

AXA WF Framlington Human Capital A EUR

Fund manager's comment - 28/06/2013

Fund manager's report

The equity markets experienced a significant downturn in June; this was due both to the renewed disappointments with regard to Chinese growth and the statement by the Chairman of the US Federal Reserve mentioning a possible slowdown of the rate of asset repurchases and even the end of the programme by mid-2014. This possible change in monetary policy led to high tensions on US and European long yields, thus prolonging the downturn in the equity markets, particularly in the emerging markets.

Against this background, mining stocks (which are correlated to Chinese growth) posted the worst sectoral performance of the month, particularly with the slump in gold prices; next in line were the banking and automotive sectors. Defensive stocks (telecommunications, health) managed to take advantage of the situation a little more, as did media stocks. On the geographical front, of note was the steep drop in the Italian market, while Germany and Switzerland held up better.

The portfolio finished the month down 5.13% (in gross terms), slightly underperforming its benchmark index (which dropped 4.77%). The Gemalto line had a positive effect, but the main positive contributions came from banks not held in the portfolio and issues from countries having gambled on the widening of sovereign spreads. On the negative side were the financial stocks held in the portfolio (Erste Bank, Aberdeen, Ubi Banca), cyclical stocks (Umicore, Solvay, Outotec) as well as one gold stock (Fresnillo).

Dutch insurer Aegon was introduced into the portfolio: the company, which is very exposed to life insurance in the United States, has benefited greatly from the rise in US long yields. This introduction was financed by reducing in asset managers Schroders and Aberdeen, which are highly correlated to flows on the emerging markets. Bic, Babcock and MTU were among the principal increases this month. The portfolio also invested in the stock market flotation of Kion, formerly Linde's fork-lift truck division.

UK restaurant group Whitbread has made excellent progress on the stock markets in recent months. The group is structured in two divisions - hotels/restaurants and Costa cafés - and is principally based in the United Kingdom where it employs 40,000 people. In a sector where turnover of staff is by definition very high, one of the group's key objectives is the reduction in its staff attrition rate. This is currently 38% at Costa and 43% in the group's other branch. These rates appear high but are fairly typical of the sector; however, they are largely compensated for by a high internal promotion rate (71%) and internal employee satisfaction surveys that show both a particularly high response rate (95%) and commitment level (78%). Finally, it is worth mentioning that the presence of the HR Director on the Whitbread Board testifies to the importance accorded to human capital management within the group's strategy, particularly as the group's progressive development internationally will raise other subjects in the area of social policy.

Performance evolution (in EUR)

Annualized performance

	1 Y.	3 Y.	5 Y.	8 Y.	Launch
Portfolio*	17.81%	8.50%	4.06%	-	-0.51%
Benchmark**	19.39%	9.72%	4.98%	-	-0.70%

Cumulative Performance

	1 M.	3 M.	YTD	1 Y.	3 Y.	5 Y.	8 Y.	Launch
Portfolio*	-5.27%	-1.75%	2.66%	17.76%	27.69%	21.99%	-	-2.85%
Benchmark**	-4.77%	-1.54%	4.68%	19.33%	32.05%	27.48%	-	-3.91%

The figures provided relate to previous months or years and past performance is not a reliable indicator as to future performance.

