

Annual Long Report & Audited Financial Statements
For the year ended
30 June 2018

AXA Fixed Interest Investment ICVC

**Issued by
AXA Investment Managers**

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

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

Directory

The Company and Head Office

AXA Fixed Interest Investment ICVC
7 Newgate Street
London EC1A 7NX

Authorised Corporate Director ("ACD")

AXA Investment Managers UK Limited
7 Newgate Street
London EC1A 7NX
www.axa-im.co.uk

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

The Administrator and address for inspection of Register

DST Financial Services International Limited and DST Financial Services Europe Limited
DST House
St Nicholas Lane
Basildon
Essex SS15 5FS

Sub-Investment Managers

AXA Investment Managers Inc
100 West Putnam Avenue
4th Floor
Greenwich
CT 06830 USA

Legal Advisers

Eversheds LLP
1 Wood Street
London EC2V 7WS

Fund Accounting Administrator

State Street Bank & Trust Company
20 Churchill Place
London E14 5HJ

Authorised and regulated by the Financial Conduct Authority.

Depository

HSBC Bank plc,
8 Canada Square,
London E14 5HQ

HSBC Bank plc is a subsidiary of HSBC Holdings plc.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Independent Auditors

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh, EH3 8EX

Report of the Directors of AXA Fixed Interest Investment ICVC

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

Shareholders are not liable for the debts of the Company.

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

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

AXA Global Short Duration Bond Fund has a holding of 5,700,000 units in US Short Duration High Yield Fund with a market value of £7,877,400, there are no other cross holdings.

Important Events During the Year

During the period from 1st July 2017 to 30th June 2018 there was the following change to the prospectus:

From 29 September 2017, the investment policy of each Fund as disclosed in the Prospectus (other than the AXA Global Short Duration Bond Fund) was amended to clarify that where a Fund may invest in units of other collective investment schemes, this may include other collective investment schemes managed by the ACD. The investment policy for the AXA Global Short Duration Bond Fund already included this disclosure; the investment policies of the other Funds were updated for clarificatory and consistency purposes only. This change does not reflect a change in the investment policy of the Funds.

AXA Global High Income Fund

Investment Manager's Report

For the year ended 30 June 2018

Investment Objective

The aim of the Fund is to provide long-term high income combined with any capital growth.

Investment Policy

The Fund invests primarily in a diversified portfolio of high yield bonds issued by companies anywhere in the world. The Fund manager focuses on credit analysis to create a portfolio of bonds that seeks diversification across companies showing improving resilience against default. The Fund is managed with reference to the composition and risk profile of the ICE BAML Global High Yield Index. However the Fund manager invests on a discretionary basis with a significant degree of freedom to take positions which are different from the index.

Where bonds are denominated in a currency other than sterling, the Fund aims to reduce the risk of movements in exchange rates between such currency and sterling through the use of derivatives (financial instruments which derive their value from the value of other assets). The Fund may also use derivatives in an attempt to reduce the overall risks of its investments, reduce the costs of investing or generate additional capital or income (known as Efficient Portfolio Management - EPM).

Risk and Reward Profile

As at 30 June 2018

By investing in a Fund which invests primarily in fixed interest stocks you are likely to be looking for an investment which will generate an income but has less potential for capital return than is the case with Funds which invest primarily in equities. You are willing to accept that your investment will fall and rise in value and that you could get back less than you invest. You are aware that investing in a Fund which has a global remit can increase risk because of currency movements in return for greater potential reward. However, the Fund is hedged back to sterling. You are also aware that investing in sub investment grade bonds increases the potential income but also increases risk to your investment. Typically you would be investing for a period of at least five years.

Lower Risk

Higher Risk

← Potentially lower reward Potentially higher reward →

1	2	3	4	5	6	7
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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.

Why is this Fund in this category?

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

Additional risks

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

- **Credit Risk** - all bonds have a potential credit risk, in that the issuer could default on its obligations to pay income and/or capital. An issuer default would likely result in a large drop in the value of that bond. The value of a bond will also be affected by the perceived credit risk of the issuer, including changes to credit ratings and the general level of aversion to credit risk in the market. Generally, an increased level of perceived credit risk leads to a fall in the value of the bond, and vice versa. Credit risk can be measured by ratings assigned to issuers of bonds by third party credit rating agencies. The largest credit rating agencies are Moody's, Standard & Poor's and Fitch Ratings. Each credit rating agency uses different designations. The highest designation (Aaa (Moody's), AAA (Standard & Poor's and Fitch Ratings)) are intended to represent a lower probability of default of the issuer. The credit rating agencies designate "investment grade" bonds as Baa3 or above (Moody's) or BBB- or above (Standard & Poor's or Fitch Ratings).

Internal investment guidelines are set, if necessary, to ensure credit risk is maintained within a range deemed suitable based on the individual Fund's investment objectives and investment policy. These guidelines could include credit quality indicators, measures of sensitivity to credit spread moves and diversification measures.

AXA Global High Income Fund

Investment Manager's Report

For the year ended 30 June 2018

- **High yield bonds risk** - high yield bonds (also known as sub-investment grade bonds) are fixed interest securities issued by companies or governments with lower credit ratings (Ba1 and below (Moody's) or BB+ and below (Standard & Poor's and Fitch Ratings)). They are potentially more risky than investment grade bonds which have higher ratings. The issuers of high yield bonds will be at greater risk of default or ratings downgrades. The capital value of a Fund's investment in high yield bonds and the level of income it receives may fall as a result of such issuers ceasing to trade. A Fund will endeavour to mitigate the risks associated with high yield bonds, by diversifying their holdings by issuer, industry and credit quality.

This is an inherent risk for Funds invested within high yield bonds. Internal investment guidelines (which may include measures of credit quality, measures of sensitivity to credit spread moves and 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.

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

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

- **Prepayment and extension risk** - prepayment risk is the risk associated with the early unscheduled return of capital (i.e., repayment of the debt) by the issuer on a bond. Prepayment generally occurs in a declining interest rate environment. When capital is returned early, no future interest payments will be paid on that part of the capital. If the bond was purchased at a premium (i.e., at a price greater than the value of the capital), the return on the bond will be less than what was estimated at the time of purchase.

The opposite of prepayment risk is extension risk which is the risk of a bond's expected maturity lengthening in duration due to a slowdown in prepayments of capital. Extension risk is mainly the result of rising interest rates. If the bond was purchased in anticipation of an early repayment of capital, an extension of the maturity could impact the price of the bond.

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

- **Liquidity risk** - under certain market conditions, it may be difficult to buy or sell investments for the Fund. For example, corporate and emerging market bonds may be affected by the demand in the market for such bonds 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 ACD may be forced to buy or sell such investments as a consequence of Shareholders buying or selling Shares in the Fund. Depending on market conditions at the time, this could lead to a significant drop in the Fund's value.

Regular monitoring is conducted to ensure a high degree of confidence that Fund liquidity will meet the Fund's expected liquidity requirements.

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

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

AXA Global High Income Fund

Investment Manager's Report

For the year ended 30 June 2018

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

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

The ACD aims to reduce the risk of movements in exchange rates on the value of all or part of the assets of a Fund through the use of currency exchange transactions. A 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 a Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. The performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a 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 a 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.

Investment Review

During the 12-months under review, the global high yield market operated in two halves. During the first six months the overall environment remained favourable for the asset class with a strong fundamental, supportive macro framework and therefore credit spreads (the difference in yield between corporate bonds and their equivalent government bond) broadly ground tighter.

The second period was marked by a number of risk events which caused elevated volatility in the high yield market: increased tensions around global trade and diplomatic relations between Russia and the West impacting equities; a spike in Italian political risk as threats of new elections and anti-Euro rhetoric emerged, sending the yield on 2-year BTPs towards 3%; concerns over escalating trade wars; and a lack of faith in the ability of the central banks of Argentina and Turkey to control inflation, which led to a sell-off in emerging markets. The number of macro headlines shifting market sentiment logically triggered substantial credit spreads widening, ending the full period in review almost flat to their opening levels.

Against this background, we observed a market wide repricing (from the tight levels of late Q4 2017 and Q1 2018) for both primary and secondary markets. Investors, bearing in mind client outflows in play recently, have been more comfortable taking on credit risk on secondary markets while the investment community has pushed back on primary deals in order to get change in documents or adequate pricing. The nominal level of new issuance did not match the record levels of recent years for both regions but was seen back up over Q2 2018 due to better valuation. Default rates have remained very benign, and we anticipate they will remain low. While corporate credit fundamentals improved, idiosyncratic events have also shaken the market in both regions: such as ATD (automotive, tires distributor) or IKKS (fast fashion retailer).

