

Annual Long Report and Audited Financial Statements
Year ended
15 September 2018

AXA Framlington UK Select Opportunities Fund

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

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

More information on any AXA unit trust, copies of the latest Manager's Reports and Prospectus are available free of charge. Telephone 0345 777 5511 or visit our website: www.axa-im.com. In order to improve our service, telephone calls may be recorded.

Fund Objective

The aim of the AXA Framlington UK Select Opportunities Fund ("the Fund") is to provide long-term capital growth.

The Fund invests in shares of companies, primarily of UK origin, which the Manager believes will provide above-average returns. The Fund invests in companies of any size. The Manager selects shares based upon analysis of a company's financial status, quality of its management, expected profitability and prospects for growth. The Manager has full discretion to select investments for the Fund in line with the above investment policy and in doing so may take into consideration the FTSE All Share Index.

Investment Review

“Our dilemma is that we hate change and love it at the same time; what we really want is for things to remain the same, but get better.”

Sydney J Harris, US Columnist

The new rules of data capitalism are still being written. Jeff Bezos, Founder and CEO of Amazon, believes you must obsess about customers, invest for the long term, exploit your network of customers to grow further, and focus on delivering the best customer experience at the lowest price via an online platform. In the past, we have written that the platform must be backed up by robust logistics and distribution centres.

Where data capitalism is embraced in data-rich markets, such as the UK, traditional companies are challenged and have to adapt or become obsolete. It is one of the functions of the investment manager to establish which they are, and avoid the ‘dinosaurs’. It should come as no surprise that Woolworths and British Home Stores no longer exist. However, looking at the list of consumer companies that are, or have been, in administration or CVAs is perhaps an indication that the Amazon effect is taking its toll – Homebase, Mothercare, House of Fraser, Maplin, New Look, Carpetright, Toys R US, Poundworld and, more recently, Coast. This influence of online platforms is not restricted to retail, and extends to other industries such as property, automobiles, travel and hotel accommodation. Within the Fund, we own Rightmove, Autotrader and also Worldpay, who facilitate transactions in the digital world. It took Airbnb three years to enter 89 countries, and took the Hilton Group 72 years to enter 69 countries. In 2007, CEO of Microsoft, Steve Ballmer, pronounced that “there is no chance the iPhone is going to get significant market share”. By neglecting the steady and continuous advancement in computing power and mobile technology, Microsoft missed the smartphone phenomenon.

Disruptive innovation is also manifesting itself in many ways. Professor Hayek, the Austrian liberal economist foresaw that “markets are essentially an ordering mechanism, growing up without anybody wholly understanding it, that enables us to utilise widely dispersed information about the significance of circumstances of which we are mostly ignorant”. Some disruption will continue to arise from advances in battery and storage technologies, and smart voice – activated assistants, 5G communication and autonomous vehicles.

“The secret of change is to focus all your energy not on fighting the old, but on building the new”.

Socrates

Citigroup estimated that the average company lifespan on the S&P 500 Index has dropped from 61 years to 18 years. Those dinosaur companies fighting the old are not coping with behavioural changes, technological changes and industry and/or sector changes. One company in the Fund, in which we are increasing our exposure and that we perceive is coping well with change, is Coats Group. Established in the 1750s by James and Patrick Clark in Paisley, Scotland, it became a listed company in 1890. It was one of the world’s largest companies by market capitalisation in 1912, following its merger with the Coats family

Top Ten Holdings as at 15 September 2018		%
Royal Dutch Shell 'B' Shares		4.67
<i>Oil & Gas</i>		
London Stock Exchange		3.53
<i>Financials</i>		
Experian		3.23
<i>Industrials</i>		
Prudential		3.17
<i>Financials</i>		
Ashtead		3.10
<i>Industrials</i>		
Rotork		3.10
<i>Industrials</i>		
HSBC		3.05
<i>Financials</i>		
Rentokil Initial		2.96
<i>Industrials</i>		
Elementis		2.83
<i>Basic Materials</i>		
GlaxoSmithKline		2.76
<i>Health Care</i>		

company. Through decline, de-listing and rebirth via private equity, it re-listed on the London Stock Exchange in 2015.

Coats is the world's leading industrial thread manufacturer with a 20% market share. It is also a major player in American textile crafts. Their threads keep your jeans and trainers together. Customers include Uniqlo, Nike, Adidas, Under Armour, Next and GAP. In their performance materials division, including super tensile and fire retardant threads, end use includes car tyres, where Michelin is a customer.

It is in Coats operations where they have embraced new and digital strategies. Greater than 90% of thread sampling by customers is digitally enabled, with the relaunch of www.coats.com. Greater than 20% of performance material sales come from new products*, developed in three innovation centres, increasingly interacting with start-up companies and universities. They have put in programmes to reduce energy and water and invest in more efficient equipment, which has led to a 26% decline in water usage and a 20% decline in energy over five years. In 2017, 29% of energy used was from renewable sources; for example, solar, while 75% of waste is reused or recycled.

Where corporates find it difficult to enable these types of strategies across silos or individual business units, some more radical solutions are adopted. One we particularly favour is de-merger, where significant value can accrue. One of the most successful de-mergers in my investment career, which occurred in 1993, involved ICI, which was split into pharmaceuticals, paints, fertilisers, agrichemicals, seeds and specialist chemicals. ICI has since become AstraZeneca, Norsk Hydro, Syngenta, Akzo Nobel and Victrex. The de-merger of Great Universal Stores (GUS) also created great value to shareholders, becoming Experian, Burberry and Home Retail Group (Argos and Homebase).

