

**Annual Long Report and Audited Financial Statements**  
**Year ended**  
**15 May 2023**

## **AXA ACT Framlington Clean Economy Fund**



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

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

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

## **Fund Objective & Investment Policy**

The aim of AXA ACT Framlington Clean Economy Fund ("the Fund") is to: (i) provide long-term capital growth over a period of 5 years or more; and (ii) seek to achieve sustainable investment objective, in line with a responsible investment approach.

The Fund invests at least 80% of its assets in shares of listed companies of any size which are based anywhere in the world and which the Manager believes will generate both above-average returns and a positive and measurable impact on environmental, social and governance (ESG) factors. In selecting shares, the Manager applies AXA IM Group's sector specific investment guidelines relating to responsible investment to the Fund. Such guidelines exclude investment in (or exposure to) certain companies based on their involvement in specific sectors (such as soft commodities, palm oil (including deforestation and natural ecosystems conversion), controversial weapons and climate risks). The Manager also applies the AXA Investment Managers' ESG Standards policy. This policy excludes investment in companies based on tobacco production, manufacture of white phosphorus weapons, human rights, anti-corruption and other ESG factors.

Further, the Manager will, in addition to the application of the above policies, use the companies ESG score (produced by an internal ESG scoring system as detailed in the AXA Investment Managers' ESG Standards policy) to exclude those companies in the lowest ten percent in respect of their Environment or "E" scores. The Manager will also use the ESG score as one factor within its broader analysis of the company to make selections which are expected to generate growth over time and to contribute to the transition to a zero-carbon sustainable economy. The ESG score is, however, just one component of the investment process and is not the sole driver of the investment decision making process.

The Manager will then seek to identify companies with exposure to the clean economy. The Manager defines the clean economy as the universe of companies whose activities address the environmentally focussed UN Sustainable Development Goals through improving resource sustainability, supporting the energy transition or addressing the issue of water scarcity. The Manager will focus on such companies which operate across the following four key areas: low carbon transport, smart energy, natural resource preservation and agriculture and food supply (but may also invest in such other industries which contribute to the clean transition). The Manager will aim to select high quality companies in these areas, including by using a responsible investment 'selectivity' approach which selects on the basis of qualitative factors such as commitment of the company to achieve and measure impact against the UN Sustainable Development Goals (with a particular focus on the planet), its strategic direction and consideration of ESG risk, among other considerations.

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 AC World Total Return Net. The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management.

The MSCI AC World Total Return Net is designed to measure the performance of mid-cap to large-cap stocks from a number of developed and emerging markets as selected by the Benchmark provider. The Benchmark best represents the universe of companies from which the portfolio will be selected, following the application of the Manager's ESG standards and criteria.

The Fund is actively managed in reference to the MSCI AC World Total Return Net, which may be used by investors to compare the Fund's performance.

AXA ACT Framlington Clean Economy Fund ('the Fund') is authorised and regulated by the Financial Conduct Authority.

## Investment Review

The MSCI All Country World Index rose 3.1% in sterling terms over the 12-month period ending 15 May 2023. Global equity markets continued to trend lower initially as rising interest rates weighed on the valuation of long duration assets. However, signs that major central banks are approaching the end of their interest rate hiking cycle, without necessarily inflicting a hard landing in the economy, has seen equities move higher since the final quarter of 2022.

Equities were further buoyed by lower energy prices in early 2023. Mild winter weather combined with aggressive liquified natural gas buying and lower demand from industry, boosted gas storage levels in Europe resulting in a sharp decline in the price of natural gas. This came as a welcome relief for European households, but fears remain that shortages could persist over the longer term if there is no resolution to the conflict in Ukraine. Several European countries moved to protect consumers from higher energy prices during the period by socialising the cost through windfall taxes and other special mechanisms which are expected to last until at least the end of the year.

In March, the collapse of SVB and Signature Bank in the US and Credit Suisse in Europe raised concerns over the health of the global banking sector. A swift response from regulators stemmed the tide but pressure on funding costs and concern over future credit events remain, given elevated interest rates. Despite coming under pressure at the time, we do not think the clean tech sector will be overly affected given strong demand for energy efficiency solutions and the predictable nature of renewable energy project cashflows and government incentives.

Despite broader macroeconomic concerns, the momentum behind the Energy Transition continues to build. The US Inflation Reduction Act, which was passed in the summer of 2022 and has committed almost \$400bn over the next 10 years to address energy security and climate change, provides a boost to energy transition companies while putting the US on a much closer path to achieving its climate targets. In Europe, the more recently announced EU Net Zero Industry Act will provide production tax credits, changes to state aid rules and expedited permitting to speed up the deployment of clean energy. Market reaction has been muted thus far but should improve when more specific details on incentives and dedicated funds are provided over the coming months.

During the period, the information technology sector rebounded strongly while industrials and healthcare also posted strong performance. Against a backdrop of falling energy prices and banking sector turmoil, the energy and financials sectors trailed the broader market. From a regional standpoint, European equities notably outperformed and Japan was also positive while the US was weaker.

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## FUND PERFORMANCE

The Fund performed in line with its comparative benchmark (MSCI All Country World Index) over the period. Strong performance from our holdings in 'Smart Energy' were offset by weakness in 'Low Carbon Transport' and 'Agriculture & Food Industry', while 'Natural Resource Preservation' performed in line with the broader market. On a sector basis, this transpired through positive allocation effects from industrials and information technology while stock selection in materials and consumer discretionary detracted.

