

Annual Long Report and Audited Financial Statements
Year ended
15 February 2022

AXA Framlington Japan Fund



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

Contents Page

Fund Objective & Investment Policy, Important Events during the Year*	3
Investment Review*	4
Portfolio Changes*	6
Managing Risks*	7
Fund Information	10
Comparative Tables	12
Portfolio Statement*	15
Statement of Total Return	21
Statement of Change in Net Assets Attributable to Unitholders	21
Balance Sheet	22
Notes to the Financial Statements	23
Distribution Tables	31
Statement of Manager's Responsibilities	33
Report of the Trustee	34
Report of the Independent Auditor	35
Further Information (Unaudited)*	38
Directory*	40

* 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 Japan Fund (“the Fund”) is to provide long-term capital growth.

The Fund invests in shares of Japanese listed companies 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 Japan index. The FTSE Japan index is designed to measure the performance of large and medium-sized companies in Japan. This index best represents a core component of the Managers' investment universe.

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

Important Events During the Year

The Russian invasion of Ukraine launched on 24 February 2022 has been negative for the global economy primarily as a result of the disruption it has caused in the supply of energy and other commodities. Inflation had already arisen as a concern following supply issues related to COVID and energy price hikes resulting from the conflict have worsened the situation. This, and the continuing geopolitical uncertainties raised by the war have led to high levels of market volatility. Bond yields have risen in anticipation of interest rate hikes, credit spreads have increased and there have been pronounced swings in equity prices as investors digest how the unpredictable news flow affects company earnings and countries' projected growth rates.

Investment Review

The annual performance of the fund was significantly challenged by market conditions throughout the year in review. The market itself fell, and the fund also underperformed the index. This was in large part due to the structural biases in the portfolio, namely the overweight in small-caps and the focus on growth companies. These factors have been helpful long term, and we remain committed to them as we believe that they offer the best way to achieve capital appreciation in the Japanese stock market.

The Market

The early part of 2021 was dominated by macro events. Japan reacted as other markets did to a steepening US yield curve. The main impact saw a rally in value stocks, seen globally. The yen also fell, beginning a trend that continued throughout the year. In previous decades, a 10% plus weakening in the yen would have been newsworthy, but it barely received comment. It does, however, boost corporate profits, and export-led areas such as the automakers and semiconductor equipment suppliers saw a lift to earnings. Equally important was the volatility in the US treasury market, which essentially gave back much of the move in the first quarter through the summer and early autumn, only to then set off again as inflation picked up late in 2021.

The market lagged other regions in the second quarter of the year. The Japanese government faced criticism for continuing to push ahead with plans to hold the delayed 2020 Olympic Games. This proved a real debating point as Japanese people were concerned at the possible health impact with so many athletes visiting.

COVID-19 overall continued to disrupt Japan as elsewhere. Japan was further behind the West in its vaccination programme coming into 2021, and it was only through a concerted effort by then prime minister Yoshihide Suga that the levels of vaccination in the population had rapidly caught up with other nations by October time. Japan went into and came out of states of emergency, and the population was accepting of the difficult measures taken by the politicians in Nagatacho, Tokyo.

The malaise caused by the pandemic, coupled with the furore surrounding the tagging of the Tokyo Olympics, put increasing pressure on Suga. He resigned suddenly in September, ahead of a planned leadership contest and lower house election. Whether this was a political move to help his favoured candidate succeed him, we shall never know, but it precipitated a fascinating contest. The LDP leadership was thus seen as a three-horse race: Taro Kono, Fumio Kishida and Sanae Takaichi were the protagonists. Takaichi was notable for being a woman, and would have become the first female leader of her party and her country. She did well but fell away after the first round despite backing from previous prime minister Shinzo Abe. She and her backer mobilised their support behind the eventual winner, Kishida, ensuring that Kono, the populist candidate, did not take control. Kishida is noted as a safe candidate, less populist than Kono and less right wing than Takaichi.

By autumn, one of the Fund's holdings, SBI, an online brokerage and financial advisory business, made a hostile bid for Shinsei Bank. Shinsei was rescued from the collapse of one of Japan's former banks after the bubble collapse. We believe SBI's success is symptomatic of an increasing presence of activism in Japan. Activist activity has hit new highs in each of the last five years.

Lastly, 2021 was undoubtedly the year for disruption to the global supply chain. Semiconductors began the year in turmoil following a fire at a plant of Renesas, a leading maker of semiconductors for the automotive industry. This was followed by the blockage in the Panama canal, and issues related to COVID-19 in Thailand and Malaysia. This variously created challenges all over the world for many manufacturing industries. Japan saw especially large problems in the auto supply

Top Ten Holdings

as at 15 February 2022

	%
Toyota Motor	4.05
<i>Consumer Discretionary</i>	
Mitsubishi UFJ Financial	2.37
<i>Financials</i>	
Sompo	2.05
<i>Financials</i>	
FANUC	1.80
<i>Industrials</i>	
Toyota Industries	1.73
<i>Consumer Discretionary</i>	
Hitachi	1.64
<i>Industrials</i>	
Fuji Electric	1.60
<i>Industrials</i>	
Kureha	1.60
<i>Industrials</i>	
AGC	1.59
<i>Industrials</i>	
Taiyo	1.53
<i>Basic Materials</i>	

Investment Review (Continued)

chain, and even Toyota Motor was forced to wave the white flag and halt all domestic production in August, only to restart production again at a reduced rate.

