

**Interim Long Report and Unaudited Financial Statements  
Six Months ended  
15 November 2023**

# **AXA Framlington UK Sustainable Equity 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 UK Sustainable Equity Fund (“the Fund”) (i) is to 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 has at least 70% of its investments in shares of companies domiciled, incorporated or having significant business in the UK which the Manager believes will provide above-average returns (relative to their industry peers). The Fund invests at least 80% of its assets in large and medium-sized companies.

The Manager invests in companies that 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 that have shown a clear commitment to improve their ESG practices (companies in transition). More than 50% of the Fund’s investments will be in “leaders”. The Manager will also analyse a company’s financial status, quality of its management, expected profitability and prospects for growth when selecting shares.

Further, in selecting investments, the Manager will take into account the issuer’s ESG score as one factor within its broader analysis of the issuer to identify those issuers 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 for the Fund 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 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 based on: their contribution to climate change; tobacco production; manufacture of white phosphorus weapons; certain criteria relating to human rights; anti-corruption and other environmental, social and governance (ESG) factors. The AXA Investment Managers’ ESG Standards policy and AXA IM Group’s sector specific investment guidelines are subject to change and the latest copies are accessible via the links provided in the “Responsible Investment” section of the Prospectus 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, cash, deposits, units in collective investment schemes (including those that are managed by the Manager or its associates) and money market instruments. 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 FCA rules.

The Manager has full discretion to select investments for the Fund in line with the above investment policy and in doing so may take into consideration the FTSE All Share index. The FTSE All Share index is designed to measure the performance of all eligible companies listed on the London Stock Exchange. This index best represents the types of companies in which the Fund predominantly invests.

## **Fund Objective & Investment Policy (Continued)**

This Fund is actively managed in reference to the FTSE All Share index, which 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 UK Sustainable Equity Fund ('the Fund') is authorised and regulated by the Financial Conduct Authority.

## Investment Review

It has been a disappointing period for UK equity returns as markets have been impacted by the outbreak of war between Israel and Hamas, and the continued rise of US treasury yields which have weighed on equity prices. The US 10-year treasury yield briefly breached the key 5% level for the first time since 2007 during October, a direct result of exceptional levels of issuance, rather than an additional inflationary shock.

In fact, despite continued central bank rhetoric to the contrary, inflation is falling globally and interest rates have likely peaked in this cycle. 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.

Elevated levels of interest rates are, however, starting to impact the global recovery and towards the period end, it was starting to become increasingly noticeable that companies were becoming less confident in their 2024 growth prospects. Sentiment has remained low throughout most of the period with 'in line' trading updates often met with share price falls and any earnings disappointment treated very harshly.

Given the rising yields, economic uncertainty, and the increased level of global conflicts the traditional safe havens of oil and gas, mining and global banks continued to feature as did the return disparity between the FTSE 100 and FTSE 250. This has become an all too familiar tale in the post pandemic era.

In this environment however, valuations are at recent historic lows and this is proving too tempting for those with longer time horizons, resulting in a number of companies receiving take over approaches during the period.

## PORTFOLIO REVIEW

The strategy aims to invest in high quality companies with responsible business practices and whose products or services will help shape the future, for the better. We use the '3 P's' of People, Planet and Progress to capture the secular growth of companies enabling a healthier, greener and more connected advanced society.

Over the period, elevated inflation and interest rates have caused investors to become more short term focussed by nature, which has provided a headwind to growth investors. Cyclical, resource heavy sectors such as energy and basic materials have continued to do well during this period. This has been both a style and size headwind for the Fund which prioritises quality, growth companies with responsible business practices. However, towards the end of the period as inflation and thus interest rate expectations started to fall, companies with these kinds of characteristics started to be more favoured once again.

