

# AXA Distribution Investment ICVC

Issued by AXA Investment  
Managers UK Ltd  
Authorised and regulated by the  
Financial Conduct Authority  
(Formerly Financial Services  
Authority)

Long Form Report and  
Audited Accounts  
For the Year Ended  
31 May 2013



**INVESTMENT  
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## Contents Page

* Company Information	3
* Report of the Directors of the AXA Distribution ICVC	4
Aggregated Financial Statements for the Umbrella Company	6
Director's Report and Accounts for the AXA Defensive Distribution Fund	15
Director's Report and Accounts for the AXA Distribution Fund	54
Director's Report and Accounts for the AXA Ethical Distribution Fund	85
Director's Report and Accounts for the AXA Global Distribution Fund	111
Accounting Policies	153
Statement of Authorised Corporate Director's (ACD) Responsibilities in relation to the financial statements of the company	155
Statement of the Depositary's Responsibilities in Respect of the Scheme	156
Report of the Depositary to the shareholders of the AXA Distribution Investment ICVC ("The Company") for the period ended 31 May 2013	156
Independent Auditors' Report	157
Further Information	159

**\* These collectively together with the Director's Report for each sub-fund comprise the Authorised Corporate Director's Report.**

## **Company Information**

### **The Company and Head Office**

AXA Distribution Investment ICVC  
7 Newgate Street  
London EC1A 7NX

### **Authorised Corporate Director (ACD)**

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

AXA Investment Managers UK Limited is the sole director.

Authorised and regulated by the Financial Conduct Authority in the conduct of investment business.

Member of the Investment Management Association (IMA).

The ACD is a wholly owned subsidiary of AXA S.A., incorporated in France.

### **Fund Accounting Administrator**

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

Authorised and regulated by the Financial Conduct Authority in the conduct of investment business.

## Report of the Directors of the AXA Distribution Investment ICVC

### Directory

#### Authorised Corporate Director

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

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

#### Dealing

PO Box 10908  
Chelmsford CM99 2UT  
Telephone Dealing and Enquiries 0845 777 5511

IFA Dealing and Enquiries 0845 766 0184

If you are calling us from outside of the UK, please call +44 1268 448667.  
Our lines are open Monday to Friday between 9am and 5:30pm.

#### Registrar

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

#### Investment Advisers

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

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

Authorised and regulated by the Financial Conduct Authority in the conduct of investment business.

#### Legal Advisers

Eversheds LLP  
1 Wood Street  
London EC2V 7WS

#### Fund Accounting Administrator

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

Authorised and regulated by the Financial Conduct Authority in the conduct of investment business.

#### Depository

HSBC Bank plc,  
8 Canada Square,  
London E14 5HQ

HSBC Bank plc is a subsidiary of HSBC Holdings plc.

Authorised and regulated by the Financial Conduct Authority in the conduct of investment business

#### Independent Auditors

PricewaterhouseCoopers LLP  
7 More London Riverside  
London SE1 2RT

## **Report of the Directors of the AXA Distribution Investment ICVC**

The AXA Distribution Investment ICVC is an open-ended investment company with variable capital under regulation 12 of the Open-Ended Investment Companies Regulations 2001. The Shareholders are not liable for the debts of the company.

The AXA Distribution Investment ICVC is structured as an umbrella company.

There are four sub-funds, and in the future there may be other sub-funds, of the AXA Distribution Investment ICVC.

As a sub-fund is not a legal entity, if the assets attributable to any sub-fund were insufficient to meet the liabilities attributable to it, the shortfall might have to be met out of the assets attributable to one of more other sub-funds of the AXA Distribution Investment ICVC.

Each Fund has the investment powers equivalent to those of a UCITS (Undertakings for Collective Investment in Transferrable Securities) under the Collective Investment Schemes Sourcebook ("COLL").

During the year from 1 June 2012 to 31 May 2013 the only significant changes to the Prospectus or the Instrument of Incorporation was as follows.

- On 31 October 2012 Net and Gross J class shares were launched.

There have been neither sub-divisions nor consolidations of shares since the launch of the Company.

The investment objectives, investment policies and investment activity reports are included in the financial statements of the individual sub-funds.

## Aggregated Financial Statements for the Umbrella Company

### AGGREGATED STATEMENT OF TOTAL RETURN

	Notes	Year ended 31/05/13		Year ended 31/05/12	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		229,142		(26,121)
Revenue	2	64,293		55,964	
Expenses	3	(24,874)		(21,468)	
Finance costs : interest	5	(1)		(3)	
Net revenue before taxation		39,418		34,493	
Taxation	4	(724)		(503)	
Net revenue after taxation			38,694		33,990
<b>Total return before distributions</b>			267,836		7,869
Finance costs : distributions	5		(62,208)		(53,972)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>205,628</b>		<b>(46,103)</b>

### AGGREGATED STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

		Year ended 31/05/13		Year ended 31/05/12	
		£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>			1,725,598		1,488,604
Amounts receivable on issue of shares		225,533		318,343	
Amounts payable on cancellation of shares		(78,545)		(85,932)	
			146,988		232,411
Dilution Levy	6		-		-
Stamp duty reserve tax			(339)		(289)
Change in net assets attributable to shareholders from investment activities			205,628		(46,103)
Retained distribution on accumulation shares			58,242		50,975
<b>Closing net assets attributable to shareholders</b>			<b>2,136,117</b>		<b>1,725,598</b>

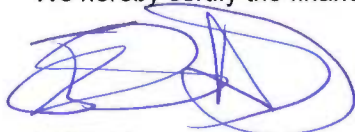
## Aggregated Accounts Statements for the Umbrella Company

### BALANCE SHEET

As at		31/05/13 £'000	31/05/12 £'000
	Notes		
<b>Assets:</b>			
Investment assets		2,051,386	1,648,412
Debtors	7	13,100	13,891
Cash & bank balances	8	86,722	79,227
<b>Total other assets</b>		99,822	93,118
<b>Total assets</b>		<b>2,151,208</b>	<b>1,741,530</b>
<b>Liabilities:</b>			
Investment liabilities		1,200	2,499
Bank overdrafts	8	3,563	2,025
Creditors	9	9,507	10,677
Distribution payable on income shares		821	731
<b>Total other liabilities</b>		13,891	13,433
<b>Total liabilities</b>		<b>15,091</b>	<b>15,932</b>
<b>Net assets attributable to shareholders</b>		<b>2,136,117</b>	<b>1,725,598</b>

The aggregated accounts represent the sum of the individual funds within the umbrella company. Further analysis of the distribution and the net asset position can be found on the accounts of the individual funds.

We hereby certify the financial statements on behalf of AXA Investment Managers UK Limited.



I Ahmad



J Stride

1 August 2013

# Aggregated Financial Statements for the Umbrella Company

## NOTES TO THE ACCOUNTS

	Year ended 31/05/13	Year ended 31/05/12
<b>1. NET CAPITAL GAINS/(LOSSES)</b>		
The net capital gains/(losses) during the year comprise:		
	<b>£'000</b>	<b>£'000</b>
Non-derivative securities	231,287	(25,460)
Derivative contracts	-	(144)
Forward currency contracts	(3,643)	(42)
Currency losses	1,531	(413)
Transaction charges	(33)	(62)
<b>Total</b>	<b>229,142</b>	<b>(26,121)</b>
<b>2. REVENUE</b>		
	<b>£'000</b>	<b>£'000</b>
UK dividends	24,836	22,540
REIT dividends	234	195
Overseas dividends	5,634	4,957
UK stock dividends	3,405	1,676
Overseas stock dividends	189	883
Interest on debt securities	14,291	12,935
Amortisation adjustment	15,476	12,615
Bank interest	206	162
Underwriting commission	22	1
<b>Total</b>	<b>64,293</b>	<b>55,964</b>
<b>3. EXPENSES</b>		
	<b>£'000</b>	<b>£'000</b>
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD charge *	24,512	21,110
Registration fees	118	145
Administration fees	(19)	12
<b>Total</b>	<b>24,611</b>	<b>21,267</b>
<b>Payable to Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fees	119	113
Safe custody fees	78	56
<b>Total Payable to Depositary</b>	<b>197</b>	<b>169</b>
<b>Other Expenses</b>		
Audit fee	31	32
Legal fee	12	-
KIID fee	23	-
<b>Total Other Expenses</b>	<b>66</b>	<b>32</b>
<b>Total</b>	<b>24,874</b>	<b>21,468</b>
<b>* Total Expenses Ultimately Borne by Capital</b>	<b>24,512</b>	<b>21,110</b>
<b>Total Expenses Borne by Revenue</b>	<b>362</b>	<b>358</b>

## Aggregated Financial Statements for the Umbrella Company

### NOTES TO THE ACCOUNTS (continued)

	Year ended 31/05/13	Year ended 31/05/12
<b>4. TAXATION</b>		
<b>(a) Analysis of Charge in Year</b>		
	<b>£'000</b>	<b>£'000</b>
<b>Current Tax</b>		
Corporation tax	156	28
Double taxation relief	(12)	(19)
Overseas tax	32	
Overseas withholding tax	547	494
<b>Current Tax Charge (note 4(b))</b>	<b>723</b>	<b>503</b>
<b>Deferred Tax</b>		
Deferred Tax	1	-
<b>Total Deferred Tax</b>	<b>1</b>	<b>-</b>
<b>Total Taxation</b>	<b>724</b>	<b>503</b>

<b>(b) Factors Affecting Tax Charge for Year</b>		
	<b>£'000</b>	<b>£'000</b>
Net revenue before taxation	39,418	34,493
Corporation tax of 20% (2012 : same)	7,884	6,899
<b>Effects of:</b>		
Income not subject to taxation	(6,749)	(5,979)
Amortisation revenue not subject to taxation	(2,381)	(1,961)
Overseas withholding tax	573	494
Interest distributions	(2,528)	(2,098)
Double taxation relief	(12)	(19)
Movement in excess management expenses	3,937	3,167
<b>Current Tax Charge (note 4(a))</b>	<b>723</b>	<b>503</b>

#### (c) Provision for Deferred Taxation

There is no provision for deferred tax in the current or prior year.

#### (d) Factors that may affect future tax charges

Where applicable, disclosure of these factors is included in the individual sub-funds accounts.

## Aggregated Financial Statements for the Umbrella Company

### NOTES TO THE ACCOUNTS (continued)

	Year ended 31/05/13	Year ended 31/05/12
<b>5. FINANCE COSTS</b>		
<b>Distributions and Interest</b>		
The distributions take account of revenue received on the creation of shares and revenue deducted on cancellation of shares, and comprise:		
	<b>£'000</b>	<b>£'000</b>
Interim distribution paid 30/31 October	415	321
Interim accumulation paid 30/31 October	10,473	8,473
Interim distribution paid 29/31 January	595	507
Interim accumulation paid 29/31 January	17,610	16,235
Interim distribution paid 30 April	365	248
Interim accumulation paid 30 April	10,438	6,414
Final distribution payable/paid 30/31 July	827	739
Final accumulation payable/paid 30/31 July	21,848	21,713
	<hr/> 62,571	<hr/> 54,650
<i>Add:</i> revenue deducted on cancellation of shares	323	386
<i>Deduct:</i> revenue received on creation of shares	(686)	(1,064)
<b>Net Distribution for the Year</b>	<hr/> <b>62,208</b>	<hr/> <b>53,972</b>
Interest	1	3
<b>Total Finance Costs</b>	<hr/> <b>62,209</b>	<hr/> <b>53,975</b>

#### Reconciliation of Net Revenue and Net Distribution

Net Revenue after taxation	38,694	33,990
Charges deducted from capital	24,512	21,110
Utilised capital expenses tax relief	(998)	(1,128)
<b>Total</b>	<hr/> <b>62,208</b>	<hr/> <b>53,972</b>

#### 6. DILUTION LEVY

The ACD's policy is that dilution levy would only be imposed in exceptional circumstances and the amount of levy would not exceed what the ACD considers necessary to compensate the relevant Fund for the potential effect of dilution. The only cases in which the ACD specifically envisages that it might impose a dilution levy are on large daily net movements in the size of the Fund resulting from redemptions, although dilution can be charged in other circumstances at the ACD's discretion.

## Aggregated Financial Statements for the Umbrella Company

### NOTES TO THE ACCOUNTS (continued)

<b>7. DEBTORS</b>		
<b>As at</b>	<b>31/05/13</b>	<b>31/05/12</b>
	<b>£'000</b>	<b>£'000</b>
Amounts receivable on share creations	2,044	3,975
Sales awaiting settlement	1,797	907
Foreign exchange transaction awaiting settlement	50	-
<b>Accrued Revenue</b>		
Accrued UK dividends	4,189	4,527
Accrued REIT dividends	6	5
Accrued interest on debt securities	3,799	3,713
Accrued overseas dividends	1,096	671
Accrued bank interest	19	16
<b>Other Debtors</b>		
Withholding tax recoverable	100	77
<b>Total</b>	<b>13,100</b>	<b>13,891</b>
<b>8. CASH &amp; BANK BALANCES</b>		
<b>As at</b>	<b>31/05/13</b>	<b>31/05/12</b>
	<b>£'000</b>	<b>£'000</b>
Cash held at clearing houses	-	33
Cash at bank	86,722	79,194
Bank overdrafts	(3,563)	(2,025)
<b>Total</b>	<b>83,159</b>	<b>77,202</b>
<b>9. CREDITORS</b>		
<b>As at</b>	<b>31/05/13</b>	<b>31/05/12</b>
	<b>£'000</b>	<b>£'000</b>
Amounts payable on share cancellations	3,595	711
Purchases awaiting settlement	2,106	5,069
Foreign exchange transactions awaiting settlement	50	-
Corporation tax payable	208	5
Income tax payable	1,135	970
<b>Accrued Expenses</b>		
Accrued ACD charge	2,324	3,677
Accrued audit fee	31	30
Accrued administration fees	4	27
Accrued depositary fees	22	17
Accrued registration fees	20	124
Accrued safe custody fees	9	24
Accrued transaction fees	3	23
<b>Total</b>	<b>9,507</b>	<b>10,677</b>

## Aggregated Financial Statements for the Umbrella Company

### NOTES TO THE ACCOUNTS (continued)

#### 10. CONTINGENT LIABILITIES

The Fund had no contingent liabilities at the end of the year (same as at 31/05/12).

#### 11. CONTINGENT ASSETS

In May 2012, a European Court of Justice ruling confirmed the right to recover withholding tax from French tax authorities that was previously withheld.

French Tax Authorities have advised that they intend to reimburse tax withheld on the French source dividends received by AXA Global Distribution Investment Company ICVC totalling £39,671 (€46,450).

Accounting standards permit the reclaims to be included as an asset in the balance sheet only where the receipt is "virtually certain".

In the opinion of the Manager, receipt of this reclaim is probable rather than virtually certain and accordingly is regarded as a contingent or potential asset rather than an actual asset for the purposes of preparing the accounts.

Notwithstanding the treatment for the purposes of the preparation of accounts, an appropriate adjustment to reflect the reclaim has been made for the purposes of daily pricing.

#### 12. RELATED PARTIES

The ACD is related to the Company as defined by Financial Reporting Standard 8 'Related Party Disclosures'.

AXA Investment Managers UK Limited, as the ACD is party to all transactions of shares in the sub-funds (as summarised in the Statement of Change in Net Assets Attributable to Shareholders on page 6). Any amounts due to or from the ACD at the end of the accounting period are disclosed in notes 7 and 9.

Amounts payable to the ACD in respect of fund administration and registration services are disclosed in note 3 and amounts due at the period end in note 9.

At 31 May 2013 companies within the AXA Group held shares in the sub-funds of the Company. These are disclosed in the Related Parties notes in the financial statements of the individual sub-funds.

#### 13. UNCLAIMED DISTRIBUTIONS

Unclaimed distributions represent distribution monies unclaimed for a period of 6 years.

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS

The sub-fund's investment objective and policies are stated in the financial statements and have been applied consistently throughout the current and prior period. In achieving its objective the sub-fund will be exposed to various types of risk, the principal items being as follows:

## Aggregated Financial Statements for the Umbrella Company

### NOTES TO THE ACCOUNTS (continued)

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS (continued)

##### Market Price Risk

The Company's sub-funds invest principally in shares and fixed interest securities. The value of investments is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual company or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Company's sub-funds seek to manage these risks by holding a diversified portfolio of investments spread across a range of industries in line with the individual sub-fund's objectives. In addition, the Company complies with the Collective Investment Schemes sourcebook ("COLL"), which include rules relating to investment holdings that are designed to place limits on the sub-fund's investment concentration (same as at 31/05/12).

##### Cash Flow Risk

The Company's main cash flows are generated by the revenue received from its investments. The Company's distribution policies are based on the individual investment objective of the sub-fund, as described in its financial statements (same as at 31/05/12).

##### Credit Risk

The Company runs a very low credit risk in respect of unsettled investment transactions as these are normally settled as cash against delivery.

Transactions in securities may expose a fund to the risk that the counterparty will not settle the transaction or do so on a timely basis.

All transactions in the funds are conducted through counterparties approved by the ACD (same as at 31/05/12).

##### Derivatives and Other Financial Instruments

The ACD, where it considers it appropriate, uses futures contracts to gain market exposure with reduced dealing costs. At the year end, no derivatives were held in the sub-funds (2012: same).

##### Liquidity Risk

All of the Company's financial assets are considered to be readily realisable in accordance with the market practices of the exchange on which they are traded. In general, sales and purchases of financial assets are managed so that the Company's cash requirements are kept to a minimum. The Company's main financial liability relates to the potential commitment to meet any cancellation of shares. In order to manage this risk the Company maintains a cash balance to cover any known liabilities, with any cancellation of shares being covered by the sale of investments. Where investments cannot be realised in time to meet a liability the ACD will utilise the Company's overdraft facility with HSBC Bank plc.

All of the Company's financial liabilities are payable in less than one year (same as at 31/05/12).

## Aggregated Financial Statements for the Umbrella Company

### NOTES TO THE ACCOUNTS (continued)

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS (continued)

##### Interest Rate Profile

The Funds in the AXA Distribution Investment ICVC invest in interest-bearing securities. Changes to the interest rates relevant for particular securities may result in either revenue increasing or decreasing or an inability to secure similar returns on the expiry of contracts or the sale of securities.

Changes to prevailing rates or changes in expectations of future rates may also result in an increase or decrease in the value of the securities held.

Generally, a rise in interest rates will also increase the revenue potential of the individual funds. However, the value of fixed rate securities will also decline.

A decline in interest rates will generally have the opposite effect (same as at 31/05/12).

##### Inflation Rate Risk

The Company invests in index linked securities where both the revenue and the market value will reflect inflation and future expectations concerning inflation. In general, where inflation increases, the value of assets, and revenue generated from them, also increases. A decline in inflation has the opposite effect (same as at 31/05/12).

##### Foreign Currency Risk

A proportion of the Company's financial assets and liabilities (within the Global Distribution Fund) are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and revenue and actual cash settlement, create currency exchange gains/losses. The Company may seek to minimise some of this risk by using forward currency contracts (same as at 31/05/12).

#### 15. SHAREHOLDER FUNDS

The Fund currently has three share classes: Class J, Class R and Class Z. The annual management charge on each share class is as follows:

Class J : 1.15%

Class R : 1.50%

Class Z : 0.75%

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the comparative table in the financial statements of the individual sub-funds. The distributions per share class are given in the distribution tables in the financial statements of the individual sub-funds.

#### 16. PORTFOLIO TRANSACTION COSTS

The portfolio transaction costs of the sub-funds of the Company are disclosed in the notes to the accounts of the individual sub-funds.

## AXA Defensive Distribution Fund

### DIRECTOR'S REPORT AND ACCOUNT FOR AXA DEFENSIVE DISTRIBUTION FUND

For the year ended 31 May 2013

#### Investment Objective

The aim of this Fund is to achieve growing income with some prospects for capital growth over the medium to long term.

#### Investment Policy

The portfolio will mainly consist of investments in any permitted UK fixed interest securities such as convertibles and UK Gilt Edged Securities as well as Index Linked Gilts. The Fund has the power to invest up to 100% of the value of the property of the Fund in government and other public securities issued by or on behalf of the Government of the UK.

The Fund may also invest at the Investment Manager's discretion in transferable securities, derivatives, cash, deposits, units in collective investment schemes and money market instruments. Use may be made of borrowing, cash holdings, hedging and other investment techniques permitted in applicable Financial Conduct Authority rules.

#### 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 has reduced risk and you are prepared to accept less potential reward than is the case with other funds. You are willing to accept that your investment will fall and rise in value and that you could get back less than you invest. Typically, you would prefer an investment with less risk than that of a fund which invests significantly in equities or overseas.



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 that the Fund may face difficulties purchasing or selling its assets

**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.

#### Important Information

Derivatives transactions may be used in the Fund for meeting the investment objectives of the Fund. The use of derivatives in this manner is not expected to change the risk profile of the Fund.

## AXA Defensive Distribution Fund

### DIRECTOR'S REPORT AND ACCOUNT FOR AXA DEFENSIVE DISTRIBUTION FUND (continued)

For the year ended 31 May 2013

#### Fund Benchmark

The Fund measures its performance against a benchmark, which is a point of reference against which the Fund can compare and assess its performance. This is a general measurement, as the Fund's construction is not designed to match exactly the constituents of that benchmark. This Fund's benchmark is a combination of indices – the FTSE IL Gilts All-Stocks (27.5%), FTS IL Gilts < 5 years (27.5%), FTSE All-Share (29%), 7-Day LIBID (9%) & and Merrill Lynch UK Gilts 1-5 years (7%).

#### Fund Performance

Share class		% change in NAV per share over 12 month period *	Ongoing Charges @ 31/05/13	Ongoing Charges @ 31/05/12
J Net**	Acc	N/A	1.17%	N/A
J Gross**	Acc	N/A	1.17%	N/A
R Net	Acc	9.35%	1.49%	1.48%
R Gross	Acc	10.01%	1.50%	1.50%
Z Net***	Acc	10.14%	0.76%	0.99%
Z Gross***	Acc	10.82%	0.76%	0.88%
J Net**	Inc	N/A	1.15%	N/A
J Gross**	Inc	N/A	1.17%	N/A
R Net	Inc	6.65%	1.51%	1.49%
R Gross	Inc	6.65%	1.51%	1.50%
Z Net***	Inc	7.46%	0.76%	1.07%
Z Gross***	Inc	7.45%	0.76%	0.96%
Benchmark		10.22%		

\* Performance based on bid beginning to end period, correctly adjusted for accounting records (accrual adjustments not reflected in Lipper data).

\* Please note that the Funds are stated here on a net of tax and management fees basis. The benchmark is stated without any deduction for the impact of tax and management fees.

\*\* Launched 31 October 2012.

\*\*\* Please note that the annual management charge on the Z Share class changed from 1.00% to 0.75% on the 26<sup>th</sup> April 2012.

## AXA Defensive Distribution Fund

### DIRECTOR'S REPORT AND ACCOUNT FOR AXA DEFENSIVE DISTRIBUTION FUND (continued)

For the year ended 31 May 2013

#### Fund Performance (continued)

##### Results Table

Share class		Price at 31/05/13 (p)	Price at 31/05/12 (p)	Fund Performance	Comparative Benchmark
J Net	Acc	107.0	N/A	N/A	10.22%
J Gross	Acc	107.3	N/A	N/A	10.22%
R Net	Acc	144.4	132.0	9.39%	10.22%
R Gross	Acc	118.6	107.8	10.02%	10.22%
Z Net	Acc	153.6	139.4	10.19%	10.22%
Z Gross	Acc	164.4	148.3	10.86%	10.22%
J Net	Inc	106.0	N/A	N/A	10.22%
J Gross	Inc	106.0	N/A	N/A	10.22%
R Net	Inc	83.00	78.00	9.38%	10.22%
R Gross	Inc	86.87	81.72	10.02%	10.22%
Z Net	Inc	88.51	82.56	10.19%	10.22%
Z Gross	Inc	88.74	82.87	10.83%	10.22%

#### Market Review

The UK equity market was strong in the 12 months to 31 May 2013, with the FTSE All-Share Index returning +30.1%.

The key theme for the period was very concerted central bank stimulus. In Europe, Mario Draghi, the President of the European Central Bank (ECB), said that the ECB would “do whatever it takes” to save the Euro and subsequently unveiled plans to buy large amounts of Eurozone sovereign debt, if required. In the USA, in the face of persistently high unemployment, Federal Reserve Chairman Ben Bernanke indicated that monetary policy would remain accommodative until the jobless rate fell below 6.5%, as well as announcing a further bout of quantitative easing (QE). In the UK, the QE programme from the Bank of England was extended by a further £50bn to £375bn and a new Funding for Lending Scheme introduced. Finally, in Japan a huge monetary expansion was announced, with the goal of lifting the country's long-stagnant inflation rate to 2%.

This liquidity tailwind has allowed financial markets to shrug off subdued economic growth and a number of disappointing pieces of news, such as the inconclusive elections in Italy and the Cypriot banking crisis and bailout. These economic developments have produced much discussion about ‘The Great Rotation’ – the term being used to describe the possible asset allocation away from bonds and into equities. While there is little evidence to suggest that this is actually happening as yet, the market sentiment in recent months has certainly favoured equities over bonds. While the equity market has seen strong gains, government bond markets have been relatively subdued. UK gilts returned -1.0% in the review period and index-linked gilts +5.0%. The stronger performance of index-linked gilts was, in part, due to market expectations of future inflation rising and also due to the Office for National Statistics' announcement that, following a consultation process, it would not be changing the way that the Retail Prices Index (RPI) – to which index-linked gilt returns are linked – is calculated.

Corporate results have generally been satisfactory, with many companies announcing substantial dividend increases – with the exceptions of RSA and Aviva, which both cut their dividends.

## AXA Defensive Distribution Fund

### DIRECTOR'S REPORT AND ACCOUNT FOR AXA DEFENSIVE DISTRIBUTION FUND (continued)

For the year ended 31 May 2013

#### Market Review (continued)

In the UK equity market, there was considerable upsurge in corporate activity. A number of companies have successfully come to the market via initial public offerings (IPOs), such as the house builder Crest Nicholson and the insurance companies e-sure and Direct Line. There have also been a large number of equity placings and rights issues to take advantage of the buoyant market, for example, William Hill's £385m rights issue, Lloyds Bank selling part of its stake in St James's Place and Royal Bank of Scotland selling a further £0.5bn tranche of Direct Line. Elsewhere, the merger of mining giants Glencore and Xstrata was completed and two FTSE 100 companies, Severn Trent and ENRC, revealed that they had received bid offers. There has also been considerable speculation in the press about Vodafone selling its stake in the US company Verizon Wireless, a stake that could well be valued in excess of \$100bn.

The central asset mix of the AXA Defensive Distribution Fund is 29% UK equities, 55% index-linked gilts, 7% conventional gilts and 9% cash. Throughout the period the Fund was at or above its central point in equities and below the central point in conventional gilts. These weightings reflected our views on the relatively unattractive yields on conventional gilts and the valuation attractions of equities compared to bonds. Given the strength in equities during the period, both in absolute terms and also relative to bonds, this asset allocation positioning was a key driver of the fund's performance.

*Please note however, that past performance is not a guarantee of future returns. The value of investments may go down as well as up, and you may receive less back than you invested. Market return source: Datastream as at 31 May 2013.*

#### Major Purchases

- UK Treasury 0.125 IL 22/03/24
- UK Treasury 1.25% IL 22/11/17
- UK Treasury 2.5% IL 16/08/13
- UK Treasury 2.5% IL 26/07/16
- UK Treasury 4.125% IL 22/07/30

#### Major Sales

- UK Treasury 0.125 IL 22/03/24
- UK Treasury 1.25% IL 22/11/17
- UK Treasury 1.875% IL 22/11/22
- UK Treasury 2.5% IL 16/08/13
- UK Treasury 2.5% IL 26/07/16

#### European Savings Directive

The Defensive Distribution Fund has been reviewed against the requirements of the directive 2003/48/EC on taxation of savings in the form of interest payments (ESD), following the HM Revenue & Customs debt investment reporting guidance notes.

Under the Directive, information is collected about the payment of savings income to residents in certain other countries and is reported to HM Revenue & Customs to be exchanged with tax authorities in those countries.

The Defensive Distribution 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.

## AXA Investment Managers UK Ltd

## AXA Defensive Distribution Fund

## Fund Size

## Share Class J – Gross \*\*

As at	Net Asset Value of Fund £	Shares in Issue		Net Asset Value per Share	
		Income	Accumulation	p Income	p Accumulation
31/05/2013	28,479,397	320,977	26,232,997	105.1	107.3

## Share Class J – Net \*\*

As at	Net Asset Value of Fund £	Shares in Issue		Net Asset Value per Share	
		Income	Accumulation	p Income	p Accumulation
31/05/2013	10,660,672	80,656	9,889,315	105.3	107.0

## Share Class R – Gross

As at	Net Asset Value of Fund £	Shares in Issue		Net Asset Value per Share	
		Income	Accumulation	p Income	p Accumulation
31/05/2011	152,641,647	6,403,367	140,621,080	81.14	104.9
31/05/2012	269,791,678	8,106,684	244,243,247	80.71	107.8
31/05/2013	333,078,112	8,017,006	275,103,015	86.08	118.6

## Share Class R – Net

As at	Net Asset Value of Fund £	Shares in Issue		Net Asset Value per Share	
		Income	Accumulation	p Income	p Accumulation
31/05/2011	47,685,960	3,226,022	34,937,916	77.66	129.3
31/05/2012	46,323,239	4,106,478	32,693,212	77.25	132.0
31/05/2013	82,693,706	3,728,278	55,168,399	82.39	144.3

\*\* Launched 31 October 2012

## AXA Defensive Distribution Fund

### Fund Size (continued)

#### Share Class Z – Gross

As at	Net Asset Value of Fund £	Shares in Issue		Net Asset Value per Share	
		Income	Accumulation	p Income	p Accumulation
31/05/2011	2,873,935	220,263	1,877,135	81.85	143.5
31/05/2012	2,805,753	356,668	1,695,492	81.84	148.3
31/05/2013	2,934,913	425,309	1,558,515	87.94	164.3

#### Share Class Z – Net

As at	Net Asset Value of Fund £	Shares in Issue		Net Asset Value per Share	
		Income	Accumulation	p Income	p Accumulation
31/05/2011	218,575,279	387,606	160,698,892	81.77	135.8
31/05/2012	255,454,084	342,098	183,014,393	81.76	139.4
31/05/2013	276,223,271	182,523	179,767,037	87.86	153.6

## AXA Defensive Distribution Fund

### Fund Performance

Calendar Year		Net Revenue per Share	Net Revenue per £1,000 Invested at 3 October 2008	Highest Share Price	Lowest Share Price
		p	£	p	p
2008*					
Class R – Gross	Income	0.477	6.20	78.32	70.47
Class R – Gross	Accumulation	0.553	6.20	90.08	81.66
Class R – Net	Income	0.366	4.97	74.44	67.41
Class R – Net	Accumulation	0.558	4.96	113.5	102.8
Class Z – Gross	Income	0.476	6.21	78.03	70.27
Class Z – Gross	Accumulation	0.753	6.21	122.5	111.1
Class Z – Net	Income	0.380	4.96	77.37	70.13
Class Z – Net	Accumulation	0.577	4.95	117.8	106.7
2009					
Class R – Gross	Income	1.998	25.97	79.62	68.35
Class R – Gross	Accumulation	2.366	26.54	94.93	80.29
Class R – Net	Income	1.540	20.90	76.16	65.47
Class R – Net	Accumulation	2.394	21.30	118.8	100.9
Class Z – Gross	Income	1.989	25.94	79.77	68.26
Class Z – Gross	Accumulation	3.202	26.41	128.9	109.4
Class Z – Net	Income	1.596	20.84	79.55	68.19
Class Z – Net	Accumulation	2.516	21.58	123.9	104.9
2010					
Class R – Gross	Income	3.548	46.11	81.80	77.14
Class R – Gross	Accumulation	4.313	49.09	102.2	93.17
Class R – Net	Income	2.668	36.21	78.25	73.82
Class R – Net	Accumulation	4.276	38.04	126.9	116.5
Class Z – Gross	Income	3.566	46.51	82.30	77.49
Class Z – Gross	Accumulation	5.837	48.13	139.7	126.7
Class Z – Net	Income	2.845	37.16	82.19	77.37
Class Z – Net	Accumulation	4.450	38.17	133.0	121.6
2011					
Class R – Gross	Income	3.801	49.40	82.49	78.28
Class R – Gross	Accumulation	4.843	54.33	107.8	101.1
Class R – Net	Income	2.916	39.57	78.71	74.87
Class R – Net	Accumulation	4.815	42.84	132.4	124.6
Class Z – Gross	Income	3.815	49.77	83.22	79.04
Class Z – Gross	Accumulation	6.618	54.57	148.0	138.3
Class Z – Net	Income	3.070	40.09	82.97	78.91
Class Z – Net	Accumulation	5.048	43.30	139.6	131.0
2012					
Class J – Gross**	Income	0.602	6.02	101.0	99.51
Class J – Gross**	Accumulation	0.604	6.04	101.4	99.51
Class J – Net**	Income	0.482	4.82	101.1	99.51
Class J – Net **	Accumulation	0.482	4.82	101.5	99.51
Class R – Gross	Income	2.633	34.22	84.10	80.57
Class R – Gross	Accumulation	3.498	39.24	112.2	107.6
Class R – Net	Income	2.005	27.21	80.46	77.11
Class R – Net	Accumulation	3.415	30.38	137.0	131.7
Class Z – Gross	Income	2.671	34.84	85.15	81.69
Class Z – Gross	Accumulation	4.800	39.58	155.0	148.0
Class Z – Net	Income	2.122	27.71	85.03	81.62
Class Z – Net	Accumulation	3.607	30.94	145.3	139.1

## AXA Defensive Distribution Fund

### Fund Performance (continued)

Calendar Year		Net Revenue per Share p	Net Revenue per £1,000 Invested at 3 October 2008 £	Highest Share Price p	Lowest Share Price p
2013***					
Class J – Gross**	Income	1.626	16.26	107.2	100.6
Class J – Gross**	Accumulation	1.638	16.38	108.5	101.5
Class J – Net**	Income	1.300	13.00	107.2	100.7
Class J – Net **	Accumulation	1.307	13.07	108.2	101.1
Class R – Gross	Income	1.329	17.27	87.85	82.44
Class R – Gross	Accumulation	1.810	20.30	119.9	111.8
Class R – Net	Income	1.017	13.80	83.94	78.88
Class R – Net	Accumulation	1.765	15.70	146.0	136.4
Class Z – Gross	Income	1.356	17.69	89.72	83.97
Class Z – Gross	Accumulation	2.507	20.67	166.2	154.4
Class Z – Net	Income	1.083	14.14	89.50	83.86
Class Z – Net	Accumulation	1.875	16.08	155.3	144.7

\* launched on 3 October 2008

\*\* launched on 31 October 2012

\*\*\* to 31 May 2013

The AXA Defensive Distribution Fund was previously known as the AXA Cautious Managed Fund until it changed its name on 3 October 2008, when it transferred from the AXA UK Investment Company ICVC into the AXA Distribution Investment ICVC.

