

AXA Defensive Distribution Fund

For the year ended 31 May 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 31.05.13 (p)	Price at 31.05.12 (p)	Fund Performance	Comparative Benchmark [^]
J gross	Acc*	107.3	N/A	N/A	10.22%
R gross	Acc*	118.6	107.8	10.02%	10.22%
Z gross	Acc*	164.4	148.3	10.86%	10.22%
J gross	Inc**	106.0	N/A	N/A	10.22%
R gross	Inc**	86.87	81.72	10.02%	10.22%
Z gross	Inc**	88.74	82.87	10.83%	10.22%
J net	Acc*	107.0	N/A	N/A	10.22%
R net	Acc*	144.4	132.0	9.39%	10.22%
Z net	Acc*	153.6	139.4	10.19%	10.22%
J net	Inc**	106.0	N/A	N/A	10.22%
R net	Inc**	83.00	78.00	9.38%	10.22%
Z net	Inc**	88.51	82.56	10.19%	10.22%

[^]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% Bank of America 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 31 May 2013.

Review and outlook

The UK equity market was strong in the 12 months to 31 May 2013, with the FTSE All-Share Index returning +30.1%.

The key theme for the period was very concerted central bank stimulus. In Europe, Mario Draghi, the President of the European Central Bank (ECB), said that the ECB would "do whatever it takes" to save

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 £469 billion (source: AXA IM as at 31 May 2013).

the Euro and subsequently unveiled plans to buy large amounts of Eurozone sovereign debt, if required.

In the USA, in the face of persistently high unemployment, Federal Reserve Chairman Ben Bernanke indicated that monetary policy would remain accommodative until the jobless rate fell below 6.5%, as well as announcing a further bout of quantitative easing (QE). In the UK, the QE programme from the Bank of England was extended by a further £50bn to £375bn and a new Funding for Lending Scheme introduced. Finally, in Japan a huge monetary expansion was announced, with the goal of lifting the country's long-stagnant inflation rate to 2%.

This liquidity tailwind has allowed financial markets to shrug off subdued economic growth and a number of disappointing pieces of news, such as the inconclusive elections in Italy and the Cypriot banking crisis and bailout. These economic developments have produced much discussion about 'The Great Rotation' – the term being used to describe the possible asset allocation away from bonds and into equities. While there is little evidence to suggest that this is actually happening as yet, the market sentiment in recent months has certainly favoured equities over bonds. While the equity market has seen strong gains, government bond markets have been relatively subdued. UK gilts returned -1.0% in the review period and index-linked gilts +5.0%. The stronger performance of index-linked gilts was, in part, due to market expectations of future inflation rising and also due to the Office of National Statistics' announcement that, following a consultation process, it would not be changing the way that the Retail Prices Index (RPI) – to which index-linked gilt returns are linked – is calculated.

Corporate results have generally been satisfactory, with many companies announcing substantial dividend increases – with the exceptions of RSA and Aviva, which both cut their dividends.

In the UK equity market, there was considerable upsurge in corporate activity. A number of companies have successfully come to the market via initial public offerings (IPOs), such as the house builder Crest Nicholson and the insurance companies e-sure and Direct Line. There have also been a large number of equity placings and rights issues to take advantage of the buoyant market, for example, William Hill's £385m rights issue, Lloyds Bank selling part of its stake in St James's Place and Royal Bank of Scotland selling a further £0.5bn tranche of Direct Line. Elsewhere, the merger of mining giants Glencore and Xstrata was completed and

two FTSE 100 companies, Severn Trent and ENRC, revealed that they had received bid offers. There has also been considerable speculation in the press about Vodafone selling its stake in the US company Verizon Wireless, a stake that could well be valued in excess of \$100bn.

The central asset mix of the AXA Defensive Distribution 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. Given the strength in equities during the period, both in absolute terms and also relative to bonds, this asset allocation positioning was a key driver of the fund's performance.

