Annual Long Report and Audited Financial Statements
Year ended
30 November 2019

AXA Framlington Emerging Markets Fund

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

Contents

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

More information on any AXA unit trust, copies of the latest Manager's Reports and Prospectus are available free of charge. Telephone 0345 777 5511 or visit our website: www.axa-im.co.uk. Telephone calls may be recorded or monitored for quality assurance purposes.

Fund Objective

The aim of AXA Framlington Emerging Markets Fund (“the Fund”) is to provide long-term capital growth.

The Fund invests in shares of listed companies based in countries which the Manager considers to be emerging markets and which the Manager believes will provide above-average returns. The Fund invests primarily in large and medium-sized companies. The Manager selects shares based upon analysis of a company's financial status, quality of its management, expected profitability and prospects for growth.

The Manager has full discretion to select investments for the Fund in line with above investment policy and in doing so may take into consideration the MSCI Emerging Markets index. The MSCI Emerging Markets index is designed to measure equity market performance in global emerging markets. This index best represents the types of companies in which the Fund predominantly invests.

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

Investment Review

The MSCI Emerging Markets (EM) Index finished the year to 30 November 2019 up +5.8%[i] in sterling. By contrast, the MSCI World Index returned a much stronger +13.7%, led by the US market where the S&P 500 returned +14.5%.

Top Ten Holdings as at 30 November 2019	%
Alibaba ADR *China Equities*	8.09
Taiwan Semiconductor Manufacturing *Taiwan Equities*	6.12
Tencent *China Equities*	5.55
New Oriental Education & Technology ADR *China Equities*	3.80
Unilever *United Kingdom Equities*	3.66
Godrej Consumer Products *India Equities*	3.44
Ambev ADR *Brazil Equities*	2.93
Bandhan Bank *India Equities*	2.80
Fleury *Brazil Equities*	2.46
Marico *India Equities*	2.46

Stocks shown as ADR's represent American Depositary Receipts.

Global equity markets were in the midst of a period of abrupt weakness in December 2018, when we entered the reporting period. We have already explained the reasons for the October-December 2018 sell-off and subsequent rebound in the Fund's May 2019 interim report. To summarise the key points: i) in late 2018, markets had become concerned that the US Federal Reserve (Fed) was excessively tightening monetary conditions in what remained a deflation challenged world with many large pockets of excessive risk and leverage, and ii) markets subsequently reacted positively to the "Powel Pivot", which was essentially an abrupt u-turn from the Fed from an auto-pilot tightening stance to an easing and accommodative stance.

But why did developed markets outperform EM by so much? EM is made up of 26 very different countries, and so there are a multitude of country-specific reasons for EM's underperformance. However, undoubtedly the trade war between the US and China can be identified as the key explanation for the broad underperformance of the asset class. Not only was the trade war perceived as a significant negative for China, which on average comprised of 31.9% of the MSCI EM Index during the period, but also for most countries within the asset class. Globalisation has unquestionably been a trend that has allowed EM countries to prosper, allowing them to better leverage superior labour productivity or conduct command-driven strategic specialisation in targeted industries. Naturally, it is a concern that an abrupt end to or reversal of globalisation will undermine this avenue for many EM countries to climb the ladder. This concern is further exacerbated by arguments asserting that the benefits of superior labour productivity will diminish in a world embracing automation and lower costs of capital.

No doubt, these concerns have already affected capital allocation decisions being made by businesses, and hence also started to affect global supply chains. However, global supply chains are complex, and it is far from certain that globalisation is destined to dramatically reverse. The trade tensions that escalated in May 2019 with tweets from President Trump about tariffs and sanctions on Huawei, has recently moderated with the announcement of a 'Phase One' trade deal. It is certainly unclear whether US businesses or politicians, even those preoccupied with fairer trading terms with China, are prepared to withdraw from end markets in Asia with potentially billions of future consumers. Furthermore, it is unclear that the rest of the world, including the EU, would be willing to follow the US in an isolationist direction. It is interesting to note that China is ahead of the US in terms of 5G preparedness, and that the 5G framework in the EU is more compatible with that of China than the US. Either way, relations between the US and China undoubtably remain complicated.

There is, of course, a lot more to report on in EM than a narrative on the ups and downs of the US-China trade relations. We saw Modi, Ramaphosa and Jokowi governments re-elected in India, South Africa and Indonesia, all of which were welcomed by markets. We saw the pro-reform Macri government in Argentina replaced by a left leaning Fernandez-led government that resulted in Cristina Kirchner returning to government as Vice President. Market reaction suggested that this is not what a challenged Argentinian economy needed, however there have been some subsequent reassurances around seemingly sensible cabinet appointments by the new government.

