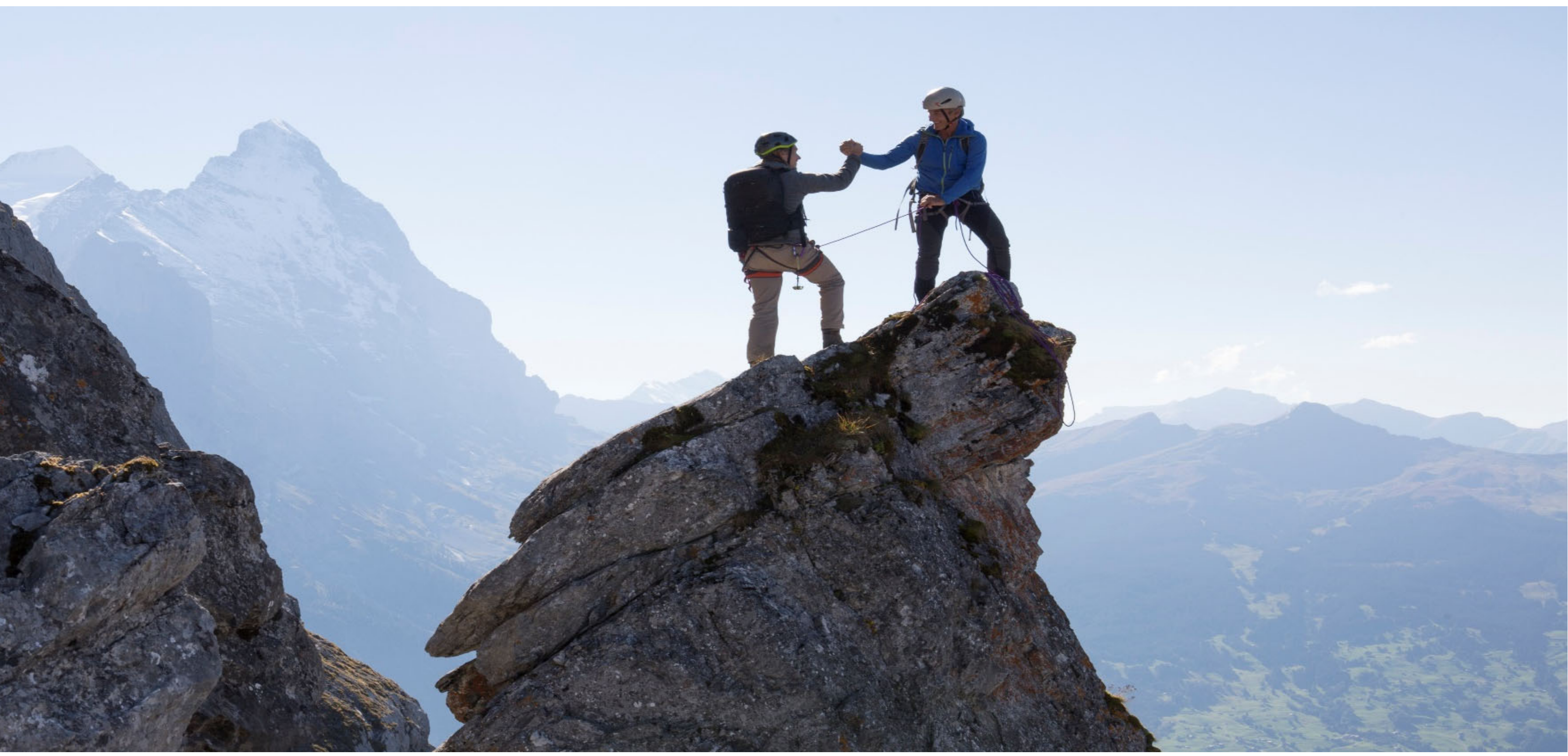
Annual Long Report and Audited Financial Statements
Year ended
31 May 2023

AXA Distribution Investment ICVC



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

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* Collectively, these comprise the Authorised Corporate Director’s Report.

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

Directory

The Company and Head Office
AXA Distribution Investment ICVC
22 Bishopsgate
London EC2N 4BQ

Authorised Corporate Director ("ACD")
AXA Investment Managers UK Limited
22 Bishopsgate
London EC2N 4BQ
www.axa-im.co.uk

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

Legal Adviser
Eversheds LLP
One Wood Street
London, EC2V 7WS

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

Depositary
HSBC Bank plc,
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.

Independent Auditors
Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh, EH3 8EX

Report of the Directors of AXA Distribution Investment ICVC

AXA Distribution Investment ICVC ("the Company") is an investment company with variable capital incorporated in England and Wales and authorised by the Financial Conduct Authority ("FCA").

Shareholders are not liable for the debts of the Company.

There are five sub-funds which are currently available in the Company (each a "Fund"), and in the future there may be other sub-funds in the Company.

Each Fund has the investment powers equivalent to those of a UCITS (Undertakings for Collective Investment in Transferable Securities) under the FCA's Collective Investment Schemes Sourcebook ("COLL"). The Funds are segregated portfolios of assets and, accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other Fund, and shall not be available for any such purpose. Further details in relation to the segregated nature of the Funds can be found in the Prospectus.

None of the sub-funds included within this report have holdings in any of the Company's other sub-funds.

Important Events During the Year

Ethical Policy

The ethical policy, referred to in the investment policy of the AXA Ethical Distribution Fund, was updated on 7th September 2023 and the latest version is available on our website: https://retail.axa-im.co.uk/fund-centre/-/funds-center/axa-ethical-distribution-fund-r-gbp-acc-25387#/literature

The Task Force on Climate Related Financial Disclosures (TCFD)

From June 2023 the FCA has introduced requirements for ACD 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 on the Fund Page under 'Documents' for each sub-fund at https://retail.axa-im.co.uk/fund-centre

AXA Defensive Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

Investment Objective

The aim of this Fund is to achieve income and capital growth over a period of 5 years or more.

Investment Policy

The Fund invests in a mix of UK Government bonds, the majority of which are linked to the rate of inflation, shares in large and medium sized UK listed companies, and cash. The Fund's typical asset mix would have at least a minimum investment in UK Government bonds and cash of 60%. As a result of this asset mix the fund's value should be less volatile than a fund with a higher proportion of its investments in shares. The Manager selects shares in companies based upon their prospects for future growth in dividend payments following an in depth analysis of their financial status, quality of business model and corporate governance arrangements. Investments in UK Government bonds are diversified across a range of maturities (i.e., the length of time for full repayment of the bond by the Government).

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 a composite benchmark made up of the following indices in the stated proportions: 29% FTSE All Share Index; 27.5% FTSE Index Linked all Stocks; 27.5% FTSE Index Linked < 5 Years; 3.5% FTSE Gilts All Stocks; 3.5% FTSE Gilts < 5 years; 9% SONIA Compounded Index (the "Benchmark"). This Benchmark best represents the types of bonds and companies in which the Fund predominantly invests.

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

Risk and Reward Profile

As at 31 May 2023

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

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. There has been no change from prior year.

Why is this Fund in this category?

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

AXA Defensive Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

Key Risks

Under normal market conditions the Fund's key risk factors are:

• 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 more 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 individual fund's investment objectives and investment policy. These guidelines could include measures of sensitivity to changes of interest rates.

• Index-linked bonds risk - are fixed interest securities whose capital repayment amounts and interest payments are adjusted in line with movements in inflation indices. They are designed to mitigate the effects of inflation on the value of a portfolio. The market value of index-linked bonds is determined by the market's expectations of future movements in both interest rates and inflation rates.

As with other bonds, the value of index-linked bonds will generally fall when expectations of interest rates rise and vice versa. However, when the market anticipates a rise in inflation rates, index-linked bonds will generally outperform other bonds, and vice versa.

Index-linked bonds bought in the secondary market (i.e., not directly from the issuer) whose capital values have been adjusted upward due to inflation since issuance, may decline in value if there is a subsequent period of deflation.

Due to the sensitivity of these bonds to interest rates and expectations of future inflation, there is no guarantee that the value of these bonds will correlate with inflation rates in the short to medium term.

Index-linked bonds risk is an inherent risk of investing in index-linked bonds. Exposure to this risk is managed by the allocation decision on the proportion of the portfolio to invest in index-linked bonds, as well as the amount of remaining maturity of these bonds, which will affect their sensitivity in value, to changes in expected inflation levels.

• 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 individual fund's investment objectives and investment policy.

AXA Defensive Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

• Risks linked to investment in sovereign debt - the Fund may invest in bonds issued by countries and governments (sovereign debt). The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the capital and/or interest when due in accordance with the terms of such debt. In such a scenario, the value of investments of the Fund may be adversely affected. A governmental entity's willingness or ability to repay capital and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign currency reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest on their debt. In addition, there are no bankruptcy proceedings for such issuers under which money to pay the debt obligations may be collected in whole or in part. Holders may be requested to participate in the rescheduling of such sovereign debt and to extend further loans to the issuers.

Certain countries are especially large debtors to commercial banks and foreign governments. Investment in sovereign debt issued or guaranteed by such countries (or their governments or governmental entities) involves a higher degree of risk than investment in other sovereign debt.

Certain funds may be further subject to the risk of high concentration in bonds issued by and/or guaranteed by a single sovereign issuer which is below investment grade and/or unrated which is also subject to higher credit risk. In the event of a default of the sovereign issuer, the Fund may suffer significant loss.

This is an inherent risk for funds invested within sovereign bonds. Internal investment guidelines, scenario testing as well as other regular monitoring seek to ensure the level of risk is aligned with each individual fund's investment objectives and investment policy.

• Stock lending risk - the Fund may participate in a stock lending programme managed by an affiliate of the ACD (acting as stock lending agent) for the purpose of lending a Fund's securities via entering into a stock lending authorisation agreement. If a 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 a 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.

AXA Defensive Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

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.

Other risks which could have an impact in extreme market conditions include:

• 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 Shareholders buying or selling Shares 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.

• Counterparty risk - at any one time, the Fund may be exposed to the creditworthiness and stability of the counterparties to transactions entered into by the Fund (including derivative and stock lending and repo/reverse repo transactions). The Fund will be subject to the risk of the inability of its counterparties to perform its obligations under such transactions (default), whether due to insolvency, bankruptcy or other causes. In the event of the insolvency of a counterparty, the Fund might not be able to recover cash or assets of equivalent value, to that invested, in full. The Fund may receive assets or cash from the counterparty (collateral) to protect against any such adverse effect. Where relevant, a counterparty will forfeit its collateral if it defaults on the transaction with the Fund. However, if the collateral is in the form of securities, there is a risk that when it is sold, it will realise insufficient cash to settle the counterparty's debt to the Fund under a transaction or to purchase replacement securities that were lent to the counterparty under a stock lending arrangement. In relation to stock lending arrangements, there is also the risk that while cash is recovered in the event of a default, the actual stock cannot be repurchased. Furthermore, to the extent that collateral is not present to cover part or all of the debt, a counterparty default may result in losses for the affected Fund. To assist in managing these types of risks, the ACD sets criteria around the types of eligible collateral the Fund may accept. Please see the paragraph entitled "Treatment of Collateral" in the "Investment and borrowing powers applicable to the Funds" section in Appendix II of the Prospectus for more information.

Transactions in securities that the Fund may enter into expose it to the risk that the counterparty will not deliver the investment for a purchase or cash for a sale after the Fund has contracted to fulfil its responsibilities. This is minimised by the practice in the majority of markets of delivery versus payment and short settlement periods.

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

Important Information

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.

AXA Defensive Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

Market Review

The 12-month period to 31st May 2023 has been a challenging one, with both equity and fixed income markets having to adjust to a fundamentally changed set of macroeconomic factors. A year ago, the world was dealing with the impact of Russia invading Ukraine, sharply higher energy prices as well as the after-effects of COVID-19-related supply chain disruption created by the unsuccessful Chinese 'Zero Covid' policy. This combination of factors as well as government COVID-19 fiscal stimulus packages enabled inflation to set in. Central bankers across the globe were forced to adjust their ultra-low interest rate policies that had kept the global economy going through an enforced period of economic stagnation during the pandemic. Markets have been volatile around the hope that central banks, and in particular the US Federal Reserve (Fed), would pivot away from their hawkish stance. By the end of the period equity markets had, in the main, retained their composure with most major global equity markets generating flat to slightly positive returns. However, fixed income markets have had a tumultuous time with yields continuing to move higher in the face of aggressive policy tightening globally.

We would argue that 2022's decline in both equity and fixed income returns is a result of markets being drastically repriced amid the highest inflation levels we have seen in 40 years, and central banks' attempts to tame inflation through quantitative tightening whilst putting an end to record-low interest rates. While painful, we believe that this period of repricing should be viewed as a market correction, not a crisis. While some may worry that recent high stock-bond correlations signal the end of the diversification potential of bonds, history demonstrates that the bond market has consistently been able to provide a ballast during times of crisis. We remain, therefore, committed to the long-term asset allocation strategy of the Fund range.

Looking at the year under review in more detail, the period started with the Fed delivering a 75-basis point (bp) increase in rates in their June meeting, their first hike of this magnitude since 1994. The following day the Swiss National Bank surprised markets in a hawkish policy pivot by raising their rates by 50bps, while the Bank of England's (BoE) Monetary Policy Committee (MPC) voted to raise rates by 25bps noting that they may need to act "forcefully" on inflation if needed. This was quickly followed in July by the Fed delivering its second consecutive 75bp move, while the MPC raised rates by 50bps at their August meeting, the first hike of this magnitude in 27 years.

Sterling fixed income markets underperformed other developed bond markets during this period, magnified by the political void after PM Boris Johnson resigned in disgrace. This set off a contest for leader of the Conservative party and thus the next UK Prime Minister. The following weeks proved to be a remarkable period for the UK and its fixed income markets. Liz Truss was announced as the winner of the Conservative Party leadership contest and became the new Prime Minister. Within days the country entered a period of national mourning following the death of Queen Elizabeth II, leaving 10 days of policy vacuum for any announcements by the new administration. At their delayed September MPC meeting, the BoE announced a second consecutive 50bp hike, with three members voting for 75bps along with the committee repeating that they would respond as forcefully as necessary if inflation pressures became more persistent. The following day the new Chancellor Kwarteng unveiled the largest fiscal expansion package in 50 years, reversing previously announced corporate and national insurance tax increases, while also unveiling personal tax cuts including a very controversial cut in the top 45% tax rate. In all, the package saw an increase in funding of over £70bn for the 2022/23 fiscal year with significant increases in projected funding levels for the years ahead. The market reaction to the announcement was powerful. Sterling and UK assets came under severe pressure. With much speculation around the BoE's reaction function and an expectation of an emergency rate hike, gilt yields moved significantly higher over the following days, triggering a wave of collateral calls for pension funds and liability-driven investment (LDI) strategies. What followed was an unstable period for sterling rates eventually forcing the BoE to intervene on 28th September, postponing the start of their gilt sales quantitative tightening programme (QT) and announcing a market stabilisation operation to buy up to £5bn of long dated gilts per day for 13 days.

AXA Defensive Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

Jeremy Hunt was installed as the new Chancellor following the sacking of Kwasi Kwarteng on October 14th. He quickly reversed the majority of the policies announced at the infamous mini budget, thus setting in motion the end of the Truss premiership. Liz Truss resigned and marked the shortest ever premiership and yet another Conservative leadership contest began, although this contest proved short-lived with Rishi Sunak quickly being announced as the sole candidate and winner. Sunak became the UK's 5th Prime Minister in six years and quickly set about trying to restore the UK's credibility.

Global stock markets stabilised somewhat in the fourth quarter, but 2022 remained a difficult year for investors, with both equities and government bonds posting negative returns. US equities in particular enjoyed a strong fourth quarter, but it was not enough to stop the S&P 500 from clocking up its worst year since 2008, with the index falling c.20% over the year.

In January, the new year got off to a strong start for markets on improving risk sentiment as the global growth outlook was upgraded following the China reopening, helped also by weaker energy prices leading to a moderating in peak interest rate expectations. UK equities saw the FTSE 100 finally manage to push through the 8,000 mark for the first time ever. However, hawkish central bank sentiment eased somewhat as one of the larger US regional banks, Silicon Valley Bank (SVB) collapsed in early March following a flight of deposits, as revelations of losses due to a duration mismatch in their books and a subsequent failed funding round triggered a flight to quality, with deposits flowing into the largest banks and short-dated sovereign bonds. The authorities quickly stepped in guaranteeing deposits at the affected institutions and in the UK the BoE orchestrated the takeover of SVB's UK branch by HSBC.

Concerns about the financial sector quickly crossed the Atlantic with focus turning to European banks, with Credit Suisse in particular in the spotlight, which ultimately triggered the Swiss government to step in and force UBS to take over the ailing institution. The decision was taken to wipe out AT1 bond holders which caused additional stress on the banking sector in the immediate aftermath. Despite the turmoil, central banks were very keen to draw the distinction between monetary policy and financial stability with the European Central Bank (ECB) remaining on course to fight inflation, raising rates by 50bps in March along with both the Federal Open Market Committee (FOMC) and BoE raising rates by 25bps. After a relatively calm month for markets in April, May saw central banks once again continue their monetary policy tightening as the Fed, ECB and BoE all raised rates by 25bps - although their forward guidance became more nuanced, with the FOMC's statement removing the comment that "some additional policy firming may be appropriate". Gilts were once again in the media spotlight for the wrong reasons in May, as yields moved sharply higher, underperforming other developed markets as inflation readings for April did not fall as much as most had expected, with headline CPI falling from 10.1% to 8.7% against a consensus forecast of 8.2%.

Set against this backdrop, investors have understandably sought refuge, with flows into money market funds rising to their highest levels in several years. In equity markets, the Nasdaq has been conspicuous in its strength as mega-cap tech stocks with their strong market positions and even stronger (cash-heavy) balance sheets have again been seen as safe havens. To date, 2023 has been defined by one feature - the element of surprise. Despite rising US recession risk in January, stocks went up. That was quickly revised by growth overshooting in February (but stocks went down) which gave way to the sudden onset of a regional banking crisis in March (but, stocks went up, marginally).

AXA Defensive Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

In terms of fixed income market moves over the period, 10-year US Treasuries opened the period at 2.90%, trading above the key physiological 4% levels in October and February before closing the period around 3.6%. The US yield curve continued to invert as the front end bore the brunt of the repricing of rate expectations, with 2yr - 10yr at its most inverted since the early 1980s. In the UK, gilt yields also moved sharply higher over the period and underperformed other markets, given the chaotic political backdrop along with inflation levels that continued to suggest that inflation would remain more persistent in the UK than in other regions. 10-year yields moved from 2.10% in early June to 4.1% by the end of the review period, having reached 4.5% during the autumn market turmoil. Shorter-dated gilt maturities suffered even more as the market continued to price in higher terminal rates with 2-years moving 1.70% to above 4.5% by the end of May. The markets pricing of the banks' terminal rate moved from 2.75% in June of last year to over 5.3% by the end of May 2023. Index-linked yields moved in sympathy with nominals, as 10yr real yields moved from -2% to +0.5% by the end of May. Shorter-dated index-linked bonds benefitted from strong inflation indexation and provided positive returns over the period, while longer-dated breakeven rates were slightly lower over the period as inflation expectations declined given the backdrop of very strong policy tightening.

Portfolio Review

The equity element of the Fund underperformed its FTSE All Share comparative index over the period. Although the FTSE All Share return was flat, we continued to see divergence between the better performing large-caps, defined by the FTSE 100, and small- and mid-cap companies (FTSE 250 and FTSE Smaller Companies Index). As interest rates have continued to rise the more cyclically exposed sectors such as consumer discretionary, industrials and real estate have struggled to perform as have the more domestically exposed and less diverse small- and mid-cap companies.

Companies held in the portfolio which contributed positively to performance include 3i Group, Games Workshop, Dunelm and Rentokil. 3i Group Plc has been a very strong performer during the period on account of its strong earnings momentum helped in part by the success of Action, its pan-European discount retailer which continues to find favour with customers. The relatively defensive holdings of National Grid, Rentokil and SSE have continued to perform well as have Ashtead and JD Sports following strong trading performances.

The Fund also received a takeover approach for Aveva at a premium to its recent trading price which had fallen out of market favour despite continuing to report operational progress on its business model transition. There have been a number of takeover approaches in the UK market during this period, as the market is focussed short term on the effects of inflation and a slowdown and is ignoring the attractive future prospects of many businesses.

We have used market weakness as an opportunity to add to high quality holdings to the portfolio where the long-term structural drivers and business fundamentals are simply not being reflected in current valuations.

AXA Defensive Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

Outlook

A return to what might be termed as normalised economic conditions following the COVID-19 pandemic, lockdowns and re-openings appears to be almost complete. It has been a tortuous period for investors with the strong equity market returns in 2021 being levelled out by tougher times in 2022. Furthermore, having now passed the first anniversary of the horrific war in Ukraine, the inflationary impulse caused by higher energy prices are beginning to annualise themselves out of inflation numbers. However, the hard work that central banks have put into quashing the stubbornly high inflation is only now beginning to come into effect. Housing markets are under pressure in Western economies, consumer confidence is falling, PMIs are down and yet employment remains high. Anecdotally we are hearing from corporates that wage inflation pressure is easing. Consequently, the forecast for improving economic conditions that had fuelled the value rally in 2022 are reversing and the underlying attractions of quality growth companies are returning to vogue. This has suited our consistent investment style in recent months, and we believe looks set to continue in the period ahead.

All performance data source: AXA Investment Managers and Morningstar.
Past performance is not a guide for future performance.

Major Purchases	Cost (£'000)
● UK Treasury 1.25% IL 22/11/27	8,345
● UK Treasury 0.125% IL 22/03/26	7,008
● UK Treasury 0.25% 31/01/25	5,970
● UK Treasury 0.125% IL 22/03/51	3,567
● UK Treasury 0.875% 31/07/33	3,375

Major Sales	Proceeds (£'000)
● UK Treasury 0.125% IL 22/03/26	13,910
● UK Treasury 1.25% IL 22/11/27	7,505
● UK Treasury 0.125% IL 22/03/29	6,508
● UK Treasury 0.25% 31/01/25	5,972
● UK Treasury 1.875% IL 22/11/22	2,530

Jamie Forbes-Wilson
AXA Investment Managers UK Limited

AXA Defensive Distribution Fund

Portfolio Statement
As at 31 May 2023

	Holding	Market Value £'000	% of Total Net Assets
BONDS 62.33% (31/05/22: 61.97%)			
Corporate Bonds 0.00% (31/05/22: 0.00%)			
Lambay Capital Securities FRN Perpetual *	337,000	-	-
Index Linked Government Bonds 57.33% (31/05/22: 55.13%)			
UK Treasury 0.125% IL 22/03/24	16,000,000	24,031	14.29
UK Treasury 0.125% IL 22/03/26	14,000,000	19,552	11.63
UK Treasury 0.125% IL 10/08/28	2,280,000	2,936	1.75
UK Treasury 0.125% IL 22/03/29	1,500,000	2,264	1.35
UK Treasury 0.125% IL 10/08/31	200,000	245	0.15
UK Treasury 0.125% IL 22/03/44	1,500,000	1,864	1.11
UK Treasury 0.125% IL 22/03/46	733,580	835	0.50
UK Treasury 0.125% IL 10/08/48	1,000,000	1,045	0.62
UK Treasury 0.125% IL 22/03/51	3,500,000	3,346	1.99
UK Treasury 0.125% IL 22/11/56	700,000	727	0.43
UK Treasury 0.125% IL 22/03/58	1,000,455	1,067	0.63
UK Treasury 0.125% IL 22/11/65	700,000	721	0.43
UK Treasury 0.125% IL 22/03/68	2,000,143	2,140	1.27
UK Treasury 0.25% IL 22/03/52	500,395	602	0.36
UK Treasury 0.375% IL 22/03/62	1,200,000	1,521	0.90
UK Treasury 0.5% IL 22/03/50	807,083	1,191	0.71
UK Treasury 0.625% IL 22/03/40	678,056	1,091	0.65
UK Treasury 0.625% IL 22/11/42	800,000	1,288	0.77
UK Treasury 0.625% IL 22/03/45	1,500,000	1,356	0.81
UK Treasury 0.75% IL 22/03/34	1,000,000	1,598	0.95
UK Treasury 0.75% IL 22/11/47	2,500,791	4,064	2.42
UK Treasury 1.125% IL 22/11/37	1,274,343	2,410	1.43
UK Treasury 1.25% IL 22/11/27	1,200,873	2,343	1.39
UK Treasury 1.25% IL 22/11/32	1,000,000	1,812	1.08
UK Treasury 1.25% IL 22/11/55	271,685	548	0.33
UK Treasury 2% IL 26/01/35	881,745	2,103	1.25
UK Treasury 2.5% IL 17/07/24	2,648,119	9,925	5.90
UK Treasury 4.125% IL 22/07/30	1,118,053	3,749	2.23
Traditional Government Bonds 5.00% (31/05/22: 6.84%)			
UK Treasury 0.125% 31/01/24	100,000	97	0.06
UK Treasury 0.25% 31/01/25	2,000,000	1,857	1.10
UK Treasury 0.5% 22/10/61	3,500,000	1,028	0.61
UK Treasury 0.875% 31/07/33	5,400,000	3,933	2.34
UK Treasury 3.25% 22/01/44	600,000	498	0.30
UK Treasury 3.75% 22/07/52	183,548	162	0.10
UK Treasury 4.25% 07/12/40	105,913	103	0.06
UK Treasury 4.25% 07/12/46	500,000	480	0.29
UK Treasury 4.5% 07/12/42	239,224	240	0.14
TOTAL BONDS		104,772	62.33

AXA Defensive Distribution Fund

Portfolio Statement

As at 31 May 2023

	Holding	Market Value £'000	% of Total Net Assets
BASIC MATERIALS 2.10% (31/05/22: 1.88%)			
Chemicals 0.59% (31/05/22: 0.52%)			
Croda International	10,000	611	0.36
Treatt	55,000	382	0.23
Industrial Metals & Mining 1.51% (31/05/22: 1.36%)			
Hill & Smith	75,000	1,092	0.65
Rio Tinto	30,000	1,449	0.86
TOTAL BASIC MATERIALS		3,534	2.10
CONSUMER DISCRETIONARY 4.20% (31/05/22: 6.29%)			
Household Goods & Home Construction 0.47% (31/05/22: 1.13%)			
Redrow	163,000	788	0.47
Leisure Goods 0.64% (31/05/22: 0.87%)			
Games Workshop	9,000	850	0.51
Tinybuild	469,353	216	0.13
Media 0.21% (31/05/22: 0.44%)			
Future	47,187	349	0.21
Retailers 2.06% (31/05/22: 2.45%)			
Dunelm	78,944	870	0.52
Howden Joinery	135,000	888	0.53
JD Sports Fashion	480,000	730	0.43
Pets at Home	260,000	979	0.58
Travel & Leisure 0.82% (31/05/22: 1.40%)			
Loungers	400,000	760	0.45
Trainline	250,000	627	0.37
TOTAL CONSUMER DISCRETIONARY		7,057	4.20
CONSUMER STAPLES 2.91% (31/05/22: 1.98%)			
Beverages 1.16% (31/05/22: 0.98%)			
Diageo	57,542	1,943	1.16
Personal Care, Drug & Grocery 1.75% (31/05/22: 1.00%)			
Reckitt Benckiser	35,000	2,215	1.32
Tesco	275,000	723	0.43
TOTAL CONSUMER STAPLES		4,881	2.91

AXA Defensive Distribution Fund

Portfolio Statement

As at 31 May 2023

	Holding	Market Value £'000	% of Total Net Assets
ENERGY 2.40% (31/05/22: 1.86%)			
Alternative Energy 0.00% (31/05/22: 0.00%)			
Invinity Energy Systems Warrants I	66,688	-	-
Oil, Gas & Coal 2.40% (31/05/22: 1.86%)			
BP	370,000	1,672	0.99
Shell	106,000	2,372	1.41
TOTAL ENERGY		4,044	2.40
FINANCIALS 5.89% (31/05/22: 5.75%)			
Banks 0.92% (31/05/22: 0.58%)			
HSBC	113,177	675	0.40
NatWest	332,766	881	0.52
Closed End Investments 0.37% (31/05/22: 0.38%)			
Syncona	402,324	616	0.37
Finance & Credit Services 0.56% (31/05/22: 0.00%)			
London Stock Exchange	11,000	935	0.56
Investment Banking & Brokerage 2.28% (31/05/22: 2.78%)			
3i	82,000	1,608	0.96
AJ Bell	171,025	551	0.33
Intermediate Capital	55,000	773	0.46
MJ Hudson *	2,250,000	-	-
St James's Place	80,000	899	0.53
Life Insurance 1.76% (31/05/22: 1.49%)			
Just	1,000,000	871	0.52
Legal & General	520,000	1,196	0.71
Prudential	82,500	897	0.53
Nonlife Insurance 0.00% (31/05/22: 0.52%)			
TOTAL FINANCIALS		9,902	5.89
HEALTH CARE 3.90% (31/05/22: 3.19%)			
Medical Equipment & Services 0.79% (31/05/22: 0.23%)			
ConvaTec	430,000	881	0.52
Smith & Nephew	38,000	458	0.27

AXA Defensive Distribution Fund

Portfolio Statement

As at 31 May 2023

	Holding	Market Value £'000	% of Total Net Assets
Pharmaceuticals & Biotechnology 3.11% (31/05/22: 2.96%)			
AstraZeneca	27,000	3,174	1.89
Genus	27,500	694	0.41
GSK	100,000	1,361	0.81
TOTAL HEALTH CARE		6,568	3.90
INDUSTRIALS 3.82% (31/05/22: 4.85%)			
Aerospace & Defense 0.00% (31/05/22: 0.28%)			
Construction & Materials 0.00% (31/05/22: 0.67%)			
Electronic & Electrical Equipment 0.20% (31/05/22: 0.96%)			
Invinity Energy Systems	1,006,523	342	0.20
Industrual Engineering 0.84% (31/05/22: 0.57%)			
Spirax-Sarco Engineering	5,000	547	0.33
Weir	50,000	849	0.51
Industrial Support Services 1.96% (31/05/22: 1.88%)			
Boku	370,000	525	0.31
Experian	57,000	1,632	0.97
Rentokil Initial	178,000	1,142	0.68
Industrial Transportation 0.82% (31/05/22: 0.49%)			
Ashtead	28,000	1,378	0.82
TOTAL INDUSTRIALS		6,415	3.82
REAL ESTATE 0.92% (31/05/22: 0.84%)			
Real Estate Investment & Services 0.92% (31/05/22: 0.84%)			
Grainger	310,697	759	0.45
Rightmove	150,000	782	0.47
TOTAL REAL ESTATE		1,541	0.92
TECHNOLOGY 1.29% (31/05/22: 1.45%)			
Software & Computer Services 1.29% (31/05/22: 1.45%)			
Ascential	149,000	341	0.20
Auction Technology	60,000	439	0.26
Bytes Technology	185,000	930	0.55
GB	160,400	473	0.28
TOTAL TECHNOLOGY		2,183	1.29

AXA Defensive Distribution Fund

Portfolio Statement

As at 31 May 2023

	Holding	Market Value £'000	% of Total Net Assets
TELECOMMUNICATIONS 0.82% (31/05/22: 0.80%)			
Telecommunications Equipment 0.30% (31/05/22: 0.31%)			
Spirent Communications	281,270	504	0.30
Telecommunications Service Providers 0.52% (31/05/22: 0.49%)			
Telecom Plus	57,000	878	0.52
TOTAL TELECOMMUNICATIONS		1,382	0.82
UTILITIES 1.69% (31/05/22: 0.74%)			
Electricity 0.84% (31/05/22: 0.74%)			
SSE	75,000	1,407	0.84
Gas, Water & Multiutilities 0.85% (31/05/22: 0.00%)			
National Grid	130,000	1,432	0.85
TOTAL UTILITIES		2,839	1.69
Portfolio of investments		155,118	92.27
Net other assets		12,987	7.73
Total net assets		168,105	100.00

All investments are ordinary shares unless otherwise stated.
All bonds are denominated in Sterling (unless otherwise indicated).
* These stocks have either been suspended, delisted or are in liquidation. They are included at the Manager's valuation.

AXA Defensive Distribution Fund

Comparative Tables

As at 31 May 2023

	A Gross Accumulation			A Gross Income		
	31/05/2023	31/05/2022	31/05/2021	31/05/2023	31/05/2022	31/05/2021
Change in net assets per share	(p)	(p)	(p)	(p)	(p)	(p)
Opening net asset value per share †	123.21	131.94	120.90	113.65	122.73	112.87
Return before operating charges ^	(11.25)	(8.04)	11.70	(10.33)	(7.44)	10.90
Operating charges ^	(0.60)	(0.69)	(0.66)	(0.55)	(0.64)	(0.61)
Return after operating charges ^	(11.85)	(8.73)	11.04	(10.88)	(8.08)	10.29
Distributions	(2.94)	(1.07)	(0.46)	(2.69)	(1.00)	(0.43)
Retained distributions on accumulation shares	2.94	1.07	0.46	-	-	-
Closing net asset value per share †	111.36	123.21	131.94	100.08	113.65	122.73
*^ after direct transaction costs of:	0.03	0.05	0.03	0.02	0.04	0.02
Performance						
Return after operating charges	-9.62%	-6.62%	9.13%	-9.57%	-6.58%	9.12%
Other information						
Closing net asset value (£) †	2,147,061	2,396,264	2,805,273	52,227	67,574	63,508
Closing number of shares	1,928,097	1,944,922	2,126,157	52,186	59,456	51,748
Operating charges ^	0.52%	0.52%	0.53%	0.52%	0.52%	0.53%
Direct transaction costs *	0.02%	0.04%	0.02%	0.02%	0.04%	0.02%
Prices						
Highest share price #	122.70	139.10	132.30	113.20	129.10	123.20
Lowest share price #	102.20	120.90	120.60	93.82	112.00	112.60

	B Gross Accumulation			B Gross Income		
	31/05/2023	31/05/2022	31/05/2021	31/05/2023	31/05/2022	31/05/2021
Change in net assets per share	(p)	(p)	(p)	(p)	(p)	(p)
Opening net asset value per share †	138.88	148.58	136.01	119.55	128.96	118.48
Return before operating charges ^	(12.69)	(9.07)	13.17	(10.89)	(7.82)	11.45
Operating charges ^	(0.54)	(0.63)	(0.60)	(0.46)	(0.54)	(0.52)
Return after operating charges ^	(13.23)	(9.70)	12.57	(11.35)	(8.36)	10.93
Distributions	(3.32)	(1.21)	(0.52)	(2.83)	(1.05)	(0.45)
Retained distributions on accumulation shares	3.32	1.21	0.52	-	-	-
Closing net asset value per share †	125.65	138.88	148.58	105.37	119.55	128.96
*^ after direct transaction costs of:	0.03	0.05	0.03	0.03	0.05	0.02
Performance						
Return after operating charges	-9.53%	-6.53%	9.24%	-9.49%	-6.48%	9.23%
Other information						
Closing net asset value (£) †	131,193,686	162,761,340	186,394,636	1,286,737	1,632,575	1,838,369
Closing number of shares	104,412,922	117,195,463	125,454,251	1,221,126	1,365,637	1,425,541
Operating charges ^	0.42%	0.42%	0.43%	0.42%	0.42%	0.43%
Direct transaction costs *	0.02%	0.04%	0.02%	0.02%	0.04%	0.02%
Prices						
Highest share price #	138.30	156.70	148.90	119.10	135.70	129.50
Lowest share price #	115.30	136.30	135.70	98.72	117.80	118.20

AXA Defensive Distribution Fund

Comparative Tables

As at 31 May 2023

	D Gross Accumulation~		D Gross Income~	
Change in net assets per share	31/05/2023 (p)	31/05/2022 (p)	31/05/2023 (p)	31/05/2022 (p)
Opening net asset value per share †	141.86	141.80	90.44	90.74
Return before operating charges ^	(12.94)	0.09	(8.22)	0.06
Operating charges ^	(1.47)	(0.03)	(0.93)	(0.02)
Return after operating charges ^	(14.41)	0.06	(9.15)	0.04
Distributions	(3.38)	(0.53)	(2.13)	(0.34)
Retained distributions on accumulation shares	3.38	0.53	-	-
Closing net asset value per share †	127.45	141.86	79.16	90.44
*^ after direct transaction costs of:	0.03	0.08	0.02	0.05
Performance				
Return after operating charges	-10.16%	0.04%	-10.12%	0.04%
Other information				
Closing net asset value (£) †	448,243	587,554	81,142	125,895
Closing number of shares	351,704	414,179	102,507	139,205
Operating charges ^	1.12%	1.12%	1.12%	1.12%
Direct transaction costs *	0.02%	0.04%	0.02%	0.04%
Prices				
Highest share price #	141.10	142.20	89.97	91.01
Lowest share price #	117.40	141.80	74.49	90.74

	R Gross Accumulation			R Gross Income		
Change in net assets per share	31/05/2023 (p)	31/05/2022 (p)	31/05/2021 (p)	31/05/2023 (p)	31/05/2022 (p)	31/05/2021 (p)
Opening net asset value per share †	141.86	153.45	142.03	90.44	98.65	91.63
Return before operating charges ^	(12.92)	(9.24)	13.65	(8.49)	(5.90)	8.81
Operating charges ^	(2.00)	(2.35)	(2.23)	(0.98)	(1.51)	(1.44)
Return after operating charges ^	(14.92)	(11.59)	11.42	(9.47)	(7.41)	7.37
Distributions	(3.37)	(1.24)	(0.54)	(2.13)	(0.80)	(0.35)
Retained distributions on accumulation shares	3.37	1.24	0.54	-	-	-
Closing net asset value per share †	126.94	141.86	153.45	78.84	90.44	98.65
*^ after direct transaction costs of:	0.03	0.05	0.03	0.02	0.03	0.02
Performance						
Return after operating charges	-10.52%	-7.55%	8.04%	-10.47%	-7.51%	8.04%
Other information						
Closing net asset value (£) †	9,340,438	11,880,311	15,523,760	1,873,508	2,370,741	2,978,359
Closing number of shares	7,358,296	8,374,835	10,116,221	2,376,361	2,621,407	3,019,167
Operating charges ^	1.52%	1.52%	1.53%	1.52%	1.52%	1.53%
Direct transaction costs *	0.02%	0.04%	0.02%	0.02%	0.04%	0.02%
Prices						
Highest share price #	141.00	160.90	153.80	89.91	112.40	99.06
Lowest share price #	117.20	139.30	141.60	74.38	89.17	91.24

AXA Defensive Distribution Fund

Comparative Tables

As at 31 May 2023

	Z Gross Accumulation			Z Gross Income		
	31/05/2023	31/05/2022	31/05/2021	31/05/2023	31/05/2022	31/05/2021
Change in net assets per share	(p)	(p)	(p)	(p)	(p)	(p)
Opening net asset value per share †	210.20	225.67	207.31	98.84	107.00	98.65
Return before operating charges ^	(19.19)	(13.72)	20.03	(8.98)	(6.46)	9.51
Operating charges ^	(1.50)	(1.75)	(1.67)	(0.70)	(0.83)	(0.79)
Return after operating charges ^	(20.69)	(15.47)	18.36	(9.68)	(7.29)	8.72
Distributions	(5.01)	(1.83)	(0.79)	(2.34)	(0.87)	(0.37)
Retained distributions on accumulation shares	5.01	1.83	0.79	-	-	-
Closing net asset value per share †	189.51	210.20	225.67	86.82	98.84	107.00
*^ after direct transaction costs of:	0.05	0.08	0.04	0.02	0.04	0.02
Performance						
Return after operating charges	-9.84%	-6.86%	8.86%	-9.79%	-6.81%	8.84%
Other information						
Closing net asset value (£) †	20,326,888	29,633,333	30,059,776	1,355,088	1,888,644	2,143,845
Closing number of shares	10,726,307	14,097,994	13,320,531	1,560,864	1,910,789	2,003,571
Operating charges ^	0.77%	0.77%	0.78%	0.77%	0.77%	0.78%
Direct transaction costs *	0.02%	0.04%	0.02%	0.02%	0.04%	0.02%
Prices						
Highest share price #	209.20	237.60	226.20	98.39	112.40	107.40
Lowest share price #	174.20	206.40	206.80	81.52	97.41	98.41

† Valued at bid-market prices.

