

**Annual Long Report and Audited Financial Statements**  
**Year ended**  
**15 October 2022**

## **AXA Framlington Global Thematics 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**

The aim of AXA Framlington Global Thematics Fund ("the Fund") is to provide long-term capital growth.

The Fund invests in shares of listed companies which are based anywhere in the world (including countries which the Manager considers to be emerging markets) and which the Manager believes will provide above-average returns.

The Fund invests principally (meaning at least 80% of its assets) in large and medium-sized companies. The Manager selects shares based upon analysis of a company's financial status, quality of its management, expected profitability and prospects for growth, taking into account the company's exposure to long-term themes influencing the global economy.

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 MSCI All Country World index.

The MSCI All Country World index is designed to provide a broad measure of equity-market performance throughout the world and measure the performance of stocks from 23 developed countries and 24 emerging markets. This index best represents the types of companies in which the Fund predominantly invests.

This Fund is actively managed in reference to the MSCI All Country World 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-19 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 MSCI ACWI index declined 6% in sterling terms over the one year period ending 15 October 2022. Equities climbed towards the end of 2021 on resilient corporate earnings and receding COVID-19 fears, before a step change in interest rate expectations and flare up in geopolitics in Eastern Europe led markets sharply lower in the new year. Stubbornly high inflation, supply chain issues and the ongoing energy crisis have continued to weigh on markets over recent months.

Concerns over the discovery of the Omicron COVID-19 variant in November were partly alleviated by data which suggested severe disease is less likely and the prospect of further earnings growth helped to drive markets higher towards the end of 2021. However, robust economic activity, falling unemployment and rising inflation led US Federal Reserve (Fed) Chairman Jerome Powell, who was reappointed for another four year term during the period, to announce plans to accelerate the tapering of its asset purchases and increase interest rates to more restrictive levels.

Inflation has been increasing across most major economies, and hope that price rises would be transitory gradually gave way to more hawkish central bank rhetoric early in 2022. Most central banks across the developed world have since embarked upon a series of interest rate hikes, often in increments not seen for decades, causing a significant rotation from growth to value-oriented companies as investors reassess the value of long duration assets. In February, concerns over the prospect of higher interest rates were compounded by Russia's invasion of Ukraine in Eastern Europe. Economic sanctions imposed by nations across the world led to a sharp decrease in Russian assets while energy prices climbed to multi year highs.

Against this backdrop, energy companies notably outperformed followed by more defensive sectors such as consumer staples, healthcare and utilities. Conversely, higher growth areas such as communication services, consumer discretionary and information technology trailed the broader market. From a regional standpoint, the UK notably outperformed, owing to high exposure to energy and mining companies, and returns in the US were supported by strength in the US dollar. Conversely, European equities suffered the most amidst a backdrop of high energy prices and slowing economic activity.

### Economic conditions

Economic activity has notably deteriorated over recent months demonstrated by falling Composite Purchasing Manager's Index (PMI) levels across most major economies and the US, Europe and China are all in contraction territory on this measure. The US posted two quarters of negative gross domestic product (GDP) before returning to growth in the third quarter of 2022, but GDP growth has notably slowed in Europe and a global recession is widely expected in 2023. In China, the 'zero covid' policy has led to severe lockdowns across several major cities resulting in a sharp drop in economic activity, although recent indications that policy may be easing is supportive.

In contrast, labour markets continue to be resilient with low levels of unemployment and strong wage growth. In the US, the unemployment rate has decreased to 3.7%, only slightly above pre-pandemic levels of 3.5%, and wage growth remains elevated above 5%. We have seen similar trends in Europe, albeit at slightly weaker levels, while China continues to be impacted by COVID-19 related lockdowns. On the negative side, consumer sentiment surveys have deteriorated over recent months in response to rising prices and the war in Ukraine which raises the prospect of a slowdown in demand going forward.

### Top Ten Holdings

#### as at 15 October 2022

	%
<b>Alphabet "C"</b>	<b>4.68</b>
<i>US Equities</i>	
<b>UnitedHealth</b>	<b>3.73</b>
<i>US Equities</i>	
<b>Waste Connections</b>	<b>3.42</b>
<i>Canada Equities</i>	
<b>Fiserv</b>	<b>2.90</b>
<i>US Equities</i>	
<b>TE Connectivity</b>	<b>2.69</b>
<i>Switzerland Equities</i>	
<b>NextEra Energy</b>	<b>2.67</b>
<i>US Equities</i>	
<b>Apple</b>	<b>2.65</b>
<i>US Equities</i>	
<b>Microsoft</b>	<b>2.51</b>
<i>US Equities</i>	
<b>Amazon.com</b>	<b>2.48</b>
<i>US Equities</i>	
<b>Fidelity National Information Services</b>	<b>2.42</b>
<i>US Equities</i>	

## Investment Review (continued)

The primary concern for investors continues to be inflation and the extent to which central banks will have to tighten monetary policy in order to bring it back in line with targets. Rising energy prices, continued supply chain disruptions and tight labour markets have pushed inflation to multi-decade highs in the US, Europe and UK. In response, the Fed raised its benchmark interest rate 75bps at consecutive meetings to reach 3.25% in October and more hikes are expected over the coming months. Elsewhere, the Bank of England (BoE) and European Central bank (ECB) followed suit with 75bp rate hikes to 2.00% and 2.25% respectively. Meanwhile, China has not suffered from price increases to the same extent and has marginally eased monetary policy to support their waning economy.