Richard Marwood

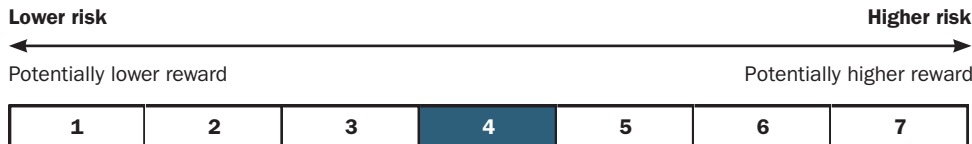
31 May 2013

AXA Defensive Distribution Fund

For the year ended 31 May 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.



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 31 May 2013	£734m
Fund size at 31 May 2012	£574m
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	2.40% / 2.38%
Yield Z Inc/Acc net	2.39% / 2.37%
Yield R Inc/Acc net	2.40% / 2.38%
Yield J Inc/Acc gross	2.99% / 2.96%
Yield Z Inc/Acc gross	2.98% / 2.95%
Yield R Inc/Acc gross	2.99% / 2.96%
Share types	Inc & Acc
Number of stocks	198
Initial charge	R: 5% / Z&J: Nil
Annual charge	R:1.5% / Z:0.75% / J: 1.15%
Ongoing charges	
J Inc/Acc net	1.15% / 1.17%
Z Inc/Acc net	0.76% / 0.76%
R Inc/Acc net	1.51% / 1.49%
J Inc/Acc gross	1.17% / 1.17%
Z Inc/Acc gross	0.76% / 0.76%
R Inc/Acc gross	1.51% / 1.50%
Accounting dates (int/ann)	30 Nov/ 30 May
Distribution dates (income)	31 Jan, 30 Apr 31 Jul, 31 Oct

Source: AXA IM/Lipper *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 year ended 31 May 2013

UK Treasury 0.125 IL 22/03/24
UK Treasury 1.25% IL 22/11/17
UK Treasury 2.5% IL 16/08/13
UK Treasury 2.5% IL 26/07/16
UK Treasury 4.125% IL 22/07/30

Top five sales

For the year ended 31 May 2013

UK Treasury 0.125 IL 22/03/24
UK Treasury 1.25% IL 22/11/17
UK Treasury 1.875% IL 22/11/22
UK Treasury 2.5% IL 16/08/13
UK Treasury 2.5% IL 26/07/16

