AXA Framlington
An AXA Investment Managers Expertise

AXA Framlington Financial Fund

For the six months ended 15 October 2013

Investment objective and policy

Capital growth through investment principally in financial services companies worldwide. Investment will be predominantly in banks, insurance companies, property companies, investment-related companies and other financial service providers which, in the Manager's opinion, show above average profitability, management quality and growth.

Results

Unit Class	Unit Type	Price at 15.04.13 (p)	Price at 15.10.13 (p)	Unit Class Performance	Comparative Benchmark
R	Acc*	408.5	435.5	6.61%	5.14%^
Z	Acc*	124.6	133.2	6.90%	5.14%^
R	Inc**	327.1	347.5	6.24%	3.71%^^

* Acc units include net revenue reinvested, total return. ** Inc units do not include net revenue reinvested, capital return dividends excluded. ^ MSCI All World Financials TR Index, ^^ MSCI All World Financials CR 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 October 2013.

Review

The Fund performed well during the period under review as financial shares generally held onto their strong gains of the prior year and rose moderately further. Although the world continued to be buffeted by macroeconomic and geopolitical issues and the financial sector continued to be affected by political, legal and regulatory concerns, the period was marked by an absence of crisis. This, in itself, represented a major improvement over the environment of the previous five years. A steady improvement in the US housing market and economy, and a stabilisation of the European economic environment, helped many financial companies to further strengthen their capital positions and their profitability.

The strongest outperformance during the period was in the Fund's UK-listed shares, which rose by +20.1% (against a +9.5% rise in the comparable local benchmark). Lloyds Banking rose by +57.7% as the market appreciated the benefits of its risk and cost reduction strategy within a recovering UK economy, which paved the way for the UK government to sell its first tranche of Lloyds shares to institutional investors. Shares in the London Stock Exchange and Legal & General (both up between +25-27%) built on their solid gains of the previous year, as investors appreciated the benefits of their focused strategies. On the other hand, HSBC shares lagged (up only +2.7%), as slowing emerging markets and some disappointment with the pace of profitability improvement held the shares back.

The Fund's holdings in Europe ex UK also contributed to outperformance during the period, rising by +27.7% (against a +20.6% rise in the comparable regional benchmark). Virtually all Eurozone shares rose during the period, from their very depressed valuations, on increased optimism that a crisis had been avoided through the strong interventions taken over the previous year. KBC shares benefitted from this trend, rising by +43.0%, also benefitting from good results and progress in their restructuring plan. BNP Paribas and Allianz shares also benefitted from the general rise in Eurozone shares, up +37.3% and +18.2%, respectively. UBS shares also performed well, up +24.8%, as their restructuring proceeded according to plan and even moderately exceeded expectations. On the other hand, Swedbank 'A' shares

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 £51.9 billion (as at 30 September 2013).

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lagged during the period, down -0.5%, as investors rotated into more cyclical Eurozone companies.

North American holdings also performed strongly, rising by +9.9% (against a +7.1% rise in the comparable regional benchmark). During the period, the market began to anticipate the end of quantitative easing (QE) in the US, leading to a sharp rise in bond yields. The Fund was well positioned for this move, with a number of holdings expected to benefit from a moderate rise in medium and long-term interest rates, as well as from a rise in the equity markets. Blackstone shares rose by +28.9%, TD Ameritrade by +15.4% and State Street by +12.3%. Within the North America allocation, the shares of T Rowe Price disappointed (up only +3.3%), affected by continuing equity outflows. The Fund's holdings in payment companies American Express (up +13.3%) and Discover Financial Services (up +18.6%) had another strong period as they benefited from continuing secular growth, low credit losses and good operating leverage. Large cap bank holdings also did well, with TD Bank, Wells Fargo and Royal Bank of Canada all up between +8-12%. JP Morgan Chase shares lagged (up +6.2%) as the company continued to add to its reserves for legal and regulatory liability. The Fund's holdings in real estate companies (Simon Property and CBRE) also lagged on concerns regarding the impact of higher interest rates on property values and transactions. However, the Fund benefitted from having reduced exposure in this area, during the course of the review period.

Investors' perception as to the eventual end to QE took its toll on emerging markets shares during the period under review, although this concern was tempered towards the end of the period. Although the Fund's holdings fell by -4.5%, more than the comparative regional benchmark's -3.8% decline, the Fund still outperformed due to its underweight exposure to emerging markets, in general. Performance within the region varied widely, with the best performance coming from the Brazilian insurer BB Seguridade Participacoes (up +27.0%), which was purchased in its initial public offering (IPO) and in the after-market. Other emerging market holdings were hit by the concerns regarding the impact of the end of QE, with shares in Peru's Credicorp down by -14.6% and Thailand's KBank down by -12.8%. One of the Fund's star performers of the previous year, Bolsa Mexicana de Valores, dropped by -24.3% however, the Fund's exposure had been trimmed earlier on valuation concerns, which helped to mitigate the impact of this decline.