<b>Top Ten Holdings</b>	
<b>as at 15 November 2023</b>	
	<b>%</b>
<b>AstraZeneca</b>	<b>5.34</b>
<i>Health Care</i>	
<b>London Stock Exchange</b>	<b>3.75</b>
<i>Financials</i>	
<b>Reckitt Benckiser</b>	<b>3.63</b>
<i>Consumer Staples</i>	
<b>Ashtead</b>	<b>3.58</b>
<i>Industrials</i>	
<b>GSK</b>	<b>3.48</b>
<i>Health Care</i>	
<b>Experian</b>	<b>3.35</b>
<i>Industrials</i>	
<b>Prudential</b>	<b>3.19</b>
<i>Financials</i>	
<b>SSE</b>	<b>3.14</b>
<i>Utilities</i>	
<b>Diageo</b>	<b>2.97</b>
<i>Consumer Staples</i>	
<b>RELX</b>	<b>2.87</b>
<i>Consumer Discretionary</i>	

## Investment Review (Continued)

During the period the strategy continued to take advantage of share price weakness in existing holdings that are deemed to be high quality and whose medium-term prospects are still felt to be very attractive. Examples include: Treatt, NCC Group, DiscoverIE and GB Group. New holdings to the portfolio included Cranswick which is a well invested vertically integrated food producer with an excellent management team, growing but defensive earnings, operating in a market with weak and indebted competitors. RELX was also added on account of its strong and improving growth characteristics and it is increasingly seen as an artificial intelligence (AI) beneficiary thanks to its unique digital data sets aimed at the scientific and legal communities.

A number of holdings were also sold during the period. The position in Moonpig was sold following a strong run which meant that the valuation was no longer seen as attractive. The holding in Oxford Nanopore was also exited over concerns around their capital discipline, competitive position and slowing organic growth. The position in RS Group was also sold following a change of management team and cyclical concerns over its growth potential. Dechra Pharmaceuticals and Blancco Technology Group were also sold following take over approaches.

There have been a number of excellent performers within the portfolio during this period. Hill & Smith again produced good results driven by their exposure to US infrastructure spend. Bytes also produced excellent organic growth helped by the demand for Microsoft and cyber security products. Hollywood Bowl also indicated that demand for their tenpin bowling experience remains robust. Additionally, Trainline reported strong revenue growth as customers continue to switch from ticket machines to online and in-app purchases of train tickets. They also surprised the market with a share buyback that was very well received.

As well as takeover approaches for Dechra and Blancco, Kin & Carta also received a bid at a 40% premium to its share price but given its recent share price weakness and the exciting prospects for this business given its role in software, data and AI, it feels an underwhelming outcome.

Detractors from performance included XP Power who highlighted that trading in China, in particular their semiconductor market, had deteriorated in September when a pickup was expected. RWS highlighted that they had become less confident about their prospects for 2024 and Croda International also stated that the hoped for pickup into year-end also hasn't materialised. Rentokil Initial produced a set of results that were in line with expectations, but they suffered a severe share price reaction as they appear to be losing market share in the important North American market.

At the heart of the investment process is thorough analysis of Environmental, Social and Governance factors (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 / 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.

As responsible investors we recognise that we have a role to play to help encourage companies on their ESG journey, and we will do this through continuous engagement with them. In addition to our regular meetings with management we also held seven dedicated ESG engagement meetings on areas such as carbon emission reduction targets, board structure and employee engagement, and diversity policies and practices. These meetings took place with companies that are considered to be both ESG leaders and those that are 'in transition'. Examples included Cranswick, Smith & Nephew, Kin & Carta, Trainline, SSE & Blancco. A meeting also took place with BP to encourage them to use their current elevated profits to dramatically increase their investment into renewable energy.

The portfolio consists of 79% in companies that are deemed as ESG leaders and 21% that are 'in transition' and cash.

## OUTLOOK

The main driver of equity markets is still the action in the world's bond markets. Global economies are slowing as the impact of higher rates is taking effect. It is however increasingly assumed we have reached the much-anticipated peak in global interest rates and markets are starting to anticipate a rate loosening cycle.

## **Investment Review (Continued)**

In the most part, UK companies are reporting robust underlying earnings and valuations remain attractive in the context of history and relative to global equity markets. Strong cash generation and robust balance sheet health is also resulting in a lengthening list of UK companies buying their own shares with surplus cashflow. 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).

At times of heightened risk and uncertainty, it is easy to focus exclusively on the macro and geopolitical news flow and lose focus on the fundamental drivers of profitability and cashflow at the corporate level. Our approach remains centred on owning good quality businesses that can reinvest and compound their returns over time. We continue to believe that understanding longer term structural trends and identifying responsible, reliable and ultimately sustainable companies, in a targeted, focused and active approach, remains the key to longer-term success.

