



**Annual Long Report and Audited Financial Statements**  
**Year ended**  
**15 September 2024**

**AXA Framlington UK Select Opportunities Fund**





## Issued by AXA Investment Managers UK Ltd authorised and regulated by the Financial Conduct Authority

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\* These collectively comprise the Authorised Fund Manager's ("the Manager's") Report for the Trust.

More detailed information about AXA Investment Managers' UK funds is available on the Fund Centre of our website where you can find the Prospectus, Key Investor Information Document (KIID), annual reports and monthly fund factsheets at <https://retail.axa-im.co.uk/fund-centre>.



## **Fund Objective & Investment Policy**

The aim of AXA Framlington UK Select Opportunities Fund (“the Fund”) is to provide long-term capital growth over a period of 5 years or more.

The Fund has at least 70% of its investments in shares of companies domiciled, incorporated or having significant business in the UK which the Manager believes will provide above-average returns. The Fund invests in companies of any size. The Manager selects shares based upon analysis of a company's financial status, quality of its management, expected profitability and prospects for growth.

The Manager has full discretion to select investments for the Fund in line with the above investment policy and in doing so may take into consideration the FTSE All Share index. The FTSE All Share index is designed to measure the performance of all eligible companies listed on the London Stock Exchange. This index best represents a core component of the Managers' investment universe.

This Fund is actively managed in reference to the FTSE All Share index, which may be used by investors to compare the Fund's performance.

AXA Framlington UK Select Opportunities Fund (‘the Fund’) is authorised and regulated by the Financial Conduct Authority.



## Investment Review

Over the reporting period the Fund increased by 7.67% (Z class net of fees) versus a rise of 12.01% for the Fund's comparative index (FTSE All-Share) in a year once again driven by macroeconomic and geopolitical upheaval.

The Fund's investment philosophy and process remains unaltered. We continue to meet numerous company management teams, looking for those businesses that exhibit an ability to grow and compound their profitability and cash flows, are well managed, and have sufficient balance sheet strength to support that growth.

### Market Review

October 27th marked the low point for the FTSE All Share in 2023. Despite continued central bank rhetoric to the contrary, it became very clear that inflation was falling globally and interest rates had likely peaked in this cycle. Indeed, in November and December inflation made faster progress towards its target than policymakers had predicted, a welcome change after the upside surprises of recent years. A combination of this, stronger than expected economic data and the prospect of interest rate cuts in 2024 provided a much improved backdrop for risk sentiment with the UK equity market enjoying a most welcome 'Santa rally'.

Some of this market optimism however faded in January and February as the scale and speed of interest rate cuts that so excited the market in November and December 2023, looked increasingly to be over optimistic. This was put into stark context when the recent trend of better-than-expected inflation data came back to earth with a bump in January, when December's data showed an acceleration over the previous period. The UK also slipped into a technical recession as the fourth quarter saw the gross domestic product (GDP) print shrink by -0.3%, negatively impacting sentiment towards more domestically exposed equities.

Not that you could tell by the weather, but a spring-like feeling was definitely in the air by March. In fact, there had been a whole raft of economic data points that clearly showed the UK economy was recovering thanks to falling inflation, robust wage growth and tax cuts. Indeed, the UK was the fastest growing economy in the G7 in the first three months of the year. UK inflation dropped to the Bank of England's (BoE) 2% target for the first time in nearly three years in May, although there were concerns that services inflation still remained high at 5.7%. The GfK Consumer Confidence indicator in the United Kingdom rose in July, improving for the fourth consecutive month to the highest level since September 2021. UK business confidence also improved to the highest level in the last two years on easing inflationary pressures.

Amid wider global political uncertainty, UK markets also moved notably higher over the summer on the back of a landslide election victory for the Labour Party which at the time, provided a welcome sense of clarity and stability. This provided the backdrop for the UK domestic banks and a number of retailers to outperform the market as a whole.

In August the BoE cut the base rate for the first time since 2020 from a 16-year high of 5.25% to 5% in a widely anticipated move, with further interest rate cuts anticipated in the autumn. US Federal Reserve (Fed) officials also signalled their readiness to cut interest rates in September.

During the period, there has been a noticeable divergence in the performance of companies exposed to 'small ticket' consumer spend compared to those businesses exposed to 'big ticket' items and corporate spending. Consumers, despite the naysayers, have coped remarkably well with high interest rates (near full employment, robust wage increases, and high savings rates are likely contributors) as opposed to companies who have become much more cautious in their spending decisions. It is hoped that this is the start of an extended rate cutting cycle which will help to stimulate corporate investment, benefitting a number of companies in the Fund.

### Top Ten Holdings

#### as at 15 September 2024

|                                    | %    |
|------------------------------------|------|
| <b>AstraZeneca</b>                 | 5.15 |
| <i>Health Care</i>                 |      |
| <b>London Stock Exchange Group</b> | 4.18 |
| <i>Financials</i>                  |      |
| <b>Experian</b>                    | 3.52 |
| <i>Industrials</i>                 |      |
| <b>Shell</b>                       | 3.49 |
| <i>Energy</i>                      |      |
| <b>GSK</b>                         | 3.34 |
| <i>Health Care</i>                 |      |
| <b>BP</b>                          | 2.85 |
| <i>Energy</i>                      |      |
| <b>Lloyds Banking Group</b>        | 2.82 |
| <i>Financials</i>                  |      |
| <b>Compass Group</b>               | 2.76 |
| <i>Consumer Discretionary</i>      |      |
| <b>SSE</b>                         | 2.66 |
| <i>Utilities</i>                   |      |
| <b>Weir Group</b>                  | 2.38 |
| <i>Industrials</i>                 |      |



## Investment Review (Continued)

An improving outlook coupled with continued weak sentiment towards domestic equities has however emboldened corporate acquirers. 2023 was characterised by a spate of deals. By our estimates there were 42 takeovers. These were largely targeted at the bottom end of the market spectrum with the median market cap of all target companies being just under £200m. Just two FTSE 250 companies were acquired. Fast forward to 2024 and we have already seen approaches for 33 companies. While we do not expect all of these deals to reach completion, what is most stark is that a staggering 14 FTSE 250 companies have received bids. The clear message is that valuation anomalies persist and the conviction and confidence of suitors to act has surged.

### Portfolio Review

As we have stated in prior reports, the Fund's investment philosophy and process remains unaltered. We continue to meet numerous company management teams, looking for those businesses that exhibit an ability to grow and compound their profitability and cash flows, are well managed, have pricing power, a return on capital ahead of cost of capital and have sufficient balance sheet strength to support that growth. Experian, Cranswick, Autotrader, AJ Bell and London Stock Exchange are all businesses that typify these characteristics and have yet again continued to produce impressive results during this period.

The fact that the UK equity market is cheap is not new news. However, while investors, globally and locally, may be ignoring the opportunity, it has not gone unnoticed by private equity and international corporations with a notable recent pick up in aforementioned M&A activity. During the period five of the portfolio holdings were subject to takeover activity. Spirent Communications at an 86% premium to the undisturbed price and Ascential at a 53% premium were at satisfactory valuation levels but the acquisitions of Darktrace and Hargreaves Lansdown were disappointing, especially as the future prospects for both these businesses are thought to be very bright. REA Group, a leading global digital business specialising in property, made a series of offers for Rightmove during the month which were all rejected by the Rightmove Board as undervaluing the business. This is a positive endorsement in the company's future strategic direction and potential.

The secular opportunity offered by the technology sector has in recent periods been overshadowed by an investment restraint caused by the speed and magnitude of recent interest rate increases. It is therefore pleasing to note that the UK technology sector appears to be stabilising as GB Group reported results that were at least in line with expectations. Auction Technology Group however continues to be impacted by declining used asset prices following a period of very strong price appreciation brought on by COVID-19 supply shortages. Any stabilisation in their end markets is likely to be well received by investors.

Antofagasta shares also performed well as the demand for copper remained buoyant as countries look to upgrade their electricity grids to accommodate a higher level of renewable energy generation. Chemring has benefited from the rise in global insecurity, leading to a structural increase in defence spend.

On the more disappointing side, Reckitt Benckiser shares suffered following news that an Illinois court had granted \$60m of damages to a baby in intensive care after it developed an intestinal disease allegedly caused by their baby formula. Reckitt's has stated they will appeal the verdict but the market fears that this has set a precedent with likely more cases to follow. Rentokil issued a profit warning in the period, blaming commercial execution in their North American business. Trian, an activist investor, announced after the trading statement that they now have a member on the Rentokil Board. This should help to realise the value inherent in this business. Kainos announced an in line profit statement but stated that revenue would be weaker than expected as demand from their Public Sector clients has been offset by some delays around project mobilisation. This was also taken poorly by the market.

Over the reporting period, stock market volatility was used to add to and reduce current holdings. The decision to buy or sell a company is always judged by the Fund's four investment philosophy pillars of long-term structural growth, compounding earnings, business quality and operational excellence. The positions in Diversified Energy, Serica Energy, Morgan Advanced Materials, OSB Group, Diageo and Indus Gas were all sold. The decision was taken to reduce the Fund's exposure to small-cap energy. Unfortunately, the decision to sell Indus Gas from the portfolio came at a cost to performance but it is felt to be in the best long-term interests of clients.



## Investment Review (Continued)

In addition to adding positions in Compass, Segro, Trainline and Kainos that were reported on at the half year, new holdings have also included JTC Plc, Marshalls, Genuit, Safestore, Just Group, Raspberry Pi, Unilever and Alpha Group. This is an unusually high level of activity given that we are long term investors, and our philosophical holding period would be forever if possible, therefore this is unlikely to be repeated going forwards.

Marshalls, Genuit and Safestore have been added on account of an expected pick up in housing activity given the new government's focus on this as a manifesto priority, alongside the much-anticipated interest rate cuts which should stimulate demand. Genuit and Marshalls will also benefit from increasing environmental regulation around housing as the UK pursues its Net Zero ambition given their product offering and innovation strategy have been designed specifically in this regard.

Just group is one of the leading UK players in the outsourcing of pension funds to the insurance market. They have been experiencing elevated growth in recent years, but the tailwinds of ageing demographics and regulation mean that this de-risking megatrend is still forecast for multi-year growth. Their recent results also highlighted that the benefits of operational leverage within the business are starting to come through as their growth compounds.

A position in Alpha Group was started on the basis of their very attractive financial metrics. This is a very high margin, high return, cash generative business. It is expected to be a materially bigger business in five years' time. I like their customer-first culture and entrepreneurial endeavour which has and hopefully will continue to enable the business to grow and take advantage of new opportunities as they arise. The valuation is attractive both against peers and relative to itself, and there is huge opportunity for shareholder returns either as a buyback or as special dividends given the likely scale of its cash position in a few years' time.

