

AXA Defensive Distribution Fund

For the six months ended 30 November 2013

Investment objective and policy

The aim of this Fund is to achieve growing income with some prospects for capital growth over the medium to long-term. The portfolio will mainly consist of investments in any permitted UK fixed interest securities such as convertibles and UK gilt edged securities as well as index-linked gilts. The Fund has the power to invest up to 100% of the value of the property of the Fund in government and other public securities issued by or on behalf of the government of the UK. The Fund may also invest at the Investment Manager's discretion in transferable securities, derivatives, cash, deposits, units in collective investment schemes and money market instruments. Use may be made of borrowing, cash holdings, hedging and other investment techniques permitted in applicable Financial Conduct Authority rules.

Derivatives transactions may be used in the Fund for meeting the investment objectives of the Fund. The use of derivatives in this manner is not expected to change the risk profile of the Fund.

Results

Share Class	Share Type	Price at 30.11.13 (p)	Price at 31.05.13 (p)	Fund Performance	Comparative Benchmark [^]
J gross	Acc*	106.7	107.3	-0.56%	0.14%
R gross	Acc*	117.8	118.6	-0.67%	0.14%
Z gross	Acc*	163.9	164.4	-0.30%	0.14%
J gross	Inc**	103.9	106.0	-1.98%	0.14%
R gross	Inc**	84.99	86.87	-2.16%	0.14%
Z gross	Inc**	87.15	88.74	-1.79%	0.14%
J net	Acc*	106.2	107.0	-0.75%	0.14%
R net	Acc*	143.1	144.4	-0.90%	0.14%
Z net	Acc*	152.8	153.6	-0.52%	0.14%
J net	Inc**	104.0	106.0	-1.89%	0.14%
R net	Inc**	81.27	83.00	-2.08%	0.14%
Z net	Inc**	86.98	88.51	-1.73%	0.14%

[^]Comparative Benchmark (Customised): 29% FTSE All-Share, 27.5% FTA Index Linked All-Stocks, 27.5% FTA Index Linked <5 Yrs, 9% 7-Day cash LIBID, and 7% BoA ML UK Gilts 1-5yrs.* Acc shares include net income reinvested, total return. ** Inc shares do not include net income reinvested, capital return dividends excluded. Past performance is not a guide to future returns. Source of all performance data: AXA Investment Managers and Lipper to 30 November 2013.

Review and outlook

Over the six months to 30 November 2013, the FTSE All-Share Index returned +3.88%. Bond markets were weaker, with index-linked gilts returning -3.02% and conventional gilts -2.12%.

The equity market started 2013 strongly, buoyed, in particular, by quantitative easing stimulus. However, late May saw a sea-change in this benign environment, as US Federal Reserve Chairman Ben Bernanke,

AXA Investment Managers (AXA IM) is a dedicated investment manager within the AXA Group, a world leader in financial protection and wealth management. Our aim is to develop close relationships with our customers and to provide them with outstanding investment solutions backed up with exceptional customer service.

As a 'multi-expert' investment manager, we aim to offer investment expertise across a broad range of asset classes that few of our competitors can match, but we focus on specific areas within each asset class where we can add real value for our clients.

Our total funds under management now exceed £456 billion (source: AXA IM as at 30 November 2013).

made comments regarding potential ‘tapering’ of the Fed’s \$85bn per month bond purchase programme, in response to better economic conditions. This ushered in a period of increased volatility in equity markets. In addition, there was evidence of a slowing in emerging market economic growth, and Chinese growth in particular, which weighed on commodity prices and equities.

In the UK, a new Governor of the Bank of England (BoE), Mark Carney, began his term in office in July by introducing ‘forward guidance’ which tied the future path of interest rates to the rate of unemployment, albeit hedged with conditions regarding inflation and financial stability. As the period progressed, there were sufficient signs of an improvement in the UK economy for market commentators to increase estimates of future GDP growth. At the end of November, Carney announced plans to refocus the BoE’s Funding for Lending Scheme on loans to smaller businesses, rather than the mortgage market, reflecting fears that the housing market was rising too strongly. His announcement caused a sharp fall in UK house building stocks. The housing market could well be an area for interesting policy debate in the near future, with the government most likely favouring a strong housing market ahead of the next election, but the BoE is nervous about allowing another housing bubble to form.