### **Nigel Yates**

Source of all performance data: AXA Investment Managers, Morningstar to 15 November 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 six months ended 15 November 2023

Total Purchases	Cost (£'000)
RELX	2,182
Cranswick	1,096
NCC Group	361
Lloyds Banking	193
GB Group	161
Treant	140
Auction Technology	90
DiscoverIE	73
<b>Total purchases for the period</b>	<b>4,296</b>

Major Sales	Proceeds (£'000)
Dechra Pharmaceuticals	1,521
Blancco Technology Group	1,272
Diageo	1,160
Hill & Smith	706
XP Power	666
Moonpig	592
Oxford Nanopore Technologies	445
Weir	407
Rentokil Initial	341
DiscoverIE	340
Other sales	1,938
<b>Total sales for the period</b>	<b>9,388</b>



## Managing Risks

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

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

### RISK PROFILE

The Fund invests principally in listed equities of UK large and medium capitalised companies. The value of investments and the revenue 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 fund manager's methodology. The lack of harmonised definitions may also potentially result in certain investments not benefitting from preferential tax treatments or credits because ESG criteria are assessed differently than initially thought.

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

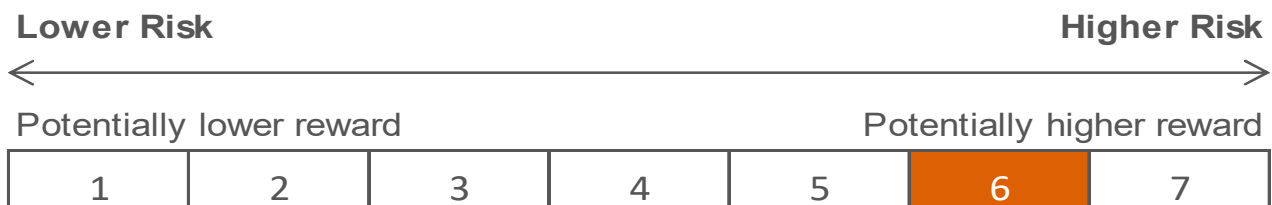
### STOCK LENDING

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 may be subject to sudden and significant variation, which may result in substantial gains or losses.

## ADDITIONAL RISKS

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

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

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

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

## Fund Information

### FIVE YEAR PERFORMANCE

In the five years to 15 November 2023, the price of Z Accumulation units, with net income reinvested, rose by +10.99%. The FTSE All Share Total Return Gross increased by +26.4% over the same time period. During the same period, the price of Z Income units, with zero income reinvested, rose by +2.10%. (Source: AXA Investment Managers and Morningstar) (Prices in GBP).

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

Date	AXA Framlington UK Sustainable Equity Z Acc	FTSE All-Share Total Return Gross
15 Nov 2018 - 15 Nov 2019	+16.34%	+9.10%
15 Nov 2019 - 15 Nov 2020	-0.26%	-9.02%
15 Nov 2020 - 15 Nov 2021	+21.43%	+21.82%
15 Nov 2021 - 15 Nov 2022	-17.69%	+0.02%
15 Nov 2022 - 15 Nov 2023	-4.30%	+4.51%

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	1.40%
D Acc	1.38%
R Inc	0.99%
R Acc	0.99%
Z Inc	1.80%
Z Acc	1.76%

### CHARGES

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

### ONGOING CHARGES\*

D Inc	1.17%
D Acc	1.17%
R Inc	1.58%
R Acc	1.58%
Z Inc	0.83%
Z Acc	0.83%

\*For more 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 UK Sustainable Equity Fund is available as a Stocks and Shares ISA through the AXA Investment Managers Stocks and Shares ISA.