### Fund performance

The Fund underperformed its comparative benchmark (MSCI All Country World Index) over the period where our preference for high quality growth companies proved detrimental as investors rotated out of growth and into value-oriented areas of the market. Despite this, the Fund retains its focus on five secular growth themes – Ageing & Lifestyle, Connected Consumer, Automation, Cleantech and Transitioning Societies, which we retain high conviction will outperform over the longer-term.

During the period, our holdings within Connected Consumer, Automation and Transitioning Societies detracted most from portfolio returns. Ageing & Lifestyle stocks outperformed the broader market and Cleantech was neutral. On a sector basis, this transpired through negative stock selection within information technology and healthcare while our structural underweight exposure to energy also hurt.

Digital payments company Paypal detracted most from performance in 'Connected Consumer' after reporting weaker than expected results and lower guidance for 2022. Omicron and supply chain issues have had a disproportionate impact on smaller companies and cross-border activity which has weighed on payment company earnings. However, Paypal remains well positioned in the digital payments space with solid top-line growth and strong momentum in areas like buy now, pay later and peer-to-peer payments.

'Automation theme' returns were impacted by our position in Aptiv, which is a leading provider of electrical architectures, safety products and electronics for light vehicles. The company lowered guidance for the year citing higher input costs, supply chain inefficiencies and volatility in customer production schedules which has weighed on sentiment. However, Aptiv continues to outgrow the market with strong momentum in new business bookings which suggests they remain well placed to benefit from further electric vehicle (EV) penetration and increasing electrical content in cars more broadly.

In the 'Transitioning Societies theme', Chinese ecommerce company Alibaba weighed most on performance. The shares have been under pressure since Chinese authorities stepped up their scrutiny of the technology sector following an initial clampdown on private education companies in 2021. Over recent months, concerns about Beijing's close relationship with Russia, the growing risk of US de-listings and renewed COVID-19 outbreaks have added further downward pressure on the stock and we decided to exit our position.

'Ageing & Lifestyle theme' returns were boosted by our position in leading US health insurer UnitedHealth Group. The company's core health insurance business has delivered consistent earnings growth while its Optum businesses, which span local care delivery, pharmacy benefits management and healthcare technology, provide synergies with the core business, offer diversification and continue to deliver strong growth.

Returns in 'Cleantech theme' were supported by Waste Connections, which provides waste collection, transfer, disposal and recycling services in the US and Canada. The company continues to post solid growth, both organically and through M&A, and management remains confident in their ability to price ahead of cost inflation which is an attractive characteristic in the current environment. Low leverage provides scope for additional M&A while further investment in landfill to gas projects and recycling facilities is expected over the coming years.

## Investment Review (continued)

### OUTLOOK

The developments in Ukraine have added to already heightened levels of market volatility. Beyond the tragic cost of human lives, Russia's invasion of Ukraine poses significant economic costs through higher energy prices and further supply chain disruptions. Meanwhile, major central banks are embarking upon an extended period of interest rate rises and quantitative tightening in an attempt to rein in inflation. There are still reasons to be positive, however, as economic activity continues to be resilient. While we expect growth to moderate going forward, the trends underpinning the Evolving Economy remain firmly intact and companies that are able to deliver earnings growth in this environment will likely be rewarded.

Solid industrial activity and strong order books for industrial robotics companies highlight the positive outlook for the 'Automation theme' while ongoing supply chain disruptions only strengthen the case for automated solutions. Companies within the 'Connected Consumer theme' have benefitted from an acceleration in the adoption of digital technologies since the pandemic and we expect this to continue as the economy forges ahead with its digital transformation. Further commitments from nations globally to dramatically lower emissions, combined with the recent volatility in energy prices, underlines the need for clean energy, storage and energy efficiency solutions which provides a strong tailwind for 'Cleantech themed' companies.

From a demographic standpoint, the ageing global population continues to create opportunities for companies within the 'Ageing & Lifestyle' theme which are positioned to benefit from long term changes in consumption patterns. The regulatory clampdown and ongoing COVID-19 lockdowns have weighed on sentiment in China but trends which include increasing wealth and financial inclusion, urbanisation and access to healthcare provide a positive backdrop for 'Transitioning Societies theme' more broadly.

We retain the view that high quality management teams, operating businesses with a sustainable competitive advantage in markets that benefit from secular tailwinds are best placed to navigate the evolving economy. Higher interest rates put pressure on long duration assets but our preference for companies with healthy cash generation and strong focus on valuation should be supportive. The strategy is therefore well positioned to benefit from the secular shifts we are witnessing globally.