Stability in the Latin American region has been affected by popular uprisings in Chile, further to public transport tariff hikes that unleashed deep rooted resentment around inequalities within society. There was more disruption in the region with a coup to remove President Morales in Bolivia, ongoing upheaval in Venezuela, and a constitutional crisis in Peru. The Brazilian real came under pressure during the period as a result of the region's difficulties, even despite progress with social security reform there. Brazil now stands as a rare beacon of stability in the region, notwithstanding the controversial reputation of President Bolsonaro. Markets continue to keep a watchful eye on the newly elected AMLO government in Mexico, where concerns over a populist and left-leaning agenda explain the reluctance of the central bank to cut interest rates more aggressively despite very high real rates.

Sluggish growth in China and India during the period has been a drag on global growth, together comprising a large proportion of incremental global growth in recent years. China is struggling under the weight of well publicised imbalances within the economy and attempts by President Xi's government to reign in excessive leverage within the financial system. Meanwhile, India has suffered from the negative repercussions of Modi's reform agenda, and the fallout from the bankruptcy of IL&FS and the subsequent stresses within the Non-Banking Financial Companies. Growth in China and India is being anchored by fiscal stimulus, with the private sector still reluctant to invest. Consumer price inflation was on the rise in both countries towards the end of the period, predominantly the result of pork and food prices. However, core consumer price inflation remains more controlled, and industrial prices suffer deflationary pressures, and so it will be interesting to see how the PBOC and RBI approach monetary policy going forwards.

It should be noted that political risks have escalated in both China and India during the period. The protests in Hong Kong have resulted in intractable positions on both sides, and it remains hard to envisage a lasting solution. Meanwhile the Hindu nationalist agenda of the Modi government has come to the fore as they brought to an end the special status of Kashmir, the only Muslim majority state in India that is now operating under curfew, and given the recent passing of a new citizenship law that favours Hindu refugees from overseas and could pose a risk to undocumented Muslim residents in India. The citizenship law has sparked protests across India, not just from the Muslim community. The base case is that unrest in Hong Kong and India can be contained, although there is significant scope for own goals to be scored and for tensions to escalate and undermine economic progress in China and India.

The best-performing EM sectors over the period were information technology (+21.2%) and consumer discretionary (+16.7%). The information technology sector benefited from optimism around the rollout of 5G, and anticipation of more supportive inventory cycles ahead. The consumer discretionary sector recovered after a very weak performance in the year to November 2018. The worst-performing sectors were healthcare (-11.6%) and materials (-5.6%).

The best-performing EM countries over the period included Russia (+33.1%) and Taiwan (+23.5%). The Russian market benefited from announcements of more progressive dividend policies from some of the larger weighted companies, as well as a continuing decline in bond yields. The Taiwan market was lifted by the technology names, particularly TSMC which rose +40.3% and on average accounted for 3.8% of the MSCI EM index over the period.

Argentina (-33.7%) and Chile (-28.7%) were unsurprisingly the worst-performing countries, although they do not comprise a large component of the MSCI EM Index. Larger weighted country laggards included South Africa (-1.7%) and South Korea (-1.1%). South Korea performed poorly despite the semiconductor large weights of Samsung Electronics (+16.2%) and SK Hynix (+11.5%) performing well, which is a reflection of how weak domestically focused companies were over the period.

The largest market cap quintile in the MSCI EM Index returned +15.1%, while all other quintiles underperformed the index.

FUND PERFORMANCE

The Fund generated a return of +15.7%[ii] for the period, outperforming the MSCI EM Index, which posted a return of +5.8%.

In terms of country allocation, the Fund benefited from underweight exposure in South Korea, Saudi Arabia and Chile, and suffered from underweight positions to Taiwan and Russia. In terms of sector allocation, the Fund benefited from an underweight position to materials and an overweight position to consumer discretionary, and suffered from an underweight position to information technology.

However, stock selection was a much more significant explanation for the Fund's outperformance than allocation by country, sector or market cap. Large stock contributors to attribution included New Oriental Education (+108.9%), the Chinese education company, Foshan Haitian (+66.5%), the Chinese condiments company, HDFC Asset Management (+126.1%), the Indian asset manager, TSMC (+40.3%), the Taiwanese foundry, Inox Leisure (+58.3%), the Indian multiplex chain, and Dr Lal Pathlabs (+75.4%), the Indian diagnostics chain. While we have trimmed many of our winners into strength on grounds of valuation, they all exhibit the attributes that we are looking for in long-term holdings. Accordingly, at the period end we maintain a position in all companies named above.

The negative contributors included Jianpu Technology (-52.5%), the Chinese fintech company, Future Retail (-38.2%), the Indian grocery retail company, Zee Entertainment (-41.9%), the Indian media company, and Baidu (-37.9%), the Chinese search engine. Fortunately, none of these were large positions for the Fund during the period.

