

AXA Investment Managers 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 £456 billion (source: AXA IM as at 30 November 2013).

AXA Ethical Distribution Fund

For the six months ended 30 November 2013

Investment objective and policy

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

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 methods of operation do not involve, conduct or carry out: ■ testing on animals or use of animal tested products ■ 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 predominately in the UK, however, the Authorised Corporate Director 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 (formerly Financial Services Authority) rules.

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.

Results

Share Class	Share Type	Price at 30.11.13 (p)	Price at 31.05.13 (p)	Fund Performance	Comparative Benchmark [^]
R	Acc*	125.1	121.9	2.63%	3.29%
Z	Acc*	135.6	131.7	2.96%	3.29%
R	Inc**	163.9	162.2	1.05%	3.29%
Z	Inc**	168.3	166.0	1.39%	3.29%

[^]Comparative Benchmark (Customised): 55% FTSE All-Share Ethically Adjust. Index, 17.5% FTA Index-Linked All Stocks Index, 17.5% FTA Index-Linked < 5 Years Index, 3.5% FTA Gilts All Stocks Index, 3.5% FTA Gilts < 5 Years Index, 3% Cash LIBID 7 Day.* Acc shares include net income reinvested, total return. ** Inc shares do not include net income reinvested, capital return dividends excluded. Past performance is not a guide to future returns. Source of all performance data: AXA Investment Managers and Lipper to 30 November 2013.

Review and outlook

Over the six months to 30 November 2013, the FTSE All-Share Index returned +3.88%. The ethically screened universe of stocks, from which the Fund builds its portfolio, performed better than the broader market, helped by a lack of exposure to the oil and mining sectors. Bond markets were weaker, with index-linked gilts returning -3.02% and conventional gilts -2.12%.

The equity market started 2013 strongly, buoyed, in particular, by quantitative easing stimulus. However, late May saw a sea-change in this benign environment, as US Federal Reserve Chairman Ben Bernanke, made comments regarding potential 'tapering' of the Fed's \$85bn per month bond purchase programme, in response to better economic conditions. This ushered in a period of increased volatility in equity markets. In addition, there was evidence of a slowing in emerging market economic growth, and Chinese growth in particular, which weighed on commodity prices and equities.

In the UK, a new Governor of the Bank of England (BoE), Mark Carney, began his term in office in July by introducing 'forward guidance' which tied the future path of interest rates to the rate of unemployment, albeit hedged with conditions regarding inflation and financial stability. As the period progressed, there were sufficient signs of an improvement in the UK economy for market commentators to increase estimates of future GDP growth. At the end of November, Carney announced plans to refocus the BoE's Funding for Lending Scheme on loans to smaller businesses, rather than the mortgage market, reflecting fears that the housing market was rising too strongly. His announcement caused a sharp fall in UK house building stocks. The housing market could well be an area for interesting policy debate in the near future, with the government most likely favouring a strong housing market ahead of the next election, but the BoE is nervous about allowing another housing bubble to form.

The broadly positive UK equity market backdrop saw an increase in the number of initial public offerings (IPOs) brought to the market in the period, most notably Royal Mail and Merlin Entertainments (the owner of Legoland and Madame Tussauds). There were also a large number of equity placings and rights-issues, the largest of which was a £5.8bn rights issue by Barclays. Corporate activity was also brisk, by far the largest transaction being the agreed sale by Vodafone of its holding in Verizon Wireless (US mobile telecoms) to Verizon

Communications, for \$130bn.

The central asset mix of the Fund is 55% UK equities, 35% index-linked gilts, 7% conventional gilts and 3% cash. The Fund was at or above its central point in equities during the period, 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. The Fund's weighting in index-linked gilts was reduced during the period, as the 2013 index-linked gilt matured in August.

Richard Marwood

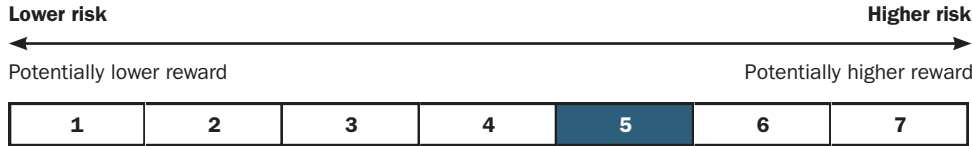
30 November 2013

AXA Ethical Distribution Fund

For the six months ended 30 November 2013

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.