AXA Defensive Distribution Fund

For the year ended 31 May 2013

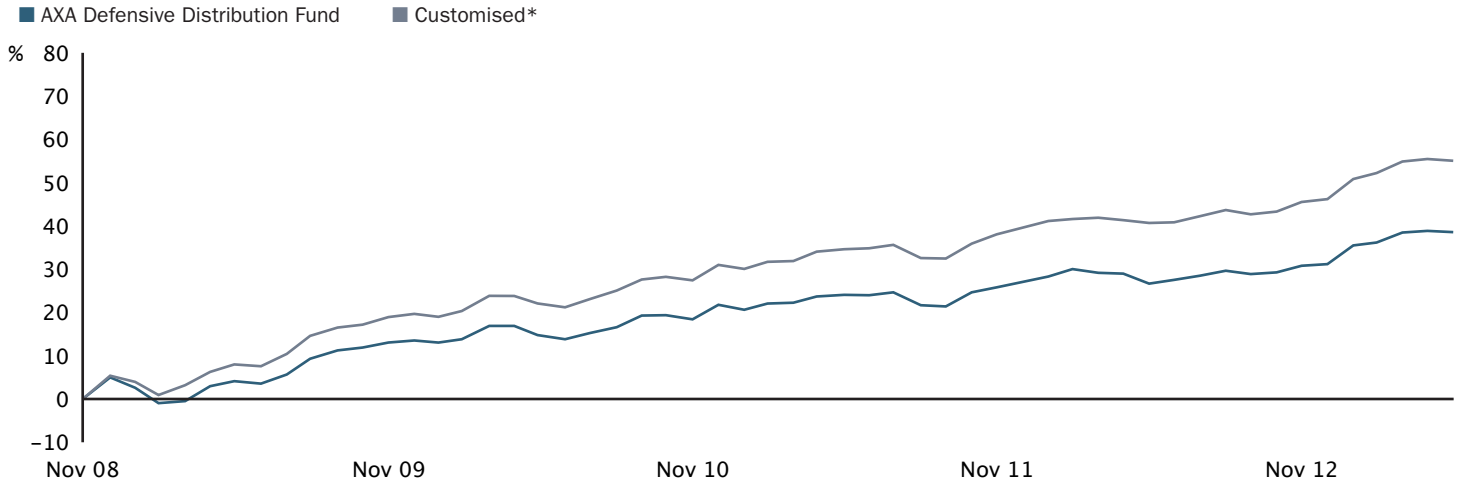
Five year discrete annual performance

May 08 to May 09	May 09 to May 10	May 10 to May 11	May 11 to May 12	May 12 to May 13
N/A	+10.23%	+8.11%	+2.09%	+9.39%

Past performance is not a guide to future returns. Source: Lipper Hindsight as at 31 May 2013. Basis: Mid to mid, with net income reinvested, net of fees in GBP. Performance is representative of R Acc class.

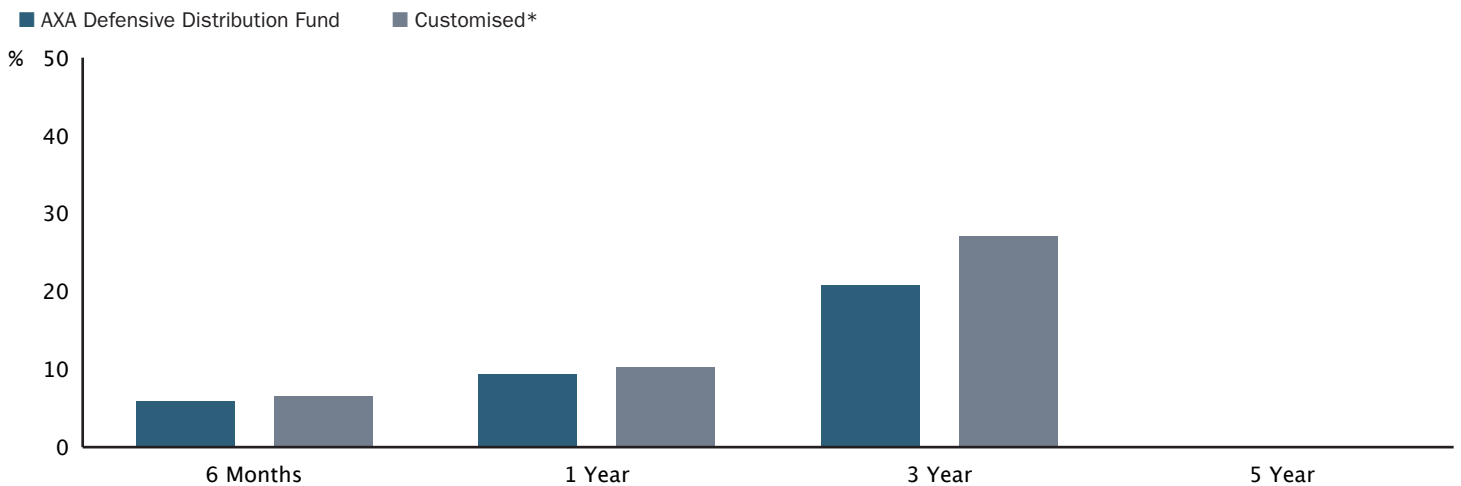
Cumulative Fund performance versus comparative benchmark

as at 31 May 2013



Past performance is not a guide to future performance. Source: Lipper Hindsight, mid to mid, net of fees income reinvested to 31 May 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.

as at 31 May 2013



Past performance is not a guide to future performance. Source: Lipper Hindsight, mid to mid, net of fees income reinvested to 31 May 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 year ended 31 May 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	1.307	Inc (net)	107.2	100.7	1.300
2013**	Z	Acc (net)	155.3	144.7	1.875	Inc (net)	89.50	83.86	1.083
2013**	R	Acc (net)	146.0	136.4	1.765	Inc (net)	83.94	78.88	1.017
2013**	J	Acc (gross)	108.5	101.5	1.638	Inc (gross)	107.2	100.6	1.626
2013**	Z	Acc (gross)	166.2	154.4	2.507	Inc (gross)	89.72	83.97	1.356
2013**	R	Acc (gross)	119.9	111.8	1.810	Inc (gross)	87.85	82.44	1.329
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 31 May 2013. + Distribution to 31 July 2013.

