



**Annual Long Report and Audited Financial Statements**  
**Year ended**  
**6 March 2024**

# **AXA Framlington Monthly Income Fund**





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

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

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



## **Fund Objective & Investment Policy**

The aim of AXA Framlington Monthly Income Fund ("the Fund") is to produce a monthly income with potential for longterm growth of capital over a period of 5 years or more. The Manager also intends to achieve a yield of distributable income in excess of 100% of the FTSE All Share yield at the Fund's year end on a rolling 3 year basis, and in excess of 90% on an annual basis.

The Fund invests primarily (meaning at least 70% of its assets) in shares of UK listed companies which the 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 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 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. The FTSE All Share index is designed to measure the performance of all eligible companies listed on the London Stock Exchange. This index best represents a core component of the Managers' investment universe.

This Fund is actively managed in reference to the FTSE All Share index, which may be used by investors to compare the Fund's performance.

AXA Framlington Monthly Income Fund ("the Fund") is authorised and regulated by the Financial Conduct Authority.

## Investment Review

### MARKET REVIEW AND FUND PERFORMANCE (BY GEORGE LUCKRAFT)

The economic background was dominated by the determination of the major central banks to bring inflation back under control. UK Consumer Price Index (CPI) started the Fund's year at 10.4% - a very long way from the 2% target. As a consequence, the Bank of England (BoE) raised interest rates at every monetary policy meeting in the first half of the Fund's year taking the rate up 1.25% to 5.25%. The starting point for interest rates in this tightening cycle was 0.1% in December 2021.

There were various contributing factors to the surge in inflation. The reopening of the global economy post-COVID-19 caused a surge in demand for both products and services. Both sectors struggled to respond. In the manufacturing sector there was a shortage of components in the supply chain and periodic further COVID-19 disruptions. In a period of negligible interest rates, it made sense for companies to try and build up component stocks as a buffer to this uncertainty. The service sector – particularly hospitality and travel – had been severely affected by the pandemic and had cut back. Within the UK the impact of Brexit affected the numbers of European workers that were available.

The brutal invasion of Ukraine had caused energy prices to soar especially in Europe which was highly dependent on supplies of Russian gas. From the beginning of 2021 UK gas prices rose tenfold to their peak in August 2022 before retracing around 90% of the rise by May 2023. In addition, the surge in energy costs had to be passed along the supply chain. There was a further factor in the UK which was the weakness seen in sterling around the ill-fated Truss/ Kwarteng budget.

From the starting CPI of 10.4% there was a steady decline with real progress being seen from October with the level reaching 3.8% in February with the very strong likelihood of further large declines as the gas price cap falls further. This reduction in CPI enabled the BoE to hold interest rates for the second half of the Fund's year. The expectation is that rates will begin to fall in the Summer. The Swiss Central bank were the first major bank to cut interest rates in the current cycle. The pace of interest rate increases was unprecedented and raised the risks of policy error. In a normal tightening cycle central banks have the ability to judge the impact of prior changes – in this cycle the overshoot to the policy targets was such that they were forced into rapid aggressive action.

At the beginning of the Fund's year there was a secondary banking crisis in the US. The first bank to hit trouble was Silicon Valley Bank (SVB) who were a significant lender to technology companies. Many of these companies were reliant on continued access to additional equity funding to finance their ambitions. As rumours increased about the solvency of SVB there was a run on their deposits. This was the first real technology-enabled run on a bank. Deposits were moved swiftly by the use of an app causing problems to rapidly spiral out of control. Other US regional banks also had to be rescued.

This crisis threatened to spread to other parts of the world with UBS being rescued via a takeover from Credit Suisse. In the UK banking regulation passed a good test with the takeover of SVB (UK) being orchestrated by the Financial Conduct Authority (FCA) and the BoE.

#### Top Ten Holdings as at 6 March 2024

	%
<b>Shell</b>	<b>6.83</b>
<i>Energy</i>	
<b>BP</b>	<b>5.83</b>
<i>Energy</i>	
<b>GSK</b>	<b>4.57</b>
<i>Health Care</i>	
<b>HSBC</b>	<b>4.30</b>
<i>Financials</i>	
<b>AstraZeneca</b>	<b>4.13</b>
<i>Health Care</i>	
<b>Intermediate Capital Group</b>	<b>3.55</b>
<i>Financials</i>	
<b>Rio Tinto</b>	<b>3.41</b>
<i>Basic Materials</i>	
<b>Legal &amp; General Group</b>	<b>3.05</b>
<i>Financials</i>	
<b>British American Tobacco</b>	<b>2.79</b>
<i>Consumer Staples</i>	
<b>3i Group</b>	<b>2.69</b>
<i>Financials</i>	

## Investment Review (continued)

The rises in interest rates inevitably affected the economy. Sectors such as the house building and spending associated with the home were impacted. Companies associated with the manufacturing sector saw a period of destocking reversing the build-up in stocks seen in prior years. The UK entered a mild recession with both the final quarter of 2023 and the first quarter of 2024 registering small declines. Strike action by workers in a number of public sector areas of the economy was a contributor to this weakness.

Equity markets struggled as interest rates rose but recovered as expectations grew that 2024 would see the beginning of interest rate falls. The outlook for the consumer looks brighter with good pay rises and falling energy prices beginning to lead to an increase in disposable income. Over the year the FTSE All share index posted a modest positive return. Once again the FTSE 100 outperformed the broader indices which was a negative factor for the Fund.

The Fund had a dismal year falling by 10.59% on a total return basis. More than half the underperformance came from the holding of iEnergizer. This was the largest holding at the beginning of the period due to strong past performance. The holding had been reduced in prior periods with more than the initial purchase cost being realised as well as substantial dividends.

The fall followed the company's announcement of its intention to delist from the AIM market of the LSE. This was totally unexpected. There was no offer to purchase shares. On the announcement the shares instantly fell by 80%. Once the delisting completed there was no guarantee as to the ongoing ability to trade the shares. This position was not compatible with the retention of the holding in an open-ended vehicle and the holding was sold. The overall return of the holding despite the large fall was still one of the best over the entire holding period.

UK equities have seen sustained selling pressure over the past few years from both pension funds and UK retail selling. UK pension funds have reduced their allocation to UK equities from above 40% to below 5% over recent years. There are moves afoot to try and encourage renewed investment in the UK market from pension funds which should be welcomed. Offsetting this selling have been company share buybacks and a steady stream of takeovers.

There was a wide range of performance during the past year. Among the strong performers there were stocks such as Intermediate Capital Group, 3i Group and Sabre Insurance which had been weak in the prior year. In the case of the former two share prices moved widely while earnings forecasts were stable to stronger – a very good example as to how sentiment can move share prices. SCS Group were strong on the back of an agreed takeover. On the negative tack tougher trading conditions impacted Central Asia Metals, Ecora, and FDM Group. Rising interest rates were a negative for the property companies held with all but Regional REIT faring well in the underlying market. Hipgnosis Song performed poorly with the actions of the manager being viewed in a poor light.