High and low price disclosures are based on quoted share prices (Mid Market Price). Therefore the opening and closing NAV prices may fall outside the high / low price threshold.

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

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

The figures used within the table have been calculated against the average net asset value for the accounting year.

~ D share class launched on 25 May 2022.

AXA Defensive Distribution Fund

Statement of Total Return

For the year ended 31 May 2023

	Note	31/05/23 £'000	31/05/23 £'000	31/05/22 £'000	31/05/22 £'000
Income:					
Net capital losses	2		(23,707)		(15,924)
Revenue	3	4,750		1,960	
Expenses	4	(1,012)		(1,309)	
Interest payable and similar charges		-		-	
Net revenue before taxation		3,738		651	
Taxation	5	15		(11)	
Net revenue after taxation			3,753		640
Total return before distributions			(19,954)		(15,284)
Distributions	6		(4,727)		(1,916)
Change in net assets attributable to Shareholders from investment activities			**(24,681)**		**(17,200)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2023

	31/05/23 £'000	31/05/23 £'000	31/05/22 £'000	31/05/22 £'000
Opening net assets attributable to Shareholders		213,344		241,808
Amounts receivable on issue of shares	1,576		6,347	
Amounts payable on cancellation of shares	(26,639)		(19,453)	
		(25,063)		(13,106)
Change in net assets attributable to Shareholders from investment activities (see above)		(24,681)		(17,200)
Retained distributions on accumulation shares		4,505		1,842
Closing net assets attributable to Shareholders		**168,105**		**213,344**

AXA Defensive Distribution Fund

Balance Sheet

As at 31 May

	Note	31/05/23 £'000	31/05/22 £'000
Assets:			
Fixed assets:			
Investments		155,118	195,419
Current assets:			
Debtors	7	397	1,563
Cash and bank balances	8	13,177	17,952
Total assets		168,692	214,934
Liabilities:			
Creditors:			
Distribution payable		(48)	(23)
Other creditors	9	(539)	(1,567)
Total liabilities		(587)	(1,590)
Net assets attributable to Shareholders		168,105	213,344

AXA Defensive Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

1. Accounting Basis And Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 164-167.

2. Net capital losses

	31/05/23 £'000	31/05/22 £'000
The net capital losses comprise:		
Non-derivative securities	(23,707)	(15,923)
Transaction charges	-	(1)
Net capital losses	**(23,707)**	**(15,924)**

3. Revenue

	31/05/23 £'000	31/05/22 £'000
Bank interest	173	4
Interest on debt securities	2,880	140
Overseas dividends	30	53
UK dividends	1,667	1,763
Total revenue	**4,750**	**1,960**

4. Expenses

	31/05/23 £'000	31/05/22 £'000
Payable to the ACD, associates of the ACD, and agents of either of them		
Annual management charge	974	1,276
Registration fees	9	10
	983	1,286
Other expenses		
Audit fees	9	5
Depositary's fees	18	17
Printing fees	-	(2)
Safe custody fees	2	3
	29	23
Total expenses	**1,012**	**1,309**

Expenses include irrecoverable VAT where applicable.

AXA Defensive Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

5. Taxation

	31/05/23 £'000	31/05/22 £'000
(a) Analysis of the tax (credit)/charge in the year		
Irrecoverable overseas tax	(15)	11

(b) Factors affecting current tax (credit)/charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax for an open ended investment company of 20% (2022: 20%) is applied to the net revenue before taxation. The differences are explained below:

	31/05/23 £'000	31/05/22 £'000
Net revenue before taxation	3,738	651
Net revenue for the year multiplied by the standard rate of corporation tax	748	130
Effects of:		
Irrecoverable overseas tax	(15)	11
Movement in excess management expenses	2,128	2,745
Relief for indexation on UK Gilts	(2,536)	(2,512)
Revenue not subject to corporation tax	(340)	(363)
Tax (credit)/charge for the year	(15)	11

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Deferred taxation:

There is no provision required for deferred taxation at the balance sheet date in the current year or prior year.

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £24,859,289 (2022: £22,731,320) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

AXA Defensive Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

6. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	31/05/23 £'000	31/05/22 £'000
First interim	939	368
Second interim	863	257
Third interim	1,109	472
Final	1,726	799
Add: Revenue paid on cancellation of shares	95	28
Deduct: Revenue received on creation of shares	(5)	(8)
Net distribution for the year	4,727	1,916
Reconciliation of net revenue after taxation to distributions		
Net revenue after taxation	3,753	640
Expenses charged to capital	974	1,276
Net distribution for the year	4,727	1,916

7. Debtors

	31/05/23 £'000	31/05/22 £'000
Amounts receivable for creation of shares	-	12
Sales awaiting settlement	-	982
Accrued revenue	394	557
Overseas tax recoverable	3	12
Total debtors	397	1,563

8. Cash and bank balances

	31/05/23 £'000	31/05/22 £'000
Cash and bank balances	13,177	17,952
Total cash and bank balances	13,177	17,952

9. Other creditors

	31/05/23 £'000	31/05/22 £'000
Amounts payable for cancellation of shares	369	417
Purchases awaiting settlement	-	937
Accrued annual management charge	152	194
Accrued other expenses	18	19
Total other creditors	539	1,567

AXA Defensive Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

10. Related party transactions

The ACD is related to the Fund as defined by Financial Reporting Standard 102.33 'Related Party Disclosures'.

Annual management charge paid to the ACD and Registration fees are disclosed in Note 4 and amounts due at the year end are disclosed in Note 9.

Monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in Notes 7 and 9.

The ACD and its associates (including other authorised investment Funds managed by the ACD) have no shareholdings in the Company at the year end.

11. Share classes

The reconciliation of the opening and closing numbers of shares of each class, along with the ACD's annual management charges applicable to each class, is shown below:

	Annual Management Charge rate (%)	31/05/22	Issued	Cancelled	Converted	31/05/23
A Gross Accumulation	0.50	1,944,922	484,130	(500,955)	-	1,928,097
A Gross Income	0.50	59,456	-	(7,270)	-	52,186
B Gross Accumulation	0.40	117,195,463	11,926	(12,750,204)	(44,263)	104,412,922
B Gross Income	0.40	1,365,637	43,147	(187,658)	-	1,221,126
D Gross Accumulation	1.10	414,179	8,291	(70,766)	-	351,704
D Gross Income	1.10	139,205	2,858	(39,556)	-	102,507
R Gross Accumulation	1.50	8,374,835	258,764	(1,274,619)	(684)	7,358,296
R Gross Income	1.50	2,621,407	133	(245,179)	-	2,376,361
Z Gross Accumulation	0.75	14,097,994	233,008	(3,634,476)	29,781	10,726,307
Z Gross Income	0.75	1,910,789	36,149	(386,074)	-	1,560,864

12. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are outlined below.

Market price risk

The Fund invests principally in equity and fixed income securities. The value of the Fund's investment portfolio is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual company or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Fund seeks to manage these risks by adhering to investment guidelines and to investment and borrowing powers set out in the Prospectus. In addition, the Fund complies with the Collective Investment Schemes sourcebook ("COLL"), which include rules relating to investment holdings that are designed to place limits on the Fund's investment concentration (same as at 31 May 2022).

AXA Defensive Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

Market price risk sensitivity

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £15,511,826 (2022: £19,541,889). A 10% decrease would have an equal and opposite effect.

Foreign currency risk

The functional currency of the Fund is Sterling. All assets and liabilities of the Fund are denominated in Pound sterling. There was no direct foreign currency exposure within the Fund at the balance sheet date.

Interest rate risk

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital, with the exception of index linked bonds which are protected against the effect of inflation.

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. A 1% increase in interest rates would have the effect of decreasing the return and net assets £9,548,182 (2022: £13,461,202) . A 1% decrease would have an equal and opposite effect.

The table below shows the interest rate risk profile at the balance sheet date:

Currency Assets	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31/05/23				
Pound sterling	13,177	104,772	50,686	168,635
Euro	-	-	3	3
US dollar	-	-	54	54
Total	13,177	104,772	50,743	168,692
31/05/22				
Pound sterling	17,952	132,244	64,692	214,888
Euro	-	-	12	12
US dollar	-	-	34	34
Total	17,952	132,244	64,738	214,934

AXA Defensive Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

Currency Liabilities	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31/05/23				
Pound sterling	-	-	(587)	(587)
Total	-	-	(587)	(587)
31/05/22				
Pound sterling			(1,590)	(1,590)
Total	-	-	(1,590)	(1,590)

Credit risk

The Fund runs a very low credit risk in respect of unsettled investment transactions as these are normally settled as cash against delivery.

Fixed interest investments are exposed to credit risk which reflects the ability of the bond issuer to meet its obligations. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. The ACD monitors the credit quality and risk of the portfolio as a part of the overall investment process and in accordance with the objective and policy of each fund.

Transactions in securities may expose a fund to the risk that the counterparty will not settle the transaction or do so on a timely basis.

All transactions in the funds are conducted through counterparties approved by the ACD.

A breakdown of the investment portfolio by credit rating is disclosed on the table below:

Credit Rating	31/05/23 Market Value £'000	%	31/05/22 Market Value £'000	%
Investment grade (BBB- credit rating and above)	104,772	62.33	132,244	61.97
Total value of bonds	104,772	62.33	132,244	61.97

13. Portfolio transaction costs

31/05/2023	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
Analysis of purchases						
Bonds	44,468	-	-	-	-	44,468
Equities	7,458	2	0.03	34	0.45	7,494
Total	51,926	2		34		51,962

AXA Defensive Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

31/05/2023 Analysis of sales	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
Bonds	54,929	-	-	-	-	54,929
Equities	15,600	(8)	(0.05)	-	-	15,592
Total	70,529	(8)		-		70,521

31/05/2022 Analysis of purchases	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
Bonds	79,131	-	-	-	-	79,131
Equities	17,270	7	0.04	66	0.38	17,343
Total	96,401	7		66		96,474

31/05/2022 Analysis of sales	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
Bonds	92,444	-	-	-	-	92,444
Equities	20,053	(11)	(0.06)	-	-	20,042
Total	112,497	(11)		-		112,486

Transaction costs as percentage of average net asset value	31/05/23 %	31/05/22 %
Commissions	0.00	0.01
Taxes	0.02	0.03

At the balance sheet date the average portfolio dealing spread was 0.20% (2022: 0.27%).

14. Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

AXA Defensive Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

15. Fair value disclosure

	31/05/23		31/05/22	
	Assets	Liabilities	Assets	Liabilities
Valuation technique	£'000	£'000	£'000	£'000
Level 1 ^	155,118	-	195,419	-
Level 2 ^^	-	-	-	-
Level 3 ^^^	-	-	-	-
	155,118	-	195,419	-

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

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

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

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

AXA Defensive Distribution Fund

Distribution Table

As at 31 May 2023

First Distribution in pence per share
Group 1 Shares purchased prior to 1 June 2022
Group 2 Shares purchased on or after 1 June 2022 to 31 August 2022

	Net revenue (p)	Equalisation (p)	Distribution paid 31/10/22 (p)	Distribution paid 29/10/21 (p)
Share Class A Gross Accumulation				
Group 1	0.558	-	0.558	0.203
Group 2	0.023	0.535	0.558	0.203
Share Class A Gross Income				
Group 1	0.514	-	0.514	0.189
Group 2	0.514	-	0.514	0.189
Share Class B Gross Accumulation				
Group 1	0.629	-	0.629	0.228
Group 2	0.397	0.232	0.629	0.228
Share Class B Gross Income				
Group 1	0.541	-	0.541	0.198
Group 2	0.319	0.222	0.541	0.198
Share Class D Gross Accumulation~				
Group 1	0.642	-	0.642	
Group 2	0.642	-	0.642	
Share Class D Gross Income~				
Group 1	0.409	-	0.409	
Group 2	0.409	-	0.409	
Share Class R Gross Accumulation				
Group 1	0.642	-	0.642	0.235
Group 2	0.392	0.250	0.642	0.235
Share Class R Gross Income				
Group 1	0.409	-	0.409	0.151
Group 2	0.057	0.352	0.409	0.151
Share Class Z Gross Accumulation				
Group 1	0.952	-	0.952	0.347
Group 2	0.409	0.543	0.952	0.347
Share Class Z Gross Income				
Group 1	0.447	-	0.447	0.164
Group 2	0.194	0.253	0.447	0.164

AXA Defensive Distribution Fund

Distribution Table

As at 31 May 2023

Second Distribution in pence per share
Group 1 Shares purchased prior to 1 September 2022
Group 2 Shares purchased on or after 1 September 2022 to 30 November 2022

	Net revenue (p)	Equalisation (p)	Distribution paid 31/01/23 (p)	Distribution paid 31/01/22 (p)
Share Class A Gross Accumulation				
Group 1	0.534	-	0.534	0.143
Group 2	0.307	0.227	0.534	0.143
Share Class A Gross Income				
Group 1	0.491	-	0.491	0.134
Group 2	0.491	-	0.491	0.134
Share Class B Gross Accumulation				
Group 1	0.602	-	0.602	0.161
Group 2	0.282	0.320	0.602	0.161
Share Class B Gross Income				
Group 1	0.516	-	0.516	0.139
Group 2	0.281	0.235	0.516	0.139
Share Class D Gross Accumulation~				
Group 1	0.613	-	0.613	
Group 2	0.613	-	0.613	
Share Class D Gross Income~				
Group 1	0.390	-	0.390	
Group 2	0.390	-	0.390	
Share Class R Gross Accumulation				
Group 1	0.613	-	0.613	0.166
Group 2	0.374	0.239	0.613	0.166
Share Class R Gross Income				
Group 1	0.389	-	0.389	0.106
Group 2	0.036	0.353	0.389	0.106
Share Class Z Gross Accumulation				
Group 1	0.910	-	0.910	0.244
Group 2	0.372	0.538	0.910	0.244
Share Class Z Gross Income				
Group 1	0.426	-	0.426	0.116
Group 2	0.188	0.238	0.426	0.116

AXA Defensive Distribution Fund

Distribution Table

As at 31 May 2023

Third Distribution in pence per share
Group 1 Shares purchased prior to 1 December 2022
Group 2 Shares purchased on or after 1 December 2022 to 28 February 2023

	Net revenue (p)	Equalisation (p)	Distribution paid 28/04/23 (p)	Distribution paid 29/04/22 (p)
Share Class A Gross Accumulation				
Group 1	0.708	-	0.708	0.267
Group 2	0.173	0.535	0.708	0.267
Share Class A Gross Income				
Group 1	0.647	-	0.647	0.248
Group 2	0.647	-	0.647	0.248
Share Class B Gross Accumulation				
Group 1	0.798	-	0.798	0.301
Group 2	0.434	0.364	0.798	0.301
Share Class B Gross Income				
Group 1	0.681	-	0.681	0.260
Group 2	0.345	0.336	0.681	0.260
Share Class D Gross Accumulation~				
Group 1	0.812	-	0.812	
Group 2	0.812	-	0.812	
Share Class D Gross Income~				
Group 1	0.513	-	0.513	
Group 2	0.513	-	0.513	
Share Class R Gross Accumulation				
Group 1	0.810	-	0.810	0.308
Group 2	0.391	0.419	0.810	0.308
Share Class R Gross Income				
Group 1	0.512	-	0.512	0.198
Group 2	0.067	0.445	0.512	0.198
Share Class Z Gross Accumulation				
Group 1	1.206	-	1.206	0.456
Group 2	0.704	0.502	1.206	0.456
Share Class Z Gross Income				
Group 1	0.562	-	0.562	0.215
Group 2	0.230	0.332	0.562	0.215

AXA Defensive Distribution Fund

Distribution Table

As at 31 May 2023

Final Distribution in pence per share
Group 1 Shares purchased prior to 1 March 2023
Group 2 Shares purchased on or after 1 March 2023 to 31 May 2023

	Net revenue (p)	Equalisation (p)	Distribution payable 31/07/23 (p)	Distribution paid 29/07/22 (p)
Share Class A Gross Accumulation				
Group 1	1.143	-	1.143	0.462
Group 2	0.404	0.739	1.143	0.462
Share Class A Gross Income				
Group 1	1.039	-	1.039	0.427
Group 2	1.039	-	1.039	0.427
Share Class B Gross Accumulation				
Group 1	1.290	-	1.290	0.520
Group 2	0.585	0.705	1.290	0.520
Share Class B Gross Income				
Group 1	1.093	-	1.093	0.449
Group 2	0.703	0.390	1.093	0.449
Share Class D Gross Accumulation~				
Group 1	1.309	-	1.309	0.532
Group 2	0.079	1.230	1.309	0.532
Share Class D Gross Income~				
Group 1	0.822	-	0.822	0.341
Group 2	0.822	-	0.822	0.341
Share Class R Gross Accumulation				
Group 1	1.305	-	1.305	0.532
Group 2	0.783	0.522	1.305	0.532
Share Class R Gross Income				
Group 1	0.819	-	0.819	0.341
Group 2	0.130	0.689	0.819	0.341
Share Class Z Gross Accumulation				
Group 1	1.946	-	1.946	0.788
Group 2	0.972	0.974	1.946	0.788
Share Class Z Gross Income				
Group 1	0.901	-	0.901	0.372
Group 2	0.314	0.587	0.901	0.372

~ D share class launched on 25 May 2022.

AXA Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

Investment Objective

The aim of this Fund is to achieve income and capital growth over a period of 5 years or more.

Investment Policy

The Fund invests in a mix of shares in UK listed companies, UK Government bonds (the majority of which are linked to the rate of inflation) and cash. The Fund's typical asset mix would range between 50-60% investment in shares and 40-50% in UK Government bonds and cash. The Manager selects shares in companies based upon their prospects for future growth of capital and dividend payments following an in depth analysis of the quality of their business model, financial status, and corporate governance arrangements. Investments in UK Government bonds are diversified across a range of maturities (i.e., the length of time for full repayment of the bond by the Government).

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 a composite benchmark made up of the following indices in the stated proportions: 55% FTSE All-Share Index; 17.5% FTSE Index Linked All Stocks; 17.5% FTSE Index Linked < 5 Years; 3.5% FTSE Gilts All Stocks; 3.5% FTSE Gilts < 5 Years; 3% SONIA Compounded Index (the "Benchmark"). This Benchmark best represents the types of bonds and companies in which the Fund predominantly invests.

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

Risk and Reward Profile

As at 31 May 2023

By investing in a fund which can invest up to 60% in equities you are likely to be looking for an investment which has lower risk than a pure equity based fund but you are prepared to accept some risk for potential reward. 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 predominantly in equities or overseas.

Lower Risk						Higher Risk
Potentially lower reward						Potentially higher reward
1	2	3	4	**5**	6	7

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 4 to a category 5.

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.

AXA Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

Key Risks

Under normal market conditions the Fund's key risk factors are:

• 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 more 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 individual fund's investment objectives and investment policy. These guidelines could include measures of sensitivity to changes of interest rates.

• Index-linked bonds risk - are fixed interest securities whose capital repayment amounts and interest payments are adjusted in line with movements in inflation indices. They are designed to mitigate the effects of inflation on the value of a portfolio. The market value of index-linked bonds is determined by the market's expectations of future movements in both interest rates and inflation rates.

As with other bonds, the value of index-linked bonds will generally fall when expectations of interest rates rise and vice versa. However, when the market anticipates a rise in inflation rates, index-linked bonds will generally outperform other bonds, and vice versa.

Index-linked bonds bought in the secondary market (i.e., not directly from the issuer) whose capital values have been adjusted upward due to inflation since issuance, may decline in value if there is a subsequent period of deflation.

Due to the sensitivity of these bonds to interest rates and expectations of future inflation, there is no guarantee that the value of these bonds will correlate with inflation rates in the short to medium term.

Index-linked bonds risk is an inherent risk of investing in index-linked bonds. Exposure to this risk is managed by the allocation decision on the proportion of the portfolio to invest in index-linked bonds, as well as the amount of remaining maturity of these bonds, which will affect their sensitivity in value, to changes in expected inflation levels.

• 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 individual fund's investment objectives and investment policy.

AXA Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

• Risks linked to investment in sovereign debt - the Fund may invest in bonds issued by countries and governments (sovereign debt). The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the capital and/or interest when due in accordance with the terms of such debt. In such a scenario, the value of investments of the Fund may be adversely affected. A governmental entity's willingness or ability to repay capital and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign currency reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest on their debt. In addition, there are no bankruptcy proceedings for such issuers under which money to pay the debt obligations may be collected in whole or in part. Holders may be requested to participate in the rescheduling of such sovereign debt and to extend further loans to the issuers.

Certain countries are especially large debtors to commercial banks and foreign governments. Investment in sovereign debt issued or guaranteed by such countries (or their governments or governmental entities) involves a higher degree of risk than investment in other sovereign debt.

Certain funds may be further subject to the risk of high concentration in bonds issued by and/or guaranteed by a single sovereign issuer which is below investment grade and/or unrated which is also subject to higher credit risk. In the event of a default of the sovereign issuer, the Fund may suffer significant loss.

This is an inherent risk for funds invested within sovereign bonds. Internal investment guidelines, scenario testing as well as other regular monitoring seek to ensure the level of risk is aligned with each individual fund's investment objectives and investment policy.

• Stock lending risk - the Fund may participate in a stock lending programme managed by an affiliate of the ACD (acting as stock lending agent) for the purpose of lending a Fund's securities via entering into a stock lending authorisation agreement. If a 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 a 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.

AXA Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

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.

Other risks which could have an impact in extreme market conditions include:

• 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 Shareholders buying or selling Shares 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.

• Counterparty risk - at any one time, the Fund may be exposed to the creditworthiness and stability of the counterparties to transactions entered into by the Fund (including derivative and stock lending and repo/reverse repo transactions). The Fund will be subject to the risk of the inability of its counterparties to perform its obligations under such transactions (default), whether due to insolvency, bankruptcy or other causes. In the event of the insolvency of a counterparty, the Fund might not be able to recover cash or assets of equivalent value, to that invested, in full. The Fund may receive assets or cash from the counterparty (collateral) to protect against any such adverse effect. Where relevant, a counterparty will forfeit its collateral if it defaults on the transaction with the Fund. However, if the collateral is in the form of securities, there is a risk that when it is sold, it will realise insufficient cash to settle the counterparty's debt to the Fund under a transaction or to purchase replacement securities that were lent to the counterparty under a stock lending arrangement. In relation to stock lending arrangements, there is also the risk that while cash is recovered in the event of a default, the actual stock cannot be repurchased. Furthermore, to the extent that collateral is not present to cover part or all of the debt, a counterparty default may result in losses for the affected Fund. To assist in managing these types of risks, the ACD sets criteria around the types of eligible collateral the Fund may accept. Please see the paragraph entitled "Treatment of Collateral" in the "Investment and borrowing powers applicable to the Funds" section in Appendix II of the Prospectus for more information.

Transactions in securities that the Fund may enter into expose it to the risk that the counterparty will not deliver the investment for a purchase or cash for a sale after the Fund has contracted to fulfil its responsibilities. This is minimised by the practice in the majority of markets of delivery versus payment and short settlement periods.

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

Important Information

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.

AXA Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

Market Review

The 12-month period to 31st May 2023 has been a challenging one, with both equity and fixed income markets having to adjust to a fundamentally changed set of macroeconomic factors. A year ago, the world was dealing with the impact of Russia invading Ukraine, sharply higher energy prices as well as the after-effects of COVID-19-related supply chain disruption created by the unsuccessful Chinese 'Zero Covid' policy. This combination of factors as well as government COVID-19 fiscal stimulus packages enabled inflation to set in. Central bankers across the globe were forced to adjust their ultra-low interest rate policies that had kept the global economy going through an enforced period of economic stagnation during the pandemic. Markets have been volatile around the hope that central banks, and in particular the US Federal Reserve (Fed), would pivot away from their hawkish stance. By the end of the period equity markets had, in the main, retained their composure with most major global equity markets generating flat to slightly positive returns. However, fixed income markets have had a tumultuous time with yields continuing to move higher in the face of aggressive policy tightening globally.

We would argue that 2022's decline in both equity and fixed income returns is a result of markets being drastically repriced amid the highest inflation levels we have seen in 40 years, and central banks' attempts to tame inflation through quantitative tightening whilst putting an end to record-low interest rates. While painful, we believe that this period of repricing should be viewed as a market correction, not a crisis. While some may worry that recent high stock-bond correlations signal the end of the diversification potential of bonds, history demonstrates that the bond market has consistently been able to provide a ballast during times of crisis. We remain, therefore, committed to the long-term asset allocation strategy of the Fund range.

Looking at the year under review in more detail, the period started with the Fed delivering a 75-basis point (bp) increase in rates in their June meeting, their first hike of this magnitude since 1994. The following day the Swiss National Bank surprised markets in a hawkish policy pivot by raising their rates by 50bps, while the Bank of England's (BoE) Monetary Policy Committee (MPC) voted to raise rates by 25bps noting that they may need to act "forcefully" on inflation if needed. This was quickly followed in July by the Fed delivering its second consecutive 75bp move, while the MPC raised rates by 50bps at their August meeting, the first hike of this magnitude in 27 years.

Sterling fixed income markets underperformed other developed bond markets during this period, magnified by the political void after PM Boris Johnson resigned in disgrace. This set off a contest for leader of the Conservative party and thus the next UK Prime Minister. The following weeks proved to be a remarkable period for the UK and its fixed income markets. Liz Truss was announced as the winner of the Conservative Party leadership contest and became the new Prime Minister. Within days the country entered a period of national mourning following the death of Queen Elizabeth II, leaving 10 days of policy vacuum for any announcements by the new administration. At their delayed September MPC meeting, the BoE announced a second consecutive 50bp hike with three members voting for 75bps, along with the committee repeating that they would respond as forcefully as necessary if inflation pressures became more persistent. The following day the new Chancellor Kwarteng unveiled the largest fiscal expansion package in 50 years, reversing previously announced corporate and national insurance tax increases, while also unveiling personal tax cuts including a very controversial cut in the top 45% tax rate. In all, the package saw an increase in funding of over £70bn for the 2022/23 fiscal year with significant increases in projected funding levels for the years ahead. The market reaction to the announcement was powerful. Sterling and UK assets came under severe pressure. With much speculation around the BoE's reaction function and an expectation of an emergency rate hike, gilt yields moved significantly higher over the following days, triggering a wave of collateral calls for pension funds and liability-driven investment (LDI) strategies. What followed was an unstable period for sterling rates eventually forcing the BoE to intervene on 28th September, postponing the start of their gilt sales quantitative tightening programme (QT) and announcing a market stabilisation operation to buy up to £5bn of long dated gilts per day for 13 days.

AXA Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

Jeremy Hunt was installed as the new Chancellor following the sacking of Kwasi Kwarteng on October 14th. He quickly reversed the majority of the policies announced at the infamous mini budget, thus setting in motion the end of the Truss premiership. Liz Truss resigned and marked the shortest ever premiership and yet another Conservative leadership contest began, although this contest proved short-lived with Rishi Sunak quickly being announced as the sole candidate and winner. Sunak became the UK's 5th Prime Minister in six years and quickly set about trying to restore the UK's credibility.

Global stock markets stabilised somewhat in the fourth quarter, but 2022 remained a difficult year for investors, with both equities and government bonds posting negative returns. US equities in particular enjoyed a strong fourth quarter, but it was not enough to stop the S&P 500 from clocking up its worst year since 2008, with the index falling c.20% over the year.

In January, the new year got off to a strong start for markets on improving risk sentiment as the global growth outlook was upgraded following the China reopening, helped also by weaker energy prices leading to a moderating in peak interest rate expectations. UK equities saw the FTSE 100 finally manage to push through the 8,000 mark for the first time ever. However, hawkish central bank sentiment eased somewhat as one of the larger US regional banks, Silicon Valley Bank (SVB) collapsed in early March following a flight of deposits, as revelations of losses due to a duration mismatch in their books, and a subsequent failed funding round, triggered a flight to quality with deposits flowing into the largest banks and short-dated sovereign bonds. The authorities quickly stepped in guaranteeing deposits at the affected institutions and in the UK the BoE orchestrated the takeover of SVB's UK branch by HSBC.

Concerns about the financial sector quickly crossed the Atlantic with focus turning to European banks, with Credit Suisse in particular in the spotlight, which ultimately triggered the Swiss government to step in and force UBS to take over the ailing institution. The decision was taken to wipe out AT1 bond holders which caused additional stress on the banking sector in the immediate aftermath. Despite the turmoil, central banks were very keen to draw the distinction between monetary policy and financial stability with the European Central Bank (ECB) remaining on course to fight inflation, raising rates by 50bps in March along with both the Federal Open Market Committee (FOMC) and BoE raising rates by 25bps. After a relatively calm month for markets in April, May saw central banks once again continue their monetary policy tightening as the Fed, ECB and BoE all raised rates by 25bps although their forward guidance became more nuanced, with the FOMC's statement removing the comment that "some additional policy firming may be appropriate". Gilts were once again in the media spotlight for the wrong reasons in May, as yields moved sharply higher, underperforming other developed markets as inflation readings for April did not fall as much as most had expected, with headline CPI falling from 10.1% to 8.7% against a consensus forecast of 8.2%.

Set against this backdrop, investors have understandably sought refuge, with flows into money market funds rising to their highest levels in several years. In equity markets, the Nasdaq has been conspicuous in its strength as mega-cap tech stocks with their strong market positions and even stronger (cash-heavy) balance sheets have again been seen as safe havens. To date, 2023 has been defined by one feature - the element of surprise. Despite rising US recession risk in January, stocks went up. That was quickly revised by growth overshooting in February (but stocks went down) which gave way to the sudden onset of a regional banking crisis in March (but, stocks went up, marginally).

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In terms of fixed income market moves over the period, 10-year US Treasuries opened the period at 2.90%, trading above the key physiological 4% levels in October and February before closing the period around 3.6%. The US yield curve continued to invert as the front end bore the brunt of the repricing of rate expectations, with 2yr - 10yr at its most inverted since the early 1980s. In the UK, gilt yields also moved sharply higher over the period and underperformed other markets, given the chaotic political backdrop, along with inflation levels that continued to suggest that inflation would remain more persistent in the UK than in other regions. 10-year yields moved from 2.10% in early June to 4.1% by the end of the review period, having reached 4.5% during the autumn market turmoil. Shorter-dated gilt maturities suffered even more as the market continued to price in higher terminal rates with 2-years moving 1.70% to above 4.5% by the end of May. The markets pricing of the banks' terminal rate moved from 2.75% in June of last year to over 5.3% by the end of May 2023. Index-linked yields moved in sympathy with nominals, as 10yr real yields moved from -2% to +0.5% by the end of May. Shorter-dated index-linked bonds benefitted from strong inflation indexation and provided positive returns over the period, while longer-dated breakeven rates were slightly lower over the period as inflation expectations declined given the backdrop of very strong policy tightening.

Portfolio Review

The equity portion of the Fund outperformed the FTSE All Share benchmark index during the period, benefitting from its sector diversification as well as from some strong individual share price performances. The market's jitteriness meant that companies who disappointed expectations during the period saw their share prices hit hard. For the Fund this included Hilton Foods, Marshalls and Sabre Insurance. We exited Hilton Foods but retained holdings in the other two holdings as we believe that the companies retain potential for recovery in the medium-term.

The underweight position that the Fund holds in the mining sector proved to be a positive contributor to performance, as was the Fund's exposure to the consumer discretionary sector. Holdings in both Dunelm (homewares) and JD Sports Fashion (global sportswear retailer) performed well over the year under review. 3i Group Plc was the best performing holding in the portfolio. 3i is the UK's largest listed private equity firm and has been held in the Fund for a number of years. The company has generated strong earnings momentum helped in part by the success of Action, its pan-European discount retailer which continues to find favour with customers. In addition, the relatively defensive holdings of London Stock Exchange, Whitbread and SSE have continued to perform well, as have Games Workshop and Ashtead following strong trading performances.

The Fund benefitted from a takeover approach for Aveva at a premium to its recent trading price which had fallen out of market favour, despite continuing to report operational progress on its business model transition. There have been a number of takeover approaches in the UK market during this period as the market is focussed short-term on the effects of inflation and a slowdown and is ignoring the attractive future prospects of many businesses.

We have viewed any market weakness as an opportunity to add to high quality holdings to the portfolio where the long-term structural drivers and business fundamentals are simply not being reflected in current valuations.