AXA Global High Income Fund

Investment Manager's Report

For the year ended 30 June 2018

During the 12 months under review, the AXA Global High Income Fund returned +1.14% (Z Acc, net of fees and gross income reinvested) and 1.69% (Z Acc, gross of fees and gross income reinvested), while its comparative index, the ICE BAML Global High Yield Index, delivered a +0.52% return (hedged in GBP).

We remain overweight in our allocation to the US high yield market and hold a neutral position in European high yield bonds, relative to the benchmark index. Emerging market high yield corporate bonds (which represented 20% of the ICE BAML Global High Yield Index as at June 2018) underperformed both the US and European regions over the period. The ICE BAML Global High Yield Index US Emerging Markets Corporate Plus Index returned -1.87% against the ICE BAML Global High Yield Index US High Yield Index return of +0.95% and the ICE BAML Global High Yield Index European Currency High Yield Index return of +1.85% (all index returns are hedged to GBP).

Our structural underweight position to emerging markets was positive for relative performance. The region underperformed as a result of a strong dollar, concerns over trade tensions and idiosyncratic stories in the likes of Russia, Argentina and Turkey. An overweight allocation to the US was also additive, as the economy continued to exhibit robust growth and saw encouraging data prints.

We believe that our structural underweight in emerging markets has helped us avoid large drawdowns and higher volatility over the years. When assessing emerging markets corporate bonds, we aim to avoid those securities driven primarily by country-risk rather than credit metrics. We remain invested in emerging markets through our exposure to Asian high yield bonds, while carrying on our selective investment process for Latin American and Eastern European names.

Looking at the Fund's rating positioning, we retained an overweight single B and CCC-rated companies versus BB-rated companies, which echoes our positive views regarding the risk-adjusted return potential of this market segment. This positioning proved to be effective in the period under review.

Source: AXA IM, ICE BofA Merrill Lynch, Bloomberg
Past performance is not a guide to future performance.

Major Purchases

- United States Treasury Bill 0% 11/01/18
- Staples 8.5% 15/09/25
- Genesis Energy 6.5% 01/10/25
- Digicel 6% 15/04/21
- New Red Finance 5% 15/10/25

Major Sales

- United States Treasury Bill 0% 11/01/18
- Cequel Communications 6.375% 15/09/20
- Intelsat Jackson 7.25% 15/10/20
- Capsugel 7% 15/05/19
- Columbus International 7.375% 30/03/21

James Gledhill & Yves Berger

30 June 2018

AXA Investment Managers UK Limited

AXA Global High Income Fund

Comparative Tables

As at 30 June 2018

A Net Income

	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)
Change in net assets per share			
Opening net asset value per share †	91.68	85.70	94.33
Return before operating charges ^	1.67	11.99	(1.39)
Operating charges ^	(0.46)	(0.46)	(0.43)
Return after operating charges ^	1.21	11.53	(1.82)
Distributions	(4.73)	(5.55)	(6.81)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share †	88.16	91.68	85.70

*^ after direct transaction costs of:

Performance

Return after operating charges	1.32%	13.45%	-1.93%
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Other information

Closing net asset value (£) †	16,416	34,722	13,817
Closing number of shares	18,621	37,871	16,123
Operating charges ^	0.50%	0.51%	0.49%
Direct transaction costs *	0.00%	0.00%	0.00%

Prices

Highest share price #	93.46	93.50	95.01
Lowest share price #	88.83	86.44	80.52

A Gross Income

	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)
Opening net asset value per share †	91.66	85.66	94.31
Return before operating charges ^	1.65	12.01	(1.41)
Operating charges ^	(0.46)	(0.46)	(0.43)
Return after operating charges ^	1.19	11.55	(1.84)
Distributions	(4.72)	(5.55)	(6.81)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share †	88.13	91.66	85.66

*^ after direct transaction costs of:

Return after operating charges	1.30%	13.48%	-1.95%
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A Net Accumulation

	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)
Change in net assets per share			
Opening net asset value per share †	108.17	95.79	99.02
Return before operating charges ^	1.94	13.60	(1.30)
Operating charges ^	(0.56)	(0.53)	(0.47)
Return after operating charges ^	1.38	13.07	(1.77)
Distributions	(5.68)	(6.31)	(7.31)
Retained distributions on accumulation shares	5.68	5.62	5.85
Closing net asset value per share †	109.55	108.17	95.79

*^ after direct transaction costs of:

Performance

Return after operating charges	1.28%	13.64%	-1.79%
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Other information

Closing net asset value (£) †	30,710,014	3,784,043	4,286,740
Closing number of shares	28,034,145	3,498,366	4,474,994
Operating charges ^	0.50%	0.51%	0.49%
Direct transaction costs *	0.00%	0.00%	0.00%

Prices

Highest share price #	111.60	108.90	99.72
Lowest share price #	108.50	96.61	87.21

A Gross Accumulation

	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)
Opening net asset value per share †	111.96	98.47	100.24
Return before operating charges ^	1.99	14.04	(1.29)
Operating charges ^	(0.57)	(0.55)	(0.48)
Return after operating charges ^	1.42	13.49	(1.77)
Distributions	(5.88)	(6.52)	(7.46)
Retained distributions on accumulation shares	5.88	6.52	7.46
Closing net asset value per share †	113.38	111.96	98.47

*^ after direct transaction costs of:

Return after operating charges	1.27%	13.70%	-1.77%
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AXA Global High Income Fund

Comparative Tables

As at 30 June 2018

	H Net Accumulation			H Gross Accumulation		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	190.87	168.35	173.41	220.81	193.53	195.79
Return before operating charges ^	3.40	23.93	(2.27)	4.00	27.41	(2.18)
Operating charges ^	(0.10)	(0.11)	(0.07)	(0.11)	(0.13)	(0.08)
Return after operating charges ^	3.30	23.82	(2.34)	3.89	27.28	(2.26)
Distributions	(10.91)	(11.94)	(13.59)	(12.69)	(13.60)	(15.46)
Retained distributions on accumulation shares	10.91	10.64	10.87	12.69	13.60	15.46
Closing net asset value per share †	194.17	190.87	168.35	224.70	220.81	193.53
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	1.73%	14.15%	-1.35%	1.76%	14.10%	-1.15%
Other information						
Closing net asset value (£) †	9,708	9,543	8,418	11,235	11,041	1,374,535
Closing number of shares	5,000	5,000	5,000	5,000	5,000	710,226
Operating charges ^	0.05%	0.06%	0.04%	0.05%	0.06%	0.04%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	197.50	192.20	174.60	228.60	222.30	197.40
Lowest share price #	191.50	169.80	153.10	221.50	195.00	174.60
	R Net Income			R Gross Income		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	85.05	79.50	87.49	95.93	89.66	98.70
Return before operating charges ^	1.55	11.12	(1.26)	1.74	12.55	(1.45)
Operating charges ^	(1.11)	(1.10)	(1.07)	(1.25)	(1.24)	(1.20)
Return after operating charges ^	0.44	10.02	(2.33)	0.49	11.31	(2.65)
Distributions	(3.70)	(4.47)	(5.66)	(4.17)	(5.04)	(6.39)
Retained distributions on accumulation shares	-	-	-	-	-	-
Closing net asset value per share †	81.79	85.05	79.50	92.25	95.93	89.66
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	0.52%	12.60%	-2.66%	0.51%	12.61%	-2.68%
Other information						
Closing net asset value (£) †	2,496,750	3,020,926	2,963,550	1,984,936	2,314,274	2,408,703
Closing number of shares	3,052,792	3,551,962	3,727,791	2,151,760	2,412,448	2,686,507
Operating charges ^	1.30%	1.31%	1.29%	1.30%	1.31%	1.29%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	86.56	86.58	88.11	97.64	97.66	99.44
Lowest share price #	82.24	80.19	74.64	92.76	90.45	84.33

