

**Interim Long Report and Financial Statements**  
**Period ended**  
**31 December 2021**

# **AXA Fixed Interest Investment ICVC**



## Issued by AXA Investment Managers UK Limited Authorised and regulated by the Financial Conduct Authority

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\* Collectively, these comprise the Authorised Corporate Director's Report.

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>

## Directory

### The Company and Head Office

AXA Fixed Interest Investment ICVC  
22 Bishopsgate  
London, EC2N 4BQ

### Authorised Corporate Director ("ACD")

AXA Investment Managers UK Limited  
22 Bishopsgate  
London, EC2N 4BQ  
[www.axa-im.co.uk](http://www.axa-im.co.uk)

Authorised and regulated by the Financial Conduct Authority in the conduct of investment business.

Registered in England and Wales No. 01431068.

The company is a wholly owned subsidiary of AXA S.A., incorporated in France.

Member of the Investment Association (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.

### Sub-Investment Managers

AXA Investment Managers Inc  
100 West Putnam Avenue  
4th Floor  
Greenwich  
CT 06830 USA

### Legal Advisers

Eversheds LLP  
One Wood Street  
London, EC2V 7WS

### Fund Accounting Administrator

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

### Depository

HSBC Bank plc,  
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.

## Directory

### Independent Auditors \*

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

\* Please note that effective 1st January 2021, our Independent Auditors for the fund range changed from PricewaterhouseCoopers LLP to Ernst & Young LLP.

## **Report of the Directors of AXA Fixed Interest Investment ICVC**

AXA Fixed Interest Investment ICVC (“the Company”) is an investment company with variable capital incorporated in England and Wales and authorised by the Financial Conduct Authority (“FCA”).

Shareholders are not liable for the debts of the Company.

There are nine sub-funds which are currently available in the Company (each a “Fund”), and in the future there may be other sub-funds in the Company.

Each Fund has the investment powers equivalent to those of a UCITS (Undertakings for Collective Investment in Transferrable Securities) under the FCA’s Collective Investment Schemes Sourcebook (“COLL”). The Funds are segregated portfolios of assets and, accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other Fund, and shall not be available for any such purpose. Further details in relation to the segregated nature of the Funds can be found in the Prospectus.

AXA Global Short Duration Bond Fund has a holding of 586,000 shares in the AXA US Short Duration High Yield Fund with a market value of £908,300. There are no other cross holdings.

### **Important Events During the Year**

During the period from 1st July 2021 to 31st December 2021 there were no significant changes to the Prospectus or the Instrument of Incorporation.

## Investment Manager's Report

## Investment Objective

The aim of the Fund is to provide long-term high income combined with any capital growth.

## Investment Policy

The Fund invests primarily (meaning at least 70% of its assets) in a diversified portfolio of high yield bonds issued by companies anywhere in the world. The Manager focuses on credit analysis to create a portfolio of bonds that seeks diversification across companies showing improving resilience against default.

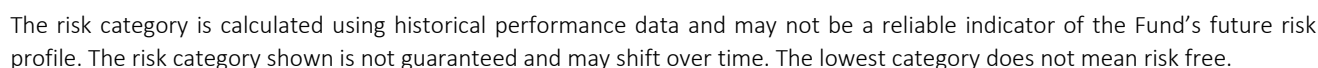
The Fund is managed with reference to the composition and risk profile of the BofA Merrill Lynch Global High Yield Return Index. However the Manager invests on a discretionary basis with a significant degree of freedom to take positions which are different from the index. The BofA Merrill Lynch Global High Yield Return index is designed to measure the performance of the global high yield bond market. This index best represents the types of bonds in which the Fund predominantly invests. Where bonds are denominated in a currency other than Sterling, the Fund aims to reduce the risk of movements in exchange rates between such currency and Sterling through the use of derivatives (financial instruments which derive their value from the value of other assets). The Fund may also use derivatives in an attempt to reduce the overall risks of its investments, reduce the costs of investing or generate additional capital or income (known as Efficient Portfolio Management - EPM).

This Fund is actively managed in reference to the BofA Merrill Lynch Global High Yield Return index, which may be used by investors to compare the Fund's performance.

## Risk and Reward Profile

As at 31 December 2021 (unaudited)

By investing in a fund which invests primarily in fixed interest stocks you are likely to be looking for an investment which will generate an income but has less potential for capital return than is the case with funds which invest primarily in equities. You are willing to accept that your investment will fall and rise in value and that you could get back less than you invest. You are aware that investing in a fund which has a global remit can increase risk because of currency movements in return for greater potential reward. However, the Fund is hedged back to Sterling. You are also aware that investing in sub investment grade bonds increases the potential income but also increases risk to your investment. Typically you would be investing for a period of at least five years.



### Why is this Fund in this category?

The capital of the Fund is not guaranteed. The Fund is invested in financial markets and uses techniques and instruments which are subject to some levels of variation, which may result in gains or losses.

## AXA Global High Income Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

#### Additional risks

Under normal market conditions the Fund's key risk factors are:

- **Credit risk** - all bonds have a potential credit risk, in that the issuer could default on its obligations to pay income and/or capital. An issuer default would likely result in a large drop in the value of that bond. The value of a bond will also be affected by the perceived credit risk of the issuer, including changes to credit ratings (credit ratings are an assessment of a borrower's ability to meet its debt obligations (i.e. its ability to pay its debts). A higher credit rating means more confidence that a borrower will be able to pay its debts, which usually means cheaper funding costs for higher rated borrowers (i.e. it is less risky to lend to them, so investors require a smaller premium). There are 10 ratings within investment grade credit ratings, ranging from the highest rating AAA (credit rating agencies S&P and Fitch use this designation, Moody's used Aaa) to the lowest BBB (Baa3 Moody's). Risk level increases markedly for credit ratings below investment grade, considered speculative grade.)) and the general level of aversion to credit risk in the market. Generally, an increased level of perceived credit risk leads to a fall in the value of the bond, and vice versa. Credit risk can be measured by ratings assigned to issuers of bonds by third party credit rating agencies. The largest credit rating agencies are Moody's, Standard & Poor's and Fitch Ratings. Each credit rating agency uses different designations. The highest designation (Aaa (Moody's), AAA (Standard & Poor's and Fitch Ratings)) are intended to represent a lower probability of default of the issuer. The credit rating agencies designate "investment grade" bonds as Baa3 or above (Moody's) or BBB- or above (Standard & Poor's or Fitch Ratings). See further below under "High yield bonds risk".

Internal investment guidelines are set, if necessary, to ensure credit risk is maintained within a range deemed suitable based on the individual fund's investment objectives and investment policy. These guidelines could include credit quality indicators, measures of sensitivity to credit spread moves and diversification measures.

- **High yield bonds risk** - high yield bonds (also known as sub-investment grade bonds) are fixed interest securities issued by companies or governments with lower credit ratings (Ba1 and below (Moody's) or BB+ and below (Standard & Poor's and Fitch Ratings)). They are potentially more risky than investment grade bonds which have higher ratings. The issuers of high yield bonds will be at greater risk of default or ratings downgrades. The capital value of the Fund's investment in high yield bonds and the level of income it receives may fall as a result of such issuers ceasing to trade. The Fund will endeavour to mitigate the risks associated with high yield bonds, by diversifying their holdings by issuer, industry and credit quality.

This is an inherent risk for funds invested within high yield bonds. Internal investment guidelines (which may include measures of credit quality, measures of sensitivity to credit spread moves and diversification measures), scenario testing as well as other regular monitoring seek to ensure the level of risk is aligned with each individual fund's investment objectives and investment policy.

- **Interest rate risk** - is the risk that the market value of bonds held by the Fund could fall as a result of higher market rates (yields). Yields can change as a result of, among other things, the economic and inflation outlook which also affects supply and demand as well as future interest rate expectations, without necessarily a change in official central bank short term interest rates. Higher yields result in a decline in the value of bonds. Conversely, lower yields tend to increase the value of bonds. Duration (a measure based on the coupon and maturity payments schedule of a bond) is an important concept in understanding how the price of that bond might change for a 1% move in its redemption yield. A bond with a longer duration is more sensitive to a change in yields and, generally speaking, will experience more volatility in its market value than bonds with shorter durations.

Internal investment guidelines are set if necessary to ensure interest rate risk is maintained within a range deemed suitable based on the individual fund's investment objectives and investment policy. These guidelines could include measures of sensitivity to changes of interest rates.

- **Prepayment and extension risk** - prepayment risk is the risk associated with the early unscheduled return of capital (i.e., repayment of the debt) by the issuer on a bond. Prepayment generally occurs in a declining interest rate environment. When capital is returned early, no future interest payments will be paid on that part of the capital. If the bond was purchased at a premium (i.e., at a price greater than the value of the capital), the return on the bond will be less than what was estimated at the time of purchase.

## AXA Global High Income Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

The opposite of prepayment risk is extension risk which is the risk of a bond's expected maturity lengthening in duration due to a slowdown in prepayments of capital. Extension risk is mainly the result of rising interest rates. If the bond was purchased in anticipation of an early repayment of capital, an extension of the maturity could impact the price of the bond.

The portfolio tends to hold a mixture of callable and non-callable positions.

Other risks which could have an impact in extreme market conditions include:

- 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.

- Counterparty risk - at any one time, the Fund may be exposed to the creditworthiness and stability of the counterparties to transactions entered into by the Fund (including derivative and stock lending and repo/reverse repo transactions). The Fund will be subject to the risk of the inability of its counterparties to perform its obligations under such transactions (default), whether due to insolvency, bankruptcy or other causes. In the event of the insolvency of a counterparty, the Fund might not be able to recover cash or assets of equivalent value, to that invested, in full. The Fund may receive assets or cash from the counterparty (collateral) to protect against any such adverse effect. Where relevant, a counterparty will forfeit its collateral if it defaults on the transaction with the Fund. However, if the collateral is in the form of securities, there is a risk that when it is sold, it will realise insufficient cash to settle the counterparty's debt to the Fund under a transaction or to purchase replacement securities that were lent to the counterparty under a stock lending arrangement. In relation to stock lending arrangements, there is also the risk that while cash is recovered in the event of a default, the actual stock cannot be repurchased. Furthermore, to the extent that collateral is not present to cover part or all of the debt, a counterparty default may result in losses for the affected Fund. To assist in managing these types of risks, the ACD sets criteria around the types of eligible collateral the Fund may accept. Please see the paragraph entitled "Treatment of Collateral" in the "Investment and borrowing powers applicable to the Funds" section in Appendix II of the Prospectus for more information.

Transactions in securities that the Fund may enter into expose it to the risk that the counterparty will not deliver the investment for a purchase or cash for a sale after the Fund has contracted to fulfil its responsibilities. This is minimised by the practice in the majority of markets of delivery versus payment and short settlement periods.

- 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.



## AXA Global High Income Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

The ACD 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 individual fund's investment objectives and investment policy.

#### Performance

During the period from June 30, 2021 through December 31, 2021 the AXA Global High Income Fund significantly outperformed its benchmark, the ICE BofA Global High Yield Index (GBP hedged) on a gross basis (GBP). The positive total return for the fund as compared to the negative total return for the index during the period was driven in part by the portfolio's underweight to emerging market securities which materially underperformed the broad global high yield index during the period. The underlying performance drivers for the US and European portions of the fund are detailed below.

#### US High Yield

The U.S. High Yield market posted a positive return in the second half of 2021, as the ICE BofA Merrill Lynch U.S. High Yield Index generated a total return of +1.60% for the period. Muted returns for the period were driven by concerns over the Delta and Omicron Covid-19 variants and increased inflation expectations. Flows into the High Yield market were modestly positive in the second half of 2021. The High Yield primary market was active and priced \$181.8 billion of new issuance in the second half of 2021, however this was down from the \$231.5 billion that priced during the second half of 2020. There was \$9.5 million of high yield default volume during the period, and the par weighted high yield default rate as of December 31, 2021 was 0.27%, down from 1.63% at the beginning of the period.

For the second half of 2021, U.S. High Yield underperformed U.S. Equities (S&P 500 +11.67%), but outperformed U.S. Investment Grade Corporates (+0.11%) and U.S. Treasuries (+0.31%). Within U.S. High Yield, returns were driven by the higher end of the credit quality spectrum, as BB-rated credits (+1.80%) outperformed both B-rated credits (+1.51%) and CCC-and-lower rated credits (+0.83%). From a sector perspective, all 18 industry sectors posted positive total returns for the period. On a relative basis, Energy (+3.17%), Automotive (+2.49%) and Consumer Goods (+2.00%) were the best performing sectors, while Telecommunications (+0.06%), Media (+0.48%) and Retail (+1.17%) were the worst performing sectors.

## AXA Global High Income Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

The US portion of the portfolio outperformed relative to the broad US high yield market during the period from June 30, 2021 through December 31, 2021. This portion of the portfolio benefitted from positive security selection within the short duration segments of the market. Portfolio performance benefitted from participating in a significant number of new issues, many of which performed well post pricing. The portfolio's underweight within the longest duration segment of the market detracted from relative performance. Also, the US portion of the portfolio experienced negative security selection within the highest yielding segment of the US high yield market during the period. Cash holdings had a negative impact on the portfolio's relative return. From a sector perspective, the US portion of the portfolio was positively impacted by security selection within the Telecommunications and Healthcare sectors while negative security selection within the Media sector detracted from relative performance. The portfolio's underweight within the Telecommunications sector had a positive impact on relative performance. The portfolio's underweights within the Energy and Automotive sectors both detracted from relative performance.

#### European High Yield

Over the last two quarters of 2021, returns for the European High Yield index were just 0.3%. Similar to the US market, worries around inflation, and whether it would prove as transitory as central bankers initially seemed to believe, continued to grow in prominence. Notable examples of things like supply chain shortages and rising energy prices weighed on fixed income markets.

The European high yield carve-out performance during the second half of 2021 can be largely explained as a mix between the strategy's overall positioning and efficient stock picking around Covid headlines and macroeconomic events. Whilst the higher-quality, carry component of returns was consistent, if modest, it was the lower-rated parts of the European market that outperformed. This was in-line with risk assets generally - very strong corporate earnings certainly helped, as did evidence that developed economies were continuing to bounce-back effectively from the pandemic. Our overweight position in single-Bs and a strategic allocation to selective triple-C credits helped performance in this regard.

Looking at sectors, the carve-out positioning in the services and retail sectors helped during the period, while our underweight position in telecommunications proved also to be beneficial as inflation concerns translated into duration aversion. Positive stock selection across sectors also helped us avoid idiosyncratic events – for example, we had little allocation to real estate, a sector that was dragged down by the woes of one its largest constituents, Adler Group in Germany.

#### Fund Positioning and Outlook

The Fund finished the month with a yield-to-worst of 4.07% (exclusive of cash) compared to the benchmark yield-to-worst of 4.61%. The duration-to-worst was 2.7, lower than the benchmark duration of 3.8. We still expect the duration of the fund to be below the benchmark, but we will continue to opportunistically add duration and yield during these short bouts of volatility, similar to what we did in early December. Given our positive fundamental view of the market, if rates or spreads (yield premium over the relevant government bond) were to rise, we would methodically increase the duration and yield of the strategy. The appetite for the asset class remains strong as many other global fixed income markets still offer little yield.

*All performance data source: AXA Investment Managers.*

*Past performance is not a guide to future performance.*

## AXA Global High Income Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

Major Purchases	Cost (£'000)	Major Sales	Proceeds (£'000)
Directv Financing 5.875% 15/08/27	659	Ascend Learning 6.875% 01/08/25	1,270
CommScope 4.75% 01/09/29	588	Dell International 7.125% 15/06/24	1,000
McGraw-Hill Education 8% 01/08/29	570	Kenan Advantage 7.875% 31/07/23	974
Olympus Water US 4.25% 01/10/28	555	Granite Merger 2 11% 15/07/27	954
Curo 7.5% 01/08/28	534	CommScope 5.5% 01/03/24	786

**Michael Graham**

AXA Investment Managers UK Limited

31 December 2021

## AXA Global High Income Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
<b>CORPORATE BONDS 95.50% (30/06/21: 93.33%)</b>			
<b>Australia 0.63% (30/06/21: 0.31%)</b>			
Nufarm Australia 5.75% 30/04/26	1,069,000	811	0.63
<b>Austria 0.07% (30/06/21: 0.06%)</b>			
Sappi Papier 3.125% 15/04/26	EUR 102,000	87	0.07
<b>Belgium 0.32% (30/06/21: 0.31%)</b>			
House of HR 7.5% 15/01/27	EUR 200,000	176	0.13
Sarens Finance 5.75% 21/02/27	EUR 294,000	244	0.19
<b>Canada 3.63% (30/06/21: 4.03%)</b>			
ATS Automation Tooling Systems 4.125% 15/12/28	500,000	376	0.29
Bausch Health 4.875% 01/06/28	368,000	280	0.22
Bausch Health 5.5% 01/11/25	734,000	552	0.43
Bausch Health 6.25% 15/02/29	362,000	257	0.20
Garda World Security 6% 01/06/29	431,000	307	0.24
Garda World Security 9.5% 01/11/27	967,000	768	0.59
GFL Environmental 4.75% 15/06/29	403,000	300	0.23
GFL Environmental 5.125% 15/12/26	547,000	423	0.33
Intelligent Packaging Finco 6% 15/09/28	486,000	369	0.28
New Red Finance 5.75% 15/04/25	171,000	132	0.10
NOVA Chemicals 4.25% 15/05/29	525,000	391	0.30
Precision Drilling 7.125% 15/01/26	423,000	319	0.25
Videotron 3.625% 15/06/29	294,000	220	0.17
<b>Cayman Islands 0.00% (30/06/21: 0.09%)</b>			
<b>Czech Republic 0.11% (30/06/21: 0.11%)</b>			
Sazka 4.125% 20/11/24	EUR 167,000	141	0.11
<b>Denmark 0.13% (30/06/21: 0.13%)</b>			
DKT Finance 7% 17/06/23	EUR 200,000	170	0.13
<b>Finland 0.34% (30/06/21: 0.31%)</b>			
Ahlstrom-Munksjo 3 3.625% 04/02/28	EUR 200,000	168	0.13
Ahlstrom-Munksjo 3 4.875% 04/02/28	362,000	265	0.21
<b>France 2.90% (30/06/21: 2.60%)</b>			
Afflelou 4.25% 19/05/26	EUR 124,000	106	0.08
Banijay 6.5% 01/03/26	EUR 190,000	166	0.13
CAB SELAS 3.375% 01/02/28	EUR 132,000	111	0.09
Casino Guichard Perrachon 3.58% 07/02/25	EUR 200,000	162	0.12
Chrome 5% 31/05/29	EUR 200,000	168	0.13
Chrome Bidco 3.5% 31/05/28	EUR 105,000	89	0.07
Constellium 4.25% 15/02/26	EUR 200,000	169	0.13
Crown European 3.375% 15/05/25	EUR 145,000	130	0.10
Derichebourg 2.25% 15/07/28	EUR 200,000	172	0.13
Elior 3.75% 15/07/26	EUR 100,000	86	0.07
Faurecia 2.625% 15/06/25	EUR 141,000	120	0.09
Goldstory 5.375% 01/03/26	EUR 200,000	171	0.13

## AXA Global High Income Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
Iliad 5.125% 15/10/26	EUR 105,000	92	0.07
Iliad 6.5% 15/10/26	356,000	278	0.21
IM 6.625% 01/03/25	EUR 144,000	124	0.10
Kapla 3.375% 15/12/26	EUR 200,000	167	0.13
La Financiere Atalian 4% 15/05/24	EUR 200,000	165	0.13
Laboratoire Eimer Selas 5% 01/02/29	EUR 100,000	85	0.07
Loxam 2.875% 15/04/26	EUR 200,000	166	0.13
Paprec 4% 31/03/25	EUR 233,000	198	0.15
Picard 3.875% 01/07/26	EUR 204,000	173	0.13
Quatrim 5.875% 15/01/24	EUR 100,000	86	0.07
Renault 2.375% 25/05/26	EUR 200,000	169	0.13
Rubis Terminal Infra 5.625% 15/05/25	EUR 203,000	177	0.14
Seche Environnement 2.25% 15/11/28	EUR 255,000	214	0.17
<b>Germany 2.01% (30/06/21: 1.67%)</b>			
ADLER Real Estate 1.5% 17/04/22	EUR 200,000	164	0.13
CeramTec 5.25% 15/12/25	EUR 150,000	127	0.10
Cheplapharm Arzneimittel 3.5% 11/02/27	EUR 333,000	284	0.22
Cheplapharm Arzneimittel 5.5% 15/01/28	419,000	315	0.24
CT Investment 5.5% 15/04/26	EUR 149,000	126	0.10
DEMIRE Deutsche Mittelstand Real Estate 1.875% 15/10/24	EUR 200,000	165	0.13
Gruenenthal 3.625% 15/11/26	EUR 200,000	172	0.13
HT Troplast 9.25% 15/07/25	EUR 172,000	155	0.12
IHO Verwaltungs 3.75% 15/09/26	EUR 200,000	171	0.13
Nidda Healthcare 3.5% 30/09/24	EUR 200,000	168	0.13
Novelis Sheet Ingot 3.375% 15/04/29	EUR 100,000	86	0.07
Peach Property Finance 3.5% 15/02/23	EUR 200,000	169	0.13
SGL Carbon 4.625% 30/09/24	EUR 100,000	85	0.07
Techem Verwaltungsgesellschaft 675 2% 15/07/25	EUR 195,000	162	0.12
TK Elevator Midco 4.375% 15/07/27	EUR 100,000	87	0.07
WEPA Hygieneprodukte 2.875% 15/12/27	EUR 200,000	159	0.12
<b>Greece 0.07% (30/06/21: 0.06%)</b>			
Mytilineos 2.25% 30/10/26	EUR 102,000	86	0.07
<b>Guernsey 0.00% (30/06/21: 0.15%)</b>			
<b>Ireland 0.50% (30/06/21: 0.47%)</b>			
Ardagh Packaging Finance 4.75% 15/07/27	GBP 150,000	150	0.12
Cimpress 7% 15/06/26	366,000	283	0.22
eircom Finance 3.5% 15/05/26	EUR 250,000	213	0.16
<b>Isle Of Man 0.16% (30/06/21: 0.15%)</b>			
Playtech 3.75% 12/10/23	EUR 238,000	201	0.16
<b>Italy 1.84% (30/06/21: 1.93%)</b>			
ASR Media and Sponsorship 5.125% 01/08/24	EUR 220,336	179	0.14
Brunello Bidco 3.5% 15/02/28	EUR 200,000	166	0.13
Centurion Bidco 5.875% 30/09/26	EUR 246,000	212	0.16
doValue 5% 04/08/25	EUR 200,000	174	0.13
Gamma Bidco 6.25% 15/07/25	EUR 211,000	182	0.14

## AXA Global High Income Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
IMA Industria Macchine Automatiche 3.75% 15/01/28	EUR 200,000	166	0.13
International Design 6.5% 15/11/25	EUR 126,000	109	0.08
Kedrion 3.375% 15/05/26	EUR 252,000	210	0.16
Paganini Bidco 4.25% 30/10/28	EUR 100,000	84	0.07
Rekeep 7.25% 01/02/26	EUR 114,000	102	0.08
Sisal 7% 31/07/23	EUR 137,500	116	0.09
Telecom Italia 2.375% 12/10/27	EUR 400,000	331	0.26
UniCredit 5.375% Perpetual	EUR 200,000	178	0.14
Verde Bidco 4.625% 01/10/26	EUR 200,000	172	0.13
<b>Japan 0.10% (30/06/21: 0.10%)</b>			
SoftBank 3.125% 19/09/25	EUR 150,000	126	0.10
<b>Jersey 0.47% (30/06/21: 0.21%)</b>			
Adient Global 3.5% 15/08/24	EUR 200,000	170	0.13
Avis Budget Finance 4.125% 15/11/24	EUR 211,000	178	0.14
Galaxy Bidco 6.5% 31/07/26	GBP 250,000	255	0.20
<b>Liberia 0.23% (30/06/21: 0.00%)</b>			
Royal Caribbean Cruises 5.5% 01/04/28	388,000	293	0.23
<b>Luxembourg 2.68% (30/06/21: 3.03%)</b>			
Allied Universal 4.875% 01/06/28	GBP 129,000	125	0.10
Altice Finco 4.75% 15/01/28	EUR 206,000	164	0.13
Altice France 4% 15/02/28	EUR 200,000	160	0.12
ARD Finance 6.5% 30/06/27	376,000	287	0.22
B&M European Value Retail 3.625% 15/07/25	GBP 102,000	104	0.08
Camelot Finance 4.5% 01/11/26	1,086,000	835	0.65
ContourGlobal Power 3.125% 01/01/28	EUR 200,000	165	0.13
Cullinan 4.625% 15/10/26	EUR 100,000	85	0.06
ION Trading Technologies 5.75% 15/05/28	200,000	153	0.12
Lincoln Financing 3.625% 01/04/24	EUR 200,000	169	0.13
Lune 5.625% 15/11/28	EUR 266,000	223	0.17
Monitchem 3 5.25% 15/03/25	EUR 150,000	128	0.10
Motion Finco 7% 15/05/25	EUR 100,000	88	0.07
PLT VII Finance 4.625% 05/01/26	EUR 300,000	257	0.20
Rossini 6.75% 30/10/25	EUR 150,000	130	0.10
Summer 5.75% 31/10/26	EUR 251,000	219	0.17
Telenet Finance Luxembourg 3.5% 01/03/28	EUR 200,000	172	0.13
<b>Mexico 0.00% (30/06/21: 0.25%)</b>			
<b>Netherlands 3.96% (30/06/21: 4.30%)</b>			
Darling Global Finance 3.625% 15/05/26	EUR 210,000	179	0.14
Diamond 4.625% 01/10/29	150,000	110	0.08
Diebold Nixdorf Dutch 9% 15/07/25	EUR 200,000	179	0.14
Dufry One 2% 15/02/27	EUR 175,000	136	0.11
IPD 3 5.5% 01/12/25	EUR 100,000	86	0.07
Nobian Finance 3.625% 15/07/26	EUR 238,000	198	0.15
OCI 3.625% 15/10/25	EUR 100,000	87	0.07
OI European 3.125% 15/11/24	EUR 250,000	215	0.17

## AXA Global High Income Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
Q-Park 2% 01/03/27	EUR 189,000	150	0.12
Sigma 5.75% 15/05/26	EUR 192,000	148	0.11
Sigma 7.875% 15/05/26	686,000	491	0.38
Titan II 5.125% 15/07/29	EUR 200,000	167	0.13
Trivium Packaging Finance 3.75% 15/08/26	EUR 250,000	213	0.16
Trivium Packaging Finance 5.5% 15/08/26	622,000	480	0.37
Trivium Packaging Finance 8.5% 15/08/27	200,000	157	0.12
United 3.125% 15/02/26	EUR 253,000	206	0.16
UPC 3.875% 15/06/29	EUR 300,000	257	0.20
ZF Europe Finance 3% 23/10/29	EUR 300,000	260	0.20
Ziggo 4.25% 15/01/27	EUR 172,000	147	0.11
Ziggo 5.5% 15/01/27	1,078,000	820	0.63
Ziggo Bond 3.375% 28/02/30	EUR 200,000	164	0.13
Ziggo Bond 6% 15/01/27	350,000	267	0.21
<b>Norway 0.00% (30/06/21: 0.10%)</b>			
<b>Portugal 0.19% (30/06/21: 0.00%)</b>			
Banco Comercial Portugues 1.75% 07/04/28	EUR 300,000	241	0.19
<b>Romania 0.13% (30/06/21: 0.00%)</b>			
RCS & RDS 2.5% 05/02/25	EUR 200,000	165	0.13
<b>Spain 1.06% (30/06/21: 0.71%)</b>			
Gestamp Automocion 3.25% 30/04/26	EUR 150,000	127	0.10
Grifols Escrow Issuer 3.875% 15/10/28	EUR 328,000	276	0.21
Grifols Escrow Issuer 4.75% 15/10/28	313,000	237	0.18
Grupo Antolin-Irausa 3.5% 30/04/28	EUR 305,000	241	0.19
Lorca Telecom 4% 18/09/27	EUR 225,000	192	0.15
Neinor Homes 4.5% 15/10/26	EUR 162,000	137	0.10
Tendam Brands 5.25% 15/09/24	EUR 200,000	167	0.13
<b>Sweden 0.42% (30/06/21: 0.47%)</b>			
Intrum 3% 15/09/27	EUR 150,000	124	0.10
Intrum 3.125% 15/07/24	EUR 139,000	117	0.09
Verisure 3.5% 15/05/23	EUR 100,000	84	0.06
Verisure 5.25% 15/02/29	EUR 100,000	85	0.06
Volvo Car 2.5% 07/10/27	EUR 152,000	138	0.11
<b>United Arab Emirates 0.38% (30/06/21: 0.40%)</b>			
GEMS MENASA Cayman 7.125% 31/07/26	637,000	485	0.38
<b>United Kingdom 3.65% (30/06/21: 3.66%)</b>			
Arqiva Broadcast Finance 6.75% 30/09/23	GBP 150,000	151	0.12
Barclays 7.875% Perpetual	GBP 200,000	208	0.16
Bellis Acquisition 3.25% 16/02/26	GBP 200,000	192	0.15
Bracken MidCo1 6.75% 01/11/27	GBP 139,000	139	0.11
Constellation Automotive Financing 4.875% 15/07/27	GBP 150,000	147	0.11
Drax Finco 2.625% 01/11/25	EUR 100,000	86	0.07
eG Global Finance 6.25% 30/10/25	EUR 216,000	186	0.14
eG Global Finance 8.5% 30/10/25	629,000	484	0.37



## AXA Global High Income Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
Energia 4.75% 15/09/24	GBP 168,000	167	0.13
HSBC 5.25% Perpetual	EUR 200,000	173	0.13
INEOS Quattro Finance 1 3.75% 15/07/26	EUR 200,000	169	0.13
Iron Mountain UK 3.875% 15/11/25	GBP 207,000	208	0.16
Jerrold Finco 4.875% 15/01/26	GBP 128,000	130	0.10
Miller Homes 5.5% 15/10/24	GBP 150,000	152	0.12
Newday 7.375% 01/02/24	GBP 200,000	201	0.16
Pinewood Finance 3.25% 30/09/25	GBP 150,000	150	0.12
Rolls-Royce 5.75% 15/10/27	367,000	301	0.23
Sherwood Financing 4.5% 15/11/26	EUR 229,000	192	0.15
Stonegate Pub Financing 2019 8.25% 31/07/25	GBP 200,000	203	0.16
Synthomer 3.875% 01/07/25	EUR 150,000	130	0.10
TalkTalk Telecom 3.875% 20/02/25	GBP 115,000	109	0.08
Thames Water Kemble Finance 4.625% 19/05/26	GBP 200,000	204	0.16
TI Automotive Finance 3.75% 15/04/29	EUR 228,000	193	0.15
Virgin Media Secured Finance 5% 15/04/27	GBP 200,000	206	0.16
Vmed O2 UK Financing I 4.75% 15/07/31	314,000	238	0.18
<b>United States 69.52% (30/06/21: 67.72%)</b>			
ACI Worldwide 5.75% 15/08/26	656,000	507	0.39
AdaptHealth 5.125% 01/03/30	414,000	313	0.24
AdaptHealth 6.125% 01/08/28	409,000	322	0.25
ADT Security 4.875% 15/07/32	694,000	521	0.40
Aethon United Finance 8.25% 15/02/26	369,000	294	0.23
Ahead 6.625% 01/05/28	380,000	280	0.22
Alliance Data Systems 4.75% 15/12/24	576,000	436	0.34
Alliance Data Systems 7% 15/01/26	200,000	156	0.12
Alliant Intermediate 6.75% 15/10/27	921,000	706	0.55
Allied Universal 6% 01/06/29	215,000	155	0.12
Allied Universal 6.625% 15/07/26	684,000	533	0.41
Allied Universal 9.75% 15/07/27	640,000	508	0.39
AmWINS 4.875% 30/06/29	324,000	243	0.19
Antero Resources 7.625% 01/02/29	122,000	100	0.08
Aramark Services 5% 01/04/25	320,000	243	0.19
Aramark Services 6.375% 01/05/25	557,000	431	0.33
Ardagh Metal Packaging Finance 3% 01/09/29	EUR 202,000	166	0.13
Ardagh Metal Packaging Finance 4% 01/09/29	578,000	426	0.33
Artera Services 9.033% 04/12/25	1,104,000	867	0.67
Asbury Automotive 4.75% 01/03/30	172,000	130	0.10
Asbury Automotive 5% 15/02/32	414,000	319	0.25
Ascent Resources Utica 7% 01/11/26	484,000	364	0.28
Asteroid Private Merger 8.5% 15/11/29	323,000	251	0.19
Avantor Funding 3.875% 15/07/28	EUR 176,000	154	0.12
Avient 5.75% 15/05/25	345,000	267	0.21
Bausch Health Americas 9.25% 01/04/26	538,000	422	0.33
Belden 3.375% 15/07/31	EUR 132,000	114	0.09
Blue Racer Midstream 6.625% 15/07/26	709,000	542	0.42
Blue Racer Midstream 7.625% 15/12/25	78,000	61	0.05
Boxer Parent 6.5% 02/10/25	EUR 100,000	88	0.07
Boxer Parent 7.125% 02/10/25	546,000	425	0.33
Caesars Entertainment 4.625% 15/10/29	194,000	144	0.11



## AXA Global High Income Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
Caesars Entertainment 6.25% 01/07/25	471,000	367	0.28
Catalent Pharma Solutions 2.375% 01/03/28	EUR 231,000	194	0.15
Catalent Pharma Solutions 3.5% 01/04/30	35,000	26	0.02
Catalent Pharma Solutions 5% 15/07/27	578,000	445	0.34
CCO 4.5% 01/05/32	622,000	475	0.37
CCO 4.5% 01/06/33	433,000	328	0.25
CCO 4.75% 01/03/30	342,000	264	0.20
CCO 5.125% 01/05/27	226,000	173	0.13
CCO 5.5% 01/05/26	418,000	319	0.25
CD&R Smokey Buyer 6.75% 15/07/25	1,084,000	845	0.65
CEC Entertainment 6.75% 01/05/26	302,000	220	0.17
Change Healthcare 5.75% 01/03/25	1,687,000	1,261	0.98
Churchill Downs 5.5% 01/04/27	568,000	438	0.34
Clarivate Science 4.875% 01/07/29	781,000	589	0.46
Clark Equipment 5.875% 01/06/25	520,000	400	0.31
Cogent Communications 4.375% 30/06/24	EUR 258,000	220	0.17
Colgate Energy Partners III 5.875% 01/07/29	193,000	148	0.11
CommScope 4.75% 01/09/29	726,000	533	0.41
CommScope 6% 01/03/26	712,000	544	0.42
CommScope 8.25% 01/03/27	413,000	314	0.24
CommScope Technologies 6% 15/06/25	440,000	326	0.25
Cornerstone Building Brands 6.125% 15/01/29	220,000	175	0.14
Covanta 5% 01/09/30	232,000	175	0.14
CP Atlas Buyer 7% 01/12/28	446,000	329	0.26
Crestwood Midstream Partners 5.625% 01/05/27	330,000	249	0.19
Crestwood Midstream Partners 6% 01/02/29	459,000	354	0.27
CrownRock 5.625% 15/10/25	858,000	651	0.50
Curo 7.5% 01/08/28	640,000	484	0.38
CURO Finance 7.5% 01/08/28	98,000	73	0.06
Cushman & Wakefield US Borrower 6.75% 15/05/28	290,000	232	0.18
Dave & Buster's 7.625% 01/11/25	629,000	500	0.39
Delek Logistics Partners 6.75% 15/05/25	702,000	533	0.41
Diebold Nixdorf 9.375% 15/07/25	144,000	114	0.09
Dun & Bradstreet 5% 15/12/29	470,000	356	0.28
Dun & Bradstreet 6.875% 15/08/26	709,000	546	0.42
Dycom Industries 4.5% 15/04/29	428,000	324	0.25
Encino Acquisition Partners 8.5% 01/05/28	424,000	327	0.25
Encore Capital 4.875% 15/10/25	EUR 100,000	87	0.07
Energizer 4.75% 15/06/28	425,000	322	0.25
Enova International 8.5% 01/09/24	590,000	446	0.35
Flex Acquisition 7.875% 15/07/26	855,000	658	0.51
Ford Motor Credit 3.25% 15/09/25	EUR 250,000	225	0.17
Ford Motor Credit 4% 13/11/30	400,000	319	0.25
Forterra Finance 6.5% 15/07/25	280,000	221	0.17
Freedom Mortgage 6.625% 15/01/27	587,000	427	0.33
Freedom Mortgage 7.625% 01/05/26	202,000	151	0.12
Freedom Mortgage 8.25% 15/04/25	486,000	369	0.29
Genesis Energy 7.75% 01/02/28	1,067,000	800	0.62
Genesis Energy 8% 15/01/27	204,000	155	0.12
Getty Images 9.75% 01/03/27	1,308,000	1,028	0.80
G-III Apparel 7.875% 15/08/25	698,000	552	0.43

## AXA Global High Income Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
Golden Entertainment 7.625% 15/04/26	373,000	289	0.22
Graham Packaging 7.125% 15/08/28	345,000	265	0.21
Gray Escrow II 5.375% 15/11/31	340,000	259	0.20
Gray Television 4.75% 15/10/30	418,000	309	0.24
Gray Television 5.875% 15/07/26	300,000	230	0.18
Greystar Real Estate Partners 5.75% 01/12/25	910,000	684	0.53
HCA 7.69% 15/06/25	260,000	228	0.18
HealthEquity 4.5% 01/10/29	633,000	465	0.36
Helios Software 4.625% 01/05/28	742,000	541	0.42
Herbalife Nutrition 7.875% 01/09/25	385,000	304	0.24
Hilton Domestic Operating 5.75% 01/05/28	408,000	321	0.25
Holly Energy Partners 5% 01/02/28	440,000	328	0.25
Howard Hughes 4.375% 01/02/31	348,000	261	0.20
HUB International 7% 01/05/26	1,342,000	1,023	0.79
Icahn Enterprises 6.25% 15/05/26	354,000	274	0.21
Icahn Enterprises 6.375% 15/12/25	450,000	340	0.26
II-VI 5% 15/12/29	161,000	123	0.10
Illuminate Buyer 9% 01/07/28	949,000	751	0.58
Independence Energy Finance 7.25% 01/05/26	470,000	365	0.28
IQVIA 2.25% 15/01/28	EUR 100,000	84	0.07
IQVIA 2.25% 15/03/29	EUR 100,000	84	0.07
IQVIA 5% 15/10/26	422,000	321	0.25
IQVIA 5% 15/05/27	278,000	214	0.17
IRB 6.75% 15/02/26	450,000	340	0.26
IRB 7% 15/06/25	400,000	313	0.24
Iron Mountain 5% 15/07/28	318,000	242	0.19
JELD-WEN 6.25% 15/05/25	419,000	325	0.25
Kaiser Aluminum 4.5% 01/06/31	424,000	309	0.24
KAR Auction Services 5.125% 01/06/25	1,396,000	1,049	0.81
Ken Garff Automotive 4.875% 15/09/28	376,000	279	0.22
Kraft Heinz Foods 4.375% 01/06/46	653,000	565	0.44
Kraft Heinz Foods 6.875% 26/01/39	423,000	458	0.36
LABL 5.875% 01/11/28	301,000	228	0.18
LABL 6.75% 15/07/26	475,000	360	0.28
LABL 10.5% 15/07/27	816,000	635	0.49
LBM Acquisition 6.25% 15/01/29	632,000	467	0.36
LCM Investments II 4.875% 01/05/29	456,000	348	0.27
Level 3 Financing 5.25% 15/03/26	150,000	114	0.09
Life Time 5.75% 15/01/26	602,000	465	0.36
Likewise 9.75% 15/10/25	625,000	497	0.39
Lions Gate Capital 5.5% 15/04/29	652,000	493	0.38
Live Nation Entertainment 4.875% 01/11/24	386,000	290	0.22
Live Nation Entertainment 6.5% 15/05/27	504,000	410	0.32
LogMeIn 5.5% 01/09/27	408,000	304	0.24
LSF11 A5 6.625% 15/10/29	400,000	292	0.23
Lumen Technologies 5.125% 15/12/26	686,000	530	0.41
Lumen Technologies 5.375% 15/06/29	477,000	354	0.27
Lumen Technologies 6.875% 15/01/28	430,000	354	0.27
Madison IAQ 5.875% 30/06/29	232,000	172	0.13
MajorDrive IV 6.375% 01/06/29	380,000	273	0.21
MasTec 4.5% 15/08/28	260,000	201	0.16

## AXA Global High Income Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
Mattel 3.75% 01/04/29	280,000	216	0.17
Matthews International 5.25% 01/12/25	1,102,000	838	0.65
Mauser Packaging Solutions 5.5% 15/04/24	843,000	631	0.49
Mauser Packaging Solutions 7.25% 15/04/25	1,603,000	1,193	0.92
McGraw-Hill Education 8% 01/08/29	776,000	570	0.44
MGM Growth Properties Operating Partnership 4.625% 15/06/25	490,000	387	0.30
Midas OpCo 5.625% 15/08/29	549,000	417	0.32
Minerals Technologies 5% 01/07/28	392,000	302	0.23
Mozart Debt Merger 3.875% 01/04/29	472,000	348	0.27
Mozart Debt Merger 5.25% 01/10/29	305,000	229	0.18
NCR 5% 01/10/28	511,000	391	0.30
NCR 5.125% 15/04/29	845,000	647	0.50
NESCO II 5.5% 15/04/29	501,000	384	0.30
New Enterprise Stone & Lime 5.25% 15/07/28	379,000	284	0.22
Nexstar Media 5.625% 15/07/27	810,000	631	0.49
Nielsen Finance 4.75% 15/07/31	518,000	379	0.29
Nielsen Finance 5.875% 01/10/30	464,000	361	0.28
Northwest Fiber 4.75% 30/04/27	225,000	166	0.13
Northwest Fiber 6% 15/02/28	433,000	316	0.25
NortonLifeLock 5% 15/04/25	672,000	503	0.39
NuStar Logistics 5.75% 01/10/25	331,000	264	0.20
Occidental Petroleum 6.125% 01/01/31	161,000	145	0.11
Occidental Petroleum 6.45% 15/09/36	700,000	662	0.51
Occidental Petroleum 6.625% 01/09/30	359,000	330	0.26
Olympus Water US 4.25% 01/10/28	760,000	552	0.43
Olympus Water US 5.375% 01/10/29	EUR 200,000	162	0.13
Olympus Water US 6.25% 01/10/29	200,000	145	0.11
Open Text 4.125% 01/12/31	383,000	287	0.22
Organon 2.875% 30/04/28	EUR 128,000	108	0.08
Organon 5.125% 30/04/31	301,000	233	0.18
Outfront Media Capital 5% 15/08/27	561,000	425	0.33
Owens-Brockway Glass Container 6.625% 13/05/27	250,000	194	0.15
P&L Development 7.75% 15/11/25	386,000	287	0.22
Park Intermediate 4.875% 15/05/29	332,000	253	0.20
Park Intermediate 5.875% 01/10/28	372,000	289	0.22
Park Intermediate 7.5% 01/06/25	232,000	182	0.14
PBF Logistics 6.875% 15/05/23	790,000	570	0.44
Performance Food 6.875% 01/05/25	341,000	264	0.20
PHH Mortgage 7.875% 15/03/26	426,000	327	0.25
Photo Merger 8.5% 01/10/26	902,000	699	0.54
Picasso Finance 6.125% 15/06/25	253,000	196	0.15
Pike 5.5% 01/09/28	269,000	200	0.16
Post 4.5% 15/09/31	741,000	545	0.42
Post 4.625% 15/04/30	222,000	168	0.13
Post 5.75% 01/03/27	486,000	373	0.29
Powdr 6% 01/08/25	176,000	136	0.11
Prestige Brands 3.75% 01/04/31	381,000	274	0.21
Primo Water 4.375% 30/04/29	653,000	480	0.37
Rackspace Technology Global 5.375% 01/12/28	317,000	229	0.18
Real Hero Merger 2 6.25% 01/02/29	119,000	88	0.07
Realogy 7.625% 15/06/25	652,000	514	0.40

## AXA Global High Income Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
Realogy 9.375% 01/04/27	347,000	279	0.22
Ritchie Bros 4.75% 15/12/31	225,000	174	0.14
Rockcliff Energy II 5.5% 15/10/29	213,000	162	0.13
Rocket Software 6.5% 15/02/29	771,000	559	0.43
Science Applications International 4.875% 01/04/28	349,000	265	0.21
Scientific Games International 5.5% 15/02/26	EUR 137,000	117	0.09
SCIL USA 4.375% 01/11/26	EUR 200,000	171	0.13
Service Properties Trust 5.5% 15/12/27	296,000	225	0.17
Service Properties Trust 7.5% 15/09/25	406,000	326	0.25
Shift4 Payments 4.625% 01/11/26	723,000	556	0.43
Silgan 2.25% 01/06/28	EUR 300,000	250	0.19
Simmons Foods 4.625% 01/03/29	410,000	299	0.23
Sinclair Television 5.5% 01/03/30	416,000	299	0.23
Sirius XM Radio 3.875% 01/09/31	72,000	53	0.04
Solaris Midstream 7.625% 01/04/26	534,000	416	0.32
Sonic Automotive 4.875% 15/11/31	375,000	281	0.22
Southwestern Energy 4.75% 01/02/32	378,000	297	0.23
Southwestern Energy 7.75% 01/10/27	287,000	230	0.18
Specialty Building Products 6.375% 30/09/26	949,000	738	0.57
Spectrum Brands 3.875% 15/03/31	21,000	15	0.01
Spectrum Brands 5.5% 15/07/30	98,000	78	0.06
Spirit AeroSystems 7.5% 15/04/25	286,000	223	0.17
Sprint Capital 8.75% 15/03/32	334,000	372	0.29
SRS Distribution 4.625% 01/07/28	456,000	340	0.26
SRS Distribution 6% 01/12/29	295,000	220	0.17
SS&C Technologies 5.5% 30/09/27	1,056,000	819	0.63
Standard Industries 4.375% 15/07/30	274,000	208	0.16
Station Casinos 4.5% 15/02/28	948,000	711	0.55
Station Casinos 4.625% 01/12/31	381,000	285	0.22
Summit Materials 5.25% 15/01/29	304,000	235	0.18
Summit Midstream 8.5% 15/10/26	554,000	424	0.33
Sunoco 4.5% 30/04/30	519,000	392	0.30
Superior Industries International 6% 15/06/25	EUR 200,000	162	0.13
Targa Resources Partners 4.875% 01/02/31	298,000	240	0.19
Targa Resources Partners 5.875% 15/04/26	750,000	579	0.45
TEGNA 4.625% 15/03/28	300,000	225	0.17
TEGNA 4.75% 15/03/26	389,000	301	0.23
Tenet Healthcare 4.875% 01/01/26	422,000	321	0.25
Triton Water 6.25% 01/04/29	422,000	302	0.23
UGI International 2.5% 01/12/29	EUR 205,000	170	0.13
Unisys 6.875% 01/11/27	512,000	411	0.32
United Natural Foods 6.75% 15/10/28	272,000	216	0.17
Univar Solutions USA 5.125% 01/12/27	457,000	354	0.27
US Acute Care Solutions 6.375% 01/03/26	217,000	169	0.13
US Foods 4.625% 01/06/30	370,000	277	0.21
US Foods 6.25% 15/04/25	692,000	535	0.41
Varex Imaging 7.875% 15/10/27	456,000	376	0.29
Verscend Escrow 9.75% 15/08/26	988,000	779	0.60
Victors Merger 6.375% 15/05/29	371,000	258	0.20
Vista Outdoor 4.5% 15/03/29	576,000	431	0.33
Vizient 6.25% 15/05/27	450,000	349	0.27

## AXA Global High Income Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
Watco 6.5% 15/06/27	1,286,000	995	0.77
Weekley Homes 4.875% 15/09/28	150,000	115	0.09
Welbilt 9.5% 15/02/24	879,000	659	0.51
Werner FinCo 8.75% 15/07/25	400,000	309	0.24
WESCO Distribution 7.125% 15/06/25	270,000	213	0.17
WESCO Distribution 7.25% 15/06/28	564,000	459	0.36
White Cap Buyer 6.875% 15/10/28	521,000	403	0.31
Windstream Escrow 7.75% 15/08/28	338,000	266	0.21
WR Grace 5.625% 15/08/29	627,000	478	0.37
Wyndham Hotels & Resorts 4.375% 15/08/28	449,000	343	0.27
XHR 4.875% 01/06/29	217,000	164	0.13
XHR 6.375% 15/08/25	484,000	378	0.29
XPO Logistics 6.25% 01/05/25	558,000	433	0.34
ZoomInfo Technologies 3.875% 01/02/29	638,000	469	0.36
<b>TOTAL CORPORATE BONDS</b>		<b>123,308</b>	<b>95.50</b>
<b>COLLECTIVE INVESTMENT SCHEMES 0.15% (30/06/21: 0.76%)</b>			
<b>Luxembourg 0.15% (30/06/21: 0.76%)</b>			
AXA World Funds - Asian High Yield Bonds^	2,300	194	0.15
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES</b>		<b>194</b>	<b>0.15</b>
<b>FORWARD CURRENCY CONTRACTS 0.28% (30/06/21: (0.57%))</b>			
Bought USD3,100,000 for GBP2,335,253 Settlement 28/01/22		(35)	(0.03)
Sold EUR9,700,000 for GBP8,220,847 Settlement 28/01/22		70	0.05
Sold EUR10,200,000 for GBP8,586,837 Settlement 28/02/22		9	0.01
Sold EUR5,100,000 for GBP4,344,545 Settlement 31/03/22		52	0.04
Sold USD47,400,000 for GBP34,561,519 Settlement 28/01/22		(614)	(0.47)
Sold USD45,600,000 for GBP34,175,671 Settlement 28/02/22		331	0.26
Sold USD48,500,000 for GBP36,546,237 Settlement 31/03/22		542	0.42
<b>TOTAL FORWARD CURRENCY CONTRACTS</b>		<b>355</b>	<b>0.28</b>
Portfolio of investments		123,857	95.93
Net other assets		5,254	4.07
<b>Total net assets</b>		<b>129,111</b>	<b>100.00</b>

*All bonds are denominated in US dollars (unless otherwise indicated).*

^ The Fund invests in the AXA World Funds - Asian High Yield Bonds Fund which is a related party to the Fund.