The overall dividend fell for the year with the actions of iEnergizer being a significant negative factor.

As reported in the interim report I am retiring in May and the management of the Fund was passed on to Jamie Forbes Wilson at the start of 2024. I wish him and colleagues well.

## OUTLOOK (BY JAMIE FORBES-WILSON)

Having worked alongside George on the UK investment team since June 2003, I am delighted to be taking over the management of his equity Income Funds. It has been a privilege as well as a great pleasure to observe and learn a great deal from George over many years. We will all miss the enormous contribution he has made to the team and wish him a long and healthy retirement.

My investment style has required some significant changes to be made to the composition of the portfolio over the past 3 months. There are already fewer small-cap holdings within the Fund and exposure to the tobacco sector has been actively reduced – with a view to exiting entirely within the next period. The sector offers an attractive dividend income however the social impact combined with challenging end markets do not fit with our investment parameters. Whilst the



## **Investment Review (continued)**

impact of these changes will reduce the total income generated by the portfolio, the pay-out will remain above the FTSE All Share benchmark as required and should have a beneficial effect on the Fund's liquidity and volatility.

The investment ethos that George and I follow is fundamentally the same. We seek to invest in high quality companies, able to generate growing cashflows, with strong management teams. We believe that short-term macro events cannot be accurately nor consistently predicted. As such, we retain a preference for longer-term structural trends and quality companies that can deliver robust, reliable and consistent income growth.

Looking ahead, we see an exciting time for UK investors with the prospect of falling interest rates combined with low absolute and relative valuations. Whisper it quietly, but the recent Budget with its introduction of the British ISA and focus on DC (Defined Contribution) pension allocations could draw investors back to a market that has seen systematic outflows for years. In the most part, UK companies are reporting robust underlying earnings and valuations remain attractive in the context of history and relative to global equity markets. Strong cash generation and robust balance sheet health is also resulting in a lengthening list of UK companies buying their own shares with surplus cashflow. We therefore look forward to the years ahead with confidence.

**George Luckraft and Jamie Forbes-Wilson\***

**\*Replaced George Luckraft as Fund Manager in January 2024.**

Source of all performance data: AXA Investment Managers, Morningstar to 6 March 2024.

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



## Portfolio Changes

For the year ended 6 March 2024

Major Purchases	Cost (£'000)	Major Sales	Proceeds (£'000)
SSE	3,622	Imperial Brands	4,600
Tesco	2,671	Craneware	3,281
Prudential	2,636	Diversified Energy	2,778
Hargreaves Lansdown	2,575	ScS	2,689
British Land	2,440	Riverstone Credit Opportunities Income Fund	2,681
Dunelm Group	2,396	AstraZeneca	2,659
Ashtead Group	2,345	Vistry	2,639
Pets at Home Group	2,144	Shell	2,412
Diageo	1,972	Ecora Resources	2,395
Kainos Group	1,896	Alumasc	2,259
Other purchases	10,085	Other sales	36,326
<b>Total purchases for the year</b>	<b>34,782</b>	<b>Total sales for the year</b>	<b>64,719</b>



## Managing Risks

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

The Fund is managed in accordance with the objective set out on page 3. By investing in financial markets there are associated risks and the following paragraphs explain 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.

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

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

### SMALLER COMPANIES RISK

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

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

### 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.

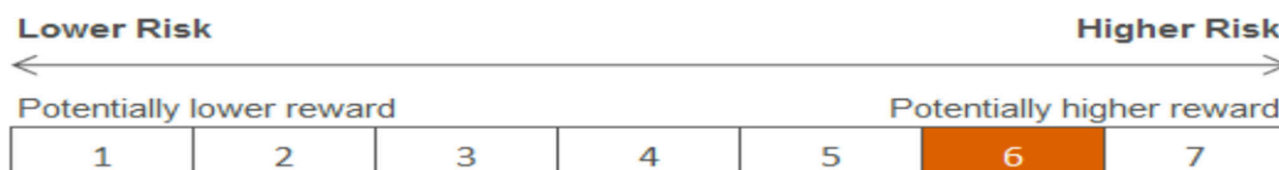
Internal investment guidelines are set if necessary to ensure interest rate risk is maintained within a range deemed suitable based on the Fund's investment objectives and investment policy. These guidelines could include measures of sensitivity to changes of interest rates.

## STOCK LENDING RISK

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

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

## RISK AND REWARD PROFILE



The risk category is calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The risk category shown is not guaranteed and may shift over time. The lowest category does not mean risk free. The risk category is recalculated weekly and for the period under review the risk category changed from a category 5 to a category 6.

## WHY IS THIS FUND IN THIS CATEGORY?

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

## ADDITIONAL RISKS

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

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

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

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



## Fund Information

### FIVE YEAR PERFORMANCE

In the five years to 6 March 2024, the price of Z Accumulation units, with net income reinvested, rose by +9.61%. The FTSE All Share Total Return increased by +26.86% over the same time period. During the same period, the price of Z Income units, with zero income reinvested, fell by -13.06%. (Source: AXA Investment Managers and Morningstar) (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 Mar 2019 - 06 Mar 2020	-2.08%	-4.67%
06 Mar 2020 - 06 Mar 2021	+10.66%	+7.55%
06 Mar 2021 - 06 Mar 2022	+5.66%	+6.25%
06 Mar 2022 - 06 Mar 2023	+7.08%	+15.85%
06 Mar 2023 - 06 Mar 2024	-10.59%	+0.53%

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

Past performance is not a guide to future performance.

### YIELD

D Inc	5.19%
D Acc	5.11%
R Inc	4.65%
R Acc	5.01%
Z Inc	5.13%
Z Acc	5.04%

### CHARGES

	Initial Charge	Annual Management Charge+
D	Nil	1.10%
R	Nil	1.50%
Z	Nil	0.75%

+ Charged to capital. Note that while this will increase the amount of income (which may be taxable) available for distribution to Unitholders in the Fund, it may constrain capital growth or even result in capital erosion over time.



## ONGOING CHARGES\*

D Inc	1.34%
D Acc	1.33%
R Inc	1.74%
R Acc	1.74%
Z Inc	0.99%
Z Acc	0.99%

\*Ongoing Charges are sourced from the Fund's latest Key Investor Information Document (KIID), found here:  
<https://funds.axa-im.co.uk/en/adviser/fund/axa-framlington-monthly-income-fund-z-m-income-gbp/#documents>

For additional 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.