Raspberry Pi is a UK maker of single board computers and compute modules. The most impressive aspect of this company is its competitive positioning. A combination of product longevity, its enormous community (fan base), quality (price and performance) and software integration means it is a really compelling product proposition. The end market drivers are also immense with all the global mega trends ticked off - Electrification, digitalisation, artificial intelligence (AI) / machine learning (ML), internet of things (IoT), and Edge computing.

JTC is a global provider of fund, corporate and private client services, primarily providing fund and trust administration services. It has an excellent track record of delivering growth, has a strong corporate culture with high equity ownership and operates in a market with very attractive financial characteristics. It has all the hallmarks that we look for in an investment - high quality, growth, strong balance sheet, high recurring revenue and a management team with a track record of under-promising and over-delivering.

### Outlook

We believe the outlook is finally more favorable for UK equities. Some key foundation stones are falling into place for a sustained improvement in sentiment. There is no single specific catalyst for this shift, rather a range of factors coalescing to leave a more positive outlook than we have witnessed for some time. The improving macro has already been discussed, with real income growth contributing to a pick-up in consumer and business sentiment. UK Indices remain discounted relative to their history. The FTSE 100 & FTSE 250 are between a C.10% – 20% discount to their historical long-term average PE multiple (using FactSet data as at 30th August 2024). The Fund has 58% and 36% exposure respectively. The pricing anomalies are driving a historic level of M&A.

Other long-term headwinds appear to be abating. The Capital Market Industry Taskforce (CMIT) highlights that UK pension investment in UK equities has collapsed by 89% over the last 25 years, representing a withdrawal of £1.9 trillion from the domestic stock market. Data from the Office of National Statistics paints a similar picture. In 1990 pension funds and insurance companies held about 52% of UK listed equities; in 2022, the latest figure available, the proportion had fallen to 4%. As HSBC highlight, it is difficult to prove cause and effect as equity markets are affected by many factors, but such sustained selling pressure has been deeply unhelpful for market performance. With so little left to sell, this decades long over-hang seems close to an end.



## Investment Review (Continued)

Encouragingly there is a cross-party recognition that Government policy should play a part in not just arresting a slide in equity market participation but reversing it. A consultation has been launched that would require UK pension fund managers to declare their level of UK investments. Such a nudge into introducing new disclosures might help, but there is no doubt that attractive tax incentives would do more.

Whilst it is pleasing to note these markets headwinds are abating our role is to focus on the fundamental drivers of profitability and cashflow at the corporate level. Our approach remains centred on owning good quality businesses that can reinvest and compound their returns over time. We continue to believe that understanding longer term structural trends and identifying responsible, reliable and ultimately sustainable companies, in a targeted, focused and active approach, remains the key to longer-term success.

**Nigel Yates**

**15<sup>th</sup> September 2024**

Source of all performance data: AXA Investment Managers, Morningstar to 15 September 2024.

Past performance is not a guide to future performance. All performance figures calculated as follows: Single Priced NAV (Net Asset Value) with net income reinvested, net of fees in GBP, gross of tax. Performance is representative of Z Acc Class.



## Portfolio Changes

For the year ended 15 September 2024

| Major Purchases                     | Cost (£'000)   | Major Sales                     | Proceeds (£'000) |
|-------------------------------------|----------------|---------------------------------|------------------|
| Compass Group                       | 14,146         | Diageo                          | 23,203           |
| Segro                               | 9,960          | Darktrace                       | 13,858           |
| Kainos Group                        | 9,365          | GSK                             | 11,796           |
| Trainline                           | 8,008          | Spirent Communications          | 10,961           |
| Genuit Group                        | 7,180          | Reckitt Benckiser Group         | 10,134           |
| Marshalls                           | 7,002          | Shell                           | 9,819            |
| Alpha Group                         | 6,727          | Morgan Advanced Materials       | 9,252            |
| Unilever                            | 6,576          | Ashtead Group                   | 8,511            |
| Hargreaves Lansdown                 | 5,993          | OSB Group                       | 8,501            |
| Just Group                          | 5,689          | Ascential                       | 8,461            |
| Other purchases                     | 26,205         | Other sales                     | 115,651          |
| <b>Total purchases for the year</b> | <b>106,851</b> | <b>Total sales for the year</b> | <b>230,147</b>   |





## Managing Risks

Past performance is not a guide to future performance. The price of units and the revenue from them can go down as well as up and investors may not get back the amount originally invested. An initial charge is usually made when you purchase units. Changes in exchange rates will affect the value of Fund investments overseas. Investment in smaller companies and newer markets offers the possibility of higher returns but may also involve a higher degree of risk.

The Fund is managed in accordance with the objective set out on page 3. By investing in financial markets there are associated risks and the following explains the Manager's approach to managing those risks.

### RISK PROFILE

The Fund invests principally in UK equities. The Fund may invest a proportion of its assets in smaller companies which offers the possibility of higher returns but may also involve a higher degree of risk. The value of investments and the revenue from them is not guaranteed and can go down as well as up.

### EQUITY RISK

The value of shares in which the Fund invests fluctuate pursuant to market expectations. The value of such shares will go up and down and equity markets have historically been more volatile than fixed interest markets. Should the price of shares in which the Fund has invested fall, the Net Asset Value of the Fund will also fall.

Funds investing in shares are generally more volatile than funds investing in bonds or a combination of shares and bonds, but may also achieve greater returns.

Internal investment guidelines are set, if necessary, to ensure equity risk is maintained within a range deemed suitable based on the Fund's investment objectives and investment policy.

### SMALLER COMPANIES RISK

Investments in smaller companies offers the possibility of higher return but also involve a higher degree of risk than investment in well established, larger companies. The shares of smaller companies can be more volatile which may lead to increased volatility in the Price of the Units of the Fund.

This is an inherent risk for funds invested within smaller companies. Investment guidelines (including diversification measures), scenario testing as well as other regular monitoring seek to ensure the level of risk is aligned with the Fund's investment objectives and investment policy.

### STOCK LENDING RISK

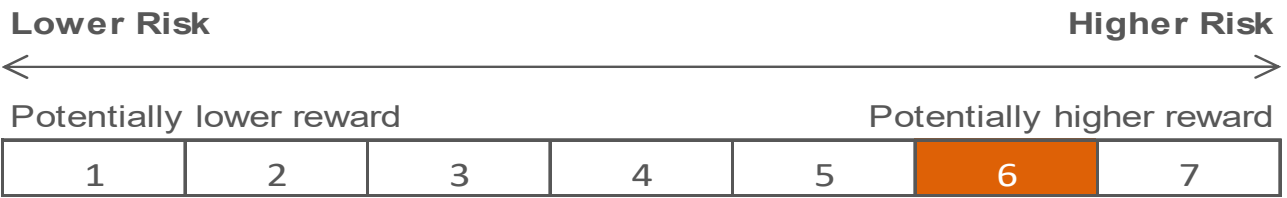
The Fund may participate in a stock lending programme managed by an affiliate of the Manager (acting as stock lending agent) for the purpose of lending the Fund's securities via entering into a stock lending authorisation agreement. If the Fund engages in stock lending it will be exposed to counterparty credit risk in that the borrower may default on a loan, become insolvent or otherwise be unable to meet, or refuse to honour, its obligations to return loaned or equivalent securities. In this event, the relevant Fund could experience delays in recovering the loaned securities, may not be able to recover the loaned securities and may incur a capital loss which might result in a reduction in the net asset value of the relevant Fund. The Fund's exposure to its counterparty will be mitigated by the fact that the counterparty will be requested to post collateral, in the form of cash or debt or equity securities, as from time to time set out in the relevant stock lending agreement, and will forfeit its collateral if it defaults on the transaction. If a counterparty defaults and fails to return equivalent securities to those loaned, the Fund may suffer a loss equal to any shortfall between the value of the realised collateral and the market value of the replacement securities. Such collateral shortfall may arise as a result of inaccurate pricing of the collateral, unfavourable market movements in the value of the collateral, or a lack of liquidity in the market on which the collateral is traded. If the relevant transaction with a counterparty is not fully collateralised, then the Fund's credit exposure to the counterparty in such circumstances will be higher than if the transaction had been fully



collateralised. When entering into stock lending the Fund may also be exposed to settlement risk (i.e. the possibility that one or more parties to the transactions will fail to deliver the assets at agreed-upon time) and legal risk, which is the risk of loss due to the unexpected application of a law or regulation, or because a court declares a contract not legally enforceable. In addition to the specific risks identified above stock lending carry other risks, as described in this Risk Factors section, notably (i) counterparty risk, ii) custody insolvency and iii) liquidity risk.

For Stock Lending the risks are partially mitigated by: (i) the lending agent seeking to lend only to counterparties who are considered to have a strong financial standing; (ii) the requirement to receive collateral of good quality and liquidity (the anticipated ability to sell the collateral if needed) covering the value of assets lent, and this amount being regularly reviewed to reflect any market movement in the value of assets lent and received; (iii) carrying out the transaction under legal documentation corresponding to recognised market standards; (iv) limiting the amount of lending to individual counterparties; (v) ensuring the terms of the loan allow it to be requested to be recalled at any time.

RISK AND REWARD PROFILE



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. There has been no change from prior year.

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

**Liquidity risk:** Under certain market conditions, it may be difficult to buy or sell investments for the Fund. For example, smaller company shares may trade infrequently and in small volumes and corporate and emerging market bonds may be affected by the demand in the market for such securities carrying credit risk, particularly in times of significant market stress. As a result, it may not be possible to buy or sell such investments at a preferred time, close to the last market price quoted or in the volume desired. The Manager may be forced to buy or sell such investments as a consequence of unitholders buying or selling units in the Fund. Depending on market conditions at the time, this could lead to a significant drop in the Fund’s value.

Monthly monitoring is conducted, using an in-house liquidity tool, to ensure a high degree of confidence that Fund liquidity will meet the Fund’s expected liquidity requirements. Any concerns indicated by the tool are analysed by the Manager’s risk team who may also discuss the results with portfolio management staff, or other senior professionals within the firm, as needed, to ensure an appropriate scrutiny.

Based on the analysis, the Manager believes that the liquidity profile of the Fund is appropriate.

Further explanation of the risks associated with an investment in this Fund can be found in the prospectus.



## Fund Information

### FIVE YEAR PERFORMANCE

In the five years to 15 September 2024, the price of Z Accumulation units, with net income reinvested, rose by +6.25%. The FTSE All-Share Index (Total Return) increased by +32.76% over the same time period. During the same period, the price of Z Income units, with net income reinvested, fell by -2.27% (Source: AXA Investment Managers and Morningstar) (Prices in GBP).

