



AXA Framlington is a leading equity expertise within the AXA Investment Managers Group, with teams in London and Paris.

We are primarily a bottom-up, active equity manager. This fundamental approach to stock selection, combined with the experience of our team of fund managers, focuses on delivering long-term investment performance for our clients.

We offer competitive products backed up with excellent service. Our structure and size creates a dynamic environment for our fund managers. This encourages a high level of personal responsibility in which both individual flair and teamwork flourish. AXA Framlington funds under management exceed £51 billion (as at 30 April 2013).

AXA Framlington European Fund

For the year ended 15 May 2013

Investment objective and policy

Capital growth through investment principally in continental European equities. The Fund has the power to invest in the UK, but it is not currently proposed that it will do so. Investment is in companies which, in the Manager's opinion, show above average profitability, management quality and growth.

Results

Unit Class	Unit Type	Price at 15.05.12 (p)	Price at 15.05.13 (p)	Fund Performance	Comparative Benchmark [^]
R	Acc*	445.8	626.7	40.58%	42.86%
Z	Acc*	95.58	135.5	41.77%	42.86%
R	Inc**	389.6	539.4	38.45%	37.56%

* Acc units (incl. comparative benchmark) include net income reinvested, total return. ** Inc units (incl. comparative benchmark) do not include net income reinvested, capital return dividends excluded.

[^] FTSE World Europe ex UK Index. Past performance is not a guide to future returns. Source of all performance data: AXA Investment Managers and Lipper, bid to bid, to 15 May 2013.

Review

European equity markets performed strongly over the 12-month review period as a combination of falling systemic risks and the low interest rate environment provided a supportive backdrop. In particular, the actions by the European Central Bank (ECB) last summer, with ECB President Mario Draghi's "whatever it takes to save the Euro" speech, proved a pivotal turning point in mitigating systemic risks. This decisive action initiated a sharp fall in both Southern European sovereign bond yields and bank funding costs, which contributed to a lower risk premium being applied to European equities. In addition, such moves have stemmed the pace of forced deleveraging by European financial institutions that was threatening a full scale credit crunch across the region. However, the underlying macro backdrop remains challenging as a combination of still tight credit conditions and tight fiscal policies continue to weigh on economic activity. Over the last twelve months the economic slowdown has expanded from Southern Europe to more broadly across the continent, with countries such as France experiencing a significant slowdown in economic activity. Given the sluggish economic backdrop, company earnings revisions have remained in slightly negative territory, so that all of the positive performance generated by European equities over the review period has been driven by a re-rating of the market, rather than earnings upgrades.

Portfolio activity

The broad positioning of the AXA Framlington European Fund, namely a bias towards high quality, cash generative companies, remained intact during the period. As such, the portfolio remains overweight in sectors such as consumer discretionary and industrials, with holdings in these areas benefitting from their above-average exposure to global growth and healthy pricing power, helping to maintain high sustainable margins. The main change to the portfolio during the review period related to our decision to close our structural underweight on the financial sector, a position that we had been running for the last five years. While many challenges remain for the sector, we feel that certain parts of the European banking system have undertaken considerable self-help initiatives since the financial crisis in 2008, resulting in a significant strengthening of capital ratios, reduced leverage and an improving business

mix. As such, while industry profitability remains constrained in the near term by the low interest rate environment and high credit provisioning, on an underlying basis, industry profitability for many banks is healthier than it appears at first sight. Combined with the actions from the ECB in reducing tail risk in the region, we increasingly felt that valuations did not fully reflect this improving environment. As such, exposure to the sector was increased via the addition of BNP and Societe Generale to the portfolio and by increasing our weighting in ING. With regard to areas where we remain cautious, we continue to dislike companies facing structural earnings challenges and high political risk, resulting in our avoidance of utilities, incumbent telecom operators and domestically-biased Southern European financials.

Outlook

The combination of low interest rates, reducing tail risks and growing optimism about an improving macroeconomic outlook, are proving a healthy tonic for European equity markets currently. While strong corporate profitability supporting healthy dividends should continue to underpin European equities, we feel that, following very strong performance over the last 12-months, a period of market consolidation would be helpful. Having re-rated from under 10 times earnings, towards 13 times for 2013, markets are trading a lot closer to long-term averages and, as a result, earnings upgrades are increasingly required to drive another leg of performance. Given economic activity in Europe is likely to remain below trend during 2013, this means that in the short-term, there is limited scope for upside surprises to earnings this year. The one exception to this is the banking sector where we continue to feel that positive earnings surprises are possible as management act faster in order to rebalance their business model to the new banking environment. As such, we remain overweight this sector. In other areas, the portfolio retains its bias towards higher quality companies that are better placed to weather a slower growth environment.

