

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 £454 billion. (Source: AXA IM as at 31 December 2013).

AXA Sterling Credit Short Duration Bond Fund

For the Six Months Ended 31 December 2013

Investment objective and policy

The aim of this Fund is to generate returns by gaining exposure generally to the sterling denominated investment grade bond market with a bias towards shorter maturities. 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 holding and hedging techniques permitted in applicable Financial Conduct Authority rules.

Results

Share Class	Share Type	Price at 31.12.13 (p)	Price at 30.06.13 (p)	Fund Performance	Comparative Benchmark
H gross	Acc	113.2	111.6	1.43%	N/A
H net	Acc	110.9	109.7	1.09%	N/A
Z gross	Acc	111.4	110.1	1.18%	N/A
Z gross	Inc	102.9	103.0	1.18%	N/A
Z net	Acc	109.7	108.8	0.83%	N/A
Z net	Inc	102.8	102.9	0.92%	N/A
R gross	Acc	110.0	109.0	0.92%	N/A
R gross	Inc	102.7	102.8	0.95%	N/A
R net	Acc	108.5	107.8	0.65%	N/A
R net	Inc	102.5	102.6	0.74%	N/A

Past performance is not a guide to future returns. Source of all performance data: AXA Investment Managers and Lipper to 31 December 2013. Please note, the AXA Sterling Credit Short Duration Bond Fund has no official benchmark.

Review and outlook

The sterling credit market delivered positive returns during the six months in review, despite the negative effects of rising government bond yields. Following a dramatic rise in volatility in June, after the US Federal Reserve (the Fed) suggested that it might soon begin withdrawing its liquidity stimulus (quantitative easing), bond markets began the review period more confidently, with gilt yields easing and credit spreads tightening. Corporate bonds, in particular, found good support from investors looking for additional yield, who were, in turn, encouraged by better economic prospects.

In August however, newly appointed governor of the Bank of England, Mark Carney, announced the introduction of a new 'forward guidance' policy, giving notice that interest rates were unlikely to rise from the current 0.5% until unemployment fell below 7%. Aimed at reassuring investors, it failed to have the desired effect as scepticism about how strictly the rule would be applied, saw gilt yields rise, impacting credit market returns.

Meanwhile, the prospect of the Fed beginning to withdraw or 'taper' quantitative easing remained an ongoing source of uncertainty throughout the six-month review period. This, and the usual summer lull,

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For the Six Months Ended 31 December 2013

saw new corporate bond issuance slowed notably through August. However, a surprise announcement from the Fed in September, stating that it would not yet begin reducing its quantitative easing programme, gave bond investors reason to cheer, leading to a strong rally in both government and corporate bonds. At the same time, US telecom company, Verizon launched the largest corporate debt deal in history with its \$49bn bond offer. This seemed to signal confidence to other companies around the world, as new bond issuance notably increased and September closing as a record month of new issuance, at \$217bn. With spreads tightening and investors remained hungry for yield, it was the riskier, higher yielding areas, such as subordinated bank and insurance debt that performed best.

Credit markets generally continued to find support into the year end, pausing only occasionally, as investors took profits from the rally. Gilts were more volatile, however, with yields moving higher as data in both the UK and the US showed clear improvement, the latter adding to expectations of a withdrawal of US quantitative easing. This impacted credit markets negatively as, despite spreads continuing to tighten through quarter four, it was just enough to offset the rise in gilt yields, meaning corporate bonds delivered flat total returns over the final quarter of 2013. When, in December, the Fed finally announced the commencement of tapering, much of the potential impact was already priced in to valuations and, along with the Fed's dovish statement, helped ensure a relatively subdued market response.

During the six months to 31 December 2013, the AXA Sterling Credit Short Duration Bond Fund provided a total net return of +0.65% (R Acc). Particularly pleasing during the review period was the Fund's good participation during periods of credit market strength, while also showing relative resilience during periods of market volatility. In August and November, for example, two months where government bond yields rose sharply, prompting volatility and negative returns on broad sterling credit markets, the Fund held up well, finishing only marginally lower in August and delivering a positive return in November.