## AXA Defensive Distribution Fund

### PORTFOLIO STATEMENT \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>BONDS 60.80% (31/05/12 : 59.48%)</b>			
<b>Government Bonds 3.39% (31/05/12 : 4.33%)</b>			
UK Treasury 0% 07/06/21	8,217,000	7,120	0.97
UK Treasury 0% 07/09/14	13,911,000	13,845	1.89
UK Treasury 3.75% 07/09/19	930,000	1,072	0.15
UK Treasury 3.75% 22/07/52	300,000	326	0.04
UK Treasury 4.25% 07/06/32	500,000	601	0.08
UK Treasury 4.25% 07/12/55	720,000	870	0.12
UK Treasury 4.5% 07/12/42	391,000	486	0.07
UK Treasury 4.75% 07/12/38	383,700	494	0.07
<b>Index Linked Government Bonds 57.37% (31/05/12 : 55.10%)</b>			
UK Treasury 0.125% IL 22/03/24	2,101,000	2,384	0.32
UK Treasury 0.125% IL 22/03/29	6,332,000	7,208	0.98
UK Treasury 0.125% IL 22/03/44	4,846,000	5,321	0.72
UK Treasury 0.25% IL 22/03/52	4,046,919	4,663	0.64
UK Treasury 0.375% IL 22/03/62	6,439,202	8,396	1.14
UK Treasury 0.5% IL 22/03/50	5,840,000	8,297	1.13
UK Treasury 0.625% IL 22/03/40	5,815,500	8,129	1.11
UK Treasury 0.625% IL 22/11/42	6,501,000	9,429	1.28
UK Treasury 0.75% IL 22/03/34	6,375,000	8,313	1.13
UK Treasury 0.75% IL 22/11/47	5,609,000	8,741	1.19
UK Treasury 1.125% IL 22/11/37	6,520,000	10,747	1.46
UK Treasury 1.25% IL 22/11/17	38,431,000	56,917	7.75
UK Treasury 1.25% IL 22/11/27	8,250,000	13,491	1.84
UK Treasury 1.25% IL 22/11/32	7,020,000	10,668	1.45
UK Treasury 1.25% IL 22/11/55	5,768,100	11,836	1.61
UK Treasury 1.875% IL 22/11/22	10,718,000	16,826	2.29
UK Treasury 2% IL 26/01/35	4,897,000	10,437	1.42
UK Treasury 2.5% IL 16/04/20	3,165,000	12,075	1.64
UK Treasury 2.5% IL 16/08/13	29,034,000	80,662	10.99
UK Treasury 2.5% IL 17/07/24	3,516,000	12,219	1.66
UK Treasury 2.5% IL 26/07/16	31,006,000	107,484	14.64
UK Treasury 4.125% IL 22/07/30	2,169,000	7,163	0.98
<b>Corporate Bonds 0.04% (31/05/12 : 0.05%)</b>			
<b>UNITED KINGDOM 0.04% (31/05/12 : 0.05%)</b>			
European Investment Bank 4.75% 15/10/18	260,000	306	0.04
<b>IRELAND 0.00% (31/05/11 : 0.00%)</b>			
Lambay Capital Securities FRN Perpetual **	550,000	2	0.00
<b>TOTAL BONDS</b>		<b>446,528</b>	<b>60.80</b>

\* unaudited

## AXA Defensive Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>EQUITIES 33.61% (31/05/12 : 31.96%)</b>			
<b>OIL &amp; GAS 5.71% (31/05/12 : 5.93%)</b>			
<b>Oil &amp; Gas Producers 5.66% (31/05/12 : 5.81%)</b>			
Afren	725,000	976	0.13
BG	570,000	6,948	0.95
BP	2,510,000	11,894	1.62
Cairn Energy	275,000	758	0.10
EnQuest	363,000	466	0.06
Essar Energy	25,000	37	0.01
Premier Oil	272,000	995	0.14
Royal Dutch Shell 'A'	209,098	4,626	0.63
Royal Dutch Shell 'B'	522,000	11,975	1.63
Salamander Energy	150,000	259	0.04
Soco	120,000	460	0.06
Tullow Oil	200,000	2,106	0.29
<b>Oil Equipment, Services &amp; Distribution 0.05% (31/05/12 : 0.12%)</b>			
AMEC	39,000	400	0.05
<b>TOTAL OIL &amp; GAS</b>		<b>41,900</b>	<b>5.71</b>
<b>BASIC MATERIALS 2.52% (31/05/12 : 3.27%)</b>			
<b>Chemicals 0.19% (31/05/12 : 0.28%)</b>			
AZ Electronic Materials	75,000	237	0.03
Johnson Matthey	25,000	643	0.09
Victrex	29,000	500	0.07
<b>Forestry &amp; Paper 0.00% (31/05/12 : 0.08%)</b>			
<b>Industrial Metals 0.01% (31/05/12 : 0.02%)</b>			
Ferrexpo	30,000	52	0.01
<b>Mining 2.32% (31/05/12 : 2.89%)</b>			
African Barrick Gold	62,000	88	0.01
Anglo American	175,000	2,727	0.37
Anglo Pacific	15,469	36	0.00
Antofagasta	110,000	1,054	0.14
BHP Billiton	248,000	4,811	0.67
Centamin Egypt	200,000	78	0.01
Eurasian Natural Resources	150,000	379	0.05
Fresnillo	26,000	302	0.04
Glencore International	570,250	1,873	0.27
Kazakhmys	78,000	262	0.04
Lonmin (rights)	165,000	4,799	0.65
Petropavlovsk	43,000	60	0.01
Polymetal	20,000	137	0.02
*unaudited			

## AXA Defensive Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>BASIC MATERIALS (continued)</b>			
<b>Mining (continued)</b>			
Randgold Resources	5,000	264	0.04
<b>TOTAL BASIC MATERIALS</b>		<b>18,302</b>	<b>2.52</b>
<b>INDUSTRIALS 2.33% (31/05/12 : 2.39%)</b>			
<b>Construction &amp; Materials 0.05% (31/05/12 : 0.05%)</b>			
Balfour Beatty	150,000	352	0.05
<b>Aerospace &amp; Defence 0.53% (31/05/12 : 0.49%)</b>			
BAE Systems	396,000	1,599	0.22
Chemring	100,000	280	0.04
Cobham	165,000	475	0.06
Meggitt	286,527	1,523	0.21
<b>General Industrials 0.25% (31/05/12 : 0.29%)</b>			
Rexam	180,000	954	0.13
Smiths	66,000	906	0.12
<b>Electronic &amp; Electrical Equipment 0.14% (31/05/12 : 0.13%)</b>			
Halma	110,000	575	0.08
Renishaw	24,000	421	0.06
<b>Industrial Engineering 0.34% (31/05/12 : 0.31%)</b>			
IMI	72,000	931	0.13
Rotork	15,000	429	0.06
Weir	48,000	1,117	0.15
<b>Industrial Transportation 0.00% (31/05/12 : 0.01%)</b>			
Goldenport	27,179	10	0.00
<b>Support Services 1.02% (31/05/12 : 1.11%)</b>			
Aggreko	55,000	993	0.14
Ashtead	200,000	1,254	0.17
Berendsen	32,000	245	0.03
Capita	80,000	787	0.11
De La Rue	45,000	432	0.06
Electrocomponents	70,000	190	0.03
Experian	170,000	2,069	0.29
Homeserve	100,000	267	0.04
Lavendon	47,000	77	0.01
Northgate	8,000	27	0.00
Premier Farnell	75,000	162	0.02
Serco	52,000	323	0.04
Stagecoach	32,000	95	0.01

\* unaudited

## AXA Defensive Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>INDUSTRIALS (continued)</b>			
<b>Support Services (continued)</b>			
Wolseley	14,347	480	0.07
<b>TOTAL INDUSTRIALS</b>		<b>16,973</b>	<b>2.33</b>
<b>CONSUMER GOODS 4.55% (31/05/12 : 4.19%)</b>			
<b>Beverages 1.13% (31/05/12 : 1.09%)</b>			
Britvic	75,000	396	0.05
Diageo	250,000	4,854	0.66
SABMiller	94,000	3,105	0.42
<b>Food Producers 0.45% (31/05/12 : 0.44%)</b>			
Associated British Foods	70,000	1,282	0.17
Tate & Lyle	25,000	206	0.03
Unilever	65,000	1,801	0.25
<b>Household Goods 0.99% (31/05/12 : 0.76%)</b>			
Barratt Developments	29,900	95	0.01
Bellway	45,000	570	0.08
Berkeley 'B'	53,000	1,115	0.15
Crest Nicholson	28,419	100	0.01
Persimmon	120,000	1,422	0.19
Reckitt Benckiser	85,000	4,016	0.55
<b>Personal Goods 0.12% (31/05/12 : 0.13%)</b>			
Burberry	50,000	727	0.10
PZ Cussons	40,000	148	0.02
<b>Tobacco 1.86% (31/05/12 : 1.77%)</b>			
British American Tobacco	265,000	9,659	1.31
Imperial Tobacco	170,000	4,058	0.55
<b>TOTAL CONSUMER GOODS</b>		<b>33,554</b>	<b>4.55</b>
<b>HEALTH CARE 2.90% (31/05/12 : 2.84%)</b>			
<b>Health Care Equipment &amp; Services 0.26% (31/05/12 : 0.27%)</b>			
Optos	20,000	25	0.00
Smith & Nephew	250,000	1,916	0.26
<b>Pharmaceuticals &amp; Biotechnology 2.64% (31/05/12 : 2.57%)</b>			
AstraZeneca	140,000	4,745	0.66
BTG	100,000	353	0.05
GlaxoSmithKline	660,000	11,230	1.53
Shire	135,000	2,911	0.40
<b>TOTAL HEALTHCARE</b>		<b>21,180</b>	<b>2.90</b>

\* unaudited

## AXA Defensive Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>CONSUMER SERVICES 3.59% (31/05/12 : 3.42%)</b>			
<b>Food &amp; Drug Retailers 0.64% (31/05/12 : 0.64%)</b>			
J Sainsbury	325,000	1,220	0.17
Morrison (Wm) Supermarkets	320,000	876	0.12
Tesco	700,000	2,552	0.35
<b>General Retailers 0.45% (31/05/12 : 0.43%)</b>			
Debenhams	750,000	704	0.10
Dignity	10,285	137	0.02
Marks & Spencer	237,000	1,114	0.15
N Brown	35,000	161	0.02
Next	25,000	1,152	0.16
<b>Media 1.05% (31/05/12 : 0.98%)</b>			
BSkyB	200,000	1,564	0.21
Informa	276,000	1,408	0.19
ITE	130,000	381	0.05
ITV	525,000	689	0.09
Reed Elsevier	200,000	1,486	0.20
Rightmove	18,000	369	0.05
United Business Media	55,000	396	0.05
UTV Media	29,000	45	0.01
WPP	130,000	1,466	0.20
Yell	100,000	-	-
<b>Travel &amp; Leisure 1.45% (31/05/12 : 1.37%)</b>			
Carnival	71,000	1,590	0.22
Enterprise Inns	343,000	390	0.05
Greene King	104,000	792	0.11
Intercontinental Hotels	73,000	1,393	0.19
Ladbrokes	700,000	1,442	0.20
Marston's	320,000	455	0.06
Mitchells & Butlers	160,000	604	0.08
National Express	16,666	34	0.00
Whitbread	65,185	1,866	0.25
William Hill	492,555	2,142	0.29
<b>TOTAL CONSUMER SERVICES</b>		<b>26,428</b>	<b>3.59</b>
<b>TELECOMMUNICATIONS 2.58% (31/05/12 : 2.16%)</b>			
<b>Fixed Line Telecommunications 0.73% (31/05/12 : 0.49%)</b>			
BT	1,550,000	4,714	0.64
Cable & Wireless Communications	1,250,000	548	0.07
TalkTalk Telecom	60,000	137	0.02

\* unaudited

## AXA Defensive Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>TELECOMMUNICATIONS (continued)</b>			
<b>Mobile Telecommunications 1.85% (31/05/12 : 1.67%)</b>			
Inmarsat	210,000	1,296	0.18
Vodafone	6,425,000	12,243	1.67
<b>TOTAL TELECOMMUNICATIONS</b>		<b>18,938</b>	<b>2.58</b>
<b>UTILITIES 1.89% (31/05/12 : 2.01%)</b>			
<b>Electricity 0.32% (31/05/12 : 0.36%)</b>			
SSE	151,015	2,350	0.32
<b>Gas, Water &amp; Multiutilities 1.57% (31/05/12 : 1.65%)</b>			
Centrica	880,000	3,355	0.46
National Grid	471,172	3,720	0.51
Penon	165,000	1,127	0.15
Severn Trent	80,000	1,642	0.22
United Utilities	225,000	1,701	0.23
<b>TOTAL UTILITIES</b>		<b>13,895</b>	<b>1.89</b>
<b>FINANCIALS 7.11% (31/05/12 : 5.30%)</b>			
<b>Banks 3.96% (31/05/12 : 2.97%)</b>			
Barclays	1,525,000	4,891	0.67
HSBC	2,290,000	16,614	2.26
Lloyds Banking	4,800,000	2,963	0.40
Royal Bank of Scotland	220,000	731	0.10
Standard Chartered	253,235	3,920	0.53
<b>Nonlife Insurance 0.23% (31/05/12 : 0.21%)</b>			
Admiral	45,000	585	0.08
Amlin	40,000	167	0.02
Catlin	35,000	176	0.02
Direct Line	53,030	112	0.02
RSA Insurance	580,000	666	0.09
<b>Life Insurance 1.31% (31/05/12 : 0.96%)</b>			
Aviva	315,505	1,054	0.14
Legal & General	820,000	1,495	0.20
Old Mutual	430,000	874	0.12
Prudential	350,000	3,948	0.54
St James's Place	150,000	884	0.12
Standard Life	354,000	1,403	0.19

\* unaudited

## AXA Defensive Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>FINANCIALS (continued)</b>			
<b>General Financial 0.62% (31/05/12 : 0.52%)</b>			
3i	175,000	594	0.08
Aberdeen Asset Management	120,000	558	0.08
Ashmore	70,000	280	0.04
Hargreaves Lansdown	65,000	621	0.08
ICAP	200,000	737	0.10
IG	33,000	193	0.03
Intermediate Capital	40,000	188	0.03
International Personal Finance	42,000	215	0.03
Investec	10,000	45	0.01
London Stock Exchange	18,000	254	0.03
Man	350,000	406	0.06
Schroders	15,000	356	0.05
<b>Equity Investment Instruments 0.99% (31/05/12 : 0.64%)</b>			
Aberforth Smaller Companies Trust	30,000	252	0.03
Alliance Trust	196,776	882	0.12
British Assets Trust	592,052	792	0.11
City of London Investment Trust	210,000	758	0.10
Dunedin Income Growth Investment Trust	240,000	652	0.09
Foreign & Colonial Investment Trust	315,469	1,164	0.16
Henderson Smaller Companies Investment Trust	60,000	271	0.04
Mercantile Investment Trust	19,811	257	0.04
Merchants Trust	100,000	472	0.06
Murray Income Trust	55,000	432	0.06
Scottish Investment Trust	100,000	581	0.08
Temple Bar Investment Trust	47,000	543	0.07
Witan Investment Trust	33,000	202	0.03
<b>TOTAL FINANCIALS</b>		<b>52,188</b>	<b>7.11</b>
<b>TECHNOLOGY 0.43% (31/05/12 : 0.45%)</b>			
<b>Software &amp; Computer Services 0.42% (31/05/12 : 0.42%)</b>			
Aveva	22,000	527	0.07
Invensys	200,000	795	0.11
Micro Focus	32,000	220	0.03
Sage	285,000	1,037	0.14
Telecity	52,000	505	0.07
<b>Technology Hardware &amp; Equipment 0.01% (31/05/12 : 0.03%)</b>			
Sapura	65,000	77	0.01
<b>TOTAL TECHNOLOGY</b>		<b>3,161</b>	<b>0.43</b>
<b>TOTAL EQUITIES</b>		<b>246,519</b>	<b>33.61</b>

\* unaudited

## AXA Defensive Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

Holding	Market Value £'000	% of Total Net Assets
Portfolio of Investments	693,047	94.41
Net Other Assets	41,023	5.59
<b>Net Assets</b>	<b>734,070</b>	<b>100.00</b>

\*unaudited

\*\* These stocks have either been suspended, delisted or are in liquidation. They are included at the Manager's valuation.

*All bonds are denominated in Sterling (unless otherwise indicated)*

## AXA Defensive Distribution Fund

	31/05/13		31/05/12	
	Market Value	%	Market Value	%
	£'000s		£'000s	
Bonds	446,528	60.80	341,557	59.48
Equities	246,519	33.61	183,647	31.96
Derivatives	-	-	-	-
<b>Portfolio of Investments</b>	<b>693,047</b>	<b>94.41</b>	<b>525,204</b>	<b>91.44</b>
	31/05/13		31/05/12	
<b>Credit Rating</b>	<b>Market Value</b>	<b>%</b>	<b>Market Value</b>	<b>%</b>
	£'000s		£'000s	
Total bonds BBB- credit rating and above	446,528	60.83	341,557	59.48
Total bonds below BBB- credit rating	-	-	-	-
<b>Total value of bonds</b>	<b>446,528</b>	<b>60.83</b>	<b>341,557</b>	<b>59.48</b>

## Financial Statements for the AXA Defensive Distribution Fund

### STATEMENT OF TOTAL RETURN

	Notes	Year ended 31/05/13		Year ended 31/05/12	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains	1		53,129		3,535
Revenue	2	20,939		16,620	
Expenses	3	(7,929)		(6,071)	
Finance costs : interest	5	-		-	
Net revenue before taxation		13,010		10,549	
Taxation	4	(13)		(4)	
Net revenue after taxation			12,997		10,545
<b>Total return before distributions</b>			66,126		14,080
Finance Costs : Distributions	5		(20,842)		(16,537)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>45,284</b>		<b>(2,457)</b>

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

	Year ended 31/05/13		Year ended 31/05/12	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		574,375		421,777
Amounts receivable on issue of shares	123,734		188,328	
Amounts payable on cancellation of shares	(27,827)		(48,018)	
		95,907		140,310
Dilution Levy		-		-
Stamp Duty Reserve Tax		(77)		(47)
Change in net assets attributable to shareholders from investment activities		45,284		(2,457)
Retained distribution on accumulation shares		18,581		14,792
<b>Closing net assets attributable to shareholders</b>		<b>734,070</b>		<b>574,375</b>

## Financial Statements for the AXA Defensive Distribution Fund

### BALANCE SHEET

As at	Notes	31/05/13 £'000	31/05/12 £'000
<b>Assets:</b>			
Investment assets		693,047	525,204
Debtors	7	3,623	5,869
Cash & bank balances	8	40,513	47,759
<b>Total other assets</b>		<b>44,136</b>	<b>53,628</b>
<b>Total assets</b>		<b>737,183</b>	<b>578,832</b>
<b>Liabilities</b>			
Creditors	9	3,026	4,341
Distribution payable on income shares		87	116
<b>Total other liabilities</b>		<b>3,113</b>	<b>4,457</b>
<b>Total liabilities</b>		<b>3,113</b>	<b>4,457</b>
<b>Net assets attributable to shareholders</b>		<b>734,070</b>	<b>574,375</b>

## Financial Statements for the AXA Defensive Distribution Fund

### NOTES TO THE ACCOUNTS

	Year ended 31/05/13 £'000	Year ended 31/05/12 £'000
<b>1. NET CAPITAL GAINS</b>		
The net capital gains on investments during the year comprise:		
Non-derivative securities	53,131	3,684
Derivative contracts	-	(145)
Transaction charges	(2)	(4)
<b>Total</b>	<b>53,129</b>	<b>3,535</b>
<b>2. REVENUE</b>		
	<b>£'000</b>	<b>£'000</b>
UK dividends	6,894	5,569
Overseas dividends	270	95
Overseas stock dividends	89	-
Interest on debt securities	6,286	4,887
Amortisation adjustment	6,329	5,162
Bank interest	114	89
Underwriting commission	7	-
Stock dividends	950	818
<b>Total</b>	<b>20,939</b>	<b>16,620</b>
<b>3. EXPENSES</b>		
	<b>£'000</b>	<b>£'000</b>
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD charge *	7,845	5,992
Registration fees	20	25
Administration fees	(4)	3
<b>Total</b>	<b>7,861</b>	<b>6,020</b>
<b>Payable to Depositary, associates of the Depositary and agents of either of them:</b>		
Depositary fees	33	32
Safe custody fees	20	11
<b>Total payable to depositary</b>	<b>53</b>	<b>43</b>
<b>Other expenses</b>		
Audit fee	8	8
Legal fee	6	-
KIDD Fee	1	-
<b>Total Other Expenses</b>	<b>15</b>	<b>8</b>
<b>Total</b>	<b>7,929</b>	<b>6,071</b>
<b>* Total Expenses Ultimately Borne by Capital</b>	<b>7,845</b>	<b>5,992</b>
<b>Total Expenses Ultimately Borne by Income</b>	<b>84</b>	<b>79</b>

## Financial Statements for the AXA Defensive Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

	Year ended 31/05/13	Year ended 31/05/12
<b>4. TAXATION</b>		
<b>(a) Analysis of Charge in Year</b>		
	<b>£'000</b>	<b>£'000</b>
<b>Current Tax</b>		
Overseas withholding tax	13	4
<b>Current Tax Charge (note 4(b))</b>	<b>13</b>	<b>4</b>
<b>Deferred Tax</b>		
Deferred tax	-	-
<b>Total Deferred Tax</b>	<b>-</b>	<b>-</b>
<b>Total Taxation</b>	<b>13</b>	<b>4</b>
<b>(b) Factors Affecting Tax Charge for Year</b>		
Net revenue before taxation	13,010	10,549
Corporation tax of 20% (2012: same)	2,602	2,110
<b>Effects of:</b>		
Income not subject to taxation	(1,569)	(1,296)
Amortisation revenue not subject to taxation	-	(1,591)
Overseas dividends not subject to taxation	(72)	-
Overseas withholding tax	13	4
Interest distributions	(2,528)	(2,011)
Movement in excess management expenses	1,567	2,788
<b>Current Tax Charge (note 4(a))</b>	<b>13</b>	<b>4</b>

#### (c) Provision for Deferred Taxation

There is no provision for deferred tax in the current or prior year.

#### (d) Factors that may affect future tax charges

At 31/05/13 the Fund had surplus management expenses of £49,763,376 (31/05/12: £41,385,189). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and, therefore, a deferred tax asset of £9,952,675 (31/05/12: £8,277,038) has not been recognised.

## Financial Statements for the AXA Defensive Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

	Year ended 31/05/13	Year ended 31/05/12
<b>5. FINANCE COSTS</b>		
<b>Distributions and Interest</b>		
The distributions take account of revenue received on the creation of shares and revenue deducted on cancellation of shares, and comprise:		
	<b>£'000</b>	<b>£'000</b>
Interim distribution paid 31/29 October	71	57
Interim accumulation paid 31/29 October	4,022	2,963
Interim distribution paid 31 January	94	85
Interim accumulation paid 31 January	5,692	4,535
Interim distribution paid 30/29 April	79	46
Interim accumulation paid 30/29 April	4,922	2,422
Final distribution payable/paid 31/29 July	93	124
Final accumulation payable/paid 31/29 July	6,072	6,732
	<b>21,045</b>	<b>16,964</b>
<i>Add: revenue deducted on cancellation of shares</i>	88	187
<i>Deduct: revenue received on creation of shares</i>	(291)	(614)
<b>Net Distribution for the Year</b>	<b>20,842</b>	<b>16,537</b>
Interest	-	-
<b>Total Finance Costs</b>	<b>20,842</b>	<b>16,537</b>

*Details of the Distributions are set out on pages 43-53.*

#### Reconciliation of Net Revenue and Net Distribution

Net revenue after taxation	12,997	10,545
Charges deducted from capital	7,845	5,992
<b>Total</b>	<b>20,842</b>	<b>16,537</b>

#### 6. DILUTION LEVY

The ACD's policy is that dilution levy would only be imposed in exceptional circumstances and the amount of levy would not exceed what the ACD considers necessary to compensate the relevant Fund for the potential effect of dilution. The only cases in which the ACD specifically envisages that it might impose a dilution levy are on large daily net movements in the size of the Fund resulting from redemptions, although dilution can be charged in other circumstances at the ACD's discretion.

## Financial Statements for the AXA Defensive Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

#### 7. DEBTORS

As at	31/05/13 £'000	31/05/12 £'000
Amounts receivable on share creations	546	3,141
Sales awaiting settlement	90	36
<b>Accrued Revenue</b>		
Accrued UK dividends	1,145	1,215
Accrued interest on debt securities	1,729	1,428
Accrued overseas dividends	99	38
Accrued bank interest	10	9
<b>Other Debtors</b>		
Withholding tax recoverable	4	2
<b>Total</b>	<b>3,623</b>	<b>5,869</b>

#### 8. CASH & BANK BALANCES

As at	31/05/13 £'000	31/05/12 £'000
Cash at bank	40,513	47,759
<b>Total</b>	<b>40,513</b>	<b>47,759</b>

#### 9. CREDITORS

As at	31/05/13 £'000	31/05/12 £'000
Amounts payable on share cancellations	1,117	105
Purchases awaiting settlement	-	2,123
Income tax payable	1,134	970
<b>Accrued Expenses</b>		
Accrued ACD charge	753	1,098
Accrued audit fee	8	7
Accrued administration fees	1	5
Accrued depositary fees	6	5
Accrued registration fees	3	22
Accrued safe custody fees	3	5
Accrued transaction fees	1	1
<b>Total</b>	<b>3,026</b>	<b>4,341</b>

## Financial Statements for the AXA Defensive Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

As at 31 May 2013

#### 10. CONTINGENT LIABILITIES

The Fund had no contingent liabilities at the end of the year (same as at 31/05/12).

#### 11. CONTINGENT ASSETS

The Fund had no contingent assets at the end of the year (same as at 31/05/12).

#### 12. RELATED PARTIES

The ACD is related to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures'.

AXA Investment Managers UK Limited, as the ACD are party to all transactions of shares in the Fund (as summarised in the Statement of Change in Net Assets Attributable to Shareholders on page 32). Any amounts due to or from the ACD at the end of the accounting period are disclosed in notes 7 and 9.

Amounts payable to the ACD in respect of fund administration and registration services are disclosed in note 3 and amounts due at the period end in note 9.

At 31 May 2013, the AXA group has holdings totalling 91.75% of the Funds' shares. Other than disclosed elsewhere in the financial statements, there were no material transactions between the Fund and related parties during the year.

#### 13. SHAREHOLDER FUNDS

The Fund currently has three share classes: Class J, Class R and Class Z. The annual management charge on each share class is as follows:

Class J : 1.15%

Class R : 1.50%

Class Z : 0.75%

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the comparative table on page 20. The distribution per share class is given in the distribution tables on pages 43 - 53.

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS

The Fund's investment objective and policies are stated on page 15, and have been applied consistently throughout the current and prior period. In achieving its objectives the Fund will be exposed to various types of risk, the principal items being as follows:

##### Market Price Risk

The Fund invests principally in shares and fixed interest securities. The value of investments is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual company or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Fund seeks to manage these risks by holding a diversified portfolio of investments spread across a range of industries in line with the Fund's objectives. In addition, the Fund complies with the Collective Investment Schemes sourcebook ("COLL"), which include rules relating to investment holdings that are designed to place limits on the Fund's investment concentration (same as at 31/05/12).

## Financial Statements for the AXA Defensive Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

As at 31 May 2013

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS (continued)

##### Cash Flow Risk

The Fund's main cashflows are generated by the revenue received from its investments.

The revenue received from equity investments in the form of dividends can rise or fall depending upon the particular decisions made by each company.

The revenue received from its fixed interest investments will be in line with the coupon rates attached to each bond held and the indexation calculated on the index linked assets.

Given that the Fund's investment objective is to obtain a high level of revenue and the maintenance of capital over the medium to long term, dividend policy is one of the Fund's priorities and the Fund's stock selection reflects this (same as at 31/05/12).

##### Derivatives and Other Financial Instruments

The ACD, where it considers it appropriate, uses futures contracts to gain market exposure with reduced dealing costs. At the year end, no derivatives were held in the Fund (2012: same).

##### Credit Risk

The Fund runs a very low credit risk in respect of unsettled investment transactions as these are normally settled as cash against delivery.

Fixed interest investments are exposed to credit risk which reflects the ability of the bond issuer to meet its obligations. The majority of bonds in which the Fund invests are investment grade listed bonds or government securities which are lower risk. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. The ACD monitors the credit quality and risk of the portfolio as a part of the overall investment process and in accordance with the objective and policy of each sub fund.

Transactions in securities may expose a fund to the risk that the counterparty will not settle the transaction or do so on a timely basis.

All transactions in the funds are conducted through counterparties approved by the ACD (same as at 31/05/12).

##### Liquidity Risk

All of the Fund's financial assets are considered to be readily realisable in accordance with the market practices of the exchange on which they are traded. In general, sales and purchases of financial assets are managed so that the Fund's cash requirement is kept to a minimum. The Fund's main financial liability relates to the potential commitment to meet any cancellation of shares. In order to manage this risk the Fund maintains a cash balance to cover any known liabilities, with any cancellation of shares being covered by the sale of investments. Where investments cannot be realised in time to meet a liability the ACD will utilise the company's overdraft facility with HSBC Bank plc.

All of the Fund's financial liabilities are payable in less than one year (same as at 31/05/12).

##### Interest Rate Risk

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital, with the exception of index linked bonds which are protected against the effect of inflation.

## Financial Statements for the AXA Defensive Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

As at 31 May 2013

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS (continued)

##### Interest Rate Profile

The majority of the Fund's assets are bonds which pay interest and have maturity date.

The interest rate profile of the Company's interest bearing financial assets was as follows:

Currency	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets not Carrying Interest	Total
	£'000	£'000	£'000	£'000
as at 31/05/13				
Euros	3	-	-	3
UK Sterling	461,918	25,120	249,488	736,526
US Dollar	-	-	654	654
<b>TOTAL</b>	<b>461,921</b>	<b>25,120</b>	<b>250,142</b>	<b>737,183</b>

Currency	Floating Rate Financial Liabilities	Financial Liabilities Carrying no Interest	Total
	£'000	£'000	£'000
as at 31/05/13			
UK Sterling	-	3,113	3,113
<b>Total</b>	<b>-</b>	<b>3,113</b>	<b>3,113</b>

Currency	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets not Carrying Interest	Total
	£'000	£'000	£'000	£'000
as at 31/05/12				
Euros	3	-	16	19
UK Sterling	72,575	316,738	189,014	578,327
US Dollar	-	-	486	486
<b>TOTAL</b>	<b>72,578</b>	<b>316,738</b>	<b>189,516</b>	<b>578,832</b>

Currency	Floating Rate Financial Liabilities	Financial Liabilities Carrying no Interest	Total
	£'000	£'000	£'000
as at 31/05/12			
UK Sterling	-	4,457	4,457
<b>Total</b>	<b>-</b>	<b>4,457</b>	<b>4,457</b>

## Financial Statements for the AXA Defensive Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

As at 31 May 2013

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS (continued)

##### Interest Rate Profile (continued)

Currency	Fixed Rate Financial Assets	
	Weighted Average Interest Rate	Weighted Average Period for which Rate is Fixed

as at 31/05/13

Euros	4.85%	5.38 years
UK Sterling	2.40%	6.84 years

Currency	Fixed Rate Financial Assets	
	Weighted Average Interest Rate	Weighted Average Period for which Rate is Fixed

as at 31/05/12

Euros	4.85%	6.38 years
UK Sterling	2.32%	5.98 years

There are no material amounts of non-interest bearing financial assets, other than equities, which do not have maturity dates.

UK Sterling index linked securities bear interest at rates based on the Retail Price Index.

The interest on cash balances is earned by reference to LIBOR (same as at 31/05/12).

##### Inflation Rate Risk

The Fund invests in index linked securities where both the revenue and the market value will reflect inflation and future expectations concerning inflation. In general, where inflation increases, the value of assets, and revenue generated from them, also increases. A decline in inflation has the opposite effect (same as at 31/05/12).

##### Foreign Currency Risk

A proportion of the Fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and revenue and actual cash settlement, create currency exchange gains/losses. The Fund may seek to minimise some of this risk by using forward currency contracts. The Fund does not seek to hedge currency movements caused by the short term timing differences explained above.

The foreign currency exposure of the Fund as at 31 May 2013 was as follows:

As at Currency	Monetary exposures £'000	31/05/13 Non- Monetary exposures £'000	Total £'000
Euros	3	-	3
UK Sterling	40,366	693,047	733,413
US Dollar	654	-	654
<b>TOTAL</b>	<b>41,023</b>	<b>693,047</b>	<b>734,070</b>

## Financial Statements for the AXA Defensive Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

As at 31 May 2013

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS (continued)

##### Foreign Currency Risk (continued)

As at		31/05/12	
Currency	Monetary exposures	Non-Monetary exposures	Total
	£'000	£'000	£'000
Euros	19	-	19
UK Sterling	48,666	525,204	573,870
US Dollar	486	-	486
<b>TOTAL</b>	<b>49,171</b>	<b>525,204</b>	<b>574,375</b>

#### 15. PORTFOLIO TRANSACTION COSTS

##### Analysis of total purchase costs

	31/05/13 £'000	31/05/12 £'000
Purchases in year before transaction costs	205,320	179,302
Commissions	13	66
Taxes	116	279
Total purchase costs	129	345
<b>Gross purchases total</b>	<b>205,449</b>	<b>179,647</b>

##### Analysis of total sale costs

Gross sales in year before transaction costs	96,790	71,790
Commissions	10	-
Taxes	-	-
Total sale costs	10	-
<b>Total sales net of transaction costs</b>	<b>96,780</b>	<b>71,790</b>

## AXA Defensive Distribution Fund

### Distribution Table

**for the 3 months ended 31 May 2013 (in pence per share)**

Group 1 : Shares purchased prior to 1 March 2013

Group 2 : Shares purchased between 1 March 2013 and 31 May 2013

<b>Class J Gross</b>	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution/ Accumulation Payable 31/07/13	Distribution/ Accumulation Paid 31/07/12
Income Shares						
Group 1 :	0.893	Nil	0.893	Nil	0.893	N/A
Group 2 :	0.546	Nil	0.546	0.347	0.893	N/A
Accumulation Shares						
Group 1 :	0.903	Nil	0.903	Nil	0.903	N/A
Group 2 :	0.561	Nil	0.561	0.342	0.903	N/A

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:  
100.00% as an interest distribution. It is not Franked Investment Income.

### Distribution Table

**for the 3 months ended 31 May 2013 (in pence per share)**

Group 1 : Shares purchased prior to 1 March 2013

Group 2 : Shares purchased between 1 March 2013 and 31 May 2013

<b>Class R Gross</b>	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution/ Accumulation Payable 31/07/13	Distribution/ Accumulation Paid 31/07/12
Income Shares						
Group 1 :	0.731	Nil	0.731	Nil	0.731	0.974
Group 2 :	0.414	Nil	0.414	0.317	0.731	0.974
Accumulation Shares						
Group 1 :	0.998	Nil	0.998	Nil	0.998	1.285
Group 2 :	0.460	Nil	0.460	0.538	0.998	1.285

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:  
100.00% as an interest distribution. It is not Franked Investment Income.