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

From June 2023 the FCA has introduced requirements for Managers of UK UCITS to report annually on a broad set of climate related disclosures that can promote more informed investment decisions. The reporting includes data relating to greenhouse gas emissions, carbon emissions, carbon footprint, and weighted carbon intensity. You can find a copy of the latest TCFD report for AXA Framlington Monthly Income Fund here:  
<https://funds.axa-im.co.uk/en/adviser/fund/axa-framlington-monthly-income-fund-z-m-income-gbp/#documents>



## Comparative Tables

Change in net assets per unit	D Inc~		D Acc~	
	06/03/2024 (p)	06/03/2023 (p)	06/03/2024 (p)	06/03/2023 (p)
Opening net asset value per unit <sup>†</sup>	235.30	249.30	722.43	729.10
Return before operating charges <sup>^</sup>	(22.64)	(0.19)	(69.44)	(0.20)
Operating charges	(2.44)	(2.19)	(7.60)	(6.47)
Return after operating charges <sup>^</sup>	(25.08)	(2.38)	(77.04)	(6.67)
Distributions	(10.65)	(11.62)	(33.08)	(34.54)
Retained distributions on accumulation units	-	-	33.08	34.54
<b>Closing net asset value per unit<sup>†</sup></b>	<b>199.57</b>	<b>235.30</b>	<b>645.39</b>	<b>722.43</b>
* <sup>^</sup> after direct transaction costs of:	0.25	0.03	0.77	0.08
<b>Performance</b>				
Return after charges	-10.66%	-0.95%	-10.66%	-0.91%
<b>Other Information</b>				
Closing net asset value <sup>†</sup> (£'000)	11,885	13,306	10,458	9,448
Closing number of units	5,955,019	5,654,822	1,620,482	1,307,799
Operating charges	1.18%	1.17%	1.18%	1.17%
Direct transaction costs <sup>*</sup>	0.12%	0.01%	0.12%	0.01%
<b>Prices</b>				
Highest unit price #	236.60	251.50	726.60	738.50
Lowest unit price #	196.50	220.80	610.90	652.50



## Comparative Tables (Continued)

Change in net assets per unit	R Inc			R Acc		
	06/03/2024 (p)	06/03/2023 (p)	06/03/2022 (p)	06/03/2024 (p)	06/03/2023 (p)	06/03/2022 (p)
Opening net asset value per unit <sup>†</sup>	234.57	231.97	231.10	720.16	675.35	644.06
Return before operating charges <sup>^</sup>	(22.50)	19.06	15.57	(69.16)	56.03	42.48
Operating charges	(3.33)	(3.84)	(3.98)	(10.15)	(11.22)	(11.19)
Return after operating charges <sup>^</sup>	(25.83)	15.22	11.59	(79.31)	44.81	31.29
Distributions	(9.48)	(12.62)	(10.72)	(32.21)	(37.13)	(30.18)
Retained distributions on accumulation units	-	-	-	32.21	37.13	30.18
<b>Closing net asset value per unit<sup>†</sup></b>	<b>199.26</b>	<b>234.57</b>	<b>231.97</b>	<b>640.85</b>	<b>720.16</b>	<b>675.35</b>
* <sup>^</sup> after direct transaction costs of:	0.25	0.03	0.02	0.77	0.08	0.05
<b>Performance</b>						
Return after charges	-11.01%	6.56%	5.02%	-11.01%	6.64%	4.86%
<b>Other Information</b>						
Closing net asset value <sup>†</sup> (£'000)	1,948	11,039	26,028	14,237	25,450	42,531
Closing number of units	977,567	4,706,170	11,220,325	2,221,609	3,533,912	6,297,566
Operating charges	1.58%	1.57%	1.58%	1.58%	1.57%	1.58%
Direct transaction costs*	0.12%	0.01%	0.01%	0.12%	0.01%	0.01%
<b>Prices</b>						
Highest unit price #	235.80	256.50	263.20	724.40	749.00	748.00
Lowest unit price #	195.40	220.50	232.90	608.10	651.50	649.50



## Comparative Tables (Continued)

	Z Inc			Z Acc		
Change in net assets per unit	06/03/2024 (p)	06/03/2023 (p)	06/03/2022 (p)	06/03/2024 (p)	06/03/2023 (p)	06/03/2022 (p)
Opening net asset value per unit <sup>†</sup>	142.23	139.57	138.01	234.84	218.57	206.89
Return before operating charges <sup>^</sup>	(13.70)	11.48	9.23	(22.59)	18.17	13.58
Operating charges	(1.04)	(1.20)	(1.25)	(1.74)	(1.90)	(1.90)
Return after operating charges <sup>^</sup>	(14.74)	10.28	7.98	(24.33)	16.27	11.68
Distributions	(6.39)	(7.62)	(6.42)	(10.64)	(12.06)	(9.73)
Retained distributions on accumulation units	-	-	-	10.64	12.06	9.73
<b>Closing net asset value per unit<sup>†</sup></b>	<b>121.10</b>	<b>142.23</b>	<b>139.57</b>	<b>210.51</b>	<b>234.84</b>	<b>218.57</b>
 * <sup>^</sup> after direct transaction costs of:	 0.15	 0.02	 0.01	 0.25	 0.03	 0.02
<b>Performance</b>						
Return after charges	-10.36%	7.37%	5.78%	-10.36%	7.44%	5.65%
<b>Other Information</b>						
Closing net asset value <sup>†</sup> (£'000)	75,358	101,407	98,100	49,892	81,842	74,389
Closing number of units	62,227,385	71,299,401	70,287,356	23,700,137	34,850,812	34,033,572
Operating charges	0.83%	0.82%	0.83%	0.83%	0.82%	0.83%
Direct transaction costs <sup>*</sup>	0.12%	0.01%	0.01%	0.12%	0.01%	0.01%
<b>Prices</b>						
Highest unit price #	143.00	154.50	158.20	236.20	242.70	241.80
Lowest unit price #	119.10	133.30	139.10	198.80	211.80	208.70

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

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

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

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

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

~ D unit classes launched as at 25 May 2022, figures in the table have been annualised, where appropriate.



## Portfolio Statement

The AXA Framlington Monthly Income Fund portfolio as at 6 March 2024 consisted of the following investments, which are ordinary shares unless otherwise stated.

Holding	Market value £'000	Total net assets (%)
<b>UNITED KINGDOM: 93.20%</b> (06/03/2023: 79.89%)		
<b>CORPORATE BONDS: 0.00%</b> (06/03/2023: 0.00%)		
£220,000 Sorbic International 10% 31/12/14 <sup>1</sup>	-	-
	-	-
<b>BASIC MATERIALS: 6.02%</b> (06/03/2023: 6.93%)		
<b>Chemicals: 0.59%</b> (06/03/2023: 0.36%)		
75,000 Victrex	957	0.59
	<b>957</b>	<b>0.59</b>
<b>Industrial Metals &amp; Mining: 5.43%</b> (06/03/2023: 6.57%)		
1,800,000 Central Asia Metals	2,804	1.71
689,852 Ecora Resources	513	0.31
110,000 Rio Tinto	5,581	3.41
	<b>8,898</b>	<b>5.43</b>
<b>CONSUMER DISCRETIONARY: 7.93%</b> (06/03/2023: 5.18%)		
<b>Household Goods &amp; Home Construction: 2.42%</b> (06/03/2023: 2.20%)		
50,000 Bellway	1,391	0.85
27,500 Berkeley Group	1,284	0.78
875,000 UP Global Sourcing	1,286	0.79
	<b>3,961</b>	<b>2.42</b>
<b>Leisure Goods: 0.57%</b> (06/03/2023: 0.00%)		
10,000 Games Workshop Group	937	0.57
	<b>937</b>	<b>0.57</b>
<b>Media: 1.44%</b> (06/03/2023: 0.65%)		
2,500,000 ITV	1,508	0.92
25,000 RELX	851	0.52
	<b>2,359</b>	<b>1.44</b>