Shares in Asia ex Japan also felt the impact of weakening confidence in emerging markets and worries regarding the impact of the end of QE. The Fund's holdings fell by -4.4% (versus the comparable regional benchmark's -3.4% decline). Most of the underperformance was stock specific. AMP shares fell by -21.4% on reserving problems which emerged in its insurance business. The Fund also felt the impact of its high concentration in real estate companies in the region, as global investors rotated out of real estate-related names on concerns that potentially rising long-term interest rates would have a negative impact on property values. Westfield, Hongkong Land and Link shares all declined by between -12-15%.

Finally, after the very strong 'Abenomics' rally during the prior six months, the Fund's Japanese holdings weakened during the six months under review (down -5.7% vs. the comparable regional benchmark's -5.5% decline). Sumitomo Mitsui Financial shares held up quite well, up by +3.3% for the period, as did Nomura's (down only -0.9%). However, shares in Mitsubishi Estate fell by -17.8%, in line with other global real estate companies.

Outlook

Equity markets have been choppy, but resilient, in the face of considerable political noise coming out of the US (sequestration, government shut-down, debt ceiling). The economic recovery in the US has been moderate, but a recovering US housing market is certainly helping. Markets are gradually adjusting to the expectation that QE will indeed end, and the appointment of Janet Yellen as the new Federal Reserve Chairwoman has reassured investors that any increase in interest rates will wait for a solid economic backdrop. These conditions should be supportive of earnings in the financial sector, which generally benefit from a moderately upward-sloping government bond yield curve. With credit volume growth and investment activity still subdued, we believe there is still room for positive surprises in earnings in many of the companies in which the Fund invests.

Elsewhere, economic activity in much of the Eurozone has at least stabilised, and this is important for global demand and for systemic risk. On the other hand, economic growth is unlikely to be rapid until difficult structural measures are implemented at regional (Eurozone), country and company, levels. With many of the shares having rallied strongly over the past six months, we are taking a selective approach to investing in the Eurozone. The Fund's long-term core holdings are currently focused in the UK and outside the Eurozone.

Shares in many emerging market companies have rebounded from their lows as the shock of an imminent end to QE receded. This was a warning shot to many weaker emerging market economies, and some of them are responding positively by initiating necessary policy reform, in preparation for tightening US dollar liquidity. China's economic growth remains a focus, but it seems clear to us that policymakers have signalled a more moderate growth outlook over the next few years, as they attempt structural reform. This will not prove straightforward and policy easing and tightening cycles will inevitably spill over into Hong Kong and other parts of Asia. With many banking systems experiencing rapid credit growth over the past few years, it will be important to focus on the stronger countries and banks – those best positioned to navigate any difficulties this could create.

The Fund remains focused towards high quality companies with strong competitive advantage. Many of the companies invested in are seeing both high profitability and robust growth and are returning capital to shareholders. Others are still cyclically depressed, however, in our view, offer strong upside potential as they recover. We remain confident that they can provide investors with good investment returns over the medium to long-term.

Susan Sternglass Noble

28 October 2013

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

Risk and reward profile

As the Fund invests in a single sector it has the potential to be more volatile than a fund which invests in a more diversified portfolio of equities across a range of sectors. The Fund also invests in overseas securities and therefore 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.

Lower risk ← → **Higher risk**

Potentially lower reward — Potentially higher reward

1	2	3	4	5	6	7

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.

Additional risks
Geopolitical Risk: Investments in securities issued or listed in different countries may imply the application of different standards and regulations. Investments may be affected by movements of foreign exchange rates, changes in laws or restrictions application to such investments, changes in exchange control regulations or price volatility.

FUND FACTS

Lead Fund Manager	Susan Sternglass Noble
Sector	Specialist
Comparative Benchmark	MSCI All World Financials (Capital Return)
Launch date	31 Oct 1986
Fund size at 15 Oct 2013	£46m
Fund size at 15 Apr 2013	£43m
Minimum investments	
Lump sum	R: £1,000 Z: £100,000
Minimum subscription	R: £100 / Z: £5,000
Net Yield	
R Inc	0.78%
R Acc	0.78%
Z Acc*	1.52%
Unit type	Inc/Acc
Number of stocks	35
Initial charge	R: 5.25% / Z: 0.00%
Annual charge	R: 1.50% / Z: 0.75%
Ongoing charges	
R Inc	1.61%
R Acc	1.61%
Z Acc*	0.86%
Accounting dates (interim)	15 Oct
Accounting dates (annual)	15 Apr
Distribution dates (interim)	15 Dec
Distribution dates (annual)	15 Jun