## AXA Defensive Distribution Fund

### Distribution Table

**for the 3 months ended 31 May 2013 (in pence per share)**

Group 1 : Shares purchased prior to 1 March 2013

Group 2 : Shares purchased between 1 March 2013 and 31 May 2013

<b>Class Z Gross</b>	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution/ Accumulation Payable 31/07/13	Distribution/ Accumulation Paid 31/07/12
Income Shares						
Group 1 :	0.746	Nil	0.746	Nil	0.746	0.987
Group 2 :	0.511	Nil	0.235	0.511	0.746	0.987
Accumulation Shares						
Group 1 :	1.382	Nil	1.382	Nil	1.382	1.768
Group 2 :	0.808	Nil	0.808	0.574	1.382	1.768

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:  
100.00% as an interest distribution. It is not Franked Investment Income.

### Distribution Table

**for the 3 months ended 31 May 2013 (in pence per share)**

Group 1 : Shares purchased prior to 1 March 2013

Group 2 : Shares purchased between 1 March 2013 and 31 May 2013

<b>Class J Net</b>	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution/ Accumulation Payable 31/07/13	Distribution/ Accumulation Paid 31/07/12
Income Shares						
Group 1 :	0.893	0.179	0.714	Nil	0.714	N/A
Group 2 :	0.524	0.105	0.419	0.295	0.714	N/A
Accumulation Shares						
Group 1 :	0.900	0.180	0.720	Nil	0.720	N/A
Group 2 :	0.533	0.107	0.426	0.294	0.720	N/A

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:  
100% as an interest distribution after deduction of income tax at 20%. It is not Franked Investment Income.

## AXA Defensive Distribution Fund

### Distribution Table

**for the 3 months ended 31 May 2013 (in pence per share)**

Group 1 : Shares purchased prior to 1 March 2013

Group 2 : Shares purchased between 1 March 2013 and 31 May 2013

<b>Class R Net</b>	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution/ Accumulation Payable 31/07/13	Distribution/ Accumulation Paid 31/07/12
Income Shares						
Group 1 :	0.699	0.140	0.559	Nil	0.559	0.745
Group 2 :	0.393	0.079	0.314	0.245	0.559	0.745
Accumulation Shares						
Group 1 :	1.216	0.243	0.973	Nil	0.973	1.261
Group 2 :	0.656	0.131	0.525	0.448	0.973	1.261

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% as an interest distribution after deduction of income tax at 20%. It is not Franked Investment Income.

### Distribution Table

**for the 3 months ended 31 May 2013 (in pence per share)**

Group 1 : Shares purchased prior to 1 March 2013

Group 2 : Shares purchased between 1 March 2013 and 31 May 2013

<b>Class Z Net</b>	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution/ Accumulation Payable 31/07/13	Distribution/ Accumulation Paid 31/07/12
Income Shares						
Group 1 :	0.745	0.149	0.596	Nil	0.596	0.788
Group 2 :	0.216	0.043	0.173	0.423	0.596	0.788
Accumulation Shares						
Group 1 :	1.293	0.259	1.034	Nil	1.034	1.331
Group 2 :	0.660	0.132	0.528	0.506	1.034	1.331

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% as an interest distribution after deduction of income tax at 20%. It is not Franked Investment Income.

## AXA Defensive Distribution Fund

### Distribution Table

**for the 3 months ended 28 February 2013 (in pence per share)**

Group 1 : Shares purchased prior to 1 December 2012

Group 2 : Shares purchased between 1 December 2012 and 28 February 2013

<b>Class J Gross</b>	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution/ Accumulation Paid 30/04/13	Distribution/ Accumulation Paid 30/04/12
Income Shares						
Group 1 :	0.733	Nil	0.733	Nil	0.733	N/A
Group 2 :	0.504	Nil	0.504	0.229	0.733	N/A
Accumulation Shares						
Group 1 :	0.735	Nil	0.735	Nil	0.735	N/A
Group 2 :	0.471	Nil	0.471	0.264	0.735	N/A

#### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100.00% as an interest distribution. It is not Franked Investment Income.

### Distribution Table

**for the 3 months ended 28 February 2013 (in pence per share)**

Group 1 : Shares purchased prior to 1 December 2012

Group 2 : Shares purchased between 1 December 2012 and 28 February 2013

<b>Class R Gross</b>	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution/ Accumulation Paid 30/04/13	Distribution/ Accumulation Paid 30/04/12
Income Shares						
Group 1 :	0.598	Nil	0.598	Nil	0.598	0.390
Group 2 :	0.543	Nil	0.543	0.055	0.598	0.390
Accumulation Shares						
Group 1 :	0.812	Nil	0.812	Nil	0.812	0.510
Group 2 :	0.708	Nil	0.708	0.104	0.812	0.510

#### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100.00% as an interest distribution. It is not Franked Investment Income.

## AXA Defensive Distribution Fund

### Distribution Table

**for the 3 months ended 28 February 2013 (in pence per share)**

Group 1 : Shares purchased prior to 1 December 2012

Group 2 : Shares purchased between 1 December 2012 and 28 February 2013

<b>Class Z Gross</b>	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution/ Accumulation Paid 30/04/13	Distribution/ Accumulation Paid 30/04/12
Income Shares						
Group 1 :	0.610	Nil	0.610	Nil	0.610	0.393
Group 2 :	0.610	Nil	0.610	Nil	0.610	0.393
Accumulation Shares						
Group 1 :	1.122	Nil	1.122	Nil	1.122	0.685
Group 2 :	0.858	Nil	0.858	0.264	1.122	0.685

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100.00% as an interest distribution. It is not Franked Investment Income.

### Distribution Table

**for the 3 months ended 28 February 2013 (in pence per share)**

Group 1 : Shares purchased prior to 1 December 2012

Group 2 : Shares purchased between 1 December 2012 and 28 February 2013

<b>Class J Net</b>	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution/ Accumulation Paid 30/04/13	Distribution/ Accumulation Paid 30/04/12
Income Shares						
Group 1 :	0.733	0.147	0.586	Nil	0.586	N/A
Group 2 :	0.573	0.115	0.458	0.128	0.586	N/A
Accumulation Shares						
Group 1 :	0.734	0.147	0.587	Nil	0.587	N/A
Group 2 :	0.505	0.101	0.404	0.183	0.587	N/A

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% as an interest distribution after deduction of income tax at 20%. It is not Franked Investment Income.

## AXA Defensive Distribution Fund

### Distribution Table

**for the 3 months ended 28 February 2013 (in pence per share)**

Group 1 : Shares purchased prior to 1 December 2012

Group 2 : Shares purchased between 1 December 2012 and 28 February 2013

<b>Class R Net</b>	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution/ Accumulation Paid 30/04/13	Distribution/ Accumulation Paid 30/04/12
Income Shares						
Group 1 :	0.573	0.115	0.458	Nil	0.458	0.289
Group 2 :	0.466	0.093	0.373	0.085	0.458	0.289
Accumulation Shares						
Group 1 :	0.990	0.198	0.792	Nil	0.792	0.486
Group 2 :	0.853	0.171	0.682	0.110	0.792	0.486

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% as an interest distribution after deduction of income tax at 20%. It is not Franked Investment Income.

### Distribution Table

**for the 3 months ended 28 February 2013 (in pence per share)**

Group 1 : Shares purchased prior to 1 December 2012

Group 2 : Shares purchased between 1 December 2012 and 28 February 2013

<b>Class Z Net</b>	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution/ Accumulation Paid 30/04/13	Distribution/ Accumulation Paid 30/04/12
Income Shares						
Group 1 :	0.609	0.122	0.487	Nil	0.487	0.303
Group 2 :	0.609	0.122	0.487	Nil	0.487	0.303
Accumulation Shares						
Group 1 :	1.051	0.210	0.841	Nil	0.841	0.513
Group 2 :	0.786	0.157	0.629	0.212	0.841	0.513

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% as an interest distribution after deduction of income tax at 20%. It is not Franked Investment Income.

## AXA Defensive Distribution Fund

### Distribution Table

**for the 3 months ended 30 November 2012 (in pence per share)**

Group 1 : Shares purchased prior to 1 September 2012

Group 2 : Shares purchased between 1 September 2012 and 30 November 2012

<b>Class J Gross</b>	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution/ Accumulation Paid 31/01/13	Distribution/ Accumulation Paid 31/01/12
Income Shares						
Group 1 :	0.602	Nil	0.602	Nil	0.602	N/A
Group 2 :	0.602	Nil	0.602	Nil	0.602	N/A
Accumulation Shares						
Group 1 :	0.604	Nil	0.604	Nil	0.604	N/A
Group 2 :	0.604	Nil	0.604	Nil	0.604	N/A

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100.00% as an interest distribution. It is not Franked Investment Income.

### Distribution Table

**for the 3 months ended 30 November 2012 (in pence per share)**

Group 1 : Shares purchased prior to 1 September 2012

Group 2 : Shares purchased between 1 September 2012 and 30 November 2012

<b>Class R Gross</b>	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution/ Accumulation Paid 31/01/13	Distribution/ Accumulation Paid 31/01/12
Income Shares						
Group 1 :	0.723	Nil	0.723	Nil	0.723	0.778
Group 2 :	0.439	Nil	0.439	0.284	0.723	0.778
Accumulation Shares						
Group 1 :	0.973	Nil	0.973	Nil	0.973	1.013
Group 2 :	0.680	Nil	0.680	0.293	0.973	1.013

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100.00% as an interest distribution. It is not Franked Investment Income.

## AXA Defensive Distribution Fund

### Distribution Table

**for the 3 months ended 30 November 2012 (in pence per share)**

Group 1 : Shares purchased prior to 1 September 2012

Group 2 : Shares purchased between 1 September 2012 and 30 November 2012

<b>Class Z Gross</b>	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution/ Accumulation Paid 31/01/13	Distribution/ Accumulation Paid 31/01/12
Income Shares						
Group 1 :	0.736	Nil	0.736	Nil	0.736	0.787
Group 2 :	0.736	Nil	0.736	Nil	0.736	0.787
Accumulation Shares						
Group 1 :	1.342	Nil	1.342	Nil	1.342	1.389
Group 2 :	0.974	Nil	0.974	0.368	1.342	1.389

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100.00% as an interest distribution. It is not Franked Investment Income.

### Distribution Table

**for the 3 months ended 30 November 2012 (in pence per share)**

Group 1 : Shares purchased prior to 1 September 2012

Group 2 : Shares purchased between 1 September 2012 and 30 November 2012

<b>Class J Net</b>	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution/ Accumulation Paid 31/01/13	Distribution/ Accumulation Paid 31/01/12
Income Shares						
Group 1 :	0.603	0.121	0.482	Nil	0.482	N/A
Group 2 :	0.603	0.121	0.482	Nil	0.482	N/A
Accumulation Shares						
Group 1 :	0.603	0.121	0.482	Nil	0.482	N/A
Group 2 :	0.603	0.121	0.482	Nil	0.482	N/A

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% as an interest distribution after deduction of income tax at 20%. It is not Franked Investment Income.

## AXA Defensive Distribution Fund

### Distribution Table

**for the 3 months ended 30 November 2012 (in pence per share)**

Group 1 : Shares purchased prior to 1 September 2012

Group 2 : Shares purchased between 1 September 2012 and 30 November 2012

<b>Class R Net</b>	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution/ Accumulation Paid 31/01/13	Distribution/ Accumulation Paid 31/01/12
Income Shares	0.691	0.138	0.553	Nil	0.553	
Group 1 :	0.478	0.096	0.382	0.171	0.553	0.596
Group 2 :						0.596
Accumulation Shares						
Group 1 :	1.189	0.238	0.951	Nil	0.951	1.004
Group 2 :	0.829	0.166	0.663	0.288	0.951	1.004

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% as an interest distribution after deduction of income tax at 20%. It is not Franked Investment Income.

### Distribution Table

**for the 3 months ended 30 November 2012 (in pence per share)**

Group 1 : Shares purchased prior to 1 September 2012

Group 2 : Shares purchased between 1 September 2012 and 30 November 2012

<b>Class Z Net</b>	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution/ Accumulation Paid 31/01/13	Distribution/ Accumulation Paid 31/01/12
Income Shares						
Group 1 :	0.735	0.147	0.588	Nil	0.588	0.630
Group 2 :	0.735	0.147	0.588	Nil	0.588	0.630
Accumulation Shares						
Group 1 :	1.259	0.252	1.007	Nil	1.007	1.051
Group 2 :	0.893	0.179	0.714	0.293	1.007	1.051

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% as an interest distribution after deduction of income tax at 20%. It is not Franked Investment Income.

## AXA Defensive Distribution Fund

### Distribution Table

**for the 3 months ended 31 August 2012 (in pence per share)**

Group 1 : Shares purchased prior to 1 June 2012

Group 2 : Shares purchased between 1 June 2012 and 31 August 2012

<b>Class R Gross</b>	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution/ Accumulation Paid 31/10/12	Distribution/ Accumulation Paid 31/10/11
Income Shares						
Group 1 :	0.546	Nil	0.546	Nil	0.546	0.541
Group 2 :	0.319	Nil	0.319	0.227	0.546	0.541
Accumulation Shares						
Group 1 :	0.730	Nil	0.730	Nil	0.730	0.698
Group 2 :	0.432	Nil	0.432	0.298	0.730	0.698

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:  
100.00% as an interest distribution. It is not Franked Investment Income.

### Distribution Table

**for the 3 months ended 31 August 2012 (in pence per share)**

Group 1 : Shares purchased prior to 1 June 2012

Group 2 : Shares purchased between 1 June 2012 and 31 August 2012

<b>Class Z Gross</b>	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution/ Accumulation Paid 31/10/12	Distribution/ Accumulation Paid 31/10/11
Income Shares						
Group 1 :	0.555	Nil	0.555	Nil	0.555	0.541
Group 2 :	0.555	Nil	0.555	Nil	0.555	0.541
Accumulation Shares						
Group 1 :	1.006	Nil	1.006	Nil	1.006	0.956
Group 2 :	0.819	Nil	0.819	0.187	1.006	0.956

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:  
100.00% as an interest distribution. It is not Franked Investment Income.

## AXA Defensive Distribution Fund

### Distribution Table

**for the 3 months ended 31 August 2012 (in pence per share)**

Group 1 : Shares purchased prior to 1 June 2012

Group 2 : Shares purchased between 1 June 2012 and 31 August 2012

<b>Class R Net</b>	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution/ Accumulation Paid 31/10/12	Distribution/ Accumulation Paid 31/10/11
Income Shares						
Group 1 :	0.523	0.105	0.418	Nil	0.418	0.424
Group 2 :	0.300	0.060	0.240	0.178	0.418	0.424
Accumulation Shares						
Group 1 :	0.896	0.179	0.717	Nil	0.717	0.707
Group 2 :	0.506	0.101	0.405	0.312	0.717	0.707

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% as an interest distribution after deduction of income tax at 20%. It is not Franked Investment Income.

### Distribution Table

**for the 3 months ended 31 August 2012 (in pence per share)**

Group 1 : Shares purchased prior to 1 June 2012

Group 2 : Shares purchased between 1 June 2012 and 31 August 2012

<b>Class Z Net</b>	Gross Revenue	Income Tax	Net Revenue	Equalisation	Distribution/ Accumulation Paid 31/10/12	Distribution/ Accumulation Paid 31/10/11
Income Shares						
Group 1 :	0.554	0.111	0.443	Nil	0.443	0.449
Group 2 :	0.554	0.111	0.443	Nil	0.443	0.449
Accumulation Shares						
Group 1 :	0.945	0.189	0.756	Nil	0.756	0.742
Group 2 :	0.564	0.113	0.451	0.305	0.756	0.742

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% as an interest distribution after deduction of income tax at 20%. It is not Franked Investment Income.

## AXA Distribution Fund

### DIRECTOR'S REPORT AND ACCOUNT FOR THE AXA DISTRIBUTION FUND

For the year ended 31 May 2013

#### Investment Objective

The aim of this Fund is to achieve growing income with some prospects for capital growth over the medium to long term.

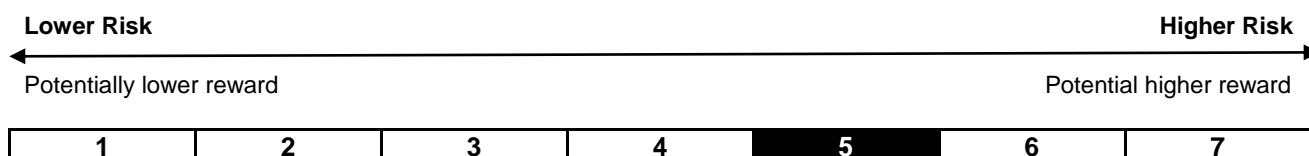
#### Investment Policy

The investment objective will be achieved by investing in quoted UK companies, convertibles and UK gilts including index linked gilts. The maximum investment in equities will normally be 60% of the property of the Fund.

The Fund may also invest at the Investment Manager's discretion in transferable securities, derivatives, cash, deposits, units in collective investment schemes and money market instruments. Use may be made of borrowing, cash holdings, hedging and other investment techniques permitted in applicable Financial Conduct Authority rules.

#### Risk and Reward Profile

By investing in a fund which can invest up to 60% in equities you are likely to be looking for an investment which has lower risk than a pure equity based fund but you are prepared to accept some risk for potential reward. You are willing to accept that your investment will fall and rise in value and that you could get back less than you invest. Typically, you would prefer an investment with less risk than that of a fund which invests predominantly in equities or overseas.



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.

**Operational Risk:** risk that operational processes, including those related to the safekeeping of assets may fail, resulting in losses.

**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.

#### Important Information

Derivatives transactions may be used in the Fund for meeting the investment objectives of the Fund. The use of derivatives in this manner is not expected to change the risk profile of the Fund.

## AXA Distribution Fund

### DIRECTOR'S REPORT AND ACCOUNT FOR THE AXA DISTRIBUTION FUND

(continued)

For the year ended 31 May 2013

#### Fund Benchmark

The Fund measures its performance against a benchmark, which is a point of reference against which the Fund can compare and assess its performance. This is a general measurement, as the Fund's construction is not designed to match exactly the constituents of that benchmark. This Fund's benchmark is a combination of indices – FTSE All-Share (55%), FTA Index Linked All Stocks (17.5%), FTA Index Linked <5 years (17.5%), FTA Gilts All Stocks (3.5%), FTA Gilts <5 years (3.5%) and Libid 7 day (3%).

#### Fund Performance

Share class		% change in NAV per share over 12 month period*	Ongoing Charges @ 31/05/13	Ongoing Charges @ 31/05/12
J**	Acc	N/A	1.17%	N/A
R	Acc	16.35%	1.51%	1.52%
Z***	Acc	17.31%	0.76%	1.01%
J**	Inc	N/A	1.17%	N/A
R	Inc	12.55%	1.51%	1.52%
Z***	Inc	13.36%	0.76%	1.00%
Benchmark		17.07%		

\* Performance based on bid beginning to end period, correctly adjusted for accounting records (accrual adjustments not reflected in Lipper data).

\* Please note that the Funds are stated here on a net of tax and management fees basis. The benchmark is stated without any deduction for the impact of tax and management fees.

\*\* Launched 31 October 2012.

\*\*\* Please note that the annual management charge on the Z Share class changed from 1.00% to 0.75% on the 26<sup>th</sup> April 2012.

#### Results Table

Share class		Price at 31/05/13 (p)	Price at 31/05/12 (p)	Fund Performance	Comparative Benchmark
J**	Acc	109.8	N/A	N/A	17.07%
R	Acc	175.2	150.5	16.41%	17.07%
Z	Acc	186.4	159.0	17.23%	17.07%
J**	Inc	109.2	N/A	N/A	17.07%
R	Inc	113.2	100.8	16.40%	17.07%
Z	Inc	120.1	106.1	17.32%	17.07%

## AXA Distribution Fund

### DIRECTOR'S REPORT AND ACCOUNT FOR THE AXA DISTRIBUTION FUND (continued)

For the year ended 31 May 2013

#### Market Review

The UK equity market was strong in the 12 months to 31 May 2013, with the FTSE All-Share Index returning +30.1%.

The key theme for the period was very concerted central bank stimulus. In Europe, Mario Draghi, the President of the European Central Bank (ECB), said that the ECB would "do whatever it takes" to save the Euro and subsequently unveiled plans to buy large amounts of Eurozone sovereign debt, if required. In the USA, in the face of persistently high unemployment, Federal Reserve Chairman Ben Bernanke indicated that monetary policy would remain accommodative until the jobless rate fell below 6.5%, as well as announcing a further bout of quantitative easing (QE). In the UK, the QE programme from the Bank of England was extended by a further £50bn to £375bn and a new Funding for Lending Scheme introduced. Finally, in Japan a huge monetary expansion was announced, with the goal of lifting the country's long-stagnant inflation rate to 2%.

This liquidity tailwind has allowed financial markets to shrug off subdued economic growth and a number of disappointing pieces of news, such as the inconclusive elections in Italy and the Cypriot banking crisis and bailout. These economic developments have produced much discussion about 'The Great Rotation' – the term being used to describe the possible asset allocation away from bonds and into equities. While there is little evidence to suggest that this is actually happening as yet, the market sentiment in recent months has certainly favoured equities over bonds. While the equity market has seen strong gains, government bond markets have been relatively subdued. UK gilts returned -1.0% in the review period and index-linked gilts +5.0%. The stronger performance of index-linked gilts was, in part, due to market expectations of future inflation rising and also due to the Office of National Statistics' announcement that, following a consultation process, it would not be changing the way that the Retail Prices Index (RPI) – to which index-linked gilt returns are linked – is calculated.

Corporate results have generally been satisfactory, with many companies announcing substantial dividend increases – with the exceptions of RSA and Aviva, which both cut their dividends. In the UK equity market, there was considerable upsurge in corporate activity. A number of companies have successfully come to the market via initial public offerings (IPOs), such as the house builder Crest Nicholson and the insurance companies e-sure and Direct Line. There have also been a large number of equity placings and rights issues to take advantage of the buoyant market, for example, William Hill's £385m rights issue, Lloyds Bank selling part of its stake in St James's Place and Royal Bank of Scotland selling a further £0.5bn tranche of Direct Line. Elsewhere, the merger of mining giants Glencore and Xstrata was completed and two FTSE 100 companies, Severn Trent and ENRC, revealed that they had received bid offers. There has also been considerable speculation in the press about Vodafone selling its stake in the US company Verizon Wireless, a stake that could well be valued in excess of \$100bn.

"The central asset mix of the AXA Distribution Fund is 55% UK equities, 35% index-linked gilts, 7% conventional gilts and 3% cash. Throughout the period the Fund was at or above its central point in equities and below the central point in conventional gilts. These weightings reflected our views on the relatively unattractive yields on conventional gilts and the valuation attractions of equities compared to bonds. Given the strength in equities during the period, both in absolute terms and also relative to bonds, this asset allocation positioning was a key driver of the fund's performance.

*Please note however, that past performance is not a guarantee of future returns. The value of investments may go down as well as up, and you may receive less back than you invested. Market return source: Datastream as at 31 May 2013.*

## AXA Distribution Fund

### DIRECTOR'S REPORT AND ACCOUNT FOR THE AXA DISTRIBUTION FUND (continued)

For the year ended 31 May 2013

#### Major Purchases

- UK Treasury 0.125 IL 22/03/24
- UK Treasury 0.125% IL 22/03/44
- UK Treasury 1.25% IL 22/11/17
- UK Treasury 2.5% IL 16/08/13
- UK Treasury 2.5% IL 26/07/16

#### Major Sales

- UK Treasury 0.125 IL 22/03/24
- UK Treasury 1.25% IL 22/11/17
- UK Treasury 1.875% IL 22/11/22
- UK Treasury 2.5% IL 16/08/13
- UK Treasury 2.5% IL 17/07/24

#### European Savings Directive

The Distribution Fund has been reviewed against the requirements of the directive 2003/48/EC on taxation of savings in the form of interest payments (ESD), following the HM Revenue & Customs debt investment reporting guidance notes.

Under the Directive, information is collected about the payment of savings income to residents in certain other countries and is reported to HM Revenue & Customs to be exchanged with tax authorities in those countries.

The Distribution 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 .

**AXA Investment Managers UK Ltd**

## AXA Distribution Fund

### Fund Size

#### Share Class J\*\*

As at	Net Asset Value of Fund £	Shares in Issue		Net Asset Value per Share	
		Income	Accumulation	p Income	p Accumulation
31/05/2013	23,633,853	388,374	21,144,345	108.0	109.8

#### Share Class R

As at	Net Asset Value of Fund £	Shares in Issue		Net Asset Value per Share	
		Income	Accumulation	p Income	p Accumulation
31/05/2011	617,533,463	27,469,183	387,625,646	104.2	151.9
31/05/2012	703,119,247	35,410,411	443,898,184	99.51	150.5
31/05/2013	845,751,720	38,340,767	458,391,090	112.0	175.1

#### Share Class Z

As at	Net Asset Value of Fund £	Shares in Issue		Net Asset Value per Share	
		Income	Accumulation	p Income	p Accumulation
31/05/2011	58,685,207	1,783,619	35,538,681	109.1	159.7
31/05/2012	53,191,692	1,748,791	32,314,249	104.8	158.9
31/05/2013	64,136,451	2,136,613	33,048,544	118.8	186.4

### Fund Performance

Calendar Year		Net Revenue per Share p	Net Revenue per £1,000 Invested at 16 May 2008 £	Highest Share Price p	Lowest Share Price p
2008*					
Class R	Income	1.694	16.13	104.7	80.70
Class R	Accumulation	2.211	16.20	136.1	105.9
Class Z	Income	1.776	16.37	108.1	83.49
Class Z	Accumulation	2.326	16.45	141.0	109.9
2009					
Class R	Income	2.508	23.87	98.57	77.81
Class R	Accumulation	3.357	24.59	134.0	103.7
Class Z	Income	2.545	23.46	102.4	80.60
Class Z	Accumulation	3.420	24.19	139.9	107.8
2010					
Class R	Income	4.018	38.25	104.2	93.28
Class R	Accumulation	5.714	41.85	148.2	130.0
Class Z	Income	4.211	38.83	109.0	97.28
Class Z	Accumulation	6.088	43.06	155.4	135.8
2011					
Class R	Income	4.496	42.80	105.7	95.35
Class R	Accumulation	6.493	47.56	153.6	139.6
Class Z	Income	4.711	43.43	110.8	100.0
Class Z	Accumulation	6.820	48.23	161.5	146.8

## AXA Distribution Fund

### Fund Performance (continued)

Calendar Year		Net Revenue per Share	Net Revenue per £1,000 Invested at 16 May 2008	Highest Share Price	Lowest Share Price
		p	£	p	p
2012					
Class J**	Income	0.540	5.40	101.9	98.61
Class J**	Accumulation	0.540	5.40	101.4	98.61
Class R	Income	3.577	34.05	106.3	98.91
Class R	Accumulation	5.382	39.42	161.9	149.7
Class Z	Income	3.770	34.76	111.8	104.1
Class Z	Accumulation	5.685	40.21	171.7	158.1
2013***					
Class J**	Income	1.836	18.36	111.2	101.8
Class J**	Accumulation	1.844	18.44	111.8	101.7
Class R	Income	1.922	18.30	115.3	105.5
Class R	Accumulation	2.967	21.73	178.4	162.2
Class Z	Income	2.037	18.78	122.3	111.6
Class Z	Accumulation	3.153	22.30	189.9	172.1

\* launched on 16 May 2008

\*\* launched on 31 Oct 2012

\*\*\* to 31 May 2013

The Fund transferred from the AXA UK Investment Company ICVC into the AXA Distribution Investment ICVC on 16 May 2008.

## AXA Distribution Fund

### PORTFOLIO STATEMENT \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>BONDS 37.00% (31/05/12 : 38.81%)</b>			
<b>Government Bonds 1.05% (31/05/12 : 1.34%)</b>			
UK Treasury 0% 07/06/21	1,000,000	867	0.09
UK Treasury 0% 07/09/14	2,729,000	2,716	0.29
UK Treasury 1% 07/09/17	700,000	705	0.08
UK Treasury 1.75% 22/01/17	860,000	894	0.10
UK Treasury 2% 22/01/16	500,000	520	0.06
UK Treasury 2.25% 07/03/14	826,000	838	0.09
UK Treasury 3.75% 07/09/19	66,000	76	0.01
UK Treasury 3.75% 07/09/20	10,000	12	0.00
UK Treasury 3.75% 22/07/52	70,000	76	0.01
UK Treasury 4% 07/09/16	307,000	342	0.04
UK Treasury 4% 22/01/60	125,000	145	0.01
UK Treasury 4.25% 07/12/27	27,500	33	0.01
UK Treasury 4.25% 07/06/32	125,000	150	0.02
UK Treasury 4.25% 07/03/36	121,000	145	0.02
UK Treasury 4.25% 07/09/39	52,000	62	0.01
UK Treasury 4.25% 07/12/40	90,000	107	0.01
UK Treasury 4.25% 07/12/46	71,000	85	0.01
UK Treasury 4.25% 07/12/49	100,000	120	0.01
UK Treasury 4.25% 07/12/55	100,000	121	0.01
UK Treasury 4.5% 07/09/34	81,120	100	0.01
UK Treasury 4.5% 07/12/42	250,000	311	0.03
UK Treasury 4.75% 07/09/15	118,000	130	0.01
UK Treasury 4.75% 07/12/30	142,000	181	0.02
UK Treasury 5% 07/03/18	400,000	477	0.05
UK Treasury 5% 07/03/25	190,000	245	0.03
UK Treasury 6% 07/12/28	87,000	124	0.01
UK Treasury 8.75% 25/08/17	90,000	120	0.01
<b>Index Linked Government Bonds 35.95% (31/05/12 : 37.47%)</b>			
UK Treasury 0.125 IL 22/03/24	8,266,000	9,380	1.00
UK Treasury 0.125% IL 22/03/29	4,204,713	4,785	0.51
UK Treasury 0.125% IL 22/03/44	4,508,700	4,951	0.53
UK Treasury 0.25% IL 22/03/52	3,143,917	3,623	0.39
UK Treasury 0.375% IL 22/03/62	4,831,153	6,299	0.67
UK Treasury 0.5% IL 22/03/50	4,743,000	6,739	0.72
UK Treasury 0.625% IL 22/03/40	4,875,000	6,814	0.73
UK Treasury 0.625% IL 22/11/42	4,769,000	6,917	0.74
UK Treasury 0.75% IL 22/03/34	5,089,000	6,636	0.71
UK Treasury 0.75% IL 22/11/47	5,749,000	8,959	0.96
UK Treasury 1.125% IL 22/11/37	5,158,000	8,502	0.91
UK Treasury 1.25% IL 22/11/17	32,912,500	48,744	5.22
UK Treasury 1.25% IL 22/11/27	4,673,500	7,643	0.82
UK Treasury 1.25% IL 22/11/32	5,486,000	8,337	0.89
UK Treasury 1.25% IL 22/11/55	4,123,230	8,461	0.91
UK Treasury 1.875% IL 22/11/22	8,780,000	13,783	1.48

\* unaudited

## AXA Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>BONDS (continued)</b>			
<b>Index Linked Government Bonds (continued)</b>			
UK Treasury 2% IL 26/01/35	3,850,000	8,206	0.88
UK Treasury 2.5% IL 16/08/13	22,577,500	62,724	6.72
UK Treasury 2.5% IL 26/07/16	23,801,000	82,509	8.84
UK Treasury 2.5% IL 16/04/20	2,793,000	10,656	1.14
UK Treasury 2.5% IL 17/07/24	1,373,000	4,772	0.51
UK Treasury 4.125% IL 22/07/30	1,893,000	6,252	0.67
<b>TOTAL BONDS</b>		<b>345,394</b>	<b>37.00</b>
<b>EQUITIES 58.77% (31/05/12 : 57.70%)</b>			
<b>OIL &amp; GAS 10.05% (31/05/12 : 10.66%)</b>			
<b>Oil &amp; Gas Producers 9.94% (31/05/12 : 10.35%)</b>			
Afren	1,580,000	2,128	0.23
BG	1,290,000	15,725	1.68
BP	5,625,000	26,654	2.85
Cairn Energy	575,000	1,586	0.17
EnQuest	400,000	514	0.05
Premier Oil	600,000	2,194	0.24
Royal Dutch Shell 'A'	306,339	6,778	0.73
Royal Dutch Shell 'B'	1,348,000	30,923	3.31
Salamander Energy	100,000	172	0.02
Soco	295,000	1,132	0.12
Tullow Oil	475,000	5,002	0.54
<b>Oil Equipment, Services &amp; Distribution 0.11% (31/05/12 : 0.31%)</b>			
AMEC	100,000	1,025	0.11
<b>TOTAL OIL &amp; GAS</b>		<b>93,833</b>	<b>10.05</b>
<b>BASIC MATERIALS 4.46% (31/05/12 : 5.88%)</b>			
<b>Chemicals 0.33% (31/05/12 : 0.47%)</b>			
AZ Electronic Materials	175,000	553	0.06
Johnson Matthey	60,000	1,544	0.17
Victrix	52,000	897	0.10
<b>Forestry &amp; Paper 0.00% (31/05/12 : 0.16%)</b>			
<b>Industrial Metals &amp; Mining 0.04% (31/05/12 : 0.04%)</b>			
Centamin Egypt	490,000	191	0.02
Lonmin (Sub Rights 10/12/12)	75,000	130	0.01
Polymetal	20,000	137	0.01
<b>Mining 4.09% (31/05/12 : 5.21%)</b>			
African Barrick Gold	72,000	102	0.01
Anglo American	390,000	6,078	0.65

\* unaudited

## AXA Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>BASIC MATERIALS (continued)</b>			
<b>Mining (continued)</b>			
Anglo Pacific	70,000	163	0.02
Antofagasta	240,000	2,299	0.25
BHP Billiton	560,000	10,867	1.16
Eurasian Natural Resources	400,000	1,010	0.11
Fresnillo	57,000	663	0.07
Glencore International	1,335,700	4,388	0.47
Kazakhmys	154,500	518	0.06
Petropavlovsk	90,000	125	0.01
Randgold Resources	15,600	825	0.09
Rio Tinto (London Quoted)	383,000	11,140	1.19
<b>TOTAL BASIC MATERIALS</b>		<b>41,630</b>	<b>4.46</b>
<b>INDUSTRIALS 4.04% (31/05/12 : 4.17%)</b>			
<b>Construction &amp; Materials 0.11% (31/05/12 : 0.17%)</b>			
Balfour Beatty	450,000	1,056	0.11
<b>Aerospace &amp; Defence 0.94% (31/05/12 : 0.89%)</b>			
BAE Systems	860,000	3,472	0.37
Cobham	475,000	1,369	0.15
Meggitt	738,130	3,923	0.42
<b>General Industrials 0.62% (31/05/12 : 0.56%)</b>			
Rexam	400,000	2,120	0.23
Smiths	170,000	2,332	0.25
Wolseley	38,260	1,281	0.14
<b>Electronic &amp; Electrical Equipment 0.04% (31/05/12 : 0.16%)</b>			
Renishaw	20,000	351	0.04
<b>Industrial Engineering 0.75% (31/05/12 : 0.56%)</b>			
Chemring	250,000	701	0.08
Halma	200,000	1,045	0.11
IMI	150,000	1,940	0.21
Rotork	25,000	714	0.08
Weir	110,000	2,560	0.27
<b>Industrial Transportation 0.00% (31/05/12 : 0.05%)</b>			
Goldenport	16,923	6	0.00
<b>Support Services 1.58% (31/05/12 : 1.78%)</b>			
Aggreko	145,000	2,617	0.28
Ashtead	525,000	3,292	0.35
Capita	145,000	1,427	0.15
De La Rue	115,000	1,105	0.12
Electrocomponents	150,000	406	0.04

