



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

AXA Framlington Global Sustainable Managed Fund



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

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

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

Fund Objective & Investment Policy

The aim of AXA Framlington Global Sustainable Managed Fund (“the Fund (i) provide long-term capital growth over a period of 5 years or more; and (ii) invest in companies which have leading or improving environmental, social and governance (ESG) practices, in line with the selection criteria described in the investment policy.

The Fund invests in shares (equities) of listed companies which the fund manager believes will provide above-average returns (relative to their industry peers). The Fund invests in companies of any size and based anywhere in the world (including emerging markets). The fund manager seeks to reduce the impact on the Fund of fluctuations in value of equity markets by investing in bonds issued by developed market governments. The Fund's typical asset mix ranges between 60 – 85% in shares, with the remainder being mainly in bonds and cash.

The Manager invests in issuers of shares of listed companies which 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 ESG practices (“leaders”) or have shown a clear commitment to improve their ESG practices (“companies in transition”). More than 50% of the Fund's equity investments will be in “leaders”. 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 company's or issuer's ESG score as one factor within its broader analysis of the company or issuer to identify investments which are expected to generate long-term capital growth and which have leading or improving ESG practices. The Manager will only consider the lowest scoring companies or issuers in exceptional circumstances. ESG scores are obtained from our selected external provider(s), as detailed in the “Responsible Investment” section of the Prospectus.

To avoid investing in companies or sovereign issuers which present excessive degrees of 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 soft commodity derivatives or exposure to certain companies based on their involvement in specific sectors (such as unsustainable palm oil production, controversial weapons and climate risks).

The Manager also applies the AXA Investment Managers' ESG Standards policy. This policy excludes investment in companies and sovereign issuers based on: tobacco production; manufacture of white phosphorus weapons; certain criteria relating to human rights and anti-corruption as well as other ESG factors. The AXA Investment Managers' ESG Standards policy and AXA IM Group's sector specific investment guidelines are subject to change and are available from the Manager on request.

The Manager will look to engage on sustainability issues and identified areas of weakness with a selection of investee companies. The Manager will focus on companies where the continued enhancement of sustainability practices is expected to help support the robust, long-term profitability of such companies. More details on the Manager's approach to sustainability and its engagement with companies are available on the website: <https://www.axa-im.co.uk/> under the heading “Responsible Investing”.

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 the Fund's objective 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.

The Fund may also invest in other transferable securities and units in collective investment schemes (including those that are managed by the Manager or its associates). The Fund may use derivatives 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.



This Fund is actively managed without reference to any Benchmark. The IA Mixed Investment 40-85% Shares Sector may be used by investors to compare the Fund's financial performance. The Manager currently does not consider any available benchmarks as a suitable performance comparator for investors to compare the Fund's performance against its sustainability objective.

AXA Framlington Global Sustainable Managed Fund ('the Fund') is authorised and regulated by the Financial Conduct Authority.

Investment Review

Having formalised and strengthened the integration of ESG (Environmental, Social and Governance) considerations within the investment process of the Fund in 2022, the portfolio has thrived in 2023. As we said in this report a year ago, sustainable investing is about supporting companies that are positioned to deliver a net positive benefit to society. As long-term investors, we want to find companies that do so in both a profitable and durable manner. We invest in companies which meet one of three thematic areas that offer exposure to sustainable opportunities, benefitting from secular growth drivers - People, Planet & Progress. We also use ESG scores (based around MSCI published scores) to identify and invest in ESG 'leaders' and those who we consider to be 'in transition'. ESG leaders are defined as having an above average score, whilst 'in transition' companies have a lower-than-average score but demonstrate a clear commitment to becoming ESG leaders. We aim to have >50% exposure of the equity portfolio to ESG leaders and report the current percentage of leaders held in the portfolio in the Fund's monthly factsheet. As at 31st December 2023, that figure was 88%.

The Fund returned 6.03% in the second half of 2023, compared with the IA Mixed Investment 40-85% shares sector average rise of 5.55%. For the full year the Fund rose 12.69% which compares with the IA Mixed Investment 40-85% shares sector average rise of 8.11%. Global investors have faced another volatile period during the 12 months to 31st December 2023, with bond markets continuing to set the tone. US 10-year Treasury yields started the period at c.3.5% and peaked during October at almost 5% before easing back into the year end. The sharp rise in yields over the whole of Q3 and into early Q4 reflected investor concerns about impact of the relentless increase in interest rates and that inflation might prove to be stickier than had previously been expected. However, data points over the period turned meaningfully softer and CPI (Consumer Price Index) prints towards the end of the period indicate that the inflation impulse that has framed the investment narrative for two years are clearly in the descendency.

In the US, Europe and UK large-cap stocks have had a good year while small and mid-cap stocks have struggled under the weight of high inflation and fast rising interest rates. The result is that large-caps now trade at distinctly higher multiples than the rest of the market. In the US for example, the valuation gap between the large-cap S&P 500 (trading on c.19x FY24 earnings) and the mid-cap S&P 400 (trading on 13.7x FY24 earnings) is at historic extremes. In Europe ex-UK, large-caps also trade at a 10% premium to small and mid-caps and in the UK, the FTSE Small Cap now trades on a single digit PE (price to earnings) multiple. This has reflected market nervousness around the impact that higher interest rates will have on smaller, perhaps less financially established businesses. It has also reflected the concerns around the impact faced by consumers by acute cost of living pressures. However, towards the end of the period under review, signs that these pressures could be easing have started to emerge. In the UK, for example, borrowers are now able to secure a fixed rate mortgage with an interest rate below 4.5% while average pay growth has risen above inflation for the first time in almost two years.

The period under review has been characterised by investor sentiment oscillating around hopes that we are edging closer to the end of the interest rate hiking cycle. Towards the end of the Q3 period, markets dropped markedly as hopes that peak policy rates would be swiftly followed by cuts looked increasingly likely to be disappointed. The surging oil price, a result of further geopolitical crises, cooled some of the optimism about a sharp deceleration in inflation. Following the outbreak of war between Hamas and Israel, the oil price had a decidedly more levelling time in November pulled between the opposing concerns of production cuts and larger than expected stockpiles combined with a slowdown in Chinese demand. The price of Brent crude hovered around \$80 a barrel as the OPEC oil cartel struggled to reach consensus on

Top Ten Holdings

as at 31 December 2023

	%
UK Treasury 0.125% IL 22/03/26	1.64
<i>United Kingdom/Government Bonds</i>	
Apple	1.60
<i>United States Of America/Equities</i>	
Japan Government Ten Year Bond 0.1% 20/09/26	1.60
<i>Japan/Government Bonds</i>	
AstraZeneca	1.55
<i>United Kingdom/Equities</i>	
Microsoft	1.50
<i>United States Of America/Equities</i>	
UK Treasury 0.875% 31/07/33	1.32
<i>United Kingdom/Government Bonds</i>	
BP	1.31
<i>United Kingdom/Equities</i>	
Alphabet	1.30
<i>United States Of America/Equities</i>	
US Treasury 2.25% 15/08/46	1.26
<i>United States Of America/Government Bonds</i>	
US Treasury 3.375% 15/05/33	1.19
<i>United States Of America/Government Bonds</i>	

Investment Review (continued)

the level of production cuts. At the end of the month, the OPEC members agreed to voluntarily cut oil production by a total of 2.2mn barrels a day in the first quarter of 2024, with Saudi Arabia extending its cut of 1mn barrels a day – previously extended to the end of December – by another three months. However, oil still fell despite the reduced production pledge as signs of strain begin to show among the cartel. This has laid the potential for some ‘good’ deflation in 2024 – caused not by weakening economies but by lower oil prices.

In the UK, after reporting stubbornly high numbers it was pleasing to see that in November, UK inflation fell meaningfully to 4.6% which is less than half the level of the October 2022 peak. This is a very different situation to that reported since the pandemic and could hopefully lead to a better environment for equity investing. Another positive development over the period was the revision from the Office for National Statistics (ONS) who increased their estimate for the size of the UK economy. The UK had been the only G7 economy whose Q2 2023 output was below (-0.25%) that of Q4 2019 (i.e. pre-COVID-19). This has now been revised upwards to +1.6% above the Q4 2019 level. No longer a G7 laggard, the UK economy appears to be recovering faster than Germany, and in line with France and Japan. In this environment, with valuations at recent historic lows and for investors with longer time horizons, a number of companies have received take over approaches during the period.

World markets ended the calendar year strongly higher. After a blistering rally through November and December, global equities returned over 20% in 2023, the best year since 2019 and in the top 19% of years since 1970. Few things could keep pace with Bitcoin though, which rose over 150% in 2023, while commodities were the clear laggard, dropping 13%. Stock market indices staged a remarkable rally in the final two months of the year as the US Federal Reserve (Fed) flagged its dovish pivot and at its December meeting, the Fed Open Market Committee ‘Dot Plots’ projected three interest rate cuts totalling 75 basis points (bps) next year. The market believes cuts will come more quickly, pricing in around 6 cuts for 2024. Growth outperformed value globally over the year, while small-caps saw their worst year of underperformance since 2007 having already underperformed in five of the last six years. The S&P 500 gained 13.7% in November and December alone, with the final two months of the year only ever stronger in 2020 (after the announcement of the initial COVID-19 vaccine) looking back on almost a century of data. The 105bps drop in the US 10Y yield was also the second largest on 60 years of data, with 2008 (under very different circumstances) being the only other year to see bond yields drop more quickly at the end of the year.