One of our holdings is going through this process at the moment. In March 2018, Prudential (founded in 1848) announced the de-merger of M&G Prudential and Prudential plc. Upon completion, there will be two listed companies with different investment characteristics and opportunities: M&G Prudential, with £341 billion in assets under management, and Prudential plc, which comprises their US variable annuities business, Jackson National Life and the fast-growing Prudential Corporation Asia**.

During the year, we received a takeover bid for GKN from Melrose, and subsequent to the bid succeeding, the resultant holding in Melrose was sold. The final tranche of Vodafone was sold and Paddy Power Betfair was sold as betting taxes rose in Australia and weaker trading on the Betfair exchange was witnessed. Other holdings reduced included Rightmove, RPC, BTG and Essentra. Coats Group was purchased for the reasons above and holdings added to included Breedon, Weir and Applegreen. A new holding of Creo Medical was purchased. Creo is a manufacturer and pioneer of new products in electrosurgical endoscopy, using new technologies in gastrointestinal procedures.

With respect to the wider economy, in which all our companies have to operate, amber lights are flashing. In the US, there are several indications of a very strong economy: US earnings per share growth for 2018 is expected to be at least 20%; the first half of 2018 has seen economic growth of 4-5%; the introduction of a Trump tax stimulus of \$1.5 trillion, which has added fuel to fire; record share buybacks; a 3.8% rate of unemployment; consumer confidence has been very high; housing starts back at peaks; operating margins at all-time highs; high utilisation rates; auto sales peaking; and truck orders at two times the previous forecasts for 2018. It is no surprise that US Federal Reserve (Fed) Chairman Powell stated "we are far from neutral". Barclays' Adviser, Richard Fischer, commented that his friend, Jay Powell, "will hike rates as fast as he can, taking no notice of how much markets might squeal". Following the period-end, US Treasury 10-year bonds have declined in price to yield 3.2%. Equity prices do not like rising interest rates, and are reacting. The withdrawal of quantitative easing, and replacement with quantitative tightening, will now shrink the Fed and Bank of England balance sheets. This will likely result in less liquidity, which has previously driven many asset prices. Combined with slower growth in China and trade issues with the US, Brexit, Corbyn and the ECB being less accommodative, and a strong US dollar in emerging markets - things are looking more uncertain.

We continue to advocate our investment mantra that “things will not necessarily get better or worse, but will become different”. As you have seen above, it is at the core of our investment style, but can be blown off course in the short term by global events in the interest rate and business cycle. Equities are long duration assets and we are comforted that the long-term compounding of reinvested dividends is compounding in your favour, not against you.

“The time to relax is when you don’t have time for it”.

Sydney J Harris

Nigel Thomas
15 September 2018

All performance data source: AXA Investment Managers to 15 September 2018.

*Coats Group plc 31st July 2018. **Prudential plc – updated to 27th July 2018 £351 billion.

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

Portfolio Changes

For the year ended 15 September 2018

Major Purchases	Cost (£)	Major Sales	Proceeds (£)
Coats	29,681,364	Paddy Power Betfair	120,124,291
Weir	16,229,241	RPC	65,578,652
Breedon	4,454,058	Rightmove	53,274,577
Eddie Stobart Logistics	4,048,587	Essentra	48,793,130
Applegreen	3,588,450	BTG	46,536,474
Creo Medical	2,802,116	St James's Place	44,896,752
Amryt Pharma	1,263,074	Ashtead	44,367,084
Stirling Industries	750,000	Lloyds Banking	43,803,395
Evgen Pharma	210,000	Melrose Industries	38,963,189
		Vodafone	37,362,729
		Other sales	343,437,777
Total purchases for the year	63,026,890	Total sales for the year	887,138,050

Managing Risks

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

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

RISK PROFILE

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

EQUITY RISK

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

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

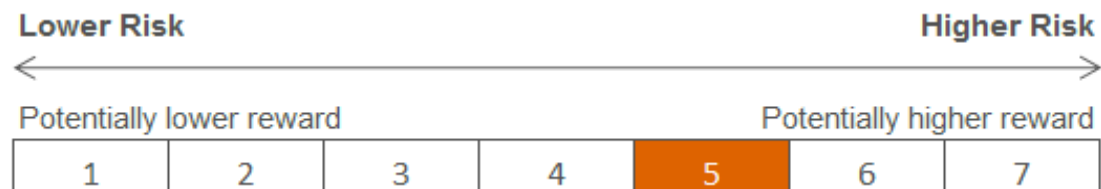
Internal investment guidelines are set, if necessary, to ensure equity risk is maintained within a range deemed suitable based on the Fund's investment objectives and investment policy.

SMALLER COMPANIES RISK

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

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

RISK AND REWARD PROFILE



The risk category is calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The risk category shown is not guaranteed and may shift over time. There has been no change from prior year. 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 level of variation which may result in gains or losses.

ADDITIONAL RISKS

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

Regular monitoring is conducted to ensure a high degree of confidence that Fund liquidity will meet the Fund's expected liquidity requirements.

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

Fund Information

FIVE YEAR PERFORMANCE

In the five years to 15 September 2018, the price of Z Accumulation units, with net income reinvested, rose by +31.37%. The FTSE All-Share Index (Total Return) increased by +37.82% over the same time period. During the same period, the price of Z Income units, with zero income reinvested, rose by +20.19% (Source: AXA Investment Managers and Lipper) (Prices in GBP).