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

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

<https://funds.axa-im.co.uk/en/individual/fund/axa-framlington-UK-Sustainable-Equity-fund-z-accumulation-gbp/#documents>

## Comparative Tables

	D Inc~		D Acc~	
	15/11/2023	15/05/2023	15/11/2023	15/05/2023
Closing net asset value per unit (p) <sup>†</sup>	204.55	217.72	316.71	337.11
Closing net asset value <sup>†</sup> (£'000)	4,969	5,055	23,985	12,824
Closing number of units	2,429,305	2,321,554	7,573,069	3,804,134
Operating charges <sup>^</sup>	1.18%	1.18%	1.18%	1.18%

	R Inc			R Acc		
	15/11/2023	15/05/2023	15/05/2022	15/11/2023	15/05/2023	15/05/2022
Closing net asset value per unit (p) <sup>†</sup>	204.14	217.73	222.08	314.88	335.77	339.30
Closing net asset value <sup>†</sup> (£'000)	639	1,280	7,384	7,122	22,809	42,382
Closing number of units	312,935	587,811	3,324,717	2,261,966	6,793,217	12,491,150
Operating charges <sup>^</sup>	1.58%	1.58%	1.58%	1.58%	1.58%	1.58%

	Z Inc			Z Acc		
	15/11/2023	15/05/2023	15/05/2022	15/11/2023	15/05/2023	15/05/2022
Closing net asset value per unit (p) <sup>†</sup>	145.76	154.88	157.98	184.55	196.10	196.67
Closing net asset value <sup>†</sup> (£'000)	5,747	6,340	7,309	38,762	44,197	54,465
Closing number of units	3,942,753	4,093,443	4,626,684	21,003,831	22,538,126	27,693,259
Operating charges <sup>^</sup>	0.83%	0.83%	0.83%	0.83%	0.83%	0.83%

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

<sup>^</sup> Operating charges include indirect costs incurred in the maintenance and running of the Fund, as disclosed in expenses within the Statement of Total Return. The figures used within the table have been calculated against the average Net Asset Value for the accounting period.

~ D unit classes launched as at 25 May 2022.

## Portfolio Statement

The AXA Framlington UK Sustainable Equity Fund portfolio as at 15 November 2023 consisted of the following investments, which are ordinary shares unless otherwise stated.

Holding	Market value £'000	Total net assets (%)
<b>UNITED KINGDOM: 95.51%</b> (15/05/2023: 94.43%)		
<b>BASIC MATERIALS: 4.94%</b> (15/05/2023: 5.89%)		
<b>Chemicals: 2.70%</b> (15/05/2023: 3.87%)		
23,332 Croda International	1,097	1.35
255,500 Treatt	1,100	1.35
	<b>2,197</b>	<b>2.70</b>
<b>Industrial Metals &amp; Mining: 2.24%</b> (15/05/2023: 2.02%)		
96,469 Hill & Smith	1,819	2.24
	<b>1,819</b>	<b>2.24</b>
<b>CONSUMER DISCRETIONARY: 10.81%</b> (15/05/2023: 7.87%)		
<b>Media: 2.87%</b> (15/05/2023: 0.00%)		
80,000 RELX	2,330	2.87
	<b>2,330</b>	<b>2.87</b>
<b>Retailers: 3.48%</b> (15/05/2023: 4.25%)		
480,170 Pets at Home	1,527	1.88
95,853 WH Smith	1,296	1.60
	<b>2,823</b>	<b>3.48</b>
<b>Travel &amp; Leisure: 4.46%</b> (15/05/2023: 3.62%)		
668,142 Hollywood Bowl	1,898	2.34
579,298 Trainline	1,724	2.12
	<b>3,622</b>	<b>4.46</b>
<b>CONSUMER STAPLES: 8.04%</b> (15/05/2023: 8.54%)		
<b>Beverages: 2.97%</b> (15/05/2023: 4.56%)		
82,682 Diageo	2,414	2.97
	<b>2,414</b>	<b>2.97</b>