### FIVE YEAR DISCRETE PERFORMANCE (DISCRETE YEARS TO LATEST REPORTING DATE)

| Date                      | AXA Framlington UK Select Opportunities Z Acc | FTSE All-Share (TR) |
|---------------------------|---|---------------------|
| 15 Sep 2019 - 15 Sep 2020 | -6.65%  | -13.21%             |
| 15 Sep 2020 - 15 Sep 2021 | +22.71%                                       | +22.50%             |
| 15 Sep 2021 - 15 Sep 2022 | -13.11%                                       | +2.53%              |
| 15 Sep 2022 - 15 Sep 2023 | -0.86%  | +8.73%              |
| 15 Sep 2023 - 15 Sep 2024 | +7.67%  | +12.01%             |

Source: AXA Investment Managers & Morningstar. Basis: single price basis (NAV) with net income reinvested for Accumulation units, net of fees in GBP.

Past performance is not a guide to future performance.

### YIELD

|        |       |
|--------|-------|
| D Inc  | 1.42% |
| D Acc  | 1.42% |
| R Inc  | 1.04% |
| R Acc  | 1.04% |
| Z Inc  | 1.66% |
| Z Acc  | 1.65% |
| ZI Inc | 1.75% |
| ZI Acc | 1.75% |

### CHARGES

|                 | Initial Charge | Annual Management Charge |
|-----------------|----------------|--------------------------|
| D Unit Classes  | Nil            | 1.10%                    |
| R Unit Classes  | Nil            | 1.50%                    |
| Z Unit Classes  | Nil            | 0.85%                    |
| ZI Unit Classes | Nil            | 0.75%                    |



## ONGOING CHARGES\*

|        |       |
|--------|-------|
| D Inc  | 1.17% |
| D Acc  | 1.17% |
| R Inc  | 1.57% |
| R Acc  | 1.57% |
| Z Inc  | 0.92% |
| Z Acc  | 0.92% |
| ZI Inc | 0.82% |
| ZI Acc | 0.82% |

\*Ongoing Charges are sourced from the Fund's latest Key Investor Information Document (KIID), found here: <https://funds.axa-im.co.uk/en/individual/fund/axa-framlington-uk-select-opportunities-fund-z-accumulation-gbp/#documents>

\* For more information on AXA's fund charges and costs please use the following link: <https://retail.axa-im.co.uk/fund-charges-and-costs>

## UNIT TRUST INDIVIDUAL SAVINGS ACCOUNTS

The AXA Framlington UK Select Opportunities Fund is available as a Stocks and Shares ISA through the AXA Investment Managers Stocks and Shares ISA.

## THE TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES (TCFD)

From June 2023 the FCA has introduced requirements for Managers of UK UCITS to report annually on a broad set of climate related disclosures that can promote more informed investment decisions. The reporting includes data relating to greenhouse gas emissions, carbon emissions, carbon footprint, and weighted carbon intensity. You can find a copy of the latest TCFD report for AXA Framlington UK Select Opportunities Fund here: <https://funds.axa-im.co.uk/en/individual/fund/axa-framlington-uk-select-opportunities-fund-z-accumulation-gbp/#documents>



## Comparative Tables

|   | D Inc~            |                   |                   | D Acc~            |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Change in net assets per unit                         | 15/09/2024<br>(p) | 15/09/2023<br>(p) | 15/09/2022<br>(p) | 15/09/2024<br>(p) | 15/09/2023<br>(p) | 15/09/2022<br>(p) |
| Opening net asset value per unit <sup>†</sup>         | 1,819.68          | 1,871.80          | 1,982.00          | 3,558.07          | 3,592.45          | 3,762.00          |
| Return before operating charges <sup>^</sup>          | 160.12            | 3.96              | (82.37)           | 315.27            | 7.46              | (156.25)          |
| Operating charges                                     | (21.54)           | (21.76)           | (7.01)            | (42.20)           | (41.84)           | (13.30)           |
| Return after operating charges <sup>^</sup>           | 138.58            | (17.80)           | (89.38)           | 273.07            | (34.38)           | (169.55)          |
| Distributions   | (27.68)           | (34.32)           | (20.82)           | (54.31)           | (66.04)           | (39.52)           |
| Retained distributions on accumulation units          | -                 | -                 | -                 | 54.31             | 66.04             | 39.52             |
| <b>Closing net asset value per unit<sup>†</sup></b>   | <b>1,930.58</b>   | <b>1,819.68</b>   | <b>1,871.80</b>   | <b>3,831.14</b>   | <b>3,558.07</b>   | <b>3,592.45</b>   |
| <br>* <sup>^</sup> after direct transaction costs of: | <br>2.03          | <br>1.03          | <br>1.19          | <br>3.98          | <br>1.98          | <br>2.27          |
| <b>Performance</b>                                    |                   |                   |                   |                   |                   |                   |
| Return after charges                                  | 7.62%             | -0.95%            | -4.51%            | 7.67%             | -0.96%            | -4.51%            |
| <b>Other Information</b>                              |                   |                   |                   |                   |                   |                   |
| Closing net asset value <sup>†</sup> (£'000)          | 6,747             | 6,999             | 6,652             | 41,837            | 42,732            | 39,335            |
| Closing number of units                               | 349,481           | 384,634           | 355,352           | 1,092,020         | 1,200,991         | 1,094,937         |
| Operating charges                                     | 1.17%             | 1.17%             | 1.16%             | 1.17%             | 1.17%             | 1.16%             |
| Direct transaction costs <sup>*</sup>                 | 0.11%             | 0.06%             | 0.06%             | 0.11%             | 0.06%             | 0.06%             |
| <b>Prices</b>   |                   |                   |                   |                   |                   |                   |
| Highest unit price #                                  | 2,010.00          | 1,990.00          | 2,003.00          | 3,949.00          | 3,819.00          | 3,802.00          |
| Lowest unit price #                                   | 1,668.00          | 1,726.00          | 1,837.00          | 3,263.00          | 3,312.00          | 3,487.00          |



## Comparative Tables (Continued)

| Change in net assets per unit                       | R Inc             |                   |                   | R Acc             |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 15/09/2024<br>(p) | 15/09/2023<br>(p) | 15/09/2022<br>(p) | 15/09/2024<br>(p) | 15/09/2023<br>(p) | 15/09/2022<br>(p) |
| Opening net asset value per unit <sup>†</sup>       | 1,819.45          | 1,871.54          | 2,192.76          | 3,539.96          | 3,588.23          | 4,159.72          |
| Return before operating charges <sup>^</sup>        | 160.27            | 4.24              | (268.80)          | 312.77            | 7.75              | (510.40)          |
| Operating charges                                   | (28.87)           | (29.43)           | (32.31)           | (56.18)           | (56.02)           | (61.09)           |
| Return after operating charges <sup>^</sup>         | 131.40            | (25.19)           | (301.11)          | 256.59            | (48.27)           | (571.49)          |
| Distributions                                       | (20.29)           | (26.90)           | (20.11)           | (39.57)           | (51.56)           | (38.14)           |
| Retained distributions on accumulation units        | -                 | -                 | -                 | 39.57             | 51.56             | 38.14             |
| <b>Closing net asset value per unit<sup>†</sup></b> | <b>1,930.56</b>   | <b>1,819.45</b>   | <b>1,871.54</b>   | <b>3,796.55</b>   | <b>3,539.96</b>   | <b>3,588.23</b>   |
|   |                   |                   |                   |                   |                   |                   |
| * <sup>^</sup> after direct transaction costs of:   | 2.03              | 1.04              | 1.26              | 3.95              | 1.98              | 2.38              |
|   |                   |                   |                   |                   |                   |                   |
| <b>Performance</b>                                  |                   |                   |                   |                   |                   |                   |
| Return after charges                                | 7.22%             | -1.35%            | -13.73%           | 7.25%             | -1.35%            | -13.74%           |
|   |                   |                   |                   |                   |                   |                   |
| <b>Other Information</b>                            |                   |                   |                   |                   |                   |                   |
| Closing net asset value <sup>†</sup> (£'000)        | 3,942             | 4,571             | 12,169            | 114,169           | 129,830           | 221,019           |
| Closing number of units                             | 204,205           | 251,244           | 650,197           | 3,007,190         | 3,667,566         | 6,159,575         |
| Operating charges                                   | 1.57%             | 1.57%             | 1.56%             | 1.57%             | 1.57%             | 1.56%             |
| Direct transaction costs <sup>*</sup>               | 0.11%             | 0.06%             | 0.06%             | 0.11%             | 0.06%             | 0.06%             |
|   |                   |                   |                   |                   |                   |                   |
| <b>Prices</b>                                       |                   |                   |                   |                   |                   |                   |
| Highest unit price #                                | 2,007.00          | 1,986.00          | 2,253.00          | 3,915.00          | 3,808.00          | 4,274.00          |
| Lowest unit price #                                 | 1,668.00          | 1,725.00          | 1,836.00          | 3,245.00          | 3,307.00          | 3,487.00          |



## Comparative Tables (Continued)

|   | Z Inc         |               |               | Z Acc         |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Change in net assets per unit                       | 15/09/2024    | 15/09/2023    | 15/09/2022    | 15/09/2024    | 15/09/2023    | 15/09/2022    |
|   | (p)           | (p)           | (p)           | (p)           | (p)           | (p)           |
| Opening net asset value per unit <sup>†</sup>       | 140.87        | 144.92        | 169.85        | 171.97        | 173.19        | 199.47        |
| Return before operating charges <sup>^</sup>        | 12.40         | 0.30          | (20.87)       | 15.25         | 0.37          | (24.56)       |
| Operating charges                                   | (1.31)        | (1.33)        | (1.46)        | (1.61)        | (1.59)        | (1.72)        |
| Return after operating charges <sup>^</sup>         | 11.09         | (1.03)        | (22.33)       | 13.64         | (1.22)        | (26.28)       |
| Distributions                                       | (2.50)        | (3.02)        | (2.60)        | (3.07)        | (3.62)        | (3.06)        |
| Retained distributions on accumulation units        | -             | -             | -             | 3.07          | 3.62          | 3.06          |
| <b>Closing net asset value per unit<sup>†</sup></b> | <b>149.46</b> | <b>140.87</b> | <b>144.92</b> | <b>185.61</b> | <b>171.97</b> | <b>173.19</b> |
|   |               |               |               |               |               |               |
| * <sup>^</sup> after direct transaction costs of:   | 0.16          | 0.08          | 0.10          | 0.19          | 0.10          | 0.11          |
|   |               |               |               |               |               |               |
| <b>Performance</b>                                  |               |               |               |               |               |               |
| Return after charges                                | 7.87%         | -0.71%        | -13.15%       | 7.93%         | -0.70%        | -13.17%       |
|   |               |               |               |               |               |               |
| <b>Other Information</b>                            |               |               |               |               |               |               |
| Closing net asset value <sup>†</sup> (£'000)        | 4,412         | 4,606         | 4,341         | 12,626        | 13,695        | 14,333        |
| Closing number of units                             | 2,951,581     | 3,269,421     | 2,995,618     | 6,802,279     | 7,963,350     | 8,275,561     |
| Operating charges                                   | 0.92%         | 0.92%         | 0.91%         | 0.92%         | 0.92%         | 0.91%         |
| Direct transaction costs <sup>*</sup>               | 0.11%         | 0.06%         | 0.06%         | 0.11%         | 0.06%         | 0.06%         |
|   |               |               |               |               |               |               |
| <b>Prices</b>                                       |               |               |               |               |               |               |
| Highest unit price #                                | 155.70        | 154.20        | 174.80        | 191.20        | 184.30        | 205.30        |
| Lowest unit price #                                 | 129.20        | 133.60        | 142.50        | 157.70        | 159.70        | 168.00        |