Mark Hargraves

6 June 2013

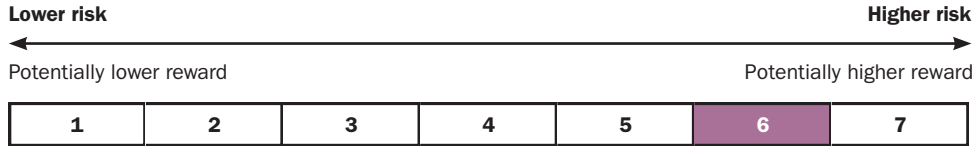
All performance data source: AXA Investment Managers and Lipper to 15 May 2013.

AXA Framlington European Fund

For the year ended 15 May 2013

Risk and reward profile

The Fund invests primarily in the shares of quoted European companies drawn from all economic sectors. As the Fund invests in overseas securities it may hold currencies other than sterling. As a result, exchange rate movements may cause the value of investments to fall or rise. 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.

Why is this Fund in this category?

The capital of the Fund is not guaranteed. The Fund is invested in financial markets and uses techniques and instruments which may be subject to sudden and significant variation, which may result in substantial gains or losses.

FUND FACTS

Lead Fund manager	Mark Hargraves
Sector	European ex-UK
Comparative Benchmark	FTSE Europe ex-UK
Launch date	2 Jan 1986
Fund size at 15 May 2013	£71m
Fund size at 15 May 2012	£55m
Minimum investments	
Lump sum	R: £1,000 Z: £100,000
Minimum subscription	R: £100 / Z: £5,000
Net Yield	
R Inc	0.67%
R Acc	0.68%
Z Acc	1.43%
Unit type	Inc/Acc
Number of stocks	67
Initial charge	R: 5.25% / Z: 0.00%
Annual charge	R: 1.50% / Z: 0.75%
Ongoing charges	
R Inc	1.60%
R Acc	1.60%
Z Acc	0.85%
Accounting dates (interim)	15 Nov
Accounting dates (annual)	15 May
Distribution dates (annual)	15 Jul

All data, source: AXA Investment Managers as at 15 May 2013.

Top five purchases

For the year ended 15 May 2013

Novartis
Sanofi
UBS
Nestle
KBC

Top five sales

For the year ended 15 May 2013

Total
Novartis
Deutsche Bank
SKF
Hennes & Mauritz

AXA Framlington European Fund

For the year ended 15 May 2013

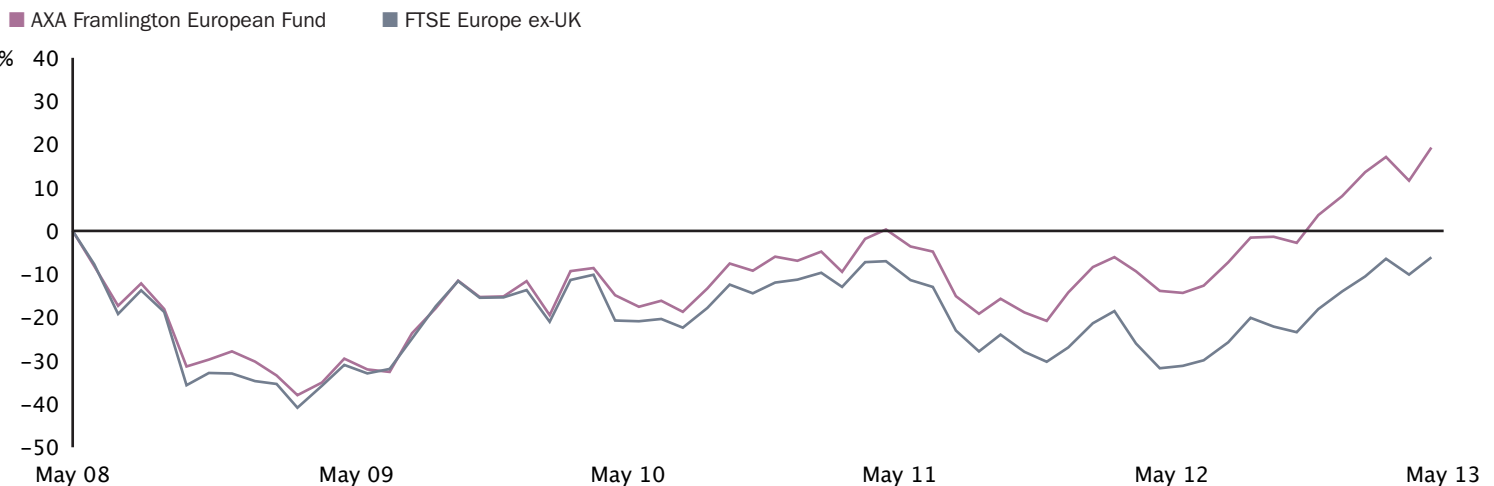
Five year discrete annual performance %

May 08 to May 09	May 09 to May 10	May 10 to May 11	May 11 to May 12	May 12 to May 13
-29.52%	20.80%	17.84%	-14.15%	38.45%