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

Date	AXA Framlington UK Select Opportunities Z Acc	FTSE All-Share TR
15/09/2013 - 15/09/2014	+6.43%	+6.82%
15/09/2014 - 15/09/2015*	+2.01%	-3.44%
15/09/2015 - 15/09/2016	+5.32%	+12.79%
15/09/2016 - 15/09/2017	+8.73%	+11.91%
15/09/2017 - 15/09/2018	+5.67%	+5.86%

Source of all performance data: AXA Framlington & Lipper. Basis: Single Price NAV, gross of tax, net of fees in GBP.

* Performance Calculation: Single price basis (NAV) from 15/09/2014 and bid prices prior to this. To ensure consistent performance figures between bid and NAV prices, an adjustment factor has been applied.

Past performance is not a guide to future performance.

YIELD

R Inc	1.05%
R Acc	1.00%
Z Inc	1.71%
Z Acc	1.65%
ZI Inc	1.78%
ZI Acc	1.77%

CHARGES

	Initial Charge	Annual Management Charge
R	Nil	1.50%
Z	Nil	0.85%
ZI	Nil	0.75%

ONGOING CHARGES**

R Inc	1.58%
R Acc	1.58%
Z Inc	0.93%
Z Acc	0.93%
ZI Inc	0.83%
ZI Acc	0.83%

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

UNIT TRUST INDIVIDUAL SAVINGS ACCOUNTS

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

Comparative Tables

Change in net assets per unit	R Inc			R Acc		
	15/09/2018 (p)	15/09/2017 (p)	15/09/2016 (p)	15/09/2018 (p)	15/09/2017 (p)	15/09/2016 (p)
Opening net asset value per unit [†]	1,829.82	1,714.52	1,663.20	3,354.80	3,105.64	2,967.78
Return before operating charges [^]	121.92	166.56	102.88	223.39	301.21	185.50
Operating charges	(30.32)	(28.66)	(26.60)	(55.81)	(52.05)	(47.64)
Return after operating charges [^]	91.60	137.90	76.28	167.58	249.16	137.86
Distributions	(20.17)	(22.60)	(24.96)	(35.12)	(42.24)	(44.55)
Retained distributions on accumulation units	-	-	-	35.12	42.24	44.55
Closing net asset value per unit[†]	1,901.25	1,829.82	1,714.52	3,522.38	3,354.80	3,105.64
*^after direct transaction costs of:	0.47	1.84	0.82	0.87	3.33	1.47
Performance						
Return after charges	5.01%	8.04%	4.59%	5.00%	8.02%	4.65%
Other Information						
Closing net asset value [†]	54,464,197	92,570,643	128,081,503	1,100,198,027	1,238,105,711	1,302,122,337
Closing number of units	2,864,654	5,058,996	7,470,400	31,234,516	36,905,490	41,927,710
Operating charges	1.58%	1.58%	1.58%	1.58%	1.58%	1.58%
Direct transaction costs*	0.02%	0.10%	0.05%	0.02%	0.10%	0.05%
Prices						
Highest unit price #	2,027.00	1,915.00	1,781.00	3,718.00	3,475.00	3,188.00
Lowest unit price #	1,806.00	1,670.00	1,524.00	3,313.00	3,029.00	2,720.00

Comparative Tables (Continued)

Change in net assets per unit	Z Inc			Z Acc		
	15/09/2018 (p)	15/09/2017 (p)	15/09/2016 (p)	15/09/2018 (p)	15/09/2017 (p)	15/09/2016 (p)
Opening net asset value per unit†	141.86	132.89	128.93	156.74	144.16	136.95
Return before operating charges^	9.45	12.93	7.95	10.45	14.01	8.50
Operating charges	(1.39)	(1.31)	(1.21)	(1.54)	(1.43)	(1.29)
Return after operating charges^	8.06	11.62	6.74	8.91	12.58	7.21
Distributions	(2.56)	(2.65)	(2.78)	(2.73)	(2.98)	(2.97)
Retained distributions on accumulation units	-	-	-	2.73	2.98	2.97
Closing net asset value per unit†	147.36	141.86	132.89	165.65	156.74	144.16
*^after direct transaction costs of:						
	0.04	0.14	0.06	0.04	0.16	0.07
Performance						
Return after charges	5.68%	8.74%	5.23%	5.68%	8.73%	5.26%
Other Information						
Closing net asset value†	10,451,616	16,978,769	25,299,576	31,573,615	39,396,178	42,974,887
Closing number of units	7,092,382	11,968,745	19,038,343	19,060,900	25,133,933	29,809,785
Operating charges	0.93%	0.93%	0.93%	0.93%	0.93%	0.93%
Direct transaction costs*	0.02%	0.10%	0.05%	0.02%	0.10%	0.05%
Prices						
Highest unit price #	157.30	148.70	138.30	174.50	162.00	147.90
Lowest unit price #	140.00	129.60	118.40	155.30	140.70	125.80

Comparative Tables (Continued)