In 'Smart Energy', our position in leading US solar panel maker First Solar delivered the most. The stock rose after management provided guidance for 2023 that was above expectations on improved gross margins and higher production

### Top Ten Holdings

#### as at 15 May 2023

	%
<b>Schneider Electric</b>	<b>3.79</b>
<i>France</i>	
<b>NextEra Energy</b>	<b>3.59</b>
<i>United States Of America</i>	
<b>First Solar</b>	<b>3.31</b>
<i>United States Of America</i>	
<b>Siemens</b>	<b>3.10</b>
<i>Germany</i>	
<b>Darling Ingredients</b>	<b>3.03</b>
<i>United States Of America</i>	
<b>Deere &amp; Co</b>	<b>2.97</b>
<i>United States Of America</i>	
<b>Infineon Technologies</b>	<b>2.78</b>
<i>Germany</i>	
<b>Waste Connections (USD)</b>	<b>2.70</b>
<i>Canada</i>	
<b>Thermo Fisher Scientific</b>	<b>2.69</b>
<i>United States Of America</i>	
<b>Iberdrola</b>	<b>2.53</b>
<i>Spain</i>	

## Investment Review (Continued)

tax credits. The company is benefitting from strong demand for solar equipment and the ongoing geopolitical tension between the US and China plays further into their hands. Capacity is sold out through 2025 and the company have indicated they are targeting stronger average selling prices for future volumes. Returns were further boosted by strong performance from Schneider Electric, which is a leading provider of low and mid voltage electrical products, industrial automation and energy efficiency solutions. The company has benefitted from strong pricing, but supply chain improvements and a sizable backlog should support volume growth going forward. Schneider Electric completed its acquisition of Aveva during the period which further expands its industrial software offering.

Low Carbon Transport returns were weighed down by our position in leading electric vehicle (EV) manufacturer Tesla. The company suffered from supply chain and logistics issues after the covid lockdowns while concerns over slowing EV demand have weighed on sentiment more recently. In our view, Tesla remains well positioned to capture increasing demand for EVs given its differentiated business model, strong product portfolio and leading-edge technology. Elsewhere, our position in Wolfspeed, which is a leading provider of silicon carbide materials and devices used in EVs, 5G mobile and industrial markets, also detracted. The ramp-up of its Mohawk Valley facility has been held back by operational issues and wafer supply leading to lower-than-expected utilisation. However, it will be the world's first 200mm fabrication facility and we remain convinced that its superior economics, combined with strong demand for silicon carbide devices, will drive strong earnings growth as utilisation improves.

Agriculture & Food Industry returns were impacted by our position in Trimble, which provides technology solutions to customers in the construction, utility and transportation industries. Shares have suffered due to weaker hardware demand and lower than expected returns from its Transporeon acquisition. However, software revenues, which provide recurring revenue at higher margins, continue to increase in the mix. Returns were also weighed down by our position in ingredients company DSM-Firmenich where low vitamin prices, cost pressure and weak demand have put pressure on its Health, Nutrition and Care division. Looking further ahead, however, the integration of Firmenich is expected to provide strong revenue synergies, mainly in Food and Beverage, and its Fragrances unit offers a more resilient and higher growth earnings stream.

## OUTLOOK

The outlook for companies that provide solutions to the world's greatest environmental challenges remains extremely positive despite the volatile macroeconomic backdrop. Support for the energy transition continues to increase with most major nations now having meaningful decarbonization plans in place. The European Union led the way with its 'Fit for 55' package, which aims to reduce net emissions by 55 percent by 2030, while China's goal of peak carbon emissions in 2030 and net zero by 2060 is a significant step in the right direction for the world's largest polluter. In the US, the Inflation Reduction Act is the largest climate investment in US history and will help to lower the nations carbon emissions substantially by the end of the decade. Meanwhile, the newly adopted Global Biodiversity Framework sets out an ambitious plan to halt and reverse biodiversity loss by 2030.

Achieving these goals requires significant investment in the areas of 'Smart Energy' and 'Low Carbon Transport'. New energy infrastructure requires smart grids and interconnect capacity between regions, renewable energy and energy storage solutions. Meanwhile, transportation systems will move away from fossil fuels towards a combination of solutions including electric vehicles, biofuels and green hydrogen. Within 'Agriculture & Sustainable Food', high crop prices and rising input costs are supporting demand for agritech solutions which improve yield and farming efficiency. Elsewhere, companies in the 'Natural Resource Preservation' space, which facilitate recycling and reusing along with better management of resources, are helping to mitigate environmental damage while meeting the needs of a growing population.

The Russia-Ukraine crisis has served to underscore the need for Energy Independence and has therefore strengthened the resolve of both policy makers and those for whom energy security and uptime is critical. This strong and resilient demand for clean technology solutions, now further underpinned by energy security considerations, encourages further innovation which continues to enhance the investment potential within the Clean Economy.

## **Investment Review (Continued)**

We retain the view that high quality management teams, operating businesses with a sustainable competitive advantage in their markets and with the benefit of secular tailwinds are best placed to weather the current storm and to seize opportunities for growth. The portfolio is therefore well positioned to benefit from the secular growth opportunities we see within the Clean Economy.

**Ashley Keet**

Source of all performance data: AXA Investment Managers, Morningstar to 15 May 2023.

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 May 2023

Major Purchases	Cost (£'000)
LONGi Green Energy Technology	1,583
Sungrow Power Supply	1,229
Enphase Energy	1,187
Kurita Water Industries	1,134
Smurfit Kappa	1,095
Vulcan Energy Resources	599
Kerry (Dublin Quoted)	587
National Grid	510
First Solar	400
ACCIONA Energias Renovables	325
Other purchases	2,852
<b>Total purchases for the year</b>	<b>11,501</b>

Major Sales	Proceeds (£'000)
Evoqua Water Technologies	1,649
Siemens Gamesa Renewable Energy	892
ERG	807
Stora Enso	682
First Solar	652
TPI Composites	632
TE Connectivity	621
China Longyuan Power	616
Aptiv	603
Signify	595
Other sales	8,866
<b>Total sales for the year</b>	<b>16,615</b>

## Managing Risks

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

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

### RISK PROFILE

The Fund invests in the shares of companies listed globally. As the Fund invests in overseas securities it may hold currencies other than sterling. As a result, exchange rate movements may cause the value of investments to fall or rise. The value of investments and the revenue from them is not guaranteed and can go down as well as up.

