

Interim Long Report and Unaudited Financial Statements
Six months ended
6 September 2018

AXA Framlington Monthly Income Fund

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

Contents Page

Fund Objective*	3
Investment Review*	4
Portfolio Changes*	6
Managing Risks*	7
Fund Information	9
Comparative Tables	10
Portfolio Statement*	12
Statement of Total Return	18
Statement of Change in Net Assets Attributable to Unitholders	18
Balance Sheet	19
Notes to the Financial Statements	20
Distribution Tables	21
Directory*	24

* These collectively comprise the Authorised Fund 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.co.uk. Telephone calls may be recorded or monitored for quality assurance purposes.

Fund Objective

The aim of the AXA Framlington Monthly Income Fund (“the Fund”) is to provide a monthly income with potential for long-term growth of capital.

The Fund invests primarily in shares of UK listed companies which the Fund Manager believes will provide above-average income and capital growth. The Fund invests in companies of any size. The Fund also invests in bonds issued by companies or governments. The Fund Manager selects shares based upon analysis of a company's prospects for future growth in dividend payments, financial status, quality of its management, expected profitability and prospects for growth. The Fund 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

The new key economic development in the period was the implementation of trade tariffs set by the US against China, Europe, Canada and Mexico. US President Trump was fulfilling one of his key campaign promises. As the US has a substantial trade deficit, there are some valid arguments that the current system of tariffs needs modification. However, there is a danger that the tit-for-tat implementation of increasing tariffs further will end in protectionism, which may negatively affect global growth prospects, and may also be potentially inflationary.

The US president also introduced substantial tax cuts in the US, including the tax rate for US multi-nationals, to repatriate earnings from abroad. The combination of tax measures bolstered confidence and spending in the US, which saw continued growth. This background enabled the US Federal Reserve to sanction two further 0.25% increases in interest rates, with expectations that rate rises will continue for the next 18 months. The repatriation of cash to the US enabled corporates to continue to buy back substantial quantities of their shares supporting the stock market.

Growth continued in Europe at modest levels, with unemployment rates falling in most countries. Indicators for future growth weakened over the summer due, in part, to the strength of the euro. Other factors included ongoing Brexit negotiations, the rising cost of oil and concerns over the potential impact of tariffs. The continuing recovery in European economies enabled the European Central Bank to announce that quantitative easing would cease at the end of the year.

Various economies, including Venezuela, Argentina and Turkey, were under pressure as their currencies fell, which reflects the imbalances in their economies. Fears rose that this could presage another crisis in emerging economies, as previously seen in the late 1990s. One fundamental difference now is that many countries have developed borrowing in their own currencies rather than the US dollar, which should reduce risks.

China continued to see robust growth, despite some of their imbalances. The imposition of trade tariffs across a wide range of Chinese products will not be helpful.

The UK economy continued to see modest growth, including a sustained level of growth in employment rates. The lack of wage growth surprised many economic commentators. The Bank of England sanctioned a second rise in UK interest rates to 0.75%. The outcome of the Brexit process will be a key determinant on the prospect of future rate hikes. The Brexit outcome remains uncertain, with a split in the views across Conservative party MPs and the entire country. The Labour party, under its left-wing leader Jeremy Corbyn, has sensed an opportunity to try and force an early general election. Their proposed policies are unfriendly to businesses and investors, and are probably unworkable.

The combination of continued global growth and a reduction in spending on the development of new oil fields, led to the oil market becoming better balanced. The imposition of sanctions by the US on Iran threatens a potential shortage of oil, with Venezuela's production slumping due to a lack of investment. US production from shale has risen sharply, but bottlenecks are

Top Ten Holdings as at 6 September 2018		%
Royal Dutch Shell 'B' Shares		5.76
<i>Oil & Gas</i>		
BP		4.80
<i>Oil & Gas</i>		
HSBC		4.06
<i>Financials</i>		
GlaxoSmithKline		3.43
<i>Health Care</i>		
British American Tobacco		3.22
<i>Consumer Goods</i>		
Craneware		2.17
<i>Technology</i>		
Anexo		2.07
<i>Industrials</i>		
AstraZeneca		1.93
<i>Health Care</i>		
Intermediate Capital		1.80
<i>Financials</i>		
Phoenix		1.78
<i>Financials</i>		

appearing. This all contributed to higher oil prices, with Brent oil approaching \$80 per barrel by the period end.