At 31 December 2021, there were no investments in the Fund which were valued using a quote from a single broker (30/06/21 : £nil).

## AXA Global High Income Fund

### Comparative Tables

As at 31 December 2021 (unaudited)

	A Gross Accumulation			A Gross Income		
	31/12/2021	30/06/2021	30/06/2020	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	134.68	132.91	117.60	87.31	88.29	81.90
Closing net asset value (£) †	32,401,138	34,854,913	25,201,828	501,293	266,546	174,200
Closing number of shares	24,058,475	26,224,156	21,430,735	574,164	301,910	212,709
Operating charges^	0.48%	0.50%	0.49%	0.48%	0.50%	0.49%

	H Gross Accumulation		
	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	271.29	267.08	235.21
Closing net asset value (£) †	13,565	13,354	11,760
Closing number of shares	5,000	5,000	5,000
Operating charges^	0.01%	0.04%	0.03%

	R Gross Accumulation			R Gross Income		
	31/12/2021	30/06/2021	30/06/2020	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	247.37	245.11	218.61	91.41	92.44	85.75
Closing net asset value (£) †	8,970,021	9,060,001	9,120,792	2,446,743	2,654,687	3,451,435
Closing number of shares	3,626,192	3,696,272	4,172,183	2,676,574	2,871,885	4,025,013
Operating charges^	1.28%	1.30%	1.29%	1.28%	1.30%	1.29%

	Z Gross Accumulation			Z Gross Income		
	31/12/2021	30/06/2021	30/06/2020	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	251.17	247.94	219.48	96.88	97.97	90.88
Closing net asset value (£) †	42,274,981	47,232,877	44,973,679	42,502,975	44,488,563	99,775,064
Closing number of shares	16,831,549	19,050,387	20,491,253	43,869,854	45,410,650	109,790,279
Operating charges^	0.53%	0.55%	0.54%	0.53%	0.55%	0.54%

† Valued at bid-market prices.

^ Operating charges include indirect costs incurred in the maintenance and running of the Fund, as disclosed in expenses within the Statement of Total Return. The figures used within the table have been calculated against the average Net Asset Value for the accounting period.

## AXA Global High Income Fund

### Statement of Total Return

For the six months ended 31 December 2021 (unaudited)

	31/12/21 £'000	£'000	31/12/20 £'000	£'000
Income:				
Net capital (losses)/gains		(1,493)		10,669
Revenue	3,586		4,070	
Expenses	(384)		(458)	
Interest payable and similar charges	(3)		(1)	
	<u>3,199</u>		<u>3,611</u>	
Net revenue before taxation				
	3,199		3,611	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>3,199</u>		<u>3,611</u>
Total return before distributions		1,706		14,280
Distributions		(3,199)		(3,611)
Change in net assets attributable to Shareholders from investment activities		<u>(1,493)</u>		<u>10,669</u>

### Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 December 2021 (unaudited)

	31/12/21 £'000	£'000	31/12/20 £'000	£'000
Opening net assets attributable to Shareholders		138,571		182,709
Amounts receivable on issue of shares	6,690		17,517	
Amounts payable on cancellation of shares	<u>(16,682)</u>		<u>(80,995)</u>	
		(9,992)		(63,478)
Change in net assets attributable to Shareholders from investment activities (see above)		(1,493)		10,669
Retained distributions on accumulation shares		2,024		1,991
Unclaimed distributions		1		2
Closing net assets attributable to Shareholders		<u>129,111</u>		<u>131,893</u>

The above statement shows the comparative closing net assets at 31 December 2020 whereas the current accounting period commenced 1 July 2021.

## AXA Global High Income Fund

### Balance Sheet

As at 31 December (unaudited)

	31/12/21 £'000	30/06/21 £'000
<b>Assets:</b>		
Fixed assets:		
Investments	124,506	130,587
Current assets:		
Debtors	1,940	2,939
Cash and bank balances	4,135	7,767
 Total assets	 <b>130,581</b>	 <b>141,293</b>
<b>Liabilities:</b>		
Investment liabilities	(649)	(991)
Creditors:		
Distribution payable	(541)	(538)
Other creditors	(280)	(1,193)
 Total liabilities	 <b>(1,470)</b>	 <b>(2,722)</b>
 Net assets attributable to Shareholders	 <b>129,111</b>	 <b>138,571</b>



## AXA Global High Income Fund

### Distribution Tables

As at 31 December 2021 (unaudited)

First Distribution in pence per share

Group 1 Shares purchased prior to 1 July 2021

Group 2 Shares purchased on or after 1 July 2021 to 30 September 2021

	Net revenue (p)	Equalisation (p)	Distribution paid 30/11/21 (p)	Distribution paid 30/11/20 (p)
<b>Share Class A Gross Accumulation</b>				
Group 1	1.638	-	1.638	1.526
Group 2	0.925	0.713	1.638	1.526
<b>Share Class A Gross Income</b>				
Group 1	1.089	-	1.089	1.063
Group 2	0.646	0.443	1.089	1.063
<b>Share Class H Gross Accumulation</b>				
Group 1	3.616	-	3.616	3.340
Group 2	3.616	-	3.616	3.340
<b>Share Class R Gross Accumulation</b>				
Group 1	2.522	-	2.522	2.378
Group 2	0.975	1.547	2.522	2.378
<b>Share Class R Gross Income</b>				
Group 1	0.951	-	0.951	0.933
Group 2	0.638	0.313	0.951	0.933
<b>Share Class Z Gross Accumulation</b>				
Group 1	3.025	-	3.025	2.821
Group 2	1.440	1.585	3.025	2.821
<b>Share Class Z Gross Income</b>				
Group 1	1.195	-	1.195	1.168
Group 2	0.617	0.578	1.195	1.168

## AXA Global High Income Fund

### Distribution Tables

As at 31 December 2021 (unaudited)

#### Second Distribution in pence per share

Group 1 Shares purchased prior to 1 October 2021

Group 2 Shares purchased on or after 1 October 2021 to 31 December 2021

	Net revenue (p)	Equalisation (p)	Distribution payable 28/02/22 (p)	Distribution paid 26/02/21 (p)
<b>Share Class A Gross Accumulation</b>				
Group 1	1.615	-	1.615	1.514
Group 2	0.363	1.252	1.615	1.514
<b>Share Class A Gross Income</b>				
Group 1	1.060	-	1.060	1.042
Group 2	0.397	0.663	1.060	1.042
<b>Share Class H Gross Accumulation</b>				
Group 1	3.577	-	3.577	3.329
Group 2	3.577	-	3.577	3.329
<b>Share Class R Gross Accumulation</b>				
Group 1	2.473	-	2.473	2.335
Group 2	1.272	1.201	2.473	2.335
<b>Share Class R Gross Income</b>				
Group 1	0.923	-	0.923	0.906
Group 2	0.341	0.582	0.923	0.906
<b>Share Class Z Gross Accumulation</b>				
Group 1	2.980	-	2.980	2.795
Group 2	1.607	1.373	2.980	2.795
<b>Share Class Z Gross Income</b>				
Group 1	1.164	-	1.164	1.144
Group 2	0.546	0.618	1.164	1.144

## Investment Manager's Report

## Investment Objective

The aim of the Fund is to provide income combined with any capital growth.

## Investment Policy

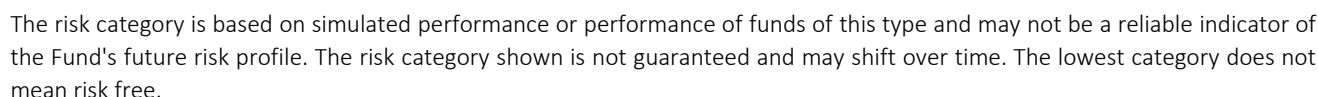
The Fund invests predominantly (meaning at least 80% of its assets) in a diversified portfolio of bonds (including index-linked bonds) issued by companies and governments globally (including in emerging markets) where the period for full repayment of the bond by the company or government is expected to be less than 5 years. The Fund aims to reduce the effect of fluctuations in interest rates and the frequency and magnitude of market movements while generating income. The Fund may invest up to 60% in high yield bonds. The Manager seeks to reduce the effect of credit risk through diversification and its analysis and selection of bonds.

The Fund does not have a benchmark. SONIA Compounded Index may be used by investors to compare the Fund's performance. Where bonds are denominated in a currency other than Sterling, the Fund aims to reduce the risk of movements in exchange rates between such currency and Sterling through the use of derivatives (financial instruments which derive their value from the value of other assets). The Fund may also use derivatives in an attempt to reduce the overall risks of its investments, reduce the costs of investing or generate additional capital or income (known as Efficient Portfolio Management - EPM).

The Fund is actively managed. It is not managed in reference to any benchmark.

### Risk and Reward Profile

As at 31 December 2021 (unaudited)



### Why is this Fund in this category?

The capital of the Fund is not guaranteed. The Fund is invested in financial markets and uses techniques and instruments which are subject to some levels of variation, which may result in gains or losses.

### Additional risks

Under normal market conditions the Fund's key risk factors are:

- **Credit risk** - all bonds have a potential credit risk, in that the issuer could default on its obligations to pay income and/or capital. An issuer default would likely result in a large drop in the value of that bond. The value of a bond will also be affected by the perceived credit risk of the issuer, including changes to credit ratings and the general level of aversion to credit risk in the market. Generally, an increased level of perceived credit risk leads to a fall in the value of the bond, and vice versa. Credit risk can be measured by ratings assigned to issuers of bonds by third party credit rating agencies. The largest credit rating agencies are Moody's, Standard & Poor's and Fitch Ratings. Each credit rating agency uses different designations. The highest designation (Aaa (Moody's), AAA (Standard & Poor's and Fitch Ratings)) are intended to represent a lower probability of default of the issuer. The credit rating agencies designate "investment grade" bonds as Baa3 or above (Moody's) or BBB- or above (Standard & Poor's or Fitch Ratings).

## AXA Global Short Duration Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

Internal investment guidelines are set, if necessary, to ensure credit risk is maintained within a range deemed suitable based on the individual fund's investment objectives and investment policy. These guidelines could include credit quality indicators, measures of sensitivity to credit spread moves and diversification measures.

- **Interest Rate risk** - is the risk that the market value of bonds held by the Fund could fall as a result of higher market rates (yields). Yields can change as a result of, among other things, the economic and inflation outlook which also affects supply and demand as well as future interest rate expectations, without necessarily a change in official central bank short term interest rates. Higher yields result in a decline in the value of bonds. Conversely, lower yields tend to increase the value of bonds. Duration (a measure based on the coupon and maturity payments schedule of a bond) is an important concept in understanding how the price of that bond might change for a 1% move in its redemption yield. A bond with a longer duration is more sensitive to a change in yields and, generally speaking, will experience more volatility in its market value than bonds with shorter durations.

Internal investment guidelines are set if necessary to ensure interest rate risk is maintained within a range deemed suitable based on the individual fund's investment objectives and investment policy. These guidelines could include measures of sensitivity to changes of interest rates.

- **Prepayment risk** - is the risk associated with the early unscheduled return of capital (i.e., repayment of the debt) by the issuer on a bond. Prepayment generally occurs in a declining interest rate environment. When capital is returned early, no future interest payments will be paid on that part of the capital. If the bond was purchased at a premium (i.e., at a price greater than the value of the capital), the return on the bond will be less than what was estimated at the time of purchase.

The opposite of prepayment risk is extension risk which is the risk of a bond's expected maturity lengthening in duration due to a slowdown in prepayments of capital. Extension risk is mainly the result of rising interest rates. If the bond was purchased in anticipation of an early repayment of capital, an extension of the maturity could impact the price of the bond.

The portfolio tends to hold a mixture of callable and non-callable positions.

- **Index-linked bonds** - are fixed interest securities whose capital repayment amounts and interest payments are adjusted in line with movements in inflation indices. They are designed to mitigate the effects of inflation on the value of a portfolio. The market value of index-linked bonds is determined by the market's expectations of future movements in both interest rates and inflation rates.

As with other bonds, the value of index-linked bonds will generally fall when expectations of interest rates rise and vice versa. However, when the market anticipates a rise in inflation rates, index-linked bonds will generally outperform other bonds, and vice versa.

Index-linked bonds bought in the secondary market (i.e., not directly from the issuer) whose capital values have been adjusted upward due to inflation since issuance, may decline in value if there is a subsequent period of deflation.

Due to the sensitivity of these bonds to interest rates and expectations of future inflation, there is no guarantee that the value of these bonds will correlate with inflation rates in the short to medium term.

Index-linked bonds risk is an inherent risk of investing in index-linked bonds. Exposure to this risk is managed by the allocation decision on the proportion of the portfolio to invest in index-linked bonds, as well as the amount of remaining maturity of these bonds, which will affect their sensitivity in value, to changes in expected inflation levels.

- **High yield bonds risk** (also known as sub-investment grade bonds) are fixed interest securities issued by companies or governments with lower credit ratings (Ba1 and below (Moody's) or BB+ and below (Standard & Poor's and Fitch Ratings)). They are potentially more risky than investment grade bonds which have higher ratings. The issuers of high yield bonds will be at greater risk of default or ratings downgrades. The capital value of a Fund's investment in high yield bonds and the level of income it receives may fall as a result of such issuers ceasing to trade. A Fund will endeavour to mitigate the risks associated with high yield bonds, by diversifying their holdings by issuer, industry and credit quality.

## AXA Global Short Duration Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

This is an inherent risk for funds invested within high yield bonds. Internal investment guidelines (which may include measures of credit quality, measures of sensitivity to credit spread moves and diversification measures), scenario testing as well as other regular monitoring seek to ensure the level of risk is aligned with each individual fund's investment objectives and investment policy.

- Risks linked to investment in sovereign debt - the Funds may invest in bonds issued by countries and governments (sovereign debt). The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the capital and/or interest when due in accordance with the terms of such debt. In such a scenario, the value of investments of the Funds may be adversely affected. A governmental entity's willingness or ability to repay capital and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign currency reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest on their debt. In addition, there are no bankruptcy proceedings for such issuers under which money to pay the debt obligations may be collected in whole or in part. Holders may be requested to participate in the rescheduling of such sovereign debt and to extend further loans to the issuers.

Certain countries are especially large debtors to commercial banks and foreign governments. Investment in sovereign debt issued or guaranteed by such countries (or their governments or governmental entities) involves a higher degree of risk than investment in other sovereign debt.

Certain Funds may be further subject to the risk of high concentration in bonds issued by and/or guaranteed by a single sovereign issuer which is below investment grade and/or unrated which is also subject to higher credit risk. In the event of a default of the sovereign issuer, a Fund may suffer significant loss.

This is an inherent risk for funds invested within sovereign bonds. Internal investment guidelines, scenario testing as well as other regular monitoring seek to ensure the level of risk is aligned with each individual 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 major markets;
- b. the same level of government supervision and regulation of markets 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 emerging markets may mean that from time to time the ACD 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 each individual fund's investment objectives and investment policy.

## AXA Global Short Duration Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

Other risks which could have an impact in extreme market conditions include:

- **Liquidity risk** - under certain market conditions, it may be difficult to buy or sell investments for the Fund. For example, corporate and emerging market bonds may be affected by the demand in the market for such bonds carrying credit risk, particularly in times of significant market stress. As a Prospectus for the AXA Fixed Interest Investment ICVC, valid as at 13 November 2020 13 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 ACD may be forced to buy or sell such investments as a consequence of Shareholders buying or selling Shares 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.

- **Counterparty risk** - at any one time, a Fund may be exposed to the creditworthiness and stability of the counterparties to transactions entered into by the Fund (including derivative and stock lending and repo/reverse repo transactions). The Fund will be subject to the risk of the inability of its counterparties to perform its obligations under such transactions (default), whether due to insolvency, bankruptcy or other causes. In the event of the insolvency of a counterparty, the Fund might not be able to recover cash or assets of equivalent value, to that invested, in full. The Fund may receive assets or cash from the counterparty (collateral) to protect against any such adverse effect. Where relevant, a counterparty will forfeit its collateral if it defaults on the transaction with the Fund. However, if the collateral is in the form of securities, there is a risk that when it is sold, it will realise insufficient cash to settle the counterparty's debt to the Fund under a transaction or to purchase replacement securities that were lent to the counterparty under a stock lending arrangement. In relation to stock lending arrangements, there is also the risk that while cash is recovered in the event of a default, the actual stock cannot be repurchased. Furthermore, to the extent that collateral is not present to cover part or all of the debt, a counterparty default may result in losses for the affected Fund. To assist in managing these types of risks, the ACD sets criteria around the types of eligible collateral a Fund may accept. Please see the paragraph entitled "Treatment of Collateral" in the "Investment and borrowing powers applicable to the Funds" section in Appendix II of the Prospectus for more information.

Transactions in securities that the Fund may enter into expose it to the risk that the counterparty will not deliver the investment for a purchase or cash for a sale after the Fund has contracted to fulfil its responsibilities. This is minimised by the practice in the majority of markets of delivery versus payment and short settlement periods.

- **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 ACD aims to reduce the risk of movements in exchange rates on the value of all or part of the assets of a Fund through the use of currency exchange transactions. A 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 a Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. The performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Fund may not correspond with the securities positions held.

## AXA Global Short Duration Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

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 a 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 individual fund's investment objectives and investment policy.

#### Market review

Despite the continued global rollout of vaccinations and overall easing of lockdown restrictions during the second half of 2021, credit (corporate bonds) spreads (yield premium over the relevant government bond) still widened due to persistently elevated inflation raising concerns that central banks may start tightening monetary policy earlier than expected. The discovery of COVID-19's more transmissible Omicron variant also damaged investor sentiment in November. But, in December, news showing that the variant was less severe than originally expected lent support to the market.

Throughout the second half of 2021, inflation was a major point of concern for investors and central bank policymakers alike. Due partly to global supply chain problems, COVID-19 related restrictions, and supply and demand imbalances, inflation rates remained persistently high in most economies. Energy costs were one of the largest contributors to rising prices over the period under review due to sharply rising oil and natural gas prices. In the US, the annual inflation rate rose from 5.4% in July to a 40-year high of 6.8% in November. Meanwhile, in the UK, the annual inflation rate climbed from 2% in July to 5.1% in November, with energy prices again the main driver. The story was similar in Europe, where the annual inflation rate rose from 2.2% to 4.9% over the same period.

Central banks maintained their accommodative monetary policies over most of the period due to concerns around spiking COVID-19 case numbers and signs of slowing economic growth. However, near the end of 2021, major central banks demonstrated a much more hawkish (less accommodative) stance on monetary policy as inflation remained persistently elevated. The US Federal Reserve (Fed) kept its monetary policy accommodative for most of the period under review. However, following the November meeting of its Federal Open Market Committee, the Fed announced that it would begin the tapering of its pandemic-related asset purchase programme and subsequently announced in December that it would double the pace at which it was tapering asset purchases, with the intention to end them by March 2022. Despite concerns around the Omicron variant, the Fed also signalled three interest rate hikes during 2022 in response to persistently elevated inflation levels. The UK's Bank of England (BoE) also left its monetary policy unchanged over most of the past six months. But, at its December meeting, the BoE's Monetary Policy Committee voted to hike its bank rate from 0.10% to 0.25%. The BoE surprised market participants with this decision, who expected no change to interest rates due to the threat of the Omicron variant. However, as in the US, the UK's central bank cited concerns around inflation as the main reason for this change. Unlike the Fed and the BoE, the European Central Bank (ECB) maintained the narrative that the current, elevated inflation levels were transitory. The ECB made no alterations to its main interest rate during the past six months, which remained at -0.5%. However, at its December meeting, the bank announced that it would slow asset purchases under its €1.85 trillion Pandemic Emergency Purchase Programme (PEPP) in order to wind the scheme down by March 2022. To soften the loss of the PEPP, the central bank announced that it will increase bond purchases under its longer-running Asset Purchase Programme (APP).

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For the six months ended 31 December 2021 (unaudited)

During the review period, the yield curve significantly bear flattened (the yield gap between long and short-dated bonds decreases) as yields on shorter-dated (having less than five years to redemption) US treasuries and UK gilts sharply rose while they were stable to lower for longer-dated ones as the market started to price in increases in interest rates for the US and the UK. Meanwhile, yields on German bunds remained broadly stable as the ECB pushed back any interest rate hikes to 2023 earliest.

#### Fund activity

Due to expensive valuations, persistently elevated inflation, and increasingly hawkish (less accommodative) central banks, we continued to de-risk the portfolio in the second half of 2021. As such, we increased our sovereign exposure by 13% to 31%, adding to US, German and French inflation linked bonds to benefit from supportive inflation indexation over the following months. This led our sovereign inflation linked exposure to increase by 10% to 15%, its highest level since inception. As a result, our exposure to investment grade markets fell by 5% to 35% as we reduced our exposure to the dollar and sterling investment grade markets due to the expectation of higher US treasury and UK gilt yields while we kept our exposure to the euro market unchanged. We also decreased our exposure to high yield and emerging markets by 9% to 29%, with the focus being predominantly on reducing our exposure to US high yield, being down by 6% to only 2%, due to very expensive valuations and less supportive technicals. Our exposure to emerging markets also fell by 3% to 12% due to the headwinds of a more hawkish Fed, geopolitical tensions, and the meltdown of the Chinese property sector. We kept our exposure to European high yield unchanged at 16% as it is supported by more attractive valuations and better technicals. As a result, our overall exposure to high yield rated bonds also decreased by 7% to 23%.

At a sector level, we continued to reduce our exposure to cyclical sectors by 9% to 18% as valuations looked stretched with not much COVID-19 premium left even for very exposed names such as airlines, airports or shopping mall operators.

We were active in both primary (companies issuing new debt) and secondary (existing debt traded between investors) markets throughout the period across investment grade, high yield and emerging markets in US dollar, euro, and sterling.

We kept the duration (a measure of the sensitivity of a bond's price to a change of interest rates) of the portfolio close to the lows, at c.1 year, for most of the period, as we looked to enhance its ability to withstand further rises in yields. We also kept a very high level of 'natural' liquidity, with 76% of the portfolio maturing within three years.

#### Outlook

With the market having to grapple with expensive valuations and a hawkish Fed, we plan to retain our higher exposure to sovereign bonds (and linkers) while gradually switching out of high yield and emerging markets into investment grade markets to increase the overall defensiveness of the portfolio.

We also plan to keep the duration at the lows, close to one year, as we expect to see higher yields in 2022 due to continued inflationary pressures and receding Omicron uncertainties.

*All performance data source: AXA Investment Managers and Bloomberg.*

*Past performance is not a guide for future performance.*



## AXA Global Short Duration Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

Major Purchases	Cost (£'000)	Major Sales / Redemptions	Proceeds (£'000)
<ul style="list-style-type: none"> <li>• Deutsche Bundesrepublik Inflation Linked Bond 0.1% 15/04/23</li> </ul>	9,349	<ul style="list-style-type: none"> <li>• United States Treasury Note 0.125% 31/03/23</li> </ul>	9,550
<ul style="list-style-type: none"> <li>• French Republic Government Bond OAT 0.25% 25/07/24</li> </ul>	9,288	<ul style="list-style-type: none"> <li>• AXA Fixed Interest Investment ICVC - US Short Duration High Yield Fund</li> </ul>	9,289
<ul style="list-style-type: none"> <li>• United States Treasury Note 0.875% 30/06/26</li> </ul>	9,143	<ul style="list-style-type: none"> <li>• United States Treasury Inflation Indexed Bonds 0.625% 15/01/26</li> </ul>	5,448
<ul style="list-style-type: none"> <li>• United States Treasury Inflation Indexed Bonds 0.125% 15/01/23</li> </ul>	5,568	<ul style="list-style-type: none"> <li>• Bundesschatzanweisungen 0% 16/06/23</li> </ul>	4,587
<ul style="list-style-type: none"> <li>• United Kingdom Gilt 0.125% 31/01/23</li> </ul>	5,505	<ul style="list-style-type: none"> <li>• Kreditanstalt fuer Wiederaufbau 0.875% 15/03/22</li> </ul>	4,510

**Nicolas Trindade**

AXA Investment Managers UK Limited

31 December 2021

## AXA Global Short Duration Bond Fund

### Comparative Tables

As at 31 December 2021 (unaudited)

	S Gross Accumulation			S Gross Income		
	31/12/2021	30/06/2021	30/06/2020	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	108.70	108.89	104.08	98.98	99.88	97.60
Closing net asset value (£) †	875,882	1,192,990	7,261,354	104,294,284	103,244,398	105,822,751
Closing number of shares	805,803	1,095,546	6,976,688	105,367,341	103,366,007	108,419,500
Operating charges^	0.22%	0.23%	0.23%	0.22%	0.23%	0.23%

	Z Gross Accumulation			Z Gross Income		
	31/12/2021	30/06/2021	30/06/2020	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	107.66	107.99	103.43	98.99	99.89	97.61
Closing net asset value (£) †	63,290,408	55,427,598	48,130,373	7,899,253	9,066,450	18,583,061
Closing number of shares	58,788,416	51,326,623	46,532,525	7,979,928	9,076,622	19,037,907
Operating charges^	0.42%	0.43%	0.43%	0.42%	0.43%	0.43%

	ZI Gross Accumulation			ZI Gross Income		
	31/12/2021	30/06/2021	30/06/2020	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	107.68	107.94	103.22	98.79	99.69	97.42
Closing net asset value (£) †	3,771,636	3,795,317	25,197,142	8,944,485	7,404,066	30,591,536
Closing number of shares	3,502,584	3,516,290	24,411,777	9,053,960	7,427,109	31,402,686
Operating charges^	0.27%	0.28%	0.28%	0.27%	0.28%	0.28%

† Valued at bid-market prices.

^ Operating charges include indirect costs incurred in the maintenance and running of the Fund, as disclosed in expenses within the Statement of Total Return. The figures used within the table have been calculated against the average Net Asset Value for the accounting period.

## AXA Global Short Duration Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

Holding	Market Value £'000	% of Total Net Assets
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**CORPORATE BONDS 67.23% (30/06/21: 75.92%)**
**Australia 1.22% (30/06/21: 0.39%)**

National Australia Bank 1.699% 15/09/31

GBP 1,654,000	1,609	0.85
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Scentre Trust 2.375% 08/04/22

GBP 700,000	700	0.37
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**Belgium 1.08% (30/06/21: 1.16%)**

Belfius Bank 1.625% 15/03/28

EUR 1,400,000	1,190	0.63
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KBC 1.875% 11/03/27

EUR 1,000,000	843	0.45
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**Bermuda 1.96% (30/06/21: 2.05%)**

CBQ Finance 2% 15/09/25

1,333,000	987	0.52
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Hiscox 2% 14/12/22

GBP 970,000	977	0.52
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Tengizchevroil Finance International 2.625% 15/08/25

1,070,000	795	0.42
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Triton Container International 1.15% 07/06/24

1,300,000	951	0.50
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**Brazil 1.40% (30/06/21: 1.21%)**

Banco do Brasil Cayman 3.25% 30/09/26

613,000	442	0.23
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BRF 4.75% 22/05/24

1,200,000	922	0.49
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Light Servicos de Eletricidade 4.375% 18/06/26

1,735,000	1,286	0.68
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**British Virgin Islands 0.56% (30/06/21: 1.14%)**

Contemporary Ruiding Development 1.875% 17/09/25

916,000	678	0.36
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Eastern Creation II Investment 1% 10/09/23

506,000	373	0.20
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**Canada 1.14% (30/06/21: 0.67%)**

Element Fleet Management 3.85% 15/06/25

1,315,000	1,037	0.55
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National Bank of Canada 0.55% 15/11/24

250,000	183	0.10
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Royal Bank of Canada 0.57413% 20/01/26

1,250,000	925	0.49
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**Cayman Islands 1.67% (30/06/21: 3.18%)**

IHS 5.625% 29/11/26

801,000	600	0.32
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MAR Sukuk 2.21% 02/09/25

1,355,000	1,012	0.54
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QNB Finance 3.5% 28/03/24

1,982,000	1,538	0.81
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**Colombia 0.42% (30/06/21: 0.43%)**

Ecopetrol 5.875% 18/09/23

1,000,000	787	0.42
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**Cyprus 0.44% (30/06/21: 0.48%)**

MHP 7.75% 10/05/24

1,100,000	830	0.44
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**Denmark 0.00% (30/06/21: 0.84%)**
**France 5.97% (30/06/21: 8.09%)**

Afflelou 4.25% 19/05/26

EUR 414,000	353	0.19
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Altice France 2.125% 15/02/25

EUR 941,000	766	0.41
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Banijay Entertainment 3.5% 01/03/25

EUR 260,000	219	0.12
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BNP Paribas 2% 24/05/31

GBP 900,000	886	0.47
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BNP Paribas 3.5% 01/03/23

800,000	611	0.32
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Credit Agricole 1.14388% 24/04/23

1,116,000	835	0.44
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Dexia Credit Local 0.5% 22/07/23

GBP 4,100,000	4,076	2.15
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Fnac Darty 1.875% 30/05/24

EUR 645,000	545	0.29
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## AXA Global Short Duration Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
Picard 3.875% 01/07/26	EUR 581,000	493	0.26
Rubis Terminal 5.625% 15/05/25	EUR 897,000	782	0.41
Societe Generale 1.25% 15/02/24	EUR 2,000,000	1,724	0.91
<b>Germany 5.34% (30/06/21: 4.88%)</b>			
ADLER Real Estate 1.5% 17/04/22	EUR 1,500,000	1,233	0.65
Commerzbank 1.125% 22/06/26	EUR 1,100,000	945	0.50
DEMIRE Deutsche Mittelstand Real Estate 1.875% 15/10/24	EUR 1,000,000	825	0.44
Deutsche Bank 0.75% 17/02/27	EUR 1,000,000	838	0.44
Hamburg Commercial Bank 0.5% 22/09/26	EUR 700,000	586	0.31
Kreditanstalt fuer Wiederaufbau 1.25% 29/12/23	GBP 4,500,000	4,532	2.40
ZF Finance 3% 21/09/25	EUR 1,300,000	1,141	0.60
<b>Hong Kong 0.20% (30/06/21: 0.21%)</b>			
CMB International Leasing Management 1.875% 12/08/25	519,000	380	0.20
<b>Indonesia 0.13% (30/06/21: 0.13%)</b>			
Saka Energi Indonesia 4.45% 05/05/24	350,000	252	0.13
<b>Ireland 2.48% (30/06/21: 2.78%)</b>			
AerCap Global Aviation Trust 4.875% 16/01/24	993,000	784	0.41
AIB 1.25% 28/05/24	EUR 1,153,000	994	0.53
Bank of Ireland 1% 25/11/25	EUR 2,376,000	2,033	1.08
eircom Finance 1.75% 01/11/24	EUR 1,041,000	875	0.46
<b>Isle of Man 0.51% (30/06/21: 0.53%)</b>			
Playtech 3.75% 12/10/23	EUR 1,129,000	955	0.51
<b>Italy 3.69% (30/06/21: 5.70%)</b>			
Aeroporti di Roma 5.441% 20/02/23	GBP 1,350,000	1,404	0.74
doValue 5% 04/08/25	EUR 950,000	828	0.44
Intesa Sanpaolo 5.25% 28/01/22	GBP 1,450,000	1,454	0.77
Kedrion 3.375% 15/05/26	EUR 434,000	363	0.19
Rekeep 7.25% 01/02/26	EUR 919,000	821	0.43
Telecom Italia 5.875% 19/05/23	GBP 850,000	886	0.47
UniCredit 1% 18/01/23	EUR 700,000	594	0.31
UniCredit 1.625% 03/07/25	EUR 736,000	635	0.34
<b>Jersey 1.47% (30/06/21: 1.59%)</b>			
CPUK Finance 7.239% 28/02/24	GBP 1,400,000	1,563	0.83
Heathrow Funding 7.125% 14/02/24	GBP 1,100,000	1,215	0.64
<b>Luxembourg 1.57% (30/06/21: 1.75%)</b>			
ADLER 1.875% 14/01/26	EUR 700,000	492	0.26
B&M European Value Retail 3.625% 15/07/25	GBP 524,000	533	0.28
ContourGlobal Power 2.75% 01/01/26	EUR 714,000	588	0.31
Logicor Financing 0.75% 15/07/24	EUR 1,605,000	1,363	0.72

## AXA Global Short Duration Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
<b>Netherlands 3.44% (30/06/21: 4.22%*)</b>			
Citycon Treasury 1.25% 08/09/26	EUR 232,000	196	0.10
Citycon Treasury 2.5% 01/10/24	EUR 800,000	707	0.37
EDP Finance 8.625% 04/01/24	GBP 700,000	799	0.42
IPD 3 5.5% 01/12/25	EUR 288,000	248	0.13
OCI 3.625% 15/10/25	EUR 1,000,000	869	0.46
Stellantis 3.75% 29/03/24	EUR 1,500,000	1,359	0.72
VEON 4% 09/04/25	1,200,000	905	0.48
Wintershall Dea Finance 0.452% 25/09/23	EUR 1,700,000	1,437	0.76
<b>Nigeria 0.37% (30/06/21: 0.40%)</b>			
SEPLAT Energy 7.75% 01/04/26	963,000	710	0.37
<b>Portugal 0.42% (30/06/21: 0.47%)</b>			
Banco Comercial Portugues 1.125% 12/02/27	EUR 1,000,000	799	0.42
<b>South Korea 0.45% (30/06/21: 0.46%)</b>			
Mirae Asset Securities 2.625% 30/07/25	1,122,000	847	0.45
<b>Spain 2.15% (30/06/21: 2.10%)</b>			
Almirall 2.125% 30/09/26	EUR 294,000	248	0.13
Banco Santander 1.24113% 12/04/23	2,400,000	1,796	0.95
Banco Santander 1.68113% 11/04/22	800,000	596	0.32
CaixaBank 1.5% 03/12/26	GBP 600,000	589	0.31
Grifols 1.625% 15/02/25	EUR 1,000,000	835	0.44
<b>Sweden 1.25% (30/06/21: 1.38%)</b>			
Intrum 4.875% 15/08/25	EUR 868,000	756	0.40
Scania 1.875% 28/06/22	GBP 1,600,000	1,607	0.85
<b>Turkey 0.86% (30/06/21: 0.90%)</b>			
Akbank 5% 24/10/22	1,100,000	812	0.43
KOC 5.25% 15/03/23	1,100,000	817	0.43
<b>United Arab Emirates 0.97% (30/06/21: 1.02%*)</b>			
First Abu Dhabi Bank 1.375% 19/02/23	GBP 1,112,000	1,112	0.59
MDGH GMTN RSC 2.5% 07/11/24	945,000	722	0.38
<b>United Kingdom 15.89% (30/06/21: 14.52%)</b>			
Anglian Water Osprey Financing 5% 30/04/23	GBP 1,400,000	1,449	0.77
Babcock International 1.75% 06/10/22	EUR 1,650,000	1,398	0.74
Bellis Acquisition 3.25% 16/02/26	GBP 527,000	507	0.27
Bidvest 3.625% 23/09/26	841,000	620	0.33
Close Brothers 2.75% 26/04/23	GBP 386,000	394	0.21
Co-Operative 5.125% 17/05/24	GBP 419,000	436	0.23
Drax Finco 2.625% 01/11/25	EUR 1,000,000	862	0.45
Friends Life 8.25% 21/04/22	GBP 750,000	766	0.40
Go-Ahead 2.5% 06/07/24	GBP 950,000	933	0.49
HSBC 2.175% 27/06/23	GBP 1,156,000	1,163	0.61
INEOS Quattro Finance 2 2.5% 15/01/26	EUR 981,000	818	0.43
InterContinental Hotels 3.75% 14/08/25	GBP 900,000	951	0.50

## AXA Global Short Duration Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
Investec Bank 4.25% 24/07/28	GBP 908,000	939	0.50
Jaguar Land Rover Automotive 5% 15/02/22	GBP 900,000	903	0.48
Land Securities Capital Markets 1.974% 08/02/24	GBP 1,700,000	1,723	0.91
Marks & Spencer 3.75% 19/05/26	GBP 1,000,000	1,021	0.54
Marston's Issuer 1.45438% 15/10/27	GBP 911,498	845	0.45
Mitchells & Butlers Finance 5.965% 15/12/23	GBP 649,915	668	0.35
Mitchells & Butlers Finance 6.013% 15/12/28	GBP 418,968	452	0.24
National Express 2.5% 11/11/23	GBP 1,000,000	1,020	0.54
Nationwide Building Society 3.766% 08/03/24	2,200,000	1,680	0.89
NatWest 3.622% 14/08/30	GBP 664,000	691	0.37
Ocado 3.875% 08/10/26	GBP 721,000	701	0.37
Pinewood Finance 3.25% 30/09/25	GBP 759,000	758	0.40
Rothsay Life 5.5% 17/09/29	GBP 713,000	771	0.41
Santander 0.262% 27/03/24	EUR 1,167,000	987	0.52
Sherwood Financing 4.5% 15/11/26	EUR 1,299,000	1,090	0.58
Stagecoach 4% 29/09/25	GBP 974,000	1,036	0.55
Synthomer 3.875% 01/07/25	EUR 409,000	354	0.19
TalkTalk Telecom 3.875% 20/02/25	GBP 854,000	813	0.43
Tesco Personal Finance 3.5% 25/07/25	GBP 775,000	800	0.42
Thames Water Kemble Finance 5.875% 15/07/22	GBP 800,000	817	0.43
Virgin Money UK 0.375% 27/05/24	EUR 886,000	747	0.40
Whitbread 3.375% 16/10/25	GBP 900,000	932	0.49
<b>United States 10.18% (30/06/21: 13.24%)</b>			
AES 3.3% 15/07/25	1,000,000	770	0.41
American Honda Finance 1.3% 21/03/22	GBP 700,000	701	0.37
AT&T 0.9% 25/03/24	792,000	583	0.31
Athene Global Funding 2.8% 26/05/23	1,357,000	1,032	0.55
Aviation Capital 5.5% 15/12/24	992,000	805	0.43
Bank of America 0.981% 25/09/25	1,262,000	925	0.49
BrightHouse Financial Global Funding 1% 12/04/24	1,355,000	997	0.53
Bunge Finance 4.35% 15/03/24	1,080,000	852	0.45
Charter Communications Operating 4.464% 23/07/22	1,000,000	752	0.40
Cielo USA 3.75% 16/11/22	462,857	347	0.18
Cogent Communications 4.375% 30/06/24	EUR 672,000	572	0.30
Dell International 5.45% 15/06/23	356,000	279	0.15
Ecolab 0.9% 15/12/23	284,000	211	0.11
First American Financial 4.6% 15/11/24	740,000	593	0.31
First Horizon 3.55% 26/05/23	1,000,000	764	0.40
First Horizon 4% 26/05/25	300,000	238	0.13
FNB 2.2% 24/02/23	1,410,000	1,055	0.56
Ford Motor Credit 3.021% 06/03/24	EUR 795,000	696	0.37
General Motors Financial 4.25% 15/05/23	1,300,000	1,004	0.53
IQVIA 1.75% 15/03/26	EUR 609,000	515	0.27
JPMorgan Chase 0.630003% 23/06/25	158,000	117	0.06
Microchip Technology 0.972% 15/02/24	1,140,000	837	0.44
Office Properties Income Trust 4.25% 15/05/24	1,270,000	983	0.52
People's United Financial 3.65% 06/12/22	1,340,000	1,013	0.54
Reliance Steel & Aluminum 1.3% 15/08/25	209,000	152	0.08
SK Battery America 2.125% 26/01/26	1,300,000	943	0.50

## AXA Global Short Duration Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
Skyworks Solutions 0.9% 01/06/23	1,450,000	1,072	0.57
VMware 1% 15/08/24	569,000	418	0.22
<b>TOTAL CORPORATE BONDS</b>		<b>127,104</b>	<b>67.23</b>
<b>COLLECTIVE INVESTMENT SCHEMES 0.48% (30/06/21: 5.65%)</b>			
<b>United Kingdom 0.48% (30/06/21: 5.65%)</b>			
AXA Fixed Interest Investment ICVC - US Short Duration High Yield Fund ^	586,000	908	0.48
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES</b>		<b>908</b>	<b>0.48</b>
<b>GOVERNMENT BONDS 26.67% (30/06/21: 13.44%)</b>			
<b>Egypt 0.39% (30/06/21: 0.45%)</b>			
Egypt Government International Bond 4.75% 11/04/25	EUR 900,000	748	0.39
<b>France 4.86% (30/06/21: 0.00%)</b>			
French Republic Government Bond OAT 0.25% 25/07/24	EUR 9,200,000	9,182	4.86
<b>Germany 4.92% (30/06/21: 0.00%)</b>			
Deutsche Bundesrepublik Inflation Linked Bond 0.1% 15/04/23	EUR 9,500,000	9,301	4.92
<b>United Kingdom 7.27% (30/06/21: 3.06%)</b>			
United Kingdom Gilt 0.125% 31/01/23	GBP 11,000,000	10,951	5.79
United Kingdom Gilt 0.5% 22/07/22	GBP 2,800,000	2,806	1.48
<b>United States 9.23% (30/06/21: 9.93%)</b>			
United States Treasury Inflation Indexed Bonds 0.125% 15/02/22	2,607,000	2,232	1.18
United States Treasury Inflation Indexed Bonds 0.125% 15/01/23	6,000,000	5,508	2.91
United States Treasury Inflation Indexed Bonds 0.125% 15/10/24	1,550,000	1,324	0.70
United States Treasury Note 0.875% 30/06/26	11,500,000	8,402	4.44
<b>TOTAL GOVERNMENT BONDS</b>		<b>50,454</b>	<b>26.67</b>
<b>FORWARD CURRENCY CONTRACTS 0.72% (30/06/21: (0.72%))</b>			
Bought USD540,000 for GBP404,265 Settlement 02/02/22		(4)	-
Bought USD900,000 for EUR791,937 Settlement 02/02/22		2	-
Sold EUR68,692,772 for GBP58,532,809 Settlement 02/02/22		804	0.43
Sold USD85,000,000 for GBP63,620,188 Settlement 02/02/22		541	0.29
<b>TOTAL FORWARD CURRENCY CONTRACTS</b>		<b>1,343</b>	<b>0.72</b>
<b>FUTURES (0.04%) (30/06/21: 0.03%)</b>			
<b>United Kingdom (0.01%) (30/06/21: 0.00%)</b>			
Long Gilt Future March 2022	(58)	(22)	(0.01)

## AXA Global Short Duration Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
<b>United States (0.03%) (30/06/21: 0.03%)</b>			
2 Year Treasury Note Futures March 2022	(140)	6	-
5 Year Treasury Note Futures March 2022	(136)	(50)	(0.03)
<b>TOTAL FUTURES</b>		<b>(66)</b>	<b>(0.04)</b>
Portfolio of investments		179,743	95.06
Net other assets		9,333	4.94
<b>Total net assets</b>		<b>189,076</b>	<b>100.00</b>

*All bonds are denominated in US dollars (unless otherwise indicated).*

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

^ The Fund invests in the AXA Fixed Interest Investment ICVC - US Short Duration High Yield Fund which is a related party to the Fund.