Change in net assets per unit	ZI Inc			ZI Acc		
	15/09/2018 (p)	15/09/2017 (p)	15/09/2016 (p)	15/09/2018 (p)	15/09/2017 (p)	15/09/2016 (p)
Opening net asset value per unit†	142.07	133.11	129.09	157.83	145.02	137.54
Return before operating charges^	9.44	12.96	8.03	10.52	14.09	8.65
Operating charges	(1.24)	(1.17)	(1.09)	(1.39)	(1.28)	(1.17)
Return after operating charges^	8.20	11.79	6.94	9.13	12.81	7.48
Distributions	(2.66)	(2.83)	(2.92)	(2.95)	(3.10)	(3.13)
Retained distributions on accumulation units	-	-	-	2.95	3.10	3.13
Closing net asset value per unit†	147.61	142.07	133.11	166.96	157.83	145.02
*^after direct transaction costs of:	0.04	0.14	0.06	0.04	0.16	0.07
Performance						
Return after charges	5.77%	8.86%	5.38%	5.78%	8.83%	5.44%
Other Information						
Closing net asset value†	676,076,494	813,330,075	1,054,444,345	818,317,534	1,053,360,596	1,284,285,685
Closing number of units	458,014,896	572,497,031	792,142,898	490,137,749	667,407,114	885,618,337
Operating charges	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%
Direct transaction costs*	0.02%	0.10%	0.05%	0.02%	0.10%	0.05%
Prices						
Highest unit price #	157.60	148.90	138.60	175.80	163.10	148.80
Lowest unit price #	140.30	129.80	118.60	156.50	141.60	126.40

† Valued at bid-market prices.

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

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

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

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

Portfolio Statement

The AXA Framlington UK Select Opportunities Fund portfolio as at 15 September 2018 consisted of the following investments, which are ordinary shares unless otherwise stated.

Holding	Market value (£)	Total net assets (%)	
UNITED KINGDOM: 92.82% (15/09/2017: 98.43%)			
OIL & GAS: 8.54% (15/09/2017: 6.71%)			
Oil & Gas Producers: 8.54% (15/09/2017: 6.38%)			
68,525,693	Amerisur Resources	10,388,495	0.39
12,500,000	BP	68,787,500	2.56
4,512,475	Indus Gas	11,461,687	0.42
5,000,000	Royal Dutch Shell 'B' Shares	125,625,000	4.67
11,482,439	Serica Energy	9,185,951	0.34
17,488,000	Wentworth Resources	4,372,000	0.16
		229,820,633	8.54
Oil Equipment, Services & Distribution: 0.00% (15/09/2017: 0.33%)			
BASIC MATERIALS: 5.41% (15/09/2017: 4.76%)			
Chemicals: 5.41% (15/09/2017: 4.76%)			
2,927,657	Dyson ¹	-	-
30,000,000	Elementis	76,200,000	2.83
2,000,000	Johnson Matthey	69,360,000	2.58
		145,560,000	5.41
INDUSTRIALS: 38.72% (15/09/2017: 37.25%)			
Aerospace & Defence: 0.32% (15/09/2017: 0.21%)			
4,000,000	Chemring	8,580,000	0.32
		8,580,000	0.32
Construction & Materials: 2.97% (15/09/2017: 2.82%)			
97,724,201	Breedon	72,315,909	2.69
3,500,000	Melrose Industries	7,675,500	0.28
		79,991,409	2.97

Holding		Market value (£)	Total net assets (%)
Electronic & Electrical Equipment: 2.52% (15/09/2017: 2.52%)			
16,621,728	Morgan Crucible	53,987,372	2.01
7,976,758	Xaar	13,720,024	0.51
		67,707,396	2.52
General Industrials: 3.23% (15/09/2017: 4.28%)			
35,000,000	Coats	29,540,000	1.10
7,000,000	RPC	57,456,000	2.13
		86,996,000	3.23
Industrial Engineering: 10.39% (15/09/2017: 8.67%)			
7,000,000	Bodycote	62,020,000	2.30
6,000,000	IMI	68,280,000	2.54
25,000,000	Rotork	83,400,000	3.10
10,016,034	Trifast	21,233,992	0.79
2,746,172	Weir	44,776,334	1.66
		279,710,326	10.39
Industrial Transportation: 3.69% (15/09/2017: 3.98%)			
22,500,000	BBA Aviation	65,655,000	2.44
27,820,711	Eddie Stobart Logistics	33,663,060	1.25
		99,318,060	3.69
Support Services: 15.60% (15/09/2017: 14.77%)			
3,549,645	Ashtead	83,416,658	3.10
30,000,000	BCA Marketplace	64,950,000	2.41
7,977,378	Essentra	33,568,807	1.25
4,500,000	Experian	86,872,500	3.23
4,500,000	iEnergizer	3,600,000	0.13
25,000,000	Rentokil Initial	79,550,000	2.96
893,000	Worldpay	67,671,540	2.52
		419,629,505	15.60
CONSUMER GOODS: 2.23% (15/09/2017: 3.00%)			
Automobiles & Parts: 0.00% (15/09/2017: 1.29%)			
Beverages: 2.23% (15/09/2017: 1.71%)			
2,250,000	Diageo	60,007,500	2.23
		60,007,500	2.23