\* unaudited

## AXA Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>INDUSTRIALS (continued)</b>			
<b>Support Services (continued)</b>			
Experian	415,000	5,051	0.54
Homeserve	75,000	200	0.02
Lavendon	39,374	65	0.01
Northgate	55,000	184	0.02
Premier Farnell	220,000	475	0.05
<b>TOTAL INDUSTRIALS</b>		<b>37,692</b>	<b>4.04</b>
<b>CONSUMER GOODS 8.17% (31/05/12 : 7.57%)</b>			
<b>Beverages 2.16% (31/05/12 : 1.97%)</b>			
Britvic	225,000	1,189	0.13
Diageo	585,000	11,358	1.22
SABMiller	230,000	7,597	0.81
<b>Food Producers 0.82% (31/05/12 : 0.78%)</b>			
Associated British Foods	175,000	3,204	0.34
Tate & Lyle	75,000	619	0.07
Unilever	138,000	3,823	0.41
<b>Household Goods &amp; Home Construction 1.70% (31/05/12 : 1.30%)</b>			
Barratt Developments	115,000	365	0.04
Bellway	150,000	1,899	0.20
Berkeley 'B'	85,000	1,788	0.19
Persimmon	290,000	3,437	0.37
Reckitt Benckiser	178,000	8,410	0.90
<b>Personal Goods 0.17% (31/05/12 : 0.22%)</b>			
Burberry	110,000	1,598	0.17
<b>Tobacco 3.32% (31/05/12 : 3.30%)</b>			
British American Tobacco	590,000	21,506	2.30
Imperial Tobacco	400,000	9,548	1.02
<b>TOTAL CONSUMER GOODS</b>		<b>76,341</b>	<b>8.17</b>
<b>HEALTH CARE 5.25% (31/05/12 : 5.19%)</b>			
<b>Health Care Equipment &amp; Services 0.51% (31/05/12 : 0.51%)</b>			
Optos	20,000	25	0.00
Smith & Nephew	620,000	4,752	0.51
<b>Pharmaceuticals &amp; Biotechnology 4.74% (31/05/12 : 4.68%)</b>			
AstraZeneca	320,000	10,846	1.16
BTG	300,000	1,058	0.11
GlaxoSmithKline	1,545,000	26,288	2.82
Shire	280,000	6,037	0.65

\* unaudited

## AXA Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>TOTAL HEALTHCARE</b>		<b>49,006</b>	<b>5.25</b>
<b>CONSUMER SERVICES 6.02% (31/05/12 : 5.96%)</b>			
<b>Food &amp; Drug Retailers 1.09% (31/05/12 : 1.09%)</b>			
J Sainsbury	725,000	2,722	0.29
Tesco	1,625,000	5,924	0.63
Morrison (Wm) Supermarkets	575,000	1,575	0.17
<b>General Retailers 0.65% (31/05/12 : 0.70%)</b>			
Debenhams	1,500,000	1,407	0.15
Marks & Spencer	503,000	2,364	0.25
Next	50,000	2,303	0.25
<b>Media 1.75% (31/05/12 : 1.77%)</b>			
BSkyB	550,000	4,301	0.46
Informa	525,000	2,677	0.29
ITE	170,000	498	0.05
ITV	1,500,000	1,968	0.21
Reed Elsevier	440,000	3,269	0.35
United Business Media	100,000	720	0.08
UTV Media	93,333	144	0.02
WPP	237,000	2,673	0.29
<b>Travel &amp; Leisure 2.53% (31/05/12 : 2.40%)</b>			
Carnival	155,000	3,470	0.37
Enterprise Inns	700,000	795	0.09
Greene King	276,000	2,102	0.22
Intercontinental Hotels	130,666	2,493	0.27
Ladbrokes	1,400,000	2,884	0.31
Marston's	675,000	961	0.10
Mitchells & Butlers	465,000	1,755	0.19
Whitbread	150,000	4,293	0.46
William Hill	1,125,000	4,893	0.52
<b>TOTAL CONSUMER SERVICES</b>		<b>56,191</b>	<b>6.02</b>
<b>TELECOMMUNICATIONS 4.48% (31/05/12 : 4.07%)</b>			
<b>Fixed Line Telecommunications 1.26% (31/05/12 : 1.03%)</b>			
BT	3,350,000	10,187	1.09
Cable & Wireless Communications	3,500,000	1,533	0.17

## AXA Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>TELECOMMUNICATIONS (continued)</b>			
<b>Mobile Telecommunications 3.22% (31/05/12 : 3.04%)</b>			
Inmarsat	500,000	3,085	0.33
Vodafone	14,175,000	27,011	2.89
<b>TOTAL TELECOMMUNICATIONS</b>		<b>41,816</b>	<b>4.48</b>
<b>UTILITIES 3.42% (31/05/12 : 3.70%)</b>			
<b>Electricity 0.60% (31/05/12 : 0.69%)</b>			
SSE	360,000	5,602	0.60
<b>Gas, Water &amp; Multiutilities 2.82% (31/05/12 : 3.01%)</b>			
Centrica	2,000,000	7,624	0.82
National Grid	1,105,040	8,724	0.93
Pennon	275,000	1,878	0.20
Severn Trent	180,000	3,696	0.40
United Utilities	575,000	4,347	0.47
<b>TOTAL UTILITIES</b>		<b>31,871</b>	<b>3.42</b>
<b>FINANCIALS 12.00% (31/05/12 : 9.77%)</b>			
<b>Banks 7.03% (31/05/12 : 5.42%)</b>			
Barclays	3,300,000	10,585	1.13
HSBC	5,185,000	37,617	4.03
Lloyds Banking	11,000,000	6,790	0.73
Royal Bank of Scotland	525,000	1,745	0.19
Standard Chartered	572,311	8,859	0.95
<b>Nonlife Insurance 0.38% (31/05/12 : 0.37%)</b>			
Admiral	95,000	1,234	0.13
Amlin	60,000	250	0.03
Catlin	50,000	251	0.03
Direct Line	121,212	256	0.03
RSA Insurance	1,300,000	1,492	0.16
<b>Life Insurance 2.09% (31/05/12 : 1.58%)</b>			
Aviva	827,555	2,764	0.30
Legal & General	1,355,000	2,470	0.25
Old Mutual	400,000	813	0.09
Prudential	815,000	9,193	0.98
St James's Place	300,000	1,768	0.19
Standard Life	653,768	2,591	0.28

\* unaudited

## AXA Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>FINANCIALS (continued)</b>			
<b>Life Insurance (continued)</b>			
<b>Real Estate Investment Trusts 0.64% (31/05/12 : 0.62%)</b>			
British Land	234,955	1,431	0.15
Hammerson	184,000	936	0.10
Land Securities	269,647	2,494	0.27
Segro	159,408	442	0.05
Shaftesbury	105,000	646	0.07
<b>Financial Services 0.84% (31/05/12 : 0.75%)</b>			
3i	300,000	1,018	0.11
Aberdeen Asset Management	125,000	581	0.06
Ashmore	200,000	800	0.08
Crest Nicholson	66,310	233	0.02
Hargreaves Lansdown	84,000	802	0.08
ICAP	275,000	1,013	0.11
IG	90,000	525	0.06
Intermediate Capital	75,000	353	0.04
London Stock Exchange	46,000	650	0.07
Man	550,000	637	0.07
Schroders	55,000	1,306	0.14
<b>Equity Investment Instruments 1.02% (31/05/12 : 1.03%)</b>			
Aberforth Smaller Companies Trust	70,000	589	0.06
Alliance Trust	100,000	448	0.05
British Assets Trust	465,000	622	0.07
Dunedin Income Growth Investment Trust	296,500	805	0.09
Foreign & Colonial Investment Trust	240,000	886	0.09
Henderson Smaller Companies Investment Trust	140,000	633	0.07
Merchants Trust	175,000	826	0.09
Scottish Investment Trust	400,000	2,324	0.25
Witan Investment Trust	375,000	2,301	0.25
<b>TOTAL FINANCIALS</b>		<b>111,979</b>	<b>12.00</b>
<b>TECHNOLOGY 0.88% (31/05/12 : 0.73%)</b>			
<b>Software &amp; Computer Services 0.87% (31/05/12 : 0.69%)</b>			
Aveva	60,000	1,438	0.15
Invensys	485,000	1,928	0.21
Micro Focus	140,000	962	0.10
Rightmove	40,000	820	0.09
Sage	575,000	2,092	0.22
Telecity	100,000	971	0.10
*			unaudited

## AXA Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>TECHNOLOGY (continued)</b>			
<b>Technology Hardware &amp; Equipment 0.01% (31/05/12 : 0.00%)</b>			
Sepura	45,000	53	0.01
<b>TOTAL TECHNOLOGY</b>		<b>8,264</b>	<b>0.88</b>
<b>TOTAL EQUITIES</b>		<b>548,623</b>	<b>58.77</b>
Portfolio of investments		894,017	95.77
Net other assets		39,505	4.23
<b>Net assets</b>		<b>933,522</b>	<b>100.00</b>

\* unaudited

*All bonds are denominated in Sterling (unless otherwise indicated).*

	31/05/13		31/05/12	
	Market Value £'000s	%	Market Value £'000s	%
Bonds	345,394	37.00	293,536	38.81
Equities	548,623	58.77	436,393	57.70
<b>Portfolio of Investments</b>	<b>894,017</b>	<b>95.77</b>	<b>729,929</b>	<b>96.51</b>

	31/05/13		31/05/12	
Credit Rating	Market Value £'000s	%	Market Value £'000s	%
Total bonds BBB- credit rating and above	345,394	37.00	293,536	38.81
Total bonds below BBB- credit rating	-	-	-	-
<b>Total value of bonds</b>	<b>345,394</b>	<b>37.00</b>	<b>293,536</b>	<b>38.81</b>

## Financial Statements for the AXA Distribution Fund

### STATEMENT OF TOTAL RETURN

	Notes	Year ended 31/05/13		Year ended 31/05/12	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		111,872		(22,017)
Revenue	2	29,788		26,471	
Expenses	3	(12,336)		(10,662)	
Finance costs : interest	5	-		-	
Net revenue before taxation		17,452		15,809	
Taxation	4	(19)		(8)	
Net revenue after taxation			17,433		15,801
<b>Total return before distributions</b>			129,305		(6,216)
Finance Costs : Distributions	5		(29,330)		(25,932)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>99,975</b>		<b>(32,148)</b>

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

	Year ended 31/05/13		Year ended 31/05/12	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		756,311		676,219
Amounts receivable on issue of shares	75,624		104,499	
Amounts payable on cancellation of shares	(26,141)		(16,954)	
		49,483		87,545
Stamp duty Reserve tax		(234)		(221)
Change in net assets attributable to shareholders from investment activities		99,975		(32,148)
Retained distribution on accumulation shares		27,987		24,916
<b>Closing net assets attributable to shareholders</b>		<b>933,522</b>		<b>756,311</b>

## Financial Statements for the AXA Distribution Fund

### BALANCE SHEET

As at	Notes	31/05/13		31/05/12	
		£'000	£'000	£'000	£'000
<b>Assets:</b>					
Investment assets			894,017		729,929
Debtors	7	4,975		4,853	
Cash & bank balances	8	38,178		26,309	
<b>Total other assets</b>			<u>43,153</u>		<u>31,162</u>
<b>Total assets</b>			<u><b>937,170</b></u>		<u><b>761,091</b></u>
<b>Liabilities</b>					
Creditors	9	3,152		4,312	
Distribution payable on income shares		496		468	
<b>Total other liabilities</b>			<u>3,648</u>		<u>4,780</u>
<b>Total liabilities</b>			<u><b>3,648</b></u>		<u><b>4,780</b></u>
<b>Net assets attributable to shareholders</b>			<u><u><b>933,522</b></u></u>		<u><u><b>756,311</b></u></u>

## Financial Statements for the AXA Distribution Fund

### NOTES TO THE ACCOUNTS

	Year ended 31/05/13	Year ended 31/05/12
<b>1. NET CAPITAL GAINS/(LOSSES)</b>		
The net capital gains/(losses) on investments during the year comprise:		
	<b>£'000</b>	<b>£'000</b>
Non-derivative securities	111,874	(22,014)
Transaction charges	(2)	(3)
<b>Total</b>	<b>111,872</b>	<b>(22,017)</b>
<b>2. REVENUE</b>		
	<b>£'000</b>	<b>£'000</b>
UK dividends	17,823	16,413
REIT dividends	195	152
Overseas dividends	672	260
Interest on debt securities	5,255	5,130
Amortisation adjustment	5,750	4,455
Bank interest	78	60
Underwriting commission	15	1
<b>Total</b>	<b>29,788</b>	<b>26,471</b>
<b>3. EXPENSES</b>		
	<b>£'000</b>	<b>£'000</b>
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD charge *	12,194	10,495
Registration fees	82	101
Administration fees	(15)	8
<b>Total</b>	<b>12,261</b>	<b>10,604</b>
<b>Payable to Depositary, associates of the depositary and agents of either of them:</b>		
Depositary fees	33	32
Safe Custody fees	20	18
<b>Total payable to depositary</b>	<b>53</b>	<b>50</b>
<b>Other Expenses</b>		
Audit fee	8	8
KIID fee	13	-
Legal fee	1	-
<b>Total Other Expenses</b>	<b>22</b>	<b>8</b>
<b>Total</b>	<b>12,336</b>	<b>10,662</b>
<b>* Total Expenses Ultimately Borne by Capital</b>	<b>12,194</b>	<b>10,495</b>
<b>Total Expenses Borne by Revenue</b>	<b>142</b>	<b>167</b>

## Financial Statements for the AXA Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

	Year ended 31/05/13	Year ended 31/05/12
<b>4. TAXATION</b>		
<b>(a) Analysis of Charge in Year</b>		
	<b>£'000</b>	<b>£'000</b>
<b>Current Tax</b>		
Overseas withholding tax	19	8
<b>Current Tax Charge (note 4(b))</b>		<b>8</b>
<b>Deferred Tax</b>		
Deferred tax	-	-
<b>Total Deferred Tax</b>	-	-
<b>Total Taxation</b>	<b>19</b>	<b>8</b>
<b>(b) Factors Affecting Tax Charge for Year</b>		
Net revenue before taxation	17,452	15,809
Corporation tax of 20% (2012 : same)	3,490	3,162
<b>Effects of:</b>		
Income not subject to taxation	(3,704)	(3,332)
Amortisation revenue not subject to taxation	(1,928)	(1,565)
Overseas withholding tax	19	8
Movement in excess management expenses	2,142	1,735
<b>Current Tax Charge (note 4(a))</b>	<b>19</b>	<b>8</b>

#### (c) Provision for Deferred Taxation

There is no provision for deferred tax in the current or prior year.

#### (d) Factors that may affect future tax charges

At 31/05/13 the Fund had surplus management expenses of £28,578,876 (31/05/12: £17,871,595). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and, therefore, a deferred tax asset of £5,715,775 (31/05/12 : £3,574,319) has not been recognised.

## Financial Statements for the AXA Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

	Year ended 31/05/13	Year ended 31/05/12
<b>5. FINANCE COSTS</b>		
<b>Distributions and Interest</b>		
The distributions take account of revenue received on the creation of shares and revenue deducted on cancellation of shares, and comprise:		
	<b>£'000</b>	<b>£'000</b>
Interim distribution paid 31 October	344	264
Interim accumulation paid 31 October	6,451	5,510
Interim distribution paid 31 January	337	316
Interim accumulation paid 31 January	6,525	6,451
Interim distribution paid 30 April	286	202
Interim accumulation paid 30 April	5,516	3,992
Final distribution payable 31 July	496	468
Final accumulation payable 31 July	9,495	8,963
	<b>29,450</b>	<b>26,166</b>
<i>Add: revenue deducted on cancellation of shares</i>	111	86
<i>Deduct: revenue received on creation of shares</i>	(231)	(320)
<b>Net Distribution for the Year</b>	<b>29,330</b>	<b>25,932</b>
Interest	-	-
<b>Total Finance Costs</b>	<b>29,330</b>	<b>25,932</b>

*Details of the Distributions are set out on pages 79 - 84.*

#### Reconciliation of Net Revenue and Net Distribution

Net revenue after taxation	17,433	15,801
Charges deducted from capital	12,194	10,495
Utilised capital expenses tax relief	(297)	(364)
<b>Total</b>	<b>29,330</b>	<b>25,932</b>

#### 6. DILUTION LEVY

The ACD's policy is that dilution levy would only be imposed in exceptional circumstances and the amount of levy would not exceed what the ACD considers necessary to compensate the relevant Fund for the potential effect of dilution. The only cases in which the ACD specifically envisages that it might impose a dilution levy are on large daily net movements in the size of the Fund resulting from redemptions, although dilution can be charged in other circumstances at the ACD's discretion.

## Financial Statements for the AXA Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

#### 7. DEBTORS

As at	31/05/13 £'000	31/05/12 £'000
Amounts receivable on share creations	577	468
Sales awaiting settlement	225	50
<b>Accrued Revenue</b>		
Accrued UK dividends	2,658	2,902
Accrued overseas dividends	177	72
Accrued interest on debt securities	1,325	1,350
Accrued bank interest	8	6
<b>Other Debtors</b>		
Withholding tax recoverable	5	5
<b>Total</b>	<b>4,975</b>	<b>4,853</b>

#### 8. CASH & BANK BALANCES

As at	31/05/13 £'000	31/05/12 £'000
Cash at bank	38,178	26,309
<b>Total</b>	<b>38,178</b>	<b>26,309</b>

#### 9. CREDITORS

As at	31/05/13 £'000	31/05/12 £'000
Amounts payable on share cancellations	1,971	329
Purchases awaiting settlement	-	2,013
<b>Accrued Expenses</b>		
Accrued ACD charge	1,149	1,847
Accrued audit fee	7	7
Accrued administration fees	1	16
Accrued depositary fees	6	5
Accrued registration fees	14	86
Accrued safe custody fees	4	8
Accrued transaction fees		1
<b>Total</b>	<b>3,152</b>	<b>4,312</b>

#### 10. CONTINGENT LIABILITIES

The Fund had no contingent liabilities at the end of the year (same as at 31/05/12).

#### 11. CONTINGENT ASSETS

The Fund had no contingent assets at the end of the year (same as at 31/05/12).

## Financial Statements for the AXA Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

#### 12. RELATED PARTIES

The ACD is related to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures'.

AXA Investment Managers UK Limited, as the ACD are party to all transactions of shares in the Fund (as summarised in the Statement of Change in Net Assets Attributable to Shareholders on page 68). Any amounts due to or from the ACD at the end of the accounting period are disclosed in notes 7 and 9.

Amounts payable to the ACD in respect of fund administration and registration services are disclosed in note 3 and amounts due at the period end in note 9.

At 31 May 2013, the AXA group has holdings totalling 73.58% of the Funds' shares. Other than disclosed elsewhere in the financial statements, there were no material transactions between the Fund and related parties during the year.

#### 13. SHAREHOLDER FUNDS

The Fund currently has three share classes: Class J, Class R and Class Z. The annual management charge on each share class is as follows:

Class J : 1.15%

Class R : 1.50%

Class Z : 0.75%

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the comparative table on page 58. The distribution per share class is given in the distribution tables on pages 79 - 84.

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS

The Fund's investment objective and policies are stated on page 54, and have been applied consistently throughout the current and prior period. In achieving its objectives the Fund will be exposed to various types of risk, the principal items being as follows:

##### Market Price Risk

The Fund invests principally in shares and fixed interest securities. The value of shares is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual company or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Fund seeks to manage these risks by holding a diversified portfolio of investments spread across a range of industries in line with the Fund's objectives. In addition, the Fund complies with the Collective Investment Schemes sourcebook ("COLL"), which include rules relating to investment holdings that are designed to place limits on the Fund's investment concentration (same as at 31/05/12).

##### Cash Flow Risk

The Fund's main cashflows are generated by the revenue received from its investments. The revenue received from equity investments in the form of dividends can rise or fall depending upon the particular decisions made by each company.

The revenue received from its fixed interest investments will be in line with the coupon rates attached to each bond held and the indexation calculated on the index linked assets.

## Financial Statements for the AXA Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS (continued)

##### Cash flow risk (continued)

Given that the Fund's investment objective is to obtain a high level of revenue and the maintenance of capital over the medium to long term, dividend policy is one of the Fund's priorities and the Fund's stock selection reflects this (same as at 31/05/12).

##### Credit Risk

The Fund runs a very low credit risk in respect of unsettled investment transactions as these are normally settled as cash against delivery.

Fixed interest investments are exposed to credit risk which reflects the ability of the bond issuer to meet its obligations. The majority of bonds in which the Fund invests are investment grade listed bonds or government securities which are lower risk. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. The ACD monitors the credit quality and risk of the portfolio as a part of the overall investment process and in accordance with the objective and policy of each sub fund.

Transactions in securities may expose a fund to the risk that the counterparty will not settle the transaction or do so on a timely basis.

All transactions in the funds are conducted through counterparties approved by the ACD (same as at 31/05/12).

##### Liquidity Risk

All of the Fund's financial assets are considered to be readily realisable in accordance with the market practices of the exchange on which they are traded. In general, sales and purchases of financial assets are managed so that the Fund's cash requirement is kept to a minimum. The Fund's main financial liability relates to the potential commitment to meet any cancellation of shares. In order to manage this risk the Fund maintains a cash balance to cover any known liabilities, with any cancellation of shares being covered by the sale of investments. Where investments cannot be realised in time to meet a liability the ACD will utilise the company's overdraft facility with HSBC Bank plc.

All of the Fund's financial liabilities are payable in less than one year (same as at 31/05/12).

##### Interest Rate Risk

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital, with the exception of index linked bonds which are protected against the effect of inflation.

## Financial Statements for the AXA Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS (continued)

##### Interest Rate Profile

The interest rate profile of the Fund's financial assets was as follows:

Currency	Floating Rate Financial Assets £'000	Fixed Rate Financial Assets £'000	Financial Assets not Carrying Interest £'000	Total £'000
as at 31/05/13				
UK Sterling	373,834	9,702	552,130	935,666
US Dollars	36	-	1,468	1,504
<b>Total</b>	<b>373,870</b>	<b>9,702</b>	<b>553,598</b>	<b>937,170</b>

Currency	Floating Rate Financial Liabilities £'000	Financial Liabilities Carrying no Interest £'000	Total £'000
as at 31/05/13			
UK Sterling	-	3,648	3,648
<b>Total</b>	<b>-</b>	<b>3,648</b>	<b>3,648</b>

Currency	Floating Rate Financial Assets £'000	Fixed Rate Financial Assets £'000	Financial Assets not Carrying Interest £'000	Total £'000
as at 31/05/12				
Euro	-	-	42	42
UK Sterling	309,641	10,171	441,204	761,016
US Dollars	33	-	-	33
<b>Total</b>	<b>309,674</b>	<b>10,171</b>	<b>441,246</b>	<b>761,091</b>

Currency	Floating Rate Financial Liabilities £'000	Financial Liabilities Carrying no Interest £'000	Total £'000
as at 31/05/12			
UK Sterling	-	4,780	4,780
<b>Total</b>	<b>-</b>	<b>4,780</b>	<b>4,780</b>

Currency	Fixed Rate Financial Assets Weighted Average Interest Rate	Weighted Average Period for which Rate is Fixed
as at 31/05/13		
UK Sterling	2.09%	7.84 years

## Financial Statements for the AXA Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS (continued)

##### Interest Rate Profile (continued)

Currency	Fixed Rate Financial Assets	
	Weighted Average Interest Rate	Weighted Average Period for which Rate is Fixed
as at 31/05/12		
UK Sterling	2.42%	7.99 years

There are no material amounts of non-interest bearing financial assets, other than equities, which do not have maturity dates.

UK Sterling index linked securities bear interest at rates based on the Retail Price Index. The interest on cash balances is earned by reference to LIBOR (same as at 31/05/12).

##### Inflation Rate Risk

The Fund invests in index linked securities where both the revenue and the market value will reflect inflation and future expectations concerning inflation. In general, where inflation increases, the value of assets, and revenue generated from them, also increases. A decline in inflation has the opposite effect (same as at 31/05/12).

##### Foreign Currency Risk

A proportion of the Fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and revenue and actual cash settlement, create currency exchange gains/losses. The Fund may seek to minimise some of this risk by using forward currency contracts. The Fund does not seek to hedge currency movements caused by the short term timing differences explained above.

The foreign currency exposure of the Fund as at 31 May 2013 was as follows:

As at	31/05/13		Total
Currency	Monetary exposures	Non-Monetary exposures	
	£'000	£'000	£'000
UK Sterling	38,001	894,017	932,018
US Dollars	1,504	-	1,504
<b>TOTAL</b>	<b>39,505</b>	<b>894,017</b>	<b>933,522</b>

## Financial Statements for the AXA Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS (continued)

##### Foreign Currency Risk (continued)

As at	31/05/12		
Currency	Monetary exposures	Non- Monetary exposures	Total
	£'000	£'000	£'000
Euro	42	-	42
UK Sterling	26,307	729,929	756,236
US Dollars	33	-	33
<b>TOTAL</b>	<b>26,382</b>	<b>729,929</b>	<b>756,311</b>

#### 15. PORTFOLIO TRANSACTION COSTS

##### Analysis of total purchase costs

	31/05/13 £'000	31/05/12 £'000
Purchases in period before transaction costs	151,826	181,906
Commissions	19	68
Taxes	154	442
Total purchase costs	173	510
<b>Gross purchases total</b>	<b>151,999</b>	<b>182,416</b>

##### Analysis of total sale costs

Gross sales before transaction costs	104,840	97,906
Commissions	29	1
Taxes	-	-
Total sale costs	29	1
<b>Total sales net of transaction costs</b>	<b>104,811</b>	<b>97,905</b>

## AXA Distribution Fund

### Distribution Table

#### for the 3 months ended 31 May 2013 (in pence per share)

Group 1 : Shares purchased prior to 1 March 2013

Group 2 : Shares purchased between 1 March 2013 and 31 May 2013

<b>Class J</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Distribution/ Accumulation Payable 31/07/13</b>	<b>Distribution/ Accumulation Paid 31/07/12</b>
Income Shares				
Group 1 :	1.166	Nil	1.166	N/A
Group 2 :	0.749	0.417	1.166	N/A
Accumulation Shares				
Group 1 :	1.172	Nil	1.172	N/A
Group 2 :	0.745	0.427	1.172	N/A

#### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% of the total revenue distribution together with the tax credit is received as Franked Investment Income.

### Distribution Table

#### for the 3 months ended 31 May 2013 (in pence per share)

Group 1 : Shares purchased prior to 1 March 2013

Group 2 : Shares purchased between 1 March 2013 and 31 May 2013

<b>Class R</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Distribution/ Accumulation Payable 31/07/13</b>	<b>Distribution/ Accumulation Paid 31/07/12</b>
Income Shares				
Group 1 :	1.211	Nil	1.211	1.255
Group 2 :	0.581	0.630	1.211	1.255
Accumulation Shares				
Group 1 :	1.874	Nil	1.874	1.875
Group 2 :	0.956	0.918	1.874	1.875

#### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% of the total revenue distribution together with the tax credit is received as Franked Investment Income.

## AXA Distribution Fund

### Distribution Table

#### for the 3 months ended 31 May 2013 (in pence per share)

Group 1 : Shares purchased prior to 1 March 2013

Group 2 : Shares purchased between 1 March 2013 and 31 May 2013

<b>Class Z</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Distribution/ Accumulation Payable 31/07/13</b>	<b>Distribution/ Accumulation Paid 31/07/12</b>
Income Shares				
Group 1 :	1.284	Nil	1.284	1.979
Group 2 :	0.617	0.667	1.284	1.979
Accumulation Shares				
Group 1 :	1.992	Nil	1.992	1.322
Group 2 :	0.969	1.023	1.992	1.322

#### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% of the total revenue distribution together with the tax credit is received as Franked Investment Income.

### Distribution Table

#### for the 3 months ended 28 February 2013 (in pence per share)

Group 1 : Shares purchased prior to 1 December 2012

Group 2 : Shares purchased between 1 December 2012 and 28 February 2013

<b>Class J</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Distribution/ Accumulation Paid 30/04/13</b>	<b>Distribution/ Accumulation Paid 30/04/12</b>
Income Shares				
Group 1 :	0.670	Nil	0.670	N/A
Group 2 :	0.338	0.332	0.670	N/A
Accumulation Shares				
Group 1 :	0.671	Nil	0.671	N/A
Group 2 :	0.406	0.265	0.671	N/A

#### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% of the total revenue distribution together with the tax credit is received as Franked Investment Income.

## AXA Distribution Fund

### Distribution Table

**for the 3 months ended 28 February 2013 (in pence per share)**

Group 1 : Shares purchased prior to 1 December 2012

Group 2 : Shares purchased between 1 December 2012 and 28 February 2013

<b>Class R</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Distribution/ Accumulation Paid 30/04/13</b>	<b>Distribution/ Accumulation Paid 30/04/12</b>
Income Shares				
Group 1 :	0.711	Nil	0.711	1.191
Group 2 :	0.488	0.223	0.711	1.191
Accumulation Shares				
Group 1 :	1.093	Nil	1.093	1.693
Group 2 :	0.879	0.214	1.093	1.693

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% of the total revenue distribution together with the tax credit is received as Franked Investment Income.

### Distribution Table

**for the 3 months ended 28 February 2013 (in pence per share)**

Group 1 : Shares purchased prior to 1 December 2012

Group 2 : Shares purchased between 1 December 2012 and 28 February 2013

<b>Class Z</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Distribution/ Accumulation Paid 30/04/13</b>	<b>Distribution/ Accumulation Paid 30/04/12</b>
Income Shares				
Group 1 :	0.753	Nil	0.753	0.607
Group 2 :	0.415	0.338	0.753	0.607
Accumulation Shares				
Group 1 :	1.161	Nil	1.161	0.904
Group 2 :	0.955	0.206	1.161	0.904

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% of the total revenue distribution together with the tax credit is received as Franked Investment Income.

## AXA Distribution Fund

### Distribution Table

**for the 3 months ended 30 November 2012 (in pence per share)**

Group 1 : Shares purchased prior to 1 September 2012

Group 2 : Shares purchased between 1 September 2012 and 30 November 2012

<b>Class J</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Distribution/ Accumulation Paid 31/01/13</b>	<b>Distribution/ Accumulation Paid 31/01/12</b>
Income Shares				
Group 1 :	0.540	Nil	0.540	Nil
Group 2 :	0.540	Nil	0.540	Nil
Accumulation Shares				
Group 1 :	0.540	Nil	0.540	Nil
Group 2 :	0.540	Nil	0.540	Nil

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% of the total revenue distribution together with the tax credit is received as Franked Investment Income.

### Distribution Table

**for the 3 months ended 30 November 2012 (in pence per share)**

Group 1 : Shares purchased prior to 1 September 2012

Group 2 : Shares purchased between 1 September 2012 and 30 November 2012

<b>Class R</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Distribution/ Accumulation Paid 31/01/13</b>	<b>Distribution/ Accumulation Paid 31/01/12</b>
Income Shares				
Group 1 :	0.864	Nil	0.864	0.962
Group 2 :	0.532	0.332	0.864	0.962
Accumulation Shares				
Group 1 :	1.318	Nil	1.318	1.452
Group 2 :	0.879	0.439	1.318	1.452

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% of the total revenue distribution together with the tax credit is received as Franked Investment Income.

## AXA Distribution Fund

### Distribution Table

#### for the 3 months ended 30 November 2012 (in pence per share)

Group 1 : Shares purchased prior to 1 September 2012

Group 2 : Shares purchased between 1 September 2012 and 30 November 2012

<b>Class Z</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Distribution/ Accumulation Paid 31/01/13</b>	<b>Distribution/ Accumulation Paid 31/01/12</b>
Income Shares				
Group 1 :	0.913	Nil	0.913	1.009
Group 2 :	0.457	0.456	0.913	1.009
Accumulation Shares				
Group 1 :	1.395	Nil	1.395	1.488
Group 2 :	0.956	0.439	1.395	1.488

#### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% of the total revenue distribution together with the tax credit is received as Franked Investment Income.

### Distribution Table

#### for the 3 months ended 31 August 2012 (in pence per share)

Group 1 : Shares purchased prior to 1 June 2012

Group 2 : Shares purchased between 1 June 2012 and 31 August 2012

<b>Class R</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Distribution/ Accumulation Paid 31/10/12</b>	<b>Distribution/ Accumulation Paid 30/10/11</b>
Income Shares				
Group 1 :	0.880	Nil	0.880	0.856
Group 2 :	0.505	0.375	0.880	0.856
Accumulation Shares				
Group 1 :	1.331	Nil	1.331	1.246
Group 2 :	0.776	0.555	1.331	1.246

#### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% of the total revenue distribution together with the tax credit is received as Franked Investment Income.

## AXA Distribution Fund

### Distribution Table

**for the 3 months ended 31 August 2012 (in pence per share)**

Group 1 : Shares purchased prior to 1 June 2012

Group 2 : Shares purchased between 1 June 2012 and 31 August 2012

<b>Class Z</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Distribution/ Accumulation Paid 31/10/12</b>	<b>Distribution/ Accumulation Paid 30/10/11</b>
Income Shares				
Group 1 :	0.928	Nil	0.928	0.898
Group 2 :	0.928	Nil	0.928	0.898
Accumulation Shares				
Group 1 :	1.407	Nil	1.407	1.310
Group 2 :	0.584	0.823	1.407	1.310

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% of the total revenue distribution together with the tax credit is received as Franked Investment Income.

## AXA Ethical Distribution Fund

### DIRECTOR'S REPORT AND ACCOUNT THE AXA ETHICAL DISTRIBUTION FUND For the year ended 31 May 2013

#### Investment Objective

The aim of this Fund is to achieve growing income with some prospects for capital growth over the medium to long term.

#### Investment Policy

To achieve its objective, the Fund will aim to invest in UK equities of companies and sterling denominated corporate bonds issued by companies, in accordance with its ethical screening criteria, whose products, services or method of operation do not involve, conduct or carry out:

- testing on animals or use of animal tested product;
  - gambling;
  - violations of human rights;
  - intensive farming;
  - significant sales to the international military;
  - unacceptable levels of water pollution;
  - the use of unsustainable timber;
  - activities deemed detrimental to the Third World;
- or
- derive a significant proportion of their annual turnover from fossil fuels, energy intensive industries, mining, nuclear power, ozone depleting chemicals, pornography and adult entertainment or tobacco.