## Portfolio Statement (Continued)

Holding		Market value £'000	Total net assets (%)
<b>Retailers: 3.50%</b> (06/03/2023: 2.10%)			
225,000	Dunelm Group	2,596	1.59
750,000	Pets at Home Group	2,046	1.25
2,500,000	Topps Tiles	1,077	0.66
		<b>5,719</b>	<b>3.50</b>
<b>Travel &amp; Leisure: 0.00%</b> (06/03/2023: 0.23%)			
<b>CONSUMER STAPLES: 10.89%</b> (06/03/2023: 9.64%)			
<b>Beverages: 1.24%</b> (06/03/2023: 0.00%)			
70,000	Diageo	2,034	1.24
		<b>2,034</b>	<b>1.24</b>
<b>Food Producers: 2.14%</b> (06/03/2023: 1.42%)			
425,000	Hilton Food Group	3,506	2.14
		<b>3,506</b>	<b>2.14</b>
<b>Personal Care, Drug &amp; Grocery: 4.72%</b> (06/03/2023: 2.74%)			
30,000	Greggs	856	0.52
950,000	Tesco	2,655	1.62
110,000	Unilever	4,232	2.58
		<b>7,743</b>	<b>4.72</b>
<b>Tobacco: 2.79%</b> (06/03/2023: 5.48%)			
200,000	British American Tobacco	4,576	2.79
		<b>4,576</b>	<b>2.79</b>
<b>ENERGY: 12.66%</b> (06/03/2023: 13.53%)			
<b>Alternative Energy: 0.00%</b> (06/03/2023: 0.00%)			
<b>Oil, Gas &amp; Coal: 12.66%</b> (06/03/2023: 13.53%)			
2,000,000	BP	9,554	5.83
450,000	Shell	11,178	6.83
		<b>20,732</b>	<b>12.66</b>



## Portfolio Statement (Continued)

Holding	Market value £'000	Total net assets (%)
<b>FINANCIALS: 26.79%</b> <b>(06/03/2023: 18.46%)</b>		
<b>Banks: 6.24%</b> <b>(06/03/2023: 4.22%)</b>		
1,150,000 HSBC	7,035	4.30
1,250,000 NatWest Group	3,182	1.94
	<b>10,217</b>	<b>6.24</b>
<b>Closed End Investments: 1.28%</b> <b>(06/03/2023: 2.32%)</b>		
3,000,000 BioPharma Credit Fund	2,093	1.28
	<b>2,093</b>	<b>1.28</b>
<b>Finance &amp; Credit Services: 1.12%</b> <b>(06/03/2023: 1.59%)</b>		
3,479,839 VPC Specialty Lending Investments Fund	1,837	1.12
	<b>1,837</b>	<b>1.12</b>
<b>Investment Banking &amp; Brokerage: 9.96%</b> <b>(06/03/2023: 5.85%)</b>		
175,000 3i Group	4,401	2.69
104,226 Claremont Partners <sup>1</sup>	-	-
350,000 Hargreaves Lansdown	2,641	1.61
300,000 Intermediate Capital Group	5,819	3.55
300,000 Polar Capital	1,335	0.82
900,000 XPS Pensions Group	2,106	1.29
	<b>16,302</b>	<b>9.96</b>
<b>Life Insurance: 6.77%</b> <b>(06/03/2023: 3.84%)</b>		
2,066,848 Legal & General Group	5,000	3.05
725,000 Phoenix Group	3,602	2.20
325,000 Prudential	2,495	1.52
	<b>11,097</b>	<b>6.77</b>
<b>Non-Life Insurance: 1.42%</b> <b>(06/03/2023: 0.64%)</b>		
1,475,000 Sabre Insurance Group	2,316	1.42
3,250,000 Tawa Associates <sup>1</sup>	-	-
	<b>2,316</b>	<b>1.42</b>



## Portfolio Statement (Continued)

Holding	Market value £'000	Total net assets (%)
HEALTH CARE: 8.70% (06/03/2023: 8.58%)		
Health Care Providers: 0.00% (06/03/2023: 1.62%)		
Pharmaceuticals & Biotechnology: 8.70% (06/03/2023: 6.96%)		
67,500 AstraZeneca	6,770	4.13
450,000 GSK	7,484	4.57
	<b>14,254</b>	<b>8.70</b>
INDUSTRIALS: 8.31% (06/03/2023: 10.66%)		
Construction & Materials: 4.10% (06/03/2023: 5.22%)		
1,913,500 Alumasc	3,291	2.01
4,500,000 Epwin Group	3,420	2.09
	<b>6,711</b>	<b>4.10</b>
General Industrials: 0.00% (06/03/2023: 0.22%)		
Industrial Support Services: 3.10% (06/03/2023: 5.22%)		
3,275,000 Anexo Group	1,998	1.22
400,000 FDM Group	1,586	0.97
2,150,000 Frontier IP Group	839	0.51
575,000 FRP Advisory Group	650	0.40
	<b>5,073</b>	<b>3.10</b>
Industrial Transportation: 1.11% (06/03/2023: 0.00%)		
35,000 Ashtead Group	1,812	1.11
	<b>1,812</b>	<b>1.11</b>
REAL ESTATE: 5.04% (06/03/2023: 3.12%)		
Real Estate Investment & Services: 0.47% (06/03/2023: 0.00%)		
300,000 Grainger	770	0.47
	<b>770</b>	<b>0.47</b>



