

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

As a 'multi-expert' investment manager, we aim to offer investment expertise across a broad range of asset classes that few of our competitors can match, but we focus on specific areas within each asset class where we can add real value for our clients.

Our total funds under management now exceed £487 billion. (Source: AXA IM as at 30 June 2013).

AXA Sterling Index-Linked Bond Fund

For the Year Ended 30 June 2013

Investment objective and policy

The aim of this Fund is to generate returns by gaining exposure to sterling denominated index-linked securities. 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 stocklending, borrowing, cash holdings, hedging and other investment techniques permitted in applicable Financial Conduct Authority rules.

Results

Share Class	Share Type	Price at 30.06.13 (p)	Price at 30.06.12 (p)	Fund Performance	Comparative Benchmark
Z gross	Acc	184.1	177.5	4.64%	2.71%
Z net	Acc	178.5	172.4	4.42%	2.71%
R net	Acc	158.8	153.8	4.18%	2.71%
R gross	Acc	159.4	154.4	4.16%	2.71%
H gross	Acc	165.0	158.5	4.94%	2.71%
H net	Acc	162.4	156.2	4.88%	2.71%

Past performance is not a guide to future returns. Source of all performance data: AXA Investment Managers and Lipper to 30 June 2013. Comparative benchmark: FTSE Actuaries Govt Securities UK Index-Linked 5+ Years Index (FTA Index-Linked 5+ Years Index).

Review and outlook

The period saw a flattening in the real yield curve meaning that shorter-dated index-linked underperformed as real yields rose from -0.63% to -0.46% on the 10 year bond over the twelve months, whilst 30 year real yields were unchanged at +0.04%. Breakeven rates widened, rising from 2.53% to 2.90% in 10 years and from 3.00% to 3.45% in 30 years, meaning that Index Linked Gilts outperformed nominal gilts.

Initially yields fell as deteriorating economic data and pessimism surrounding the Euro area kept core rates markets well supported, although low inflation data meant index-linked underperformed conventional bond counterparts. As expected, the Monetary Policy Committee (MPC) voted (although not unanimously) to expand its asset purchase programme by £50bn in July, whilst the Bank also announced a new Funding for Lending scheme lending banks Treasury bills in exchange for collateral. Subsequent GDP data for the second quarter showed weakness in the economy that could not all be explained by the Jubilee holiday. As a result the August Bank of England Inflation Report again showed a downward revision in growth expectations, but inflation projections were broadly unchanged. However, the release of the July inflation data saw an upside surprise, largely reflecting the unwind of early summer discounting by retailers in June. In addition, rising crop prices led to fears of a future rise in food inflation, whilst the announcement by one company of increased electricity and gas prices was followed by others. The announcement in September of Outright Monetary Transactions by the European Central Bank (ECB) and open ended asset purchases by the Federal Open Market Committee (FOMC) initially led to a rise in yields, but by the end of the period nervousness about Spain and other peripheral European countries led to a rally.

AXA Sterling Index-Linked Bond Fund

For the Year Ended 30 June 2013

However, index-linked were then hit by a combination of the announcement of a consultation into the method of calculation of the Retail Prices Index by the National Statistician, the release of unexpectedly low inflation data and the aftermath of the issue via syndication of a new 40-year maturity gilt. However, they staged a recovery late in the year benefitting from investor optimism that the RPI review would see a more favourable result. Index linked gilts also received a technical boost from the Bank of England's pausing of Quantitative Easing at the start of November. Following this, a larger than expected contribution from university tuition fees led to an unexpectedly strong UK inflation reading which provided a further boost to the market. The lengthening of widely followed UK index-linked gilt indices towards the end of November saw demand for longer issues before the Chancellor's Autumn Statement announcements that the maximum length of gilt issuance would be extended up to 60 years and a review of pension scheme valuation methods led to some uncertainty for holders of long-dated debt.