### EQUITY RISK

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

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

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

### 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.

For certain Funds (as indicated in the relevant Fund Profile) 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 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.

## CONCENTRATION RISK

The Fund may hold a small number of stocks. This can give rise to more risk than where investments are spread over a larger number of companies. Whilst this may increase the potential gains, it may also increase the risk of loss to the Fund as a result of the Fund's greater exposure to the performance of individual companies.

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

## SMALLER COMPANIES RISK

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

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

## 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 Fund referred to above and, as a result, limit investment opportunities for the Fund. 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 investment

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.

## ESG RISK

Applying ESG and sustainability criteria to the investment process may exclude securities of certain issuers for non-investment reasons and therefore some market opportunities available to funds that do not use ESG or sustainability criteria may be unavailable for the Fund, and the Fund's performance may at times be better or worse than the performance of comparable funds that do not use ESG or sustainability criteria. The selection of assets may in part rely on an ESG scoring process (as set out in the AXA Investment Managers' ESG Standards policy) or ban lists that rely partially on third party data. The lack of common or harmonised definitions and labels integrating ESG and sustainability criteria at EU level may result in different approaches by managers when setting ESG objectives and determining that these objectives have been met by the funds they manage. This also means that it may be difficult to compare strategies integrating ESG and sustainability criteria to the extent that the selection and weightings applied to select investments may to a certain extent be subjective or based on metrics that may share the same name but have different underlying meanings. Investors should note that the subjective value that they may or may not assign to certain types of ESG criteria may differ substantially from the fund manager's methodology. The lack of harmonised definitions may also potentially result in certain investments not benefitting from preferential tax treatments or credits because ESG criteria are assessed differently than initially thought.

ESG risk as defined, is an inherent risk to following a strategy which incorporates ESG factors. For data quality and consistency aspects, exposure is managed where possible by the use of carefully selected data providers.

## IMPACT INVESTMENTS RISK

The Fund implements an impact investing approach for listed assets and their investment universe is limited to assets that meet specific criteria in relation with the Sustainable Development Goals established by the United Nations (intentionality, materiality, additionality, negative externality and measurability). As a result, their respective performance may be different from the Fund implementing a similar investment strategy which does not apply an impact investing approach. The selection of assets may in part rely on third party data appreciated at the time of investment that may evolve over time.

This risk, as defined, is an inherent risk of impact investing strategies. Exposure is managed by the analysis of investments which is done as part of the investment process.

## 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 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.

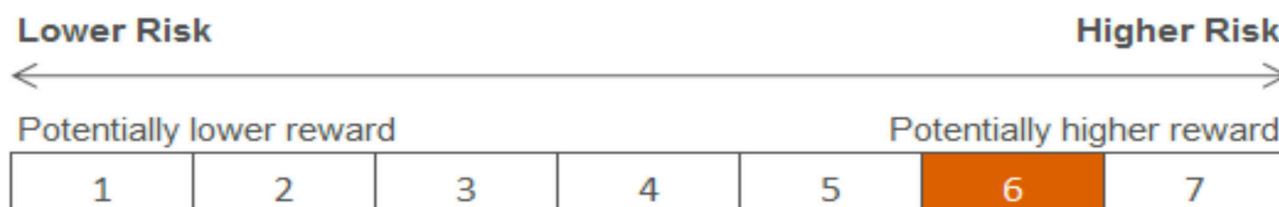
Internal investment guidelines seek to ensure suitable levels of diversification based on the Fund's investment objectives and investment policy.

## STOCK LENDING RISK

The Fund may participate in a stock lending programme managed by an affiliate of the Manager (acting as stock lending agent) for the purpose of lending the Fund's securities via entering into a stock lending authorisation agreement. If engages in stock lending it will be exposed to counterparty credit risk in that the borrower may default on a loan, the Fund become insolvent or otherwise be unable to meet, or refuse to honour, its obligations to return loaned or equivalent securities. In this event, the relevant Fund could experience delays in recovering the loaned securities, may not be able to recover the loaned securities and may incur a capital loss which might result in a reduction in the net asset value of the relevant Fund. The Fund's exposure to its counterparty will be mitigated by the fact that the counterparty will be requested to post collateral, in the form of cash or debt or equity securities, as from time to time set out in the relevant stock lending agreement, and will forfeit its collateral if it defaults on the transaction. If a counterparty defaults and fails to return equivalent securities to those loaned, the Fund may suffer a loss equal to any shortfall between the value of the realised collateral and the market value of the replacement securities. Such collateral shortfall may arise as a result of inaccurate pricing of the collateral, unfavourable market movements in the value of the collateral, or a lack of liquidity in the market on which the collateral is traded. If the relevant transaction with a counterparty is not fully collateralised, then the Fund's credit exposure to the counterparty in such circumstances will be higher than if the transaction had been fully collateralised. When entering into stock lending the Fund may also be exposed to settlement risk (i.e. the possibility that one or more parties to the transactions will fail to deliver the assets at agreed-upon time) and legal risk, which is the risk of loss due to the unexpected application of a law or regulation, or because a court declares a contract not legally enforceable. In addition to the specific risks identified above stock lending carry other risks, as described in this Risk Factors section, notably (i) counterparty risk, ii) custody insolvency and iii) liquidity risk.

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

## RISK AND REWARD PROFILE



The risk category is calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The risk category shown is not guaranteed and may shift over time. The lowest category does not mean risk free. There has been no change from prior year.

## WHY IS THIS FUND IN THIS CATEGORY?

The capital of the Fund is not guaranteed. The Fund is invested in financial markets and uses techniques and instruments which may be subject to sudden and significant variation, which may result in substantial gains or losses.