## Portfolio Statement (Continued)

Holding	Market value £'000	Total net assets (%)
<b>Real Estate Investment Trusts: 4.57%</b> (06/03/2023: 3.12%)		
650,000 British Land	2,342	1.43
2,000,000 NewRiver	1,526	0.93
3,750,000 PRS	2,854	1.74
650,000 Urban Logistics	767	0.47
	<b>7,489</b>	<b>4.57</b>
<b>TECHNOLOGY: 1.14%</b> (06/03/2023: 1.72%)		
<b>Software &amp; Computer Services: 1.14%</b> (06/03/2023: 1.17%)		
175,000 Kainos Group	1,867	1.14
	<b>1,867</b>	<b>1.14</b>
<b>Technology Hardware &amp; Equipment: 0.00%</b> (06/03/2023: 0.55%)		
<b>TELECOMMUNICATIONS: 1.13%</b> (06/03/2023: 0.36%)		
<b>Telecommunications Equipment: 0.06%</b> (06/03/2023: 0.36%)		
1,000,000 Aferian	100	0.06
	<b>100</b>	<b>0.06</b>
<b>Telecommunications Service Providers: 1.07%</b> (06/03/2023: 0.00%)		
115,000 Telecom Plus	1,753	1.07
	<b>1,753</b>	<b>1.07</b>
<b>UTILITIES: 4.59%</b> (06/03/2023: 1.71%)		
<b>Electricity: 2.06%</b> (06/03/2023: 0.00%)		
200,000 SSE	3,380	2.06
	<b>3,380</b>	<b>2.06</b>
<b>Gas, Water &amp; Multiutilities: 2.53%</b> (06/03/2023: 1.71%)		
390,000 National Grid	4,144	2.53
	<b>4,144</b>	<b>2.53</b>



## Portfolio Statement (Continued)

Holding	Market value £'000	Total net assets (%)
EUROPE (excluding UK): 3.44% (06/03/2023: 11.88%)		
Guernsey: 3.44% (06/03/2023: 11.75%)		
1,697,500 APQ Global	34	0.02
10,600,000 Duke Royalty	3,180	1.94
1,991,653 Hipgnosis Songs Fund	1,217	0.74
1,000,000 Real Estate Credit Investments Fund	1,205	0.74
	<b>5,636</b>	<b>3.44</b>
Jersey: 0.00% (06/03/2023: 0.13%)		
NORTH AMERICA: 1.56% (06/03/2023: 1.03%)		
Bermuda: 1.56% (06/03/2023: 1.03%)		
490,000 Conduit	2,553	1.56
	<b>2,553</b>	<b>1.56</b>
United States: 0.00% (06/03/2023: 0.00%)		
2,075,000 XL TechGroup <sup>1</sup>	-	-
	-	-
Investments as shown in the balance sheet	160,826	98.20
Net current assets	2,952	1.80
<b>Total net assets</b>	<b>163,778</b>	<b>100.00</b>

<sup>1</sup> Nil valued/delisted/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 6 March

			2024		2023
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital (losses)/gains	3		(34,225)		6,114
Revenue	4	10,377		13,662	
Expenses	5	(1,806)		(2,502)	
Interest payable and similar charges		-		-	
Net revenue before taxation		8,571		11,160	
Taxation	6	(94)		(128)	
Net revenue after taxation			8,477		11,032
<b>Total return before distributions</b>			<b>(25,748)</b>		<b>17,146</b>
Distributions	7		(9,716)		(13,105)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>(35,464)</b>		<b>4,041</b>

## Statement of Change in Net Assets Attributable to Unitholders

For the year ended 6 March

		2024		2023
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		242,492		241,048
Amounts receivable on creation of units	1,365		16,706	
Amounts payable on cancellation of units	(48,674)		(25,472)	
		(47,309)		(8,766)
Change in net assets attributable to unitholders from investment activities		(35,464)		4,041
Retained distribution on accumulation units		4,044		6,148
Unclaimed distribution		15		21
<b>Closing net assets attributable to unitholders</b>		<b>163,778</b>		<b>242,492</b>

## Balance Sheet

As at 6 March

		2024	2023
	Notes	£'000	£'000
<b>ASSETS</b>			
Fixed assets			
Investments		160,826	225,029
Current assets			
Debtors	8	1,433	1,728
Cash and bank balances	9	6,124	20,464
<b>Total assets</b>		<b>168,383</b>	<b>247,221</b>
<b>LIABILITIES</b>			
Creditors			
Distribution payable		2,267	3,816
Other creditors	10	2,338	913
<b>Total liabilities</b>		<b>4,605</b>	<b>4,729</b>
<b>Net assets attributable to unitholders</b>		<b>163,778</b>	<b>242,492</b>

## Notes to the Financial Statements

### 1.1 Accounting policies

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

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

b) Dividends on quoted ordinary shares and preference shares are recognised when the securities are quoted ex-dividend. Where such securities are not quoted, dividends are recognised when the right to receive payment is established. Dividends from Real Estate Investment Trusts ('REITs') are recognised as distributable income when the securities are quoted ex-dividend.

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.

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

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

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

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

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



## Notes to the Financial Statements (Continued)

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

i) With the exception of the annual management charge, which is directly attributable to individual unit classes, all revenue and expenses are allocated to unit classes pro rata to the value of the net assets of the relevant unit class on the day the revenue or expense is recognised.

j) The Fund is not required to produce a cash flow statement as it meets the exemption criteria set out in FRS102.7.1A.

### 1.2 Distribution policy

a) The fund distributes on a monthly basis. Any net revenue deficit will be borne by the capital account. 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) Where special dividends are treated as revenue, they are included in the amount available for distribution. The tax accounting treatment follows the principal amount.

c) If a distribution payment of the Fund remains unclaimed for a period of 6 years after it has become due, it will be forfeited and will revert to and become part of the scheme property.

d) The annual management charge is charged against capital 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 7 to 9 of the Manager's Report.

### Price risk sensitivity

At 6 March 2024, 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 £8,041,323 (2023: £11,251,445) respectively.

## Notes to the Financial Statements (Continued)

### 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 £12,908 (2023: £319,473). 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.

	Monetary Exposure £'000	Non-Monetary Exposure £'000	Total £'000
<b>2024</b>			
US Dollar	258	-	258
<b>Total</b>	<b>258</b>	<b>-</b>	<b>258</b>

	Monetary Exposure £'000	Non-Monetary Exposure £'000	Total £'000
<b>2023</b>			
US Dollar	762	5,627	6,389
<b>Total</b>	<b>762</b>	<b>5,627</b>	<b>6,389</b>

## 3 Net capital (losses)/gains

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

	2024 £'000	2023 £'000
(Losses)/gains on non-derivative securities	(34,220)	6,113
(Losses)/gains on foreign currency exchange	(4)	1
Transaction charges	(1)	-
<b>Net capital (losses)/gains</b>	<b>(34,225)</b>	<b>6,114</b>

## 4 Revenue

	2024 £'000	2023 £'000
UK dividends	8,201	9,896
REIT dividends	536	772
Overseas dividends	1,378	2,857
Bank interest	262	137
<b>Total revenue</b>	<b>10,377</b>	<b>13,662</b>

## Notes to the Financial Statements (Continued)

### 5 Expenses

	2024 £'000	2023 £'000
<b>Payable to the Manager</b>		
Annual management charge	1,657	2,324
Registrar's fees	113	151
	<b>1,770</b>	<b>2,475</b>
<b>Other expenses</b>		
Audit fee	9	8
Safe custody charges	9	-
Trustee's fees	18	19
	<b>36</b>	<b>27</b>
<b>Total expenses</b>	<b>1,806</b>	<b>2,502</b>

Expenses include irrecoverable VAT where applicable.