The strong oil price was helpful to the oil company shares and, in particular, Royal Dutch Shell, which has a strong influence on the UK market as it represents nearly 10% of the FTSE 100 Index.

The portfolio disappointingly underperformed the FTSE All-Share Price Index, which rose 4.92%, by 3.75% on a total return basis. The main culprit was Conviviality, which has been a longstanding holding in the portfolio and had performed strongly in prior periods. The company rapidly collapsed into receivership after a series of accountancy issues were discovered. First, a lack of accrual of one cost in its budget. Secondly, margins suffered due to the introduction of volume incentives. The third announcement was a failure to accrue for excise duty, which was due at the end of March to the tune of £25 million. Following the first two announcements, directors including the CEO and the new Financial Director bought substantial quantities of shares. The only slight consolation was that a reasonable part of the holding had been sold in prior periods. A truly remarkable fall from grace.

Disappointing trading updates from Alumasc, McColl's Retail and Micro Focus caused their shares to underperform; shares in the latter were sold. Other smaller company holdings such as Central Asia Metals, NAHL Group, Park Group and IQE also fell back in most cases after prior period strength. A very strong trading update from Craneware helped their shares to rise by over 50%. Good rises were also seen from GVC Holdings, Diversified Gas & Oil and Sigma Capital. GVC Holdings started in the portfolio as a member of the AIM market, and subsequently moved to the main market. After the successful purchases of Bwin and Ladbroke Coral, the company is now a member of the FTSE 100.

New purchases were made in Amigo Loans, Anexo, Cake Box, Hipgnosis Songs, Springfield and Urban Exposure. Most of these were transactions were made via subscriptions for new issues, with most moving to a healthy premium. Of particular note was Cake Box, which rose by over 50% by the period end. Part of the holding was sold. The holdings of Diversified Gas & Oil and Duke Royalty were increased as they raised further capital. The takeover of Stadium Group was completed during the period.

OUTLOOK

The outcome of the Brexit negotiations and its political implications will heavily influence the UK market. The biggest downside threat is the potential for a very left-wing government, which is heavily anti-capitalist. As always, sterling will respond to developments with an adverse outcome weakening the currency, which would benefit overseas earners. Conversely, a successful Brexit outcome could see domestic-focused shares rally from depressed levels. The portfolio is not being positioned for a particular outcome as, if this prediction is wrong, the portfolio would be adversely placed.

In 2019, the European Central Bank is ceasing its purchases of government bonds, which has the scope to produce changes to their bonds in the current low yield environment; this process is unlikely to derail the US economy. The proposed Italian budget, which breaches the EU deficit rules, is currently causing uncertainty. Any volatility should produce some good opportunities.

George Luckraft
6 September 2018

All performance data source: AXA Investment Managers and Lipper to 6 September 2018.

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 six months ended 6 September 2018

Major Purchases	Cost (£)	Major Sales	Proceeds (£)
Anexo	6,886,000	Stadium	2,102,676
Saga	5,307,503	K3 Capital	1,180,956
Urban Exposure	5,000,000	Micro Focus International	660,314
HSBC	4,093,225	GVC	547,974
Royal Dutch Shell 'B' Shares	3,981,944	Phoenix	452,717
IMI	3,789,840	Vianet	369,819
iEnergizer	3,651,616	Bagir	320,107
RDI	3,549,350	Cake Box	312,176
BP	3,184,148	Carador Income Fund	191,917
Sabre Insurance	3,165,244	Midwich	161,762
Other purchases	48,662,181	Other sales	451,161
Total purchases for the period	91,271,051	Total sales for the period	6,751,579

Managing Risks

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

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

RISK PROFILE

The Fund invests primarily in UK equities and fixed interest securities. The Fund invests a proportion of its assets in smaller companies which offer the possibility of higher returns but which 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. The management fee is charged to capital, and while this will increase the distributable revenue, this may accordingly erode capital growth.

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.

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 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 greater 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 Fund’s investment objectives and investment policy. These guidelines could include measures of sensitivity to changes of interest rates.

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. There has been no change from prior year. 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 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 6 September 2018, the price of Z Accumulation units, with net income reinvested, rose by +57.47%. The FTSE All-Share Index (Total Return) increased by +38.89% over the same time period. During the same period, the price of Z Income units, with zero income reinvested, rose by +26.44%. (Source: AXA Investment Managers and Lipper) (Prices in GBP).