The Fund may also invest in UK Gilt Edged Securities as well as UK Index Linked Gilts.

The Fund will invest predominantly in the UK; however, the ACD reserves the right to invest some element of the portfolio in other geographical areas if it is considered to be in the interest of the Fund.

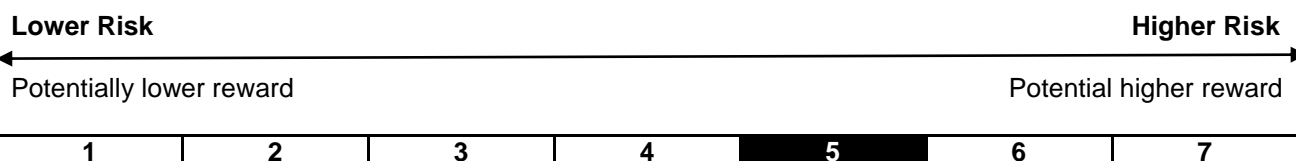
The Fund may invest up to 50% of its value in securities issued by the UK government.

The latest ethical policy for the Fund is available upon request.

The Fund may also invest at the Investment Manager's discretion in transferable securities, derivatives, cash, deposits, units in collective investment schemes and money market instruments. Use may be made of borrowing, cash holdings, hedging and other investment techniques permitted in applicable Financial Conduct Authority rules.

#### Risk and Reward Profile

Due to the ethical constraints placed on this Fund, which exclude over half of the FTSE All-Share Index, the value of the Fund may fluctuate more than a Fund which is invested in a more diversified portfolio of UK equities. 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.

## AXA Ethical Distribution Fund

### DIRECTOR'S REPORT AND ACCOUNT THE AXA ETHICAL DISTRIBUTION FUND (continued)

For the year ended 31 May 2013

#### Risk and Reward Profile (continued)

##### 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.

**Operational Risk:** risk that operational processes, including those related to the safekeeping of assets may fail, resulting in losses.

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.

##### Important Information

Derivatives transactions may be used in the Fund for meeting the investment objectives of the Fund. The use of derivatives in this manner is not expected to change the risk profile of the Fund.

##### Fund Benchmark

The Fund measures its performance against a benchmark, which is a point of reference against which the Fund can compare and assess its performance. This is a general measurement, as the Fund's construction is not designed to match exactly the constituents of that benchmark. This Fund's benchmark is calculated internally in order to reflect the customised ethical investment universe described above – FTSE All-Share Ethically Adjusted (55%), FTA Index Linked All Stocks (17.5%), FTA Index Linked <5 years (17.5%), FTA Gilts All Stocks (3.5%), FTA Gilts <5 years (3.5%) and Cash LIBID 7 day (3%).

##### Fund Performance

Share class		% change in NAV per share over 12 month period*	Ongoing Charges @ 31/05/13	Ongoing Charges @ 31/05/12
R	Acc	23.25%	1.54%	1.55%
Z**	Acc	24.19%	0.79%	1.02%
R	Inc	19.20%	1.52%	1.53%
Z**	Inc	20.13%	0.79%	0.99%
Benchmark		24.79%		

\* Performance based on bid beginning to end period, correctly adjusted for accounting records (accrual adjustments not reflected in Lipper data).

\* Please note that the Funds are stated here on a net of tax and management fees basis. The benchmark is stated without any deduction for the impact of tax and management fees.

\*\* Please note that the annual management charge on the Z Share class changed from 1.00% to 0.75% on the 26<sup>th</sup> April 2012.

## AXA Ethical Distribution Fund

### DIRECTOR'S REPORT AND ACCOUNT THE AXA ETHICAL DISTRIBUTION FUND (continued)

For the year ended 31 May 2013

#### Results Table

Share class		Price at 31/05/13 (p)	Price at 31/05/12 (p)	Fund Performance	Comparative Benchmark
R	Acc	121.9	98.95	23.19%	24.79%
Z	Acc	131.7	106.1	24.13%	24.79%
R	Inc	162.2	136.4	23.25%	24.79%
Z	Inc	166.0	138.6	24.12%	24.79%

#### Market Review

The UK equity market was strong in the 12 months to 31 May 2013, with the FTSE All-Share Index returning +30.1%. The ethically screened universe of stocks, from which the Fund builds its portfolio, performed even better than the broader market, boosted by higher exposure to financial companies and a lack of exposure to the weaker oil and mining sectors.

The key theme for the period was very concerted central bank stimulus. In Europe, Mario Draghi, the President of the European Central Bank (ECB), said that the ECB would “do whatever it takes” to save the Euro and subsequently unveiled plans to buy large amounts of Eurozone sovereign debt, if required. In the USA, in the face of persistently high unemployment, Federal Reserve Chairman Ben Bernanke indicated that monetary policy would remain accommodative until the jobless rate fell below 6.5%, as well as announcing a further bout of quantitative easing (QE). In the UK, the QE programme from the Bank of England was extended by a further £50bn to £375bn and a new Funding for Lending Scheme introduced. Finally, in Japan a huge monetary expansion was announced, with the goal of lifting the country's long-stagnant inflation rate to 2%.

This liquidity tailwind has allowed financial markets to shrug off subdued economic growth and a number of disappointing pieces of news, such as the inconclusive elections in Italy and the Cypriot banking crisis and bailout. These economic developments have produced much discussion about ‘The Great Rotation’ – the term being used to describe the possible asset allocation away from bonds and into equities. While there is little evidence to suggest that this is actually happening as yet, the market sentiment in recent months has certainly favoured equities over bonds. While the equity market has seen strong gains, government bond markets have been relatively subdued. UK gilts returned -1.0% in the review period and index-linked gilts +5.0%. The stronger performance of index-linked gilts was, in part, due to market expectations of future inflation rising and also due to the Office of National Statistics's announcement that, following a consultation process, it would not be changing the way that the Retail Prices Index (RPI) – to which index-linked gilt returns are linked – is calculated.

Corporate results have generally been satisfactory, with many companies announcing substantial dividend increases – with the exceptions of RSA and Aviva, which both cut their dividends. In the UK equity market, there was considerable upsurge in corporate activity. A number of companies have successfully come to the market via initial public offerings (IPOs), such as the house builder Crest Nicholson and the insurance companies e-sure and Direct Line. There have also been a large number of equity placings and rights issues to take advantage of the buoyant market, for example, William Hill's £385m rights issue, Lloyds Bank selling part of its stake in St James's Place and Royal Bank of Scotland selling a further £0.5bn tranche of Direct Line. Elsewhere, the merger of mining giants Glencore and Xstrata was completed and two FTSE 100 companies, Severn Trent and ENRC, revealed that they had received bid offers. There has also been considerable speculation in the press about Vodafone selling its stake in the US company Verizon Wireless, a stake that could well be valued in excess of \$100bn.

## AXA Ethical Distribution Fund

### DIRECTOR'S REPORT AND ACCOUNT THE AXA ETHICAL DISTRIBUTION FUND (continued)

For the year ended 31 May 2013

#### Market Review (continued)

The central asset mix of the AXA Ethical Distribution Fund is 55% UK equities, 35% index-linked gilts, 7% conventional gilts and 3% cash. Through most of the period the Fund was at or above its central point in equities and below the central point in conventional gilts. These weightings reflected our views on the relatively unattractive yields on conventional gilts and the valuation attractions of equities compared to bonds. Given the strength in equities during the period, particularly the ethically screened subset of the equity market that forms the investment universe for this fund, this asset allocation positioning was a key driver of the fund's performance.

*Please note however, that past performance is not a guarantee of future returns. The value of investments may go down as well as up, and you may receive less back than you invested. Market return source: Datastream as at 31 May 2013.*

#### Major Purchases

- Barclays
- UK Treasury 0.125% IL 22/03/44
- UK Treasury 1.25% IL 22/11/17
- UK Treasury 2.5% IL 16/08/13
- UK Treasury 2.5% IL 26/07/16

#### Major Sales

- Aviva
- Barclays
- SABMiller
- UK Treasury 0.125% IL 22/03/44
- UK Treasury 2.5% IL 16/08/13

#### European Savings Directive

The Ethical Distribution Fund has been reviewed against the requirements of the directive 2003/48/EC on taxation of savings in the form of interest payments (ESD), following the HM Revenue & Customs debt investment reporting guidance notes.

Under the Directive, information is collected about the payment of savings income to residents in certain other countries and is reported to HM Revenue & Customs to be exchanged with tax authorities in those countries.

The Ethical Distribution 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.

**AXA Investment Managers UK Ltd**

## AXA Ethical Distribution Fund

### Fund Size

#### Share Class R

As at	Net Asset Value of Fund £	Shares in Issue		Net Asset Value per Share	
		Income	Accumulation	p Income	P Accumulation
31/05/2011	70,116,173	768,250	68,684,172	141.3	100.5
31/05/2012	76,315,721	1,478,802	75,172,718	133.9	98.89
31/05/2013	102,336,338	2,598,076	80,559,651	159.6	121.9

#### Share Class Z

As at	Net Asset Value of Fund £	Shares in Issue		Net Asset Value per Share	
		Income	Accumulation	p Income	P Accumulation
31/05/2011	2,609,220	406,448	1,892,355	142.9	107.2
31/05/2012	2,918,121	746,087	1,794,954	136.0	106.0
31/05/2013	6,947,287	1,965,139	2,838,710	163.4	131.6

### Fund Performance

Calendar Year		Net Revenue per Share p	Net Revenue per £1,000 Invested at 21 November 2008 £	Highest Share Price p	Lowest Share Price P
2008*					
Class R	Income	Nil	Nil	113.2	100.0
Class R	Accumulation	Nil	Nil	73.10	64.08
Class Z	Income	Nil	Nil	113.3	100.0
Class Z	Accumulation	Nil	Nil	77.11	68.04
2009					
Class R	Income	3.513	35.13	135.5	95.12
Class R	Accumulation	2.304	35.95	88.77	61.44
Class Z	Income	3.509	35.09	136.0	95.27
Class Z	Accumulation	2.430	35.98	93.97	64.84
2010					
Class R	Income	6.026	60.26	142.1	128.2
Class R	Accumulation	4.047	63.15	98.08	85.09
Class Z	Income	6.055	60.55	143.3	128.8
Class Z	Accumulation	4.294	63.58	104.3	90.18
2011					
Class R	Income	6.198	61.98	142.5	129.1
Class R	Accumulation	4.344	67.78	101.4	91.83
Class Z	Income	6.271	62.71	144.2	130.6
Class Z	Accumulation	4.634	68.61	108.2	98.04
2012					
Class R	Income	5.085	50.85	147.7	136.3
Class R	Accumulation	3.711	57.91	111.4	98.30
Class Z	Income	5.158	51.58	151.3	138.2
Class Z	Accumulation	3.980	58.93	120.0	105.4

## AXA Ethical Distribution Fund

### Fund Performance (continued)

Calendar Year		Net Revenue per Share	Net Revenue per £1,000 Invested at 21 November 2008	Highest Share Price	Lowest Share Price
		p	£	p	p
2013**					
Class R	Income	2.497	24.97	165.4	148.9
Class R	Accumulation	1.877	29.28	124.3	111.9
Class Z	Income	2.583	25.83	169.3	152.0
Class Z	Accumulation	2.044	30.26	134.3	120.5

\* launched on 21 November 2008

\*\* to 31 May 2013

The Fund transferred from the AXA UK Investment Company ICVC into the AXA Distribution Investment ICVC on 21 November 2008.

## AXA Ethical Distribution Fund

### PORTFOLIO STATEMENT \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>BONDS 39.75% (31/05/12 : 40.05%)</b>			
<b>Government Bonds 2.37% (31/05/12 : 3.29%)</b>			
UK Treasury 0% 07/06/21	1,775,000	1,538	1.41
UK Treasury 0% 07/09/14	21,000	21	0.02
UK Treasury 2% 22/01/16	200,000	208	0.19
UK Treasury 2.75% 22/01/15	193,000	201	0.18
UK Treasury 4% 07/09/16	352,000	392	0.36
UK Treasury 4.25% 07/12/49	20,000	24	0.02
UK Treasury 4.25% 07/12/55	25,000	30	0.03
UK Treasury 4.5% 07/12/42	30,000	37	0.03
UK Treasury 8.75% 25/08/17	103,000	137	0.13
<b>Index Linked Government Bonds 37.38% (31/05/12 : 36.76%)</b>			
UK Treasury 0.125 IL 22/03/24	192,600	218	0.20
UK Treasury 0.125% IL 22/03/29	709,522	808	0.74
UK Treasury 0.125% IL 22/03/44	809,700	889	0.81
UK Treasury 0.25% IL 22/03/52	382,050	440	0.40
UK Treasury 0.375% IL 22/03/62	506,804	661	0.60
UK Treasury 0.5% IL 22/03/50	550,000	781	0.71
UK Treasury 0.625% IL 22/03/40	614,000	858	0.79
UK Treasury 0.625% IL 22/11/42	529,000	767	0.70
UK Treasury 0.75% IL 22/03/34	580,980	758	0.69
UK Treasury 0.75% IL 22/11/47	559,000	871	0.80
UK Treasury 1.125% IL 22/11/37	594,000	979	0.90
UK Treasury 1.25% IL 22/11/17	5,059,000	7,492	6.86
UK Treasury 1.25% IL 22/11/27	644,000	1,053	0.96
UK Treasury 1.25% IL 22/11/32	510,000	775	0.71
UK Treasury 1.25% IL 22/11/55	478,065	981	0.90
UK Treasury 1.875% IL 22/11/22	1,429,500	2,244	2.05
UK Treasury 2% IL 26/01/35	446,000	951	0.87
UK Treasury 2.5% IL 16/08/13	2,473,700	6,872	6.29
UK Treasury 2.5% IL 16/04/20	316,000	1,206	1.10
UK Treasury 2.5% IL 26/07/16	2,614,000	9,062	8.29
UK Treasury 2.5% IL 17/07/24	401,000	1,394	1.28
UK Treasury 4.125% IL 22/07/30	240,000	793	0.73
<b>TOTAL BONDS</b>		<b>43,441</b>	<b>39.75</b>
<b>EQUITIES 58.06% (31/05/12 : 58.74%)</b>			
<b>OIL &amp; GAS 0.49% (31/05/12 : 1.07%)</b>			
<b>Alternative Energy 0.00% (31/05/12 : 0.01%)</b>			
<b>Oil Equipment, Services &amp; Distribution 0.49% (31/05/12 : 1.06%)</b>			
Hunting	15,000	131	0.12
Petrofac	30,000	409	0.37
<b>TOTAL OIL &amp; GAS</b>		<b>540</b>	<b>0.49</b>

\* unaudited

## AXA Ethical Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>INDUSTRIALS 7.00% (31/05/12 : 6.56%)</b>			
<b>Construction &amp; Materials 0.32% (31/05/12 : 0.17%)</b>			
Balfour Beatty	150,000	352	0.32
<b>Electronic &amp; Electrical Equipment 0.30% (31/05/12 : 0.00%)</b>			
Oxford Instruments	10,000	161	0.15
Renishaw	5,000	88	0.08
Volex	75,000	79	0.07
<b>General Industrials 0.64% (31/05/12 : 0.46%)</b>			
Rexam	67,500	358	0.33
RPC	85,000	341	0.31
<b>Industrial Engineering 0.77% (31/05/12 : 1.36%)</b>			
Fenner	15,000	52	0.05
Rotork	5,000	143	0.13
Severfield-Rowen	66,666	33	0.03
Spirax-Sarco Engineering	5,000	143	0.13
Weir	20,000	465	0.43
<b>Support Services 4.31% (31/05/12 : 4.57%)</b>			
Ashtead	75,000	470	0.44
Berendsen	25,000	192	0.18
Connaught **	30,000	-	-
De La Rue	60,000	577	0.53
Electrocomponents	150,000	406	0.37
Experian	100,000	1,217	1.11
Fiberweb	150,000	111	0.10
Hays	375,000	354	0.32
Homeserve	100,000	267	0.24
Michael Page	50,000	193	0.18
Mitie	23,000	60	0.05
Premier Farnell	125,000	270	0.25
SIG	250,000	441	0.40
Speedy Hire	125,000	71	0.06
VP	26,831	92	0.08
Wolseley	21,521	721	0.66
<b>TOTAL INDUSTRIALS</b>		<b>7,657</b>	<b>7.00</b>
<b>CONSUMER GOODS 3.93% (31/05/12 : 7.53%)</b>			
<b>Beverages 3.11% (31/05/12 : 5.97%)</b>			
Diageo	175,000	3,398	3.11

\* unaudited

## AXA Ethical Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>CONSUMER GOODS (continued)</b>			
<b>Food Producers 0.00% (31/05/12: 0.30%)</b>	-	-	-
<b>Household Goods 0.75% (31/05/12 : 0.15%)</b>			
Aga Rangemaster	75,000	62	0.06
Bellway	10,000	127	0.12
Berkeley 'B'	10,000	210	0.19
Persimmon	15,000	178	0.16
Taylor Wimpey	250,000	245	0.22
<b>Leisure Goods 0.07% (31/05/12: 0.10%)</b>			
Hornby	100,000	76	0.07
<b>Personal Goods 0.00% (31/05/12: 1.01%)</b>			
<b>TOTAL CONSUMER GOODS</b>		<b>4,296</b>	<b>3.93</b>
<b>Health Care 0.00% (31/05/12: 0.01%)</b>			
<b>CONSUMER SERVICES 12.14% (31/05/12 : 12.97%)</b>			
<b>Food &amp; Drug Retailers 3.80% (31/05/12 : 4.05%)</b>			
Greggs	100,000	405	0.37
J Sainsbury	275,000	1,032	0.94
Tesco	750,000	2,733	2.49
<b>General Retailers 1.83% (31/05/12 : 0.98%)</b>			
Debenhams	250,000	234	0.21
Dignity	19,285	258	0.24
Halfords	125,000	409	0.37
Kingfisher	125,000	432	0.41
Next	12,500	576	0.53
PhotoMe	100,000	81	0.07
<b>Media 3.86% (31/05/12 : 4.13%)</b>			
Bloomsbury Publishing	100,000	126	0.12
Chime Communications	30,000	77	0.07
Euromoney Institutional Investor	10,000	92	0.08
Huntsworth	104,752	63	0.06
Informa	60,000	306	0.28
ITV	600,000	787	0.72
Reed Elsevier	120,000	892	0.83
Rightmove	9,000	185	0.17
St Ives	50,000	80	0.07
Trinity Mirror	50,000	64	0.06
United Business Media	40,000	288	0.26
WPP	110,000	1,241	1.14
*			unaudited

## AXA Ethical Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>CONSUMER SERVICES (continued)</b>			
<b>Travel &amp; Leisure 2.65% (31/05/12 : 3.81%)</b>			
Carnival	37,500	840	0.77
Cineworld	30,000	96	0.09
Firstgroup	40,000	52	0.05
JD Wetherspoon	25,000	164	0.15
Millennium & Copthorne Hotels	50,000	276	0.25
Mitchells & Butlers	50,000	189	0.17
National Express	150,000	302	0.28
Spirit Pub	250,000	165	0.15
Stagecoach	32,000	95	0.09
Whitbread	25,000	715	0.65
<b>TOTAL CONSUMER SERVICES</b>		<b>13,255</b>	<b>12.14</b>
<b>TELECOMMUNICATIONS 6.87% (31/05/12 : 5.72%)</b>			
<b>Fixed Line Telecommunications 0.23% (31/05/12 : 0.23%)</b>			
Kcom	100,000	84	0.08
Colt	150,000	163	0.15
<b>Mobile Telecommunications 6.64% (31/05/12 : 5.49%)</b>			
Inmarsat	250,000	1,543	1.41
Vodafone	3,000,000	5,717	5.23
<b>TOTAL TELECOMMUNICATIONS</b>		<b>7,507</b>	<b>6.87</b>
<b>FINANCIALS 23.69% (31/05/12 : 21.31%)</b>			
<b>Banks 12.18% (31/05/12 : 10.54%)</b>			
Barclays	1,125,000	3,607	3.30
HSBC	725,000	5,259	4.81
Royal Bank of Scotland	175,000	582	0.53
Standard Chartered	250,000	3,870	3.54
<b>NonLife Insurance 1.33% (31/05/12 : 1.39%)</b>			
Amlin	75,000	313	0.29
Catlin	25,000	126	0.12
Hiscox	44,499	245	0.22
Lancashire	10,000	78	0.07
RSA Insurance	600,000	689	0.63
<b>Life Insurance 5.69% (31/05/12 : 4.86%)</b>			
Aviva	200,000	668	0.61
Legal & General	500,000	912	0.83
Old Mutual	266,189	541	0.50

\* unaudited

## AXA Ethical Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>FINANCIALS (continued)</b>			
<b>Life Insurance (continued)</b>			
Prudential	240,000	2,707	2.48
Resolution	108,538	314	0.29
St James's Place	43,836	258	0.24
Standard Life	204,891	812	0.74
<b>Real Estate Investment &amp; Services 0.08% (31/05/12 : 0.25%)</b>			
Capital & Counties Properties	27,000	89	0.08
<b>Real Estate Investment Trust 1.29% (31/05/12 : 1.21%)</b>			
British Land	60,000	365	0.33
Capital Shopping Centres	27,000	91	0.08
Derwent London	7,548	180	0.16
Great Portland Estates	25,000	137	0.13
Hammerson	25,000	127	0.12
Land Securities	40,000	370	0.34
Segro	32,871	91	0.08
Shaftesbury	8,333	51	0.05
<b>Financial Services 3.12% (31/05/12: 3.06%)</b>			
Aberdeen Asset Management	50,000	232	0.21
Ashmore	100,000	400	0.37
Brewin Dolphin	25,000	60	0.05
Hargreaves Lansdown	20,000	191	0.17
Henderson	83,337	141	0.13
ICAP	150,000	552	0.51
Intermediate Capital	50,000	235	0.22
International Personal Finance	25,000	128	0.12
Investec	44,712	203	0.19
London Stock Exchange	18,000	254	0.23
Man	125,000	145	0.13
Provident Financial	10,000	154	0.14
Rathbone Brothers	7,500	115	0.11
Schroders	12,500	297	0.27
Tullett Prebon	100,000	294	0.27
<b>TOTAL FINANCIALS</b>		<b>25,883</b>	<b>23.69</b>
<b>TECHNOLOGY 3.94% (31/05/12 : 3.57%)</b>			
<b>Software &amp; Computer Services 2.47% (31/05/12 : 1.85%)</b>			
Anite	250,000	319	0.29
Fidessa	3,000	58	0.05
Invensys	80,000	318	0.29

\* unaudited

## AXA Ethical Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>TECHNOLOGY (continued)</b>			
<b>Software &amp; Computer Services (continued)</b>			
Micro Focus	20,000	138	0.13
Sage	225,000	819	0.75
SDL	100,000	377	0.34
Telecity	70,000	680	0.62
<b>Technology Hardware &amp; Equipment 1.47% (31/05/12 : 1.72%)</b>			
ARM	100,000	989	0.90
Imagination Technologies	175,000	621	0.57
<b>TOTAL TECHNOLOGY</b>		<b>4,319</b>	<b>3.94</b>
<b>TOTAL EQUITIES</b>		<b>63,457</b>	<b>58.06</b>
Portfolio of investments		106,898	97.81
Net other assets		2,386	2.18
<b>Net assets</b>		<b>109,284</b>	<b>100.00</b>

\* unaudited

\*\* These stocks have either been suspended, delisted or are in liquidation. They are included at the Manager's valuation.

*All bonds are denominated in Sterling (unless otherwise indicated).*

## AXA Ethical Distribution Fund

	31/05/13		31/05/12	
	Market Value £'000s	%	Market Value £'000s	%
Bonds	43,441	39.75	31,718	40.05
Equities	63,457	58.06	46,557	58.74
<b>Portfolio of Investments</b>	<b>106,898</b>	<b>97.81</b>	<b>78,275</b>	<b>98.79</b>

	31/05/13		31/05/12	
Credit Rating	Market Value £'000s	%	Market Value £'000s	%
Total bonds BBB- credit rating and above	43,441	39.75	31,718	40.05
Total bonds below BBB- credit rating	-	-	-	-
<b>Total value of bonds</b>	<b>43,441</b>	<b>39.75</b>	<b>31,718</b>	<b>40.05</b>

## Financial Statements for the AXA Ethical Distribution Fund

### STATEMENT OF TOTAL RETURN

	Notes	Year ended 31/05/13		Year ended 31/05/12	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		17,252		(3,021)
Revenue	2	3,303		2,925	
Expenses	3	(1,393)		(1,148)	
Finance costs : interest	5	-		(1)	
Net revenue before taxation		1,910		1,776	
Taxation	4	-		-	
Net revenue after taxation			1,910		1,776
<b>Total return before distributions</b>			19,162		(1,245)
Finance Costs : Distributions	5		(3,186)		(2,828)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>15,976</b>		<b>(4,073)</b>

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

	Year ended 31/05/13		Year ended 31/05/12	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		79,234		72,725
Amounts receivable on issue of shares	16,153		11,038	
Amounts payable on cancellation of shares	(5,116)		(3,214)	
		11,037		7,824
Stamp duty reserve tax		(26)		(18)
Change in net assets attributable to shareholders from investment activities		15,976		(4,073)
Retained distribution on accumulation shares		3,063		2,776
<b>Closing net assets attributable to shareholders</b>		<b>109,284</b>		<b>79,234</b>

## Financial Statements for the AXA Ethical Distribution Fund

### BALANCE SHEET

As at		31/05/13	31/05/12
	Notes	£'000	£'000
<b>Assets:</b>			
Investment assets		106,898	78,275
Debtors	7	790	752
Cash & bank balances	8	2,728	657
<b>Total other assets</b>		<b>3,518</b>	<b>1,409</b>
<b>Total assets</b>		<b>110,416</b>	<b>79,684</b>
<b>Liabilities</b>			
Bank overdrafts	8	-	152
Creditors	9	1,016	242
Distribution payable on income shares		116	56
<b>Total other liabilities</b>		<b>1,132</b>	<b>450</b>
<b>Total liabilities</b>		<b>1,132</b>	<b>450</b>
<b>Net assets attributable to shareholders</b>		<b>109,284</b>	<b>79,234</b>

# Financial Statements for the AXA Ethical Distribution Fund

## NOTES TO THE ACCOUNTS

	Year ended 31/05/13	Year ended 31/05/12
<b>1. NET CAPITAL GAINS/(LOSSES)</b>		
The net capital gains/(losses) on investments during the year comprise:		
	<b>£'000</b>	<b>£'000</b>
Non-derivative securities	17,255	(3,021)
Currency gains	(1)	3
Transaction charges	(2)	(3)
<b>Total</b>	<b>17,252</b>	<b>(3,021)</b>
<b>2. REVENUE</b>		
	<b>£'000</b>	<b>£'000</b>
UK dividends	1,707	1,726
REIT dividends	39	43
Overseas dividends	91	47
Interest on debt securities	596	531
Amortisation adjustment	692	572
Bank interest	9	6
Stock dividends	169	-
<b>Total</b>	<b>3,303</b>	<b>2,925</b>
<b>3. EXPENSES</b>		
	<b>£'000</b>	<b>£'000</b>
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD charge *	1,354	1,114
Registration fees	6	7
Administration fees	(1)	1
<b>Total</b>	<b>1,359</b>	<b>1,122</b>
<b>Payable to Depositary, associates of the depositary and agents of either of them:</b>		
Depositary fees	20	17
Safe Custody fees	2	2
<b>Total payable to depositary</b>	<b>22</b>	<b>19</b>
<b>Other Expenses</b>		
Audit fee	8	7
Legal fee	4	-
<b>Total Other Expenses</b>	<b>12</b>	<b>7</b>
<b>Total</b>	<b>1,393</b>	<b>1,148</b>
<b>* Total Expenses Ultimately Borne by Capital</b>	<b>1,354</b>	<b>1,114</b>
<b>Total Expenses Borne by Revenue</b>	<b>39</b>	<b>34</b>

## Financial Statements for the AXA Ethical Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

	Year ended 31/05/13	Year ended 31/05/12
<b>4. TAXATION</b>		
<b>(a) Analysis of Charge in Year</b>		
	<b>£'000</b>	<b>£'000</b>
<b>Current Tax</b>		
Overseas withholding tax	-	-
<b>Current Tax Charge (note 4(b))</b>	-	-
<b>Deferred Tax</b>		
Deferred tax	-	-
<b>Total Deferred Tax</b>	-	-
<b>Total Taxation</b>	-	-
<b>(b) Factors Affecting Tax Charge for Year</b>		
Net revenue before taxation	1,910	1,776
Corporation tax of 20% (2012 : same)	382	355
<b>Effects of:</b>		
Income not subject to taxation	(375)	(356)
Amortisation revenue not subject to taxation	(216)	(160)
Overseas dividend	(20)	-
Movement in excess management expenses	229	161
<b>Current Tax Charge (note 4(a))</b>	-	-

#### (c) Provision for Deferred Taxation

There is no provision for deferred tax in the current or prior year.

#### (d) Factors that may affect future tax charges

At 31/05/13 the Fund had surplus management expenses of £3,231,474 (31/05/12 : £2,090,132). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and, therefore, a deferred tax asset of £646,295 (31/05/12: £418,026) has not been recognised.

## Financial Statements for the AXA Ethical Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

	Year ended 31/05/13	Year ended 31/05/12
<b>5. FINANCE COSTS</b>		
<b>Distributions and Interest</b>		
The distributions take account of revenue received on the creation of shares and revenue deducted on cancellation of shares, and comprise:		
	<b>£'000</b>	<b>£'000</b>
Interim distribution paid 31 January	82	45
Interim accumulation paid 31 January	1,493	1,384
Final distribution payable/paid 31/29 July	116	56
Final accumulation payable/paid 31/29 July	1,570	1,392
	<hr/>	<hr/>
	3,261	2,877
<i>Add:</i> revenue deducted on cancellation of shares	34	25
<i>Deduct:</i> revenue received on creation of shares	(109)	(74)
	<hr/>	<hr/>
<b>Net Distribution for the Year</b>	<b>3,186</b>	<b>2,828</b>
	<hr/>	<hr/>
Interest	-	1
	<hr/>	<hr/>
<b>Total Finance Costs</b>	<b>3,186</b>	<b>2,829</b>

*Details of the Distributions are set out on pages 109 & 110.*

#### Reconciliation of Net Revenue and Net Distribution

Net revenue after taxation	1,910	1,776
Charges deducted from capital	1,354	1,114
Utilised capital expenses tax relief	(78)	(62)
	<hr/>	<hr/>
<b>Total</b>	<b>3,186</b>	<b>2,828</b>

#### 6. DILUTION LEVY

The ACD's policy is that dilution levy would only be imposed in exceptional circumstances and the amount of levy would not exceed what the ACD considers necessary to compensate the relevant Fund for the potential effect of dilution. The only cases in which the ACD specifically envisages that it might impose a dilution levy are on large daily net movements in the size of the Fund resulting from redemptions, although dilution can be charged in other circumstances at the ACD's discretion.

## Financial Statements for the AXA Ethical Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

#### 7. DEBTORS

As at	31/05/13 £'000	31/05/12 £'000
Sales awaiting settlement	94	55
Amounts receivable on share creations	278	265
<b>Accrued Revenue</b>		
Accrued UK dividends	253	282
Accrued REIT dividends	6	5
Accrued overseas dividends	-	9
Accrued interest on debt securities	158	136
Bank interest	1	-
<b>Total</b>	<b>790</b>	<b>752</b>

#### 8. CASH & BANK BALANCES

As at	31/05/13 £'000	31/05/12 £'000
Cash at bank	2,728	657
Bank overdrafts	-	(153)
<b>Total</b>	<b>2,728</b>	<b>504</b>

#### 9. CREDITORS

As at	31/05/13 £'000	31/05/12 £'000
Amounts payable on share cancellations	64	25
Purchases awaiting settlement	803	-
<b>Accrued Expenses</b>		
Accrued ACD charge	135	197
Accrued audit fee	8	7
Accrued administration fees	1	2
Accrued depositary fees	4	3
Accrued registration fees	1	6
Accrued safe custody fees	-	1
Accrued transaction fees	-	1
<b>Total</b>	<b>1,016</b>	<b>242</b>

#### 10. CONTINGENT LIABILITIES

The Fund had no contingent liabilities at the end of the year (same as at 31/05/12).

#### 11. CONTINGENT ASSETS

The Fund had no contingent assets at the end of the year (same as at 31/05/12).

## Financial Statements for the AXA Ethical Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

#### 12. RELATED PARTIES

The ACD is related to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures'.

AXA Investment Managers UK Limited, as the ACD are party to all transactions of shares in the Fund (as summarised in the Statement of Change in Net Assets Attributable to Shareholders on page 98). Any amounts due to or from the ACD at the end of the accounting period are disclosed in notes 7 and 9.

Amounts payable to the ACD in respect of fund administration and registration services are disclosed in note 3 and amounts due at the period end in note 9.

At 31 May 2013, the AXA group has holdings totalling 52.50% of the Funds' shares. Other than disclosed elsewhere in the financial statements, there were no material transactions between the Fund and related parties during the year.

#### 13. SHAREHOLDER FUNDS

The Fund currently has two share classes: Class R and Class Z. The annual management charge on each share class is as follows:

Class R :1.50%

Class Z : 0.75%

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the comparative table on page 89. The distribution per share class is given in the distribution tables on pages 109 & 110.

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS

The Fund's investment objective and policies are stated on page 85, and have been applied consistently throughout the current and prior period. In achieving its objectives the Fund will be exposed to various types of risk, the principal items being as follows:

##### Market Price Risk

The Fund invests principally in shares. The value of shares is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual company or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Fund seeks to manage these risks by holding a diversified portfolio of investments spread across a range of industries in line with the Fund's objectives. In addition, the Fund complies with the Collective Investment Schemes sourcebook ("COLL"), which include rules relating to investment holdings that are designed to place limits on the Fund's investment concentration (same as at 31/05/12).

##### Cash Flow Risk

The Fund's main cashflows are generated by the revenue received from its investments. The revenue received from equity investments in the form of dividends can rise or fall depending upon the particular decisions made by each company. The revenue received from its fixed interest investments will be in line with the coupon rates attached to each bond held and the indexation calculated on the index linked assets.

## Financial Statements for the AXA Ethical Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS (continued)

##### Cash Flow Risk (continued)

Given that the Fund's investment objective is to obtain a high level of revenue and the maintenance of capital over the medium to long term, dividend policy is one of the Fund's priorities and the Fund's stock selection reflects this (same as at 31/05/12).

##### Credit Risk

The Fund runs a very low credit risk in respect of unsettled investment transactions as these are normally settled as cash against delivery.

Fixed interest investments are exposed to credit risk which reflects the ability of the bond issuer to meet its obligations. The majority of bonds in which the Fund invests are investment grade listed bonds or government securities which are lower risk. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. The ACD monitors the credit quality and risk of the portfolio as a part of the overall investment process and in accordance with the objective and policy of each sub fund.

Transactions in securities may expose a fund to the risk that the counterparty will not settle the transaction or do so on a timely basis.

All transactions in the funds are conducted through counterparties approved by the ACD (same as at 31/05/12).