The broadly positive UK equity market backdrop saw an increase in the number of initial public offerings (IPOs) brought to the market in the period, most notably Royal Mail and Merlin Entertainments (the owner of Legoland and Madame Tussauds). There were also a large number of equity placings and rights-issues, the largest of which was a £5.8bn rights issue by Barclays. Corporate activity was also brisk, by far the largest transaction being the agreed sale by Vodafone of its holding in Verizon Wireless (US mobile telecoms) to Verizon Communications, for \$130bn.

The central asset mix of the Fund is 29% UK equities, 55% index-linked gilts, 7% conventional gilts and 9% cash. Throughout the period the Fund was at or above its central point in equities and below the central point in conventional gilts. These weightings reflected our views on the relatively unattractive yields on conventional gilts and the valuation attractions of equities compared to bonds. The Fund’s weighting in index-linked gilts reduced in the period, as the 2013 index-linked gilt matured in August.

Richard Marwood

30 November 2013

AXA Defensive Distribution Fund

For the six months ended 30 November 2013

Risk and reward profile

By investing in a fund which invests primarily in fixed interest stocks you are likely to be looking for an investment which has reduced risk and you are prepared to accept less potential reward than is the case with other funds. You are willing to accept that your investment will fall and rise in value and that you could get back less than you invest. Typically, you would prefer an investment with less risk than that of a fund which invests significantly in equities or overseas.

Lower risk ← Higher risk

Potentially lower reward ← Potentially higher reward

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

Why is this Fund in this category?

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

Additional risks

Credit Risk: risk that issuers of debt securities held in the Fund may default on their obligations or have their credit rating downgraded, resulting in a decrease in the Net Asset Value.

Liquidity Risk: Risk of low liquidity level in certain market conditions that might lead the Fund to face difficulties valuating, purchasing or selling all/part of its assets and resulting in potential impact on its net asset value.

Impact of any techniques such as derivatives: certain management strategies involve specific risks, such as liquidity risk, credit risk, counterparty risk, legal risk, valuation risk, operational risk and risks related to the underlying assets.

The use of such strategies may also involve leverage, which may increase the effect of market movements on the Fund and may result in significant risk of losses.

FUND FACTS

Lead Fund manager	Richard Marwood
Sector	Mixed Investment 0-35% Shares
Comparative Benchmark	Customised*
Launch date	03 Oct 08
Fund size at 30 November 2013	£714m
Fund size at 31 May 2013	£734m
Minimum investments (Lump sum)	R: £1,000 / Z&J: £100,000
Minimum per month	R: £50 / Z&J: N/A
Yield J Inc/Acc net	2.50% / 2.48%
Yield Z Inc/Acc net	2.14% / 2.12%
Yield R Inc/Acc net	2.15% / 2.13%
Yield J Inc/Acc gross	3.03% / 3.04%
Yield Z Inc/Acc gross	2.68% / 2.64%
Yield R Inc/Acc gross	2.69% / 2.65%
Share types	Inc & Acc
Number of stocks	187
Initial charge	R: 5% / Z&J: Nil
Annual charge	R:1.5% / Z:0.75% / J: 1.15%
Ongoing charges	
J Inc/Acc (net and gross)	1.16% / 1.16%
Z Inc/Acc (net and gross)	0.76% / 0.76%
R Inc/Acc (net and gross)	1.51% / 1.51%
Accounting dates (int/ann)	30 Nov/ 30 May
Distribution dates (income)	31 Jan, 30 Apr 31 Jul, 31 Oct

All data, source: Lipper Hindsight as at 30 November 2013.

*Comparative Benchmark: 29% FTSE All-Share, 27.5% FTA Index Linked All-Stocks, 27.5% FTA Index Linked <5 Yrs, 9% 7-Day LIBID, and 7% BoA ML UK Gilts 1-5yrs.