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

Date	AXA Framlington Monthly Income Z Acc	FTSE All Share TR
06/09/2013 - 06/09/2014	+18.68%	+8.49%
06/09/2014 - 06/09/2015*	+1.87%	-5.68%
06/09/2015 - 06/09/2016	+9.69%	+16.02%
06/09/2016 - 06/09/2017	+15.16%	+12.31%
06/09/2017 - 06/09/2018	+3.11%	+4.17%

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	4.39%
R Acc	4.25%
Z Inc	4.59%
Z Acc	4.45%

CHARGES

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

ONGOING CHARGES**

R Inc	1.59%
R Acc	1.59%
Z Inc	0.84%
Z Acc	0.84%

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

UNIT TRUST INDIVIDUAL SAVINGS ACCOUNTS

The AXA Framlington Monthly Income 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		
	06/09/2018	06/03/2018	06/03/2017	06/09/2018	06/03/2018	06/03/2017
	(p)	(p)	(p)	(p)	(p)	(p)
Opening net asset value per unit [†]	257.21	247.02	223.03	622.28	572.46	492.60
Return before operating charges [^]	3.81	25.66	39.28	9.11	59.61	88.25
Operating charges	(2.08)	(4.17)	(3.74)	(5.06)	(9.79)	(8.39)
Return after operating charges [^]	1.73	21.49	35.54	4.05	49.82	79.86
Distributions	(3.90)	(11.30)	(11.55)	(10.20)	(26.52)	(25.85)
Retained distributions on accumulation units	-	-	-	10.20	26.52	25.85
Closing net asset value per unit[†]	255.04	257.21	247.02	626.33	622.28	572.46
[^] after direct transaction costs of:	0.19	0.21	0.13	0.46	0.48	0.30
Performance						
Return after charges	0.67%	8.70%	15.94%	0.65%	8.70%	16.21%
Other information						
Closing net asset value [†]	40,547,748	44,893,904	49,510,689	61,859,370	62,905,393	66,374,709
Closing number of units	15,898,331	17,454,483	20,042,883	9,876,523	10,108,822	11,594,696
Operating charges	1.59%	1.59%	1.59%	1.59%	1.59%	1.59%
Direct transaction costs [*]	0.07%	0.08%	0.06%	0.07%	0.08%	0.06%
Prices						
Highest unit price #	268.10	274.70	253.00	652.00	652.40	576.00
Lowest unit price #	245.70	248.10	213.20	594.40	574.90	474.90

Comparative Tables (Continued)

Change in net assets per unit	Z Inc			Z Acc		
	06/09/2018	06/03/2018	06/03/2017	06/09/2018	06/03/2018	06/03/2017
	(p)	(p)	(p)	(p)	(p)	(p)
Opening net asset value per unit [†]	150.07	143.04	128.08	195.45	178.46	152.29
Return before operating charges [^]	2.22	14.88	22.74	2.86	18.61	27.55
Operating charges	(0.64)	(1.28)	(1.14)	(0.84)	(1.62)	(1.38)
Return after operating charges [^]	1.58	13.60	21.60	2.02	16.99	26.17
Distributions	(2.45)	(6.57)	(6.64)	(3.37)	(8.30)	(8.02)
Retained distributions on accumulation units	-	-	-	3.37	8.30	8.02
Closing net asset value per unit[†]	149.20	150.07	143.04	197.47	195.45	178.46
* [^] after direct transaction costs of:	0.11	0.12	0.08	0.15	0.15	0.09
Performance						
Return after charges	1.05%	9.51%	16.86%	1.03%	9.52%	17.18%
Other information						
Closing net asset value [†]	164,546,608	98,401,170	74,243,166	106,169,825	86,913,711	50,684,213
Closing number of units	110,283,336	65,572,038	51,903,970	53,766,094	44,468,815	28,400,980
Operating charges	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%
Direct transaction costs*	0.07%	0.08%	0.06%	0.07%	0.08%	0.06%
Prices						
Highest unit price #	156.80	160.40	146.70	205.20	204.70	179.60
Lowest unit price #	143.40	143.70	122.80	186.80	179.20	147.30

† 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 period.