**Mark Hargraves & Ashley Keet**  
**15 October 2022**

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

Major Purchases	Cost (£'000)	Major Sales	Proceeds (£'000)
Service Corp International	3,239	DexCom	2,052
American Express	2,981	Autodesk	1,862
Republic Services	2,704	Alibaba	1,686
Unilever	2,417	ServiceNow	1,594
Iberdrola	2,255	Hannon Armstrong Sustainable Infrastructure Capital #	1,444
Aptiv	2,214	Orsted	1,392
Julius Baer	2,063	Thermo Fisher Scientific	1,363
Align Technology	1,772	Trimble	1,184
Deckers Outdoor	1,590	Taiwan Semiconductor Manufacturing	1,151
Alphabet "C"	1,480	Waste Connections	1,142
Other purchases	23,620	Other sales	26,668
<b>Total purchases for the year</b>	<b>46,335</b>	<b>Total sales for the year</b>	<b>41,538</b>

# Real Estate Investment Trust.

## 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 primarily in the shares of quoted companies on worldwide financial markets drawn from all economic sectors. As many of these investments will be made in non sterling denominated listed equities, the value of the Fund will not only be impacted by the market risk associated with investing in equities but also by exchange rate movements between those currencies and sterling in which the Fund is based. The Fund also invests in emerging and newer markets which may involve a higher risk than investing in established markets due to heightened geopolitical risk (see below) and potential large currency volatility. Investors should consider carefully whether this investment risk is suitable for them. The value of investments and the income from them is not guaranteed and can go down as well as up.

### 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.

### 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.

## EMERGING MARKETS RISK

Investment in emerging markets (countries that are transitioning towards more advanced financial and economic structures) may involve a higher risk than those inherent in established markets. Emerging markets and their currencies may experience unpredictable and dramatic fluctuations from time to time. Investors should consider whether or not investment in such Funds is either suitable for or should constitute a substantial part of an investor's portfolio.

Companies in emerging markets may not be subject to:

- a. accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in developed markets.
- b. the same level of government supervision and regulation of stock exchanges as countries with more advanced securities markets.

Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions.

Restrictions on foreign investment in emerging markets may preclude investment in certain securities by the Funds referred to above and, as a result, limit investment opportunities for those Funds. Substantial government involvement in, and influence on, the economy, as well as a lack of political or social stability, may affect the value of securities in certain emerging markets.

The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in delays in realising investments.

Lack of liquidity and efficiency in certain of the stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the Manager may experience more difficulty in purchasing or selling holdings of securities than it would in a more developed market.

This is an inherent risk for funds invested within Emerging Markets. Internal investment guidelines (such a 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.

**Lower Risk** **Higher Risk**

←-----→

Potentially lower reward Potentially higher reward

1	2	3	4	5	6	7
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## WHY IS THIS FUND IN THIS CATEGORY?

## ADDITIONAL RISKS

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 October 2022, the price of Z Accumulation units, with net income reinvested, rose by +50.48%. The MSCI AC World Index NR increased by +47.1% over the same time period. During the same period, the price of Z Income units, with zero income reinvested, rose by +48.86% (Source: AXA Investment Managers and Morningstar) (Prices in GBP).

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

Date	AXA Framlington Global Thematics Z Acc	MSCI AC World Index NR
14 Oct 2017 - 14 Oct 2018	+1.65%	+4.84%
14 Oct 2018 - 14 Oct 2019	+18.06%	+12.65%
14 Oct 2019 - 14 Oct 2020	+35.18%	+10.62%
14 Oct 2020 - 14 Oct 2021	+4.87%	+19.81%
14 Oct 2021 - 14 Oct 2022	-11.56%	-6.03%

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

Past performance is not a guide to future performance.

### YIELD

D Inc*	Nil
D Acc*	Nil
R Inc	Nil
R Acc	Nil
Z Inc	Nil
Z Acc	Nil
ZI Inc **	0.30%
ZI Acc **	0.30%

### CHARGES

	Initial Charge	Annual Management Charge
D	Nil	1.10%
R	Nil	1.50%
Z	Nil	0.75%
ZI***	Nil	0.50%

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

**ONGOING CHARGES\*\*\*\***

D Inc*	1.19%
D Acc*	1.19%
R Inc	1.59%
R Acc	1.59%
Z Inc	0.84%
Z Acc	0.84%
ZI Inc **	0.59%
ZI Acc **	0.59%

\* D classes launched as at 25 May 2022.

\*\* ZI classes launched as at 10 November 2021.

\*\*\*\* 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 Global Thematics is available as a Stocks and Shares ISA through the AXA Investment Managers Stocks and Shares ISA.

## Comparative Tables

	D Inc~ 15/10/2022 (p)	D Acc~ 15/10/2022 (p)
<b>Change in net assets per unit</b>		
Opening net asset value per unit <sup>†</sup>	1,812.00	2,053.00
Return before operating charges <sup>^</sup>	(44.82)	(50.75)
Operating charges	(8.68)	(9.86)
Return after operating charges <sup>^</sup>	(53.50)	(60.61)
Distributions	-	-
Retained distributions on accumulation units	-	-
<b>Closing net asset value per unit<sup>†</sup></b>	<b>1,758.50</b>	<b>1,992.39</b>
 * <sup>^</sup> after direct transaction costs of:	 0.26	 0.30
<b>Performance</b>		
Return after charges	-2.95%	-2.95%
<b>Other Information</b>		
Closing net asset value <sup>†</sup> (£'000)	3,842	25,779
Closing number of units	218,483	1,293,869
Operating charges	1.19%	1.19%
Direct transaction costs*	0.01%	0.01%
<b>Prices</b>		
Highest unit price #	2,026.00	2,296.00
Lowest unit price #	1,690.00	1,915.00

