

**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 £54.5 billion (as at 30 April 2014).

AXA Framlington Health Fund

For the six months ended 30 April 2014

Investment objective and policy

Capital growth through investment in healthcare and medical services and product companies worldwide. Investment will be in producers of pharmaceuticals, biotechnology firms, medical device and instrument manufacturers, distributors of healthcare products, care providers and managers and other healthcare services companies.

Results

Unit Class	Unit Type	Price at 31.10.13 (p)	Price at 30.04.14 (p)	Unit Class Performance	Comparative Benchmark
R	Acc*	1,102	1,144	3.81%	5.86%^
Z	Acc*	140.1	146.0	4.21%	5.86%^
R	Inc**	1,102	1,144	3.81%	4.91%^

* Acc units include net revenue reinvested, total return. ** Inc units do not include net revenue reinvested, capital return dividends excluded. ^ MSCI World Healthcare Net Return Index. ^^ MSCI World Healthcare Capital Return Index. Past performance is not a guide to future returns. Source of all performance data: AXA Investment Managers and Lipper, bid to bid, to 30 April 2014.

Review

The six month period ending April 2014 saw further strong performance for the healthcare sector.

The period under review witnessed the broader equity markets reaching all-time highs with both global and US benchmarks surpassing previous peaks. Equity markets were buoyed by continuing signs that the economy was improving, with the US Federal Reserve expressing enough confidence in the labour market to take its first step towards unwinding the unprecedented stimulus put in place to help the US economy recover.

That is not to say that it has been all plain sailing; the markets have been tested with both events in the Crimea and concerns about a signal of contraction in Chinese manufacturing in January causing ripples in stock markets around the world. At the time of writing, the markets are being tested by a sharp rotation out of growth stocks and into value stocks, with certain industries within technology and biotechnology being particularly affected.

Against this market backdrop, the healthcare sector has continued to perform strongly, with the MSCI World Healthcare Index delivering a +5.86% return in sterling terms, continuing its outperformance of the broader equity indices. This outperformance has been driven by a series of positive fundamental factors.

First, the rollout of Healthcare Reform, otherwise known as 'Obamacare', in the US has benefited the sector. While this controversial programme got off to a slow start, enrolment of new patients into the US healthcare system accelerated during the period under review and, at the time of writing, the numbers of patients enrolled in healthcare reform surpassed initial projections, with more than 8.1 million enrollees. This augurs well for future demand for healthcare goods and services.

Secondly, the period under review saw a dramatic rise in business development within the sector. Deals were across a variety of industries such as medical technology, (for example Smith & Nephew's

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For the six months ended 30 April 2014

purchase of Arthocare), specialty pharmaceuticals (Actavis' purchase of Forest Laboratories) and healthcare services (McKesson's purchase of Celesio). Deals were also for a variety of reasons, with companies undertaking business development for both strategic as well as financial reasons and tax inversion purposes. The period under review was also notable for its lack of deals in biotechnology and, at the other end of the spectrum, the first 'mega-merger' in large cap pharmaceuticals this decade, with Pfizer's unsuccessful (at the time of writing) bid for AstraZeneca. I expect this consolidation to continue as companies have greater visibility on their future operating environments now that healthcare reform has been enacted.

Lastly, the healthcare sector is populated with innovative industries. Whether it is the trend towards minimally invasive surgical procedures, or new biopharmaceuticals and devices to treat unmet medical needs, the pipeline of innovation within the healthcare sector remains deep. In the coming months we will see further data from several products in the field of immune-oncology, a new class of therapies largely found within the portfolios of the large cap pharma companies, with significant clinical and commercial potential.

The AXA Framlington Healthcare Fund enjoyed strong performance during the first half of the period under review, as a result of positive stock selection. Performance was more challenged during the second half of the period owing to the underweight position in AstraZeneca, which was bid for by Pfizer during the period, as well as the broader market rotation out of growth and into value. In aggregate during the period under review, the Fund outperformed the broader market as represented by the MSCI World Index, returning +3.8% in sterling terms compared to +1.16%, though lagged its comparative benchmark, the MSCI World Healthcare Index, which returned +5.9%.