Holding		Market value (£)	Total net assets (%)
HEALTH CARE: 13.73% (15/09/2017: 13.95%)			
Health Care Equipment & Services: 3.52% (15/09/2017: 2.82%)			
13,418,987	Advanced Medical Solutions	41,800,145	1.56
2,241,693	Creo Medical	4,393,718	0.16
3,500,000	Smith & Nephew	48,457,500	1.80
		94,651,363	3.52
Pharmaceuticals & Biotechnology: 10.21% (15/09/2017: 11.13%)			
26,940,370	Amryt Pharma	4,579,863	0.17
10,312,500	Amryt Pharma Warrants 31/12/18 ¹	-	-
750,000	AstraZeneca	41,955,000	1.56
9,000,000	BTG	50,445,000	1.87
8,000,000	Clinigen Healthcare	73,600,000	2.73
5,774,625	Eco Animal Health	27,718,200	1.03
8,535,000	Evgen Pharma	1,365,600	0.05
5,000,000	GlaxoSmithKline	74,210,000	2.76
12,286,220	Redx Pharma	1,007,470	0.04
		274,881,133	10.21
CONSUMER SERVICES: 10.90% (15/09/2017: 15.67%)			
General Retailers: 2.92% (15/09/2017: 2.57%)			
7,884,310	Applegreen	42,102,215	1.56
6,500,000	Dunelm	36,497,500	1.36
		78,599,715	2.92
Media: 7.72% (15/09/2017: 9.22%)			
13,750,000	Ascential	57,695,000	2.14
10,000,000	Auto Trader	43,410,000	1.61
35,000,000	ITV	56,210,000	2.09
10,500,000	Rightmove	50,447,250	1.88
		207,762,250	7.72
Travel & Leisure: 0.26% (15/09/2017: 3.88%)			
11,150,306	Sportech	7,091,595	0.26
		7,091,595	0.26
TELECOMMUNICATIONS: 0.36% (15/09/2017: 1.98%*)			
Fixed Line Telecommunications: 0.36% (15/09/2017: 0.71%*)			
8,572,521	Zegona Communications	9,772,674	0.36
		9,772,674	0.36

Holding		Market value (£)	Total net assets (%)
Mobile Telecommunications: 0.00% (15/09/2017: 1.27%)			
FINANCIALS: 11.21% (15/09/2017: 12.91%*)			
Banks: 4.15% (15/09/2017: 5.15%)			
12,500,000	HSBC	82,012,500	3.05
50,000,000	Lloyds Banking	29,565,000	1.10
		111,577,500	4.15
Life Insurance: 3.17% (15/09/2017: 4.56%)			
5,000,000	Prudential	85,275,000	3.17
		85,275,000	3.17
Financial Services: 3.86% (15/09/2017: 3.20%)			
148	BENE IO ¹	-	-
2,000,000	London Stock Exchange	95,100,000	3.53
13,992,413	Miton	8,815,220	0.33
		103,915,220	3.86
Non Equity Instruments: 0.03% (15/09/2017: 0.00%*)			
750,000	Stirling Industries	712,500	0.03
		712,500	0.03
TECHNOLOGY: 1.72% (15/09/2017: 1.18%)			
Technology Hardware & Equipment: 1.72% (15/09/2017: 1.18%)			
2,718,889	Frontier Smart Technologies	1,223,500	0.04
37,250,000	Spirent Communications	45,147,000	1.68
		46,370,500	1.72
UTILITIES: 0.00% (15/09/2017: 1.02%)			
Gas, Water & Multiutilities: 0.00% (15/09/2017: 1.02%)			
Investments as shown in the balance sheet		2,497,930,279	92.82
Net current assets		193,151,204	7.18
Total net assets		2,691,081,483	100.00

SUMMARY OF FUND ASSETS

The following type of securities were held by the Fund at the year end:

		Total net assets (%)
Listed	- eligible markets	92.82
Unquoted	¹	-
Net current assets		7.18
Total net assets		100.00

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

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

Statement of Total Return

For the year ended 15 September

	Notes	£	2018 £	2017 £
Income				
Net capital gains	3		138,628,840	256,758,517
Revenue	4	79,119,454		105,336,261
Expenses	5	(35,333,156)		(41,444,866)
Interest payable and similar charges		-		(1)
Net revenue before taxation		43,786,298		63,891,394
Taxation	6	-		-
Net revenue after taxation			43,786,298	63,891,394
Total return before distributions			182,415,138	320,649,911
Distributions	7		(43,786,331)	(63,891,384)
Change in net assets attributable to unitholders from investment activities			138,628,807	256,758,527

Statement of Change in Net Assets Attributable to Unitholders

For the year ended 15 September

	£	2018 £	2017 £
Opening net assets attributable to unitholders		3,253,741,972	3,837,208,333
Amounts receivable on creation of units	56,836,759		53,366,700
Amounts payable on cancellation of units	(784,913,946)		(931,894,221)
		(728,077,187)	(878,527,521)
Change in net assets attributable to unitholders from investment activities		138,628,807	256,758,527
Retained distribution on accumulation units		26,786,100	38,295,121
Unclaimed distribution		1,791	7,512
Closing net assets attributable to unitholders		2,691,081,483	3,253,741,972

Balance Sheet

As at 15 September

		2018	2017
	Notes	£	£
ASSETS			
Fixed assets			
Investments		2,497,930,279	3,202,656,129
Current assets			
Debtors	8	40,138,060	23,576,438
Cash and bank balances	9	217,098,889	65,774,755
Total assets		2,755,167,228	3,292,007,322
LIABILITIES			
Creditors			
Distribution payable		10,032,919	12,922,175
Other creditors	10	54,052,826	25,343,175
Total liabilities		64,085,745	38,265,350
Net assets attributable to unitholders		2,691,081,483	3,253,741,972

Notes to the Financial Statements

1.1 Accounting Policies

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

b) Dividends on quoted ordinary shares and preference shares are recognised when the securities are quoted ex-dividend. Where such securities are not quoted, dividends are recognised when the right to receive payment is established.

c) The listed investments of the Fund are valued at bid-market prices ruling at 12 noon (GMT) on the last business day of the accounting year. Where securities are listed on global markets which are closed at the 12 noon (GMT) valuation point, the last available closing bid-price will be utilised, subject to the application of any fair value pricing adjustment. The fair value of unlisted securities, and unquoted securities where the quotation has been suspended, is estimated by the Manager, using independent sources where available.