The Fund’s UK equity holdings rose 7.65% during the 6 months to 31st December, which compares with the FTSE All-Share Index return of +5.17%. Despite continued central bank rhetoric to the contrary, inflation is falling globally and interest rates have likely peaked in this cycle. After generating stubbornly high numbers, it was pleasing to see that in November UK inflation fell meaningfully to 4.6% which is less than half the level of the October 2022 peak. This is a very different situation from that reported since the pandemic and could hopefully lead to a better environment for equity investing. Another positive development over the period was the revision from the ONS who increased their estimate for the size of the UK economy. The UK had been the only G7 economy whose Q2 2023 output was below (-0.25%) that of Q4 2019 (i.e. pre-COVID-19). This has now been revised upwards to +1.6% above the Q4 2019 level. No longer a G7 laggard, the UK economy appears to be recovering faster than Germany, and in line with France and Japan. At the heart of our investment process is thorough analysis of ESG. Companies that disregard their environmental impact, treat their employees poorly or don’t pay due regard to the communities in which they operate in will lose their social licence to exist and be regulated or taxed out of the market. As long-term investors we need to be very conscious as the drivers of change are powerful and immediate and businesses that are not set up for this new world will not provide the desired returns to investors. We recognise that we have a role to play to help encourage companies on their ESG journey and we do this in part through continuous engagement with them. In addition to our regular meetings with management we also hold dedicated ESG engagement meetings on areas such as carbon emission reduction targets; recent examples held in the portfolio included Cranswick and SSE.

The UK sleeve of the portfolio outperformed the benchmark index during the period. The main reason for the outperformance was avoiding stocks that fell during the period. There were also some strong individual performances. Ascential rose sharply after it was announced that private equity group APAX would be buying two of its three divisions for a net £1.2bn in cash. This represented 126% of their closing market cap on the previous business day and the company only disposed of 46% of their group Earnings before interest, taxes, depreciation, and amortisation (EBITDA) – the

Investment Review (continued)

remainder generated by its Events division. Proceeds of the sale are set to be returned to shareholders via a special dividend. Restaurant Group was acquired by Apollo (another private equity group) in a 65p per share cash offer. Private Equity has been active in acquiring UK-listed businesses in 2023 (as demonstrated above) and the portfolio enjoyed alpha generated by the strong performance of its holding in 3i Group Plc, the UK's largest private equity group. Their main investment is in the European discount retail chain Action which continued to roll out across Europe and generate cash profits for its owners. 3i closed the year as one of the top ten performing share prices in the FTSE All Share, generating a total return of 85.46%.

UK companies are reporting robust underlying earnings and valuations remain attractive in the context of history and relative to global equity markets. Strong cash generation and robust balance sheet health is also resulting in a lengthening list of UK companies buying their own shares with surplus cashflow. Additionally, the impact from higher corporate tax rates is starting to wash out which will help earnings growth once again (although a number of firms are lamenting their ability to fund the new higher National Living Wage).

The North American holdings rose 11.44% compared with the FTSE World North America return of 8.17%. US equities ended the year with their second-best November/December rally in 95 years. After spending the summer months battling the headwind of ever higher interest rates, markets recovered sharply as inflation retreated and the Fed signalled that the hiking cycle was most likely over. Falling yields removed the pressure on growth stock valuation levels, to which the portfolio is biased. The easing of interest rate pressures acted as a tailwind to the US holdings' relative performance. Several of our mid-cap growth stocks rallied significantly as valuation pressures eased. Stocks, such as Chipotle Mexican Grill and Freshpet that had been punished in the third quarter rallied strongly. Several of our healthcare holdings, especially those involved in medical technology, also performed well, recovering some of the sharp losses they had experienced during the autumn. These losses had been spurred by data releases from Eli Lilly and Novo Nordisk's next generation GLP-1 drugs that showed they were successful in driving weight loss and therefore providing several health benefits. The market had concluded that this will slow the growth of diabetes, reduce the number of heart attacks and strokes, and generally significantly reduce the need for surgical procedures. While this may be true on the margin, these markets remain large and people will continue to require healthcare, as very strong results from one of our diabetes names, Dexcom, recently demonstrated. Despite their recent rally, the growth prospects of our holdings in this sector remain strong and valuations attractive.

Markets now believe that the Fed will have cut rates by over 1% come the end of 2024. We believe this is more than possible if inflation continues to decline as we expect. With the Fed on hold and inflation in retreat, it would be very unusual for long term rates to remain at elevated levels for a prolonged period of time thus creating a favourable environment for equity valuations. However, the economy still has to absorb the lagged impact of the recent interest rate cycle. Despite the current consensus that the economy will achieve a soft landing, risks remain that it could be worse. Many traditional lead indicators of an impending recession continue to flash red warning signs, including the inversion of the 2-10 year yield curve. The housing market has suffered as a result of the rapid rise in mortgage rates. Both small business and consumer confidence has declined sharply, while banks are tightening lending standards. However, the US does enjoy several structural tailwinds that should lend it some support in both absolute terms and relative to the rest of the world. Government stimulus in the form of the IRA and Chips Act, plus the major trend to re-shoring, are resulting in an ongoing capital spending boom. The digitization of the economy is also still gathering pace, a trend that should only be enhanced by the increasing use of artificial intelligence (AI) as a productivity tool.

The European holdings rose 1.39% compared with the FTSE European ex-UK Index increase of 5.88%. In Europe, the last quarter of the year saw a strong rebound in equity markets, particularly after central banks indicated that the tightening cycle had reached its peak. 10-year rates fell sharply and equity markets rebounded to end the year near their highs, also supported by investors' conviction that the slowdown in consumer spending and the slight easing of the property market employment in the United States could lead to rate cuts more quickly than initially expected. In less than two months, the US 10-year rate recorded the biggest drop ever observed in such a short period of time to end the year below 4%. Geopolitical tensions increased during the quarter, with the Israeli-Palestinian situation adding to the war between Russia and Ukraine, as well as persistent tensions between China and the United States, without however derailing the progression of the stock markets. In terms of sectors, cyclical and growth stocks recorded the best performances, particularly technology, industry and real estate, driven by rate cuts. Defensive stocks, such as communications services,

Investment Review (continued)

consumer staples and utilities, came under more pressure. Small and mid-caps rebounded during the quarter and outperformed large-caps. Unsurprisingly, it was cyclical stocks that had the strongest positive contribution during Q4. Industrial cyclicals well-exposed to major promising themes like Prysmian and Schneider performed well. Similarly in the advertising sector Publicis, which has happily crossed its highest highs of the year, benefitted from investors having been reassured by the profile of the new financial director who can boast of long and solid operational experience within the group. European tech stocks benefitted from the traction of the magnificent seven in the US. The market also quickly digested the slight downward revision of the ASML group's growth objectives for 2024, due to the strong demand for semiconductors expected from the following year, particularly on the most sophisticated architectures. Infineon reassured the market that demand for chips for the automotive and renewable energy markets remained strong and that its gross margins should be resilient in 2024.

Looking ahead to 2024, we expect GDP growth will be lower than in 2023 but no severe recession is expected. In case of severe slowdown central banks should react quickly and cut rates. Volatility is to be expected as market has anticipated a lot of positive news in Q4 2024. Rates cuts will depend on inflation level and unemployment data and could happen later or at a slower pace than expected by the market. Stocks exposed to green capex, energy transition, digitalization and semiconductors will have great traction in the next few years. Even if 2024 faces a slowdown in growth, equity markets could be supported by substantial returns to shareholders and by valuations still well below the long-term average. Central banks should also begin a series of rate cuts during the year which should limit the scale and duration of a potential recession which has already been postponed several times in recent quarters.

Japanese equity holdings rose 6.95%, while the FTSE World Japan Index returned 6.46%. The Japanese market enjoyed a strong year, posting a 28% gain in local Yen terms, and closer to 19% in Dollar terms. The currency effect was a reminder that an overly weak currency masks some of the good progress being made in listed Japanese equities. However, we expect a stronger Yen versus global currencies as the Fed looks to pivot towards a tightening bias. There is also mounting speculation around the likely timing of a Bank of Japan (BoJ) rate increase. As the gap between Japanese and US bond yields begins to narrow once more, the high correlation with the currency should mean that the yen strengthens. This will make any further moves in the Japanese equities harder to ignore for global investors. It is quite likely if this does happen that allocations to Japanese equities will increase meaningfully.

As we enter 2024, the outlook for Japan remains positive. The new, tax-efficient, NISA savings products have been launched this year and are already seeing strong demand. The move in the yen stronger against the dollar should also rekindle foreign investor support for Japanese equities. As I write, the Nikkei average is trading at the highest levels since 1990 and is still relatively cheap compared to its history. An all-time high above 39,000 is tantalisingly within reach. What is also striking is a clear shift in corporate awareness of share prices. Earlier this year, the Tokyo Stock Exchange issued a directive "encouraging" companies trading below book value to announce measures to get their share prices higher. People didn't pay too much attention to it initially, but several key announcements have been made subsequently which are worth highlighting; something has changed in the mindset of many companies. Activist investors have been growing in importance for several years. What's clear is that there is pressure coming from several areas for corporate Japan to change. It's good timing for Japanese retail investors too. New, larger NISAs, or tax-free savings plans are launching soon out there. With the market yielding close to 3% and trading at 1.1X book, it is an interesting time in Japan. The market is still cheap, trading at 15X PER and 1.3X PBR. We remain optimistic.