AXA Global High Income Fund

Comparative Tables

As at 30 June 2018

	R Net Accumulation			R Gross Accumulation		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	217.29	193.80	201.63	213.21	189.04	193.97
Return before operating charges ^	3.90	27.44	(2.68)	3.81	26.85	(2.52)
Operating charges ^	(2.86)	(2.71)	(2.49)	(2.81)	(2.68)	(2.41)
Return after operating charges ^	1.04	24.73	(5.17)	1.00	24.17	(4.93)
Distributions	(9.60)	(11.06)	(13.30)	(9.42)	(10.84)	(12.88)
Retained distributions on accumulation shares	9.60	9.82	10.64	9.42	10.84	12.88
Closing net asset value per share †	218.33	217.29	193.80	214.21	213.21	189.04
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	0.48%	12.76%	-2.56%	0.47%	12.79%	-2.54%
Other information						
Closing net asset value (£) †	20,052,858	17,653,129	35,122,026	2,007,147	2,709,528	2,812,830
Closing number of shares	9,184,715	8,124,045	18,122,812	936,988	1,270,824	1,487,984
Operating charges ^	1.30%	1.31%	1.29%	1.30%	1.31%	1.29%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	223.20	218.90	203.00	219.00	214.80	195.40
Lowest share price #	216.90	195.40	176.90	212.80	190.60	171.60
	Z Net Income			Z Gross Income		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	95.33	89.10	98.07	101.71	95.04	104.62
Return before operating charges ^	1.72	12.48	(1.45)	1.84	13.34	(1.53)
Operating charges ^	(0.52)	(0.53)	(0.50)	(0.56)	(0.56)	(0.54)
Return after operating charges ^	1.20	11.95	(1.95)	1.28	12.78	(2.07)
Distributions	(4.86)	(5.72)	(7.02)	(5.19)	(6.11)	(7.51)
Retained distributions on accumulation shares	-	-	-	-	-	-
Closing net asset value per share †	91.67	95.33	89.10	97.80	101.71	95.04
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	1.26%	13.41%	-1.99%	1.26%	13.45%	-1.98%
Other information						
Closing net asset value (£) †	22,796,906	23,095,341	22,560,220	2,950,971	3,212,076	3,219,916
Closing number of shares	24,869,749	24,227,005	25,319,208	3,017,445	3,158,224	3,387,813
Operating charges ^	0.55%	0.56%	0.54%	0.55%	0.56%	0.54%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	97.16	97.20	98.78	103.60	103.70	105.40
Lowest share price #	92.35	89.88	83.71	98.53	95.89	89.46

AXA Global High Income Fund

Comparative Tables

As at 30 June 2018

	Z Net Accumulation			Z Gross Accumulation		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	193.81	171.75	177.64	209.40	184.27	187.66
Return before operating charges ^	3.46	24.34	(2.37)	3.73	26.25	(2.41)
Operating charges ^	(1.09)	(1.04)	(0.92)	(1.17)	(1.12)	(0.98)
Return after operating charges ^	2.37	23.30	(3.29)	2.56	25.13	(3.39)
Distributions	(10.07)	(11.22)	(13.02)	(10.88)	(12.10)	(13.87)
Retained distributions on accumulation shares	10.07	9.98	10.42	10.88	12.10	13.87
Closing net asset value per share †	196.18	193.81	171.75	211.96	209.40	184.27
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	1.22%	13.57%	-1.85%	1.22%	13.64%	-1.81%
Other information						
Closing net asset value (£) †	28,211,557	31,131,414	22,989,888	2,493,489	3,058,618	2,436,697
Closing number of shares	14,380,635	16,063,261	13,385,574	1,176,389	1,460,677	1,322,338
Operating charges ^	0.55%	0.56%	0.54%	0.55%	0.56%	0.54%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	199.90	195.10	178.90	216.00	210.80	189.10
Lowest share price #	194.40	173.20	156.40	210.00	185.80	166.80

† Valued at bid-market prices.

High and low price disclosures are based on quoted share 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 sub-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 these tables have been calculated against the average net asset value for the accounting year.

AXA Global High Income Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
CORPORATE BONDS 98.64% (30/06/17: 96.06%)			
Australia 0.51% (30/06/17: 0.93%)			
Nufarm Australia 5.75% 30/04/26	799,000	591	0.51
Austria 0.00% (30/06/17: 0.66%)			
Bahamas 0.16% (30/06/17: 0.11%)			
Silversea Cruise Finance 7.25% 01/02/25	224,000	184	0.16
Barbados 0.00% (30/06/17: 0.85%)			
Belgium 0.12% (30/06/17: 0.15%)			
KBC 5.625% Perpetual	EUR 150,000	135	0.12
Bermuda 0.57% (30/06/17: 0.00%)			
Digicel 6% 15/04/21	950,000	658	0.57
Bulgaria 0.00% (30/06/17: 0.16%)			
Canada 4.07% (30/06/17: 3.26%*)			
Bombardier 7.5% 01/12/24	473,000	377	0.33
Clearwater Seafoods 6.875% 01/05/25	309,000	226	0.20
Hulk Finance 7% 01/06/26	646,000	471	0.41
Masonite International 5.625% 15/03/23	400,000	311	0.27
New Red Finance 4.625% 15/01/22	1,032,000	785	0.68
New Red Finance 5% 15/10/25	583,000	419	0.36
NOVA Chemicals 4.875% 01/06/24	531,000	385	0.33
Precision Drilling 7.75% 15/12/23	433,000	346	0.30
Quebecor Media 5.75% 15/01/23	115,000	89	0.08
Valeant Pharmaceuticals International 4.5% 15/05/23	EUR 200,000	167	0.14
Valeant Pharmaceuticals International 5.5% 01/11/25	515,000	386	0.34
Valeant Pharmaceuticals International 6.125% 15/04/25	700,000	489	0.43
Valeant Pharmaceuticals International 7.5% 15/07/21	292,000	226	0.20
Cayman Islands 0.83% (30/06/17: 0.80%)			
HNA Ecotech Panorama Cayman 8% 15/04/21	375,000	280	0.24
Mizzen BondCo 7% 01/05/21	GBP 142,050	145	0.13
Park Aerospace 5.5% 15/02/24	462,000	348	0.30
UPCB Finance IV 4% 15/01/27	EUR 200,000	179	0.16
Croatia 0.00% (30/06/17: 0.02%)			
Czech Republic 0.19% (30/06/17: 0.00%)			
RPG Byty 3.375% 15/10/24	EUR 250,000	220	0.19
Denmark 0.14% (30/06/17: 0.10%)			
Norican 4.5% 15/05/23	EUR 200,000	162	0.14
France 2.81% (30/06/17: 3.15%)			
Altice France 5.625% 15/05/24	EUR 200,000	183	0.16
Altice France 6% 15/05/22	600,000	459	0.40
BNP Paribas 7.195% Perpetual	200,000	161	0.14
BPCE 12.5% Perpetual	EUR 175,000	178	0.15
Casino Guichard Perrachon 4.498% 07/03/24	EUR 300,000	264	0.23
Credit Agricole 7.375% 18/12/23	GBP 150,000	186	0.16
Credit Agricole 7.875% Perpetual	EUR 150,000	145	0.13
Crown European 3.375% 15/05/25	EUR 195,000	175	0.15