## Portfolio Statement (Continued)

Holding	Market value £'000	Total net assets (%)
<b>Food Producers: 1.44%</b> (15/05/2023: 0.00%) 31,500 Cranswick	1,166 <b>1,166</b>	1.44 <b>1.44</b>
<b>Personal Care, Drug &amp; Grocery: 3.63%</b> (15/05/2023: 3.98%) 53,516 Reckitt Benckiser	2,949 <b>2,949</b>	3.63 <b>3.63</b>
<b>ENERGY: 2.83%</b> (15/05/2023: 2.79%) <b>Alternative Energy: 0.61%</b> (15/05/2023: 0.83%) 224,500 Ceres Power	493 <b>493</b>	0.61 <b>0.61</b>
<b>Oil, Gas &amp; Coal: 2.22%</b> (15/05/2023: 1.96%) 374,940 BP	1,800 <b>1,800</b>	2.22 <b>2.22</b>
<b>FINANCIALS: 16.97%</b> (15/05/2023: 15.91%) <b>Banks: 1.72%</b> (15/05/2023: 1.41%) 3,254,577 Lloyds Banking	1,397 <b>1,397</b>	1.72 <b>1.72</b>
<b>Finance &amp; Credit Services: 3.75%</b> (15/05/2023: 3.45%) 36,320 London Stock Exchange	3,050 <b>3,050</b>	3.75 <b>3.75</b>
<b>Investment Banking &amp; Brokerage: 3.44%</b> (15/05/2023: 3.14%) 175,128 Hargreaves Lansdown 95,960 Intermediate Capital	1,348 1,444 <b>2,792</b>	1.66 1.78 <b>3.44</b>
<b>Life Insurance: 8.06%</b> (15/05/2023: 7.91%) 1,986,754 Just 985,694 Legal & General 273,479 Prudential	1,695 2,261 2,588 <b>6,544</b>	2.09 2.78 3.19 <b>8.06</b>



## Portfolio Statement (Continued)

Holding	Market value £'000	Total net assets (%)	
<b>HEALTH CARE: 14.95%</b> (15/05/2023: 17.37%)			
<b>Medical Equipment &amp; Services: 4.50%</b> (15/05/2023: 4.37%)			
843,421	ConvaTec	1,898	2.34
168,616	Smith & Nephew	1,758	2.16
		<b>3,656</b>	<b>4.50</b>
<b>Pharmaceuticals &amp; Biotechnology: 10.45%</b> (15/05/2023: 13.00%)			
42,794	AstraZeneca	4,334	5.34
58,455	Genus	1,321	1.63
203,380	GSK	2,829	3.48
		<b>8,484</b>	<b>10.45</b>
<b>INDUSTRIALS: 15.51%</b> (15/05/2023: 15.31%)			
<b>Construction &amp; Materials: 2.60%</b> (15/05/2023: 2.44%)			
367,333	Genuit	1,190	1.46
394,942	Marshalls	926	1.14
		<b>2,116</b>	<b>2.60</b>
<b>Electronic &amp; Electrical Equipment: 3.68%</b> (15/05/2023: 3.77%)			
189,810	DiscoverIE	1,287	1.58
535,000	Rotork	1,709	2.10
		<b>2,996</b>	<b>3.68</b>
<b>Industrial Engineering: 2.25%</b> (15/05/2023: 2.33%)			
98,394	Weir	1,825	2.25
		<b>1,825</b>	<b>2.25</b>
<b>Industrial Support Services: 3.40%</b> (15/05/2023: 3.96%)			
322,035	Rentokil Initial	1,516	1.87
493,166	RWS	1,245	1.53
		<b>2,761</b>	<b>3.40</b>
<b>Industrial Transportation: 3.58%</b> (15/05/2023: 2.81%)			
54,895	Ashtead	2,904	3.58
		<b>2,904</b>	<b>3.58</b>

## Portfolio Statement (Continued)

Holding	Market value £'000	Total net assets (%)
<b>REAL ESTATE: 5.63% (15/05/2023: 5.25%)</b>		
<b>Real Estate Investment &amp; Services: 4.17% (15/05/2023: 3.72%)</b>		
639,662 Grainger	1,682	2.07
331,249 Rightmove	1,709	2.10
	<b>3,391</b>	<b>4.17</b>
<b>Real Estate Investment Trusts: 1.46% (15/05/2023: 1.53%)</b>		
149,799 Safestore	1,185	1.46
	<b>1,185</b>	<b>1.46</b>
<b>TECHNOLOGY: 10.81% (15/05/2023: 10.75%)</b>		
<b>Software &amp; Computer Services: 10.81% (15/05/2023: 10.75%)</b>		
201,995 accesso Technology	1,123	1.38
208,868 Auction Technology	1,270	1.56
285,000 Bytes Technology	1,539	1.89
598,213 GB Group	1,563	1.92
132,731 Kainos	1,330	1.64
809,879 Kin & Carta	850	1.05
998,531 NCC Group	1,114	1.37
	<b>8,789</b>	<b>10.81</b>
<b>TELECOMMUNICATIONS: 1.88% (15/05/2023: 1.75%)</b>		
<b>Telecommunications Service Providers: 1.88% (15/05/2023: 1.75%)</b>		
138,581 Gamma Communications	1,524	1.88
	<b>1,524</b>	<b>1.88</b>
<b>UTILITIES: 3.14% (15/05/2023: 3.00%)</b>		
<b>Electricity: 3.14% (15/05/2023: 3.00%)</b>		
145,641 SSE	2,550	3.14
	<b>2,550</b>	<b>3.14</b>