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

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

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

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

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

each of the units in question. Equalisation on distributions received is deducted from the cost of the investment.

- i) With the exception of the annual management charge, which is directly attributable to individual unit classes, all revenue and expenses are allocated to unit classes pro rata to the value of the net assets of the relevant unit class on the day the revenue or expense is recognised.
- j) The Fund is not required to produce a cash flow statement as it meets the exemption criteria set out in FRS102.7.IA.

1.2 Distribution Policy

- a) The Fund will distribute any net revenue two months after the accounting year end. Any net revenue deficit will be transferred to the capital account. The type of distribution being made by the Fund is a dividend distribution.
- b) The total revenue received in respect of scrip dividends is separated with an amount equal to the cash alternative credited to revenue and any enhancement credited to capital. The revenue portion forms part of the revenue distribution amount.
- c) Special dividends and share buybacks are treated as revenue or capital depending on the facts of each particular case. It is likely that where the receipt of a special dividend results in a significant reduction in the capital value of the holding, then the special dividend should be treated as capital in nature so as to ensure that the matching principle is applied to gains and losses. Otherwise, the special dividends should be recognised as revenue.
- d) If a distribution payment of the Fund remains unclaimed for a period of 6 years after it has become due, it will be forfeited and will revert to and become part of the scheme property.
- e) The annual management charge is charged against revenue for the purposes of calculating the amount available for distribution.

2 Financial instruments

The analysis and tables provided below refer to the narrative disclosure on financial instruments risks on pages 8 to 9 of the Manager's Report.

Price risk sensitivity

At 15 September 2018, if the price of investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, the net assets would increase or decrease by £124,896,514 (2017: £160,132,806) respectively.

Foreign currency risk sensitivity

Assuming all other factors remain stable, if GBP strengthens by 5% the resulting change in the net assets attributable to unitholders of the Fund would be a decrease of approximately £81,939 (2017: £93,028). A 5% weakening in GBP would have an equal but opposite effect.

Interest rate risk sensitivity

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

Currency exposures

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

2018	Monetary Exposure	Non Monetary Exposure	Total
	£	£	£
US Dollar	1,638,782	-	1,638,782
Total	1,638,782	-	1,638,782

2017	Monetary Exposure	Non Monetary Exposure	Total
	£	£	£
Euro	1,005,014	-	1,005,014
US Dollar	855,549	-	855,549
Total	1,860,563	-	1,860,563*

* Prior year total currency exposure amended to exclude Sterling (£3,251,881,409).

3 Net capital gains

The net gains during the year comprise:

	2018	2017
	£	£
Gains on non-derivative securities	138,628,782	256,758,521
Gains/(losses) on foreign currency exchange	58	(2)
Transaction charges	-	(2)
Net capital gains	138,628,840	256,758,517

4 Revenue

	2018	2017
	£	£
UK dividends	78,252,483	100,256,164
Overseas dividends	800,421	5,077,188
Bank interest	66,550	2,909
Total revenue	79,119,454	105,336,261

5 Expenses

	2018	2017
	£	£
Payable to the Manager		
Annual management charge	32,808,633	38,423,648
Registrar's fees	1,855,690	2,224,254
	34,664,323	40,647,902
Other expenses		
Audit fee	8,263	8,682
FCA fee	111	83
Safe custody charges	-	143
Trustee's fees	657,868	786,889
Swiss regulatory fees	-	1,167
Professional fees	2,591	-
	668,833	796,964
Total expenses	35,333,156	41,444,866

Expenses include irrecoverable VAT where applicable.

6 Taxation**a) Analysis of tax in the year:**

There is no corporation tax charge in the current year or prior year.

b) Factors affecting total tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised unit trust (20%) (2017: 20%).

The differences are explained below:

	2018 £	2017 £
Net revenue before taxation	43,786,298	63,891,394
Corporation tax at 20%	8,757,260	12,778,279
Effects of:		
Movement in excess management expenses	7,053,321	8,288,392
Non taxable UK dividends	(15,650,497)	(20,051,233)
Non-taxable overseas dividends	(160,084)	(1,015,438)
Total effects	(8,757,260)	(12,778,279)
Total tax charge for the year (see note 6a)	-	-

Authorised unit trusts are exempt from tax on capital gains.

c) Deferred taxation:

There is no provision required for deferred taxation at the Balance sheet date (2017: nil).

d) Factors that may affect future tax charges:

At the year end, after offset against income taxable on receipt, there is a potential deferred tax asset of £95,232,822 (2017: £88,179,501) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised.