At the industry level, the Fund benefitted from very strong performance from the specialty pharmaceuticals industry, and this segment of the portfolio returned +36.1% during the period under review. The strength in performance was attributable to several stock-specific situations. Highlights included the announced acquisition of Forest Laboratories, one of the holdings in the portfolio, by Actavis. Forest Labs returned +66.5% during the period under review. Other specialty pharmaceuticals contributors to performance included the overweight position in Allergan, which returned +74.3% during the period under review, as they too were targeted for acquisition by Valeant

Pharmaceuticals.

I have already discussed the top contributors to performance, Forest Labs and Allergan. Conversely, the biggest detractor to performance at the stock-specific level was AstraZeneca, in which the Fund was underweight relative to the index. This detrimentally affected performance as AstraZeneca rose +45.0% during the period under review as a result of the proposed acquisition by Pfizer. AstraZeneca is a large part of the comparative benchmark and the underweight in AstraZeneca alone was responsible for the performance gap between the Fund and the benchmark. With AstraZeneca at such high levels, I prefer to wait for an opportunity to align the Fund more closely with the comparative benchmark.

At the industry level, the Fund was detrimentally affected by the exposure to Healthcare IT, which underperformed in association with the market rotation from growth into value seen across the broader markets. This industry declined -12% during the period under review. Our exposure to Healthcare IT is not significant though.

Elsewhere at the stock level, overweight positions in companies such as Salix Pharmaceuticals (+45.9%), Synageva (+61.8%) and Shire (+23%) were all positive contributors to performance. As mentioned above, AstraZeneca (+45%) was the biggest detractor from performance.

Outlook

Looking forward there is much to be enthusiastic about for the healthcare sector. As new patients have entered the healthcare system in the US, Obamacare shifts from being an overhang on the sector to being a tailwind and a cause of acceleration in healthcare demand. Longer term, the positive demographic drivers underpinning the growth in demand for healthcare goods and services remain intact. There is also evidence that the sector remains innovative and dynamic. The biopharmaceutical companies stand on the cusp of a revolution in the treatment of cancer with immune-oncology therapies, which we will learn more about in the coming months and years. Meanwhile, valuations for the sector remain attractive. Despite several years of strong performance, the healthcare sector's valuation remains below its long-term average. As a result of the rotation away from growth areas of the market, we are also seeing potentially attractive opportunities in areas that have been affected by this rotation, such as smaller cap medical devices and healthcare IT.

In summary, we remain optimistic that the growth drivers for the sector are improving as we move through 2014. Meanwhile, we expect to see solid quarterly earnings reports, positive clinical trial news flow and strong launches of truly innovative products and devices to sustain current outperformance.

Gemma Game

28 May 2014

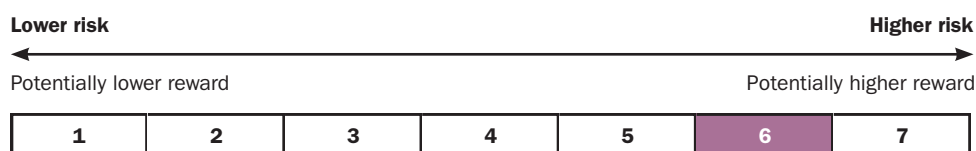
Source of all performance data: AXA Investment Managers and Lipper to 30 April 2014.