AXA Global High Income Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
Elis 2.875% 15/02/26	EUR 200,000	174	0.15
Faurecia 2.625% 15/06/25	EUR 191,000	171	0.15
La Financiere Atalian 4% 15/05/24	EUR 200,000	167	0.14
Mobilux Finance 5.5% 15/11/24	EUR 250,000	214	0.19
Orano 3.5% 22/03/21	EUR 150,000	138	0.12
Paprec 4% 31/03/25	EUR 233,000	204	0.18
SMCP 5.875% 01/05/23	EUR 72,900	68	0.06
Societe Generale 9.375% Perpetual	EUR 150,000	146	0.13
SPCM 2.875% 15/06/23	EUR 123,000	109	0.09
Verallia Packaging 5.125% 01/08/22	EUR 100,000	91	0.08
Germany 1.90% (30/06/17: 1.48%)			
CTC BondCo 5.25% 15/12/25	EUR 200,000	166	0.14
IHO Verwaltungs 3.25% 15/09/23	EUR 154,000	138	0.12
IHO Verwaltungs 3.75% 15/09/26	EUR 150,000	135	0.12
Kirk Beauty One 8.75% 15/07/23	EUR 150,000	124	0.11
Nidda BondCo 5% 30/09/25	EUR 100,000	81	0.07
Nidda Healthcare 3.5% 30/09/24	EUR 250,000	208	0.18
Senvion 3.875% 25/10/22	EUR 241,000	183	0.16
Tele Columbus 3.875% 02/05/25	EUR 200,000	168	0.15
Unitymedia 3.75% 15/01/27	EUR 250,000	231	0.20
Unitymedia 6.125% 15/01/25	695,000	534	0.47
WEPA Hygieneprodukte 3.75% 15/05/24	EUR 250,000	211	0.18
Guernsey 0.10% (30/06/17: 0.00%)			
Summit Germany 2% 31/01/25	EUR 135,000	115	0.10
Ireland 0.34% (30/06/17: 0.41%)			
Ardagh Packaging Finance 4.75% 15/07/27	GBP 150,000	144	0.13
Ardagh Packaging Finance 6.75% 15/05/24	EUR 150,000	143	0.12
eircom Finance 4.5% 31/05/22	EUR 111,000	100	0.09
Italy 1.23% (30/06/17: 1.49%)			
CMF 9% 15/06/22	EUR 169,000	127	0.11
Limacorporate Variable 15/08/23	EUR 250,000	215	0.19
LKQ Italia BondCo 3.875% 01/04/24	EUR 200,000	184	0.16
Sisal 7% 31/07/23	EUR 200,000	175	0.15
Snaitech 6.375% 07/11/21	EUR 100,000	93	0.08
Telecom Italia 3.25% 16/01/23	EUR 200,000	188	0.16
Telecom Italia 5.875% 19/05/23	GBP 100,000	110	0.10
UniCredit 5.375% Perpetual	EUR 200,000	158	0.14
Wind Tre 3.125% 20/01/25	EUR 225,000	160	0.14
Jamaica 0.00% (30/06/17: 1.42%)			
Japan 0.00% (30/06/17: 0.17%)			
Jersey 0.79% (30/06/17: 0.64%*)			
AA Bond 5.5% 31/07/22	GBP 100,000	91	0.08
Adient Global 3.5% 15/08/24	EUR 200,000	164	0.14
Avis Budget Finance 4.125% 15/11/24	EUR 211,000	188	0.16
CPUK Finance 4.25% 28/02/22	GBP 200,000	201	0.18
Mercury BondCo 8.25% 30/05/21	EUR 200,000	186	0.16
TVL Finance 8.5% 15/05/23	GBP 80,000	84	0.07
Luxembourg 3.69% (30/06/17: 6.56%*)			
Aldesa Financial Services 7.25% 01/04/21	EUR 200,000	162	0.14

AXA Global High Income Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
Altice Financing 5.25% 15/02/23	EUR 200,000	182	0.16
Altice FinCo 4.75% 15/01/28	EUR 106,000	80	0.07
Altice Luxembourg 7.75% 15/05/22	1,200,000	877	0.76
ArcelorMittal 3.125% 14/01/22	EUR 150,000	142	0.12
Arena Luxembourg Finance 2.875% 01/11/24	EUR 100,000	87	0.08
Auris Luxembourg II 8% 15/01/23	EUR 150,000	138	0.12
B&M European Value Retail 4.125% 01/02/22	GBP 100,000	101	0.09
Cirsa Funding Luxembourg 5.75% 15/05/21	EUR 100,000	91	0.08
Dakar Finance 9% 15/11/20	EUR 53,556	47	0.04
eDreams ODIGEO 8.5% 01/08/21	EUR 195,402	179	0.16
Garfunkelux HoldCo 3 7.5% 01/08/22	EUR 193,000	166	0.14
Gazprom 3.125% 17/11/23	EUR 200,000	185	0.16
INEOS 5.375% 01/08/24	EUR 200,000	185	0.16
INEOS 5.625% 01/08/24	400,000	299	0.26
Intralot Capital Luxembourg 5.25% 15/09/24	EUR 250,000	186	0.16
Matterhorn Telecom 3.875% 01/05/22	EUR 205,000	183	0.16
Monitchem HoldCo 2 6.875% 15/06/22	EUR 125,000	97	0.08
Monitchem HoldCo 3 5.25% 15/06/21	EUR 100,000	88	0.08
Nielsen Co Luxembourg 5.5% 01/10/21	348,000	266	0.23
Samsonite FinCo 3.5% 15/05/26	EUR 200,000	169	0.15
SIG Combibloc 7.75% 15/02/23	EUR 150,000	138	0.12
Swissport Financing 'Regulation S' 9.75% 15/12/22	EUR 200,000	190	0.17
Mexico 0.30% (30/06/17: 0.35%)			
Cemex 2.75% 05/12/24	EUR 200,000	172	0.15
Nemak 3.25% 15/03/24	EUR 200,000	177	0.15
Netherlands 4.13% (30/06/17: 3.46%)			
CBR Fashion Finance 5.125% 01/10/22	EUR 250,000	189	0.16
Constellium 4.25% 15/02/26	EUR 200,000	173	0.15
Darling Global Finance 3.625% 15/05/26	EUR 110,000	97	0.08
Digi Communications 5% 15/10/23	EUR 111,000	103	0.09
Energizer Gamma Acquisition 4.625% 15/07/26	EUR 100,000	89	0.08
Fiat Chrysler Automobiles 3.75% 29/03/24	EUR 250,000	234	0.20
Hertz Netherlands 5.5% 30/03/23	EUR 200,000	171	0.15
InterXion 4.75% 15/06/25	EUR 143,000	127	0.11
IPD 3 4.5% 15/07/22	EUR 200,000	179	0.16
NN Variable 08/04/44	EUR 100,000	95	0.08
NXP 3.875% 01/09/22	270,000	202	0.18
Nyrstar Netherlands 8.5% 15/09/19	EUR 100,000	90	0.08
OCI 5% 15/04/23	EUR 100,000	90	0.08
OI European 3.125% 15/11/24	EUR 250,000	224	0.20
Schoeller Allibert 8% 01/10/21	EUR 154,000	140	0.12
Selecta 5.875% 01/02/24	EUR 143,000	123	0.11
Sigma HoldCo 5.75% 15/05/26	EUR 192,000	159	0.14
Sigma HoldCo 7.875% 15/05/26	341,000	245	0.21
Stars 7% 15/07/26	383,000	290	0.25
Teva Pharmaceutical Finance Netherlands II 1.25% 31/03/23	EUR 200,000	161	0.14
United 4.875% 01/07/24	EUR 200,000	180	0.16
Ziggo 4.25% 15/01/27	EUR 315,000	275	0.24
Ziggo 5.5% 15/01/27	1,055,000	750	0.65
Ziggo Bond Finance 6% 15/01/27	500,000	352	0.31
Norway 0.20% (30/06/17: 0.00%)			
Nassa Topco 2.875% 06/04/24	EUR 250,000	231	0.20