## Comparative Tables (Continued)

Change in net assets per unit	R Inc			R Acc		
	15/10/2022 (p)	15/10/2021 (p)	15/10/2020 (p)	15/10/2022 (p)	15/10/2021 (p)	15/10/2020 (p)
Opening net asset value per unit <sup>†</sup>	2,069.76	1,923.54	1,453.52	2,345.59	2,180.02	1,647.27
Return before operating charges <sup>^</sup>	(282.58)	178.00	495.96	(320.51)	201.59	562.12
Operating charges	(31.46)	(31.78)	(25.94)	(35.36)	(36.02)	(29.37)
Return after operating charges <sup>^</sup>	(314.04)	146.22	470.02	(355.87)	165.57	532.75
Distributions	-	-	-	-	-	-
Retained distributions on accumulation units	-	-	-	-	-	-
<b>Closing net asset value per unit<sup>†</sup></b>	<b>1,755.72</b>	<b>2,069.76</b>	<b>1,923.54</b>	<b>1,989.72</b>	<b>2,345.59</b>	<b>2,180.02</b>
 * <sup>^</sup> after direct transaction costs of:	 0.27	 1.04	 1.13	 0.31	 1.18	 1.27
<b>Performance</b>						
Return after charges	-15.17%	7.60%	32.34%	-15.17%	7.59%	32.34%
<b>Other Information</b>						
Closing net asset value <sup>†</sup> (£'000)	1,740	7,329	7,508	23,543	53,324	52,108
Closing number of units	99,132	354,105	390,322	1,183,221	2,273,364	2,390,276
Operating charges	1.59%	1.60%	1.60%	1.59%	1.60%	1.60%
Direct transaction costs <sup>*</sup>	0.01%	0.05%	0.07%	0.01%	0.05%	0.07%
<b>Prices</b>						
Highest unit price #	2,211.00	2,174.00	1,960.00	2,506.00	2,463.00	2,221.00
Lowest unit price #	1,690.00	1,838.00	1,288.00	1,915.00	2,083.00	1,460.00

## Comparative Tables (Continued)

	Z Inc			Z Acc		
Change in net assets per unit	15/10/2022 (p)	15/10/2021 (p)	15/10/2020 (p)	15/10/2022 (p)	15/10/2021 (p)	15/10/2020 (p)
Opening net asset value per unit <sup>†</sup>	238.69	220.19	165.14	345.03	318.29	238.71
Return before operating charges <sup>^</sup>	(32.80)	20.44	56.65	(47.40)	29.54	81.89
Operating charges	(1.89)	(1.94)	(1.60)	(2.74)	(2.80)	(2.31)
Return after operating charges <sup>^</sup>	(34.69)	18.50	55.05	(50.14)	26.74	79.58
Distributions	-	-	-	-	-	-
Retained distributions on accumulation units	-	-	-	-	-	-
<b>Closing net asset value per unit<sup>†</sup></b>	<b>204.00</b>	<b>238.69</b>	<b>220.19</b>	<b>294.89</b>	<b>345.03</b>	<b>318.29</b>
 * <sup>^</sup> after direct transaction costs of:	 0.03	 0.12	 0.13	 0.04	 0.17	 0.19
<b>Performance</b>						
Return after charges	-14.53%	8.40%	33.34%	-14.53%	8.40%	33.34%
<b>Other Information</b>						
Closing net asset value <sup>†</sup> (£'000)	13,966	26,253	21,963	74,991	99,910	69,664
Closing number of units	6,846,336	10,999,121	9,974,177	25,429,778	28,956,922	21,886,683
Operating charges	0.84%	0.85%	0.85%	0.84%	0.85%	0.85%
Direct transaction costs <sup>*</sup>	0.01%	0.05%	0.07%	0.01%	0.05%	0.07%
<b>Prices</b>						
Highest unit price #	255.10	250.50	224.30	368.80	362.10	324.30
Lowest unit price #	195.90	210.40	146.80	283.20	304.20	212.20

## Comparative Tables (Continued)

	ZI Inc <sup>~~</sup>	ZI Acc <sup>~~</sup>
Change in net assets per unit	15/10/2022	15/10/2022
	(p)	(p)
Opening net asset value per unit <sup>†</sup>	100.00	100.00
Return before operating charges <sup>^</sup>	(18.90)	(18.89)
Operating charges	(0.48)	(0.49)
Return after operating charges <sup>^</sup>	(19.38)	(19.38)
Distributions	(0.24)	(0.24)
Retained distributions on accumulation units	-	0.24
<b>Closing net asset value per unit<sup>†</sup></b>	<b>80.38</b>	<b>80.62</b>
 * <sup>^</sup> after direct transaction costs of:	 0.01	 0.01
<b>Performance</b>		
Return after charges	-19.38%	-19.38%
<b>Other Information</b>		
Closing net asset value <sup>†</sup> (£'000)	6,563	6,798
Closing number of units	8,165,479	8,432,106
Operating charges	0.59%	0.59%
Direct transaction costs <sup>*</sup>	0.01%	0.01%
<b>Prices</b>		
Highest unit price #	100.60	100.60
Lowest unit price #	77.29	77.35

<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 period.