At 31 December 2021, there were no investments in the Fund which were valued using a quote from a single broker (30/06/21 : £nil).



## AXA Global Short Duration Bond Fund

### Statement of Total Return

For the six months ended 31 December 2021 (unaudited)

	31/12/21 £'000	£'000	31/12/20 £'000	£'000
Net capital (losses)/gains		(1,694)		5,399
Revenue	1,539		2,430	
Expenses	(273)		(328)	
Interest payable and similar charges	<u>(9)</u>		<u>(130)</u>	
Net revenue before taxation	1,257		1,972	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>1,257</u>		<u>1,972</u>
Total return before distributions		(437)		7,371
Distributions		(1,257)		(1,972)
Change in net assets attributable to Shareholders from investment activities		<u>(1,694)</u>		<u>5,399</u>

### Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 December 2021 (unaudited)

	31/12/21 £'000	£'000	31/12/20 £'000	£'000
Opening net assets attributable to Shareholders		180,131		235,586
Amounts receivable on issue of shares	18,948		13,916	
Amounts payable on cancellation of shares	<u>(8,722)</u>		<u>(66,042)</u>	
		10,226		(52,126)
Change in net assets attributable to Shareholders from investment activities (see above)		(1,694)		5,399
Retained distributions on accumulation shares		413		569
Closing net assets attributable to Shareholders		<u>189,076</u>		<u>189,428</u>

The above statement shows the comparative closing net assets at 31 December 2020 whereas the current accounting period commenced 1 July 2021.

## AXA Global Short Duration Bond Fund

### Balance Sheet

As at 31 December (unaudited)

	31/12/21 £'000	30/06/21 £'000
<b>Assets:</b>		
Fixed assets:		
Investments	179,819	171,438
Current assets:		
Debtors	1,680	7,498
Cash and bank balances	9,364	10,027
 Total assets	 <b>190,863</b>	 <b>188,963</b>
<b>Liabilities:</b>		
Investment liabilities	(76)	(1,542)
Creditors:		
Distribution payable	(360)	(856)
Other creditors	(1,351)	(6,434)
 Total liabilities	 <b>(1,787)</b>	 <b>(8,832)</b>
 Net assets attributable to Shareholders	 <b>189,076</b>	 <b>180,131</b>

## AXA Global Short Duration Bond Fund

### Distribution Tables

As at 31 December 2021 (unaudited)

First Distribution in pence per share

Group 1 Shares purchased prior to 1 July 2021

Group 2 Shares purchased on or after 1 July 2021 to 30 September 2021

	Net revenue (p)	Equalisation (p)	Distribution paid 30/11/21 (p)	Distribution paid 30/11/20 (p)
<b>Share Class S Gross Accumulation</b>				
Group 1	0.456	-	0.456	0.521
Group 2	0.456	-	0.456	0.521
<b>Share Class S Gross Income</b>				
Group 1	0.419	-	0.419	0.490
Group 2	0.154	0.265	0.419	0.490
<b>Share Class Z Gross Accumulation</b>				
Group 1	0.398	-	0.398	0.465
Group 2	0.159	0.239	0.398	0.465
<b>Share Class Z Gross Income</b>				
Group 1	0.367	-	0.367	0.440
Group 2	0.146	0.221	0.367	0.440
<b>Share Class ZI Gross Accumulation</b>				
Group 1	0.438	-	0.438	0.504
Group 2	0.126	0.312	0.438	0.504
<b>Share Class ZI Gross Income</b>				
Group 1	0.406	-	0.406	0.476
Group 2	0.132	0.274	0.406	0.476

## AXA Global Short Duration Bond Fund

### Distribution Tables

As at 31 December 2021 (unaudited)

#### Second Distribution in pence per share

Group 1 Shares purchased prior to 1 October 2021

Group 2 Shares purchased on or after 1 October 2021 to 31 December 2021

	Net revenue (p)	Equalisation (p)	Distribution payable 28/02/22 (p)	Distribution paid 26/02/21 (p)
<b>Share Class S Gross Accumulation</b>				
Group 1	0.327	-	0.327	0.483
Group 2	0.327	-	0.327	0.483
<b>Share Class S Gross Income</b>				
Group 1	0.299	-	0.299	0.450
Group 2	0.124	0.175	0.299	0.450
<b>Share Class Z Gross Accumulation</b>				
Group 1	0.269	-	0.269	0.426
Group 2	0.082	0.187	0.269	0.426
<b>Share Class Z Gross Income</b>				
Group 1	0.248	-	0.248	0.400
Group 2	0.090	0.158	0.248	0.400
<b>Share Class ZI Gross Accumulation</b>				
Group 1	0.310	-	0.310	0.465
Group 2	0.239	0.071	0.310	0.465
<b>Share Class ZI Gross Income</b>				
Group 1	0.285	-	0.285	0.437
Group 2	0.118	0.167	0.285	0.437

## AXA Global Strategic Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

#### Investment Objective

The aim of the Fund is to generate income and growth over the medium term (being a period of five years or more).

#### Investment Policy

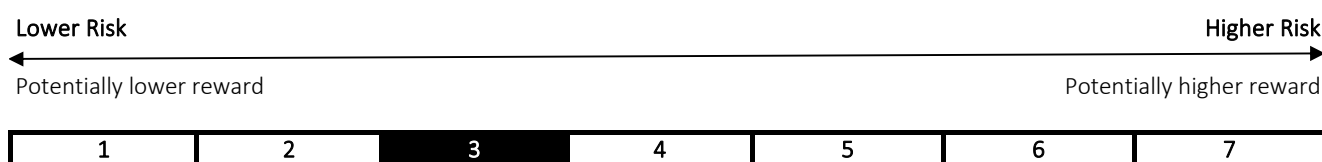
The Fund invests at least 80% of its assets in a mix of investment grade bonds (meaning bonds with a Standard & Poor's rating of at least BBB- or such equivalent rating by Moody's or Fitch), sub-investment grade bonds and securitisation vehicles (such as mortgage-backed and asset-backed securities, collateralised debt obligations (CDOs) and collateralised loan obligations (CLOs)), issued in or hedged back to Sterling. The Manager seeks to reduce the risk of defaults through its analysis and selection of bonds (with particular emphasis on industry and issuer). The Fund may also invest in other transferable securities, contingent convertible bonds, units in collective investment schemes (including those operated by the ACD), cash, cash-like instruments and deposits.

The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management. The Fund does not have a benchmark. The IA Sterling Strategic Bond sector may be used by investors to compare the Fund's performance. Where the bonds are denominated in a currency other than Sterling, the Fund aims to reduce the risk of movements in exchange rates between such currency and Sterling through the use of derivatives (financial instruments which derive their value from the value of other assets). The Fund may also use derivatives in an attempt to reduce the overall risks of its investments, reduce the costs of investing or generate capital or income (known as Efficient Portfolio Management – EPM). The Fund avoids investing in bonds issued by companies presenting excessive degrees of environmental, social and governance (ESG) risk. The Manager applies AXA IM Group's sector specific investment guidelines relating to responsible investment to the Fund, according to which the Manager aims at applying specific sectorial exclusions (such as soft commodities, palm oil, controversial weapons and climate risks). The Manager also applies the AXA IM's ESG Standards policy. This policy excludes investment in companies based on: their contribution to climate change; tobacco production; manufacture of controversial weapons; human rights; anticorruption and other ESG factors. Further, in selecting investments, the Manager will take into account: (i) the issuer's ESG score (using an internal ESG scoring system as detailed in the AXA IM's ESG Standards policy); and (ii) its own analysis of the global bond universe. The Manager will use the ESG score and analysis as one factor within its broader analysis of the issuer to make selections which are expected to generate sustained growth and returns over time. It is, however, just one component of the Manager's investment process and ESG scores are not the principal driver of investment decision making.

The Fund is actively managed. It is not managed in reference to any benchmark.

#### Risk and Reward Profile

As at 31 December 2021 (unaudited)



The risk category is based on simulated performance or performance of funds of this type and may not be a reliable indicator of the Fund's future risk profile. The risk category shown is not guaranteed and may shift over time. The lowest category does not mean risk free.

#### Why is this Fund in this category?

The capital of the Fund is not guaranteed. The Fund is invested in financial markets and uses techniques and instruments which are subject to some levels of variation, which may result in gains or losses.

## AXA Global Strategic Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

#### Additional risks

Under normal market conditions the Fund's key risk factors are:

- **Credit risk** - all bonds have a potential credit risk, in that the issuer could default on its obligations to pay income and/or capital. An issuer default would likely result in a large drop in the value of that bond. The value of a bond will also be affected by the perceived credit risk of the issuer, including changes to credit ratings and the general level of aversion to credit risk in the market. Generally, an increased level of perceived credit risk leads to a fall in the value of the bond, and vice versa. Credit risk can be measured by ratings assigned to issuers of bonds by third party credit rating agencies. The largest credit rating agencies are Moody's, Standard & Poor's and Fitch Ratings. Each credit rating agency uses different designations. The highest designation (Aaa (Moody's), AAA (Standard & Poor's and Fitch Ratings)) are intended to represent a lower probability of default of the issuer. The credit rating agencies designate "investment grade" bonds as Baa3 or above (Moody's) or BBB- or above (Standard & Poor's or Fitch Ratings).

Internal investment guidelines are set, if necessary, to ensure credit risk is maintained within a range deemed suitable based on the individual fund's investment objectives and investment policy. These guidelines could include credit quality indicators, measures of sensitivity to credit spread moves and diversification measures.

- **Interest rate risk** - is the risk that the market value of bonds held by the Fund could fall as a result of higher market rates (yields). Yields can change as a result of, among other things, the economic and inflation outlook which also affects supply and demand as well as future interest rate expectations, without necessarily a change in official central bank short term interest rates. Higher yields result in a decline in the value of bonds. Conversely, lower yields tend to increase the value of bonds. Duration (a measure based on the coupon and maturity payments schedule of a bond) is an important concept in understanding how the price of that bond might change for a 1% move in its redemption yield. A bond with a longer duration is more sensitive to a change in yields and, generally speaking, will experience more volatility in its market value than bonds with shorter durations.

Internal investment guidelines are set if necessary to ensure interest rate risk is maintained within a range deemed suitable based on the individual fund's investment objectives and investment policy. These guidelines could include measures of sensitivity to changes of interest rates.

- **Prepayment and extension risk** - prepayment is the risk associated with the early unscheduled return of capital (i.e., repayment of the debt) by the issuer on a bond. Prepayment generally occurs in a declining interest rate environment. When capital is returned early, no future interest payments will be paid on that part of the capital. If the bond was purchased at a premium (i.e., at a price greater than the value of the capital), the return on the bond will be less than what was estimated at the time of purchase.

The opposite of prepayment risk is extension risk which is the risk of a bond's expected maturity lengthening in duration due to a slowdown in prepayments of capital. Extension risk is mainly the result of rising interest rates. If the bond was purchased in anticipation of an early repayment of capital, an extension of the maturity could impact the price of the bond.

The portfolio tends to hold a mixture of callable and non-callable positions.

- **Index-linked bonds risk** - are fixed interest securities whose capital repayment amounts and interest payments are adjusted in line with movements in inflation indices. They are designed to mitigate the effects of inflation on the value of a portfolio. The market value of index-linked bonds is determined by the market's expectations of future movements in both interest rates and inflation rates.

As with other bonds, the value of index-linked bonds will generally fall when expectations of interest rates rise and vice versa. However, when the market anticipates a rise in inflation rates, index-linked bonds will generally outperform other bonds, and vice versa.

Index-linked bonds bought in the secondary market (i.e., not directly from the issuer) whose capital values have been adjusted upward due to inflation since issuance, may decline in value if there is a subsequent period of deflation.

Due to the sensitivity of these bonds to interest rates and expectations of future inflation, there is no guarantee that the value of these bonds will correlate with inflation rates in the short to medium term.

## AXA Global Strategic Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

Index-linked bonds risk is an inherent risk of investing in index-linked bonds. Exposure to this risk is managed by the allocation decision on the proportion of the portfolio to invest in index-linked bonds, as well as the amount of remaining maturity of these bonds, which will affect their sensitivity in value, to changes in expected inflation levels.

- High Yield Bonds risk - high yield bonds risk (also known as sub-investment grade bonds) - are fixed interest securities issued by companies or governments with lower credit ratings (Ba1 and below (Moody's) or BB+ and below (Standard & Poor's and Fitch Ratings)). They are potentially more risky than investment grade bonds which have higher ratings. The issuers of high yield bonds will be at greater risk of default or ratings downgrades. The capital value of the Fund's investment in high yield bonds and the level of income it receives may fall as a result of such issuers ceasing to trade. The Fund will endeavour to mitigate the risks associated with high yield bonds, by diversifying their holdings by issuer, industry and credit quality.

This is an inherent risk for funds invested within high yield bonds. Internal investment guidelines (which may include measures of credit quality, measures of sensitivity to credit spread moves and diversification measures), scenario testing as well as other regular monitoring seek to ensure the level of risk is aligned with each individual fund's investment objectives and investment policy.

- Risks linked to investment in sovereign debt - the Fund may invest in bonds issued by countries and governments (sovereign debt). The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the capital and/or interest when due in accordance with the terms of such debt. In such a scenario, the value of investments of the Funds may be adversely affected. A governmental entity's willingness or ability to repay capital and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign currency reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest on their debt. In addition, there are no bankruptcy proceedings for such issuers under which money to pay the debt obligations may be collected in whole or in part. Holders may be requested to participate in the rescheduling of such sovereign debt and to extend further loans to the issuers.

Certain countries are especially large debtors to commercial banks and foreign governments. Investment in sovereign debt issued or guaranteed by such countries (or their governments or governmental entities) involves a higher degree of risk than investment in other sovereign debt.

Certain funds may be further subject to the risk of high concentration in bonds issued by and/or guaranteed by a single sovereign issuer which is below investment grade and/or unrated which is also subject to higher credit risk. In the event of a default of the sovereign issuer, the Fund may suffer significant loss.

This is an inherent risk for funds invested within sovereign bonds. Internal investment guidelines, scenario testing as well as other regular monitoring seek to ensure the level of risk is aligned with each individual 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 major markets;
- b. the same level of government supervision and regulation of markets 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.

## AXA Global Strategic Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

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 emerging markets may mean that from time to time the ACD 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 each individual fund's investment objectives and investment policy.

- **Securitised assets or CDO assets risk** - securitised assets or CDO assets (CLO, ABS, RMBS, CMBS, CDO, etc.) are subject to credit, liquidity, market value, interest rate and certain other risks. Such financial instruments require complex legal and financial structuring and any related investment risk is heavily correlated with the quality of underlying assets which may be of various types (leveraged loans, bank loans, bank debt, debt securities, etc.), economic sectors and geographical zones.
- **Contingent convertible bonds risk** - in the framework of new banking regulations, banking institutions are required to increase their capital buffers and have therefore issued certain types of financial instrument known as subordinated contingent capital securities (often referred to as "CoCo" or "CoCos"). The main feature of a CoCo is its ability to absorb losses as required by banking regulations, but other corporate entities may also choose to issue them.

Under the terms of a CoCo, the instruments become loss absorbing upon certain triggering events, including events under the control of the management of the CoCo issuer which could cause the permanent write-down to zero of principal investment and / or accrued interest, or a conversion to equity that may coincide with the share price of the underlying equity being low. These triggering events may include (i) a deduction in the issuing bank's capital ratio below a pre-set limit, (ii) a regulatory authority making a subjective determination that an institution is "non-viable" or (iii) a national authority deciding to inject capital.

Furthermore, the trigger event calculations may also be affected by changes in applicable accounting rules, the accounting policies of the issuer or its group and the application of these policies. Any such changes, including changes over which the issuer or its group has a discretion, may have a material adverse impact on its reported financial position and accordingly may give rise to the occurrence of a trigger event in circumstances where such a trigger event may not otherwise have occurred, notwithstanding the adverse impact this will have on the position of holders of the CoCos.

CoCos are valued relative to other debt securities in the issuer's capital structure, as well as equity, with an additional premium for the risk of conversion or write-down. The relative riskiness of different CoCos will depend mainly on the distance between the current capital ratio and the effective trigger level, which once reached would result in the CoCo being automatically written-down or converted into equity.

It is possible in certain circumstances for interest payments on certain CoCos to be cancelled in full or in part by the issuer, without prior notice to bondholders. Therefore, there can be no assurances that investors will receive payments of interest in respect of CoCos. Unpaid interest may not be cumulative or payable at any time thereafter.

Notwithstanding that interest not being paid or being paid only in part in respect of CoCos or the principal value of such instruments may be written down to zero, there may be no restriction on the issuer paying dividends on its ordinary shares or making pecuniary or other distributions to the holders of its ordinary shares or making payments on securities ranking pari passu with the CoCos resulting in other securities by the same issuer potentially performing better than CoCos.

CoCos generally rank senior to common stock in an issuer's capital structure and are consequently higher quality and entail less risk than the issuer's common stock; however, the risk involved in such securities is correlated to the solvency level and / or the access of the issuer to liquidity of the issuing financial institution.



## AXA Global Strategic Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

The structure of CoCos is yet to be tested and there is some uncertainty as to how they may be impacted by liquidity challenges and industry concentration in a stressed environment of deteriorating financial condition.

- 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 a proprietary ESG scoring process 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 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.

- LIBOR transition risk- LIBOR (London Inter-bank Offered Rate) is intended to reflect the interest rate that wholesale banks expect to pay each other to borrow money (without providing security). LIBOR is widely used in financial products as a reference to determine a target or amount to be paid. From the end of 2021, the banks that contribute to the setting of LIBOR will no longer be required to do so, and LIBOR is expected to become obsolete. It is expected that a different rate, SONIA, will replace LIBOR over time.

There are a number of risks for Funds associated with the transition to SONIA:

(i) SONIA is prepared on a different basis to LIBOR and has historically returned a lower rate of interest. Where the Fund's investments provide income based on LIBOR, the transition to SONIA or another reference rate may reduce the value of those investments and the Fund's income from them.

(ii) The ACD has a plan to reduce the Funds' exposure to LIBOR. However, this plan will be phased and the Fund may have some exposure to investments based, or dependent, on LIBOR during periods where those rates are encountering lower levels of reliability. Not all market participants have yet made plans for the transition away from LIBOR and there is a risk that they will be unable/unwilling to implement the change before LIBOR becomes unreliable. During such time, the value of the Fund's investments may be less reliable and therefore the Fund's price may be more volatile (it may change more frequently and/or by greater amounts).

(iii) Where the counterparty for an investment is reliant on LIBOR, a transition to SONIA, or another rate, may change that counterparty's economic position and increase the risk that they will default on their obligations. The Fund may suffer a loss if the counterparty is unable to meet its obligations. Additionally, the increased risk of default may reduce the value of the investment or cause the ACD to need to rebalance the portfolio.

Other risks which could have an impact in extreme market conditions include:

- 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.

## AXA Global Strategic Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

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.

- **Counterparty risk** - at any one time, the Fund may be exposed to the creditworthiness and stability of the counterparties to transactions entered into by the Fund (including derivative and stock lending and repo/reverse repo transactions). The Fund will be subject to the risk of the inability of its counterparties to perform its obligations under such transactions (default), whether due to insolvency, bankruptcy or other causes. In the event of the insolvency of a counterparty, the Fund might not be able to recover cash or assets of equivalent value, to that invested, in full. The Fund may receive assets or cash from the counterparty (collateral) to protect against any such adverse effect. Where relevant, a counterparty will forfeit its collateral if it defaults on the transaction with the Fund. However, if the collateral is in the form of securities, there is a risk that when it is sold, it will realise insufficient cash to settle the counterparty's debt to the Fund under a transaction or to purchase replacement securities that were lent to the counterparty under a stock lending arrangement. In relation to stock lending arrangements, there is also the risk that while cash is recovered in the event of a default, the actual stock cannot be repurchased. Furthermore, to the extent that collateral is not present to cover part or all of the debt, a counterparty default may result in losses for the affected Fund. To assist in managing these types of risks, the ACD sets criteria around the types of eligible collateral the Fund may accept. Please see the paragraph entitled "Treatment of Collateral" in the "Investment and borrowing powers applicable to the Funds" section in Appendix II of the Prospectus for more information.

Transactions in securities that the Fund may enter into expose it to the risk that the counterparty will not deliver the investment for a purchase or cash for a sale after the Fund has contracted to fulfil its responsibilities. This is minimised by the practice in the majority of markets of delivery versus payment and short settlement periods.

- **Derivatives risk** - the Fund may enter into a variety of transactions taking the form of "derivatives transactions" (namely, options, futures or contracts for differences) or forward currency transactions. A derivatives transaction must either be in a derivative which is traded or dealt in on an eligible derivatives market and effected in accordance with the rules of that market, (an "exchange traded" derivative), or be an off-exchange derivative entered into with an eligible counterparty (an "over-the-counter" or "OTC" derivative). Forward currency transactions are over-the-counter transactions. Derivative transactions are designed to provide exposure to the value or performance of different assets including shares, bonds and indices, the credit risk of companies or governments, interest rates, the value of currencies or other assets or investments, without the Fund owning the relevant asset(s) or making a direct investment. A forward currency transaction is a contract that locks in the exchange rate for the sale or purchase of a particular currency on a future date. Each derivative and forward transaction bears various risks and its use may result in losses to the Fund. The price or value of derivative and forward currency transactions may move in unexpected ways, particularly in abnormal market conditions, and therefore the use of derivatives and forward currency transactions may increase the volatility of the Price of Shares in the Fund. If a derivative transaction involves leverage (i.e., it increases the Fund's exposure to the underlying asset or investment), this may magnify investment losses suffered by the Fund and the Fund may lose in excess of the amount invested. Exchange traded and OTC transactions are subject to liquidity risk as it may not always be possible to sell or terminate the relevant transaction. OTC derivative and forward currency transactions are subject to counterparty risk as the counterparty to the transaction may not settle the transaction in accordance with its terms and conditions (due to dispute of the terms or because of a credit or liquidity problem), thus causing the Fund to suffer a loss. Derivative and forward currency transactions may also involve legal risk which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

## AXA Global Strategic Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

The successful use of derivative and forward currency transactions (whether for investment purposes or for Efficient Portfolio Management purposes) requires sophisticated management and the Fund will depend on the ability of the Manager to analyse and predict market movements and manage the transactions. The value of a derivative or forward currency transaction will be determined by a range of factors, including the volatility and market price of the underlying asset, interest rates, government intervention in derivatives markets, the duration of the contract and the risk of default of the counterparty. As a result, there are many factors upon which market participants may have divergent views and there is a risk that the Manager may incorrectly value the derivative/currency forward. Furthermore, there is a risk that the value of the derivative/currency forward may not correlate to the underlying asset or investment in the way anticipated by the Manager, due to unexpected market behaviour or interest rate trends. Therefore, where the Fund uses derivative or forward currency transactions to achieve a particular result, whether for investment purposes or for Efficient Portfolio Management, there is a risk that such use will not be successful and could leave the Fund in a worse position than if such transactions had not been used.

In certain circumstances, the Fund may use derivatives or forward currency transactions to reduce or eliminate risk arising from fluctuations in interest rates or exchange rates and in the price of investments or use them for other Efficient Portfolio Management purposes. Where such transactions are used for the purposes of reducing or eliminating (i.e., hedging) certain risks (for example, the use of forward currency transactions to hedge against movements in foreign currency exchange rates), such use will limit any potential gain for the Fund should the value of the hedged asset increase. The precise matching of the relevant contract amounts and the value of the hedged asset involved will not generally be possible because the future value of such assets will change as a consequence of market movements 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 rate 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.

The use of derivatives and forward currency transactions by the Fund is not intended to increase the overall risk profile of the Funds compared to similar funds investing directly in securities. However, in unusual market situations their use may lead to higher volatility in the Share Price of the Funds.

- **Leverage risk** - a proportion of the capital of the Fund may be leveraged through borrowing cash or use of derivatives (i.e., the exposure of the Fund to an asset may be greater than the amount invested). While leverage presents opportunities for increasing the capital return, it has the effect of potentially increasing losses as well. Any event which adversely affects the Fund's underlying investment would be magnified to the extent the capital is leveraged. The cumulative effect of the use of leverage in a market that moves adversely to the underlying investment vehicles would result in a substantial loss to capital that would be greater than if capital were not leveraged.

- **Political, economic, convertibility and regulatory risk** - some geographical areas in which the Fund may invest (including but not limited to Asia, the Eurozone and the US) may be affected by economic or political events or measures, changes in government policies, laws or tax regulations, currency convertibility, or by currency redenomination, restrictions on foreign investments, and more generally by economic and financial difficulties. In such contexts, volatility, liquidity, credit and currency risks may increase and adversely impact the Net Asset Value of the Fund.

The ACD and the sub Investment Managers have established procedures and oversight for monitoring client's portfolios to ensure unexpected adverse events or scenarios are managed to mitigate impact it may have on portfolios investment objectives.

- **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.

## AXA Global Strategic Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

The ACD 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 individual Fund's investment objectives and investment policy.

#### Market review

Markets continued to be influenced by the persistence of coronavirus-enforced lockdowns around the world but, thanks to the acceleration of the global vaccine rollout, most developed economies were able to ease restrictions to varying degrees over the period, which benefitted the continued 'recovery trade' and increased consumer demand for goods and, to a lesser extent, some services such as travel and leisure activities. With a marked pick-up in demand, global supply chain issues – leading to bottlenecks in ports and depots – together with a spiraling oil price, meant that inflation data continued to be elevated for longer than central banks and markets had anticipated, with the Federal Reserve dropping the use of the word "transitory" in relation to inflation towards year-end.

Markets focused on resulting expectations for central bank policy, with interest rate rises and tapering of asset purchasing programmes priced in to varying degrees amongst developed market central banks. After a summer where government bond yields were relatively stable, buoyed by technical demand from relatively price insensitive investors (e.g. pension funds, insurance companies), government bonds started to sell-off into September as markets priced in short-term interest rate rises particularly by the Federal Reserve and Bank of England. US 10-year treasury yields rose by 50 basis points ('bps') from 1.2% at the start of August to 1.7% by the end of October, driven by the short-end of the curve (bonds having less than five years to redemption). In the UK, the Bank of England disappointed the market by not raising rates in November and then slightly surprised it in December when it did raise rates by 15bps to 0.25%, creating some volatility in gilt yields into year-end.

Credit (corporate bonds) has generally performed well despite the emergence of the Omicron variant towards the end of November, which created some short-term volatility. That said, with spreads (yield premium over the relevant government bond) at such tight levels, the ability to tighten is somewhat limited. Appetite for developed market high yield remained strong, given low default rates and the lack of yield across most fixed income asset classes. Asian fixed income continued to witness high levels of volatility, with a combination of weaker fundamentals and increasing political interference in markets knocking investor confidence, which weighed on investor sentiment towards emerging markets generally over the year.

## AXA Global Strategic Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

#### Fund activity

We were active on our duration (a measure of the sensitivity of a bond's price to a change of interest rates) over the period which was key to navigating through the volatility in government bonds. We ended July carrying nearly 5 years of duration, concentrated in US treasuries, but decreased our exposure to 1.6 years by the end of September, in response to higher government bond yields. In November, however, we once again added UK and US duration risk to reach 4 years of outright exposure as bond yields initially moved lower on risk aversion, albeit this position then suffered somewhat into year-end as government bonds reversed higher. We were also active on curve positioning, with a bias towards long-dated assets at the start of the period, which worked well as the curve continued to flatten (the yield gap between long and short-dated bonds decreased). We ended the year by rotating more into the belly of the curve after a significant period of flattening.

Our 10% exposure to inflation breakevens (the difference between the yield on a nominal fixed-rate bond and the real yield on an inflation-linked bond of similar maturity and credit quality) performed well during the first part of the period as expectations for higher inflation remained elevated, although with breakevens at such expensive valuations, we halved our position in October – closing the period with 5% exposure.

Activity in investment grade credit was muted during the period. Spreads (yield premium over the relevant government bond) moved broadly sideways, whilst we maintained our preference for BBB-rated credit over higher rated credit, given its lower sensitivity to rates volatility. From a bottom-up perspective, we favoured financials and European debt. Further down the curve, we slightly increased our exposure to developed market high yield from 26% to 29% over the period, preferring shorter dated, less volatile credits, offering carry (income) without capital appreciation nor depreciation. Exposure to emerging market debt remained broadly stable at 8-9% over the period. We retained zero exposure to Asian high yield, which continued to provide very elevated volatility despite limited contagion outside of the Chinese property sector. Instead, our allocation was focused on single name BB or B-rated corporates, with an increased focus on renewables and consumer-driven businesses rather than traditional commodity names.

For much of the period we held some CDS protection (a credit default swap ('CDS') is a financial derivative contract that shifts the credit risk of a fixed income product to a counterparty in exchange for a premium) to partially protect against any widening of spreads, although this strategy did not particularly work into year-end as markets looked through the disruption caused by the emergence of the Omicron variant and spreads continued to tighten.

During the six months to 31 December 2021, the AXA Global Strategic Bond Fund provided a total return of -1.08% (Z Acc, net of fees and gross of tax).

#### Outlook

2021 was a difficult year for fixed income: the highest inflation for decades, strong growth, and the threat of less central bank stimulus, with ultimately expectations for rate hikes from some major central banks in 2022. This is not naturally a positive backdrop for bond returns. But whilst index returns were negative on the calendar year there was a pickup in volatility during the year in both directions. The first and last quarter merited a cautious approach to government bond yields, but for most of Q2 and Q3 a more bullish sentiment was favourable. Likewise, the strength in credit in Q1 was reversed during some of Q4.

With 'interest rate normalisation' set to continue at different paces depending on the geography, we expect to see a continued benefit to returns from a diversified and active global fixed income strategy. Whilst US government bonds are the current focus, as yields head higher, we actually think that some of these valuations could offer compelling opportunities further into the year. But in the near term there is an opportunity in short-dated bonds and credit to protect against rates volatility. 2021 has seen a flattening of bond curves (the yield gap between long and short-dated bonds decreases), and these moves could be reversed as the market speculates that the Fed may reverse its bond buying programme and in turn reverse the shape of the yield curve.

*All performance data source: AXA Investment Managers and Bloomberg.*

*Past performance is not a guide to future performance.*

## AXA Global Strategic Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

Major Purchases	Cost (£'000)	Major Sales	Proceeds (£'000)
● United Kingdom Gilt 4.25% 07/06/32	3,852	● United Kingdom Gilt 4.25% 07/06/32	3,019
● United States Treasury Note 1.25% 15/05/50	1,039	● United Kingdom Gilt 1.75% 22/01/49	1,697
● United States Treasury Note 0.625% 15/05/30	1,019	● United Kingdom Gilt 1% 22/04/24	1,535
● French Republic Government Bond 0.1% 01/03/25	961	● United Kingdom Gilt Inflation Linked 0.125% 22/03/29	1,125
● United States Treasury Inflation Indexed Bonds 0.625% 15/01/26	707	● United States Treasury Note 0.125% 31/05/22	806

**Nick Hayes**

AXA Investment Managers UK Limited

31 December 2021

## AXA Global Strategic Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
<b>CORPORATE BONDS 66.28% (30/06/21: 60.47%)</b>			
<b>Australia 0.32% (30/06/21: 0.17%)</b>			
Nufarm Australia 5.75% 30/04/26	307,000	233	0.32
<b>Austria 0.48% (30/06/21: 0.60%)</b>			
OMV 2.5% Perpetual	EUR 400,000	348	0.48
<b>Azerbaijan 0.24% (30/06/21: 0.30%)</b>			
State Oil Co of the Azerbaijan Republic 6.95% 18/03/30	200,000	178	0.24
<b>Bermuda 0.21% (30/06/21: 0.25%)</b>			
Ooredoo International Finance 3.25% 21/02/23	200,000	152	0.21
<b>British Virgin Islands 0.23% (30/06/21: 0.28%)</b>			
Gold Fields Orogen 6.125% 15/05/29	200,000	170	0.23
<b>Canada 1.40% (30/06/21: 1.12%)</b>			
ATS Automation Tooling Systems 4.125% 15/12/28	165,000	124	0.17
Element Fleet Management 1.6% 06/04/24	400,000	297	0.41
Garda World Security 6% 01/06/29	70,000	50	0.07
Garda World Security 9.5% 01/11/27	232,000	184	0.25
GFL Environmental 5.125% 15/12/26	132,000	102	0.14
Intelligent Packaging Finco 6% 15/09/28	159,000	121	0.16
New Red Finance 5.75% 15/04/25	187,000	144	0.20
<b>Chile 0.22% (30/06/21: 0.26%)</b>			
Celulosa Arauco y Constitucion 4.25% 30/04/29	200,000	158	0.22
<b>Denmark 0.40% (30/06/21: 0.16%)</b>			
Orsted 2.5% 18/02/3021	GBP 300,000	293	0.40
<b>France 3.05% (30/06/21: 2.55%)</b>			
BNP Paribas 2% 24/05/31	GBP 600,000	591	0.81
BPCE 0.625% 28/04/25	EUR 600,000	512	0.70
Electricite de France 5% Perpetual	EUR 300,000	278	0.38
RCI Banque 1.375% 08/03/24	EUR 600,000	516	0.71
Unibail-Rodamco-Westfield 2.125% Perpetual	EUR 400,000	331	0.45
<b>Germany 1.96% (30/06/21: 1.34%)</b>			
Allianz 2.625% Perpetual	EUR 600,000	500	0.68
Deutsche Bahn Finance 0.875% 11/07/31	EUR 400,000	347	0.48
Deutsche Bank 1.875% 22/12/28	GBP 600,000	585	0.80
<b>Indonesia 0.00% (30/06/21: 0.45%)</b>			
<b>Italy 2.26% (30/06/21: 2.09%)</b>			
Assicurazioni Generali 2.429% 14/07/31	EUR 400,000	355	0.49
Eni 3.375% Perpetual	EUR 400,000	352	0.48
IMA Industria Macchine Automatiche 3.75% 15/01/28	EUR 300,000	250	0.34
Rekeep 7.25% 01/02/26	EUR 300,000	268	0.37
UniCredit 2% 23/09/29	EUR 500,000	423	0.58



## AXA Global Strategic Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
<b>Jersey 0.63% (30/06/21: 0.51%)</b>			
Heathrow Funding 2.625% 16/03/28	GBP 464,000	459	0.63
<b>Kazakhstan 0.27% (30/06/21: 0.32%)</b>			
KazMunayGas National 6.375% 24/10/48	200,000	195	0.27
<b>Luxembourg 1.02% (30/06/21: 1.17%)</b>			
Camelot Finance 4.5% 01/11/26	261,000	201	0.27
ContourGlobal Power 3.125% 01/01/28	EUR 300,000	247	0.34
ION Trading Technologies 5.75% 15/05/28	200,000	153	0.21
MHP Lux 6.95% 03/04/26	200,000	147	0.20
<b>Mexico 0.50% (30/06/21: 0.57%)</b>			
Industrias Penoles 5.65% 12/09/49	400,000	363	0.50
<b>Netherlands 3.90% (30/06/21: 4.10%)</b>			
Braskem Netherlands Finance 4.5% 31/01/30	400,000	316	0.43
Cooperatieve Rabobank 4.625% 23/05/29	GBP 450,000	522	0.72
Diamond 4.625% 01/10/29	50,000	37	0.05
Equate Petrochemical 4.25% 03/11/26	200,000	161	0.22
IHS Netherlands 8% 18/09/27	200,000	157	0.21
IPD 3 5.5% 01/12/25	EUR 300,000	258	0.35
Prosus 2.031% 03/08/32	EUR 100,000	83	0.11
Prosus 3.68% 21/01/30	200,000	153	0.21
Shell International Finance 1.75% 10/09/52	GBP 600,000	514	0.70
Sigma 7.875% 15/05/26	200,000	143	0.20
Telefonica Europe 3.875% Perpetual	EUR 400,000	356	0.49
VEON 4% 09/04/25	200,000	151	0.21
<b>Nigeria 0.20% (30/06/21: 0.00%)</b>			
United Bank for Africa 6.75% 19/11/26	200,000	149	0.20
<b>Panama 0.22% (30/06/21: 0.26%)</b>			
Banco General 4.125% 07/08/27	200,000	159	0.22
<b>Peru 0.22% (30/06/21: 0.08%)</b>			
Volcan Cia Minera 5.375% 02/02/22	215,000	159	0.22
<b>Poland 0.23% (30/06/21: 0.15%)</b>			
Canpack 2.375% 01/11/27	EUR 200,000	169	0.23
<b>Spain 1.23% (30/06/21: 0.92%)</b>			
Banco Bilbao Vizcaya Argentaria 2.575% 22/02/29	EUR 600,000	523	0.72
Bankinter 6.25% Perpetual	EUR 400,000	376	0.51
<b>Sweden 0.35% (30/06/21: 0.29%)</b>			
Verisure Midholding 5.25% 15/02/29	EUR 300,000	255	0.35
<b>Turkey 0.40% (30/06/21: 0.52%)</b>			
Akbank T.A.S. 6.8% 06/02/26	200,000	143	0.19
Turkiye Sise ve Cam Fabrikalari 6.95% 14/03/26	200,000	151	0.21



## AXA Global Strategic Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
<b>United Arab Emirates 0.37% (30/06/21: 0.15%)</b>			
DP World 2.375% 25/09/26	EUR 300,000	267	0.37
<b>United Kingdom 17.67% (30/06/21: 16.33%)</b>			
Aviva 6.125% Perpetual	GBP 450,000	462	0.63
Barclays 3.75% 22/11/30	GBP 500,000	525	0.72
Berkeley 2.5% 11/08/31	GBP 139,000	134	0.18
BP Capital Markets 3.25% Perpetual	EUR 400,000	356	0.49
BUPA Finance 4% Perpetual	GBP 550,000	528	0.72
Centrica 5.25% 10/04/75	GBP 200,000	211	0.29
Close Brothers 2% 11/09/31	GBP 606,000	595	0.82
Direct Line Insurance 4.75% Perpetual	GBP 200,000	202	0.28
Experian Finance 3.25% 07/04/32	GBP 450,000	500	0.68
Investec Bank 4.25% 24/07/28	GBP 300,000	310	0.42
Just 5% Perpetual	GBP 473,000	461	0.63
Legal & General 3.75% 26/11/49	GBP 350,000	365	0.50
Legal & General 5.625% Perpetual	GBP 200,000	220	0.30
Lloyds Banking 2.707% 03/12/35	GBP 500,000	500	0.69
Marks & Spencer 3.75% 19/05/26	GBP 319,000	326	0.45
Marks & Spencer 4.25% 08/12/23	GBP 200,000	206	0.28
Mitchells & Butlers Finance 0.69838% 15/12/33	GBP 370,792	320	0.44
Mitchells & Butlers Finance 5.965% 15/12/23	GBP 165,704	170	0.23
National Express 4.25% Perpetual	GBP 250,000	254	0.35
Nationwide Building Society 5.75% Perpetual	GBP 300,000	324	0.44
NatWest 3.622% 14/08/30	GBP 500,000	520	0.71
NatWest 5.125% Perpetual	GBP 200,000	210	0.29
NewRiver REIT 3.5% 07/03/28	GBP 300,000	304	0.42
NGG Finance 5.625% 18/06/73	GBP 300,000	325	0.45
OSB 6% Perpetual	GBP 200,000	202	0.28
Pension Insurance 4.625% 07/05/31	GBP 350,000	384	0.53
RL Finance Bonds No. 2 6.125% 30/11/43	GBP 450,000	484	0.66
Rothsay Life 5% Perpetual	GBP 700,000	692	0.95
Santander UK 7.037% Perpetual	GBP 300,000	302	0.41
Tesco Property Finance 5 5.6611% 13/10/41	GBP 292,770	379	0.52
TP ICAP Finance 2.625% 18/11/28	GBP 442,000	438	0.60
TP ICAP Finance 5.25% 26/01/24	GBP 154,000	164	0.22
Virgin Money UK 3.375% 24/04/26	GBP 300,000	310	0.42
Vodafone 3% 12/08/56	GBP 400,000	414	0.57
Whitbread 3% 31/05/31	GBP 400,000	403	0.55
WPP Finance 2013 2.875% 14/09/46	GBP 400,000	399	0.55
<b>United States 28.30% (30/06/21: 25.53%)</b>			
AES 3.3% 15/07/25	225,000	173	0.24
Aethon United 8.25% 15/02/26	77,000	61	0.08
Ahead 6.625% 01/05/28	161,000	119	0.16
Alliance Data Systems 4.75% 15/12/24	186,000	141	0.19
Alliant Intermediate 6.75% 15/10/27	254,000	195	0.27
Allied Universal 6.625% 15/07/26	354,000	276	0.38
American Tower 1.25% 21/05/33	EUR 469,000	384	0.53
AmWINS 4.875% 30/06/29	159,000	119	0.16
Anheuser-Busch InBev Worldwide 5.55% 23/01/49	200,000	204	0.28

## AXA Global Strategic Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
Artera Services 9.033% 04/12/25	228,667	180	0.25
Asbury Automotive 5% 15/02/32	59,000	45	0.06
Ascent Resources Utica 7% 01/11/26	93,000	70	0.10
Asteroid Private Merger 8.5% 15/11/29	137,000	106	0.14
AT&T 5.15% 15/11/46	200,000	188	0.26
Athene Global Funding 2.45% 20/08/27	250,000	188	0.26
Aviation Capital 1.95% 30/01/26	400,000	289	0.40
Aviation Capital 5.5% 15/12/24	275,000	223	0.31
Bank of America 3.366% 23/01/26	350,000	273	0.37
Blue Racer Midstream 6.625% 15/07/26	260,000	199	0.27
Blue Racer Midstream 7.625% 15/12/25	45,000	35	0.05
Boardwalk Pipelines 4.8% 03/05/29	300,000	249	0.34
Brighthouse Financial 4.7% 22/06/47	250,000	202	0.28
Bunge Finance 4.35% 15/03/24	225,000	178	0.24
Catalent Pharma Solutions 5% 15/07/27	309,000	238	0.33
CCO 4.5% 01/05/32	172,000	131	0.18
CD&R Smokey Buyer 6.75% 15/07/25	333,000	259	0.35
Change Healthcare 5.75% 01/03/25	717,000	536	0.73
Clarivate Science 4.875% 01/07/29	369,000	278	0.38
CommScope Technologies 5% 15/03/27	110,000	77	0.11
Corporate Office Properties 2.25% 15/03/26	425,000	318	0.44
CP Atlas Buyer 7% 01/12/28	162,000	120	0.16
Crestwood Midstream Partners 5.625% 01/05/27	156,000	117	0.16
Crestwood Midstream Partners 6% 01/02/29	49,000	38	0.05
Curo 7.5% 01/08/28	64,000	48	0.07
CVS Health 5.05% 25/03/48	200,000	193	0.26
Dave & Buster's 7.625% 01/11/25	161,000	128	0.18
Delek Logistics Partners 7.125% 01/06/28	140,000	108	0.15
Dell International 5.45% 15/06/23	95,000	74	0.10
DENTSPLY SIRONA 3.25% 01/06/30	400,000	313	0.43
Diebold Nixdorf 9.375% 15/07/25	150,000	119	0.16
Dominion Energy 4.05% 15/09/42	225,000	187	0.26
Dun & Bradstreet 5% 15/12/29	198,000	150	0.21
Entergy 1.9% 15/06/28	425,000	308	0.42
First American Financial 4.6% 15/11/24	300,000	241	0.33
First Horizon 4% 26/05/25	225,000	179	0.24
First Horizon Bank 5.75% 01/05/30	250,000	223	0.31
Flex Acquisition 7.875% 15/07/26	222,000	171	0.23
General Motors 6.75% 01/04/46	200,000	214	0.29
Genesis Energy 7.75% 01/02/28	264,000	198	0.27
Getty Images 9.75% 01/03/27	475,000	373	0.51
Gray Television 5.875% 15/07/26	164,000	126	0.17
Greystar Real Estate Partners 5.75% 01/12/25	356,000	267	0.37
HB Fuller 4.25% 15/10/28	165,000	126	0.17
HealthEquity 4.5% 01/10/29	266,000	195	0.27
Helios Software 4.625% 01/05/28	400,000	292	0.40
Hillenbrand 3.75% 01/03/31	88,000	65	0.09
Hilton Domestic Operating 5.75% 01/05/28	137,000	108	0.15
HUB International 7% 01/05/26	385,000	294	0.40
Icahn Enterprises 6.375% 15/12/25	196,000	148	0.20
Illuminate Buyer 9% 01/07/28	398,000	315	0.43