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Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
Spain 0.47% (30/06/17: 0.60%)			
Banco Bilbao Vizcaya Argentaria 7% Perpetual	EUR 200,000	181	0.16
Grupo-Antolin Irausa 3.25% 30/04/24	EUR 200,000	171	0.15
NH Hotel 3.75% 01/10/23	EUR 200,000	184	0.16
Sweden 0.23% (30/06/17: 0.13%*)			
Intrum 3.125% 15/07/24	EUR 139,000	115	0.10
Perstorp 7.625% 30/06/21	EUR 160,000	149	0.13
United Kingdom 4.45% (30/06/17: 4.71%*)			
Arqiva Broadcast Finance 9.5% 31/03/20	GBP 185,000	191	0.17
Arrow Global Finance 5.125% 15/09/24	GBP 150,000	139	0.12
Barclays 7% Perpetual	GBP 200,000	204	0.18
Boparan Finance 4.375% 15/07/21	EUR 255,000	195	0.17
Cognita Financing 7.75% 15/08/21	GBP 100,000	101	0.09
Co-operative 2011 Variable 08/07/20	GBP 100,000	108	0.09
Drax FinCo 4.25% 01/05/22	GBP 200,000	200	0.17
EC Finance 2.375% 15/11/22	EUR 100,000	87	0.08
EI 6.5% 06/12/18	GBP 16,000	16	0.01
EI 6.875% 15/02/21	GBP 180,000	195	0.17
HBOS 6% 01/11/33	240,000	207	0.18
Investec Bank 9.625% 17/02/22	GBP 200,000	239	0.21
Iron Mountain UK 3.875% 15/11/25	GBP 207,000	196	0.17
Jaguar Land Rover Automotive 5% 15/02/22	GBP 191,000	197	0.17
Jerrold FinCo 6.25% 15/09/21	GBP 240,000	246	0.21
Miller Homes 5.5% 15/10/24	GBP 100,000	100	0.09
Nationwide Building Society 6.875% Perpetual	GBP 200,000	204	0.18
Newday BondCo 7.375% 01/02/24	GBP 200,000	189	0.17
Ocado 4% 15/06/24	GBP 200,000	200	0.17
Perform Financing 8.5% 15/11/20	GBP 100,000	102	0.09
Pinewood FinCo 3.75% 01/12/23	GBP 200,000	200	0.17
Stonegate Pub Co Financing 4.875% 15/03/22	GBP 200,000	197	0.17
Synlab Unsecured BondCo 8.25% 01/07/23	EUR 150,000	140	0.12
TalkTalk Telecom 5.375% 15/01/22	GBP 197,000	196	0.17
Thomas Cook 6.25% 15/06/22	EUR 210,000	197	0.17
Titan Global Finance 2.375% 16/11/24	EUR 100,000	84	0.07
Titan Global Finance 3.5% 17/06/21	EUR 100,000	92	0.08
Travelex Financing 8% 15/05/22	EUR 150,000	129	0.11
Virgin Media Secured Finance 5% 15/04/27	GBP 200,000	195	0.17
Viridian Power and Energy 4.75% 15/09/24	GBP 118,000	109	0.10
Voyage Care BondCo 5.875% 01/05/23	GBP 100,000	100	0.09
ZPG 3.75% 15/07/23	GBP 151,000	156	0.14
United States 71.41% (30/06/17: 64.45%*)			
ACCO Brands 5.25% 15/12/24	370,000	281	0.24
AECOM 5.125% 15/03/27	402,000	287	0.25
AECOM Global II 5% 01/04/22	295,000	228	0.20
Alliance Data Systems 5.25% 15/11/23	EUR 225,000	205	0.18
Alliance Data Systems 5.375% 01/08/22	865,000	660	0.57
American Midstream Partners 8.5% 15/12/21	1,025,000	768	0.67
American Tire Distributors 10.25% 01/03/22	941,000	156	0.14
Antero Resources 5.625% 01/06/23	416,000	321	0.28
APX 8.875% 01/12/22	350,000	266	0.23
Ascend Learning 6.875% 01/08/25	373,000	287	0.25
Ascent Resources Utica 10% 01/04/22	467,000	384	0.33
Belden 2.875% 15/09/25	EUR 191,000	165	0.14
Berry Global 5.5% 15/05/22	675,000	521	0.45

AXA Global High Income Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
Berry Petroleum 7% 15/02/26	285,000	222	0.19
Blue Cube Spinco 9.75% 15/10/23	325,000	280	0.24
Blue Cube Spinco 10% 15/10/25	718,000	630	0.55
Blue Racer Midstream 6.125% 15/11/22	926,000	712	0.62
Blue Racer Midstream 6.625% 15/07/26	506,000	385	0.34
Boxer Parent 9% 15/10/19	753,000	573	0.50
Boyd Gaming 6% 15/08/26	402,000	302	0.26
Boyne 7.25% 01/05/25	132,000	105	0.09
BWAY 5.5% 15/04/24	514,000	382	0.33
BWAY 7.25% 15/04/25	1,095,000	817	0.71
BWX Technologies 5.375% 15/07/26	195,000	150	0.13
Calpine 5.75% 15/01/25	392,000	273	0.24
Calumet Specialty Products Partners 7.625% 15/01/22	385,000	293	0.26
Catalent Pharma Solutions 4.75% 15/12/24	EUR 221,000	204	0.18
Catalent Pharma Solutions 4.875% 15/01/26	144,000	105	0.09
CCO 5% 01/02/28	414,000	289	0.25
CCO 5.125% 01/05/23	520,000	389	0.34
CCO 5.25% 30/09/22	844,000	645	0.56
CCO 5.75% 15/02/26	645,000	481	0.42
CCO 5.875% 01/05/27	911,000	675	0.59
CDK Global 5.875% 15/06/26	349,000	271	0.24
Centene 6.125% 15/02/24	602,000	480	0.42
Central Garden & Pet 6.125% 15/11/23	129,000	102	0.09
CenturyLink 6.75% 01/12/23	390,000	298	0.26
CenturyLink 6.875% 15/01/28	280,000	196	0.17
Cequel Communications 5.125% 15/12/21	367,000	278	0.24
Cequel Communications 7.5% 01/04/28	379,000	292	0.25
Change Healthcare 5.75% 01/03/25	950,000	681	0.59
Charles River Laboratories International 5.5% 01/04/26	355,000	270	0.24
Cincinnati Bell 7% 15/07/24	538,000	376	0.33
CIT 5.25% 07/03/25	134,000	103	0.09
CommScope 5.5% 15/06/24	350,000	268	0.23
CommScope Technologies 6% 15/06/25	653,000	506	0.44
Core & Main 6.125% 15/08/25	360,000	259	0.23
Covanta 6.375% 01/10/22	620,000	482	0.42
Crestwood Midstream Partners 5.75% 01/04/25	236,000	180	0.16
Crestwood Midstream Partners 6.25% 01/04/23	530,000	410	0.36
CrownRock 5.625% 15/10/25	542,000	400	0.35
CURO Financial Technologies 12% 01/03/22	244,000	198	0.17
CURO Financial Technologies Rule '144A' 12% 01/03/22	810,000	669	0.58
DAE Funding 5% 01/08/24	606,000	443	0.39
Delek Logistics Partners 6.75% 15/05/25	560,000	426	0.37
Dell International 5.875% 15/06/21	1,180,000	914	0.80
Dell International 7.125% 15/06/24	470,000	378	0.33
DISH DBS 5.875% 15/07/22	424,000	301	0.26
DISH DBS 7.875% 01/09/19	288,000	227	0.20
Eagle 7.625% 15/05/22	611,000	469	0.41
Eldorado Resorts 7% 01/08/23	662,000	529	0.46
Endeavor Energy Resources 5.5% 30/01/26	166,000	123	0.11
Endeavor Energy Resources 5.75% 30/01/28	250,000	185	0.16
Endo Finance 7.25% 15/01/22	404,000	281	0.24
Energizer Gamma Acquisition 6.375% 15/07/26	124,000	96	0.08
Enova International 8.5% 01/09/24	410,000	323	0.28
Enova International 9.75% 01/06/21	334,000	267	0.23
Envision Healthcare 5.625% 15/07/22	382,000	297	0.26
Envision Healthcare 6.25% 01/12/24	372,000	301	0.26
Equinix 2.875% 01/10/25	EUR 300,000	251	0.22