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

Portfolio Statement

The AXA Framlington Monthly Income Fund portfolio as at 6 September 2018 consisted of the following investments, which are ordinary shares unless otherwise stated.

Holding		Market value (£)	Total net assets (%)
UNITED KINGDOM: 95.86% (06/03/2018: 94.43%)			
CORPORATE BONDS: 0.00% (06/03/2018: 0.01%)			
£220,000	Sorbic International 10% 31/12/14 ¹	-	-
		-	-
OIL & GAS: 12.10% (06/03/2018: 10.97%)			
Oil & Gas Producers: 12.10% (06/03/2018: 10.97%)			
3,275,000	BP	17,904,425	4.80
5,303,441	Diversified Gas & Oil	5,754,234	1.54
845,000	Royal Dutch Shell 'B' Shares	21,479,900	5.76
		45,138,559	12.10
BASIC MATERIALS: 3.86% (06/03/2018: 5.18%)			
Industrial Metals & Mining: 0.00% (06/03/2018: 0.00%)			
774,300	Ambrian ¹	-	-
		-	-
Mining: 3.86% (06/03/2018: 5.18%)			
3,307,775	Anglo Pacific	4,862,429	1.30
1,569,312	ATH Resources ¹	-	-
2,200,000	Central Asia Metals	4,796,000	1.29
132,500	Rio Tinto	4,730,250	1.27
		14,388,679	3.86
INDUSTRIALS: 11.94% (06/03/2018: 10.93%)			
Aerospace & Defence: 0.25% (06/03/2018: 0.30%)			
1,152,000	DP Aircraft I	944,116	0.25
		944,116	0.25
Construction & Materials: 3.11% (06/03/2018: 3.49%)			
3,300,000	Alumasc	4,059,000	1.09
4,600,000	Epwin	3,450,000	0.92
1,650,000	Eurocell	4,092,000	1.10
		11,601,000	3.11

Holding		Market value (£)	Total net assets (%)
Electronic & Electrical Equipment: 0.72% (06/03/2018: 1.50%)			
550,000	Zytronic	2,695,000	0.72
		2,695,000	0.72
General Industrials: 1.42% (06/03/2018: 1.81%)			
5,250,000	Low & Bonar	2,709,000	0.73
2,500,000	Macfarlane	2,575,000	0.69
		5,284,000	1.42
Industrial Engineering: 1.13% (06/03/2018: 0.07%)			
300,000	Chamberlin	195,000	0.05
350,000	IMI	4,021,500	1.08
		4,216,500	1.13
Support Services: 5.31% (06/03/2018: 3.76%)			
6,886,000	Anexo	7,712,320	2.07
3,150,000	Frontier IP	1,921,500	0.51
700,000	Gattaca	934,500	0.25
5,842,000	iEnergizer	4,089,400	1.10
350,000	Midwich	2,327,500	0.62
3,000,000	St Ives	2,841,000	0.76
		19,826,220	5.31
CONSUMER GOODS: 8.77% (06/03/2018: 9.29%)			
Food Producers: 2.00% (06/03/2018: 2.08%)			
675,000	Devro	1,300,050	0.35
655,000	Hilton Food	6,157,000	1.65
		7,457,050	2.00
Household Goods & Home Construction: 1.82% (06/03/2018: 1.56%)			
6,044,906	Accrol	1,178,757	0.31
355,000	Bovis Homes	4,141,075	1.11
1,350,000	Springfield Properties	1,485,000	0.40
		6,804,832	1.82
Tobacco: 4.95% (06/03/2018: 5.65%)			
325,000	British American Tobacco	12,015,250	3.22
240,000	Imperial Brands	6,464,400	1.73
		18,479,650	4.95