Net asset value record

Share class	Share type	Net asset value per share as at 31 May 2013 (pence)	Net asset value per share as at 31 May 2012 (pence)	Share type	Net asset value per share as at 31 May 2013 (pence)	Net asset value per share as at 31 May 2012 (pence)
J	Acc (net)	106.9	N/A	Inc (net)	105.3	N/A
Z	Acc (net)	153.6	139.4	Inc (net)	87.86	81.76
R	Acc (net)	144.3	132.0	Inc (net)	82.39	77.25
J	Acc (gross)	107.3	N/A	Inc (gross)	105.1	N/A
Z	Acc (gross)	164.3	148.3	Inc (gross)	87.94	81.84
R	Acc (gross)	118.6	107.8	Inc (gross)	86.08	80.71

Please note, that the NAV prices shown above are different from the results prices as at 31.05.13. 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 year ended 31 May 2013

Top ten holdings as at 31 May 2013

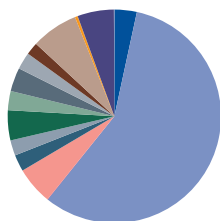
Company	Sector	%
UK Treasury 2.5% IL 26/07/16	IL Government Bonds	14.64
UK Treasury 2.5% IL 16/08/13	IL Government Bonds	10.99
UK Treasury 1.25% IL 22/11/17	IL Government Bonds	7.75
UK Treasury 1.875% IL 22/11/22	IL Government Bonds	2.29
HSBC	Banks	2.26
UK Treasury 0% 07/09/14	Government Bonds	1.89
UK 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

Top ten holdings as at 31 May 2012

Company	Sector	%
UK Treasury 2.5% IL 26/07/16	IL Government Bonds	16.85
UK Treasury 2.5% IL 16/08/13	IL Government Bonds	12.94
UK Treasury 1.25% IL 22/11/17	IL Government Bonds	2.99
UK Treasury 1.875% IL 22/11/22	IL Government Bonds	2.92
UK Treasury 0% 07/09/14	Government Bonds	2.41
UK Treasury 1.125% IL 22/11/37	IL Government Bonds	2.36
UK Treasury 1.25% IL 22/11/32	IL Government Bonds	2.23
UK Treasury 1.25% IL 22/11/27	IL Government Bonds	2.22
Royal Dutch Shell 'B'	Oil & Gas Producers	1.89
HSBC	Banks	1.78

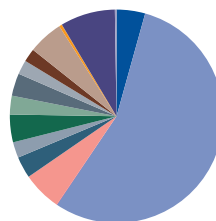
Portfolio breakdown

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

As at 31 May 2012



Sector	%
Government Bonds	4.33
Index Linked Government Bonds	55.10
Corporate Bonds	0.05
Oil & Gas	5.93
Basic Materials	3.27
Industrials	2.39
Consumer Goods	4.19
Health Care	2.84
Consumer Services	3.42
Telecommunications	2.16
Utilities	2.01
Financials	5.30
Technology	0.45
Futures	0.00
Cash	8.31
Other	0.25

All data, source: AXA Investment Managers unless otherwise stated

Authorised Corporate Director

AXA Investment Managers UK Limited
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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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Chelmsford, CM99 2UT
Telephone Dealing & Enquiries 0845 777 5511
IFA Dealing & Enquires 0845 766 0184
If you are calling us from outside of the UK, please call +44 1268 448667
Our lines are open Monday to Friday between 9am and 5:30pm

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Member of the IMA.*

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London EC1A 7NX

Authorised and regulated by the Financial Conduct Authority (formerly Financial Services Authority).

Legal adviser

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1 Wood Street
London EC2V 7WS

Depositary

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Registered Office
8 Canada Square
London E14 5HQ

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HSBC Bank plc is a subsidiary of HSBC Holdings plc.*

Independent auditors

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London SE1 2RT

Fund accounting administrator

State Street Bank and Trust Company
20 Churchill Place
London E14 5HJ

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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 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.

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.