## AXA Global Strategic Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
International Flavors & Fragrances 1.832% 15/10/27	300,000	219	0.30
International Flavors & Fragrances 5% 26/09/48	200,000	191	0.26
IQVIA 5% 15/10/26	200,000	152	0.21
IRB 6.75% 15/02/26	215,000	163	0.22
JPMorgan Chase 3.509% 23/01/29	250,000	199	0.27
Kraft Heinz Foods 4.375% 01/06/46	82,000	71	0.10
LABL 5.875% 01/11/28	35,000	27	0.04
LABL 6.75% 15/07/26	214,000	162	0.22
LABL 10.5% 15/07/27	270,000	210	0.29
LBM Acquisition 6.25% 15/01/29	250,000	185	0.25
Level 3 Financing 5.25% 15/03/26	250,000	190	0.26
LSF11 A5 6.625% 15/10/29	267,000	195	0.27
Marathon Oil 6.6% 01/10/37	200,000	195	0.27
Marathon Petroleum 5% 15/09/54	200,000	174	0.24
Matthews International 5.25% 01/12/25	241,000	183	0.25
Mauser Packaging Solutions 7.25% 15/04/25	209,000	155	0.21
Mauser Packaging Solutions 8.5% 15/04/24	300,000	230	0.31
McGraw-Hill Education 8% 01/08/29	84,000	62	0.08
MercadoLibre 3.125% 14/01/31	200,000	140	0.19
Minerals Technologies 5% 01/07/28	199,000	153	0.21
Mozart Debt Merger 5.25% 01/10/29	225,000	169	0.23
NESCO II 5.5% 15/04/29	200,000	153	0.21
Northwest Fiber 4.75% 30/04/27	150,000	111	0.15
Occidental Petroleum 6.45% 15/09/36	70,000	66	0.09
Olympus Water US 6.25% 01/10/29	200,000	145	0.20
Oracle 3.6% 01/04/50	400,000	290	0.40
Outfront Media Capital 5% 15/08/27	75,000	57	0.08
Park Intermediate 5.875% 01/10/28	139,000	108	0.15
PBF Logistics 6.875% 15/05/23	149,000	108	0.15
Penske Truck Leasing 1.2% 15/11/25	300,000	217	0.30
Photo Merger 8.5% 01/10/26	198,000	154	0.21
Post 5.5% 15/12/29	316,000	247	0.34
Realogy 7.625% 15/06/25	260,000	205	0.28
Ritchie Bros 4.75% 15/12/31	33,000	26	0.04
Ryder System 2.9% 01/12/26	450,000	349	0.48
Shift4 Payments 4.625% 01/11/26	289,000	222	0.30
Solaris Midstream 7.625% 01/04/26	281,000	219	0.30
Sonic Automotive 4.875% 15/11/31	43,000	32	0.04
SRS Distribution 6% 01/12/29	223,000	166	0.23
Summit Midstream 8.5% 15/10/26	201,000	154	0.21
SVB Financial 2.1% 15/05/28	250,000	185	0.25
Union Pacific 4.1% 15/09/67	250,000	224	0.31
Unisys 6.875% 01/11/27	242,000	194	0.27
US Acute Care Solutions 6.375% 01/03/26	120,000	93	0.13
Utah Acquisition 5.25% 15/06/46	200,000	181	0.25
Varex Imaging 7.875% 15/10/27	177,000	146	0.20
Verscend Escrow 9.75% 15/08/26	400,000	316	0.43
ViacomCBS 4.95% 15/01/31	200,000	175	0.24
Watco 6.5% 15/06/27	211,000	163	0.22
Welbilt 9.5% 15/02/24	318,000	238	0.33
WESCO Distribution 7.125% 15/06/25	181,000	143	0.20

## AXA Global Strategic Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
WESCO Distribution 7.25% 15/06/28	120,000	98	0.13
WP Carey 2.4% 01/02/31	400,000	293	0.40
WR Grace 5.625% 15/08/29	297,000	226	0.31
ZoomInfo Technologies 3.875% 01/02/29	204,000	150	0.21
<b>TOTAL CORPORATE BONDS</b>		<b>48,379</b>	<b>66.28</b>
<b>GOVERNMENT BONDS 25.09% (30/06/21: 36.69%)</b>			
<b>Bahrain 0.20% (30/06/21: 0.24%)</b>			
Bahrain Government International Bond 5.625% 30/09/31	200,000	146	0.20
<b>Belarus 0.00% (30/06/21: 0.24%)</b>			
<b>Dominican Republic 0.15% (30/06/21: 0.19%)</b>			
Dominican Republic International Bond 4.875% 23/09/32	150,000	113	0.15
<b>Egypt 0.21% (30/06/21: 0.29%)</b>			
Egypt Government International Bond 5.625% 16/04/30	EUR 200,000	152	0.21
<b>France 2.55% (30/06/21: 2.12%)</b>			
French Republic Government Bond 0.1% 01/03/25	EUR 1,000,000	957	1.31
French Republic Government Bond 0.25% 25/11/26	EUR 1,050,000	906	1.24
<b>Ghana 0.17% (30/06/21: 0.24%)</b>			
Ghana Government International Bond 8.125% 26/03/32	200,000	121	0.17
<b>Guatemala 0.23% (30/06/21: 0.28%)</b>			
Guatemala Government Bond 5.375% 24/04/32	200,000	165	0.23
<b>Honduras 0.33% (30/06/21: 0.39%)</b>			
Honduras Government International Bond 6.25% 19/01/27	300,000	241	0.33
<b>Indonesia 0.32% (30/06/21: 0.38%)</b>			
Indonesia Government International Bond 8.5% 12/10/35	200,000	237	0.32
<b>Ivory Coast 0.23% (30/06/21: 0.30%)</b>			
Ivory Coast Government International Bond 6.625% 22/03/48	EUR 200,000	166	0.23
<b>Jamaica 0.14% (30/06/21: 0.17%)</b>			
Jamaica Government International Bond 8% 15/03/39	100,000	103	0.14
<b>Macedonia 0.24% (30/06/21: 0.15%)</b>			
North Macedonia Government International Bond 2.75% 18/01/25	EUR 200,000	172	0.24
<b>Morocco 0.19% (30/06/21: 0.23%)</b>			
Morocco Government International Bond 3% 15/12/32	200,000	141	0.19
<b>Paraguay 0.25% (30/06/21: 0.30%)</b>			
Paraguay Government International Bond 6.1% 11/08/44	200,000	182	0.25

## AXA Global Strategic Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
<b>Romania 0.32% (30/06/21: 0.15%)</b>			
Romanian Government International Bond 3.375% 28/01/50	EUR 300,000	237	0.32
<b>Senegal 0.18% (30/06/21: 0.22%)</b>			
Senegal Government International Bond 4.75% 13/03/28	EUR 150,000	128	0.18
<b>Ukraine 0.19% (30/06/21: 0.27%)</b>			
Ukraine Government International Bond 4.375% 27/01/30	EUR 200,000	135	0.19
<b>United Kingdom 6.03% (30/06/21: 13.01%)</b>			
United Kingdom Gilt 0.25% 31/07/31	GBP 220,000	206	0.28
United Kingdom Gilt 0.875% 31/07/33	GBP 500,000	492	0.67
United Kingdom Gilt 1% 22/04/24	GBP 1,500,000	1,512	2.07
United Kingdom Gilt 4.25% 07/06/32	GBP 600,000	794	1.09
United Kingdom Gilt Inflation Linked 0.125% 22/03/26	GBP 1,000,000	1,397	1.92
<b>United States 13.16% (30/06/21: 17.52%)</b>			
United States Treasury Inflation Indexed Bonds 0.125% 15/04/25	500,000	425	0.58
United States Treasury Inflation Indexed Bonds 0.5% 15/04/24	1,000,000	868	1.19
United States Treasury Note 0.25% 15/05/24	2,500,000	1,830	2.51
United States Treasury Note 0.625% 15/05/30	2,800,000	1,944	2.66
United States Treasury Note 1.125% 15/02/31	2,200,000	1,585	2.17
United States Treasury Note 1.25% 31/07/23	850,000	637	0.87
United States Treasury Note 1.25% 15/05/50	1,800,000	1,133	1.55
United States Treasury Note 2% 15/02/50	100,000	75	0.10
United States Treasury Note 2.5% 15/02/46	200,000	164	0.23
United States Treasury Note 3% 15/05/47	200,000	180	0.25
United States Treasury Note 4.5% 15/02/36	750,000	764	1.05
<b>TOTAL GOVERNMENT BONDS</b>		<b>18,308</b>	<b>25.09</b>
<b>FORWARD CURRENCY CONTRACTS 0.72% (30/06/21: (1.11%))</b>			
Sold EUR13,250,000 for GBP11,302,184 Settlement 02/03/22		159	0.22
Sold USD54,000,000 for GBP40,446,893 Settlement 02/03/22		367	0.50
<b>TOTAL FORWARD CURRENCY CONTRACTS</b>		<b>526</b>	<b>0.72</b>
<b>FUTURES (0.07%) (30/06/21: (0.19%))</b>			
<b>Germany 0.00% (30/06/21: (0.01%))</b>			
<b>United Kingdom 0.00% (30/06/21: (0.11%))</b>			
Long Gilt Futures March 2022	(26)	-	-
<b>United States (0.07%) (30/06/21: (0.07%))</b>			
US 10 Year Note (CBT) Futures March 2022	(30)	(28)	(0.04)
US 10 Year Ultra Futures March 2022	(20)	(29)	(0.04)
US 5 Year Note (CBT) Futures March 2022	45	(6)	(0.01)
US Long Bond (CBT) Futures March 2022	24	23	0.03
US Ultra Bond (CBT) Futures March 2022	(28)	(10)	(0.01)
<b>TOTAL FUTURES</b>		<b>(50)</b>	<b>(0.07)</b>

## AXA Global Strategic Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
SWAPS (1.90%) (30/06/21: 0.00%)			
United Kingdom (1.90%) (30/06/21: 0.00%)			
Merrill Lynch Credit Default Swap C00004826 USD 5% 20/12/26	2,000,000	(139)	(0.19)
Merrill Lynch Credit Default Swap C00004828 USD 5% 20/12/26	18,000,000	(1,249)	(1.71)
<b>TOTAL SWAPS</b>		<b>(1,388)</b>	<b>(1.90)</b>
Portfolio of investments		65,775	90.12
Net other assets		7,207	9.88
<b>Total net assets</b>		<b>72,982</b>	<b>100.00</b>

*All bonds are denominated in US dollars (unless otherwise indicated).*

At 31 December 2021, there were no investments in the Fund which were valued using a quote from a single broker (30/06/21 : £nil).

## AXA Global Strategic Bond Fund

### Comparative Tables

As at 31 December 2021 (unaudited)

	Z Accumulation +		Z Income +	
	31/12/2021	30/06/2021	31/12/2021	30/06/2021
Closing net asset value per share (p) †	100.31	101.40	98.36	100.40
Closing net asset value (£) †	2,337,858	2,157,287	909,255	649,301
Closing number of shares	2,330,640	2,127,573	924,377	646,745
Operating charges^	0.53%	0.54%	0.53%	0.54%

	ZI Accumulation +		ZI Income +	
	31/12/2021	30/06/2021	31/12/2021	30/06/2021
Closing net asset value per share (p) †	100.49	101.50	98.36	100.39
Closing net asset value (£) †	54,460,754	42,113,420	15,273,939	15,294,215
Closing number of shares	54,195,416	41,490,242	15,528,231	15,234,159
Operating charges^	0.38%	0.40%	0.38%	0.40%

† Valued at bid-market prices.

^ Operating charges include indirect costs incurred in the maintenance and running of the Fund, as disclosed in expenses within the Statement of Total Return. The figures used within the table have been calculated against the average Net Asset Value for the accounting period.

+ Data are shown since inception 19 October 2020.

## AXA Global Strategic Bond Fund

### Statement of Total Return

For the six months ended 31 December 2021 (unaudited)

	31/12/21 £'000	£'000	31/12/20 £'000	£'000
Income:				
Net capital (losses)/gains		(1,522)		311
Revenue	857		189	
Expenses	(135)		(39)	
Interest payable and similar charges	-		-	
Net revenue before taxation	722		150	
Taxation	-		-	
Net revenue after taxation	722		150	
Total return before distributions		(800)		461
Distributions		(722)		(150)
Change in net assets attributable to Shareholders from investment activities		(1,522)		311

### Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 December 2021 (unaudited)

	31/12/21 £'000	£'000	31/12/20 £'000	£'000
Opening net assets attributable to Shareholders		60,214		-
Amounts receivable on issue of shares	14,795		54,760	
Amounts payable on cancellation of shares	(1,082)		(131)	
		13,713		54,629
Change in net assets attributable to Shareholders from investment activities (see above)		(1,522)		311
Retained distributions on accumulation shares		577		124
Closing net assets attributable to Shareholders		72,982		55,064

The above statement shows the comparative closing net assets at 31 December 2020 whereas the current accounting period commenced 1 July 2021.



## AXA Global Strategic Bond Fund

### Balance Sheet

As at 31 December (unaudited)

	31/12/21 £'000	30/06/21 £'000
<b>Assets:</b>		
Fixed assets:		
Investments	67,236	58,563
Current assets:		
Debtors	777	587
Cash and bank balances	6,568	2,048
 Total assets	 <b>74,581</b>	 <b>61,198</b>
<b>Liabilities:</b>		
Investment liabilities	(1,461)	(840)
Creditors:		
Distribution payable	(83)	(57)
Other creditors	(55)	(87)
 Total liabilities	 <b>(1,599)</b>	 <b>(984)</b>
 Net assets attributable to Shareholders	 <b>72,982</b>	 <b>60,214</b>

## AXA Global Strategic Bond Fund

### Distribution Tables

As at 31 December 2021 (unaudited)

#### First Distribution in pence per share

Group 1 Shares purchased prior to 1 July 2021

Group 2 Shares purchased on or after 1 July 2021 to 30 September 2021

	Net revenue (p)	Equalisation (p)	Distribution paid 30/11/21 (p)
<b>Share Class Z Accumulation</b>			
Group 1	0.494	-	0.494
Group 2	0.149	0.345	0.494
<b>Share Class Z Income</b>			
Group 1	0.490	-	0.490
Group 2	0.388	0.102	0.490
<b>Share Class ZI Accumulation</b>			
Group 1	0.534	-	0.534
Group 2	0.377	0.157	0.534
<b>Share Class ZI Income</b>			
Group 1	0.528	-	0.528
Group 2	0.362	0.166	0.528

#### Second Distribution in pence per share

Group 1 Shares purchased prior to 1 October 2021

Group 2 Shares purchased on or after 1 October 2021 to 31 December 2021

	Net revenue (p)	Equalisation (p)	Distribution payable 28/02/22 (p)	Distribution paid 26/02/21 (p)
<b>Share Class Z Accumulation</b>				
Group 1	0.477	-	0.477	0.288
Group 2	0.219	0.258	0.477	0.288
<b>Share Class Z Income</b>				
Group 1	0.470	-	0.470	0.291
Group 2	0.137	0.333	0.470	0.291
<b>Share Class ZI Accumulation</b>				
Group 1	0.515	-	0.515	0.318
Group 2	0.272	0.243	0.515	0.318
<b>Share Class ZI Income</b>				
Group 1	0.507	-	0.507	0.319
Group 2	0.282	0.225	0.507	0.319

## AXA Sterling Corporate Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

#### Investment Objective

The aim of the Fund is to provide income combined with any capital growth.

#### Investment Policy

The Fund invests primarily (meaning at least 70% of its assets) in a diversified portfolio of investment grade bonds issued by companies. The fund manager seeks to reduce the effect of credit risk through its analysis and selection of bonds (with a particular emphasis on industry and issuer) and also positions the Fund to take advantage of the fund manager's expectation of interest rate movements.

The Fund is managed with reference to the composition and risk profile of the ICE BofAML Sterling Corporate & Collateralised index. However the fund manager invests on a discretionary basis with a significant degree of freedom to take positions which are different from the index. In particular, the Fund should demonstrate lower sensitivity to movements in market interest rates than the index. The ICE BofAML Sterling Corporate & Collateralised index is designed to measure the performance of sterling corporate bonds (or sterling fixed interest securities). This index best represents the types of bonds in which the Fund predominantly invests.

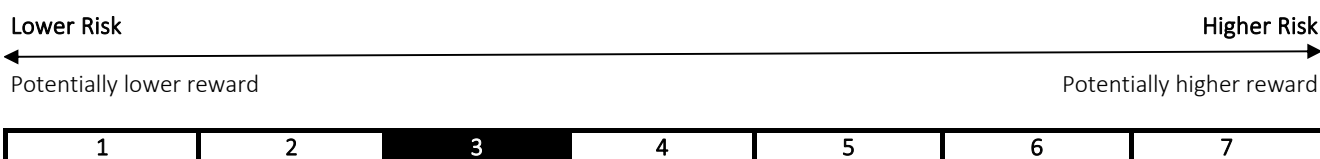
Where bonds are denominated in a currency other than Sterling, the Fund aims to reduce the risk of movements in exchange rates between such currency and Sterling through the use of derivatives (financial instruments which derive their value from the value of other assets). The Fund may also use derivatives in an attempt to reduce the overall risks of its investments, reduce the costs of investing or generate additional capital or income (known as Efficient Portfolio Management - EPM).

This Fund is actively managed in reference to the ICE BofAML Sterling Corporate & Collateralised index, which will be used by investors to compare the Fund's performance.

#### Risk and Reward Profile

As at 31 December 2021 (unaudited)

By investing in a fund which invests primarily in fixed interest stocks you are likely to be looking for an investment which will generate an income but has less potential for capital return than is the case with funds which invest primarily in equities. You are willing to accept that your investment will fall and rise in value and that you could get back less than you invest. Typically, you would prefer an investment with less risk than that of a fund which invests significantly in equities or overseas. Typically, you would be investing for a period of at least five years.



The risk category is calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The risk category shown is not guaranteed and may shift over time. The lowest category does not mean risk free.

#### Why is this Fund in this category?

The capital of the Fund is not guaranteed. The Fund is invested in financial markets and uses techniques and instruments which are subject to some levels of variation, which may result in gains or losses.

## AXA Sterling Corporate Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

#### Additional risks

Under normal market conditions the Fund's key risk factors are:

- **Credit risk** - all bonds have a potential credit risk, in that the issuer could default on its obligations to pay income and/or capital. An issuer default would likely result in a large drop in the value of that bond. The value of a bond will also be affected by the perceived credit risk of the issuer, including changes to credit ratings and the general level of aversion to credit risk in the market. Generally, an increased level of perceived credit risk leads to a fall in the value of the bond, and vice versa. Credit risk can be measured by ratings assigned to issuers of bonds by third party credit rating agencies. The largest credit rating agencies are Moody's, Standard & Poor's and Fitch Ratings. Each credit rating agency uses different designations. The highest designation (Aaa (Moody's), AAA (Standard & Poor's and Fitch Ratings)) are intended to represent a lower probability of default of the issuer. The credit rating agencies designate "investment grade" bonds as Baa3 or above (Moody's) or BBB- or above (Standard & Poor's or Fitch Ratings).

Internal investment guidelines are set, if necessary, to ensure credit risk is maintained within a range deemed suitable based on the individual fund's investment objectives and investment policy. These guidelines could include credit quality indicators, measures of sensitivity to credit spread moves and diversification measures.

- **Interest rate risk** - interest rate risk is the risk that the market value of bonds held by the Fund could fall as a result of higher market rates (yields). Yields can change as a result of, among other things, the economic and inflation outlook which also affects supply and demand as well as future interest rate expectations, without necessarily a change in official central bank short term interest rates. Higher yields result in a decline in the value of bonds. Conversely, lower yields tend to increase the value of bonds. Duration (a measure based on the coupon and maturity payments schedule of a bond) is an important concept in understanding how the price of that bond might change for a 1% move in its redemption yield. A bond with a longer duration is more sensitive to a change in yields and, generally speaking, will experience more volatility in its market value than bonds with shorter durations.

Internal investment guidelines are set, if necessary, to ensure interest rate risk is maintained within a range deemed suitable based on the individual fund's investment objectives and investment policy. These guidelines could include measures of sensitivity to changes of interest rates.

- **Prepayment and extension risk** - prepayment risk is the risk associated with the early unscheduled return of capital (i.e., repayment of the debt) by the issuer on a bond. Prepayment generally occurs in a declining interest rate environment. When capital is returned early, no future interest payments will be paid on that part of the capital. If the bond was purchased at a premium (i.e., at a price greater than the value of the capital), the return on the bond will be less than what was estimated at the time of purchase.

The opposite of prepayment risk is extension risk which is the risk of a bond's expected maturity lengthening in duration due to a slowdown in prepayments of capital. Extension risk is mainly the result of rising interest rates. If the bond was purchased in anticipation of an early repayment of capital, an extension of the maturity could impact the price of the bond.

The portfolio tends to hold a mixture of callable and non-callable positions.

Other risks which could have an impact in extreme market conditions include:

- **Liquidity risk** - under certain market conditions, it may be difficult to buy or sell investments for the Fund. For example, corporate and emerging market bonds may be affected by the demand in the market for such bonds 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 ACD may be forced to buy or sell such investments as a consequence of Shareholders buying or selling Shares in the Fund. Depending on market conditions at the time, this could lead to a significant drop in the Fund's value.

## AXA Sterling Corporate Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

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.

- Counterparty risk - at any one time, a Fund may be exposed to the creditworthiness and stability of the counterparties to transactions entered into by the Fund (including derivative and stock lending and repo/reverse repo transactions). The Fund will be subject to the risk of the inability of its counterparties to perform its obligations under such transactions (default), whether due to insolvency, bankruptcy or other causes. In the event of the insolvency of a counterparty, the Fund might not be able to recover cash or assets of equivalent value, to that invested, in full. The Fund may receive assets or cash from the counterparty (collateral) to protect against any such adverse effect.

Where relevant, a counterparty will forfeit its collateral if it defaults on the transaction with the Fund. However, if the collateral is in the form of securities, there is a risk that when it is sold, it will realise insufficient cash to settle the counterparty's debt to the Fund under a transaction or to purchase replacement securities that were lent to the counterparty under a stock lending arrangement. In relation to stock lending arrangements, there is also the risk that while cash is recovered in the event of a default, the actual stock cannot be repurchased. Furthermore, to the extent that collateral is not present to cover part or all of the debt, a counterparty default may result in losses for the affected Fund. To assist in managing these types of risks, the ACD sets criteria around the types of eligible collateral the Fund may accept. Please see the paragraph entitled "Treatment of Collateral" in the "Investment and borrowing powers applicable to the Funds" section in Appendix II of the Prospectus for more information.

Transactions in securities that the Fund may enter into expose it to the risk that the counterparty will not deliver the investment for a purchase or cash for a sale after the Fund has contracted to fulfil its responsibilities. This is minimised by the practice in the majority of markets of delivery versus payment and short settlement periods.

- Currency risk - assets of a 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 ACD aims to reduce the risk of movements in exchange rates on the value of all or part of the assets of a Fund through the use of currency exchange transactions. A 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 a Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. The performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Fund may not correspond with the securities positions held.

## AXA Sterling Corporate Bond Fund

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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 a 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 individual fund's investment objectives and investment policy.

#### Investment Review

Our last report, covering the 12 months to end June 2021, saw the world continuing to adapt to COVID-19; successful vaccination programmes were helping to reduce its impact and economies were reopening. Central banks were in no rush to tighten policy, however, given risks such measures could stall the recovery. Reflecting better sentiment, government bond yields had moved decisively off their lows, while the additional cost of borrowing for companies, the yield spread (yield premium over the relevant government bond), had continued to fall.

The latest six months has seen economies performing relatively well, although inflationary pressures have increased further, while a new COVID threat emerged towards the end of the year.

Global COVID-19 cases remained elevated throughout the summer, with a resurgence in several US states. The lifting of final COVID-19 restrictions in England went ahead on 19 July, despite a significant pick up in new cases. COVID news was more prominent in November as cases surged in several European countries, prompting the reintroduction of lockdown measures. More significantly, an aggressive new strain of COVID – Omicron – was discovered in southern Africa. Additional travel restrictions were swiftly imposed in many countries to reduce the spread of the new variant. Initial indications that Omicron is significantly more transmissible, but less severe were confirmed in December. Studies showed that the waning effectiveness of vaccinations is dramatically improved by a booster jab. Tighter restrictions imposed in England included increased mask-wearing and renewed working from home recommendations, while the government stepped up its vaccination booster programme. The accelerating spread of Omicron saw the previous UK daily record of 68,000 new cases (in early 2021, deemed the height of the pandemic) shattered continually from mid-December, topping 189,000 on the last day of the year, as over one million people tested positive for COVID in the final week of 2021. This pattern was repeated across the world. More encouragingly, hospitalisations and deaths, although rising, were relatively low compared to the number of cases. That said, the lag between a new case becoming more serious and requiring hospital treatment, means these figures do not yet reflect the recent surge in cases.

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Central banks continued to ponder how the COVID-19 backdrop would influence future economic growth, believing it remained a significant risk, with implications for monetary policy decisions. Over the summer, the Fed was more upbeat about the US economy (US economic activity was back to pre-pandemic levels in the second quarter), but had to balance clear improvements in the jobs market with the spread in the Delta variant of the virus, so was in no rush to change its policy. Inflation continued to rise, although the Fed maintained it was transitory. The Bank of England turned more hawkish (less accommodative), encouraged by UK economic resilience and optimism (UK GDP rebounded 5.5% in Q2 after a 1.3% fall in Q1, with growth expected at 7% for 2021 as a whole and 5% in 2022), as well as rising inflation; two of its nine MPC members voted to reduce the size of its bond buying programme in September, but more striking, the Bank indicated it could hike rates before finishing its bond buying programme, which was in stark contrast to the Fed. The removal of some of the emergency policy accommodation implemented at the onset of COVID nearly 2 years ago, came closer to realisation in October, in the wake of expectations of higher and more prolonged periods of inflation. Bank of England Governor Bailey drew attention to the fact that the Bank was signalling it would have to act to avoid a damaging period of inflation, convincing markets that a 0.15% rate hike to 0.25% was likely in November, before the end of its quantitative easing (QE) programme. Despite this guidance, the Bank held rates in November, when its own higher inflation forecasts and the Governor expressing worries over the inflation situation seemed to underpin the case for a rise. The Bank recognised, however, that monetary policy would not solve high inflation directly, as it was caused by supply side issues.

Economic uncertainty created by the new COVID strain raised doubts about the willingness of central banks to act on their ambitions to tighten policy. Closely watched by central banks, inflation prints released in December hit multi-year highs in both the UK and the US, fuelled by a further spike in energy prices. The Bank of England did raise rates by 0.15% in December, again wrong-footing markets. Rising virus cases could easily have justified delaying any change in policy, however, the Bank wanted to underpin longer term inflation expectations. Markets now expect UK rates to reach 1.25% by the end of 2022, having been at 0.75% before the pandemic. US policy decisions have been more clearly flagged by the Fed: Since late summer it had indicated a likely slowing of its \$120bn monthly bond purchases (tapering) from November, which it duly delivered by reducing purchases by \$15bn a month (stepping down each month by the same amount). The pace of tapering increased in December, despite risks from Omicron, the Fed confident that the US was learning to live with each new wave. At its new pace, bond purchases will finish in March, three months earlier than previously planned. The Fed does not intend to start raising interest rates until its QE programme has finished. Its dot plots now suggest three 25bp rate hikes in 2022, whereas in the summer the first hike was not expected until 2023. A further illustration of a more hawkish (less accommodative) Fed came in November when Fed Chairman Powell announced that it was time to retire the word 'transitory' regarding inflation, as factors pushing inflation up will linger into 2022. The ECB acknowledged inflation would be higher for longer and confirmed the end of its pandemic emergency bond buying programme as scheduled in March. It will continue to buy bonds, albeit at a slower and slowing pace, using its original bond buying programme, but cautioned that market expectations of a rate hike in 2022 were not consistent with its forecasts.

A strong economy and high inflation were brushed aside for most of the summer, as markets gave more weight to the possible slowdown in growth momentum and ongoing COVID-19 risks, pushing gilt yields lower. Yields reversed higher as COVID concerns eased and in October, markets aggressively repriced less accommodative monetary policies, reacting to increased inflation concerns. This prompted fears that the increasingly hawkish Bank of England may tighten too much, reflected by a dramatic flattening of the gilt yield curve; longer gilt yields, which had previously risen, fell sharply while shorter gilt yields rose. Yields fell as the Bank of England surprisingly held rates in November, then trended higher again given ongoing inflationary pressures, before falling sharply as the Omicron news broke. Central bank policy actions in December prompted yields to once again shift higher. 10 year gilt yields rose by 16 basis points (bp) (adjusted for a 9bp increase due to a change in the benchmark) to 0.97% over the six months, with a low of 0.51% in August and a peak of 1.20% in October (and reversed back to 0.70% just prior to central bank action taken in December). 30 year gilt yields were 11bp lower over the period at 1.12%, while 5 year gilt yields were 49bp higher at 0.82%. The ICE BAML Gilt index produced a total return of +0.54%, with 0-5 years -0.94%, 5-15 years -1.02% and Over 15 years +2.52%.

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New issuance of corporate bonds was typically quiet over the summer, but picked up from September and continued to be well received, the generally low level of yields and supportive fundamentals underpinning demand. Valuations reached new highs as the relative borrowing cost for companies (yield spread over government bonds) fell. New issues slowed into year end, with December a seasonally quiet month. Spreads nudged wider in October from their tightest (expensive) levels, and this widening gathered momentum in the general risk-off tone adopted in the wake of the discovery of the new COVID strain, before a small tightening on improved risk sentiment in December. Spreads rose by 5bp (adjusted for +2bp index rebalancing) to +115bp over the six months (the September low was +103bp), which combined with the move in gilt yields saw corporate bond yields 31bp higher at 2.05%, to give a total return on the ICE BAML Sterling Corporates & Collateralised index of -0.43%. The divergent move in yields across the gilt curve is clearly illustrated in the returns by maturity: 1-5 years -0.97%, 5-15 years -0.88% and Over 15 years +0.46%. Spreads (yield premium over the relevant government bond) were wider across all rating bands, by between 6bp (for single As) and 11bp (for AAAs), but total returns were more influenced by the duration (a measure of the sensitivity of a bond's price to a change of interest rates) of the rating bands rather than spread moves; longest duration, single A's, outperformed with a fall of 0.16% while the shortest duration, AAAs underperformed, falling 1.29%. AAs fell 0.41% while BBBs fell 0.56%.

The AXA Sterling Corporate Bond Fund provided a total return of -0.58% (Z Acc, net of fees and gross of tax).

Portfolio activity was busier than in the previous six months, with some interesting new issue opportunities from rare issuers, as well as higher yielding subordinated financial issues. We added new issues from house builder Berkeley Group (its debut bond issue), East Japan Railway, TP ICAP, US advertising group Omnicom and Australian based property group Lendlease. In financial names, we added new tier 2 bonds from banks Nordea and National Australia Bank and subordinated bonds from Just Group, Bupa, Rothesay Life and ABRDN, the latter on yields of 5%, 4%, 5% and 5.25% respectively. In the secondary market (existing debt traded between investors), we added a 2062 maturity bond from utility company Northern Powergrid after yields had spiked higher, amortising senior bonds from pub groups Mitchells & Butlers and Marstons and a 2025 maturity bond from hotel group Whitbread. Many positions were top sliced to fund purchases, with a full exit on relatively expensive bonds from Nationwide, Deutsche Bahn and Tritax Big Box. The fund maintains its overweight stance in BBB rated bonds, given the extra yield they provide in a low yield world, comfortable this stance is appropriate given the health of corporate balance sheets and profitability. We reduced overall duration (a measure of the sensitivity of a bond's price to a change of interest rates) as 10 year gilt yields headed down towards 0.50% over the summer, adding back duration as yields reversed higher. We continued to add duration, which peaked in October as gilt yields hit 1.20%, thereafter reducing in stages as yields moved back towards 1%, as gilts established a trading range at higher yield levels.

Omicron creates an uncertain economic backdrop: growth disruption, given tougher restrictions and significantly more people self-isolating, but it may also add to supply-side inflationary pressures. A successful vaccine booster programme, the development of new anti-viral pills and the fact that Omicron is milder than the Delta variant, should mean a significantly lower proportion of people will require hospital treatment, although the sheer number of new cases will still push hospitalisations higher. The latest surge in infections came after UK and US monetary policy actions, but the rise in bond yields implies markets are convinced that these central banks will not be swayed from tightening policy further, despite Omicron risks, which could see yields break through recent highs. The ending of QE programmes in the US and the UK also changes the supply/demand dynamic for bonds, which may add upward pressure on yields. Investors that had been compelled to buy corporate bonds (thereby increasing risk) rather than gilts, perhaps to achieve yield targets, may be less inclined to do so if gilt yields are higher. Demand for corporate bonds has been underpinned by the low level of yields generally, but may be vulnerable to a further move higher in gilt yields, as this could have a negative impact on growth, denting prospects for risk assets. For now, corporate bonds remain supported from a fundamental perspective by the still resilient economic background. At the onset of the pandemic, companies had sought to shore up balance sheets, in order to underpin credit quality. The swift economic recovery has boosted confidence; corporate profitability has rebounded and leverage is down. Focus on bondholders is no longer the sole priority. Companies are shifting towards more shareholder friendly policies, such as increased dividends and share buybacks, or even M&A activity, the latter being the biggest risk to credit fundamentals. Even after the recent move in yields, it is very cheap for companies to borrow, especially compared to the cost of equity. Central banks have been reluctant to let risk assets sell off too aggressively in recent years, especially if they can underpin confidence with looser monetary policy. The new inflationary threat is a real test of their anti-inflation credentials.



## AXA Sterling Corporate Bond Fund

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All performance data source: AXA Investment Managers, ICE BofAML and Bloomberg.

Past performance is not a guide for future performance.

Major Purchases	Cost (£'000)	Major Sales	Proceeds (£'000)
● Rothesay Life 5% Perpetual	400	● Broadgate Financing 4.949% 05/04/29	354
● Lendlease Europe Finance 3.5% 02/12/33	397	● UK Treasury 1.75% 22/01/49	342
● Just 5% Perpetual	392	● TP ICAP 5.25% 26/01/24	271
● BUPA Finance 4% Perpetual	391	● Legal & General 5.125% 14/11/48	258
● Legal & General 3.75% 26/11/49	266	● Tritax Big Box REIT 2.625% 14/12/26	212

#### Phil Roantree

AXA Investment Managers UK Limited  
31 December 2021

## AXA Sterling Corporate Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
<b>CORPORATE BONDS 95.26% (30/06/21: 95.22%)</b>			
<b>Australia 1.36% (30/06/21: 1.06%)</b>			
Commonwealth Bank of Australia 3% 04/09/26	150,000	162	0.36
National Australia Bank 1.699% 15/09/31	236,000	229	0.51
Scentre Group Trust 1 3.875% 16/07/26	200,000	218	0.49
<b>Belgium 0.65% (30/06/21: 0.63%)</b>			
Anheuser-Busch InBev 2.25% 24/05/29	281,000	290	0.65
<b>Bermuda 0.63% (30/06/21: 0.61%)</b>			
Hiscox 6.125% 24/11/45	250,000	279	0.63
<b>Cayman Islands 1.34% (30/06/21: 1.31%)</b>			
Yorkshire Power Finance 7.25% 04/08/28	450,000	596	1.34
<b>Denmark 0.22% (30/06/21: 0.21%)</b>			
Orsted 2.5% 18/02/3021	100,000	98	0.22
<b>Finland 0.31% (30/06/21: 0.00%)</b>			
Nordea Bank 1.625% 09/12/32	142,000	137	0.31
<b>France 4.58% (30/06/21: 4.68%)</b>			
BNP Paribas 2% 24/05/31	200,000	197	0.44
BPCE 5.25% 16/04/29	300,000	358	0.80
Credit Agricole 1.25% 02/10/24	200,000	199	0.45
Electricite de France 6% Perpetual	200,000	217	0.49
Electricite de France 6.125% 02/06/34	150,000	212	0.48
LVMH Moet Hennessy Louis Vuitton 1.125% 11/02/27	200,000	197	0.44
Orange 5.75% Perpetual	200,000	210	0.47
Sodexo 1.75% 26/06/28	250,000	251	0.56
Total Capital International 1.66% 22/07/26	200,000	202	0.45
<b>Germany 0.78% (30/06/21: 1.01%)</b>			
Deutsche Bahn Finance 1.875% 13/02/26	244,000	250	0.56
Deutsche Bank 1.875% 22/12/28	100,000	97	0.22
<b>Ireland 0.38% (30/06/21: 0.51%)</b>			
GE Capital UK Funding Unlimited 5.875% 18/01/33	125,000	168	0.38
<b>Japan 0.96% (30/06/21: 0.84%)</b>			
East Japan Railway 1.162% 15/09/28	174,000	170	0.38
East Japan Railway 4.75% 08/12/31	200,000	256	0.58
<b>Jersey 4.46% (30/06/21: 4.61%)</b>			
CPUK Finance 3.588% 28/08/25	200,000	213	0.48
CPUK Finance 3.69% 28/08/28	400,000	440	0.99
CPUK Finance 7.239% 28/02/24	300,000	335	0.75
Gatwick Funding 4.625% 27/03/34	150,000	176	0.40
Hastings 3% 24/05/25	200,000	210	0.47
Heathrow Funding 6.45% 10/12/31	125,000	167	0.38
Heathrow Funding 7.125% 14/02/24	400,000	442	0.99

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	Holding	Market Value £'000	% of Total Net Assets
<b>Luxembourg 0.93% (30/06/21: 0.90%)</b>			
Aroundtown 4.75% Perpetual	400,000	415	0.93
<b>Netherlands 5.66% (30/06/21: 6.00%)</b>			
ABN AMRO Bank 1.375% 16/01/25	300,000	300	0.67
BMW International Investment 1.375% 01/10/24	300,000	301	0.68
Cooperatieve Rabobank 4.625% 23/05/29	350,000	406	0.91
Daimler International Finance 1.625% 11/11/24	300,000	302	0.68
Daimler International Finance 2% 04/09/23	200,000	202	0.45
E.ON International Finance 6.25% 03/06/30	250,000	331	0.74
E.ON International Finance 6.375% 07/06/32	150,000	209	0.47
Shell International Finance 1% 10/12/30	180,000	168	0.38
Shell International Finance 1.75% 10/09/52	354,000	303	0.68
<b>Spain 1.41% (30/06/21: 1.36%)</b>			
Abertis Infraestructuras 3.375% 27/11/26	200,000	212	0.48
Banco Santander 2.75% 12/09/23	100,000	102	0.23
Telefonica Emisiones 5.445% 08/10/29	250,000	311	0.70
<b>Sweden 0.22% (30/06/21: 0.22%)</b>			
Vattenfall 2.5% 29/06/83	100,000	98	0.22
<b>United Arab Emirates 0.50% (30/06/21: 0.48%)</b>			
DP World 4.25% 25/09/30	200,000	223	0.50
<b>United Kingdom 64.10% (30/06/21: 63.77%)</b>			
A2D Funding II 4.5% 30/09/26	250,000	278	0.62
ABP Finance 6.25% 14/12/26	350,000	419	0.94
abrdn 5.25% Perpetual	200,000	203	0.46
Anglian Water Services Financing 2.625% 15/06/27	150,000	158	0.35
Anglian Water Services Financing 4.5% 22/02/26	300,000	336	0.75
Aspire Defence Finance 4.674% 31/03/40	126,719	163	0.37
Barclays 3% 08/05/26	250,000	260	0.58
Barclays 3.125% 17/01/24	250,000	258	0.58
Barclays 3.75% 22/11/30	250,000	263	0.59
Berkeley 2.5% 11/08/31	100,000	96	0.22
BP Capital Markets 4.25% Perpetual	208,000	216	0.49
Broadgate Financing 4.851% 05/04/31	160,346	196	0.44
BUPA Finance 4% Perpetual	400,000	383	0.86
Cadent Finance 2.125% 22/09/28	250,000	253	0.57
Canary Wharf Finance II 6.8% 22/10/33	257,384	317	0.71
Centrica 4.375% 13/03/29	100,000	115	0.26
Centrica 5.25% 10/04/75	100,000	106	0.24
Compass 2% 05/09/25	150,000	154	0.35
Compass 2% 03/07/29	200,000	206	0.46
Dignity Finance 3.5456% 31/12/34	285,732	316	0.71
Eastern Power Networks 6.25% 12/11/36	250,000	385	0.86
Electricity North West 8.875% 25/03/26	225,000	292	0.66
esure 6.75% 19/12/24	250,000	281	0.63
Folio Residential Finance NO 1 1.246% 31/10/27	380,000	374	0.84
Great Rolling Stock 6.875% 27/07/35	96,060	122	0.27

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Greene King Finance 3.593% 15/03/35	462,714	483	1.09
Greene King Finance 5.318% 15/09/31	237,544	268	0.60
Hammerson 3.5% 27/10/25	300,000	304	0.68
HSBC 2.256% 13/11/26	199,000	201	0.45
HSBC 5.75% 20/12/27	250,000	294	0.66
HSBC 6.75% 11/09/28	400,000	504	1.13
Imperial Brands Finance 5.5% 28/09/26	300,000	342	0.77
Investec Bank 4.25% 24/07/28	200,000	207	0.47
Just 5% Perpetual	400,000	389	0.87
Land Securities Capital Markets 1.974% 08/02/24	300,000	304	0.68
Legal & General 3.75% 26/11/49	250,000	261	0.59
Legal & General 5.375% 27/10/45	200,000	222	0.50
Legal & General 5.625% Perpetual	200,000	220	0.49
Lendlease Europe Finance 3.5% 02/12/33	400,000	398	0.89
Lloyds Bank 7.5% 15/04/24	100,000	114	0.26
Lloyds Bank 7.625% 22/04/25	150,000	178	0.40
Lloyds Bank Corporate Markets 1.75% 11/07/24	282,000	284	0.64
Logicor 2019-1 UK 1.875% 17/11/26	279,000	284	0.64
Longstone Finance 4.896% 19/04/31	500,000	573	1.29
M&G 5.56% 20/07/55	250,000	290	0.65
M&G 5.625% 20/10/51	250,000	288	0.65
Marston's Issuer 1.63484% 15/10/27	556,842	516	1.16
Marston's Issuer 2.86484% 16/07/35	250,000	188	0.42
Marston's Issuer 5.1774% 15/07/32	335,000	344	0.77
Martlet Homes 3% 09/05/52	150,000	180	0.40
Meadowhall Finance 4.986% 12/01/32	123,185	140	0.31
Mitchells & Butlers Finance 0.54838% 15/12/30	153,510	143	0.32
Mitchells & Butlers Finance 6.013% 15/12/28	438,012	472	1.06
Mitchells & Butlers Finance 6.469% 15/09/30	357,000	395	0.89
National Grid Electricity Transmission 1.375% 16/09/26	300,000	297	0.67
National Grid Gas 1.625% 14/01/43	300,000	261	0.59
Natwest 3.125% 28/03/27	206,000	216	0.49
NatWest 3.622% 14/08/30	138,000	144	0.32
NewRiver REIT 3.5% 07/03/28	400,000	405	0.91
Next 3.625% 18/05/28	400,000	432	0.97
Next 4.375% 02/10/26	300,000	333	0.75
NIE Finance 6.375% 02/06/26	200,000	242	0.54
Northern Gas Networks Finance 4.875% 30/06/27	275,000	322	0.72
Northern Powergrid Northeast 1.875% 16/06/62	200,000	191	0.43
Northumbrian Water Finance 1.625% 11/10/26	300,000	302	0.68
Notting Hill Genesis 2% 03/06/36	250,000	248	0.56
Notting Hill Genesis 3.75% 20/12/32	250,000	294	0.66
Omnicom Capital 2.25% 22/11/33	263,000	261	0.59
Places for People Homes 3.625% 22/11/28	384,000	429	0.96
Quadgas Finance 3.375% 17/09/29	400,000	423	0.95
RL Finance Bonds No. 2 6.125% 30/11/43	150,000	161	0.36
Rothsay Life 5% Perpetual	400,000	395	0.89
RSL Finance No 1 6.625% 31/03/38	207,132	285	0.64
Santander UK 6.5% 21/10/30	310,000	366	0.82
Santander UK 7.037% Perpetual	469,000	472	1.06
Scottish Widows 7% 16/06/43	250,000	382	0.86

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	Holding	Market Value £'000	% of Total Net Assets
Segro 2.375% 11/10/29	150,000	159	0.36
Segro 6.75% 23/02/24	249,000	275	0.62
Severn Trent Utilities Finance 6.125% 26/02/24	100,000	110	0.25
Society of Lloyd's 4.75% 30/10/24	150,000	161	0.36
Southern Gas Networks 1.25% 02/12/31	137,000	125	0.28
Southern Gas Networks 3.1% 15/09/36	219,000	233	0.52
Southern Gas Networks 4.875% 21/03/29	200,000	242	0.54
SP Manweb 4.875% 20/09/27	265,000	313	0.70
SP Transmission 2% 13/11/31	250,000	253	0.57
Student Finance 2.6663% 30/09/24	400,000	402	0.90
Telereal Securitisation 5.3887% 10/12/31	114,000	136	0.31
Tesco Personal Finance 3.5% 25/07/25	100,000	103	0.23
Tesco Property Finance 2 6.0517% 13/10/39	277,804	356	0.80
Tesco Property Finance 3 5.744% 13/04/40	235,003	302	0.68
Tesco Property Finance 6 5.4111% 13/07/44	301,747	382	0.86
Thames Water Utilities Finance 5.75% 13/09/30	200,000	206	0.46
TP ICAP Finance 2.625% 18/11/28	120,000	119	0.27
Transport for London 4% 12/09/33	300,000	360	0.81
Vodafone 3% 12/08/56	250,000	258	0.58
Vodafone 4.875% 03/10/78	400,000	422	0.95
Western Power Distribution South West 2.375% 16/05/29	150,000	155	0.35
Western Power Distribution South West 5.875% 25/03/27	275,000	331	0.74
Whitbread 3% 31/05/31	100,000	101	0.23
Whitbread 3.375% 16/10/25	250,000	259	0.58
Yorkshire Building Society 3.375% 13/09/28	250,000	262	0.59
Yorkshire Water Finance 1.75% 26/11/26	300,000	302	0.68
Yorkshire Water Finance 3.75% 22/03/46	400,000	408	0.92
<b>United States 6.77% (30/06/21: 7.02%)</b>			
AT&T 4.375% 14/09/29	400,000	465	1.04
Athene Global Funding 1.75% 24/11/27	183,000	180	0.40
BAT Capital 2.125% 15/08/25	250,000	250	0.56
Berkshire Hathaway Finance 2.375% 19/06/39	300,000	312	0.70
Digital Stout Holding 3.75% 17/10/30	150,000	167	0.38
Discovery Communications 2.5% 20/09/24	150,000	154	0.35
Goldman Sachs 3.125% 25/07/29	250,000	270	0.61
MassMutual Global Funding II 1.375% 15/12/26	300,000	299	0.67
McKesson 3.125% 17/02/29	300,000	321	0.72
Tennessee Valley Authority 5.625% 07/06/32	150,000	208	0.47
United Parcel Service 5.5% 12/02/31	300,000	386	0.87
<b>TOTAL CORPORATE BONDS</b>		<b>42,403</b>	<b>95.26</b>
<b>GOVERNMENT BONDS 2.79% (30/06/21: 2.92%)</b>			
<b>United Kingdom 2.79% (30/06/21: 2.92%)</b>			
UK Treasury 1.75% 22/01/49	550,000	627	1.41
United Kingdom Gilt 0.625% 22/10/50	700,000	615	1.38
<b>TOTAL GOVERNMENT BONDS</b>		<b>1,242</b>	<b>2.79</b>

## AXA Sterling Corporate Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
FUTURES 0.00% (30/06/21: 0.08%)			
United Kingdom 0.00% (30/06/21: 0.08%)			
Long Gilt Futures March 2022	21	-	-
<b>TOTAL FUTURES</b>		-	-
Portfolio of investments		43,645	98.05
Net other assets		868	1.95
<b>Total net assets</b>		<b>44,513</b>	<b>100.00</b>

*All bonds are denominated in Sterling (unless otherwise indicated).*

At 31 December 2021, there were no investments in the Fund which were valued using a quote from a single broker (30/06/21: £nil).