Holding		Market value (£)	Total net assets (%)
HEALTH CARE: 6.26% (06/03/2018: 6.05%)			
Health Care Equipment & Services: 0.33% (06/03/2018: 0.37%)			
950,000	Cambridge Cognition	1,235,000	0.33
		1,235,000	0.33
Pharmaceuticals & Biotechnology: 5.93% (06/03/2018: 5.68%)			
127,500	AstraZeneca	7,212,675	1.93
830,000	GlaxoSmithKline	12,778,680	3.43
2,850,000	Vectura	2,134,650	0.57
		22,126,005	5.93
CONSUMER SERVICES: 9.94% (06/03/2018: 11.18%)			
Food & Drug Retailers: 0.37% (06/03/2018: 2.23%)			
1,400,000	Conviviality ¹	-	-
895,000	McColl's Retail	1,400,675	0.37
		1,400,675	0.37
General Retailers: 3.71% (06/03/2018: 2.79%)			
1,250,000	DFS Furniture	2,668,750	0.73
6,600,000	Pendragon	1,650,000	0.44
800,000	SafeStyle UK	384,800	0.10
4,000,000	Saga	5,120,000	1.37
1,500,000	Shoe Zone	2,475,000	0.66
2,500,000	Topps Tiles	1,527,500	0.41
		13,826,050	3.71
Media: 3.12% (06/03/2018: 3.86%)			
437,000	Haynes Publishing	874,000	0.23
2,250,000	ITV	3,570,750	0.96
2,225,000	NAHL	2,380,750	0.64
1,600,000	Tarsus	4,832,000	1.29
		11,657,500	3.12
Travel & Leisure: 2.74% (06/03/2018: 2.30%)			
4,335,000	Arena Events	2,947,800	0.79
1,165,500	Cake Box	1,794,870	0.48
500,000	GVC	5,485,000	1.47
		10,227,670	2.74

Holding		Market value (£)	Total net assets (%)
TELECOMMUNICATIONS: 2.99% (06/03/2018: 3.50%)			
Fixed Line Telecommunications: 1.43% (06/03/2018: 1.46%)			
2,750,000	KCOM	2,686,750	0.72
1,600,000	Manx Telecom	2,640,000	0.71
		5,326,750	1.43
Mobile Telecommunications: 1.56% (06/03/2018: 2.04%)			
3,525,000	Vodafone	5,826,120	1.56
		5,826,120	1.56
UTILITIES: 1.13% (06/03/2018: 1.02%)			
Electricity: 0.15% (06/03/2018: 0.18%)			
600,000	Aggregated Micro Power	570,000	0.15
		570,000	0.15
Gas, Water & Multiutilities: 0.98% (06/03/2018: 0.84%)			
450,000	National Grid	3,644,550	0.98
		3,644,550	0.98
FINANCIALS: 32.66% (06/03/2018: 28.38%)			
Banks: 5.55% (06/03/2018: 5.86%)			
2,275,000	HSBC	15,133,300	4.06
9,200,000	Lloyds Banking	5,565,080	1.49
		20,698,380	5.55
Equity Investment Instruments: 2.97% (06/03/2018: 2.00%*)			
1,000,000	Channel Islands Property Fund	980,000	0.26
500,000	EPE Special Opportunities	675,000	0.18
3,225,000	Greencoat Renewables	3,015,463	0.81
3,000,000	Hipgnosis Songs	3,150,000	0.84
265,000	P2P Global Investments	2,053,750	0.55
1,300,000	SQN Asset Finance Income Fund	1,235,000	0.33
		11,109,213	2.97
Financial Services: 12.34% (06/03/2018: 9.69%)			
914,286	Amigo	2,124,801	0.57
2,000,000	APQ Global	1,660,000	0.45
1,437,382	Carador Income Fund	777,924	0.21
104,226	Claremont Partners ¹	-	-
13,000,000	Duke Royalty	5,980,000	1.60
9,688,000	GLI Finance	775,040	0.21