We were highly active during the review period, on both the primary and secondary markets, with continual reinvestment of coupons and maturities as well as healthy new money inflows ensuring we were kept busy. Portfolio diversification was again a key theme, investing broadly across countries, sectors, credit ratings, currencies (adding tactical exposure to euro and US dollar-denominated bonds) and

also notably increasing exposure to floating rate (as opposed to fixed) coupon bonds in order to further enhance the Fund's ability to provide protection against rising gilt yields. These look particularly appealing, given the rising rate environment, with issuers such as French toll road firm Autoroute Paris-Rhine-Rhone (euro-denominated) and state-owned Mexican oil firm Petróleos Mexicanos (US dollar-denominated), two examples added to the portfolio during the review period. We also reduced our exposure to US companies, as they became more willing to re-lever their balance sheets and enter into shareholder-friendly activities (special dividends, share buybacks, LBO, M&A...) as benefiting from a brighter US economic outlook. Conversely, we started to increase our exposure to European companies as the more uncertain economic outlook in Continental Europe has pushed companies to remain conservative, still aiming to keep bondholders happy and focusing on balance sheet strength.

Meanwhile, some of the new names we added to the portfolio during the period included ITV (UK media), Unibail-Rodamco (French commercial real estate), Carlsberg (Danish brewer), Land Securities (UK commercial property), Bayer (German chemicals/pharmaceuticals), BG Group (UK oil and gas), Nestle (Swiss food and beverages) and Heathrow Airport (UK infrastructure). We also added new bonds from existing names held in the portfolio, including Volkswagen (German autos), Places for People (UK housing association) and Standard Chartered (UK bank).

In closing, the great 2014 uncertainty surrounding the reality of tapering was finally removed in December. The ongoing pace of contraction of liquidity provision, and how the real economy responds, will be the dominant theme of 2014. Carry (income) will drive returns in 2014 in our view, with a need to appreciate increased geographical differences. Central banks' policies look set to be more divergent across regions in 2014 than at any other time in the last five years. Over the medium-term, we remain particularly positive on the European credit market. This is on the basis of accommodative central bank policies and the fact that economic growth, albeit still anaemic, will support credit fundamentals without being so strong as to ignite too much shareholder friendly activity.

Nicolas Trindade

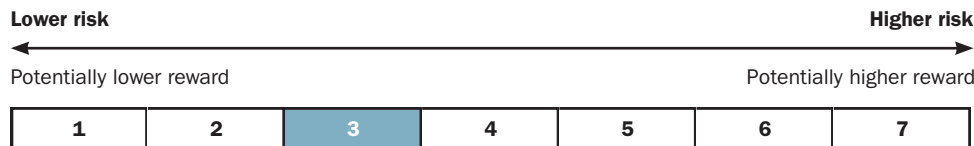
31 December 2013

AXA Sterling Credit Short Duration Bond Fund

For the Six Months Ended 31 December 2013

Risk and reward profile

By investing in a fund which invests primarily in fixed interest stocks you are likely to be looking for an investment which will generate an income but has less potential for capital return than is the case with funds which invest primarily in equities. You are willing to accept that your investment will fall and rise in value and that you could get back less than you invest. Typically, you would prefer an investment with less risk than that of a fund which invests significantly in equities or overseas. Typically, 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

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

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

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

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

FUND FACTS

Lead Fund manager	Nicolas Trindade
Sector	IMA Sterling Corporate Bonds
Comparative Benchmark	No official benchmark
Launch date	12 Nov 2010
Fund size at 31 Dec 13	£118m
Fund size at 30 Jun 13	£71m
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	2.50%
Yield R Inc net/gross	1.60%
Yield R Acc net/gross	1.60%
Yield Z Inc net/gross	2.10%
Yield Z Acc net/gross	2.10%
Share types	Inc & Acc
Number of stocks	144
Initial charge	R: 4%/ Z: Nil/ H: 5%
Annual charge	R: 0.85%/ Z: 0.40%/ H: Nil
Ongoing charges	
H Acc net/ gross	0.02%
R Inc net/ gross	0.89%
R Acc net/ gross	0.89%
Z Inc net/ gross	0.44%
Z Acc net/ gross	0.44%
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 31 Dec 2013. *or last day in Feb.