The outlook has become somewhat clearer since the new Governor of the BoJ has been approved by parliament in the spring of 2023. Ueda san has replaced long-time incumbent Kuroda san in April. We did not expect that he would make any near-term changes to policy but given the ongoing increase in inflationary pressures in Japan, we assumed that he might need to make some moves towards the second half of this year. This indeed came to pass firstly in late July when he moved the band of the BoJ's yield curve control target from 0.5% to 1%. This preliminary move was followed in the autumn by a decision to make the 1% target a guideline, essentially allowing the BoJ leeway to allow long-term yields to drift higher, while reserving the right to cap a rise if short term upward volatility became too great. By the end of the year the 10-year yield was actually well below this 1% level, with expectations for the next action by the Japanese central bank slated for April 2024. The recent earthquake on the Noto Peninsula has likely tempered optimism for a scrapping of the negative interest rate policy until signs that ongoing wage inflation are embedded into the economy. The next annual

Investment Review (continued)

wage negotiations are due to be announced in the spring. Our decision to increase the Fund weight to financials Orix and Sampo Japan was timely, and we are happy to stick with this ahead of likely further moves by Ueda san.

Emerging Markets holdings fell -1.63% compared to the MSCI Emerging Markets Index return of +4.43%. The Asia Pacific (ex-Japan) holdings fell by 5.63% compared with the MSCI Pacific ex-Japan Index return of 5.81%. Emerging Markets were again firmly out of favour with investors for much of 2023. Many of the regional stock market indices staged a remarkable rally in the final two months of the year. This included Brazilian equities as the economy showed resilience with unexpected growth over the quarter and the country was able to cut its domestic interest rates. Mexico benefited from the ongoing trend for nearshoring, pushing stocks higher. After suffering their worst month of the year in October, Indian equities also enjoyed a strong end to the year as investors were drawn in by macroeconomic stability and earnings momentum. South Korean and Taiwanese stocks were also in demand, as expectations that the Fed would start cutting rates next year bolstered high-growth technology stocks, an important component of their respective stock markets.

Chinese stocks though were the noticeable outlier and had a troubled end to the year, marred by a deepening property crisis and stuttering economic recovery that put the stock market under pressure. Further stimulus announcements from Beijing and positive news from the Fed on rate cuts failed to lift sentiment, so that Chinese and Hong Kong stocks recorded the worst performance among equity markets this year. From a sector standpoint, utilities, technology and industrials delivered some of the strongest returns while communication services and healthcare lagged. At factor level, high volatility names delivered by far the best returns over the quarter. Higher dividend yielding companies were also well rewarded while quality also delivered positive active returns. Momentum and size lagged. Early in the period the portfolio's defensive profile proved beneficial in a falling market, but markets rallied strongly in the last two months of the year, which worked against the holdings' low-beta bias. The portfolio's underweight exposure to autos and components and to oil related industries proved beneficial, but the underweight to retailers and internet software and services detracted from returns. The active country exposure contributed positively to performance, largely driven by the underweight to the Chinese stocks. At an individual stock level, the underweight exposure in Tencent Holdings and Meituan was rewarded. Not owning Tencent proved helpful as shares fell sharply at the end of year after Chinese authorities announced draft rules impacting the online gaming industry. Meituan, which offers Chinese food delivery service, fell after warning of a demand slowdown for its services in its third quarter earnings call. However, a nil weight in PDD Holdings was the top stock detractor from performance as the holdings company beat third quarter revenue forecasts on strong sales from its online discount retailers Pinduoduo and Temu.

Finally, in fixed income during the second half of 2024, our holdings in UK gilts rose by 7.5% and overseas bonds delivered a 0.47% return compared with the overall blended bond comparative benchmark return of 4.68%. Global bonds market yields were driven higher over the period as economic data around the world remained resilient and the expected deterioration, leading to a possible recession, was either pushed back in time into 2024 or at times cancelled. While inflation came off its peak, it remained higher than many expected. Growth, particularly in the US, remained strong and the unemployment data was robust. With that came an expectation for higher interest rates for a longer period of time as central banks continued to move official rates higher and talked with a hawkish bias. In that context US government 10-year bond yields reached a peak of 5% in mid-October, from a low of 3.5% earlier in the year. German 10-year yields got close to 3% although outperformed its US equivalent as the economic data in Europe underperformed that of the US. During the early part of summer UK bond markets underperformed both the US and Europe as expectations for significant rate rises in the UK were priced into yields, although these failed to materialise and along with all bond markets, began a material consolidation and rally during mid-October until the time of writing. Bond markets finished the year strongly, posting positive for the year after a disappointing Q2 and Q3. Bond yields curves have started to steepen, as short-dated bonds outperform long-dated bonds.

Outlook

With 2024 set to be the biggest election year in history (noting in particular the leadership contest in Taiwan that took place early in the new year, the UK election at some (as yet unconfirmed) point and in the US in November), fiscal plans will be closely watched by bond and equity markets alike. The potential for a more dovish stance from central banks has made us more optimistic about equity markets in 2024. Set against a backdrop of slowing global growth, analyst forecasts suggest that corporate earnings will be subdued in 2024 however we believe that there is room for equities to re-rate

Investment Review (continued)

higher. A key risk to our outlook is that earlier rate cuts add to the risk that there is a re-acceleration in inflation in 2025. This would likely weigh on equities and especially those companies with significant floating rate debt.

Our strategy will remain true to our belief in thematic trends and identifying advantaged companies in a targeted, focused and active approach. We believe that short-term macro events cannot be accurately nor consistently predicted. As such, we retain a preference for longer-term structural trends and quality companies that can deliver robust, reliable and consistent growth, supported by a simple and effective government bond hedge.

Jamie Forbes-Wilson and David Shaw

Source of all performance data: AXA Investment Managers, Morningstar to 31 December 2023.

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



Portfolio Changes

For the year ended 31 December 2023

Major Purchases	Cost (£'000)	Major Sales	Proceeds (£'000)
UK Treasury 0.25% 31/01/25	17,215	US Treasury 1.5% 15/08/26	10,640
US Treasury 3.375% 15/05/33	10,413	UK Treasury 0.25% 31/01/25	9,575
UK Treasury 0.125% IL 22/03/26	9,070	Dechra Pharmaceuticals	7,237
UK Treasury 1.5% 31/07/53	7,323	UK Treasury 0.125% IL 22/03/26	7,025
UK Treasury 0.875% 31/07/33	6,035	UK Treasury 0.125% 31/01/24	6,674
Allkem	5,357	OZ Minerals	5,783
Natwest	4,482	Siemens	5,628
Lloyds Banking Group	3,987	Intermediate Capital	4,946
Hoya	3,832	Melrose Industries	4,913
Keywords Studios	3,618	Stellantis	4,739
Other purchases	72,442	Other sales	177,158
Total purchases for the year	143,774	Total sales for the year	244,318

Managing Risks

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

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

RISK PROFILE

The Fund invests in a wide range of securities, both in the UK and overseas and may therefore hold currencies other than sterling. As a result, exchange rate movements may cause the value of investments to fall or rise. The Fund invests a proportion of its assets in smaller companies which offer the possibility of higher returns but may also involve a higher degree of risk. The Fund may also invest in emerging markets which may involve a higher degree of risk than investing in established markets due to heightened geopolitical risk and potential large currency volatility. Investors should consider carefully whether this investment risk is suitable for them. The value of investments and the income from them is not guaranteed and can go down as well as up.

EQUITY RISK

The value of shares in which the Fund invests fluctuate pursuant to market expectations. The value of such shares will go up and down and equity markets have historically been more volatile than fixed interest markets. Should the price of shares in which the Fund has invested fall, the Net Asset Value of the Fund will also fall.

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

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

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 comparable funds that do not use ESG or sustainability criteria. The selection of assets may in part rely on an ESG scoring process (as set out in the AXA Investment Managers' ESG Standards policy) or ban lists that rely partially on third party data. The lack of common or harmonised definitions and labels integrating ESG and sustainability criteria at EU level 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 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.

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 Manager 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 the 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.

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 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.

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 Manager 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 as diversification measures), scenario testing as well as other regular monitoring seek to ensure the level of risk is aligned with the Fund's investment objectives and investment policy.

INTEREST RATE RISK

Interest rate risk is the risk that the market value of bonds held by the Fund could fall as a result of higher market rates (yields). Yields can change as a result of, among other things, the economic and inflation outlook which also affects supply and demand as well as future interest rate expectations, without necessarily a change in official central bank short term interest rates. Higher yields result in a decline in the value of bonds. Conversely, lower yields tend to increase the value of bonds. Duration (a measure based on the coupon and maturity payments schedule of a bond) is an important concept in understanding how the price of that bond might change for a 1% move in its redemption yield. A bond with a longer duration is more sensitive to a change in yields and, generally speaking, will experience greater volatility in its market value than bonds with shorter durations.

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

RISKS LINKED TO INVESTMENT IN SOVEREIGN DEBT

The Fund may invest in fixed interest securities 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 Funds 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 fixed interest securities 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, may suffer significant loss.

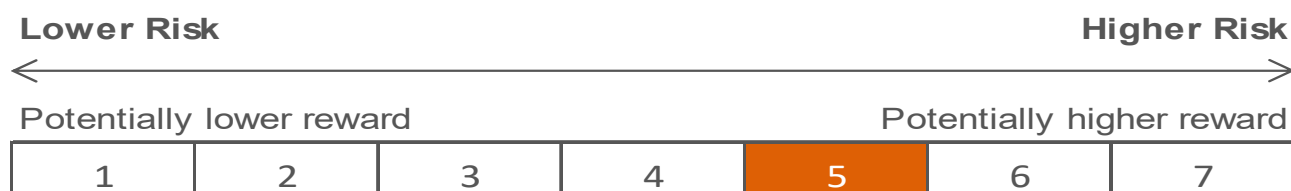
This is an inherent risk for funds invested within sovereign bonds. Internal investment guidelines, scenario testing as well as other regular monitoring seek to ensure the level of risk is aligned with the Fund's investment objectives and investment policy.

STOCK LENDING

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

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

RISK AND REWARD PROFILE



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

ADDITIONAL RISKS

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

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

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

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 Manager sets criteria around the types of eligible collateral the Fund may accept.

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.