## Comparative Tables (Continued)

| Change in net assets per unit                       | ZI Inc        |               |               | ZI Acc        |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
|   | 15/09/2024    | 15/09/2023    | 15/09/2022    | 15/09/2024    | 15/09/2023    | 15/09/2022    |
|   | (p)           | (p)           | (p)           | (p)           | (p)           | (p)           |
| Opening net asset value per unit <sup>†</sup>       | 141.08        | 145.14        | 170.12        | 174.20        | 175.26        | 201.65        |
| Return before operating charges <sup>^</sup>        | 12.42         | 0.29          | (20.92)       | 15.46         | 0.37          | (24.85)       |
| Operating charges                                   | (1.17)        | (1.18)        | (1.30)        | (1.45)        | (1.43)        | (1.54)        |
| Return after operating charges <sup>^</sup>         | 11.25         | (0.89)        | (22.22)       | 14.01         | (1.06)        | (26.39)       |
| Distributions                                       | (2.65)        | (3.17)        | (2.76)        | (3.28)        | (3.85)        | (3.29)        |
| Retained distributions on accumulation units        | -             | -             | -             | 3.28          | 3.85          | 3.29          |
| <b>Closing net asset value per unit<sup>†</sup></b> | <b>149.68</b> | <b>141.08</b> | <b>145.14</b> | <b>188.21</b> | <b>174.20</b> | <b>175.26</b> |
|   |               |               |               |               |               |               |
| * <sup>^</sup> after direct transaction costs of:   | 0.16          | 0.08          | 0.10          | 0.19          | 0.10          | 0.12          |
|   |               |               |               |               |               |               |
| <b>Performance</b>                                  |               |               |               |               |               |               |
| Return after charges                                | 7.97%         | -0.61%        | -13.06%       | 8.04%         | -0.60%        | -13.09%       |
|   |               |               |               |               |               |               |
| <b>Other Information</b>                            |               |               |               |               |               |               |
| Closing net asset value <sup>†</sup> (£'000)        | 85,143        | 111,221       | 139,703       | 286,960       | 331,444       | 349,625       |
| Closing number of units                             | 56,881,932    | 78,835,092    | 96,253,035    | 152,471,628   | 190,261,867   | 199,487,390   |
| Operating charges                                   | 0.82%         | 0.82%         | 0.81%         | 0.82%         | 0.82%         | 0.81%         |
| Direct transaction costs <sup>*</sup>               | 0.11%         | 0.06%         | 0.06%         | 0.11%         | 0.06%         | 0.06%         |
|   |               |               |               |               |               |               |
| <b>Prices</b>                                       |               |               |               |               |               |               |
| Highest unit price #                                | 156.00        | 154.50        | 175.20        | 193.90        | 186.60        | 207.60        |
| Lowest unit price #                                 | 129.40        | 133.80        | 142.70        | 159.80        | 161.60        | 170.00        |

<sup>†</sup> Valued at bid-market prices.

# High and low price disclosures are based on quoted unit prices. Therefore the opening and closing NAV prices may fall outside the high/low price threshold.

<sup>^</sup> Operating charges include indirect costs incurred in the maintenance and running of the Fund, as disclosed in the detailed expenses within the Statement of Total Return.

\* Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, within the accounting year.

The figures used within the table have been calculated against the average Net Asset Value for the accounting year.

~ D unit classes launched as at 25 May 2022, figures in the table have been annualised, where appropriate.





## Portfolio Statement

The AXA Framlington UK Select Opportunities Fund portfolio as at 15 September 2024 consisted of the following investments, which are ordinary shares unless otherwise stated.

| Holding  | Market value<br>£'000 | Total net<br>assets (%) |
|--|-----------------------|-------------------------|
| <b>UNITED KINGDOM: 95.35%</b><br><b>(15/09/2023: 96.40%)</b>               |                       |                         |
| <b>BASIC MATERIALS: 2.97%</b><br><b>(15/09/2023: 2.67%)</b>                |                       |                         |
| <b>Chemicals: 0.00%</b><br><b>(15/09/2023: 0.00%)</b>                      |                       |                         |
| 2,455,573 Dyson <sup>1</sup>   | -                     | -                       |
|  | -                     | -                       |
| <b>Industrial Metals &amp; Mining: 2.97%</b><br><b>(15/09/2023: 2.67%)</b> |                       |                         |
| 454,558 Antofagasta  | 7,959                 | 1.43                    |
| 420,000 Hill & Smith   | 8,568                 | 1.54                    |
|  | <b>16,527</b>         | <b>2.97</b>             |
| <b>CONSUMER DISCRETIONARY:</b><br><b>10.64% (15/09/2023: 6.08%)</b>        |                       |                         |
| <b>Automobiles &amp; Parts: 0.00%</b><br><b>(15/09/2023: 0.53%)</b>        |                       |                         |
| <b>Consumer Services: 2.76%</b><br><b>(15/09/2023: 0.00%)</b>              |                       |                         |
| 630,000 Compass Group  | 15,340                | 2.76                    |
|  | <b>15,340</b>         | <b>2.76</b>             |
| <b>Media: 1.68%</b><br><b>(15/09/2023: 1.03%)</b>                          |                       |                         |
| 879,297 Future   | 9,329                 | 1.68                    |
|  | <b>9,329</b>          | <b>1.68</b>             |
| <b>Retailers: 3.72%</b><br><b>(15/09/2023: 3.52%)</b>                      |                       |                         |
| 1,026,571 Dunelm Group   | 12,617                | 2.27                    |
| 2,655,000 Pets at Home Group   | 8,039                 | 1.45                    |
|  | <b>20,656</b>         | <b>3.72</b>             |
| <b>Travel &amp; Leisure: 2.48%</b><br><b>(15/09/2023: 1.00%)</b>           |                       |                         |
| 3,500,000 SSP Group  | 5,639                 | 1.01                    |
| 2,490,000 Trainline  | 8,192                 | 1.47                    |
|  | <b>13,831</b>         | <b>2.48</b>             |



## Portfolio Statement (Continued)

| Holding  |                         | Market value<br>£'000 | Total net<br>assets (%) |
|--|-------------------------|-----------------------|-------------------------|
| <b>CONSUMER STAPLES: 5.64%</b><br>(15/09/2023: 10.09%)                 |                         |                       |                         |
| <b>Beverages: 0.50%</b><br>(15/09/2023: 4.88%)                         |                         |                       |                         |
| 366,163  | Fevertree Drinks        | 2,805                 | 0.50                    |
|  |                         | <b>2,805</b>          | <b>0.50</b>             |
| <b>Food Producers: 2.16%</b><br>(15/09/2023: 1.62%)                    |                         |                       |                         |
| 256,462  | Cranswick               | 12,028                | 2.16                    |
|  |                         | <b>12,028</b>         | <b>2.16</b>             |
| <b>Personal Care, Drug &amp; Grocery: 2.98%</b><br>(15/09/2023: 3.59%) |                         |                       |                         |
| 200,000  | Reckitt Benckiser Group | 9,194                 | 1.65                    |
| 150,000  | Unilever                | 7,409                 | 1.33                    |
|  |                         | <b>16,603</b>         | <b>2.98</b>             |
| <b>ENERGY: 6.57%</b><br>(15/09/2023: 11.77%)                           |                         |                       |                         |
| <b>Alternative Energy: 0.23%</b><br>(15/09/2023: 0.20%)                |                         |                       |                         |
| 10,400,000   | AFC Energy              | 1,285                 | 0.23                    |
|  |                         | <b>1,285</b>          | <b>0.23</b>             |
| <b>Oil, Gas &amp; Coal: 6.34%</b><br>(15/09/2023: 11.57%)              |                         |                       |                         |
| 3,921,192  | BP                      | 15,849                | 2.85                    |
| 759,518  | Shell                   | 19,398                | 3.49                    |
|  |                         | <b>35,247</b>         | <b>6.34</b>             |
| <b>FINANCIALS: 18.06%</b><br>(15/09/2023: 16.17%)                      |                         |                       |                         |
| <b>Banks: 4.78%</b><br>(15/09/2023: 4.69%)                             |                         |                       |                         |
| 26,973,632   | Lloyds Banking Group    | 15,650                | 2.82                    |
| 1,430,000  | Standard Chartered      | 10,917                | 1.96                    |
|  |                         | <b>26,567</b>         | <b>4.78</b>             |



## Portfolio Statement (Continued)

| Holding  |                             | Market value<br>£'000 | Total net<br>assets (%) |
|--|-----------------------------|-----------------------|-------------------------|
| <b>Finance &amp; Credit Services: 4.18%</b><br><b>(15/09/2023: 4.63%)</b>        |                             |                       |                         |
| 148  | BENE IO <sup>1</sup>        | -                     | -                       |
| 221,691  | London Stock Exchange Group | 23,222                | 4.18                    |
|  |                             | <b>23,222</b>         | <b>4.18</b>             |
| <b>Investment Banking &amp; Brokerage: 4.24%</b><br><b>(15/09/2023: 1.50%)</b>   |                             |                       |                         |
| 2,459,538  | AJ Bell                     | 10,760                | 1.94                    |
| 286,750  | Alpha Group                 | 6,194                 | 1.11                    |
| 600,000  | Hargreaves Lansdown         | 6,636                 | 1.19                    |
|  |                             | <b>23,590</b>         | <b>4.24</b>             |
| <b>Life Insurance: 4.86%</b><br><b>(15/09/2023: 5.35%)</b>                       |                             |                       |                         |
| 4,000,000  | Just Group                  | 5,368                 | 0.97                    |
| 4,470,507  | Legal & General Group       | 10,094                | 1.82                    |
| 1,845,208  | Prudential                  | 11,514                | 2.07                    |
|  |                             | <b>26,976</b>         | <b>4.86</b>             |
| <b>HEALTH CARE: 12.78%</b><br><b>(15/09/2023: 13.76%)</b>                        |                             |                       |                         |
| <b>Medical Equipment &amp; Services: 3.74%</b><br><b>(15/09/2023: 3.02%)</b>     |                             |                       |                         |
| 3,545,947  | Advanced Medical Solutions  | 8,262                 | 1.49                    |
| 6,546,631  | Creo Medical Group          | 1,866                 | 0.34                    |
| 886,006  | Smith & Nephew              | 10,592                | 1.91                    |
|  |                             | <b>20,720</b>         | <b>3.74</b>             |
| <b>Pharmaceuticals &amp; Biotechnology: 9.04%</b><br><b>(15/09/2023: 10.74%)</b> |                             |                       |                         |
| 240,285  | AstraZeneca                 | 28,656                | 5.15                    |
| 2,812,555  | Eco Animal Health Group     | 3,038                 | 0.55                    |
| 1,137,022  | GSK                         | 18,573                | 3.34                    |
|  |                             | <b>50,267</b>         | <b>9.04</b>             |