Top five purchases

For the six months ended 31 December 2013

Allied Domecq 6.625% 12/06/14
BFCM Variable 16/05/16
BG Energy Capital 5.125% EMTN 07/12/17
Export - Import Bank of Korea Variable 22/03/16
ITV 6.125% 05/01/17

Top five sales/redemptions

For the six months ended 31 December 2013

Australia & New Zealand Banking 4.75% 07/12/18
BAA Funding 5.85% 27/11/15
Co-Operative 5.875% 18/12/13
Finmeccanica 8.125% 03/12/13
Morgan Stanley 5.375% 14/11/13

AXA Sterling Credit Short Duration Bond Fund

For the Six Months Ended 31 December 2013

Five year discrete annual performance

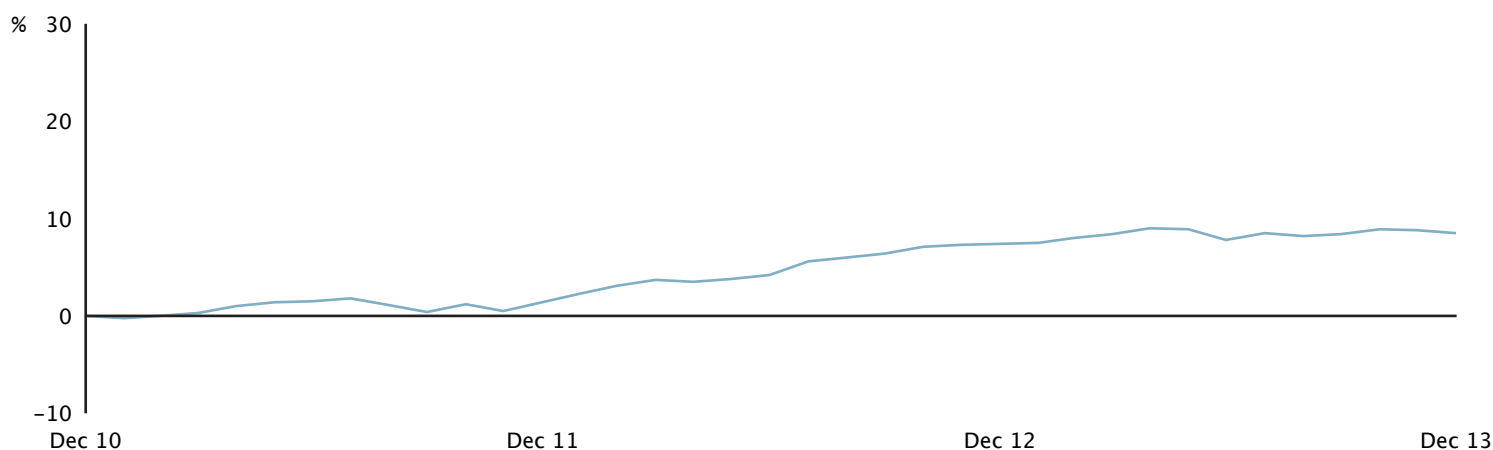
Dec 08 to Dec 09	Dec 09 to Dec 10	Dec 10 to Dec 11	Dec 11 to Dec 12	Dec 12 to Dec 13
N/A	N/A	+1.60%	+5.92	+1.02

The AXA Sterling Credit Short Duration Bond Fund's date of inception is 12 November 2010. Source: AXA IM & Lipper Hindsight as at 31 December 2013. Basis: mid to mid, net R share class, with net income reinvested, net of fees in GBP.