Fund Information

FIVE YEAR PERFORMANCE

In the five years to 31 December 2023, the price of Z Accumulation units, with net income reinvested, rose by +39.59%. The IA Mixed Investment 40-85% Shares NR increased by +32.12% over the same time period. During the same period, the price of Z Income units, with zero income reinvested, rose by +32.83%. (Source: AXA Investment Managers and Morningstar) (Prices in GBP).

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

Date	AXA Framlington Global Sustainable Managed Z Acc	IA Mixed Investment 40-85% Shares NR
31 Dec 2018 - 31 Dec 2019	+22.02%	+15.94%
31 Dec 2019 - 31 Dec 2020	+9.18%	+5.50%
31 Dec 2020 - 31 Dec 2021	+9.94%	+11.10%
31 Dec 2021 - 31 Dec 2022	-15.30%	-10.07%
31 Dec 2022 - 31 Dec 2023	+12.52%	+8.11%

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

Past performance is not a guide to future performance.

YIELD

D Inc	1.01%
D Acc	1.01%
R Inc	0.71%
R Acc	0.69%
Z Inc	1.27%
Z Acc	1.27%
ZI Inc	1.38%
ZI Acc	1.38%

CHARGES

	Initial Charge	Annual Management Charge
D	Nil	0.90%
R	Nil	1.25%
Z	Nil	0.625%
ZI^	Nil	0.50%

^Units in Class ZI are only available at the Manager's discretion by contractual agreement.



ONGOING CHARGES*

D Inc	0.97%
D Acc	0.97%
R Inc	1.32%
R Acc	1.32%
Z Inc	0.69%
Z Acc	0.69%
ZI Inc	0.57%
ZI Acc	0.57%

*Ongoing Charges are sourced from the Fund's latest Key Investor Information Document (KIID), found here:

<https://funds.axa-im.co.uk/en/individual/fund/axa-framlington-global-sustainable-managed-fund-z-accumulation-gbp/>

For additional information on AXA's fund charges and costs please use the following link:

<https://retail.axa-im.co.uk/fund-charges-and-costs>

UNIT TRUST INDIVIDUAL SAVINGS ACCOUNTS

The AXA Framlington Global Sustainable Managed Fund is available as a Stocks and Shares ISA through the AXA Investment Managers Stocks and Shares ISA.

THE TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES (TCFD)

From June 2023 the FCA has introduced requirements for Managers of UK UCITS to report annually on a broad set of climate related disclosures that can promote more informed investment decisions. The reporting includes data relating to greenhouse gas emissions, carbon emissions, carbon footprint, and weighted carbon intensity. You can find a copy of the latest TCFD report AXA Framlington Global Sustainable Managed Fund here:

<https://funds.axa-im.co.uk/en/individual/fund/axa-framlington-global-sustainable-managed-fund-z-accumulation-gbp/>

Comparative Tables

Change in net assets per unit	D Inc~		D Acc~	
	31/12/2023 (p)	31/12/2022 (p)	31/12/2023 (p)	31/12/2022 (p)
Opening net asset value per unit [†]	286.34	299.30	446.74	463.80
Return before operating charges [^]	38.30	(11.25)	59.73	(12.46)
Operating charges	(2.90)	(1.71)	(4.53)	(2.65)
Return after operating charges [^]	35.40	(12.96)	55.20	(15.11)
Distributions	(3.27)	(3.02)	(5.08)	(1.95)
Retained distributions on accumulation units	-	3.02	5.08	-
Closing net asset value per unit[†]	318.47	286.34	501.94	446.74
* [^] after direct transaction costs of:	0.09	0.13	0.14	0.20
Performance				
Return after charges	12.36%	-4.33%	12.36%	-3.26%
Other Information				
Closing net asset value [†] (£'000)	523	428	5,974	4,192
Closing number of units	164,122	149,416	1,190,114	938,295
Operating charges	0.96%	0.97%	0.96%	0.97%
Direct transaction costs [*]	0.03%	0.04%	0.03%	0.04%
Prices				
Highest unit price #	322.50	311.20	503.10	482.20
Lowest unit price #	287.10	274.30	448.00	425.00

Comparative Tables (Continued)

Change in net assets per unit	R Inc			R Acc		
	31/12/2023 (p)	31/12/2022 (p)	31/12/2021 (p)	31/12/2023 (p)	31/12/2022 (p)	31/12/2021 (p)
Opening net asset value per unit [†]	286.33	342.80	314.18	445.77	531.19	486.15
Return before operating charges [^]	38.29	(51.17)	33.42	59.52	(79.29)	51.71
Operating charges	(3.99)	(3.96)	(4.31)	(6.16)	(6.13)	(6.67)
Return after operating charges [^]	34.30	(55.13)	29.11	53.36	(85.42)	45.04
Distributions	(2.29)	(1.34)	(0.49)	(3.46)	(2.07)	(0.77)
Retained distributions on accumulation units	-	-	-	3.46	2.07	0.77
Closing net asset value per unit[†]	318.34	286.33	342.80	499.13	445.77	531.19
[^] after direct transaction costs of:	0.09	0.13	0.12	0.14	0.20	0.19
Performance						
Return after charges	11.98%	-16.08%	9.27%	11.97%	-16.08%	9.26%
Other Information						
Closing net asset value [†] (£'000)	1,624	4,025	5,631	216,443	283,578	364,030
Closing number of units	510,268	1,405,646	1,642,627	43,364,366	63,615,677	68,530,915
Operating charges	1.31%	1.32%	1.32%	1.31%	1.32%	1.32%
Direct transaction costs [*]	0.03%	0.04%	0.04%	0.03%	0.04%	0.04%
Prices						
Highest unit price #	321.40	343.50	347.20	500.30	532.30	537.30
Lowest unit price #	286.30	273.90	302.70	445.70	424.40	468.40

Comparative Tables (Continued)

Change in net assets per unit	Z Inc			Z Acc		
	31/12/2023 (p)	31/12/2022 (p)	31/12/2021 (p)	31/12/2023 (p)	31/12/2022 (p)	31/12/2021 (p)
Opening net asset value per unit [†]	169.87	203.42	186.37	194.23	230.01	209.19
Return before operating charges [^]	22.76	(30.40)	19.91	26.01	(34.38)	22.33
Operating charges	(1.25)	(1.24)	(1.35)	(1.43)	(1.40)	(1.51)
Return after operating charges [^]	21.51	(31.64)	18.56	24.58	(35.78)	20.82
Distributions	(2.44)	(1.91)	(1.51)	(2.79)	(2.16)	(1.69)
Retained distributions on accumulation units	-	-	-	2.79	2.16	1.69
Closing net asset value per unit[†]	188.94	169.87	203.42	218.81	194.23	230.01
[^] after direct transaction costs of:	0.05	0.08	0.07	0.06	0.09	0.08
Performance						
Return after charges	12.66%	-15.55%	9.96%	12.66%	-15.56%	9.95%
Other Information						
Closing net asset value [†] (£'000)	32,492	39,013	53,530	458,638	488,839	635,448
Closing number of units	17,196,741	22,967,107	26,315,458	209,607,220	251,683,960	276,274,165
Operating charges	0.70%	0.69%	0.69%	0.70%	0.69%	0.69%
Direct transaction costs [*]	0.03%	0.04%	0.04%	0.03%	0.04%	0.04%
Prices						
Highest unit price #	191.80	203.90	207.10	219.30	230.50	232.50
Lowest unit price #	170.70	163.30	179.80	194.90	184.70	201.80

Comparative Tables (Continued)

Change in net assets per unit	ZI Inc			ZI Acc		
	31/12/2023 (p)	31/12/2022 (p)	31/12/2021 (p)	31/12/2023 (p)	31/12/2022 (p)	31/12/2021 (p)
Opening net asset value per unit [†]	142.55	170.72	156.40	160.28	189.57	172.20
Return before operating charges [^]	19.12	(25.53)	16.72	21.48	(28.34)	18.39
Operating charges	(0.86)	(0.85)	(0.93)	(0.97)	(0.95)	(1.02)
Return after operating charges [^]	18.26	(26.38)	15.79	20.51	(29.29)	17.37
Distributions	(2.23)	(1.79)	(1.47)	(2.51)	(1.99)	(1.62)
Retained distributions on accumulation units	-	-	-	2.51	1.99	1.62
Closing net asset value per unit[†]	158.58	142.55	170.72	180.79	160.28	189.57
* [^] after direct transaction costs of:	0.04	0.06	0.06	0.05	0.07	0.07
Performance						
Return after charges	12.81%	-15.45%	10.10%	12.80%	-15.45%	10.09%
Other Information						
Closing net asset value [†] (£'000)	5,342	3,398	4,281	166,426	89,920	112,472
Closing number of units	3,368,563	2,383,560	2,507,508	92,056,055	56,101,062	59,329,527
Operating charges	0.57%	0.57%	0.57%	0.57%	0.57%	0.57%
Direct transaction costs [*]	0.03%	0.04%	0.04%	0.03%	0.04%	0.04%
Prices						
Highest unit price #	161.20	171.10	174.00	181.20	190.00	191.60
Lowest unit price #	143.40	137.20	150.90	160.80	152.40	166.20

† Valued at bid-market prices.

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

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

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

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

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

Portfolio Statement

The AXA Framlington Global Sustainable Managed Fund portfolio as at 31 December 2023 consisted of the following investments, which are ordinary shares unless otherwise stated.