AXA Global High Income Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
Equinix 5.875% 15/01/26	420,000	323	0.28
Everi Payments 7.5% 15/12/25	426,000	327	0.28
Exela Intermediate 10% 15/07/23	611,000	475	0.41
First Data 5.375% 15/08/23	126,000	97	0.08
First Data 7% 01/12/23	963,000	763	0.66
First Quality Finance 4.625% 15/05/21	300,000	223	0.19
Flex Acquisition 7.875% 15/07/26	287,000	217	0.19
Flexi-Van Leasing 10% 15/02/23	268,000	193	0.17
Freedom Mortgage 8.25% 15/04/25	284,000	212	0.18
Frontier Communications 8.5% 01/04/26	277,000	204	0.18
Gartner 5.125% 01/04/25	200,000	151	0.13
Genesis Energy 5.625% 15/06/24	285,000	202	0.18
Genesis Energy 6.5% 01/10/25	960,000	698	0.61
Greatbatch 9.125% 01/11/23	1,013,000	836	0.73
Greystar Real Estate Partners 5.75% 01/12/25	484,000	357	0.31
GTT Communications 7.875% 31/12/24	497,000	376	0.33
Gulfport Energy 6.375% 15/01/26	522,000	382	0.33
HCA 4.5% 15/02/27	482,000	347	0.30
HCA 5.875% 15/02/26	225,000	173	0.15
HCA 7.5% 15/02/22	770,000	638	0.56
HCA 7.69% 15/06/25	260,000	219	0.19
Hill-Rom 5.75% 01/09/23	615,000	476	0.41
Holly Energy Partners 6% 01/08/24	197,000	151	0.13
Howard Hughes 5.375% 15/03/25	470,000	351	0.31
Huntsman International 5.125% 15/04/21	EUR 200,000	196	0.17
Icahn Enterprises 6% 01/08/20	315,000	242	0.21
Icahn Enterprises 6.375% 15/12/25	294,000	222	0.19
Infor US 5.75% 15/05/22	EUR 150,000	133	0.12
Informatica 7.125% 15/07/23	325,000	250	0.22
International Game Technology 4.75% 15/02/23	EUR 200,000	189	0.16
Intrepid Aviation 6.875% 15/02/19	1,213,000	920	0.80
inVentiv 7.5% 01/10/24	700,000	561	0.49
IQVIA 3.25% 15/03/25	EUR 150,000	129	0.11
IQVIA 4.875% 15/05/23	737,000	564	0.49
Ittron 5% 15/01/26	480,000	347	0.30
Jaguar 6.375% 01/08/23	1,199,000	909	0.79
JBS USA LUX 5.75% 15/06/25	654,000	464	0.40
JBS USA LUX 6.75% 15/02/28	575,000	412	0.36
Kenan Advantage 7.875% 31/07/23	1,220,000	945	0.82
Koppers 6% 15/02/25	502,000	383	0.33
Kraton Polymers 5.25% 15/05/26	EUR 100,000	89	0.08
L Brands 6.75% 01/07/36	113,000	76	0.07
Lamb Weston 4.875% 01/11/26	364,000	268	0.23
Level 3 Financing 5.375% 15/08/22	945,000	719	0.63
Level 3 Parent 5.75% 01/12/22	250,000	190	0.17
Levi Strauss & Co 3.375% 15/03/27	EUR 200,000	177	0.15
LifePoint Health 5.5% 01/12/21	405,000	308	0.27
Live Nation Entertainment 4.875% 01/11/24	642,000	473	0.41
LTF Merger Sub 8.5% 15/06/23	558,000	442	0.38
Match 6.375% 01/06/24	411,000	326	0.28
Matthews International 5.25% 01/12/25	321,000	234	0.20
McGraw-Hill Global Education 7.875% 15/05/24	860,000	605	0.53
Meredith 6.875% 01/02/26	638,000	476	0.41
MGM Resorts International 6.625% 15/12/21	66,000	53	0.05
MGM Resorts International 8.625% 01/02/19	175,000	137	0.12
MPH Acquisition 7.125% 01/06/24	380,000	296	0.26
MSCI 5.375% 15/05/27	402,000	307	0.27

AXA Global High Income Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
Mueller Water Products 5.5% 15/06/26	198,000	151	0.13
Multi-Color 4.875% 01/11/25	692,000	492	0.43
Multi-Color 6.125% 01/12/22	1,053,000	823	0.72
Nabors Industries 5.75% 01/02/25	399,000	286	0.25
National CineMedia 6% 15/04/22	450,000	347	0.30
NCR 5.875% 15/12/21	603,000	467	0.41
Neovia Logistics Services 8.875% 01/08/20	600,000	387	0.34
New Enterprise Stone & Lime 6.25% 15/03/2026	340,000	261	0.23
Novelis 5.875% 30/09/26	485,000	352	0.31
NVA 6.875% 01/04/26	596,000	451	0.39
Oasis Petroleum 6.25% 01/05/26	350,000	270	0.24
Owens-Brockway Glass Container 5% 15/01/22	254,000	192	0.17
Parsley Energy 5.625% 15/10/27	369,000	279	0.24
Parsley Energy 6.25% 01/06/24	485,000	383	0.33
PBF 7% 15/11/23	260,000	206	0.18
PBF Logistics 6.875% 15/05/23	1,000,000	768	0.67
PDC Energy 5.75% 15/05/26	442,000	333	0.29
Pilgrim's Pride 5.875% 30/09/27	582,000	412	0.36
Pioneer 9% 01/11/22	148,000	117	0.10
Polaris Intermediate 8.5% 01/12/22	718,000	560	0.49
Post 5.625% 15/01/28	483,000	345	0.30
Post 5.75% 01/03/27	512,000	377	0.33
PQ 5.75% 15/12/25	408,000	305	0.27
PQ 6.75% 15/11/22	418,000	333	0.29
Prestige Brands 5.375% 15/12/21	250,000	190	0.17
Prestige Brands 6.375% 01/03/24	804,000	606	0.53
Prime Security Services Borrower 9.25% 15/05/23	630,000	509	0.44
PSPC Escrow 6% 01/02/23	EUR 129,000	119	0.10
Rackspace Hosting 8.625% 15/11/24	716,000	549	0.48
Rayonier AM Products 5.5% 01/06/24	705,000	504	0.44
RegionalCare Hospital Partners 8.25% 01/05/23	302,000	242	0.21
Reynolds 5.75% 15/10/20	203,513	155	0.14
Rite Aid 6.125% 01/04/23	628,000	485	0.42
RSP Permian 6.625% 01/10/22	617,000	494	0.43
Sanchez Energy 6.125% 15/01/23	635,000	326	0.28
Sanchez Energy 7.25% 15/02/23	450,000	336	0.29
SBA Communications 4.875% 01/09/24	385,000	281	0.24
Scientific Games International 5.5% 15/02/26	EUR 337,000	282	0.25
Scientific Games International 10% 01/12/22	126,000	102	0.09
Sealed Air 4.5% 15/09/23	EUR 100,000	99	0.09
SemGroup 5.625% 15/07/22	353,000	261	0.23
SemGroup 5.625% 15/11/23	335,000	239	0.21
Sirius XM Radio 6% 15/07/24	555,000	431	0.38
SM Energy 6.5% 15/11/21	200,000	156	0.14
SM Energy 6.75% 15/09/26	265,000	203	0.18
Solera 10.5% 01/03/24	687,000	579	0.50
Sophia 9% 30/09/23	1,200,000	957	0.83
Sotera Health 6.5% 15/05/23	492,000	382	0.33
Sotera Health Topco 8.125% 01/11/21	883,000	674	0.59
Southern Star Central 5.125% 15/07/22	425,000	323	0.28
Southwestern Energy 7.75% 01/10/27	345,000	272	0.24
Spectrum Brands 6.625% 15/11/22	400,000	314	0.27
Sprint 7.125% 15/06/24	274,000	207	0.18
Sprint 7.625% 01/03/26	580,000	444	0.39
Sprint 7.875% 15/09/23	925,000	725	0.63
Sprint Capital 6.9% 01/05/19	565,000	439	0.38
Sprint Capital 8.75% 15/03/32	412,000	334	0.29

AXA Global High Income Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
Sprint Communications 7% 15/08/20	170,000	134	0.12
Standard Industries 5.5% 15/02/23	1,003,000	775	0.67
Standard Industries 6% 15/10/25	501,000	383	0.33
Staples 8.5% 15/09/25	1,386,000	989	0.86
Summit Materials 6.125% 15/07/23	664,000	512	0.45
Summit Midstream 5.5% 15/08/22	589,000	440	0.38
Sunoco 4.875% 15/01/23	480,000	352	0.31
Superior Industries International 6% 15/06/25	EUR 200,000	173	0.15
Surgery Center 6.75% 01/07/25	374,000	270	0.24
Surgery Center 8.875% 15/04/21	427,000	334	0.29
Talen Energy Supply 4.6% 15/12/21	364,000	241	0.21
Targa Resources Partners 6.75% 15/03/24	815,000	648	0.56
Team Health 6.375% 01/02/25	964,000	625	0.54
Tenet Healthcare 5.125% 01/05/25	212,000	154	0.13
Tenet Healthcare 7% 01/08/25	314,000	237	0.21
Tenet Healthcare 7.5% 01/01/22	1,066,000	845	0.74
T-Mobile USA 6% 01/03/23	798,000	626	0.55
T-Mobile USA 6% 15/04/24	316,000	248	0.22
T-Mobile USA 6.375% 01/03/25	350,000	276	0.24
TransDigm 5.5% 15/10/20	296,000	225	0.20
TransDigm 6% 15/07/22	586,000	449	0.39
TransDigm UK 6.875% 15/05/26	362,000	280	0.24
TransMontaigne Partners 6.125% 15/02/26	368,000	283	0.25
Triumph 7.75% 15/08/25	466,000	352	0.31
Unisys 10.75% 15/04/22	275,000	234	0.20
Univar USA 6.75% 15/07/23	731,000	574	0.50
Valeant Pharmaceuticals International 9.25% 01/04/26	809,000	634	0.55
W/S Packaging 9% 15/04/23	306,000	238	0.21
Watco 6.375% 01/04/23	925,000	715	0.62
Welbilt 9.5% 15/02/24	879,000	736	0.64
WellCare Health Plans 5.25% 01/04/25	295,000	223	0.19
West 8.5% 15/10/25	170,000	118	0.10
West Street Merger Sub 6.375% 01/09/25	456,000	331	0.29
Whiting Petroleum 6.625% 15/01/26	215,000	168	0.15
William Lyon Homes 6% 01/09/23	279,000	210	0.18
Windstream Services 8.625% 31/10/25	590,000	429	0.37
WPX Energy 5.75% 01/06/26	376,000	285	0.25
Zayo 5.75% 15/01/27	538,000	401	0.35
Zayo 6% 01/04/23	450,000	347	0.30
TOTAL CORPORATE BONDS		113,298	98.64
COLLECTIVE INVESTMENT SCHEMES 0.37% (30/06/17: 0.47%)			
Luxembourg 0.37% (30/06/17: 0.47%)			
AXA World Funds - Asian High Yield Bonds	5,300	423	0.37
TOTAL COLLECTIVE INVESTMENT SCHEMES		423	0.37