From a style perspective, the Fund benefited from its growth bias. MSCI EM Growth outperformed MSCI EM Value during the period, which is a reversal of what happened during the prior 12 months. The Fund maintains a consistent bias and approach, which tends to lead us towards domestic demand-oriented EM companies, where low product penetration and fragmented competitive landscapes help to underpin attractive long-term growth opportunities for the best companies.

We remain excited about the companies that continue to warrant inclusion in the Fund, and remain very focused on scrutinising the attributes that we like to see in portfolio companies. To repeat our 2018 annual report, one of those attributes is a "deliberate positive societal contribution by the company, whether through their products & services or operations." "We believe that targeting positive societal outcomes in a profitable way can help companies to identify untapped addressable markets, to prepare for a resource-constrained future, to remain focused on pushing the boundaries in terms technology and product pricing & accessibility, and to generate valuable loyalty with all stakeholders."

With this in mind, we have again attempted to assess the contribution of the Fund's holdings to the UN's Sustainable Development Goals (SDGs). Our indicative judgement-based assessment suggests that at year-end, 75% of the portfolio is invested into noticeable positive contributors to the SDGs, within which 27% are significantly impactful. The most commonly supported SDGs include: #8 (Decent Work & Economic Growth), #3 (Good Health & Well-being), #9 (Industry, Innovation & Infrastructure), #12 (Responsible Consumption & Production), #4 (Quality Education), #5 (Gender Equality), and #2 (Zero Hunger). We will continue to investigate ways to credibly and transparently assess the fund's SDG alignment and to report on this.

OUTLOOK

It remains very hard to forecast the outcome to the key variables debated in the financial press – trade talks between China and the US, how US rates and the US dollar will trend, if and when the US economy enters a recession, whether China can find a good balance between deleveraging and growth, or whether the Euro area can avoid a irreparable schism.

A forecast that we are prepared to make is that relatively higher levels of income growth in many parts of EM, and related 'catch up' in terms of product penetration and industry consolidation, could provide relatively attractive growth opportunities for long-term EM investors exposed to the right themes and companies. Another is that the need to combat structurally deflationary forces in the larger global economies will be a persistent phenomenon, which in turn should justify a healthy valuation premium for resilient growth companies.

Looking more immediately ahead we would note that valuations in EM look relatively attractive. In spite of the uncertainties, there is scope for the EM valuation discount to narrow on the back of a 'Phase One' trade deal between US and China as well as a consensus anticipation for an uptick in both economic and earnings growth in EM in 2020.

Paul Birchenough & Ian Smith
30 November 2019

[i] Net of withholding taxes.
[ii] End of day, Z share class GBP, Net of fees and withholding taxes.

Source of all performance data: AXA Investment Managers, Morningstar to 30 November 2019.

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 30 November 2019

Major Purchases	Cost (£'000)
Ambev ADR	2,980
Dino Polska	1,700
Godrej Consumer Products	1,673
Itau Unibanco ADR	1,485
Samsung Electronics	1,475
Credicorp	1,405
Alibaba ADR	1,394
Philippine Seven	1,389
Dr Lal PathLabs	1,334
IndusInd Bank	1,185
Other purchases	18,478
Total purchases for the year	**34,498**

Major Sales	Proceeds (£'000)
Tencent	2,604
New Oriental Education & Technology ADR	1,852
Copa	1,779
Foshan Haitian Flavouring & Food	1,741
Universal Robina	1,703
Baidu	1,696
China Construction Bank	1,344
Localiza Rent a Car	1,252
Zee Entertainment Enterprises	1,246
Britannia Industries	1,225
Other sales	24,542
Total sales for the year	**40,984**

Stocks shown as ADR's represent American Depositary Receipts.

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 paragraphs explain the Manager's approach to managing those risks.

RISK PROFILE

The Fund invests in companies that in the opinion of the Manager are principally exposed to developing countries. Such investments may involve a higher degree of risk than investing in established markets due to heightened geopolitical risk in such countries (see below) and potential large currency volatility. Investors should consider carefully whether this investment risk is suitable for them. The Fund will not only be impacted by market risk associated with equities from emerging markets but also by exchange rate fluctuations between those currencies and sterling in which the Fund is based. As a result, exchange rate movements may cause the value of investments to fall or rise. 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 individual fund's investment objectives and investment policy.

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 individual fund's investment objectives and investment policy.

EMERGING MARKETS RISK

Investment in emerging markets 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 a diversification measures), scenario testing as well as other regular monitoring seek to ensure the level of risk is aligned with each individual fund's investment objectives and investment policy.