## ADDITIONAL RISKS

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

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

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

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

## Fund Information

### FIVE YEAR PERFORMANCE

In the five years to 15 May 2023, the price of Z Accumulation units, with net income reinvested, rose by +17.53%. The MSCI AC World Total Return Net\* increased by +34.77% over the same time period. During the same period, the price of Z Income units, with zero income reinvested, rose by +10.27%. (Source: AXA Investment Managers and Morningstar) (Prices in GBP).

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

Date	AXA ACT Framlington Clean Economy Fund Z Acc	MSCI AC World Total Return Net*
15 May 2018 - 15 May 2019	-4.77%	-1.40%
15 May 2019 - 15 May 2020	-2.71%	-5.95%
15 May 2020 - 15 May 2021	+31.76%	+35.44%
15 May 2021 - 15 May 2022	-6.78%	+4.10%
15 May 2022 - 15 May 2023	+3.30%	+3.06%

\*MSCI AC World Total Return Net from 28/07/2021, previously 100% FTSE World Europe Ex UK Total Return Gross (until 27.07.2021).

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

Past performance is not a guide to future performance.

### YIELD

D Inc**	Nil
D Acc**	Nil
R Inc	Nil
R Acc	Nil
Z Inc	0.30%
Z Acc	0.30%
ZI Inc	0.57%
ZI Acc	0.55%

### CHARGES

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

\*\*\* Please note that investment in Class ZI shall be subject to contractual agreement at the discretion of the Manager.

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

D Inc**	1.18%
D Acc**	1.18%
R Inc	1.60%
R Acc	1.60%
Z Inc	0.84%
Z Acc	0.84%
ZI Inc	0.60%
ZI Acc	0.59%

\*\* D classes launched as at 25 May 2022.

\*\*\*\* 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 ACT Framlington Clean Economy Fund is available as a Stocks and Shares ISA through the AXA Investment Managers Stocks and Shares ISA.

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

From June 2023 the FCA has introduced requirements for Managers of UK UCITS to report annually on a broad set of climate related disclosures that can promote more informed investment decisions. The reporting includes data relating to greenhouse gas emissions, carbon emissions, carbon footprint, and weighted carbon intensity. You can find a copy of the latest TCFD report for the AXA ACT Framlington Clean Economy Fund here: <https://retail.axa-im.co.uk/fund-centre/-/funds-center/axa-act-framlington-clean-economy-z-gbp-acc-44754#/literature>

## Comparative Tables

	D Inc~ 15/05/2023 (p)	D Acc~ 15/05/2023 (p)
Change in net assets per unit		
Opening net asset value per unit <sup>†</sup>	825.80	1,042.00
Return before operating charges <sup>^</sup>	7.81	9.90
Operating charges	(9.72)	(12.28)
Return after operating charges <sup>^</sup>	(1.91)	(2.38)
Distributions	-	-
Retained distributions on accumulation units	-	-
Closing net asset value per unit <sup>†</sup>	<b>823.89</b>	<b>1,039.62</b>
 * <sup>^</sup> after direct transaction costs of:	 0.38	 0.48
<b>Performance</b>		
Return after charges	-0.23%	-0.23%
<b>Other Information</b>		
Closing net asset value <sup>†</sup> (£'000)	2,224	22,290
Closing number of units	269,992	2,144,061
Operating charges	1.19%	1.19%
Direct transaction costs*	0.05%	0.05%
<b>Prices</b>		
Highest unit price #	904.80	1,142.00
Lowest unit price #	754.40	952.00

## Comparative Tables (Continued)

Change in net assets per unit	R Inc			R Acc		
	15/05/2023	15/05/2022	15/05/2021	15/05/2023	15/05/2022	15/05/2021
	(p)	(p)	(p)	(p)	(p)	(p)
Opening net asset value per unit <sup>†</sup>	815.31	871.50	665.11	1,028.97	1,099.79	834.85
Return before operating charges <sup>^</sup>	18.59	(41.75)	224.01	23.40	(52.58)	280.92
Operating charges	(13.24)	(14.44)	(12.75)	(16.72)	(18.24)	(15.98)
Return after operating charges <sup>^</sup>	5.35	(56.19)	211.26	6.68	(70.82)	264.94
Distributions	-	-	(4.87)	-	-	(6.10)
Retained distributions on accumulation units	-	-	-	-	-	6.10
<b>Closing net asset value per unit<sup>†</sup></b>	<b>820.66</b>	<b>815.31</b>	<b>871.50</b>	<b>1,035.65</b>	<b>1,028.97</b>	<b>1,099.79</b>
 * <sup>^</sup> after direct transaction costs of:	 0.38	 1.23	 0.39	 0.47	 1.55	 0.49
<b>Performance</b>						
Return after charges	0.66%	-6.45%	31.76%	0.65%	-6.44%	31.74%
<b>Other Information</b>						
Closing net asset value <sup>†</sup> (£'000)	579	3,101	3,562	6,636	34,104	41,016
Closing number of units	70,624	380,369	408,674	640,720	3,314,421	3,729,393
Operating charges	1.59%	1.60%	1.61%	1.59%	1.60%	1.61%
Direct transaction costs <sup>*</sup>	0.05%	0.14%	0.05%	0.05%	0.14%	0.05%
<b>Prices</b>						
Highest unit price #	904.00	1,006.00	882.90	1,141.00	1,269.00	1,108.00
Lowest unit price #	754.20	768.30	680.60	951.80	969.60	854.00