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.

FUND FACTS

Lead Fund manager	Richard Marwood
Sector	Mixed Investment 20-60% Shares
Comparative Benchmark	Customised*
Launch date	28 Nov 2008
Fund size at 30 November 2013	£122m
Fund size at 31 May 2013	£109m
Minimum investments (Lump sum)	R: £1,000 Z: £100,000
Minimum per month	R: £50 / Z: N/A
Net Yield	
Z Acc	2.70%
Z Inc	2.73%
R Acc	2.71%
R Inc	2.74%
Share type	Inc & Acc
Number of stocks	139
Initial charge	R: 5% / Z: Nil
Annual charge	R: 1.5% / Z: 0.75%
Ongoing charges	
Z Acc net	0.78%
Z Inc net	0.78%
R Acc net	1.53%
R Inc net	1.53%
Accounting dates (interim)	30 Nov
Accounting dates (annual)	31 May
Distribution dates (income)	31 Jul, 31 Jan

All data, source: Lipper Hindsight as at 30 November 2013.

**Customised benchmark: 55% FTSE All-Share Ethically Adj., 17.5% FTA Index-Linked All Stocks, 17.5% FTA Index-Linked <5yrs, 3.5% FTA Gilt All Stocks, 3.5% FTA Gilt <5yrs, and 3% Cash LIBID 7-day.*

Top five purchases

For the six months ended 30 November 2013

UK Treasury 2.5% IL 26/07/16

Barclays

UK Treasury 1.25% IL 22/11/17

UK Treasury 0.125% IL 22/03/24

Telecity

Top five sales

For the six months ended 30 November 2013

UK Treasury 2.5% IL 16/08/13

Barclays

Vodafone

UK Treasury 0.125% IL 22/03/24

Tesco

AXA Ethical Distribution Fund

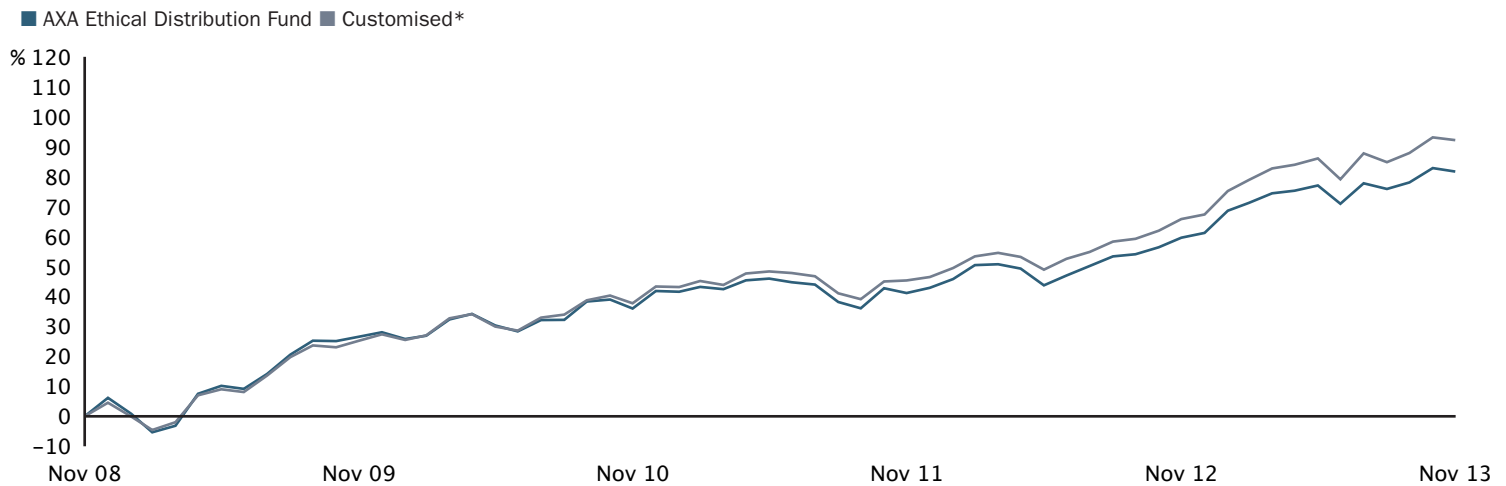
For the six months ended 30 November 2013