7 Distributions

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

	2018 £	2017 £
Interim	7,776,692	15,575,619
Final	32,457,617	41,851,447
	40,234,309	57,427,066
Add: Income deducted on cancellation of units	4,741,171	7,622,792
Deduct: Income received on creation of units	(1,189,149)	(1,158,474)
Net distribution for the year	43,786,331	63,891,384
Reconciliation to net revenue after taxation:		
Net distribution for the year	43,786,331	63,891,384
Equalisation on conversions	(33)	10
Net revenue after taxation	43,786,298	63,891,394

8 Debtors

	2018 £	2017 £
Sales awaiting settlement	26,969,020	6,634,331
Amounts receivable on creation of units	18,497	-
Accrued revenue	13,150,543	16,942,107
Total debtors	40,138,060	23,576,438

9 Cash and bank balances

	2018 £	2017 £
Cash and bank balances	217,098,889	65,774,755
Total cash and bank balances	217,098,889	65,774,755

10 Other creditors

	2018 £	2017 £
Amounts payable on cancellation of units	52,813,252	23,773,149
Accrued expenses		
- Manager	1,144,752	1,450,084
- Other	94,822	119,942
Total other creditors	54,052,826	25,343,175

11 Unitholders' funds

The Fund currently has six unit classes in issue.

	R Inc	R Acc	Z Inc	Z Acc	ZI Inc	ZI Acc
Opening units in issue	5,058,996	36,905,490	11,968,745	25,133,933	572,497,031	667,407,114
Units issued	13,746,585	1,488,306	139,858	1,056,703	10,818,306	34,988,686
Units cancelled	(15,940,927)	(7,159,280)	(5,016,221)	(7,129,736)	(125,300,441)	(212,258,051)
Unit conversions	-	-	-	-	-	-
Closing units in issue	2,864,654	31,234,516	7,092,382	19,060,900	458,014,896	490,137,749

12 Related parties

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

At 15 September 2018, there are no material unitholders that hold more than 50% of units in the Fund. Other than disclosed elsewhere in the Financial Statements, there were no material transactions between the Fund and related parties during the year.

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

13 Portfolio transaction costs**2018**

Analysis of purchases	Net purchase cost £	Commissions paid £	%	Taxes £	%	Total purchase cost £
Equity	62,858,869	20,364	0.03	147,657	0.23	63,026,890
Total	62,858,869	20,364		147,657		63,026,890

2018

Analysis of sales	Net sale proceeds £	Commissions paid £	%	Taxes £	%	Total sale proceeds £
Equity	887,728,555	(590,013)	(0.07)	(492)	-	887,138,050
Total	887,728,555	(590,013)		(492)		887,138,050

2017

Analysis of purchases	Net purchase cost £	Commissions paid £	%	Taxes £	%	Total purchase cost £
Equity	411,654,492	507,663	0.12	1,782,678	0.43	413,944,833
Total	411,654,492	507,663		1,782,678		413,944,833

2017

Analysis of sales	Net sale proceeds £	Commissions paid £	%	Taxes £	%	Total sale proceeds £
Equity	1,265,603,460	(1,462,261)	(0.12)	(317)	-	1,264,140,882
Total	1,265,603,460	(1,462,261)		(317)		1,264,140,882

Commission as a % of average net assets 0.02% (2017: 0.05%)

Taxes as a % of average net assets 0.00% (2017: 0.05%)

Portfolio dealing spread

The average portfolio dealing spread as at the year end was 0.32% (2017: 0.31%).

14 Fair value disclosure

Valuation technique	15 September 2018		15 September 2017	
	Assets	Liabilities	Assets	Liabilities
	£	£	£	£
Level 1 [^]	2,497,930,279	-	3,202,656,129	-
Level 2 ^{^^}	-	-	-	-
Level 3 ^{^^^}	-	-	-	-
Total	2,497,930,279	-	3,202,656,129	-

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

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

^{^^^} Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

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

15 Commitments, contingent liabilities and contingent assets

There are no commitments, contingent liabilities and contingent assets as at the balance sheet date (2017: none).

16 Post balance sheet events

Subsequent to the year end, on 26 November 2018, the Net Asset Value (“NAV”) per unit has decreased by 7% on Income classes and by 6% on Accumulation classes when compared to the year end date. The movements for each unit class are shown below:

Unit Class	Year end NAV per unit (p)	26/11/18 NAV per unit(p)	Movement (%)
R Inc	1,923.00	1,799.00	-6%
R Acc	3,528.00	3,333.00	-6%
Z Inc	149.50	139.60	-7%
Z Acc	165.90	157.00	-5%
ZI Inc	149.90	139.90	-7%
ZI Acc	167.20	158.20	-5%

The movement in the NAV per unit is largely attributable to the change in prices of the benchmark index for the Fund, namely the FTSE All-Share Index (Total Return) which has decreased by 5% over the same period.

Distribution Tables

For the year ended 15 September 2018

		Net revenue	Equalisation	Distribution payable/paid	
				Current year	Prior year
R Inc					
Interim	Group 1	1.246	-	1.246	3.530
	Group 2	0.701	0.545	1.246	3.530
Final	Group 1	18.928	-	18.928	19.073
	Group 2	8.979	9.949	18.928	19.073
R Acc					
Interim	Group 1	0.394	-	0.394	6.190
	Group 2	0.394	-	0.394	6.190
Final	Group 1	34.722	-	34.722	36.050
	Group 2	20.813	13.909	34.722	36.050
Z Inc					
Interim	Group 1	0.596	-	0.596	0.711
	Group 2	0.343	0.253	0.596	0.711
Final	Group 1	1.962	-	1.962	1.934
	Group 2	0.977	0.985	1.962	1.934
Z Acc					
Interim	Group 1	0.556	-	0.556	0.789
	Group 2	0.323	0.233	0.556	0.789
Final	Group 1	2.177	-	2.177	2.190
	Group 2	1.182	0.995	2.177	2.190
ZI Inc					
Interim	Group 1	0.621	-	0.621	0.780
	Group 2	0.300	0.321	0.621	0.780
Final	Group 1	2.042	-	2.042	2.048
	Group 2	1.034	1.008	2.042	2.048
ZI Acc					
Interim	Group 1	0.675	-	0.675	0.844
	Group 2	0.379	0.296	0.675	0.844
Final	Group 1	2.278	-	2.278	2.259
	Group 2	1.162	1.116	2.278	2.259