AXA Global High Income Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
FORWARD CURRENCY CONTRACTS (3.32%) (30/06/17: 0.14%)			
Sold EUR10,900,000 for GBP9,543,898 Settlement 27/07/2018		(23)	(0.02)
Sold EUR5,400,000 for GBP4,745,381 Settlement 31/08/2018		(47)	(0.04)
Sold EUR4,300,000 for GBP3,796,646 Settlement 28/09/2018		(119)	(0.10)
Sold USD59,200,000 for GBP42,273,878 Settlement 27/07/2018		(152)	(0.13)
Sold USD41,000,000 for GBP30,382,789 Settlement 31/08/2018		(740)	(0.65)
Sold USD25,500,000 for GBP19,180,723 Settlement 28/09/2018		(2,733)	(2.38)
TOTAL FORWARD CURRENCY CONTRACTS		(3,814)	(3.32)
Portfolio of investments		109,907	95.69
Net other assets		4,945	4.31
Total net assets		114,852	100.00

* Since the previous report country classifications have been updated. Comparative figures have been updated where appropriate.

All bonds are denominated in US dollars (unless otherwise indicated).

At 30 June 2018, there were no investments in the Fund which were valued using a quote from a single broker (30/06/17 : £nil**).

** Prior year figures have been restated.

AXA Global High Income Fund

Statement of Total Return

For the year ended 30 June 2018

		01/07/17 to 30/06/18		01/07/16 to 30/06/17	
	Note	£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	2		(4,631)		6,470
Revenue	3	5,992		6,280	
Expenses	4	(763)		(762)	
Interest payable and similar charges		<u>(2)</u>		<u>(1)</u>	
Net revenue before taxation		5,227		5,517	
Taxation	5	<u>-</u>		<u>(1)</u>	
Net revenue after taxation			<u>5,227</u>		<u>5,516</u>
Total return before distributions			596		11,986
Distributions	6		(5,227)		(5,516)
Change in net assets attributable to Shareholders from investment activities			<u>(4,631)</u>		<u>6,470</u>

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 June 2018

		01/07/17 to 30/06/18		01/07/16 to 30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders			91,173		101,285
Amounts receivable on issue of shares		48,393		35,224	
Amounts payable on cancellation of shares		<u>(24,073)</u>		<u>(54,942)</u>	
			24,320		(19,718)
Dilution adjustment			-		121
Change in net assets attributable to Shareholders from investment activities (see above)			(4,631)		6,470
Retained distributions on accumulation shares			3,990		3,015
Closing net assets attributable to Shareholders			<u>114,852</u>		<u>91,173</u>

AXA Global High Income Fund

Balance Sheet

As at 30 June 2018

		30/06/18	30/06/17
	Note	£'000	£'000
Assets:			
Fixed assets:			
Investments		113,721	88,474
Current assets:			
Debtors	7	1,938	2,037
Cash and bank balances	8	4,121	3,369
Total assets		119,780	93,880
Liabilities:			
Investment liabilities			
		(3,814)	(333)
Creditors:			
Distribution payable		(428)	(392)
Other creditors	9	(686)	(1,982)
Total liabilities		(4,928)	(2,707)
Net assets attributable to Shareholders		114,852	91,173

AXA Global High Income Fund

Notes to the Financial Statements

For the year ended 30 June 2018

1. Accounting Basis And Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 223 - 225.

2. Net capital (losses)/gains

The net capital (losses)/gains comprise:

Non-derivative securities

Currency (losses)/gains

Forward currency contracts

Transaction charges

Net capital (losses)/gains

01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
(3,678)	10,594
(11)	204
(936)	(4,322)
(6)	(6)
(4,631)	6,470

3. Revenue

Bank interest

Interest on debt securities

Offshore funds dividends

Total revenue

01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
18	-
5,972	6,280
2	-
5,992	6,280

4. Expenses

Payable to the ACD, associates of the ACD, and agents of either of them

ACD fees

Registration fees

Payable to the Depositary, associates of the Depositary and agents of either of them

Depositary's fees

Safe custody fees

Other expenses

Audit fees

Printing fees

Total expenses

01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
718	711
9	9
727	720
21	20
5	5
26	25
9	9
1	8
10	17
763	762

AXA Global High Income Fund

Notes to the Financial Statements

For the year ended 30 June 2018

5. Taxation

(a) Analysis of the tax charge in the year

Adjustments in respect of prior periods
Total current tax charge (Note 5 (b))
Total taxation for the year

01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
-	1
-	1
-	1

(b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax for an open ended investment company of 20% (2017: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
Net revenue before taxation	5,227	5,517
Net revenue for the year multiplied by the standard rate of corporation tax	1,045	1,103
Effects of:		
Adjustments in respect of prior periods	-	1
Tax deductible interest distributions	(1,045)	(1,103)
Current tax charge for the year	-	1

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

(c) Deferred taxation:

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

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £nil (2017: £nil) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

6. Distributions

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

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
First interim	1,159	1,206
Second interim	1,486	1,212
Third interim	1,349	1,285
Final	1,584	1,094
Add: Revenue paid on cancellation of shares	130	439
Deduct: Revenue received on creation of shares	(481)	(253)
Tax withheld on interest distributions	-	533
Net distribution for the year	5,227	5,516

AXA Global High Income Fund

Notes to the Financial Statements

For the year ended 30 June 2018

7. Debtors	30/06/18	30/06/17
	£'000	£'000
Amounts receivable for creation of shares	36	409
Sales awaiting settlement	-	117
Accrued revenue	1,902	1,511
Total debtors	1,938	2,037
8. Cash and bank balances	30/06/18	30/06/17
	£'000	£'000
Cash and bank balances	4,121	3,369
Total cash and bank balances	4,121	3,369
9. Other creditors	30/06/18	30/06/17
	£'000	£'000
Amounts payable for cancellation of shares	129	1,249
Purchases awaiting settlement	474	594
Annual Management Charge	60	117
Accrued other expenses	23	22
Total other creditors	686	1,982

10. Related party transactions

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

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

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

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

As at 30 June 2018 material shareholders have holdings totalling 26.6% (30/06/2017: 0.00%) of the Funds' shares. Other than disclosed elsewhere in the financial statements, there were no material transactions between the Fund and related parties during the year.

11. Share classes

The reconciliation of the opening and closing numbers of shares of each class, along with the ACD's Annual Management Charges applicable to each class, is shown below:

	ACD fee rate (%)	30/06/17	Issued	Cancelled	Converted	30/06/18
A Net Income	0.45	37,871	138,542	(157,792)	-	18,621
A Gross Income	0.45	223,529	1,652	(14,188)	-	210,993
A Net Accumulation	0.45	3,498,366	26,908,062	(2,372,283)	-	28,034,145
A Gross Accumulation	0.45	833,484	28,012	(46,541)	-	814,955
H Net Accumulation	0.00	5,000	-	-	-	5,000
H Gross Accumulation	0.00	5,000	-	-	-	5,000
R Net Income	1.25	3,551,962	139,176	(685,205)	46,859	3,052,792
R Gross Income	1.25	2,412,448	42,608	(147,269)	(156,027)	2,151,760
R Net Accumulation	1.25	8,124,045	3,054,128	(2,006,930)	13,472	9,184,715
R Gross Accumulation	1.25	1,270,824	45,875	(661,003)	281,292	936,988
Z Net Income	0.50	24,227,005	4,050,700	(3,483,400)	75,444	24,869,749
Z Gross Income	0.50	3,158,224	822,683	(1,000,620)	37,158	3,017,445
Z Net Accumulation	0.50	16,063,261	2,272,966	(3,964,117)	8,525	14,380,635
Z Gross Accumulation	0.50	1,460,677	856,893	(1,404,509)	263,328	1,176,389

AXA Global High Income Fund

Notes to the Financial Statements

For the year ended 30 June 2018

12. Commitments, contingent liabilities and contingent assets

There are no commitments, contingent liabilities and contingent assets as at the balance sheet date (2017: nil).