## Portfolio Statement (Continued)

| Holding   |                    | Market value<br>£'000 | Total net<br>assets (%) |
|---|--------------------|-----------------------|-------------------------|
| <b>INDUSTRIALS: 19.58%</b><br><b>(15/09/2023: 19.30%)</b>                         |                    |                       |                         |
| <b>Aerospace &amp; Defense: 3.14%</b><br><b>(15/09/2023: 3.37%)</b>               |                    |                       |                         |
| 2,930,218   | Chemring Group     | 11,311                | 2.03                    |
| 1,282,127   | Melrose Industries | 6,145                 | 1.11                    |
|   |                    | <b>17,456</b>         | <b>3.14</b>             |
| <b>Construction &amp; Materials: 4.42%</b><br><b>(15/09/2023: 1.21%)</b>          |                    |                       |                         |
| 2,220,000   | Breedon Group      | 9,158                 | 1.65                    |
| 1,595,000   | Genuit Group       | 7,664                 | 1.38                    |
| 2,360,000   | Marshalls          | 7,753                 | 1.39                    |
|   |                    | <b>24,575</b>         | <b>4.42</b>             |
| <b>Electronic &amp; Electrical Equipment: 1.85%</b><br><b>(15/09/2023: 3.24%)</b> |                    |                       |                         |
| 3,127,283   | Rotork             | 10,264                | 1.85                    |
|   |                    | <b>10,264</b>         | <b>1.85</b>             |
| <b>General Industrials: 1.84%</b><br><b>(15/09/2023: 1.38%)</b>                   |                    |                       |                         |
| 10,428,140  | Coats Group        | 10,209                | 1.84                    |
|   |                    | <b>10,209</b>         | <b>1.84</b>             |
| <b>Industrial Engineering: 3.86%</b><br><b>(15/09/2023: 3.76%)</b>                |                    |                       |                         |
| 1,289,475   | Bodycote           | 8,214                 | 1.48                    |
| 640,858   | Weir Group         | 13,240                | 2.38                    |
|   |                    | <b>21,454</b>         | <b>3.86</b>             |
| <b>Industrial Support Services: 2.54%</b><br><b>(15/09/2023: 3.45%)</b>           |                    |                       |                         |
| 3,482,500   | Essentra           | 5,816                 | 1.05                    |
| 2,194,398   | Rentokil Initial   | 8,293                 | 1.49                    |
|   |                    | <b>14,109</b>         | <b>2.54</b>             |
| <b>Industrial Transportation: 1.93%</b><br><b>(15/09/2023: 2.89%)</b>             |                    |                       |                         |
| 202,316   | Ashtead Group      | 10,723                | 1.93                    |
|   |                    | <b>10,723</b>         | <b>1.93</b>             |



## Portfolio Statement (Continued)

| Holding   |                          | Market value<br>£'000 | Total net<br>assets (%) |
|---|--------------------------|-----------------------|-------------------------|
| REAL ESTATE: 7.16%<br>(15/09/2023: 3.40%)                       |                          |                       |                         |
| Real Estate Investment & Services: 4.21%<br>(15/09/2023: 3.40%) |                          |                       |                         |
| 4,415,412   | Grainger                 | 10,663                | 1.92                    |
| 1,903,750   | Rightmove                | 12,751                | 2.29                    |
|   |                          | <b>23,414</b>         | <b>4.21</b>             |
| Real Estate Investment Trusts: 2.95%<br>(15/09/2023: 0.00%)     |                          |                       |                         |
| 690,042   | Safestore                | 6,335                 | 1.14                    |
| 1,108,461   | Segro                    | 10,087                | 1.81                    |
|   |                          | <b>16,422</b>         | <b>2.95</b>             |
| TECHNOLOGY: 9.29%<br>(15/09/2023: 9.93%)                        |                          |                       |                         |
| Software & Computer Services: 9.29%<br>(15/09/2023: 9.93%)      |                          |                       |                         |
| 1,470,967   | Auction Technology Group | 5,700                 | 1.03                    |
| 1,448,750   | Auto Trader Group        | 12,630                | 2.27                    |
| 1,769,900   | Bytes Technology Group   | 8,099                 | 1.46                    |
| 3,019,480   | GB Group                 | 9,536                 | 1.72                    |
| 884,990   | Kainos Group             | 7,691                 | 1.38                    |
| 293,471   | Raspberry PI             | 990                   | 0.18                    |
| 673,157   | Sage Group               | 6,940                 | 1.25                    |
|   |                          | <b>51,586</b>         | <b>9.29</b>             |
| TELECOMMUNICATIONS: 0.00%<br>(15/09/2023: 1.30%)                |                          |                       |                         |
| Telecommunications Equipment: 0.00%<br>(15/09/2023: 1.30%)      |                          |                       |                         |
| UTILITIES: 2.66%<br>(15/09/2023: 1.93%)                         |                          |                       |                         |
| Electricity: 2.66%<br>(15/09/2023: 1.93%)                       |                          |                       |                         |
| 745,000   | SSE                      | 14,792                | 2.66                    |
|   |                          | <b>14,792</b>         | <b>2.66</b>             |



## Portfolio Statement (Continued)

| Holding   |          | Market value<br>£'000 | Total net<br>assets (%) |
|---|----------|-----------------------|-------------------------|
| EUROPE (excluding UK): 4.61%<br>(15/09/2023: 3.93%) |          |                       |                         |
| GUERNSEY: 0.00%<br>(15/09/2023: 0.81%)              |          |                       |                         |
| JERSEY: 4.61%<br>(15/09/2023: 3.12%)                |          |                       |                         |
| 518,576   | Experian | 19,556                | 3.52                    |
| 552,673   | JTC      | 6,035                 | 1.09                    |
|   |          | <b>25,591</b>         | <b>4.61</b>             |
| Investments as shown in the balance sheet           |          | 555,588               | 99.96                   |
| Net current liabilities                             |          | 248                   | 0.04                    |
| <b>Total net assets</b>                             |          | <b>555,836</b>        | <b>100.00</b>           |

<sup>1</sup> Nil valued/delisted/suspended securities not approved within the meaning of the Collective Investment Schemes Sourcebook. The regulations permit a maximum of 10% of the Fund to be invested in unapproved securities. Securities classed as unapproved are those which are not admitted to an official listing in a member state or traded on under the rules of an eligible securities market, as laid down in the Prospectus.



## Statement of Total Return

For the year ended 15 September

|  | Notes | £'000   | 2024<br>£'000 | £'000   | 2023<br>£'000   |
|--|-------|---------|---------------|---------|-----------------|
| Income   |       |         |               |         |                 |
| Net capital gains/(losses)   | 3     |         | 33,501        |         | (19,461)        |
| Revenue  | 4     | 15,542  |               | 21,414  |                 |
| Expenses   | 5     | (5,918) |               | (7,404) |                 |
| Interest payable and similar charges   |       | (1)     |               | (4)     |                 |
| Net revenue before taxation  |       | 9,623   |               | 14,006  |                 |
| Taxation   | 6     | (31)    |               | (127)   |                 |
| Net revenue after taxation   |       |         | 9,592         |         | 13,879          |
| <b>Total return before distributions</b>   |       |         | <b>43,093</b> |         | <b>(5,582)</b>  |
| Distributions  | 7     |         | (9,592)       |         | (13,879)        |
| <b>Change in net assets attributable to unitholders from investment activities</b> |       |         | <b>33,501</b> |         | <b>(19,461)</b> |

## Statement of Change in Net Assets Attributable to Unitholders

For the year ended 15 September

|   | £'000     | 2024<br>£'000  | £'000     | 2023<br>£'000  |
|---|-----------|----------------|-----------|----------------|
| Opening net assets attributable to unitholders                              |           | 645,098        |           | 787,177        |
| Amounts receivable on creation of units                                     | 2,104     |                | 3,944     |                |
| Amounts payable on cancellation of units                                    | (132,110) |                | (137,053) |                |
|   |           | (130,006)      |           | (133,109)      |
| Change in net assets attributable to unitholders from investment activities |           | 33,501         |           | (19,461)       |
| Retained distribution on accumulation units                                 |           | 7,239          |           | 10,485         |
| Unclaimed distribution  |           | 4              |           | 6              |
| <b>Closing net assets attributable to unitholders</b>                       |           | <b>555,836</b> |           | <b>645,098</b> |



## Balance Sheet

As at 15 September

|   |       | 2024           | 2023           |
|---|-------|----------------|----------------|
|   | Notes | £'000          | £'000          |
| <b>ASSETS</b>                                 |       |                |                |
| Fixed assets                                  |       |                |                |
| Investments                                   |       | 555,588        | 647,199        |
| Current assets                                |       |                |                |
| Debtors                                       | 8     | 2,147          | 3,242          |
| Cash and bank balances                        | 9     | 2,621          | 202            |
| <b>Total assets</b>                           |       | <b>560,356</b> | <b>650,643</b> |
| <b>LIABILITIES</b>                            |       |                |                |
| Creditors                                     |       |                |                |
| Distribution payable                          |       | 1,156          | 2,120          |
| Other creditors                               | 10    | 3,364          | 3,425          |
| <b>Total liabilities</b>                      |       | <b>4,520</b>   | <b>5,545</b>   |
| <b>Net assets attributable to unitholders</b> |       | <b>555,836</b> | <b>645,098</b> |





## Notes to the Financial Statements

### 1.1 Accounting policies

a) The Financial Statements have been prepared on a historical cost basis, as modified by the revaluation of investments, and in accordance with Financial Reporting Standard 102 ("FRS 102") and the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association ("IMA") in May 2014, and amended in June 2017. The Financial Statements have been prepared on a going concern basis. The Financial Statements are prepared in accordance with the Trust Deed and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL").