Portfolio Activity

Toyota Motor is a good place to begin a summary of portfolio activity. Japan's largest automaker was not held in the fund coming into 2021, but positive discussions with management persuaded us to buy the stock mid-year. Toyota Motor is the most profitable automaker in the world, which crucially means it has the resources to invest in the shift to electric vehicles. It also has a hybrid drivetrain business that is now on its fifth generation, which means that it will be able to continue to supply vehicles in the developed world if we assume that the move to electric vehicles takes longer there. Toyota Motor nearly doubled its planned electric vehicle production target for 2030 at the end of last year, and we have confidence in its ability to move more quickly into electric vehicles than the competition.

Other new names include JFE, a steel maker, and Taiyo Yuden, a maker of high-grade ceramic capacitors used in all electronics circuitry. Taiyo Yuden commands a strong share in this area, and along with Japan's other top capacitor maker, Murata Manufacturing, dominate at the cutting edge in this market. The outlook for sales of capacitors is strong. As electronic circuits become more complex with the growth in electric vehicles and 5G phones, the unit sales of capacitors per circuit also rises. Therefore the outlook for capacitors is considerably higher than for underlying sales of electronic products they go in to. The stock had pulled back in September following fears of slowdown in China, and the post-iPhone 13 launch.

Performance & Outlook

Having enjoyed a strong relative showing in 2020, there was a significant reaction in the early part of 2021 and again at the end of the period of review. Stocks such as M3, a long-held position, were hit by significant profit-taking, along with many other holdings that had risen to premium valuations. As much as possible we tried to avoid being swayed by the macro and focused on stock specifics. For example, Daifuku, a star of the portfolio in 2020, had clearly benefitted from the COVID-19-related demand for its warehouse material handling equipment. Interviews with Daifuku confirmed that annual growth was slowing so we decided to switch out of it and use proceeds for the purchase of Toyota Motor.

Looking back one year, we are faced with an identical dilemma: do we react to events outside of our control, or do we stick to stock picking? Our remit is not to make predictions about macro events, inflation, bond prices, and so on. The Fund has always invested for the long term in young, fast-growing companies in Japan, and we feel that this is what our clients expect us to do. We would like to emphasise that we are not planning to change our approach. We do feel that there are some things that we can do to mitigate short-term volatility. Where appropriate, we have added to existing holdings in this area. Long-held financials like MUFG and Sampo, both beneficiaries of a higher rate environment, are now among the top held positions. We have been buying new names such as Japan Steel Works, an exciting maker of machinery for materials used in electric vehicle batteries. The speed of the fall has been violent and surprising. We feel that it is important now more than ever to focus on the bottom up fundamentals. Rest assured that we will make tough decisions where we have to, but that we will not make wholesale changes to our approach. This is the best course of action right now in our opinion. We would ask for your support and patience, and in return we will try our utmost to navigate these difficult market conditions. As I write, valuations for many of our favourite names have reached levels that appear attractive once again. This is perhaps the first sign that much of the move in this market shift has been done. We will keep updating you all, and hope to have better news to report over the coming year.

Chisako Hardie
15 February 2022

Source of all performance data: AXA Investment Managers, Morningstar to 15 February 2022.

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 February 2022

Major Purchases	Cost (£'000)	Major Sales	Proceeds (£'000)
Toyota Motor	4,907	Outsourcing	2,532
FANUC	2,997	Digital Garage	2,023
Toyota Industries	2,670	Dexerials	1,945
Taiyo Yuden	2,175	V Technology	1,805
Rakuten	2,116	Fuso Chemical	1,778
NS Solutions	1,727	Internet Initiative Japan	1,745
JFE	1,644	NEC	1,622
TIS	1,627	Takeda Pharmaceutical	1,609
Dentsu	1,470	Rakuten	1,579
Japan Steel Works	1,419	Lasertec	1,563
Other purchases	13,872	Other sales	31,628
Total purchases for the year	36,624	Total sales for the year	49,829

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 paragraphs explain the Manager's approach to managing those risks.

RISK PROFILE

The Fund ordinarily invests at least 80% of the Fund's investment in Japan, but also has the power to invest in other areas of the Far East. Consequently, changes in exchange rates will affect the value of investments overseas.

As the Fund mainly invests in a single country it has the potential to be more volatile than the Fund which invests in a more diversified portfolio of equities across a range of countries. 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 individual 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.

