



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 Managed Income Fund

For the six months ended 15 June 2013

Investment objective and policy

To generate a high level of income with capital growth. Investment will be principally in convertible securities, corporate bonds and other fixed income securities (including government securities) of predominantly, but not exclusively, UK issuers. Investment will be in convertible and fixed interest securities which, in the Manager's opinion, have yield and value characteristics which create attractive total return potential. The Manager may also invest, to a limited extent, in ordinary shares.

Results

Unit Class	Unit Type	Price at 15.12.12 (p)	Price at 15.06.13 (p)	Fund Performance	Comparative Benchmark
R(n)	Acc*	703.8	739.0	5.00%	1.57%^
R(g)	Acc*	114.0	120.4	5.61%	1.57%^
Z(n)	Acc*	109.7	115.7	5.47%	1.57%^
Z(g)	Acc*	110.9	117.4	5.86%	1.57%^
R(n)	Inc**	130.8	133.4	1.99%	0.70%^
R(g)	Inc**	104.1	106.2	2.02%	0.70%^
Z(n)	Inc**	107.4	110.1	2.51%	0.70%^
Z(g)	Inc**	108.2	110.4	2.03%	0.70%^

* Acc units include net income reinvested, total return. ** Inc units do not include net income reinvested, capital return dividends excluded. ^ IMA Sterling Strategic Bond TR sector. ^^ IMA Sterling Strategic Bond CR sector (n) Net, (g) Gross. Past performance is not a guide to future returns. Source of all performance data: AXA Investment Managers and Lipper to 15 June 2013.

Review

Bond markets were volatile in the six months ending 15 June 2013, with policy action providing support, before improving economic data in the US prompted a sell-off towards the end of the period.

The key policy action was the aggressive expansion of Japan's monetary base by the Bank of Japan in an attempt to break out of the long period of deflation. This caused the yen to fall sharply and global bond markets to rise on the expectation that Japanese investors would seek better yielding assets overseas. In addition, many hedge funds dumped the yen in favour of better yielding assets elsewhere.

Monetary policy in the Eurozone continued to be supportive as austerity measures took a toll on activity levels. The policy of spending cuts, leading to job losses and recession leading to reduced tax taken in, is unsustainable with the levels of unemployment, particularly among the young, at very worrying levels in countries such as Spain. The Euro members dealt with the rescue of Cyprus, which featured losses to depositors who held more than €100,000 in one of their banks. Economic activity in the Eurozone was not helped by a cold, harsh winter.

In the US, the economy had to cope with the headwinds arising from the budget sequestration. Following a failure to agree a budget, automatic spending cuts came into force at the beginning of March. Estimates suggested that these cuts would reduce 2013 economic growth by 0.6%

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For the six months ended 15 June 2013

(Congressional Budget Office). A recovery in the housing market, where affordability had reached very conservative levels, helped economic growth and also bolstered consumer confidence which also benefitted from rising financial markets. The other big change was the rapid growth in the production of oil and gas from unconventional sources. This benefits US manufacturing where a trend to onshoring production is developing. This pick-up in growth led to a change in commentary tone from the Federal Reserve, of which more later.

The new Chinese leadership is aiming to orchestrate a shift in economic activity from infrastructure spending to more consumption. This includes controlling the shadow banking sector which has been financing some of the construction activity. As a result of these policies, growth in China has slowed, with a risk of greater slowdown than is currently expected.

The UK economy avoided a 'triple dip' recession (double dip after revisions to the previous, now non-existent, double dip) despite the slowdown in Europe, our main trading partner. The government introduced policies to bolster the housing market which was already recovering. This improvement, along with lower fuel prices, has bolstered consumer confidence and recent data is the most optimistic since the financial crisis.

Bond markets were very firm in the early period of the Fund's year, as investors' quest for income producing assets carried on unabated. Prices of government bonds hit unsustainably low levels. Comments by members of the US Federal Reserve, concerning a possible 'tapering' of quantitative easing, caused a sharp-sell off which caught some investors unprepared. In particular, the lack of interest available on cash deposits had forced some money into higher risk assets.