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

<sup>~</sup> D classes launched as at 25 May 2022.

<sup>~~</sup> ZI classes launched as at 10 November 2021.



## Portfolio Statement

The AXA Framlington Global Thematics Fund as at 15 October 2022 consisted of the following investments, which are ordinary shares unless otherwise stated.

Holding	Market value £'000	Total net assets (%)
<b>ASIA PACIFIC (excluding JAPAN): 6.19%</b> (15/10/2021: 7.03%)		
<b>Hong Kong: 1.82%</b> (15/10/2021: 1.28%)		
372,400 AIA	2,858	1.82
	<b>2,858</b>	<b>1.82</b>
<b>India: 2.82%</b> (15/10/2021: 3.35%)		
63,886 Dr Lal PathLabs	1,637	1.04
54,385 HDFC Bank ADR	2,802	1.78
	<b>4,439</b>	<b>2.82</b>
<b>Taiwan: 1.55%</b> (15/10/2021: 2.40%)		
212,000 Taiwan Semiconductor Manufacturing	2,434	1.55
	<b>2,434</b>	<b>1.55</b>
<b>EUROPE (excluding UK &amp; EASTERN EUROPE): 12.07%</b> (15/10/2021: 11.39%)		
<b>Denmark: 0.00%</b> (15/10/2021: 0.85%)		
<b>Germany: 1.76%</b> (15/10/2021: 1.82%)		
30,571 Siemens	2,766	1.76
	<b>2,766</b>	<b>1.76</b>
<b>Ireland: 2.00%</b> (15/10/2021: 2.43%)		
20,235 Kerry (Dublin Quoted)	1,576	1.00
20,559 Kerry (London Quoted)	1,574	1.00
	<b>3,150</b>	<b>2.00</b>
<b>Jersey: 0.87%</b> (15/10/2021: 0.00%)		
18,979 Aptiv	1,373	0.87
	<b>1,373</b>	<b>0.87</b>

## Portfolio Statement (Continued)

Holding		Market value £'000	Total net assets (%)
<b>Luxembourg: 1.65%</b> <b>(15/10/2021: 2.59%)</b>			
35,587	Befesa	1,048	0.67
10,374	Globant	1,540	0.98
		<b>2,588</b>	<b>1.65</b>
<b>Netherlands: 0.94%</b> <b>(15/10/2021: 1.22%)</b>			
17,459	Alfen Beheer	1,481	0.94
		<b>1,481</b>	<b>0.94</b>
<b>Spain: 1.24%</b> <b>(15/10/2021: 0.00%)</b>			
240,685	Iberdrola	1,955	1.24
		<b>1,955</b>	<b>1.24</b>
<b>Switzerland: 3.61%</b> <b>(15/10/2021: 2.48%)</b>			
37,986	Julius Baer	1,451	0.92
44,065	TE Connectivity	4,221	2.69
		<b>5,672</b>	<b>3.61</b>
<b>JAPAN: 3.29%</b> <b>(15/10/2021: 3.71%)</b>			
31,800	Hoya	2,756	1.75
8,100	Keyence	2,411	1.54
		<b>5,167</b>	<b>3.29</b>
<b>NORTH AMERICA: 70.54%</b> <b>(15/10/2021: 67.48%)</b>			
<b>Canada: 3.42%</b> <b>(15/10/2021: 2.70%)</b>			
48,635	Waste Connections	5,383	3.42
		<b>5,383</b>	<b>3.42</b>
<b>Cayman Islands: 0.82%</b> <b>(15/10/2021: 2.96%)</b>			
45,700	Tencent	1,289	0.82
		<b>1,289</b>	<b>0.82</b>

## Portfolio Statement (Continued)

Holding		Market value £'000	Total net assets (%)
<b>United States of America: 66.30%</b> <b>(15/10/2021: 61.82%)</b>			
8,103	Adobe	2,073	1.32
7,723	Alphabet "A"	663	0.42
85,204	Alphabet "C"	7,361	4.68
41,108	Amazon.com	3,906	2.48
32,562	Ameresco	1,779	1.13
21,861	American Express	2,662	1.69
33,910	Apple	4,170	2.65
16,122	Becton Dickinson	3,222	2.05
89,190	Boston Scientific	3,172	2.02
54,739	Darling Ingredients	3,609	2.30
5,594	Deckers Outdoor	1,694	1.08
24,420	DexCom	2,114	1.34
28,609	Edwards Lifesciences	2,096	1.33
56,215	Fidelity National Information Services	3,805	2.42
54,449	Fiserv	4,555	2.90
35,195	Global Payments	3,443	2.19
41,728	Globus Medical	2,257	1.44
12,914	Intuitive Surgical	2,100	1.34
19,410	Microsoft	3,943	2.51
65,670	NextEra Energy	4,195	2.67
24,541	PayPal	1,755	1.12
25,706	Prologis #	2,276	1.45
37,185	QUALCOMM	3,634	2.31
25,532	Republic Services	2,893	1.84
20,973	Salesforce	2,653	1.69
51,760	Service	2,782	1.77
7,711	ServiceNow	2,340	1.49
21,598	Silicon Laboratories	2,199	1.40
22,499	Teradyne	1,427	0.91
6,791	Thermo Fisher Scientific	3,037	1.93
42,155	Trimble	1,960	1.25
12,841	UnitedHealth	5,868	3.73
20,558	Visa	3,338	2.12
35,740	Zimmer Biomet	3,400	2.16
3,080	Zimvie	20	0.01
14,146	Zoetis	1,829	1.16
		<b>104,230</b>	<b>66.30</b>