CURRENCY RISK

Assets of the Fund (including cash), and any income paid on those assets, may be denominated in a currency other than the base currency of the Fund. Changes in the exchange rate between the base currency and the currency of an asset may cause the value of the asset/income (expressed in the base currency) to fall as well as rise even if there is no change of the value of such assets in its local currency. This may also cause additional volatility in the Fund's price. It may not be possible or practicable to hedge against such exchange rate risk.

The Manager aims to reduce the risk of movements in exchange rates on the value of all or part of the assets of the Fund through the use of currency exchange transactions. The Fund may enter into currency exchange transactions either on a spot basis (i.e., exchanging at the current price) or through forward currency transactions (i.e., agreeing to purchase the currency at an agreed price at a future date). Neither spot transactions nor forward currency transactions will completely

eliminate fluctuations in the prices of the Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. The performance of the Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

Although these transactions are intended to minimise the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. Forward currency transactions may also have the effect of reducing or enhancing the Fund's performance due to the difference between the exchange rate available on such transactions compared to the current (spot) exchange rate. Under normal market conditions this difference in exchange rates is mainly caused by the different short term interest rates applicable to the currency of the assets and the base currency of the Fund. Where the interest rate applying to the foreign currency is higher than that of the Fund's base currency, this can reduce the Fund's performance and vice-versa. This impact on performance is usually far less pronounced than the effect of fluctuations of exchange rates that the use of such transactions is intended to reduce, but the impact can be significant over time, particularly where there is a wide gap between the interest rates applicable to the two currencies. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. Therefore, the successful execution of a hedging strategy which matches exactly the profile of the investments of any Fund cannot be assured. Furthermore, it may not be possible to hedge against generally anticipated exchange or interest rate fluctuations at a price sufficient to protect the Fund from the anticipated decline in value of its assets as a result of such fluctuations.

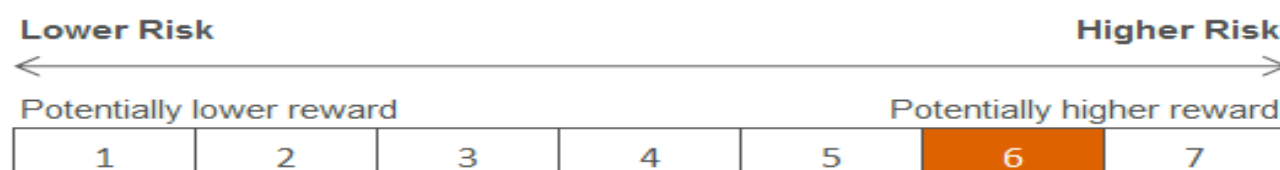
Internal investment guidelines are set, if necessary, to ensure currency risk is maintained within a range deemed suitable based on the Fund's investment objectives and investment policy.

INDUSTRY SECTOR OR REGION RISK

The Fund may invest in a portfolio of shares which is focused towards one particular market sector or geographic region. This focus may result in higher risk when compared to the manager Fund that has spread or diversified investments more broadly. Some sectors and regions can experience rapid and extreme price movements when compared with movements in securities markets generally. Investors should note that Funds with a specific focus should be considered for investment as part of a wider diversified portfolio.

Internal investment guidelines seek to ensure suitable levels of diversification based on the Fund's investment objectives and investment policy.

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 February 2022, the price of Z Accumulation units, with net income reinvested, rose by +26.37%. The FTSE Japan Index (Total Return) increased by +28.08% over the same time period. During the same period, the price of Z Income units, with zero income reinvested, rose by +22.92%. (Source: AXA Investment Managers and Morningstar) (Prices in GBP).

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

Date	AXA Framlington Japan Z Acc	FTSE Japan (TR)
15 Feb 2017 - 15 Feb 2018	+14.87%	+7.62%
15 Feb 2018 - 15 Feb 2019	-5.29%	-0.90%
15 Feb 2019 - 15 Feb 2020	+9.16%	+10.52%
15 Feb 2020 - 15 Feb 2021	+21.17%	+16.10%
15 Feb 2021 - 15 Feb 2022	-12.18%	-6.41%

Source: AXA Investment Managers & Morningstar. Basis: Single Price NAV, with net revenue reinvested, net of fees in GBP.

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

Past performance is not a guide to future performance.

YIELD

A Acc	0.71%
R Inc	Nil
R Acc	Nil
Z Inc	0.54%
Z Acc	0.54%

CHARGES

	Initial Charge	Annual Management Charge
A*	Nil	0.60%
R	Nil	1.50%
Z	Nil	0.75%

*Units in Class A are only available at the Manager's discretion by contractual agreement.

ONGOING CHARGES**

A Acc	0.69%
R Inc	1.59%
R Acc	1.59%
Z Inc	0.84%
Z Acc	0.84%

**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 Japan Fund is available as a Stocks and Shares ISA through the AXA Investment Managers Stocks and Shares ISA.