Holding	Market value £'000	Total net assets (%)	
AFRICA: 0.14% (31/12/2022: 0.15%)			
South Africa/Equities: 0.14% (31/12/2022: 0.15%)			
14,300	Capitec Bank	1,243	0.14
		1,243	0.14
ASIA/PACIFIC (excluding Japan): 5.51% (31/12/2022: 6.37%)			
Australia/Equities: 2.74% (31/12/2022: 3.52%)			
48,966	CSL	7,512	0.85
470,941	Goodman Group^	6,375	0.72
67,594	Macquarie Group	6,643	0.75
948,596	Sandfire Resources	3,722	0.42
		24,252	2.74
China/Equities: 0.11% (31/12/2022: 0.21%)			
44,500	BYD	957	0.11
		957	0.11
Hong Kong/Equities: 0.99% (31/12/2022: 1.43%)			
628,600	AIA Group	4,297	0.48
167,700	Hong Kong Exchanges & Clearing	4,508	0.51
		8,805	0.99
India/Equities: 0.25% 31/12/2022: 0.28%			
42,777	HDFC Bank ADR	2,251	0.25
		2,251	0.25
South Korea/Equities: 0.63% (31/12/2022: 0.58%)			
5,592	LG Chem	1,696	0.19
81,280	Samsung Electronics	3,881	0.44
		5,577	0.63

Portfolio Statement (Continued)

Holding	Market value £'000	Total net assets (%)
Taiwan/Equities: 0.79% (31/12/2022: 0.35%)		
201,000	Delta Electronics	1,608 0.18
174,000	Sinbon Electronics	1,330 0.15
50,553	Taiwan Semiconductor Manufacturing ADR	4,122 0.46
		7,060 0.79
EUROPE (excluding UK): 17.63% (31/12/2022: 20.41%)		
Belgium/Equities: 0.23% (31/12/2022: 0.27%)		
41,233	KBC Group	2,091 0.23
		2,091 0.23
Belgium/Government Bonds: 0.09% (31/12/2022: 0.08%)		
€1,000,000	Kingdom of Belgium Government Bond 1.25% 22/04/33	775 0.09
		775 0.09
Denmark/Equities: 0.97% (31/12/2022: 1.18%)		
106,326	Novo Nordisk	8,611 0.97
		8,611 0.97
Finland/Equities: 0.71% (31/12/2022: 0.92%)		
476,151	Metso Outotec	3,784 0.43
89,841	Neste	2,513 0.28
		6,297 0.71
France/Equities: 4.11% (31/12/2022: 4.29%)		
58,437	Amundi	3,112 0.35
96,400	Dassault Systemes SE	3,694 0.42
65,852	Edenred	3,088 0.35
22,011	EssilorLuxottica	3,453 0.39
42,331	Legrand	3,451 0.39
14,189	L'Oreal	5,538 0.62
6,210	LVMH Moet Hennessy Louis Vuitton	3,948 0.44
33,902	Publicis Group	2,468 0.28
26,197	Schneider Electric	4,119 0.46
36,710	Vinci	3,617 0.41
		36,488 4.11

Portfolio Statement (Continued)

Holding	Market value £'000	Total net assets (%)
France/Government Bonds: 0.18% (31/12/2022: 0.25%)		
€3,000,000	French Republic Government Bond OAT 0.5% 25/06/44	1,628
		0.18
	1,628	0.18
Germany/Equities: 1.72% (31/12/2022: 2.10%)		
20,665	Allianz	4,334
142,842	Infineon Technologies	4,669
51,388	SAP	6,214
		15,217
		1.72
Germany/Government Bonds: 0.98% (31/12/2022: 0.84%)		
€4,000,000	Bundesobligation 0% 10/10/25	3,324
€4,500,000	Bundesrepublik Deutschland Bundesanleihe 0% 15/08/30	3,446
€4,000,000	Bundesrepublik Deutschland Bundesanleihe 0% 15/08/50	1,937
		8,707
		0.98
Ireland/Equities: 1.26% (31/12/2022: 1.57%)		
9,888	Kerry Group (Dublin Quoted)	670
56,857	Kerry Group (London Quoted)	3,715
21,188	Linde	6,827
		11,212
		1.26
Italy/Equities: 0.67% (31/12/2022: 0.60%)		
471,786	Enel	2,751
89,841	Prysmian	3,199
		5,950
		0.67
Jersey/Equities: 0.90% (31/12/2022: 1.08%)		
250,000	Experian	8,002
		8,002
		0.90
Netherlands/Equities: 0.68% (31/12/2022: 1.05%)		
10,242	ASML	6,048
		6,048
		0.68

Portfolio Statement (Continued)

Holding	Market value £'000	Total net assets (%)
Norway/Equities: 0.23% (31/12/2022: 0.31%)		
123,852 DNB Bank	2,061	0.23
	2,061	0.23
Spain/Equities: 1.30% (31/12/2022: 1.22%)		
61,266 Amadeus IT Group	3,443	0.39
98,824 Cellnex Telecom	3,053	0.34
489,356 Iberdrola	5,033	0.57
	11,529	1.30
Sweden/Equities: 0.00% (31/12/2022: 0.26%)		
Switzerland/Equities: 3.60% (31/12/2022: 4.39%)		
74,779 Alcon	4,573	0.51
71,937 Julius Baer Group	3,161	0.36
12,481 Lonza Group	4,114	0.46
77,948 Nestle	7,083	0.80
4,055 Partners Group	4,582	0.52
18,534 Roche	4,223	0.47
16,670 Sika	4,249	0.48
	31,985	3.60
JAPAN: 9.10% (31/12/2022: 8.72%)		
Japan/Equities: 7.25% (31/12/2022: 6.69%)		
55,000 Ajinomoto	1,661	0.19
94,000 Asahi Intecc	1,499	0.17
22,100 Daikin Industries	2,820	0.32
70,100 Daiseki	1,523	0.17
113,500 Denso	1,340	0.15
74,600 Dentsu Group	1,498	0.17
50,600 Fuji Electric	1,705	0.19
58,400 FUJIFILM	2,745	0.31
25,700 Fujitsu	3,039	0.34
69,200 Hitachi	3,904	0.44
41,600 Hoya	4,065	0.46
92,300 Kao	2,975	0.33
104,700 Komatsu	2,144	0.24
116,400 Nintendo	4,760	0.54
34,100 Omron	1,248	0.14
191,500 Orix	2,824	0.32
90,100 Recruit	2,980	0.34

Portfolio Statement (Continued)

Holding		Market value £'000	Total net assets (%)
29,900	Secom	1,680	0.19
80,100	Sompo	3,069	0.35
52,000	Sony Group	3,867	0.43
82,000	TDK	3,060	0.34
94,100	TIS	1,626	0.18
9,900	Tokyo Electron	1,388	0.16
52,700	Toyota Industries	3,371	0.38
246,800	Toyota Motor	3,550	0.40
		64,341	7.25
Japan/Government Bonds: 1.85% (31/12/2022: 2.03%)			
¥2,544,200,000	Japan Government Ten Year Bond 0.1% 20/09/26	14,177	1.60
¥405,200,000	Japan Government Ten Year Bond 0.5% 20/12/24	2,266	0.25
		16,443	1.85
NORTH AMERICA: 32.28% (31/12/2022: 27.36%)			
Cayman Islands/Equities: 0.44% (31/12/2022: 0.52%)			
1,377,000	HKT Trust	1,286	0.14
140,000	NetEase	1,977	0.22
31,866	Zai Lab ADR	683	0.08
		3,946	0.44
Mexico/Equities: 0.20% (31/12/2022: 0.18%)			
543,500	Wal-Mart de Mexico	1,797	0.20
		1,797	0.20
United States of America/Equities: 26.19% (31/12/2022: 21.19%)			
104,600	Alphabet	11,564	1.30
80,100	Amazon.com	9,546	1.08
58,000	American Express	8,522	0.96
40,777	American Tower^	6,911	0.78
94,101	Apple	14,209	1.60
3,220	Booking	8,946	1.01
5,020	Chipotle Mexican Grill	8,995	1.01
19,855	Costco Wholesale	10,283	1.16
34,520	Danaher	6,267	0.71
78,900	DexCom	7,680	0.87
33,969	Ecolab	5,285	0.60
94,450	Edwards Lifesciences	5,650	0.64
152,000	Freshpet	10,338	1.16
51,500	Global Payments	5,130	0.58
88,250	Intercontinental Exchange	8,890	1.00

Portfolio Statement (Continued)

Holding	Market value £'000	Total net assets (%)
34,900 Intuitive Surgical	9,236	1.04
45,300 Microsoft	13,358	1.50
115,000 Planet Fitness	6,584	0.74
65,060 Progressive	8,133	0.92
46,805 QUALCOMM	5,310	0.60
23,600 Roper Technologies	10,093	1.14
43,350 Salesforce	8,949	1.01
16,900 ServiceNow	9,373	1.06
98,528 Starbucks	7,421	0.84
26,000 Tesla	5,068	0.57
55,000 TJX	4,047	0.46
43,100 Visa	8,809	0.99
31,000 Workday	6,713	0.76
26,555 Yum China	884	0.10
	232,194	26.19

United States of America/Government Bonds: 5.45% (31/12/2022: 5.47%)

\$3,400,000 US Treasury 0.125% IL 15/04/25	3,062	0.35
\$7,000,000 US Treasury 0.125% IL 15/01/31	5,796	0.65
\$10,600,000 US Treasury 0.875% 15/11/30	6,833	0.77
\$8,000,000 US Treasury 1.125% 31/10/26	5,789	0.65
\$20,000,000 US Treasury 2.25% 15/08/46	11,171	1.26
\$14,000,000 US Treasury 3.375% 15/05/33	10,546	1.19
\$6,000,000 US Treasury 5.375% 15/02/31	5,149	0.58
	48,346	5.45

UNITED KINGDOM: 32.11% (31/12/2022: 32.21%)

United Kingdom/Equities: 25.86% (31/12/2022: 26.82%)