AXA Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

Outlook

A return to what might be termed as normalised economic conditions following the COVID-19 pandemic, lockdowns and re-openings appears to be almost complete. It has been a tortuous period for investors with the strong equity market returns in 2021 being levelled out by tougher times in 2022. Furthermore, having now passed the first anniversary of the horrific war in Ukraine, the inflationary impulse caused by higher energy prices are beginning to annualise themselves out of inflation numbers. However, the hard work that central banks have put into quashing the stubbornly high inflation is only now beginning to come into effect. Housing markets are under pressure in Western economies, consumer confidence is falling, PMIs are down and yet employment remains high. Anecdotally we are hearing from corporates that wage inflation pressure is easing. Consequently, the forecast for improving economic conditions that had fuelled the value rally in 2022 are reversing and the underlying attractions of quality growth companies are returning to vogue. This has suited our consistent investment style in recent months, and we believe looks set to continue in the period ahead.

All performance data source: AXA Investment Managers and Morningstar.
Past performance is not a guide for future performance.

Major Purchases	Cost (£'000)
● UK Treasury 0.25% 31/01/25	12,126
● UK Treasury 1.25% IL 22/11/27	10,365
● UK Treasury 0.125% IL 22/03/26	9,161
● UK Treasury 0.125% IL 22/03/51	7,151
● UK Treasury 0.125% 31/01/24	5,835

Major Sales	Proceeds (£'000)
● UK Treasury 0.125% IL 22/03/26	14,032
● UK Treasury 0.25% 31/01/25	13,127
● UK Treasury 0.125% IL 22/03/29	10,769
● UK Treasury 1.25% IL 22/11/27	7,713
● 3i	7,653

Jamie Forbes-Wilson
AXA Investment Managers UK Limited

AXA Distribution Fund

Portfolio Statement

As at 31 May 2023

	Holding	Market Value £'000	% of Total Net Assets
EQUITIES 56.02% (31/05/22: 56.77%)			
BASIC MATERIALS 3.76% (31/05/22: 4.30%)			
Industrial Metals & Mining 3.76% (31/05/22: 4.30%)			
Central Asia Metals	1,200,000	2,254	0.45
Hill & Smith	504,832	7,350	1.47
Rio Tinto	190,000	9,176	1.84
TOTAL BASIC MATERIALS		18,780	3.76
CONSUMER DISCRETIONARY 6.38% (31/05/22: 5.93%)			
Automobiles & Parts 0.01% (31/05/22: 0.75%)			
TI Fluid Systems	28,124	35	0.01
Household Goods & Home Construction 1.13% (31/05/22: 0.98%)			
Bellway	250,000	5,645	1.13
Leisure Goods 0.95% (31/05/22: 0.73%)			
Games Workshop	50,000	4,720	0.95
Retailers 2.39% (31/05/22: 1.75%)			
Dunelm	600,000	6,612	1.32
JD Sports Fashion	3,500,000	5,320	1.07
Travel & Leisure 1.90% (31/05/22: 1.72%)			
Loungers	1,500,000	2,850	0.57
Whitbread	200,000	6,666	1.33
TOTAL CONSUMER DISCRETIONARY		31,848	6.38
CONSUMER STAPLES 5.69% (31/05/22: 6.28%)			
Beverages 1.70% (31/05/22: 2.17%)			
Diageo	250,999	8,474	1.70
Food Producers 0.65% (31/05/22: 0.84%)			
Cranswick	100,000	3,234	0.65
Personal Care, Drug & Grocery 3.34% (31/05/22: 3.27%)			
Reckitt Benckiser	200,000	12,660	2.53
Unilever	100,000	4,070	0.81
TOTAL CONSUMER STAPLES		28,438	5.69

AXA Distribution Fund

Portfolio Statement

As at 31 May 2023

	Holding	Market Value £'000	% of Total Net Assets
ENERGY 5.26% (31/05/22: 6.41%)			
Oil, Gas & Coal 5.26% (31/05/22: 6.41%)			
BP	3,000,000	13,561	2.72
Longboat Energy	946,171	166	0.03
Serica Energy	1,431,278	3,023	0.61
Shell	425,000	9,511	1.90
TOTAL ENERGY		26,261	5.26
FINANCIALS 13.01% (31/05/22: 13.28%)			
Banks 3.57% (31/05/22: 3.12%)			
HSBC	500,000	2,983	0.60
Lloyds Banking	14,000,000	6,314	1.26
NatWest	800,000	2,118	0.42
Standard Chartered	1,000,000	6,428	1.29
Finance & Credit Services 1.28% (31/05/22: 1.14%)			
London Stock Exchange	75,000	6,377	1.28
Investment Banking & Brokerage 3.42% (31/05/22: 3.27%)			
3i	500,000	9,805	1.96
Argentex	1,800,000	2,034	0.41
Hargreaves Lansdown	650,000	5,249	1.05
Life Insurance 4.31% (31/05/22: 3.79%)			
Just	8,000,000	6,968	1.40
Legal & General	4,500,000	10,355	2.07
Phoenix	750,000	4,203	0.84
Non-Life Insurance 0.43% (31/05/22: 1.96%)			
Sabre Insurance	1,500,000	2,166	0.43
TOTAL FINANCIALS		65,000	13.01
HEALTH CARE 7.50% (31/05/22: 7.49%)			
Medical Equipment & Services 1.44% (31/05/22: 2.07%)			
ConvaTec	3,500,000	7,168	1.44
Pharmaceuticals & Biotechnology 6.06% (31/05/22: 5.42%)			
AstraZeneca	150,000	17,634	3.53
Genus	160,000	4,035	0.81
GSK	632,902	8,613	1.72
TOTAL HEALTH CARE		37,450	7.50

AXA Distribution Fund

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As at 31 May 2023

	Holding	Market Value £'000	% of Total Net Assets
INDUSTRIALS 5.77% (31/05/22: 5.74%)			
Construction & Materials 0.60% (31/05/22: 0.83%)			
Marshalls	1,000,000	3,018	0.60
General Industrials 0.00% (31/05/22: 0.97%)			
Industrial Engineering 1.19% (31/05/22: 0.83%)			
Weir	350,000	5,947	1.19
Industrial Support Services 2.01% (31/05/22: 1.70%)			
Experian	350,000	10,020	2.01
Industrial Transportation 1.97% (31/05/22: 1.41%)			
Ashtead	200,000	9,842	1.97
TOTAL INDUSTRIALS		**28,827**	**5.77**
REAL ESTATE 3.52% (31/05/22: 3.05%)			
Real Estate Investment & Services 1.84% (31/05/22: 1.26%)			
Grainger	1,100,000	2,688	0.54
Rightmove	1,250,000	6,515	1.30
Real Estate Investment Trusts 1.68% (31/05/22: 1.79%)			
Great Portland Estates	850,000	4,150	0.83
PRS	5,000,000	4,230	0.85
TOTAL REAL ESTATE		**17,583**	**3.52**
TECHNOLOGY 0.37% (31/05/22: 0.78%)			
Software & Computer Services 0.37% (31/05/22: 0.78%)			
Ascential	800,000	1,829	0.37
TOTAL TECHNOLOGY		**1,829**	**0.37**
TELECOMMUNICATIONS 0.77% (31/05/22: 0.00%)			
Telecommunications Service Providers 0.77% (31/05/22: 0.00%)			
Telecom Plus	250,000	3,850	0.77
TOTAL TELECOMMUNICATIONS		**3,850**	**0.77**
UTILITIES 3.99% (31/05/22: 3.51%)			
Electricity 1.78% (31/05/22: 1.34%)			
SSE	475,000	8,909	1.78

AXA Distribution Fund

Portfolio Statement
As at 31 May 2023

	Holding	Market Value £'000	% of Total Net Assets
Gas, Water & Multiutilities 2.21% (31/05/22: 2.17%)			
National Grid	1,000,000	11,015	2.21
TOTAL UTILITIES		19,924	3.99
GOVERNMENT BONDS 39.41% (31/05/22: 39.74%)			
Index Linked Government Bonds 35.39% (31/05/22: 34.23%)			
UK Treasury 0.125% IL 22/03/24	30,000,000	45,058	9.02
UK Treasury 0.125% IL 22/03/26	23,000,000	32,122	6.43
UK Treasury 0.125% IL 10/08/28	5,000,000	6,439	1.29
UK Treasury 0.125% IL 22/03/29	7,000,000	10,565	2.11
UK Treasury 0.125% IL 10/08/31	1,000,000	1,225	0.24
UK Treasury 0.125% IL 22/03/44	2,000,000	2,485	0.50
UK Treasury 0.125% IL 22/03/46	1,300,000	1,479	0.30
UK Treasury 0.125% IL 10/08/48	2,000,000	2,089	0.42
UK Treasury 0.125% IL 22/03/51	6,000,000	5,736	1.15
UK Treasury 0.125% IL 22/11/56	1,200,000	1,247	0.25
UK Treasury 0.125% IL 22/03/58	1,200,129	1,280	0.26
UK Treasury 0.125% IL 22/11/65	1,000,000	1,031	0.21
UK Treasury 0.125% IL 22/03/68	3,800,600	4,066	0.81
UK Treasury 0.25% IL 22/03/52	1,400,917	1,685	0.34
UK Treasury 0.375% IL 22/03/62	1,700,000	2,155	0.43
UK Treasury 0.5% IL 22/03/50	1,465,548	2,163	0.43
UK Treasury 0.625% IL 22/03/40	982,496	1,580	0.32
UK Treasury 0.625% IL 22/11/42	3,000,000	4,828	0.97
UK Treasury 0.625% IL 22/03/45	3,000,000	2,711	0.54
UK Treasury 0.75% IL 22/03/34	1,000,000	1,598	0.32
UK Treasury 0.75% IL 22/11/47	3,600,000	5,851	1.17
UK Treasury 1.125% IL 22/11/37	2,200,000	4,160	0.83
UK Treasury 1.25% IL 22/11/27	2,600,000	5,073	1.01
UK Treasury 1.25% IL 22/11/32	1,000,000	1,812	0.36
UK Treasury 1.25% IL 22/11/55	588,230	1,187	0.24
UK Treasury 2% IL 26/01/35	2,614,000	6,234	1.25
UK Treasury 2.5% IL 17/07/24	4,373,000	16,389	3.28
UK Treasury 4.125% IL 22/07/30	1,350,000	4,527	0.91
Traditional Government Bonds 4.02% (31/05/22: 5.51%)			
UK Treasury 0.125% 31/01/24	500,000	485	0.10
UK Treasury 0.25% 31/01/25	5,000,000	4,643	0.93
UK Treasury 0.5% 22/10/61	6,000,000	1,762	0.35
UK Treasury 0.875% 22/10/29	2,040,000	1,680	0.34
UK Treasury 0.875% 31/07/33	6,600,000	4,807	0.96
UK Treasury 2.5% 22/07/65	700,000	450	0.09
UK Treasury 3.25% 22/01/44	200,000	166	0.03
UK Treasury 3.5% 22/01/45	350,000	301	0.06
UK Treasury 3.5% 22/07/68	125,000	104	0.02

AXA Distribution Fund

Portfolio Statement

As at 31 May 2023

	Holding	Market Value £'000	% of Total Net Assets
UK Treasury 3.75% 22/07/52	282,000	248	0.05
UK Treasury 4% 22/01/60	217,000	201	0.04
UK Treasury 4.25% 07/09/39	252,000	246	0.05
UK Treasury 4.25% 07/12/40	1,000,000	975	0.20
UK Treasury 4.25% 07/12/46	1,300,000	1,248	0.25
UK Treasury 4.25% 07/12/49	100,000	96	0.02
UK Treasury 4.25% 07/12/55	200,000	193	0.04
UK Treasury 4.5% 07/09/34	1,850,120	1,897	0.38
UK Treasury 4.5% 07/12/42	150,000	150	0.03
UK Treasury 4.75% 07/12/30	300,000	314	0.06
UK Treasury 6% 07/12/28	87,000	95	0.02
TOTAL GOVERNMENT BONDS		196,836	39.41
Portfolio of investments		476,626	95.43
Net other assets		22,835	4.57
Total net assets		499,461	100.00

All investments are ordinary shares unless otherwise stated.
All bonds are denominated in Sterling (unless otherwise indicated).

AXA Distribution Fund

Comparative Tables

As at 31 May 2023

	A Accumulation			A Income		
Change in net assets per share	31/05/2023 (p)	31/05/2022 (p)	31/05/2021 (p)	31/05/2023 (p)	31/05/2022 (p)	31/05/2021 (p)
Opening net asset value per share †	132.84	134.51	120.64	113.72	117.72	107.19
Return before operating charges ^	(5.46)	(0.96)	14.52	(4.68)	(0.79)	12.79
Operating charges ^	(0.65)	(0.71)	(0.65)	(0.55)	(0.61)	(0.57)
Return after operating charges ^	(6.11)	(1.67)	13.87	(5.23)	(1.40)	12.22
Distributions	(4.00)	(3.00)	(1.92)	(3.38)	(2.60)	(1.69)
Retained distributions on accumulation shares	4.00	3.00	1.92	-	-	-
Closing net asset value per share †	126.73	132.84	134.51	105.11	113.72	117.72
*^ after direct transaction costs of:	0.06	0.07	0.05	0.05	0.06	0.04
Performance						
Return after operating charges	-4.60%	-1.24%	11.50%	-4.60%	-1.19%	11.40%
Other information						
Closing net asset value (£) †	4,396,437	5,203,562	5,697,313	352,799	329,302	356,604
Closing number of shares	3,469,157	3,917,225	4,235,604	335,644	289,577	302,929
Operating charges ^	0.51%	0.51%	0.52%	0.51%	0.51%	0.52%
Direct transaction costs *	0.04%	0.05%	0.04%	0.04%	0.05%	0.04%
Prices						
Highest share price #	132.80	141.90	134.60	113.70	122.90	118.40
Lowest share price #	112.70	129.40	116.70	95.69	111.70	103.20

	B Accumulation			B Income		
Change in net assets per share	31/05/2023 (p)	31/05/2022 (p)	31/05/2021 (p)	31/05/2023 (p)	31/05/2022 (p)	31/05/2021 (p)
Opening net asset value per share †	154.55	156.33	140.08	122.11	126.28	114.87
Return before operating charges ^	(6.35)	(1.12)	16.86	(5.01)	(0.85)	13.72
Operating charges ^	(0.61)	(0.66)	(0.61)	(0.48)	(0.53)	(0.49)
Return after operating charges ^	(6.96)	(1.78)	16.25	(5.49)	(1.38)	13.23
Distributions	(4.65)	(3.48)	(2.23)	(3.64)	(2.79)	(1.82)
Retained distributions on accumulation shares	4.65	3.48	2.23	-	-	-
Closing net asset value per share †	147.59	154.55	156.33	112.98	122.11	126.28
*^ after direct transaction costs of:	0.06	0.08	0.06	0.05	0.07	0.05
Performance						
Return after operating charges	-4.50%	-1.14%	11.60%	-4.50%	-1.09%	11.52%
Other information						
Closing net asset value (£) †	292,538,762	337,607,336	363,719,180	1,748,308	2,090,455	2,273,459
Closing number of shares	198,213,910	218,449,843	232,654,527	1,547,398	1,711,901	1,800,320
Operating charges ^	0.41%	0.41%	0.42%	0.41%	0.41%	0.42%
Direct transaction costs *	0.04%	0.05%	0.04%	0.04%	0.05%	0.04%
Prices						
Highest share price #	154.60	165.00	156.50	122.10	131.90	127.10
Lowest share price #	131.10	150.50	135.60	102.80	119.90	110.60

AXA Distribution Fund

Comparative Tables

As at 31 May 2023

	D Accumulation~		D Income~	
Change in net assets per share	31/05/2023 (p)	31/05/2022 (p)	31/05/2023 (p)	31/05/2022 (p)
Opening net asset value per share †	227.87	227.70	117.00	117.90
Return before operating charges ^	(9.36)	0.23	(4.80)	0.11
Operating charges ^	(2.42)	(0.06)	(1.23)	(0.03)
Return after operating charges ^	(11.78)	0.17	(6.03)	0.08
Distributions	(6.83)	(1.89)	(3.47)	(0.98)
Retained distributions on accumulation shares	6.83	1.89	-	-
Closing net asset value per share †	216.09	227.87	107.50	117.00
*^ after direct transaction costs of:	0.09	0.19	0.05	0.10
Performance				
Return after operating charges	-5.17%	0.07%	-5.15%	0.07%
Other information				
Closing net asset value (£) †	4,804,983	5,532,332	713,138	885,279
Closing number of shares	2,223,586	2,427,834	663,406	756,635
Operating charges ^	1.11%	1.11%	1.11%	1.11%
Direct transaction costs *	0.04%	0.05%	0.04%	0.05%
Prices				
Highest share price #	227.50	228.20	116.80	118.20
Lowest share price #	192.90	150.50	98.23	117.90

	R Accumulation			R Income		
Change in net assets per share	31/05/2023 (p)	31/05/2022 (p)	31/05/2021 (p)	31/05/2023 (p)	31/05/2022 (p)	31/05/2021 (p)
Opening net asset value per share †	227.83	233.04	211.10	116.99	122.33	112.51
Return before operating charges ^	(9.36)	(1.61)	25.24	(4.81)	(0.77)	13.34
Operating charges ^	(3.28)	(3.60)	(3.30)	(1.67)	(1.88)	(1.75)
Return after operating charges ^	(12.64)	(5.21)	21.94	(6.48)	(2.65)	11.59
Distributions	(6.82)	(5.16)	(3.34)	(3.46)	(2.69)	(1.77)
Retained distributions on accumulation shares	6.82	5.16	3.34	-	-	-
Closing net asset value per share †	215.19	227.83	233.04	107.05	116.99	122.33
*^ after direct transaction costs of:	0.09	0.12	0.09	0.05	0.06	0.05
Performance						
Return after operating charges	-5.55%	-2.24%	10.39%	-5.54%	-2.17%	10.30%
Other information						
Closing net asset value (£) †	104,461,408	124,533,512	156,641,717	3,591,412	5,044,215	6,982,256
Closing number of shares	48,543,569	54,660,453	67,217,307	3,354,818	4,311,736	5,707,490
Operating charges ^	1.51%	1.51%	1.52%	1.51%	1.51%	1.52%
Direct transaction costs *	0.04%	0.05%	0.04%	0.04%	0.05%	0.04%
Prices						
Highest share price #	227.30	244.50	233.20	116.70	127.10	123.10
Lowest share price #	192.50	222.00	203.40	98.08	115.00	107.90

AXA Distribution Fund

Comparative Tables

As at 31 May 2023

	Z Accumulation			Z Income		
	31/05/2023	31/05/2022	31/05/2021	31/05/2023	31/05/2022	31/05/2021
Change in net assets per share	(p)	(p)	(p)	(p)	(p)	(p)
Opening net asset value per share †	259.29	263.22	236.67	132.66	137.68	125.68
Return before operating charges ^	(10.65)	(1.87)	28.42	(5.44)	(0.91)	14.97
Operating charges ^	(1.89)	(2.06)	(1.87)	(0.96)	(1.07)	(0.99)
Return after operating charges ^	(12.54)	(3.93)	26.55	(6.40)	(1.98)	13.98
Distributions	(7.79)	(5.85)	(3.76)	(3.94)	(3.04)	(1.98)
Retained distributions on accumulation shares	7.79	5.85	3.76	-	-	-
Closing net asset value per share †	246.75	259.29	263.22	122.32	132.66	137.68
*^ after direct transaction costs of:	0.11	0.14	0.10	0.05	0.07	0.05
Performance						
Return after operating charges	-4.84%	-1.49%	11.22%	-4.82%	-1.44%	11.12%
Other information						
Closing net asset value (£) †	71,350,285	93,698,118	109,014,845	15,503,586	18,932,080	21,933,719
Closing number of shares	28,915,654	36,135,755	41,415,616	12,675,130	14,270,705	15,931,110
Operating charges ^	0.76%	0.76%	0.77%	0.76%	0.76%	0.77%
Direct transaction costs *	0.04%	0.05%	0.04%	0.04%	0.05%	0.04%
Prices						
Highest share price #	259.10	277.20	263.40	132.60	143.60	138.50
Lowest share price #	219.70	252.60	228.70	111.50	130.30	120.90

† Valued at bid-market prices.

High and low price disclosures are based on quoted share prices (Mid Market Price). Therefore the opening and closing NAV prices may fall outside the high / low price threshold.

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

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

The figures used within the table have been calculated against the average net asset value for the accounting year.

~ D share class launched on 25 May 2022.

AXA Distribution Fund

Statement of Total Return

For the year ended 31 May 2023

	Note	31/05/23 £'000	31/05/23 £'000	31/05/22 £'000	31/05/22 £'000
Income:					
Net capital losses	2		(41,368)		(17,173)
Revenue	3	16,836		14,160	
Expenses	4	(3,879)		(4,793)	
Interest payable and similar charges		-		-	
Net revenue before taxation		12,957		9,367	
Taxation	5	7		(39)	
Net revenue after taxation			12,964		9,328
Total return before distributions			(28,404)		(7,845)
Distributions	6		(16,771)		(14,049)
Change in net assets attributable to Shareholders from investment activities			**(45,175)**		**(21,894)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2023

	31/05/23 £'000	31/05/23 £'000	31/05/22 £'000	31/05/22 £'000
Opening net assets attributable to Shareholders		593,856		666,619
Amounts receivable on issue of shares	7,020		8,763	
Amounts payable on cancellation of shares	(71,991)		(72,830)	
		(64,971)		(64,067)
Change in net assets attributable to Shareholders from investment activities (see above)		(45,175)		(21,894)
Retained distributions on accumulation shares		15,750		13,198
Unclaimed distributions		1		-
Closing net assets attributable to Shareholders		499,461		593,856

AXA Distribution Fund

Balance Sheet

As at 31 May

	Note	31/05/23 £'000	31/05/22 £'000
Assets:			
Fixed assets:			
Investments		476,626	573,136
Current assets:			
Debtors	7	1,871	3,073
Cash and bank balances	8	24,324	19,738
Total assets		502,821	595,947
Liabilities:			
Creditors:			
Distribution payable		(263)	(229)
Other creditors	9	(3,097)	(1,862)
Total liabilities		(3,360)	(2,091)
Net assets attributable to Shareholders		499,461	593,856

AXA Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

1. Accounting Basis And Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 164-167.

2. Net capital losses

	31/05/23 £'000	31/05/22 £'000
The net capital losses comprise:		
Non-derivative securities	(41,368)	(16,991)
Currency losses	-	(181)
Transaction charges	-	(1)
Net capital losses	(41,368)	(17,173)

3. Revenue

	31/05/23 £'000	31/05/22 £'000
Bank interest	276	5
Interest on debt securities	5,494	607
Overseas dividends	165	527
UK dividends	10,661	12,718
Property revenue from REITs	240	303
Total revenue	16,836	14,160

4. Expenses

	31/05/23 £'000	31/05/22 £'000
Payable to the ACD, associates of the ACD, and agents of either of them		
Annual management charge	3,807	4,721
Registration fees	40	44
	3,847	4,765
Other expenses		
Audit fees	9	5
Depositary's fees	19	17
Printing fees	-	(2)
Safe custody fees	4	8
	32	28
Total expenses	3,879	4,793

Expenses include irrecoverable VAT where applicable.

AXA Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

5. Taxation

	31/05/23 £'000	31/05/22 £'000
(a) Analysis of the tax (credit)/charge in the year		
Irrecoverable overseas tax	(7)	39

(b) Factors affecting current tax (credit)/charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax for an open ended investment company of 20% (2022: 20%) is applied to the net revenue before taxation. The differences are explained below:

	31/05/23 £'000	31/05/22 £'000
Net revenue before taxation	12,957	9,367
Net revenue for the year multiplied by the standard rate of corporation tax	2,591	1,873
Effects of:		
Irrecoverable overseas tax	(7)	39
Movement in excess management expenses	4,235	5,085
Excess management expenses adjustment in respect of prior years	-	18
Relief for indexation on UK Gilts	(4,632)	(4,328)
Revenue not subject to corporation tax	(2,194)	(2,648)
Tax (credit)/charge for the year	(7)	39

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Deferred taxation:

There is no provision required for deferred taxation at the balance sheet date in the current year or prior year.

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £35,760,414 (2022: £31,525,106) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

AXA Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

6. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	31/05/23 £'000	31/05/22 £'000
First interim	4,314	4,241
Second interim	3,089	2,272
Third interim	3,157	2,406
Final	5,933	4,933
Add: Revenue paid on cancellation of shares	304	272
Deduct: Revenue received on creation of shares	(26)	(75)
Net distribution for the year	16,771	14,049

Reconciliation of net revenue after taxation to distributions		
Net revenue after taxation	12,964	9,328
Expenses charged to capital	3,807	4,721
Net distribution for the year	16,771	14,049

7. Debtors

	31/05/23 £'000	31/05/22 £'000
Amounts receivable for creation of shares	11	11
Sales awaiting settlement	15	398
Accrued revenue	1,845	2,664
Total debtors	1,871	3,073

8. Cash and bank balances

	31/05/23 £'000	31/05/22 £'000
Cash and bank balances	24,324	19,738
Total cash and bank balances	24,324	19,738

9. Other creditors

	31/05/23 £'000	31/05/22 £'000
Amounts payable for cancellation of shares	1,424	1,102
Purchases awaiting settlement	1,031	-
Accrued annual management charge	611	728
Accrued other expenses	31	32
Total other creditors	3,097	1,862

AXA Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

10. Related party transactions

The ACD is related to the Fund as defined by Financial Reporting Standard 102.33 'Related Party Disclosures'.

Annual management charge paid to the ACD and Registration fees are disclosed in Note 4 and amounts due at the year end are disclosed in Note 9.

Monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in Notes 7 and 9.

The ACD and its associates (including other authorised investment Funds managed by the ACD) have no shareholdings in the Company at the year end.

11. Share classes

The reconciliation of the opening and closing numbers of shares of each class, along with the ACD's annual management charges applicable to each class, is shown below:

	Annual Management Charge rate (%)	31/05/22	Issued	Cancelled	Converted	31/05/23
A Accumulation	0.50	3,917,225	418,590	(866,658)	-	3,469,157
A Income	0.50	289,577	46,848	(781)	-	335,644
B Accumulation	0.40	218,449,843	160,846	(20,176,904)	(219,875)	198,213,910
B Income	0.40	1,711,901	2,598	(167,101)	-	1,547,398
D Accumulation	1.10	2,427,834	20,463	(228,478)	3,767	2,223,586
D Income	1.10	756,635	17,497	(110,726)	-	663,406
R Accumulation	1.50	54,660,453	578,633	(6,090,546)	(604,971)	48,543,569
R Income	1.50	4,311,736	1,810	(780,374)	(178,354)	3,354,818
Z Accumulation	0.75	36,135,755	257,700	(8,134,755)	656,954	28,915,654
Z Income	0.75	14,270,705	444,636	(2,196,382)	156,171	12,675,130

12. Commitments, contingent liabilities and contingent assets

There are no commitments, contingent liabilities and contingent assets as at the balance sheet date (2022: nil).

13. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are outlined below.

Market price risk

The Fund invests principally in equity and fixed income securities. The value of the Fund's investment portfolio is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual company or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Fund seeks to manage these risks by adhering to investment guidelines and to investment and borrowing powers set out in the Prospectus. In addition, the Fund complies with the Collective Investment Schemes sourcebook ("COLL"), which include rules relating to investment holdings that are designed to place limits on the Fund's investment concentration (same as at 31 May 2022).

AXA Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

Market price risk sensitivity

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £47,662,611 (2022: £57,313,582). A 10% decrease would have an equal and opposite effect.

Foreign currency risk

The functional currency of the Fund is Sterling. All assets and liabilities of the Fund are denominated in Pound sterling. There was no direct foreign currency exposure within the Fund at the balance sheet date.

Interest rate risk

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital, with the exception of index linked bonds which are protected against the effect of inflation.

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. A 1% increase in interest rates would have the effect of decreasing the return and net assets £17,503,774 (2022: £23,489,841) . A 1% decrease would have an equal and opposite effect.

The table below shows the interest rate risk profile at the balance sheet date:

Currency Assets	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31/05/23				
Pound sterling	24,324	196,836	281,312	502,472
Euro	-	-	23	23
US dollar	-	-	326	326
Total	24,324	196,836	281,661	502,821
31/05/22				
Pound sterling	19,738	235,979	340,230	595,947
Total	19,738	235,979	340,230	595,947

Currency Liabilities	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31/05/23				
Pound sterling	-	-	(3,360)	(3,360)
Total	-	-	(3,360)	(3,360)
31/05/22				
Pound sterling	-	-	(2,091)	(2,091)
Total	-	-	(2,091)	(2,091)

AXA Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

Credit risk

The Fund runs a very low credit risk in respect of unsettled investment transactions as these are normally settled as cash against delivery.

Fixed interest investments are exposed to credit risk which reflects the ability of the bond issuer to meet its obligations. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. The ACD monitors the credit quality and risk of the portfolio as a part of the overall investment process and in accordance with the objective and policy of each fund.

Transactions in securities may expose a fund to the risk that the counterparty will not settle the transaction or do so on a timely basis.

All transactions in the funds are conducted through counterparties approved by the ACD.

A breakdown of the investment portfolio by credit rating is disclosed on the table below:

Credit Rating	31/05/23 Market Value £'000	%	31/05/22 Market Value £'000	%
Investment grade (BBB- credit rating and above)	196,836	39.41	225,793	38.02
Total value of bonds	196,836	39.41	225,793	38.02

14. Portfolio transaction costs

31/05/2023	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
Analysis of purchases						
Bonds	73,350	-	-	-	-	73,350
Equities	35,663	19	0.05	175	0.49	35,857
Total	109,013	19		175		109,207

31/05/2023	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
Analysis of sales						
Bonds	81,929	-	-	-	-	81,929
Equities	86,113	(39)	(0.05)	-	-	86,074
Total	168,042	(39)		-		168,003

AXA Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

31/05/2022	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
Analysis of purchases						
Bonds	111,768	-	-	-	-	111,768
Equities	57,946	25	0.04	261	0.45	58,232
Total	169,714	25		261		170,000

31/05/2022	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
Analysis of sales						
Bonds	121,231	-	-	-	-	121,231
Collective Investment Schemes	1,598	(1)	(0.05)	-	-	1,597
Equities	89,308	(45)	(0.05)	-	-	89,263
Total	212,137	(46)		-		212,091

Transaction costs as percentage of average net asset value	31/05/23 %	31/05/22 %
Commissions	0.01	0.01
Taxes	0.03	0.04

At the balance sheet date the average portfolio dealing spread was 0.16% (2022: 0.16%).

15. Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

16. Fair value disclosure

	31/05/23		31/05/22	
Valuation technique	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1 ^	476,626	-	573,136	-
Level 2 ^^	-	-	-	-
Level 3 ^^^	-	-	-	-
	476,626	-	573,136	-

^ Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
^^ Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
^^^ Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

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

AXA Distribution Fund

Distribution Table

As at 31 May 2023

First Distribution in pence per share
Group 1 Shares purchased prior to 1 June 2022
Group 2 Shares purchased on or after 1 June 2022 to 31 August 2022

	Net revenue (p)	Equalisation (p)	Distribution paid 31/10/22 (p)	Distribution paid 29/10/21 (p)
Share Class A Accumulation				
Group 1	0.988	-	0.988	0.885
Group 2	0.298	0.690	0.988	0.885
Share Class A Income				
Group 1	0.847	-	0.847	0.775
Group 2	0.847	-	0.847	0.775
Share Class B Accumulation				
Group 1	1.150	-	1.150	1.029
Group 2	0.750	0.400	1.150	1.029
Share Class B Income				
Group 1	0.909	-	0.909	0.831
Group 2	0.690	0.219	0.909	0.831
Share Class D Accumulation~				
Group 1	1.693	-	1.693	
Group 2	1.174	0.519	1.693	
Share Class D Income~				
Group 1	0.870	-	0.870	
Group 2	0.460	0.410	0.870	
Share Class R Accumulation				
Group 1	1.692	-	1.692	1.531
Group 2	1.089	0.603	1.692	1.531
Share Class R Income				
Group 1	0.870	-	0.870	0.804
Group 2	0.214	0.656	0.870	0.804
Share Class Z Accumulation				
Group 1	1.928	-	1.928	1.731
Group 2	0.703	1.225	1.928	1.731
Share Class Z Income				
Group 1	0.987	-	0.987	0.906
Group 2	0.581	0.406	0.987	0.906

AXA Distribution Fund

Distribution Table

As at 31 May 2023

Second Distribution in pence per share
Group 1 Shares purchased prior to 1 September 2022
Group 2 Shares purchased on or after 1 September 2022 to 30 November 2022

	Net revenue (p)	Equalisation (p)	Distribution paid 31/01/23 (p)	Distribution paid 31/01/22 (p)
Share Class A Accumulation				
Group 1	0.732	-	0.732	0.483
Group 2	0.457	0.275	0.732	0.483
Share Class A Income				
Group 1	0.623	-	0.623	0.420
Group 2	0.623	-	0.623	0.420
Share Class B Accumulation				
Group 1	0.852	-	0.852	0.561
Group 2	0.436	0.416	0.852	0.561
Share Class B Income				
Group 1	0.669	-	0.669	0.451
Group 2	0.669	-	0.669	0.451
Share Class D Accumulation~				
Group 1	1.253	-	1.253	
Group 2	0.562	0.691	1.253	
Share Class D Income~				
Group 1	0.639	-	0.639	
Group 2	0.639	-	0.639	
Share Class R Accumulation				
Group 1	1.251	-	1.251	0.833
Group 2	0.760	0.491	1.251	0.833
Share Class R Income				
Group 1	0.638	-	0.638	0.435
Group 2	0.090	0.548	0.638	0.435
Share Class Z Accumulation				
Group 1	1.427	-	1.427	0.944
Group 2	0.548	0.879	1.427	0.944
Share Class Z Income				
Group 1	0.726	-	0.726	0.491
Group 2	0.437	0.289	0.726	0.491

AXA Distribution Fund

Distribution Table

As at 31 May 2023

Third Distribution in pence per share
Group 1 Shares purchased prior to 1 December 2022
Group 2 Shares purchased on or after 1 December 2022 to 28 February 2023

	Net revenue (p)	Equalisation (p)	Distribution paid 28/04/23 (p)	Distribution paid 29/04/22 (p)
Share Class A Accumulation				
Group 1	0.772	-	0.772	0.525
Group 2	0.259	0.513	0.772	0.525
Share Class A Income				
Group 1	0.653	-	0.653	0.455
Group 2	0.653	-	0.653	0.455
Share Class B Accumulation				
Group 1	0.898	-	0.898	0.611
Group 2	0.404	0.494	0.898	0.611
Share Class B Income				
Group 1	0.701	-	0.701	0.489
Group 2	0.701	-	0.701	0.489
Share Class D Accumulation~				
Group 1	1.319	-	1.319	
Group 2	0.710	0.609	1.319	
Share Class D Income~				
Group 1	0.669	-	0.669	
Group 2	0.669	-	0.669	
Share Class R Accumulation				
Group 1	1.315	-	1.315	0.904
Group 2	0.648	0.667	1.315	0.904
Share Class R Income				
Group 1	0.667	-	0.667	0.470
Group 2	0.160	0.507	0.667	0.470
Share Class Z Accumulation				
Group 1	1.504	-	1.504	1.026
Group 2	0.582	0.922	1.504	1.026
Share Class Z Income				
Group 1	0.760	-	0.760	0.532
Group 2	0.264	0.496	0.760	0.532

AXA Distribution Fund

Distribution Table

As at 31 May 2023

Final Distribution in pence per share
Group 1 Shares purchased prior to 1 March 2023
Group 2 Shares purchased on or after 1 March 2023 to 31 May 2023

	Net revenue (p)	Equalisation (p)	Distribution payable 31/07/23 (p)	Distribution paid 29/07/22 (p)
Share Class A Accumulation				
Group 1	1.504	-	1.504	1.103
Group 2	0.679	0.825	1.504	1.103
Share Class A Income				
Group 1	1.263	-	1.263	0.952
Group 2	0.912	0.351	1.263	0.952
Share Class B Accumulation				
Group 1	1.751	-	1.751	1.283
Group 2	0.989	0.762	1.751	1.283
Share Class B Income				
Group 1	1.357	-	1.357	1.022
Group 2	1.357	-	1.357	1.022
Share Class D Accumulation~				
Group 1	2.567	-	2.567	1.894
Group 2	1.033	1.534	2.567	1.894
Share Class D Income~				
Group 1	1.293	-	1.293	0.981
Group 2	1.293	-	1.293	0.981
Share Class R Accumulation				
Group 1	2.558	-	2.558	1.894
Group 2	0.999	1.559	2.558	1.894
Share Class R Income				
Group 1	1.288	-	1.288	0.981
Group 2	1.288	-	1.288	0.981
Share Class Z Accumulation				
Group 1	2.930	-	2.930	2.153
Group 2	1.203	1.727	2.930	2.153
Share Class Z Income				
Group 1	1.470	-	1.470	1.111
Group 2	0.839	0.631	1.470	1.111

~ D share class launched on 25 May 2022.