## Portfolio Statement (Continued)

Holding		Market value £'000	Total net assets (%)
UNITED KINGDOM: 6.20% (15/10/2021: 5.33%)			
147,699	Ceres Power	471	0.30
15,264	Haleon	42	0.03
1,367,811	Helios Towers	1,455	0.92
28,003	London Stock Exchange	2,042	1.30
395,153	National Grid	3,443	2.19
59,216	Unilever	2,293	1.46
		<b>9,746</b>	<b>6.20</b>
Investments as shown in the balance sheet		154,531	98.29
Net current assets		2,691	1.71
<b>Total net assets</b>		<b>157,222</b>	<b>100.00</b>

# Real Estate Investment Trust.

Stocks shown as ADRs represent American Depositary Receipts.

## Statement of Total Return

For the year ended 15 October

	Notes	£'000	2022 £'000	£'000	2021 £'000
Income					
Net capital (losses)/gains	3		(27,645)		14,485
Revenue	4	1,555		967	
Expenses	5	(1,767)		(1,913)	
Interest payable and similar charges		-		-	
Net expense before taxation		(212)		(946)	
Taxation	6	(83)		(213)	
Net expense after taxation			(295)		(1,159)
<b>Total return before distribution/equalisation</b>			<b>(27,940)</b>		<b>13,326</b>
Distribution/Equalisation	7		(41)		(10)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>(27,981)</b>		<b>13,316</b>

## Statement of Change in Net Assets Attributable to Unitholders

For the year ended 15 October

	£'000	2022 £'000	£'000	2021 £'000
Opening net assets attributable to unitholders		186,816		151,243
In specie transfer*	24,935			-
Amounts receivable on creation of units	7,194		40,856	
Amounts payable on cancellation of units	(33,764)		(18,599)	
		(1,635)		22,257
Change in net assets attributable to unitholders from investment activities		(27,981)		13,316
Retained distribution on accumulation units		22		-
<b>Closing net assets attributable to unitholders</b>		<b>157,222</b>		<b>186,816</b>

\* In Specie transfer from AXA Rosenberg Global Fund on 29 July 2022.

## Balance Sheet

As at 15 October

	Notes	2022 £'000	2021 £'000
<b>ASSETS</b>			
Fixed assets			
Investments		154,531	177,360
Current assets			
Debtors	8	227	151
Cash and bank balances	9	3,012	9,947
<b>Total assets</b>		<b>157,770</b>	<b>187,458</b>
<b>LIABILITIES</b>			
Provision for liabilities	10	-	88
Creditors			
Distribution payable		15	-
Other creditors	11	533	554
<b>Total liabilities</b>		<b>548</b>	<b>642</b>
<b>Net assets attributable to unitholders</b>		<b>157,222</b>	<b>186,816</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, 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. Dividends from Real Estate Investment Trusts ('REITs') are recognised as distributable income when the securities are quoted ex-dividend. US REIT dividend revenue is accounted for partly as revenue and partly as capital, depending on the underlying REIT distribution. US REIT dividend revenue is recognised on an accruals basis.

c) The listed investments of the Fund are valued at world close bid prices 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 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.

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.

## Notes to the Financial Statements (Continued)

- 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.

### 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 8 to 10 of the Manager's Report.

### Price risk sensitivity

At 15 October 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 £7,726,532 (2021: £8,868,002) 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 unitholder of the Fund would be a decrease of approximately £7,357,116 (2021: £8,373,315). 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.



## Notes to the Financial Statements (Continued)

### 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	Non Monetary exposure	Total
2022	£'000	£'000	£'000
Danish Krone	3	-	3
Euro	23	12,693	12,716
Hong Kong Dollar	-	4,147	4,147
Indian Rupee	-	1,637	1,637
Japanese Yen	13	5,167	5,180
New Taiwan Dollar	-	2,434	2,434
Swiss Franc	-	1,451	1,451
US Dollar	26	119,549	119,575
<b>Total</b>	<b>65</b>	<b>147,078</b>	<b>147,143</b>

	Monetary Exposure	Non Monetary exposure	Total
2021	£'000	£'000	£'000
Danish Krone	3	1,595	1,598
Euro	23	12,516	12,539
Hong Kong Dollar	(1)	7,924	7,923
Indian Rupee	-	3,110	3,110
Japanese Yen	13	6,923	6,936
New Taiwan Dollar	17	4,480	4,497
US Dollar	8	130,856	130,864
<b>Total</b>	<b>63</b>	<b>167,404</b>	<b>167,467</b>