375,000 3i Group	9,075	1.02
1,250,000 Ascential	3,663	0.41
140,000 Ashtead Group	7,647	0.86
130,000 AstraZeneca	13,777	1.55
250,000 Bellway	6,400	0.72
2,500,000 BP	11,654	1.31
850,000 Ceres Power	1,554	0.18
2,000,000 Chemring Group	7,010	0.79
3,000,000 ConvaTec Group	7,326	0.83
200,000 Cranswick	7,616	0.86
45,000 Croda International	2,273	0.26
200,000 Diageo	5,712	0.64
1,100,000 GB Group	3,014	0.34
215,000 Genus	4,666	0.53
2,250,000 Grainger	5,949	0.67
525,000 GSK	7,614	0.86

Portfolio Statement (Continued)

Holding		Market value £'000	Total net assets (%)
125,000	Halma	2,855	0.32
550,000	Hargreaves Lansdown	4,027	0.45
400,000	Hill & Smith	7,632	0.86
375,000	HSBC	2,383	0.27
150,000	Intermediate Capital Group	2,520	0.28
3,500,000	JD Sports Fashion	5,808	0.65
8,000,000	Just Group	6,864	0.77
250,000	Keywords Studios	4,155	0.47
3,750,000	Legal & General Group	9,416	1.06
7,750,000	Lloyds Banking Group	3,697	0.42
75,000	London Stock Exchange Group	6,956	0.78
500,000	National Grid	5,290	0.60
140,000	Reckitt Benckiser Group	7,588	0.86
800,000	Rentokil Initial	3,526	0.40
750,000	Rightmove	4,317	0.49
150,000	Rio Tinto	8,763	0.99
550,000	Safestore^	4,857	0.55
400,000	Sage Group	4,690	0.53
15,000	Spirax-Sarco Engineering	1,576	0.18
425,000	SSE	7,888	0.89
275,000	Telecom Plus	4,433	0.50
350,000	Weir Group	6,603	0.74
375,000	WH Smith	4,999	0.56
100,000	Whitbread	3,655	0.41
		229,448	25.86
United Kingdom/Government Bonds: 6.25%			
(31/12/2022: 5.39%)			
£100,000	UK Treasury 0.125% 31/01/24	100	0.01
£10,000,000	UK Treasury 0.125% IL 22/03/26	14,565	1.64
£8,250,000	UK Treasury 0.25% 31/01/25	7,896	0.89
£4,000,000	UK Treasury 0.5% 22/10/61	1,353	0.15
£3,750,000	UK Treasury 0.625% 22/10/50	1,652	0.19
£15,000,000	UK Treasury 0.875% 31/07/33	11,745	1.32
£3,000,000	UK Treasury 1.5% 22/07/47	1,819	0.20
£14,000,000	UK Treasury 1.5% 31/07/53	7,795	0.88
£4,000,000	UK Treasury 3.25% 22/01/44	3,521	0.40
£5,000,000	UK Treasury 4.25% 07/12/46	5,076	0.57
		55,522	6.25

Portfolio Statement (Continued)

Holding	Market value £'000	Total net assets (%)
FORWARD CURRENCY CONTRACTS: (0.04)%		
(31/12/2022: (0.12)%)		
Sold EUR12,400,000 for GBP10,765,407 Settlement 04/03/2024	(34)	-
Sold EUR600,000 for GBP517,001 Settlement 04/03/2024	(6)	-
Sold JPY2,970,000,000 for GBP16,099,533 Settlement 04/03/2024	(512)	(0.06)
Sold USD60,000,000 for GBP47,275,568 Settlement 04/03/2024	213	0.02
Sold USD1,200,000 for GBP940,499 Settlement 04/03/2024	(1)	-
Sold USD1,300,000 for GBP1,032,364 Settlement 04/03/2024	13	-
	(327)	(0.04)
Investments as shown in the balance sheet	858,456	96.73
Net current assets	29,006	3.27
Total net assets	887,462	100.00

All investments held are listed, unless otherwise stated.

Stocks shown as ADRs represent American Depositary Receipts.

^ Real Estate Investment Trust.

Statement of Total Return

For the year ended 31 December

	Notes	£'000	2023 £'000	£'000	2022 £'000
Income					
Net capital gains/(losses)	3		94,880		(189,665)
Revenue	4	19,310		18,597	
Expenses	5	(7,488)		(8,691)	
Interest payable and similar charges		(24)		(11)	
Net revenue before taxation		11,798		9,895	
Taxation	6	(964)		(1,103)	
Net revenue after taxation			10,834		8,792
Total return before distribution			105,714		(180,873)
Distribution	7		(10,835)		(8,792)
Change in net assets attributable to unitholders from investment activities			94,879		(189,665)

Statement of Change in Net Assets Attributable to Unitholders

For the year ended 31 December

	£'000	2023 £'000	£'000	2022 £'000
Opening net assets attributable to unitholders		913,393		1,175,392
Amounts receivable on creation of units	160,087		15,652	
Amounts payable on cancellation of units	(290,615)		(95,889)	
		(130,528)		(80,237)
Change in net assets attributable to unitholders from investment activities		94,879		(189,665)
Retained distribution on accumulation units		9,717		7,903
Unclaimed distribution		1		-
Closing net assets attributable to unitholders		887,462		913,393

Balance Sheet

As at 31 December

	Notes	2023 £'000	2022 £'000
ASSETS			
Fixed assets			
Investments		859,009	869,834
Current assets			
Debtors	8	5,321	1,982
Cash and bank balances	9	25,600	55,052
Total assets		889,930	926,868
LIABILITIES			
Investment liabilities		553	1,204
Creditors			
Bank overdrafts		-	7,714
Distribution payable		512	504
Other creditors	10	1,403	4,053
Total liabilities		2,468	13,475
Net assets attributable to unitholders		887,462	913,393

Notes to the Financial Statements

1.1 Accounting policies

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

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

b) Dividends on quoted ordinary shares and preference shares are recognised when the securities are quoted ex-dividend. Where such securities are not quoted, dividends are recognised when the right to receive payment is established. Dividends from Real Estate Investment Trusts ('REITs') are recognised as distributable income when the securities are quoted ex-dividend. Interest from debt securities is recognised as revenue using the effective interest method by reference to the purchase price. Distributions from collective investment schemes are recognised when the security is 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 fund. Subsequently, when the capital/income split is announced for the dividend a final assessment is performed to determine the correct distribution to unitholders.

Special dividends and share buybacks are treated as revenue or capital depending on the facts of each particular case. It is likely that where the receipt of a special dividend results in a significant reduction in the capital value of the holding, then the special dividend should be treated as capital in nature so as to ensure that the matching principle is applied to gains and losses. Otherwise, the special dividends should be recognised as revenue.

The Fund receives management fee rebates on its internal collective investment scheme holdings. This management fee rebate is accrued within the Fund on a daily basis in line with the agreements held, and is recognised within the Fund as either revenue or capital, in line with where the management fee was paid from within the underlying fund.

c) The listed investments of the Fund are valued at bid price at close of business on the last business day of the accounting year. The fair value of unlisted securities, and unquoted securities where the quotation has been suspended, is estimated by the Manager, using independent sources where available.

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

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

f) Corporation Tax is provided at 20% on revenue, after deduction of expenses. Overseas dividends are disclosed gross of any foreign tax suffered, the tax element being disclosed in the tax note. Where overseas tax has been deducted

Notes to the Financial Statements (Continued)

from overseas revenue, that tax can, in some cases, be set off against Corporation Tax payable, by way of double taxation relief. Deferred taxation is provided on a full provision basis on timing differences arising from the different treatment of items for accounting and tax purposes. Potential future liabilities and assets are recognised where the transactions or events giving rise to them occurred before the balance sheet date. A deferred tax asset is only recognised to the extent that a timing difference will be of future benefit.

- g) Bank interest is accounted for on an accruals basis.
- h) Revenue equalisation currently applies to the Fund, with the result that part of the purchase price of a unit reflects the relevant share of accrued revenue received or to be received by the Fund. This sum is returned to a unitholder with the first allocation of revenue in respect of a unit issued during a distribution period. The amount representing the revenue equalisation in the unit's price is a return of capital and is not taxable in the hands of the unitholder. The amount of revenue equalisation is calculated by dividing the aggregate of the amounts of revenue included in the price of units issued or sold to unitholders in an annual or interim distribution period by the number of those units and applying the resultant average to each of the units in question. Equalisation on distributions received is deducted from the cost of the investment.
- i) With the exception of the annual management charge, which is directly attributable to individual unit classes, all revenue and expenses are allocated to unit classes pro rata to the value of the net assets of the relevant unit class on the day the revenue or expense is recognised.
- j) The Fund is not required to produce a cash flow statement as it meets the exemption criteria set out in FRS102.7.IA.
- k) 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.

1.2 Distribution policy

- a) The Fund will distribute any net revenue two months after the accounting year end. Any net revenue deficit will be transferred to the capital account. The type of distribution being made by the Fund is a dividend.
- b) Where special dividends are treated as revenue, they are included in the amount available for distribution. The tax accounting treatment follows the principal amount.
- c) If a distribution payment of the Fund remains unclaimed for a period of 6 years after it has become due, it will be forfeited and will revert to and become part of the scheme property.
- d) The annual management charge is charged against revenue for the purposes of calculating the amount available for distribution.

2 Financial instruments

The analysis and tables provided below refer to the narrative disclosure on financial instruments risks on pages 12 to 16 of the Manager's Report.

Price risk sensitivity

At 31 December 2023, if the price of investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, the net assets would increase or decrease by £42,939,144 (2022: £43,485,684) respectively.