## Comparative Tables (Continued)

Change in net assets per unit	Z Inc			Z Acc		
	15/05/2023	15/05/2022	15/05/2021	15/05/2023	15/05/2022	15/05/2021
	(p)	(p)	(p)	(p)	(p)	(p)
Opening net asset value per unit <sup>†</sup>	144.95	154.05	117.47	237.89	252.36	190.14
Return before operating charges <sup>^</sup>	3.31	(7.49)	39.71	5.41	(12.25)	64.17
Operating charges	(1.26)	(1.36)	(1.21)	(2.07)	(2.22)	(1.95)
Return after operating charges <sup>^</sup>	2.05	(8.85)	38.50	3.34	(14.47)	62.22
Distributions	(0.43)	(0.25)	(1.92)	(0.71)	(0.42)	(3.10)
Retained distributions on accumulation units	-	-	-	0.71	0.42	3.10
<b>Closing net asset value per unit<sup>†</sup></b>	<b>146.57</b>	<b>144.95</b>	<b>154.05</b>	<b>241.23</b>	<b>237.89</b>	<b>252.36</b>
<sup>^</sup> after direct transaction costs of:	0.07	0.22	0.07	0.11	0.35	0.11
<b>Performance</b>						
Return after charges	1.41%	-5.74%	32.77%	1.40%	-5.73%	32.72%
<b>Other Information</b>						
Closing net asset value <sup>†</sup> (£'000)	2,785	2,747	2,666	22,647	20,572	15,229
Closing number of units	1,900,209	1,895,039	1,730,872	9,387,907	8,647,473	6,034,806
Operating charges	0.84%	0.85%	0.86%	0.84%	0.85%	0.86%
Direct transaction costs <sup>*</sup>	0.05%	0.14%	0.05%	0.05%	0.14%	0.05%
<b>Prices</b>						
Highest unit price #	160.90	178.40	157.10	264.20	292.30	254.20
Lowest unit price #	134.10	136.60	120.20	220.20	223.80	194.50

## Comparative Tables (Continued)

Change in net assets per unit	ZI Inc <sup>~</sup>		ZI Acc <sup>~~</sup>	
	15/05/2023	15/05/2022	15/05/2023	15/05/2022
	(p)	(p)	(p)	(p)
Opening net asset value per unit <sup>†</sup>	91.13	100.00	91.26	100.00
Return before operating charges <sup>^</sup>	2.01	(8.16)	2.07	(8.28)
Operating charges	(0.56)	(0.49)	(0.56)	(0.46)
Return after operating charges <sup>^</sup>	1.45	(8.65)	1.51	(8.74)
Distributions	(0.53)	(0.22)	(0.51)	(0.21)
Retained distributions on accumulation units	-	-	0.51	0.21
<b>Closing net asset value per unit<sup>†</sup></b>	<b>92.05</b>	<b>91.13</b>	<b>92.77</b>	<b>91.26</b>
* <sup>^</sup> after direct transaction costs of:	0.04	0.21	0.04	0.19
<b>Performance</b>				
Return after charges	1.59%	-8.65%	1.65%	-8.74%
<b>Other Information</b>				
Closing net asset value <sup>†</sup> (£'000)	5	5	13,361	14,325
Closing number of units	5,050	5,050	14,401,246	15,697,902
Operating charges	0.59%	0.59%	0.59%	0.59%
Direct transaction costs <sup>*</sup>	0.05%	0.14%	0.05%	0.14%
<b>Prices</b>				
Highest unit price #	101.10	112.00	101.40	112.00
Lowest unit price #	84.24	85.81	84.49	85.80

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

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

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

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

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

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

<sup>~~</sup> ZI classes launched as at 28 July 2021.

## Portfolio Statement

AXA ACT Framlington Clean Economy Fund portfolio as at 15 May 2023 consisted of the following investments, which are ordinary shares unless otherwise stated.

Holding	Market value £'000	Total net assets (%)
<b>ASIA: 6.56%</b> <b>(15/05/2022: 4.28%)</b>		
<b>China: 2.84%</b> <b>(15/05/2022: 1.17%)</b>		
246,380 LONGi Green Energy Technology	958	1.36
78,100 Sungrow Power Supply	1,046	1.48
	<b>2,004</b>	<b>2.84</b>
<b>Israel: 0.00%</b> <b>(15/05/2022: 0.47%)</b>		
<b>Japan: 1.34%</b> <b>(15/05/2022: 0.00%)</b>		
29,000 Kurita Water Industries	944	1.34
	<b>944</b>	<b>1.34</b>
<b>Taiwan: 2.38%</b> <b>(15/05/2022: 2.64%)</b>		
25,150 Taiwan Semiconductor Manufacturing ADR	1,677	2.38
	<b>1,677</b>	<b>2.38</b>
<b>AUSTRALIA: 0.63%</b> <b>(15/05/2022: 0.00%)</b>		
176,263 Vulcan Energy Resources	443	0.63
	<b>443</b>	<b>0.63</b>
<b>EUROPE: 43.37%</b> <b>(15/05/2022: 42.49%)</b>		
<b>Denmark: 3.47%</b> <b>(15/05/2022: 2.55%)</b>		
14,111 Orsted	1,098	1.56
54,810 Vestas Wind Systems	1,349	1.91
	<b>2,447</b>	<b>3.47</b>
<b>Finland: 0.00%</b> <b>(15/05/2022: 1.06%)</b>		
<b>France: 3.79%</b> <b>(15/05/2022: 3.15%)</b>		
19,182 Schneider Electric	2,672	3.79
	<b>2,672</b>	<b>3.79</b>