AXA Ethical Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

Investment Objective

The aim of this Fund is to achieve income and capital growth over a period of 5 years or more.

Investment Policy

The Fund invests in a mix of shares in UK listed companies, UK Government Bonds, the majority of which are linked to the rate of inflation, and cash. The Fund's typical asset mix would range between 50-60% investment in shares and 40-50% in UK Government bonds and cash. In accordance with the Manager's ethical screening criteria, the Fund invests in companies identified in relation to their approach to: environmental issues (including biodiversity, ozone depleting substances, climate change, fossil fuels, energy intensive industries, mining and quarrying, nuclear power, pollution and sustainable timber); human rights violations; and, other corporate responsibility issues (including animal testing, gambling, intensive farming, military sales, pornography and adult entertainment services, activities deemed detrimental to developing economies and tobacco sale and production).

The latest ethical policy for the Fund can be found on:
https://retail.axa-im.co.uk/fund-centre/-/funds-center/axa-ethical-distribution-fund-r-gbp-acc-25387#/literature

Eligible shares in companies for investment are then selected based upon their prospects for future growth in dividend payments following an in depth analysis of their financial status, quality of business model and corporate governance arrangements. Investments in UK Government bonds are diversified across a range of maturities (i.e., the length of time for full repayment of the bond by the Government).

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 a composite benchmark made up of the following indices in the stated proportions: 55% FTSE All Share Index; 17.5% FTSE Index Linked All Stocks; 17.5% FTSE Index Linked < 5 Years 3.5% FTSE Gilts All Stocks; 3.5% FTSE Gilts < 5 Years; 3% SONIA Compounded Index (the “Benchmark”). This Benchmark best represents the types of bonds and companies in which the Fund predominantly invests.

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

Risk and Reward Profile

As at 31 May 2023

Due to the ethical constraints placed on this Fund, which exclude over half of the FTSE All-Share Index, the value of the Fund may fluctuate more than a Fund which is invested in a more diversified portfolio of UK equities. The value of investments and the income from them is not guaranteed and can go down as well as up.

Lower Risk | Higher Risk

Potentially lower reward | Potentially higher reward

1	2	3	4	5	6	7

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. There has been no change from prior year.

AXA Ethical Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

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.

Key Risks

Under normal market conditions the Fund's key risk factors are:

• 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 individual fund's investment objectives and investment policy.

• 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 more 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 individual fund's investment objectives and investment policy. These guidelines could include measures of sensitivity to changes of interest rates.

• Index-linked bonds risk - are fixed interest securities whose capital repayment amounts and interest payments are adjusted in line with movements in inflation indices. They are designed to mitigate the effects of inflation on the value of a portfolio. The market value of index-linked bonds is determined by the market's expectations of future movements in both interest rates and inflation rates.

As with other bonds, the value of index-linked bonds will generally fall when expectations of interest rates rise and vice versa. However, when the market anticipates a rise in inflation rates, index-linked bonds will generally outperform other bonds, and vice versa.

Index-linked bonds bought in the secondary market (i.e., not directly from the issuer) whose capital values have been adjusted upward due to inflation since issuance, may decline in value if there is a subsequent period of deflation.

Due to the sensitivity of these bonds to interest rates and expectations of future inflation, there is no guarantee that the value of these bonds will correlate with inflation rates in the short to medium term.

Index-linked bonds risk is an inherent risk of investing in index-linked bonds. Exposure to this risk is managed by the allocation decision on the proportion of the portfolio to invest in index-linked bonds, as well as the amount of remaining maturity of these bonds, which will affect their sensitivity in value, to changes in expected inflation levels.

AXA Ethical Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

• Risks linked to investment in sovereign debt - the Fund may invest in bonds issued by countries and governments (sovereign debt). The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the capital and/or interest when due in accordance with the terms of such debt. In such a scenario, the value of investments of the Fund may be adversely affected. A governmental entity's willingness or ability to repay capital and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign currency reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest on their debt. In addition, there are no bankruptcy proceedings for such issuers under which money to pay the debt obligations may be collected in whole or in part. Holders may be requested to participate in the rescheduling of such sovereign debt and to extend further loans to the issuers.

Certain countries are especially large debtors to commercial banks and foreign governments. Investment in sovereign debt issued or guaranteed by such countries (or their governments or governmental entities) involves a higher degree of risk than investment in other sovereign debt.

Certain funds may be further subject to the risk of high concentration in bonds issued by and/or guaranteed by a single sovereign issuer which is below investment grade and/or unrated which is also subject to higher credit risk. In the event of a default of the sovereign issuer, the Fund may suffer significant loss.

This is an inherent risk for funds invested within sovereign bonds. Internal investment guidelines, scenario testing as well as other regular monitoring seek to ensure the level of risk is aligned with each individual fund's investment objectives and investment policy.

• Stock lending risk - the Fund may participate in a stock lending programme managed by an affiliate of the ACD (acting as stock lending agent) for the purpose of lending a Fund's securities via entering into a stock lending authorisation agreement. If a 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 a 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.

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Investment Manager's Report

For the year ended 31 May 2023

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.

Other risks which could have an impact in extreme market conditions include:

• 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 Shareholders buying or selling Shares 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.

• Counterparty risk - at any one time, the Fund may be exposed to the creditworthiness and stability of the counterparties to transactions entered into by the Fund (including derivative and stock lending and repo/reverse repo transactions). The Fund will be subject to the risk of the inability of its counterparties to perform its obligations under such transactions (default), whether due to insolvency, bankruptcy or other causes. In the event of the insolvency of a counterparty, the Fund might not be able to recover cash or assets of equivalent value, to that invested, in full. The Fund may receive assets or cash from the counterparty (collateral) to protect against any such adverse effect. Where relevant, a counterparty will forfeit its collateral if it defaults on the transaction with the Fund. However, if the collateral is in the form of securities, there is a risk that when it is sold, it will realise insufficient cash to settle the counterparty’s debt to the Fund under a transaction or to purchase replacement securities that were lent to the counterparty under a stock lending arrangement. In relation to stock lending arrangements, there is also the risk that while cash is recovered in the event of a default, the actual stock cannot be repurchased. Furthermore, to the extent that collateral is not present to cover part or all of the debt, a counterparty default may result in losses for the affected Fund. To assist in managing these types of risks, the ACD sets criteria around the types of eligible collateral the Fund may accept. Please see the paragraph entitled “Treatment of Collateral” in the “Investment and borrowing powers applicable to the Funds” section in Appendix II of the Prospectus for more information.

Transactions in securities that the Fund may enter into expose it to the risk that the counterparty will not deliver the investment for a purchase or cash for a sale after the Fund has contracted to fulfil its responsibilities. This is minimised by the practice in the majority of markets of delivery versus payment and short settlement periods.

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

Important Information

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.

AXA Ethical Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

Market Review

The 12-month period to 31st May 2023 has been a challenging one, with both equity and fixed income markets having to adjust to a fundamentally changed set of macroeconomic factors. A year ago, the world was dealing with the impact of Russia invading Ukraine, sharply higher energy prices as well as the after-effects of COVID-19-related supply chain disruption created by the unsuccessful Chinese ‘Zero Covid’ policy. This combination of factors (as well as government COVID-19 fiscal stimulus packages) enabled inflation to set in. Central bankers across the globe were forced to adjust their ultra-low interest rate policies that had kept the global economy going through an enforced period of economic stagnation during the pandemic. Markets have been volatile around the hope that central banks, and in particular the US Federal Reserve (Fed), would pivot away from their hawkish stance. By the end of the period equity markets had, in the main, retained their composure with most major global equity markets generating flat to slightly positive returns. However, fixed income markets have had a tumultuous time with yields continuing to move higher in the face of aggressive policy tightening globally.

We would argue that 2022’s decline in both equity and fixed income returns is a result of markets being drastically repriced amid the highest inflation levels we have seen in 40 years, and central banks’ attempts to tame inflation through quantitative tightening whilst putting an end to record-low interest rates. While painful, we believe that this period of repricing should be viewed as a market correction, not a crisis. While some may worry that recent high stock-bond correlations signal the end of the diversification potential of bonds, history demonstrates that the bond market has consistently been able to provide a ballast during times of crisis. We remain, therefore, committed to the long-term asset allocation strategy of the Fund range.

Looking at the year under review in more detail, the period started with the Fed delivering a 75-basis point (bp) increase in rates in their June meeting, their first hike of this magnitude since 1994. The following day the Swiss National Bank surprised markets in a hawkish policy pivot by raising their rates by 50bps, while the Bank of England’s (BoE) Monetary Policy Committee (MPC) voted to raise rates by 25bps noting that they may need to act “forcefully” on inflation if needed. This was quickly followed in July by the Fed delivering its second consecutive 75bp move, while the MPC raised rates by 50bps at their August meeting, the first hike of this magnitude in 27 years.

Sterling fixed income markets underperformed other developed bond markets during this period, magnified by the political void after PM Boris Johnson resigned in disgrace. This set off a contest for leader of the Conservative party and thus the next UK Prime Minister. The following weeks proved to be a remarkable period for the UK and its fixed income markets. Liz Truss was announced as the winner of the Conservative Party leadership contest and became the new Prime Minister. Within days the country entered a period of national mourning following the death of Queen Elizabeth II, leaving 10 days of policy vacuum for any announcements by the new administration. At their delayed September MPC meeting, the BoE announced a second consecutive 50bp hike, with three members voting for 75bps along with the committee repeating that they would respond as forcefully as necessary if inflation pressures became more persistent. The following day the new Chancellor Kwarteng unveiled the largest fiscal expansion package in 50 years, reversing previously announced corporate and national insurance tax increases, while also unveiling personal tax cuts including a very controversial cut in the top 45% tax rate. In all, the package saw an increase in funding of over £70bn for the 2022/23 fiscal year with significant increases in projected funding levels for the years ahead. The market reaction to the announcement was powerful. Sterling and UK assets came under severe pressure. With much speculation around the BoE’s reaction function and an expectation of an emergency rate hike, gilt yields moved significantly higher over the following days, triggering a wave of collateral calls for pension funds and Liability-Driven Investment (LDI) strategies. What followed was an unstable period for sterling rates eventually forcing the BoE to intervene on 28th September, postponing the start of their quantitative tightening (QT) gilt sales programme, and announcing a market stabilisation operation to buy up to £5bn of long dated gilts per day for 13 days.

AXA Ethical Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

Jeremy Hunt was installed as the new Chancellor following the sacking of Kwasi Kwarteng on October 14th. He quickly reversed the majority of the policies announced at the infamous mini budget, thus setting in motion the end of the Truss premiership. Liz Truss resigned and marked the shortest ever premiership and yet another Conservative leadership contest began, although this contest proved short-lived with Rishi Sunak quickly being announced as the sole candidate and winner. Sunak became the UK's 5th Prime Minister in six years and quickly set about trying to restore the UK's credibility.

Global stock markets stabilised somewhat in the fourth quarter, but 2022 remained a difficult year for investors, with both equities and government bonds posting negative returns. US equities in particular enjoyed a strong fourth quarter, but it was not enough to stop the S&P 500 from clocking up its worst year since 2008, with the index falling c.20% over the year.

In January, the new year got off to a strong start for markets on improving risk sentiment as the global growth outlook was upgraded following the China reopening, helped also by weaker energy prices leading to a moderating in peak interest rate expectations. UK equities saw the FTSE 100 finally manage to push through the 8,000 mark for the first time ever. However, hawkish central bank sentiment eased somewhat as one of the larger US regional banks, Silicon Valley Bank (SVB) collapsed in early March following a flight of deposits. Revelations of losses due to a duration mismatch in their books, and a subsequent failed funding round, triggered a flight to quality with deposits flowing into the largest banks and short-dated sovereign bonds. The authorities quickly stepped in guaranteeing deposits at the affected institutions and in the UK the BoE orchestrated the takeover of SVB's UK branch by HSBC.

Concerns about the financial sector quickly crossed the Atlantic with focus turning to European banks, with Credit Suisse in particular in the spotlight, which ultimately triggered the Swiss government to step in and force UBS to take over the ailing institution. The decision was taken to wipe out AT1 bond holders which caused additional stress on the banking sector in the immediate aftermath. Despite the turmoil, Central banks were very keen to draw the distinction between monetary policy and financial stability with the ECB remaining on course to fight inflation, raising rates by 50bps in March along with both the Federal Open Market Committee (FOMC) and BoE raising rates by 25bps. After a relatively calm month for markets in April, May saw central banks once again continue their monetary policy tightening as the Fed, ECB and BoE all raised rates by 25bps although their forward guidance became more nuanced, with the FOMC's statement removing the comment that "some additional policy firming may be appropriate". Gilts were once again in the media spotlight for the wrong reasons in May, as yields moved sharply higher, underperforming other developed markets as inflation readings for April did not fall as much as most had expected; headline CPI fell from 10.1% to 8.7% against a consensus forecast of 8.2%.

Set against this backdrop, investors have understandably sought refuge, with flows into money market funds rising to their highest levels in several years. In equity markets, the Nasdaq has been conspicuous in its strength as mega-cap tech stocks with their strong market positions and even stronger (cash-heavy) balance sheets have again been seen as safe havens. To date, 2023 has been defined by one feature - the element of surprise. Despite rising US recession risk in January, stocks went up. That was quickly revised by growth overshooting in February (but stocks went down) which gave way to the sudden onset of a regional banking crisis in March (but, stocks went up, marginally).

AXA Ethical Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

In terms of fixed income market moves over the period, 10-year US Treasuries opened the period at 2.90%, trading above the key physiological 4% levels in October and February before closing the period around 3.6%. The US yield curve continued to invert as the front end bore the brunt of the repricing of rate expectations, with 2yr - 10yr at its most inverted since the early 1980s. In the UK, gilt yields also moved sharply higher over the period and underperformed other markets given the chaotic political backdrop, along with inflation levels that continued to suggest that inflation would remain more persistent in the UK than in other regions. 10-year yields moved from 2.10% in early June to 4.1% by the end of the review period, having reached 4.5% during the Autumn market turmoil. Shorter-dated gilt maturities suffered even more as the market continued to price in higher terminal rates with 2-years moving 1.70% to above 4.5% by the end of May. The markets pricing of the banks' terminal rate moved from 2.75% in June of last year to over 5.3% by the end of May 2023. Index-linked yields moved in sympathy with nominals, 10yr real yields moved from -2% to +0.5% by the end of May. Shorter-dated index-linked bonds benefitted from strong inflation indexation and provided positive returns over the period while longer-dated breakeven rates were slightly lower over the period as inflation expectations declined given the backdrop of very strong policy tightening.

Portfolio Review

Whilst the equity element of the Fund has performed modestly behind its FTSE All Share benchmark, it has however modestly outperformed both the Mid Cap and Small Cap Index to which it shares many of the same characteristics. The Fund's ethical philosophy prohibits it almost entirely from investing in the four main mega-cap areas of mining, oil & gas, pharmaceuticals and banks. Unlike in recent periods, however, these sectors have not provided the headwind to performance seen in the recent past, but the oil and gas and banking sectors have performed well over this period. As interest rates have continued to rise the more cyclically exposed sectors such as consumer discretionary, industrials and real estate have struggled to perform, as have the more domestically-exposed and less diverse small- and mid-cap companies.

3I Group PLC has been a very strong performer during the period on account of its strong earnings momentum helped in part by the success of Action, its pan-European discount retailer which continues to find favour with customers. The relatively defensive holdings of London Stock Exchange, RELX Plc and SSE have continued to perform well as have Games Workshop, Ashtead and Oxford Instruments following strong trading performances.

The Fund also received a takeover approach for Aveva at a premium to its recent trading price which had fallen out of market favour despite continuing to report operational progress on its business model transition. There have been a number of takeover approaches in the UK market during this period, as the market is focussed short term on the effects of inflation and a slowdown and is ignoring the attractive future prospects of many businesses.

We have viewed any market weakness as an opportunity to add to high quality holdings to the portfolio where the long-term structural drivers and business fundamentals are simply not being reflected in current valuations such as in GB Group, Hargreaves Lansdown, XP Power and Marshalls. A new holding has also been added in Trainline as market fundamentals such as the continued structural move to online ticket purchases, and the exciting growth opportunity as they expand into Europe, are not being reflected in the weak market sentiment created by continued train strikes and political uncertainty.

AXA Ethical Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

Outlook

A return to what might be termed as normalised economic conditions following the COVID-19 pandemic, lockdowns and re-openings appears to be almost complete. It has been a tortuous period for investors with the strong equity market returns in 2021 being levelled out by tougher times in 2022. Furthermore, having now passed the first anniversary of the horrific war in Ukraine, the inflationary impulse caused by higher energy prices are beginning to annualise themselves out of inflation numbers. However, the hard work that central banks have put into quashing the stubbornly high inflation is only now beginning to come into effect. Housing markets are under pressure in Western economies, consumer confidence is falling, PMIs are down and yet employment remains high. Anecdotally we are hearing from corporates that wage inflation pressure is easing. Consequently, the forecast for improving economic conditions that had fuelled the value rally in 2022 are reversing and the underlying attractions of quality growth companies are returning to vogue. This has suited our consistent investment style in recent months, and we believe looks set to continue in the period ahead.

All performance data source: AXA Investment Managers and Morningstar.
Past performance is not a guide for future performance.

Major Purchases	Cost (£'000)
● UK Treasury 0.125% IL 22/03/68	3,546
● UK Treasury 0.25% 31/01/25	3,171
● SSE	2,480
● UK Treasury 0.75% IL 22/03/34	1,773
● Trainline	1,632

Major Sales	Proceeds (£'000)
● UK Treasury 0.25% 31/01/25	4,760
● UK Treasury 0.125% IL 22/03/26	4,082
● UK Treasury 0.125% IL 10/08/31	3,064
● UK Treasury 0.125% IL 22/03/29	2,595
● UK Treasury 0.875% 31/07/33	2,417

Nigel Yates
AXA Investment Managers UK Limited

AXA Ethical Distribution Fund

Portfolio Statement

As at 31 May 2023

	Holding	Market Value £'000	% of Total Net Assets
EQUITIES 55.71% (31/05/22: 55.21%)			
BASIC MATERIALS 1.16% (31/05/22: 0.93%)			
Industrial Metals & Mining 1.16% (31/05/22: 0.93%)			
Hill & Smith	120,428	1,753	1.16
TOTAL BASIC MATERIALS		1,753	1.16
CONSUMER DISCRETIONARY 13.31% (31/05/22: 13.47%)			
Household Goods & Home Construction 0.88% (31/05/22: 0.84%)			
Redrow	274,611	1,329	0.88
Leisure Goods 1.19% (31/05/22: 1.26%)			
Games Workshop	19,156	1,808	1.19
Media 3.50% (31/05/22: 3.56%)			
Bloomsbury Publishing	316,095	1,304	0.86
Future	104,188	770	0.51
RELX	127,436	3,228	2.13
Retailers 4.60% (31/05/22: 3.77%)			
Dunelm	150,849	1,662	1.10
Howden Joinery	267,524	1,760	1.16
JD Sports Fashion	1,110,730	1,688	1.11
Pets at Home	494,928	1,863	1.23
Travel & Leisure 3.14% (31/05/22: 4.04%)			
Hollywood Bowl	768,156	2,082	1.37
On the Beach	441,067	448	0.30
SSP	369,323	987	0.65
Trainline	498,150	1,249	0.82
TOTAL CONSUMER DISCRETIONARY		20,178	13.31
CONSUMER STAPLES 2.60% (31/05/22: 2.99%)			
Beverages 2.60% (31/05/22: 2.99%)			
Diageo	116,503	3,933	2.60
TOTAL CONSUMER STAPLES		3,933	2.60

AXA Ethical Distribution Fund

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As at 31 May 2023

	Holding	Market Value £'000	% of Total Net Assets
FINANCIALS 14.16% (31/05/22: 13.34%)			
Banks 1.76% (31/05/22: 0.72%)			
NatWest	1,009,233	2,671	1.76
Finance & Credit Services 2.08% (31/05/22: 1.81%)			
London Stock Exchange	37,070	3,152	2.08
Investment Banking & Brokerage 5.42% (31/05/22: 5.17%)			
3i	153,539	3,011	1.99
Hargreaves Lansdown	165,545	1,337	0.88
Intermediate Capital	126,597	1,780	1.18
St James's Place	184,437	2,072	1.37
Life Insurance 4.90% (31/05/22: 4.08%)			
Just	2,242,379	1,953	1.29
Legal & General	1,046,747	2,409	1.59
Prudential	281,899	3,064	2.02
Non-Life Insurance 0.00% (31/05/22: 1.56%)			
TOTAL FINANCIALS		21,449	14.16
HEALTH CARE 0.76% (31/05/22: 0.64%)			
Pharmaceuticals & Biotechnology 0.76% (31/05/22: 0.64%)			
Genus	45,500	1,148	0.76
TOTAL HEALTH CARE		1,148	0.76
INDUSTRIALS 11.48% (31/05/22: 12.49%*)			
Construction & Materials 1.62% (31/05/22: 1.89%)			
Genuit	463,987	1,441	0.95
Marshalls	337,990	1,020	0.67
Electronic & Electrical Equipment 4.38% (31/05/22: 4.91%*)			
DiscoverIE	224,150	1,757	1.16
Oxford Instruments	73,875	1,998	1.32
Rotork	586,453	1,852	1.22
XP Power	49,203	1,023	0.68
Industrial Engineering 0.85% (31/05/22: 0.64%)			
Spirax-Sarco Engineering	11,775	1,288	0.85
Industrial Support Services 2.72% (31/05/22: 3.58%)			
Experian	106,035	3,036	2.00
RWS	470,320	1,088	0.72

AXA Ethical Distribution Fund

Portfolio Statement
As at 31 May 2023

	Holding	Market Value £'000	% of Total Net Assets
Industrial Transportation 1.91% (31/05/22: 1.47%)			
Ashtead	58,665	2,887	1.91
TOTAL INDUSTRIALS		17,390	11.48
REAL ESTATE 4.55% (31/05/22: 4.62%)			
Real Estate Investment & Services 2.34% (31/05/22: 2.34%)			
Grainger	812,185	1,985	1.31
Rightmove	298,089	1,554	1.03
Real Estate Investment Trusts 2.21% (31/05/22: 2.28%)			
Segro	188,762	1,497	0.99
UNITE	205,101	1,841	1.22
TOTAL REAL ESTATE		6,877	4.55
TECHNOLOGY 5.87% (31/05/22: 6.73%*)			
Software & Computer Services 5.87% (31/05/22: 6.73%)			
Aptitude Software	320,617	1,010	0.67
Auto Trader	322,271	2,000	1.32
Bytes Technology	325,256	1,634	1.08
GB	491,983	1,452	0.96
Kainos	130,238	1,674	1.11
Kin & Carta	700,000	440	0.29
NCC	725,000	659	0.44
Technology Hardware & Equipment 0.00% (31/05/22: 0.00%*)			
TOTAL TECHNOLOGY		8,869	5.87
UTILITIES 1.82% (31/05/22: 0.00%)			
Electricity 1.82% (31/05/22: 0.00%)			
SSE	147,294	2,762	1.82
TOTAL UTILITIES		2,762	1.82
GOVERNMENT BONDS 43.35% (31/05/22: 41.97%)			
Index Linked Government Bonds 40.03% (31/05/22: 36.60%)			
UK Treasury 0.125% IL 22/03/24	8,200,000	12,316	8.13
UK Treasury 0.125% IL 22/03/26	9,000,000	12,569	8.30
UK Treasury 0.125% IL 10/08/28	2,000,000	2,576	1.70
UK Treasury 0.125% IL 22/03/29	1,600,000	2,415	1.59
UK Treasury 0.125% IL 10/08/31	1,000,000	1,225	0.81
UK Treasury 0.125% IL 22/11/36	873,000	1,131	0.75
UK Treasury 0.125% IL 22/03/44	940,000	1,168	0.77
UK Treasury 0.125% IL 22/03/46	777,000	884	0.58

AXA Ethical Distribution Fund

Portfolio Statement

As at 31 May 2023

	Holding	Market Value £'000	% of Total Net Assets
UK Treasury 0.125% IL 10/08/48	1,000,000	1,045	0.69
UK Treasury 0.125% IL 22/03/51	1,500,000	1,434	0.95
UK Treasury 0.125% IL 22/11/56	486,000	505	0.33
UK Treasury 0.125% IL 22/03/58	524,844	560	0.37
UK Treasury 0.125% IL 22/11/65	500,000	516	0.34
UK Treasury 0.125% IL 22/03/68	1,100,400	1,177	0.78
UK Treasury 0.25% IL 22/03/52	605,000	728	0.48
UK Treasury 0.375% IL 22/03/62	550,000	697	0.46
UK Treasury 0.5% IL 22/03/50	323,500	477	0.31
UK Treasury 0.625% IL 22/03/40	115,000	185	0.12
UK Treasury 0.625% IL 22/11/42	400,000	644	0.42
UK Treasury 0.625% IL 22/03/45	500,001	452	0.30
UK Treasury 0.75% IL 22/03/34	1,200,000	1,918	1.27
UK Treasury 0.75% IL 22/11/47	800,300	1,301	0.86
UK Treasury 1.125% IL 22/11/37	650,000	1,229	0.81
UK Treasury 1.25% IL 22/11/27	2,000,000	3,902	2.58
UK Treasury 1.25% IL 22/11/32	1,429,000	2,589	1.71
UK Treasury 1.25% IL 22/11/55	200,565	405	0.27
UK Treasury 2% IL 26/01/35	216,000	515	0.34
UK Treasury 2.5% IL 17/07/24	1,406,000	5,269	3.48
UK Treasury 4.125% IL 22/07/30	240,000	805	0.53
Traditional Government Bonds 3.32% (31/05/22: 5.37%)			
UK Treasure 0.125% 30/01/24	100,000	98	0.06
UK Treasury 0.25% 31/01/25	300,000	279	0.18
UK Treasury 0.5% 22/10/61	1,200,000	352	0.23
UK Treasury 0.875% 22/10/29	400,000	329	0.22
UK Treasury 0.875% 31/07/33	2,500,000	1,821	1.20
UK Treasury 1.5% 31/07/53	800,000	409	0.27
UK Treasury 2.5% 22/07/65	12,000	8	0.01
UK Treasury 3.25% 22/01/44	28,000	24	0.02
UK Treasury 3.5% 22/01/45	70,000	60	0.04
UK Treasury 3.5% 22/07/68	80,000	67	0.04
UK Treasury 3.75% 22/07/52	59,000	52	0.03
UK Treasury 4% 22/01/60	76,000	70	0.05
UK Treasury 4.25% 07/06/32	100,000	101	0.07

AXA Ethical Distribution Fund

Portfolio Statement

As at 31 May 2023

	Holding	Market Value £'000	% of Total Net Assets
UK Treasury 4.25% 07/12/40	74,000	72	0.05
UK Treasury 4.25% 07/12/46	1,000,000	961	0.63
UK Treasury 4.25% 07/12/49	38,000	36	0.01
UK Treasury 4.25% 07/12/55	89,000	86	0.06
UK Treasury 4.5% 07/12/42	50,000	50	0.02
UK Treasury 4.75% 07/12/30	184,000	192	0.13
TOTAL GOVERNMENT BONDS		65,704	43.35
Portfolio of investments		150,063	99.06
Net other assets		1,422	0.94
Total net assets		151,485	100.00

All investments are ordinary shares unless otherwise stated.
All bonds are denominated in Sterling (unless otherwise indicated).
* Since the previous report industry classifications have been updated. Comparative figures have been updated where appropriate.

AXA Ethical Distribution Fund

Comparative Tables

As at 31 May 2023

	B Accumulation			B Income		
	31/05/2023	31/05/2022	31/05/2021	31/05/2023	31/05/2022	31/05/2021
Change in net assets per share	(p)	(p)	(p)	(p)	(p)	(p)
Opening net asset value per share †	130.14	143.71	122.14	116.18	129.93	111.41
Return before operating charges ^	(9.29)	(12.81)	22.26	(8.29)	(11.49)	20.28
Operating charges ^	(0.63)	(0.76)	(0.69)	(0.56)	(0.68)	(0.63)
Return after operating charges ^	(9.92)	(13.57)	21.57	(8.85)	(12.17)	19.65
Distributions	(3.21)	(1.75)	(1.23)	(2.85)	(1.58)	(1.13)
Retained distributions on accumulation shares	3.21	1.75	1.23	-	-	-
Closing net asset value per share †	120.22	130.14	143.71	104.48	116.18	129.93
*^ after direct transaction costs of:	0.03	0.10	0.02	0.03	0.09	0.02
Performance						
Return after operating charges	-7.62%	-9.44%	17.66%	-7.62%	-9.37%	17.64%
Other information						
Closing net asset value (£) †	7,773,387	8,864,911	10,204,940	21,763	25,008	26,493
Closing number of shares	6,465,893	6,811,891	7,101,044	20,829	21,526	20,389
Operating charges ^	0.52%	0.52%	0.53%	0.52%	0.52%	0.53%
Direct transaction costs *	0.02%	0.07%	0.02%	0.02%	0.07%	0.02%
Prices						
Highest share price #	130.10	153.80	143.90	116.10	139.00	130.80
Lowest share price #	107.00	124.80	121.50	95.48	112.30	110.80

	D Accumulation~		D Income~	
	31/05/2023	31/05/2022	31/05/2023	31/05/2022
Change in net assets per share	(p)	(p)	(p)	(p)
Opening net asset value per share †	159.37	158.90	175.52	176.40
Return before operating charges ^	(11.35)	0.51	(12.48)	0.55
Operating charges ^	(1.67)	(0.04)	(1.83)	(0.04)
Return after operating charges ^	(13.02)	0.47	(14.31)	0.51
Distributions	(3.92)	(1.25)	(4.30)	(1.39)
Retained distributions on accumulation shares	3.92	1.25	-	-
Closing net asset value per share †	146.35	159.37	156.91	175.52
*^ after direct transaction costs of:	0.04	0.18	0.04	0.20
Performance				
Return after operating charges	-8.17%	0.30%	-8.15%	0.29%
Other information				
Closing net asset value (£) †	204,012	269,456	54,408	84,045
Closing number of shares	139,401	169,071	34,674	47,882
Operating charges ^	1.12%	1.12%	1.12%	1.12%
Direct transaction costs *	0.02%	0.07%	0.02%	0.07%
Prices				
Highest share price #	159.10	159.80	175.20	177.40
Lowest share price #	130.70	158.90	143.90	176.40

AXA Ethical Distribution Fund

Comparative Tables

As at 31 May 2023

	R Accumulation			R Income		
	31/05/2023	31/05/2022	31/05/2021	31/05/2023	31/05/2022	31/05/2021
Change in net assets per share	(p)	(p)	(p)	(p)	(p)	(p)
Opening net asset value per share †	159.40	177.81	152.63	175.51	198.28	171.72
Return before operating charges ^	(11.35)	(15.69)	27.66	(12.49)	(17.35)	31.06
Operating charges ^	(2.26)	(2.72)	(2.48)	(2.47)	(3.03)	(2.78)
Return after operating charges ^	(13.61)	(18.41)	25.18	(14.96)	(20.38)	28.28
Distributions	(3.92)	(2.15)	(1.53)	(4.29)	(2.39)	(1.72)
Retained distributions on accumulation shares	3.92	2.15	1.53	-	-	-
Closing net asset value per share †	145.79	159.40	177.81	156.26	175.51	198.28
*^ after direct transaction costs of:	0.04	0.13	0.03	0.04	0.14	0.03
Performance						
Return after operating charges	-8.54%	-10.35%	16.50%	-8.52%	-10.28%	16.47%
Other information						
Closing net asset value (£) †	65,126,559	79,256,220	86,725,637	365,657	557,080	792,036
Closing number of shares	44,672,057	49,720,895	48,774,190	234,011	317,404	399,452
Operating charges ^	1.52%	1.52%	1.53%	1.52%	1.52%	1.53%
Direct transaction costs *	0.02%	0.07%	0.02%	0.02%	0.07%	0.02%
Prices						
Highest share price #	159.00	189.70	178.00	175.00	211.60	199.60
Lowest share price #	130.50	153.00	151.60	143.70	169.80	170.60

AXA Ethical Distribution Fund

Comparative Tables

As at 31 May 2023

	Z Accumulation			Z Income		
	31/05/2023	31/05/2022	31/05/2021	31/05/2023	31/05/2022	31/05/2021
Change in net assets per share	(p)	(p)	(p)	(p)	(p)	(p)
Opening net asset value per share †	183.99	203.69	173.55	192.08	215.37	185.13
Return before operating charges ^	(13.13)	(18.12)	31.58	(13.68)	(19.01)	33.63
Operating charges ^	(1.32)	(1.58)	(1.44)	(1.38)	(1.67)	(1.53)
Return after operating charges ^	(14.45)	(19.70)	30.14	(15.06)	(20.68)	32.10
Distributions	(4.54)	(2.47)	(1.75)	(4.71)	(2.61)	(1.86)
Retained distributions on accumulation shares	4.54	2.47	1.75	-	-	-
Closing net asset value per share †	169.54	183.99	203.69	172.31	192.08	215.37
*^ after direct transaction costs of:	0.04	0.15	0.03	0.04	0.16	0.04
Performance						
Return after operating charges	-7.85%	-9.67%	17.37%	-7.84%	-9.60%	17.34%
Other information						
Closing net asset value (£) †	67,036,540	93,338,397	100,272,168	10,902,527	14,306,664	18,054,471
Closing number of shares	39,539,168	50,730,137	49,227,400	6,327,108	7,448,288	8,383,046
Operating charges ^	0.77%	0.77%	0.78%	0.77%	0.77%	0.78%
Direct transaction costs *	0.02%	0.07%	0.02%	0.02%	0.07%	0.02%
Prices						
Highest share price #	183.80	217.80	203.90	191.80	230.30	216.80
Lowest share price #	151.10	176.50	172.60	157.70	185.70	184.10

† Valued at bid-market prices.
# High and low price disclosures are based on quoted share prices (Mid Market Price). Therefore the opening and closing NAV prices may fall outside the high / low price threshold.
^ Operating charges include indirect costs incurred in the maintenance and running of the Fund, as disclosed in the detailed expenses within the Statement of Total Return.
* Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, within the accounting year.
The figures used within the table have been calculated against the average net asset value for the accounting year.
~ D share class launched on 25 May 2022.

AXA Ethical Distribution Fund

Statement of Total Return

For the year ended 31 May 2023

	Note	31/05/23 £'000	31/05/23 £'000	31/05/22 £'000	31/05/22 £'000
Income:					
Net capital losses	2		(17,959)		(22,432)
Revenue	3	4,478		2,682	
Expenses	4	(1,815)		(2,323)	
Interest payable and similar charges		-		-	
Net revenue before taxation		2,663		359	
Taxation	5	-		(8)	
Net revenue after taxation			2,663		351
Total return before distributions			(15,296)		(22,081)
Distributions	6		(4,447)		(2,646)
Change in net assets attributable to Shareholders from investment activities			**(19,743)**		**(24,727)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2023

	31/05/23 £'000	31/05/23 £'000	31/05/22 £'000	31/05/22 £'000
Opening net assets attributable to Shareholders		196,702		216,076
Amounts receivable on issue of shares	3,299		24,673	
Amounts payable on cancellation of shares	(32,678)		(21,757)	
		(29,379)		2,916
Change in net assets attributable to Shareholders from investment activities (see above)		(19,743)		(24,727)
Retained distributions on accumulation shares		3,905		2,437
Closing net assets attributable to Shareholders		**151,485**		**196,702**

AXA Ethical Distribution Fund

Balance Sheet

As at 31 May

	Note	31/05/23 £'000	31/05/22 £'000
Assets:			
Fixed assets:			
Investments		150,063	191,163
Current assets:			
Debtors	7	360	1,412
Cash and bank balances	8	2,595	6,106
Total assets		153,018	198,681
Liabilities:			
Creditors:			
Distribution payable		(184)	(118)
Other creditors	9	(1,349)	(1,861)
Total liabilities		(1,533)	(1,979)
Net assets attributable to Shareholders		151,485	196,702

AXA Ethical Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

1. Accounting Basis And Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 164-167.

2. Net capital losses

	31/05/23 £'000	31/05/22 £'000
The net capital losses comprise:		
Non-derivative securities	(17,959)	(22,431)
Transaction charges	-	(1)
Net capital losses	(17,959)	(22,432)

3. Revenue

	31/05/23 £'000	31/05/22 £'000
Bank interest	36	2
Interest on debt securities	1,612	86
Overseas dividends	92	124
UK dividends	2,621	2,383
Property revenue from REITs	117	87
Total revenue	4,478	2,682

4. Expenses

	31/05/23 £'000	31/05/22 £'000
Payable to the ACD, associates of the ACD, and agents of either of them		
Annual management charge	1,784	2,295
Registration fees	4	5
	1,788	2,300
Other expenses		
Audit fees	9	5
Depositary's fees	17	17
Printing fees	-	(2)
Safe custody fees	1	3
	27	23
Total expenses	1,815	2,323

Expenses include irrecoverable VAT where applicable.