Notes to the Financial Statements (Continued)

Foreign currency risk sensitivity

Assuming all other factors remain stable, if GBP strengthens by 5% the resulting change in the net assets attributable to unitholders of the Fund would be a decrease of approximately £24,537,725 (2022: £23,944,214). A 5% weakening in GBP would have an equal but opposite effect.

Interest rate risk sensitivity

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 one percent increase in interest rates would have the effect of decreasing the return and the net assets by £10,914,555 (2022: £10,404,396). A one percent decrease would have the opposite effect.

Currency exposures

A proportion of the financial assets of the Fund are denominated in currencies other than Sterling, with the effect that the Fund's balance sheet and total return can be directly affected by currency movements.

	Monetary Exposure	Non Monetary exposure	Total
2023	£'000	£'000	£'000
Australian Dollar	21	24,252	24,273
Danish Krone	33	8,611	8,644
Euro	(10,792)	99,115	88,323
Hong Kong Dollar	2	13,025	13,027
Japanese Yen	(16,512)	80,784	64,272
Mexican Peso	-	1,797	1,797
New Taiwan Dollar	41	2,938	2,979
Norwegian Krone	16	2,061	2,077
South African Rand	-	1,243	1,243
South Korean Won	-	5,577	5,577
Swiss Franc	2	31,985	31,987
US Dollar	(47,868)	294,423	246,555
Total	(75,057)	565,811	490,754

	Monetary Exposure	Non Monetary exposure	Total
2022	£'000	£'000	£'000
Australian Dollar	24	32,254	32,278
Danish Krone	12	10,715	10,727
Euro	(10,696)	120,477	109,781
Hong Kong Dollar	-	18,906	18,906
Japanese Yen	(18,670)	79,591	60,921
Mexican Peso	(1,727)	1,650	(77)
Norwegian Krone	5	2,840	2,845
South African Rand	-	1,345	1,345
South Korean Won	(5,968)	5,344	(624)
Swedish Krona	1	2,367	2,368
Swiss Franc	(1)	40,059	40,058
US Dollar	(49,826)	250,181	200,355
Total	(86,846)	565,729	478,883

Notes to the Financial Statements (Continued)

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of the Fund's financial assets as at the balance sheet date was:

Currency	Floating Rate financial assets	Fixed Rate financial assets	Financial assets not carrying interest	Total
	£'000	£'000	£'000	£'000
2023				
Sterling	24,654	55,522	318,446	398,622
Australian Dollar	-	-	24,273	24,273
Danish Krone	-	-	8,644	8,644
Euro	249	11,110	88,286	99,645
Hong Kong Dollar	-	-	13,027	13,027
Japanese Yen	40	16,443	64,401	80,884
Mexican Peso	-	-	1,797	1,797
New Taiwan Dollar	41	-	2,938	2,979
Norwegian Krone	-	-	2,077	2,077
South African Rand	-	-	1,243	1,243
South Korean Won	-	-	5,577	5,577
Swiss Franc	-	-	31,987	31,987
US Dollar	516	48,346	246,717	295,579
	25,500	131,421	809,413	966,334
2022				
Sterling	53,899	49,163	335,161	438,223
Australian Dollar	-	-	32,278	32,278
Danish Krone	-	-	10,727	10,727
Euro	248	10,719	109,962	120,929
Hong Kong Dollar	-	-	18,906	18,906
Japanese Yen	29	18,572	61,140	79,741
Mexican Peso	-	-	1,668	1,668
Norwegian Krone	-	-	2,845	2,845
South African Rand	-	-	1,345	1,345
South Korean Won	-	-	5,344	5,344
Swedish Krona	-	-	2,368	2,368
Swiss Franc	-	-	40,058	40,058
US Dollar	877	49,991	200,620	251,488
	55,053	128,445	822,422	1,005,920

Notes to the Financial Statements (Continued)

The interest rate risk profile of the Fund's financial liabilities as at the balance sheet date was:

Currency	Floating Rate financial liabilities	Fixed Rate financial liabilities	Financial liabilities not carrying interest	Total
2023	£'000	£'000	£'000	£'000
Sterling	-	-	(1,916)	(1,916)
Euro	-	-	(11,322)	(11,322)
Japanese Yen	-	-	(16,611)	(16,611)
Mexican Peso	-	-	(49,023)	(49,023)
	-	-	(78,872)	(78,872)
2022				
Sterling	-	-	(3,713)	(3,713)
Euro	-	-	(11,148)	(11,148)
Japanese Yen	-	-	(18,820)	(18,820)
Mexican Peso	(1,745)	-	-	(1,745)
South Korean Won	(5,968)	-	-	(5,968)
US Dollar	-	-	(51,133)	(51,133)
	(7,713)	-	(84,814)	(92,527)

Credit Rating	31 December 2023		31 December 2022	
	Market Value £'000s	%	Market Value £'000s	%
Total bonds BBB- credit rating and above	131,421	14.80	128,445	14.06
Total bonds below BBB- credit rating	-	-	-	-
Total bonds non-rated	-	-	-	-
Total value of bonds	131,421	14.80	128,445	14.06
Bonds	131,421	14.80	128,445	14.06
Derivatives	(327)	(0.04)	(1,083)	(0.12)
Equities	727,362	81.97	741,268	81.16
Total value of	858,456	96.73	868,630	95.10

3 Net capital gains/(losses)

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

	2023 £'000	2022 £'000
Gains/(losses) on non-derivative securities	88,800	(183,804)
Gains/(losses) on foreign currency exchange	395	(1,343)
Forward currency contracts	5,677	(4,513)
Transaction charges	1	(5)
Capital gains on US REIT	7	-
Net capital gains/(losses)	94,880	(189,665)

Notes to the Financial Statements (Continued)

4 Revenue

	2023	2022
	£'000	£'000
UK dividends	7,234	7,337
REIT dividends	440	476
Overseas dividends	8,056	8,367
Interest on debt securities	2,776	1,858
Bank interest	834	306
Stock lending income	1	-
Rebates received from underlying funds	(31)	253
Total revenue	19,310	18,597

5 Expenses

	2023	2022
	£'000	£'000
Payable to the Manager		
Annual management charge	6,959	8,010
Registrar's fees	537	593
	7,496	8,603
Other expenses		
Audit fee	9	8
Safe custody charges	(38)	60
Trustee's fees	19	20
Issuance fee	1	-
Notary fee	1	-
	(8)	88
Total expenses	7,488	8,691

6 Taxation

a) Analysis of tax in the year:

	2023	2022
	£'000	£'000
Irrecoverable overseas tax	963	1,103
Tax on US REITs in capital	1	-
Total tax for the year (see note 6b)	964	1,103

Notes to the Financial Statements (Continued)

b) Factors affecting total tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised unit trust (20%) (2022: 20%).

The differences are explained below:

	2023 £'000	2022 £'000
Net revenue before taxation	11,798	9,895
Corporation tax at 20%	2,360	1,979
Effects of:		
Capital income subject to taxation	1	-
Irrecoverable overseas tax	963	1,103
Movement in excess management expenses	724	1,153
Non taxable overseas dividends	(1,618)	(1,645)
Tax on US REITs in capital	1	-
Revenue not subject to taxation	(1,455)	(1,476)
Overseas tax expensed	(7)	(11)
Excess management expenses adjustment in respect of prior years	(5)	-
Total effects	(1,396)	(876)
Total tax charge for the year (see note 6a)	964	1,103

Authorised unit trusts are exempt from tax on capital gains.

c) Deferred taxation:

There is no provision required for deferred taxation at the Balance sheet date (2022: nil).

d) Factors that may affect future tax charges:

At the year end, after offset against income taxable on receipt, there is a potential deferred tax asset of £15,583,411 (2022: £14,859,315) relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised.

Notes to the Financial Statements (Continued)

7 Distributions

The distributions take account of income received on the creation of units and income deducted on the cancellation of units, and comprise:

	2023	2022
	£'000	£'000
Final	10,229	8,407
Add: Income deducted on cancellation of units	1,093	466
Deduct: Income received on creation of units	(487)	(81)
Net distribution for the year	10,835	8,792
Reconciliation to net revenue after taxation:		
Net distribution for the year	10,835	8,792
Tax on US REITs in capital	(1)	-
Net revenue after taxation	10,834	8,792

8 Debtors

	2023	2022
	£'000	£'000
Sales awaiting settlement	1,950	-
Amounts receivable on creation of units	1,288	45
Accrued revenue	1,758	1,678
Overseas tax recoverable	325	215
Amounts due for rebates from underlying funds	-	44
Total debtors	5,321	1,982

9 Cash and bank balances

	2023	2022
	£'000	£'000
Cash and bank balances	25,600	47,338
Total cash and bank balances	25,600	47,338

10 Other creditors

	2023	2022
	£'000	£'000
Amounts payable on cancellation of units	781	1,429
Purchases awaiting settlement	-	1,196
Accrued expenses	523	1,241
- Manager	-	-
- Other	99	187
Total other creditors	1,403	4,053

Notes to the Financial Statements (Continued)

11 Unitholders' funds

The Fund currently has eight unit classes in issue.

	D Inc	D Acc	R Inc	R Acc
Opening units in issue	149,416	938,295	1,405,646	63,615,677
Units issued	14,706	314,444	14,246	626,412
Units cancelled	-	(62,625)	(909,624)	(20,877,723)
Unit conversions	-	-	-	-
Closing units in issue	164,122	1,190,114	510,268	43,364,366

	Z Inc	Z Acc	ZI Inc	ZI Acc
Opening units in issue	22,967,107	251,683,960	2,383,560	56,101,062
Units issued	920,383	2,436,458	1,481,610	42,926,958
Units cancelled	(6,690,749)	(44,513,198)	(496,607)	(6,971,965)
Unit conversions	-	-	-	-
Closing units in issue	17,196,741	209,607,220	3,368,563	92,056,055

12 Related parties

AXA Investment Managers UK Limited acts as principal on all the transactions of units in the Fund. The aggregate monies received through creations and liquidations are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Note 7, amounts due to/from AXA Investment Managers UK Limited in respect of unit transactions are disclosed in Note 8 and Note 10 respectively.

