(140,783)	181,848
Corporation tax at 20%	(28,157)	36,370
Effects of:		
Revenue not subject to taxation	(109,617)	(131,497)
Overseas tax expensed	-	(266)
Foreign tax expensed	42,441	47,124
Movement in excess management expenses	137,774	95,393
Total effects	70,598	10,754
Current tax charge for the year (see note 6a)	**42,441**	**47,124**

Authorised unit trusts are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c) At the year end, after offset against income taxable on receipt, there is a potential deferred tax asset of £1,707,151 (PY restated as £1,569,377 from £1,565,844) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised.

7 Distributions

The distributions take account of revenue received on the creation of units and revenue deducted on the cancellation of units, and comprise:

	2014	2013
	£	£
Final	17,917	119,510
Add: Income deducted on cancellation of units	113,865	119,276
Deduct: Income received on creation of units	(168,876)	(104,062)
Net distribution for the year	**(37,094)**	**134,724**
Interest	723	167
Equalisation on conversion of units	(159)	(46)
Total finance costs	**(36,530)**	**134,845**

Reconciliation to net revenue after taxation:		
Net movement in revenue account	(37,094)	134,724
Revenue shortfall	(146,130)	-
Net revenue after taxation	**(183,224)**	**134,724**

8 Debtors

	2014	2013
	£	£
Sales awaiting settlement	111,636	-
Amounts receivable on creation of units	107,595	42,688
Accrued income	45,391	34,580
Total debtors	**264,622**	**77,268**

9 Cash and bank balances

	2014	2013
	£	£
Cash and bank balances	776,532	521,461
Total cash and bank balances	**776,532**	**521,461**

10 Creditors

		2014	2013
		£	£
Amounts payable on cancellation of units		121,323	169,438
Purchases awaiting settlement		781,951	-
Accrued expenses	- Manager	77,318	55,301
	- Trustee	1,602	1,161
	- Other	11,919	19,899
Total creditors		**994,113**	**245,799**

11 Units in issue

There were 1,775,315 R Inc units and 10,950,786 R Acc units in issue at 15 February 2014 (2013: 2,158,219 R Inc and 11,873,955 R Acc units respectively).

There were 3,873,562 Z Acc units in issue at 15 February 2014 (2013: 102,289 Z Acc units).

12 Related parties

AXA Investment Managers UK Limited acts as principal on all the transactions of units in the Fund. The aggregate monies received through creations and liquidations are disclosed in the Statement of Change in Net Assets Attributable to Unitholders, amounts due to/from AXA Investment Managers UK Limited in respect of unit transactions are disclosed in Note 8 and Note 10.

At 15 February 2014, companies within the AXA Group held 28.74% of the units in the Trust. Other than disclosed elsewhere in the financial statements, there were no material transactions between the Trust and related parties during the year.

Amounts paid to AXA Investment Managers UK Limited in respect of administration and registration services are disclosed in Note 5.

Amounts paid to the Trustee in respect of trustee fees are disclosed in Note 5.

13 Portfolio Transaction Costs

a) Analysis of total purchase costs:

		2014 £		2013 £
Purchases in year before transaction costs		61,600,905		10,374,511
Commissions	60,747		20,126	
Total purchase costs		60,747		20,126
Gross purchases total		**61,661,652**		**10,394,637**

b) Analysis of total sales costs:

		2014 £		2013 £
Gross sales before transaction costs		62,532,727		14,065,410
Commissions	(105,028)		(26,333)	
Total sale costs		(105,028)		(26,333)
Gross sales total		**62,427,699**		**14,039,077**

Distribution Statement

For the year ended 15 February 2014

		Net revenue	Equalisation	Distribution payable/paid	
				Current year	Prior year
R Inc					
Final	Group 1	-	-	-	0.829
	Group 2	-	-	-	0.829
R Acc					
Final	Group 1	-	-	-	0.852
	Group 2	-	-	-	0.852
Z Acc					
Final	Group 1	0.463	-	0.463	0.412
	Group 2	-	0.463	0.463	0.412

(All figures shown in pence per unit)

Units are classified as Group 2 during the period in which they were acquired; thereafter they rank as Group 1 units.