Holding		Market value (£)	Total net assets (%)
650,000	Intermediate Capital	6,734,000	1.80
1,140,000	K3 Capital	3,534,000	0.95
4,200,000	Park	2,835,000	0.76
300,000	Polar Capital	1,884,000	0.50
1,700,000	Ramsdens	2,805,000	0.75
1,100,000	Real Estate Credit Investments	1,892,000	0.51
3,769,286	Sigma Capital	4,900,072	1.31
5,000,000	Urban Exposure	5,550,000	1.49
1,400,000	VPC Specialty Lending Investments	1,114,400	0.30
2,000,000	XPS Pensions	3,460,000	0.93
		46,026,237	12.34
Life Insurance: 4.39% (06/03/2018: 4.47%)			
725,000	Aviva	3,541,625	0.95
550,000	Hansard Global	330,000	0.09
2,300,000	Legal & General	5,867,300	1.57
953,333	Phoenix	6,630,431	1.78
		16,369,356	4.39
Non-life Insurance: 1.38% (06/03/2018: 0.57%)			
1,877,119	Sabre Insurance	4,974,365	1.33
3,250,000	Tawa Associates	162,500	0.05
		5,136,865	1.38
Real Estate Investment & Services: 1.04% (06/03/2018: 1.38%*)			
1,260,000	Palace Capital	3,906,000	1.04
		3,906,000	1.04
Real Estate Investment Trusts: 4.99% (06/03/2018: 4.41%*)			
365,000	Mucklow A & J	1,934,500	0.52
850,000	NewRiver	2,197,250	0.59
6,250,000	PRS	6,375,000	1.71
10,000,000	RDI	3,245,000	0.87
5,050,000	Regional	4,853,050	1.30
		18,604,800	4.99
TECHNOLOGY: 6.21% (06/03/2018: 7.92%)			
Software & Computer Services: 4.11% (06/03/2018: 5.03%)			
2,525,000	Bond International Software ¹	-	-
265,000	Craneware	8,082,500	2.17
460,000	FDM	4,107,800	1.10
2,500,000	StatPro	3,150,000	0.84
		15,340,300	4.11

Holding		Market value (£)	Total net assets (%)
Technology Hardware & Equipment: 2.10% (06/03/2018: 2.89%)			
900,000	Amino Technologies	1,809,000	0.48
4,000,000	IQE	3,862,000	1.04
1,891,000	Vianet	2,155,740	0.58
		7,826,740	2.10
TOTAL UNITED KINGDOM		357,693,817	95.86
NORTH AMERICA: 0.00% (06/03/2018: 0.00%)			
United States: 0.00% (06/03/2018: 0.00%)			
2,075,000	XL Tech ¹	-	-
		-	-
MIDDLE EAST: 0.37% (06/03/2018: 0.50%)			
275,000	Global Ports	1,375,000	0.37
		1,375,000	0.37
AUSTRALIA: 0.58% (06/03/2018: 0.54%)			
31,000,000	Seeing Machines	2,163,800	0.58
		2,163,800	0.58
Investments as shown in the balance sheet		361,232,617	96.81
Net current assets		11,890,934	3.19
Total net assets		373,123,551	100.00

¹ Not approved securities 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.

* Since the previous report industry classifications have been updated.

Statement of Total Return

For the six months ended 6 September

	2018	2017
£	£	£
Income		
Net capital (losses)/gains	(3,191,164)	12,805,380
Revenue	8,984,682	6,340,749
Expenses	(1,905,093)	(1,527,656)
Interest payable and similar charges	-	191
Net revenue before taxation	7,079,589	4,813,284
Taxation	(12,510)	(28,963)
Net revenue after taxation	7,067,079	4,784,321
Total return before distributions	3,875,915	17,589,701
Distributions	(5,678,242)	(3,835,056)
Change in net assets attributable to unitholders from investment activities	(1,802,327)	13,754,645

Statement of Change in Net Assets Attributable to Unitholders

For the six months ended 6 September

	2018	2017
£	£	£
Opening net assets attributable to unitholders	293,114,178	240,812,777
Amounts receivable on creation of units	89,892,692	17,196,938
Amounts payable on cancellation of units	(10,839,024)	(10,272,543)
	79,053,668	6,924,395
Change in net assets attributable to unitholders from investment activities	(1,802,327)	13,754,645
Retained distribution on accumulation units	2,752,516	1,968,471
Unclaimed distributions	5,516	11,079
Closing net assets attributable to unitholders	373,123,551	263,471,367

The above statement shows the comparative closing net assets at 6 September 2017 whereas the current accounting period commenced 7 March 2018.

Balance Sheet

As at 6 September

	6 September 2018 £	6 March 2018 £
ASSETS		
Fixed assets		
Investments	361,232,617	279,844,862
Current assets		
Debtors	4,415,301	4,013,415
Cash and bank balances	9,019,137	15,548,167
Total assets	374,667,055	299,406,444
LIABILITIES		
Creditors		
Distribution payable	599,614	2,510,290
Other creditors	943,890	3,781,976
Total liabilities	1,543,504	6,292,266
Net assets attributable to unitholders	373,123,551	293,114,178

Notes to the Financial Statements

Accounting policies

The financial statements have been prepared under the 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. 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").

The accounting policies applied are consistent with those of the annual financial statements for the year ended 6 March 2018 and are described in those annual financial statements.