##### Liquidity Risk

All of the Fund's financial assets are considered to be readily realisable in accordance with the market practices of the exchange on which they are traded. In general, sales and purchases of financial assets are managed so that the Fund's cash requirement is kept to a minimum. The Fund's main financial liability relates to the potential commitment to meet any cancellation of shares. In order to manage this risk the Fund maintains a cash balance to cover any known liabilities, with any cancellation of shares being covered by the sale of investments. Where investments cannot be realised in time to meet a liability the ACD will utilise the company's overdraft facility with HSBC Bank plc.

All of the Fund's financial liabilities are payable in less than one year (same as at 31/05/12).

##### Interest Rate Risk

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital, with the exception of index linked bonds which are protected against the effect of inflation.

##### Interest Rate Profile

The majority of the Fund's assets are bonds which pay interest and have maturity date. The interest rate profile of the Company's interest bearing financial assets was as follows:

Currency	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets not Carrying Interest	Total
as at 31/05/13	£'000	£'000	£'000	£'000
UK Sterling	43,582	2,588	64,190	110,360
US Dollars	-	-	56	56
<b>TOTAL</b>	<b>43,582</b>	<b>2,588</b>	<b>64,246</b>	<b>110,416</b>

## Financial Statements for the AXA Ethical Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS (continued)

##### Interest Rate Profile (continued)

Currency	Floating Rate Financial Liabilities £'000	Financial Liabilities Carrying no Interest £'000	Total £'000
as at 31/05/13			
UK Sterling	-	1,132	1,132
<b>Total</b>	<b>-</b>	<b>1,132</b>	<b>1,132</b>

Currency	Floating Rate Financial Assets £'000	Fixed Rate Financial Assets £'000	Financial Assets not Carrying Interest £'000	Total £'000
as at 31/05/12				
UK Sterling	29,720	2,603	47,267	79,590
US Dollars	52	-	42	94
<b>TOTAL</b>	<b>29,772</b>	<b>2,603</b>	<b>47,309</b>	<b>79,684</b>

Currency	Floating Rate Financial Liabilities £'000	Financial Liabilities Carrying no Interest £'000	Total £'000
as at 31/05/12			
UK Sterling	152	298	450
<b>Total</b>	<b>152</b>	<b>298</b>	<b>450</b>

Currency	Fixed Rate Financial Assets Weighted Average Interest Rate	Weighted Average Period for which Rate is Fixed
as at 31/05/13		
UK Sterling	2.68%	7.10 years

Currency	Fixed Rate Financial Assets Weighted Average Interest Rate	Weighted Average Period for which Rate is Fixed
as at 31/05/12		
UK Sterling	3.22%	7.88 years

There are no material amounts of non-interest bearing financial assets, other than equities, which do not have maturity dates.

UK Sterling index linked securities bear interest at rates based on the Retail Price Index.

The interest on cash balances is earned by reference to LIBOR (same as at 31/05/12).

## Financial Statements for the AXA Ethical Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS (continued)

##### Inflation Rate Risk

The Fund invests in index linked securities where both the revenue and the market value will reflect inflation and future expectations concerning inflation. In general, where inflation increases, the value of assets, and revenue generated from them, also increases. A decline in inflation has the opposite effect (same as at 31/05/12).

##### Foreign Currency Risk

A proportion of the Fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and revenue and actual cash settlement, create currency exchange gains/losses. The Fund may seek to minimise some of this risk by using forward currency contracts. The Fund does not seek to hedge currency movements caused by the short term timing differences explained above.

The foreign currency exposure of the Fund as at 31 May 2013 was as follows:

As at		31/05/13	
Currency	Monetary exposures	Non-Monetary exposures	Total
	£'000	£'000	£'000
UK Sterling	2,277	106,898	109,175
US Dollars	109	-	109
<b>TOTAL</b>	<b>2,386</b>	<b>106,898</b>	<b>109,284</b>

As at		31/05/12	
Currency	Monetary exposures	Non-Monetary exposures	Total
	£'000	£'000	£'000
UK Sterling	865	78,275	79,140
US Dollars	94	-	94
<b>TOTAL</b>	<b>959</b>	<b>78,275</b>	<b>79,234</b>

## Financial Statements for the AXA Ethical Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

#### 15. PORTFOLIO TRANSACTION COSTS

##### Analysis of total purchase costs

	31/05/13 £'000	31/05/12 £'000
Purchases in period before transaction costs	48,454	43,766
Commissions	20	31
Taxes	111	156
Total purchase costs	131	187
<b>Gross purchases total</b>	<b>48,585</b>	<b>43,953</b>

##### Analysis of total sale costs

Gross sales before transaction costs	37,820	34,383
Commissions	21	22
Taxes	-	-
Total sale costs	21	22
<b>Total sales net of transaction costs</b>	<b>37,799</b>	<b>34,361</b>

## AXA Ethical Distribution Fund

### Distribution Table

**for the 6 months ended 31 May 2013 (in pence per share)**

Group 1 : Shares purchased prior to 1 December 2012

Group 2 : Shares purchased between 1 December 2012 and 31 May 2013

<b>Class R</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Distribution/ Accumulation Payable 31/07/13</b>	<b>Distribution/ Accumulation Paid 31/07/12</b>
Income Shares				
Group 1 :	2.497	Nil	2.497	2.490
Group 2 :	1.714	0.783	2.497	2.490
Accumulation Shares				
Group 1 :	1.877	Nil	1.877	1.806
Group 2 :	1.153	0.724	1.877	1.806

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% of the total revenue distribution together with the tax credit is received as Franked Investment Income.

### Distribution Table

**for the 6 months ended 31 May 2013 (in pence per share)**

Group 1 : Shares purchased prior to 1 December 2012

Group 2 : Shares purchased between 1 December 2012 and 31 May 2013

<b>Class Z</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Distribution/ Accumulation Payable 31/07/13</b>	<b>Distribution/ Accumulation Paid 31/07/12</b>
Income Shares				
Group 1 :	2.583	Nil	2.583	2.527
Group 2 :	1.789	0.794	2.583	2.527
Accumulation Shares				
Group 1 :	2.044	Nil	2.044	1.931
Group 2 :	1.199	0.845	2.044	1.931

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% of the total revenue distribution together with the tax credit is received as Franked Investment Income.

## AXA Ethical Distribution Fund

### Distribution Table

**for the 6 months ended 30 November 2012 (in pence per share)**

Group 1 : Shares purchased prior to 1 June 2012

Group 2 : Shares purchased between 1 June 2012 and 30 November 2012

<b>Class R</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Distribution/ Accumulation Paid 31/01/13</b>	<b>Distribution/ Accumulation Paid 31/01/12</b>
Income Shares				
Group 1 :	2.595	Nil	2.595	2.669
Group 2 :	1.442	1.153	2.595	2.669
Accumulation Shares				
Group 1 :	1.905	Nil	1.905	1.895
Group 2 :	1.082	0.823	1.905	1.895

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% of the total revenue distribution together with the tax credit is received as Franked Investment Income.

### Distribution Table

**for the 6 months ended 30 November 2012 (in pence per share)**

Group 1 : Shares purchased prior to 1 June 2012

Group 2 : Shares purchased between 1 June 2012 and 30 November 2012

<b>Class Z</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Distribution/ Accumulation Paid 31/01/13</b>	<b>Distribution/ Accumulation Paid 31/01/12</b>
Income Shares				
Group 1 :	2.631	Nil	2.631	2.705
Group 2 :	1.431	1.200	2.631	2.705
Accumulation Shares				
Group 1 :	2.049	Nil	2.049	2.024
Group 2 :	0.853	1.196	2.049	2.024

### Corporate Shareholders (unaudited)

A shareholder liable to UK Corporation Tax receives the above as follows:

100% of the total revenue distribution together with the tax credit is received as Franked Investment Income.

## AXA Global Distribution Fund

### DIRECTOR'S REPORT AND ACCOUNT FOR THE AXA GLOBAL DISTRIBUTION FUND

For the year ended 31 May 2013

#### Investment Objective

The aim of this Fund is to achieve growing income with some prospects for capital growth over the medium to long term, through investment globally.

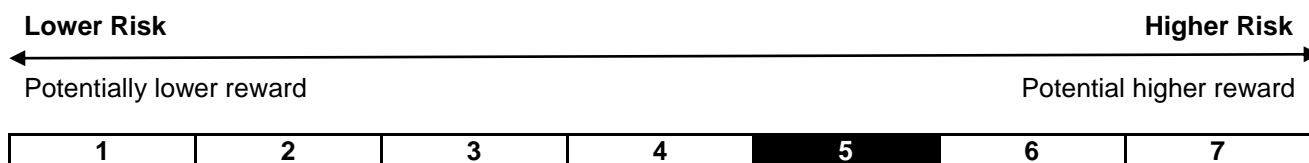
#### Investment Policy

The investment objective will be achieved by investing on a world-wide basis in equities and global inflation linked bonds. The maximum investment in equities will normally be 60% of the property of the Fund.

The Fund may also invest at the Investment Manager's discretion in transferable securities, derivatives, cash, deposits, units in collective investment schemes and money market instruments. Use may be made of borrowing, cash holdings, hedging and other investment techniques permitted in applicable Financial Conduct Authority rules.

#### Risk and Reward Profile

By investing in a fund which can invest up to 60% in equities you are likely to be looking for an investment which has lower risk than a pure equity based fund but you are prepared to accept some risk for potential reward. You are willing to accept that your investment will fall and rise in value and that you could get back less than you invest. Typically, you would prefer an investment with less risk than that of a fund which invests predominantly in equities. 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.



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 that the Fund may face difficulties purchasing or selling its assets

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.

#### Important Information

Derivatives transactions may be used in the Fund for meeting the investment objectives of the Fund. The use of derivatives in this manner is not expected to change the risk profile of the Fund.

## AXA Global Distribution Fund

### DIRECTOR'S REPORT AND ACCOUNT FOR THE AXA GLOBAL DISTRIBUTION FUND (continued)

For the year ended 31 May 2013

#### Fund Benchmark

The Fund measures its performance against a benchmark, which is a point of reference against which the Fund can compare and assess its performance. This is a general measurement, as the Fund construction is not designed to match exactly the constituents of that benchmark. This Fund's benchmark was a combination of the FTSE World Index (55%), the Merrill Lynch Global Government Inflation Linked Index (45%) until 22 September 2008, when it changed to a combination of the FTSE World Index (55%), the Merrill Lynch Global Government Inflation Linked Index, excluding Mexico (45%).

#### Fund Performance

Share class		% change in NAV per share over 12 month period*	Ongoing Charges @ 31/05/13	Ongoing Charges @ 31/05/12
R	Acc	16.66%	1.53%	1.53%
Z**	Acc	17.37%	0.78%	1.01%
R	Inc	13.66%	1.53%	1.51%
Z**	Inc	14.45%	0.79%	0.99%
Benchmark		18.15%		

\* Performance based on bid beginning to end period, correctly adjusted for accounting records (accrual adjustments not reflected in Lipper data).

\* Please note that the Funds are stated here on a net of tax and management fees basis. The benchmark is stated without any deduction for the impact of tax and management fees.

\*\* Please note that the annual management charge on the Z Share class changed from 1.00% to 0.75% on the 26<sup>th</sup> April 2012.

#### Results Table

Share class		Price at 31/05/13 (p)	Price at 31/05/12 (p)	Fund Performance	Comparative Benchmark
R	Acc	191.1	163.7	16.68%	18.15%
Z	Acc	202.6	172.6	17.38%	18.15%
R	Inc	141.1	124.3	16.65%	18.15%
Z	Inc	150.5	131.7	17.43%	18.15%

#### Market Review

During the 12 month period ending 31 May 2013, the AXA Global Distribution Fund returned +16.68% compared to a benchmark return of +18.15%.

Global equity markets posted strong gains during the 12 month review period, the FTSE World Index rising +29.4%. On an individual basis, returns were lead by the Europe ex UK region, up by +43.3% and also the UK, up +30.1%. The US returned +29.3%; Japan +28.2% and the laggard was the Pacific ex Japan region, which still managed a +23.3% gain (all returns quoted in sterling terms).

## AXA Global Distribution Fund

### DIRECTOR'S REPORT AND ACCOUNT FOR THE AXA GLOBAL DISTRIBUTION FUND (continued)

For the year ended 31 May 2013

#### Market Review (continued)

During the 12 month period ending 31 May 2013, the AXA Global Distribution Fund returned +16.68% compared to a notional comparative benchmark return of +18.15%. During the year, against the Fund's central asset allocation mix of 55% invested in global equities and 45% invested in global inflation proof bonds, the Fund overweighted in global equities and underweighted in global inflation proof bonds. At no time did the exposure to global equities exceed the maximum permitted level of 60%.

Accordingly, the Fund underweighted ( below 45% ) being exposed to global inflation bonds.

Global equity markets posted strong gains during the 12 month review period, the FTSE World Index rising +29.4%. On an individual basis, returns were lead by the Europe ex UK region, up by +43.3% and also the UK, up +30.1%. The US returned +29.3%; Japan +28.2% and the laggard was the Pacific ex Japan region, which still managed a +23.3% gain (all returns quoted in sterling terms).

These healthy returns reflected the sharp swing in sentiment which followed the European Central Bank's (ECB) pledge to "do whatever it takes" to preserve the Euro, and the resultant lower borrowing costs for many peripheral Eurozone economies. In addition, the US fiscal cliff negotiations (substantial government spending cuts and tax rises that were due to come into force at the end of 2012) resulted in a so called "sequestration" package, which, although reducing the US government deficit has, thus far, been sufficiently pedestrian and so not dented the gradual US economic recovery. In addition, through its third quantitative easing instalment (QE3), the US Federal Reserve has been buying \$85 billion of bonds per month. Clearly, such buying cannot continue indefinitely, but, in the short-term, nominal bond yields have been relatively stable. Meanwhile, employment has increased and consumer confidence has also picked up. US residential house prices have also trended upwards.

In the UK, the official base interest rate was held at 0.5% throughout the period under review, with Canadian national Mark Carney due to assume the position of Governor of the Bank of England in the summer. In general terms, the UK economy is flat lining, with GDP growth in marginally positive territory. The Eurozone economies remain sluggish however, the pace of weakening in the peripheral country economies appears to have abated. The electoral cycle will see elections in Germany later in 2013, and the usual policy impasse remains firmly in situ. More broadly, slow progress is being made on restoring the health of the banking sector, although recent weeks have seen a number of capital increases announced. Meanwhile, Latvia is scheduled to become the 18th member of the Eurozone in 2014.

The BRIC (Brazil, Russia, India, China) economies all witnessed a sharp drop in levels of economic growth during the review period – with the reduced demand for commodities having a particularly negative impact on Russia. The Australian economy has also been impacted by lower demand for commodities from China. Australia and India both reduced interest rates in order to stimulate growth during the period. In contrast, the Brazilian central bank recently raised its main interest rate to 8% in order to try and protect the value of the currency.

In Japan, recently elected Prime Minister Abe was quick to introduce a very substantial programme of policies designed to restore Japan's flagging inflation rate to 2%. The initial response on the equity market was very positive, with strong gains posted, but was less well received on the bond markets. It is fair to say that it is probably too early to determine whether the expansionist "Abenomics" policies will be a success. At a more general level, the centre of international tension during the review period was Syria, where the ongoing civil war has resulted in great numbers of lives lost, general destruction and displacement in the economy. International efforts to resolve the crisis have made little headway. Sporadic clashes have also occurred on the Lebanese and Turkish border regions.

## AXA Global Distribution Fund

### DIRECTOR'S REPORT AND ACCOUNT FOR THE AXA GLOBAL DISTRIBUTION FUND (continued)

For the year ended 31 May 2013

#### Market Review (continued)

Global inflation-linked bonds, as measured by the BofA Merrill Lynch Global Inflation-Linked Government Index, returned +5.51% (in sterling terms) during the 12 months ending 31 May 2013. Since the ECB pledged to do "whatever it takes" to preserve the Euro, bonds issued by Eurozone countries have been notably strong performers with Italy recording the largest rise and France also performing well. Good returns were also achieved from Mexican and Israeli bonds which benefited from both falling yields and relatively strong currencies. UK inflation-linked bonds performed relatively poorly at the start of the period, principally as a result of investors' nervousness about the possible impact from the National Statistician's review of the Retail Price Index (the Index to which UK bond returns are linked). However, they recovered as the review announced that no change was to be made to the Index. Returns from the North American inflation-linked bond markets were slightly negative and Japanese bonds produced a positive return in local currency terms, but suffered from the weakness of the yen, when converted into sterling.

Generally speaking global monetary and fiscal policies remain accommodating and the capital positions of the banking sector have improved. In addition, the perceived risk in sovereign bond markets has dissipated. However, confidence remains fragile and sharp moves in global equity and bond markets may be in the offing over the coming 12 months. Looking ahead, the Fund remains invested with the aim of meeting its long-term objectives – with a central asset mix of 55% global equities and 45% global inflation-linked bonds.

*Please note however, that past performance is not a guarantee of future returns. The value of investments may go down as well as up, and you may receive less back than you invested. Market return source: Datastream as at 31 May 2013.*

#### Major Purchases

- AT&T
- JPMorgan Chase
- UK Treasury 1.875% IL 22/11/22
- US Treasury 0.125% IL 15/01/22
- US Treasury 0.125% IL 15/01/23

#### Major Sales

- Apple
- AT&T
- Microsoft
- UK Treasury 1.25% IL 22/11/17
- US Treasury 0.5% IL 15/04/15

#### European Savings Directive

The Global Distribution Fund has been reviewed against the requirements of the directive 2003/48/EC on taxation of savings in the form of interest payments (ESD), following the HM Revenue & Customs debt investment reporting guidance notes.

Under the Directive, information is collected about the payment of savings income to residents in certain other countries and is reported to HM Revenue & Customs to be exchanged with tax authorities in those countries.

The Global Distribution 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.

**AXA Investment Managers UK Ltd**

## AXA Global Distribution Fund

### Fund Size

#### Share Class R

As at	Net Asset Value of Fund £	Shares in Issue		Net Asset Value Per Share	
		Income	Accumulation	p Income	p Accumulation
31/05/2011	68,720,528	2,893,689	39,795,522	125.7	163.5
31/05/2012	76,179,627	4,159,264	43,449,339	122.4	163.6
31/05/2013	87,771,558	4,123,190	42,980,911	139.1	190.9

#### Share Class Z

As at	Net Asset Value of Fund £	Shares in Issue		Net Asset Value Per Share	
		Income	Accumulation	p Income	p Accumulation
31/05/2011	249,162,817	547,820	144,723,437	132.6	171.7
31/05/2012	239,497,946	722,825	138,322,283	129.7	172.5
31/05/2013	271,469,210	2,300,997	132,395,053	148.4	202.5

### Fund Performance

Calendar Year		Net Revenue Per Share	Net Revenue per £1,000 Invested at 16 May 2008	Highest Share Price	Lowest Share Price
		p	£	p	p
2008*					
Class R	Income	1.515	12.84	118.5	95.02
Class R	Accumulation	1.810	12.88	141.2	113.5
Class Z	Income	1.568	12.82	122.9	98.97
Class Z	Accumulation	1.879	12.89	146.5	117.9
2009					
Class R	Income	2.333	19.78	119.4	98.69
Class R	Accumulation	2.864	20.37	147.5	120.3
Class Z	Income	2.495	20.39	125.0	103.1
Class Z	Accumulation	3.020	20.71	153.8	124.6
2010					
Class R	Income	3.502	29.69	127.3	114.1
Class R	Accumulation	4.408	31.36	162.6	142.6
Class Z	Income	3.722	30.42	134.0	119.8
Class Z	Accumulation	4.613	31.64	170.3	148.8
2011					
Class R	Income	3.552	30.11	130.4	116.2
Class R	Accumulation	4.604	32.75	169.0	151.1
Class Z	Income	3.740	30.57	137.6	122.7
Class Z	Accumulation	4.816	33.03	177.5	158.8
2012					
Class R	Income	3.433	29.10	129.9	121.8
Class R	Accumulation	4.548	32.35	174.1	161.5
Class Z	Income	3.646	29.80	137.6	129.2
Class Z	Accumulation	4.806	32.96	184.3	170.0

## AXA Global Distribution Fund

### Fund Performance (continued)

Calendar Year		Net Revenue Per Share	Net Revenue per £1,000 Invested at 16 May 2008	Highest Share Price	Lowest Share Price
		p	£	p	p
2013**					
Class R	Income	1.900	16.11	144.4	128.0
Class R	Accumulation	2.568	18.27	195.4	173.2
Class Z	Income	1.913	15.63	154.1	136.2
Class Z	Accumulation	2.725	18.69	207.5	183.3

\* launched on 16 May 2008

\*\* to 31 May 2013

The Fund transferred from the AXA Rosenberg Global Investment Company ICVC into the AXA Distribution Investment ICVC on 16 May 2008.

## AXA Global Distribution Fund

### PORTFOLIO STATEMENT \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>AUSTRALIA 2.32% (31/05/12 : 2.27%)</b>			
<b>INDEX LINKED GOVERNMENT BONDS 0.52% (31/05/12 : 0.39%)</b>			
Australia (Government of) 1.25% IL 21/02/22	1,543,000	1,034	0.29
Australia (Government of) 2.5% IL 20/09/30	1,000,000	813	0.23
<b>EQUITIES 1.80% (31/05/12 : 1.88%)</b>			
AGL Energy	23,000	209	0.06
Asciano	42,300	135	0.04
Australand Property	16,502	36	0.01
Australia & New Zealand Banking	31,900	554	0.16
BHP Billiton	20,400	449	0.12
Boral	9,600	28	0.01
Caltex Australia	6,500	92	0.03
CFS Retail Property Trust	90,200	114	0.03
Commonwealth Bank of Australia	23,100	974	0.27
Commonwealth Property Office Fund	118,000	82	0.02
Downer EDI	20,800	49	0.01
Echo Entertainment	36,800	68	0.02
Flight Centre	2,900	72	0.02
Leighton	7,654	85	0.02
Metcash	40,200	98	0.03
Mount Gibson Iron	135,900	42	0.01
National Australia Bank	9,700	177	0.05
Newcrest Mining	24,912	228	0.06
Origin Energy	14,900	127	0.04
Primary Health Care	17,400	56	0.02
Qantas Airways	70,500	71	0.02
QBE Insurance	4,700	47	0.01
Santos	1,600	13	0.00
Seven	9,959	46	0.01
Seven West Media	57,000	79	0.02
Southern Cross Media	83,900	75	0.02
Stockland	16,100	37	0.01
Suncorp	46,900	369	0.10
Telstra	137,200	409	0.11
Toll	31,100	95	0.03
Wesfarmers	800	20	0.01
Westfield Retail Trust	114,300	222	0.06
Westpac Banking	41,800	750	0.21
Woolworths	28,100	585	0.16
<b>TOTAL AUSTRALIA</b>		<b>8,340</b>	<b>2.32</b>
<b>AUSTRIA 0.11% (31/05/12 : 0.10%)</b>			
OMV	12,900	401	0.11
<b>TOTAL AUSTRIA</b>		<b>401</b>	<b>0.11</b>

\* unaudited

## AXA Global Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>BELGIUM 0.45% (31/05/12 : 0.12%)</b>			
Ageas	17,054	418	0.12
Anheuser-Busch	3,217	195	0.05
Belgacom	10,800	163	0.05
Delhaize	8,083	342	0.10
KBC	7,500	198	0.06
Solvay	2,600	246	0.07
<b>TOTAL BELGIUM</b>		<b>1,562</b>	<b>0.45</b>
<b>BERMUDA 0.36% (31/05/12 : 0.21%)</b>			
Aspen Insurance	6,800	164	0.05
Axis Capital	13,090	375	0.10
Everest Re	5,900	503	0.14
Validus	10,800	259	0.07
<b>TOTAL BERMUDA</b>		<b>1,301</b>	<b>0.36</b>
<b>BRAZIL 0.94% (31/05/12 : 0.91%)</b>			
Banco Bradesco	34,100	358	0.10
Banco do Brasil	14,975	121	0.03
Banco do Brasil ADR	12,429	97	0.03
Banco Itau Holding Financeira	3,423	34	0.01
Banco Santander Brasil	3,068,100	134	0.04
BM&F Bovespa	23,800	104	0.03
BR Malls Participacoes	14,500	103	0.03
Bradespar	15,000	105	0.03
BRF - Brasil Foods	3,100	48	0.01
Cia De Saneamento Basico do ES ADR	14,526	125	0.04
Cia Vale do Rio Doce Depository Receipts	29,128	272	0.08
Companhia de Bebidas das Americas	9,700	254	0.07
Companhia de Saneamento Basico do Estado de Sao Paulo	1,866	16	0.00
Companhia Paranaense de Energia	1,300	14	0.00
Cyrela Brazil Realty	8,400	47	0.01
Embraer	29,500	174	0.05
Hypermarcas	7,000	38	0.01
Itau Unibanco	10,307	103	0.03
Itau Unibanco ADR	5,735	57	0.02
M Dias Branco	3,000	87	0.02
MRV Engenharia e Participacoes	38,400	84	0.02
Petroleo Brasileiro	28,978	179	0.05
Petroleo Brasileiro ADR	32,409	407	0.11
Porto Seguro	10,300	85	0.02
Telecomunicacoes de Sao Paulo Preference	7,900	133	0.04
Tim Participacoes	49,700	127	0.04
Tractebel Energia	600	7	0.00
Vale	7,809	72	0.02

\* unaudited

## AXA Global Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>BRAZIL (continued)</b>			
<b>TOTAL BRAZIL</b>		<b>3,385</b>	<b>0.94</b>
<b>CANADA 3.27% (31/05/12 : 5.10%)</b>			
<b>INDEX LINKED GOVERNMENT BONDS 1.18% (31/05/12 : 2.60%)</b>			
Canada (Government of) 1.5% 01/12/44	860,000	713	0.20
Canada (Government of) 2% 01/12/41	905,000	854	0.24
Canada (Government of) 4% IL 01/12/31	300,000	415	0.12
Canada (Government of) 4.25% IL 21/12/21	1,131,000	1,436	0.40
Canada (Government of) 4.25% IL 01/12/26	600,000	808	0.22
<b>EQUITIES 2.09% (31/05/12 : 2.50%)</b>			
Agrium	15,000	934	0.26
Bank of Montreal	45,300	1,787	0.50
Bank of Nova Scotia	47,200	1,784	0.50
Magna 'A'	24,800	1,102	0.31
Royal Bank of Canada	29,300	1,175	0.33
Shaw Communications	44,450	668	0.19
<b>TOTAL CANADA</b>		<b>11,676</b>	<b>3.27</b>
<b>CHINA (including HONG KONG) 0.80% (31/05/12 : 0.81%)</b>			
AIA	22,400	65	0.02
Champion REIT	275,000	86	0.02
Chaoda Modern Agriculture	158,000	-	-
Cheung Kong	41,000	381	0.11
China Minzhong Food	76,000	40	0.01
Emperor	25,000	5	0.00
Hongkong Land	58,000	265	0.08
Hopewell	30,000	71	0.02
Hysan Development	36,000	105	0.03
Jardine Matheson	5,200	225	0.06
Jardine Strategic	6,500	171	0.05
Johnson Electric	145,000	63	0.02
Kerry Properties	31,500	84	0.02
New World China Land	360,000	96	0.03
New World Development	167,000	174	0.05
Pacific Andes Resources Development	626,000	45	0.01
Sino Land	78,000	76	0.02
Sound Global	182,000	59	0.02
Sun Hung Kai Properties	30,000	262	0.07
The Link REIT	79,000	269	0.07
Wharf	19,000	111	0.03
Wheelock & Co	39,000	144	0.04
Yangzijiang Shipbuilding	162,000	74	0.02
<b>TOTAL CHINA (including HONG KONG)</b>		<b>2,871</b>	<b>0.80</b>

\* unaudited

## AXA Global Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>DENMARK 0.40% (31/05/12 : 0.34%)</b>			
A P Moller - Maersk 'B'	165	785	0.22
Carlsberg 'B'	9,200	580	0.16
H Lundbeck	5,400	69	0.02
<b>TOTAL DENMARK</b>		<b>1,434</b>	<b>0.40</b>
<b>FINLAND 0.25% (31/05/12 : 0.18%)</b>			
Kemira	11,200	115	0.03
Neste Oil	11,200	109	0.03
Nokia	304,000	691	0.19
<b>TOTAL FINLAND</b>		<b>915</b>	<b>0.25</b>
<b>FRANCE 6.47% (31/05/12 : 7.67%)</b>			
<b>INDEX LINKED GOVERNMENT BONDS 3.91% (31/05/12 : 5.16%)</b>			
France OAT 1% IL 25/07/17	3,675,000	3,803	1.06
France OAT 1.1% IL 25/07/22	2,923,000	2,938	0.82
France OAT 1.3% IL 25/07/19	1,424,000	1,433	0.40
France OAT 2.25% IL 25/07/20	1,370,000	1,678	0.47
France OAT 3.15% IL 25/07/32	1,058,000	1,603	0.45
France OAT 3.15% IL 25/07/40	839,000	1,014	0.27
France OAT 3.4% IL 25/07/29	1,016,000	1,580	0.44
<b>CORPORATE BONDS 0.28% (31/05/12 : 0.29%)</b>			
France Telecom 3% IL 25/07/18	1,000,000	1,006	0.28
<b>EQUITIES 2.28% (31/05/12 : 2.22%)</b>			
Alstom	800	20	0.01
Atos Origin	4,096	195	0.05
BNP Paribas	9,805	384	0.11
Bouygues	15,000	264	0.07
Cap Gemini	12,900	420	0.12
Carrefour	3,157	62	0.02
Casino Guichard Perrachon	782	54	0.02
Christian Dior	4,880	594	0.17
Cie Generale des Etablissements Michelin	14,000	814	0.23
CNP Assurances	3,338	33	0.01
Credit Agricole	56,000	350	0.10
Fonciere Des Regions	2,600	145	0.04
France Telecom	150,000	1,013	0.28
Sanofi-Aventis	27,200	1,923	0.53
Societe Generale	27,900	739	0.21
Vivendi	86,100	1,120	0.31
<b>TOTAL FRANCE</b>		<b>23,185</b>	<b>6.47</b>

\* unaudited

## AXA Global Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>GERMANY 3.81% (31/05/12 : 4.00%)</b>			
<b>INDEX LINKED GOVERNMENT BONDS 2.24% (31/05/12 : 2.46%)</b>			
Deutschland 0.75% IL 15/04/18	843,000	818	0.23
Deutschland 1.5% IL 15/04/16	2,710,000	2,856	0.79
Deutschland 1.75% IL 15/04/20	4,035,000	4,384	1.22
<b>EQUITIES 1.57% (31/05/12 : 1.54%)</b>			
BASF	12,471	798	0.22
Bayer	11,022	780	0.22
Deutsche Bank	5,303	163	0.05
Deutsche Lufthansa	18,000	256	0.07
Hannover Rueckversicherung	4,800	239	0.07
Henkel	1,247	66	0.02
Metro 'AG'	13,200	299	0.08
Siemens	23,798	1,664	0.45
Stada Arzneimittel	4,500	129	0.04
Suedzucker	6,000	134	0.04
TUI	12,000	97	0.03
Volkswagen	7,093	995	0.28
<b>TOTAL GERMANY</b>		<b>13,678</b>	<b>3.81</b>
<b>IRELAND 0.05% (31/05/12 : 0.19%)</b>			
Smurfit Kappa **	16,000	174	0.05
<b>TOTAL IRELAND</b>		<b>174</b>	<b>0.05</b>
<b>ISRAEL 1.28% (31/05/12 : 1.10%)</b>			
<b>INDEX LINKED GOVERNMENT BONDS 1.07% (31/05/12 : 1.07%)</b>			
Israel Government 0.5% IL 30/06/13	4,070,000	782	0.22
Israel Government 3% IL 31/10/19	5,139,000	1,169	0.33
Israel Government 4% IL 30/07/21	3,040,000	885	0.25
Israel Government 4% IL 30/05/36	3,570,000	969	0.27
<b>EQUITIES 0.21% (31/05/12 : 0.03%)</b>			
Teva Pharmaceutical	29,500	745	0.21
<b>TOTAL ISRAEL</b>		<b>4,550</b>	<b>1.28</b>
<b>ITALY 2.69% (31/05/12 : 2.75%)</b>			
<b>INDEX LINKED GOVERNMENT BONDS 2.54% (31/05/12 : 2.21%)</b>			
Italy (Republic of) 2.15% IL 15/09/14	2,500,000	2,652	0.74
Italy (Republic of) 2.35% IL 15/09/19	440,000	423	0.12
Italy (Republic of) 2.1% IL 15/09/21	3,055,000	2,739	0.76
Italy (Republic of) 2.35% IL 15/09/35	3,320,000	3,084	0.86
Italy (Republic of) 2.55% IL 15/09/41	250,000	206	0.06

\* unaudited

## AXA Global Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>ITALY (continued)</b>			
<b>EQUITIES 0.15% (31/05/12 : 0.54%)</b>			
Banco Popolare	40,000	40	0.01
Societa Iniziative Autostradali e Servizi	10,576	65	0.02
Telecom Italia	756,000	394	0.11
Atlantia	3,000	34	0.01
<b>TOTAL ITALY</b>		<b>9,637</b>	<b>2.69</b>
<b>JAPAN 5.34% (31/05/12 : 4.98%)</b>			
<b>INDEX LINKED GOVERNMENT BONDS 0.48% (31/05/12 : 0.99%)</b>			
Japan Government 1% IL 10/06/16	92,000,000	649	0.18
Japan Government 1.2% IL 12/10/17	110,000,000	797	0.22
Japan Government 1.4% IL 10/06/18	38,000,000	279	0.08
<b>EQUITIES 4.86% (31/05/12 : 3.99%)</b>			
Acom	3,830	91	0.03
AEON	20,400	159	0.04
Aichi Bank	200	6	0.00
Aiful	200	1	0.00
Alfresa	1,500	52	0.01
Aoyama Trading	3,700	68	0.02
Aozora Bank	49,000	95	0.03
Asahi Glass	34,000	163	0.05
AT	1,000	11	0.00
Bridgestone	20,100	443	0.12
Canon	26,700	616	0.17
Central Japan Railway	5,300	388	0.11
Century Tokyo Leasing	4,100	70	0.02
Chiyoda	3,000	22	0.01
Chubu Electric Power	6,700	58	0.02
Citizen	16,000	63	0.02
Coca-Cola West	100	1	0.00
Dai Nippon Printing	23,000	132	0.04
Daihatsu Motor	12,000	171	0.05
Daiichi Sankyo	17,400	192	0.05
Daiwa House Industry	16,000	202	0.06
Daiwa Office Investment	19	49	0.01
Dentsu	2,100	43	0.01
DIC	44,000	68	0.02
East Japan Railway	900	45	0.01
EDION	13,000	42	0.01
Electric Power Development	5,900	124	0.03
FUJIFILM	12,200	171	0.05
Fujitsu	62,000	172	0.05
Fukuoka Financial	36,000	98	0.03
Funai Electric	5,700	43	0.01