Comparative Tables

	A Acc		
Change in net assets per unit	15/02/2022 (p)	15/02/2021 (p)	15/02/2020 (p)
Opening net asset value per unit [†]	232.66	191.74	175.36
Return before operating charges [^]	(26.49)	42.30	17.66
Operating charges	(1.57)	(1.38)	(1.28)
Return after operating charges [^]	(28.06)	40.92	16.38
Distributions	(1.44)	(1.33)	(1.83)
Retained distributions on accumulation units	1.44	1.33	1.83
Closing net asset value per unit[†]	204.60	232.66	191.74
 * [^] after direct transaction costs of:	 0.05	 0.09	 0.05
Performance			
Return after charges	-12.06%	21.34%	9.34%
Other Information			
Closing net asset value [†] (£'000)	3,252	3,937	4,169
Closing number of units	1,589,552	1,692,065	2,174,384
Operating charges	0.69%	0.70%	0.69%
Direct transaction costs [*]	0.02%	0.04%	0.03%
Prices			
Highest unit price #	249.70	236.40	199.20
Lowest unit price #	198.20	139.20	168.80

Comparative Tables (Continued)

Change in net assets per unit	R Acc			R Inc		
	15/02/2022 (p)	15/02/2021 (p)	15/02/2020 (p)	15/02/2022 (p)	15/02/2021 (p)	15/02/2020 (p)
Opening net asset value per unit [†]	719.65	598.47	552.38	705.67	586.84	542.58
Return before operating charges [^]	(81.32)	131.03	55.33	(79.76)	128.51	53.84
Operating charges	(11.11)	(9.85)	(9.24)	(10.88)	(9.68)	(9.07)
Return after operating charges [^]	(92.43)	121.18	46.09	(90.64)	118.83	44.77
Distributions	-	-	(0.52)	-	-	(0.51)
Retained distributions on accumulation units	-	-	0.52	-	-	-
Closing net asset value per unit[†]	627.22	719.65	598.47	615.03	705.67	586.84
 * [^] after direct transaction costs of:	 0.15	 0.28	 0.16	 0.15	 0.27	 0.16
Performance						
Return after charges	-12.84%	20.25%	8.34%	-12.84%	20.25%	8.25%
Other Information						
Closing net asset value [†] (£'000)	15,471	21,719	21,576	1,749	2,092	1,825
Closing number of units	2,466,622	3,017,978	3,605,274	284,357	296,511	310,956
Operating charges	1.59%	1.60%	1.59%	1.59%	1.60%	1.59%
Direct transaction costs [*]	0.02%	0.04%	0.03%	0.02%	0.04%	0.03%
Prices						
Highest unit price #	768.40	731.60	622.30	753.50	717.30	610.70
Lowest unit price #	607.80	434.20	531.10	596.00	425.70	521.20

Comparative Tables (Continued)

	Z Acc			Z Inc		
Change in net assets per unit	15/02/2022 (p)	15/02/2021 (p)	15/02/2020 (p)	15/02/2022 (p)	15/02/2021 (p)	15/02/2020 (p)
Opening net asset value per unit [†]	328.74	271.33	248.55	223.84	185.59	171.39
Return before operating charges [^]	(37.38)	59.77	24.98	(25.45)	40.86	17.24
Operating charges	(2.69)	(2.36)	(2.20)	(1.83)	(1.62)	(1.52)
Return after operating charges [^]	(40.07)	57.41	22.78	(27.28)	39.24	15.72
Distributions	(1.56)	(1.45)	(2.20)	(1.06)	(0.99)	(1.52)
Retained distributions on accumulation units	1.56	1.45	2.20	-	-	-
Closing net asset value per unit[†]	288.67	328.74	271.33	195.50	223.84	185.59
 * [^] after direct transaction costs of:	 0.07	 0.13	 0.07	 0.05	 0.09	 0.05
Performance						
Return after charges	-12.19%	21.16%	9.17%	-12.19%	21.14%	9.17%
Other Information						
Closing net asset value [†] (£'000)	113,741	137,177	161,185	10,342	12,393	12,162
Closing number of units	39,402,019	41,728,492	59,404,646	5,289,880	5,536,471	6,553,405
Operating charges	0.84%	0.85%	0.84%	0.84%	0.85%	0.84%
Direct transaction costs [*]	0.02%	0.04%	0.03%	0.02%	0.04%	0.03%
Prices						
Highest unit price #	352.50	334.00	281.90	240.00	228.50	194.40
Lowest unit price #	279.60	197.00	239.10	190.40	134.70	164.90

[†] 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.

[^] 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.

Portfolio Statement

The AXA Framlington Japan Fund portfolio as at 15 February 2022 consisted of the following investments, which are ordinary shares unless otherwise stated.