## Portfolio Statement (Continued)

Holding	Market value £'000	Total net assets (%)
ASIA: 0.00% (15/05/2023: 1.40%)		
Singapore: 0.00% (15/05/2023: 1.40%)		
EUROPE (excluding UK): 3.35% (15/05/2023: 3.09%)		
Jersey: 3.35% (15/05/2023: 3.09%)		
94,829		
Experian	2,717	3.35
	<b>2,717</b>	<b>3.35</b>
Investments as shown in the balance sheet	80,294	98.86
Net current assets	930	1.14
<b>Total net assets</b>	<b>81,224</b>	<b>100.00</b>

## Statement of Total Return

For the six months ended 15 November

		2023		2022
	£'000	£'000	£'000	£'000
Income				
Net capital losses		(6,117)		(3,235)
Revenue	1,079		1,290	
Expenses	(463)		(576)	
Interest payable and similar charges	-		-	
Net revenue before taxation	616		714	
Taxation	-		-	
Net revenue after taxation		616		714
<b>Total return before equalisation</b>		<b>(5,501)</b>		<b>(2,521)</b>
Equalisation		(10)		(38)
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>(5,511)</b>		<b>(2,559)</b>

## Statement of Change in Net Assets Attributable to Unitholders

For the six months ended 15 November

		2023		2022
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		92,505		111,540
Amounts receivable on creation of units	175		352	
Amounts payable on cancellation of units	(5,950)		(9,069)	
		(5,775)		(8,717)
Change in net assets attributable to unitholders from investment activities		(5,511)		(2,559)
Unclaimed distribution		5		6
<b>Closing net assets attributable to unitholders</b>		<b>81,224</b>		<b>100,270</b>

The above statement shows the comparative closing net assets at 15 November 2022 whereas the current accounting period commenced 16 May 2023.

## Balance Sheet

As at

	15 November 2023 £'000	15 May 2023 £'000
<b>ASSETS</b>		
Fixed assets		
Investments	80,294	91,503
Current assets		
Debtors	76	581
Cash and bank balances	1,322	1,007
<b>Total assets</b>	<b>81,692</b>	<b>93,091</b>
<b>LIABILITIES</b>		
Creditors		
Distribution payable	-	186
Other creditors	468	400
<b>Total liabilities</b>	<b>468</b>	<b>586</b>
<b>Net assets attributable to unitholders</b>	<b>81,224</b>	<b>92,505</b>

## **Notes to the Financial Statements**

### **Accounting policies**

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").

The accounting policies applied are consistent with those of the annual financial statements for the year ended 15 May 2023 and are described in those annual financial statements.

**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:



Marcello Arona  
Director  
Wednesday 10<sup>th</sup> January 2024

*Jane Wadia*

Jane Wadia  
Director  
Wednesday 10<sup>th</sup> January 2024

## Further Information

### 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 period to 15 November 2023, the Fund did use SFTs or total return swaps. As such please see below disclosure.

### SECURITIES FINANCING TRANSACTIONS (SFTs)

As at the Balance Sheet date, the fund had no open positions. As such, only the return and cost over the reporting period are shown below.

#### 1. Return and Cost

	Collective Investment £	Manager of Collective £	Third Parties £	Total £
<b>Securities lending</b>				
Gross return	668.70	0.00	222.70	891.40
% of total gross return	75.00%	0.00%	25.00%	100.00%
Cost	0.00	0.00	0.00	0.00



## Directory

### The Manager

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

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

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

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

### Trustee

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

### Fund Accounting Administrator

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

### Legal adviser

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London, EC2V 7WS

### Auditor

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Atria One, 144 Morrison Street  
Edinburgh, EH3 8EX

### Dealing and Correspondence

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