AXA Framlington Health Fund

For the six months ended 30 April 2014

Risk and reward profile

The Fund invests primarily in the shares of quoted companies on worldwide financial markets drawn from companies in the healthcare and medical services and product companies. 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. As many of these investments will be made in non sterling denominated listed equities, the value of the fund will not only be impacted by the market risk associated with investing in equities but also by exchange rate movements between those currencies and sterling in which the fund is based. The Fund also invests a limited proportion in emerging and newer markets which may involve a higher risk than investing in established markets. Such investments may involve a higher degree of risk than established markets due to heightened geopolitical risk in such countries (see below) and potential large currency volatility. The Fund's investment in companies fulfilling current medical needs is regarded as adopting a positive ethical stance, although investors should be aware that pharmaceutical companies are required by law to test their products on animals before entering clinical trials. Investors should consider carefully whether this investment risk is suitable for them. 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.

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	Gemma Game
Sector	Specialist
Comparative benchmark	MSCI World Health Care (Net Return)
Launch date	24 Apr 1987
Fund size at 30 Apr 2014	£348m
Fund size at 31 Oct 2013	£336m
Minimum investments	
Lump sum	R: £1,000 Z: £100,000
Minimum subscription	R: £100 / Z: £5,000
Net yield	
R Inc	Nil
R Acc	Nil
Z Acc #	0.16%
Unit type	Inc/Acc
Number of stocks	92
Initial charge	R: 5.50% / Z: 0.00%
Annual management charge	R: 1.50% / Z: 0.75%
Ongoing charges	
R Inc	1.58%
R Acc	1.58%
Z Acc #	0.83%
Accounting dates (interim)	30 Apr
Accounting dates (annual)	31 Oct
Distribution dates (interim)	30 Jun
Distribution dates (annual)	31 Dec

All data, source: AXA Investment Managers as at 30 April 2014. # Launched 16 April 2012

Top five purchases

For the six months ended 30 April 2014

Teva Pharmaceutical ADR
Novartis
Forest Laboratories
Medtronic
Amgen

Top five sales

For the six months ended 30 April 2014

GlaxoSmithKline
Sanofi
AbbVie
Biogen Idec
Amgen

AXA Framlington Health Fund

For the six months ended 30 April 2014

Five year discrete annual performance %

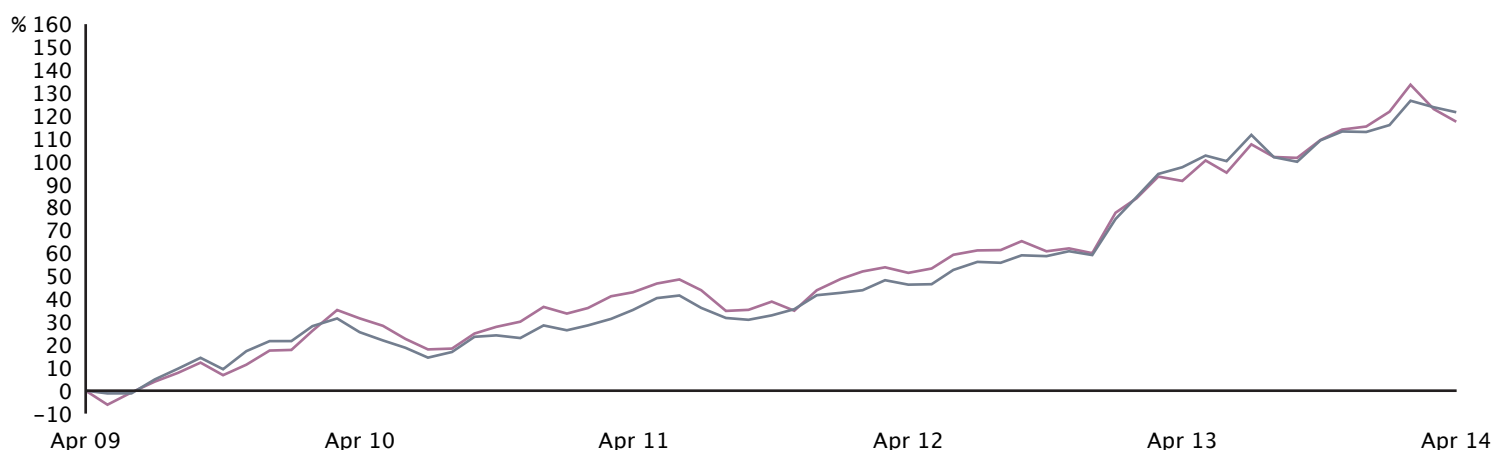
Apr 09 to Apr 10	Apr 10 to Apr 11	Apr 11 to Apr 12	Apr 12 to Apr 13	Apr 13 to Apr 14
31.57%	8.65%	5.93%	26.51%	13.49%