The surprise announcement from the National Statistician in early January that no changes would be made to the Retail Prices Index led to a strong performance from index-linked gilts as it had been anticipated that any such changes would have resulted in a lower inflation rate being published. Index-linked also notably outperformed conventional issues at this time, particularly at longer-dated maturities, as nominal yields rose following the eventual resolution of the US fiscal cliff. Further support for index-linked came later in the quarter as the Bank of England indicated that inflation is likely to remain above target for the next three years. International buyers looking to protect themselves against the inflationary effects of weak sterling were thought to be increasingly interested in buying the market.

April saw index-linked gilts richening as continued fears over the weak economy spurred further risk aversion. This was particularly true amongst long-dated bonds as supply was weighted towards short issues. However this turned around in May and June as UK index-linked could not escape the worldwide bond markets sell-off as investors had to adjust to the prospect of the US Federal Reserve winding down its monthly purchases of Treasury and mortgage backed securities later this year. Nevertheless longer-dated index linked continued to outperform as pension fund demand for bonds in this sector continued and weaker inflation data limited demand for shorter issues.

The AXA Sterling Index-linked Bond Fund returned +4.18% (R Acc net) over the review period. In comparison, the FTA Index Linked 5 Years+ Index returned +2.71%. Please note however, past performance is not a guide to future returns. The value of investments and the income from them is not guaranteed and can go down as well as up.

We generally varied the duration (a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates) of the portfolio between neutral and short versus the comparative benchmark during the period as gilt yields reached historically low levels, but markets moved between 'risk on' and 'risk off' modes. However, following the rise in yields towards the end of the period, a long duration position was taken. Trades were also transacted to invest new money invested into the Fund as well as to reflect major changes in the structure of the comparative benchmark. At the end of the period, the duration of the portfolio was 20.45 compared with the 20.11 duration of the comparative benchmark. An allocation to UK non-government index-linked bonds which we hold as they offer an additional yield compared to government issues was maintained and at the end of the period stood at 3.5%.

Amongst other allocations, we invested into the US market which offered better value than the UK as Quantitative Easing was resumed in the US during September, realising a profit on this position in the run up to the American elections. In September we correctly anticipated market weakness as a result of an announcement from the UK Consumer Prices Advisory Committee regarding the measurement of UK inflation, we reduced the exposure to UK index-linked in favour of nominal gilts, restoring the position after the market had fallen. In January we transacted switches into the German inflation-linked bond market and US market which offered better value. We also invested into the US inflation-linked market which offered good value following a poorly received 5 year auction in April. The fund's generally short duration exposure had a positive contribution to performance, as did the international and credit positions.

By the end of the period there were signs that markets were stabilising at higher levels of yield and that investors were getting more comfortable with the view that US monetary policy will evolve in the months to come, but that official interest rates are likely to remain at their historical low levels for some time. Global inflation has been weaker than expected so far in 2013 while many economies are still

operating at levels of real GDP that are below that of the peak of the last business cycle. As such, global economic conditions, while seemingly improving, do not warrant tighter monetary policies and higher interest rates at the moment. In the UK, recent economic data has been better but the new central bank governor, Mark Carney, is not likely to steer the Bank of England towards a premature tightening. In general we do not see the interest rate environment derailing the global recovery. Inflation is low for now which means central banks can continue to support growth.

David Dyer

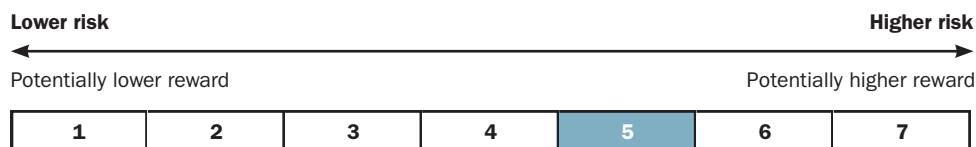
30 June 2013

AXA Sterling Index-Linked Bond Fund

For the Year Ended 30 June 2013

Risk and reward profile

By investing in a fund which invests primarily in indexed-linked fixed interest stocks you are likely to be looking for an investment which will generate a steady and predictable income whilst providing some protection against inflation. 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 and you would be investing for a period of at least five years.