Equalisation is the average amount of income included in the purchase price of Group 2 units and is refundable to holders of these units as a return of capital. Being a capital item it is not liable to income tax, but must be deducted from the cost of units for capital gains tax purposes.

The relevant periods for Group 2 units and the payment/transfer dates are shown below:

	Group 2 units		Group 1 & 2 units
	From	To	Paid/transferred
Final	16.02.13	15.02.14	15.04.14

DIRECTORS' APPROVAL

In accordance with the requirements of the COLL, the contents of this report have been approved on behalf of AXA Investment Managers UK Limited by:

Jim Stride
Director
11 April 2014

Mark Beveridge
Director
11 April 2014

Statements of Responsibilities

STATEMENT OF THE MANAGER'S RESPONSIBILITIES IN RELATION TO THE REPORT AND ACCOUNTS OF THE FUND

The Collective Investment Schemes Sourcebook ("the Regulations") requires the Manager to prepare accounts for each annual accounting year which give a true and fair view of the financial affairs of the Fund and of its revenue and expenditure for the year.

In preparing the accounts the Manager is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the disclosure requirements of the Statement of Recommended Practice for Authorised Funds and the Trust Deed;
- follow applicable accounting standards;
- keep proper accounting records which enable it to demonstrate that the accounts prepared comply with the above requirements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Fund will continue in business.

The Manager is responsible for the management of the Fund in accordance with its Trust Deed, Prospectus and the Regulations, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES IN RELATION TO THE ACCOUNTS OF THE FUND

The Trustee is responsible for the safekeeping of all the property of the scheme (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Trustee to take reasonable care to ensure that the scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL), as amended, the scheme's Trust Deed and Prospectus, in relation to the pricing of, and dealings in, units in the scheme; the application of revenue of the scheme; and the investment and borrowing powers of the scheme.

Report of the Trustee

TRUSTEE'S REPORT TO THE UNITHOLDERS OF AXA FRAMLINGTON JAPAN FUND FOR THE ANNUAL ACCOUNTING PERIOD TO 15 FEBRUARY 2014

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the scheme, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects, the manager:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the scheme's units and the application of the scheme's revenue in accordance with COLL, the Trust Deed and Prospectus, and

(ii) has observed the investment and borrowing powers and restrictions applicable to the scheme.

Trustee
National Westminster Bank plc, Edinburgh
11 April 2014

Report of the Independent Auditor

INDEPENDENT AUDITOR’S REPORT TO THE UNITHOLDERS OF THE AXA FRAMLINGTON JAPAN FUND

We have audited the financial statements of AXA Framlington Japan Fund (”the Fund”) for the year ended 15 February 2014 which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet and the related notes 1 to 13 and the Distribution Statement. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the unitholders of the Fund, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority (formerly the Financial Services Authority). Our audit work has been undertaken so that we might state to the unitholders those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE MANAGER AND AUDITOR

As explained more fully in the manager’s responsibilities statement set out on page 27, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Fund’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the manager; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual long report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the financial position of the Fund as at 15 February 2014 and of the net expense and the net gains on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

OPINION ON OTHER MATTERS PRESCRIBED BY THE RULES OF THE COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK OF THE FINANCIAL CONDUCT AUTHORITY (FORMERLY THE FINANCIAL SERVICES AUTHORITY)

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority (formerly the Financial Services Authority) and the Trust Deed;
- the information given in the manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records; and
- we have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Ernst & Young LLP
Statutory Auditor
Edinburgh

11 April 2014

Directory

Authorised Fund Manager and Investment Manager
AXA Investment Managers UK Limited
7 Newgate Street
London, EC1A 7NX

Authorised and regulated by the Financial Conduct Authority.
Registered in England and Wales No. 01431068.
The company is a wholly owned subsidiary of AXA S.A., incorporated in France.
Member of the IMA.

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Trustee and Depositary Services
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