Top five purchases

For the six months ended 30 Nov. 2013

UK Treasury 0.125 IL 22/03/24
UK Treasury 0.125% IL 22/11/19
UK Treasury 1.25% IL 22/11/17
UK Treasury 1.875% IL 22/11/22
UK Treasury 2.5% IL 26/07/16

Top five sales

For the six months ended 30 Nov. 2013

UK Treasury 0.125% IL 22/03/44
UK Treasury 0.375% IL 22/03/62
UK Treasury 1.875% IL 22/11/22
UK Treasury 2.5% IL 16/04/20
UK Treasury 2.5% IL 16/08/13

AXA Defensive Distribution Fund

For the six months ended 30 November 2013

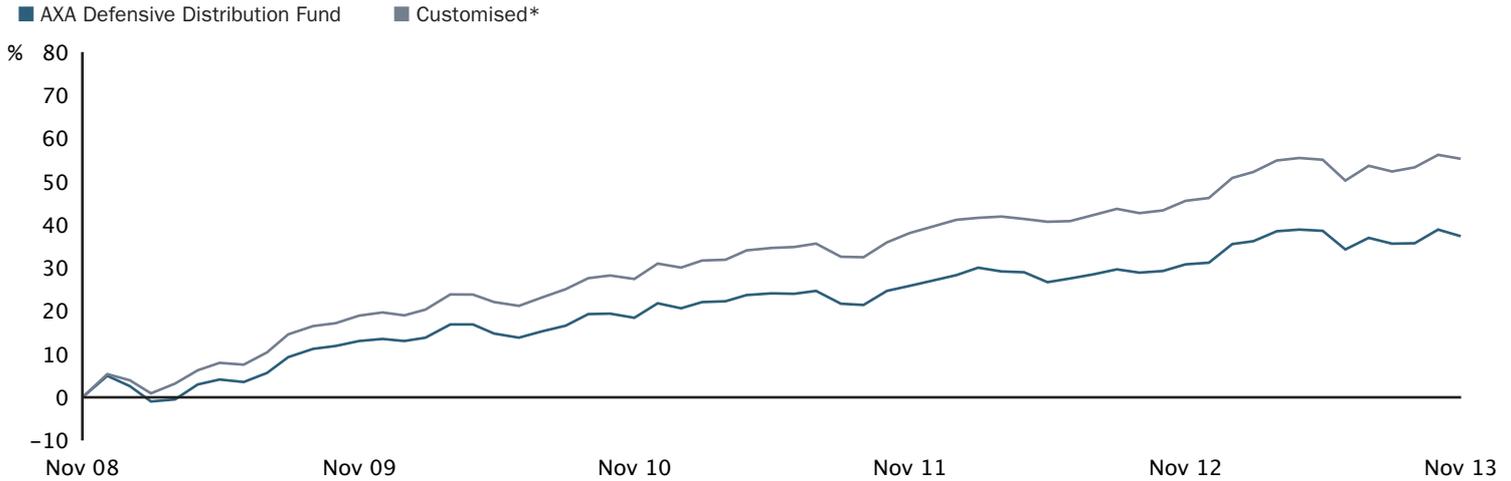
Five year discrete annual performance

Nov 08 to Nov 09	Nov 09 to Nov 10	Nov 10 to Nov 11	Nov 11 to Nov 12	Nov 12 to Nov 13
+13.05%	+4.75%	+6.24%	+3.97%	+4.99%

Past performance is not a guide to future returns. Source: Lipper Hindsight as at 30 November 2013. Basis: Mid to mid, with net income reinvested, net of fees in GBP. Performance is representative of R Acc class.