INVESTMENT IN CHINA A SHARES VIA THE STOCK CONNECT PROGRAM RISK

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

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

Investment limitations

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

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

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

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

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

Operational risk

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

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

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

Execution issues

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

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

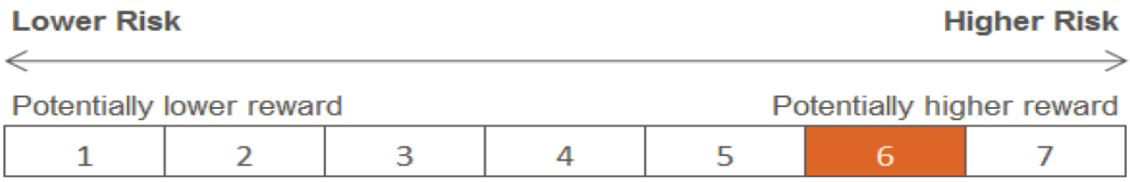
Ownership of Stock Connect securities

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

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

Investment Holdings subject to the Investment in China A Share selection via the stock connect program risk will be marked within the Portfolio Statement.

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. There has been no change from prior year. The lowest category does not mean risk free.

WHY IS THIS FUND IN THIS CATEGORY?

The capital of the Fund is not guaranteed. The Fund is invested in financial markets and uses techniques and instruments which 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.
Regular monitoring is conducted to ensure a high degree of confidence that fund liquidity will meet the Fund's expected liquidity requirements.

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 30 November 2019, the price of Z Accumulation units, with net income reinvested, rose by +46.38%. The MSCI Emerging Markets Index (Net Return) increased by +41.21% over the same time period. During the same period, the price of Z Income units, with zero income reinvested, rose by +39.68% (Source: AXA Investment Managers and Morningstar) (Prices in GBP).

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

Date	AXA Framlington Emerging Markets Z Acc (Net)	MSCI Emerging Markets Index (NR)
30 Nov 2014 - 30 Nov 2015	-8.34%	-13.64%
30 Nov 2015 - 30 Nov 2016	+23.08%	+30.69%
30 Nov 2016 - 30 Nov 2017	+23.59%	+22.59%
30 Nov 2017 - 30 Nov 2018	-9.19%	-3.55%
30 Nov 2018 - 30 Nov 2019	+15.61%	+5.82%

Source: AXA Investment Managers & Morningstar, single price basis (NAV) gross of tax with net income reinvested, net of fees in GBP.

Past performance is not a guide to future performance.

YIELD

R Inc	0.08%
R Acc	0.07%
Z Inc	0.78%
Z Acc	0.78%

CHARGES

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

ONGOING CHARGES*

R Inc	1.67%
R Acc	1.67%
Z Inc	0.92%
Z Acc	0.92%

*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 Emerging Markets Fund is available as a Stocks and Shares ISA through the AXA Investment Managers Stocks and Shares ISA.

Comparative Tables

	R Inc			R Acc		
Change in net assets per unit	30/11/2019 (p)	30/11/2018 (p)	30/11/2017 (p)	30/11/2019 (p)	30/11/2018 (p)	30/11/2017 (p)
Opening net asset value per unit†	228.53	253.93	206.96	249.54	276.88	225.68
Return before operating charges^	37.62	(21.21)	50.83	41.01	(22.88)	55.42
Operating charges	(4.16)	(3.87)	(3.86)	(4.52)	(4.46)	(4.22)
Return after operating charges^	33.46	(25.08)	46.97	36.49	(27.34)	51.20
Distributions	(0.21)	(0.32)	-	(0.20)	(0.35)	-
Retained distributions on accumulation units	-	-	-	0.20	0.35	-
Closing net asset value per unit†	**261.78**	**228.53**	**253.93**	**286.03**	**249.54**	**276.88**
*^after direct transaction costs of:	0.34	0.61	0.81	0.37	0.71	0.88
Performance						
Return after charges	14.64%	-9.88%	22.70%	14.62%	-9.87%	22.69%
Other information						
Closing net asset value† (£'000)	404	1,720	580	42,649	52,818	122,105
Closing number of units	154,135	752,573	228,406	14,910,920	21,165,753	44,100,299
Operating charges	1.67%	1.64%	1.64%	1.67%	1.64%	1.64%
Direct transaction costs*	0.14%	0.26%	0.34%	0.14%	0.26%	0.34%
Prices						
Highest unit price#	270.70	268.10	263.20	295.50	292.30	287.00
Lowest unit price#	221.90	209.80	199.80	242.40	228.70	217.80

Comparatives Tables (Continued)