* 1st NAV date : 29/10/07

** Benchmark : Please refer to the Indicator section in the characteristics/disclaimers part of the document.

Source(s) : AXA Investment Managers Paris to 28/06/13

Editor : AXA Investment Managers Paris

Objective and investment strategy

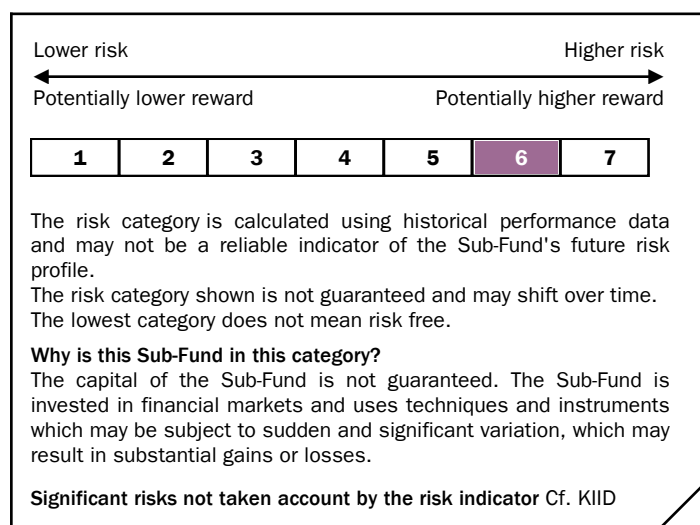
The Sub-Fund seeks to achieve long-term capital growth measured in Euro by investing in equities and equity related instruments issued by small and medium sized companies, with above average score in human capital management, domiciled or listed in the European geographical area.

Benchmark

50% STOXX Europe Small 200 Total Return Net + 50% STOXX Europe Mid 200 Total Return Net **from 29/10/07**

Risk characteristics

Recommended Investment Time Horizon : This Sub-Fund may not be suitable for investors who plan to withdraw their contribution within 8 years.



General characteristics

Legal form	SICAV
Legal country	Luxembourg
Launch date	29/10/07
Fund Currency	EUR
Shareclass currency	EUR
Valuation	Daily
Share Type	Accumulation / Income
ISIN Code	LU0316218527
Maximum initial fees	3%
Maximum exit fees	-
Maximum Fixed Management Fees*	2.5%
Maximum distribution fees	-
Initial min. subscrib.	
Following min. subscrib.	
Minimum holding requirement in the Company	-
Minimum holding requirement in each Sub-Fund	-
Management company	AXA Funds Management SA (Luxembourg)

(Sub.) Financial Delegation

AXA Investment Managers Paris

Delegation of account administration

State Street Bank Luxembourg SA

Custodian

State Street Bank Luxembourg

Guarantor

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*For Luxemburg fund, they include investment manager fees. The fund may incur other costs, charges and administrative expenses (cf. prospectus).

Subscription / Redemption

The subscription, conversion or redemption orders must be received by the Registrar and Transfer Agent on any Valuation Day no later than 3 p.m. CET. Orders will be processed at the Net Asset Value calculated the next business day. The investor's attention is drawn to the existence of potential additional processing time due to the possible involvement of intermediaries such as Financial Advisers or distributors.

Disclaimers

Performance calculations are net of management or distribution fees. Performance are shown as annual performance (365 days). Performance calculations are based on the reinvestment dividend.

Risk Ratios are calculated from gross performances

In the case where the currency of investment is different from the Fund's reference currency the gains are capable of varying considerably due to the fluctuations of the exchange rate.

The fund is registered for public distribution in Luxembourg. Please check the countries of registration with the asset manager, or on the web site www.axa-im-international.com, where a fund registration map is available.

The tax treatment relating to the holding, acquisition or disposal of shares or units in the fund depend on each investor's tax status or treatment and may be subject to change. Any potential investor is strongly encouraged to seek advice from its own tax

Depending on the investment strategy used the information contained herein may be more detailed than the information disclosed in the prospectus. Any such information (i) does not constitute a representation or undertaking on the part of the investment manager; (ii) is subjective and (iii) may be modified at any time within the limits provided in the fund prospectus.

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AXA Funds Management, a société anonyme organized under the laws of Luxembourg with the Luxembourg Register Number B 32 223RC, and whose registered office is located at 49, Avenue J.F. Kennedy L-1885 Luxembourg

AXA WORLD FUNDS 's registered office is 49, avenue J.F Kennedy L-1885 Luxembourg. The Company is registered under the number B. 63.116 at the "Registre de Commerce et des Sociétés" The Company is a Luxembourg SICAV UCITS IV approved by the CSSF.

For your information

Fin. Info. Bloomberg AXAHCAU LX

Regulatory documents (Simplified and full prospectus/ information notice and rules) are available on demand

AXA Investment Managers Paris

a company incorporated under the laws of France, having its registered office located at

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a Portfolio Management Company, holder of AMF approval no. GP 92-08, issued on 7 April 1992,

A french corporation (Public Limited Company) with capital of euros 1,384,380

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