All data, source: AXA Investment Managers as at 15 October 2013.
**Launched 16 April 2012.*

Top five purchases

For the six months ended 15 October 2013
TD Ameritrade
Nomura
Industrial and Commercial Bank of China
BB Seguridade Participacoes
Lloyds Banking

Top five sales

For the six months ended 15 October 2013
Allianz
Hongkong Land Holdings
Industrial and Commercial Bank of China
Vienna Insurance
Lloyds Banking

Five year discrete annual performance %

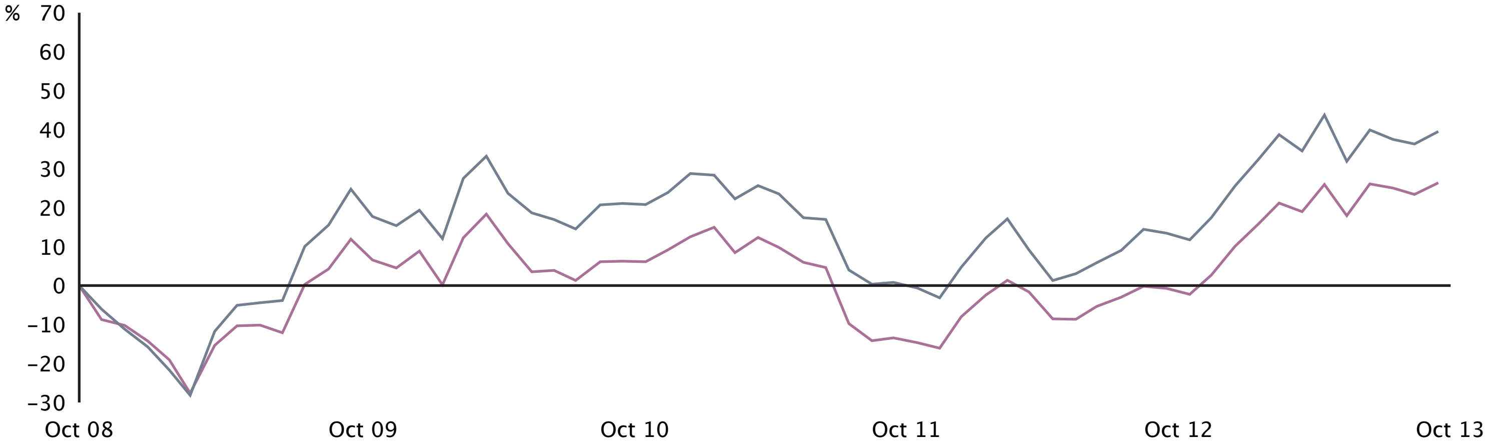
Oct 08 to Oct 09	Oct 09 to Oct 10	Oct 10 to Oct 11	Oct 11 to Oct 12	Oct 12 to Oct 13
11.89%	-5.04%	-18.52%	14.67%	27.29%

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

Cumulative fund performance versus comparative benchmark

as at 15 October 2013

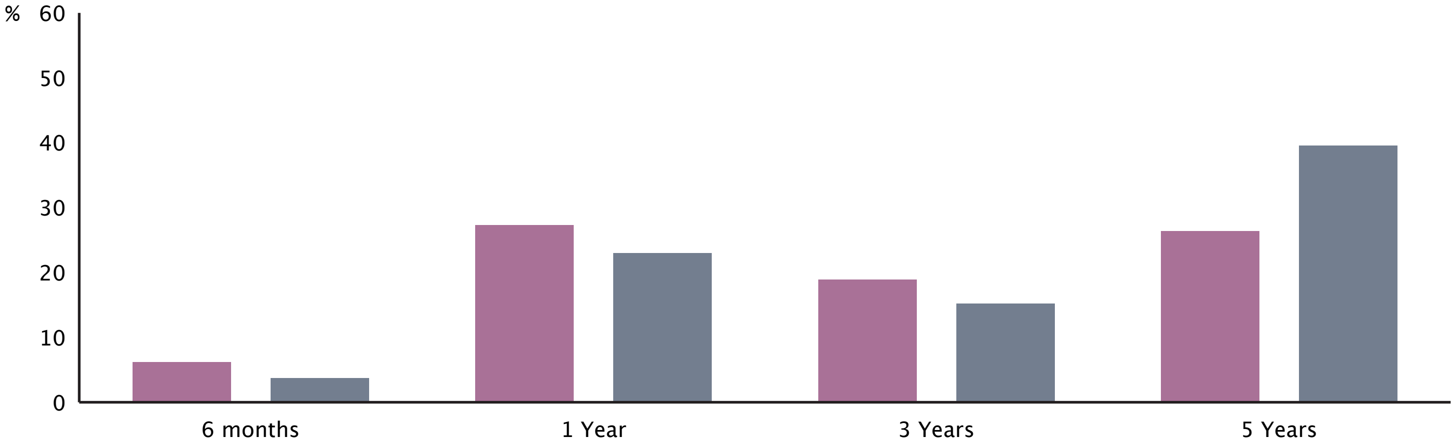
AXA Framlington Financial Fund   MSCI All World Financials CR