Overall, the result of the rise, and subsequent fall in bond markets, was a slightly positive return, with the IMA Strategic Bond sector returning a gain of +1.57% for the six month period. From a Fund perspective, performance was helped by good rises in both Pearl and Phoenix Life bonds, where the latter strengthened its balance sheet through a fund raising. Other good performers included Small Companies Dividend Trust and Thomas Cook bonds. The poor performers included ATU Auto Teile bonds, on a rating downgrade, and Invista European Real Estate Preference shares.

During the period, new bond purchases were made in National Grid, Pendragon, Prudential and Scottish Widows. At current market levels it is difficult to achieve yields in excess of 6%

with Pendragon being the highest at 6%. The Prudential bond is a very low, short dated coupon and is viewed as a temporary holding, pending better opportunities. In addition, there were purchases of convertible bonds from JKK Oil & Gas and Ceramic Fuel Cells. A holding was acquired in NB Global Floating Rate Income Fund, which will benefit as and when interest rates move higher.

The Capital Shopping bond was redeemed during the period, while part of the Alliance Pharma convertible bond was converted to shares ahead of the final conversion date later this year. The majority of the resulting equity holding was subsequently sold.

Outlook

Long-term interest rates have risen from their lows which are unlikely to be seen again unless the world economy takes a material turn for the worse. It is clear from statements made by both the Bank of England, after the first meeting with its new Governor, and the European Central Bank, that short-term rates will remain low for a long time. In the US, the Federal Reserve will begin to taper quantitative easing if economic conditions continue to improve. However, reducing assistance by tapering is a long way from raising the Federal funds rate. This background means that future returns are likely to be driven by income generation, rather than capital gains arising from interest rates moves.

George Luckraft

9 July 2013

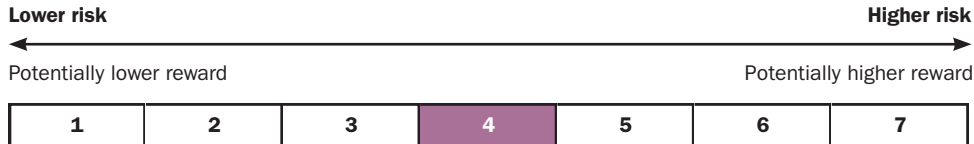
All performance data source: AXA Investment Managers and Lipper to 15 June 2013.

AXA Framlington Managed Income Fund

For the six months ended 15 June 2013

Risk and reward profile

By investing in a fund which invests primarily in convertible securities, corporate bonds and other fixed income securities you are likely to be looking for an investment which will generate income with the potential for capital growth. You are willing to accept that investing in corporate bonds (including sub-investment grade debt) and convertible securities is higher risk than other investments such as government bonds and that your investment may fluctuate in value and that you could get back less than you invest. You should be willing to invest for a minimum of 5 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 that the Fund may face difficulties purchasing or selling its assets.

FUND FACTS

Lead Fund manager	George Luckraft
Sector	IMA £ Strategic Bond
Comparative Benchmark	IMA £ Strategic Bond
Launch date	27 Feb 1981
Fund size at 15 Jun 2013	£66m
Fund size at 15 Dec 2012	£57m
Minimum investments	
Lump sum	R: £1,000 Z: £100,000
Subsequent subscription	R: £100 / Z: £5,000
Net Yield	
R Inc / Acc (net)	5.29% / 5.20%
R Inc / Acc (gross)	6.51% / 6.36%
Z Inc / Acc (net)	5.00% / 4.81%
Z Inc / Acc (gross)	6.05% / 6.03%
Unit type	Inc/Acc
Number of stocks	81
Initial charge	R: 5.25% / Z: 0.00%
Annual charge	R: 1.00% / Z: 0.50%
Ongoing charges	
R Inc / Acc (net)	1.08% / 1.08%
R Inc / Acc (gross)	1.07% / 1.11%
Z Inc / Acc (net)	0.58% / 0.58%
Z Inc / Acc (gross)	0.59% / 0.59%
Accounting dates (interim)	15 Jun
Accounting dates (annual)	15 Dec
Distribution dates (interim)	15 May, 15 Aug, 15 Nov
Distribution dates (final)	15 Feb