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

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

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

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

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

FUND FACTS

Lead Fund manager	David Dyer
Sector	IMA UK Index-Linked
Comparative Benchmark	FTSE Actuaries Govt Securities UK Index-Linked 5+ Years Index
Launch date	24 Sep 2004
Fund size at 30 Jun 2013	£189m
Fund size at 30 Jun 2012	£95m
Minimum investments (Lump sum)	R: £1,000 Z: £100,000 H: £20,000,000
Minimum per month	R: £50/ Z&H: N/A
Yield H Acc net/gross	0.60%
Yield R Acc net/gross	0.00%
Yield Z Acc net/gross	0.30%
Share types	Inc & Acc
Number of stocks	37
Initial charge	R: 4% / Z: Nil/ H: 5%
Annual charge	R: 0.75%/ Z: 0.30%/ H: Nil
Ongoing charges	
H Acc net/gross	0.03%
R Acc net/gross	0.78%
Z Acc net/gross	0.34%
Accounting dates (int/ann)	31 Dec / 30 Jun
Distribution dates (income)	28 Feb*, 31 May, 31 Aug, 30 Nov

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

Top five purchases

For the year ended 30 Jun 2013

UK Treasury 1.125% IL 22/11/37
UK Treasury 1.25% IL 22/11/27
UK Treasury 1.25% IL 22/11/32
UK Treasury 1.875% IL 22/11/22
UK Treasury 2.5% IL 16/04/20

Top five sales

For the year ended 30 Jun 2013

UK Treasury 0.625% IL 22/03/40
UK Treasury 1.25% IL 22/11/17
UK Treasury 1.25% IL 22/11/27
UK Treasury 1.875% IL 22/11/22
UK Treasury 2.5% IL 16/04/20

AXA Sterling Index-Linked Bond Fund

For the Year Ended 30 June 2013

Five year discrete annual performance

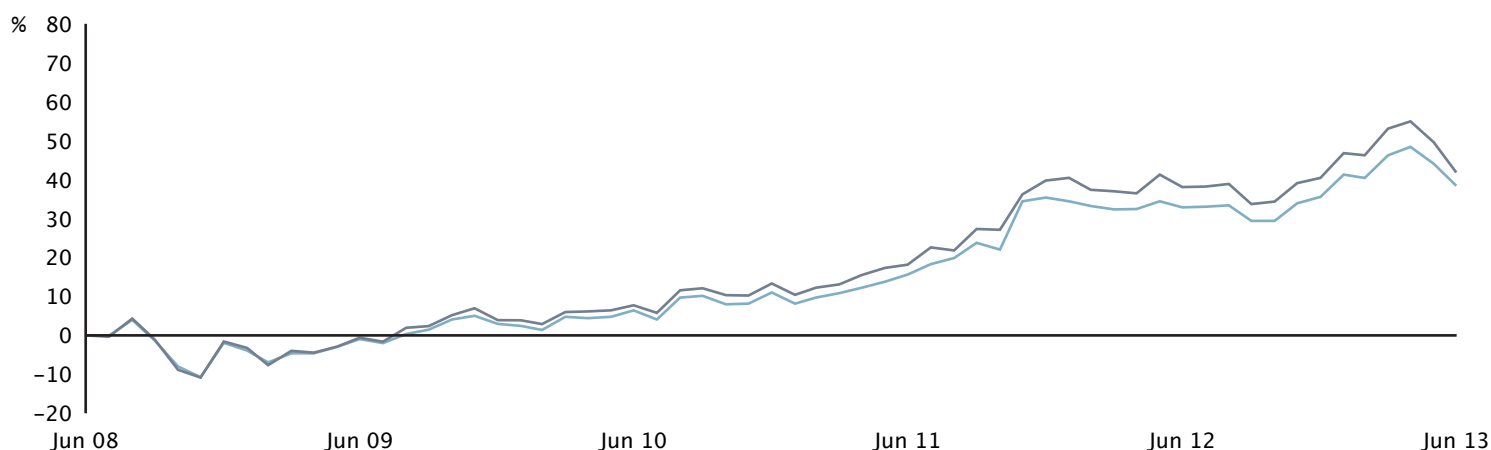
Jun 08 to Jun 09	Jun 09 to Jun 10	Jun10 to Jun 11	Jun 11 to Jun 12	Jun 12 to Jun 13
-0.95%	+7.44%	+8.64%	+14.93%	+4.18%