### 3 Net capital (losses)/ gains

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

	2022	2021
	£'000	£'000
(Losses)/gains on non-derivative securities	(27,647)	14,417
Gains on foreign currency exchange	9	75
Transaction charges	(7)	(7)
<b>Net capital (losses)/gains</b>	<b>(27,645)</b>	<b>14,485</b>

### 4 Revenue

	2022	2021
	£'000	£'000
UK dividends	295	20
REIT dividends	33	56
Overseas dividends	1,221	891
Bank interest	6	-
<b>Total revenue</b>	<b>1,555</b>	<b>967</b>

## Notes to the Financial Statements (Continued)

### 5 Expenses

	2022 £'000	2021 £'000
<b>Payable to the Manager</b>		
Annual management charge	1,626	1,753
Registrar's fees	103	104
	<b>1,729</b>	<b>1,857</b>
<b>Other expenses</b>		
Audit fee	8	9
FCA fee	(1)	-
Safe custody charges	12	13
Trustee's fees	17	29
Professional fee	2	2
Issuance fee	-	1
SEBI fee	-	2
	38	56
<b>Total expenses</b>	<b>1,767</b>	<b>1,913</b>

Expenses include irrecoverable VAT where applicable.

### 6 Taxation

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

	2022 £'000	2021 £'000
Irrecoverable overseas tax	171	125
<b>Total tax for the year (see note 6b)</b>	<b>171</b>	<b>125</b>
Indian Capital Gains tax (see note 6c)	(88)	88
<b>Total deferred tax for the year</b>	<b>(88)</b>	<b>88</b>
<b>Total tax for the year</b>	<b>83</b>	<b>213</b>

#### 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%) (2021: 20%).

The differences are explained below:

	2022 £'000	2021 £'000
Net revenue before taxation	(212)	(946)
Corporation tax at 20%	(42)	(189)
Effects of:		
Irrecoverable overseas tax	171	125
Movement in excess management expenses	345	372
Revenue not subject to taxation	(302)	(181)
Overseas tax expensed	(1)	(2)
Indian Capital Gains Tax	(88)	88
Total effects	125	402
<b>Total tax charge for the year (see note 6a)</b>	<b>83</b>	<b>213</b>

## Notes to the Financial Statements (Continued)

Authorised unit trusts are exempt from tax on capital gains.

### c) Deferred taxation:

	2022 £'000	2021 £'000
Provision at start of the year	88	-
Indian Capital Gains tax	(88)	88
<b>Provision at the end of the year</b>	<b>-</b>	<b>88</b>

### 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 £6,507,474 (2021: £6,162,545) 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 Distribution/Equalisation

At year end, there was insufficient income to meet expenses and taxation on D, R and Z classes and, as permitted by the Trust Deed, an amount of £423,713 (2021: £1,081,737) 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
Interim	12	-
Final	30	-
	42	-
Add: Income deducted on cancellation of units	(198)	(57)
Deduct: Income received on creation of units	197	67
<b>Net distribution/equalisation for the year</b>	<b>41</b>	<b>10</b>

### Reconciliation to net revenue after taxation:

Net distribution for the year	41	10
Shortfall transfer to capital	(424)	(1,082)
Indian Capital Gains Tax	88	(88)
<b>Net expense after taxation</b>	<b>(295)</b>	<b>(1,160)</b>

## 8 Debtors

	2022 £'000	2021 £'000
Amounts receivable on creation of units	2	89
Accrued revenue	211	47
Overseas tax recoverable	14	15
<b>Total debtors</b>	<b>227</b>	<b>151</b>

## 9 Cash and bank balances

	2022 £'000	2021 £'000
Cash and bank balances	3,012	9,947
<b>Total cash and bank balances</b>	<b>3,012</b>	<b>9,947</b>

## Notes to the Financial Statements (Continued)

### 10 Provision for liabilities

	2022 £'000	2021 £'000
Indian Capital Gains tax	-	88
<b>Total for provisions for liabilities</b>	<b>-</b>	<b>88</b>

### 11 Other creditors

	2022 £'000	2021 £'000
Amounts payable on cancellation of units	286	279
Accrued expenses		
- Manager	187	233
- Other	60	42
<b>Total other creditors</b>	<b>533</b>	<b>554</b>

### 12 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	-	-	354,105	2,273,364	10,999,121	28,956,922
Units issued	226,224	1,326,951	10,414	83,275	659,576	6,768,394
Units cancelled	(7,741)	(33,082)	(265,387)	(1,173,418)	(4,812,361)	(10,295,538)
Unit conversions	-	-	-	-	-	-
<b>Closing units in issue</b>	<b>218,483</b>	<b>1,293,869</b>	<b>99,132</b>	<b>1,183,221</b>	<b>6,846,336</b>	<b>25,429,778</b>

	ZI Inc**	Z Acc**
Opening units in issue	-	-
Units issued	9,511,185	11,802,130
Units cancelled	(1,345,706)	(3,370,024)
Unit conversions	-	-
<b>Closing units in issue</b>	<b>8,165,479</b>	<b>8,432,106</b>

\* D classes launched as at 25 May 2022.