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

Top five purchases

For the six months ended 15 June 2013

Scottish Widows 5.5% 16/06/23
ITV 5.375% 19/10/15
Pendragon 6.875% 01/05/20
Prudential 1.25% 16/11/15
NB Global Floating Rate Income Fund

Top five sales

For the six months ended 15 June 2013

Capital Shopping 6.875% 05/03/2013
Alliance Pharmaceuticals 8% CULS 31/12/13
Prudential 1.25% 16/11/15
Schroder Real Estate Investment
Caliber Global Investment

AXA Framlington Managed Income Fund

For the six months ended 15 June 2013

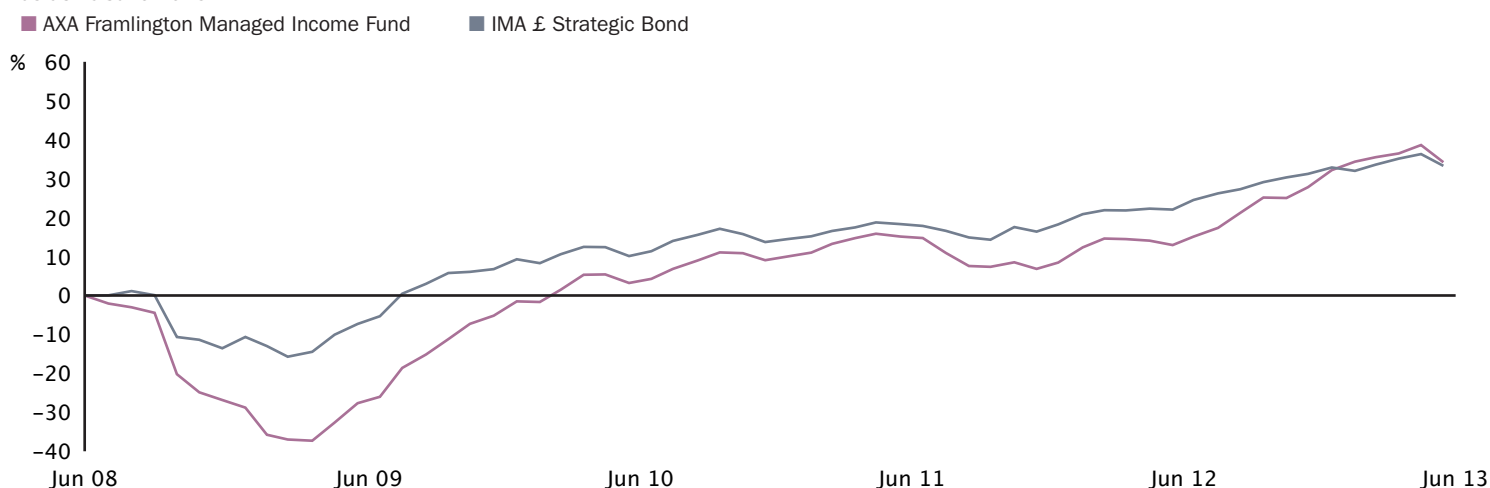
Five year discrete annual performance %

Jun 08 to Jun 09	Jun 09 to Jun 10	Jun 10 to Jun 11	Jun 11 to Jun 12	Jun 12 to Jun 13
-27.66%	42.68%	11.54%	-1.89%	18.83%

Past performance is not a guide to future returns. Sources: AXA Investment Managers and Lipper as at 15 June 2013. Basis: Bid to bid, with net income reinvested, net of fees in GBP. Performance is representative of R Acc (net) units.