	Z Inc			Z Acc		
Change in net assets per unit	30/11/2019 (p)	30/11/2018 (p)	30/11/2017 (p)	30/11/2019 (p)	30/11/2018 (p)	30/11/2017 (p)
Opening net asset value per unit†	118.89	132.18	107.63	129.26	142.35	115.16
Return before operating charges^	19.62	(11.02)	26.51	21.31	(11.86)	28.36
Operating charges	(1.19)	(1.14)	(1.10)	(1.30)	(1.23)	(1.17)
Return after operating charges^	18.43	(12.16)	25.41	20.01	(13.09)	27.19
Distributions	(1.07)	(1.13)	(0.86)	(1.16)	(1.21)	(0.92)
Retained distributions on accumulation units	-	-	-	1.16	1.21	0.92
Closing net asset value per unit†	**136.25**	**118.89**	**132.18**	**149.27**	**129.26**	**142.35**
*^after direct transaction costs of:	0.18	0.33	0.42	0.19	0.36	0.45
Performance						
Return after charges	15.50%	-9.20%	23.60%	15.48%	-9.20%	23.61%
Other information						
Closing net asset value† (£'000)	21,502	7,316	8,732	23,612	21,808	25,304
Closing number of units	15,781,862	6,153,499	6,606,687	15,818,411	16,871,631	17,776,585
Operating charges	0.92%	0.89%	0.89%	0.92%	0.89%	0.89%
Direct transaction costs*	0.14%	0.26%	0.34%	0.14%	0.26%	0.34%
Prices						
Highest unit price#	141.50	139.60	137.90	153.80	150.40	147.50
Lowest unit price#	115.50	109.90	103.90	125.60	118.40	111.10

† 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.

Portfolio Statement

The AXA Framlington Emerging Markets Fund portfolio as at 30 November 2019 consisted of the following investments, which are ordinary shares unless otherwise stated.

Holding	Investment	Market value £'000	Total net assets (%)
	AFRICA: 4.40% (30/11/2018: 5.59%)		
	South Africa: 4.40% (30/11/2018: 5.59%)		
218,753	AVI	1,001	1.14
12,834	Capitec Bank	955	1.08
74,357	Clicks	992	1.12
229,273	Sanlam	931	1.06
		3,879	**4.40**
	AMERICAS: 16.17% (30/11/2018: 12.97%)		
	Brazil: 9.26% (30/11/2018: 6.27%)		
789,280	Ambev ADR	2,582	2.93
120,400	B3 - Brasil Bolsa Balcao	1,070	1.21
419,700	Fleury	2,170	2.46
267,552	Itau Unibanco ADR	1,688	1.91
79,600	Localiza Rent a Car	658	0.75
		8,168	**9.26**
	Mexico: 5.37% (30/11/2018: 4.80%)		
365,496	Grupo Financiero Banorte	1,508	1.71
1,003,600	Orbia Advance	1,725	1.96
115,315	Regional	487	0.55
470,700	Wal-Mart de Mexico	1,017	1.15
		4,737	**5.37**
	Panama: 0.00% (30/11/2018: 1.90%)		
	Peru: 1.54% (30/11/2018: 0.00%)		
8,294	Credicorp	1,354	1.54
		1,354	**1.54**

Portfolio Statement (Continued)

Holding	Investment	Market value £'000	Total net assets (%)
	ASIA/PACIFIC: 67.01% (30/11/2018: 71.33%)		
	China: 28.17% (30/11/2018: 31.49%)		
238,271	AIA	1,850	2.10
45,816	Alibaba ADR	7,133	8.09
148,911	Foshan Haitian Flavouring & Food*	1,757	1.99
263,384	Hangzhou Robam Appliances*	863	0.98
306,332	Jianpu Technology ADR	442	0.50
34,773	New Oriental Education & Technology ADR	3,346	3.80
220,500	Ping An Insurance	1,937	2.20
148,900	Tencent	4,890	5.55
226,000	Vitasoy International	674	0.76
56,833	Yum China	1,942	2.20
		24,834	**28.17**
	India: 23.15% (30/11/2018: 24.63%)		
394,691	Bandhan Bank	2,466	2.80
66,538	Dr Lal PathLabs	1,122	1.27
155,776	Future Retail	571	0.65
387,955	Godrej Consumer Products	3,031	3.44
23,757	HDFC Asset Management	909	1.03
154,526	HDFC Bank	2,129	2.41
33,190	Hero MotoCorp	870	0.99
29,102	Housing Development Finance	722	0.82
95,190	IndusInd Bank	1,614	1.83
355,777	Inox Leisure	1,384	1.57
200,926	Kajaria Ceramics	1,150	1.30
558,328	Marico	2,167	2.46
12,923	Maruti Suzuki India	1,012	1.15
54,412	Reliance Industries	912	1.03
113,874	Zee Entertainment Enterprises	352	0.40
		20,411	**23.15**
	Indonesia: 3.35% (30/11/2018: 5.16%)		
371,000	Bank Central Asia	640	0.73
5,427,400	Bank Rakyat Indonesia Persero	1,220	1.38
35,411,100	Pakuwon Jati	1,090	1.24
		2,950	**3.35**

Portfolio Statement (Continued)