Holding	Market value £'000	Total net assets (%)
BASIC MATERIALS: 11.06% (15/02/2021: 9.08%)		
Chemicals: 8.44% (15/02/2021: 7.88%)		
61,500 Denka	1,471	1.02
69,800 MEC	1,312	0.91
413,200 Mitsubishi Chemical	2,185	1.51
104,800 Showa Denko	1,543	1.07
106,200 Taiyo	2,206	1.53
437,800 Toray Industries	1,913	1.32
189,400 Toyobo	1,559	1.08
	12,189	8.44
Industrial Materials: 1.32% (15/02/2021: 1.20%)		
136,000 Seiren	1,908	1.32
	1,908	1.32
Industrial Metals & Mining: 1.30% (15/02/2021: 0.00%)		
174,800 JFE	1,873	1.30
	1,873	1.30
CONSUMER DISCRETIONARY: 16.15% (15/02/2021: 11.09%)		
Automobiles & Parts: 8.05% (15/02/2021: 2.75%)		
34,400 Denso	1,876	1.30
37,500 Koito Manufacturing	1,404	0.97
42,400 Toyota Industries	2,501	1.73
420,300 Toyota Motor	5,862	4.05
	11,643	8.05
Leisure Goods: 2.38% (15/02/2021: 2.69%)		
27,500 Sony	2,177	1.51
35,500 Yamaha	1,263	0.87
	3,440	2.38

Portfolio Statement(Continued)

Holding		Market value £'000	Total net assets (%)
Media: 4.56% (15/02/2021: 4.61%)			
55,900	Dentsu	1,676	1.16
94,400	Kadokawa	1,475	1.02
40,200	Media Do	655	0.45
434,400	Septeni	1,396	0.97
200,700	Vector	1,381	0.96
		6,583	4.56
Retailers: 1.16% (15/02/2021: 1.04%)			
93,100	Komeri	1,673	1.16
		1,673	1.16
CONSUMER STAPLES: 1.23% (15/02/2021: 1.57%)			
Personal Care, Drug & Grocery: 1.23% (15/02/2021: 1.57%)			
32,700	Kao	1,094	0.76
45,500	Pigeon	674	0.47
		1,768	1.23
ENERGY: 0.79% (15/02/2021: 1.00%)			
Alternative Energy: 0.79% (15/02/2021: 1.00%)			
108,800	eRex	1,145	0.79
		1,145	0.79
FINANCIALS: 7.32% (15/02/2021: 5.76%)			
Banks: 2.37% (15/02/2021: 1.20%)			
719,300	Mitsubishi UFJ Financial	3,423	2.37
		3,423	2.37
Investment Banking & Brokerage: 2.06% (15/02/2021: 2.60%)			
81,900	Nihon M&A Center	935	0.65
102,300	SBI	2,045	1.41
		2,980	2.06

Portfolio Statement(Continued)

Holding		Market value £'000	Total net assets (%)
	Life Insurance: 0.00% (15/02/2021: 0.00%*)		
	Non-Life Insurance: 2.89% (15/02/2021: 1.96%*)		
234,700	Anicom	1,217	0.84
85,600	Sompo	2,962	2.05
		4,179	2.89
	HEALTH CARE: 9.21% (15/02/2021: 13.25%)		
	Health Care Providers: 0.56% (15/02/2021: 1.05%)		
30,500	M3	815	0.56
		815	0.56
	Medical Equipment & Services: 4.09% (15/02/2021: 5.12%)		
75,300	Asahi Intecc	1,093	0.76
452,600	CYBERDYNE	1,066	0.74
85,000	Ship Healthcare	1,301	0.90
18,400	Sysmex	1,056	0.73
56,700	Terumo	1,382	0.96
		5,898	4.09
	Pharmaceuticals & Biotechnology: 4.56% (15/02/2021: 7.08%)		
89,400	Daiichi Sankyo	1,379	0.95
160,800	HEALIOS	1,088	0.75
50,500	PeptiDream	696	0.48
38,800	Shionogi	1,914	1.32
159,700	Sosei	1,527	1.06
		6,604	4.56
	INDUSTRIALS: 25.76% (15/02/2021: 24.62%)		
	Construction & Materials: 1.95% (15/02/2021: 2.03%)		
9,600	Daikin Industries	1,339	0.93
94,000	Kyowa Exeo	1,469	1.02
		2,808	1.95

Portfolio Statement(Continued)

Holding		Market value £'000	Total net assets (%)
Electronic & Electrical Equipment: 6.83% (15/02/2021: 6.11%)			
59,300	Fuji Electric	2,309	1.60
63,600	Hitachi	2,370	1.64
39,000	Horiba	1,665	1.15
3,000	Keyence	1,121	0.78
170,300	Topcon	1,679	1.16
295,700	Yamashin-Filter	722	0.50
		9,866	6.83
General Industrials: 3.19% (15/02/2021: 2.40%)			
64,000	AGC	2,297	1.59
38,800	Kureha	2,309	1.60
		4,606	3.19
Industrial Engineering: 6.68% (15/02/2021: 5.53%)			
110,200	CKD	1,465	1.01
102,900	DMG Mori	1,153	0.80
17,600	FANUC	2,608	1.80
62,300	Japan Steel Works	1,407	0.97
114,600	Kubota	1,532	1.06
93,400	Trusco Nakayama	1,509	1.04
		9,674	6.68
Industrial Support Services: 3.96% (15/02/2021: 5.51%)			
34,500	JMDC	1,258	0.87
41,700	Recruit	1,364	0.94
24,500	Secom	1,365	0.94
77,100	UT	1,751	1.21
		5,738	3.96
Industrial Transportation: 3.15% (15/02/2021: 3.04%)			
91,700	Kawasaki Heavy Industries	1,269	0.88
38,000	NIPPON EXPRESS	1,793	1.24
56,000	Sankyu	1,490	1.03
		4,552	3.15