Cumulative Fund performance

as at 31 December 2013

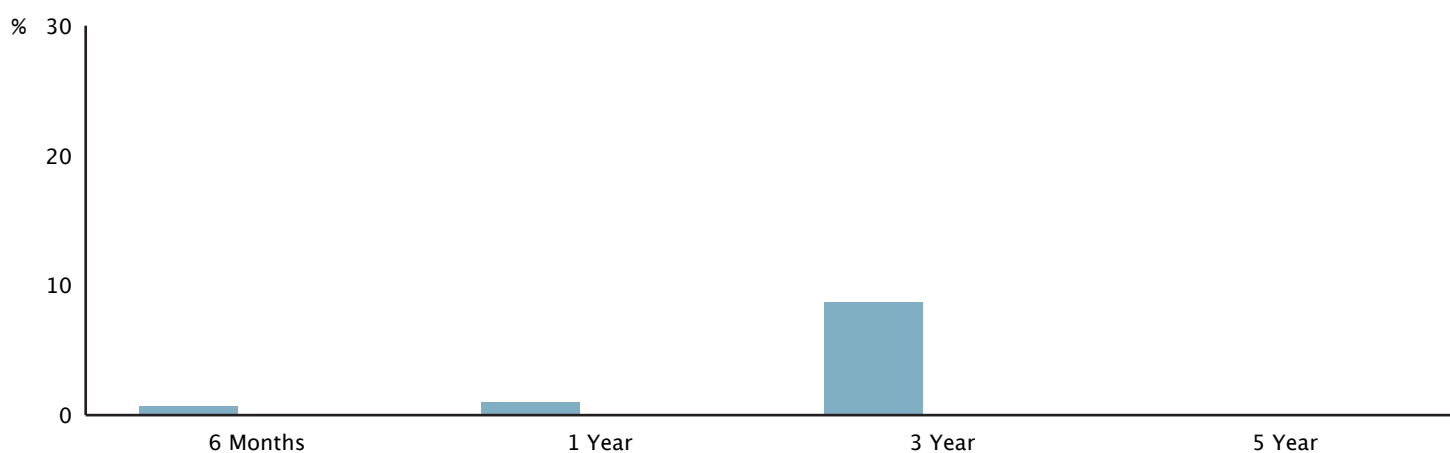
■ AXA Sterling Credit Short Duration Bond Fund ■ N/A



The AXA Sterling Credit Short Duration Bond Fund's date of inception is 12 November 2010. Source: AXA IM & Lipper Hindsight as at 31 Dec 2013. Basis: mid to mid, net R share class, with net income reinvested, net of fees in GBP.

as at 31 December 2013

■ AXA Sterling Credit Short Duration Bond Fund ■ N/A



The AXA Sterling Credit Short Duration Bond Fund's date of inception is 12 November 2010; as a result 5 year performance is not available. Source: AXA IM & Lipper Hindsight as at 31 December 2013. Basis: mid to mid, net R share class, with net income reinvested, net of fees in GBP.

AXA Sterling Credit Short Duration Bond Fund

For the Six Months Ended 31 December 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)	111.2	108.7	2.584	Acc (gross)	113.4	110.2	3.285
2013*+	R	Inc (net)	103.8	102.1	1.708	Inc (gross)	104.0	102.2	2.132
2013*+	R	Acc (net)	109.1	107.2	1.794	Acc (gross)	110.3	108.3	2.266
2013*+	Z	Inc (net)	104.1	102.3	2.082	Inc (gross)	104.1	102.3	2.603
2013*+	Z	Acc (net)	110.0	107.9	2.205	Acc (gross)	111.7	109.0	2.790
2012	H	Acc (net)	108.9	102.1	3.331	Acc (gross)	110.5	102.9	3.313
2012	R	Inc (net)	103.2	99.02	2.169	Inc (gross)	103.3	99.14	2.612
2012	R	Acc (net)	107.5	101.4	2.221	Acc (gross)	108.5	102.0	2.780
2012	Z	Inc (net)	103.5	99.17	2.160	Inc (gross)	103.4	99.12	2.935
2012	Z	Acc (net)	108.2	101.8	2.618	Acc (gross)	109.3	102.4	3.271
2011	H	Acc (net)	102.3	99.38	2.658	Acc (gross)	103.0	99.48	3.333
2011	R	Inc (net)	100.9	98.40	2.030	Inc (gross)	101.1	98.52	2.475
2011	R	Acc (net)	101.9	99.34	2.068	Acc (gross)	102.2	99.34	2.493
2011	Z	Inc (net)	101.0	98.53	2.308	Inc (gross)	101.1	98.48	2.906
2011	Z	Acc (net)	102.1	99.33	2.356	Acc (gross)	102.7	99.42	2.934
2010	H	Acc (net)	100.1	99.34	0.323	Acc (gross)	100.1	99.39	0.403
2010	R	Inc (net)	100.1	99.28	0.236	Inc (gross)	100.1	99.32	0.296
2010	R	Acc (net)	100.1	99.30	0.277	Acc (gross)	100.1	99.32	0.296
2010	Z	Inc (net)	100.1	99.31	0.284	Inc (gross)	100.1	99.36	0.353
2010	Z	Acc (net)	100.1	99.31	0.282	Acc (gross)	100.1	99.36	0.353

Highest offer and lowest bid price quoted at anytime in the calendar year and * to 31 December 2013. + Distribution paid 28 February 2014.