Holding	Investment	Market value £'000	Total net assets (%)
	Philippines: 1.70% (30/11/2018: 1.65%)		
754,760	Philippine Seven	1,498	1.70
		1,498	**1.70**
	South Korea: 1.67% (30/11/2018: 1.19%)		
44,561	Samsung Electronics	1,471	1.67
		1,471	**1.67**
	Taiwan: 7.13% (30/11/2018: 5.09%)		
696,000	Taiwan Semiconductor Manufacturing	5,393	6.12
21,411	Taiwan Semiconductor Manufacturing ADR	894	1.01
		6,287	**7.13**
	Thailand: 1.84% (30/11/2018: 2.12%)		
1,022,200	Central Pattana	1,626	1.84
		1,626	**1.84**
	EUROPE: 5.80% (30/11/2018: 2.40%)		
	Poland: 1.94% (30/11/2018: 0.00%)		
63,956	Dino Polska	1,713	1.94
		1,713	**1.94**
	Russia: 3.86% (30/11/2018: 2.40%)		
165,072	Sberbank of Russia ADR	1,883	2.14
46,728	Yandex	1,514	1.72
		3,397	**3.86**
	UNITED KINGDOM: 3.66% (30/11/2018: 4.02%)		
70,575	Unilever	3,230	3.66
		3,230	**3.66**
Investments as shown in the balance sheet		85,555	97.04
Net current assets		2,612	2.96
Total net assets		**88,167**	**100.00**

Stocks shown as ADR's represent American Depositary Receipts.

* Holdings subject to the Investment in China A Share selection via the stock connect program risk, as disclosed on pages 8 to 9.

Statement of Total Return

For the year ended 30 November

	Notes	£'000	2019 £'000	£'000	2018 £'000
Income					
Net capital gains/(losses)	3		11,370		(10,859)
Revenue	4	1,542		2,549	
Expenses	5	(1,109)		(1,837)	
Interest payable and similar charges		(1)		(2)	
Net revenue before taxation		432		710	
Taxation	6	(124)		(247)	
Net revenue after taxation			308		463
Total return before distributions			**11,678**		**(10,396)**
Distributions	7		(308)		(472)
Change in net assets attributable to unitholders from investment activities			**11,370**		**(10,868)**

Statement of Change in Net Assets Attributable to Unitholders

For the year ended 30 November

	£'000	2019 £'000	£'000	2018 £'000
Opening net assets attributable to unitholders		83,662		156,722
Amounts receivable on creation of units	18,001		9,058	
Amounts payable on cancellation of units	(25,079)		(71,528)	
		(7,078)		(62,470)
Change in net assets attributable to unitholders from investment activities		11,370		(10,868)
Retained distribution on accumulation units		213		278
Closing net assets attributable to unitholders		**88,167**		**83,662**

Balance Sheet

As at 30 November

	Notes	2019 £'000	2018 £'000
ASSETS			
Fixed assets			
Investments		85,555	80,573
Current assets			
Debtors	8	32	461
Cash and bank balances	9	2,954	3,285
Total assets		**88,541**	**84,319**
LIABILITIES			
Creditors			
Bank overdraft		2	-
Distribution payable		169	72
Other creditors	10	203	585
Total liabilities		**374**	**657**
Net assets attributable to unitholders		**88,167**	**83,662**

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").

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.

c) The listed investments of the Fund are valued at bid-market prices ruling at 12 noon on the last business day of the accounting year. Where certain securities are listed on global markets which are closed at the 12 noon valuation point, the last available closing bid-price will be utilised, subject to the application of any fair value pricing adjustment. The fair value of unlisted securities, and unquoted securities where the quotation has been suspended, is estimated by the Manager, using independent sources where available.

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 and investments priced in overseas currencies at the end of the year are converted into Sterling at the exchange rates ruling at 12 noon 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 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.

Notes to the Financial Statements (Continued)

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.

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 distribution.

b) 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 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 7 to 11 of the Manager's Report.

Price risk sensitivity

At 30 November 2019, 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 £4,277,770 (2018: £4,028,647) respectively.

Foreign currency risk sensitivity

Assuming all other factors remain stable, if GBP strengthens by 5% the resulting change in the net assets attributable to shareholders of the Fund would be a decrease of approximately £4,116,630 (2018: £3,901,851). A 5% weakening in GBP would have an equal but opposite effect.

Interest rate risk sensitivity

As the majority of the Fund's financial assets are non-interest bearing, the Fund is only subject to limited exposure to fair value interest rate risk due to fluctuations in levels of market interest rates. No interest rate risk sensitivity analysis is therefore provided.

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.