## AXA Sterling Corporate Bond Fund

### Comparative Tables

As at 31 December 2021 (unaudited)

	B Gross Accumulation			B Gross Income		
	31/12/2021	30/06/2021	30/06/2020	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	132.80	133.48	129.06	110.20	112.35	111.50
Closing net asset value (£) †	8,624,016	8,946,525	9,495,425	318,999	336,727	336,543
Closing number of shares	6,494,208	6,702,288	7,357,557	289,473	299,706	301,839
Operating charges^	0.44%	0.48%	0.47%	0.44%	0.48%	0.47%

	H Gross Accumulation			H Gross Income		
	31/12/2021	30/06/2021	30/06/2020	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	182.04	182.57	175.71			
Closing net asset value (£) †	4,982	4,983	4,978			
Closing number of shares	2,737	2,729	2,833			
Operating charges^	0.04%	0.03%	0.04%			

	R Gross Accumulation			R Gross Income		
	31/12/2021	30/06/2021	30/06/2020	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	158.52	159.82	155.45	86.43	88.11	87.44
Closing net asset value (£) †	3,236,437	3,593,593	5,805,948	318,389	319,161	2,357,062
Closing number of shares	2,041,666	2,248,465	3,734,985	368,394	362,236	2,695,683
Operating charges^	1.04%	1.08%	1.07%	1.04%	1.08%	1.07%

	Z Gross Accumulation			Z Gross Income		
	31/12/2021	30/06/2021	30/06/2020	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	171.72	172.69	167.13	94.11	95.94	95.22
Closing net asset value (£) †	27,081,900	28,222,208	32,445,219	4,928,711	5,635,600	4,474,062
Closing number of shares	15,771,272	16,342,367	19,412,895	5,237,117	5,873,988	4,698,539
Operating charges^	0.54%	0.58%	0.57%	0.54%	0.58%	0.57%

† Valued at bid-market prices.

^ Operating charges include indirect costs incurred in the maintenance and running of the Fund, as disclosed in expenses within the Statement of Total Return. The figures used within the table have been calculated against the average Net Asset Value for the accounting period.

## AXA Sterling Corporate Bond Fund

### Statement of Total Return

For the six months ended 31 December 2021 (unaudited)

	31/12/21 £'000	£'000	31/12/20 £'000	£'000
Income:				
Net capital (losses)/gains		(878)		1,779
Revenue	738		849	
Expenses	(124)		(182)	
Interest payable and similar charges	-		-	
Net revenue before taxation	614		667	
Taxation	-		-	
Net revenue after taxation	614		667	
Total return before distributions		(264)		2,446
Distributions		(614)		(667)
Change in net assets attributable to Shareholders from investment activities		(878)		1,779

### Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 December 2021 (unaudited)

	31/12/21 £'000	£'000	31/12/20 £'000	£'000
Opening net assets attributable to Shareholders		47,059		54,919
Amounts receivable on issue of shares	2,693		4,928	
Amounts payable on cancellation of shares	(4,893)		(8,326)	
		(2,200)		(3,398)
Change in net assets attributable to Shareholders from investment activities (see above)		(878)		1,779
Retained distributions on accumulation shares		532		558
Closing net assets attributable to Shareholders		44,513		53,858

The above statement shows the comparative closing net assets at 31 December 2020 whereas the current accounting period commenced 1 July 2021.



## AXA Sterling Corporate Bond Fund

### Balance Sheet

As at 31 December (unaudited)

	31/12/21 £'000	30/06/21 £'000
<b>Assets:</b>		
Fixed assets:		
Investments	43,645	46,221
Current assets:		
Debtors	620	741
Cash and bank balances	343	237
 Total assets	 <u>44,608</u>	 <u>47,199</u>
<b>Liabilities:</b>		
Creditors:		
Distribution payable	(38)	(41)
Other creditors	(57)	(99)
 Total liabilities	 <u>(95)</u>	 <u>(140)</u>
 Net assets attributable to Shareholders	 <u>44,513</u>	 <u>47,059</u>

## AXA Sterling Corporate Bond Fund

### Distribution Tables

As at 31 December 2021 (unaudited)

First Distribution in pence per share

Group 1 Shares purchased prior to 1 July 2021

Group 2 Shares purchased on or after 1 July 2021 to 30 September 2021

	Net revenue (p)	Equalisation (p)	Distribution paid 30/11/21 (p)	Distribution paid 30/11/20 (p)
<b>Share Class B Gross Accumulation</b>				
Group 1	0.934	-	0.934	0.831
Group 2	0.293	0.641	0.934	0.831
<b>Share Class B Gross Income</b>				
Group 1	0.786	-	0.786	0.718
Group 2	0.786	-	0.786	0.718
<b>Share Class H Gross Accumulation</b>				
Group 1	1.493	-	1.493	1.341
Group 2	1.493	-	1.493	1.341
<b>Share Class R Gross Accumulation</b>				
Group 1	0.873	-	0.873	0.761
Group 2	0.460	0.413	0.873	0.761
<b>Share Class R Gross Income</b>				
Group 1	0.481	-	0.481	0.428
Group 2	0.309	0.172	0.481	0.428
<b>Share Class Z Gross Accumulation</b>				
Group 1	1.164	-	1.164	1.033
Group 2	0.537	0.627	1.164	1.033
<b>Share Class Z Gross Income</b>				
Group 1	0.647	-	0.647	0.589
Group 2	0.159	0.488	0.647	0.589

## AXA Sterling Corporate Bond Fund

### Distribution Tables

As at 31 December 2021 (unaudited)

Second Distribution in pence per share

Group 1 Shares purchased prior to 1 October 2021

Group 2 Shares purchased on or after 1 October 2021 to 31 December 2021

	Net revenue (p)	Equalisation (p)	Distribution payable 28/02/22 (p)	Distribution paid 26/02/21 (p)
<b>Share Class B Gross Accumulation</b>				
Group 1	0.943	-	0.943	0.845
Group 2	0.573	0.370	0.943	0.845
<b>Share Class B Gross Income</b>				
Group 1	0.788	-	0.788	0.725
Group 2	0.788	-	0.788	0.725
<b>Share Class H Gross Accumulation</b>				
Group 1	1.497	-	1.497	1.359
Group 2	1.497	-	1.497	1.359
<b>Share Class R Gross Accumulation</b>				
Group 1	0.885	-	0.885	0.773
Group 2	0.501	0.384	0.885	0.773
<b>Share Class R Gross Income</b>				
Group 1	0.485	-	0.485	0.433
Group 2	0.088	0.397	0.485	0.433
<b>Share Class Z Gross Accumulation</b>				
Group 1	1.176	-	1.176	1.050
Group 2	0.689	0.487	1.176	1.050
<b>Share Class Z Gross Income</b>				
Group 1	0.649	-	0.649	0.595
Group 2	0.311	0.338	0.649	0.595

## AXA Sterling Credit Short Duration Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

#### Investment Objective

The aim of the Fund is to provide income combined with any capital growth.

#### Investment Policy

The Fund aims to deliver income combined with any capital growth by investing primarily (meaning at least 70% of its assets) in sterling-denominated investment grade bonds with a bias towards shorter maturities (where the full repayment of the bond by the company is expected to be less than five years). The Manager seeks to reduce the effect of credit risk through diversification and its analysis and selection of bonds.

The Fund does not have a benchmark. SONIA Compounded Index may be used by investors to compare the Fund's performance. Where bonds are denominated in a currency other than Sterling, the Fund aims to reduce the risk of movements in exchange rates between such currency and Sterling through the use of derivatives (financial instruments which derive their value from the value of other assets). The Fund may also invest in other transferable securities (including, but not limited to, high yield debt securities, investment grade debt securities, convertibles, tbbills), cash, deposits, units in collective investment schemes (including those that are operated by the ACD) and money market instruments. The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management. Use may be made of stock lending, borrowing, cash holdings, hedging and other investment techniques permitted in the applicable Financial Conduct Authority Rules.

The Fund is actively managed. It is not managed in reference to any benchmark.

#### Risk and Reward Profile

As at 31 December 2021 (unaudited)

By investing in a fund which invests primarily in fixed interest stocks you are likely to be looking for an investment which will generate an income but has less potential for capital return than is the case with funds which invest primarily in equities. You are willing to accept that your investment will fall and rise in value and that you could get back less than you invest. Typically, you would prefer an investment with less risk than that of a fund which invests significantly in equities or overseas. Typically, you would be investing for a period of at least five years.

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

← Potentially lower reward Potentially higher reward →

1	2	3	4	5	6	7
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The risk category is calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The risk category shown is not guaranteed and may shift over time. The lowest category does not mean risk free.

#### Why is this Fund in this category?

The capital of the Fund is not guaranteed. The Fund is invested in financial markets and uses techniques and instruments which are subject to low levels of variation under normal market conditions but, which may still result in losses.

## AXA Sterling Credit Short Duration Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

#### Additional risks

Under normal market conditions the Fund's key risk factors are:

- **Credit Risk** - all bonds have a potential credit risk, in that the issuer could default on its obligations to pay income and/or capital. An issuer default would likely result in a large drop in the value of that bond. The value of a bond will also be affected by the perceived credit risk of the issuer, including changes to credit ratings and the general level of aversion to credit risk in the market. Generally, an increased level of perceived credit risk leads to a fall in the value of the bond, and vice versa. Credit risk can be measured by ratings assigned to issuers of bonds by third party credit rating agencies. The largest credit rating agencies are Moody's, Standard & Poor's and Fitch Ratings. Each credit rating agency uses different designations. The highest designation (Aaa (Moody's), AAA (Standard & Poor's and Fitch Ratings)) are intended to represent a lower probability of default of the issuer. The credit rating agencies designate "investment grade" bonds as Baa3 or above (Moody's) or BBB- or above (Standard & Poor's or Fitch Ratings).

Internal investment guidelines are set, if necessary, to ensure credit risk is maintained within a range deemed suitable based on the individual fund's investment objectives and investment policy. These guidelines could include credit quality indicators, measures of sensitivity to credit spread moves and diversification measures.

- **Interest rate risk** - interest rate risk is the risk that the market value of bonds held by the Fund could fall as a result of higher market rates (yields). Yields can change as a result of, among other things, the economic and inflation outlook which also affects supply and demand as well as future interest rate expectations, without necessarily a change in official central bank short term interest rates. Higher yields result in a decline in the value of bonds. Conversely, lower yields tend to increase the value of bonds. Duration (a measure based on the coupon and maturity payments schedule of a bond) is an important concept in understanding how the price of that bond might change for a 1% move in its redemption yield. A bond with a longer duration is more sensitive to a change in yields and, generally speaking, will experience more volatility in its market value than bonds with shorter durations.

Internal investment guidelines are set if necessary to ensure interest rate risk is maintained within a range deemed suitable based on the individual fund's investment objectives and investment policy. These guidelines could include measures of sensitivity to changes of interest rates.

- **Prepayment and extension risk** - prepayment risk is the risk associated with the early unscheduled return of capital (i.e., repayment of the debt) by the issuer on a bond. Prepayment generally occurs in a declining interest rate environment. When capital is returned early, no future interest payments will be paid on that part of the capital. If the bond was purchased at a premium (i.e., at a price greater than the value of the capital), the return on the bond will be less than what was estimated at the time of purchase.

The opposite of prepayment risk is extension risk which is the risk of a bond's expected maturity lengthening in duration due to a slowdown in prepayments of capital. Extension risk is mainly the result of rising interest rates. If the bond was purchased in anticipation of an early repayment of capital, an extension of the maturity could impact the price of the bond.

The portfolio tends to hold a mixture of callable and non-callable positions.

Other risks which could have an impact in extreme market conditions include:

- **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.

## AXA Sterling Credit Short Duration Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

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.

- **Counterparty Risk** - at any one time, a Fund may be exposed to the creditworthiness and stability of the counterparties to transactions entered into by the Fund (including derivative and stock lending and repo/reverse repo transactions). The Fund will be subject to the risk of the inability of its counterparties to perform its obligations under such transactions (default), whether due to insolvency, bankruptcy or other causes. In the event of the insolvency of a counterparty, the Fund might not be able to recover cash or assets of equivalent value, to that invested, in full. The Fund may receive assets or cash from the counterparty (collateral) to protect against any such adverse effect. Where relevant, a counterparty will forfeit its collateral if it defaults on the transaction with the Fund. However, if the collateral is in the form of securities, there is a risk that when it is sold, it will realise insufficient cash to settle the counterparty's debt to the Fund under a transaction or to purchase replacement securities that were lent to the counterparty under a stock lending arrangement. In relation to stock lending arrangements, there is also the risk that while cash is recovered in the event of a default, the actual stock cannot be repurchased. Furthermore, to the extent that collateral is not present to cover part or all of the debt, a counterparty default may result in losses for the affected Fund. To assist in managing these types of risks, the ACD sets criteria around the types of eligible collateral a Fund may accept. Please see the paragraph entitled "Treatment of Collateral" in the "Investment and borrowing powers applicable to the Funds" section in Appendix II of this Prospectus for more information.

Transactions in securities that the Fund may enter into expose it to the risk that the counterparty will not deliver the investment for a purchase or cash for a sale after the Fund has contracted to fulfil its responsibilities. This is minimised by the practice in the majority of markets of delivery versus payment and short settlement periods.

- **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 ACD 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.

## AXA Sterling Credit Short Duration Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

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

#### Market review

Despite the continued global rollout of vaccinations and overall easing of lockdown restrictions during the second half of 2021, credit (corporate bonds) spreads (yield premium over the relevant government bond) still widened due to persistently elevated inflation raising concerns that central banks may start tightening monetary policy earlier than expected. The discovery of COVID-19's more transmissible Omicron variant also damaged investor sentiment in November. But, in December, news showing that the variant was less severe than originally expected lent support to the market.

Throughout the second half of 2021, inflation was a major point of concern for investors and central bank policymakers alike. Due partly to global supply chain problems, COVID-19 related restrictions, and supply and demand imbalances, inflation rates remained persistently high in most economies. Energy costs were one of the largest contributors to rising prices over the period under review due to sharply rising oil and natural gas prices. In the US, the annual inflation rate rose from 5.4% in July to a 40-year high of 6.8% in November. Meanwhile, in the UK, the annual inflation rate climbed from 2% in July to 5.1% in November, with energy prices again the main driver. The story was similar in Europe, where the annual inflation rate rose from 2.2% to 4.9% over the same period.

Central banks maintained their accommodative monetary policies over most of the period due to concerns around spiking COVID-19 case numbers and signs of slowing economic growth. However, near the end of 2021, major central banks demonstrated a much more hawkish (less accommodative) stance on monetary policy as inflation remained persistently elevated. The US Federal Reserve (Fed) kept its monetary policy accommodative for most of the period under review. However, following the November meeting of its Federal Open Market Committee, the Fed announced that it would begin the tapering of its pandemic-related asset purchase programme and subsequently announced in December that it would double the pace at which it was tapering asset purchases, with the intention to end them by March 2022. Despite concerns around the Omicron variant, the Fed also signalled three interest rate hikes during 2022 in response to persistently elevated inflation levels. The UK's Bank of England (BoE) also left its monetary policy unchanged over most of the past six months. But, at its December meeting, the BoE's Monetary Policy Committee voted to hike its bank rate from 0.10% to 0.25%. The BoE surprised market participants with this decision, who expected no change to interest rates due to the threat of the Omicron variant. However, as in the US, the UK's central bank cited concerns around inflation as the main reason for this change. Unlike the Fed and the BoE, the European Central Bank (ECB) maintained the narrative that the current, elevated inflation levels were transitory. The ECB made no alterations to its main interest rate during the past six months, which remained at -0.5%. However, at its December meeting, the bank announced that it would slow asset purchases under its €1.85 trillion Pandemic Emergency Purchase Programme (PEPP) in order to wind the scheme down by March 2022. To soften the loss of the PEPP, the central bank announced that it will increase bond purchases under its longer-running Asset Purchase Programme (APP).

During the review period, the yield curve significantly bear flattened (the yield gap between long and short-dated bonds decreases) as yields on shorter-dated (having less than five years to redemption) UK gilts sharply rose while they were stable to lower for longer-dated ones as the market started to price in increases in interest rates by the BoE.

#### Fund activity

Due to expensive valuations, persistently elevated inflation, and increasingly hawkish (less accommodative) central banks, we continued to de-risk the portfolio in the second half of 2021. As such, we decreased our exposure to BBB-rated bonds by 4% to 45% while increasing our exposure to AAA-rated bonds by 5% to 10%. As a result, our exposure to UK gilts, government guaranteed and supranational debt increased by 3% to 10%. We also reduced our exposure to emerging markets by 2% to 4% due to the headwinds of a more hawkish Fed, geopolitical tensions, and the meltdown of the Chinese property sector.

At a sector level, we continued to reduce our exposure to cyclical names by 1% to 20% as valuations looked stretched with not much COVID-19 premium left even for very exposed names such as airports or shopping mall operators.

## AXA Sterling Credit Short Duration Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

We were active in both primary (companies issuing new debt) and secondary (existing debt traded between investors) markets throughout the period across sterling and euro investment grade markets.

We kept the duration (a measure of sensitivity of a bond's price to a change in interest rates) of the portfolio close to the bottom of its historical range, at 1.6 years, as we looked to enhance its ability to withstand further rises in yields. We also kept a very high level of 'natural' liquidity, with 81% of the portfolio maturing within three years.

#### Outlook

With the market having to grapple with expensive valuations and a hawkish Fed, we plan to continue reducing our exposure to BBB-rated bonds over the coming months.

We also plan to keep the duration at the lows, close to 1.5 years, as we expect to see higher yields in 2022 due to continued inflationary pressures and receding Omicron uncertainties.

*All performance data source: AXA Investment Managers and Bloomberg.*

*Past performance is not a guide to future performance.*

Major Purchases	Cost (£'000)	Major Sales / Redemptions	Proceeds (£'000)
● Kreditanstalt fuer Wiederaufbau 1.25% 29/12/23	12,310	● Kreditanstalt fuer Wiederaufbau 0.875% 15/03/22	9,721
● Kreditanstalt fuer Wiederaufbau 0.875% 15/03/22	10,026	● Dexia Credit Local 0.5% 22/07/23	8,853
● European Investment Bank 0.75% 14/07/23	9,010	● FCA Bank Ireland 1.625% 29/09/21	6,810
● Dexia Credit Local 0.5% 22/07/23	8,851	● Dexia Credit Local 1.125% 15/06/22	6,430
● Industrial & Commercial Bank of China 1.625% 28/12/25	5,481	● London Stock Exchange 4.75% 02/11/21	6,364

#### Nicolas Trindade

AXA Investment Managers UK Limited

31 December 2021



## AXA Sterling Credit Short Duration Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
<b>CORPORATE BONDS 91.25% (30/06/21: 93.87%)</b>			
<b>Australia 4.64% (30/06/21: 4.90%)</b>			
APT Pipelines 4.25% 26/11/24	3,500,000	3,761	0.73
National Australia Bank 1.699% 15/09/31	4,489,000	4,364	0.84
Scentre Trust 2.375% 08/04/22	7,381,000	7,383	1.42
Vicinity Centres Trust 3.375% 07/04/26	638,000	678	0.13
Westfield America Management 2.125% 30/03/25	5,000,000	5,008	0.97
Westpac Banking 1% 30/06/22	2,425,000	2,431	0.47
Westpac Banking 2.625% 14/12/22	408,000	415	0.08
<b>Belgium 0.55% (30/06/21: 0.00%)</b>			
KBC 1.25% 21/09/27	2,900,000	2,837	0.55
<b>Bermuda 1.08% (30/06/21: 0.90%)</b>			
Hiscox 2% 14/12/22	5,544,000	5,584	1.08
<b>Canada 0.79% (30/06/21: 0.81%)</b>			
Bank of Nova Scotia 1.375% 05/12/23	4,101,000	4,112	0.79
<b>China 1.89% (30/06/21: 1.44%)</b>			
China Development Bank 1.25% 21/01/23	2,189,000	2,184	0.42
Industrial & Commercial Bank of China 1.5% 31/07/22	2,172,000	2,174	0.42
Industrial & Commercial Bank of China 1.625% 28/12/25	5,500,000	5,432	1.05
<b>Denmark 0.90% (30/06/21: 0.93%)</b>			
AP Moller 4% 04/04/25	4,300,000	4,639	0.90
<b>Finland 1.11% (30/06/21: 0.68%)</b>			
OP Corporate Bank 1.375% 04/09/26	2,327,000	2,305	0.45
OP Corporate Bank 2.5% 20/05/22	3,420,000	3,442	0.66
<b>France 7.12% (30/06/21: 9.54%)</b>			
Banque Federative du Credit Mutuel 1.875% 13/12/22	3,400,000	3,432	0.66
Banque Federative du Credit Mutuel 2.25% 18/12/23	4,000,000	4,076	0.79
BNP Paribas 2% 24/05/31	3,100,000	3,053	0.59
BPCE 1.37963% 22/05/22	USD 3,000,000	2,223	0.43
BPCE 2.125% 16/12/22	6,000,000	6,071	1.17
Credit Agricole 1.25% 02/10/24	2,600,000	2,587	0.50
Credit Agricole 1.27886% 24/04/23	USD 2,326,000	1,732	0.34
Credit Agricole 7.375% 18/12/23	3,750,000	4,165	0.80
Electricite de France 6.875% 12/12/22	3,100,000	3,271	0.63
LVMH Moet Hennessy Louis Vuitton 1% 11/02/23	2,700,000	2,698	0.52
RCI Banque 1.875% 08/11/22	3,571,000	3,586	0.69
<b>Germany 6.52% (30/06/21: 3.72%)</b>			
Commerzbank 1.5% 22/11/24	3,900,000	3,889	0.75
Deutsche Bank 2.625% 16/12/24	1,500,000	1,530	0.29
Hamburg Commercial Bank 0.5% 22/09/26	EUR 1,900,000	1,589	0.31
Henkel 1% 30/09/22	4,500,000	4,505	0.87
Kreditanstalt fuer Wiederaufbau 0.875% 15/03/22	10,000,000	10,013	1.93
Kreditanstalt fuer Wiederaufbau 1.25% 29/12/23	12,200,000	12,281	2.37

## AXA Sterling Credit Short Duration Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

Holding	Market Value £'000	% of Total Net Assets
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#### Ireland 0.00% (30/06/21: 0.52%)

#### Italy 1.69% (30/06/21: 3.86%)

Aeroporti di Roma 5.441% 20/02/23	5,000,000	5,203	1.01
Intesa Sanpaolo 5.25% 28/01/22	3,500,000	3,542	0.68

#### Japan 1.62% (30/06/21: 1.61%)

Mizuho Financial 1.11563% 28/02/22	USD 3,500,000	2,587	0.50
Sumitomo Mitsui Financial 0.98129% 18/10/22	USD 7,800,000	5,784	1.12

#### Jersey 3.37% (30/06/21: 3.49%)

CPUK Finance 7.239% 28/02/24	6,167,000	6,886	1.33
Gatwick Funding 5.25% 23/01/24	3,000,000	3,216	0.62
Gatwick Funding 6.125% 02/03/26	3,000,000	3,472	0.67
Heathrow Funding 7.125% 14/02/24	3,500,000	3,866	0.75

#### Luxembourg 1.49% (30/06/21: 3.23%)

Gazprom Gaz Capital 4.25% 06/04/24	3,000,000	3,112	0.60
Logicor Financing 0.75% 15/07/24	EUR 5,446,000	4,624	0.89

#### Netherlands 7.91% (30/06/21: 8.45%)

ABN AMRO Bank 1.375% 16/01/25	3,600,000	3,597	0.69
BMW International Investment 1.25% 11/07/22	1,902,000	1,908	0.37
BMW International Investment 1.375% 01/10/24	3,700,000	3,711	0.72
BMW International Investment 1.875% 11/09/23	3,000,000	3,037	0.59
Citycon Treasury 1.25% 08/09/26	EUR 3,223,000	2,722	0.52
Citycon Treasury 2.5% 01/10/24	EUR 1,200,000	1,060	0.20
Daimler International Finance 2% 04/09/23	1,500,000	1,518	0.29
E.ON International Finance 5.625% 06/12/23	3,200,000	3,461	0.67
EDP Finance 8.625% 04/01/24	6,700,000	7,648	1.48
Highbury Finance 7.017% 20/03/23	3,560,118	3,745	0.72
Siemens Financieringsmaatschappij 0.875% 05/06/23	1,900,000	1,896	0.37
Stellantis 3.75% 29/03/24	EUR 2,800,000	2,538	0.49
Volkswagen Financial Services 1.625% 09/06/22	3,700,000	3,711	0.72
Volkswagen Financial Services 1.75% 12/09/22	410,000	412	0.08

#### New Zealand 1.33% (30/06/21: 1.40%)

Fonterra Co-operative 9.375% 04/12/23	6,000,000	6,902	1.33
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#### Norway 1.83% (30/06/21: 1.53%)

DNB Bank 1.375% 02/12/25	1,733,000	1,728	0.33
DNB Bank 1.625% 15/12/23	7,679,000	7,749	1.50

#### Spain 3.59% (30/06/21: 2.92%)

Abertis Infraestructuras 3.375% 27/11/26	3,500,000	3,702	0.71
Banco Santander 1.35829% 12/04/23	USD 7,000,000	5,210	1.01
Banco Santander 1.375% 31/07/24	2,500,000	2,497	0.48
CaixaBank 1.5% 03/12/26	2,000,000	1,964	0.38
Telefonica Emisiones 5.289% 09/12/22	5,000,000	5,205	1.01

## AXA Sterling Credit Short Duration Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
<b>Supranational 2.72% (30/06/21: 0.00%)</b>			
European Investment Bank 0.75% 14/07/23	9,000,000	8,992	1.74
European Investment Bank 2.5% 31/10/22	5,000,000	5,080	0.98
<b>Sweden 1.91% (30/06/21: 1.95%)</b>			
Scania 1.875% 28/06/22	3,500,000	3,513	0.68
Svenska Handelsbanken 1.625% 18/06/22	6,365,000	6,395	1.23
<b>United Arab Emirates 1.03% (30/06/21: 1.04%)</b>			
First Abu Dhabi Bank 0.875% 09/12/25	2,423,000	2,354	0.46
First Abu Dhabi Bank 1.375% 19/02/23	2,965,000	2,966	0.57
<b>United Kingdom 29.81% (30/06/21: 30.08%)</b>			
A2D Funding II 4.5% 30/09/26	2,544,300	2,833	0.55
Anglian Water Osprey Financing 4% 08/03/26	3,500,000	3,749	0.72
Anglian Water Osprey Financing 5% 30/04/23	1,500,000	1,552	0.30
Anglian Water Services Financing 4.5% 22/02/26	4,000,000	4,476	0.86
Babcock International 1.75% 06/10/22	EUR 3,203,000	2,713	0.52
Babcock International 1.875% 05/10/26	3,800,000	3,735	0.72
Barclays 3% 08/05/26	2,500,000	2,604	0.50
Barclays Bank UK 0.61646% 09/01/23	2,100,000	2,106	0.41
BUPA Finance 5% 25/04/23	323,000	338	0.07
Close Brothers 2.75% 26/04/23	2,223,000	2,267	0.44
Coventry Building Society 0.73247% 13/11/23	2,500,000	2,521	0.49
Coventry Building Society 1.5% 23/01/23	2,868,000	2,879	0.56
Coventry Building Society 5.875% 28/09/22	1,300,000	1,347	0.26
Experian Finance 0.739% 29/10/25	2,868,000	2,792	0.54
Friends Life 8.25% 21/04/22	2,050,000	2,092	0.40
Go-Ahead 2.5% 06/07/24	4,300,000	4,224	0.82
Hammerson 3.5% 27/10/25	987,000	1,001	0.19
Hammerson 6% 23/02/26	1,300,000	1,429	0.28
HSBC 2.175% 27/06/23	6,681,000	6,721	1.30
InterContinental Hotels 3.75% 14/08/25	5,000,000	5,285	1.02
Investec Bank 4.25% 24/07/28	5,619,000	5,809	1.12
Land Securities Capital Markets 1.974% 08/02/24	8,000,000	8,108	1.56
Liberty Living Finance 2.625% 28/11/24	4,500,000	4,633	0.89
Lloyds Bank Corporate Markets 1.5% 23/06/23	884,000	889	0.17
Lloyds Bank Corporate Markets 1.75% 11/07/24	4,804,000	4,845	0.94
Manchester Airport Funding 4.125% 02/04/24	4,100,000	4,324	0.83
Marks & Spencer 3.75% 19/05/26	2,700,000	2,754	0.53
Marston's Issuer 1.6359% 15/10/27	2,485,904	2,304	0.45
Mitchells & Butlers Finance 0.6734% 15/12/28	1,717,733	1,610	0.31
Mitchells & Butlers Finance 5.965% 15/12/23	1,323,265	1,360	0.26
Mitchells & Butlers Finance 6.013% 15/12/28	884,403	954	0.18
National Express 2.5% 11/11/23	4,362,000	4,448	0.86
National Westminster Bank 0.793676% 22/03/23	1,600,000	1,609	0.31
Nationwide Building Society 0.94646% 10/01/24	4,133,000	4,184	0.81
NatWest 3.622% 14/08/30	1,825,000	1,899	0.37
Pension Insurance 6.5% 03/07/24	3,000,000	3,322	0.64
Rothsay Life 5.5% 17/09/29	3,446,000	3,724	0.72
Santander UK 0.262% 27/03/24	EUR 3,083,000	2,608	0.50

## AXA Sterling Credit Short Duration Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
Scottish Widows 5.5% 16/06/23	3,500,000	3,686	0.71
Segro 6.75% 23/02/24	1,612,000	1,782	0.34
Society of Lloyd's 4.75% 30/10/24	3,000,000	3,213	0.62
Stagecoach 4% 29/09/25	3,700,000	3,935	0.76
Student Finance 2.6663% 30/09/24	4,600,000	4,628	0.89
Tesco Personal Finance 3.5% 25/07/25	4,550,000	4,698	0.91
Thames Water Utilities Finance 2.375% 03/05/23	1,700,000	1,707	0.33
Virgin Money UK 0.375% 27/05/24	EUR 2,953,000	2,488	0.48
Whitbread 3.375% 16/10/25	6,500,000	6,733	1.30
WM Morrison Supermarkets 4.625% 08/12/23	5,364,000	5,530	1.07
<b>United States 8.35% (30/06/21: 10.87%)</b>			
AbbVie 1.5% 15/11/23	EUR 2,257,000	1,952	0.38
American Honda Finance 1.3% 21/03/22	5,067,000	5,074	0.98
Athene Global Funding 1.125% 02/09/25	EUR 2,786,000	2,404	0.46
BP Capital Markets America 0.86363% 19/09/22	USD 1,739,000	1,288	0.25
Citigroup 2.75% 24/01/24	5,022,000	5,163	1.00
Digital Stout 2.75% 19/07/24	1,021,000	1,051	0.20
Discovery Communications 2.5% 20/09/24	3,000,000	3,070	0.59
Ford Motor Credit 1.48975% 28/03/22	USD 2,162,000	1,595	0.31
Ford Motor Credit 2.748% 14/06/24	2,000,000	2,014	0.39
General Motors Financial 1.68288% 14/01/22	USD 2,500,000	1,846	0.36
General Motors Financial 2.35% 03/09/25	3,000,000	3,039	0.59
Jackson National Life Global Funding 0.94975% 27/06/22	USD 8,300,000	6,148	1.19
Metropolitan Life Global Funding I 1.625% 09/06/22	4,000,000	4,015	0.77
New York Life Global Funding 1.75% 15/12/22	4,532,000	4,574	0.88
<b>TOTAL CORPORATE BONDS</b>		<b>472,644</b>	<b>91.25</b>
<b>GOVERNMENT BONDS 2.71% (30/06/21: 2.75%)</b>			
<b>United Kingdom 2.71% (30/06/21: 2.75%)</b>			
United Kingdom Gilt 0.125% 31/01/23	14,100,000	14,038	2.71
<b>TOTAL GOVERNMENT BONDS</b>		<b>14,038</b>	<b>2.71</b>
<b>FORWARD CURRENCY CONTRACTS 0.14% (30/06/21: (0.16%))</b>			
Bought EUR240,000 for GBP204,460 Settlement 02/03/22		(3)	-
Sold EUR30,800,000 for GBP26,249,969 Settlement 02/03/22		357	0.07
Sold USD39,500,000 for GBP29,538,790 Settlement 02/03/22		369	0.07
<b>TOTAL FORWARD CURRENCY CONTRACTS</b>		<b>723</b>	<b>0.14</b>

## AXA Sterling Credit Short Duration Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
FUTURES 0.00% (30/06/21: 0.00%)			
Germany 0.00% (30/06/21: 0.00%)			
Euro-BOBL Futures March 2022	(15)	13	-
Euro-SCHATZ Futures March 2022	(146)	20	-
<b>TOTAL FUTURES</b>		<b>33</b>	<b>-</b>
Portfolio of investments		487,438	94.10
Net other assets		30,564	5.90
<b>Total net assets</b>		<b>518,002</b>	<b>100.00</b>

*All bonds are denominated in Sterling (unless otherwise indicated).*

At 31 December 2021, there were no investments in the Fund which were valued using a quote from a single broker (30/06/21 : £nil).

## AXA Sterling Credit Short Duration Bond Fund

### Comparative Tables

As at 31 December 2021 (unaudited)

	A Gross Accumulation			A Gross Income		
	31/12/2021	30/06/2021	30/06/2020	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	112.53	113.09	109.88	100.30	101.46	99.95
Closing net asset value (£) †	1,972,713	2,301,695	5,126,346	80,310	98,222	148,481
Closing number of shares	1,753,029	2,035,198	4,665,508	80,070	96,813	148,550
Operating charges^	0.36%	0.37%	0.37%	0.36%	0.37%	0.37%

	H Gross Accumulation		
	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	133.35	133.78	129.52
Closing net asset value (£) †	877,259	621,911	602,118
Closing number of shares	657,866	464,877	464,877
Operating charges^	0.01%	0.02%	0.01%

	R Gross Accumulation			R Gross Income		
	31/12/2021	30/06/2021	30/06/2020	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	121.16	122.08	119.20	103.00	104.18	102.64
Closing net asset value (£) †	7,037,514	8,101,414	8,839,263	329,004	241,851	445,709
Closing number of shares	5,808,362	6,636,397	7,415,545	319,429	232,138	434,235
Operating charges^	0.86%	0.87%	0.87%	0.86%	0.87%	0.87%

	Z Gross Accumulation			Z Gross Income		
	31/12/2021	30/06/2021	30/06/2020	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	127.10	127.77	124.20	102.88	104.06	102.52
Closing net asset value (£) †	226,279,595	260,157,969	337,619,873	82,322,212	90,553,918	127,432,905
Closing number of shares	178,028,693	203,613,338	271,835,992	80,020,217	87,018,238	124,298,425
Operating charges^	0.41%	0.42%	0.42%	0.41%	0.42%	0.42%

	ZI Accumulation			ZI Income		
	31/12/2021	30/06/2021	30/06/2020	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	105.72	106.20	103.07	98.82	99.96	98.48
Closing net asset value (£) †	156,182,224	114,811,737	40,937,090	42,921,206	37,000,998	87,597,485
Closing number of shares	147,732,392	108,113,980	39,716,512	43,434,357	37,016,491	88,951,757
Operating charges^	0.26%	0.27%	0.27%	0.26%	0.27%	0.27%

† Valued at bid-market prices.

^ Operating charges include indirect costs incurred in the maintenance and running of the Fund, as disclosed in expenses within the Statement of Total Return. The figures used within the table have been calculated against the average Net Asset Value for the accounting period.

## AXA Sterling Credit Short Duration Bond Fund

### Statement of Total Return

For the six months ended 31 December 2021 (unaudited)

	31/12/21		31/12/20	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(5,823)		10,243
Revenue	4,221		5,433	
Expenses	(944)		(1,186)	
Interest payable and similar charges	<u>(3)</u>		<u>(4)</u>	
Net revenue before taxation	3,274		4,243	
Taxation	<u>-</u>		<u>-</u>	
Net revenue after taxation		<u>3,274</u>		<u>4,243</u>
Total return before distributions		(2,549)		14,486
Distributions		(3,274)		(4,243)
Change in net assets attributable to Shareholders from investment activities		<u>(5,823)</u>		<u>10,243</u>

### Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 December 2021 (unaudited)

	31/12/21		31/12/20	
	£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders		513,890		608,749
Amounts receivable on issue of shares	75,771		90,313	
Amounts payable on cancellation of shares	<u>(68,323)</u>		<u>(147,448)</u>	
		7,448		(57,135)
Change in net assets attributable to Shareholders from investment activities (see above)		(5,823)		10,243
Retained distributions on accumulation shares		2,487		2,814
Unclaimed distributions		-		1
Closing net assets attributable to Shareholders		<u>518,002</u>		<u>564,672</u>

The above statement shows the comparative closing net assets at 31 December 2020 whereas the current accounting period commenced 1 July 2021.

## AXA Sterling Credit Short Duration Bond Fund

### Balance Sheet

As at 31 December (unaudited)

	31/12/21 £'000	30/06/21 £'000
<b>Assets:</b>		
Fixed assets:		
Investments	487,441	496,568
Current assets:		
Debtors	7,116	7,301
Cash and bank balances	24,455	17,639
 Total assets	 <b>519,012</b>	 <b>521,508</b>
<b>Liabilities:</b>		
Investment liabilities	(3)	(863)
Creditors:		
Distribution payable	(402)	(432)
Other creditors	(605)	(6,323)
 Total liabilities	 <b>(1,010)</b>	 <b>(7,618)</b>
 Net assets attributable to Shareholders	 <b>518,002</b>	 <b>513,890</b>



## AXA Sterling Credit Short Duration Bond Fund

### Distribution Tables

As at 31 December 2021 (unaudited)

First Distribution in pence per share

Group 1 Shares purchased prior to 1 July 2021

Group 2 Shares purchased on or after 1 July 2021 to 30 September 2021

	Net revenue (p)	Equalisation (p)	Distribution paid 30/11/21 (p)	Distribution paid 30/11/20 (p)
<b>Share Class A Gross Accumulation</b>				
Group 1	0.372	-	0.372	0.382
Group 2	0.161	0.211	0.372	0.382
<b>Share Class A Gross Income</b>				
Group 1	0.334	-	0.334	0.349
Group 2	0.067	0.267	0.334	0.349
<b>Share Class H Gross Accumulation</b>				
Group 1	0.558	-	0.558	0.566
Group 2	0.433	0.125	0.558	0.566
<b>Share Class R Gross Accumulation</b>				
Group 1	0.247	-	0.247	0.263
Group 2	0.072	0.175	0.247	0.263
<b>Share Class R Gross Income</b>				
Group 1	0.211	-	0.211	0.227
Group 2	0.060	0.151	0.211	0.227
<b>Share Class Z Gross Accumulation</b>				
Group 1	0.404	-	0.404	0.416
Group 2	0.204	0.200	0.404	0.416
<b>Share Class Z Gross Income</b>				
Group 1	0.329	-	0.329	0.344
Group 2	0.195	0.134	0.329	0.344
<b>Share Class ZI Accumulation</b>				
Group 1	0.376	-	0.376	0.385
Group 2	0.186	0.190	0.376	0.385
<b>Share Class ZI Income</b>				
Group 1	0.354	-	0.354	0.368
Group 2	0.166	0.188	0.354	0.368

## AXA Sterling Credit Short Duration Bond Fund

### Distribution Tables

As at 31 December 2021 (unaudited)

#### Second Distribution in pence per share

Group 1 Shares purchased prior to 1 October 2021

Group 2 Shares purchased on or after 1 October 2021 to 31 December 2021

	Net revenue (p)	Equalisation (p)	Distribution payable 28/02/22 (p)	Distribution paid 26/02/21 (p)
<b>Share Class A Gross Accumulation</b>				
Group 1	0.358	-	0.358	0.404
Group 2	0.201	0.157	0.358	0.404
<b>Share Class A Gross Income</b>				
Group 1	0.321	-	0.321	0.366
Group 2	0.318	0.003	0.321	0.366
<b>Share Class H Gross Accumulation</b>				
Group 1	0.543	-	0.543	0.593
Group 2	0.543	-	0.543	0.593
<b>Share Class R Gross Accumulation</b>				
Group 1	0.233	-	0.233	0.284
Group 2	0.134	0.099	0.233	0.284
<b>Share Class R Gross Income</b>				
Group 1	0.198	-	0.198	0.244
Group 2	0.081	0.117	0.198	0.244
<b>Share Class Z Gross Accumulation</b>				
Group 1	0.389	-	0.389	0.440
Group 2	0.164	0.225	0.389	0.440
<b>Share Class Z Gross Income</b>				
Group 1	0.316	-	0.316	0.362
Group 2	0.094	0.222	0.316	0.362
<b>Share Class ZI Accumulation</b>				
Group 1	0.363	-	0.363	0.405
Group 2	0.196	0.167	0.363	0.405
<b>Share Class ZI Income</b>				
Group 1	0.341	-	0.341	0.386
Group 2	0.209	0.132	0.341	0.386

## AXA Sterling Index-Linked Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

#### Investment Objective

The aim of the Fund is to provide income and capital growth, with the objective of reducing the negative effect of inflation over the long term.

#### Investment Policy

The Fund invests primarily (meaning at least 70% of its assets) in a portfolio of index-linked bonds issued by the UK government. The Manager also seeks to increase performance of the Fund by investing in non-governmental, non-index-linked, and non-Sterling denominated bonds where these offer better value.

The Fund is managed with reference to the composition and risk profile of the FTSE Actuaries UK index-Linked Gilts Over 5 Years index. However, the Manager invests on a discretionary basis with a significant degree of freedom to take positions which are different from the index. The FTSE Actuaries UK index-Linked Gilts Over 5 Years index is designed to measure the performance of UK Government index-linked bonds with over 5 years maturity. This index best represents the types of bonds in which the Fund predominantly invests.

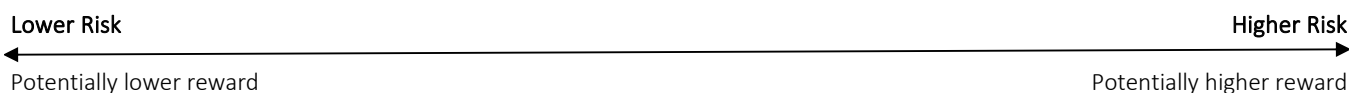
Where bonds are denominated in a currency other than Sterling, the Fund aims to reduce the risk of movements in exchange rates between such currency and Sterling through the use of derivatives (financial instruments which derive their value from the value of other assets). The Fund may also use derivatives in an attempt to reduce the overall risks of its investments, reduce the costs of investing or generate additional capital or income (known as Efficient Portfolio Management - EPM).

This Fund is actively managed in reference to the FTSE Actuaries UK index-Linked Gilts Over 5 Years index, which may be used by investors to compare the Fund's performance.

#### Risk and Reward Profile

As at 31 December 2021 (unaudited)

By investing in a fund which invests primarily in indexed-linked fixed interest stocks you are likely to be looking for an investment which will generate a steady and predictable income whilst providing some protection against inflation. You are willing to accept that your investment will fall and rise in value and that you could get back less than you invest. Typically, you would prefer an investment with less risk than that of a fund which invests significantly in equities or overseas and you would be investing for a period of at least five years.



1	2	3	4	5	6	7
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The risk category is calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The risk category shown is not guaranteed and may shift over time. The lowest category does not mean risk free.