Net asset value record

Share class	Share type	Net Asset Value as at 31 December 2013 (pence)	Net Asset Value as at 30 June 2013 (pence)	Share type	Net Asset Value as at 31 December 2013 (pence)	Net Asset Value as at 30 June 2013 (pence)
H	Acc (net)	110.8	109.5	Acc (gross)	113.0	111.4
R	Inc (net)	102.0	102.0	Inc (gross)	102.1	102.1
R	Acc (net)	108.4	107.6	Acc (gross)	109.9	108.8
Z	Inc (net)	102.2	102.2	Inc (gross)	102.2	102.1
Z	Acc (net)	109.6	108.5	Acc (gross)	111.3	109.9

Please note, that the NAV prices shown above are different from the results prices as at 31.12.13. 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 Credit Short Duration Bond Fund

For the Six Months Ended 31 December 2013

Top ten holdings as at 31 December 2013

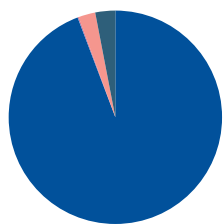
Company	Sector	%
ENEL SPA 4.875% 20/02/18	Corporate Bonds	1.40
BAE Systems 10.75% 24/11/14	Corporate Bonds	1.28
Allied Domecq 6.625% 12/06/14	Corporate Bonds	1.25
Old Mutual 7.125% 19/10/16	Corporate Bonds	1.25
Phoenix Natural Gas Finance 5.5% 10/07/17	Corporate Bonds	1.21
ENI SPA 4.875% 11/10/2017	Corporate Bonds	1.19
La Poste 5.625% 19/12/16	Corporate Bonds	1.17
Export - Import Bank of Korea Variable 22/03/16	Corporate Bonds	1.15
ING Bank 3.875% 23/12/16	Corporate Bonds	1.14
JPMorgan Chase FRN 30/05/17	Corporate Bonds	1.14

Top ten holdings as at 30 June 2013

Company	Sector	%
BAA Funding 5.85% 27/11/15	Corporate Bonds	1.49
Segro 6.25% 30/09/15	Corporate Bonds	1.48
Westfield Finance 5.5% 27/06/17	Corporate Bonds	1.48
ING Bank 3.875% 23/12/16	Corporate Bonds	1.46
Aviva 9.5% 20/06/16	Corporate Bonds	1.46
France Telecom 5% 12/05/16	Corporate Bonds	1.44
BNP Paribas 3.5% 07/12/16	Corporate Bonds	1.42
Wales & West Utilities Finance 5.125% 02/12/16	Corporate Bonds	1.42
JPMorgan Chase FRN 30/05/17	Corporate Bonds	1.40
ENW Capital Finance 6.75% 20/06/15	Corporate Bonds	1.39

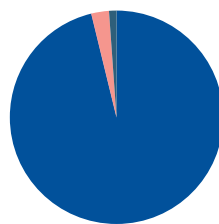
Portfolio breakdown

As at 31 December 2013



Sector	%
Corporate Bonds	94.24
Forward currency contracts	0.10
Futures	0.07
Cash	2.56
Other	3.03

As at 30 June 2013



Sector	%
Corporate Bonds	96.26
Forward currency contracts	-0.08
Futures	0.03
Cash	2.66
Other	1.13

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

AXA Sterling Credit Short Duration Bond Fund

For the Six Months Ended 31 December 2013

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

Other information

The Fund is a sub-fund of the AXA Fixed Interest Investment Company ICVC which is an open ended investment company authorised by the FCA, and has a UCITS certificate. The Company is managed in accordance with the FCA Collective Investment Schemes Sourcebook (COLL). AXA Investment Managers UK Limited has made changes to the Prospectus and the Instrument of Incorporation of the OEICs to reflect the requirements of the Open-Ended Investment Companies (Amendment) Regulations 2011 and the FCA's COLL Rules for the AXA Fixed Interest Investment ICVC, in order to adopt protected cell status. This will have the effect of ensuring that the liabilities of each sub fund in the OEIC are protected from each other. This change was made on 31 December 2013 and has no effect on your investment in the Fund. This note is for your information only.

European Savings Directive

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

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All data sources: AXA Investment Managers unless otherwise stated.