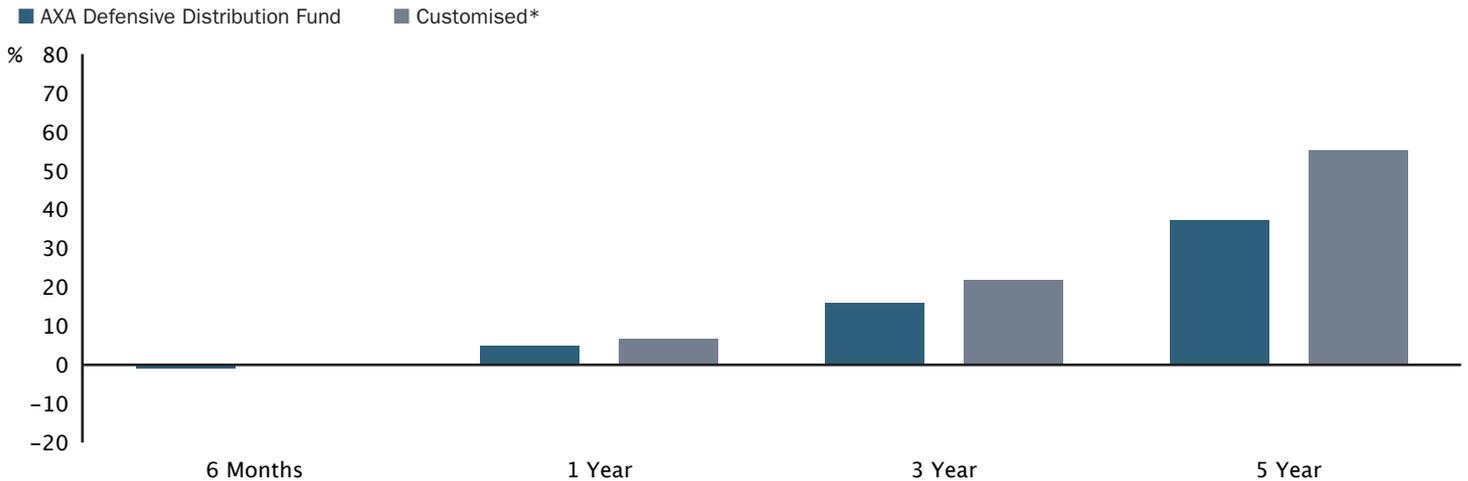
Cumulative Fund performance versus comparative benchmark

as at 30 November 2013



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as at 30 November 2013



*Past performance is not a guide to future performance. Source: Lipper Hindsight, mid to mid, net of fees income reinvested to 30 November 2013. *Comparative Benchmark is 29% FTSE All-Share, 27.5% FTA Index Linked All-Stocks, 27.5% FTA Index Linked <5 Yrs, 9% 7-Day LIBID, and 7% BoA ML UK Gilts 1-5yrs. Please note the comparative benchmark is stated without any deduction for the impact of tax and management fees.*

AXA Defensive Distribution Fund

For the six months ended 30 November 2013

Summary of historic prices and distributions

Year	Share class	Share type	Highest share price (pence)	Lowest share price (pence)	Distribution per share (pence)	Share type	Highest share price (pence)	Lowest share price (pence)	Distribution per share (pence)
2013**	J	Acc (net)	108.2	101.1	2.258	Inc (net)	107.3	100.7	2.235
2013**	Z	Acc (net)	155.3	144.7	3.242	Inc (net)	89.50	83.86	1.863
2013**	R	Acc (net)	146.0	136.4	3.047	Inc (net)	83.94	78.88	1.748
2013**	J	Acc (gross)	108.5	101.2	2.832	Inc (gross)	107.3	100.7	2.793
2013**	Z	Acc (gross)	166.2	154.4	4.338	Inc (gross)	89.72	83.97	2.333
2013**	R	Acc (gross)	119.9	111.8	3.128	Inc (gross)	87.85	82.44	2.284
2012	J	Acc (net)	101.5	99.51	0.482	Inc (net)	101.1	99.51	0.482
2012	Z	Acc (net)	145.3	139.1	3.607	Inc (net)	85.03	81.62	2.122
2012	R	Acc (net)	137.0	131.7	3.415	Inc (net)	80.46	77.11	2.005
2012	J	Acc (gross)	101.4	99.51	0.604	Inc (gross)	101.0	99.51	0.602
2012	Z	Acc (gross)	155.0	148.0	4.800	Inc (gross)	85.15	81.69	2.671
2012	R	Acc (gross)	112.2	107.6	3.498	Inc (gross)	84.10	80.57	2.633
2011	Z	Acc (net)	139.6	131.0	5.048	Inc (net)	82.86	78.91	3.070
2011	R	Acc (net)	132.4	124.6	4.816	Inc (net)	78.71	74.87	2.916
2011	Z	Acc (gross)	148.0	138.3	6.618	Inc (gross)	83.22	79.04	3.816
2011	R	Acc (gross)	106.7	101.1	4.843	Inc (gross)	82.49	78.28	3.801
2010	Z	Acc (net)	133.0	121.6	4.450	Inc (net)	82.19	77.37	2.845
2010	R	Acc (net)	126.9	116.5	4.276	Inc (net)	78.25	73.82	2.668
2010	Z	Acc (gross)	139.7	126.7	5.837	Inc (gross)	82.30	77.49	3.566
2010	R	Acc (gross)	102.2	93.17	4.313	Inc (gross)	81.80	77.14	3.548
2009	Z	Acc (net)	123.9	104.9	2.516	Inc (net)	79.55	68.19	1.596
2009	R	Acc (net)	118.8	100.9	2.394	Inc (net)	76.16	65.47	1.540
2009	Z	Acc (gross)	128.9	109.4	3.202	Inc (gross)	79.77	68.26	1.989
2009	R	Acc (gross)	94.93	80.29	2.366	Inc (gross)	79.62	68.35	1.998