There are no material events that have been identified that may cast significant doubt about the Fund's ability to continue as a going concern for the next twelve months from the date these financial statements are authorised for issue. The Manager believes that the Fund has adequate resources to continue in operational existence for the foreseeable future and, they continue to adopt the going concern basis in preparing the financial statements.

b) Dividends on quoted ordinary shares and preference shares are recognised when the securities are quoted ex-dividend. Where such securities are not quoted, dividends are recognised when the right to receive payment is established. Dividends from Real Estate Investment Trusts ('REITs') are recognised as distributable income when the securities are quoted ex-dividend.

Special dividends and share buybacks are treated as revenue or capital depending on the facts of each particular case. It is likely that where the receipt of a special dividend results in a significant reduction in the capital value of the holding, then the special dividend should be treated as capital in nature so as to ensure that the matching principle is applied to gains and losses. Otherwise, the special dividends should be recognised as revenue.

c) The listed investments of the Fund are valued at bid price at close of business on the last business day of the accounting year. The fair value of unlisted securities, and unquoted securities where the quotation has been suspended, is estimated by the Manager, using independent sources where available.

d) The functional currency of the Fund is Sterling (GBP). Any transactions in overseas currencies are translated to Sterling at the rates of exchange ruling on the day of any such transaction. Foreign currency balances are converted into Sterling at the exchange rates ruling at 12 noon on the last day of the accounting year and investments priced in overseas currencies at the end of the year are converted into Sterling at the exchange rate ruling at close of business on the last business day of the accounting year.

e) All expenses are charged in full against revenue on an accruals basis, with the exception of transaction charges which are charged directly to capital. The Manager is entitled to receive (with effect from the dealing day on which units of any class are first allotted) an annual management charge payable on and out of the scheme property of each unit class of the Fund. The annual management charge will be based on the value of the scheme property of the Fund on the immediately preceding dealing day as determined in accordance with the Trust Deed and the Regulations for the purpose of calculating the price of units.

f) Corporation Tax is provided at 20% on revenue, after deduction of expenses. Overseas dividends are disclosed gross of any foreign tax suffered, the tax element being disclosed in the tax note. Where overseas tax has been deducted from overseas revenue, that tax can, in some cases, be set off against Corporation Tax payable, by way of double taxation relief. Deferred taxation is provided on a full provision basis on timing differences arising from the different treatment of items for accounting and tax purposes. Potential future liabilities and assets are recognised where the transactions or events giving rise to them occurred before the balance sheet date. A deferred tax asset is only recognised to the extent that a timing difference will be of future benefit.

g) Bank interest is accounted for on an accruals basis.



## Notes to the Financial Statements (Continued)

h) Revenue equalisation currently applies to the Fund, with the result that part of the purchase price of a unit reflects the relevant share of accrued revenue received or to be received by the Fund. This sum is returned to a unitholder with the first allocation of revenue in respect of a unit issued during a distribution period. The amount representing the revenue equalisation in the unit's price is a return of capital and is not taxable in the hands of the unitholder. The amount of revenue equalisation is calculated by dividing the aggregate of the amounts of revenue included in the price of units issued or sold to unitholders in an annual or interim distribution period by the number of those units and applying the resultant average to each of the units in question. Equalisation on distributions received is deducted from the cost of the investment.

i) With the exception of the annual management charge, which is directly attributable to individual unit classes, all revenue and expenses are allocated to unit classes pro rata to the value of the net assets of the relevant unit class on the day the revenue or expense is recognised.

j) The Fund is not required to produce a cash flow statement as it meets the exemption criteria set out in FRS102.7.1A.

k) Any income arising from stock lending is treated as revenue on an accruals basis and is disclosed in the notes to the Financial Statements net of directly attributable fees. The value of the collateral must always exceed the value of the stock on loan. The accepted collateral includes cash, equities, certain types of bonds and money market instruments as agreed with the Depositary.

### 1.2 Distribution policy

a) The Fund will distribute any net revenue two months after the accounting year end. Any net revenue deficit will be transferred to the capital account. The type of distribution being made by the Fund is a dividend distribution.

b) Where special dividends are treated as revenue, they are included in the amount available for distribution. The tax accounting treatment follows the principal amount.

c) If a distribution payment of the Fund remains unclaimed for a period of 6 years after it has become due, it will be forfeited and will revert to and become part of the scheme property.

d) The annual management charge is charged against revenue for the purposes of calculating the amount available for distribution.

## 2 Financial instruments

The analysis and tables provided below refer to the narrative disclosure on financial instruments risks on pages 9 to 10 of the Manager's Report.

### Price risk sensitivity

At 15 September 2024, if the price of investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, the net assets would increase or decrease by £27,779,376 (2023: £32,359,969) respectively.

### Foreign currency risk sensitivity

Assuming all other factors remain stable, if GBP strengthens by 5% the resulting change in the net assets attributable to unitholders of the Fund would be a decrease of approximately £12,380 (2023: £21,602). A 5% weakening in GBP would have an equal but opposite effect.



## Notes to the Financial Statements (Continued)

### Interest rate risk sensitivity

As the majority of the Fund's financial assets are non-interest bearing, the Fund is only subject to limited exposure to fair value interest rate risk due to fluctuations in levels of market interest rates. No interest rate risk sensitivity analysis is therefore provided.

### Currency exposures

A proportion of the financial assets of the Fund are denominated in currencies other than Sterling, with the effect that the Fund's balance sheet and total return can be directly affected by currency movements.

| <b>2024</b>  | <b>Monetary Exposure<br/>£'000</b> | <b>Non Monetary exposure<br/>£'000</b> | <b>Total<br/>£'000</b> |
|--------------|------------------------------------|--|------------------------|
| US Dollar    | 248                                | -                                      | 248                    |
| <b>Total</b> | <b>248</b>                         | <b>-</b>                               | <b>248</b>             |
| <b>2023</b>  | <b>Monetary Exposure<br/>£'000</b> | <b>Non Monetary exposure<br/>£'000</b> | <b>Total<br/>£'000</b> |
| US Dollar    | 432                                | -                                      | 432                    |
| <b>Total</b> | <b>432</b>                         | <b>-</b>                               | <b>432</b>             |

### 3 Net capital gains/(losses)

The net gains/(losses) during the year comprise:

|   | <b>2024<br/>£'000</b> | <b>2023<br/>£'000</b> |
|---|-----------------------|-----------------------|
| Gains/(losses) on non-derivative securities | 33,509                | (19,459)              |
| Losses on foreign currency exchange         | -                     | (1)                   |
| Transaction charges                         | (8)                   | (1)                   |
| <b>Net capital gains/(losses)</b>           | <b>33,501</b>         | <b>(19,461)</b>       |

### 4 Revenue

|                      | <b>2024<br/>£'000</b> | <b>2023<br/>£'000</b> |
|----------------------|-----------------------|-----------------------|
| UK dividends         | 14,719                | 19,234                |
| REIT dividends       | 177                   | -                     |
| Overseas dividends   | 483                   | 2,007                 |
| Bank interest        | 159                   | 173                   |
| Stock lending income | 4                     | -                     |
| <b>Total revenue</b> | <b>15,542</b>         | <b>21,414</b>         |

## Notes to the Financial Statements (Continued)

### 5 Expenses

|                               | 2024<br>£'000 | 2023<br>£'000 |
|-------------------------------|---------------|---------------|
| <b>Payable to the Manager</b> |               |               |
| Annual management charge      | 5,519         | 6,929         |
| Registrar's fees              | 353           | 432           |
|                               | <b>5,872</b>  | <b>7,361</b>  |
| <b>Other expenses</b>         |               |               |
| Audit fee*                    | 11            | 8             |
| Safe custody charges          | 16            | 16            |
| Trustee's fees                | 19            | 19            |
|                               | <b>46</b>     | <b>43</b>     |
| <b>Total expenses</b>         | <b>5,918</b>  | <b>7,404</b>  |

Expenses include irrecoverable VAT where applicable.

\* Audit fees for the financial year ending 2024 were £8,900 (2023: £7,190) (excluding VAT).

### 6 Taxation

#### a) Analysis of tax in the year:

|                            | 2024<br>£'000 | 2023<br>£'000 |
|----------------------------|---------------|---------------|
| Irrecoverable overseas tax | 31            | 127           |

#### b) Factors affecting total tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised unit trust (20%) (2023: 20%).

The differences are explained below:

|  | 2024<br>£'000 | 2023<br>£'000 |
|--|---------------|---------------|
| Net revenue before taxation                          | 9,623         | 14,006        |
| Corporation tax at 20%                               | 1,925         | 2,801         |
| Effects of:  |               |               |
| Irrecoverable overseas tax                           | 31            | 127           |
| Movement in excess management expenses               | 1,137         | 1,451         |
| Non taxable overseas dividends                       | (98)          | (405)         |
| Non taxable property revenue from UK REITS - non PID | (20)          | -             |
| Non taxable UK dividends                             | (2,944)       | (3,847)       |
| Total effects  | (1,894)       | (2,674)       |
| <b>Total tax charge for the year (see note 6a)</b>   | <b>31</b>     | <b>127</b>    |

Authorised unit trusts are exempt from tax on capital gains.

#### c) Deferred taxation:

There is no provision required for deferred taxation at the Balance sheet date (2023: nil).

## Notes to the Financial Statements (Continued)

### d) Factors that may affect future tax charges:

At the year end, after offset against income taxable on receipt, there is a potential deferred tax asset of £109,522,978 (2023: £108,386,186) relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised.