AXA Ethical Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

5. Taxation

	31/05/23 £'000	31/05/22 £'000
(a) Analysis of the tax charge in the year		
Irrecoverable overseas tax	-	8

(b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax for an open ended investment company of 20% (2022: 20%) is applied to the net revenue before taxation. The differences are explained below:

	31/05/23 £'000	31/05/22 £'000
Net revenue before taxation	2,663	359
Net revenue for the year multiplied by the standard rate of corporation tax	533	72
Effects of:		
Irrecoverable overseas tax	-	8
Movement in excess management expenses	1,609	1,841
Relief for indexation on UK Gilts	(1,589)	(1,410)
Revenue not subject to corporation tax	(553)	(503)
Tax charge for the year	-	8

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Deferred taxation:

There is no provision required for deferred taxation at the balance sheet date in the current year or prior year.

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £9,032,964 (2022: £7,424,210) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

AXA Ethical Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

6. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	31/05/23 £'000	31/05/22 £'000
Interim	1,801	1,101
Final	2,426	1,541
Add: Revenue paid on cancellation of shares	242	90
Deduct: Revenue received on creation of shares	(22)	(86)
Net distribution for the year	4,447	2,646
Reconciliation of net revenue after taxation to distributions		
Net revenue after taxation	2,663	351
Expenses charged to capital	1,784	2,295
Net distribution for the year	4,447	2,646

7. Debtors

	31/05/23 £'000	31/05/22 £'000
Amounts receivable for creation of shares	8	10
Sales awaiting settlement	-	1,011
Accrued revenue	352	391
Total debtors	360	1,412

8. Cash and bank balances

	31/05/23 £'000	31/05/22 £'000
Cash and bank balances	2,595	6,106
Total cash and bank balances	2,595	6,106

9. Other creditors

	31/05/23 £'000	31/05/22 £'000
Amounts payable for cancellation of shares	1,054	597
Purchases awaiting settlement	-	897
Accrued annual management charge	279	350
Accrued other expenses	16	17
Total other creditors	1,349	1,861

AXA Ethical Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

10. Related party transactions

The ACD is related to the Fund as defined by Financial Reporting Standard 102.33 'Related Party Disclosures'.

Annual management charge paid to the ACD and Registration fees are disclosed in Note 4 and amounts due at the year end are disclosed in Note 9.

Monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in Notes 7 and 9.

The ACD and its associates (including other authorised investment Funds managed by the ACD) have no shareholdings in the Company at the year end.

11. Share classes

The reconciliation of the opening and closing numbers of shares of each class, along with the ACD's annual management charges applicable to each class, is shown below:

	Annual Management Charge rate (%)	31/05/22	Issued	Cancelled	Converted	31/05/23
B Accumulation	0.50	6,811,891	15,383	(361,381)	-	6,465,893
B Income	0.50	21,526	-	(697)	-	20,829
D Accumulation	1.10	169,071	8,679	(54,143)	15,794	139,401
D Income	1.10	47,882	1,819	(15,027)	-	34,674
R Accumulation	1.50	49,720,895	752,937	(5,483,613)	(318,162)	44,672,057
R Income	1.50	317,404	24,149	(72,458)	(35,084)	234,011
Z Accumulation	0.75	50,730,137	635,227	(12,086,947)	260,751	39,539,168
Z Income	0.75	7,448,288	268,416	(1,421,409)	31,813	6,327,108

12. Commitments, contingent liabilities and contingent assets

There are no commitments, contingent liabilities and contingent assets as at the balance sheet date (2022: nil).

13. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are outlined below.

Market price risk

The Fund invests principally in equity and fixed income securities. The value of the Fund's investment portfolio is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual company or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Fund seeks to manage these risks by adhering to investment guidelines and to investment and borrowing powers set out in the Prospectus. In addition, the Fund complies with the Collective Investment Schemes sourcebook ("COLL"), which include rules relating to investment holdings that are designed to place limits on the Fund's investment concentration (same as at 31 May 2022).

AXA Ethical Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

Market price risk sensitivity

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £15,006,276 (2022: £19,116,306). A 10% decrease would have an equal and opposite effect.

Foreign currency risk

The functional currency of the Fund is Sterling. All assets and liabilities of the Fund are denominated in Pound sterling. There was no direct foreign currency exposure within the Fund at the balance sheet date.

Interest rate risk

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital, with the exception of index linked bonds which are protected against the effect of inflation.

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. A 1% increase in interest rates would have the effect of decreasing the return and net assets £5,879,159 (2022: £8,288,501) . A 1% decrease would have an equal and opposite effect.

The table below shows the interest rate risk profile at the balance sheet date:

Currency Assets	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31/05/23				
Pound sterling	2,595	65,704	84,719	153,018
Total	2,595	65,704	84,719	153,018
31/05/22				
Pound sterling	6,106	82,561	110,014	198,681
Total	6,106	82,561	110,014	198,681

Currency Liabilities	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31/05/23				
Pound sterling	-	-	(1,533)	(1,533)
Total	-	-	(1,533)	(1,533)
31/05/22				
Pound sterling	-	-	(1,979)	(1,979)
Total	-	-	(1,979)	(1,979)

AXA Ethical Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

Credit risk

The Fund runs a very low credit risk in respect of unsettled investment transactions as these are normally settled as cash against delivery.

Fixed interest investments are exposed to credit risk which reflects the ability of the bond issuer to meet its obligations. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. The ACD monitors the credit quality and risk of the portfolio as a part of the overall investment process and in accordance with the objective and policy of each fund.

Transactions in securities may expose a fund to the risk that the counterparty will not settle the transaction or do so on a timely basis.

All transactions in the funds are conducted through counterparties approved by the ACD.

A breakdown of the investment portfolio by credit rating is disclosed on the table below:

Credit Rating	31/05/23 Market Value £'000	%	31/05/22 Market Value £'000	%
Investment grade (BBB- credit rating and above)	65,704	43.35	82,561	41.97
Total value of bonds	65,704	43.35	82,561	41.97

14. Portfolio transaction costs

31/05/2023	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
Analysis of purchases						
Bonds	18,919	-	-	-	-	18,919
Equities	6,304	3	0.04	28	0.45	6,335
Total	25,223	3		28		25,254

31/05/2023	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
Analysis of sales						
Bonds	25,241	-	-	-	-	25,241
Equities	24,246	(11)	(0.05)	-	-	24,235
Total	49,487	(11)		-		49,476

AXA Ethical Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

31/05/2022	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
Analysis of purchases						
Bonds	47,578	-	-	-	-	47,578
Equities	30,640	15	0.05	127	0.41	30,782
Total	78,218	15		127		78,360

31/05/2022	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
Analysis of sales						
Bonds	44,333	-	-	-	-	44,333
Equities	27,350	(16)	(0.06)	-	-	27,334
Total	71,683	(16)		-		71,667

Transaction costs as percentage of average net asset value	31/05/23 %	31/05/22 %
Commissions	0.01	0.01
Taxes	0.01	0.06

At the balance sheet date the average portfolio dealing spread was 0.21% (2022: 0.23%).

15. Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

16. Fair value disclosure

	31/05/23		31/05/22	
Valuation technique	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1 ^	150,063	-	191,163	-
Level 2 ^^	-	-	-	-
Level 3 ^^^	-	-	-	-
	150,063	-	191,163	-

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

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

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

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

AXA Ethical Distribution Fund

Distribution Table

As at 31 May 2023

Interim Distribution in pence per share

Group 1 Shares purchased prior to 1 June 2022

Group 2 Shares purchased on or after 1 June 2022 to 30 November 2022

	Net revenue (p)	Equalisation (p)	Distribution paid 31/01/23 (p)	Distribution paid 31/01/22 (p)
Share Class B Accumulation				
Group 1	1.294	-	1.294	0.729
Group 2	0.399	0.895	1.294	0.729
Share Class B Income				
Group 1	1.155	-	1.155	0.661
Group 2	1.155	-	1.155	0.661
Share Class D Accumulation~				
Group 1	1.582	-	1.582	
Group 2	1.582	-	1.582	
Share Class D Income~				
Group 1	1.743	-	1.743	
Group 2	1.743	-	1.743	
Share Class R Accumulation				
Group 1	1.581	-	1.581	0.900
Group 2	0.777	0.804	1.581	0.900
Share Class R Income				
Group 1	1.740	-	1.740	1.003
Group 2	1.199	0.541	1.740	1.003
Share Class Z Accumulation				
Group 1	1.828	-	1.828	1.032
Group 2	0.815	1.013	1.828	1.032
Share Class Z Income				
Group 1	1.908	-	1.908	1.091
Group 2	0.507	1.401	1.908	1.091

AXA Ethical Distribution Fund

Distribution Table

As at 31 May 2023

Final Distribution in pence per share
Group 1 Shares purchased prior to 1 December 2022
Group 2 Shares purchased on or after 1 December 2022 to 31 May 2023

	Net revenue (p)	Equalisation (p)	Distribution payable 31/07/23 (p)	Distribution paid 29/07/22 (p)
Share Class B Accumulation				
Group 1	1.920	-	1.920	1.018
Group 2	1.133	0.787	1.920	1.018
Share Class B Income				
Group 1	1.699	-	1.699	0.918
Group 2	1.699	-	1.699	0.918
Share Class D Accumulation~				
Group 1	2.341	-	2.341	1.249
Group 2	0.878	1.463	2.341	1.249
Share Class D Income~				
Group 1	2.554	-	2.554	1.388
Group 2	2.554	-	2.554	1.388
Share Class R Accumulation				
Group 1	2.334	-	2.334	1.250
Group 2	1.256	1.078	2.334	1.250
Share Class R Income				
Group 1	2.546	-	2.546	1.388
Group 2	1.344	1.202	2.546	1.388
Share Class Z Accumulation				
Group 1	2.709	-	2.709	1.440
Group 2	1.402	1.307	2.709	1.440
Share Class Z Income				
Group 1	2.802	-	2.802	1.515
Group 2	1.189	1.613	2.802	1.515

~ D share class launched on 25 May 2022.

AXA Global Sustainable Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

Investment Objective

The aim of this Fund is to achieve income and capital growth over a period of 5 years or more.

Investment Policy

The Fund invests in a mix of shares in listed companies worldwide and bonds issued by developed market governments worldwide (which are linked to the rate of inflation in those countries) and cash. The Fund's typical asset mix would range between 50-60% investment in shares with the remainder being invested mostly in index-linked government bonds and cash.

The Manager invests in shares of listed companies which it believes have leading or improving ESG practices. These companies will either demonstrate leadership on sustainability issues (such as promoting better social outcomes, increasing the amount of renewable energy and using the planet's resources more sustainably and increased digitalisation) through strong environmental, social and governance (ESG) practices (“leaders”) or will have shown a clear commitment to improve their ESG practices (“companies in transition”). The majority of the Fund's equity investments (50% or more) will be in “leaders”. The Manager will actively engage on sustainability issues with a particular focus on “companies in transition”. The Manager will also analyse a company's financial status, quality of management, expected profitability and prospects for growth when selecting shares.

In selecting investments (bonds and shares), the Manager will take into account the ESG score of the sovereign issuer or company (as appropriate). ESG scores are produced by our selected external provider(s). In certain circumstances (including unavailability of a score), the Manager will calculate the sovereign issuer's or company's ESG score using its proprietary internal scoring methodology. The Manager believes that companies with a high ESG score will generate sustained growth and returns over time and that sovereign issuers with high ESG scores will benefit in terms of their ongoing ability to issue. The Manager will only consider the lowest scoring companies for the Fund in exceptional circumstances.

In addition, to avoid investing in bonds or shares which present excessive degrees of environmental, social and governance (ESG) risk, the Manager applies AXA IM Group's sector specific investment guidelines relating to responsible investment to the Fund. Such guidelines exclude investment in (or exposure to) certain companies based on their involvement in specific sectors (such as soft commodity derivatives, palm oil (including deforestation and natural ecosystems conversion), controversial weapons and climate risks).

The Manager also applies the AXA Investment Managers' ESG Standards policy. This policy excludes investment in companies based on: tobacco production; manufacture of white phosphorus weapons; human rights; anticorruption and other environmental, social and governance (ESG) factors. The AXA Investment Managers' ESG Standards policy and AXA IM Group's sector specific investment guidelines are subject to change and the latest copies are available from the fund manager on request.

If the Manager deems that an investment no longer meets the criteria set out in this investment policy or its expectations in terms of that investment's prospects for achieving income and long term capital growth or, in the case of a company, becomes unresponsive to the Manager's engagement efforts, the Manager will disinvest as soon as practicable having regard to the best interests of the Fund's investors and in accordance with its best execution policy.

In constructing the Fund's portfolio, the Manager references a composite benchmark made up of the following indices in the stated proportions: 55% MSCI AC World Total Return Net; 45% ICE BofAML Global Govt Inflation Linked (GBP Hedged) (the “Benchmark”). The Manager has full discretion to select investments for the Fund in line with its investment policy and in doing so may take into consideration the Benchmark. The Benchmark is designed to measure the performance of medium to large-cap stocks from a number of developed and emerging markets as selected by the Benchmark provider and index-linked bonds issued by developed market governments. This Benchmark best represents the types of bonds and companies in which the Fund predominantly invests.

AXA Global Sustainable Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management. Use may be made of borrowing, cash holdings, hedging and other investment techniques permitted in the applicable Financial Conduct Authority rules. The Benchmark may be used by investors to compare the Fund's performance.

Risk and Reward Profile

As at 31 May 2023

By investing in a fund which can invest up to 60% in equities you are likely to be looking for an investment which has lower risk than a pure equity based fund but you are prepared to accept some risk for potential reward. 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 predominantly in equities. You are aware that investing in a fund which has a global remit can increase risk because of currency movements in return for greater potential reward.

Lower Risk						Higher Risk
Potentially lower reward						Potentially higher reward
1	2	3	**4**	5	6	7

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. There has been no change from prior year.

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.

Key Risks

Under normal market conditions the Fund’s key risk factors are:

• ESG risk - applying ESG and sustainability criteria to the investment process may exclude securities of certain issuers for non-investment reasons and therefore some market opportunities available to funds that do not use ESG or sustainability criteria may be unavailable for the Fund, and the Fund's performance may at times be better or worse than the performance of relatable funds that do not use ESG or sustainability criteria. The selection of assets may in part rely on a proprietary ESG scoring process or ban lists that rely partially on third party data. The lack of common or harmonised definitions and labels integrating ESG and sustainability criteria may result in different approaches by managers when setting ESG objectives and determining that these objectives have been met by the funds they manage. This also means that it may be difficult to compare strategies integrating ESG and sustainability criteria to the extent that the selection and weightings applied to select investments may to a certain extent be subjective or based on metrics that may share the same name but have different underlying meanings. Investors should note that the subjective value that they may or may not assign to certain types of ESG criteria may differ substantially from the fund manager’s methodology. The lack of harmonised definitions may also potentially result in certain investments not benefitting from preferential tax treatments or credits because ESG criteria are assessed differently than initially thought.

ESG risk as defined, is an inherent risk to following a strategy which incorporates ESG factors. For data quality and consistency aspects, exposure is managed where possible by the use of carefully selected data providers.

AXA Global Sustainable Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

• 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 individual fund’s investment objectives and investment policy.

• 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 more 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 individual fund’s investment objectives and investment policy. These guidelines could include measures of sensitivity to changes of interest rates.

• Index-linked bonds risk - are fixed interest securities whose capital repayment amounts and interest payments are adjusted in line with movements in inflation indices. They are designed to mitigate the effects of inflation on the value of a portfolio. The market value of index-linked bonds is determined by the market’s expectations of future movements in both interest rates and inflation rates.

As with other bonds, the value of index-linked bonds will generally fall when expectations of interest rates rise and vice versa. However, when the market anticipates a rise in inflation rates, index-linked bonds will generally outperform other bonds, and vice versa.

Index-linked bonds bought in the secondary market (i.e., not directly from the issuer) whose capital values have been adjusted upward due to inflation since issuance, may decline in value if there is a subsequent period of deflation.

Due to the sensitivity of these bonds to interest rates and expectations of future inflation, there is no guarantee that the value of these bonds will correlate with inflation rates in the short to medium term.

Index-linked bonds risk is an inherent risk of investing in index-linked bonds. Exposure to this risk is managed by the allocation decision on the proportion of the portfolio to invest in index-linked bonds, as well as the amount of remaining maturity of these bonds, which will affect their sensitivity in value, to changes in expected inflation levels.

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Investment Manager's Report

For the year ended 31 May 2023

• Risks linked to investment in sovereign debt - the Fund may invest in bonds issued by countries and governments (sovereign debt). The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the capital and/or interest when due in accordance with the terms of such debt. In such a scenario, the value of investments of the Fund may be adversely affected. A governmental entity's willingness or ability to repay capital and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign currency reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest on their debt. In addition, there are no bankruptcy proceedings for such issuers under which money to pay the debt obligations may be collected in whole or in part. Holders may be requested to participate in the rescheduling of such sovereign debt and to extend further loans to the issuers.

Certain countries are especially large debtors to commercial banks and foreign governments. Investment in sovereign debt issued or guaranteed by such countries (or their governments or governmental entities) involves a higher degree of risk than investment in other sovereign debt.

Certain funds may be further subject to the risk of high concentration in bonds issued by and/or guaranteed by a single sovereign issuer which is below investment grade and/or unrated which is also subject to higher credit risk. In the event of a default of the sovereign issuer, the Fund may suffer significant loss.

This is an inherent risk for funds invested within sovereign bonds. Internal investment guidelines, scenario testing as well as other regular monitoring seek to ensure the level of risk is aligned with each individual fund's investment objectives and investment policy.

• Emerging Markets risk - investment in emerging markets (countries that are transitioning towards more advanced financial and economic structures) may involve a higher risk than those inherent in established markets. Emerging markets and their currencies may experience unpredictable and dramatic fluctuations from time to time. Investors should consider whether or not investment in such Funds is either suitable for or should constitute a substantial part of an investor's portfolio.

Companies in emerging markets may not be subject to:

a) accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in developed markets;

b) the same level of government supervision and regulation of stock exchanges as countries with more advanced securities markets.

Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions.

Restrictions on foreign investment in emerging markets may preclude investment in certain securities by the Funds referred to above and, as a result, limit investment opportunities for those Funds. Substantial government involvement in, and influence on, the economy, as well as a lack of political or social stability, may affect the value of securities in certain emerging markets.

The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in delays in realising investments.

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Lack of liquidity and efficiency in certain of the stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the ACD may experience more difficulty in purchasing or selling holdings of securities than it would in a more developed market.

This is an inherent risk for funds invested within Emerging Markets. Internal investment guidelines (such a diversification measures), scenario testing as well as other regular monitoring seek to ensure the level of risk is aligned with each individual fund's investment objectives and investment policy.

• Investment in China A Shares via the Stock Connect program risk - some Funds may invest in China A shares (shares issued by domestic markets in mainland China in Chinese renminbi) through the Stock Connect program. China A shares are generally only available for investment by residents of mainland China or by foreign investors through tightly regulated structures. The Stock Connect program is one structure through which foreign investors can invest in China A shares by providing mutual market access via the Hong Kong Stock Exchange, Shanghai Stock Exchange and Shenzhen Stock Exchange. In addition to the risks disclosed under Emerging Markets Risk and Political, Economic, Convertibility and Regulatory Risk, investment by the Funds via the Stock Connect program also involves the following risks.

Some geographical areas in which the Fund may invest (including but not limited to Asia, the Eurozone and the US) may be affected by economic or political events or measures, changes in government policies, laws or tax regulations, currency convertibility, or by currency redenomination, restrictions on foreign investments, and more generally by economic and financial difficulties. In such contexts, volatility, liquidity, credit and currency risks may increase and adversely impact the Net Asset Value of the Fund.

Investment limitations

The Stock Connect program is subject to quota limitations applying across all participants and utilised on a first-come-firstserved basis. Once the quota is exceeded, buy orders will be rejected although sell orders would not be impacted. Such quota limitations may restrict a Fund's ability to invest in China A shares through the Stock Connect program on a timely basis, and the Fund may not be able to effectively pursue its investment strategy.

In addition a particular stock may be recalled from the scope of eligible stocks for trading via the Stock Connect program and in such a case a Fund would not be able to buy that stock (although it could sell it). This may affect the ability of the Fund to implement its investment strategy.

Each of the stock exchanges participating in the Stock Connect program reserves the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. A suspension could adversely affect a Fund's ability to access the mainland China stock markets.

The Stock Connect program only operates on days when both the Chinese and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. As a result there may be occasions when it is a normal trading day for the mainland China market but a Fund cannot trade China A Shares via the Stock Connect program as that day is not a trading day in Hong Kong. The Fund would be subject to a risk of price fluctuations in China A Shares for the period it cannot trade via the Stock Connect program.

In practice, the Fund mitigates the above risks by the relatively small proportion of the fund which is invested using the Hong Kong Stock Connect. For making new or increased investments, it is also notable that the portfolio manager has access to a broad range of opportunities elsewhere in the market.

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For the year ended 31 May 2023

Operational risk

The Stock Connect program is premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain operational and risk management requirements. The securities regimes and legal systems of Hong Kong stock exchange and the mainland China stock exchanges differ significantly and market participants may need to address issues arising from the differences on an on-going basis.

There is no assurance that the system of the stock exchanges and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. A Fund's ability to access the China A share market and pursue its investment strategy may be adversely affected.

The Manager monitors the normal functioning of trading activity on an ongoing basis.

Execution issues

The Stock Connect program permits trades to be executed through one or multiple brokers that are market participants. Given the custody requirements for the Funds, the ACD may determine that it is in the interest of a Fund that it only executes trades via the Stock Connect program through a market participant that is part of the Depositary's sub-custodian network. In that situation, whilst the ACD will be cognisant of its best execution obligations, it will not have the ability to trade through multiple brokers and any switch to a new broker will not be possible without a commensurate change to the Depositary's sub-custody arrangements.

The Manager performs ongoing transaction cost analysis to ensure that all brokers used continue to provide value for their services.

Ownership of Stock Connect securities

China A shares purchased via the Stock Connect program are held by the sub-custodian in accounts in the clearing system of Hong Kong's central securities Depository. The Hong Kong central securities Depository, in turn, holds the China A shares as nominee through an omnibus securities account in its name registered with the Chinese central securities Depository. This means that there are multiple legal frameworks involved in establishing legal title to the China A shares and there are increased exposed to the credit risk of both the Hong Kong and Chinese central securities Depository but neither the ACD nor the Depositary have a legal relationship with such Depository's and therefore have no direct recourse in the event of suffering a loss resulting from their performance or insolvency. While the Stock Connect program recognises the Fund's beneficial ownership of the China A shares, there is a risk that the nominee structure may not be recognised under Chinese law and, in the event of the insolvency of the Hong Kong central securities Depository, there is uncertainty as to whether the Fund's China A shares would be available to creditors of the Hong Kong central securities Depository or regarded as held on behalf of the Fund. Trading via the Stock Connect program is not covered by investor protection/compensation funds in either Hong Kong or mainland China.

Such risks are mitigated by the low proportion of the fund which is typically invested via the Hong Kong Stock Connect.

• Stock lending risk - the Fund may participate in a stock lending programme managed by an affiliate of the ACD (acting as stock lending agent) for the purpose of lending a Fund's securities via entering into a stock lending authorisation agreement. If a 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

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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 a 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.

Other risks which could have an impact in extreme market conditions include:

• Currency risk - assets of the Fund (including cash), and any income paid on those assets, may be denominated in a currency other than the base currency of the Fund. Changes in the exchange rate between the base currency and the currency of an asset may cause the value of the asset/income (expressed in the base currency) to fall as well as rise even if there is no change of the value of such assets in its local currency. This may also cause additional volatility in the Fund's Price. It may not be possible or practicable to hedge against such exchange rate risk.

The ACD aims to reduce the risk of movements in exchange rates on the value of all or part of the assets of the Fund through the use of currency exchange transactions. The Fund may enter into currency exchange transactions either on a spot basis (i.e., exchanging at the current price) or through forward currency transactions (i.e., agreeing to purchase the currency at an agreed price at a future date). Neither spot transactions nor forward currency transactions will completely eliminate fluctuations in the prices of the Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. The performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

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Although these transactions are intended to minimise the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. Forward currency transactions may also have the effect of reducing or enhancing the Fund's performance due to the difference between the exchange rate available on such transactions compared to the current (spot) exchange rate. Under normal market conditions this difference in exchange rates is mainly caused by the different short term interest rates applicable to the currency of the assets and the base currency of the Fund. Where the interest rate applying to the foreign currency is higher than that of the Fund's base currency, this can reduce the Fund's performance and vice-versa. This impact on performance is usually far less pronounced than the effect of fluctuations of exchange rates that the use of such transactions is intended to reduce, but the impact can be significant over time, particularly where there is a wide gap between the interest rates applicable to the two currencies. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. Therefore, the successful execution of a hedging strategy which matches exactly the profile of the investments of any fund cannot be assured. Furthermore, it may not be possible to hedge against generally anticipated exchange or interest rate fluctuations at a price sufficient to protect the Fund from the anticipated decline in value of its assets as a result of such fluctuations.

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

• 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 Shareholders buying or selling Shares 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.

• Counterparty risk - at any one time, the Fund may be exposed to the creditworthiness and stability of the counterparties to transactions entered into by the Fund (including derivative and stock lending and repo/reverse repo transactions). The Fund will be subject to the risk of the inability of its counterparties to perform its obligations under such transactions (default), whether due to insolvency, bankruptcy or other causes. In the event of the insolvency of a counterparty, the Fund might not be able to recover cash or assets of equivalent value, to that invested, in full. The Fund may receive assets or cash from the counterparty (collateral) to protect against any such adverse effect. Where relevant, a counterparty will forfeit its collateral if it defaults on the transaction with the Fund. However, if the collateral is in the form of securities, there is a risk that when it is sold, it will realise insufficient cash to settle the counterparty's debt to the Fund under a transaction or to purchase replacement securities that were lent to the counterparty under a stock lending arrangement. In relation to stock lending arrangements, there is also the risk that while cash is recovered in the event of a default, the actual stock cannot be repurchased. Furthermore, to the extent that collateral is not present to cover part or all of the debt, a counterparty default may result in losses for the affected Fund. To assist in managing these types of risks, the ACD sets criteria around the types of eligible collateral the Fund may accept. Please see the paragraph entitled "Treatment of Collateral" in the "Investment and borrowing powers applicable to the Funds" section in Appendix II of the Prospectus for more information.

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Transactions in securities that the Fund may enter into expose it to the risk that the counterparty will not deliver the investment for a purchase or cash for a sale after the Fund has contracted to fulfil its responsibilities. This is minimised by the practice in the majority of markets of delivery versus payment and short settlement periods.

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

Important Information

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.

Market Review

The 12-month period to 31st May 2023 has been a challenging one, with both equity and fixed income markets having to adjust to a fundamentally changed set of macroeconomic factors. A year ago, the world was dealing with the impact of Russia invading Ukraine, sharply higher energy prices as well as the after-effects of COVID-19-related supply chain disruption created by the unsuccessful Chinese 'Zero Covid' policy. This combination of factors as well as government COVID-19 fiscal stimulus packages enabled inflation to set in. Central bankers across the globe were forced to adjust their ultra-low interest rate policies that had kept the global economy going through an enforced period of economic stagnation during the pandemic. Markets have been volatile around the hope that central banks, and in particular the US Federal Reserve (Fed), would pivot away from their hawkish stance. By the end of the period equity markets had, in the main, retained their composure with most major global equity markets generating flat to slightly positive returns. However, fixed income markets have had a tumultuous time with yields continuing to move higher in the face of aggressive policy tightening globally.

We would argue that 2022's decline in both equity and fixed income returns is a result of markets being drastically repriced amid the highest inflation levels we have seen in 40 years, and central banks' attempts to tame inflation through quantitative tightening whilst putting an end to record-low interest rates. While painful, we believe that this period of repricing should be viewed as a market correction, not a crisis. While some may worry that recent high stock-bond correlations signal the end of the diversification potential of bonds, history demonstrates that the bond market has consistently been able to provide a ballast during times of crisis. We remain, therefore, committed to the long-term asset allocation strategy of the Fund range.

Looking at the year under review in more detail, the period started with the Fed delivering a 75-basis point (bp) increase in rates in their June meeting, their first hike of this magnitude since 1994. The following day the Swiss National Bank surprised markets in a hawkish policy pivot by raising their rates by 50bps, while the Bank of England's (BoE) Monetary Policy Committee (MPC) voted to raise rates by 25bps noting that they may need to act "forcefully" on inflation if needed. This was quickly followed in July by the Fed delivering its second consecutive 75bp move, while the MPC raised rates by 50bps at their August meeting, the first hike of this magnitude in 27 years.

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Investment Manager's Report

For the year ended 31 May 2023

Sterling fixed income markets underperformed other developed bond markets during this period, magnified by the political void after PM Boris Johnson resigned in disgrace. This set off a contest for leader of the Conservative party and thus the next UK Prime Minister. The following weeks proved to be a remarkable period for the UK and its fixed income markets. Liz Truss was announced as the winner of the Conservative Party leadership contest and became the new Prime Minister. Within days the country entered a period of national mourning following the death of Queen Elizabeth II, leaving 10 days of policy vacuum for any announcements by the new administration. At their delayed September MPC meeting, the Bank of England announced a second consecutive 50bp hike with three members voting for 75bps, along with the committee repeating that they would respond as forcefully as necessary if inflation pressures became more persistent. The following day the new Chancellor Kwarteng unveiled the largest fiscal expansion package in 50 years, reversing previously announced corporate and national insurance tax increases, while also unveiling personal tax cuts including a very controversial cut in the top 45% tax rate. In all, the package saw an increase in funding of over £70bn for the 2022/23 fiscal year with significant increases in projected funding levels for the years ahead. The market reaction to the announcement was powerful. Sterling and UK assets came under severe pressure. With much speculation around the BoE's reaction function and an expectation of an emergency rate hike, gilt yields moved significantly higher over the following days, triggering a wave of collateral calls for pension funds and Liability-Driven Investment (LDI) strategies. What followed was an unstable period for sterling rates eventually forcing the BoE to intervene on 28th September, postponing the start of their gilt sales quantitative tightening programme (QT) and announcing a market stabilisation operation to buy up to £5bn of long dated gilts per day for 13 days.

Jeremy Hunt was installed as the new Chancellor following the sacking of Kwasi Kwarteng on October 14th. He quickly reversed the majority of the policies announced at the infamous mini budget, thus setting in motion the end of the Truss premiership. Liz Truss resigned and marked the shortest ever premiership and yet another Conservative leadership contest began, although this contest proved short-lived with Rishi Sunak quickly being announced as the sole candidate and winner. Sunak became the UK's 5th Prime Minister in six years and quickly set about trying to restore the UK's credibility.

Global stock markets stabilised somewhat in the fourth quarter, but 2022 remained a difficult year for investors, with both equities and government bonds posting negative returns. US equities in particular enjoyed a strong fourth quarter, but it was not enough to stop the S&P 500 from clocking up its worst year since 2008, with the index falling c.20% over the year.

In January, the new year got off to a strong start for markets on improving risk sentiment as the global growth outlook was upgraded following the China reopening, helped also by weaker energy prices leading to a moderating in peak interest rate expectations. UK equities saw the FTSE 100 finally manage to push through the 8,000 mark for the first time ever. However, hawkish central bank sentiment eased somewhat as one of the larger US regional banks, Silicon Valley Bank (SVB) collapsed in early March following a flight of deposits, as revelations of losses due to a duration mismatch in their books, and a subsequent failed funding round, triggered a flight to quality with deposits flowing into the largest banks and short-dated sovereign bonds. The authorities quickly stepped in guaranteeing deposits at the affected institutions and in the UK the BoE orchestrated the takeover of SVB's UK branch by HSBC.

AXA Global Sustainable Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

Concerns about the financial sector quickly crossed the Atlantic with focus turning to European banks, with Credit Suisse in particular in the spotlight, which ultimately triggered the Swiss government to step in and force UBS to take over the ailing institution. The decision was taken to wipe out AT1 bond holders which caused additional stress on the banking sector in the immediate aftermath. Despite the turmoil, central banks were very keen to draw the distinction between monetary policy and financial stability with the European Central Bank (ECB) remaining on course to fight inflation, raising rates by 50bps in March along with both the Federal Open Market Committee (FOMC) and BoE raising rates by 25bps. After a relatively calm month for markets in April, May saw central banks once again continue their monetary policy tightening as the Fed, ECB and BoE all raised rates by 25bps although their forward guidance became more nuanced, with the FOMC's statement removing the comment that "some additional policy firming may be appropriate". Gilts were once again in the media spotlight for the wrong reasons in May, as yields moved sharply higher, underperforming other developed markets as inflation readings for April did not fall as much as most had expected, with headline CPI falling from 10.1% to 8.7% against a consensus forecast of 8.2%.

Set against this backdrop, investors have understandably sought refuge, with flows into money market funds rising to their highest levels in several years. In equity markets, the Nasdaq has been conspicuous in its strength as mega cap tech stocks with their strong market positions and even stronger (cash-heavy) balance sheets have again been seen as safe havens. To date, 2023 has been defined by one feature, the element of surprise. Despite rising US recession risk in January, stocks went up. That was quickly revised by growth overshooting in February (but stocks went down) which gave way to the sudden onset of a regional banking crisis in March (but, stocks went up, marginally).

In terms of fixed income market moves over the period, 10-year US Treasuries opened the period at 2.90%, trading above the key physiological 4% levels in October and February before closing the period around 3.6%. The US yield curve continued to invert as the front end bore the brunt of the repricing of rate expectations, with 2yr - 10yr at its most inverted since the early 1980s. In the UK, gilt yields also moved sharply higher over the period and underperformed other markets given the chaotic political backdrop along with inflation levels that continued to suggest that inflation would remain more persistent in the UK than in other regions. 10-year yields moved from 2.10% in early June to 4.1% by the end of the review period, having reached 4.5% during the autumn market turmoil. Shorter-dated gilt maturities suffered even more as the market continued to price in higher terminal rates with 2 years moving 1.70% to above 4.5% by the end of May. The markets pricing of the banks' terminal rate moved from 2.75% in June of last year to over 5.3% by the end of May 2023. Index-linked yields moved in sympathy with nominals, as 10yr real yields moved from -2% to +0.5% by the end of May. Shorter-dated index-linked bonds benefitted from strong inflation indexation and provided positive returns over the period while longer-dated breakeven rates were slightly lower over the period as inflation expectations declined given the backdrop of very strong policy tightening.

Portfolio Review

Over the past 12 months (all performance numbers in sterling terms), the MSCI All Countries World Index returned 3.08%, led by the US with S&P 500 index rising 4.66%, although the Nasdaq recovered strongly to return 9.86%. Europe and Japan generated mid-single digit returns (7.13% and 7.18% respectively), while the UK's FTSE All share index was affectively flat (up 0.44%) and Emerging Markets lost ground, falling 6.52%.