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

as at 15 October 2013

AXA Framlington Financial Fund   MSCI All World Financials (Capital Return)



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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	447.4	211.8	6.561
2008	R	Acc	512.3	246.8	7.514
2009	R	Inc	329.2	173.1	7.415
2009	R	Acc	396.3	201.7	8.643
2010	R	Inc	345.6	267.3	1.227
2010	R	Acc	416.0	322.9	1.476
2011	R	Inc	338.1	219.8	4.691
2011	R	Acc	408.5	268.4	5.770
2012	R	Inc	307.1	240.3	4.248
2012	R	Acc	383.4	295.5	5.173
2012#	Z	Acc	110.7	90.90	1.369
2013*+	R	Inc	376.3	290.0	2.801
2013*+	R	Acc	471.5	362.1	3.501
2013*+#	Z	Acc	136.8	110.2	2.033

*Highest offer and lowest bid price quoted at any time in the calendar year and * to 15 October 2013.*
+ Distribution to 15 December 2013. # Launched 16 April 2012

Net asset value record

Unit class	Unit type	Net asset value per unit as at 15 Oct 2013 (pence)	Net asset value per unit as at 15 Apr 2013 (pence)
R	Inc	346.5	326.7
R	Acc	436.5	409.5
Z *	Acc	133.5	124.8

** Launched 16 April 2012. Please note, that the NAV prices shown above are different from the results prices as at 15.10.13. 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 Financial 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 Finanical 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.

Top ten holdings as at 15 October 2013

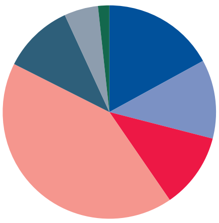
Company	Sector	%
HSBC	UK Equities	5.32
JPMorgan Chase	US Equities	5.13
Wells Fargo	US Equities	4.35
American Express	US Equities	4.13
Toronto-Dominion Bank	Canadian Equities	4.10
Sumitomo Mitsui Financial	Japan Equities	3.96
BNP Paribas	French Equities	3.87
Discover Financial Services	US Equities	3.65
Blackstone	US Equities	3.60
Lloyds Banking	UK Equities	3.58

Top ten holdings as at 15 April 2013

Company	Sector	%
JPMorgan Chase	US Equities	5.26
HSBC	UK Equities	5.18
Wells Fargo	US Equities	4.27
Toronto-Dominion Bank	Canadian Equities	4.03
Sumitomo Mitsui Financial	Japan Equities	4.01
American Express	US Equities	3.93
AIA	Hong Kong Equities	3.22
Swedbank 'A'	Swedish Equities	3.13
Discover Financial Services	US Equities	3.12
Hongkong Land	Hong Kong Equities	3.08

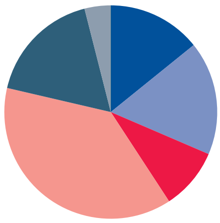
Portfolio breakdown

as at 15 October 2013



Sector	%
United Kingdom	17.04
Europe (ex United Kingdom)	11.97
Japan	11.41
North America (incl. Canada)	42.01
Asia Pacific ex-Japan*	10.71
Emerging Markets **	5.15
Net Current Assets	1.71

as at 15 April 2013



Sector	%
United Kingdom	14.22
Europe (ex United Kingdom)	17.27
Japan	9.34
North America (incl. Canada)	37.91
Asia Pacific ex Japan*	17.42
Emerging Markets**	3.98
Net Current Liabilities	(0.14)

* Asia Pacific ex-Japan includes Hong Kong, Singapore, South Korea and Australia.
** Emerging Markets includes Brazil, China, India, Indonesia, Russia, Peru, Mexico and Turkey.
All data, source: AXA Investment Managers as at 15 October 2013

Important information

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Authorised and regulated by the Financial Conduct Authority. Member of the IMA.

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

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Unit Trust Registrars
7 Newgate Street
London, EC1A 7NX
Authorised and regulated by the Financial Conduct 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.

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