\*\* ZI classes launched as at 10 November 2021.

### 13 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 October 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.

## Notes to the Financial Statements (Continued)

### 14 Portfolio transaction costs

2022

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
Analysis of purchases						
Equity	46,326	5	0.01	4	0.01	46,335
<b>Total</b>	<b>46,326</b>	<b>5</b>		<b>4</b>		<b>46,335</b>

2022

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
Analysis of sales						
Equity	41,555	(9)	(0.02)	(8)	(0.02)	41,538
<b>Total</b>	<b>41,555</b>	<b>(9)</b>		<b>(8)</b>		<b>41,538</b>

2021

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
Analysis of purchases						
Equity	58,320	26	0.04	42	0.07	58,388
<b>Total</b>	<b>58,320</b>	<b>26</b>		<b>42</b>		<b>58,388</b>

2021

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
Analysis of sales						
Equity	43,475	(17)	(0.04)	(6)	(0.01)	43,452
<b>Total</b>	<b>43,475</b>	<b>(17)</b>		<b>(6)</b>		<b>43,452</b>

Commission as a % of average net assets

0.01% (2021: 0.02%)

Taxes as a % of average net assets

0.00% (2021: 0.03%)

#### Portfolio dealing spread

The average portfolio dealing spread as at the year end was 0.06% (2021: 0.06%).

### 15 Fair value disclosure

	15 October 2022		15 October 2021	
	Assets £'000	Assets £'000	Assets £'000	Liabilities £'000
Valuation technique				
Level 1 <sup>^</sup>	154,531	-	177,360	-
Level 2 <sup>^^</sup>	-	-	-	-
Level 3 <sup>^^^</sup>	-	-	-	-
<b>Total</b>	<b>154,531</b>	<b>-</b>	<b>177,360</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.

## Notes to the Financial Statements (Continued)

^^ 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.

### 16 Commitments, contingent liabilities and contingent assets

There are no commitments, contingent liabilities and contingent assets as at the balance sheet date (2021: none).

### 17 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 October 2022

		Net revenue	Equalisation	Distribution payable/paid	
				Current year	Prior year
<b>D Inc*</b>					
Final	Group 1	-	-	-	-
	Group 2	-	-	-	-
<b>D Acc*</b>					
Final	Group 1	-	-	-	-
	Group 2	-	-	-	-
<b>R Inc</b>					
Interim	Group 1	-	-	-	-
	Group 2	-	-	-	-
Final	Group 1	-	-	-	-
	Group 2	-	-	-	-
<b>R Acc</b>					
Interim	Group 1	-	-	-	-
	Group 2	-	-	-	-
Final	Group 1	-	-	-	-
	Group 2	-	-	-	-
<b>Z Inc</b>					
Interim	Group 1	-	-	-	-
	Group 2	-	-	-	-
Final	Group 1	-	-	-	-
	Group 2	-	-	-	-
<b>Z Acc</b>					
Interim	Group 1	-	-	-	-
	Group 2	-	-	-	-
Final	Group 1	-	-	-	-
	Group 2	-	-	-	-
<b>ZI Inc**</b>					
Interim	Group 1	0.061	-	0.061	
	Group 2	0.034	0.027	0.061	
Final	Group 1	0.184	-	0.184	
	Group 2	0.102	0.082	0.184	
<b>ZI Acc**</b>					
Interim	Group 1	0.061	-	0.061	
	Group 2	0.029	0.032	0.061	
Final	Group 1	0.184	-	0.184	
	Group 2	0.117	0.067	0.184	

(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.

\*D classes launched as at 25 May 2022.

\*\* ZI classes launched as at 10 November 2021.

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

	<b>Group 2 units from</b>	<b>to</b>	<b>Group 1 &amp; 2 units paid/transferred</b>
Interim	16.10.21	15.04.22	15.06.22
Final	16.04.22	15.10.22	15.12.22



## 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:

A stylized, dark, and somewhat abstract signature of Marcello Arona.

Marcello Arona  
Director  
9<sup>th</sup> February 2023

A stylized, dark signature of Amanda Prince.

Amanda Prince  
Director  
9<sup>th</sup> February 2023

## 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 AND REPORT OF THE TRUSTEE TO THE UNITHOLDERS OF AXA FRAMLINGTON GLOBAL THEMATICS FUND FOR THE YEAR END 15 OCTOBER 2022

The Depositary in its capacity as Trustee of AXA Framlington Global Thematics 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)  
9<sup>th</sup> February 2023

## Report of the Independent Auditor

### INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE AXA FRAMLINGTON GLOBAL THEMATICS FUND.

#### OPINION

We have audited the financial statements of AXA Framlington Global Thematics Fund ("the Fund") for the year ended 15 October 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 October 2022 and of the net expense and the 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 of twelve months from when the financial statements were 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 34, 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*  
9<sup>th</sup> February 2023

## 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 2021 to 31 December 2021:

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

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

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

<sup>(3)</sup> 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.

<sup>(4)</sup> 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 October 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>



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