AXA Global Sustainable Distribution Fund

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Over the period, changes to the Fund included eight new securities added, most notably the acquisition of Tesla, who designs, manufactures, sells and leases electric vehicles (EVs) and Ashtead Group, which provides equipment rental services. Sentiment towards Tesla became extremely negative towards the end of 2022 and we used that as an opportunity to gain exposure to this leading EV manufacturer. In a similar vein to EV exposure, we sold our position in OZ Minerals (it had received a takeover bid) and gained exposure to the lithium industry (key component for EV batteries) via Australia's Allkem. Ashtead was added as part of increasing our exposure to US infrastructure spend. The US Government signed in to law the Infrastructure Investment and Jobs Act (IIJA) as well as the Inflation Reduction Act (IRA) that promises significant stimulus for green energy and renewables projects, promising a strong outlook for infrastructure related names. Valmont, which makes steel support structures for electrical transmission and distribution, was also added for similar exposure. The four names mentioned above all fell into our 'Planet' theme, split between resource, energy efficiency and sustainable infrastructure. Among the names we exited, we sold out of GlaxoSmithKline, a company that develops, manufactures and distributes vaccines and other pharmaceuticals (we have exposure to other pharmaceutical companies within the portfolio like Merck and recent addition Biogen, which is exposed to the development of drugs to offset the effects of Alzheimer's). We also reduced our exposure to the US housing market, namely be selling out of both Home Depot and CRH. Finally, we sold out of our position in Accenture. Accenture provides management consulting, technology and outsourcing services. We have concerns that tightening business conditions will lead to a weakening in demand for their consultants.

Over the period, we have seen the percentage of 'environmental, social and governance (ESG) leaders' in the equity sleeve increase from 80% at the end of May 2022, to 83% as of the end of May 2023 (although down from November score). The main change has come from names that had previously been scored as 'ESG in-transition', as these have subsequently seen their scores improve and become rated as 'ESG Leaders'; names like Costco that had been verified as 'in-transition', have subsequently seen their scores improve and now rate as 'ESG Leaders'.

The equity sleeve of the portfolio outperformed the MSCI All Countries World Index (TR) over the past year. At sector level, the largest drivers of performance were the information technology and consumer staples sectors. Within information technology positions in software names like Microsoft and Salesforce were key drivers. Within consumer staples, our holding in Mondelez performed well. The largest detractors from performance were the financial and real estate sectors. Payment related names have moved from the information technology sector to the financials sector – within payments, Fidelity International was weak and has been hurt by its exposure to a slowing consumer in the UK. Regional bank Citizens Financial was also weak given the failure of a number of other US regional banks (we exited Citizens during the period). Real estate was weak on the back of the headwind from continued increases in interest rates.

Outlook

A return to what might be termed as normalised economic conditions following the COVID-19 pandemic, lockdowns and re-openings appears to be almost complete. It has been a tortuous period for investors with the strong equity market returns in 2021 being levelled out by tougher times in 2022. Furthermore, having now passed the first anniversary of the horrific war in Ukraine, the inflationary impulse caused by higher energy prices are beginning to annualise themselves out of inflation numbers. However, the hard work that central banks have put into quashing the stubbornly high inflation is only now beginning to come into effect. Housing markets are under pressure in Western economies, consumer confidence is falling, PMIs are down and yet employment remains high. Anecdotally we are hearing from corporates that wage inflation pressure is easing. Consequently, the forecast for improving economic conditions that had fuelled the value rally in 2022 are reversing and the underlying attractions of quality growth companies are returning to vogue. This has suited our consistent investment style in recent months, and we believe looks set to continue in the period ahead.

All performance data source: AXA Investment Managers and Morningstar.
Past performance is not a guide for future performance.

AXA Global Sustainable Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

Major Purchases	Cost (£'000)
● UK Treasury 0.875% IL 31/07/33	8,870
● UK Treasury 0.125% IL 22/03/26	7,014
● UK Treasury 0.125% IL 15/04/25	6,849
● UK Treasury 0.125% IL 22/03/24	5,895
● US Treasury 0.875% IL 15/02/47	5,338

Major Sales	Proceeds (£'000)
● UK Treasury 0.125% IL 22/03/24	10,425
● UK Treasury 0.125% IL 22/03/29	8,793
● US Treasury 0.125% IL 15/01/23	5,304
● UK Treasury 0.125% IL 22/03/26	5,187
● UK Treasury 0.125% IL 10/08/31	4,774

David Shaw
AXA Investment Managers UK Limited

AXA Global Sustainable Distribution Fund

Portfolio Statement
As at 31 May 2023

	Holding	Market Value £'000	% of Total Net Assets
AUSTRALIA 1.49% (31/05/22: 1.13%)			
Allkem	195,952	1,523	0.43
Goodman #	169,133	1,739	0.49
Macquarie	22,789	2,038	0.57
TOTAL AUSTRALIA		5,300	1.49
CANADA 0.47% (31/05/22: 0.43%)			
Canada (Government of) 1.5% IL 01/12/44	CAD 268,000	214	0.06
Canada (Government of) 2% IL 01/12/41	CAD 282,000	251	0.07
Canada (Government of) 3% IL 01/12/36	CAD 169,000	179	0.05
Canada (Government of) 4% IL 01/12/31	CAD 93,000	113	0.03
Canada (Government of) 4.25% IL 01/12/26	CAD 813,000	927	0.26
TOTAL CANADA		1,684	0.47
CAYMAN ISLANDS 1.22% (31/05/22: 1.29%)			
NetEase	152,200	2,082	0.58
Xinyi Solar	1,624,000	1,296	0.36
Zai Lab ADR	40,938	1,017	0.28
TOTAL CAYMAN ISLANDS		4,395	1.22
CHINA (INCLUDING HONG KONG) 0.63% (31/05/22: 0.67%)			
AIA	291,400	2,259	0.63
TOTAL CHINA (INCLUDING HONG KONG)		2,259	0.63
DENMARK 0.42% (31/05/22: 0.48%)			
Orsted	21,013	1,512	0.42
TOTAL DENMARK		1,512	0.42
FINLAND 0.60% (31/05/22: 0.82%)			
Neste	70,271	2,157	0.60
TOTAL FINLAND		2,157	0.60
FRANCE 5.32% (31/05/22: 5.21%)			
INDEX LINKED GOVERNMENT BONDS 3.45% (31/05/22: 3.38%)			
France OAT 0.1% IL 25/07/36	EUR 500,000	491	0.14
France OAT 0.1% IL 25/07/38	EUR 11,500,000	10,656	2.98
France OAT 0.1% IL 25/07/47	EUR 500,000	474	0.13
France OAT 0.175% IL 25/06/39	EUR 1,000,000	718	0.20

AXA Global Sustainable Distribution Fund

Portfolio Statement

As at 31 May 2023

	Holding	Market Value £'000	% of Total Net Assets
EQUITIES 1.87% (31/05/22: 1.83%)			
Amundi	42,153	1,971	0.55
L'Oreal	6,493	2,264	0.63
Schneider Electric	17,379	2,456	0.69
TOTAL FRANCE		19,030	5.32
GERMANY 3.95% (31/05/22: 2.92%)			
INDEX LINKED GOVERNMENT BONDS 2.02% (31/05/22: 1.16%)			
Deutsche Bundesrepublik 0.1% IL 15/04/26	EUR 5,000,000	5,258	1.47
Deutsche Bundesrepublik 0.1% IL 15/04/30	EUR 1,800,000	1,984	0.55
EQUITIES 1.93% (31/05/22: 1.76%)			
Infineon Technologies	63,269	1,921	0.54
SAP	23,085	2,447	0.68
Siemens	19,108	2,554	0.71
TOTAL GERMANY		14,164	3.95
INDIA 0.60% (31/05/22: 0.53%)			
HDFC Bank ADR	40,891	2,143	0.60
TOTAL INDIA		2,143	0.60
IRELAND 1.19% (31/05/22: 2.84%)			
Jazz Pharmaceuticals	16,264	1,668	0.47
Linde	9,073	2,583	0.72
TOTAL IRELAND		4,251	1.19
JAPAN 3.26% (31/05/22: 3.09%)			
Daikin Industries	15,500	2,373	0.66
FUJIFILM	50,400	2,479	0.69
Omron	45,000	2,184	0.61
Sysmex	38,400	2,019	0.56
Toyota Motor	241,600	2,655	0.74
TOTAL JAPAN		11,710	3.26
JERSEY 0.00% (31/05/22: 0.60%)			
LUXEMBOURG 0.21% (31/05/22: 0.35%)			
Befesa	25,083	767	0.21
TOTAL LUXEMBOURG		767	0.21

AXA Global Sustainable Distribution Fund

Portfolio Statement

As at 31 May 2023

	Holding	Market Value £'000	% of Total Net Assets
MEXICO 0.77% (31/05/22: 0.70%)			
Wal-Mart de Mexico	878,100	2,743	0.77
TOTAL MEXICO		2,743	0.77
SOUTH AFRICA 0.18% (31/05/22: 0.33%)			
Capitec Bank	11,214	629	0.18
TOTAL SOUTH AFRICA		629	0.18
SOUTH KOREA 1.35% (31/05/22: 1.17%)			
LG Chem	5,180	2,188	0.61
Samsung Electronics	61,081	2,654	0.74
TOTAL SOUTH KOREA		4,842	1.35
SPAIN 0.61% (31/05/22: 0.52%)			
Iberdrola	219,376	2,171	0.61
TOTAL SPAIN		2,171	0.61
TAIWAN 1.08% (31/05/22: 1.02%)			
Taiwan Semiconductor Manufacturing	262,000	3,848	1.08
TOTAL TAIWAN		3,848	1.08
UNITED KINGDOM 18.28% (31/05/22: 21.30%)			
INDEX LINKED GOVERNMENT BONDS 15.94% (31/05/22: 18.77%)			
UK Treasury 0.125% IL 31/01/24	GBP 100,000	97	0.03
UK Treasury 0.125% IL 22/03/24	GBP 3,000,000	4,506	1.26
UK Treasury 0.125% IL 22/03/26	GBP 8,300,000	11,592	3.24
UK Treasury 0.125% IL 10/08/28	GBP 4,000,000	5,151	1.44
UK Treasury 0.125% IL 22/03/29	GBP 4,500,000	6,792	1.90
UK Treasury 0.125% IL 10/08/31	GBP 1,200,000	1,470	0.41
UK Treasury 0.125% IL 22/11/36	GBP 1,500,000	1,944	0.54
UK Treasury 0.125% IL 22/03/44	GBP 788,503	980	0.27
UK Treasury 0.125% IL 22/03/46	GBP 600,711	684	0.19
UK Treasury 0.125% IL 10/08/48	GBP 4,000,000	4,178	1.17
UK Treasury 0.125% IL 22/03/58	GBP 352,915	376	0.11
UK Treasury 0.125% IL 22/11/65	GBP 1,000,000	1,031	0.29
UK Treasury 0.125% IL 22/03/68	GBP 1,000,000	1,070	0.30
UK Treasury 0.25% IL 22/03/52	GBP 802,455	965	0.27
UK Treasury 0.375% IL 22/03/62	GBP 1,000,701	1,268	0.35
UK Treasury 0.5% IL 22/03/50	GBP 816,054	1,204	0.34
UK Treasury 0.625% IL 22/03/40	GBP 500,817	806	0.23

AXA Global Sustainable Distribution Fund

Portfolio Statement
As at 31 May 2023

	Holding	Market Value £'000	% of Total Net Assets
UK Treasury 0.625% IL 22/11/42	GBP 346,479	558	0.16
UK Treasury 0.75% IL 22/03/34	GBP 500,000	799	0.22
UK Treasury 0.75% IL 22/11/47	GBP 637,517	1,036	0.29
UK Treasury 0.875% IL 31/07/33	GBP 5,200,000	3,787	1.06
UK Treasury 1.125% IL 22/11/37	GBP 567,394	1,073	0.30
UK Treasury 1.25% IL 22/11/27	GBP 328,331	641	0.18
UK Treasury 1.25% IL 22/11/32	GBP 109,093	198	0.06
UK Treasury 1.25% IL 22/11/55	GBP 362,413	731	0.20
UK Treasury 1.5% IL 31/07/53	GBP 2,500,000	1,280	0.36
UK Treasury 2% IL 26/01/35	GBP 619,411	1,477	0.41
UK Treasury 2.5% IL 17/07/24	GBP 231,194	866	0.24
UK Treasury 4.125% IL 22/07/30	GBP 125,000	419	0.12
EQUITIES 2.34% (31/05/22: 2.53%)			
Ashtead	58,549	2,881	0.81
BP	494,126	2,234	0.62
Croda International	22,938	1,402	0.39
Rentokil Initial	290,055	1,861	0.52
TOTAL UNITED KINGDOM		65,357	18.28
UNITED STATES 57.24% (31/05/22: 52.77%)			
INDEX LINKED GOVERNMENT BONDS 22.49% (31/05/22: 18.65%)			
UK Treasury 0.125% IL 15/04/25	7,000,000	6,336	1.77
US Treasury 0.125% IL 15/07/26	10,000,000	9,657	2.70
US Treasury 0.125% IL 15/01/30	17,000,000	14,684	4.10
US Treasury 0.125% IL 15/01/31	12,000,000	10,147	2.84
US Treasury 0.25% IL 15/01/25	11,000,000	10,919	3.05
US Treasury 0.375% IL 15/01/27	3,055,000	2,928	0.82
US Treasury 0.375% IL 15/07/27	3,100,000	2,934	0.82
US Treasury 0.625% IL 15/02/43	4,511,300	3,952	1.10
US Treasury 0.75% IL 15/02/42	5,022,300	4,637	1.30
US Treasury 0.75% IL 15/02/45	4,000,000	3,447	0.96
US Treasury 0.875% IL 15/02/47	11,000,000	9,392	2.63
US Treasury 1.375% IL 15/02/44	1,456,100	1,445	0.40
EQUITIES 34.75% (31/05/22: 34.12%)			
Alphabet	75,175	7,520	2.10
Amazon.com	57,056	5,615	1.57
American Express	20,952	2,676	0.75
American Tower #	20,126	2,963	0.83
Anthem	5,727	2,045	0.57
Apple	58,157	8,341	2.33
Ball	69,879	2,940	0.82
Becton Dickinson	17,336	3,342	0.94
Biogen	9,920	2,397	0.67

AXA Global Sustainable Distribution Fund

Portfolio Statement

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	Holding	Market Value £'000	% of Total Net Assets
Boston Scientific	78,098	3,190	0.89
Brunswick	31,944	1,994	0.56
Chart Industries	28,285	2,588	0.72
Ciena	65,881	2,556	0.71
Comcast	92,485	2,929	0.83
Costco Wholesale	8,177	3,361	0.94
Fidelity National Information Services	33,538	1,464	0.41
Ingersoll Rand	47,593	2,250	0.63
Intercontinental Exchange	26,365	2,226	0.62
McKesson	11,047	3,434	0.96
Merck	43,537	3,845	1.08
Micron Technology	36,296	2,105	0.59
Microsoft	38,997	10,447	2.92
Mondelez	60,357	3,532	0.99
Morgan Stanley	41,686	2,813	0.79
NextEra Energy	62,102	3,651	1.02
Planet Fitness	42,435	2,232	0.62
Progressive	21,793	2,257	0.63
Prologis #	27,746	2,789	0.78
QUALCOMM	22,325	2,095	0.59
S&P Global	8,447	2,490	0.70
Salesforce	17,052	3,019	0.84
Tesla	20,520	3,339	0.93
Thermo Fisher Scientific	6,309	2,624	0.73
TJX Cos	27,849	1,729	0.48
Tractor Supply	11,296	1,967	0.55
Union Pacific	8,996	1,413	0.39
Valmont Industries	10,581	2,321	0.65
Visa	19,455	3,489	0.98
Yum China	50,026	2,276	0.64
TOTAL UNITED STATES		204,742	57.24

AXA Global Sustainable Distribution Fund

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	Market Value £'000	% of Total Net Assets
FORWARD FX 0.60% (31/05/22: (1.40%))		
Sold CAD3,000,000 for GBP1,827,429 Settlement 02/06/2023	50	0.01
Sold CAD3,000,000 for GBP1,780,354 Settlement 07/09/2023	2	-
Sold EUR22,100,000 for GBP19,461,127 Settlement 02/06/2023	378	0.11
Sold EUR500,000 for GBP439,926 Settlement 02/06/2023	8	-
Sold EUR22,800,000 for GBP19,766,893 Settlement 07/09/2023	3	-
Sold USD3,400,000 for GBP2,739,991 Settlement 02/06/2023	(10)	-
Sold USD99,800,000 for GBP80,640,013 Settlement 07/09/2023	62	0.02
Sold USD97,700,000 for GBP80,650,587 Settlement 02/06/2023	1,631	0.46
TOTAL FORWARD FX	2,124	0.60
Portfolio of investments	355,828	99.47
Net other assets	1,900	0.53
Total net assets	357,728	100.00

All investments are ordinary shares unless otherwise stated.
All bonds are denominated in US dollars (unless otherwise indicated).
Stocks shown as ADRs represent American Depositary Receipts.
Real Estate Investment Trust.

AXA Global Sustainable Distribution Fund

Comparative Tables

As at 31 May 2023

	B Accumulation			B Income		
Change in net assets per share	31/05/2023 (p)	31/05/2022 (p)	31/05/2021 (p)	31/05/2023 (p)	31/05/2022 (p)	31/05/2021 (p)
Opening net asset value per share †	169.16	168.56	148.56	155.29	156.49	139.48
Return before operating charges ^	(4.89)	1.51	20.84	(4.49)	1.47	19.51
Operating charges ^	(0.84)	(0.91)	(0.84)	(0.77)	(0.84)	(0.78)
Return after operating charges ^	(5.73)	0.60	20.00	(5.26)	0.63	18.73
Distributions	(2.21)	(1.98)	(1.84)	(2.03)	(1.83)	(1.72)
Retained distributions on accumulation shares	2.21	1.98	1.84	-	-	-
Closing net asset value per share †	163.43	169.16	168.56	148.00	155.29	156.49
*^ after direct transaction costs of:	0.03	0.18	0.09	0.02	0.17	0.08
Performance						
Return after operating charges	-3.39%	0.36%	13.46%	-3.39%	0.40%	13.43%
Other information						
Closing net asset value (£) †	29,594,288	33,654,490	35,331,832	169,218	198,237	198,260
Closing number of shares	18,107,918	19,894,967	20,961,077	114,335	127,657	126,690
Operating charges ^	0.51%	0.51%	0.53%	0.51%	0.51%	0.53%
Direct transaction costs *	0.02%	0.10%	0.06%	0.02%	0.10%	0.06%
Prices						
Highest share price #	175.70	187.20	169.60	161.30	172.90	158.30
Lowest share price #	153.30	164.90	146.90	140.80	152.40	137.90

	D Accumulation~		D Income~	
Change in net assets per share	31/05/2023 (p)	31/05/2022 (p)	31/05/2023 (p)	31/05/2022 (p)
Opening net asset value per share †	316.51	312.80	201.31	200.20
Return before operating charges ^	(9.16)	3.79	(5.82)	2.42
Operating charges ^	(3.39)	(0.08)	(2.15)	(0.05)
Return after operating charges ^	(12.55)	3.71	(7.97)	2.37
Distributions	(4.12)	(1.97)	(2.62)	(1.26)
Retained distributions on accumulation shares	4.12	1.97	-	-
Closing net asset value per share †	303.96	316.51	190.72	201.31
*^ after direct transaction costs of:	0.05	0.51	0.03	0.33
Performance				
Return after operating charges	-3.97%	1.19%	-3.96%	1.18%
Other information				
Closing net asset value (£) †	577,589	606,744	92,104	99,717
Closing number of shares	190,024	191,701	48,293	49,533
Operating charges ^	1.11%	1.11%	1.11%	1.11%
Direct transaction costs *	0.02%	0.10%	0.02%	0.10%
Prices				
Highest share price #	328.30	317.70	208.80	203.30
Lowest share price #	286.30	312.80	182.10	200.20

AXA Global Sustainable Distribution Fund

Comparative Tables

As at 31 May 2023

	R Accumulation			R Income		
	31/05/2023	31/05/2022	31/05/2021	31/05/2023	31/05/2022	31/05/2021
Change in net assets per share	(p)	(p)	(p)	(p)	(p)	(p)
Opening net asset value per share †	316.47	318.54	283.55	201.34	204.96	184.52
Return before operating charges ^	(9.16)	2.98	39.59	(5.83)	2.01	25.69
Operating charges ^	(4.60)	(5.05)	(4.60)	(2.92)	(3.24)	(2.98)
Return after operating charges ^	(13.76)	(2.07)	34.99	(8.75)	(1.23)	22.71
Distributions	(4.12)	(3.72)	(3.50)	(2.61)	(2.39)	(2.27)
Retained distributions on accumulation shares	4.12	3.72	3.50	-	-	-
Closing net asset value per share †	302.71	316.47	318.54	189.98	201.34	204.96
*^ after direct transaction costs of:	0.05	0.34	0.17	0.03	0.22	0.11
Performance						
Return after operating charges	-4.35%	-0.65%	12.34%	-4.35%	-0.60%	12.31%
Other information						
Closing net asset value (£) †	19,989,380	22,380,732	22,786,266	1,111,159	1,246,614	1,194,954
Closing number of shares	6,603,397	7,071,938	7,153,271	584,895	619,162	583,011
Operating charges ^	1.51%	1.51%	1.53%	1.51%	1.51%	1.53%
Direct transaction costs *	0.02%	0.10%	0.06%	0.02%	0.10%	0.06%
Prices						
Highest share price #	328.00	351.90	320.70	208.60	225.30	207.50
Lowest share price #	285.80	308.60	280.20	181.80	197.60	182.30

AXA Global Sustainable Distribution Fund

Comparative Tables

As at 31 May 2023

	Z Accumulation			Z Income		
Change in net assets per share	31/05/2023 (p)	31/05/2022 (p)	31/05/2021 (p)	31/05/2023 (p)	31/05/2022 (p)	31/05/2021 (p)
Opening net asset value per share †	359.07	358.70	316.90	229.43	231.79	207.11
Return before operating charges ^	(10.38)	3.25	44.43	(6.64)	2.20	28.96
Operating charges ^	(2.64)	(2.88)	(2.63)	(1.68)	(1.85)	(1.72)
Return after operating charges ^	(13.02)	0.37	41.80	(8.32)	0.35	27.24
Distributions	(4.69)	(4.21)	(3.93)	(2.99)	(2.71)	(2.56)
Retained distributions on accumulation shares	4.69	4.21	3.93	-	-	-
Closing net asset value per share †	346.05	359.07	358.70	218.12	229.43	231.79
*^ after direct transaction costs of:	0.05	0.38	0.19	0.03	0.25	0.12
Performance						
Return after operating charges	-3.63%	0.10%	13.19%	-3.63%	0.15%	13.15%
Other information						
Closing net asset value (£) †	276,488,401	334,467,647	307,673,375	29,706,299	37,838,631	35,529,050
Closing number of shares	79,899,519	93,148,321	85,775,464	13,619,452	16,492,490	15,327,908
Operating charges ^	0.76%	0.76%	0.78%	0.76%	0.76%	0.78%
Direct transaction costs *	0.02%	0.10%	0.06%	0.02%	0.10%	0.06%
Prices						
Highest share price #	372.70	397.90	361.00	238.10	255.80	234.60
Lowest share price #	325.20	350.10	313.30	207.80	225.10	204.70

† Valued at bid-market prices.
# High and low price disclosures are based on quoted share prices (Mid Market Price). Therefore the opening and closing NAV prices may fall outside the high / low price threshold.
^ Operating charges include indirect costs incurred in the maintenance and running of the Fund, as disclosed in the detailed expenses within the Statement of Total Return.
* Direct transaction costs include fees, commissions, transfer taxes and duties in the purchasing and selling of investments, within the accounting year.
The figures used within the table have been calculated against the average net asset value for the accounting year.
~ D share class launched on 25 May 2022.

AXA Global Sustainable Distribution Fund

Statement of Total Return

For the year ended 31 May 2023

	Note	31/05/23 £'000	£'000	31/05/22 £'000	£'000
Income:					
Net capital losses	2		(17,844)		(3,064)
Revenue	3	5,781		5,480	
Expenses	4	(3,135)		(3,447)	
Interest payable and similar charges		(24)		(7)	
Net revenue before taxation		2,622		2,026	
Taxation	5	(376)		(512)	
Net revenue after taxation			2,246		1,514
Total return before distributions			(15,598)		(1,550)
Distributions	6		(5,337)		(4,921)
Change in net assets attributable to Shareholders from investment activities			(20,935)		(6,471)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2023

	31/05/23 £'000	£'000	31/05/22 £'000	£'000
Opening net assets attributable to Shareholders		430,493		402,714
Amounts receivable on issue of shares	13,502		110,086	
Amounts payable on cancellation of shares	(69,977)		(80,300)	
		(56,475)		29,786
Change in net assets attributable to Shareholders from investment activities (see above)		(20,935)		(6,471)
Retained distributions on accumulation shares		4,645		4,464
Closing net assets attributable to Shareholders		357,728		430,493

AXA Global Sustainable Distribution Fund

Balance Sheet

As at 31 May

	Note	31/05/23 £'000	31/05/22 £'000
Assets:			
Fixed assets:			
Investments		355,838	422,765
Current assets:			
Debtors	7	659	6,028
Cash and bank balances	8	2,989	20,924
Total assets		359,486	449,717
Liabilities:			
Investment liabilities		(10)	(6,189)
Creditors:			
Bank overdrafts	10	-	(9)
Distribution payable		(272)	(245)
Other creditors	9	(1,476)	(12,781)
Total liabilities		(1,758)	(19,224)
Net assets attributable to Shareholders		357,728	430,493

AXA Global Sustainable Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

1. Accounting Basis And Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 164-167.

2. Net capital losses

	31/05/23 £'000	31/05/22 £'000
The net capital losses comprise:		
Non-derivative securities	(15,637)	7,544
Currency losses	(2,060)	(821)
Forward currency contracts	(144)	(9,779)
Transaction charges	(3)	(8)
Net capital losses	**(17,844)**	**(3,064)**

3. Revenue

	31/05/23 £'000	31/05/22 £'000
Bank interest	88	2
Interest on debt securities	2,340	508
Overseas dividends	3,142	4,630
Scrip dividends	-	21
UK dividends	211	319
Total revenue	**5,781**	**5,480**

4. Expenses

	31/05/23 £'000	31/05/22 £'000
Payable to the ACD, associates of the ACD, and agents of either of them		
Annual management charge	3,091	3,407
Registration fees	7	8
	3,098	3,415
Other expenses		
Audit fees	9	4
Depositary's fees	19	17
Printing fees	1	(2)
Safe custody fees	6	13
Taiwan Tax fee	1	-
ADR fee	1	-
	37	32
Total expenses	**3,135**	**3,447**

Expenses include irrecoverable VAT where applicable.

AXA Global Sustainable Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

5. Taxation

	31/05/23 £'000	31/05/22 £'000
(a) Analysis of the tax charge in the year		
Irrecoverable overseas tax	376	512

(b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax for an open ended investment company of 20% (2022: 20%) is applied to the net revenue before taxation. The differences are explained below:

	31/05/23 £'000	31/05/22 £'000
Net revenue before taxation	2,622	2,026
Net revenue for the year multiplied by the standard rate of corporation tax	524	405
Effects of:		
Expenses not deductible for tax purposes	1	-
Irrecoverable overseas tax	376	512
Movement in excess management expenses	1,801	2,332
Relief for indexation on UK Gilts	(1,689)	(1,760)
Revenue not subject to corporation tax	(631)	(974)
Overseas tax expensed	(6)	(3)
Tax charge for the year	376	512

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Deferred taxation:

There is no provision required for deferred taxation at the balance sheet date in the current year or prior year.

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £7,007,908 (2022: £5,207,021) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

AXA Global Sustainable Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

6. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	31/05/23 £'000	31/05/22 £'000
Interim	1,977	2,277
Final	3,106	2,666
Add: Revenue paid on cancellation of shares	289	280
Deduct: Revenue received on creation of shares	(35)	(302)
Net distribution for the year	5,337	4,921
Reconciliation of net revenue after taxation to distributions		
Net revenue after taxation	2,246	1,514
Expenses charged to capital	3,091	3,407
Net distribution for the year	5,337	4,921

7. Debtors

	31/05/23 £'000	31/05/22 £'000
Amounts receivable for creation of shares	85	269
Sales awaiting settlement	-	5,152
Accrued revenue	470	526
Overseas tax recoverable	104	81
Total debtors	659	6,028

8. Cash and bank balances

	31/05/23 £'000	31/05/22 £'000
Cash and bank balances	2,989	20,924
Total cash and bank balances	2,989	20,924

9. Other creditors

	31/05/23 £'000	31/05/22 £'000
Amounts payable for cancellation of shares	958	1,857
Purchases awaiting settlement	-	10,321
Accrued annual management charge	479	560
Accrued other expenses	39	43
Total other creditors	1,476	12,781

10. Bank overdrafts

	31/05/23 £'000	31/05/22 £'000
Bank overdrafts	-	9
Total bank overdrafts	-	9

AXA Global Sustainable Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

11. Related party transactions

The ACD is related to the Fund as defined by Financial Reporting Standard 102.33 'Related Party Disclosures'.

Annual management charge paid to the ACD and Registration fees are disclosed in Note 4 and amounts due at the year end are disclosed in Note 9.

Monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in Notes 7 and 9.

The ACD and its associates (including other authorised investment Funds managed by the ACD) have no shareholdings in the Company at the year end.

12. Share classes

The reconciliation of the opening and closing numbers of shares of each class, along with the ACD's annual management charges applicable to each class, is shown below:

	Annual Management Charge rate (%)	31/05/22	Issued	Cancelled	Converted	31/05/23
B Accumulation	0.50	19,894,967	41,359	(1,828,408)	-	18,107,918
B Income	0.50	127,657	-	(13,322)	-	114,335
D Accumulation	1.10	191,701	16,740	(19,344)	927	190,024
D Income	1.10	49,533	1,546	(2,786)	-	48,293
R Accumulation	1.50	7,071,938	435,098	(789,547)	(114,092)	6,603,397
R Income	1.50	619,162	58,337	(72,095)	(20,509)	584,895
Z Accumulation	0.75	93,148,321	2,454,820	(15,802,889)	99,267	79,899,519
Z Income	0.75	16,492,490	1,219,213	(4,110,117)	17,866	13,619,452

13. Commitments, contingent liabilities and contingent assets

There are no commitments, contingent liabilities and contingent assets as at the balance sheet date (2022: nil).

14. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are outlined below.

Market price risk

The Fund invests principally in equity and fixed income securities. The value of the Fund's investment portfolio is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual company or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Fund seeks to manage these risks by adhering to investment guidelines and to investment and borrowing powers set out in the Prospectus. In addition, the Fund complies with the Collective Investment Schemes sourcebook ("COLL"), which include rules relating to investment holdings that are designed to place limits on the Fund's investment concentration (same as at 31 May 2022).

AXA Global Sustainable Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

Market price risk sensitivity

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £35,370,392 (2022: £42,259,677). A 10% decrease would have an equal and opposite effect.

Foreign currency risk

The table below shows the foreign currency risk profile at the balance sheet date:

	Net foreign currency exposure	
	31/05/23	31/05/22
Currency	£'000	£'000
Australian dollar	5,354	4,886
Canadian dollar	(1,786)	(2)
Danish krone	1,524	2,064
Euro	1,837	3,747
Hong Kong dollar	5,671	5,443
Japanese yen	11,761	13
Mexican peso	2,743	3,025
New Israeli shekel	2	2
New Taiwan dollar	3,864	4,406
Norwegian krone	-	2
South African rand	629	1,409
South Korean won	4,841	5,042
US dollar	47,647	79,280
Total	84,087	109,317

Foreign exchange risk sensitivity

Assuming all other factors remain stable, if GBP strengthens by 10% the resulting change in the net assets attributable to shareholders of the Fund would be a decrease of approximately £8,408,803 (2022: £10,931,891). A 10% weakening in GBP would have an equal but opposite effect.

Interest rate risk

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital, with the exception of index linked bonds which are protected against the effect of inflation.

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. A 1% increase in interest rates would have the effect of decreasing the return and net assets £15,757,265 (2022: £20,492,081) . A 1% decrease would have an equal and opposite effect.

AXA Global Sustainable Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

The table below shows the interest rate risk profile at the balance sheet date:

Currency Assets	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31/05/23				
Pound sterling	2,575	56,979	215,835	275,389
Australian dollar	-	-	5,354	5,354
Canadian dollar	63	1,684	23	1,770
Danish krone	-	-	1,524	1,524
Euro	130	19,581	21,404	41,115
Hong Kong dollar	-	-	5,671	5,671
Japanese yen	-	-	11,761	11,761
Mexican peso	-	-	2,743	2,743
New Israeli sheqel	-	-	2	2
New Taiwan dollar	15	-	3,849	3,864
South African rand	-	-	629	629
South Korean won	-	-	4,841	4,841
US dollar	277	80,478	129,239	209,994
Total	3,060	158,722	402,875	564,657
31/05/22				
Pound sterling	20,887	80,804	11,263	112,954
Australian dollar	-	-	4,886	4,886
Canadian dollar	-	1,842	38	1,880
Danish krone	-	-	2,064	2,064
Euro	-	19,556	34,735	54,291
Hong Kong dollar	-	-	5,443	5,443
Japanese yen	-	-	13,352	13,352
Mexican peso	-	-	3,025	3,025
New Israeli sheqel	-	-	2	2
New Taiwan dollar	-	-	4,406	4,406
Norwegian krone	-	-	2	2
South African rand	-	-	1,409	1,409
South Korean won	-	-	5,042	5,042
US dollar	-	80,271	160,690	240,961
Total	20,887	182,473	246,357	449,717

AXA Global Sustainable Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

Currency Liabilities	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31/05/23				
Pound sterling	-	-	(1,748)	(1,748)
Canadian dollar	-	-	(3,556)	(3,556)
Euro	-	-	(39,278)	(39,278)
US dollar	-	-	(162,347)	(162,347)
Total	-	-	(206,929)	(206,929)
31/05/22				
Pound sterling	-	-	(2,706)	(2,706)
Canadian dollar	-	-	(140)	(140)
Euro	-	-	(10,099)	(10,099)
US dollar	-	-	(6,279)	(6,279)
Total	-	-	(19,224)	(19,224)

Credit risk

The Fund runs a very low credit risk in respect of unsettled investment transactions as these are normally settled as cash against delivery.

Fixed interest investments are exposed to credit risk which reflects the ability of the bond issuer to meet its obligations. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. The ACD monitors the credit quality and risk of the portfolio as a part of the overall investment process and in accordance with the objective and policy of each fund.

Transactions in securities may expose a fund to the risk that the counterparty will not settle the transaction or do so on a timely basis.

All transactions in the funds are conducted through counterparties approved by the ACD.

A breakdown of the investment portfolio by credit rating is disclosed on the table below:

Credit Rating	31/05/23 Market Value £’000	%	31/05/22 Market Value £’000	%
Investment grade (BBB- credit rating and above)	158,722	44.37	182,473	42.39
Total value of bonds	158,722	44.37	182,473	42.39

AXA Global Sustainable Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

Financial derivative instrument risk exposure

The exposure obtained through financial derivative instruments and identity of counterparties was as follows:

	31/05/23 Exposure	31/05/22 Exposure
Forwards		
BNP Paribas	163,154	149,022
Merrill Lynch	42,028	84,049
Total value of derivatives	205,182	233,071

15. Portfolio transaction costs

31/05/2023	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
Analysis of purchases						
Bonds	54,604	-	-	-	-	54,604
Equities	32,911	8	0.02	32	0.10	32,951
Total	87,515	8		32		87,555

31/05/2023	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
Analysis of sales						
Bonds	59,502	-	-	-	-	59,502
Equities	83,043	(18)	(0.02)	(5)	(0.01)	83,020
Total	142,545	(18)		(5)		142,522

31/05/2022	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
Analysis of purchases						
Bonds	96,207	-	-	-	-	96,207
Equities	420,161	71	0.02	216	0.05	420,448
Total	516,368	71		216		516,655

AXA Global Sustainable Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

31/05/2022	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
Analysis of sales						
Bonds	88,203	-	-	-	-	88,203
Equities	409,018	(73)	(0.02)	(87)	(0.02)	408,858
Total	497,221	(73)		(87)		497,061

Transaction costs as percentage of average net asset value	31/05/23 %	31/05/22 %
Commissions	0.01	0.03
Taxes	0.01	0.07

At the balance sheet date the average portfolio dealing spread was 0.11% (2022: 0.12%).