### 6 Taxation

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

	2024 £'000	2023 £'000
Irrecoverable overseas tax	94	128

#### 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%) (2023: 20%).

The differences are explained below:

	2024 £'000	2023 £'000
Net revenue before taxation	8,571	11,160
Corporation tax at 20%	1,714	2,232
Effects of:		
Irrecoverable overseas tax	94	128
Movement in excess management expenses	(86)	214
Revenue not subject to taxation	(1,747)	(2,446)
Excess management expenses adjustment in respect of prior years	119	-
Total effects	(1,620)	(2,104)
<b>Total tax charge for the year (see note 6a)</b>	<b>94</b>	<b>128</b>

Authorised unit trusts are exempt from tax on capital gains.

## Notes to the Financial Statements (Continued)

### c) Deferred taxation:

There is no provision required for deferred taxation at the Balance sheet date (2023: 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 £8,411,895 (2023: £8,498,383) 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:

	2024 £'000	2023 £'000
1st Interim	461	483
2nd Interim	456	483
3rd Interim	438	483
4th Interim	423	483
5th Interim	413	480
6th Interim	403	484
7th Interim	397	484
8th Interim	391	481
9th Interim	385	478
10th Interim	380	477
11th Interim	373	470
Final	4,448	7,590
	8,968	12,876
Add: Income deducted on cancellation of units	904	942
Deduct: Income received on creation of units	(156)	(713)
<b>Net distribution for the year</b>	<b>9,716</b>	<b>13,105</b>
<b>Reconciliation to net revenue after taxation:</b>		
Net distribution for the year	9,716	13,105
Charges borne by capital account	(1,657)	(2,324)
Capital tax relief	299	251
Prior year adjustment due to tax relief	119	-
<b>Net revenue after taxation</b>	<b>8,477</b>	<b>11,032</b>

## Notes to the Financial Statements (Continued)

### 8 Debtors

	2024	2023
	£'000	£'000
Sales awaiting settlement	759	196
Amounts receivable on creation of units	33	44
Accrued revenue	641	1,488
<b>Total debtors</b>	<b>1,433</b>	<b>1,728</b>

### 9 Cash and bank balances

	2024	2023
	£'000	£'000
Cash and bank balances	6,124	20,464
<b>Total cash and bank balances</b>	<b>6,124</b>	<b>20,464</b>

### 10 Other creditors

	2024	2023
	£'000	£'000
Amounts payable on cancellation of units	996	468
Purchases awaiting settlement	1,176	-
Accrued expenses		
-Manager	141	407
-Other	25	38
<b>Total other creditors</b>	<b>2,338</b>	<b>913</b>

### 11 Unitholders' funds

The Fund currently has six unit classes in issue.

	D Inc	D Acc	R Inc	R Acc	Z Inc	Z Acc
Opening units in issue	5,654,822	1,307,799	4,706,170	3,533,912	71,299,401	34,850,812
Units issued	933,238	495,788	54,344	12,320	4,794,083	356,817
Units cancelled	(633,041)	(183,105)	(3,782,947)	(1,324,623)	(13,866,099)	(11,507,492)
Unit conversions	-	-	-	-	-	-
<b>Closing units in issue</b>	<b>5,955,019</b>	<b>1,620,482</b>	<b>977,567</b>	<b>2,221,609</b>	<b>62,227,385</b>	<b>23,700,137</b>

## Notes to the Financial Statements (Continued)

### 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 6 March 2024, there were no unitholders that hold more than 50% of units in the Fund. Other than disclosed elsewhere in the Financial Statements, there were no transactions between the Fund and related parties during the year.

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

### 13 Portfolio transaction costs

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
<b>2024</b>						
<b>Analysis of purchases</b>						
Equity	34,594	16	0.05	172	0.50	34,782
<b>Total</b>	<b>34,594</b>	<b>16</b>		<b>172</b>		<b>34,782</b>

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
<b>2024</b>						
<b>Analysis of sales</b>						
Collective Investment Schemes	6,003	(4)	(0.07)	-	-	5,999
Equity	58,753	(32)	(0.05)	(1)	-	58,720
<b>Total</b>	<b>64,756</b>	<b>(36)</b>		<b>(1)</b>		<b>64,719</b>

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
<b>2023</b>						
<b>Analysis of purchases</b>						
Equity	4,575	2	0.04	20	0.44	4,597
<b>Total</b>	<b>4,575</b>	<b>2</b>		<b>20</b>		<b>4,597</b>

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
<b>2023</b>						
<b>Analysis of sales</b>						
Collective Investment Schemes	119	-	-	-	-	119
Equity	19,495	(7)	(0.04)	-	-	19,488
<b>Total</b>	<b>19,614</b>	<b>(7)</b>		<b>-</b>		<b>19,607</b>

## Notes to the Financial Statements (Continued)

Commission as a % of average net assets	0.03%	(2023: 0.00%)
Taxes as a % of average net assets	0.09%	(2023: 0.01%)

### Portfolio dealing spread

The average portfolio dealing spread as at the year end was 0.51% (2023: 1.09%).

## 14 Fair value disclosure

	6 March 2024		6 March 2023	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Valuation technique</b>				
Level1 <sup>^</sup>	160,826	-	225,029	-
Level2 <sup>^^</sup>	-	-	-	-
Level3 <sup>^^^</sup>	-	-	-	-
<b>Total</b>	<b>160,826</b>	<b>-</b>	<b>225,029</b>	<b>-</b>

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

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

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

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

## 15 Commitments, contingent liabilities and contingent assets

There are no commitments, contingent liabilities and contingent assets as at the balance sheet date (2023: none).

## 16 Post balance sheet events

There are no significant post balance sheet events which require adjustment or disclosure at the year end.



## Distribution Tables

For the year ended 6 March 2024

		Net revenue	Equalisation	Distribution payable/paid	
				Current year	Prior year
<b>D Inc~</b>					
1st Interim	Group 1	0.500	-	0.500	
	Group 2	0.183	0.317	0.500	
2nd Interim	Group 1	0.500	-	0.500	
	Group 2	0.500	-	0.500	
3rd Interim	Group 1	0.500	-	0.500	0.500
	Group 2	-	0.500	0.500	0.500
4th Interim	Group 1	0.500	-	0.500	0.500
	Group 2	-	0.500	0.500	0.500
5th Interim	Group 1	0.500	-	0.500	0.500
	Group 2	0.500	-	0.500	0.500
6th Interim	Group 1	0.500	-	0.500	0.500
	Group 2	-	0.500	0.500	0.500
7th Interim	Group 1	0.500	-	0.500	0.500
	Group 2	0.500	-	0.500	0.500
8th Interim	Group 1	0.500	-	0.500	0.500
	Group 2	-	0.500	0.500	0.500
9th Interim	Group 1	0.500	-	0.500	0.500
	Group 2	-	0.500	0.500	0.500
10th Interim	Group 1	0.500	-	0.500	0.500
	Group 2	-	0.500	0.500	0.500
11th Interim	Group 1	0.500	-	0.500	0.500
	Group 2	-	0.500	0.500	0.500
Final	Group 1	5.146	-	5.146	7.121
	Group 2	0.618	4.528	5.146	7.121