## Portfolio Statement (Continued)

Holding		Market value £'000	Total net assets (%)
<b>Germany: 8.05%</b> <b>(15/05/2022: 5.70%)</b>			
66,747	Infineon Technologies	1,959	2.78
16,565	Siemens	2,183	3.10
16,974	SMA Solar Technology	1,529	2.17
		<b>5,671</b>	<b>8.05</b>
<b>Ireland: 3.35%</b> <b>(15/05/2022: 1.07%)</b>			
11,089	Kerry (Dublin Quoted)	918	1.30
4,759	Kerry (London Quoted)	392	0.56
34,795	Smurfit Kappa	1,050	1.49
		<b>2,360</b>	<b>3.35</b>
<b>Italy: 0.00%</b> <b>(15/05/2022: 1.13%)</b>			
<b>Jersey: 1.38%</b> <b>(15/05/2022: 2.09%)</b>			
13,113	Aptiv	972	1.38
		<b>972</b>	<b>1.38</b>
<b>Luxembourg: 1.64%</b> <b>(15/05/2022: 2.28%)</b>			
33,729	Befesa	1,159	1.64
		<b>1,159</b>	<b>1.64</b>
<b>Netherlands: 6.24%</b> <b>(15/05/2022: 7.81%)</b>			
15,041	Alfen	1,037	1.47
31,955	Arcadis	1,134	1.61
29,388	Corbion	751	1.06
14,877	Koninklijke DSM	1,481	2.10
		<b>4,403</b>	<b>6.24</b>
<b>Portugal: 1.43%</b> <b>(15/05/2022: 1.40%)</b>			
234,879	EDP - Energias de Portugal	1,005	1.43
		<b>1,005</b>	<b>1.43</b>
<b>Spain: 4.05%</b> <b>(15/05/2022: 4.52%)</b>			
37,691	ACCIONA Energias Renovables	1,071	1.52
172,516	Iberdrola	1,785	2.53
		<b>2,856</b>	<b>4.05</b>

## Portfolio Statement (Continued)

Holding		Market value £'000	Total net assets (%)
<b>Switzerland: 1.50%</b> <b>(15/05/2022: 2.05%)</b>			
35,687	ABB	1,056	1.50
		<b>1,056</b>	<b>1.50</b>
<b>United Kingdom: 8.47%</b> <b>(15/05/2022: 7.68%)</b>			
90,586	Ceres Power	311	0.44
18,343	Croda International	1,259	1.79
26,132	Genus	666	0.94
47,715	Halma	1,174	1.66
132,589	National Grid	1,553	2.20
9,135	Spirax-Sarco Engineering	1,019	1.44
		<b>5,982</b>	<b>8.47</b>
<b>NORTH AMERICA: 46.61%</b> <b>(15/05/2022: 50.38%)</b>			
<b>Canada: 3.89%</b> <b>(15/05/2022: 3.90%)</b>			
121,852	Li-Cycle	480	0.68
3,145	Waste Connections (CAD)	362	0.51
16,569	Waste Connections (USD)	1,906	2.70
		<b>2,748</b>	<b>3.89</b>
<b>Cayman Islands: 0.00%</b> <b>(15/05/2022: 0.81%)</b>			
<b>United States of America: 42.72%</b> <b>(15/05/2022: 45.65%)</b>			
11,861	Advanced Energy Industries	810	1.15
6,968	Albemarle	1,091	1.55
42,900	Ameresco	1,484	2.10
26,056	Ball	1,170	1.66
32,870	BorgWarner	1,159	1.64
6,468	Danaher	1,176	1.67
42,808	Darling Ingredients	2,136	3.03
7,007	Deere & Co	2,095	2.97
7,610	Ecolab	1,060	1.50
5,595	Enphase Energy	750	1.06
38,509	Evoqua Water Technologies	1,526	2.16
12,594	First Solar	2,332	3.31
46,966	Hannon Armstrong Sustainable Infrastructure Capital #	955	1.35
24,804	Itron	1,312	1.86
40,648	NextEra Energy	2,534	3.59
11,020	Republic Services	1,306	1.85
10,848	Silicon Laboratories	1,161	1.65

## Portfolio Statement (Continued)

Holding		Market value £'000	Total net assets (%)
8,737	Tesla	1,173	1.66
4,515	Thermo Fisher Scientific	1,894	2.69
23,593	Trimble	882	1.25
13,659	Wolfspeed	438	0.62
20,187	Xylem	1,691	2.40
		<b>30,135</b>	<b>42.72</b>
Investments as shown in the balance sheet		68,534	97.17
Net current assets		1,993	2.83
<b>Total net assets</b>		<b>70,527</b>	<b>100.00</b>

Stocks shown as ADRs represent American Depositary Receipts.

# Real Estate Investment Trust.

## Statement of Total Return

For the year ended 15 May

	Notes	£'000	2023 £'000	£'000	2022 £'000
Income					
Net capital gains/(losses)	3		930		(5,305)
Revenue	4	990		751	
Expenses	5	(763)		(906)	
Interest payable and similar charges		-		-	
Net revenue/(expense) before taxation		227		(155)	
Taxation	6	(143)		(40)	
Net revenue/(expense) after taxation			84		(195)
<b>Total return before distributions</b>			<b>1,014</b>		<b>(5,500)</b>
Distributions	7		(139)		(48)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>875</b>		<b>(5,548)</b>

## Statement of Change in Net Assets Attributable to Unitholders

For the year ended 15 May

	£'000	2023 £'000	£'000	2022 £'000
Opening net assets attributable to unitholders		74,854		62,473
Amounts receivable on creation of units	5,113		24,798	
Amounts payable on cancellation of units	(10,456)		(6,939)	
		(5,343)		17,859
Change in net assets attributable to unitholders from investment activities		875		(5,548)
Retained distribution on accumulation units		140		69
Unclaimed distribution		1		1
<b>Closing net assets attributable to unitholders</b>		<b>70,527</b>		<b>74,854</b>

## Balance Sheet

As at 15 May

		2023 £'000	2022 £'000
	Notes		
<b>ASSETS</b>			
Fixed assets			
Investments		68,534	72,718
Current assets			
Debtors	8	629	296
Cash and bank balances	9	1,748	2,184
<b>Total assets</b>		<b>70,911</b>	<b>75,198</b>
<b>LIABILITIES</b>			
Creditors			
Distribution payable		8	5
Other creditors	10	376	339
<b>Total liabilities</b>		<b>384</b>	<b>344</b>
<b>Net assets attributable to unitholders</b>		<b>70,527</b>	<b>74,854</b>



## Notes to the Financial Statements

### 1.1 Accounting policies

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

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

b) Dividends on quoted ordinary shares and preference shares are recognised when the securities are quoted ex-dividend. Where such securities are not quoted, dividends are recognised when the right to receive payment is established. Dividends received from US Real Estate Investment Trusts ('REITs') are recognised as revenue when the security is quoted ex-dividend. An assessment of capital/income split is performed, based on prior year dividend announcement for each security. The capital element of the dividend is reallocated to the capital of the Fund. Subsequently, when the capital/income split is announced for the dividend a final assessment is performed to determine the correct distribution to unitholders.