16. Stock Lending

The Fund enters into stock lending arrangements with various counterparties. At the balance sheet date the bid value of securities on loan was £3,215,821 (2022: £0). The value of collateral held in respect of securities on loan was £3,537,404 (2022: £0).

	31/05/23		31/05/22	
Counterparty	Value of stock on loan £'000	Cash collateral £'000	Value of stock on loan £'000	Cash collateral £'000
Macquarie Bank	3,216	3,537	-	-
	3,216	3,537	-	-

Collateral held	31/05/23 £'000	31/05/22 £'000
Equities	3,537	-
	3,537	-

17. Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

AXA Global Sustainable Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

18. Fair value disclosure

	31/05/23		31/05/22	
	Assets	Liabilities	Assets	Liabilities
Valuation technique	£'000	£'000	£'000	£'000
Level 1 ^	353,704	-	422,597	-
Level 2 ^^	2,134	(10)	168	(6,189)
Level 3 ^^^	-	-	-	-
	355,838	(10)	422,765	(6,189)

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

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

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

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

AXA Global Sustainable Distribution Fund

Distribution Table

As at 31 May 2023

Interim Distribution in pence per share
Group 1 Shares purchased prior to 1 June 2022
Group 2 Shares purchased on or after 1 June 2022 to 30 November 2022

	Net revenue (p)	Equalisation (p)	Distribution paid 31/01/23 (p)	Distribution paid 31/01/22 (p)
Share Class B Accumulation				
Group 1	0.797	-	0.797	0.935
Group 2	0.561	0.236	0.797	0.935
Share Class B Income				
Group 1	0.732	-	0.732	0.867
Group 2	0.732	-	0.732	0.867
Share Class D Accumulation~				
Group 1	1.484	-	1.484	
Group 2	1.108	0.376	1.484	
Share Class D Income~				
Group 1	0.945	-	0.945	
Group 2	0.945	-	0.945	
Share Class R Accumulation				
Group 1	1.486	-	1.486	1.762
Group 2	0.590	0.896	1.486	1.762
Share Class R Income				
Group 1	0.946	-	0.946	1.134
Group 2	0.200	0.746	0.946	1.134
Share Class Z Accumulation				
Group 1	1.690	-	1.690	1.988
Group 2	0.866	0.824	1.690	1.988
Share Class Z Income				
Group 1	1.080	-	1.080	1.285
Group 2	0.549	0.531	1.080	1.285

AXA Global Sustainable Distribution Fund

Distribution Table

As at 31 May 2023

Final Distribution in pence per share
Group 1 Shares purchased prior to 1 December 2022
Group 2 Shares purchased on or after 1 December 2022 to 31 May 2023

	Net revenue (p)	Equalisation (p)	Distribution payable 31/07/23 (p)	Distribution paid 29/07/22 (p)
Share Class B Accumulation				
Group 1	1.417	-	1.417	1.046
Group 2	0.709	0.708	1.417	1.046
Share Class B Income				
Group 1	1.295	-	1.295	0.967
Group 2	1.295	-	1.295	0.967
Share Class D Accumulation~				
Group 1	2.638	-	2.638	1.967
Group 2	0.750	1.888	2.638	1.967
Share Class D Income~				
Group 1	1.671	-	1.671	1.260
Group 2	1.671	-	1.671	1.260
Share Class R Accumulation				
Group 1	2.631	-	2.631	1.962
Group 2	1.293	1.338	2.631	1.962
Share Class R Income				
Group 1	1.666	-	1.666	1.257
Group 2	1.129	0.537	1.666	1.257
Share Class Z Accumulation				
Group 1	3.001	-	3.001	2.222
Group 2	1.515	1.486	3.001	2.222
Share Class Z Income				
Group 1	1.909	-	1.909	1.430
Group 2	0.976	0.933	1.909	1.430

~ D share class launched on 25 May 2022.

AXA Lifetime Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

Investment Objective

The aim of this Fund is to achieve income and capital growth over a period of 5 years or more.

Investment Policy

The Fund invests in a mix of shares in UK listed companies and UK Government bonds (the majority of which are linked to the rate of inflation). The Fund's typical asset mix would range between 50-60% investment in shares and 40-50% in UK Government bonds. The Manager selects shares in companies based upon their prospects for future growth in dividend payments following an in depth analysis of their financial status, quality of business model and corporate governance arrangements. Investments in UK Government bonds are diversified across a range of maturities (i.e., the length of time for full repayment of the bond by the Government), with a bias towards bonds with longer maturities.

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 a composite benchmark made up of the following indices in the stated proportions: 55% FTSE All-Share Index; 45% FTSE Index Linked Govt All Stocks (the “Benchmark”). This Benchmark best represents the types of bonds and companies in which the Fund predominantly invests.

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

Risk and Reward Profile

As at 31 May 2023

Lower Risk | Higher Risk

Potentially lower reward | Potentially higher reward

1	2	3	4	5	6	7

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 4 to a category 5.

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.

Key Risks

Under normal market conditions the Fund’s key risk factors are:

• 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 individual fund’s investment objectives and investment policy.

AXA Lifetime Distribution Fund

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• 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 more 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 individual fund's investment objectives and investment policy. These guidelines could include measures of sensitivity to changes of interest rates.

• Index-linked bonds risk - are fixed interest securities whose capital repayment amounts and interest payments are adjusted in line with movements in inflation indices. They are designed to mitigate the effects of inflation on the value of a portfolio. The market value of index-linked bonds is determined by the market's expectations of future movements in both interest rates and inflation rates.

As with other bonds, the value of index-linked bonds will generally fall when expectations of interest rates rise and vice versa. However, when the market anticipates a rise in inflation rates, index-linked bonds will generally outperform other bonds, and vice versa.

Index-linked bonds bought in the secondary market (i.e., not directly from the issuer) whose capital values have been adjusted upward due to inflation since issuance, may decline in value if there is a subsequent period of deflation.

Due to the sensitivity of these bonds to interest rates and expectations of future inflation, there is no guarantee that the value of these bonds will correlate with inflation rates in the short to medium term.

Index-linked bonds risk is an inherent risk of investing in index-linked bonds. Exposure to this risk is managed by the allocation decision on the proportion of the portfolio to invest in index-linked bonds, as well as the amount of remaining maturity of these bonds, which will affect their sensitivity in value, to changes in expected inflation levels.

• Risks linked to investment in sovereign debt - the Fund may invest in bonds issued by countries and governments (sovereign debt). The governmental entity that controls the repayment of sovereign debt may not be able or willing to repay the capital and/or interest when due in accordance with the terms of such debt. In such a scenario, the value of investments of the Fund may be adversely affected. A governmental entity's willingness or ability to repay capital and interest due in a timely manner may be affected by, among other factors, its cash flow situation, the extent of its foreign currency reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, the governmental entity's policy towards the International Monetary Fund and the political constraints to which a governmental entity may be subject. Governmental entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest on their debt. In addition, there are no bankruptcy proceedings for such issuers under which money to pay the debt obligations may be collected in whole or in part. Holders may be requested to participate in the rescheduling of such sovereign debt and to extend further loans to the issuers.

Certain countries are especially large debtors to commercial banks and foreign governments. Investment in sovereign debt issued or guaranteed by such countries (or their governments or governmental entities) involves a higher degree of risk than investment in other sovereign debt.

AXA Lifetime Distribution Fund

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For the year ended 31 May 2023

Certain funds may be further subject to the risk of high concentration in bonds issued by and/or guaranteed by a single sovereign issuer which is below investment grade and/or unrated which is also subject to higher credit risk. In the event of a default of the sovereign issuer, the Fund may suffer significant loss.

This is an inherent risk for funds invested within sovereign bonds. Internal investment guidelines, scenario testing as well as other regular monitoring seek to ensure the level of risk is aligned with each individual fund's investment objectives and investment policy.

• Stock lending risk -the Fund may participate in a stock lending programme managed by an affiliate of the ACD (acting as stock lending agent) for the purpose of lending a Fund's securities via entering into a stock lending authorisation agreement. If a 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 a 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.

Other risks which could have an impact in extreme market conditions include:

• 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 Shareholders buying or selling Shares 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.

AXA Lifetime Distribution Fund

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

• Counterparty risk - at any one time, the Fund may be exposed to the creditworthiness and stability of the counterparties to transactions entered into by the Fund (including derivative and stock lending and repo/reverse repo transactions). The Fund will be subject to the risk of the inability of its counterparties to perform its obligations under such transactions (default), whether due to insolvency, bankruptcy or other causes. In the event of the insolvency of a counterparty, the Fund might not be able to recover cash or assets of equivalent value, to that invested, in full. The Fund may receive assets or cash from the counterparty (collateral) to protect against any such adverse effect. Where relevant, a counterparty will forfeit its collateral if it defaults on the transaction with the Fund. However, if the collateral is in the form of securities, there is a risk that when it is sold, it will realise insufficient cash to settle the counterparty's debt to the Fund under a transaction or to purchase replacement securities that were lent to the counterparty under a stock lending arrangement. In relation to stock lending arrangements, there is also the risk that while cash is recovered in the event of a default, the actual stock cannot be repurchased. Furthermore, to the extent that collateral is not present to cover part or all of the debt, a counterparty default may result in losses for the affected Fund. To assist in managing these types of risks, the ACD sets criteria around the types of eligible collateral the Fund may accept. Please see the paragraph entitled "Treatment of Collateral" in the "Investment and borrowing powers applicable to the Funds" section in Appendix II of the Prospectus for more information.

Transactions in securities that the Fund may enter into expose it to the risk that the counterparty will not deliver the investment for a purchase or cash for a sale after the Fund has contracted to fulfil its responsibilities. This is minimised by the practice in the majority of markets of delivery versus payment and short settlement periods.

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

Important Information

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.

Market Review

The 12-month period to 31st May 2023 has been a challenging one, with both equity and fixed income markets having to adjust to a fundamentally changed set of macroeconomic factors. A year ago, the world was dealing with the impact of Russia invading Ukraine, sharply higher energy prices as well as the after-effects of COVID-19-related supply chain disruption created by the unsuccessful Chinese 'Zero Covid' policy. This combination of factors as well as government COVID-19 fiscal stimulus packages enabled inflation to set in. Central bankers across the globe were forced to adjust their ultra-low interest rate policies that had kept the global economy going through an enforced period of economic stagnation during the pandemic. Markets have been volatile around the hope that central banks, and in particular the US Federal Reserve (Fed), would pivot away from their hawkish stance. By the end of the period equity markets had, in the main, retained their composure with most major global equity markets generating flat to slightly positive returns. However, fixed income markets have had a tumultuous time with yields continuing to move higher in the face of aggressive policy tightening globally.

We would argue that 2022's decline in both equity and fixed income returns is a result of markets being drastically repriced amid the highest inflation levels we have seen in 40 years, and central banks' attempts to tame inflation through quantitative tightening whilst putting an end to record-low interest rates. While painful, we believe that this period of repricing should be viewed as a market correction, not a crisis. While some may worry that recent high stock-bond correlations signal the end of the diversification potential of bonds, history demonstrates that the bond market has consistently been able to provide a ballast during times of crisis. We remain, therefore, committed to the long-term asset allocation strategy of the Fund range.

AXA Lifetime Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

Looking at the year under review in more detail, the period started with the Fed delivering a 75-basis point (bp) increase in rates in their June meeting, their first hike of this magnitude since 1994. The following day the Swiss National Bank surprised markets in a hawkish policy pivot by raising their rates by 50bps, while the Bank of England's (BoE) Monetary Policy Committee (MPC) voted to raise rates by 25bps noting that they may need to act "forcefully" on inflation if needed. This was quickly followed in July by the Fed delivering its second consecutive 75bp move, while the MPC raised rates by 50bps at their August meeting, the first hike of this magnitude in 27 years.

Sterling fixed income markets underperformed other developed bond markets during this period, magnified by the political void after PM Boris Johnson resigned in disgrace. This set off a contest for leader of the Conservative party and thus the next UK Prime Minister. The following weeks proved to be a remarkable period for the UK and its fixed income markets. Liz Truss was announced as the winner of the Conservative Party leadership contest and became the new Prime Minister. Within days the country entered a period of national mourning following the death of Queen Elizabeth II, leaving 10 days of policy vacuum for any announcements by the new administration. At their delayed September MPC meeting, the BoE announced a second consecutive 50bp hike, with three members voting for 75bps along with the committee repeating that they would respond as forcefully as necessary if inflation pressures became more persistent. The following day the new Chancellor Kwarteng unveiled the largest fiscal expansion package in 50 years, reversing previously announced corporate and national insurance tax increases, while also unveiling personal tax cuts including a very controversial cut in the top 45% tax rate. In all, the package saw an increase in funding of over £70bn for the 2022/23 fiscal year with significant increases in projected funding levels for the years ahead. The market reaction to the announcement was powerful. Sterling and UK assets came under severe pressure. With much speculation around the BoE's reaction function and an expectation of an emergency rate hike, gilt yields moved significantly higher over the following days, triggering a wave of collateral calls for pension funds and liability-driven investment (LDI) strategies. What followed was an unstable period for sterling rates eventually forcing the BoE to intervene on 28th September, postponing the start of their gilt sales quantitative tightening programme (QT) and announcing a market stabilisation operation to buy up to £5bn of long dated gilts per day for 13 days.

Jeremy Hunt was installed as the new Chancellor following the sacking of Kwasi Kwarteng on October 14th. He quickly reversed the majority of the policies announced at the infamous mini budget, thus setting in motion the end of the Truss premiership. Liz Truss resigned and marked the shortest ever premiership and yet another Conservative leadership contest began, although this contest proved short-lived with Rishi Sunak quickly being announced as the sole candidate and winner. Sunak became the UK's 5th Prime Minister in six years and quickly set about trying to restore the UK's credibility.

Global stock markets stabilised somewhat in the fourth quarter, but 2022 remained a difficult year for investors, with both equities and government bonds posting negative returns. US equities in particular enjoyed a strong fourth quarter, but it was not enough to stop the S&P 500 from clocking up its worst year since 2008, with the index falling c.20% over the year.

In January, the new year got off to a strong start for markets on improving risk sentiment as the global growth outlook was upgraded following the China reopening, helped also by weaker energy prices leading to a moderating in peak interest rate expectations. UK equities saw the FTSE 100 finally manage to push through the 8,000 mark for the first time ever. However, hawkish central bank sentiment eased somewhat as one of the larger US regional banks, Silicon Valley Bank (SVB) collapsed in early March following a flight of deposits, as revelations of losses due to a duration mismatch in their books and a subsequent failed funding round triggered a flight to quality, with deposits flowing into the largest banks and short-dated sovereign bonds. The authorities quickly stepped in guaranteeing deposits at the affected institutions and in the UK the BoE orchestrated the takeover of SVB's UK branch by HSBC.

AXA Lifetime Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

Concerns about the financial sector quickly crossed the Atlantic with focus turning to European banks, with Credit Suisse in particular in the spotlight, which ultimately triggered the Swiss government to step in and force UBS to take over the ailing institution. The decision was taken to wipe out AT1 bond holders which caused additional stress on the banking sector in the immediate aftermath. Despite the turmoil, central banks were very keen to draw the distinction between monetary policy and financial stability with the European Central Bank (ECB) remaining on course to fight inflation, raising rates by 50bps in March along with both the Federal Open Market Committee (FOMC) and BoE raising rates by 25bps. After a relatively calm month for markets in April, May saw central banks once again continue their monetary policy tightening as the Fed, ECB and BoE all raised rates by 25bps - although their forward guidance became more nuanced, with the FOMC's statement removing the comment that "some additional policy firming may be appropriate". Gilts were once again in the media spotlight for the wrong reasons in May, as yields moved sharply higher, underperforming other developed markets as inflation readings for April did not fall as much as most had expected, with headline CPI falling from 10.1% to 8.7% against a consensus forecast of 8.2%.

Set against this backdrop, investors have understandably sought refuge, with flows into money market funds rising to their highest levels in several years. In equity markets, the Nasdaq has been conspicuous in its strength as mega-cap tech stocks with their strong market positions and even stronger (cash-heavy) balance sheets have again been seen as safe havens. To date, 2023 has been defined by one feature - the element of surprise. Despite rising US recession risk in January, stocks went up. That was quickly revised by growth overshooting in February (but stocks went down) which gave way to the sudden onset of a regional banking crisis in March (but, stocks went up, marginally).

In terms of fixed income market moves over the period, 10-year US Treasuries opened the period at 2.90%, trading above the key physiological 4% levels in October and February before closing the period around 3.6%. The US yield curve continued to invert as the front end bore the brunt of the repricing of rate expectations, with 2yr - 10yr at its most inverted since the early 1980s. In the UK, gilt yields also moved sharply higher over the period and underperformed other markets, given the chaotic political backdrop along with inflation levels that continued to suggest that inflation would remain more persistent in the UK than in other regions. 10-year yields moved from 2.10% in early June to 4.1% by the end of the review period, having reached 4.5% during the autumn market turmoil. Shorter-dated gilt maturities suffered even more as the market continued to price in higher terminal rates with 2-years moving 1.70% to above 4.5% by the end of May. The markets pricing of the banks' terminal rate moved from 2.75% in June of last year to over 5.3% by the end of May 2023. Index-linked yields moved in sympathy with nominals, as 10yr real yields moved from -2% to +0.5% by the end of May. Shorter-dated index-linked bonds benefitted from strong inflation indexation and provided positive returns over the period, while longer-dated breakeven rates were slightly lower over the period as inflation expectations declined given the backdrop of very strong policy tightening.

Portfolio Review

The equity element of the portfolio modestly outperformed during the year. The largest contributors to performance were 3i Group, Dunelm Group, Aveva and a lack of exposure to British American Tobacco. 3i Group were strong as their largest investment, Action – a European discount retailer – saw strong growth across all of their territories. This was both in same-store sales and number of outlets. As they grow, they are reinvesting some of the benefits of increasing scale into improving their pricing offer. Aveva were taken over during the year. The UK market continues to be very cheap on an international basis meaning that further takeovers are likely. Detracting from performance were MJ Hudson, Marshalls and Hilton Foods. MJ Hudson collapsed into insolvency as a series of accounting issues were uncovered. The latter two underperformers both had profit warnings; the holdings have largely been retained as the longer-term prospects still appear to be promising.

During the year new holdings were acquired in Ascential, diversified Energy, Haleon (demerged out of Glaxo Smithkline) and Restaurant Group were sold. The holdings of Just Group and Serica Energy were increased while the holdings of 3i Group, Ashtead, Diageo, Rio Tinto and Standard Chartered were reduced.

AXA Lifetime Distribution Fund

Investment Manager's Report

For the year ended 31 May 2023

Outlook

A return to what might be termed as normalised economic conditions following the COVID-19 pandemic, lockdowns and re-openings appears to be almost complete. It has been a tortuous period for investors with the strong equity market returns in 2021 being levelled out by tougher times in 2022. Furthermore, having now passed the first anniversary of the horrific war in Ukraine, the inflationary impulse caused by higher energy prices are beginning to annualise themselves out of inflation numbers. However, the hard work that central banks have put into quashing the stubbornly high inflation is only now beginning to come into effect. Housing markets are under pressure in Western economies, consumer confidence is falling, PMIs are down and yet employment remains high. Anecdotally we are hearing from corporates that wage inflation pressure is easing. Consequently, the forecast for improving economic conditions that had fuelled the value rally in 2022 are reversing and the underlying attractions of quality growth companies are returning to vogue. This has suited our consistent investment style in recent months, and we believe looks set to continue in the period ahead.

All performance data source: AXA Investment Managers and Morningstar.
Past performance is not a guide for future performance.

Major Purchases	Cost (£'000)
● UK Treasury 0.125% IL 22/03/51	11,401
● UK Treasury 0.125% IL 10/08/48	7,150
● Diversified Energy	6,266
● UK Treasury 0.125% IL 22/03/29	6,007
● UK Treasury 0.375% IL 22/03/62	5,103

Major Sales	Proceeds (£'000)
● UK Treasury 0.125% IL 22/03/29	13,832
● AVEVA	9,395
● Admiral	8,988
● Standard Chartered	8,123
● Diageo	6,446

George Luckraft
AXA Investment Managers UK Limited

AXA Lifetime Distribution Fund

Portfolio Statement

As at 31 May 2023

	Holding	Market Value £'000	% of Total Net Assets
EQUITIES 57.05% (31/05/22: 57.42%)			
BASIC MATERIALS 3.81% (31/05/22: 4.44%)			
Industrial Metals & Mining 3.81% (31/05/22: 4.44%)			
Central Asia Metals	1,600,000	3,005	0.47
Hill & Smith	600,000	8,736	1.37
Rio Tinto	260,000	12,557	1.97
TOTAL BASIC MATERIALS		24,298	3.81
CONSUMER DISCRETIONARY 7.62% (31/05/22: 5.90%)			
Automobiles & Parts 0.88% (31/05/22: 0.71%)			
Dowlais	1,333,333	1,744	0.27
TI Fluid Systems	3,100,000	3,869	0.61
Household Goods & Home Construction 1.12% (31/05/22: 0.98%)			
Bellway	315,000	7,113	1.12
Leisure Goods 1.11% (31/05/22: 0.73%)			
Games Workshop	75,000	7,080	1.11
Retailers 2.50% (31/05/22: 1.80%)			
Dunelm	825,000	9,091	1.43
JD Sports Fashion	4,500,000	6,840	1.07
Teachers Media ^	670,000	-	-
Travel & Leisure 2.01% (31/05/22: 1.68%)			
Loungers	2,075,000	3,943	0.62
Whitbread	265,000	8,832	1.39
TOTAL CONSUMER DISCRETIONARY		48,512	7.62
CONSUMER STAPLES 4.58% (31/05/22: 6.48%)			
Beverages 1.72% (31/05/22: 2.37%)			
Diageo	325,000	10,972	1.72
Food Producers 0.57% (31/05/22: 0.85%)			
Hilton Food	500,000	3,645	0.57
Personal Care, Drug & Grocery 2.29% (31/05/22: 3.26%)			
Reckitt Benckiser	230,000	14,558	2.29
TOTAL CONSUMER STAPLES		29,175	4.58

AXA Lifetime Distribution Fund

Portfolio Statement

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	Holding	Market Value £'000	% of Total Net Assets
ENERGY 6.53% (31/05/22: 6.24%)			
Oil, Gas & Coal 6.53% (31/05/22: 6.24%)			
BP	4,500,000	20,342	3.20
Diversified Energy	5,250,000	4,455	0.70
Longboat Energy	1,247,671	218	0.04
Serica Energy	2,000,000	4,224	0.66
Shell	550,000	12,309	1.93
TOTAL ENERGY		41,548	6.53
FINANCIALS 13.58% (31/05/22: 13.83%)			
Banks 3.68% (31/05/22: 3.20%)			
HSBC	1,100,000	6,562	1.03
Lloyds Banking	18,250,000	8,231	1.29
Standard Chartered	1,350,000	8,678	1.36
Finance & Credit Services 1.00% (31/05/22: 1.16%)			
London Stock Exchange	75,000	6,376	1.00
Investment Banking & Brokerage 3.98% (31/05/22: 3.68%)			
3i	875,000	17,159	2.70
Argentex	2,550,000	2,882	0.45
Hargreaves Lansdown	650,000	5,249	0.83
MJ Hudson^	9,000,000	-	-
Life Insurance 4.17% (31/05/22: 3.84%)			
Just	10,000,000	8,710	1.37
Legal & General	5,300,000	12,195	1.92
Phoenix	1,000,000	5,604	0.88
Non-Life Insurance 0.75% (31/05/22: 1.95%)			
Sabre Insurance	3,300,000	4,765	0.75
TOTAL FINANCIALS		86,411	13.58
HEALTH CARE 7.66% (31/05/22: 7.56%)			
Medical Equipment & Services 1.42% (31/05/22: 2.07%)			
ConvaTec	4,400,000	9,011	1.42
Inspiration Healthcare	50,000	22	-

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Portfolio Statement

As at 31 May 2023

	Holding	Market Value £'000	% of Total Net Assets
Pharmaceuticals & Biotechnology 6.24% (31/05/22: 5.49%)			
AstraZeneca	205,000	24,100	3.79
Genus	165,000	4,161	0.65
GSK	840,071	11,432	1.80
TOTAL HEALTH CARE		48,726	7.66
INDUSTRIALS 5.80% (31/05/22: 5.84%)			
Aerospace & Defense 1.00% (31/05/22: 0.00%)			
Melrose Industries	1,333,333	6,371	1.00
Construction & Materials 0.62% (31/05/22: 0.90%)			
Marshalls	1,300,000	3,923	0.62
General Industrials 0.00% (31/05/22: 0.94%)			
Industrial Engineering 1.10% (31/05/22: 0.84%)			
Weir	412,500	7,008	1.10
Industrial Support Services 1.80% (31/05/22: 1.73%)			
Experian	400,000	11,452	1.80
Industrial Transportation 1.28% (31/05/22: 1.43%)			
Ashtead	165,000	8,120	1.28
TOTAL INDUSTRIALS		36,874	5.80
REAL ESTATE 3.00% (31/05/22: 2.68%)			
Real Estate Investment & Services 1.36% (31/05/22: 1.00%)			
Grainger	1,000,000	2,444	0.38
Rightmove	1,200,000	6,254	0.98
Real Estate Investment Trusts 1.64% (31/05/22: 1.68%)			
Great Portland Estates	1,100,000	5,370	0.84
PRS	6,000,000	5,076	0.80
TOTAL REAL ESTATE		19,144	3.00
TECHNOLOGY 0.33% (31/05/22: 0.97%)			
Software & Computer Services 0.33% (31/05/22: 0.97%)			
Ascential	925,000	2,115	0.33
TOTAL TECHNOLOGY		2,115	0.33

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As at 31 May 2023

	Holding	Market Value £'000	% of Total Net Assets
TELECOMMUNICATIONS 0.40% (31/05/22: 0.00%)			
Telecommunications Service Providers 0.40% (31/05/22: 0.00%)			
Telecom Plus	165,000	2,541	0.40
TOTAL TELECOMMUNICATIONS		2,541	0.40
UTILITIES 3.74% (31/05/22: 3.48%)			
Electricity 1.62% (31/05/22: 1.36%)			
SSE	550,000	10,315	1.62
Gas, Water & Multiutilities 2.12% (31/05/22: 2.12%)			
National Grid	1,225,000	13,493	2.12
TOTAL UTILITIES		23,808	3.74
GOVERNMENT BONDS 39.97% (31/05/22: 39.30%)			
Index Linked Government Bonds 39.97% (31/05/22: 39.30%)			
UK Treasury 0.125% IL 22/03/24	9,000,000	13,517	2.12
UK Treasury 0.125% IL 22/03/26	12,000,000	16,759	2.63
UK Treasury 0.125% IL 10/08/28	8,000,000	10,303	1.62
UK Treasury 0.125% IL 22/03/29	4,000,490	6,038	0.95
UK Treasury 0.125% IL 10/08/31	8,000,000	9,797	1.54
UK Treasury 0.125% IL 22/11/36	9,000,000	11,664	1.83
UK Treasury 0.125% IL 22/03/39	10,000,000	10,815	1.70
UK Treasury 0.125% IL 10/08/41	8,000,000	8,989	1.41
UK Treasury 0.125% IL 22/03/44	7,000,000	8,698	1.37
UK Treasury 0.125% IL 22/03/46	10,000,000	11,380	1.79
UK Treasury 0.125% IL 10/08/48	13,000,000	13,580	2.13
UK Treasury 0.125% IL 22/03/51	15,500,000	14,819	2.33
UK Treasury 0.125% IL 22/11/56	5,500,000	5,714	0.90
UK Treasury 0.125% IL 22/03/58	7,000,000	7,464	1.17
UK Treasury 0.25% IL 22/03/52	5,000,000	6,013	0.95
UK Treasury 0.375% IL 22/03/62	7,500,000	9,506	1.49
UK Treasury 0.5% IL 22/03/50	6,000,000	8,855	1.39
UK Treasury 0.625% IL 22/03/39	1,500,000	1,356	0.21
UK Treasury 0.625% IL 22/03/40	5,000,000	8,043	1.26
UK Treasury 0.625% IL 22/11/42	5,002,080	8,051	1.27
UK Treasury 0.75% IL 22/03/34	4,000,000	6,394	1.00
UK Treasury 0.75% IL 22/11/47	7,000,000	11,376	1.79
UK Treasury 1.125% IL 22/11/37	4,302,140	8,135	1.28
UK Treasury 1.25% IL 22/11/27	5,000,000	9,755	1.53

AXA Lifetime Distribution Fund

Portfolio Statement

As at 31 May 2023

	Holding	Market Value £'000	% of Total Net Assets
UK Treasury 1.25% IL 22/11/32	4,000,000	7,248	1.14
UK Treasury 1.25% IL 22/11/55	3,000,000	6,054	0.95
UK Treasury 2% IL 26/01/35	1,795,000	4,281	0.67
UK Treasury 2.5% IL 17/07/24	1,413,000	5,296	0.83
UK Treasury 4.125% IL 22/07/30	1,358,000	4,554	0.72
TOTAL GOVERNMENT BONDS		254,454	39.97
Portfolio of investments		617,606	97.02
Net other assets		18,992	2.98
Total net assets		636,598	100.00

All investments are ordinary shares unless otherwise stated.
All bonds are denominated in Sterling (unless otherwise indicated).
^ These stocks have either been suspended, delisted or are in liquidation. They are included at the Manager's valuation.

AXA Lifetime Distribution Fund

Comparative Tables

As at 31 May 2023

	A Accumulation			A Income		
Change in net assets per share	31/05/2023 (p)	31/05/2022 (p)	31/05/2021 (p)	31/05/2023 (p)	31/05/2022 (p)	31/05/2021 (p)
Opening net asset value per share †	138.99	142.39	128.29	119.70	125.11	114.39
Return before operating charges ^	(13.41)	(2.96)	14.51	(11.48)	(2.48)	12.82
Operating charges ^	(0.38)	(0.44)	(0.41)	(0.33)	(0.39)	(0.36)
Return after operating charges ^	(13.79)	(3.40)	14.10	(11.81)	(2.87)	12.46
Distributions	(3.28)	(2.91)	(1.96)	(2.80)	(2.54)	(1.74)
Retained distributions on accumulation shares	3.28	2.91	1.96	-	-	-
Closing net asset value per share †	125.20	138.99	142.39	105.09	119.70	125.11
*^ after direct transaction costs of:	0.04	0.08	0.05	0.03	0.07	0.05
Performance						
Return after operating charges	-9.92%	-2.39%	10.99%	-9.87%	-2.29%	10.89%
Other information						
Closing net asset value (£) †	665,913	990,085	1,411,199	18,760	22,267	22,007
Closing number of shares	531,885	712,322	991,053	17,852	18,602	17,589
Operating charges ^	0.30%	0.30%	0.31%	0.30%	0.30%	0.31%
Direct transaction costs *	0.03%	0.05%	0.04%	0.03%	0.05%	0.04%
Prices						
Highest share price #	138.00	153.60	142.50	118.80	133.70	125.40
Lowest share price #	109.20	135.20	124.10	93.19	116.70	110.00

	I Accumulation		
Change in net assets per share	31/05/2023 (p)	31/05/2022 (p)	31/05/2021 (p)
Opening net asset value per share †	135.97	139.00	124.96
Return before operating charges ^	(13.13)	(2.90)	14.17
Operating charges ^	(0.11)	(0.13)	(0.13)
Return after operating charges ^	(13.24)	(3.03)	14.04
Distributions	(3.21)	(2.84)	(1.91)
Retained distributions on accumulation shares	3.21	2.84	1.91
Closing net asset value per share †	122.73	135.97	139.00
*^ after direct transaction costs of:	0.04	0.08	0.05
Performance			
Return after operating charges	-9.74%	-2.18%	11.24%
Other information			
Closing net asset value (£) †	635,904,145	774,765,063	869,784,041
Closing number of shares	518,131,895	569,815,910	625,749,700
Operating charges ^	0.09%	0.09%	0.10%
Direct transaction costs *	0.03%	0.05%	0.04%
Prices			
Highest share price #	135.00	150.10	139.10
Lowest share price #	106.90	132.20	121.00

AXA Lifetime Distribution Fund

Comparative Tables

As at 31 May 2023

	Z Accumulation			Z Income		
	31/05/2023	31/05/2022	31/05/2021	31/05/2023	31/05/2022	31/05/2021
Change in net assets per share	(p)	(p)	(p)	(p)	(p)	(p)
Opening net asset value per share †	109.73	112.55	101.53	100.26	104.95	96.08
Return before operating charges ^	(10.59)	(2.30)	11.50	(9.63)	(2.07)	10.78
Operating charges ^	(0.46)	(0.52)	(0.48)	(0.42)	(0.48)	(0.45)
Return after operating charges ^	(11.05)	(2.82)	11.02	(10.05)	(2.55)	10.33
Distributions	(2.58)	(2.32)	(1.56)	(2.33)	(2.14)	(1.46)
Retained distributions on accumulation shares	2.58	2.32	1.56	-	-	-
Closing net asset value per share †	98.68	109.73	112.55	87.88	100.26	104.95
*^ after direct transaction costs of:	0.03	0.06	0.04	0.03	0.06	0.04
Performance						
Return after operating charges	-10.07%	-2.51%	10.85%	-10.02%	-2.43%	10.75%
Other information						
Closing net asset value (£) †	4,589	5,486	4,998	4,394	5,013	4,988
Closing number of shares	4,650	5,000	4,440	5,000	5,000	4,753
Operating charges ^	0.46%	0.45%	0.46%	0.46%	0.45%	0.46%
Direct transaction costs *	0.03%	0.05%	0.04%	0.03%	0.05%	0.04%
Prices						
Highest share price #	108.90	121.40	112.60	99.51	112.10	105.20
Lowest share price #	86.16	106.70	98.14	78.01	97.73	92.37

† Valued at bid-market prices.

High and low price disclosures are based on quoted share prices (Mid Market Price). Therefore the opening and closing NAV prices may fall outside the high / low price threshold.

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

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

The figures used within the table have been calculated against the average net asset value for the accounting year.

AXA Lifetime Distribution Fund

Statement of Total Return

For the year ended 31 May 2023

	Note	31/05/23 £'000	31/05/23 £'000	31/05/22 £'000	31/05/22 £'000
Income:					
Net capital losses	2		(91,001)		(31,264)
Revenue	3	17,576		17,142	
Expenses	4	(650)		(809)	
Interest payable and similar charges		-		-	
Net revenue before taxation		16,926		16,333	
Taxation	5	(103)		(126)	
Net revenue after taxation			16,823		16,207
Total return before distributions			(74,178)		(15,057)
Distributions	6		(17,440)		(16,987)
Change in net assets attributable to Shareholders from investment activities			**(91,618)**		**(32,044)**

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 May 2023

	31/05/23 £'000	31/05/23 £'000	31/05/22 £'000	31/05/22 £'000
Opening net assets attributable to Shareholders		775,788		871,227
Amounts receivable on issue of shares	341		294	
Amounts payable on cancellation of shares	(65,260)		(80,600)	
		(64,919)		(80,306)
Change in net assets attributable to Shareholders from investment activities (see above)		(91,618)		(32,044)
Retained distributions on accumulation shares		17,347		16,911
Closing net assets attributable to Shareholders		636,598		775,788

AXA Lifetime Distribution Fund

Balance Sheet

As at 31 May

	Note	31/05/23 £'000	31/05/22 £'000
Assets:			
Fixed assets:			
Investments		617,606	750,338
Current assets:			
Debtors	7	2,168	6,372
Cash and bank balances	8	18,324	20,870
Total assets		638,098	777,580
Liabilities:			
Creditors:			
Other creditors	9	(1,500)	(1,792)
Total liabilities		(1,500)	(1,792)
Net assets attributable to Shareholders		636,598	775,788

AXA Lifetime Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

1. Accounting Basis And Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 164-167.

2. Net capital losses

	31/05/23 £'000	31/05/22 £'000
The net capital losses comprise:		
Non-derivative securities	(91,001)	(31,270)
Currency (losses)/gains	-	7
Transaction charges	-	(1)
Net capital losses	**(91,001)**	**(31,264)**

3. Revenue

	31/05/23 £'000	31/05/22 £'000
Bank interest	305	5
Interest on debt securities	2,448	(692)
Overseas dividends	587	696
UK dividends	13,944	16,762
Property revenue from REITs	292	371
Total revenue	**17,576**	**17,142**

4. Expenses

	31/05/23 £'000	31/05/22 £'000
Payable to the ACD, associates of the ACD, and agents of either of them		
Annual management charge	617	780
	617	780
Other expenses		
Audit fees	9	5
Depositary's fees	19	17
Printing fees	-	(3)
Safe custody fees	5	10
	33	29
Total expenses	**650**	**809**

Expenses include irrecoverable VAT where applicable.