Highest offer and lowest bid price quoted at anytime in the calendar year and * to 30 November 2013. + Distribution to 31 January 2014.

Net asset value record

Share class	Share type	Net asset value per share as at 30 November 2013 (pence)	Net asset value per share as at 31 May 2013 (pence)	Share type	Net asset value per share as at 30 November 2013 (pence)	Net asset value per share as at 31 May 2013 (pence)
J	Acc (net)	106.2	106.9	Inc (net)	103.6	105.3
Z	Acc (net)	152.8	153.6	Inc (net)	86.61	87.86
R	Acc (net)	143.0	144.3	Inc (net)	80.92	82.39
J	Acc (gross)	106.7	107.3	Inc (gross)	103.4	105.1
Z	Acc (gross)	163.8	164.3	Inc (gross)	86.70	87.94
R	Acc (gross)	117.8	118.6	Inc (gross)	84.55	86.08

Please note, that the NAV prices shown above are different from the results prices as at 30.11.13. The differences are due to the fund performance tables taking the quoted valuation prices on the last day of the period, whereas the NAV table above is showing prices including any accounting adjustments at the end of the period (for example, moving the portfolio from mid to bid). Basis: bid to bid

AXA Defensive Distribution Fund

For the six months ended 30 November 2013

Top ten holdings as at 30 November 2013

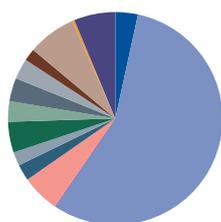
Company	Sector	%
UK Treasury 2.5% IL 26/07/16	IL Government Bonds	18.69
UK Treasury 1.25% IL 22/11/17	IL Government Bonds	12.32
HSBC	Banks	2.20
Vodafone	Mobile Telecommunications	2.07
UK Treasury 0% 07/09/14	Government Bonds	1.94
UK Treasury 1.875% IL 22/11/22	IL Government Bonds	1.81
UK Treasury 0.125% IL 22/11/19	IL Government Bonds	1.80
UK Treasury 2.5% IL 17/07/24	IL Government Bonds	1.75
BP	Oil & Gas	1.70
Royal Dutch Shell 'B'	Oil & Gas	1.57

Top ten holdings as at 31 May 2013

Company	Sector	%
UK Treasury 2.5% IL 26/07/16	IL Government Bonds	14.64
UK Treasury 2.5% IL 16/08/13	IL Government Bonds	10.99
UK Treasury 1.25% IL 22/11/17	IL Government Bonds	7.75
UK Treasury 1.875% IL 22/11/22	IL Government Bonds	2.29
HSBC	Banks	2.26
UK Treasury 0% 07/09/14	Government Bonds	1.89
UK Treasury 1.25% IL 22/11/27	IL Government Bonds	1.84
Vodafone	Mobile Telecommunications	1.67
UK Treasury 2.5% IL 17/07/24	IL Government Bonds	1.66
UK Treasury 2.5% IL 16/04/20	IL Government Bonds	1.64