Notes to the Financial Statements (Continued)

2019	Monetary Exposure £'000	Non Monetary exposure £'000	Total £'000
Brazilian Real	-	3,898	3,898
Chinese Yuan	(1)	2,620	2,619
Hong Kong Dollar	-	9,351	9,351
Indian Rupee	4	20,411	20,415
Indonesian Rupiah	-	2,950	2,950
Mexican Peso	1	4,737	4,738
New Taiwan Dollar	-	5,393	5,393
Philippine Peso	-	1,498	1,498
Polish Zloty	-	1,713	1,713
South African Rand	-	3,879	3,879
South Korean Won	-	1,471	1,471
Thailand Baht	-	1,626	1,626
US Dollar	3	22,778	22,781
Total	**7**	**82,325**	**82,332**

2018	Monetary Exposure £'000	Non Monetary exposure £'000	Total £'000
Brazilian Real	-	4,480	4,480
Chinese Yuan	-	2,664	2,664
Hong Kong Dollar	-	12,046	12,046
Indian Rupee	796	20,605	21,401
Indonesian Rupiah	281	4,313	4,594
Mexican Peso	12	4,014	4,026
New Taiwan Dollar	-	4,253	4,253
Philippine Peso	(120)	1,382	1,262
South African Rand	(164)	4,678	4,514
South Korean Won	-	997	997
Thailand Baht	-	1,775	1,775
US Dollar	21	16,004	16,025
Total	**826**	**77,211**	**78,037**

3 Net capital gains/(losses)

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

	2019 £'000	2018 £'000
Gains/(losses) on non-derivative securities	11,468	(10,971)
(Losses)/gains on foreign currency exchange	(77)	123
Transaction charges	(21)	(11)
Net capital gains/(losses)	**11,370**	**(10,859)**

Notes to the Financial Statements (Continued)

4 Revenue

	2019 £'000	2018 £'000
UK dividends	103	87
Overseas dividends	1,434	2,454
Bank interest	5	8
Total revenue	**1,542**	**2,549**

5 Expenses

	2019 £'000	2018 £'000
Payable to the Manager		
Annual management charge	993	1,672
Registrar's fees	50	76
	1,043	**1,748**
Other expenses		
Audit fee	8	8
Safe custody charges	24	50
Trustee's fees	18	24
Issuance fee	7	-
Other fees	9	7
	66	**89**
Total expenses	**1,109**	**1,837**

Expenses include irrecoverable VAT where applicable.

Notes to the Financial Statements (Continued)

6 Taxation

a) Analysis of tax in year:

	2019 £'000	2018 £'000
Capital gains tax on Indian securities	-	9
Irrecoverable overseas tax	124	238
Total tax for the year (see note 6b)	**124**	**247**

b) Factors affecting total tax charge for the year:

The tax assessed for the year is higher than the standard rate of corporation tax in the UK for an authorised unit trust (20%) (2018: 20%).

The differences are explained below:

	2019 £'000	2018 £'000
Net revenue before taxation	432	710
Corporation tax at 20%	86	142
Effects of:		
Capital gains tax on Indian securities	-	9
Irrecoverable overseas tax	124	238
Movement in excess management expenses	191	344
Revenue not subject to taxation	(273)	(483)
Overseas tax expensed	(4)	(3)
Total effects	38	105
Total tax charge for the year (see note 6a)	**124**	**247**

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 (2018: 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 £4,156,981 (2018: £3,965,774) 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:

	2019 £'000	2018 £'000
Final	382	350
Add: Income deducted on cancellation of units	86	289
Deduct: Income received on creation of units	(160)	(167)
Net distribution for the year	**308**	**472**
Reconciliation to net revenue after taxation:		
Net distribution for the year	308	472
Capital gains tax on Indian securities	-	(9)
Net revenue after taxation	**308**	**463**

8 Debtors

	2019 £'000	2018 £'000
Sales awaiting settlement	-	383
Amounts receivable on creation of units	1	33
Accrued revenue	31	45
Total debtors	**32**	**461**

9 Cash and bank balances

	2019 £'000	2018 £'000
Cash and bank balances	2,954	3,285
Total cash and bank balances	**2,954**	**3,285**

10 Other creditors

		2019 £'000	2018 £'000
Amounts payable on cancellation of units		99	94
Purchases awaiting settlement		-	373
Accrued expenses	- Manager	78	83
	- Other	26	35
Total other creditors		**203**	**585**

11 Unitholders' funds

The Fund currently has four unit classes in issue

	R Inc	R Acc	Z Inc	Z Acc
Opening units in issue	752,573	21,165,753	6,153,499	16,871,631
Units issued	7,940,087	181,334	14,207,975	1,553,755
Units cancelled	(8,538,525)	(6,436,167)	(4,579,612)	(2,606,975)
Unit conversions	-	-	-	-
Closing units in issue	**154,135**	**14,910,920**	**15,781,862**	**15,818,411**

Notes to the Financial Statements (Continued)

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 30 November 2019, there are no material unitholders that hold more than 50% of units in the Fund. Other than disclosed elsewhere in the Financial Statements, there were no material 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.