Past performance is not a guide to future returns. Sources: AXA Investment Managers and Lipper as at 15 May 2013. Basis: Bid to bid, with no income reinvested, net of fees in GBP. Performance is representative of R Inc class.

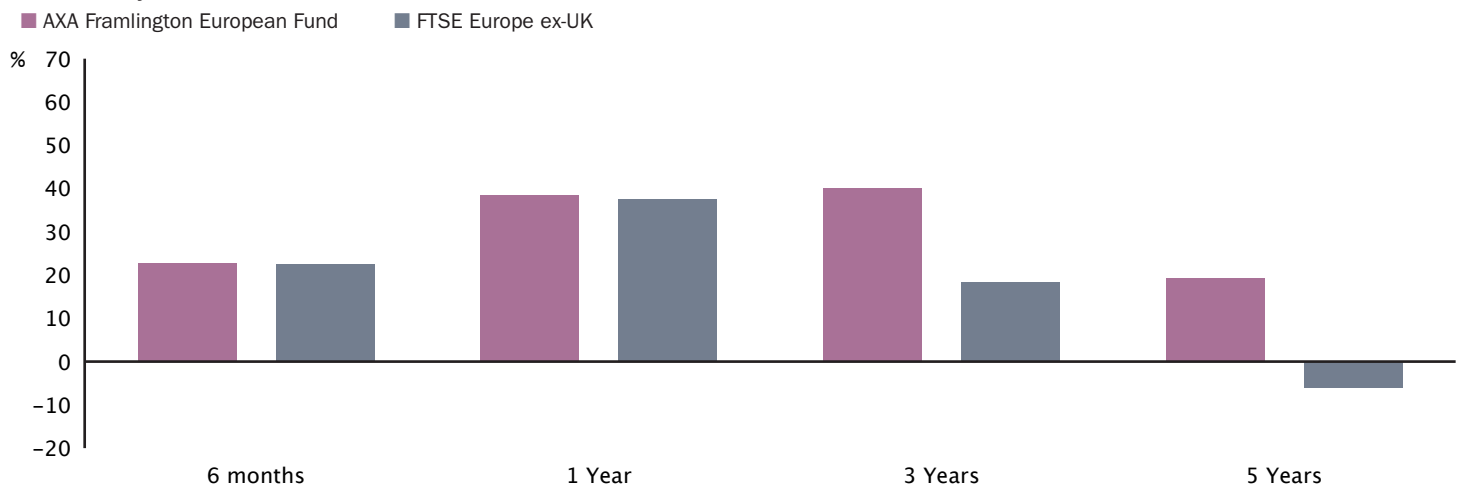
Cumulative fund performance versus comparative benchmark

as at 15 May 2013



Past performance is not a guide to future returns. Sources: AXA Investment Managers and Lipper as at 15 May 2013. Basis: Bid to bid, with no income reinvested, net of fees in GBP. Performance is representative of R Inc class.

as at 15 May 2013



Past performance is not a guide to future returns. Sources: AXA Investment Managers and Lipper as at 15 May 2013. Basis: Bid to bid, with no income reinvested, net of fees in GBP. Performance is representative of R Inc class.

AXA Framlington European Fund

For the year ended 15 May 2013

Summary of historic prices and distributions

Year	Unit class	Unit type	Highest offer price (pence)	Lowest bid price (pence)	Total net distribution per unit (pence)
2008	R	Inc	499.5	269.1	4.386
2008	R	Acc	539.3	293.3	4.734
2009	R	Inc	430.3	254.6	8.809
2009	R	Acc	482.3	277.5	9.601
2010	R	Inc	458.6	347.8	3.751
2010	R	Acc	519.0	393.6	4.203
2011	R	Inc	493.1	338.2	5.039
2011	R	Acc	547.1	387.0	5.702
2012	R	Inc	501.1	372.2	5.852
2012	R	Acc	582.2	430.3	6.714
2012#	Z	Acc	119.2	92.63	1.116
2013*+	R	Inc	570.8	474.4	3.746
2013*+	R	Acc	663.2	551.2	4.358
2013*+	Z	Acc	136.1	118.8	1.805

Highest offer and lowest bid price quoted at any time in the calendar year and * to 15 May 2013.