Past performance is not a guide to future returns. Sources: AXA Investment Managers and Lipper as at 30 April 2014. Basis: Bid to bid, with net revenue reinvested, net of fees in GBP. Performance is representative of R Acc class.

Cumulative fund performance versus comparative benchmark

as at 30 April 2014

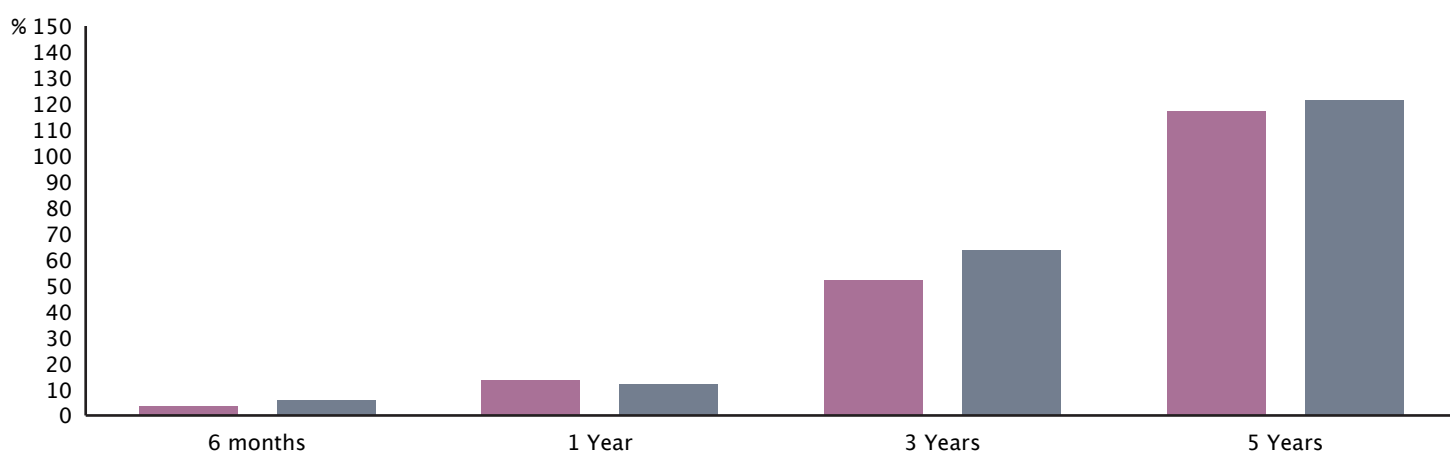
■ AXA Framlington Health Fund ■ MSCI World Health Care (Net Return)



Past performance is not a guide to future returns. Sources: AXA Investment Managers and Lipper as at 30 April 2014. Basis: Bid to bid, with net revenue reinvested, net of fees in GBP. Performance is representative of R Acc class.

as at 30 April 2014

■ AXA Framlington Health Fund ■ MSCI World Health Care (Net Return)



Past performance is not a guide to future returns. Sources: AXA Investment Managers and Lipper as at 30 April 2014. Basis: Bid to bid, with net revenue reinvested, net of fees in GBP. Performance is representative of R Acc class.