AXA Lifetime Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

5. Taxation

	31/05/23 £'000	31/05/22 £'000
(a) Analysis of the tax charge in the year		
Irrecoverable overseas tax	103	126

(b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax for an open ended investment company of 20% (2022: 20%) is applied to the net revenue before taxation. The differences are explained below:

	31/05/23 £'000	31/05/22 £'000
Net revenue before taxation	16,926	16,333
Net revenue for the year multiplied by the standard rate of corporation tax	3,385	3,267
Effects of:		
Irrecoverable income tax	103	126
Movement in excess management expenses	6,716	7,491
Relief for indexation on UK Gilts	(7,176)	(7,232)
Revenue not subject to corporation tax	(2,925)	(3,526)
Tax charge for the year	103	126

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

(c) Deferred taxation:

There is no provision required for deferred taxation at the balance sheet date in the current year or prior year.

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £26,396,700 (2022: £19,680,254) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

AXA Lifetime Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

6. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	31/05/23 £'000	31/05/22 £'000
First interim	1,463	1,971
Second interim	649	439
Third interim	3,132	3,278
Fourth interim	1,113	1,533
Fifth interim	657	473
Sixth interim	1,303	720
Seventh interim	1,007	837
Eighth interim	684	353
Ninth interim	1,268	1,508
Tenth interim	1,996	1,944
Eleventh interim	2,331	2,072
Final	1,745	1,784
Add: Revenue paid on cancellation of shares	93	76
Deduct: Revenue received on creation of shares	(1)	(1)
Net distribution for the year	17,440	16,987

Reconciliation of net revenue after taxation to distributions

	31/05/23 £'000	31/05/22 £'000
Net revenue after taxation	16,823	16,207
Expenses charged to capital	617	780
Net distribution for the year	17,440	16,987

7. Debtors

	31/05/23 £'000	31/05/22 £'000
Sales awaiting settlement	-	3,391
Accrued revenue	2,168	2,981
Total debtors	2,168	6,372

8. Cash and bank balances

	31/05/23 £'000	31/05/22 £'000
Cash and bank balances	18,324	20,870
Total cash and bank balances	18,324	20,870

9. Other creditors

	31/05/23 £'000	31/05/22 £'000
Amounts payable for cancellation of shares	1,373	1,643
Accrued annual management charge	100	120
Accrued other expenses	27	29
Total other creditors	1,500	1,792

AXA Lifetime Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

10. Related party transactions

The ACD is related to the Fund as defined by Financial Reporting Standard 102.33 'Related Party Disclosures'.

Annual management charge paid to the ACD and Registration fees are disclosed in Note 4 and amounts due at the year end are disclosed in Note 9.

Monies received and paid by the ACD through the creation and cancellation of shares are disclosed in the Statement of Change in Shareholders' Net Assets and amounts due at the year end are disclosed in Notes 7 and 9.

The ACD and its associates (including other authorised investment Funds managed by the ACD) have no shareholdings in the Company at the year end.

11. Share classes

The reconciliation of the opening and closing numbers of shares of each class, along with the ACD's annual management charges applicable to each class, is shown below:

	Annual Management Charge rate (%)	31/05/22	Issued	Cancelled	Converted	31/05/23
A Accumulation	0.30	712,322	-	(180,437)	-	531,885
A Income	0.30	18,602	-	(750)	-	17,852
I Accumulation	0.09	569,815,910	269,717	(51,953,732)	-	518,131,895
Z Accumulation	0.45	5,000	-	(350)	-	4,650
Z Income	0.45	5,000	-	-	-	5,000

12. Commitments, contingent liabilities and contingent assets

There are no commitments, contingent liabilities and contingent assets as at the balance sheet date (2022: nil).

13. Derivatives and other financial instruments

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are outlined below.

Market price risk

The Fund invests principally in equity and fixed income securities. The value of the Fund's investment portfolio is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual company or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Fund seeks to manage these risks by adhering to investment guidelines and to investment and borrowing powers set out in the Prospectus. In addition, the Fund complies with the Collective Investment Schemes sourcebook ("COLL"), which include rules relating to investment holdings that are designed to place limits on the Fund's investment concentration (same as at 31 May 2022).

Market price risk sensitivity

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £61,760,636 (2022: £75,033,780). A 10% decrease would have an equal and opposite effect.

AXA Lifetime Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

Foreign currency risk

The functional currency of the Fund is Sterling. All assets and liabilities of the Fund are denominated in Pound sterling. There was no direct foreign currency exposure within the Fund at the balance sheet date.

Interest rate risk

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital, with the exception of index linked bonds which are protected against the effect of inflation.

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. A 1% increase in interest rates would have the effect of decreasing the return and net assets £41,153,062 (2022: £51,533,034) . A 1% decrease would have an equal and opposite effect.

The table below shows the interest rate risk profile at the balance sheet date:

Currency Assets	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31/05/23				
Pound sterling	18,324	254,454	364,664	637,442
Euro	-	-	41	41
US dollar	-	-	615	615
Total	18,324	254,454	365,320	638,098
31/05/22				
Pound sterling	20,870	304,900	451,310	777,080
Euro	-	-	38	38
US dollar	-	-	462	462
Total	20,870	304,900	451,810	777,580

Currency Liabilities	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
31/05/23				
Pound sterling	-	-	(1,500)	(1,500)
Total	-	-	(1,500)	(1,500)
31/05/22				
Pound sterling	-	-	(1,792)	(1,792)
Total	-	-	(1,792)	(1,792)

AXA Lifetime Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

Credit risk

The Fund runs a very low credit risk in respect of unsettled investment transactions as these are normally settled as cash against delivery.

Fixed interest investments are exposed to credit risk which reflects the ability of the bond issuer to meet its obligations. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. The ACD monitors the credit quality and risk of the portfolio as a part of the overall investment process and in accordance with the objective and policy of each fund.

Transactions in securities may expose a fund to the risk that the counterparty will not settle the transaction or do so on a timely basis.

All transactions in the funds are conducted through counterparties approved by the ACD.

A breakdown of the investment portfolio by credit rating is disclosed on the table below:

Credit Rating	31/05/23 Market Value £'000	%	31/05/22 Market Value £'000	%
Investment grade (BBB- credit rating and above)	254,454	39.97	304,900	39.30
Total value of bonds	254,454	39.97	304,900	39.30

14. Portfolio transaction costs

31/05/2023 Analysis of purchases	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
Bonds	70,613	-	-	-	-	70,613
Equities	34,783	17	0.05	147	0.42	34,947
Total	105,396	17		147		105,560

31/05/2023 Analysis of sales	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
Bonds	40,494	-	-	-	-	40,494
Equities	107,756	(47)	(0.04)	-	-	107,709
Total	148,250	(47)		-		148,203

AXA Lifetime Distribution Fund

Notes to the Financial Statements

For the year ended 31 May 2023

31/05/2022	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
Analysis of purchases						
Bonds	39,377	-	-	-	-	39,377
Equities	79,299	36	0.05	356	0.45	79,691
Total	**118,676**	**36**		**356**		**119,068**

31/05/2022	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
Analysis of sales						
Bonds	58,755	-	-	-	-	58,755
Collective Investment Schemes	1,811	(1)	(0.05)	-	-	1,810
Equities	112,097	(58)	(0.05)	-	-	112,039
Total	**172,663**	**(59)**		**-**		**172,604**

Transaction costs as percentage of average net asset value	31/05/23 %	31/05/22 %
Commissions	0.01	0.01
Taxes	0.02	0.04

At the balance sheet date the average portfolio dealing spread was 0.19% (2022: 0.17%).

15. Post balance sheet events

There are no post balance sheet events which require adjustments at the year end.

16. Fair value disclosure

	31/05/23		31/05/22	
Valuation technique	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1 ^	617,606	-	750,338	-
Level 2 ^^	-	-	-	-
Level 3 ^^^	-	-	-	-
	617,606	-	750,338	-

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

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

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

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

AXA Lifetime Distribution Fund

Distribution Table

As at 31 May 2023

First Distribution in pence per share
Group 1 Shares purchased prior to 1 June 2022
Group 2 Shares purchased on or after 1 June 2022 to 30 June 2022

	Net revenue (p)	Equalisation (p)	Distribution paid 29/07/22 (p)	Distribution paid 30/07/21 (p)
Share Class A Accumulation				
Group 1	0.264	-	0.264	0.325
Group 2	0.264	-	0.264	0.325
Share Class A Income				
Group 1	0.227	-	0.227	0.286
Group 2	0.227	-	0.227	0.286
Share Class I Accumulation				
Group 1	0.258	-	0.258	0.317
Group 2	0.009	0.249	0.258	0.317
Share Class Z Accumulation				
Group 1	0.208	-	0.208	0.257
Group 2	0.208	-	0.208	0.257
Share Class Z Income				
Group 1	0.190	-	0.190	0.239
Group 2	0.190	-	0.190	0.239

AXA Lifetime Distribution Fund

Distribution Table

As at 31 May 2023

Second Distribution in pence per share
Group 1 Shares purchased prior to 1 July 2022
Group 2 Shares purchased on or after 1 July 2022 to 31 July 2022

	Net revenue (p)	Equalisation (p)	Distribution paid 31/08/22 (p)	Distribution paid 31/08/21 (p)
Share Class A Accumulation				
Group 1	0.118	-	0.118	0.073
Group 2	0.118	-	0.118	0.073
Share Class A Income				
Group 1	0.102	-	0.102	0.064
Group 2	0.102	-	0.102	0.064
Share Class I Accumulation				
Group 1	0.115	-	0.115	0.071
Group 2	0.115	-	0.115	0.071
Share Class Z Accumulation				
Group 1	0.092	-	0.092	0.059
Group 2	0.092	-	0.092	0.059
Share Class Z Income				
Group 1	0.085	-	0.085	0.054
Group 2	0.085	-	0.085	0.054

AXA Lifetime Distribution Fund

Distribution Table

As at 31 May 2023

Third Distribution in pence per share

Group 1 Shares purchased prior to 1 August 2022

Group 2 Shares purchased on or after 1 August 2022 to 31 August 2022

	Net revenue (p)	Equalisation (p)	Distribution paid 30/09/22 (p)	Distribution paid 30/09/21 (p)
Share Class A Accumulation				
Group 1	0.574	-	0.574	0.549
Group 2	0.574	-	0.574	0.549
Share Class A Income				
Group 1	0.493	-	0.493	0.482
Group 2	0.493	-	0.493	0.482
Share Class I Accumulation				
Group 1	0.562	-	0.562	0.536
Group 2	-	0.562	0.562	0.536
Share Class Z Accumulation				
Group 1	0.452	-	0.452	0.434
Group 2	0.452	-	0.452	0.434
Share Class Z Income				
Group 1	0.412	-	0.412	0.404
Group 2	0.412	-	0.412	0.404

AXA Lifetime Distribution Fund

Distribution Table

As at 31 May 2023

Fourth Distribution in pence per share

Group 1 Shares purchased prior to 1 September 2022

Group 2 Shares purchased on or after 1 September 2022 to 30 September 2022

	Net revenue (p)	Equalisation (p)	Distribution paid 31/10/22 (p)	Distribution paid 29/10/21 (p)
Share Class A Accumulation				
Group 1	0.206	-	0.206	0.259
Group 2	0.206	-	0.206	0.259
Share Class A Income				
Group 1	0.177	-	0.177	0.226
Group 2	0.177	-	0.177	0.226
Share Class I Accumulation				
Group 1	0.201	-	0.201	0.253
Group 2	0.059	0.142	0.201	0.253
Share Class Z Accumulation				
Group 1	0.163	-	0.163	0.208
Group 2	0.163	-	0.163	0.208
Share Class Z Income				
Group 1	0.149	-	0.149	0.192
Group 2	0.149	-	0.149	0.192

AXA Lifetime Distribution Fund

Distribution Table

As at 31 May 2023

Fifth Distribution in pence per share
Group 1 Shares purchased prior to 1 October 2022
Group 2 Shares purchased on or after 1 October 2022 to 31 October 2022

	Net revenue (p)	Equalisation (p)	Distribution paid 30/11/22 (p)	Distribution paid 30/11/21 (p)
Share Class A Accumulation				
Group 1	0.122	-	0.122	0.080
Group 2	0.122	-	0.122	0.080
Share Class A Income				
Group 1	0.106	-	0.106	0.072
Group 2	0.106	-	0.106	0.072
Share Class I Accumulation				
Group 1	0.120	-	0.120	0.079
Group 2	0.069	0.051	0.120	0.079
Share Class Z Accumulation				
Group 1	0.096	-	0.096	0.067
Group 2	0.096	-	0.096	0.067
Share Class Z Income				
Group 1	0.088	-	0.088	0.062
Group 2	0.088	-	0.088	0.062

AXA Lifetime Distribution Fund

Distribution Table

As at 31 May 2023

Sixth Distribution in pence per share

Group 1 Shares purchased prior to 1 November 2022

Group 2 Shares purchased on or after 1 November 2022 to 30 November 2022

	Net revenue (p)	Equalisation (p)	Distribution paid 30/12/22 (p)	Distribution paid 31/12/21 (p)
Share Class A Accumulation				
Group 1	0.244	-	0.244	0.123
Group 2	0.244	-	0.244	0.123
Share Class A Income				
Group 1	0.209	-	0.209	0.108
Group 2	0.209	-	0.209	0.108
Share Class I Accumulation				
Group 1	0.239	-	0.239	0.120
Group 2	0.121	0.118	0.239	0.120
Share Class Z Accumulation				
Group 1	0.191	-	0.191	0.101
Group 2	0.191	-	0.191	0.101
Share Class Z Income				
Group 1	0.174	-	0.174	0.093
Group 2	0.174	-	0.174	0.093

AXA Lifetime Distribution Fund

Distribution Table

As at 31 May 2023

Seventh Distribution in pence per share

Group 1 Shares purchased prior to 1 December 2022

Group 2 Shares purchased on or after 1 December 2022 to 31 December 2022

	Net revenue (p)	Equalisation (p)	Distribution paid 31/01/23 (p)	Distribution paid 31/01/22 (p)
Share Class A Accumulation				
Group 1	0.190	-	0.190	0.144
Group 2	0.190	-	0.190	0.144
Share Class A Income				
Group 1	0.162	-	0.162	0.126
Group 2	0.162	-	0.162	0.126
Share Class I Accumulation				
Group 1	0.186	-	0.186	0.140
Group 2	0.006	0.180	0.186	0.140
Share Class Z Accumulation				
Group 1	0.148	-	0.148	0.115
Group 2	0.148	-	0.148	0.115
Share Class Z Income				
Group 1	0.134	-	0.134	0.106
Group 2	0.134	-	0.134	0.106

AXA Lifetime Distribution Fund

Distribution Table

As at 31 May 2023

Eighth Distribution in pence per share

Group 1 Shares purchased prior to 1 January 2023

Group 2 Shares purchased on or after 1 January 2023 to 31 January 2023

	Net revenue (p)	Equalisation (p)	Distribution paid 28/02/23 (p)	Distribution paid 28/02/22 (p)
Share Class A Accumulation				
Group 1	0.130	-	0.130	0.061
Group 2	0.130	-	0.130	0.061
Share Class A Income				
Group 1	0.112	-	0.112	0.054
Group 2	0.112	-	0.112	0.054
Share Class I Accumulation				
Group 1	0.127	-	0.127	0.060
Group 2	-	0.127	0.127	0.060
Share Class Z Accumulation				
Group 1	0.103	-	0.103	0.051
Group 2	0.103	-	0.103	0.051
Share Class Z Income				
Group 1	0.090	-	0.090	0.047
Group 2	0.090	-	0.090	0.047

AXA Lifetime Distribution Fund

Distribution Table

As at 31 May 2023

Ninth Distribution in pence per share

Group 1 Shares purchased prior to 1 February 2023

Group 2 Shares purchased on or after 1 February 2023 to 28 February 2023

	Net revenue (p)	Equalisation (p)	Distribution paid 31/03/23 (p)	Distribution paid 31/03/22 (p)
Share Class A Accumulation				
Group 1	0.243	-	0.243	0.263
Group 2	0.243	-	0.243	0.263
Share Class A Income				
Group 1	0.207	-	0.207	0.230
Group 2	0.207	-	0.207	0.230
Share Class I Accumulation				
Group 1	0.238	-	0.238	0.258
Group 2	0.156	0.082	0.238	0.258
Share Class Z Accumulation				
Group 1	0.191	-	0.191	0.210
Group 2	0.191	-	0.191	0.210
Share Class Z Income				
Group 1	0.172	-	0.172	0.193
Group 2	0.172	-	0.172	0.193

AXA Lifetime Distribution Fund

Distribution Table

As at 31 May 2023

Tenth Distribution in pence per share
Group 1 Shares purchased prior to 1 March 2023
Group 2 Shares purchased on or after 1 March 2023 to 31 March 2023

	Net revenue (p)	Equalisation (p)	Distribution paid 28/04/23 (p)	Distribution paid 29/04/22 (p)
Share Class A Accumulation				
Group 1	0.387	-	0.387	0.343
Group 2	0.387	-	0.387	0.343
Share Class A Income				
Group 1	0.328	-	0.328	0.298
Group 2	0.328	-	0.328	0.298
Share Class I Accumulation				
Group 1	0.379	-	0.379	0.335
Group 2	0.011	0.368	0.379	0.335
Share Class Z Accumulation				
Group 1	0.307	-	0.307	0.273
Group 2	0.307	-	0.307	0.273
Share Class Z Income				
Group 1	0.271	-	0.271	0.251
Group 2	0.271	-	0.271	0.251

AXA Lifetime Distribution Fund

Distribution Table

As at 31 May 2023

Eleventh Distribution in pence per share

Group 1 Shares purchased prior to 1 April 2023

Group 2 Shares purchased on or after 1 April 2023 to 30 April 2023

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/23 (p)	Distribution paid 31/05/22 (p)
Share Class A Accumulation				
Group 1	0.455	-	0.455	0.368
Group 2	0.455	-	0.455	0.368
Share Class A Income				
Group 1	0.384	-	0.384	0.320
Group 2	0.384	-	0.384	0.320
Share Class I Accumulation				
Group 1	0.446	-	0.446	0.360
Group 2	0.446	-	0.446	0.360
Share Class Z Accumulation				
Group 1	0.360	-	0.360	0.292
Group 2	0.360	-	0.360	0.292
Share Class Z Income				
Group 1	0.320	-	0.320	0.268
Group 2	0.320	-	0.320	0.268

AXA Lifetime Distribution Fund

Distribution Table

As at 31 May 2023

Final Distribution in pence per share
Group 1 Shares purchased prior to 1 May 2023
Group 2 Shares purchased on or after 1 May 2023 to 31 May 2023

	Net revenue (p)	Equalisation (p)	Distribution payable 30/06/23 (p)	Distribution paid 30/06/22 (p)
Share Class A Accumulation				
Group 1	0.343	-	0.343	0.320
Group 2	0.343	-	0.343	0.320
Share Class A Income				
Group 1	0.289	-	0.289	0.276
Group 2	0.289	-	0.289	0.276
Share Class I Accumulation				
Group 1	0.337	-	0.337	0.313
Group 2	0.184	0.153	0.337	0.313
Share Class Z Accumulation				
Group 1	0.271	-	0.271	0.252
Group 2	0.271	-	0.271	0.252
Share Class Z Income				
Group 1	0.240	-	0.240	0.230
Group 2	0.240	-	0.240	0.230

Accounting Policies

For the year ended 31 May 2023

1. Accounting Basis and Policies

(a) Basis of accounting

The Financial Statements of the Company comprise the Financial Statements of each of the sub-funds and 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 are prepared in accordance with the Instrument of Incorporation 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 Company's ability to continue as a going concern for the next twelve months from the date these financial statements are authorised for issue. The ACD believes that the Company 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) Recognition of revenue

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex-dividend and are recognised net of attributable tax credits.

Dividends from Real Estate Investment Trusts ('REITs') are recognised as distributable income when the securities are quoted ex-dividend.

Dividends received from US Real Estate Investment Trusts ('REITs') are recognised as revenue when the security is quoted ex-dividend. An assessment of capital/income split is performed, based on prior year dividend announcement for each security. The capital element of the dividend is reallocated to the capital of the sub-fund. Subsequently, when the capital/income split is announced for the dividend a final assessment is performed to determine the correct distribution to shareholders.

Revenue on debt securities (including allowance for interest bought and sold) is accounted for on an accruals basis. Where it is considered that a bond has a likelihood of default appropriate provisions are made against any accrued revenue. Revenue from debt securities is accounted for on a basis which takes account of the amortisation of any discount or premium between the purchase price and the expected final maturity price over the remaining life of the security. Accrued interest on purchase and sale contracts is recognised as revenue and transferred to revenue or capital as appropriate. Indexation on UK index-linked bonds is accrued monthly to the sub-fund and forms part of the distributable income.

Interest on bank and other cash deposits is recognised on an accruals basis.

Returns on derivative transactions have been treated as either revenue or capital depending on the motives and circumstances on acquisition. Where positions generate total returns, returns are apportioned between capital and revenue to reflect the nature of the transaction.

(c) Treatment of special dividends

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax treatment follows the treatment of the principal amount.

Accounting Policies

For the year ended 31 May 2023

(d) Treatment of expenses

Expenses of the sub-funds are charged against revenue except for costs associated with the purchase and sale of investments and ACD fees which are allocated to the capital of the sub-funds.

(e) Allocation of revenue and expenses to multiple share classes

Any revenue or expenses not directly attributable to a particular share class will normally be allocated pro-rata to the net assets of the relevant share classes.

(f) Taxation

Tax is provided for using tax rates and laws which have been enacted or substantively enacted at the balance sheet date.

Corporation tax is provided for on the income liable to corporation tax less deductible expenses.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

(g) Distribution policy

The net revenue after taxation, as disclosed in the Financial Statements, after adjustment for items of a capital nature, is distributable to Shareholders as dividend distributions. Any revenue deficit is deducted from capital.

In addition, the portfolio transaction charges will be charged wholly to the capital of all sub-funds.

Where the revenue from investments exceeds the expenses of a sub-fund half yearly distributions (quarterly for Defensive Distribution Fund and UK Distribution Fund, and monthly for Lifetime Distribution Fund) are paid to all holders of income shares. Transfers are made to capital on behalf of all holders of accumulation shares. In all cases tax vouchers will be issued to Shareholders.

ACD fees are offset against capital for the purposes of calculating the amount available for distribution. Accordingly, the imposition of such charges may constrain the capital growth of every sub-fund.

Funds which predominantly hold Index-Linked securities will disregard the amounts recognised in respect of indexation when determining the amount available for distribution.

(h) Basis of valuation of investments

The listed investments of the sub-funds 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.

Market value is defined by the SORP as fair value which is the bid value of each security.

Accounting Policies

For the year ended 31 May 2023

At the end of the reporting period all investments have been measured at their fair value using the prices and the portfolio holdings determined at 12 noon on 31 May 2023, being the last valuation point of the accounting period, as this is not materially different from a valuation carried out at close of business on the balance sheet date.

The value of derivative contracts is calculated with reference to the price/value of the underlying asset(s) and other relevant factors such as interest rates and volatility.

(i) Exchange rates

Transactions in foreign currencies are recorded in Sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into Sterling at the closing mid market exchange rates ruling on that date.

(j) Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares.

After averaging it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for Capital Gains tax purposes.

2. Derivatives and other financial instruments

In pursuing the investment objectives a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for hedging purposes.

The main risks from the Company's holdings of financial instruments are discussed below, the ACD's policy for managing these risks are shown in the individual Fund Investment Manager's Report.

(a) Foreign currency risk

A significant portion of the Company's assets may be denominated in a currency other than the base currency of the Company or Class. There is the risk that the value of such assets and/or the value of any distributions from such assets may decrease if the underlying currency in which assets are traded falls relative to the base currency in which shares of the relevant sub-funds are valued and priced. Foreign currency risk is analysed within the financial statements of each individual sub-fund.

(b) Interest rate risk profile of financial assets and liabilities

The interest rate risk is the risk that the value of the Company's investments will fluctuate due to changes in the interest rate. Cashflows from floating rate securities, bank balances, or bank overdrafts will be affected by the changes in interest rates. As the Company's objective is to seek capital growth, these cashflows are considered to be of secondary importance and are not actively managed.

The Company did not have any long term financial liabilities at the balance sheet date.

(c) Inflation risk

Inflation Linked Bond Risk: unlike other bonds, an inflation protected security (such as index linked gilts) reduces the negative effect of inflation on its real value. The market value of such securities will be affected both by the market's perception of future movements in interest rates and the future rate of inflation. Therefore the market value of such securities (and the value of the sub-fund) may not move in line with inflation rates in the short to medium term.

Accounting Policies

For the year ended 31 May 2023

(d) Credit risk

The Company may find that companies in which it invests fail to settle their debts on a timely basis. The value of securities issued by such companies may fall as a result of the perceived increase in credit risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

Interest rate risk is analysed within the financial statements of each individual sub-fund.

(e) Liquidity risk

The majority of the sub-funds financial assets are considered to be readily realisable in accordance with the market practices of the exchange on which they are traded. In general, sales and purchases of financial assets are managed so that the sub-funds cash requirement is kept to a minimum. The sub-funds main financial liability relates to the potential commitment to meet any cancellation of shares. In order to manage this risk the sub-fund maintains a cash balance to cover any known liabilities, with any cancellation of shares being covered by the sale of investments. Where investments cannot be realised in time to meet a liability the ACD will utilise the company's overdraft facility with HSBC.

All of the sub-funds' financial liabilities are payable in less than one year.

(f) Market price risk

The Company invests principally in equity and fixed income securities. The value of the sub-funds investment portfolio is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual subfund or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The ACD seeks to manage these risks by adhering to investment guidelines and to investment and borrowing powers set out in the Prospectus. In addition, the management of the Company complies with the Collective Investment Schemes sourcebook ("COLL"), which include rules relating to investment holdings that are designed to place limits on the sub-funds investment concentration.

(g) Counterparty risk

Transactions in securities entered into by the Company give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. The Investment Manager minimises this risk by conducting trades through only the most reputable counterparties.

Counterparty risk is also managed by limiting the exposure to individual counterparties through adherence to the investment spread restrictions included within the Company's prospectus and COLL.

(h) Stock lending

Any income arising from stock lending is treated as revenue on an accruals basis and is disclosed in the notes to the Financial Statements net of directly attributable fees. The value of the collateral must always exceed the value of the stock on loan. The accepted collateral includes cash, equities, certain types of bonds and money market instruments as agreed with the Depositary.

Statement of the Authorised Corporate Director's ("ACD") Responsibilities

The Open-Ended Investment Companies Regulations 2001 and the Collective Investment Schemes sourcebook (“COLL”) require the ACD to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Company and of its net revenue and the net capital losses on the property of the Company for the period. In preparing the financial statements the ACD is required to:

• Select suitable accounting policies and then apply them consistently;
• Conform with the disclosure requirements of the Statement of Recommended Practice - Financial statements of UK Authorised Funds issued by the Investment Management Association (“IMA SORP 2014”) in May 2014;
• Follow generally accepted accounting principles and applicable accounting standards;
• Keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements.
• Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for the management of each portfolio in accordance with the Instrument of Incorporation, Prospectus and COLL.

The ACD is also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the AXA Investment Managers UK Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors approval

In accordance with the requirements of the Financial Conduct Authority Sourcebook, the contents of this report have been approved on behalf of AXA Investment Managers UK Limited by:

Marion Le Morhedec

Marcello Arona
Director

Marion Le Morhedec
Director

Monday 11th September 2023

Monday 11th September 2023

Statement of the Depositary's Responsibilities in Respect of the Scheme and Report of the Depositary to the Shareholders of the AXA Distribution Investment ICVC ("the Company") for the year ended 31st May 2023.

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation 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 Company and its investors.

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

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company'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 Company is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Company.

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

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company; and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

HSBC Bank PLC

Monday 11th September 2023

Independent Auditor's Report to the members of AXA Distribution Investment ICVC

Opinion

We have audited the financial statements of AXA Distribution Investment ICVC ("the Company") comprising each of its sub-funds for the year ended 31 May 2023, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Company, 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 Company comprising each of its sub-funds as at 31 May 2023 and of the net revenue and the net capital losses on the scheme property of the Company comprising each of its sub-funds 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 Company 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 Authorised Corporate Director's ("the ACD") 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 Company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the ACD 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 Company's ability to continue as a going concern.

Independent Auditor's Report to the members of AXA Distribution Investment ICVC

Other Information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The ACD 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 Instrument of Incorporation; 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 ACD'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 ACD

As explained more fully in the ACDs responsibilities statement set out on page 166, the ACD 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 ACD 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 ACD is responsible for assessing the Company'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 ACD either intends to wind up or terminate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report to the members of AXA Distribution Investment ICVC

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 Company 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 OEIC Regulations, the Company's Instrument of Incorporation and the Prospectus.

• We understood how the Company is complying with those frameworks through discussions with the ACD and the Company's administrators and a review of the Company's documented policies and procedures.

• We assessed the susceptibility of the Company'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 the appropriateness of management's classification of material 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 ACD 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 Company.

• Due to the regulated nature of the Company, 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.

Independent Auditor's Report to the members of AXA Distribution Investment ICVC

Use of our report

This report is made solely to the Company’s Shareholders, 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 Company’s Shareholders 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 Company and the Company’s Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst + Young LLP

Ernst & Young LLP
Statutory Auditor Edinburgh
Monday 11th September 2023

Further Information (unaudited)

Classes of Shares

The Company can issue different classes of shares in respect of any Fund. Holders of Income shares are entitled to be paid the revenue attributable to such shares, in respect of each annual or accounting period. Holders of Accumulation shares are not entitled to be paid the revenue attributable to such shares, but that revenue is retained and accumulated for the benefit of shareholders and is reflected in the price of shares.

Valuation Point

The valuation point for each Fund is 12 noon on each dealing day (being each day which is a business day in London). Valuations may be made at other times under the terms contained within the Prospectus.

Significant Information

Remuneration policy of the ACD

The ACD 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 Funds or the Instrument of Incorporation, and does not impair compliance of the ACD's duty to act in the best interests of each of the Funds.

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 ACD) 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 Funds). 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/important-information/remuneration-policy. 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 ACD free of charge upon request.

Further Information (unaudited)

Total amount of remuneration paid and / or allocated globally to all staff for the year ended December 31, 2022 [1]	
Fixed Pay [2] (£'000)	220,567
Variable Pay [3] (£'000)	274,564
Number of employees [4]	2,675

[1] Excluding social charges

[2] Fixed Pay amount is based on 2021/22 compensation review final data

[3] Variable compensation, includes:

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

[4] Number of employees includes Permanent and Temporary contracts excluding internships (based on Staff list as of 31/12/2022)

Remuneration to Identified Employee:

Aggregate amount of global 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)	136,672	76,261	212,933
Number of employees	277	62	339

UK Identified Employee Remuneration:

Weighted amount of compensation paid and / or allocated to UK based 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)	2,239	1,249	3,488
Number of employees	69	13	82

Other Information

The Instrument of Incorporation, Prospectus and the most recent and annual reports may be inspected at the office of the ACD which is also the Head Office of the Company and copies may be obtained upon application. Shareholders who have any complaints about the operation of the Company should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

Report

The annual report of the Company will be published within four months of each annual accounting period and the report will be published within two months of each accounting period.

Interim accounts	period ended 30 November
Annual accounts	year ended 31 May

Further Information (unaudited)

Data Protection

The details you have provided will be held on computer by the Funds' Registrar but will not be used for any purpose except to fulfil its obligations to shareholders.

Effects of Personal Taxation

Investors should be aware that unless their shares are held within an ISA, or switched between Funds in this OEIC, selling shares is treated as a disposal for the purpose of Capital Gains tax.

Risk Warning

An investment in an Open Ended Investment Company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them may fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency of a fund are subject to fluctuation in exchange rates, which may be favourable or unfavourable.

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 required on all reports & accounts published after 13 January 2017.

Annual Management Charge

AXA Investment Managers UK Limited, as ACD, will receive an Annual Management Charge out of the property for Defensive Distribution Fund and Distribution Fund at the rate of 1.50% per annum for Class R Shares, 0.75% per annum for Class Z Shares, 0.40% per annum for Class B Shares, 0.50% per annum for Class A Shares, 1.10% per annum for Class D Shares for Global Sustainable Distribution Fund and Ethical Distribution Fund at the rate of 1.50% per annum for Class R Shares, 0.75% per annum for Class Z Shares, 0.50% per annum for Class B Shares, 1.10% per annum for Class D Shares and for Lifetime Distribution Fund at the rate of 0.45% per annum for Class Z Shares, 0.09% per annum for Class I Shares, 0.30% per annum for Class A Shares based on the net asset value of the relevant Fund calculated on a mid-market basis. The Annual Management Charge accrues monthly and is payable monthly in arrears. The maximum permitted Annual Management Charge payable to the ACD is 2% per annum for Class R, Class Z and Class B Shares.

Preliminary Charge

There is currently no initial charge on Class Z Shares, Class R Shares, Class I Shares, Class B Shares, Class A Shares or Class D Shares.

Value Assessment

It is our duty as Authorised Corporate Director ("ACD") 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 ACDs 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

Further Information (unaudited)

Securities Financing Transactions (SFTs)

For the year ended 31 May 2023

AXA Global Sustainable Distribution Fund

1. Global Data

Proportion of securities and commodities on loan	£'000	%
Total lendable assets excluding cash and cash equivalents:	322,175	
Securities and commodities on loan	3,216	1.00

Assets engaged in SFTs and total return swaps	£'000	%
Fund assets under management (AUM)	356,239	
Absolute value of assets engaged in:		
Securities lending	3,216	0.90

2. Concentration Data

Top 10 Collateral Issuers

Name and value of collateral and commodities received	£'000
Pinnacle West Capital	225
T-Mobile US	225
RTX	225
Wec Energy	225
United Rentals	225
McCormick & Company	225
Honeywell International	225
McKesson	225
Amazon.com	225
Intuitive Surgical	225

Top 10 Counterparties

Name and value of outstanding transactions	£'000
Securities lending	
Macquarie Bank	3,216

3. Aggregate transaction data

Type, Quality and Currency of Collateral

Type	Quality	Currencies
Securities lending		
Equities	High Yield	EUR,USD

Maturity Tenor of Collateral (remaining period to maturity)

Type	Less than one day	One day to one week	One week to one month	One to three months	Three months to one year	Above one year	Open maturity	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Securities lending	-	-	-	-	-	-	3,537	3,537
	-	-	-	-	-	-	3,537	3,537

Further Information (unaudited)

Securities Financing Transactions (SFTs)
For the year ended 31 May 2023

AXA Global Sustainable Distribution Fund

Counterparty details

Type	Countries of counterparty establishment	Settlement and clearing
Securities lending	AU	Bilateral, Triparty

Maturity Tenor of SFTs and Total Return Swaps (remaining period to maturity)

Type	Less than one day	One day to one week	One week to one month	One to three months	Three months to one year	Above one year	Open transactions	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Securities lending	-	-	-	-	-	-	3,216	3,216
	-	-	-	-	-	-	3,216	3,216

4. Re-use of Collateral

Re-use of collateral received	%
Maximum allowable cash collateral re-use	100.00

5. Safekeeping of Collateral Received

Names and value of custodians safekeeping collateral	£'000
BONY	3,537

Number of custodians safekeeping collateral 1

6. Safekeeping of Collateral Granted

Proportion of collateral held in:	%
Segregated accounts	100.00

7. Return and Cost

	Collective Investment	Manager of Collective	Third Parties	Total
	£	£	£	£
Securities lending				
Gross return	182.32	0.00	60.77	243.09
% of total gross return	75.00%	0.00%	25.00%	100.00%
Cost	0.00	0.00	0.00	0.00