Portfolio Statement(Continued)

Holding		Market value £'000	Total net assets (%)
REAL ESTATE: 0.94% (15/02/2021: 0.89%)			
Real Estate Investment & Services: 0.94% (15/02/2021: 0.89%)			
192,700	Hulic	1,352	0.94
		1,352	0.94
TECHNOLOGY: 23.11% (15/02/2021: 27.30%)			
Software & Computer Services: 8.78% (15/02/2021: 9.66%)			
21,300	Bengo4.com	628	0.43
89,000	Change	913	0.63
250,700	Infomart	965	0.67
62,600	Internet Initiative Japan	1,436	0.99
50,300	Itochu Techno-Solutions	966	0.67
28,900	Makuake	395	0.27
68,700	NET One Systems	1,283	0.89
53,100	Nomura Research Institute	1,354	0.94
59,200	NS Solutions	1,400	0.97
11,400	SHIFT	1,494	1.03
75,600	TIS	1,324	0.92
89,700	Uzabase	539	0.37
		12,697	8.78
Technology Hardware & Equipment: 14.33% (15/02/2021: 17.64%)			
24,600	Advantest	1,467	1.01
74,400	Dexerials	1,482	1.02
36,300	FUJIFILM	1,776	1.23
10,100	Fujitsu	1,049	0.73
40,600	Ibiden	1,484	1.03
74,300	Kaga Electronics	1,594	1.10
7,600	Lasertec	1,085	0.75
84,000	Mimasu Semiconductor Industry	1,294	0.89
14,300	Nidec	938	0.65
28,500	Omron	1,479	1.02
35,600	RS Technologies	1,245	0.86
54,200	Sumco	733	0.51
58,200	Taiyo Yuden	1,904	1.32
4,600	Tokyo Electron	1,648	1.14
274,700	Wacom	1,549	1.07
		20,727	14.33

Portfolio Statement(Continued)

Holding	Market value £'000	Total net assets (%)
TELECOMMUNICATIONS: 1.83% (15/02/2021: 3.56%)		
Telecommunications Equipment: 0.75% (15/02/2021: 0.98%)		
102,900 Anritsu	1,082	0.75
	1,082	0.75
Telecommunications Service Providers: 1.08% (15/02/2021: 2.58%)		
46,700 SoftBank	1,561	1.08
	1,561	1.08
UTILITIES: 1.13% (15/02/2021: 1.32%)		
Gas, Water & Multiutilities: 1.13% (15/02/2021: 1.32%)		
48,300 Iwatani	1,639	1.13
	1,639	1.13
Investments as shown in the balance sheet	142,423	98.53
Net current assets	2,132	1.47
Total net assets	144,555	100.00

All investments held are listed, unless otherwise stated.

* Since the previous report industry classifications have been updated. Comparative figures have been updated where appropriate.

Statement of Total Return

For the year ended 15 February

	Notes	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital (losses)/gains	3		(20,750)		28,509
Revenue	4	2,558		2,765	
Expenses	5	(1,562)		(1,572)	
Interest payable and similar charges		-		-	
Net revenue before taxation		996		1,193	
Taxation	6	(310)		(276)	
Net revenue after taxation			686		917
Total return before distributions			(20,064)		29,426
Distributions	7		(735)		(966)
Change in net assets attributable to unitholders from investment activities			(20,799)		28,460

Statement of Change in Net Assets Attributable to Unitholders

For the year ended 15 February

	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to unitholders		177,318		200,917
Amounts receivable on creation of units	29,255		18,662	
Amounts payable on cancellation of units	(41,856)		(71,349)	
		(12,601)		(52,687)
Change in net assets attributable to unitholders from investment activities		(20,799)		28,460
Retained distribution on accumulation units		637		628
Closing net assets attributable to unitholders		144,555		177,318

Balance Sheet

As at 15 February

		2022 £'000	2021 £'000
	Notes		
ASSETS			
Fixed assets			
Investments		142,423	176,321
Current assets			
Debtors	8	1,587	345
Cash and bank balances	9	2,218	1,933
Total assets		146,228	178,599
LIABILITIES			
Creditors			
Distribution payable		56	55
Other creditors	10	1,617	1,226
Total liabilities		1,673	1,281
Net assets attributable to unitholders		144,555	177,318

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 at least 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, following consideration of the impact of COVID-19, 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.

c) The listed investments of the Fund are valued at bid-market prices ruling at 12 noon on the last business day of the accounting year. Where certain securities are listed on global markets which are closed at the 12 noon valuation point, the last available closing bid-price will be utilised, subject to the application of any fair value pricing adjustment. 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 and investments priced in overseas currencies at the end of the year are converted into Sterling at the exchange rates ruling at 12 noon 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 recognized.