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For the six months ended 30 April 2014

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)
2009	R	Inc	670.3	472.1	Nil
2009	R	Acc	670.3	472.1	Nil
2010	R	Inc	770.9	614.5	Nil
2010	R	Acc	770.9	614.5	Nil
2011	R	Inc	846.7	638.3	Nil
2011	R	Acc	846.7	638.3	Nil
2012	R	Inc	935.3	751.5	Nil
2012	R	Acc	935.3	751.3	Nil
2012#	Z	Acc	112.1	98.13	0.218
2013	R	Inc	1,199	846.4	Nil
2013	R	Acc	1,199	846.5	Nil
2013	Z	Acc	144.6	107.0	0.235
2014*	R	Inc	1,298	1,111	Nil
2014*	R	Acc	1,298	1,111	Nil
2014*	Z	Acc	156.9	141.7	Nil

* Highest offer and lowest bid price quoted at any time in the calendar year to 30 April 2014.

Launched 16 April 2012.

Net asset value record

Unit class	Unit type	Net asset value per unit as at 30 Apr 2014 (pence)	Net asset value per unit as at 31 Oct 2013 (pence)
R	Inc	1,146	1,104
R	Acc	1,145	1,102
Z#	Acc	145.9	139.9

Launched 16 April 2012. Please note, that the NAV prices shown above are different from the results prices as at 30.04.14. 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). 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.

AXA Framlington Health Fund

For the six months ended 30 April 2014

Top ten holdings as at 30 April 2014

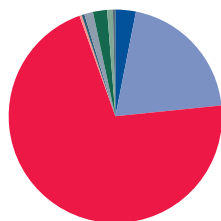
Company	Sector	%
Roche	Swiss Equities	6.23
Novartis	Swiss Equities	5.53
Gilead Sciences	US Equities	4.27
UnitedHealth	US Equities	2.82
Allergan	US Equities	2.59
Express Scripts	US Equities	2.55
Amgen	US Equities	2.31
McKesson	US Equities	2.29
Covidien	Irish Equities	2.24
Teva Pharmaceutical ADR	Israel Equities	2.13

Top ten holdings as at 31 October 2013

Company	Sector	%
Roche	Swiss Equities	6.08
Gilead Sciences	US Equities	3.97
Sanofi	French Equities	3.73
GlaxoSmithKline	UK Equities	3.71
Novartis	Swiss Equities	3.18
Express Scripts	US Equities	2.88
UnitedHealth	US Equities	2.78
Amgen	US Equities	2.61
Celgene	US Equities	2.42
McKesson	US Equities	2.31

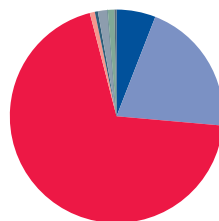
Portfolio breakdown

as at 30 April 2014



Sector	%
United Kingdom	3.10
Europe (ex UK & Eastern European)	20.28
North America	71.16
South America	0.35
Africa	0.41
Japan	1.33
Middle East	2.13
Australia	0.87
Net current assets (incl cash)	0.37

as at 31 October 2013



Sector	%
United Kingdom	5.92
Europe (ex UK & Eastern European)	20.48
North America	69.56
South America	0.77
Africa	0.46
Japan	1.51
Middle East	0.00
Australia	0.99
Net current assets (incl cash)	0.31

All data, source: AXA Investment Managers as at 30 April 2014

AXA Framlington Health Fund

For the six months ended 30 April 2014

Important information

Authorised Fund Manager and Investment Manager

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

Authorised and regulated by the Financial Conduct Authority.

Trustee

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

Authorised and regulated by the Financial Conduct Authority.

Dealing and Correspondence

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0845 777 5511

IFA dealing & enquiries

0845 766 0184

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+44 1268 448667

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

Independent Auditor

Ernst & Young LLP
Ten George Street
Edinburgh, EH2 2DZ

Registrar

AXA Investment Managers UK Limited
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.

0845 777 5511

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All data sources: AXA Investment Managers unless otherwise stated.