\* unaudited

## AXA Global Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>JAPAN (continued)</b>			
<b>EQUITIES (continued)</b>			
Fuyo General Lease	2,900	72	0.02
Geo	76	48	0.01
Glory	2,100	35	0.01
Gunma Bank	22,000	73	0.02
Hakuhodo DY	1,690	74	0.02
Hankyu Reit	12	42	0.01
Heiwa	3,900	44	0.01
Heiwa REIT	117	52	0.01
Hino Motors	15,000	145	0.04
Hitachi Capital	3,200	47	0.01
Hitachi Construction Machinery	7,200	114	0.03
Hokuriku Electric Power	700	6	0.00
Honda Motor	25,700	644	0.18
Ibiden	5,800	61	0.02
Ichigo Real Estate Investment	131	53	0.01
Idemitsu Kosan	1,700	92	0.03
IHI	53,000	131	0.04
Inabata & Co	10,200	54	0.02
INPEX	34	97	0.03
Isuzu Motors	37,000	188	0.05
ITOCHU	43,200	362	0.10
Itochu-Shokuhin	300	7	0.00
Jaccs	18,000	63	0.02
Japan Airlines	4,100	140	0.04
Japan Hotel REIT	276	72	0.02
Juroku Bank	2,000	5	0.00
JVC Kenwood	19,100	33	0.01
JX	67,600	221	0.06
Kaneka	17,000	69	0.02
KDDI	17,600	531	0.15
Keiyo Bank	14,000	46	0.01
Kinden	11,000	59	0.02
Kirin	26,000	282	0.08
Kohnan Shoji	5,800	45	0.01
Konica Minolta	10,500	51	0.01
Kubota	11,000	108	0.03
Kyorin	3,600	53	0.01
Kyowa Hakko Kirin	16,000	119	0.03
Mabuchi Motor	1,800	58	0.02
Marubeni	48,000	224	0.06
Mazda Motor	53,000	140	0.04
MD & AD Insurance	16,700	279	0.08
MID Reit	30	45	0.01
Mitsubishi Chemical	45,500	146	0.04

\* unaudited

## AXA Global Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>JAPAN (continued)</b>			
<b>EQUITIES (continued)</b>			
Mitsubishi Shokuhin	2,700	44	0.01
Mitsubishi Tanabe Pharma	3,100	26	0.01
Mitsubishi UFJ Financial	220,900	860	0.24
Mizuho Financial	39,900	51	0.01
Morinaga Milk Industry	30,000	57	0.02
Nagase	6,000	52	0.02
Nagoya Railroad	36,000	63	0.02
NEC	94,000	147	0.04
Nippo	3,000	26	0.01
Nippon Paper Industries	5,100	42	0.01
Nippon Telegraph & Telephone	15,300	505	0.14
Nishi-Nippon City Bank	36,000	58	0.02
Nishi-Nippon Railroad	4,000	10	0.00
Nissan Motor	78,800	575	0.16
NKSJ	12,000	182	0.05
Nomura	15,400	79	0.02
Nomura Real Estate	6,400	96	0.03
Nomura Real Estate Office Fund	15	57	0.02
NTT DoCoMo	235	230	0.06
Oita Bank	5,000	10	0.00
Okinawa Electric Power Co	300	8	0.00
ORIX	30,400	274	0.08
Orix JREIT	58	42	0.01
Osaka Gas	61,000	164	0.05
Otsuka	13,300	281	0.08
Panasonic	6,300	33	0.01
Resona	60,800	184	0.05
Ricoh	24,000	190	0.05
Ricoh Leasing	3,600	66	0.02
Rohm	3,700	91	0.03
Sakai Chemical Industry	3,000	6	0.00
San-In Godo Bank	1,000	5	0.00
Sapporo	21,000	51	0.01
SBI	6,300	53	0.01
Seino	9,000	46	0.01
Sekisui House	18,000	156	0.04
Sekisui Jushi	3,000	25	0.01
Shinsei Bank	21,000	34	0.01
Showa Shell Sekiyu	13,100	69	0.02
Sojitz	49,000	57	0.02
Sony	21,800	292	0.08
Sumikin Bussan	9,000	18	0.01
Sumitomo	31,700	267	0.07
Sumitomo Forestry	8,400	66	0.02
Sumitomo Mitsui Financial	26,100	692	0.19

\* unaudited

## AXA Global Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>JAPAN (continued)</b>			
<b>EQUITIES (continued)</b>			
Sumitomo Rubber Industries	9,800	104	0.03
Suzuki Motor	5,300	87	0.03
T&D	22,400	184	0.05
Taisei	9,000	19	0.01
Takashimaya	14,000	88	0.02
Takata	3,500	48	0.01
Tokuyama	9,000	19	0.01
Tokyo Broadcasting System	6,700	57	0.02
TonenGeneral Sekiyu	1,000	7	0.00
Toppan Printing	27,000	118	0.03
Tosoh	23,000	51	0.01
Toyo Kohan	18,000	39	0.01
Toyo Seikan Kaisha	8,600	82	0.02
Toyota Motor	16,800	660	0.18
TS Tech	2,200	46	0.01
UNY	9,500	42	0.01
West Japan Railway	6,100	168	0.05
Yamaguchi Financial	12,000	69	0.02
Yamazaki Baking	9,000	69	0.02
Yodogawa Steel Works	8,000	20	0.01
Yokohama Rubber	9,000	61	0.02
<b>TOTAL JAPAN</b>		<b>19,192</b>	<b>5.34</b>
<b>KOREA (SOUTH) 1.09% (31/05/12 : 1.13%)</b>			
CJ	1,017	74	0.02
Daelim	1,600	88	0.02
Dongbu Insurance	390	11	0.00
Green Cross	5,740	54	0.02
Halla Climate Control	3,610	70	0.02
Hyundai Engineering & Construction	3,560	127	0.04
Hyundai Marine & Fire Insuranc	4,620	87	0.02
Hyundai Mobis	1,885	313	0.09
Hyundai Motor	2,559	316	0.09
Kia Motors	9,890	341	0.09
Korea Electric Power	11,450	179	0.05
KT	6,200	140	0.04
LIG Insurance	5,090	73	0.02
Lotte Shopping	550	117	0.03
Samsung Electronics	1,520	1,360	0.38
Samsung Heavy Industries	8,100	156	0.04
SK	1,260	130	0.04
SK Telecom	1,650	201	0.06
Taekwang Industrial	110	67	0.02
<b>TOTAL KOREA (SOUTH)</b>		<b>3,904</b>	<b>1.09</b>

\* unaudited

## AXA Global Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>MALAYSIA 0.25% (31/05/12 : 0.32%)</b>			
Affin	5,000	4	0.00
Genting	100,000	215	0.06
Genting Malaysia 'B'	126,000	104	0.03
Hong Leong Bank	27,000	81	0.02
KLCC Property	45,000	65	0.02
Mah Sing	6,000	4	0.00
Misc Berhad	125,000	129	0.04
Mudajaya	69,000	39	0.01
Petronas Chemicals	33,400	46	0.01
Petronas Dagangan	8,000	42	0.01
Star Publications	91,300	50	0.01
YTL	169,000	61	0.02
YTL Power	254,000	82	0.02
<b>TOTAL MALAYSIA</b>		<b>922</b>	<b>0.25</b>
<b>MEXICO 1.45% (31/05/12 : 0.82%)</b>			
<b>INDEX LINKED GOVERNMENT BONDS 1.09% (31/05/12 : 0.47%)</b>			
Mexican Udibonos 2.5% 10/12/20	19,148,768	1,039	0.29
Mexico (Government of) 3.5% 14/12/17	23,708,132	1,343	0.37
Mexico (Government of) 4.5% IL 22/11/35	23,778,743	1,547	0.43
<b>EQUITIES 0.36% (31/05/12 : 0.35%)</b>			
Alfa	127,400	189	0.05
Alpek	46,500	60	0.02
America Movil SAB de CV	255,400	166	0.05
Fomento Economico Mexicano	32,441	226	0.06
Fomento Economico Mexicano ADR 'B'	1,055	74	0.02
Grupo Aeroportuario del Pacifico	20,700	70	0.02
Grupo Bimbo	1,300	2	0.00
Grupo Carso	17,500	62	0.02
Grupo Financiero Banorte	200	1	0.00
Grupo Financiero Santander Mexico	16,600	34	0.01
Grupo Mexico	89,800	190	0.05
Grupo Televisa	30,300	103	0.03
Organizacion Soriana	43,600	103	0.03
Urbi Desarrollos Urbanos	45,500	5	0.00
Wal-Mart de Mexico	9,300	17	0.00
<b>TOTAL MEXICO</b>		<b>5,231</b>	<b>1.45</b>
<b>NETHERLANDS 1.28% (31/05/12 : 0.59%)</b>			
Aegon	150,000	673	0.19
Ahold Koninklijke	61,600	661	0.18
Akzo Nobel	2,902	123	0.03
ING	124,000	770	0.21
Koninklijke Philips Electronics	67,000	1,262	0.34

\* unaudited

## AXA Global Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>NETHERLANDS (continued)</b>			
Royal Dutch Shell 'A'	30,700	679	0.19
Royal Dutch Shell 'B'	21,500	493	0.14
<b>TOTAL NETHERLANDS</b>		<b>4,661</b>	<b>1.28</b>
<b>NEW ZEALAND 0.01% (31/05/12 : 0.01%)</b>			
Nuplex	13,000	19	0.00
Sky Network Television	8,900	27	0.01
<b>TOTAL NEW ZEALAND</b>		<b>46</b>	<b>0.01</b>
<b>NORWAY 0.43% (31/05/12 : 0.32%)</b>			
Statoil	68,600	1,025	0.29
Yara I	16,800	497	0.14
<b>TOTAL NORWAY</b>		<b>1,522</b>	<b>0.43</b>
<b>POLAND 0.19% (31/05/12 : 0.16%)</b>			
KGHM Polska Miedz	11,626	341	0.09
Polski Koncern Naftowy Orlen	26,000	275	0.08
Tauron Polska Energia	108,293	91	0.02
<b>TOTAL POLAND</b>		<b>707</b>	<b>0.19</b>
<b>SINGAPORE 0.36% (31/05/12 : 0.22%)</b>			
First Resources	55,000	54	0.02
Jardine Cycle & Carriage	7,000	168	0.05
Keppel	42,000	230	0.06
SembCorp Industries	39,000	99	0.03
Singapore Airlines	25,000	140	0.03
United Overseas Bank	36,000	401	0.11
UOL	27,000	94	0.03
Wilmar	27,000	46	0.01
Yanlord Land	81,000	60	0.02
<b>TOTAL SINGAPORE</b>		<b>1,292</b>	<b>0.36</b>
<b>SOUTH AFRICA 0.40% (31/05/12 : 0.74%)</b>			
Bidvest	24,000	396	0.11
FirstRand	198,000	370	0.10
Medi-Clinic	33,000	151	0.04
Metropolitan Holdings	90,000	135	0.04
Standard Bank	14,000	100	0.03
Steinhoff	150,000	239	0.07
Telkom	32,000	30	0.01
<b>TOTAL SOUTH AFRICA</b>		<b>1,421</b>	<b>0.40</b>

\* unaudited

## AXA Global Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>SPAIN 0.76% (31/05/12 : 0.43%)</b>			
Banco Santander	208,000	983	0.27
Gas Natural	16,800	229	0.06
Indra Sistemas	13,000	114	0.03
Telefonica	155,700	1,422	0.40
<b>TOTAL SPAIN</b>		<b>2,748</b>	<b>0.76</b>
<b>SWEDEN 1.15% (31/05/12 : 1.67%)</b>			
<b>INDEX LINKED GOVERNMENT BONDS 0.66% (31/05/12 : 0.99%)</b>			
Sweden (Kingdom of) 3.5% IL 01/12/15	7,400,000	984	0.27
Sweden (Kingdom of) 3.5% IL 01/12/28	6,000,000	1,055	0.29
Sweden (Kingdom of) 4% 01/12/20	2,260,000	369	0.10
<b>EQUITIES 0.49% (31/05/12 : 0.68%)</b>			
Autoliv	6,470	334	0.09
Electrolux	24,000	425	0.12
Meda	22,000	180	0.05
NCC	7,887	124	0.03
Nordea Bank	5,617	46	0.01
Saab	8,100	111	0.03
Securitas	30,000	181	0.05
Skandinaviska Enskilda Banken AB	55,548	382	0.11
<b>TOTAL SWEDEN</b>		<b>4,191</b>	<b>1.15</b>
<b>SWITZERLAND 2.04% (31/05/12 : 1.55%)</b>			
Adecco	10,800	402	0.11
Baloise	4,000	258	0.07
Clariant	21,000	200	0.06
Credit Suisse	22,735	446	0.11
Lonza	4,200	205	0.06
Nestle	55,500	2,441	0.68
Novartis	47,700	2,257	0.63
Roche Holding	780	128	0.04
Swiss Life	2,500	276	0.08
Swiss Re	15,000	727	0.20
<b>TOTAL SWITZERLAND</b>		<b>7,340</b>	<b>2.04</b>
<b>TAIWAN 0.90% (31/05/12 : 0.90%)</b>			
Advanced Semiconductor Engineering	324,057	184	0.05
Asustek Computer	15,000	109	0.03
Chong Hong Construction	31,000	76	0.02
Evergreen Marine Taiwan	190,000	69	0.02
Farglory Land Development	56,000	70	0.02
Fubon Financial	280,000	244	0.07

\* unaudited

## AXA Global Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>TAIWAN (continued)</b>			
Gigabyte Technology	91,000	58	0.02
Highwealth Construction	55,400	80	0.02
Hon Hai Precision Industry	288,147	486	0.14
Inventec	267,000	84	0.02
King Yuan Electronics	180,000	91	0.02
Pegatron	108,000	128	0.04
Pou Chen	85,000	55	0.01
Shin Kong Financial	402,000	90	0.02
SinoPac Financial	88,000	28	0.01
Taishin Financial	291,698	83	0.02
Taiwan Cooperative Financial	55,000	21	0.01
Taiwan Semiconductor Manufacturing	309,000	743	0.21
Union Bank Of Taiwan	233,000	58	0.02
Uni-President Enterprises	181,570	236	0.07
United Microelectronics	556,000	161	0.03
USI	12,000	6	0.00
Wan Hai Lines	170,000	61	0.02
Yageo	135,000	30	0.01
<b>TOTAL TAIWAN</b>		<b>3,251</b>	<b>0.90</b>
<b>THAILAND 0.37% (31/05/12 : 0.25%)</b>			
Airports of Thailand	24,000	96	0.03
Bangkok Bank	36,000	160	0.03
Electricity Generating	28,000	95	0.03
Kasikornbank	56,000	237	0.07
Krung Thai Bank	163,000	78	0.02
PTT	31,500	223	0.06
PTT Exploration & Production	62,000	205	0.06
PTT Global Chemical	78,000	122	0.03
Thai Airways	102,000	74	0.02
Thai Oil	48,000	67	0.02
<b>TOTAL THAILAND</b>		<b>1,357</b>	<b>0.37</b>
<b>TURKEY 0.18% (31/05/12 : 0.13%)</b>			
Turk Hava Yollari	56,000	168	0.05
Turkiye Halk Bankasi	36,000	249	0.07
Turkiye Vakiflar Bankasi	105,000	216	0.06
<b>TOTAL TURKEY</b>		<b>633</b>	<b>0.18</b>
<b>UNITED KINGDOM 15.24% (31/05/12 : 15.99%)</b>			
<b>INDEX LINKED GOVERNMENT BONDS 10.99% (31/05/12 : 12.16%)</b>			
UK Treasury 0.25% IL 22/03/52	600,000	691	0.19
UK Treasury 0.375% IL 22/03/62	1,165,000	1,519	0.42

\* unaudited

## AXA Global Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>UNITED KINGDOM (continued)</b>			
<b>INDEX LINKED GOVERNMENT BONDS (continued)</b>			
UK Treasury 0.5% IL 22/03/50	2,760,000	3,921	1.09
UK Treasury 0.625% IL 22/03/40	1,970,000	2,754	0.77
UK Treasury 0.625% IL 22/11/42	1,203,000	1,745	0.49
UK Treasury 0.75% IL 22/03/34	835,000	1,089	0.30
UK Treasury 1.25% IL 22/11/17	618,000	915	0.25
UK Treasury 1.125% IL 22/11/37	674,000	1,111	0.31
UK Treasury 1.25% IL 22/11/27	2,729,500	4,464	1.24
UK Treasury 1.25% IL 22/11/32	1,290,000	1,960	0.55
UK Treasury 1.25% IL 22/11/55	1,160,000	2,380	0.66
UK Treasury 1.875% IL 22/11/22	5,138,500	8,067	2.25
UK Treasury 2% IL 26/01/35	1,554,000	3,312	0.92
UK Treasury 2.5% IL 26/07/16	159,000	551	0.15
UK Treasury 2.5% IL 16/04/20	640,000	2,442	0.68
UK Treasury 2.5% IL 17/07/24	740,000	2,572	0.72
<b>EQUITIES 4.25% (31/05/12 : 3.83%)</b>			
Balfour Beatty	44,000	103	0.03
BT	446,000	1,356	0.38
Marks & Spencer	127,000	597	0.17
J Sainsbury	152,000	571	0.16
Reckitt Benckiser	30,200	1,427	0.40
BAE Systems	49,091	198	0.06
British American Tobacco	16,600	605	0.17
Firstgroup	32,000	41	0.01
Standard Chartered	15,600	241	0.07
Imperial Tobacco	48,600	1,160	0.32
SABMiller	39,800	1,315	0.37
HSBC	229,600	1,666	0.46
Cobham	86,000	248	0.07
Greene King	15,300	117	0.03
Morrison (Wm) Supermarkets	190,000	520	0.14
Rio Tinto (London Quoted)	6,800	198	0.05
Sage	76,000	276	0.08
QinetiQ	45,000	84	0.02
Unilever	2,800	78	0.02
Debenhams	90,000	84	0.02
Inchcape	33,000	181	0.05
Smith & Nephew	70,400	540	0.15
AstraZeneca	45,200	1,532	0.43
Home Retail	44,767	70	0.02
Mitchells & Butlers	17,177	65	0.02
WPP	99,000	1,117	0.31
Tesco	238,838	871	0.24
<b>TOTAL UNITED KINGDOM</b>		<b>54,754</b>	<b>15.24</b>

\* unaudited

## AXA Global Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>UNITED STATES 44.85% (31/05/12 : 43.83%)</b>			
<b>INDEX LINKED GOVERNMENT BONDS 17.77% (31/05/12 : 19.20%)</b>			
US Treasury 0.125% IL 15/04/16	13,400,000	9,606	2.67
US Treasury 0.125% IL 15/04/17	2,930,000	2,060	0.57
US Treasury 0.125% IL 15/01/22	11,452,000	8,016	2.23
US Treasury 0.125% IL 15/01/23	7,419,000	5,032	1.40
US Treasury 0.5% IL 15/04/15	239,000	174	0.05
US Treasury 0.75% IL 15/02/42	1,672,000	1,088	0.30
US Treasury 1.125% IL 15/01/21	2,145,000	1,687	0.47
US Treasury 1.25% IL 15/07/20	1,190,000	950	0.26
US Treasury 1.375% IL 15/01/20	2,207,000	1,776	0.49
US Treasury 1.875% IL 15/07/19	13,220,000	11,081	3.08
US Treasury 2% IL 26/01/15	3,243,000	3,073	0.86
US Treasury 2.125% IL 15/01/19	3,870,000	3,223	0.90
US Treasury 2.125% IL 15/02/40	3,115,000	2,899	0.81
US Treasury 2.125% IL 15/02/41	1,878,000	1,730	0.48
US Treasury 2.5% IL 15/01/29	3,086,000	2,900	0.81
US Treasury 2.625% IL 15/07/17	2,480,000	2,123	0.59
US Treasury 3.625% IL 15/04/28	1,247,000	1,743	0.49
US Treasury 3.875% IL 29/04/15	3,300,000	4,719	1.31
<b>EQUITIES 27.08% (31/05/12 : 24.63%)</b>			
AES	73,900	598	0.17
Aetna	38,100	1,564	0.44
Air Products & Chemicals	19,560	1,220	0.34
Alaska Air	7,400	274	0.08
Altria	18,130	434	0.12
Amazon.com	600	105	0.03
Amdocs	21,800	519	0.14
American Tower	3,750	194	0.05
American Water Works	19,800	533	0.15
Amgen	28,600	1,978	0.55
Apache	33,600	1,871	0.52
Apple	7,800	2,315	0.64
AT&T	32,030	747	0.21
Avon Products	7,040	109	0.03
Bank of America	46,600	424	0.12
Berkshire Hathaway	10,780	814	0.23
Boart Longyear	15,800	7	0.00
Brookfield Office Properties	52,500	598	0.17
CA	40,800	739	0.21
CareFusion	25,100	606	0.17
CF Industries	7,130	912	0.25
Chevron	39,200	3,224	0.90
Cisco Systems	14,900	239	0.07
CIT	7,780	240	0.07
Citigroup	21,800	763	0.21

\* unaudited

## AXA Global Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>UNITED STATES (continued)</b>			
<b>EQUITIES (continued)</b>			
CNA Financial	8,000	182	0.05
Coca-Cola	24,600	659	0.18
Comcast	79,570	2,142	0.60
Comerica	21,800	575	0.16
Computer Sciences	17,900	521	0.15
ConAgra Foods	11,330	256	0.07
Constellation Brands 'A'	18,290	654	0.18
CVS Caremark	38,610	1,492	0.42
Darden Restaurants	14,900	514	0.14
Delek US	1,800	43	0.01
Discover Financial Services	54,400	1,722	0.48
Dover	9,500	491	0.14
Dr Pepper Snapple	22,104	682	0.19
Eastman Chemical	16,400	775	0.22
El du Pont de Nemours	8,600	318	0.09
Eli Lilly & Co	52,560	1,868	0.52
Energizer	7,300	468	0.13
Equity Residential	1,090	41	0.01
Expedia	11,800	446	0.12
Exxon Mobil	36,210	2,192	0.61
Fidelity National Financial	10,438	182	0.05
Gannett	25,510	363	0.10
Gap	1,600	42	0.01
General Electric	70,300	1,090	0.30
Google	1,730	990	0.28
Graphic Packaging	16,600	87	0.02
HCP	4,540	143	0.04
Health Management Associates	26,700	228	0.06
Hertz Global	17,860	302	0.07
Hess	31,400	1,419	0.39
HollyFrontier	23,600	777	0.22
Home Depot	41,300	2,157	0.60
Huntington Bancshares	100,600	522	0.15
IAC InterActiveCorp	9,200	299	0.08
Ingredion	8,400	383	0.11
Intel	17,400	277	0.08
International Business Machines	7,140	983	0.27
International Flavors & Fragrances	9,500	508	0.14
International Game Technology	28,330	339	0.09
Interpublic	16,187	154	0.04
JM Smucker	12,400	837	0.23
Johnson & Johnson	18,220	1,030	0.29
JPMorgan Chase	87,400	3,196	0.89
KeyCorp	2,350	17	0.00
Kohl's	17,300	581	0.16

\* unaudited

## AXA Global Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>UNITED STATES (continued)</b>			
<b>EQUITIES (continued)</b>			
Kroger	44,520	1,006	0.28
Lincoln National	30,300	724	0.20
Louisiana-Pacific	14,300	169	0.05
Marathon Oil	64,700	1,495	0.42
Marathon Petroleum	32,200	1,769	0.49
Masco	37,740	529	0.15
Mastercard	600	227	0.06
McDonald's	2,300	147	0.04
Medtronic	64,500	2,205	0.61
Merck & Co	12,900	399	0.11
MGM Resorts	9,100	92	0.03
Microsoft	51,130	1,177	0.33
Mohawk Industries	6,900	514	0.14
Mylan	12,000	244	0.07
NiSource	30,780	582	0.16
Northeast Utilities	32,100	887	0.25
Northrop Grumman	17,400	955	0.27
NRG Energy	8,060	136	0.04
Omnicare	12,830	396	0.11
Oracle	94,600	2,135	0.60
PepsiCo	6,100	326	0.09
Pfizer	155,600	2,889	0.80
Philip Morris	8,100	492	0.14
PPG Industries	13,260	1,363	0.38
Procter & Gamble	17,000	884	0.25
Prologis	3,474	94	0.03
Public Storage	1,290	131	0.04
QUALCOMM	4,700	198	0.06
Raytheon	23,570	1,044	0.29
Reinsurance Group of America	7,800	340	0.09
Ryder System	6,600	275	0.08
Safeway	31,200	478	0.13
SCANA	12,500	419	0.12
Schlumberger	3,100	152	0.04
Service International	22,800	272	0.08
Simon Property	2,620	293	0.08
Staples	74,150	730	0.20
Symantec	56,520	853	0.24
Thermo Fisher Scientific	18,740	1,093	0.30
Tyson Foods 'A'	33,500	561	0.16
Union Pacific	19,100	1,974	0.55
United Therapeutics	5,000	228	0.06
UnitedHealth	48,200	2,049	0.57
Universal Health Services	11,200	517	0.14
US Airways	1,000	12	0.00

\* unaudited

## AXA Global Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	Holding	Market Value £'000	% of Total Net Assets
<b>UNITED STATES (continued)</b>			
<b>EQUITIES (continued)</b>			
US Bancorp	3,590	84	0.02
Ventas	2,830	135	0.04
Verizon Communications	13,700	442	0.12
Viacom 'B'	30	1	0.00
Visa	3,200	381	0.11
Wal-Mart Stores	42,700	2,123	0.59
Walt Disney	6,200	263	0.07
Washington Post	600	188	0.05
Wells Fargo	54,500	1,477	0.41
Western Digital	7,450	312	0.09
Whirlpool	8,700	737	0.21
Xcel Energy	51,100	970	0.27
Xerox	143,940	851	0.24
Yahoo!	108,030	1,870	0.52
<b>TOTAL UNITED STATES</b>		<b>161,143</b>	<b>44.85</b>
<b>FORWARD FX -0.33% (31/05/12 : -0.79%)</b>			
Sold USD97,000,000 for GBP62,564,096 (06/06/13)		(1,200)	(0.33)
<b>TOTAL FORWARDS</b>		<b>(1,200)</b>	<b>(0.33)</b>
<b>FUTURES 0.00% (31/05/12 : 0.00%)</b>			
Portfolio of investments		<b>356,224</b>	<b>99.16</b>
Net other assets		3,017	0.84
<b>Net assets</b>		<b>359,241</b>	<b>100.00</b>

\* unaudited

*All bonds are denominated in Sterling (unless otherwise indicated).*

## AXA Global Distribution Fund

### PORTFOLIO STATEMENT (continued) \*

As at 31 May 2013

	31/05/13		31/05/12	
	Market Value £'000s	%	Market Value £'000s	%
Bonds	153,530	42.45	151,497	47.99
Equities	203,894	57.04	163,507	51.80
Forward currency contracts	(1,200)	(0.33)	(2,499)	(0.79)
<b>Portfolio of Investments</b>	<b>356,224</b>	<b>99.16</b>	<b>312,505</b>	<b>99.00</b>

	31/05/13		31/05/12	
Credit Rating	Market Value £'000s	%	Market Value £'000s	%
Total bonds BBB- credit rating and above	153,530	42.45	151,497	47.99
Total bonds below BBB- credit rating			-	-
<b>Total value of bonds</b>	<b>153,530</b>	<b>42.45</b>	<b>151,497</b>	<b>47.99</b>

#### Financial derivative instrument risk exposure

The exposure obtained through financial derivative instruments and identity of counterparties as at 31 May 2013 was as follows:

	31/05/13 Market Value of Exposure £'000s
<b>(a) Forwards</b>	
<b>Counterparty</b>	(1,200)
State Street Bank London	
<b>Total value of Forwards</b>	<b>(1,200)</b>

## Financial Statements for the AXA Global Distribution Fund

### STATEMENT OF TOTAL RETURN

	Notes	Year ended 31/05/13		Year ended 31/05/12	
		£'000	£'000	£'000	£'000
Income:					
Net capital gains/(losses)	1		46,889		(4,618)
Revenue	2	10,263		9,948	
Expenses	3	(3,216)		(3,587)	
Finance costs : interest	5	(1)		(2)	
Net revenue before taxation		7,046		6,359	
Taxation	4	(691)		(491)	
Net revenue after taxation			6,355		5,868
<b>Total return before distributions</b>			53,244		1,250
Finance Costs : Distributions	5		(8,851)		(8,675)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>44,393</b>		<b>(7,425)</b>

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

	Year ended 31/05/13		Year ended 31/05/12	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		315,678		317,883
Amounts receivable on issue of shares	10,022		14,478	
Amounts payable on cancellation of shares	(19,461)		(17,746)	
		(9,439)		(3,268)
Stamp duty reserve tax		(2)		(3)
Change in net assets attributable to shareholders from investment activities		44,393		(7,425)
Retained distribution on accumulation shares		8,611		8,491
<b>Closing net assets attributable to shareholders</b>		<b>359,241</b>		<b>315,678</b>

## Financial Statements for the AXA Global Distribution Fund

### BALANCE SHEET

As at		31/05/13		31/05/12	
	Notes	£'000	£'000	£'000	£'000
<b>Assets:</b>					
Investment assets			357,424		315,004
Debtors	7	3,712		2,417	
Cash & bank balances	8	5,303		4,502	
<b>Total other assets</b>			<u>9,015</u>		<u>6,919</u>
<b>Total assets</b>			<u><b>366,439</b></u>		<u><b>321,923</b></u>
<b>Liabilities</b>					
Investment liabilities			1,200		2,499
Bank overdrafts	8	3,563		1,873	
Creditors	9	2,313		1,782	
Distribution payable on income shares		122		91	
<b>Total other liabilities</b>			<u>5,998</u>		<u>3,746</u>
<b>Total liabilities</b>			<u><b>7,198</b></u>		<u><b>6,245</b></u>
<b>Net assets attributable to shareholders</b>			<u><b>359,241</b></u>		<u><b>315,678</b></u>

## Financial Statements for the AXA Global Distribution Fund

### NOTES TO THE ACCOUNTS

	Year ended 31/05/13	Year ended 31/05/12
<b>1. NET CAPITAL GAINS/(LOSSES)</b>		
The net capital gains/(losses) on investments during the year comprise:		
	<b>£'000</b>	<b>£'000</b>
Non-derivative securities	48,247	(4,109)
Forward currency contracts	(2,265)	(42)
Currency losses	934	(415)
Transaction charges	(27)	(52)
<b>Total</b>	<b>46,889</b>	<b>(4,618)</b>
<b>2. REVENUE</b>		
	<b>£'000</b>	<b>£'000</b>
UK dividends	698	508
Overseas dividends	4,601	4,555
Overseas stock dividends	100	65
Interest on debt securities	2,154	2,387
Amortisation adjustment	2,705	2,426
Bank interest	5	7
<b>Total</b>	<b>10,263</b>	<b>9,948</b>
<b>3. EXPENSES</b>		
	<b>£'000</b>	<b>£'000</b>
<b>Payable to the ACD, associates of the ACD and agents of either of them:</b>		
ACD charge *	3,119	3,509
Registration fees	10	12
Administration fees	1	-
<b>Total</b>	<b>3,130</b>	<b>3,521</b>
<b>Payable to Depositary, associates of the depositary and agents of either of them:</b>		
Depositary fees	33	32
Safe Custody fees	36	25
<b>Total payable to depositary</b>	<b>69</b>	<b>57</b>
<b>Other Expenses</b>		
Audit fee	17	9
<b>Total Other Expenses</b>	<b>17</b>	<b>9</b>
<b>Total</b>	<b>3,216</b>	<b>3,587</b>
<b>* Total Expenses Ultimately Borne by Capital</b>	<b>3,119</b>	<b>3,509</b>
<b>Total Expenses Borne by Revenue</b>	<b>97</b>	<b>78</b>

# Financial Statements for the AXA Global Distribution Fund

## NOTES TO THE ACCOUNTS

	Year ended 31/05/13	Year ended 31/05/12
<b>4. TAXATION</b>		
<b>(a) Analysis of Charge in Year</b>		
	<b>£'000</b>	<b>£'000</b>
<b>Current Tax</b>		
Corporation tax	156	28
Double taxation relief	(12)	(19)
Overseas withholding tax	546	482
<b>Current Tax Charge (note 4(b))</b>	<b>690</b>	<b>491</b>
<b>Deferred Tax</b>		
Deferred tax	1	-
<b>Total Deferred Tax</b>	<b>1</b>	<b>-</b>
<b>Total Taxation</b>	<b>691</b>	<b>491</b>
<b>(b) Factors Affecting Tax Charge for Year</b>		
Net revenue before taxation	7,046	6,359
Corporation tax of 20% (2012 : same)	1,410	1,272
<b>Effects of:</b>		
Income not subject to taxation	(1,009)	(995)
Amortisation revenue not subject to taxation	(238)	(236)
Overseas withholding tax	530	482
Movement in excess expenses	-	(13)
Irrecoverable overseas capital tax : Prior Year	10	-
Double taxation relief	(12)	(19)
<b>Current Tax Charge (note 4(a))</b>	<b>691</b>	<b>491</b>

### (c) Provision for Deferred Taxation

There is no provision for deferred tax in the current or prior year.

## Financial Statements for the AXA Global Distribution Fund

	Year ended 31/05/13	Year ended 31/05/12
<b>5. FINANCE COSTS</b>		
<b>Distributions and Interest</b>		
The distributions take account of revenue received on the creation of shares and revenue deducted on cancellation of shares, and comprise:		
	<b>£'000</b>	<b>£'000</b>
Interim distribution paid 31 January	82	61
Interim accumulation paid 31 January	3,900	3,865
Final distribution payable/paid 31/29 July	122	91
Final accumulation payable/paid 31/29 July	4,711	4,626
	<hr/> 8,815	<hr/> 8,643
<i>Add:</i> revenue deducted on cancellation of shares	90	88
<i>Deduct:</i> revenue received on creation of shares	(54)	(56)
<b>Net Distribution for the Year</b>	<hr/> <b>8,851</b>	<hr/> <b>8,675</b>
Interest	1	2
<b>Total Finance Costs</b>	<hr/> <b>8,852</b>	<hr/> <b>8,677</b>

*Details of the Distributions are set out on pages 151 & 152.*

### Reconciliation of Net Revenue and Net Distribution

Net revenue after taxation	6,355	5,868
Charges deducted from capital	3,119	3,509
Utilised capital expenses tax relief	(623)	(702)
<b>Total</b>	<hr/> <b>8,851</b>	<hr/> <b>8,675</b>

### 6. DILUTION LEVY

The ACD's policy is that dilution levy would only be imposed in exceptional circumstances and the amount of levy would not exceed what the ACD considers necessary to compensate the relevant Fund for the potential effect of dilution. The only cases in which the ACD specifically envisages that it might impose a dilution levy are on large daily net movements in the size of the Fund resulting from redemptions, although dilution can be charged in other circumstances at the ACD's discretion.