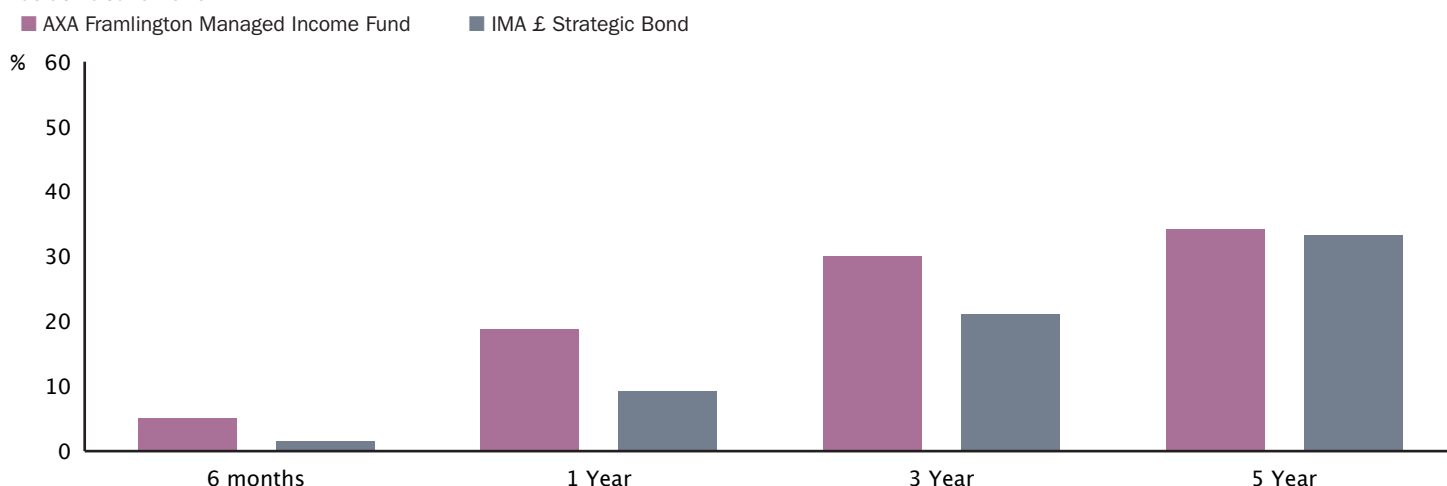
Cumulative fund performance versus comparative benchmark

as at 15 June 2013



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as at 15 June 2013



Past performance is not a guide to future returns. Sources: AXA Investment Managers and Lipper as at 15 June 2013. Basis: Bid to bid, with net income reinvested, net of fees in GBP. Performance is representative of R Acc (net) units.

AXA Framlington Managed Income Fund

For the six months ended 15 June 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	161.2	93.51	8.618
2008	R	Acc	644.4	400.5	34.702
2009	R	Inc	126.6	76.77	6.789
2009	R	Acc	575.1	336.3	29.971
2010	R	Inc	139.5	113.7	6.735
2010	R	Acc	667.6	524.4	31.590
2011	R	Inc (net)	138.2	113.2	7.680
2011	R	Acc (net)	679.4	584.7	38.223
2011	R	Inc (gross)	107.1	89.72	3.437
2011	R	Acc (gross)	107.1	92.92	3.442
2012	R	Inc (net)	146.3	113.8	7.427
2012	R	Acc (net)	371.3	312.7	39.102
2012	R	Inc (gross)	110.8	90.23	7.359
2012	R	Acc (gross)	122.2	94.18	7.846
2012#	Z	Inc (net)	111.3	95.68	4.132
2012#	Z	Acc (net)	114.2	96.04	3.936
2012#	Z	Inc (gross)	112.0	95.71	4.860
2012#	Z	Acc (gross)	115.5	96.22	4.925
2013*+	R	Inc (net)	146.3	129.4	3.400
2013*+	R	Acc (net)	419.2	349.5	18.000
2013*+	R	Inc (gross)	116.3	102.8	3.370
2013*+	R	Acc (gross)	132.1	114.9	3.700
2013*+	Z	Inc (net)	116.1	106.4	2.700
2013*+	Z	Acc (net)	121.9	110.7	2.800
2013*+	Z	Inc (gross)	116.5	106.5	3.200
2013*+	Z	Acc (gross)	124.0	111.9	3.400