#### Why is this Fund in this category?

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

## AXA Sterling Index-Linked Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

#### Additional risks

Under normal market conditions the Fund's key risk factors are:

- **Interest rate risk** - is the risk that the market value of bonds held by the Fund could fall as a result of higher market rates (yields). Yields can change as a result of, among other things, the economic and inflation outlook which also affects supply and demand as well as future interest rate expectations, without necessarily a change in official central bank short term interest rates. Higher yields result in a decline in the value of bonds. Conversely, lower yields tend to increase the value of bonds. Duration (a measure based on the coupon and maturity payments schedule of a bond) is an important concept in understanding how the price of that bond might change for a 1% move in its redemption yield. A bond with a longer duration is more sensitive to a change in yields and, generally speaking, will experience more volatility in its market value than bonds with shorter durations.

Internal investment guidelines are set if necessary to ensure interest rate risk is maintained within a range deemed suitable based on the individual fund's investment objectives and investment policy. These guidelines could include measures of sensitivity to changes of interest rates.

- **Index-linked bonds risk** - are fixed interest securities whose capital repayment amounts and interest payments are adjusted in line with movements in inflation indices. They are designed to mitigate the effects of inflation on the value of a portfolio. The market value of index-linked bonds is determined by the market's expectations of future movements in both interest rates and inflation rates.

As with other bonds, the value of index-linked bonds will generally fall when expectations of interest rates rise and vice versa. However, when the market anticipates a rise in inflation rates, index-linked bonds will generally outperform other bonds, and vice versa.

Index-linked bonds bought in the secondary market (i.e., not directly from the issuer) whose capital values have been adjusted upward due to inflation since issuance, may decline in value if there is a subsequent period of deflation.

Due to the sensitivity of these bonds to interest rates and expectations of future inflation, there is no guarantee that the value of these bonds will correlate with inflation rates in the short to medium term.

Index-linked bonds risk is an inherent risk of investing in index-linked bonds. Exposure to this risk is managed by the allocation decision on the proportion of the portfolio to invest in index-linked bonds, as well as the amount of remaining maturity of these bonds, which will affect their sensitivity in value, to changes in expected inflation levels.

Other risks which could have an impact in extreme market conditions include:

- **Credit Risk** - all bonds have a potential credit risk, in that the issuer could default on its obligations to pay income and/or capital. An issuer default would likely result in a large drop in the value of that bond. The value of a bond will also be affected by the perceived credit risk of the issuer, including changes to credit ratings and the general level of aversion to credit risk in the market. Generally, an increased level of perceived credit risk leads to a fall in the value of the bond, and vice versa. Credit risk can be measured by ratings assigned to issuers of bonds by third party credit rating agencies. The largest credit rating agencies are Moody's, Standard & Poor's and Fitch Ratings. Each credit rating agency uses different designations. The highest designation (Aaa (Moody's), AAA (Standard & Poor's and Fitch Ratings)) are intended to represent a lower probability of default of the issuer. The credit rating agencies designate "investment grade" bonds as Baa3 or above (Moody's) or BBB- or above (Standard & Poor's or Fitch Ratings).

Internal investment guidelines are set, if necessary, to ensure credit risk is maintained within a range deemed suitable based on the individual fund's investment objectives and investment policy. These guidelines could include credit quality indicators, measures of sensitivity to credit spread moves and diversification measures.

## AXA Sterling Index-Linked Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

- Counterparty risk - at any one time, the Fund may be exposed to the creditworthiness and stability of the counterparties to transactions entered into by the Fund (including derivative and stock lending and repo/reverse repo transactions). The Fund will be subject to the risk of the inability of its counterparties to perform its obligations under such transactions (default), whether due to insolvency, bankruptcy or other causes. In the event of the insolvency of a counterparty, the Fund might not be able to recover cash or assets of equivalent value, to that invested, in full. The Fund may receive assets or cash from the counterparty (collateral) to protect against any such adverse effect. Where relevant, a counterparty will forfeit its collateral if it defaults on the transaction with the Fund. However, if the collateral is in the form of securities, there is a risk that when it is sold, it will realise insufficient cash to settle the counterparty's debt to the Fund under a transaction or to purchase replacement securities that were lent to the counterparty under a stock lending arrangement. In relation to stock lending arrangements, there is also the risk that while cash is recovered in the event of a default, the actual stock cannot be repurchased. Furthermore, to the extent that collateral is not present to cover part or all of the debt, a counterparty default may result in losses for the affected Fund. To assist in managing these types of risks, the ACD sets criteria around the types of eligible collateral the Fund may accept. Please see the paragraph entitled "Treatment of Collateral" in the "Investment and borrowing powers applicable to the Funds" section in Appendix II of the Prospectus for more information.

Transactions in securities that the Fund may enter into expose it to the risk that the counterparty will not deliver the investment for a purchase or cash for a sale after the Fund has contracted to fulfil its responsibilities. This is minimised by the practice in the majority of markets of delivery versus payment and short settlement periods.

- 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 ACD 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 individual fund's investment objectives and investment policy.

## AXA Sterling Index-Linked Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

#### Overview

The Fixed Income market endured a volatile six months to the end of December 2021 with the market initially continuing to deliver a strong performance, as the bond market rally which started in the second quarter, continued in the early part of the summer months. However, as the summer progressed, bond market momentum and sentiment reversed as global central banks began to adopt a more hawkish (less accommodative) stance. This apparent shift in policy stance set the tone for much of the remainder of the year even as Governments across the world dealt with the discovery and rapid spread of a new virus variant.

Looking at the period in more detail, July saw renewed anxieties on the global health situation as the Delta variant spread across many regions. This led to increased concerns around the sustainability of the economic rebound and alongside regulatory crackdowns by Chinese authorities on some domestic sectors, negatively impacted risk sentiment. In addition, technical factors such as positioning, and summer trading conditions all helped to underpin the rally in bonds. Inflation-linked bonds had a strong month, outperforming nominal bonds, with TIPs real yields (the Treasury bond yield minus the expected inflation rate) printing new record lows as inflation readings once again surprised on the high side.

However, the bond market rally stalled in August as concerns around Central Banks' tapering their asset purchase programmes grew, with bond yields generally drifting higher over the course of the month. The Bank of England at their August MPC meeting gave investors clearer guidance on their sequencing intentions, announcing that they intended to stop their reinvestment of maturing holdings once base rates reached 0.5%, while they would consider actively selling assets once base rates got to 1%.

September saw yields break out of their relatively narrow summer range with a sharp move higher late in the month, triggered by hawkish outcomes to some key Central Bank meetings. The Fed meeting on 22 September signalled that the criteria for tapering asset purchases had been "all but met" alongside an updated "dot-plot" suggesting that the committee was evenly split on rate hikes beginning as early as 2022. The Bank of England, the following day, added to the bearish sentiment with 2 members of the MPC voting for an immediate end to the Bank's asset purchase programme along with comments suggesting that the case for a modest tightening in rates had strengthened. Elsewhere there was considerable attention on China and in particular the deterioration in the financial position of the property developer Evergrande. Equity markets suffered in September with this backdrop of higher rates, inflation and Asia credit concerns, breaking their 7-month winning streak with the S&P closing the month down 4.7% and the MSCI All Country World Index all down 4.1%.

October saw bond yields rise with concerns mounting around changes in global Central Bank policy across the advanced economies, as expectations of higher and more prolonged periods of inflation grew. Short end government bonds (having less than five years to redemption) sold off as markets brought forward the start of the global rate hike cycle. Comments from Bank of England Governor Bailey that the Bank would "have to act" in order to tame inflation saw the market price in 5 hikes over their next 9 meetings, with base rates peaking at 1.25% by end of 2022. This bearish sentiment saw 10yr US Treasuries revisit yields last seen in the first quarter, reaching 1.7% during the month, while Gilts saw 10yrs trading as high as 1.2% before rallying back following a favourable downward revision to the Treasury's funding requirement. With the repricing of short rates, yield curves flattened (the yield gap between long- and short-dated bonds decreased) aggressively with long maturity bonds closing lower in yield over the month. US 5s30s (comparing 5 year rates to 30 year rates) flattened 40 basis point ('bps'), while the UK curve flattened a similar magnitude. Given that inflation concerns dominated investors' concerns it was not surprising that inflation-linked bonds had a strong performance in October, once again outperforming nominal bonds. Breakevens (the difference between the yield on a nominal fixed-rate bond and the real yield on an inflation-linked bond of similar maturity and credit quality) widened across markets with new record levels being achieved in several regions. 5 year US breakevens traded above 3% for the first time, while front end UK fixings priced in RPI to reach 7%.

## AXA Sterling Index-Linked Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

November saw some of this bearish sentiment reverse, as investors digested news from the Bank of England, who surprised markets by failing to follow through on their hawkish communications early in the month. The Bank of England voted 7-2 to keep rates unchanged and 6-3 to allow their quantitative easing (QE) programme to complete as scheduled next month, despite market expectations for a rate hike and possible early end to the Banks asset purchase programme. In the US, the Federal Open Market Committee (FOMC) also left rates unchanged but announced the commencement of the tapering of their QE programme of \$15bn/month for November and December. The reimposition of restrictions in a number of European regions supported Bunds which rallied 20bps over the month. Risk assets posted negative returns for the month, European equity bourses in particular underperforming while credit (corporate bonds) spreads (yield premium over the relevant government bond) also widened over the month.

December proved to be a month of two halves for global bond markets, initially bonds rallied on concerns of rising virus case numbers as the Omicron variant spread, before the tone changed mid-month as Central Banks appeared increasingly hawkish (less accommodative). The FOMC meeting on 15 December proved to be a hawkish pivot by the Federal Reserve, announcing a doubling of the pace of tapering of asset purchases to \$30bn per month meaning the programme will end in March 2022. The Fed "dot plot" signalled three rate hikes in 2022 which was up from just one hike in its September projections. The Bank of England surprised markets by raising rates for the first time since 2018 at their December meeting, with the MPC voting 8-1 to raise rates 15bps to 0.25%. In Europe the ECB delivered a slightly hawkish surprise, announcing when its emergency asset purchase programme (PEPP) ended in March it would only increase its regular asset purchase programme (APP) by EUR40bn which appeared to underwhelm markets. Global inflation linked-bonds generally outperformed nominals, breakevens widening and reversing November's underperformance. Strong inflation readings as well as the rebound in risk sentiment were supportive of the asset class.

#### Global Government Bonds

Global developed government bond yields moved higher over the period given the macro backdrop, although the technical picture remained supportive of longer dated bonds with the continuation of the central bank buying programmes. Front end (short-dated) yields bore the brunt of the repricing of rate expectations as yield curves flattened (the yield gap between long- and short-dated bonds decreased). In the US, the yield on the benchmark 10-year treasury bond rose from 1.45% at the start of the review period to just over 1.5% by the end of December 2021, having traded above 1.7% in October. The US yield curve, which is seen as a barometer of markets expectations on the economic outlook, flattened aggressively over the period, with the 2 year vs 10 year curve closing almost 40bps flatter.

Gilts endured a volatile period given the confusing Bank of England communications and underperformed other developed markets, with 10-year yields closing 30bps higher at 1% at the having reached as high as 1.2% in May. 10-year Gilts were as low as 0.7% just before the December MPC decision. The gilt yield curve also flattened aggressively with the 2 year vs 10 year curve 35bps flatter.

Over the six months to 31 December 2021, UK gilts returned 0.54%, as measured by the FTSE Actuaries UK Government All Stocks Index.

#### Index-linked Gilts

For much of the review period inflation remained the focus for markets, with investors and commentators continuing to debate the transitory or longer-lasting nature of the expected price rises. The UK's rate of inflation (measured by the consumer price index) rose over the review period from 2.5% at the start of the period to 5.1% for the December 2021 release.

The Retail Price Index, which is more relevant for index-linked bonds, rose to 7.1% in December 2021 from 3.3% six months earlier.

November saw the Debt Management Office issue their longest maturity bond yet via syndication, a March 2073 index linked bond which was a very successful transaction, attracting a record amount of over bidding for a new transaction, once again highlighting the strong structural demand for the asset class.

Over the six months to 31 December 2021, Index-linked gilts returned 7.37%, as measured by the FTSE Actuaries Index Linked All Stocks Index, outperforming its Gilt all stock equivalent.

## AXA Sterling Index-Linked Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

#### Fund

We entered the review period with an overweight duration (a measure of sensitivity of a bond's price to a change in interest rates) exposure relative to the comparative benchmark as well as a yield curve flattening bias (the yield gap between long- and short-dated bonds decreases). We actively managed our duration risk during the period taking advantages of moves to either extreme of our defined ranges. Our yield curve exposure, generally favouring a flattening bias on the curve, was particularly effective around the very limited supply periods and we took advantage of opportunities around the limited number of auctions. We also have had an active breakeven (the difference between the yield on a nominal fixed-rate bond and the real yield on an inflation-linked bond of similar maturity and credit quality) strategy, which has proved beneficial to the fund over the period.

#### Activity

#### Fund performance and outlook

During the six months to 31 December 2021, the AXA Sterling Index Linked Bond Fund provided a total return of 7.98% (Z Acc, net of fees and gross of tax), compared with the FTSE Actuaries UK Govt Index-Linked 5 years+ index return of 7.84%.

We enter 2022 with markets anticipating Central Banks will remove their extraordinary stimulus measures and begin an aggressive path of policy tightening to combat the risks of a prolonged period of high inflation. Forecasters are largely anticipating that markets should see higher bond yields over the year and perhaps move above the highs in yields seen in 2021.

However as Central Banks have reminded us there remains substantial uncertainties both in terms of the economic outcome as well as continued concerns on how the virus situation evolves. In our view, yield levels could offer some level of protection for diversified portfolios as the technical backdrop is likely to remain supportive over the coming months.

*All performance data source: AXA Investment Managers and Bloomberg.*

*Past performance is not a guide to future performance.*

Major Purchases	Cost (£'000)	Major Sales	Proceeds (£'000)
● UK Treasury 0.125% IL 22/03/51	26,257	● UK Treasury 0.125% IL 22/03/51	21,323
● UK Treasury 0.125% IL 22/03/26	25,787	● UK Treasury 0.125% IL 22/03/26	18,944
● UK Treasury 0.875% IL 31/07/33	18,955	● UK Treasury 0.875% IL 31/07/33	18,059
● UK Treasury 0.25% IL 31/01/25	13,861	● UK Treasury 0.125% IL 10/08/31	9,872
● UK Treasury 0.125% IL 10/08/41	8,725	● UK Treasury 0.125% 31/01/24	7,964

#### Mark Healy

AXA Investment Managers UK Limited  
31 December 2021



## AXA Sterling Index-Linked Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

Holding	Market Value £'000	% of Total Net Assets
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#### INDEX LINKED GOVERNMENT BONDS 96.50% (30/06/21: 95.05%)

##### United Kingdom 96.50% (30/06/21: 95.05%)

UK Treasury 0.125% IL 22/03/26	8,000,000	11,180	5.58
UK Treasury 0.125% IL 10/08/28	500,000	694	0.35
UK Treasury 0.125% IL 22/03/29	1,000,000	1,655	0.83
UK Treasury 0.125% IL 10/08/31	1,000,000	1,430	0.71
UK Treasury 0.125% IL 22/11/36	5,000,000	9,133	4.56
UK Treasury 0.125% IL 22/03/39	2,000,000	3,330	1.66
UK Treasury 0.125% IL 10/08/41	5,000,000	9,352	4.67
UK Treasury 0.125% IL 22/03/44	4,000,000	8,986	4.49
UK Treasury 0.125% IL 22/03/46	4,000,000	8,784	4.39
UK Treasury 0.125% IL 10/08/48	2,300,000	5,000	2.50
UK Treasury 0.125% IL 22/03/51	4,000,000	8,513	4.25
UK Treasury 0.125% IL 22/11/56	1,600,000	4,200	2.10
UK Treasury 0.125% IL 22/03/58	2,500,000	6,996	3.49
UK Treasury 0.125% IL 22/11/65	3,700,000	12,033	6.01
UK Treasury 0.125% IL 22/03/68	3,500,000	12,791	6.39
UK Treasury 0.125% IL 22/03/73	1,000,000	3,474	1.73
UK Treasury 0.25% IL 31/01/25	8,000,000	7,876	3.93
UK Treasury 0.25% IL 22/03/52	3,000,000	8,128	4.06
UK Treasury 0.375% IL 22/03/62	3,500,000	12,222	6.10
UK Treasury 0.5% IL 22/03/50	2,000,000	6,225	3.11
UK Treasury 0.625% IL 22/03/40	1,200,000	3,011	1.50
UK Treasury 0.625% IL 22/11/42	2,200,000	5,998	3.00
UK Treasury 0.75% IL 22/03/34	3,000,000	6,101	3.05
UK Treasury 0.75% IL 22/11/47	1,300,000	4,128	2.06
UK Treasury 0.875% IL 31/07/33	1,000,000	980	0.49
UK Treasury 1.125% IL 22/11/37	2,000,000	5,436	2.71
UK Treasury 1.25% IL 22/11/27	500,000	1,038	0.52
UK Treasury 1.25% IL 22/11/32	2,000,000	4,413	2.20
UK Treasury 1.25% IL 22/11/55	2,200,000	9,914	4.95
UK Treasury 2% IL 26/01/35	1,441,000	4,446	2.22
UK Treasury 4.125% IL 22/07/30	1,500,000	5,777	2.89

#### TOTAL INDEX LINKED GOVERNMENT BONDS

193,244 96.50

#### INDEX LINKED CORPORATE BONDS 3.11% (30/06/21: 3.57%)

##### United Kingdom 3.11% (30/06/21: 3.57%)

Artesian Finance 3.625% IL 30/09/32	93,000	267	0.13
DWR Cymru Financing 3.514% IL 31/03/30	38,000	101	0.05
Network Rail Infrastructure Finance 1.375% IL 22/11/37	956,000	2,617	1.31
Network Rail Infrastructure Finance 1.75% IL 22/11/27	1,416,000	2,830	1.42
Network Rail Infrastructure Finance 1.9618% IL 01/12/25	160,000	321	0.16
Tesco 3.322% IL 05/11/25	39,000	84	0.04

#### TOTAL INDEX LINKED CORPORATE BONDS

6,220 3.11

## AXA Sterling Index-Linked Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
FUTURES 0.02% (30/06/21: 0.01%)			
United Kingdom 0.02% (30/06/21: 0.01%)			
Long Gilt Futures March 2022	(20)	46	0.02
<b>TOTAL FUTURES</b>		<b>46</b>	<b>0.02</b>
Portfolio of investments		199,510	99.63
Net other assets		732	0.37
<b>Total net assets</b>		<b>200,242</b>	<b>100.00</b>

*All bonds are denominated in Sterling (unless otherwise indicated).*

At 31 December 2021, there were no investments in the Fund which were valued using a quote from a single broker (30/06/21 : £nil).

## AXA Sterling Index-Linked Bond Fund

### Comparative Tables

As at 31 December 2021 (unaudited)

	A Gross Accumulation			H Gross Accumulation		
	31/12/2021	30/06/2021	30/06/2020	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	173.74	160.88	168.11	321.79	297.61	310.23
Closing net asset value (£) †	6,213,701	5,567,177	5,757,891	7,394,295	6,838,539	7,128,476
Closing number of shares	3,576,406	3,460,548	3,424,986	2,297,838	2,297,838	2,297,838
Operating charges^	0.26%	0.28%	0.27%	0.01%	0.03%	0.02%

	R Gross Accumulation			Z Gross Accumulation		
	31/12/2021	30/06/2021	30/06/2020	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	291.80	270.89	284.51	350.11	324.29	339.04
Closing net asset value (£) †	4,578,364	4,493,049	26,834,769	182,056,060	150,439,187	178,770,348
Closing number of shares	1,568,989	1,658,597	9,431,956	51,999,266	46,389,665	52,728,031
Operating charges^	0.76%	0.78%	0.77%	0.31%	0.33%	0.32%

† Valued at bid-market prices.

^ Operating charges include indirect costs incurred in the maintenance and running of the Fund, as disclosed in expenses within the Statement of Total Return. The figures used within the table have been calculated against the average Net Asset Value for the accounting period.

## AXA Sterling Index-Linked Bond Fund

### Statement of Total Return

For the six months ended 31 December 2021 (unaudited)

	31/12/21 £'000	£'000	31/12/20 £'000	£'000
Income:				
Net capital gains/(losses)		14,402		(955)
Revenue	(787)		(858)	
Expenses	(291)		(390)	
Interest payable and similar charges	-		-	
Net expense before taxation	(1,078)		(1,248)	
Taxation	-		-	
Net expense after taxation		(1,078)		(1,248)
Total return before equalisation		13,324		(2,203)
Equalisation		-		-
Change in net assets attributable to Shareholders from investment activities		13,324		(2,203)

### Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 December 2021 (unaudited)

	31/12/21 £'000	£'000	31/12/20 £'000	£'000
Opening net assets attributable to Shareholders		167,338		218,491
Amounts receivable on issue of shares	25,373		8,757	
Amounts payable on cancellation of shares	(5,793)		(21,255)	
		19,580		(12,498)
Change in net assets attributable to Shareholders from investment activities (see above)		13,324		(2,203)
Closing net assets attributable to Shareholders		200,242		203,790

The above statement shows the comparative closing net assets at 31 December 2020 whereas the current accounting period commenced 1 July 2021.

## AXA Sterling Index-Linked Bond Fund

### Balance Sheet

As at 31 December (unaudited)

	31/12/21 £'000	30/06/21 £'000
<b>Assets:</b>		
Fixed assets:		
Investments	199,510	165,041
Current assets:		
Debtors	6,425	374
Cash and bank balances	1,567	3,056
 Total assets	 <u>207,502</u>	 <u>168,471</u>
<b>Liabilities:</b>		
Creditors:		
Other creditors	(7,260)	(1,133)
 Total liabilities	 <u>(7,260)</u>	 <u>(1,133)</u>
 Net assets attributable to Shareholders	 <u>200,242</u>	 <u>167,338</u>

## AXA Sterling Buy and Maintain Credit Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

#### Investment Objective

The aim of the Fund is to provide an income and capital return (net of fees) in line with the market for sterling denominated, investment grade bonds issued by companies over the long-term while maintaining a low turnover of bonds held by the Fund. The market is represented by the ICE BofAML Sterling Non-Gilt index for long-term performance purposes.

#### Investment Policy

The average credit quality and sensitivity to movements in market interest rates of the bonds held by the Fund are very similar to those of the bonds represented by the index but otherwise the Manager has complete discretion to take positions which are different from the Index in seeking to achieve the Fund's objective. The Fund invests at least 70% of its value in sterling denominated, investment grade bonds issued by companies and may also invest up to 20% of its value in non-sterling denominated, investment grade bonds. The low turnover manner in which the Fund is managed means that the Fund avoids unnecessary trading costs. The Manager focuses on avoiding downgrades and defaults through its analysis and selection of bonds and, by diversifying the Fund's portfolio across different corporate sectors, aims to mitigate the risks associated with any particular sector.

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 ICE BofAML Sterling Non-Gilt index. The ICE BofAML Sterling Non-Gilt index is designed to measure the performance of sterling corporate and other sterling non-gilt fixed interest securities. This index best represents the types of bonds in which the Fund predominantly invests.

The Fund avoids investing in bonds issued by companies presenting excessive environmental, social and governance (ESG) risk. Where bonds are denominated in a currency other than Sterling, the Fund aims to reduce the risk of movements in exchange rates between such currency and Sterling through the use of derivatives (financial instruments which derive their value from the value of other assets). The Fund may also use derivatives in an attempt to reduce the overall risks of its investments, reduce the costs of investing or generate additional capital or income (known as Efficient Portfolio Management - EPM). The Fund is permitted to use derivatives for investment purposes but does not currently do so.

The Fund is actively managed in reference to the Benchmark, which may be used by investors to compare the Fund's performance.

#### Risk and Reward Profile

As at 31 December 2021 (unaudited)

By investing in a fund which invests primarily in fixed interest stocks you are likely to be looking for an investment which will generate an income but has less potential for capital return than is the case with funds which invest primarily in equities. You are willing to accept that your investment will fall and rise in value and that you could get back less than you invest. Typically, you would prefer an investment with less risk than that of a fund which invests significantly in equities or overseas. Typically, you would be investing for a period of at least five years.

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

← Potentially lower reward Potentially higher reward →

1	2	3	4	5	6	7
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The risk category is calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The risk category shown is not guaranteed and may shift over time. The lowest category does not mean risk free.

#### Why is this Fund in this category?

The capital of the Fund is not guaranteed. The Fund is invested in financial markets and uses techniques and instruments which are subject to some levels of variation, which may result in gains or losses.

## AXA Sterling Buy and Maintain Credit Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

#### Additional risks

Under normal market conditions the Fund's key risk factors are:

- **Credit risk** - all bonds have a potential credit risk, in that the issuer could default on its obligations to pay income and/or capital. An issuer default would likely result in a large drop in the value of that bond. The value of a bond will also be affected by the perceived credit risk of the issuer, including changes to credit ratings and the general level of aversion to credit risk in the market. Generally, an increased level of perceived credit risk leads to a fall in the value of the bond, and vice versa. Credit risk can be measured by ratings assigned to issuers of bonds by third party credit rating agencies. The largest credit rating agencies are Moody's, Standard & Poor's and Fitch Ratings. Each credit rating agency uses different designations. The highest designation (Aaa (Moody's), AAA (Standard & Poor's and Fitch Ratings)) are intended to represent a lower probability of default of the issuer. The credit rating agencies designate "investment grade" bonds as Baa3 or above (Moody's) or BBB- or above (Standard & Poor's or Fitch Ratings).

Internal investment guidelines are set, if necessary, to ensure credit risk is maintained within a range deemed suitable based on the individual Fund's investment objectives and investment policy. These guidelines could include credit quality indicators, measures of sensitivity to credit spread moves and diversification measures.

- **Interest rate risk** - is the risk that the market value of bonds held by the Fund could fall as a result of higher market rates (yields). Yields can change as a result of, among other things, the economic and inflation outlook which also affects supply and demand as well as future interest rate expectations, without necessarily a change in official central bank short term interest rates. Higher yields result in a decline in the value of bonds. Conversely, lower yields tend to increase the value of bonds. Duration (a measure based on the coupon and maturity payments schedule of a bond) is an important concept in understanding how the price of that bond might change for a 1% move in its redemption yield. A bond with a longer duration is more sensitive to a change in yields and, generally speaking, will experience more volatility in its market value than bonds with shorter durations.

Internal investment guidelines are set if necessary to ensure interest rate risk is maintained within a range deemed suitable based on the individual Fund's investment objectives and investment policy. These guidelines could include measures of sensitivity to changes of interest rates.

Other risks which could have an impact in extreme market conditions include:

- **Prepayment and extension risk** - is the risk associated with the early unscheduled return of capital (i.e., repayment of the debt) by the issuer on a bond. Prepayment generally occurs in a declining interest rate environment. When capital is returned early, no future interest payments will be paid on that part of the capital. If the bond was purchased at a premium (i.e., at a price greater than the value of the capital), the return on the bond will be less than what was estimated at the time of purchase.

The opposite of prepayment risk is extension risk which is the risk of a bond's expected maturity lengthening in duration due to a slowdown in prepayments of capital. Extension risk is mainly the result of rising interest rates. If the bond was purchased in anticipation of an early repayment of capital, an extension of the maturity could impact the price of the bond.

The portfolio tends to hold a mixture of callable and non-callable positions.

- **Liquidity risk** - under certain market conditions, it may be difficult to buy or sell investments for the Fund. For example, corporate and emerging market bonds may be affected by the demand in the market for such bonds 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 ACD may be forced to buy or sell such investments as a consequence of Shareholders buying or selling Shares in the Fund. Depending on market conditions at the time, this could lead to a significant drop in the Fund's value.

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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.

- Counterparty risk - at any one time, the Fund may be exposed to the creditworthiness and stability of the counterparties to transactions entered into by the Fund (including derivative and stock lending and repo/reverse repo transactions). The Fund will be subject to the risk of the inability of its counterparties to perform their obligations under such transactions (default), whether due to insolvency, bankruptcy or other causes. In the event of the insolvency of a counterparty, the Fund might not be able to recover cash or assets of equivalent value, to that invested, in full. The Fund may receive assets or cash from the counterparty (collateral) to protect against any such adverse effect. Where relevant, a counterparty will forfeit its collateral if it defaults on the transaction with the Fund. However, if the collateral is in the form of securities, there is a risk that when it is sold, it will realise insufficient cash to settle the counterparty's debt to the Fund under a transaction or to purchase replacement securities that were lent to the counterparty under a stock lending arrangement. In relation to stock lending arrangements, there is also the risk that while cash is recovered in the event of a default, the actual stock cannot be repurchased. Furthermore, to the extent that collateral is not present to cover part or all of the debt, a counterparty default may result in losses for the affected Fund. To assist in managing these types of risks, the ACD sets criteria around the types of eligible collateral the Fund may accept. Please see the paragraph entitled "Treatment of Collateral" in the "Investment and borrowing powers applicable to the Funds" section in Appendix II of the Prospectus for more information.

Transactions in securities that the Fund may enter into expose it to the risk that the counterparty will not deliver the investment for a purchase or cash for a sale after the Fund has contracted to fulfil its responsibilities. This is minimised by the practice in the majority of markets of delivery versus payment and short settlement periods.

- 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 ACD 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.



## AXA Sterling Buy and Maintain Credit Fund

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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 individual Fund's investment objectives and investment policy.

#### Fund activity

Over the past six months, the UK's 10-year gilt yield rose from 0.72% to 0.97%. At the beginning of the period, on 19 July, England removed almost all its lockdown restrictions and the rest of the UK followed shortly after. Inflation concerns and a subsequent expectation that the BoE would hike its bank rate to keep inflation near its target drove yields higher over the rest of the year. The BoE's December announcement that it would hike rates by 0.15% also contributed to this; at this point, investors expected that the BoE would make no alterations to interest rates due to COVID-19's Omicron variant so this decision came as a surprise to market participants.

The UK's economy continues to expand from its pandemic-induced contraction but remains below pre-pandemic levels. The country's rate of GDP growth appears to be slowing and the economy was reported to have expanded by 1.1% over the third quarter of 2021, compared with 5.4% over the second quarter. Despite this, inflation remains elevated.

According to the ICE BofA Merrill Lynch Sterling Non-Gilts Index, investment-grade bonds gained 0.24% over the past six months. Meanwhile, credit (corporate bonds) spreads (yield premium over the relevant government bond) widened from 1.07% to 1.21% according to the ICE BofA Merrill Lynch US Corporate BBB Index.

Over most of the past six months, central bank and government economic policies have supported credit (corporate bonds) markets. Later in the year, inflation-related concerns and central bank policy tightening drove some volatility in bond markets.

The primary market (companies issuing new debt) activity resumed in September after the traditional summer lull. We participated in six new issues in Sterling.

We traded through the secondary market (existing debt traded between investors) to recalibrate exposure and increased the portfolio Beta through longer dated Sterling BBBs overall. We added to the insurance subordinated sector with Bupa for instance. We used natural cash flows to fund these purchases but we also divested from short dated and expensive USD Dollar and Sterling denominated bonds. Global mergers and acquisitions hit new record highs in the third quarter as companies and investors shaped their post-COVID future through transformative deals but not impacting our holdings. No major downgrade over the period.

In the last 3 months of the year, we redeployed cash in Real Estate, financials and transportation sectors to increase the spread (yield premium over the relevant government bond) exposure of the portfolio.

## AXA Sterling Buy and Maintain Credit Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

We participated in the new Sterling bonds from the automotive company Honda and the Media company Omnicom benefitting from good concession vs secondary levels across markets.

We sold some relatively expensive and short dated bonds (2022) and divested from Kia Motor for ESG risks.

The lack of issuance needs in Europe and relatively poor market conditions did not help us to participate in good market opportunities in December.

There was no major downgrade or credit concern over the period.

#### Outlook

Next year will see monetary policy conditions tighten. The Bank of England was the front-runner in terms of rates with the Federal Reserve set to get ahead in winding down bond purchases. It's a meaningful change in the setting of global monetary policies. But it's no taper-tantrum and no rate shock. There is just now more urgency to 'normalise' policy in the face of inflation data which keeps surprising to the upside. For now, bond markets are comfortable with the idea that normalisation will be gradual and that inflationary pressures will ease in 2022. The risk is that markets are not pricing the coming cycle properly – understandable as we have never experienced a post-pandemic growth and inflation surge in modern times. What that means is the risks are to the upside for rates. Risk assets could trade in a relatively stable way over the next few months. A lot will depend on the inflation data, of course, and the recent re-acceleration of natural gas prices confirm the near-term upside risk where we have a generally constructive tone for credit and emerging markets.

*All performance data source: AXA Investment Managers and Bloomberg.*

*Past performance is not a guide to future performance.*

Major Purchases	Cost (£'000)	Major Sales	Proceeds (£'000)
● Commerzbank 1.75% 22/01/25	799	● Kia 1.75% 16/10/26	1,252
● Babcock International 1.875% 05/10/26	793	● Saudi Arabian Oil 3.5% 16/04/29	1,099
● CaixaBank SA 1.5% 03/12/26	793	● MassMutual Global Funding II 1.375% 15/12/26	1,042
● Athene Global Funding 1.875% 30/11/28	790	● Santander UK 3.875% 15/10/29	846
● Berkeley Group PLC/The 2.5% 11/08/31	764	● Credit Suisse 2.75% 08/08/25	835

#### Lionel Pernias

AXA Investment Managers UK Limited  
31 December 2021

## AXA Sterling Buy and Maintain Credit Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
<b>CORPORATE BONDS 97.63% (30/06/21: 99.16%)</b>			
<b>Australia 2.10% (30/06/21: 2.42%)</b>			
APT Pipelines 2.5% 15/03/36	300,000	293	0.19
APT Pipelines 3.5% 22/03/30	200,000	217	0.14
Macquarie Bank 1.125% 15/12/25	940,000	925	0.60
Scentre Trust 3.5% 12/02/25	USD 130,000	101	0.07
Scentre Trust 3.875% 16/07/26	857,000	935	0.60
Vicinity Centres Trust 3.375% 07/04/26	729,000	775	0.50
<b>Belgium 0.56% (30/06/21: 0.56%)</b>			
Anheuser-Busch InBev 2.85% 25/05/37	809,000	864	0.56
<b>Bermuda 0.30% (30/06/21: 0.57%)</b>			
Hiscox 2% 14/12/22	106,000	107	0.07
Ooredoo International Finance 2.625% 08/04/31	USD 486,000	360	0.23
<b>Canada 0.78% (30/06/21: 1.14%)</b>			
Bank of Montreal 1% 09/09/26	725,000	706	0.46
Bank of Nova Scotia 1.75% 23/12/22	100,000	101	0.07
Royal Bank of Canada 1.125% 15/12/25	400,000	394	0.25
<b>Cayman Islands 1.45% (30/06/21: 1.34%)</b>			
Lunar Funding I 5.75% 18/10/33	650,000	890	0.58
Southern Water Services Finance 5.125% 30/09/56	61,000	109	0.07
Southern Water Services Finance 6.64% 31/03/26	166,000	199	0.13
Tencent 3.975% 11/04/29	USD 1,300,000	1,043	0.67
<b>China 0.13% (30/06/21: 0.59%)</b>			
Industrial & Commercial Bank of China 1.5% 31/07/22	199,000	199	0.13
<b>Denmark 0.71% (30/06/21: 0.72%)</b>			
Orsted 2.5% 16/05/33	1,029,000	1,103	0.71
<b>Finland 0.32% (30/06/21: 0.21%)</b>			
OP Corporate Bank plc 1.375% 04/09/26	499,000	494	0.32
<b>France 7.46% (30/06/21: 7.79%)</b>			
Banque Federative du Credit Mutuel 0.875% 07/12/27	200,000	192	0.12
Banque Federative du Credit Mutuel 1.5% 07/10/26	600,000	599	0.39
BNP Paribas 1.25% 13/07/31	400,000	371	0.24
BNP Paribas 3.375% 23/01/26	400,000	425	0.27
Bouygues 5.5% 06/10/26	900,000	1,066	0.69
BPCE 5.25% 16/04/29	700,000	836	0.54
Credit Agricole 7.375% 18/12/23	550,000	611	0.39
Klepierre 1.625% 13/12/32	EUR 1,100,000	968	0.63
LVMH Moet Hennessy Louis Vuitton 1.125% 11/02/27	500,000	494	0.32
Orange 5.625% 23/01/34	518,000	713	0.46
Orange 8.125% 20/11/28	180,000	254	0.16
SNCF Reseau 4.83% 25/03/60	550,000	991	0.64
Societe Generale 1.25% 07/12/27	200,000	191	0.12
Societe Generale 1.875% 03/10/24	900,000	904	0.58

## AXA Sterling Buy and Maintain Credit Fund

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	Holding	Market Value £'000	% of Total Net Assets
Societe Nationale SNCF 5.375% 18/03/27	302,000	361	0.23
Sodexo 1.75% 26/06/28	1,030,000	1,033	0.67
Suez 5.375% 02/12/30	500,000	641	0.41
Vinci 2.25% 15/03/27	900,000	936	0.60
<b>Germany 1.56% (30/06/21: 1.05%)</b>			
Commerzbank 1.75% 22/01/25	800,000	794	0.51
Daimler 0.75% 10/09/30	EUR 647,000	558	0.36
Deutsche Bank 1.875% 22/12/28	1,100,000	1,072	0.69
<b>Ireland 0.89% (30/06/21: 0.81%)</b>			
ESB Finance 1.875% 21/07/35	334,000	334	0.22
GE Capital UK Funding Unlimited 8% 14/01/39	596,000	1,040	0.67
<b>Italy 0.49% (30/06/21: 0.69%)</b>			
Intesa Sanpaolo 2.5% 15/01/30	348,000	350	0.23
Intesa Sanpaolo 5.25% 12/01/24	USD 500,000	395	0.26
<b>Japan 0.69% (30/06/21: 0.24%)</b>			
East Japan Railway 4.5% 25/01/36	700,000	925	0.60
East Japan Railway 5.25% 22/04/33	100,000	135	0.09
<b>Jersey 2.63% (30/06/21: 2.60%)</b>			
CPUK Finance 7.239% 28/02/24	1,000,000	1,117	0.72
Gatwick Funding 6.5% 02/03/41	610,000	891	0.58
Heathrow Funding 4.625% 31/10/46	778,000	1,009	0.65
Porterbrook Rail Finance 4.625% 04/04/29	910,000	1,056	0.68
<b>Mexico 0.69% (30/06/21: 0.65%)</b>			
America Movil 5% 27/10/26	150,000	173	0.11
America Movil 5.75% 28/06/30	700,000	899	0.58
<b>Netherlands 6.74% (30/06/21: 6.63%)</b>			
ABB Finance 0% 19/01/30	EUR 1,266,000	1,022	0.66
ABN AMRO Bank 1.375% 07/06/22	100,000	100	0.06
Aegon 6.125% 15/12/31	245,000	340	0.22
Aegon 6.625% 16/12/39	450,000	754	0.49
Allianz Finance II 4.5% 13/03/43	700,000	1,039	0.67
BMW International Investment 1.375% 01/10/24	431,000	432	0.28
Cooperatieve Rabobank 4.625% 23/05/29	944,000	1,094	0.71
Deutsche Telekom International Finance 7.625% 15/06/30	625,000	901	0.58
E.ON International Finance 4.75% 31/01/34	100,000	127	0.08
E.ON International Finance 6.125% 06/07/39	500,000	759	0.49
E.ON International Finance 6.375% 07/06/32	158,000	220	0.14
EDP Finance 8.625% 04/01/24	750,000	856	0.55
Enel Finance International 5.75% 14/09/40	500,000	744	0.48
Givaudan Finance Europe 1% 22/04/27	EUR 272,000	238	0.15
ING Bank 5.8% 25/09/23	USD 400,000	318	0.21
Siemens 3.75% 10/09/42	800,000	1,082	0.70
Toyota Motor Finance 0.75% 19/12/25	427,000	416	0.27

## AXA Sterling Buy and Maintain Credit Fund

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	Holding	Market Value £'000	% of Total Net Assets
<b>Norway 0.70% (30/06/21: 0.88%)</b>			
Avinor 0.75% 01/10/30	EUR 230,000	193	0.12
Equinor 6.875% 11/03/31	630,000	903	0.58
<b>Saudi Arabia 0.00% (30/06/21: 0.65%)</b>			
<b>South Korea 0.00% (30/06/21: 0.74%)</b>			
<b>Spain 2.19% (30/06/21: 1.68%)</b>			
Banco Bilbao Vizcaya Argentaria 1% 21/06/26	EUR 1,100,000	946	0.61
Banco Santander 1.125% 23/06/27	EUR 500,000	431	0.28
Banco Santander 2.5% 18/03/25	EUR 100,000	89	0.06
Banco Santander 2.958% 25/03/31	USD 200,000	150	0.10
Banco Santander 3.125% 19/01/27	EUR 100,000	93	0.06
CaixaBank SA 1.5% 03/12/26	800,000	786	0.51
Red Electrica Financiaciones SAU 0.5% 24/05/33	EUR 500,000	417	0.27
Telefonica Emisiones 5.375% 02/02/26	400,000	458	0.30
<b>Sweden 0.87% (30/06/21: 0.81%)</b>			
Essity 1.625% 30/03/27	EUR 341,000	304	0.20
Skandinaviska Enskilda Banken 1.25% 05/08/22	200,000	201	0.13
Svenska Handelsbanken 1.625% 15/12/23	500,000	505	0.33
Vattenfall 6.875% 15/04/39	190,000	322	0.21
<b>Switzerland 0.50% (30/06/21: 0.96%)</b>			
UBS 3.126% 13/08/30	USD 1,000,000	772	0.50
<b>United Arab Emirates 0.32% (30/06/21: 0.00%)</b>			
First Abu Dhabi Bank 1.125% 07/09/26	500,000	489	0.32
<b>United Kingdom 44.31% (30/06/21: 43.26%)</b>			
ABP Finance 6.25% 14/12/26	900,000	1,078	0.70
Anchor Hanover 2% 21/07/51	800,000	777	0.50
Anglian Water Services Financing 2.75% 26/10/29	700,000	758	0.49
Aspire Defence Finance 4.674% 31/03/40	786,499	1,011	0.65
AstraZeneca 5.75% 13/11/31	200,000	276	0.18
Babcock International 1.875% 05/10/26	800,000	786	0.51
Backward 2017 2.125% 25/03/53	1,007,000	1,028	0.66
Barclays 3.25% 12/02/27	600,000	634	0.41
Barclays 3.25% 17/01/33	100,000	109	0.07
Berkeley Group PLC/The 2.5% 11/08/31	759,000	730	0.47
Broadgate Financing 4.821% 05/07/33	275,000	352	0.23
Broadgate Financing 4.999% 05/10/31	465,000	530	0.34
BUPA Finance 4.125% 14/06/35	300,000	333	0.21
BUPA Finance 5% 25/04/23	100,000	105	0.07
BUPA Finance 5% 08/12/26	600,000	677	0.44
Canary Wharf Finance II 5.952% 22/01/35	580,000	802	0.52
Cardiff University 3% 07/12/55	724,000	908	0.59
Compass 2% 03/07/29	100,000	103	0.07
Connect Plus M25 Issuer 2.607% 31/03/39	982,707	1,066	0.69
Coventry Building Society 1% 21/09/25	400,000	392	0.25

## AXA Sterling Buy and Maintain Credit Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
Coventry Building Society 2% 20/12/30	220,000	217	0.14
CTRL Section 1 Finance 5.234% 02/05/35	579,795	756	0.49
Diageo Finance 1.25% 28/03/33	564,000	537	0.35
DWR Cymru Financing 1.375% 31/03/33	265,000	255	0.16
DWR Cymru Financing 2.5% 31/03/36	400,000	431	0.28
DWR Cymru Financing 6.015% 31/03/28	266,000	336	0.22
Eastern Power Networks 6.25% 12/11/36	100,000	154	0.10
ENW Finance 1.415% 30/07/30	602,000	579	0.37
Experian Finance 4.25% 01/02/29	USD 1,000,000	820	0.53
Friends Life 8.25% 21/04/22	100,000	102	0.07
Genfinance II 6.064% 21/12/39	200,000	315	0.20
GlaxoSmithKline Capital 5.25% 19/12/33	100,000	137	0.09
GlaxoSmithKline Capital 6.375% 09/03/39	540,000	879	0.57
Great Rolling Stock 6.5% 05/04/31	829,500	1,032	0.67
Harbour Funding 5.28% 31/03/34	202,570	265	0.17
Haven Funding 8.125% 30/09/37	409,600	618	0.40
High Speed Rail Finance 1 4.375% 01/11/38	863,000	1,070	0.69
HSBC 3% 22/07/28	100,000	104	0.07
HSBC 5.75% 20/12/27	351,000	413	0.27
HSBC Bank 6.5% 07/07/23	367,000	394	0.25
Hyde Housing Association 5.125% 23/07/40	240,000	349	0.22
Integrated Accommodation Services 6.48% 31/03/29	624,754	738	0.48
Juturna European Loan Conduit No 16 5.0636% 10/08/33	784,908	944	0.61
Land Securities Capital Markets 1.974% 08/02/24	600,000	608	0.39
Legal & General Finance 5.875% 11/12/31	345,000	473	0.30
Legal & General Finance 5.875% 05/04/33	388,000	540	0.35
Liberty Living Finance 2.625% 28/11/24	1,058,000	1,089	0.70
Lloyds Bank 6.5% 17/09/40	108,000	180	0.12
Lloyds Bank 7.625% 22/04/25	367,000	435	0.28
London & Quadrant Housing Trust 3.125% 28/02/53	300,000	367	0.24
London Power Networks 2.625% 01/03/29	400,000	426	0.27
London Stock Exchange 1.625% 06/04/30	532,000	528	0.34
Longstone Finance 4.896% 19/04/31	680,000	779	0.50
Manchester Airport Funding 2.875% 31/03/39	392,000	390	0.25
Manchester Airport Funding 2.875% 30/09/44	350,000	343	0.22
Manchester Airport Funding 4.75% 31/03/34	282,000	341	0.22
Meadowhall Finance 4.986% 12/01/32	726,790	826	0.53
Mitchells & Butlers Finance 5.574% 15/12/30	154,886	173	0.11
Motability Operations 1.5% 20/01/41	552,000	506	0.33
Motability Operations 1.75% 03/07/29	400,000	406	0.26
National Express 2.375% 20/11/28	856,000	866	0.56
National Grid Electricity Transmission 7.375% 13/01/31	445,000	625	0.40
National Grid Gas 1.375% 07/02/31	490,000	457	0.29
Nationwide Building Society 3.25% 20/01/28	800,000	880	0.57
Nats En Route 1.375% 31/03/31	707,000	695	0.45
NatWest 2.875% 19/09/26	250,000	259	0.17
NatWest Markets 7.5% 29/04/24	160,000	180	0.12
Next 3% 26/08/25	662,000	693	0.45
Northern Gas Networks Finance 4.875% 30/06/27	185,000	216	0.14
Northern Gas Networks Finance 4.875% 15/11/35	100,000	128	0.08
Northern Powergrid Northeast 1.875% 16/06/62	320,000	306	0.20