### 7 Distributions

The distributions take account of income received on the creation of units and income deducted on the cancellation of units, and comprise:

|   | 2024<br>£'000 | 2023<br>£'000 |
|---|---------------|---------------|
| Interim                                       | 3,095         | 3,205         |
| Final   | 5,983         | 10,150        |
|   | 9,078         | 13,355        |
| Add: Income deducted on cancellation of units | 525           | 941           |
| Deduct: Income received on creation of units  | (11)          | (417)         |
| <b>Net distribution for the year</b>          | <b>9,592</b>  | <b>13,879</b> |

### 8 Debtors

|   | 2024<br>£'000 | 2023<br>£'000 |
|---|---------------|---------------|
| Amounts receivable on creation of units | 10            | 52            |
| Accrued revenue                         | 2,137         | 3,190         |
| <b>Total debtors</b>                    | <b>2,147</b>  | <b>3,242</b>  |

### 9 Cash and bank balances

|                                     | 2024<br>£'000 | 2023<br>£'000 |
|-------------------------------------|---------------|---------------|
| Cash and bank balances              | 2,621         | 202           |
| <b>Total cash and bank balances</b> | <b>2,621</b>  | <b>202</b>    |

### 10 Other creditors

|  | 2024<br>£'000 | 2023<br>£'000 |
|--|---------------|---------------|
| Amounts payable on cancellation of units | 2,648         | 2,606         |
| Accrued expenses                         |               |               |
| - Manager                                | 643           | 765           |
| - Other                                  | 73            | 54            |
| <b>Total other creditors</b>             | <b>3,364</b>  | <b>3,425</b>  |



## Notes to the Financial Statements (Continued)

### 11 Unitholders' funds

The Fund currently has eight unit classes in issue.

|                               | D Inc          | D Acc            | R Inc          | R Acc            | Z Inc            | Z Acc            |
|-------------------------------|----------------|------------------|----------------|------------------|------------------|------------------|
| Opening units in issue        | 384,634        | 1,200,991        | 251,244        | 3,667,566        | 3,269,421        | 7,963,350        |
| Units issued                  | 865            | 8,491            | 309            | 14,282           | 241,293          | 149,389          |
| Units cancelled               | (36,018)       | (117,462)        | (47,348)       | (674,658)        | (559,133)        | (1,310,460)      |
| Unit conversions              | -              | -                | -              | -                | -                | -                |
| <b>Closing units in issue</b> | <b>349,481</b> | <b>1,092,020</b> | <b>204,205</b> | <b>3,007,190</b> | <b>2,951,581</b> | <b>6,802,279</b> |

|                               | ZI Inc            | ZI Acc             |
|-------------------------------|-------------------|--------------------|
| Opening units in issue        | 78,835,092        | 190,261,867        |
| Units issued                  | 986,495           | 1,086,642          |
| Units cancelled               | (22,939,655)      | (38,876,881)       |
| Unit conversions              | -                 | -                  |
| <b>Closing units in issue</b> | <b>56,881,932</b> | <b>152,471,628</b> |

### 12 Related parties

AXA Investment Managers UK Limited acts as principal on all the transactions of units in the Fund. The aggregate monies received through creations and liquidations are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Note 7, amounts due to/from AXA Investment Managers UK Limited in respect of unit transactions are disclosed in Note 8 and Note 10 respectively.

At 15 September 2024, there were no unitholders that hold more than 50% of units in the Fund. Other than disclosed elsewhere in the Financial Statements, there were no transactions between the Fund and related parties during the year.

Amounts paid to AXA Investment Managers UK Limited in respect of administration and registration services are disclosed in Note 5.

## Notes to the Financial Statements (Continued)

### 13 Portfolio transaction costs

#### 2024

|                              | Net purchase<br>cost<br>£'000 | Commissions<br>paid<br>£'000 | %    | Taxes<br>£'000 | %    | Total<br>purchase cost<br>£'000 |
|------------------------------|-------------------------------|------------------------------|------|----------------|------|---------------------------------|
| <b>Analysis of purchases</b> |                               |                              |      |                |      |                                 |
| Equity                       | 106,311                       | 52                           | 0.05 | 488            | 0.46 | 106,851                         |
| <b>Total</b>                 | <b>106,311</b>                | <b>52</b>                    |      | <b>488</b>     |      | <b>106,851</b>                  |

#### 2024

|                          | Net sale<br>proceeds<br>£'000 | Commissions<br>paid<br>£'000 | %      | Taxes<br>£'000 | % | Total sale<br>proceeds<br>£'000 |
|--------------------------|-------------------------------|------------------------------|--------|----------------|---|---------------------------------|
| <b>Analysis of sales</b> |                               |                              |        |                |   |                                 |
| Equity                   | 230,256                       | (109)                        | (0.05) | -              | - | 230,147                         |
| <b>Total</b>             | <b>230,256</b>                | <b>(109)</b>                 |        | <b>-</b>       |   | <b>230,147</b>                  |

#### 2023

|                              | Net purchase<br>cost<br>£'000 | Commissions<br>paid<br>£'000 | %    | Taxes<br>£'000 | %    | Total purchase<br>cost<br>£'000 |
|------------------------------|-------------------------------|------------------------------|------|----------------|------|---------------------------------|
| <b>Analysis of purchases</b> |                               |                              |      |                |      |                                 |
| Equity                       | 62,853                        | 30                           | 0.05 | 278            | 0.44 | 63,161                          |
| <b>Total</b>                 | <b>62,853</b>                 | <b>30</b>                    |      | <b>278</b>     |      | <b>63,161</b>                   |

#### 2023

|                          | Net sale<br>proceeds<br>£'000 | Commissions<br>paid<br>£'000 | %      | Taxes<br>£'000 | % | Total sale<br>proceeds<br>£'000 |
|--------------------------|-------------------------------|------------------------------|--------|----------------|---|---------------------------------|
| <b>Analysis of sales</b> |                               |                              |        |                |   |                                 |
| Equity                   | 177,365                       | (89)                         | (0.05) | -              | - | 177,276                         |
| <b>Total</b>             | <b>177,365</b>                | <b>(89)</b>                  |        | <b>-</b>       |   | <b>177,276</b>                  |

Commission as a % of average net assets

0.03% (2023: 0.02%)

Taxes as a % of average net assets

0.08% (2023: 0.04%)

#### Portfolio dealing spread

The average portfolio dealing spread as at the year end was 0.17% (2023: 0.25%).



## 14 Fair value disclosure

|                            | 15 September 2024 |                      | 15 September 2023 |                      |
|----------------------------|-------------------|----------------------|-------------------|----------------------|
|                            | Assets<br>£'000   | Liabilities<br>£'000 | Assets<br>£'000   | Liabilities<br>£'000 |
| <b>Valuation technique</b> |                   |                      |                   |                      |
| Level 1 <sup>^</sup>       | 555,588           | -                    | 647,199           | -                    |
| Level 2 <sup>^^</sup>      | -                 | -                    | -                 | -                    |
| Level 3 <sup>^^^</sup>     | -                 | -                    | -                 | -                    |
| <b>Total</b>               | <b>555,588</b>    | <b>-</b>             | <b>647,199</b>    | <b>-</b>             |

<sup>^</sup> Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

<sup>^^</sup> Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

<sup>^^^</sup> Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The fair value of the Fund's investments has been determined using the hierarchy above.

## 15 Commitments, contingent liabilities and contingent assets

There are no commitments, contingent liabilities and contingent assets as at the balance sheet date (2023: none).

## 16 Post balance sheet events

There are no significant post balance sheet events which require adjustment or disclosure at the year end.





## Distribution Tables

For the year ended 15 September 2024

|               |         | Net<br>revenue | Equalisation | Distribution payable/paid |            |
|---------------|---------|----------------|--------------|---------------------------|------------|
|               |         |                |              | Current year              | Prior year |
| <b>D Inc</b>  |         |                |              |                           |            |
| Interim       | Group 1 | 8.226          | -            | 8.226                     | 6.888      |
|               | Group 2 | 8.226          | -            | 8.226                     | 6.888      |
| Final         | Group 1 | 19.452         | -            | 19.452                    | 27.431     |
|               | Group 2 | 19.452         | -            | 19.452                    | 27.431     |
| <b>D Acc</b>  |         |                |              |                           |            |
| Interim       | Group 1 | 16.095         | -            | 16.095                    | 13.222     |
|               | Group 2 | 10.399         | 5.696        | 16.095                    | 13.222     |
| Final         | Group 1 | 38.217         | -            | 38.217                    | 52.819     |
|               | Group 2 | 15.193         | 23.024       | 38.217                    | 52.819     |
| <b>R Inc</b>  |         |                |              |                           |            |
| Interim       | Group 1 | 4.680          | -            | 4.680                     | 3.145      |
|               | Group 2 | 2.716          | 1.964        | 4.680                     | 3.145      |
| Final         | Group 1 | 15.611         | -            | 15.611                    | 23.755     |
|               | Group 2 | 6.242          | 9.369        | 15.611                    | 23.755     |
| <b>R Acc</b>  |         |                |              |                           |            |
| Interim       | Group 1 | 9.113          | -            | 9.113                     | 6.031      |
|               | Group 2 | 6.751          | 2.362        | 9.113                     | 6.031      |
| Final         | Group 1 | 30.454         | -            | 30.454                    | 45.525     |
|               | Group 2 | 12.175         | 18.279       | 30.454                    | 45.525     |
| <b>Z Inc</b>  |         |                |              |                           |            |
| Interim       | Group 1 | 0.809          | -            | 0.809                     | 0.715      |
|               | Group 2 | 0.536          | 0.273        | 0.809                     | 0.715      |
| Final         | Group 1 | 1.692          | -            | 1.692                     | 2.307      |
|               | Group 2 | 0.894          | 0.798        | 1.692                     | 2.307      |
| <b>Z Acc</b>  |         |                |              |                           |            |
| Interim       | Group 1 | 0.988          | -            | 0.988                     | 0.854      |
|               | Group 2 | 0.639          | 0.349        | 0.988                     | 0.854      |
| Final         | Group 1 | 2.078          | -            | 2.078                     | 2.769      |
|               | Group 2 | 1.046          | 1.032        | 2.078                     | 2.769      |
| <b>ZI Inc</b> |         |                |              |                           |            |
| Interim       | Group 1 | 0.879          | -            | 0.879                     | 0.789      |
|               | Group 2 | 0.528          | 0.351        | 0.879                     | 0.789      |
| Final         | Group 1 | 1.769          | -            | 1.769                     | 2.384      |
|               | Group 2 | 1.011          | 0.758        | 1.769                     | 2.384      |
| <b>ZI Acc</b> |         |                |              |                           |            |
| Interim       | Group 1 | 1.086          | -            | 1.086                     | 0.952      |
|               | Group 2 | 0.620          | 0.466        | 1.086                     | 0.952      |
| Final         | Group 1 | 2.199          | -            | 2.199                     | 2.893      |
|               | Group 2 | 1.082          | 1.117        | 2.199                     | 2.893      |



Distribution Tables (Continued)

(All figures shown in pence per unit)

Units are classified as Group 2 for the following periods in which they were acquired, thereafter they rank as Group 1 units.

Equalisation is the average amount of income included in the purchase price of Group 2 units and is refundable to holders of these units as a return of capital. Being a capital item it is not liable to income tax, but must be deducted from the cost of units for capital gains tax purposes.

The relevant periods for Group 2 units and the payment/transfer dates are shown below:

|         | Group 2 units<br>from | to       | Group 1 & 2 units<br>paid/transferred |
|---------|-----------------------|----------|---------------------------------------|
| Interim | 16.09.23              | 15.03.24 | 15.05.24                              |
| Final   | 16.03.24              | 15.09.24 | 15.11.24                              |



DIRECTORS' APPROVAL

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL"), the contents of this report have been approved on behalf of AXA Investment Managers UK Limited by:

DocuSigned by:  
  
0D9B109B368548C...  
Jane Wadia  
Director  
Thursday 12<sup>th</sup> December 2024

Signé par :  
  
5A850D8B42FD433...  
Marion Le Morhedec  
Director  
Thursday 12<sup>th</sup> December 2024



## Statement of Manager's Responsibilities

### STATEMENT OF THE MANAGER'S RESPONSIBILITIES IN RELATION TO THE REPORT AND ACCOUNTS OF THE FUND

The Financial Conduct Authority's Collective Investment Schemes sourcebook requires the Authorised Fund Manager to prepare financial statements for each annual accounting year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland), of the financial affairs of the Fund and of its revenue and expenditure and capital gains for the year.