At 31 December 2023, there were no unitholders that hold more than 50% of units in the Fund. Other than disclosed elsewhere in the Financial Statements, there were no transactions between the Fund and related parties during the year.

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

Notes to the Financial Statements (Continued)

13 Portfolio transaction costs

2023

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
Analysis of purchases						
Debt Instruments	59,263	-	-	-	-	59,263
Equity	84,323	30	0.04	158	0.19	84,511
Total	143,586	30		158		143,774

2023

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
Analysis of sales						
Debt Instruments	53,574	-	-	-	-	53,574
Equity	190,817	(67)	(0.04)	(6)	-	190,744
Total	244,391	(67)		(6)		244,318

2022

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
Analysis of purchases						
Debt Instruments	73,973	-	-	-	-	73,973
Equity	172,049	71	0.04	261	0.15	172,381
Total	246,022	71		261		246,354

2022

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
Analysis of sales						
Collective Investment Schemes	25,037	-	-	-	-	25,037
Debt Instruments	60,756	-	-	-	-	60,756
Equity	211,897	(82)	(0.04)	(11)	(0.01)	211,804
Total	297,690	(82)		(11)		297,597

Commission as a % of average net assets

0.01% (2022: 0.01%)

Taxes as a % of average net assets

0.02% (2022: 0.03%)

Portfolio dealing spread

The average portfolio dealing spread as at the year end was 0.10% (2022: 0.12%).

Notes to the Financial Statements (Continued)

14 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 £5,432,395 (2022: £nil). The value of collateral held in respect of securities on loan was £5,959,239 (2022: £nil).

The value of collateral held in respect of securities on loan was £5,959,239 (2022: £0).

	2023		2022	
	Value of stock on loan £'000	Cash collateral £'000	Value of stock on loan £'000	Cash collateral £'000
Counterparty				
Macquarie Bank	5,432	-	-	-
Altria Group	-	379	-	-
Royal Caribbean Cruises	-	379	-	-
Cisco Systems	-	379	-	-
Hologic	-	379	-	-
EQT	-	379	-	-
General Dynamics	-	379	-	-
Clorox	-	379	-	-
Elevance Health	-	379	-	-
Freeport-Mcmoran	-	379	-	-
Lockheed Martin	-	379	-	-
Other	-	2,169	-	-
Total	5,432	5,959	-	-

	2023	2022
Collateral held	£'000	£'000
Equities	5,959	-
Total	5,959	-

Notes to the Financial Statements (Continued)

15 Fair value disclosure

	31 December 2023		31 December 2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Valuation technique				
Level 1 [^]	858,008	-	868,976	-
Level 2 ^{^^}	1,001	(553)	858	(1,204)
Level 3 ^{^^^}	-	-	-	-
Total	859,009	(553)	869,834	(1,204)

[^] 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.

16 Commitments, contingent liabilities and contingent assets

There are no commitments, contingent liabilities and contingent assets as at the balance sheet date (2022: none).

17 Post balance sheet events

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

Distribution Tables

For the year ended 31 December 2023

		Net revenue	Equalisation	Distribution payable/paid	
				Current year	Prior year
D Inc					
Final	Group 1	3.265	-	3.265	1.947
	Group 2	1.625	1.640	3.265	1.947
D Acc					
Final	Group 1	5.081	-	5.081	3.017
	Group 2	3.877	1.204	5.081	3.017
R Inc					
Final	Group 1	2.289	-	2.289	1.338
	Group 2	2.268	0.021	2.289	1.338
R Acc					
Final	Group 1	3.463	-	3.463	2.075
	Group 2	1.828	1.635	3.463	2.075
Z Inc					
Final	Group 1	2.442	-	2.442	1.912
	Group 2	1.518	0.924	2.442	1.912
Z Acc					
Final	Group 1	2.790	-	2.790	2.161
	Group 2	1.344	1.446	2.790	2.161
ZI Inc					
Final	Group 1	2.228	-	2.228	1.792
	Group 2	1.168	1.060	2.228	1.792
ZI Acc					
Final	Group 1	2.506	-	2.506	1.990
	Group 2	1.242	1.264	2.506	1.990

(All figures shown in pence per unit)

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

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

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

	Group 2 units from	to	Group 1 & 2 units paid/transferred
Final	01.01.23	31.12.23	29.02.24



DIRECTORS' APPROVAL

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL"), the contents of this report have been approved on behalf of AXA Investment Managers UK Limited by:

DocuSigned by:

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

5A850D8B42FD433...

Marion Le Morhedec
Director
Tuesday 23rd April 2024

DocuSigned by:

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

574584859BD345A...

Marcello Arona
Director
Tuesday 23rd April 2024

Statement of Manager's Responsibilities

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

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

In preparing the accounts the Manager is required to:

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

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

Report of the Trustee

STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES IN RESPECT OF THE SCHEME AND REPORT OF THE TRUSTEE TO THE UNITHOLDERS OF THE TRUSTEE TO THE UNITHOLDERS OF AXA FRAMLINGTON GLOBAL SUSTAINABLE MANAGED FUND OF THE AXA FRAMLINGTON RANGE OF AUTHORISED UNIT TRUST SCHEMES ("THE TRUST") FOR THE YEAR END 31ST DECEMBER 2023.

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

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

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

The Depositary must ensure that:

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

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

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

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

Trustee
HSBC Global Trustee & Fiduciary Services (UK)
Tuesday 23rd April 2024

Report of the Independent Auditor

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF AXA FRAMLINGTON GLOBAL SUSTAINABLE MANAGED FUND.

OPINION

We have audited the financial statements of AXA Framlington Global Sustainable Managed Fund for the year ended 31 December 2023, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Fund, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 31 December 2023 and of the net revenue and net capital gains on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

BASIS FOR OPINION

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

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our audit report thereon. The Manager is responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine

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

We have nothing to report in this regard.

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

In our opinion:

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RESPONSIBILITIES OF THE MANAGER

As explained more fully in the Manager’s responsibilities statement set out on page 47, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

Our approach was as follows:

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

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

USE OF OUR REPORT

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

DocuSigned by:

Ernst & Young LLP
Ernst & Young LLP
Statutory Auditor

Edinburgh

Tuesday 23rd April 2024

Further Information (Unaudited)

REMUNERATION POLICY OF THE MANAGER

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

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

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

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

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

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

⁽¹⁾ Excluding social charges.

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

⁽³⁾ Variable compensation, includes:

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

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

Further Information (continued)

Remuneration to Identified Employee:

Aggregate amount of compensation paid and / or allocated to risk takers and senior management whose activities have a significant impact on the risk profile of investment vehicles			
	Risk Takers	Senior Management	Total
Fixed Pay and Variable Remuneration (£'000)	87,639	39,175	126,814
Number of employees	277	62	339

UK Identified Employee Remuneration:

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

THE SECURITIES FINANCING TRANSACTIONS REGULATION

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (SFTs) or total return swaps will be required on all reports & accounts published after 13 January 2017. During the year to 31 December 2023, the Fund did use SFTs or total return swaps. As such please see below disclosure.

SECURITIES FINANCING TRANSACTIONS (SFTs)

For the year ended 31 December

1 Global Data

Proportion of securities and commodities on loan	£'000	%
Total lendable assets excluding cash and cash equivalents:	728,763	
Securities and commodities on loan	5,432	0.75
Assets engaged in SFTs and total return swaps	£'000	%
Fund assets under management (AUM)	861,017	
Absolute value of assets engaged in:		
Securities lending	5,432	0.63

Further Information (continued)

2 Concentration Data

Top 10 Collateral Issuers	
Name and value of collateral and commodities received	£'000
Altria Group	379
Royal Caribbean Cruises	379
Cisco Systems	379
Hologic	379
EQT	379
General Dynamics	379
Clorox	379
Elevance Health	379
Freeport-Mcmoran	379
Lockheed Martin	379

Top 10 Counterparties	
Name and value of outstanding transactions Securities lending	£'000
Macquarie Bank	5,432

3 Aggregate transaction data

Type, Quality and Currency of Collateral

Type	Quality	Currencies
Securities lending		
Equities	High Yield	USD

Maturity Tenor of Collateral (remaining period to maturity)

Type	Less than one day £'000	One day to one week £'000	One week to one month £'000	One to three months £'000	Three months to one year £'000	Above one year £'000	Open maturity £'000	Total £'000
Securities lending	-	-	-	-	-	-	5,959	5,959
	-	-	-	-	-	-	5,959	5,959

Counterparty details

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

Further Information (continued)

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

Type	Less than one day £'000	One day to one week £'000	One week to one month £'000	One to three months £'000	Three months to one year £'000	Above one year £'000	Open transactions £'000	Total £'000
Securities lending	-	-	-	-	-	-	5,432	5,432
	-	-	-	-	-	-	5,432	5,432

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
HSBC Bank	5,959
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	7,074.66	0.00	2,358.22	9,432.88
% of total gross return	75.00%	0.00%	25.00%	100.00%
Cost	0.00	0.00	0.00	0.00



Further Information (continued)

VALUE ASSESSMENT

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

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

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

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



Directory

The Manager

AXA Investment Managers UK Limited
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Authorised and regulated by the Financial Conduct Authority.
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The company is a wholly owned subsidiary of AXA S.A., incorporated in France.
Member of the IA.

The Administrator and address for inspection of Register:

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Trustee

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As part of our commitment to quality service, telephone calls are recorded.