Past performance is not a guide to future performance. Source: AXA IM & Lipper Hindsight. Mid to mid and assume income is reinvested, in sterling terms to 30 June 2013. Performance refers to AXA Sterling Index Linked Bond Fund Net R Share Class.

Cumulative Fund performance versus comparative benchmark

as at 30 June 2013

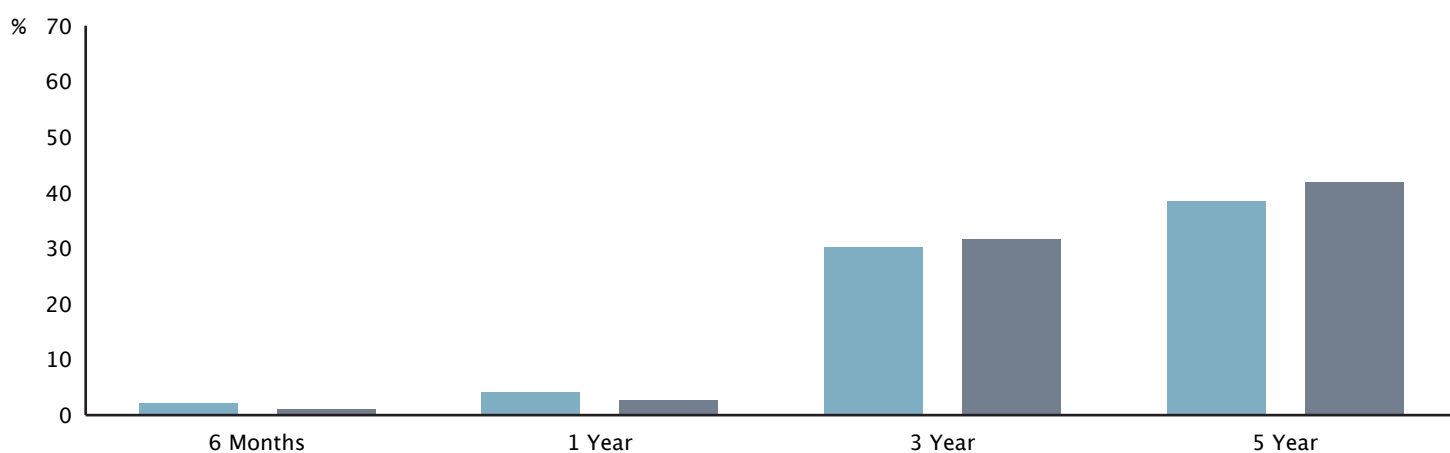
■ AXA Sterling Index-Linked Bond Fund ■ FTA Index-Linked 5+ Years Index



Past performance is not a guide to future performance. Source: AXA IM & Lipper Hindsight. Mid to mid, and assume income is reinvested, in sterling terms to 30 June 2013. Performance refers to AXA Sterling Index Linked Bond Fund Net R Share Class.

as at 30 June 2013

■ AXA Sterling Index-Linked Bond Fund ■ FTA Index-Linked 5+ Years Index



Past performance is not a guide to future performance. Source: AXA IM & Lipper Hindsight. Mid to mid, and assume income is reinvested, in sterling terms to 30 June 2013. Performance refers to AXA Sterling Index Linked Bond Fund Net R Share Class.