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

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) 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. 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 7 to 9 of the Manager's Report.

Price risk sensitivity

At 15 February 2022, 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 £7,121,141 (2021: £8,816,046) respectively.

Notes to the Financial Statements (Continued)

Foreign currency risk sensitivity

Assuming all other factors remain stable, if GBP strengthens by 5% the resulting change in the net assets attributable to shareholders of the Fund would be a decrease of approximately £7,199,777 (2021: £8,823,733). A 5% weakening in GBP would have an equal but opposite effect.

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.

	Monetary Exposure £'000	Non-Monetary Exposure £'000	Total £'000
2022			
Japanese Yen	1,572	142,423	143,995
Total	1,572	142,423	143,995

	Monetary Exposure £'000	Non-Monetary Exposure £'000	Total £'000
2021			
Japanese Yen	154	176,321	176,475
Total	154	176,321	176,475

3 Net capital (losses)/gains

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

	2022 £'000	2021 £'000
(Losses)/gains on non-derivative securities	(20,676)	28,651
Losses on foreign currency exchange	(69)	(136)
Transaction charges	(5)	(6)
Net capital (losses)/gains	(20,750)	28,509

Notes to the Financial Statements (Continued)

4 Revenue

	2022	2021
	£'000	£'000
Overseas dividends	2,558	2,764
Bank interest	-	1
Total revenue	2,558	2,765

5 Expenses

	2022	2021
	£'000	£'000
Payable to the Manager		
Annual management charge	1,411	1,418
Registrar's fees	101	101
	1,512	1,519
Other expenses		
Audit fee	8	9
Safe custody charges	18	16
Trustee's fees	24	28
	50	53
Total expenses	1,562	1,572

Expenses include irrecoverable VAT where applicable.

6 Taxation

a) Analysis of tax in the year:

	2022	2021
	£'000	£'000
Irrecoverable overseas tax	310	276
Total tax for the year (see note 6b)	310	276

Notes to the Financial Statements (Continued)

b) Factors affecting total tax charge for the year:

The tax assessed for the year is higher than the standard rate of corporation tax in the UK for an authorised unit trust (20%) (2021: 20%).

The differences are explained below:

	2022 £'000	2021 £'000
Net revenue before taxation	996	1,193
Corporation tax at 20%	199	239
Effects of:		
Irrecoverable overseas tax	310	276
Movement in excess management expenses	312	314
Revenue not subject to taxation	(511)	(553)
Total effects	111	37
Total tax charge for the year (see note 6a)	310	276

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 (2021: nil).

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 £4,241,940 (2021: £3,929,568) 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

At year end, there was insufficient income on R unit classes to meet expenses and taxation and, as permitted by the Trust Deed, an amount of £49,814 (2021: £48,863) has been transferred from the capital account to revenue account to meet this shortfall.

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

	2022 £'000	2021 £'000
Final	693	683
Add: Income deducted on cancellation of units	142	361
Deduct: Income received on creation of units	(100)	(78)
Net distribution for the year	735	966
Reconciliation to net revenue after taxation:		
Net distribution for the year	735	966
Shortfall transfer to capital	(49)	(49)
Net expense after taxation	686	917

Notes to the Financial Statements (Continued)

8 Debtors

	2022 £'000	2021 £'000
Sales awaiting settlement	1,323	-
Amounts receivable on creation of units	32	192
Accrued revenue	232	153
Total debtors	1,587	345

9 Cash and bank balances

	2022 £'000	2021 £'000
Cash and bank balances	2,218	1,933
Total cash and bank balances	2,218	1,933

10 Other creditors

	2022 £'000	2021 £'000
Amounts payable on cancellation of units	1,399	999
Accrued expenses		
- Manager	160	192
- Other	58	35
Total other creditors	1,617	1,226

11 Unitholders' funds

The Fund currently has five unit classes in issue.

	A Acc	R Acc	R Inc	Z Acc	Z Inc
Opening units in issue	1,692,065	3,017,978	296,511	41,728,492	5,536,471
Units issued	195,866	976,915	746	7,392,906	410,977
Units cancelled	(298,379)	(1,528,271)	(12,900)	(9,719,379)	(657,568)
Unit conversions	-	-	-	-	-
Closing units in issue	1,589,552	2,466,622	284,357	39,402,019	5,289,880

Notes to the Financial Statements (Continued)

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 February 2022, 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.