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 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 11 of the Manager's Report.

### Price risk sensitivity

At 15 May 2023, 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 £3,426,692 (2022: £3,635,922) respectively.

### Foreign currency risk sensitivity

Assuming all other factors remain stable, if GBP strengthens by 5% the resulting change in the net assets attributable to unitholders of the Fund would be a decrease of approximately £3,156,576 (2022: £3,355,251). A 5% weakening in GBP would have an equal but opposite effect.

## Notes to the Financial Statements (Continued)

### Interest rate risk sensitivity

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

### Currency exposures

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

	Monetary Exposure £'000	Non Monetary Exposure £'000	Total £'000
<b>2023</b>			
Canadian Dollar	4	362	366
Chinese Yuan	1	2,004	2,005
Danish Krone	12	2,447	2,459
Euro	143	20,569	20,712
Japanese yen	6	944	950
Swiss Franc	-	1,056	1,056
US Dollar	414	35,170	35,584
<b>Total</b>	<b>580</b>	<b>62,552</b>	<b>63,132</b>

	Monetary Exposure £'000	Non Monetary Exposure £'000	Total £'000
<b>2022</b>			
Canadian Dollar	-	185	185
Danish Krone	15	1,908	1,923
Euro	119	21,055	21,174
Hong Kong Dollar	-	1,479	1,479
Norwegian Krone	1	-	1
Swiss Franc	-	888	888
US Dollar	1	41,455	41,456
<b>Total</b>	<b>136</b>	<b>66,970</b>	<b>67,106</b>

### 3 Net capital gains/(losses)

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

	2023 £'000	2022 £'000
Gains/(losses) on non-derivative securities	911	(5,426)
Gains on foreign currency exchange	21	123
Transaction charges	(2)	(2)
<b>Net capital gains/(losses)</b>	<b>930</b>	<b>(5,305)</b>

### 4 Revenue

	2023 £'000	2022 £'000
UK dividends	99	39
REIT dividends	23	5
Overseas dividends	841	706
Bank interest	27	1
<b>Total revenue</b>	<b>990</b>	<b>751</b>

## Notes to the Financial Statements (Continued)

### 5 Expenses

	2023 £'000	2022 £'000
<b>Payable to the Manager</b>		
Annual management charge	695	839
Registrar's fees	45	42
	<b>740</b>	<b>881</b>
<b>Other expenses</b>		
Audit fee	8	8
Safe custody charges	6	6
Trustee's fees	8	11
Legal fee	1	-
	23	25
<b>Total expenses</b>	<b>763</b>	<b>906</b>

Expenses include irrecoverable VAT where applicable.

### 6 Taxation

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

	2023 £'000	2022 £'000
Irrecoverable overseas tax	143	40

#### 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%) (2022: 20%).

The differences are explained below:

	2023 £'000	2022 £'000
Net revenue/(expense) before taxation	227	(155)
Corporation tax at 20%	45	(31)
Effects of:		
Irrecoverable overseas tax	143	40
Movement in excess management expenses	132	169
Excess management expenses adjustment in respect of prior years	5	-
Revenue not subject to taxation	(181)	(136)
Overseas tax expensed	(1)	(2)
Total effects	98	71
<b>Total tax charge for the year (see note 6a)</b>	<b>143</b>	<b>40</b>

Authorised unit trusts are exempt from tax on capital gains.

#### c) Deferred taxation:

There is no provision required for deferred taxation at the Balance sheet date (2022: nil).

## Notes to the Financial Statements (Continued)

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

At the year end, after offset against income taxable on receipt, there is a potential deferred tax asset of £2,433,913 (2022: £2,302,213) 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 D and R classes to meet expenses and taxation and, as permitted by the Trust Deed, an amount of £55,210 (2022: £243,296) 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:

	2023 £'000	2022 £'000
Final	148	74
Add: Income deducted on cancellation of units	42	(22)
Deduct: Income received on creation of units	(51)	(4)
<b>Net distribution for the year</b>	<b>139</b>	<b>48</b>
<b>Reconciliation to net revenue after taxation:</b>		
Net distribution for the year	139	48
Shortfall transfer to capital	(55)	(243)
<b>Net revenue/(expense) after taxation</b>	<b>84</b>	<b>(195)</b>

## 8 Debtors

	2023 £'000	2022 £'000
Sales awaiting settlement	410	-
Amounts receivable on creation of units	30	171
Accrued revenue	121	38
Overseas tax recoverable	68	87
<b>Total debtors</b>	<b>629</b>	<b>296</b>

## 9 Cash and bank balances

	2023 £'000	2022 £'000
Cash and bank balances	1,748	2,184
<b>Total cash and bank balances</b>	<b>1,748</b>	<b>2,184</b>

## 10 Other creditors

	2023 £'000	2022 £'000
Amounts payable on cancellation of units	263	212
Accrued expenses		
- Manager	78	99
- Other	35	28
<b>Total other creditors</b>	<b>376</b>	<b>339</b>

## Notes to the Financial Statements (Continued)

### 11 Unitholders' funds

The Fund currently has eight unit classes in issue.