## Financial Statements for the AXA Global Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

#### 7. DEBTORS

As at	31/05/13 £'000	31/05/12 £'000
Amounts receivable on share creations	643	101
Sales awaiting settlement	1,388	766
Foreign exchange transactions awaiting settlement	50	-
<b>Accrued Revenue</b>		
Accrued UK dividends	133	128
Accrued interest on debt securities	745	799
Accrued overseas dividends	662	550
Accrued bank interest	-	1
<b>Other Debtors</b>		
Withholding tax recoverable	91	72
<b>Total</b>	<b>3,712</b>	<b>2,417</b>

#### 8. CASH & BANK BALANCES

As at	31/05/13 £'000	31/05/12 £'000
Cash at bank	5,303	4,502
Bank overdrafts	(3,563)	(1,873)
<b>Total</b>	<b>1,740</b>	<b>2,629</b>

#### 9. CREDITORS

As at	31/05/13 £'000	31/05/12 £'000
Amounts payable on share cancellations	443	252
Purchases awaiting settlement	1,303	933
Foreign exchange transactions awaiting settlement	50	-
Corporation tax payable	208	5
<b>Accrued Expenses</b>		
Accrued ACD charge	287	535
Accrued audit fee	8	9
Accrued administration fees	1	3
Accrued registration fees	2	10
Accrued depositary fees	6	5
Accrued safe custody fees	2	10
Accrued transaction fees	3	20
<b>Total</b>	<b>2,313</b>	<b>1,782</b>

## Financial Statements for the AXA Global Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

#### 10. CONTINGENT LIABILITIES

The Fund had no contingent liabilities at the end of the year (same as at 31/05/12).

#### 11. CONTINGENT ASSETS

In May 2012, a European Court of Justice ruling confirmed the right to recover withholding tax from French tax authorities that was previously withheld.

French Tax Authorities have advised that they intend to reimburse tax withheld on the French source dividends received by AXA Global Distribution Investment Company ICVC totalling £39,671 (€46,450).

Accounting standards permit the reclaims to be included as an asset in the balance sheet only where the receipt is "virtually certain".

In the opinion of the Manager, receipt of this reclaim is probable rather than virtually certain and accordingly is regarded as a contingent or potential asset rather than an actual asset for the purposes of preparing the accounts.

Notwithstanding the treatment for the purposes of the preparation of accounts, an appropriate adjustment to reflect the reclaim has been made for the purposes of daily pricing.

#### 12. RELATED PARTIES

The ACD is related to the Fund as defined by Financial Reporting Standard 8 'Related Party Disclosures'.

AXA Investment Managers UK Limited, as the ACD are party to all transactions of shares in the Fund (as summarised in the Statement of Change in Net Assets Attributable to Shareholders on page 136). Any amounts due to or from the ACD at the end of the accounting period are disclosed in notes 7 and 9.

Amounts payable to the ACD in respect of fund administration and registration services are disclosed in note 3 and amounts due at the period end in note 9.

At 31 May 2013, the AXA group has holdings totalling 70.74% of the Funds' shares. Other than disclosed elsewhere in the financial statements, there were no material transactions between the Fund and related parties during the year.

#### 13. SHAREHOLDER FUNDS

The Fund currently has two share classes: Class R and Class Z. The annual management charge on each share class is as follows:

Class R : 1.50%

Class Z : 0.75%

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the comparative table on page 115. The distribution per share class is given in the distribution tables on pages 151 & 152.

## Financial Statements for the AXA Global Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS

The Fund's investment objective and policies are stated on page 111, and have been applied consistently throughout the current and prior period. In achieving its objectives the Fund will be exposed to various types of risk, the principal items being as follows:

##### **Market Price Risk**

The Fund invests principally in shares. The value of shares is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual company or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Fund seeks to manage these risks by holding a diversified portfolio of investments spread across a range of industries in line with the Fund's objectives. In addition, the Fund complies with the Collective Investment Schemes sourcebook ("the COLL"), which include rules relating to investment holdings that are designed to place limits on the Fund's investment concentration.

##### **Cash Flow Risk**

The Fund's main cashflows are generated by the revenue received from its investments. The revenue received from equity investments in the form of dividends can rise or fall depending upon the particular decisions made by each company.

The revenue received from its fixed interest investments will be in line with the coupon rates attached to each bond held and the indexation calculated on the index linked assets.

Given that the Fund's investment objective is to obtain a high level of revenue and the maintenance of capital over the medium to long term, dividend policy is one of the Fund's priorities and the Fund's stock selection reflects this (same as at 31/05/12).

##### **Credit Risk**

The Fund runs a very low credit risk in respect of unsettled investment transactions as these are normally settled as cash against delivery.

Fixed interest investments are exposed to credit risk which reflects the ability of the bond issuer to meet its obligations. The majority of bonds in which the Fund invests are investment grade listed bonds or government securities which are lower risk. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. The ACD monitors the credit quality and risk of the portfolio as a part of the overall investment process and in accordance with the objective and policy of each sub fund.

Transactions in securities may expose a fund to the risk that the counterparty will not settle the transaction or do so on a timely basis.

All transactions in the funds are conducted through counterparties approved by the ACD (same as at 31/05/12).

## Financial Statements for the AXA Global Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS (continued)

##### **Liquidity Risk**

The majority of the Fund's financial assets are considered to be readily realisable in accordance with the market practices of the exchange on which they are traded. In general, sales and purchases of financial assets are managed so that the Fund's cash requirement is kept to a minimum. The Fund's main financial liability relates to the potential commitment to meet any cancellation of shares. In order to manage this risk the Fund maintains a cash balance to cover any known liabilities, with any cancellation of shares being covered by the sale of investments. Where investments cannot be realised in time to meet a liability the ACD will utilise the company's overdraft facility with HSBC.

All of the Fund's financial liabilities are payable in less than one year (same as at 31/05/12).

##### **Interest Rate Risk**

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital, with the exception of index linked bonds which are protected against the effect of inflation

##### **Foreign Currency Risk**

A significant proportion of the Fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and revenue and actual cash settlement, create currency exchange gains/losses. The Fund may seek to minimise some of this risk by using forward currency contracts. The Fund does not seek to hedge currency movements caused by the short term timing differences explained above.

## Financial Statements for the AXA Global Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS (continued)

##### Foreign Currency Risk (continued)

The foreign currency exposure of the Fund as at 31 May 2013 was:

Currency	Net foreign currency assets/(liabilities)		
	31/05/13		
	Monetary exposures	Non- Monetary exposures	Total
	£'000	£'000	£'000
Australian Dollar	28	8,347	8,375
Brazilian Real	21	2,426	2,447
Canadian Dollar	48	4,226	4,274
Danish Krone	2	1,434	1,436
Euro	543	56,468	57,011
Hong Kong Dollar	(36)	1,992	1,956
Israeli Shekels	170	4,550	4,720
Japanese Yen	338	19,191	19,529
Korean (South) Won	137	3,904	4,041
Malaysian Ringgit	(32)	923	891
Mexican Peso	61	5,157	5,218
New Zealand Dollar	1	46	47
Norwegian Krone	13	1,522	1,535
Polish Zloty	4	707	711
Singapore Dollar	2	1,510	1,512
South African Rand	70	1,422	1,492
Sterling	62,797	55,247	118,044
Swedish Krona	82	3,857	3,939
Swiss Francs	71	7,340	7,411
Taiwan Dollar	11	3,251	3,262
Thailand Baht	11	1,357	1,368
Turkish Lira	56	633	689
US Dollar	(62,581)	171,914	109,333
<b>TOTAL</b>	<b>1,817</b>	<b>357,424</b>	<b>359,241</b>

## Financial Statements for the AXA Global Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS (continued)

##### Foreign Currency Risk (continued)

The foreign currency exposure of the Fund as at 31 May 2012 was:

Currency	Net foreign currency assets/(liabilities)		
	31/05/12		
	Monetary exposures	Non- Monetary exposures	Total
	£'000	£'000	£'000
Australian Dollar	154	7,170	7,324
Brazilian Real	7	1,674	1,681
Canadian Dollar	97	8,182	8,279
Chinese Yuan	1	-	1
Danish Krone	58	1,065	1,123
Euro	676	49,691	50,367
Hong Kong Dollar	21	1,656	1,677
Israeli Shekels	59	3,462	3,521
Japanese Yen	360	15,710	16,070
Korean (South) Won	4	3,572	3,576
Malaysian Ringgit	120	1,020	1,140
Mexican Peso	29	2,393	2,422
New Zealand Dollar	1	17	18
Norwegian Krone	2	1,019	1,021
Polish Zloty	-	501	501
Singapore Dollar	1	883	884
South African Rand	154	2,343	2,497
Sterling	325	105,164	105,489
Swedish Krona	65	5,254	5,319
Swiss Francs	57	4,881	4,938
Taiwan Dollar	8	2,854	2,862
Thailand Baht	-	668	668
Turkish Lira	-	430	430
US Dollar	974	92,896	93,870
<b>TOTAL</b>	<b>3,173</b>	<b>312,505</b>	<b>315,678</b>

## Financial Statements for the AXA Global Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS (continued)

##### Interest Rate Profile

The majority of the Fund's assets are equity shares or other instruments which neither pay interest nor have a maturity date.

The interest rate profile of the Fund's interest bearing financial assets was as follows:

Currency	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets not Carrying Interest	Total
as at 31/05/13	£'000	£'000	£'000	£'000
Australian Dollar	8,354	-	115	8,469
Brazilian Real	2,426	-	21	2,447
Canadian Dollar	4,226	-	49	4,275
Danish Krone	1,435	-	1	1,436
Euro	56,565	-	387	56,952
Hong Kong Dollar	1,992	-	414	2,406
Israeli Shekels	4,639	-	80	4,719
Japanese Yen	19,367	-	162	19,529
Korean (South) Won	3,904	-	142	4,046
Malaysian Ringgit	923	-	-	923
Mexican Peso	5,157	-	56	5,213
New Zealand Dollar	47	-	-	47
Norwegian Krone	1,535	-	-	1,535
Polish Zloty	707	-	4	711
Singapore Dollar	1,511	-	-	1,511
South African Rand	1,521	-	-	1,521
Sterling	59,250	-	933	60,183
Swedish Krona	3,904	-	35	3,939
Swiss Francs	7,345	-	66	7,411
Taiwan Dollar	3,283	-	8	3,291
Thailand Baht	1,357	-	11	1,368
Turkish Lira	685	-	4	689
US Dollar	172,595	-	1,223	173,818
<b>TOTAL</b>	<b>362,728</b>	<b>-</b>	<b>3,711</b>	<b>366,439</b>

## Financial Statements for the AXA Global Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS (continued)

##### Interest Rate Profile (continued)

Currency	Floating Rate Financial Assets	Fixed Rate Financial Assets	Financial Assets not Carrying Interest	Total
as at 31/05/12	£'000	£'000	£'000	£'000
Australian Dollar	1,225	-	6,099	7,324
Brazilian Real	-	-	1,681	1,681
Canadian Dollar	8,183	-	96	8,279
Chinese Yuan	-	-	1	1
Danish Krone	-	-	1,123	1,123
Euro	32,001	-	18,366	50,367
Hong Kong Dollar	-	-	1,677	1,677
Israeli Shekels	3,369	-	152	3,521
Japanese Yen	3,127	-	13,055	16,182
Korean (South) Won	-	-	3,576	3,576
Malaysian Ringgit	-	-	1,140	1,140
Mexican Peso	1,508	-	914	2,422
New Zealand Dollar	-	-	18	18
Norwegian Krone	-	-	1,021	1,021
Polish Zloty	-	-	501	501
Singapore Dollar	-	-	884	884
South African Rand	-	-	2,497	2,497
Sterling	42,834	-	65,464	108,298
Swedish Krona	3,111	-	2,208	5,319
Swiss Francs	-	-	4,938	4,938
Taiwan Dollar	-	-	2,862	2,862
Thailand Baht	-	-	668	668
Turkish Lira	-	-	430	430
US Dollar	60,641	-	36,553	97,194
<b>TOTAL</b>	<b>155,999</b>	<b>-</b>	<b>165,924</b>	<b>321,923</b>

## Financial Statements for the AXA Global Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

#### 14. INVESTMENTS IN FINANCIAL INSTRUMENTS (continued)

##### Interest Rate Profile (continued)

Currency	Floating Rate Financial Liabilities £'000	Financial Liabilities Carrying no Interest £'000	Total £'000
<b>as at 31/05/13</b>			
Australian Dollar	-	95	95
Euro	-	344	344
Hong Kong Dollar	-	50	50
Korean (South) Won	-	5	5
Malaysian Ringgit	-	31	31
Sterling	3,563	1,132	4,695
South African Rand	-	29	29
Taiwan Dollar	-	29	29
US Dollar	-	1,920	1,920
<b>Total</b>	<b>3,563</b>	<b>3,635</b>	<b>7,198</b>

Currency	Floating Rate Financial Liabilities £'000	Financial Liabilities Carrying no Interest £'000	Total £'000
<b>as at 31/05/12</b>			
Japanese Yen	-	112	112
Sterling	1,873	936	2,809
US Dollar	-	3,324	3,324
<b>Total</b>	<b>1,873</b>	<b>4,372</b>	<b>6,245</b>

There are no material amounts of non-interest bearing financial assets, other than equities, which do not have maturity dates.

UK Sterling index linked securities bear interest at rates based on the Retail Price Index.

Foreign index linked securities bear/incur interest at rates based on their local inflation index.

The interest on cash balances is earned by reference to LIBOR, or the overseas equivalent (same as at 31/05/12).

##### Interest Rate Risk

The Fund invests in inflation-linked securities where the market value will rise as the real rate of interest (i.e. the nominal interest rate less the rate of inflation) falls and fall as the real rate of interest rises (same as at 31/05/12).

##### Inflation Rate Risk

The Fund invests in index linked securities where both the revenue and the market value will reflect inflation and future expectations concerning inflation. In general, where inflation increases, the value of assets, and revenue generated from them, also increases. A decline in inflation has the opposite effect (same as at 31/05/12).

## Financial Statements for the AXA Global Distribution Fund

### NOTES TO THE ACCOUNTS (continued)

#### 15. PORTFOLIO TRANSACTION COSTS

##### Analysis of total purchase costs

	31/05/13 £'000	31/05/12 £'000
Purchases in period before transaction costs	171,376	213,691
Commissions	59	63
Taxes	19	102
Total purchase costs	78	165
<b>Gross purchases total</b>	<b>171,298</b>	<b>213,856</b>

##### Analysis of total sale costs

Gross sales before transaction costs	179,752	209,836
Commissions	60	63
Taxes	60	22
Total sale costs	120	85
<b>Total sales net of transaction costs</b>	<b>179,632</b>	<b>209,751</b>

## AXA Global Distribution Fund

### Distribution Table

**for the 6 months ended 31 May 2013 (in pence per share)**

Group 1 : Shares purchased prior to 1 December 2012

Group 2 : Shares purchased between 1 December 2012 and 31 May 2013

<b>Class R</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Distribution/ Accumulation Payable 31/07/13</b>	<b>Distribution/ Accumulation Paid 31/07/12</b>
Income Shares				
Group 1 :	1.900	Nil	1.900	1.853
Group 2 :	1.511	0.389	1.900	1.853
Accumulation Shares				
Group 1 :	2.568	Nil	2.568	2.439
Group 2 :	1.448	1.120	2.568	2.439

### Corporate Shareholders

A shareholder liable to UK Corporation Tax receives the above as follows:

62.32% of the total revenue distribution together with the tax credit is received as Franked Investment Income.

37.68% of the revenue distribution is received as an annual payment after the deduction of Income Tax at the lower rate and is liable to Corporation Tax. It is not Franked Investment Income.

### Distribution Table

**for the 6 months ended 31 May 2013 (in pence per share)**

Group 1 : Shares purchased prior to 1 December 2012

Group 2 : Shares purchased between 1 December 2012 and 31 May 2013

<b>Class Z</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Distribution/ Accumulation Payable 31/07/13</b>	<b>Distribution/ Accumulation Paid 31/07/12</b>
Income Shares				
Group 1 :	1.913	Nil	1.913	1.970
Group 2 :	1.088	0.825	1.913	1.970
Accumulation Shares				
Group 1 :	2.725	Nil	2.725	2.578
Group 2 :	2.138	0.587	2.725	2.578

### Corporate Shareholders

A shareholder liable to UK Corporation Tax receives the above as follows:

62.32% of the total revenue distribution together with the tax credit is received as Franked Investment Income.

37.68% of the revenue distribution is received as an annual payment after the deduction of Income Tax at the lower rate and is liable to Corporation Tax. It is not Franked Investment Income.

## AXA Global Distribution Fund

### Distribution Table

**for the 6 months ended 30 November 2012 (in pence per share)**

Group 1 : Shares purchased prior to 1 June 2012

Group 2 : Shares purchased between 1 June 2012 and 30 November 2012

<b>Class R</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Distribution/ Accumulation Paid 31/01/13</b>	<b>Distribution/ Accumulation Paid 31/01/12</b>
Income Shares				
Group 1 :	1.580	Nil	1.580	1.535
Group 2 :	1.048	0.532	1.580	1.535
Accumulation Shares				
Group 1 :	2.109	Nil	2.109	1.998
Group 2 :	1.403	0.706	2.109	1.998

### Corporate Shareholders

A shareholder liable to UK Corporation Tax receives the above as follows:

87.43% of the total revenue distribution together with the tax credit is received as Franked Investment Income.

12.57% of the revenue distribution is received as an annual payment after the deduction of Income Tax at the lower rate and is liable to Corporation Tax. It is not Franked Investment Income.

### Distribution Table

**for the 6 months ended 30 November 2012 (in pence per share)**

Group 1 : Shares purchased prior to 1 June 2012

Group 2 : Shares purchased between 1 June 2012 and 30 November 2012

<b>Class Z</b>	<b>Net Revenue</b>	<b>Equalisation</b>	<b>Distribution/ Accumulation Paid 31/01/13</b>	<b>Distribution/ Accumulation Paid 31/01/12</b>
Income Shares				
Group 1 :	1.676	Nil	1.676	1.619
Group 2 :	0.576	1.100	1.676	1.619
Accumulation Shares				
Group 1 :	2.228	Nil	2.228	2.095
Group 2 :	0.778	1.450	2.228	2.095

### Corporate Shareholders

A shareholder liable to UK Corporation Tax receives the above as follows:

87.43% of the total revenue distribution together with the tax credit is received as Franked Investment Income.

12.57% of the revenue distribution is received as an annual payment after the deduction of Income Tax at the lower rate and is liable to Corporation Tax. It is not Franked Investment Income.

## Accounting Policies

### 1. Basis of Accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Authorised Funds issued by the IMA in October 2010.

### 2. Recognition of Revenue

Revenue is included in the Statement of Total Return on the following bases:

- Dividends on quoted equities and preference shares are recognised when the security is quoted ex-dividend;
- Revenue from Real Estate Investment Trusts is recognised when the security is quoted ex-dividend;
- Dividends, interest and other revenue receivable includes any withholding taxes but excludes any other taxes such as attributable tax credits;
- Bank Interest and revenue on fixed interest securities (including allowance for interest bought and sold) are accounted for on an accruals basis. Where it is considered that a bond has a likelihood of default appropriate provisions are made against any accrued revenue;
- For debt securities, the total revenue, taking into account the amortisation of any discount or premium, is spread over the life of the security on an effective yield basis.
- 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;
- Underwriting commission is recognised when the issue takes place;
- 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.

### 3. Expenses

All expenses which are recognised on an accruals basis are included in expenses in the Statement of Total Return.

All expenses include irrecoverable VAT where applicable.

### 4. Taxation/ Deferred Taxation

Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date other than those differences regarded as permanent. Any liability to deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

### 5. Distribution Policy

Where the revenue from investments exceeds the expenses of a Fund half yearly (quarterly for Defensive Distribution Fund and Distribution Fund) distributions are paid to all holders of Income shares. Transfers are made to Capital on behalf of all holders of Accumulation shares. In all cases tax vouchers will be issued to Shareholders.

The interest on debt securities are accounted for on an effective yield basis.

## Accounting Policies (continued)

### 6. Basis of Valuation of Investments

All investments are valued at their fair value price as at midday on 31 May 2013, being the last business day of the accounting period. Investments in underlying funds have been valued at the bid price at midday valuation point on the last business day of the accounting period. The fair value for non-derivative securities is bid price. Other investments have been stated at the Manager's valuation and this has been indicated in the portfolio statements.

### 7. Exchange Rates

Assets and liabilities have been translated into sterling at the exchange rates prevailing at the balance sheet date. The resulting exchange differences are disclosed in the Statement of Total Return.

Transactions in overseas currencies are translated at the rates of exchange ruling at the date of the transactions.

### 8. Shares

Each Fund, currently has the power to issue at least twelve Classes of Shares - Class J net income Shares, Class J net accumulation Shares, Class R net income Shares, Class R net accumulation Shares, Class Z net income Shares and Class Z net accumulation Shares, Class J Gross income Shares, Class J gross accumulation Shares, Class R gross income Shares, Class R gross accumulation Shares, Class Z gross income Shares, Class Z gross accumulation Shares, Where a Fund has more than one share class, each class may incur different expenses. Consequently the level of net revenue available to each share class will differ.

### 9. Dilution Levy

In certain circumstances the ACD may charge a dilution levy on the sale or repurchase of shares, which is paid into the Fund. The levy is intended to cover certain dealing charges not included in the mid market value of the Fund used in calculating the share price, which could have a diluting effect on the performance of the Fund.

### 10. Revenue Equalisation

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

### 11. Allocation of Revenue and Expense to Multiple Share Classes

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

## Statement of Authorised Corporate Director's (ACD) Responsibilities in Relation to the Financial Statements of the Company

The Open-Ended Investment Companies Regulations 2001 and the Collective Investment Schemes sourcebook ("COLL") require the ACD to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Company and of its net revenue and the net capital gains on the property of the Company for the period. In preparing the financial statements the ACD is required to:

- Select suitable accounting policies and then apply them consistently;
- Conform with the disclosure requirements of the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association ("IMA SORP 2010") in October 2010;
- Follow generally accepted accounting principles and applicable accounting standards;
- Keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for the management of each portfolio in accordance with the Instrument of Incorporation, Prospectus and the COLL.

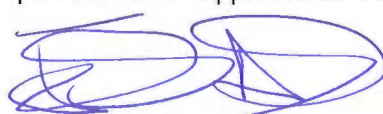
The ACD is also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.


The maintenance and integrity of the AXA Investment Managers Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Directors approval

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

  
I Ahmad

  
J Stride

1 August 2013

## **Statement of the Depositary's responsibilities in respect of the Scheme**

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

It is the duty of the depositary to take reasonable care to ensure that the company is managed in accordance with the Financial Conduct Authority's Collective Investment Scheme sourcebook ("the Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) ("the OEIC Regulations") and the company's Instrument of Incorporation and Prospectus, in relation to the pricing of, and dealings in, shares in the company; the application of income of the company; and the investment and borrowing powers of the company.

## **Report of the Depositary to the shareholders of the AXA Distribution Investment ICVC ("the company") for the period ended 31 May 2013**

Having carried out such procedures as we consider necessary to discharge our responsibilities as depositary of the company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the company, acting through the Authorised Corporate Director:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the company's shares and the application of the company's income in accordance with the COLL Sourcebook and, where applicable, the OEIC Regulations, the Instrument of Incorporation and Prospectus of the company, and;
- has observed the investment and borrowing powers and restrictions applicable to the company.

HSBC Bank plc  
01 August 2013

## **Independent Auditors' Report to the Shareholders of the AXA Distribution Investment ICVC ('the Company')**

We have audited the financial statements of AXA Distribution Investment ICVC (the "Company") for the year ended 31 May 2013 which comprise the aggregated statement of total return, the aggregated statement of change in net assets attributable to shareholders, the aggregated balance sheet and related notes and for each of the Company's sub-funds, the statement of total return, the statement of change in net assets attributable to shareholders, the balance sheet, the related notes and the distribution tables. 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) and the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association (the "Statement of Recommended Practice for Authorised Funds").

### **Respective responsibilities of director and auditors**

As explained more fully in the Authorised Corporate Director's Responsibilities Statement the Authorised Corporate Director 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.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **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 Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Authorised Corporate Director; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Director's Report to identify material inconsistencies with the audited financial statements. 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 Company and each of the sub-funds at 31 May 2013 and of the net revenue and the net capital gains of the scheme property of the Company and each of the sub-funds for the year then ended;
- have been properly prepared in accordance with the Statement of Recommended Practice for Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

## **Independent Auditors' Report to the Shareholders of the AXA Distribution Investment ICVC ('the Company') (continued)**

### **Opinion on other matters prescribed by the Collective Investment Schemes sourcebook**

In our opinion:

- we have obtained all the information and explanations we consider necessary for the purposes of the audit; and
- the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Collective Investment Schemes sourcebook requires us to report to you if, in our opinion:

- proper accounting records for the Company have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

01 August 2013

## Further Information

### Important Scheme Dates

#### Launch Dates:

Global Distribution Fund – 1 September 1999 – the Fund transferred its assets and shareholders from the AXA Global Investment Company ICVC on 16 May 2008

Defensive Distribution Fund (formerly Cautious Managed Fund) – 8 March 1999 – the Fund transferred its assets and shareholders from the AXA UK Investment Company ICVC on 3 October 2008

Distribution Fund – 12 April 1999 – the Fund transferred its assets and shareholders from the AXA UK Investment Company ICVC on 16 May 2008

Ethical Distribution Fund (formerly Ethical Fund) – 8 March 1999 – the Fund transferred its assets and shareholders from the AXA UK Investment Company ICVC on 21 November 2008

**Annual Accounting Date:** 31 May

**Interim Accounting Date:** 30 November

**Revenue Allocation Dates for all Funds:** Final 31 July, Interim 31 January

**Quarterly Revenue Allocation Dates for Defensive Distribution Fund and Distribution Fund:**  
31 August, 28 February

### Report and Accounts

Investors will receive a report on the AXA Distribution Investment ICVC twice a year. This will be a short report and a report containing the full accounts will be available, free of charge, from the office of the Administrator. The report will provide information on the performance of the Funds, the market background and details of each of the portfolios.

### Types of Shares Available

There are six types of Share class, Class J (net and gross), Class R (net and gross) and Class Z (net and gross) which have different charging structures (see page 162). At present, not all of the Funds issue each class of Share.

Holders of net income Shares are entitled to be paid the revenue attributable to such Shares on the relevant allocation dates as set out above.

Holders of net accumulation Shares are not entitled to be paid the net revenue attributable to such Shares, but that revenue is automatically transferred to (and retained as part of) the capital assets of the relevant Fund on the relevant quarterly, interim and/or annual accounting dates. The price of a net accumulation Share increases to reflect this.

The Share classes available in each Fund are as detailed below:

#### **Distribution Fund**

Class J Net Accumulation Shares  
Class J Net Income Shares  
Class R Net Accumulation Shares  
Class R Net Income Shares  
Class Z Net Accumulation Shares  
Class Z Net Income Shares

#### **Ethical Distribution Fund**

Class R Net Accumulation Shares  
Class R Net Income Shares  
Class Z Net Accumulation Shares  
Class Z Net Income Shares

## Further Information

### Types of Shares Available (continued)

#### Defensive Distribution Fund

Class J Gross Accumulation Shares  
 Class J Gross Income Shares  
 Class J Net Accumulation Shares  
 Class J Net Income Shares  
 Class R Gross Accumulation Shares  
 Class R Gross Income Shares  
 Class R Net Accumulation Shares  
 Class R Net Income Shares  
 Class Z Gross Accumulation Shares  
 Class Z Gross Income Shares  
 Class Z Net Accumulation Shares  
 Class Z Net Income Shares

#### Global Distribution Fund

Class R Net Accumulation Shares  
 Class R Net Income Shares  
 Class Z Net Accumulation Shares  
 Class Z Net Income Shares

### Investment Information

Copies of the Key Investor Information Documents and the most up to date copy of the report and accounts and the current Prospectus for all funds within the AXA Fund Managers range are available free of charge from the office of the Administrator.

### Buying and Selling Shares

The Dealing Office of the ACD is open from at least 9am to 5:30pm on each Dealing Day to receive requests for the issue, redemption and switching of Shares.

#### Buying Shares

Shares can be bought either by sending a completed application to the ACD at the office of the Administrator, or by telephoning the ACD at the office of the Administrator. Application forms may be obtained from the ACD at the office of the Administrator.

The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant.

Any subscription monies remaining after a whole number of shares has been issued will not be returned to the applicant. Instead, smaller denomination shares will be issued. A smaller denomination Share is equivalent to one one-thousandth of a larger denomination Share.

#### Selling Shares

Every Shareholder has the right to require that the Company redeem his shares on any Dealing Day unless the value of the Shares which a Shareholder wishes to redeem will mean that the Shareholder will hold Shares with a value less than required minimum holding.

Requests to redeem Shares may be made to the ACD by telephone or in writing to the ACD at the office of the Administrator.

### Minimum Investment

The minimum initial subscription for Class J Shares is £100,000, Class R Shares is £1,000 and for Class Z Shares is £100,000. An initial subscription for shares may be applied in more than one Fund provided that the part of the initial subscription used to buy a class of shares in a Fund is not less than £1,000. For any class of shares in a Fund, the minimum subsequent subscription is £500. Once purchased, a minimum holding of Class J Shares of £100,000, Class R Shares of £1,000 and Class Z Shares of £100,000 must be maintained.

## Further Information

### Minimum Redemption

Any redemption of Shares in a Fund must be for a minimum of £500, and the minimum value of a holding of Shares in a Fund after a redemption of that holding must be £1,000 if the whole of the holding is not redeemed.

### Switching

A holder of Shares in a Fund may at any time switch all or some of his Shares of one Class or Fund ("the Original Shares") for Shares of another Class or Fund ("the New Shares"). The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the valuation points applicable at the time the Original Shares are repurchased and the New Shares are issued. Switching may be effected either by telephone or in writing to the ACD at the office of the Administrator. The Shareholder will be required to complete a switching form (which, in the case of joint Shareholders, must be signed by all joint holders). Switching forms may be obtained from the ACD at the office of the Administrator.

The ACD may at its discretion charge a fee on the switching of Shares between Funds or Classes, provided that no such charge will be made on switching Class J Shares for Class J Shares in a different Fund, Class R Shares for Class R Shares in a different Fund, or on switching Class Z Shares for Class Z Shares in a different Fund. Details of the current switching fees are available from the ACD at the address shown on page 3.

Please note that a switch of Shares in one Fund for Shares in any other Fund is treated as a redemption and sale and will, for persons subject to United Kingdom taxation, be a realisation for the purposes of capital gains taxation.

A Shareholder who switches Shares in one Fund for Shares in any other Fund (or who switches between classes of Shares) will not be given a right by law to withdraw from or cancel the transaction.

### Stamp Duty Reserve Tax

On the 6 February 2000, stamp duty on transfers of Shares (including redemptions) was replaced by a system of stamp duty reserve tax (SDRT) payable by the Depositary which it may recover in several ways. The ACD decided, with the agreement of the Depositary to operate this in the way described below.

The SDRT system imposes a charge of 0.5% on the value of Shares which are surrendered to its ACD or Depositary and certain other transfers of Shares. The amount of SDRT for which each Fund is liable in each weekly charging period can be reduced if that Fund is contracting, by comparing the number of shares issued and surrendered in that week and the following week. It may also be reduced if the Fund holds exempt investments such as gilts, bonds and foreign securities. The SDRT liability will be reduced to nil where a Fund is invested only in exempt investments.

The FCA regulations allow the cost of SDRT to be recovered either directly as a charge on the property of the Fund or by way of a separate charge to Shareholders or potential Shareholders at the time of dealing as a provision against SDRT liability. If the ACD charges an SDRT provision, it will increase the amount paid for Shares on their acquisition and/or decrease the amount received on their redemption.

The ACD has decided that any SDRT will be borne by each Fund. The ACD considers that paying the SDRT out of the Fund will not have a significant effect on its performance.

### Transfer of Shares

Most transfers of Shares from one Shareholder to another will be exempt from SDRT. Shareholders transferring Shares on the register should complete a stock transfer form in the normal way including any appropriate certificate of the type required for exemption from stamp duty. Where there is no appropriate certificate, evidence of an exemption from SDRT should be submitted with the transfer. In other cases, the ACD has decided that any SDRT triggered will be paid by the Fund.

## Further Information

### Cancellation Rights

Under certain circumstances investors will have the right to cancel a deal, should they wish.

### Distributions

Distributions for each Fund are paid on or before the annual revenue allocation date of 31 July and on or before the interim revenue allocation date of 31 January.

The Defensive Distribution Fund and the Distribution Fund also pay quarterly distributions on or before the quarterly revenue allocation dates of 31 October and 30 April.

### Publication of Prices

The most recent Share prices for each Fund are published daily on our website [www.axa-im.co.uk](http://www.axa-im.co.uk).

### Charges

#### Annual Management Charge

AXA Investment Managers UK Limited, as ACD, will receive an annual management charge out of the property for each Fund at the rate of 1.15% per annum for Class J Shares, 1.50% per annum for Class R Shares, 0.75% per annum for Class Z Shares, based on the net asset value of the relevant Fund calculated on a mid-market basis. The annual management charge accrues daily and is payable monthly in arrears.

#### Preliminary Charge

The preliminary charge for Class R Shares is currently 5% of the amount invested. There is currently no initial charge on Class J and Class Z Shares. The maximum permitted such preliminary charge is 5% of the amount invested for Class J, Class R and Class Z Shares.

#### Redemption Charge

No charge is currently made on the redemption of Shares of any Fund, other than the application of a dilution levy in certain circumstances.

### Dilution Levy

The actual cost of purchasing or selling a Fund's investments may be higher or lower than the mid-market value used in calculating the Share price – for example, owing to dealing charges, or through dealing at prices other than the mid-market price. Under certain circumstances (for example, large volumes of deals) this may have an adverse effect on the Shareholders' interest in the Fund. In order to prevent this "dilution", the ACD has the power to charge a "dilution levy" on the sale and/or redemption of Shares in each Fund. If charged, the dilution levy will be paid into the relevant Fund and will become part of the relevant Fund.

The ACD's policy is that dilution levy would only be imposed in exceptional circumstances and the amount of levy would not exceed what the ACD considers necessary to compensate the relevant Fund for the potential effect of dilution. The only cases in which the ACD specifically envisages that it might impose a dilution levy are on large daily net movements in the size of the Fund resulting from redemptions, although dilution can be charged in other circumstances at the ACD's discretion.

## **Further Information**

### **Taxation**

Shareholders will not pay capital gains tax on a disposal of Shares unless total taxable gains from all sources in a tax year exceed the annual exemption, which is £10,900 per person for the tax year 2013/2014 (2012/2013 £10,600).

Shareholders will receive a tax credit in respect of a revenue distribution or accumulation of a Fund. The tax credit will discharge a Shareholder's liability to basic rate income tax on the distribution or accumulation. Some Shareholders may be liable to a higher rate income tax on the distribution or accumulation.

These statements are based on current understanding of UK tax legislation and practice, which may of course change.

### **Important Information**

AXA Investment Managers UK Limited is a firm authorised and regulated by the UK Financial Conduct Authority (Formerly Financial Services Authority) with its Registered Office at 7 Newgate Street, London, EC1A 7NX, and is registered in England and Wales No: 1431068. This document is not a prospectus and does not constitute an offer to sell or buy any units in the Fund. All applications for units/shares are made strictly subject to the latest Prospectus, copies of which are directly available from AXA Investment Managers, P.O Box 10908, Chelmsford CM99 2UT.