13 Portfolio transaction costs

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
2022						
Analysis of purchases						
Equity	36,609	16	0.04	-	-	36,624
Total	36,609	16		-		36,624

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
2022						
Analysis of sales						
Equity	49,850	(21)	(0.04)	-	-	49,829
Total	49,850	(21)		-		49,829

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
2021						
Analysis of purchases						
Equity	72,388	31	0.04	-	-	72,419
Total	72,388	31		-		72,419

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
2021						
Analysis of sales						
Equity	121,882	(45)	(0.04)	-	-	121,837
Total	121,882	(45)		-		121,837

Commission as a % of average net assets	0.02%	(2021: 0.04%)
Taxes as a % of average net assets	0.00%	(2021: 0.00%)

Portfolio dealing spread

The average portfolio dealing spread as at the year end was 0.25% (2021: 0.24%).

Notes to the Financial Statements (Continued)

14 Fair value disclosure

	15 February 2022		15 February 2021	
	Assets £'000	Assets £'000	Assets £'000	Liabilities £'000
Valuation technique				
Level1 [^]	142,423	-	176,321	-
Level2 ^{^^}	-	-	-	-
Level3 ^{^^^}	-	-	-	-
Total	142,423	-	176,321	-

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

^{^^} 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.

^{^^^} 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 (2021: 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 February 2022

			Distribution payable/paid		
			Current year	Prior year	
Net revenue			Equalisation		
A Acc					
Final	Group 1	1.443	-	1.443	1.326
	Group 2	0.722	0.721	1.443	1.326
R Acc					
Final	Group 1	-	-	-	-
	Group 2	-	-	-	-
R Inc			-	-	-
Final	Group 1	-	-	-	-
	Group 2	-	-	-	-
Z Acc			-	-	-
Final	Group 1	1.559	-	1.559	1.450
	Group 2	0.303	1.256	1.559	1.450
Z Inc					
Final	Group 1	1.062	-	1.062	0.992
	Group 2	0.395	0.667	1.062	0.992

(All figures shown in pence per unit)

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

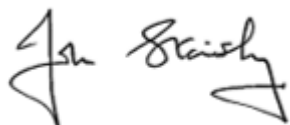
Equalisation is the average amount of income included in the purchase price of Group 2 units and is refundable to holders of these units as a return of capital. Being a capital item it is not liable to income tax, but must be deducted from the cost of units for capital gains tax purposes.

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

	Group 2 units from	to	Group 1 & 2 units paid/transferred
Final	16.02.21	15.02.22	15.04.22

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:



John Stainsby
Director
25th May 2022



Amanda Prince
Director
25th May 2022

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 losses 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 DEPOSITARY TO THE UNITHOLDERS OF THE AXA FRAMLINGTON JAPAN FUND ("THE TRUST") FOR THE YEAR ENDED 15TH FEBRUARY 2022.

The Depositary in its capacity as Trustee of AXA Framlington Japan 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)
25th May 2022

Report of the Independent Auditor

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE AXA FRAMLINGTON JAPAN FUND

OPINION

We have audited the financial statements of AXA Framlington Japan Fund ("the Fund") for the year ended 15 February 2022, 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 February 2022 and of the net revenue and net capital losses 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 at least 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 33, 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 of material 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
25th May 2022*

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.

Following the implementation of UCITS V in 2016, all authorised UCITS Managers are required to disclose information relating to the remuneration paid to its staff for the financial year. The tables below provide an overview:

Total amount of remuneration paid and / or allocated to all staff for the year ended December 31, 2021 ⁽¹⁾	
Fixed Pay ⁽²⁾ (£'000)	197,213
Variable Pay ⁽³⁾ (£'000)	230,700
Number of employees ⁽⁴⁾	2,537

⁽¹⁾ Excluding social charges.

⁽²⁾ Fixed Pay amount is based on 2020/21 compensation review final data.

⁽³⁾ Variable compensation, includes:

- the amounts awarded for the performance of the previous year and fully paid over the financial year under review,
- deferred variable remuneration,
- and long-term incentives set up by the AXA Group.

⁽⁴⁾ Number of employees includes Permanent and Temporary contracts excluding internships (based on Staff list as of 31/12/2021).

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)	101,432	80,571	182,003
Number of employees	258	79	337

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)	2,779	2,207	4,986
Number of employees	57	13	70

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 February 2022 and at the balance sheet date, the Fund did not use SFTs or total return swaps, as such no disclosure is required.

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>

CHANGE OF TRUSTEE

Please note that since 24th September 2021, the Trustee of the Framlington Unit Trust range changed from NatWest Trustee & Depositary Services to HSBC Global Trustee & Fiduciary Services (UK).

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.

Trustees

For the period up to 23rd September 2021
NatWest Trustee and Depositary Services Limited
Trustee and Depositary Services
House A, Floor 0
Gogarburn
175 Glasgow Road
Edinburgh, EH12 1HQ
Authorised and regulated by the Financial Conduct Authority.

From 24th September 2021 to 15th February 2022
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 advisers

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
IFA Dealing & Enquiries 0370 707 0073
If you are calling from outside the UK, please call +44 1268 443976
Our lines are open Monday to Friday between 9am and 5:30pm