	D Inc*	D Acc*	R Inc	R Acc	Z Inc	Z Acc
Opening units in issue	-	-	380,369	3,314,421	1,895,039	8,647,473
Units issued	309,008	2,286,401	2,647	19,347	207,352	2,066,733
Units cancelled	(39,016)	(142,340)	(312,392)	(2,693,048)	(202,182)	(1,326,299)
Unit conversions	-	-	-	-	-	-
<b>Closing units in issue</b>	<b>269,992</b>	<b>2,144,061</b>	<b>70,624</b>	<b>640,720</b>	<b>1,900,209</b>	<b>9,387,907</b>

	ZI Inc	ZI Acc
Opening units in issue	5,050	15,697,902
Units issued	-	2,512,347
Units cancelled	-	(3,809,003)
Unit conversions	-	-
<b>Closing units in issue</b>	<b>5,050</b>	<b>14,401,246</b>

\* D classes launched as at 25 May 2022.

### 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 May 2023, 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

#### 2023

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
<b>Analysis of purchases</b>						
Equity	11,474	5	0.04	22	0.19	11,501
<b>Total</b>	<b>11,474</b>	<b>5</b>		<b>22</b>		<b>11,501</b>

#### 2023

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
<b>Analysis of sales</b>						
Equity	16,621	(4)	(0.02)	(2)	(0.01)	16,615
<b>Total</b>	<b>16,621</b>	<b>(4)</b>		<b>(2)</b>		<b>16,615</b>

## Notes to the Financial Statements (Continued)

2022

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
<b>Analysis of purchases</b>						
Equity	77,426	23	0.03	56	0.07	77,505
<b>Total</b>	<b>77,426</b>	<b>23</b>		<b>56</b>		<b>77,505</b>

2022

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
<b>Analysis of sales</b>						
Equity	60,996	(18)	(0.03)	-	-	60,978
<b>Total</b>	<b>60,996</b>	<b>(18)</b>		<b>-</b>		<b>60,978</b>

Commission as a % of average net assets

0.02% (2022: 0.06%)

Taxes as a % of average net assets

0.03% (2022: 0.08%)

### Portfolio dealing spread

The average portfolio dealing spread as at the year end was 0.07% (2022: 0.07%).

## 14 Fair value disclosure

	15 May 2023		15 May 2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Valuation technique</b>				
Level1 <sup>^</sup>	68,534	-	72,718	-
Level2 <sup>^^</sup>	-	-	-	-
Level3 <sup>^^^</sup>	-	-	-	-
<b>Total</b>	<b>68,534</b>	<b>-</b>	<b>72,718</b>	<b>-</b>

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

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

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

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

## 15 Commitments, contingent liabilities and contingent assets

There are no commitments, contingent liabilities and contingent assets as at the balance sheet date (2022: 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 May 2023

		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>					
Final	Group 1	-	-	-	-
	Group 2	-	-	-	-
<b>R Acc</b>					
Final	Group 1	-	-	-	-
	Group 2	-	-	-	-
<b>Z Inc</b>					
Final	Group 1	0.434	-	0.434	0.254
	Group 2	0.209	0.225	0.434	0.254
<b>Z Acc</b>					
Final	Group 1	0.712	-	0.712	0.417
	Group 2	0.294	0.418	0.712	0.417
<b>ZI Inc</b>					
Final	Group 1	0.529	-	0.529	0.216
	Group 2	0.529	-	0.529	0.216
<b>ZI Acc</b>					
Final	Group 1	0.507	-	0.507	0.211
	Group 2	0.267	0.240	0.507	0.211

(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.

\* D classes launched as at 25 May 2022.

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	16.05.22	15.05.23	14.07.23



## 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:



Marcello Arona  
Director  
Tuesday 5<sup>th</sup> September 2023



Marion Le Morhedec  
Director  
Tuesday 5<sup>th</sup> September 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 gains for the year.

In preparing the accounts the Manager is required to:

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

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

## Report of the Trustee

### STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES IN RESPECT OF THE SCHEME AND REPORT OF THE TRUSTEE TO THE UNITHOLDERS OF THE AXA ACT FRAMLINGTON CLEAN ECONOMY FUND OF THE AXA FRAMLINGTON RANGE OF AUTHORISED UNIT TRUST SCHEMES ("THE TRUST") FOR THE YEAR ENDED 15 MAY 2023

The Depositary in its capacity as Trustee of AXA ACT Framlington Clean Economy 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)  
Tuesday 5th September 2023

## Report of the Independent Auditor

### INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE AXA ACT FRAMLINGTON CLEAN ECONOMY FUND

#### OPINION

We have audited the financial statements of AXA ACT Framlington Clean Economy Fund for the year ended 15 May 2023, 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 May 2023 and of the net revenue and net capital gains on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

#### BASIS FOR OPINION

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

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

#### CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

#### OTHER INFORMATION

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially

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

We have nothing to report in this regard.

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

In our opinion:

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

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

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

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

## **RESPONSIBILITIES OF THE MANAGER**

As explained more fully in the Manager’s responsibilities statement set out on page 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:

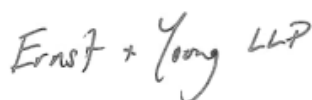
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA 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  
Tuesday 5th September 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 2022 to 31 December 2022:

Total amount of remuneration paid and / or allocated to all staff for the year ended December 31, 2022 <sup>(1)</sup>	
Fixed Pay <sup>(2)</sup> (£'000)	220,567
Variable Pay <sup>(3)</sup> (£'000)	274,564
Number of employees <sup>(4)</sup>	2,675

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

<sup>(2)</sup> Fixed Pay amount is based on 2021/22 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 31/12/2022)

**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)	136,672	76,261	212,933
Number of employees	277	62	339

**UK Identified Employee Remuneration:**

Weighted amount of compensation paid and / or allocated to UK based 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)	2,239	1,249	3,488
Number of employees	69	13	82

## 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 May 2023 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 adviser

Eversheds LLP  
One Wood Street  
London, EC2V 7WS

### Auditor

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

### Dealing and Correspondence

PO Box 10908  
Chelmsford, CM99 2UT

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