## AXA Sterling Buy and Maintain Credit Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
Northern Powergrid Yorkshire 2.25% 09/10/59	304,000	316	0.20
Notting Hill Genesis 2.875% 31/01/29	207,000	221	0.14
Octagon Healthcare Funding 5.333% 31/12/35	726,596	908	0.59
Omnicom Capital 2.25% 22/11/33	659,000	654	0.42
Peabody Capital No 2 3.25% 14/09/48	500,000	607	0.39
Places for People Homes 5.09% 31/07/24	577,000	631	0.41
Prudential 6.125% 19/12/31	660,000	866	0.56
RSL Finance No 1 6.625% 31/03/38	152,449	210	0.14
Sanctuary Capital 2.375% 14/04/50	367,000	396	0.26
Sanctuary Capital 6.697% 23/03/39	190,000	320	0.21
Santander 3.625% 14/01/26	500,000	535	0.35
Scottish Widows 7% 16/06/43	642,000	982	0.63
Segro 2.375% 11/10/29	650,000	687	0.44
Segro 2.875% 11/10/37	100,000	112	0.07
Segro 5.75% 20/06/35	44,000	64	0.04
Severn Trent Utilities Finance 2% 02/06/40	315,000	308	0.20
Severn Trent Utilities Finance 2.75% 05/12/31	300,000	324	0.21
Sky 6% 21/05/27	150,000	184	0.12
Society of Lloyd's 4.75% 30/10/24	850,000	910	0.59
South Eastern Power Networks 1.75% 30/09/34	148,000	144	0.09
Southern Gas Networks 1.25% 02/12/31	301,000	274	0.18
Southern Gas Networks 3.1% 15/09/36	773,000	822	0.53
Sovereign Housing Capital 5.705% 10/09/39	236,000	367	0.24
SP Manweb 4.875% 20/09/27	850,000	1,005	0.65
Standard Chartered 4.375% 18/01/38	150,000	195	0.13
Standard Chartered 5.125% 06/06/34	700,000	859	0.55
Student Finance 2.6663% 30/09/24	1,020,000	1,026	0.66
Sunderland SHG Finance 6.38% 31/03/42	184,000	252	0.16
Telereal Securitisation 5.9478% 10/12/31	431,640	520	0.34
Tesco Property Finance 1 7.6227% 13/07/39	722,362	1,036	0.67
Thames Water Utilities Finance 5.125% 28/09/37	600,000	813	0.53
Thames Water Utilities Finance 6.75% 16/11/28	120,000	156	0.10
THFC Funding No 2 6.35% 08/07/39	540,000	865	0.56
Together Housing Finance 4.5% 17/12/42	550,000	772	0.50
Transport for London 3.875% 23/07/42	400,000	506	0.33
Transport for London 4.5% 31/03/31	450,000	519	0.34
Tritax Big Box REIT 1.5% 27/11/33	1,115,000	1,054	0.68
Unilever 1.875% 15/09/29	400,000	417	0.27
United Utilities Water Finance 0.875% 28/10/29	100,000	95	0.06
United Utilities Water Finance 1.75% 10/02/38	384,000	371	0.24
United Utilities Water Finance 2% 03/07/33	400,000	407	0.26
University College London 1.625% 04/06/61	200,000	203	0.13
University of Cambridge 2.35% 27/06/78	300,000	414	0.27
University of Cambridge 3.75% 17/10/52	100,000	152	0.10
University of Leeds 3.125% 19/12/50	700,000	870	0.56
University of Liverpool 3.375% 25/06/55	613,000	848	0.55
University of Manchester 4.25% 04/07/53	520,000	808	0.52
University of Oxford 2.544% 08/12/17	240,000	300	0.19
University of Southampton 2.25% 11/04/57	809,000	867	0.56
Westfield Stratford City Finance 1.642% 04/08/26	1,114,000	1,111	0.72
Wheatley Capital 4.375% 28/11/44	204,000	280	0.18



## AXA Sterling Buy and Maintain Credit Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
White City Property Finance 5.1202% 17/04/35	717,497	884	0.57
WPP Finance 2010 3.75% 19/09/24	USD 1,078,000	841	0.54
Yorkshire Building Society 3.5% 21/04/26	550,000	597	0.39
Yorkshire Water Finance 6.375% 19/08/39	670,000	1,081	0.70
<b>United States 21.24% (30/06/21: 22.17%)</b>			
AbbVie 3.2% 21/11/29	USD 648,000	511	0.33
AbbVie 4.5% 14/05/35	USD 216,000	190	0.12
American Honda Finance 0.75% 25/11/26	250,000	241	0.16
American Honda Finance 1.5% 19/10/27	378,000	375	0.24
American International 5% 26/04/23	400,000	420	0.27
Amgen 4% 13/09/29	950,000	1,102	0.71
Apple 3.05% 31/07/29	870,000	979	0.63
AT&T 4.25% 01/06/43	400,000	497	0.32
AT&T 7% 30/04/40	300,000	483	0.31
Athene Global Funding 1.875% 30/11/28	800,000	786	0.51
Bank of America 2.3% 25/07/25	710,000	730	0.47
Bank of America 7% 31/07/28	250,000	331	0.21
Becton Dickinson 3.7% 06/06/27	USD 60,000	48	0.03
Berkshire Hathaway Finance 2.625% 19/06/59	851,000	956	0.62
Boston Properties 3.4% 21/06/29	USD 1,409,000	1,103	0.71
Cardinal Health 3.41% 15/06/27	USD 1,174,000	929	0.60
Cigna 2.375% 15/03/31	USD 1,443,000	1,068	0.69
Citigroup 1.75% 23/10/26	189,000	189	0.12
Citigroup 4.5% 03/03/31	324,000	380	0.25
Citigroup 5.15% 21/05/26	132,000	151	0.10
Coca-Cola 1% 09/03/41	EUR 1,066,000	864	0.56
Comcast 1.875% 20/02/36	300,000	294	0.19
Comcast 5.5% 23/11/29	500,000	638	0.41
Eli Lilly 1.625% 14/09/43	209,000	202	0.13
Eversource Energy 2.55% 15/03/31	USD 1,510,000	1,116	0.72
Fidelity National Information Services 3.36% 21/05/31	300,000	331	0.21
Fiserv 2.25% 01/07/25	886,000	908	0.59
General Motors Financial 0.6% 20/05/27	EUR 155,000	129	0.08
General Motors Financial 2.9% 26/02/25	USD 1,228,000	938	0.61
Goldman Sachs 3.125% 25/07/29	216,000	233	0.15
Goldman Sachs 4.25% 29/01/26	400,000	439	0.28
Healthpeak Properties 4% 01/06/25	USD 906,000	720	0.47
JPMorgan Chase 3.5% 18/12/26	900,000	986	0.64
McDonald's 5.875% 23/04/32	791,000	1,079	0.70
McKesson 3.125% 17/02/29	450,000	481	0.31
Metropolitan Life Global Funding I 3.5% 30/09/26	950,000	1,041	0.67
Morgan Stanley 2.625% 09/03/27	950,000	991	0.64
Nestle 1.375% 23/06/33	596,000	581	0.38
O'Reilly Automotive 1.75% 15/03/31	USD 569,000	398	0.26
Pfizer 2.735% 15/06/43	500,000	561	0.36
PNC Financial Services 3.45% 23/04/29	USD 950,000	762	0.49
Prologis 2.25% 30/06/29	943,000	987	0.64
RELX Capital 4% 18/03/29	USD 1,035,000	848	0.55
Schlumberger 3.9% 17/05/28	USD 562,000	448	0.29
Schlumberger 4% 21/12/25	USD 604,000	481	0.31



## AXA Sterling Buy and Maintain Credit Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
Toyota Motor Credit 0.75% 19/11/26	455,000	440	0.28
UDR 2.1% 15/06/33	USD 1,601,000	1,118	0.72
United Parcel Service 5.125% 12/02/50	500,000	824	0.53
UnitedHealth 2% 15/05/30	USD 862,000	630	0.41
Verizon Communications 3.375% 27/10/36	804,000	916	0.59
Walmart 5.625% 27/03/34	200,000	288	0.19
Welltower 4.8% 20/11/28	635,000	742	0.48
<b>TOTAL CORPORATE BONDS</b>		<b>151,114</b>	<b>97.63</b>
<b>FORWARDS CURRENCY CONTRACTS 0.24% (30/06/21: (0.30%))</b>			
Bought USD150,000 for EUR132,758 Settlement 04/03/22		(1)	-
Sold EUR7,800,000 for GBP6,647,807 Settlement 04/03/22		90	0.06
Sold USD22,700,000 for GBP17,039,069 Settlement 04/03/22		276	0.18
<b>TOTAL FORWARDS CURRENCY CONTRACTS</b>		<b>365</b>	<b>0.24</b>
<b>FUTURES (0.03%) (30/06/21: (0.02%))</b>			
<b>Germany 0.07% (30/06/21: (0.02%))</b>			
Euro Bond Futures March 2022	(40)	102	0.07
<b>United Kingdom 0.00% (30/06/21: 0.07%)</b>			
Long Gilt Futures March 2022	55	-	-
<b>United States (0.10%) (30/06/21: (0.07%))</b>			
10 Year Treasury Note March 2022	(175)	(157)	(0.10)
<b>TOTAL FUTURES</b>		<b>(55)</b>	<b>(0.03)</b>
Portfolio of investments		151,424	97.84
Net other assets		3,343	2.16
<b>Total net assets</b>		<b>154,767</b>	<b>100.00</b>

*All bonds are denominated in Sterling (unless otherwise indicated).*

At 31 December 2021, there were no investments in the Fund which were valued using a quote from a single broker (30/06/21 : £nil).

## AXA Sterling Buy and Maintain Credit Fund

### Comparative Tables

As at 31 December 2021 (unaudited)

	Z Gross Accumulation			Z Gross Income		
	31/12/2021	30/06/2021	30/06/2020	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p)	145.89	146.52	144.26	104.37	105.86	106.37
Closing net asset value (£) †	115,009,232	128,863,917	113,992,416	39,757,495	40,235,350	230,166,205
Closing number of shares	78,834,772	87,948,926	79,020,435	38,091,148	38,007,831	216,390,867
Operating charges^	0.16%	0.15%	0.15%	0.16%	0.15%	0.15%

† Valued at bid-market prices.

^ Operating charges include indirect costs incurred in the maintenance and running of the Fund, as disclosed in expenses within the Statement of Total Return. The figures used within the table have been calculated against the average Net Asset Value for the accounting period.

## AXA Sterling Buy and Maintain Credit Fund

### Statement of Total Return

For the six months ended 31 December 2021 (unaudited)

	31/12/21		31/12/20	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(2,037)		10,756
Revenue	1,685		3,861	
Expenses	(125)		(277)	
Interest payable and similar charges	-		(19)	
	<u>1,560</u>		<u>3,565</u>	
Net revenue before taxation				
	1,560		3,565	
Taxation	-		-	
	<u>-</u>		<u>-</u>	
Net revenue after taxation		1,560		3,565
Total return before distributions		(477)		14,321
Distributions		(1,560)		(3,565)
		<u>(1,560)</u>		<u>(3,565)</u>
Change in net assets attributable to Shareholders from investment activities		<u>(2,037)</u>		<u>10,756</u>

### Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 December 2021 (unaudited)

	31/12/21		31/12/20	
	£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders		169,099		344,159
Amounts receivable on issue of shares	1,428		16,005	
Amounts payable on cancellation of shares	<u>(14,860)</u>		<u>(4,996)</u>	
		(13,432)		11,009
Change in net assets attributable to Shareholders from investment activities (see above)		(2,037)		10,756
Retained distributions on accumulation shares		1,137		1,210
		<u>1,137</u>		<u>1,210</u>
Closing net assets attributable to Shareholders		<u>154,767</u>		<u>367,134</u>

The above statement shows the comparative closing net assets at 31 December 2020 whereas the current accounting period commenced 1 July 2021.

## AXA Sterling Buy and Maintain Credit Fund

### Balance Sheet

As at 31 December (unaudited)

	31/12/21 £'000	30/06/21 £'000
<b>Assets:</b>		
Fixed assets:		
Investments	151,582	167,822
Current assets:		
Debtors	1,757	1,831
Cash and bank balances	1,885	1,842
 Total assets	 <u>155,224</u>	 <u>171,495</u>
<b>Liabilities:</b>		
Investment liabilities	(158)	(692)
Creditors:		
Bank overdrafts	(12)	-
Distribution payable	(197)	(215)
Other creditors	(90)	(1,489)
 Total liabilities	 <u>(457)</u>	 <u>(2,396)</u>
 Net assets attributable to Shareholders	 <u>154,767</u>	 <u>169,099</u>

## AXA Sterling Buy and Maintain Credit Fund

### Distribution Tables

As at 31 December 2021 (unaudited)

#### First Distribution in pence per share

Group 1 Shares purchased prior to 1 July 2021

Group 2 Shares purchased on or after 1 July 2021 to 30 September 2021

	Net revenue (p)	Equalisation (p)	Distribution paid 30/11/21 (p)	Distribution paid 30/11/20 (p)
<b>Share Class Z Gross Accumulation</b>				
Group 1	0.705	-	0.705	0.784
Group 2	0.319	0.386	0.705	0.784
<b>Share Class Z Gross Income</b>				
Group 1	0.510	-	0.510	0.578
Group 2	0.217	0.293	0.510	0.578

#### Second Distribution in pence per share

Group 1 Shares purchased prior to 1 October 2021

Group 2 Shares purchased on or after 1 October 2021 to 31 December 2021

	Net revenue (p)	Equalisation (p)	Distribution payable 28/02/22 (p)	Distribution paid 26/02/21 (p)
<b>Share Class Z Gross Accumulation</b>				
Group 1	0.721	-	0.721	0.687
Group 2	0.400	0.321	0.721	0.687
<b>Share Class Z Gross Income</b>				
Group 1	0.518	-	0.518	0.504
Group 2	0.225	0.293	0.518	0.504

## AXA Sterling Strategic Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

#### Investment Objective

The aim of the Fund is to provide an income combined with any capital growth over the long-term.

#### Investment Policy

The Fund invests primarily (meaning at least 70% of its assets) in a diversified portfolio of sterling denominated, investment grade bonds issued by companies and governments. The fund manager seeks to reduce the effect of credit risk through its analysis and selection of bonds (with a particular emphasis on industry and issuer) and also positions the Fund to take advantage of its expectation of interest rate movements.

The Fund is managed with reference to the composition and risk profile of the ICE BofAML Sterling Broad Market index. However the fund manager invests on a discretionary basis with a significant degree of freedom to take positions which are different from the index. The ICE BofAML Sterling Broad Market index is designed to measure the performance of gilts and sterling non-gilt fixed interest securities. This index best represents the types of bonds in which the Fund predominantly invests.

Where bonds are denominated in a currency other than Sterling, the Fund aims to reduce the risk of movements in exchange rates between such currency and Sterling through the use of derivatives (financial instruments which derive their value from the value of other assets). The Fund may also use derivatives in an attempt to reduce the overall risks of its investments, reduce the costs of investing or generate additional capital or income (known as Efficient Portfolio Management - EPM).

This Fund is actively managed in reference to the ICE BofAML Sterling Broad Market index, which may be used by investors to compare the Fund's performance.

#### Risk and Reward Profile

As at 31 December 2021 (unaudited)



The risk category is calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The risk category shown is not guaranteed and may shift over time. The lowest category does not mean risk free.

#### Why is this Fund in this category?

The capital of the Fund is not guaranteed. The Fund is invested in financial markets and uses techniques and instruments which are subject to some levels of variation, which may result in gains or losses.

#### Additional risks

Under normal market conditions the Fund's key risk factors are:

- Credit risk - all bonds have a potential credit risk, in that the issuer could default on its obligations to pay income and/or capital. An issuer default would likely result in a large drop in the value of that bond. The value of a bond will also be affected by the perceived credit risk of the issuer, including changes to credit ratings and the general level of aversion to credit risk in the market. Generally, an increased level of perceived credit risk leads to a fall in the value of the bond, and vice versa. Credit risk can be measured by ratings assigned to issuers of bonds by third party credit rating agencies. The largest credit rating agencies are Moody's, Standard & Poor's and Fitch Ratings. Each credit rating agency uses different designations. The highest designation (Aaa (Moody's), AAA (Standard & Poor's and Fitch Ratings)) are intended to represent a lower probability of default of the issuer. The credit rating agencies designate "investment grade" bonds as Baa3 or above (Moody's) or BBB- or above (Standard & Poor's or Fitch Ratings).

## AXA Sterling Strategic Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

Internal investment guidelines are set, if necessary, to ensure credit risk is maintained within a range deemed suitable based on the individual fund's investment objectives and investment policy. These guidelines could include credit quality indicators, measures of sensitivity to credit spread moves and diversification measures.

- **Interest Rate risk** - interest rate risk is the risk that the market value of bonds held by the Fund could fall as a result of higher market rates (yields). Yields can change as a result of, among other things, the economic and inflation outlook which also affects supply and demand as well as future interest rate expectations, without necessarily a change in official central bank short term interest rates. Higher yields result in a decline in the value of bonds. Conversely, lower yields tend to increase the value of bonds. Duration (a measure based on the coupon and maturity payments schedule of a bond) is an important concept in understanding how the price of that bond might change for a 1% move in its redemption yield. A bond with a longer duration is more sensitive to a change in yields and, generally speaking, will experience more volatility in its market value than bonds with shorter durations.

Internal investment guidelines are set if necessary to ensure interest rate risk is maintained within a range deemed suitable based on the individual fund's investment objectives and investment policy. These guidelines could include measures of sensitivity to changes of interest rates.

Other risks which could have an impact in extreme market conditions include:

- **Prepayment and extension risk** - prepayment risk is the risk associated with the early unscheduled return of capital (i.e., repayment of the debt) by the issuer on a bond. Prepayment generally occurs in a declining interest rate environment. When capital is returned early, no future interest payments will be paid on that part of the capital. If the bond was purchased at a premium (i.e., at a price greater than the value of the capital), the return on the bond will be less than what was estimated at the time of purchase.

The opposite of prepayment risk is extension risk which is the risk of a bond's expected maturity lengthening in duration due to a slowdown in prepayments of capital. Extension risk is mainly the result of rising interest rates. If the bond was purchased in anticipation of an early repayment of capital, an extension of the maturity could impact the price of the bond.

The portfolio tends to hold a mixture of callable and non-callable positions.

- **Liquidity risk** - under certain market conditions, it may be difficult to buy or sell investments for the Fund. For example, corporate and emerging market bonds may be affected by the demand in the market for such bonds 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 ACD may be forced to buy or sell such investments as a consequence of Shareholders buying or selling Shares 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.

## AXA Sterling Strategic Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

- Counterparty risk - at any one time, the Fund may be exposed to the creditworthiness and stability of the counterparties to transactions entered into by the Fund (including derivative and stock lending and repo/reverse repo transactions). The Fund will be subject to the risk of the inability of its counterparties to perform its obligations under such transactions (default), whether due to insolvency, bankruptcy or other causes. In the event of the insolvency of a counterparty, the Fund might not be able to recover cash or assets of equivalent value, to that invested, in full. The Fund may receive assets or cash from the counterparty (collateral) to protect against any such adverse effect. Where relevant, a counterparty will forfeit its collateral if it defaults on the transaction with the Fund. However, if the collateral is in the form of securities, there is a risk that when it is sold, it will realise insufficient cash to settle the counterparty's debt to the Fund under a transaction or to purchase replacement securities that were lent to the counterparty under a stock lending arrangement. In relation to stock lending arrangements, there is also the risk that while cash is recovered in the event of a default, the actual stock cannot be repurchased. Furthermore, to the extent that collateral is not present to cover part or all of the debt, a counterparty default may result in losses for the affected Fund. To assist in managing these types of risks, the ACD sets criteria around the types of eligible collateral a Fund may accept. Please see the paragraph entitled "Treatment of Collateral" in the "Investment and borrowing powers applicable to the Funds" section in Appendix II of this Prospectus for more information.

Transactions in securities that the Fund may enter into expose it to the risk that the counterparty will not deliver the investment for a purchase or cash for a sale after the Fund has contracted to fulfil its responsibilities. This is minimised by the practice in the majority of markets of delivery versus payment and short settlement periods.

- Currency risk - assets of a 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 ACD aims to reduce the risk of movements in exchange rates on the value of all or part of the assets of a Fund through the use of currency exchange transactions. A 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 a Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. The performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a 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 a 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 individual fund's investment objectives and investment policy.



## AXA Sterling Strategic Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

#### Investment Review

Our last report, covering the 12 months to end June 2021, saw the world continuing to adapt to COVID-19; successful vaccination programmes were helping to reduce its impact and economies were reopening. Central banks were in no rush to tighten policy, however, given risks such measures could stall the recovery. Reflecting better sentiment, government bond yields had moved decisively off their lows, while the additional cost of borrowing for companies, the yield spread (yield premium over the relevant government bond), had continued to fall.

The latest six months has seen economies performing relatively well, although inflationary pressures have increased further, while a new COVID threat emerged towards the end of the year.

Global COVID-19 cases remained elevated throughout the summer, with a resurgence in several US states. The lifting of final COVID-19 restrictions in England went ahead on 19 July, despite a significant pick up in new cases. COVID news was more prominent in November as cases surged in several European countries, prompting the reintroduction of lockdown measures. More significantly, an aggressive new strain of COVID – Omicron – was discovered in southern Africa. Additional travel restrictions were swiftly imposed in many countries to reduce the spread of the new variant. Initial indications that Omicron is significantly more transmissible, but less severe were confirmed in December. Studies showed that the waning effectiveness of vaccinations is dramatically improved by a booster jab. Tighter restrictions imposed in England included increased mask-wearing and renewed working from home recommendations, while the government stepped up its vaccination booster programme. The accelerating spread of Omicron saw the previous UK daily record of 68,000 new cases (in early 2021, deemed the height of the pandemic) shattered continually from mid-December, topping 189,000 on the last day of the year, as over one million people tested positive for COVID in the final week of 2021. This pattern was repeated across the world. More encouragingly, hospitalisations and deaths, although rising, were relatively low compared to the number of cases. That said, the lag between a new case becoming more serious and requiring hospital treatment, means these figures do not yet reflect the recent surge in cases.

Central banks continued to ponder how the COVID-19 backdrop would influence future economic growth, believing it remained a significant risk, with implications for monetary policy decisions. Over the summer, the Fed was more upbeat about the US economy (US economic activity was back to pre-pandemic levels in the second quarter), but had to balance clear improvements in the jobs market with the spread in the Delta variant of the virus, so was in no rush to change its policy. Inflation continued to rise, although the Fed maintained it was transitory. The Bank of England turned more hawkish (less accommodative), encouraged by UK economic resilience and optimism (UK GDP rebounded 5.5% in Q2 after a 1.3% fall in Q1, with growth expected at 7% for 2021 as a whole and 5% in 2022), as well as rising inflation; two of its nine MPC members voted to reduce the size of its bond buying programme in September, but more striking, the Bank indicated it could hike rates before finishing its bond buying programme, which was in stark contrast to the Fed. The removal of some of the emergency policy accommodation implemented at the onset of COVID nearly 2 years ago, came closer to realisation in October, in the wake of expectations of higher and more prolonged periods of inflation. Bank of England Governor Bailey drew attention to the fact that the Bank was signalling it would have to act to avoid a damaging period of inflation, convincing markets that a 0.15% rate hike to 0.25% was likely in November, before the end of its quantitative easing (QE) programme. Despite this guidance, the Bank held rates in November, when its own higher inflation forecasts and the Governor expressing worries over the inflation situation seemed to underpin the case for a rise. The Bank recognised, however, that monetary policy would not solve high inflation directly, as it was caused by supply side issues.

## AXA Sterling Strategic Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

Economic uncertainty created by the new COVID strain raised doubts about the willingness of central banks to act on their ambitions to tighten policy. Closely watched by central banks, inflation prints released in December hit multi-year highs in both the UK and the US, fuelled by a further spike in energy prices. The Bank of England did raise rates by 0.15% in December, again wrong-footing markets. Rising virus cases could easily have justified delaying any change in policy, however, the Bank wanted to underpin longer term inflation expectations. Markets now expect UK rates to reach 1.25% by the end of 2022, having been at 0.75% before the pandemic. US policy decisions have been more clearly flagged by the Fed: Since late summer it had indicated a likely slowing of its \$120bn monthly bond purchases (tapering) from November, which it duly delivered by reducing purchases by \$15bn a month (stepping down each month by the same amount). The pace of tapering increased in December, despite risks from Omicron, the Fed confident that the US was learning to live with each new wave. At its new pace, bond purchases will finish in March, three months earlier than previously planned. The Fed does not intend to start raising interest rates until its QE programme has finished. Its dot plots now suggest three 25 basis points (bp) rate hikes in 2022, whereas in the summer the first hike was not expected until 2023. A further illustration of a more hawkish Fed came in November when Fed Chairman Powell announced that it was time to retire the word 'transitory' regarding inflation, as factors pushing inflation up will linger into 2022. The ECB acknowledged inflation would be higher for longer and confirmed the end of its pandemic emergency bond buying programme as scheduled in March. It will continue to buy bonds, albeit at a slower and slowing pace, using its original bond buying programme, but cautioned that market expectations of a rate hike in 2022 were not consistent with its forecasts.

A strong economy and high inflation were brushed aside for most of the summer, as markets gave more weight to the possible slowdown in growth momentum and ongoing COVID-19 risks, pushing gilt yields lower. Yields reversed higher as COVID concerns eased and in October, markets aggressively repriced less accommodative monetary policies, reacting to increased inflation concerns. This had a dramatic impact on the gilt yield curve: the prospect of higher rates is usually negative for government bonds, but fears were that the increasingly hawkish Bank of England may make a policy mistake by tightening too much, which would be damaging for the economy and would have to be reversed. The curve flattened (the yield gap between long- and short-dated bonds decreases) dramatically; longer gilt yields, which had previously moved higher, fell sharply while shorter gilt yields rose. Yields fell as the Bank of England surprisingly held rates in November, then trended higher again given ongoing inflationary pressures, before falling sharply as the Omicron news broke. Central bank policy actions in December prompted yields to once again shift higher. 10 year gilt yields rose by 16bp (adjusted for a 9bp increase due to a change in the benchmark) to 0.97% over the six months, with a low of 0.51% in August and a peak of 1.20% in October (and reversed back to 0.70% just prior to central bank action taken in December). 30 year gilt yields were 11bp lower over the period at 1.12% (peak of 1.52% in October, low of 0.80% in December), while 5 year gilt yields were 49bp higher at 0.82%. The ICE BAML Gilt index produced a total return of +0.54%, with 0-5 years -0.94%, 5-15 years -1.02% and Over 15 years +2.52%.

New issuance of corporate bonds was typically quiet over the summer, but picked up from September and continued to be well received, the generally low level of yields and supportive fundamentals underpinning demand. Valuations reached new highs as the relative borrowing cost for companies (yield spread over government bonds) fell. New issues slowed into year end, with December a seasonally quiet month. Spreads nudged wider in October from their tightest (expensive) levels, and this widening gathered momentum in the general risk-off tone adopted in the wake of the discovery of the new COVID strain, before a small tightening on improved risk sentiment in December. Spreads (yield premium over the relevant government bond) rose by 5bp (adjusted for +2bp index rebalancing) to +98bp over the six months (the September low was +86bp), which combined with the move in gilt yields saw corporate bond yields 33bp higher at 1.85%, to give a total return on the ICE BAML Sterling Non-Gilt index of -0.56%. The divergent move in yields across the gilt curve is clearly illustrated in the returns by maturity: 1-5 years -0.97%, 5-15 years -0.88% and Over 15 years +0.46%. Spreads were wider across all rating bands, by between 6bp (for single As) and 11bp (for AAAs), but total returns were more influenced by the duration (a measure of the sensitivity of a bond's price to a change of interest rates) of the rating bands rather than spread moves; longest duration, single A's, outperformed with a fall of 0.16% while the shortest duration, AAAs underperformed, falling 1.29%. AAs fell 0.41% while BBBs fell 0.56%. The ICE BAML Sterling Broad index (gilts and corporate bonds) rose 0.24% over the period.

The AXA Sterling Strategic Bond Fund provided a total return of +0.27% (Z Acc, net of fees and gross of tax).

## AXA Sterling Strategic Bond Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

The Fund follows a UK Aggregate strategy, giving investors exposure to gilts and investment grade corporate bonds (including high quality quasi-government bonds). As corporate bonds became increasingly expensive, we trimmed the extent of our overweight, but believe an overweight position remains appropriate given the health of corporate balance sheets and profitability. We continued to invest in new issues including bonds from Berkeley Group (its debut bond issue), East Japan Railway, tier 2 bonds from banks Nordea and National Australia Bank and subordinated bonds from Just Group and Bupa, the latter two on yields of 5% and 4% respectively. Many positions were top sliced, with a full exit on short maturity bonds from Severn Trent Utilities and Gatwick, as well as a longer maturity bond from GE which was tendered by the company at an attractive level. Within the gilt portfolio, we bought the first green gilt ever issued by the UK government in September which matures in 2033. Overall duration remained relatively close to benchmark throughout the period. We moved short in July as 10 year gilt yields fell below 0.70% before going long as yields backed up to 0.95% in September, returning closer to neutral as yields again dipped to 0.70% in December.

Omicron creates an uncertain economic backdrop: growth disruption, given tougher restrictions and significantly more people self-isolating, but it may also add to supply-side inflationary pressures. A successful vaccine booster programme, the development of new anti-viral pills and the fact that Omicron is milder than the Delta variant, should mean a significantly lower proportion of people will require hospital treatment, although the sheer number of new cases will still push hospitalisations higher. The latest surge in infections came after UK and US monetary policy actions, but the rise in bond yields implies markets are convinced that these central banks will not be swayed from tightening policy further, despite Omicron risks, which could see yields break through recent highs. The ending of QE programmes in the US and the UK also changes the supply/demand dynamic for bonds, which may add upward pressure on yields. Investors that had been compelled to buy corporate bonds (thereby increasing risk) rather than gilts, perhaps to achieve yield targets, may be less inclined to do so if gilt yields are higher. Demand for corporate bonds has been underpinned by the low level of yields generally, but may be vulnerable to a further move higher in gilt yields, as this could have a negative impact on growth, denting prospects for risk assets. For now, corporate bonds remain supported from a fundamental perspective by the still resilient economic background. At the onset of the pandemic, companies had sought to shore up balance sheets, in order to underpin credit quality. The swift economic recovery has boosted confidence; corporate profitability has rebounded and leverage is down. Focus on bondholders is no longer the sole priority. Companies are shifting towards more shareholder friendly policies, such as increased dividends and share buybacks, or even M&A activity, the latter being the biggest risk to credit fundamentals. Even after the recent move in yields, it is very cheap for companies to borrow, especially compared to the cost of equity. Central banks have been reluctant to let risk assets sell off too aggressively in recent years, especially if they can underpin confidence with looser monetary policy. The new inflationary threat is a real test of their anti-inflation credentials.

*All performance data source: AXA Investment Managers, ICE BofAML and Bloomberg.*

*Past performance is not a guide to future performance.*

Major Purchases	Cost (£'000)	Major Sales	Proceeds (£'000)
● UK Treasury 0.875% 31/07/33	7,975	● UK Treasury 4.25% 07/12/27	3,551
● UK Treasury 4.25% 07/06/32	1,849	● UK Treasury 4.25% 07/06/32	2,978
● Kreditanstalt fuer Wiederaufbau 1.25% 29/12/23	1,008	● UK Treasury 1.25% 22/07/27	2,977
● National Australia Bank 1.699% 15/09/31	295	● UK Treasury 0.375% 22/10/30	2,530
● East Japan Railway 1.162% 15/09/28	289	● UK Treasury 0.875% 31/07/33	1,968

**Phil Roantree**

AXA Investment Managers UK Limited

31 December 2021

## AXA Sterling Strategic Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

Holding	Market Value £'000	% of Total Net Assets
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**GOVERNMENT BONDS 67.94% (30/06/21: 66.12%)**
**United Kingdom 67.94% (30/06/21: 66.12%)**

UK Treasury 0.125% 30/01/26	3,800,000	3,707	2.75
UK Treasury 0.375% 22/10/30	1,000,000	954	0.71
UK Treasury 0.625% 31/07/35	3,500,000	3,271	2.43
UK Treasury 0.625% 22/10/50	2,350,000	2,066	1.53
UK Treasury 0.875% 22/10/29	2,250,000	2,253	1.67
UK Treasury 0.875% 31/07/33	6,000,000	5,879	4.36
UK Treasury 1.25% 22/07/27	3,900,000	4,005	2.97
UK Treasury 1.5% 22/07/26	1,650,000	1,707	1.27
UK Treasury 1.5% 22/07/47	3,500,000	3,752	2.78
UK Treasury 1.625% 22/10/28	3,500,000	3,692	2.74
UK Treasury 1.625% 22/10/54	500,000	571	0.42
UK Treasury 1.75% 07/09/37	1,225,000	1,327	0.98
UK Treasury 1.75% 22/01/49	1,900,000	2,165	1.61
UK Treasury 1.75% 22/07/57	1,000,000	1,203	0.89
UK Treasury 2.5% 22/07/65	2,750,000	4,258	3.16
UK Treasury 3.25% 22/01/44	1,799,000	2,515	1.86
UK Treasury 3.5% 22/01/45	2,227,000	3,260	2.42
UK Treasury 3.5% 22/07/68	1,700,000	3,325	2.47
UK Treasury 3.75% 22/07/52	1,000,000	1,675	1.24
UK Treasury 4% 22/01/60	1,800,000	3,495	2.59
UK Treasury 4.25% 07/12/27	3,500,000	4,197	3.11
UK Treasury 4.25% 07/06/32	1,500,000	1,982	1.47
UK Treasury 4.25% 07/03/36	3,024,199	4,274	3.17
UK Treasury 4.25% 07/09/39	2,000,001	2,992	2.22
UK Treasury 4.25% 07/12/40	2,053,000	3,124	2.32
UK Treasury 4.25% 07/12/46	1,908,000	3,162	2.34
UK Treasury 4.25% 07/12/55	1,760,000	3,336	2.47
UK Treasury 4.5% 07/09/34	2,435,677	3,429	2.54
UK Treasury 4.5% 07/12/42	2,055,175	3,323	2.46
UK Treasury 4.75% 07/12/30	2,542,000	3,379	2.51
UK Treasury 4.75% 07/12/38	2,150,000	3,350	2.48

<b>TOTAL GOVERNMENT BONDS</b>		<b>91,628</b>	<b>67.94</b>
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**CORPORATE BONDS 30.36% (30/06/21: 32.26%)**
**Australia 0.71% (30/06/21: 0.57%)**

APT Pipelines 4.25% 26/11/24	250,000	269	0.20
National Australia Bank 1.699% 15/09/31	295,000	287	0.21
Scentre Trust 3.875% 16/07/26	375,000	409	0.30

**Belgium 0.08% (30/06/21: 0.15%)**

Anheuser-Busch InBev 4% 24/09/25	100,000	109	0.08
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**Bermuda 0.07% (30/06/21: 0.28%)**

Hiscox 2% 14/12/22	100,000	101	0.07
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**Canada 0.55% (30/06/21: 0.51%)**

CPPIB Capital 1.125% 14/12/29	750,000	743	0.55
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## AXA Sterling Strategic Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
<b>Denmark 0.07% (30/06/21: 0.07%)</b>			
Orsted 2.5% 18/02/3021	100,000	98	0.07
<b>Finland 0.13% (30/06/21: 0.00%)</b>			
Nordea Bank 1.625% 09/12/32	177,000	170	0.13
<b>France 2.72% (30/06/21: 3.00%)</b>			
Banque Federative du Credit Mutuel 2.25% 18/12/23	100,000	102	0.08
BNP Paribas 2% 24/05/31	300,000	295	0.22
BPCE 5.25% 16/04/29	400,000	478	0.35
Credit Agricole 1.25% 02/10/24	200,000	199	0.15
Electricite de France 5.5% 17/10/41	300,000	439	0.33
Electricite de France 6% Perpetual	400,000	435	0.32
Engie 7% 30/10/28	200,000	267	0.20
Orange 5.75% Perpetual	250,000	262	0.19
SNCF Reseau 5.25% 31/01/35	350,000	497	0.37
Societe Nationale SNCF 0.875% 28/12/26	700,000	685	0.51
<b>Germany 1.06% (30/06/21: 1.41%)</b>			
Deutsche Bahn Finance 0.375% 03/12/26	150,000	143	0.11
Deutsche Bahn Finance 3.125% 24/07/26	250,000	270	0.20
Kreditanstalt fuer Wiederaufbau 1.25% 29/12/23	1,000,000	1,007	0.75
<b>Ireland 0.00% (30/06/21: 0.30%)</b>			
<b>Japan 0.21% (30/06/21: 0.00%)</b>			
East Japan Railway 1.162% 15/09/28	289,000	282	0.21
<b>Jersey 1.56% (30/06/21: 2.17%)</b>			
CPUK Finance 3.588% 28/08/25	500,000	532	0.39
CPUK Finance 3.69% 28/08/28	500,000	550	0.41
Hastings Finance 3% 24/05/25	300,000	315	0.23
Heathrow Funding 7.125% 14/02/24	650,000	718	0.53
<b>Luxembourg 0.46% (30/06/21: 0.43%)</b>			
Aroundtown 4.75% Perpetual	600,000	622	0.46
<b>Netherlands 1.68% (30/06/21: 1.79%)</b>			
BMW International Investment 1.375% 01/10/24	350,000	351	0.26
Daimler International Finance 1.625% 11/11/24	200,000	201	0.15
Daimler International Finance 2% 04/09/23	300,000	304	0.23
E.ON International Finance 5.875% 30/10/37	250,000	364	0.27
Highbury Finance 7.017% 20/03/23	411,914	433	0.32
Shell International Finance 1% 10/12/30	189,000	176	0.13
Shell International Finance 1.75% 10/09/52	500,000	428	0.32
<b>Spain 0.16% (30/06/21: 0.15%)</b>			
Abertis Infraestructuras 3.375% 27/11/26	200,000	212	0.16

## AXA Sterling Strategic Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
<b>Supranational 1.25% (30/06/21: 1.17%)</b>			
European Investment Bank 4.5% 07/03/44	550,000	876	0.65
International Bank for Reconstruction & Development 4.875% 07/12/28	650,000	811	0.60
<b>Sweden 0.07% (30/06/21: 0.07%)</b>			
Vattenfall 2.5% 29/06/83	100,000	98	0.07
<b>United Arab Emirates 0.25% (30/06/21: 0.23%)</b>			
DP World 4.25% 25/09/30	300,000	335	0.25
<b>United Kingdom 16.10% (30/06/21: 17.14%)</b>			
ABP Finance 6.25% 14/12/26	500,000	599	0.44
Anglian Water Services Financing 4.5% 22/02/26	300,000	336	0.25
Bank of Scotland 4.875% 20/12/24	150,000	167	0.12
Barclays 3% 08/05/26	250,000	260	0.19
Barclays 3.75% 22/11/30	500,000	526	0.39
Berkeley 2.5% 11/08/31	100,000	96	0.07
BP Capital Markets 4.25% Perpetual	208,000	216	0.16
BUPA Finance 4% Perpetual	200,000	192	0.14
Cadent Finance 2.125% 22/09/28	330,000	334	0.25
Centrica 5.25% 10/04/75	300,000	316	0.23
Compass 2% 05/09/25	200,000	205	0.15
Connect Plus M25 Issuer 2.607% 31/03/39	146,439	159	0.12
Folio Residential Finance NO 1 1.246% 31/10/27	400,000	394	0.29
Greene King Finance 3.593% 15/03/35	447,386	467	0.35
Hammerson 3.5% 27/10/25	150,000	152	0.11
HSBC Bank 5.375% 22/08/33	300,000	390	0.29
Investec Bank 4.25% 24/07/28	300,000	310	0.23
Just 5% Perpetual	200,000	195	0.14
Land Securities Capital Markets 1.974% 08/02/24	400,000	405	0.30
LCR Finance 4.5% 07/12/28	550,000	672	0.50
Legal & General 5.375% 27/10/45	463,000	513	0.38
Legal & General 5.5% 27/06/64	250,000	319	0.24
Lloyds Bank 7.625% 22/04/25	350,000	415	0.31
Lloyds Bank Corporate Markets 1.75% 11/07/24	283,000	285	0.21
Logicor 1.875% 17/11/26	223,000	227	0.17
Longstone Finance 4.896% 19/04/31	500,000	573	0.42
M&G 5.625% 20/10/51	400,000	461	0.34
Marston's Issuer 2.6333% 16/07/35	600,000	450	0.33
Mitchells & Butlers Finance 5.965% 15/12/23	549,190	564	0.42
Mitchells & Butlers Finance 6.013% 15/12/28	732,051	790	0.59
NatWest 3.125% 28/03/27	206,000	216	0.16
NatWest 3.622% 14/08/30	276,000	287	0.21
Next 3.625% 18/05/28	500,000	540	0.40
NIE Finance 6.375% 02/06/26	300,000	362	0.27
Northern Gas Networks Finance 5.625% 23/03/40	375,000	538	0.40
Northumbrian Water Finance 1.625% 11/10/26	325,000	327	0.24
Places For People Treasury 2.875% 17/08/26	200,000	213	0.16
Prs Finance 1.5% 24/08/34	200,000	201	0.15
Quadgas Finance 3.375% 17/09/29	250,000	264	0.20
RL Finance Bonds No. 2 6.125% 30/11/43	500,000	538	0.40

## AXA Sterling Strategic Bond Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
Santander UK 2.92% 08/05/26	400,000	413	0.31
Santander UK 6.5% 21/10/30	200,000	236	0.17
Santander UK 7.037% Perpetual	500,000	503	0.37
Scottish Widows 5.5% 16/06/23	200,000	211	0.16
Scottish Widows 7% 16/06/43	300,000	459	0.34
Southern Gas Networks 1.25% 02/12/31	273,000	249	0.18
Southern Gas Networks 3.1% 15/09/36	273,000	290	0.22
Stagecoach 4% 29/09/25	326,000	347	0.26
Standard Chartered 5.125% 06/06/34	300,000	368	0.27
Student Finance 2.6663% 30/09/24	318,000	320	0.24
Tesco Property Finance 3 5.744% 13/04/40	611,007	786	0.58
Thames Water Utilities Finance 4% 19/06/25	400,000	434	0.32
Thames Water Utilities Finance 5.75% 13/09/30	500,000	514	0.38
Tritax Big Box REIT 2.625% 14/12/26	400,000	420	0.31
Vodafone 3% 12/08/56	500,000	517	0.38
Western Power Distribution South West 5.75% 23/03/40	200,000	300	0.22
Wheatley Capital 4.375% 28/11/44	350,000	481	0.36
Yorkshire Building Society 3.375% 13/09/28	400,000	419	0.31
<b>United States 3.23% (30/06/21: 3.33%)</b>			
AT&T 5.2% 18/11/33	400,000	511	0.38
Athene Global Funding 1.75% 24/11/27	367,000	362	0.27
BAT Capital 2.125% 15/08/25	400,000	400	0.30
Berkshire Hathaway Finance 2.375% 19/06/39	400,000	416	0.31
Citigroup 7.375% 01/09/39	350,000	616	0.46
MassMutual Global Funding II 1.375% 15/12/26	367,000	366	0.27
McKesson 3.125% 17/02/29	400,000	428	0.32
Tennessee Valley Authority 5.625% 07/06/32	600,000	831	0.62
Verizon Communications 1.875% 19/09/30	400,000	398	0.30
<b>TOTAL CORPORATE BONDS</b>		<b>40,942</b>	<b>30.36</b>
<b>FUTURES 0.00% (30/06/21: (0.01%))</b>			
<b>United Kingdom 0.00% (30/06/21: (0.01%))</b>			
Long Gilt Futures March 2022	(54)	-	-
<b>TOTAL FUTURES</b>		<b>-</b>	<b>-</b>
Portfolio of investments		132,570	98.30
Net other assets		2,289	1.70
<b>Total net assets</b>		<b>134,859</b>	<b>100.00</b>

*All bonds are denominated in Sterling (unless otherwise indicated).*

At 31 December 2021, there were no investments in the Fund which were valued using a quote from a single broker (30/06/21 : £nil).