(All figures shown in pence per unit)

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

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

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

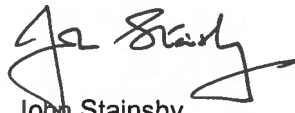
	Group 2 units From	To	Group 1 & 2 units Paid/transferred
Interim	16.09.17	15.03.18	15.05.18
Final	16.03.18	15.09.18	15.11.18

DIRECTORS' APPROVAL

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



Philippe Le Barrois d'Orgeval
Director
6 December 2018



John Stainsby
Director
6 December 2018

Statement of Manager's Responsibilities

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

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

In preparing the accounts the Manager is required to:

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

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

Report of the Trustee

STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES AND REPORT OF THE TRUSTEE TO THE UNITHOLDERS OF AXA FRAMLINGTON UK SELECT OPPORTUNITIES FUND FOR THE ANNUAL ACCOUNTING YEAR TO 15 SEPTEMBER 2018

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

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

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

The Trustee must ensure that:

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

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

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

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

Trustee
National Westminster Trustee and Depositary Ltd
Edinburgh
6 December 2018

Report of the Independent Auditor

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

OPINION

We have audited the financial statements of AXA Framlington UK Select Opportunities Fund ("the Fund") for the year ended 15 September 2018 which comprise the Statement of Total Return, the Statement of Change in Net Assets attributable to Unitholders, Balance Sheet, Distribution Tables and the related Notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 15 September 2018 and of the net revenue and net gains on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

BASIS OF OPINION

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

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

CONCLUSION RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Manager is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

OPINIONS ON OTHERS MATTERS PRESCRIBED BY THE RULES OF THE COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK OF THE FINANCIAL CONDUCT AUTHORITY

In our opinion:

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RESPONSIBILITIES OF THE MANAGER

As explained more fully in the Statement of Manager's Responsibilities set out on page 32, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,

but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

USE OF OUR REPORT

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

Ernst & Young LLP
Statutory Auditor
London
6 December 2018

Further Information

REMUNERATION POLICY OF THE MANAGER

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

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

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

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

Following the implementation of UCITS V in the UK on 18 March 2016, all authorised UCITS Managers are required to comply with the UCITS V Remuneration Code from the start of their next accounting year. Under the UCITS V Directive (2014/91/EU), the Manager is required to disclose information relating to the remuneration paid to its staff for the financial year. The tables below provide an overview:

Total amount of remuneration paid and / or allocated to all staff for the year ended December 31, 2017 ⁽¹⁾	
Fixed Pay ⁽²⁾ ('000 GBP)	214,496
Variable Pay ⁽³⁾ ('000 GBP)	227,109
Number of employees ⁽⁴⁾	2,578

⁽¹⁾ Excluding social charges.

⁽²⁾ Fixed Pay amount is based on post compensation review 2016 data.

⁽³⁾ Variable compensation, includes:

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

⁽⁴⁾ Number of employees includes Permanent and Temporary contracts excluding internships.

Remuneration to Identified Employee:

Aggregate amount of compensation paid and / or allocated to risk takers and senior management whose activities have a significant impact on the risk profile of investment vehicles			
	Risk Takers	Senior Management	Total
Fixed Pay and Variable Remuneration ('000 GBP)	88,640	113,414	202,054
Number of employees	233	113	346

UK Identified Employee Remuneration:

Aggregate amount of compensation paid and / or allocated to risk takers and senior management in the UK Management Company whose activities have a significant impact on the risk profile of investment vehicles			
	Risk Takers	Senior Management	Total
Fixed Pay and Variable Remuneration ('000 GBP)	8,777	11,231	20,008
Number of employees	43	28	71

THE SECURITIES FINANCING TRANSACTIONS REGULATION

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (SFTs) or total return swaps will be required on all reports & accounts published after 13 January 2017. During the year to 15 September 2018 and at the balance sheet date, the Company did not use SFTs or total return swaps, as such no disclosure is required.

Directory

The Manager

AXA Investment Managers UK Limited
7 Newgate Street
London, EC1A 7NX

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

The Administrator and address for inspection of Register:

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

Trustee

National Westminster Trustee and Depositary Ltd*
Trustee and Depositary Services
2nd Floor Drummond House
1 Redheughs Avenue
Edinburgh EH12 9RH
Authorised and regulated by the Financial Conduct Authority.

Fund Accounting Administrator

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

Legal advisers

Eversheds LLP
One Wood Street
London, EC2V 7WS

Auditor

Ernst & Young LLP
25 Churchill Place
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Dealing and Correspondence

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

* Please note that due to changes in legislation which requires the largest UK banks to separate or 'ring-fence' core retail banking services from their investment business, the Trustee of the Framlington Unit Trust range has changed its legal entity from 'National Westminster Bank Plc' to 'National Westminster Trustee and Depositary Ltd'. The change became effective on the 15th October 2018.