In preparing the accounts the Manager is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the disclosure requirements of the Statement of Recommended Practice for Authorised Funds and the Trust Deed;
- follow applicable accounting standards;
- keep proper accounting records which enable it to demonstrate that the accounts prepared comply with the above requirements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Fund will continue in business.

The Manager is responsible for the management of the Fund in accordance with its Trust Deed, Prospectus and the Regulations, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## Report of the Trustee

### STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES IN RESPECT OF THE SCHEME AND REPORT OF THE TRUSTEE TO THE UNITHOLDERS OF AXA FRAMLINGTON UK SELECT OPPORTUNITIES FUND OF THE AXA FRAMLINGTON RANGE OF AUTHORISED UNIT TRUST SCHEMES ("THE TRUST") FOR THE YEAR END 15 SEPTEMBER 2024.

The Depositary in its capacity as Trustee of AXA Framlington UK Select Opportunities Fund must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Depositary must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ("the AFM"), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Regulations and the Scheme documents of the Trust in relation to the investment and borrowing powers applicable to the Trust.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Depositary of the Trust, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects the Trust, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents of the Trust; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Trust in accordance with the Regulations and the Scheme documents of the Trust.

Trustee  
 HSBC Global Trustee & Fiduciary Services (UK)  
 Thursday 12<sup>th</sup> December 2024



## Report of the Independent Auditor

### INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE AXA FRAMLINGTON UK SELECT OPPORTUNITIES FUND

#### OPINION

We have audited the financial statements of AXA Framlington UK Select Opportunities Fund for the year ended 15 September 2024, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Fund, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 15 September 2024 and of the net revenue and net capital gains on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

#### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for a period which is 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Fund's ability to continue as a going concern.

#### OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our audit report thereon. The Manager is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine



whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **OPINIONS ON OTHER MATTERS PRESCRIBED BY THE RULES OF THE COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK OF THE FINANCIAL CONDUCT AUTHORITY (THE “FCA”)**

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the FCA and the Trust Deed; and
- there is nothing to indicate that adequate accounting records have not been kept or that the financial statements are not in agreement with those records; and
- the information given in the Manager’s report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the FCA requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

## **RESPONSIBILITIES OF THE MANAGER**

As explained more fully in the Manager’s responsibilities statement set out on page 36, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the Fund or to cease operations, or has no realistic alternative but to do so.

## **AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



## EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the Fund's Trust Deed and the Prospectus.
- We understood how the Fund is complying with those frameworks through discussions with the Manager and the Fund's administrators and a review of the Fund's documented policies and procedures.
- We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution. We identified a fraud risk with respect to the incomplete or inaccurate income recognition through incorrect classification of special dividends and the resulting impact to amounts available for distribution. We tested appropriateness of management's classification for a sample of special dividends as either a capital or revenue return.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Manager with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Fund.
- Due to the regulated nature of the Fund, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## USE OF OUR REPORT

This report is made solely to the Fund's unitholders, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the FCA. Our audit work has been undertaken so that we might state to the Fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP  
Statutory Auditor  
Edinburgh  
Thursday 12<sup>th</sup> December 2024

DocuSigned by:  
*Ernst & Young LLP*  
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## Further Information (Unaudited)

### REMUNERATION POLICY OF THE MANAGER

The Manager has approved and adopted AXA IM's Global Remuneration Policy, in accordance with the Regulations, which is consistent with, and promotes, sound and effective risk management; does not encourage risk-taking which is inconsistent with the risk profiles of the Fund's or the Trust Deeds, and does not impair compliance of the Manager's duty to act in the best interests of each of the Fund's.

AXA IM's Global Remuneration Policy, which has been approved by the AXA IM Remuneration Committee, sets out the principles relating to remuneration within all entities of AXA IM (including the Manager) and takes into account AXA IM's business strategy, objectives, and risk tolerance, as well as the long-term interests of AXA IM's shareholders, employees and clients (including the Fund's). The AXA IM Remuneration Committee is responsible for determining and reviewing the AXA IM remuneration guidelines, including the AXA IM Global Remuneration Policy, as well as reviewing the annual remuneration of senior executives of the AXA IM Group and senior officers in control functions.

AXA IM provides both fixed and variable remuneration. An employee's fixed remuneration is structured to reward organizational responsibility, professional experience and the individual's capability to perform the duties of the role. Variable remuneration is based on performance and may be awarded annually on both a non-deferred and, for certain employees, a deferred basis. Non-deferred variable remuneration may be awarded in cash or, where appropriate and subject to local laws and regulation, in instruments linked to the performance of AXA IM Funds. Deferred remuneration is awarded through various instruments structured to reward medium and long-term value creation for clients and AXA IM and long-term value creation for the AXA Group. AXA IM ensures appropriate balances between fixed and variable remuneration and deferred and non-deferred remuneration.

Details of the up-to-date Global Remuneration Policy are published online at <https://www.axa-im.com/remuneration>. This includes the description of how remuneration and benefits are awarded for employees, and further information on the AXA IM remuneration committee. A paper copy of the up-to-date Global Remuneration Policy is also available from the Manager free of charge upon request.

In line with the requirements of the Undertakings for Collective Investments in Transferable Securities (UCITS) V, AXA Investment Managers UK Limited is required to make quantitative disclosures of remuneration. These disclosures are made in line with the currently available guidance on quantitative remuneration disclosures. The amounts shown below reflect payments made in respect of the financial year 1 January 2023 to 31 December 2023:

| Total amount of remuneration paid and / or allocated to all staff<br>for the year ended December 31, 2023 <sup>(1)</sup> |         |
|--|---------|
| Fixed Pay <sup>(2)</sup> (£'000)   | 250,226 |
| Variable Pay <sup>(3)</sup> (£'000)  | 155,658 |
| Number of employees <sup>(4)</sup>   | 2,808   |

<sup>(1)</sup> Excluding social charges.

<sup>(2)</sup> Fixed Pay amount is based on 2022/23 compensation review final data. (This amount is different from the data from the stafflist as of 31/12/2023).

<sup>(3)</sup> Variable compensation, includes:

- the cash amounts awarded for the performance of the previous year and fully paid over the financial year under review (2023),
- deferred variable remuneration "DIP" paid over the financial year under review
- and long-term incentives set up by the AXA Group. For shares, in this reporting are included the shares that have effectively vested over the financial year under review (2023)

<sup>(4)</sup> Number of employees includes Permanent and Temporary contracts excluding internships (based on Staff list as of 31/12/2023).



## Further Information (Unaudited) (continued)

### Remuneration to Identified Employee:

| Aggregate amount of compensation paid and / or allocated to risk takers and senior management whose activities have a significant impact on the risk profile of investment vehicles |             |                   |         |
|---|-------------|-------------------|---------|
|   | Risk Takers | Senior Management | Total   |
| Fixed Pay and Variable Remuneration (£'000)   | 87,639      | 39,175            | 126,814 |
| Number of employees   | 277         | 62                | 339     |

### UK Identified Employee Remuneration:

| Weighted amount of compensation paid and / or allocated to risk takers and senior management whose activities have a significant impact on the risk profile of all investment vehicles where AXA IM UK act as Authorised Fund Manager or Alternative Investment Fund Manager |             |                   |       |
|--|-------------|-------------------|-------|
|  | Risk Takers | Senior Management | Total |
| Fixed Pay and Variable Remuneration (£'000)  | 3,764       | 1,683             | 5,447 |
| Number of employees  | 64          | 15                | 79    |

## THE SECURITIES FINANCING TRANSACTIONS REGULATION

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (SFTs) or total return swaps will be required on all reports & accounts published after 13 January 2017. During the year to 15 September 2024, the Fund did use SFTs or total return swaps. As such please see below disclosure.

## SECURITIES FINANCING TRANSACTIONS (SFTs)

### For the year ended 15 September 2024

As at the Balance Sheet date, the fund had no open positions. As such, only the return and cost over the reporting period are shown below.

#### 1. Return and Cost

|                           | Collective<br>Investment<br>£ | Manager of<br>Collective<br>£ | Third<br>Parties<br>£ | Total<br>£ |
|---------------------------|-------------------------------|-------------------------------|-----------------------|------------|
| <b>Securities lending</b> |                               |                               |                       |            |
| Gross return              | 4,585.53                      | 0.00                          | 1,528.51              | 6,114.04   |
| % of total gross return   | 75.00%                        | 0.00%                         | 25.00%                | 100.00%    |
| Cost                      | 0.00                          | 0.00                          | 0.00                  | 0.00       |



## **Further Information (Unaudited) (continued)**

### **VALUE ASSESSMENT**

It is our duty as Authorised Fund Manager (“AFM”) to act in the best interests of our investors. As part of fulfilling this duty, we need to consider whether the charges taken from our Funds are justified in the context of the overall service and value that we provide to our investors.

The FCA have introduced new rules requiring the Boards of AFMs to consider robustly and in detail whether they are delivering value for money to their investors and to explain the assessment annually in a Value Statement made available to the public.

The Value Statement report is available on the AXA IM website:

<https://retail.axa-im.co.uk/fund-centre>



## Directory

### The Manager

AXA Investment Managers UK Limited  
22 Bishopsgate  
London, EC2N 4BQ

Authorised and regulated by the Financial Conduct Authority.  
Registered in England and Wales No. 01431068.  
The company is a wholly owned subsidiary of AXA S.A., incorporated in France.  
Member of the IA.

### The Administrator and address for inspection of Register:

SS&C Financial Services International Limited and SS&C Financial Services Europe Limited  
SS&C House  
St Nicholas Lane  
Basildon Essex, SS15 5FS  
Authorised and regulated by the Financial Conduct Authority.

### Trustee

HSBC Global Trustee & Fiduciary Services (UK)  
8 Canada Square,  
London, E14 5HQ  
HSBC Bank plc is a subsidiary of HSBC Holdings plc.  
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

### Fund Accounting Administrator

State Street Bank & Trust Company  
20 Churchill Place  
London, E14 5HJ  
Authorised and regulated by the Financial Conduct Authority.

### Legal adviser

Eversheds LLP  
One Wood Street  
London, EC2V 7WS

### Auditor

Ernst & Young LLP  
Atria One, 144 Morrison Street  
Edinburgh, EH3 8EX

### Dealing and Correspondence

PO Box 10908  
Chelmsford, CM99 2UT

Telephone Dealing & Enquiries 0345 777 5511  
If you are calling from outside the UK, please call +44 1268 448667  
Our lines are open Monday to Friday between 9am and 5:30pm  
As part of our commitment to quality service, telephone calls are recorded.