Distribution Tables

For the six months ended 6 September 2018

		Net revenue	Equalisation	Distribution payable/paid	
				Current year	Prior year
R Inc					
1 st Interim	Group 1	0.650	-	0.650	0.650
	Group 2	0.359	0.291	0.650	0.650
2 nd Interim	Group 1	0.650	-	0.650	0.650
	Group 2	0.262	0.388	0.650	0.650
3 rd Interim	Group 1	0.650	-	0.650	0.650
	Group 2	-	0.650	0.650	0.650
4 th Interim	Group 1	0.650	-	0.650	0.650
	Group 2	-	0.650	0.650	0.650
5 th Interim	Group 1	0.650	-	0.650	0.650
	Group 2	-	0.650	0.650	0.650
6 th Interim	Group 1	0.650	-	0.650	0.650
	Group 2	-	0.650	0.650	0.650
R Acc					
1 st Interim	Group 1	1.700	-	1.700	1.650
	Group 2	0.921	0.779	1.700	1.650
2 nd Interim	Group 1	1.700	-	1.700	1.650
	Group 2	-	1.700	1.700	1.650
3 rd Interim	Group 1	1.700	-	1.700	1.650
	Group 2	-	1.700	1.700	1.650
4 th Interim	Group 1	1.700	-	1.700	1.650
	Group 2	-	1.700	1.700	1.650
5 th Interim	Group 1	1.700	-	1.700	1.650
	Group 2	-	1.700	1.700	1.650
6 th Interim	Group 1	1.700	-	1.700	1.650
	Group 2	-	1.700	1.700	1.650
		Net revenue	Equalisation	Distribution payable/paid	
				Current year	Prior year
Z Inc					
1 st Interim	Group 1	0.350	-	0.350	0.350
	Group 2	0.146	0.204	0.350	0.350
2 nd Interim	Group 1	0.350	-	0.350	0.350
	Group 2	0.192	0.158	0.350	0.350
3 rd Interim	Group 1	0.350	-	0.350	0.350
	Group 2	-	0.350	0.350	0.350
4 th Interim	Group 1	0.500	-	0.500	0.350
	Group 2	-	0.500	0.500	0.350
5 th Interim	Group 1	0.450	-	0.450	0.350
	Group 2	-	0.450	0.450	0.350
6 th Interim	Group 1	0.450	-	0.450	0.350
	Group 2	-	0.450	0.450	0.350

		Net revenue	Equalisation	Distribution payable/paid	
				Current year	Prior year
Z Acc					
1 st Interim	Group 1	0.490	-	0.490	0.470
	Group 2	0.246	0.244	0.490	0.470
2 nd Interim	Group 1	0.490	-	0.490	0.470
	Group 2	0.009	0.481	0.490	0.470
3 rd Interim	Group 1	0.490	-	0.490	0.470
	Group 2	-	0.490	0.490	0.470
4 th Interim	Group 1	0.700	-	0.700	0.470
	Group 2	-	0.700	0.700	0.470
5 th Interim	Group 1	0.600	-	0.600	0.470
	Group 2	-	0.600	0.600	0.470
6 th Interim	Group 1	0.600	-	0.600	0.470
	Group 2	-	0.600	0.600	0.470

(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.

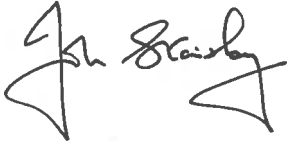
Equalisation is the average amount of income included in the purchase price of Group 2 units and is refundable to holders of these units as a return of capital. Being a capital item it is not liable to income tax, but must be deducted from the cost of units for capital gains tax purposes.

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

	Group 2 units		Group 1 & 2 units
	From	To	Paid/transferred
1 st Interim	07.03.18	06.04.18	04.05.18
2 nd Interim	07.04.18	06.05.18	06.06.18
3 rd Interim	07.05.18	06.06.18	06.07.18
4 th Interim	07.06.18	06.07.18	06.08.18
5 th Interim	07.07.18	06.08.18	06.09.18
6 th Interim	07.08.18	06.09.18	05.10.18

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:



John Stainsby
Director
23 October 2018



John Ibbotson
Authorised signatory
23 October 2018

Directory

The Manager

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Authorised and regulated by the Financial Conduct Authority.
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Member of the IA.

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