## AXA Sterling Strategic Bond Fund

### Comparative Tables

As at 31 December 2021 (unaudited)

	B Gross Accumulation			B Gross Income		
	31/12/2021	30/06/2021	30/06/2020	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	124.37	123.97	129.16	112.41	112.83	119.20
Closing net asset value (£) †	41,091,542	42,299,976	47,472,459	479,411	482,017	547,250
Closing number of shares	33,039,731	34,121,498	36,755,079	426,498	427,213	459,117
Operating charges^	0.42%	0.43%	0.43%	0.42%	0.43%	0.43%

	H Gross Accumulation		
	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	175.85	174.91	181.45
Closing net asset value (£) †	8,793	8,745	9,072
Closing number of shares	5,000	5,000	5,000
Operating charges^	0.02%	0.01%	0.02%

	R Gross Accumulation			R Gross Income		
	31/12/2021	30/06/2021	30/06/2020	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	146.29	146.45	153.87	100.51	100.88	106.57
Closing net asset value (£) †	1,802,084	2,018,412	2,171,514	54,195	66,377	53,300
Closing number of shares	1,231,833	1,378,256	1,411,231	53,918	65,797	50,015
Operating charges^	1.27%	1.28%	1.28%	1.27%	1.28%	1.28%

	Z Gross Accumulation			Z Gross Income		
	31/12/2021	30/06/2021	30/06/2020	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	182.17	181.68	189.39	114.01	114.44	120.90
Closing net asset value (£) †	91,212,685	101,805,767	133,798,794	210,325	305,392	154,342
Closing number of shares	50,068,816	56,035,010	70,647,951	184,481	266,847	127,657
Operating charges^	0.52%	0.53%	0.53%	0.52%	0.53%	0.53%

† Valued at bid-market prices.

^ Operating charges include indirect costs incurred in the maintenance and running of the Fund, as disclosed in expenses within the Statement of Total Return. The figures used within the table have been calculated against the average Net Asset Value for the accounting period.



## AXA Sterling Strategic Bond Fund

### Statement of Total Return

For the six months ended 31 December 2021 (unaudited)

	31/12/21 £'000	£'000	31/12/20 £'000	£'000
Income:				
Net capital losses		(411)		(116)
Revenue	1,276		1,630	
Expenses	(354)		(466)	
Interest payable and similar charges	-		-	
Net revenue before taxation	922		1,164	
Taxation	-		-	
Net revenue after taxation	922		1,164	
Total return before distributions		511		1,048
Distributions		(922)		(1,164)
Change in net assets attributable to Shareholders from investment activities		(411)		(116)

### Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 December 2021 (unaudited)

	31/12/21 £'000	£'000	31/12/20 £'000	£'000
Opening net assets attributable to Shareholders		146,987		184,207
Amounts receivable on issue of shares	602		15,702	
Amounts payable on cancellation of shares	(13,215)		(23,223)	
		(12,613)		(7,521)
Change in net assets attributable to Shareholders from investment activities (see above)		(411)		(116)
Retained distributions on accumulation shares		896		1,133
Closing net assets attributable to Shareholders		134,859		177,703

The above statement shows the comparative closing net assets at 31 December 2020 whereas the current accounting period commenced 1 July 2021.

## AXA Sterling Strategic Bond Fund

### Balance Sheet

As at 31 December (unaudited)

	31/12/21 £'000	30/06/21 £'000
<b>Assets:</b>		
Fixed assets:		
Investments	132,570	145,353
Current assets:		
Debtors	969	2,701
Cash and bank balances	1,612	327
 Total assets	 <u>135,151</u>	 <u>148,381</u>
<b>Liabilities:</b>		
Investment liabilities	-	(14)
Creditors:		
Distribution payable	(2)	(3)
Other creditors	(290)	(1,377)
 Total liabilities	 <u>(292)</u>	 <u>(1,394)</u>
 Net assets attributable to Shareholders	 <u>134,859</u>	 <u>146,987</u>

## AXA Sterling Strategic Bond Fund

### Distribution Tables

As at 31 December 2021 (unaudited)

First Distribution in pence per share

Group 1 Shares purchased prior to 1 July 2021

Group 2 Shares purchased on or after 1 July 2021 to 30 September 2021

	Net revenue (p)	Equalisation (p)	Distribution paid 30/11/21 (p)	Distribution paid 30/11/20 (p)
<b>Share Class B Gross Accumulation</b>				
Group 1	0.424	-	0.424	0.451
Group 2	0.291	0.133	0.424	0.451
<b>Share Class B Gross Income</b>				
Group 1	0.386	-	0.386	0.416
Group 2	0.386	-	0.386	0.416
<b>Share Class H Gross Accumulation</b>				
Group 1	0.787	-	0.787	0.830
Group 2	0.787	-	0.787	0.830
<b>Share Class R Gross Accumulation</b>				
Group 1	0.181	-	0.181	0.208
Group 2	0.080	0.101	0.181	0.208
<b>Share Class R Gross Income</b>				
Group 1	0.125	-	0.125	0.144
Group 2	0.052	0.073	0.125	0.144
<b>Share Class Z Gross Accumulation</b>				
Group 1	0.575	-	0.575	0.613
Group 2	0.258	0.317	0.575	0.613
<b>Share Class Z Gross Income</b>				
Group 1	0.362	-	0.362	0.392
Group 2	0.229	0.133	0.362	0.392

## AXA Sterling Strategic Bond Fund

### Distribution Tables

As at 31 December 2021 (unaudited)

#### Second Distribution in pence per share

Group 1 Shares purchased prior to 1 October 2021

Group 2 Shares purchased on or after 1 October 2021 to 31 December 2021

	Net revenue (p)	Equalisation (p)	Distribution payable 28/02/22 (p)	Distribution paid 26/02/21 (p)
<b>Share Class B Gross Accumulation</b>				
Group 1	0.435	-	0.435	0.444
Group 2	0.225	0.210	0.435	0.444
<b>Share Class B Gross Income</b>				
Group 1	0.395	-	0.395	0.408
Group 2	0.395	-	0.395	0.408
<b>Share Class H Gross Accumulation</b>				
Group 1	0.803	-	0.803	0.819
Group 2	0.803	-	0.803	0.819
<b>Share Class R Gross Accumulation</b>				
Group 1	0.198	-	0.198	0.200
Group 2	0.081	0.117	0.198	0.200
<b>Share Class R Gross Income</b>				
Group 1	0.136	-	0.136	0.139
Group 2	0.037	0.099	0.136	0.139
<b>Share Class Z Gross Accumulation</b>				
Group 1	0.591	-	0.591	0.603
Group 2	0.274	0.317	0.591	0.603
<b>Share Class Z Gross Income</b>				
Group 1	0.371	-	0.371	0.384
Group 2	0.123	0.248	0.371	0.384

## AXA US Short Duration High Yield Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

#### Investment Objective

The aim of the Fund is to generate income by investing in high yield debt securities (being sub-investment grade corporate bonds) while seeking to avoid the risk of default.

#### Investment Policy

The Fund aims to deliver a return by investing generally (meaning at least 60 per cent of its assets) in high yield bonds (being sub-investment grade corporate bonds) with a bias towards shorter maturities (where the full repayment of the bond by the company is expected to be less than three years), issued primarily by companies with their predominant place of business in the US.

The Fund may also invest in such bonds denominated in US Dollars and issued by non-US companies. The ACD seeks to reduce the effect of credit risk through diversification and its analysis and selection of bonds.

The Fund does not have a benchmark. SONIA Compounded Index may be used by investors to compare the Fund's performance.

The Fund may also invest in other transferable securities (including, but not limited to, high yield debt securities, investment grade debt securities, convertibles, tbills), cash, deposits, units in collective investment schemes (including those that are operated by the ACD) and money market instruments. The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management. Use may be made of stock lending, borrowing, cash holdings, hedging and other investment techniques permitted in the applicable Financial Conduct Authority Rules.

The Fund is actively managed. It is not managed in reference to any benchmark.

#### Risk and Reward Profile

As at 31 December 2021 (unaudited)

By investing in a fund which invests primarily in fixed interest stocks you are likely to be looking for an investment which will generate an income but had less potential for capital return than is the case with funds which invest primarily in equities. You are willing to accept that your investment will fall and rise in value and that you could get back less than you invest. You are aware that investing in a fund which has a US remit can increase risk because of currency movements in return for greater potential reward. You are also aware that investing in sub investment grade bonds may increase the potential income but also increases risk to your investment. Typically you would be investing for a period of at least five years.



The risk category is calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The risk category shown is not guaranteed and may shift over time. The lowest category does not mean risk free.

#### Why is this Fund in this category?

The capital of the Fund is not guaranteed. The Fund is invested in financial markets and uses techniques and instruments which are subject to some levels of variation, which may result in gains or losses.

## AXA US Short Duration High Yield Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

#### Additional risks

Under normal market conditions the Fund's key risk factors are:

- **Credit risk** - all bonds have a potential credit risk, in that the issuer could default on its obligations to pay income and/or capital. An issuer default would likely result in a large drop in the value of that bond. The value of a bond will also be affected by the perceived credit risk of the issuer, including changes to credit ratings and the general level of aversion to credit risk in the market. Generally, an increased level of perceived credit risk leads to a fall in the value of the bond, and vice versa. Credit risk can be measured by ratings assigned to issuers of bonds by third party credit rating agencies. The largest credit rating agencies are Moody's, Standard & Poor's and Fitch Ratings. Each credit rating agency uses different designations. The highest designation (Aaa (Moody's), AAA (Standard & Poor's and Fitch Ratings)) are intended to represent a lower probability of default of the issuer. The credit rating agencies designate "investment grade" bonds as Baa3 or above (Moody's) or BBB- or above (Standard & Poor's or Fitch Ratings). See further below under "High yield bonds risk".

Internal investment guidelines are set, if necessary, to ensure credit risk is maintained within a range deemed suitable based on the individual fund's investment objectives and investment policy. These guidelines could include credit quality indicators, measures of sensitivity to credit spread moves and diversification measures.

- **High Yield Bonds risk** - high yield bonds (also known as sub-investment grade bonds) are fixed interest securities issued by companies or governments with lower credit ratings (Ba1 and below (Moody's) or BB+ and below (Standard & Poor's and Fitch Ratings)). They are potentially more risky than investment grade bonds which have higher ratings. The issuers of high yield bonds will be at greater risk of default or ratings downgrades. The capital value of the Fund's investment in high yield bonds and the level of income it receives may fall as a result of such issuers ceasing to trade. A Fund will endeavour to mitigate the risks associated with high yield bonds, by diversifying their holdings by issuer, industry and credit quality.

This is an inherent risk for funds invested within high yield bonds. Internal investment guidelines (which may include measures of credit quality, measures of sensitivity to credit spread moves and diversification measures), scenario testing as well as other regular monitoring seek to ensure the level of risk is aligned with each individual fund's investment objectives and investment policy.

- **Interest Rate risk** - interest rate risk is the risk that the market value of bonds held by the Fund could fall as a result of higher market rates (yields). Yields can change as a result of, among other things, the economic and inflation outlook which also affects supply and demand as well as future interest rate expectations, without necessarily a change in official central bank short term interest rates. Higher yields result in a decline in the value of bonds. Conversely, lower yields tend to increase the value of bonds. Duration (a measure based on the coupon and maturity payments schedule of a bond) is an important concept in understanding how the price of that bond might change for a 1% move in its redemption yield. A bond with a longer duration is more sensitive to a change in yields and, generally speaking, will experience more volatility in its market value than bonds with shorter durations.

Internal investment guidelines are set if necessary to ensure interest rate risk is maintained within a range deemed suitable based on the individual fund's investment objectives and investment policy. These guidelines could include measures of sensitivity to changes of interest rates.

- **Prepayment and extension risk** - prepayment risk is the risk associated with the early unscheduled return of capital (i.e., repayment of the debt) by the issuer on a bond. Prepayment generally occurs in a declining interest rate environment. When capital is returned early, no future interest payments will be paid on that part of the capital. If the bond was purchased at a premium (i.e., at a price greater than the value of the capital), the return on the bond will be less than what was estimated at the time of purchase.

The opposite of prepayment risk is extension risk which is the risk of a bond's expected maturity lengthening in duration due to a slowdown in prepayments of capital. Extension risk is mainly the result of rising interest rates. If the bond was purchased in anticipation of an early repayment of capital, an extension of the maturity could impact the price of the bond.

The portfolio tends to hold a mixture of callable and non-callable positions.

## AXA US Short Duration High Yield Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

Other risks which could have an impact in extreme market conditions include:

- **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.

- **Counterparty risk** - at any one time, a Fund may be exposed to the creditworthiness and stability of the counterparties to transactions entered into by the Fund (including derivative and stock lending and repo/reverse repo transactions). The Fund will be subject to the risk of the inability of its counterparties to perform its obligations under such transactions (default), whether due to insolvency, bankruptcy or other causes. In the event of the insolvency of a counterparty, the Fund might not be able to recover cash or assets of equivalent value, to that invested, in full. The Fund may receive assets or cash from the counterparty (collateral) to protect against any such adverse effect. Where relevant, a counterparty will forfeit its collateral if it defaults on the transaction with the Fund. However, if the collateral is in the form of securities, there is a risk that when it is sold, it will realise insufficient cash to settle the counterparty's debt to the Fund under a transaction or to purchase replacement securities that were lent to the counterparty under a stock lending arrangement. In relation to stock lending arrangements, there is also the risk that while cash is recovered in the event of a default, the actual stock cannot be repurchased. Furthermore, to the extent that collateral is not present to cover part or all of the debt, a counterparty default may result in losses for the affected Fund. To assist in managing these types of risks, the ACD sets criteria around the types of eligible collateral the Fund may accept. Please see the paragraph entitled "Treatment of Collateral" in the "Investment and borrowing powers applicable to the Funds" section in Appendix II of this Prospectus for more information.

Transactions in securities that the Fund may enter into expose it to the risk that the counterparty will not deliver the investment for a purchase or cash for a sale after the Fund has contracted to fulfil its responsibilities. This is minimised by the practice in the majority of markets of delivery versus payment and short settlement periods.

- **Currency risk** - assets of a 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 ACD 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.

## AXA US Short Duration High Yield Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

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 individual fund's investment objectives and investment policy.

#### Investment Review

The U.S. High Yield market posted a positive return in the second half of 2021, as the ICE BofA Merrill Lynch U.S. High Yield Index generated a total return of +1.60% for the period. Muted returns for the period were driven by concerns over the Delta and Omicron COVID-19 variants and increased inflation expectations. Flows into the High Yield market were modestly positive in the second half of 2021, with +\$0.3 billion of inflows. On a quarterly basis, flows were +\$1.4 billion in the third quarter, followed by -\$1.1 billion in the fourth quarter. The High Yield primary market (companies issuing new debt) was active and priced \$181.8 billion of new issuance in the second half of 2021, however this was down from the \$231.5 billion that priced during the second half of 2020. There was \$9.5 million of high yield default volume during the period, and the par weighted high yield default rate as of December 31, 2021 was 0.27%, down from 1.63% at the beginning of the period (the rate of borrowers who fail to remain current on their loans based on the par amount – or face value).

For the second half of 2021, U.S. High Yield underperformed U.S. Equities (S&P 500 +11.67%), but outperformed U.S. Investment Grade Corporates (+0.11%) and U.S. Treasuries (+0.31%). Within U.S. High Yield, returns were driven by the higher end of the credit quality spectrum, as BB-rated credits (corporate bonds) (+1.80%) outperformed both B-rated credits (+1.51%) and CCC-and-lower rated credits (+0.83%). From a sector perspective, all 18 industry sectors posted positive total returns for the period. On a relative basis, Energy (+3.17%), Automotive (+2.49%) and Consumer Goods (+2.00%) were the best performing sectors, while Telecommunications (+0.06%), Media (+0.48%) and Retail (+1.17%) were the worst performing sectors. During the second half of 2021, the High Yield Index's Option Adjusted Spread (yield premium over the risk-free rate, adjusted for an embedded option in the contract) widened 6 basis points, from 304 basis points as of June 30, 2021 to 310 basis points as of December 31, 2021. The High Yield Index's yield-to-worst (the lowest amount an investor will make from a bond) ended the period at 4.32%, compared to 3.86% at the start of the period. The High Yield Index's average price was \$103.31 on December 31, 2021, \$1.94 lower than the \$105.25 average price at the start of the period.

AXA IM's U.S. Short Duration High Yield Fund generated a solid return during the six-month period ending December 31st, 2021, capturing roughly 85% of the overall market's +1.60% return (gross USD). Performance benefitted from the shorter duration nature of our holdings (indicating lower sensitivity of a bond's price to a change of interest rates), our up-in-quality positioning, and our security selection within the telecommunications sector, offset by our positioning and security selection within the energy sector. During the second half of 2021, the yield-to-worst of the Fund (exclusive of cash) widened by 58 bps to 3.07%, while the market yield widened by 46 bps to 4.32%. The Option Adjusted Spread of the Fund widened by 11 bps to 243 bps. The Fund duration (using a calculation of modified duration-to-worst) increased from 0.9 to 1.1, while the market duration increased from 3.6 to 3.8.



## AXA US Short Duration High Yield Fund

### Investment Manager's Report

For the six months ended 31 December 2021 (unaudited)

Position count decreased during the second half of 2021 but the portfolio remains well diversified. We believe that diversification of portfolio holdings is important for the Fund and helps to manage credit risk. Our top holding at year-end, a 1.3% position, was Aramark Services, Inc. As of December 31st, 2021, approximately 86% of the portfolio was invested in securities in excess of three years, but which we expect to be redeemed early. This is up approximately 2% from June 30th, 2021. Market technicals were mixed during the second half of the year as flows were roughly flat and the primary market, while still active, slowed from earlier in the year. Refinancing activity declined during the period, however the majority of new issue proceeds for the full year were still used for refinancings, thus limiting the amount of net new issuance. Despite the recent slowdown, we still expect to see a healthy amount of refinancing transactions in the new year. With an extremely low high yield default rate and generally improving corporate earnings, the overall health of the high yield market continues to improve. We expect interest rates and inflation expectations, as well as concerns regarding the new Omicron variant, to drive near-term market movements, however would view any pronounced weakness as a buying opportunity. And with markets focused on the trajectory of interest rates, we believe the Short Duration Fund remains well positioned in this rising rate environment.

*All performance data source: AXA Investment Managers and Bloomberg.*

*Past performance is not a guide to future performance.*

Major Purchases	Cost (£'000)	Major Sales	Proceeds (£'000)
● Rocket Mortgage 2.875% 15/10/26	9,381	● Cincinnati Bell 8% 15/10/25	11,584
● US Treasury 0.01% 30/09/21	7,875	● Granite Merger 2 11% 15/07/27	10,162
● Photo Merger 8.5% 01/10/26	7,505	● CommScope 5.5% 01/03/24	9,044
● Prime Security Services Borrower 5.25% 15/04/24	7,500	● Cincinnati Bell 7% 15/07/24	8,122
● Ziggo 5.5% 15/01/27	6,334	● US Treasury 0.01% 30/09/21	7,960

**Peter Vecchio**

AXA Investment Managers UK Limited

31 December 2021

## AXA US Short Duration High Yield Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
<b>CORPORATE BONDS 95.55% (30/06/21: 96.20%)</b>			
<b>Australia 0.91% (30/06/21: 0.68%)</b>			
Nufarm Australia 5.75% 30/04/26	10,215,000	7,752	0.91
<b>Canada 4.13% (30/06/21: 3.86%)</b>			
Bausch Health 5.5% 01/11/25	11,350,000	8,538	1.01
Bausch Health 9% 15/12/25	10,685,000	8,313	0.98
GFL Environmental 3.75% 01/08/25	4,151,000	3,127	0.37
GFL Environmental 4.25% 01/06/25	3,437,000	2,608	0.31
GFL Environmental 5.125% 15/12/26	4,735,000	3,659	0.43
New Red Finance 5.75% 15/04/25	3,179,000	2,449	0.29
NOVA Chemicals 4.875% 01/06/24	2,845,000	2,191	0.26
Quebecor Media 5.75% 15/01/23	1,796,000	1,386	0.16
Ritchie Bros Auctioneers 5.375% 15/01/25	3,654,000	2,739	0.32
<b>Cayman Islands 0.54% (30/06/21: 0.52%)</b>			
Park Aerospace 5.25% 15/08/22	3,936,000	2,985	0.35
Sable International Finance 5.75% 07/09/27	2,110,000	1,603	0.19
<b>Finland 0.00% (30/06/21: 0.05%)</b>			
<b>France 0.43% (30/06/21: 0.73%)</b>			
Altice France 8.125% 01/02/27	4,565,000	3,605	0.43
<b>Ireland 2.04% (30/06/21: 2.35%)</b>			
AerCap Global Aviation Trust 3.15% 15/02/24	1,749,000	1,340	0.16
AerCap Global Aviation Trust 3.5% 26/05/22	838,000	627	0.07
AerCap Global Aviation Trust 4.875% 16/01/24	715,000	564	0.07
AerCap Global Aviation Trust 6.5% 15/07/25	746,000	633	0.07
Ardagh Packaging Finance 4.125% 15/08/26	9,420,000	7,147	0.84
Ardagh Packaging Finance 5.25% 30/04/25	9,157,000	7,016	0.83
<b>Luxembourg 1.85% (30/06/21: 2.46%)</b>			
Altice France 10.5% 15/05/27	4,735,000	3,777	0.45
Camelot Finance 4.5% 01/11/26	4,825,000	3,710	0.44
Nielsen Luxembourg 5% 01/02/25	10,735,000	8,093	0.96
<b>Netherlands 2.01% (30/06/21: 1.28%)</b>			
Sensata Technologies 4.875% 15/10/23	2,030,000	1,582	0.19
Trivium Packaging Finance 5.5% 15/08/26	6,590,000	5,086	0.60
Ziggo 5.5% 15/01/27	11,350,000	8,633	1.02
Ziggo 6% 15/01/27	2,240,000	1,712	0.20
<b>Poland 0.18% (30/06/21: 0.22%)</b>			
CANPACK 3.125% 01/11/25	2,015,000	1,495	0.18
<b>United Kingdom 1.12% (30/06/21: 1.52%)</b>			
eG Global Finance 8.5% 30/10/25	4,004,000	3,083	0.36
INEOS Quattro Finance 2 3.375% 15/01/26	5,785,000	4,308	0.51
International Game Technology 4.125% 15/04/26	2,789,000	2,132	0.25

## AXA US Short Duration High Yield Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
<b>United States 82.34% (30/06/21: 82.53%)</b>			
Academy 6% 15/11/27	433,000	342	0.04
ACI Worldwide 5.75% 15/08/26	4,910,000	3,798	0.45
ADT Security 4.125% 15/06/23	1,780,000	1,368	0.16
Albertsons 3.5% 15/02/23	3,547,000	2,665	0.31
Alliance Data Systems 4.75% 15/12/24	10,182,000	7,709	0.91
Alliance Data Systems 7% 15/01/26	7,735,000	6,027	0.71
Allied Universal 6.625% 15/07/26	8,320,000	6,483	0.76
Allied Universal 9.75% 15/07/27	5,475,000	4,347	0.51
Aramark Services 5% 01/04/25	7,850,000	5,959	0.70
Aramark Services 6.375% 01/05/25	14,147,000	10,957	1.29
Avient 5.75% 15/05/25	3,623,000	2,803	0.33
B&G Foods 5.25% 01/04/25	12,569,000	9,526	1.12
Bausch Health Americas 9.25% 01/04/26	3,665,000	2,876	0.34
Beacon Roofing Supply 4.5% 15/11/26	6,700,000	5,148	0.61
Berry Global 4.5% 15/02/26	5,509,000	4,150	0.49
Berry Global 5.625% 15/07/27	1,435,000	1,114	0.13
Blackstone Mortgage Trust 3.75% 15/01/27	5,705,000	4,191	0.49
Blue Racer Midstream 7.625% 15/12/25	3,381,000	2,659	0.31
Boyd Gaming 8.625% 01/06/25	469,000	372	0.04
Brink's 4.625% 15/10/27	1,130,000	870	0.10
Brink's 5.5% 15/07/25	2,370,000	1,829	0.22
Caesars Entertainment 6.25% 01/07/25	5,730,000	4,459	0.53
Caesars Entertainment 8.125% 01/07/27	605,000	497	0.06
Caesars Resort Collection 5.75% 01/07/25	2,505,000	1,947	0.23
Catalent Pharma Solutions 5% 15/07/27	5,045,000	3,884	0.46
CCO 4% 01/03/23	1,230,000	913	0.11
CCO 5.5% 01/05/26	2,080,000	1,586	0.19
CCO Capital 5.125% 01/05/27	2,525,000	1,930	0.23
CD&R Smokey Buyer 6.75% 15/07/25	13,377,000	10,423	1.23
CDW 4.125% 01/05/25	1,373,000	1,047	0.12
Change Healthcare 5.75% 01/03/25	14,329,000	10,713	1.26
Churchill Downs 5.5% 01/04/27	3,210,000	2,475	0.29
CIT 5% 01/08/23	800,000	625	0.07
Clark Equipment 5.875% 01/06/25	9,202,000	7,085	0.84
Cogent Communications 3.5% 01/05/26	5,379,000	4,091	0.48
Commercial Metals 4.875% 15/05/23	763,000	585	0.07
CommScope 6% 01/03/26	11,815,000	9,030	1.07
CommScope Technologies 6% 15/06/25	11,684,000	8,670	1.02
Crestwood Midstream Partners 5.75% 01/04/25	10,920,000	8,286	0.98
Crown Americas 4.75% 01/02/26	1,505,000	1,145	0.14
CrownRock 5.625% 15/10/25	3,905,000	2,963	0.35
CSC 5.5% 15/04/27	3,720,000	2,854	0.34
Darling Ingredients 5.25% 15/04/27	795,000	608	0.07
Dave & Buster's 7.625% 01/11/25	870,000	691	0.08
DCP Midstream Operating 5.375% 15/07/25	2,215,000	1,806	0.21
Delek Logistics Partners 6.75% 15/05/25	2,745,000	2,083	0.25
Dell International 5.85% 15/07/25	1,362,000	1,146	0.14
Devon Energy 8.25% 01/08/23	2,850,000	2,310	0.27
Diebold Nixdorf 9.375% 15/07/25	11,362,000	9,021	1.06
DISH DBS 5% 15/03/23	2,420,000	1,836	0.22

## AXA US Short Duration High Yield Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
DISH DBS 5.875% 15/07/22	5,030,000	3,789	0.45
DISH DBS 5.875% 15/11/24	2,810,000	2,148	0.25
Dun & Bradstreet 6.875% 15/08/26	3,935,000	3,030	0.36
Endeavor Energy Resources 6.625% 15/07/25	2,870,000	2,247	0.27
Getty Images 9.75% 01/03/27	4,425,000	3,478	0.41
G-III Apparel 7.875% 15/08/25	6,935,000	5,487	0.65
Gray Television 5.875% 15/07/26	12,905,000	9,888	1.17
Gray Television 7% 15/05/27	10,480,000	8,302	0.98
Greystar Real Estate Partners 5.75% 01/12/25	8,663,000	6,509	0.77
Hanesbrands 4.625% 15/05/24	1,335,000	1,037	0.12
Hanesbrands 4.875% 15/05/26	1,645,000	1,311	0.15
HCA 5.375% 01/02/25	815,000	665	0.08
Herbalife Nutrition 7.875% 01/09/25	11,235,000	8,858	1.05
Hillenbrand 5.75% 15/06/25	1,221,000	947	0.11
Hilton Domestic Operating 5.375% 01/05/25	4,364,000	3,369	0.40
HUB International 7% 01/05/26	4,010,000	3,058	0.36
Icahn Enterprises 4.75% 15/09/24	7,288,000	5,597	0.66
Icahn Enterprises 6.25% 15/05/26	7,625,000	5,899	0.70
Icahn Enterprises 6.375% 15/12/25	6,634,000	5,015	0.59
Icahn Enterprises 6.75% 01/02/24	6,240,000	4,655	0.55
Indigo Merger 2.875% 15/07/26	5,114,000	3,800	0.45
IQVIA 5% 15/10/26	3,115,000	2,372	0.28
IQVIA 5% 15/05/27	6,305,000	4,842	0.57
IRB 6.75% 15/02/26	11,896,000	8,993	1.06
IRB 7% 15/06/25	7,005,000	5,484	0.65
JELD-WEN 4.625% 15/12/25	9,504,000	7,114	0.84
JELD-WEN 6.25% 15/05/25	835,000	648	0.08
KAR Auction Services 5.125% 01/06/25	11,835,000	8,892	1.05
LABL Escrow Issuer 6.75% 15/07/26	11,655,000	8,843	1.04
Level 3 Financing 4.625% 15/09/27	2,855,000	2,161	0.26
Level 3 Financing 5.25% 15/03/26	10,015,000	7,596	0.90
Level 3 Financing 5.375% 01/05/25	3,285,000	2,491	0.29
Live Nation Entertainment 4.875% 01/11/24	3,291,000	2,473	0.29
Live Nation Entertainment 6.5% 15/05/27	3,579,000	2,908	0.34
Lumen Technologies 5.125% 15/12/26	2,250,000	1,740	0.21
Lumen Technologies 5.8% 15/03/22	1,185,000	886	0.10
Lumen Technologies 6.75% 01/12/23	3,830,000	3,066	0.36
Lumen Technologies 7.5% 01/04/24	4,845,000	3,937	0.46
Magnum Management 5.5% 01/05/25	4,050,000	3,124	0.37
Mattel 3.375% 01/04/26	2,340,000	1,784	0.21
Matthews International 5.25% 01/12/25	7,110,000	5,408	0.64
Mauser Packaging Solutions 5.5% 15/04/24	11,553,000	8,652	1.02
MGM Growth Properties Operating Partnership 4.625% 15/06/25	5,178,000	4,092	0.48
MGM Growth Properties Operating Partnership 5.625% 01/05/24	4,285,000	3,398	0.40
MGM Resorts International 6% 15/03/23	432,000	337	0.04
Microchip Technology 4.25% 01/09/25	4,328,000	3,336	0.39
MPT Operating Partnership 5.25% 01/08/26	8,570,000	6,542	0.77
Netflix 5.5% 15/02/22	890,000	664	0.08
Newell Brands 4.875% 01/06/25	1,603,000	1,297	0.15
Nexstar Broadcasting 5.625% 15/07/27	8,185,000	6,377	0.75
NortonLifeLock 5% 15/04/25	12,345,000	9,243	1.09

## AXA US Short Duration High Yield Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
Novelis 3.25% 15/11/26	8,053,000	6,036	0.71
NuStar Logistics 5.75% 01/10/25	5,640,000	4,504	0.53
Olin 5.125% 15/09/27	2,340,000	1,789	0.21
Outfront Media Capital 5% 15/08/27	2,620,000	1,985	0.23
Outfront Media Capital 6.25% 15/06/25	4,700,000	3,646	0.43
Owens-Brockway Glass Container 5.375% 15/01/25	2,015,000	1,544	0.18
Owens-Brockway Glass Container 5.875% 15/08/23	5,466,000	4,249	0.50
Owens-Brockway Glass Container 6.375% 15/08/25	6,950,000	5,557	0.66
Owens-Brockway Glass Container 6.625% 13/05/27	1,685,000	1,310	0.15
Penske Automotive 3.5% 01/09/25	4,263,000	3,250	0.38
Performance Food 5.5% 15/10/27	2,895,000	2,242	0.26
Performance Food 6.875% 01/05/25	4,124,000	3,198	0.38
Photo Merger 8.5% 01/10/26	12,245,000	9,495	1.12
Picasso Finance 6.125% 15/06/25	9,286,000	7,192	0.85
Post 5.75% 01/03/27	11,915,000	9,140	1.08
Prime Security Services Borrower 5.25% 15/04/24	11,285,000	8,866	1.05
Prime Security Services Borrower 5.75% 15/04/26	8,645,000	6,880	0.81
PTC 3.625% 15/02/25	2,947,000	2,217	0.26
Raptor Acquisition 4.875% 01/11/26	6,074,000	4,564	0.54
Realogy 7.625% 15/06/25	2,950,000	2,326	0.27
Realogy 9.375% 01/04/27	10,318,000	8,307	0.98
RLJ Lodging Trust 3.75% 01/07/26	9,320,000	6,954	0.82
Rocket Mortgage 2.875% 15/10/26	12,267,000	9,080	1.07
Scientific Games International 5% 15/10/25	7,640,000	5,825	0.69
Sealed Air 5.25% 01/04/23	1,153,000	887	0.10
Service Properties Trust 4.5% 15/06/23	2,260,000	1,673	0.20
Service Properties Trust 5% 15/08/22	1,260,000	933	0.11
Shift4 Payments 4.625% 01/11/26	2,825,000	2,172	0.26
Sinclair Television 5.875% 15/03/26	5,772,000	4,347	0.51
Sirius XM Radio 3.125% 01/09/26	4,043,000	3,005	0.35
Sirius XM Radio 5% 01/08/27	6,605,000	5,085	0.60
Six Flags Entertainment 4.875% 31/07/24	4,320,000	3,250	0.38
Six Flags Theme Parks 7% 01/07/25	140,000	111	0.01
Specialty Building Products 6.375% 30/09/26	9,325,000	7,252	0.86
Spectrum Brands 5.75% 15/07/25	5,125,000	3,879	0.46
Sprint 7.125% 15/06/24	2,950,000	2,452	0.29
Sprint 7.875% 15/09/23	126,000	103	0.01
Square 2.75% 01/06/26	2,828,000	2,101	0.25
SS&C Technologies 5.5% 30/09/27	11,285,000	8,751	1.03
Standard Industries 5% 15/02/27	9,435,000	7,177	0.85
Starwood Property Trust 3.625% 15/07/26	2,945,000	2,185	0.26
Starwood Property Trust 3.75% 31/12/24	2,560,000	1,919	0.23
Starwood Property Trust 5.5% 01/11/23	3,231,000	2,479	0.29
Stericycle 5.375% 15/07/24	9,135,000	6,948	0.82
Sunoco 6% 15/04/27	1,200,000	924	0.11
Surgery Center 6.75% 01/07/25	4,480,000	3,349	0.40
Surgery Center 10% 15/04/27	3,760,000	2,965	0.35
Targa Resources Partners 5.875% 15/04/26	8,640,000	6,668	0.79
Targa Resources Partners 6.5% 15/07/27	3,120,000	2,472	0.29
Taylor Morrison Communities 5.875% 15/04/23	581,000	451	0.05
TEGNA 4.75% 15/03/26	8,315,000	6,432	0.76

## AXA US Short Duration High Yield Fund

### Portfolio Statement

As at 31 December 2021 (unaudited)

	Holding	Market Value £'000	% of Total Net Assets
Tenet Healthcare 4.625% 15/07/24	1,276,000	962	0.11
Tenet Healthcare 4.625% 01/09/24	11,124,000	8,440	1.00
Tenet Healthcare 4.875% 01/01/26	5,500,000	4,188	0.49
Tenet Healthcare 6.25% 01/02/27	5,880,000	4,516	0.53
Tenet Healthcare 7.5% 01/04/25	1,140,000	890	0.10
T-Mobile USA 2.625% 15/04/26	1,195,000	899	0.11
T-Mobile USA I 2.25% 15/02/26	2,573,000	1,914	0.23
T-Mobile USA II 2.25% 15/02/26	1,521,000	1,132	0.13
Unisys 6.875% 01/11/27	3,449,000	2,771	0.33
US Foods 6.25% 15/04/25	7,870,000	6,088	0.72
Vail Resorts 6.25% 15/05/25	4,973,000	3,866	0.46
Verscend Escrow 9.75% 15/08/26	10,723,000	8,458	1.00
VICI Properties 3.5% 15/02/25	2,454,000	1,857	0.22
Vizient 6.25% 15/05/27	1,535,000	1,189	0.14
Watco Finance 6.5% 15/06/27	8,409,000	6,505	0.77
Welbilt 9.5% 15/02/24	7,782,000	5,832	0.69
WESCO Distribution 7.125% 15/06/25	11,551,000	9,113	1.07
William Carter 5.5% 15/05/25	1,968,000	1,521	0.18
XHR 6.375% 15/08/25	5,230,000	4,085	0.48
XPO Logistics 6.25% 01/05/25	5,326,000	4,135	0.49
Zayo 4% 01/03/27	2,558,000	1,874	0.22
<b>TOTAL CORPORATE BONDS</b>		<b>809,945</b>	<b>95.55</b>
<b>FORWARD CURRENCY CONTRACTS (0.07%) (30/06/21: (1.02%))</b>			
Sold USD392,532,021 for GBP286,283,070 Settlement 18/01/22		(5,007)	(0.59)
Sold USD399,878,182 for GBP296,566,202 Settlement 22/02/22		(218)	(0.03)
Sold USD340,433,802 for GBP257,389,000 Settlement 21/03/22		4,682	0.55
<b>TOTAL FORWARD CURRENCY CONTRACTS</b>		<b>(543)</b>	<b>(0.07)</b>
Portfolio of investments		809,402	95.48
Net other assets		38,330	4.52
<b>Total net assets</b>		<b>847,732</b>	<b>100.00</b>

*All bonds are denominated in US dollars (unless otherwise indicated).*

At 30 December 2021, there were no investments in the Fund which were valued using a quote from a single broker (30/06/21 : £nil).

## AXA US Short Duration High Yield Fund

### Comparative Tables

As at 31 December 2021 (unaudited)

	Z Gross Accumulation			Z Gross Income		
	31/12/2021	30/06/2021	30/06/2020	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	149.74	148.14	138.93	89.52	90.32	87.92
Closing net asset value (£) †	95,906,175	81,570,599	77,652,230	33,161,093	33,905,639	34,250,567
Closing number of shares	64,050,572	55,063,926	55,892,839	37,043,933	37,538,966	38,957,188
Operating charges^	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%

	ZI Gross Accumulation			ZI Gross Income		
	31/12/2021	30/06/2021	30/06/2020	31/12/2021	30/06/2021	30/06/2020
Closing net asset value per share (p) †	154.87	152.98	143.05	89.29	90.09	87.69
Closing net asset value (£) †	432,544,531	426,546,019	383,142,137	286,119,951	250,255,155	268,843,458
Closing number of shares	279,301,369	278,818,729	267,847,241	320,435,836	277,776,460	306,569,045
Operating charges^	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%

† Valued at bid-market prices.

^ Operating charges include indirect costs incurred in the maintenance and running of the Fund, as disclosed in expenses within the Statement of Total Return. The figures used within the table have been calculated against the average Net Asset Value for the accounting period.

## AXA US Short Duration High Yield Fund

### Statement of Total Return

For the six months ended 31 December 2021 (unaudited)

	31/12/21		31/12/20	
	£'000	£'000	£'000	£'000
Income:				
Net capital (losses)/gains		(7,540)		19,607
Revenue	19,503		16,007	
Expenses	(2,096)		(1,823)	
Interest payable and similar charges	-		-	
Net revenue before taxation	17,407		14,184	
Taxation	-		-	
Net revenue after taxation	17,407		14,184	
Total return before distributions		9,867		33,791
Distributions		(17,407)		(14,184)
Change in net assets attributable to Shareholders from investment activities		(7,540)		19,607

### Statement of Change in Net Assets Attributable to Shareholders

For the six months ended 31 December 2021 (unaudited)

	31/12/21		31/12/20	
	£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders		792,277		763,888
Amounts receivable on issue of shares	89,346		60,536	
Amounts payable on cancellation of shares	(37,303)		(155,835)	
		52,043		(95,299)
Change in net assets attributable to Shareholders from investment activities (see above)		(7,540)		19,607
Retained distributions on accumulation shares		10,952		7,886
Closing net assets attributable to Shareholders		847,732		696,082

The above statement shows the comparative closing net assets at 31 December 2020 whereas the current accounting period commenced 1 July 2021.



## AXA US Short Duration High Yield Fund

### Balance Sheet

As at 31 December (unaudited)

	31/12/21 £'000	30/06/21 £'000
<b>Assets:</b>		
Fixed assets:		
Investments	814,627	763,616
Current assets:		
Debtors	13,119	14,335
Cash and bank balances	33,182	46,028
 Total assets	 <b>860,928</b>	 <b>823,979</b>
<b>Liabilities:</b>		
Investment liabilities	(5,225)	(9,502)
Creditors:		
Distribution payable	(6,797)	(5,732)
Other creditors	(1,174)	(16,468)
 Total liabilities	 <b>(13,196)</b>	 <b>(31,702)</b>
 Net assets attributable to Shareholders	 <b>847,732</b>	 <b>792,277</b>

## AXA US Short Duration High Yield Fund

### Distribution Table

As at 31 December 2021 (unaudited)

Interim Distribution in pence per share

Group 1 Shares purchased prior to 1 July 2021

Group 2 Shares purchased on or after 1 July 2021 to 31 December 2021

	Net revenue (p)	Equalisation (p)	Distribution payable 28/02/22 (p)	Distribution paid 26/02/21 (p)
<b>Share Class Z Gross Accumulation</b>				
Group 1	2.921	-	2.921	2.687
Group 2	1.342	1.579	2.921	2.687
<b>Share Class Z Gross Income</b>				
Group 1	1.781	-	1.781	1.700
Group 2	0.913	0.868	1.781	1.700
<b>Share Class ZI Gross Accumulation</b>				
Group 1	3.251	-	3.251	2.991
Group 2	1.552	1.699	3.251	2.991
<b>Share Class ZI Gross Income</b>				
Group 1	1.915	-	1.915	1.834
Group 2	1.240	0.675	1.915	1.834

## Accounting Policies

For the six months ended 31 December 2021 (unaudited)

### Accounting Basis

#### Basis of accounting

The Financial Statements of the Company comprise the Financial Statements of each of the sub-funds and 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 Instrument of Incorporation and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL").

The accounting policies applied are consistent with those of the annual Financial Statements for the year ended 30 June 2021 and are described in those Financial Statements.

## Statement of the Authorised Corporate Director's ("ACD") Responsibilities

The Open-Ended Investment Companies Regulations 2001 and the Collective Investment Schemes sourcebook ("COLL") require the ACD to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Company and of its net revenue and the net capital gains/(losses) on the property of the Company for the period. In preparing the financial statements the ACD is required to:

- Select suitable accounting policies and then apply them consistently;
- Conform with the disclosure requirements of the Statement of Recommended Practice - Financial statements of UK Authorised Funds issued by the Investment Management Association ("IMA SORP 2014") in May 2014, and amended in June 2017;
- Follow generally accepted accounting principles and applicable accounting standards;
- Keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for the management of each portfolio in accordance with the Instrument of Incorporation, Prospectus and COLL.


The ACD is also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the AXA Investment Managers UK Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Directors approval

In accordance with the requirements of the Financial Conduct Authority Sourcebook, the contents of this report have been approved on behalf of AXA Investment Managers UK Limited by:



John Stainsby  
Director



Amanda Prince  
Director

23rd February 2022

23rd February 2022

## Further Information

### Classes of Shares

The Company can issue different classes of shares in respect of any Fund. Holders of Income shares are entitled to be paid the revenue attributable to such shares, in respect of each annual or accounting period. Holders of Accumulation shares are not entitled to be paid the revenue attributable to such shares, but that revenue is retained and accumulated for the benefit of shareholders and is reflected in the price of shares.

### Valuation Point

All investments are valued at their fair value price as at 4:30pm on 31 December 2021 being the last business day of the accounting period (with the exception of Global High Income Fund & US Short Duration High Yield Fund which are valued at midday). The fair value for non-derivative securities is bid price. Other investments have been stated at the Manager's valuation and this has been indicated in the portfolio statements.

### Other Information

The Instrument of Incorporation, Prospectus and the most recent and annual reports may be inspected at the office of the ACD which is also the Head Office of the Company and copies may be obtained upon application. Shareholders who have any complaints about the operation of the Company should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

### Report

The annual report of the Company will be published within four months of each annual accounting period and the report will be published within two months of each accounting period.

Interim accounts	period ended 31 December
Annual accounts	period ended 30 June

### Data Protection

The details you have provided will be held on computer by the Funds' Registrar but will not be used for any purpose except to fulfil its obligations to shareholders.

### Effects of Personal Taxation

Investors should be aware that unless their shares are held within an ISA, or switched between Funds in this OEIC, selling shares is treated as a disposal for the purpose of Capital Gains tax.

### Risk Warning

An investment in an Open Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

### 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 required on all reports & accounts published after 13 January 2017. During the period to 31 December 2021 and at the balance sheet date, the Company did not use SFTs or total return swaps, as such no disclosure is required.

## Further Information

### Annual Management Charge

AXA Investment Managers UK Limited, as ACD, will receive an Annual Management Charge out of the property for AXA Global High Income Fund at the rate of 0.45% per annum for Class A Shares, 1.25% per annum for Class R Shares, 0.50% per annum for Class Z Shares; for AXA Sterling Corporate Bond Fund at the rate of 1% per annum for Class R Shares, 0.50% per annum for Class Z Shares, 0.40% per annum for Class B Shares; for AXA Sterling Index-Linked Bond Fund at the rate of 0.25% per annum for Class A Shares, 0.75% per annum for Class R Shares, 0.30% per annum for Class Z Shares; for AXA Sterling Strategic Bond Fund at the rate of 1.25% per annum for Class R Shares, 0.50% per annum for Class Z Shares, 0.40% per annum for Class B Shares; for AXA Sterling Credit Short Duration Bond Fund at the rate of 0.35% per annum for Class A Shares, 0.85% per annum for Class R Shares, 0.40% per annum for Class Z Shares, 0.25% per annum for Class ZI Shares; for AXA US Short Duration High Yield Fund at the rate of 0.75% per annum for Class Z Shares, 0.45% per annum for Class ZI Shares; for AXA Global Short Duration Bond Fund at the rate of 0.40% per annum for Class Z Shares, 0.25% per annum for Class ZI Shares, 0.20% per annum for Class S Shares; for AXA Sterling Buy and Maintain Credit Fund at the rate of 0.13% per annum for Class Z Shares based on the net asset value of the relevant Fund calculated on a mid-market basis. The Annual Management Charge accrues monthly and is payable monthly in arrears. The maximum permitted Annual Management Charge payable to the ACD is 2% per annum for Class A, Class B, Class R, Class S, Class Z and Class ZI Shares.

### Preliminary Charge

There is currently no initial charge on Class A Shares, Class B Shares, Class R Shares, Class S Shares, Class Z Shares and Class ZI Shares; for Class H Shares there is initial charge 5%.