13 Portfolio transaction costs

2019

Analysis of purchases	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
Equity	34,457	21	0.06	20	0.06	34,498
Total	**34,457**	**21**		**20**		**34,498**

2019

Analysis of sales	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
Equity	41,057	(30)	(0.07)	(43)	(0.10)	40,984
Total	**41,057**	**(30)**		**(43)**		**40,984**

2018

Analysis of purchases	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
Equity	56,678	61	0.11	32	0.06	56,771
Total	**56,678**	**61**		**32**		**56,771**

2018

Analysis of sales	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
Equity	118,016	(98)	(0.08)	(141)	(0.12)	117,777
Total	**118,016**	**(98)**		**(141)**		**117,777**

Commission as a % of average net assets	0.06% (2018: 0.12%)
Taxes as a % of average net assets	0.08% (2018: 0.14%)

Notes to the Financial Statements (Continued)

Portfolio dealing spread

The average portfolio dealing spread as at the year end was 0.41% (2018: 0.18%).

14 Fair value disclosure

	30 November 2019		30 November 2019	
	Assets	Liabilities	Assets	Liabilities
	£'000	£'000	£'000	£'000
Valuation technique				
Level 1 ^	85,555	-	80,573	-
Level 2 ^^	-	-	-	-
Level 3 ^^^	-	-	-	-
Total	85,555	-	80,573	-

^ 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.

15 Commitments, contingent liabilities and contingent assets

There are no commitments, contingent liabilities and contingent assets as at the balance sheet date (2018: none).

16 Post balance sheet events

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

Distribution Table

For the year ended 30 November 2019

		Net revenue	Equalisation	Distribution payable/paid Current year	Prior year
R Inc					
Final	Group 1	0.211	-	0.211	0.319
	Group 2	0.211	-	0.211	0.319
R Acc					
Final	Group 1	0.197	-	0.197	0.349
	Group 2	0.197	-	0.197	0.349
Z Inc					
Final	Group 1	1.068	-	1.068	1.127
	Group 2	0.028	1.040	1.068	1.127
Z Acc					
Final	Group 1	1.161	-	1.161	1.213
	Group 2	0.638	0.523	1.161	1.213

(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 periods for Group 2 units and the payment/transfer dates are shown below:

	Group 2 units from	to	Group 1 & 2 units paid/transferred
Final	01.12.2018	30.11.2019	31.01.2020

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:

Philippe Le Barrois d'Orgeval
Director
26th February 2020

John Stainsby
Director
26th February 2020

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 AND REPORT OF THE TRUSTEE TO THE UNITHOLDERS OF AXA FRAMLINGTON EMERGING MARKETS FUND FOR THE YEAR ENDED TO 30 NOVEMBER 2019

The Trustee must ensure that the Scheme 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 Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Scheme and its investors.

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

The Trustee must ensure that:

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

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

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

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

Trustee
NatWest Trustee and Depository Services Limited
26th February 2020

Report of the Independent Auditor

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE AXA FRAMLINGTON EMERGING MARKETS FUND

OPINION

We have audited the financial statements of AXA Framlington Emerging Markets Fund ("the Fund") for the year ended 30 November 2019 which comprise the Statement of Total Return, the Statement of Change in Net Assets attributable to Unitholders, the Balance Sheet, Distribution Tables and the related Notes 1 to 16, including 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 (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 30 November 2019 and of the net revenue and the 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 including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

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 FRC's 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Manager is responsible for the other information.

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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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

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 Financial Conduct Authority and the Trust Deed;

- 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; and

- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records.

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 Financial Conduct Authority rules 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 31, 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 liquidate 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.

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 unitholders of the Fund, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the unitholders of the Fund 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 unitholders of the Fund as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
Statutory Auditor
Edinburgh
26th February 2020

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 Fund's. 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.

Under the UCITS V Directive (2014/91/EU), the Manager is required to disclose information relating to the remuneration paid to its staff for the financial year. The tables below provide an overview:

Total amount of remuneration paid and / or allocated to all staff for the year ended December 31, 2018 [1]	
Fixed Pay [2] (£'000)	209,690
Variable Pay [3] (£'000)	246,102
Number of employees [4]	2,547

[1] Excluding social charges.
[2] Fixed Pay amount is based on post compensation review 2017 data.
[3] Variable compensation, includes:

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

[4] Number of employees includes Permanent and Temporary contracts excluding internships.

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)	130,032	77,237	207,269
Number of employees	255	71	326

UK Identified Employee Remuneration:

Aggregate amount of compensation paid and / or allocated to risk takers and senior management in the UK Management Company whose activities have a significant impact on the risk profile of investment vehicles			
	Risk Takers	Senior Management	Total
Fixed Pay and Variable Remuneration (£'000)**	9,102	5,407	14,509
Number of employees	47	16	63

**Data provided are those of AXA Investment Managers UK Limited as at 31 December 2018 after the application of the firm's weighted assets under management against the total global remuneration data.

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 30 November 2019 and at the balance sheet date, the Fund did not use SFTs or total return swaps, as such no disclosure is required.

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

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Authorised and regulated by the Financial Conduct Authority.
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Member of the IA.

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Our lines are open Monday to Friday between 9am and 5:30pm