Five year discrete annual performance

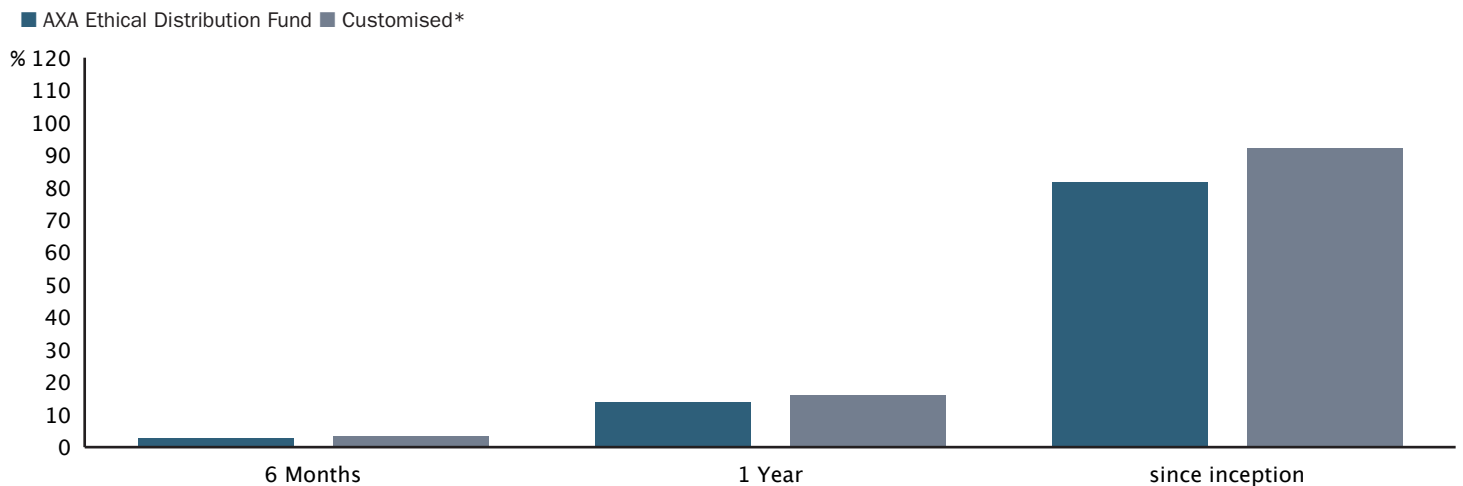
Nov 08 to Nov 09	Nov 09 to Nov 10	Nov 10 to Nov 11	Nov 11 to Nov 12	Nov 12 to Nov 13
+26.55%	+7.45%	+3.80%	+13.09%	+13.83%

Past performance is not a guide to future returns. Source: Lipper Hindsight as at 30 November 2013. Basis: Mid to mid, with net income reinvested, net of fees in GBP. Performance is representative of R Acc class.

Cumulative fund performance versus comparative benchmark



All data, source: Lipper Hindsight as at 30 November 2013. *Comparative benchmark is 55% FTSE All-Share Ethically Adj., 17.5% FTA Index-Linked All Stocks, 17.5% FTA Index-Linked <5yrs, 3.5% FTA Gilt All Stocks, 3.5% FTA Gilt <5yrs, and 3% Cash LIBID 7-day. Please note the benchmark is stated without any deduction for the impact of tax and management fees.



All data, source: Lipper Hindsight as at 30 November 2013. *Comparative benchmark is 55% FTSE All-Share Ethically Adj., 17.5% FTA Index-Linked All Stocks, 17.5% FTA Index-Linked <5yrs, 3.5% FTA Gilt All Stocks, 3.5% FTA Gilt <5yrs, and 3% Cash LIBID 7-day. Please note the benchmark is stated without any deduction for the impact of tax and management fees.