AXA Sterling Index-Linked Bond Fund

For the Year Ended 30 June 2013

Summary of historic prices and distributions

Year	Share class	Share type	Highest share price (pence)	Lowest share price (pence)	Distribution per share (pence)	Share type	Highest share price (pence)	Lowest share price (pence)	Distribution per share (pence)
2013*+	H	Acc (net)	178.3	154.1	0.294	Acc (gross)	181.2	152.0	0.366
2013*+	R	Acc (net)	174.7	151.2	0.052	Acc (gross)	175.4	151.8	0.065
2013*+	Z	Acc (net)	196.3	169.8	0.215	Acc (gross)	202.4	174.9	0.275
2012	H	Acc (net)	160.5	149.7	1.163	Acc (gross)	162.8	152.0	1.305
2012	R	Acc (net)	158.5	147.1	0.205	Acc (gross)	159.1	147.6	0.280
2012	Z	Acc (net)	177.4	165.1	1.010	Acc (gross)	182.5	170.0	1.099
2011	H	Acc (net)	158.7	124.1	1.356	Acc (gross)	160.9	125.5	1.627
2011	R	Acc (net)	156.7	123.2	0.497	Acc (gross)	157.3	123.5	0.594
2011	Z	Acc (net)	175.4	137.8	0.996	Acc (gross)	180.4	140.7	1.361
2010	H	Acc (net)	129.0	114.4	1.190	Acc (gross)	130.5	115.6	1.439
2010	R	Acc (net)	128.4	114.3	0.443	Acc (gross)	128.7	114.5	0.572
2010	Z	Acc (net)	143.4	127.4	1.005	Acc (gross)	146.4	129.8	1.273
2009	H	Acc (net)	121.9	103.7	0.969	Acc (gross)	123.1	104.5	1.173
2009	R	Acc (net)	121.9	104.1	0.509	Acc (gross)	122.1	104.2	0.676
2009	Z	Acc (net)	135.8	115.7	0.841	Acc (gross)	138.3	117.6	1.116
2008	H	Acc (net)	119.1	100.7	1.959	Acc (gross)	119.8	101.4	2.391
2008	R	Acc (net)	119.9	101.3	1.339	Acc (gross)	119.9	101.3	1.632
2008	Z	Acc (net)	133.1	112.5	1.889	Acc (gross)	135.0	114.2	2.336

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

Net asset value record

Share class	Share type	Net asset value per share as at 30 June 2013 (pence)	Net asset value per share as at 30 June 2012 (pence)	Share type	Net asset value per share as at 30 June 2013 (pence)	Net asset value per share as at 30 June 2012 (pence)
H	Acc (net)	161.3	156.1	Acc (gross)	163.9	158.4
R	Acc (net)	157.8	153.6	Acc (gross)	158.4	154.2
Z	Acc (net)	177.3	172.3	Acc (gross)	182.9	177.3

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

AXA Sterling Index-Linked Bond Fund

For the Year Ended 30 June 2013

Top ten holdings as at 30 June 2013

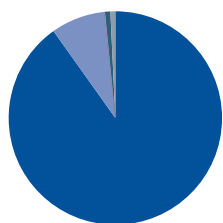
Company	Sector	%
UK Treasury 1.25% IL 22/11/32	Government Index-Linked Bonds	8.50
UK Treasury 1.125% IL 22/11/37	Government Index-Linked Bonds	7.11
UK Treasury 1.25% IL 22/11/55	Government Index-Linked Bonds	6.43
UK Treasury 1.25% IL 22/11/27	Government Index-Linked Bonds	6.30
UK Treasury 2.5% IL 17/07/24	Government Index-Linked Bonds	5.79
UK Treasury 1.875% IL 22/11/22	Government Index-Linked Bonds	5.63
UK Treasury 0.75% IL 22/03/34	Government Index-Linked Bonds	5.40
UK Treasury 0.75% IL 22/11/47	Government Index-Linked Bonds	5.24
UK Treasury 0.625% IL 22/11/42	Government Index-Linked Bonds	5.16
UK Treasury 0.375% IL 22/03/62	Government Index-Linked Bonds	4.89