## Distribution Tables (Continued)

D Acc~

1st Interim	Group 1	1.300	-	1.300	
	Group 2	-	1.300	1.300	
2nd Interim	Group 1	1.300	-	1.300	
	Group 2	-	1.300	1.300	
3rd Interim	Group 1	1.300	-	1.300	1.300
	Group 2	-	1.300	1.300	1.300
4th Interim	Group 1	1.300	-	1.300	1.300
	Group 2	-	1.300	1.300	1.300
5th Interim	Group 1	1.300	-	1.300	1.300
	Group 2	-	1.300	1.300	1.300
6th Interim	Group 1	1.300	-	1.300	1.300
	Group 2	-	1.300	1.300	1.300
7th Interim	Group 1	1.300	-	1.300	1.300
	Group 2	-	1.300	1.300	1.300
8th Interim	Group 1	1.300	-	1.300	1.300
	Group 2	-	1.300	1.300	1.300
9th Interim	Group 1	1.300	-	1.300	1.300
	Group 2	-	1.300	1.300	1.300
10th Interim	Group 1	1.300	-	1.300	1.300
	Group 2	-	1.300	1.300	1.300
11th Interim	Group 1	1.300	-	1.300	1.300
	Group 2	-	1.300	1.300	1.300
Final	Group 1	18.783	-	18.783	22.843
	Group 2	0.376	18.407	18.783	22.843



## Distribution Tables (Continued)

### R Inc

1st Interim	Group 1	0.500	-	0.500	0.500
	Group 2	0.280	0.220	0.500	0.500
2nd Interim	Group 1	0.500	-	0.500	0.500
	Group 2	-	0.500	0.500	0.500
3rd Interim	Group 1	0.500	-	0.500	0.500
	Group 2	-	0.500	0.500	0.500
4th Interim	Group 1	0.500	-	0.500	0.500
	Group 2	-	0.500	0.500	0.500
5th Interim	Group 1	0.500	-	0.500	0.500
	Group 2	-	0.500	0.500	0.500
6th Interim	Group 1	0.500	-	0.500	0.500
	Group 2	-	0.500	0.500	0.500
7th Interim	Group 1	0.500	-	0.500	0.500
	Group 2	-	0.500	0.500	0.500
8th Interim	Group 1	0.500	-	0.500	0.500
	Group 2	-	0.500	0.500	0.500
9th Interim	Group 1	0.500	-	0.500	0.500
	Group 2	-	0.500	0.500	0.500
10th Interim	Group 1	0.500	-	0.500	0.500
	Group 2	-	0.500	0.500	0.500
11th Interim	Group 1	0.500	-	0.500	0.500
	Group 2	-	0.500	0.500	0.500
Final	Group 1	3.981	-	3.981	7.123
	Group 2	-	3.981	3.981	7.123



## Distribution Tables (Continued)

### R Acc

1st Interim	Group 1	1.300	-	1.300	1.300
	Group 2	-	1.300	1.300	1.300
2nd Interim	Group 1	1.300	-	1.300	1.300
	Group 2	-	1.300	1.300	1.300
3rd Interim	Group 1	1.300	-	1.300	1.300
	Group 2	-	1.300	1.300	1.300
4th Interim	Group 1	1.300	-	1.300	1.300
	Group 2	-	1.300	1.300	1.300
5th Interim	Group 1	1.300	-	1.300	1.300
	Group 2	-	1.300	1.300	1.300
6th Interim	Group 1	1.300	-	1.300	1.300
	Group 2	-	1.300	1.300	1.300
7th Interim	Group 1	1.300	-	1.300	1.300
	Group 2	-	1.300	1.300	1.300
8th Interim	Group 1	1.300	-	1.300	1.300
	Group 2	-	1.300	1.300	1.300
9th Interim	Group 1	1.300	-	1.300	1.300
	Group 2	-	1.300	1.300	1.300
10th Interim	Group 1	1.300	-	1.300	1.300
	Group 2	-	1.300	1.300	1.300
11th Interim	Group 1	1.300	-	1.300	1.300
	Group 2	-	1.300	1.300	1.300
Final	Group 1	17.914	-	17.914	22.832
	Group 2	-	17.914	17.914	22.832



## Distribution Tables (Continued)

### Z Inc

1st Interim	Group 1	0.300	-	0.300	0.300
	Group 2	-	0.300	0.300	0.300
2nd Interim	Group 1	0.300	-	0.300	0.300
	Group 2	-	0.300	0.300	0.300
3rd Interim	Group 1	0.300	-	0.300	0.300
	Group 2	-	0.300	0.300	0.300
4th Interim	Group 1	0.300	-	0.300	0.300
	Group 2	-	0.300	0.300	0.300
5th Interim	Group 1	0.300	-	0.300	0.300
	Group 2	-	0.300	0.300	0.300
6th Interim	Group 1	0.300	-	0.300	0.300
	Group 2	-	0.300	0.300	0.300
7th Interim	Group 1	0.300	-	0.300	0.300
	Group 2	-	0.300	0.300	0.300
8th Interim	Group 1	0.300	-	0.300	0.300
	Group 2	-	0.300	0.300	0.300
9th Interim	Group 1	0.300	-	0.300	0.300
	Group 2	-	0.300	0.300	0.300
10th Interim	Group 1	0.300	-	0.300	0.300
	Group 2	-	0.300	0.300	0.300
11th Interim	Group 1	0.300	-	0.300	0.300
	Group 2	-	0.300	0.300	0.300
Final	Group 1	3.088	-	3.088	4.317
	Group 2	-	3.088	3.088	4.317

## Distribution Tables (Continued)

### Z Acc

1st Interim	Group 1	0.400	-	0.400	0.400
	Group 2	-	0.400	0.400	0.400
2nd Interim	Group 1	0.400	-	0.400	0.400
	Group 2	-	0.400	0.400	0.400
3rd Interim	Group 1	0.400	-	0.400	0.400
	Group 2	-	0.400	0.400	0.400
4th Interim	Group 1	0.400	-	0.400	0.400
	Group 2	-	0.400	0.400	0.400
5th Interim	Group 1	0.400	-	0.400	0.400
	Group 2	-	0.400	0.400	0.400
6th Interim	Group 1	0.400	-	0.400	0.400
	Group 2	-	0.400	0.400	0.400
7th Interim	Group 1	0.400	-	0.400	0.400
	Group 2	-	0.400	0.400	0.400
8th Interim	Group 1	0.400	-	0.400	0.400
	Group 2	-	0.400	0.400	0.400
9th Interim	Group 1	0.400	-	0.400	0.400
	Group 2	-	0.400	0.400	0.400
10th Interim	Group 1	0.400	-	0.400	0.400
	Group 2	-	0.400	0.400	0.400
11th Interim	Group 1	0.400	-	0.400	0.400
	Group 2	-	0.400	0.400	0.400
Final	Group 1	6.239	-	6.239	7.656
	Group 2	-	6.239	6.239	7.656

(All figures shown in pence per unit)

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

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

~ D classes launched as at 25 May 2022.