AXA Ethical Distribution Fund

For the six months ended 30 November 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*+	Z	Acc	137.0	120.5	3.661	Inc	170.0	152.0	4.598
2013*+	R	Acc	126.5	111.9	3.418	Inc	165.6	148.9	4.500
2012	Z	Acc	120.0	105.4	3.980	Inc	151.3	138.2	5.158
2012	R	Acc	111.4	98.30	3.711	Inc	147.7	136.3	5.085
2011	Z	Acc	108.2	98.04	4.634	Inc	144.2	130.6	6.271
2011	R	Acc	101.4	91.83	4.344	Inc	142.5	129.1	6.198
2010	Z	Acc	104.3	90.18	4.294	Inc	143.3	128.8	6.055
2010	R	Acc	98.08	85.09	4.047	Inc	142.1	128.2	6.026
2009	Z	Acc	93.97	64.84	2.430	Inc	136.0	95.27	3.509
2009	R	Acc	88.77	61.44	2.304	Inc	135.5	95.12	3.513

Highest offer and lowest bid price quoted at anytime in the calendar year and * to 30 November 2013. + Distribution to 31 January 2014.

Net asset value record

Share class	Share type	Net asset value per share as at 30 November 2013 (pence)	Net asset value per share as at 31 May 2013 (pence)	Share type	Net asset value per share as at 30 November 2013 (pence)	Net asset value per share as at 31 May 2013 (pence)
Z	Acc	135.6	131.6	Inc	166.3	163.4
R	Acc	125.1	121.9	Inc	161.8	159.6

Please note, that the NAV prices shown above are different from the results prices as at 30.11.13. 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, moving the portfolio from mid to bid). Basis: bid to bid

AXA Ethical Distribution Fund

For the six months ended 30 November 2013

Top ten holdings as at 30 November 2013

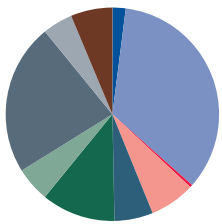
Company	Sector	%
UK Treasury 2.5% IL 26/07/16	UK IL Government Bonds	12.30
UK Treasury 1.25% IL 22/11/17	UK IL Government Bonds	7.77
HSBC	Banks	4.46
Barclays	Banks	4.22
Vodafone	Mobile Telecommunications	3.74
Diageo	Beverages	3.20
Standard Chartered	Banks	2.97
Prudential	Life Insurance	2.67
ARM	Technology Hardware & Equipment	1.46
Tesco	Food & Drug Retailers	1.42

Top ten holdings as at 31 May 2013

Company	Sector	%
UK Treasury 2.5% IL 26/07/16	UK IL Government Bonds	8.29
UK Treasury 1.25% IL 22/11/17	UK IL Government Bonds	6.86
UK Treasury 2.5% IL 16/08/13	UK IL Government Bonds	6.29
Vodafone	Mobile Telecommunications	5.23
HSBC	Banks	4.81
Standard Chartered	Banks	3.54
Barclays	Banks	3.30
Diageo	Beverages	3.11
Tesco	Food & Drug Retailers	2.49
Prudential	Life Insurance	2.48

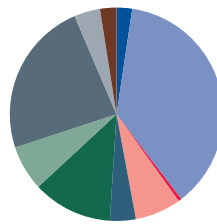
Portfolio breakdown

As at 30 November 2013



Sector	%
Government Bonds	2.05
Index Linked Government Bonds	35.19
Oil & Gas	0.41
Industrials	7.02
Consumer Goods	5.95
Health Care	0.00
Consumer Services	11.42
Telecommunications	5.37
Financials	23.38
Technology	4.66
Cash	6.43
Other	-1.88

As at 31 May 2013



Sector	%
Government Bonds	2.37
Index Linked Government Bonds	37.38
Oil & Gas	0.49
Industrials	7.00
Consumer Goods	3.93
Health Care	0.00
Consumer Services	12.14
Telecommunications	6.87
Financials	23.69
Technology	3.95
Cash	2.50
Other	-0.32

All data, source: AXA Investment Managers unless otherwise stated

AXA Ethical Distribution Fund

For the six months ended 30 November 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.

Investment advisers

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

Authorised and regulated by the Financial Conduct 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.
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

Authorised and regulated by the Financial Conduct Authority.

For more information on any AXA IM Fund please contact us via our website.

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 of charge 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 Distribution 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. Fund prices are available on the website www.axa-im.co.uk and by calling 0845 777 5511.

AXA Investment Managers UK Limited proposes to make 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 Distribution 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 will be made by no later than 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 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

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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 (formerly Financial Services 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.