Top ten holdings as at 30 June 2012

Company	Sector	%
UK Treasury 1.875% IL 22/11/22	Government Index-Linked Bonds	15.00
UK Treasury 2.5% IL 17/07/24	Government Index-Linked Bonds	7.25
UK Treasury 1.25% IL 22/11/55	Government Index-Linked Bonds	7.17
UK Treasury 0.75% IL 22/11/47	Government Index-Linked Bonds	7.09
UK Treasury 1.25% IL 22/11/27	Government Index-Linked Bonds	7.06
UK Treasury 1.25% IL 22/11/32	Government Index-Linked Bonds	6.76
UK Treasury 0.75% IL 22/03/34	Government Index-Linked Bonds	6.43
UK Treasury 0.625% IL 22/03/40	Government Index-Linked Bonds	5.33
UK Treasury 0.5% IL 22/03/50	Government Index-Linked Bonds	5.15
UK Treasury 2.5% IL 16/04/20	Government Index-Linked Bonds	5.14

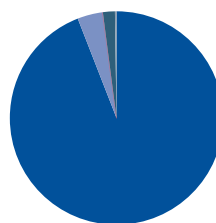
Portfolio breakdown

As at 30 June 2013



Sector	%
Government Index-Linked Bonds	90.25
Index-Linked Corporate Bonds	8.27
Forward currency contracts	-0.11
Futures	0.03
Cash	0.81
Other	0.75

As at 30 June 2012



Sector	%
Government Index-Linked Bonds	94.09
Index-Linked Corporate Bonds	3.87
Forward currency contracts	0.00
Futures	-0.01
Cash	1.81
Other	0.24

All data, source: AXA Investment Managers unless otherwise stated.

AXA Sterling Index-Linked Bond Fund

For the Year Ended 30 June 2013

Authorised Corporate Director

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

*Authorised and regulated by the Financial Conduct Authority (formerly Financial Services Authority).
Member of the IMA.*

AXA Investment Managers UK Limited is wholly owned by AXA Investment Managers S.A., which is a subsidiary company of the French insurer AXA S.A.

Dealing

Administration office:
PO Box 10908
Chelmsford, CM99 2UT
Telephone Dealing & Enquiries 0845 777 5511
IFA Dealing & Enquires 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

*Authorised and regulated by the Financial Conduct Authority (formerly Financial Services Authority).
Member of the IMA.*

Investment advisers

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

Authorised and regulated by the Financial Conduct Authority (formerly Financial Services Authority).

Legal adviser

Eversheds LLP
1 Wood Street
London EC2V 7WS

Depositary

HSBC Bank Plc
Registered Office
8 Canada Square
London E14 5HQ

*Authorised and regulated by the Financial Conduct Authority (formerly Financial Services Authority).
HSBC Bank plc is a subsidiary of HSBC Holdings plc.*

Independent auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Fund accounting administrator

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

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For more information on any AXA IM Fund please contact us via our website or telephone number below.

Copies of the latest Report and Accounts (long form) and Prospectus are available free of charge from the administration office: PO Box 10908, Chelmsford, CM99 2UT.

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

0845 777 5511

www.axa-im.co.uk

ADDITIONAL INFORMATION

Report and accounts

The purpose of sending this Short Report for the Fund is to give you a summary of how the Fund has performed during the accounting period in accordance with the Collective Investment Schemes Sourcebook (COLL) Rules. If you would like any additional information about the Fund you can request a copy of the more detailed long form accounts for the Fund. For a copy of this, please contact our dedicated customer services team on 0845 777 5511.

Other information

The Fund is a sub-fund of the AXA Fixed Interest Investment Company ICVC which is an open ended investment company (OEIC) authorised by the FCA, and has a UCITS certificate. The Company is managed in accordance with the FCA Collective Investment Schemes Sourcebook (COLL). Fund prices are available on the website www.axa-im.co.uk and by calling 0845 777 5511.

European Savings Directive

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

0845 777 5511

www.axa-im.co.uk

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

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All data sources: AXA Investment Managers unless otherwise stated.