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

+Distribution paid 15 August 2013. # Launched 16 April 2012

Net asset value record

Unit class	Unit type	Net asset value per unit as at 15 June 2013 (pence)	Net asset value per unit as at 15 December 2012 (pence)
R	Inc (net)	131.7	128.7
R	Acc (net)	739.6	704.4
R	Inc (gross)	104.5	102.1
R	Acc (gross)	120.4	113.9
Z #	Inc (net)	108.8	105.8
Z #	Acc (net)	115.9	109.8
Z #	Inc (gross)	108.8	105.8
Z #	Acc (gross)	117.5	110.8

Launched 16 April 2012.

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 Managed Income 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 Managed Income Fund falls within the 40% debt investment reporting threshold. This means that details of all revenue 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.

Net asset value record

Please note, that the NAV prices shown above are different from the results prices as at 15.06.13. 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).

AXA Framlington Managed Income Fund

For the six months ended 15 June 2013

Top ten holdings as at 15 June 2013

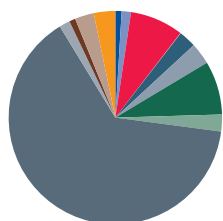
Company	Sector	%
Legal & General 6.385% Perpetual Variable	Financials	3.06
HSBC Funding FRN Perpetual	Financials	3.00
Phoenix Life 7.25% 23/07/49	Financials	2.93
Premier Farnell	Industrials	2.77
Barclays Bank 6% Perpetual Variable	Financials	2.62
Cable & Wireless 8.625% 25/03/19	Telecommunications	2.56
Beazley 7.25% 17/10/26	Industrials	2.53
Royal Sun Alliance 7.375% CIP	Financials	2.47
Barclays Funding 'B'	Financials	2.41
Carador Income Fund	Financials	2.41

Top ten holdings as at 15 December 2012

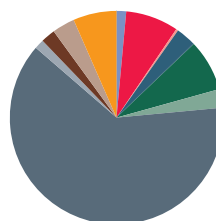
Company	Sector	%
Legal & General 6.385% Perpetual Variable	Financials	3.05
Premier Farnell	Industrials	3.05
Phoenix Life 7.25% 23/07/49	Financials	2.96
Beazley 7.25% 17/10/26	Industrials	2.93
Barclays Bank 6% Perpetual Variable	Financials	2.89
Carador Income Fund	Financials	2.83
Cable & Wireless 8.625% 25/03/19	Telecommunications	2.82
Royal Sun Alliance 7.375% CIP	Financials	2.76
Barclays Funding 'B'	Financials	2.69
Investec 9.625% 17/02/22	Financials	2.62

Portfolio breakdown

as at 15 June 2013



as at 15 December 2012



Sector	%
Oil & Gas	0.94
Basic Materials	1.42
Industrials	8.08
Consumer Goods	0.06
Healthcare	2.63
Consumer Discretionary	3.28
Consumer Services	8.12
Telecommunications	2.56
Financials	64.20
Europe	1.63
Canada	0.93
USA	2.89
Net Current Assets	3.26

Sector	%
Oil & Gas	0.00
Basic Materials	1.46
Industrials	8.00
Consumer Goods	0.32
Healthcare	3.10
Consumer Discretionary	0.00
Consumer Services	7.81
Telecommunications	2.82
Financials	62.84
Europe	1.46
Canada	2.17
USA	3.44
Net Current Assets	6.58

All data, source: AXA Investment Managers

AXA Framlington Managed Income Fund

For the six months ended 15 June 2013

Important information

Authorised Fund Manager / Investment Manager

AXA Investment Managers UK Ltd
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London EC1A 7NX

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

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

Independent auditor

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Registrar

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London EC1A 7NX

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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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All data sources: AXA Investment Managers unless otherwise stated.