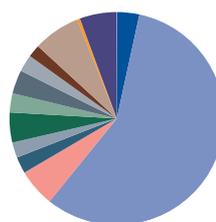
Portfolio breakdown

As at 30 November 2013



Sector	%
Government Bonds	3.41
Index Linked Government Bonds	56.35
Corporate Bonds	0.00
Oil & Gas	5.76
Basic Materials	2.49
Industrials	2.10
Consumer Goods	4.68
Health Care	3.13
Consumer Services	3.56
Telecommunications	3.13
Utilities	1.86
Financials	7.34
Technology	0.32
Futures	0.00
Cash	6.26
Other	(0.39)

As at 31 May 2013



Sector	%
Government Bonds	3.39
Index Linked Government Bonds	57.37
Corporate Bonds	0.04
Oil & Gas	5.71
Basic Materials	2.52
Industrials	2.33
Consumer Goods	4.55
Health Care	2.90
Consumer Services	3.59
Telecommunications	2.58
Utilities	1.89
Financials	7.11
Technology	0.43
Futures	0.00
Cash	5.52
Other	0.07

All data, source: AXA Investment Managers unless otherwise stated

AXA Defensive Distribution Fund

For the six months ended 30 November 2013

Authorised Corporate Director

AXA Investment Managers UK Limited
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Authorised and regulated by the Financial Conduct Authority. Member of the IMA.

AXA Investment Managers UK Limited is wholly owned by AXA Investment Managers S.A., which is a subsidiary company of the French insurer AXA S.A.

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

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London E14 5HQ

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HSBC Bank plc is a subsidiary of HSBC Holdings plc.

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Fund accounting administrator

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For more information on any AXA IM Fund please contact us via our website or telephone number below.

Copies of the latest Report and Accounts (long form) and Prospectus are available free of charge from the administration office: PO Box 10908, Chelmsford, CM99 2UT.

Telephone calls may be recorded or monitored for quality assurance purposes.

0845 777 5511

www.axa-im.co.uk

ADDITIONAL INFORMATION

Report and accounts

The purpose of sending this Short Report for the Fund is to give you a summary of how the Fund has performed during the accounting period in accordance with the Collective Investment Schemes Sourcebook (COLL) rules. If you would like any additional information about the Fund you can request a free of charge copy of the more detailed long form accounts for the Fund. For a copy of this, please contact our dedicated customer services team on 0845 777 5511.

Other information

The Fund is a sub-Fund of the AXA Distribution Investment Company ICVC which is an open ended investment company (OEIC) authorised by the FCA, and has a UCITS certificate. The Company is managed in accordance with the FCA Collective Investment Schemes Sourcebook. Fund prices are available on the website www.axa-im.co.uk and by calling 0845 777 5511.

AXA Investment Managers UK Limited proposes to make changes to the Prospectus and the Instrument of Incorporation of the OEICs to reflect the requirements of the Open-Ended Investment Companies (Amendment) Regulations 2011 and the FCA's COLL Rules for the AXA Distribution Investment ICVC, in order to adopt protected cell status. This will have the effect of ensuring that the liabilities of each sub fund in the OEIC are protected from each other. This change will be made by no later than 31 December 2013 and has no effect on your investment in the Fund. This note is for your information only.

European Savings Directive

Under the European Savings Directive, information is collected about the payment of savings income to non-UK residents. The Fund falls within the 25% debt investment reporting threshold. This means that details of all income distributions and redemption proceeds paid to non UK investors will be reported by AXA Investment Managers to HM Revenue & Customs to be exchanged with the relevant tax authorities.

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The value of investments and the income from them can fluctuate and investors may not get back the amount originally invested. Past performance is not a guide to future performance. Issued by AXA Investment Managers UK Ltd registered in England No. 01431068. The registered office address is 7 Newgate Street, London EC1A 7NX. AXA Investment Managers UK Ltd (119368) is authorised and regulated by the Financial Conduct Authority (formerly Financial Services Authority) under the account shown. A member of the IMA. Telephone calls may be recorded or monitored for quality assurance purposes.

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All data sources: AXA Investment Managers unless otherwise stated.