+ Distribution to 15 July 2013. # Unit class launched 16 April 2012.

Net asset value record

Unit class	Unit type	Net asset value per unit as at 15 May 2013 (pence)	Net asset value per unit as at 15 May 2012 (pence)
R	Inc	536.9	385.0
R	Acc	628.2	447.4
Z #	Acc	135.5	95.92

Unit class launched 16 April 2012. Please note, that the NAV prices shown above are different from the results prices as at 15.05.13. The differences are due to the fund performance tables taking the quoted valuation prices on the last day of the period, whereas the NAV table above is showing prices including any accounting adjustments at the end of the period (for example, notional dealing charges are removed).

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.

European Savings Directive

The AXA Framlington European Fund has been reviewed against the requirements of the directive 2003/48/EC on taxation of savings in the form of interest payments (ESD), in line with 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 AXA Framlington European Fund does not meet the HM Revenue & Customs debt investment reporting thresholds. This means that no details of income distributions will be reported to HM Revenue & Customs.

AXA Framlington European Fund

For the year ended 15 May 2013

Top ten holdings as at 15 May 2013

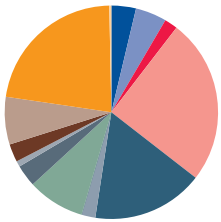
Company	Sector	%
Nestle	Switzerland Equities	5.14
Roche	Switzerland Equities	3.94
Novo Nordisk	Denmark Equities	3.55
BNP Paribas	France Equities	3.33
Societe Generale	France Equities	2.88
Unilever	Netherlands Equities	2.63
Novartis	Switzerland Equities	2.46
Allianz	Germany Equities	2.34
Anheuser Busch	Belgium Equities	2.18
Volkswagen	Germany Equities	2.02

Top ten holdings as at 15 May 2012

Company	Sector	%
Novo Nordisk	Denmark Equities	4.18
Nestle	Switzerland Equities	4.15
Roche	Switzerland Equities	3.98
Anheuser Busch	Belgium Equities	2.97
Total	France Equities	2.83
Unilever	Netherlands Equities	2.47
Fresenius Medical Care	Germany Equities	2.46
Allianz	Germany Equities	2.44
Inditex	Spain Equities	2.26
Essilor International	France Equities	2.22

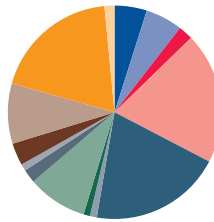
Portfolio breakdown

as at 15 May 2013



Sector	%
Belgium	3.72
Denmark	4.73
Finland	1.99
France	25.07
Germany	16.90
Italy	2.11
Luxembourg	0.00
Netherlands	8.67
Norway	3.33
Portugal	0.87
Spain	2.73
Sweden	7.21
Switzerland	22.36
Net Current Assets	0.31

as at 15 May 2012



Sector	%
Belgium	4.89
Denmark	5.63
Finland	2.20
France	19.92
Germany	20.02
Italy	1.06
Luxembourg	0.97
Netherlands	9.06
Norway	2.09
Portugal	1.02
Spain	3.38
Sweden	9.12
Switzerland	19.12
Net Current Assets	1.52

All data, source: AXA Investment Managers as at 15 May 2013

AXA Framlington European Fund

For the year ended 15 May 2013

Important information

Authorised Fund Manager / Investment Manager

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

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

Trustee

National Westminster Bank plc
Trustee & Depositary Services
Younger Building
1st Floor
3 Redheughs Avenue
Edinburgh, EH12 9RH

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

Dealing & correspondence

PO Box 10908
Chelmsford, CM99 2UT

Telephone dealing & enquiries

0845 777 5511

IFA dealing & enquiries

0845 766 0184

If you are calling us from outside of the UK:

+44 1268 448667

Our lines are open Monday to Friday between 9am and 5:30pm

Independent auditor

Ernst & Young LLP
1 More London Place
London SE1 2AF

Registrar

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

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

For more information on any AXA Framlington unit trust please contact us via our website or telephone number below.

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

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

0845 777 5511

www.axa-im.co.uk

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. AXA Framlington is an expertise of AXA Investment Managers UK Limited. 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.

17222 06/13 Produced using a combination of FSC and recycled materials.
All data sources: AXA Investment Managers unless otherwise stated.