## Distribution Tables (Continued)

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
1st Interim	07.03.23	06.04.23	05.05.23
2nd Interim	07.04.23	06.05.23	06.06.23
3rd Interim	07.05.23	06.06.23	06.07.23
4th Interim	07.06.23	06.07.23	04.08.23
5th Interim	07.07.23	06.08.23	06.09.23
6th Interim	07.08.23	06.09.23	06.10.23
7th Interim	07.09.23	06.10.23	06.11.23
8th Interim	07.10.23	06.11.23	06.12.23
9th Interim	07.11.23	06.12.23	05.01.24
10th Interim	07.12.23	06.01.24	06.02.24
11th Interim	07.01.24	06.02.24	06.03.24
Final	07.02.24	06.03.24	08.04.24



## 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:

DocuSigned by:

A handwritten signature in black ink that reads 'Marion Le Morhedec'.

5A850D8B42FD433...

Marion Le Morhedec

Director

Tuesday 18<sup>th</sup> June 2024

DocuSigned by:

A handwritten signature in black ink that reads 'Marcello Arona'.

574584859BD345A...

Marcello Arona

Director

Tuesday 18<sup>th</sup> June 2024

## Statement of Manager's Responsibilities

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

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

In preparing the accounts the Manager is required to:

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

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



## Report of the Trustee

### STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES IN RESPECT OF THE SCHEME AND REPORT OF THE TRUSTEE TO THE UNITHOLDERS OF THE TRUSTEE TO THE UNITHOLDERS OF AXA FRAMLINGTON MONTHLY INCOME FUND OF THE AXA FRAMLINGTON RANGE OF AUTHORISED UNIT TRUST SCHEMES ("THE TRUST") FOR THE YEAR ENDED 06TH MARCH 2024.

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

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

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

The Depositary must ensure that:

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

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

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

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

Trustee  
HSBC Global Trustee & Fiduciary Services (UK)  
Tuesday 18th June 2024

## Report of the Independent Auditor

### INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE AXA FRAMLINGTON MONTHLY INCOME FUND

#### OPINION

We have audited the financial statements of AXA Framlington Monthly Income Fund for the year ended 6 March 2024, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Fund, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 6 March 2024 and of the net revenue and net capital losses on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

#### BASIS FOR OPINION

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

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

#### CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

#### OTHER INFORMATION

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

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

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

We have nothing to report in this regard.

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

In our opinion:

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

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

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

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

## **RESPONSIBILITIES OF THE MANAGER**

As explained more fully in the Manager’s responsibilities statement set out on page 40, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the Fund's Trust Deed and the Prospectus.
- We understood how the Fund is complying with those frameworks through discussions with the Manager and the Fund's administrators and a review of the Fund's documented policies and procedures.
- We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution. We identified a fraud risk with respect to the incomplete or inaccurate income recognition through incorrect classification of special dividends and the resulting impact to amounts available for distribution. We tested appropriateness of management's classification for a sample of special dividends as either a capital or revenue return.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Manager with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Fund.
- Due to the regulated nature of the Fund, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

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

## USE OF OUR REPORT

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

DocuSigned by:  
Ernst & Young LLP  
Ernst & Young LLP  
Statutory Auditor  
Edinburgh  
Tuesday 18th June 2024

## Further Information (Unaudited)

### REMUNERATION POLICY OF THE MANAGER

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

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

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

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

In line with the requirements of the Undertakings for Collective Investments in Transferable Securities (UCITS) V, AXA Investment Managers UK Limited is required to make quantitative disclosures of remuneration. These disclosures are made in line with the currently available guidance on quantitative remuneration disclosures. The amounts shown below reflect payments made in respect of the financial year 1 January 2023 to 31 December 2023:

Total amount of remuneration paid and / or allocated globally to all staff for the year ended December 31, 2023 <sup>(1)</sup>	
Fixed Pay <sup>(2)</sup> (£'000)	250,226
Variable Pay <sup>(3)</sup> (£'000)	155,658
Number of employees <sup>(4)</sup>	2,808

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

<sup>(2)</sup> Fixed Pay amount is based on 2022/23 compensation review final data (This amount is different from the data from the stafflist as of 31/12/2023).

<sup>(3)</sup> Variable compensation, includes:

- the cash amounts awarded for the performance of the previous year and fully paid over the financial year under review (2023),
- eferred variable remuneration "DIP" paid over the financial year under review,
- and long-term incentives set up by the AXA Group. For shares, in this reporting are included the shares that have effectively vested over the financial year under review (2023)

<sup>(4)</sup> Number of employees includes Permanent and Temporary contracts excluding internships (based on Staff list as of 31/12/2023).

## Further Information (continued)

### 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)	87,639	39,175	126,814
Number of employees	277	62	339

### UK Identified Employee Remuneration:

Weighted amount of compensation paid and / or allocated to risk takers and senior management whose activities have a significant impact on the risk profile of all investment vehicles where AXA IM UK act as Authorised Fund Manager or Alternative Investment Fund Manager			
	Risk Takers	Senior Management	Total
Fixed Pay and Variable Remuneration (£'000)	3,764	1,683	5,447
Number of employees	64	15	79

## 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 6 March 2024 and at the balance sheet date, the Fund did not use SFTs or total return swaps, as such no disclosure is required.

## VALUE ASSESSMENT

It is our duty as Authorised Fund Manager ("AFM") to act in the best interests of our investors. As part of fulfilling this duty, we need to consider whether the charges taken from our Funds are justified in the context of the overall service and value that we provide to our investors.

The FCA have introduced new rules requiring the Boards of AFMs to consider robustly and in detail whether they are delivering value for money to their investors and to explain the assessment annually in a Value Statement made available to the public.

The Value Statement report is available on the AXA IM website:

<https://retail.axa-im.co.uk/fund-centre>



## Directory

### The Manager

AXA Investment Managers UK Limited  
22 Bishopsgate  
London, EC2N 4BQ

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

### The Administrator and address for inspection of Register:

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

### Trustee

HSBC Global Trustee & Fiduciary Services (UK)  
8 Canada Square,  
London, E14 5HQ  
HSBC Bank plc is a subsidiary of HSBC Holdings plc.  
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

### Fund Accounting Administrator

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

### Legal adviser

Eversheds LLP  
One Wood Street  
London, EC2V 7WS

### Auditor

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Atria One, 144 Morrison Street  
Edinburgh, EH3 8EX

### Dealing and Correspondence

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Our lines are open Monday to Friday between 9am and 5:30pm  
As part of our commitment to quality service, telephone calls are recorded.