13. Derivatives and other financial instruments

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

Market price risk

The Fund invests principally in fixed income securities. The value of the Fund's investment portfolio is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual company or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Fund seeks to manage these risks by adhering to investment guidelines and to investment and borrowing powers set out in the Prospectus. In addition, the Fund complies with the Collective Investment Schemes sourcebook ("COLL"), which include rules relating to investment holdings that are designed to place limits on the Fund's investment concentration (same as at 30 June 2017).

Market price risk sensitivity

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £11,372,064 (2017: £8,802,361). A 10% decrease would have an equal and opposite effect.

Foreign currency risk

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

Currency	Net foreign currency exposure	
	30/06/18 £'000	30/06/17 £'000
Euro	(422)	(270)
Swiss franc	67	73
US dollar	(819)	149
Total	(1,174)	(48)

As at the balance sheet date there was no significant exposure to foreign currency therefore no foreign exchange rate sensitivity analysis is disclosed.

Interest rate risk

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

AXA Global High Income Fund

Notes to the Financial Statements

For the year ended 30 June 2018

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

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£'000	£'000	£'000	£'000
Currency Assets				
30/06/18				
Pound sterling	1,581	5,042	542	7,165
Euro	480	17,225	235	17,940
Swiss franc	67	-	-	67
US dollar	2,207	90,816	1,585	94,608
Total	4,335	113,083	2,362	119,780
30/06/17				
Pound sterling	2,133	4,092	914	7,139
Euro	229	12,654	208	13,091
Swiss franc	47	149	5	201
US dollar	1,645	70,014	1,790	73,449
Total	4,054	86,909	2,917	93,880
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£'000	£'000	£'000	£'000
Currency Liabilities				
30/06/18				
Pound sterling	-	-	(639)	(639)
Euro	-	-	(277)	(277)
US dollar	-	-	(4,012)	(4,012)
Total	-	-	(4,928)	(4,928)
30/06/17				
Pound sterling	-	-	(1,780)	(1,780)
Euro	-	-	(397)	(397)
US dollar	-	-	(530)	(530)
Total	-	-	(2,707)	(2,707)

Sensitivity analysis

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. A one per cent increase in interest rates would have the effect of decreasing the return and net assets by £3,875,000 (2017: £2,234,000). A one per cent decrease would have an equal and opposite effect.

AXA Global High Income Fund

Notes to the Financial Statements

For the year ended 30 June 2018

Credit risk

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

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

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

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

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

	30/06/18		30/06/17	
Credit Rating	Market Value	%	Market Value	%
	£'000		£'000	
Total bonds BBB- credit rating and above	1,377	1.19	1,534	1.69
Total bonds below BBB- credit rating	108,731	95.85	84,515	92.67
Total non-rated bonds	3,190	2.79	1,546	1.70
Total value of bonds	113,298	99.83	87,595	96.06

Counterparty risk

Transactions in securities entered into by the Company give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. The Investment Manager minimises this risk by conducting trades through only the most reputable counterparties. Counterparty risk is also managed by limiting the exposure to individual counterparties through adherence to the investment spread restrictions included within the Company's prospectus and COLL.

Financial derivative instrument risk exposure

The exposure obtained through financial derivative instruments and identity of counterparties as at 30 June 2018 was as follows:

	30/06/18	30/06/17
(a) Forwards	Exposure	Exposure
	£'000	£'000
Barclays Bank	35,915	10,752*
BNP Paribas	-	40,051*
Credit Suisse	54,669	38,446*
Societe Generale	23,152	-
Total value of derivatives	113,736	89,249*

* Prior year figures have been restated.

AXA Global High Income Fund

Notes to the Financial Statements

For the year ended 30 June 2018

14. Portfolio transaction costs

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
30/06/2018						
Analysis of purchases						
Bonds	80,472	-	-	-	-	80,472
Forwards	-	-	-	-	-	-
Total	80,472	-		-		80,472

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
30/06/2018						
Analysis of sales						
Bonds	50,814	-	-	-	-	50,814
Forwards	-	-	-	-	-	-
Total	50,814	-		-		50,814

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
30/06/2017						
Analysis of purchases						
Bonds	51,571	-	-	-	-	51,571
Collective Investment Schemes	427	-	-	-	-	427
Forwards	-	-	-	-	-	-
Total	51,998	-		-		51,998

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
30/06/2017						
Analysis of sales						
Bonds	75,502	-	-	-	-	75,502
Forwards	-	-	-	-	-	-
Total	75,502	-		-		75,502

	01/07/17 to 30/06/18 %	01/07/16 to 30/06/17 %
Transaction costs as percentage of average net asset value		
Commissions	0.00%	0.00%
Taxes	0.00%	0.00%

At the balance sheet date the average portfolio dealing spread was 0.81% (2017: 0.98%).

15. Post balance sheet events

There are no post balance sheet events which require adjustments or disclosure.

AXA Global High Income Fund

Notes to the Financial Statements

For the year ended 30 June 2018

16. Fair value disclosure

Valuation technique	30/06/18		30/06/17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1 ^	-	-	-	-
Level 2 ^^	113,721	(3,814)	87,308	(333)
Level 3 ^^	-	-	1,166	-
	113,721	(3,814)	88,474	(333)

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

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

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

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

AXA Global High Income Fund

Distribution Table

As at 30 June 2018

First Distribution in pence per share

Group 1 Shares purchased prior to 1 July 2017

Group 2 Shares purchased on or after 1 July 2017 to 30 September 2017

	Net revenue (p)	Equalisation (p)	Distribution paid 30/11/17 (p)	Distribution paid 30/11/16 (p)
Share Class A Net Income				
Group 1	1.171	-	1.171	1.269
Group 2	0.980	0.191	1.171	1.269
Share Class A Gross Income				
Group 1	1.170	-	1.170	1.587
Group 2	0.751	0.419	1.170	1.587
Share Class A Net Accumulation				
Group 1	1.380	-	1.380	1.416
Group 2	0.726	0.654	1.380	1.416
Share Class A Gross Accumulation				
Group 1	1.428	-	1.428	1.823
Group 2	0.293	1.135	1.428	1.823
Share Class H Net Accumulation				
Group 1	2.653	-	2.653	2.655
Group 2	2.653	-	2.653	2.655
Share Class H Gross Accumulation				
Group 1	3.080	-	3.080	3.646
Group 2	3.080	-	3.080	3.646
Share Class R Net Income				
Group 1	0.913	-	0.913	1.042
Group 2	0.203	0.710	0.913	1.042
Share Class R Gross Income				
Group 1	1.029	-	1.029	1.472
Group 2	1.029	-	1.029	1.472
Share Class R Net Accumulation				
Group 1	2.331	-	2.331	2.538
Group 2	0.478	1.853	2.331	2.538
Share Class R Gross Accumulation				
Group 1	2.287	-	2.287	3.101
Group 2	0.740	1.547	2.287	3.101
Share Class Z Net Income				
Group 1	1.204	-	1.204	1.308
Group 2	0.516	0.688	1.204	1.308
Share Class Z Gross Income				
Group 1	1.285	-	1.285	1.748
Group 2	0.411	0.874	1.285	1.748

AXA Global High Income Fund

Distribution Table

As at 30 June 2018

Share Class Z Net Accumulation

Group 1	2.447	-	2.447	2.516
Group 2	1.113	1.334	2.447	2.516

Share Class Z Gross Accumulation

Group 1	2.644	-	2.644	3.387
Group 2	1.275	1.369	2.644	3.387

Second Distribution in pence per share

Group 1	Shares purchased prior to 1 October 2017
Group 2	Shares purchased on or after 1 October 2017 to 31 December 2017

	Net revenue (p)	Equalisation (p)	Distribution paid 28/02/18 (p)	Distribution paid 28/02/17 (p)
Share Class A Net Income				
Group 1	1.186	-	1.186	1.202
Group 2	0.461	0.725	1.186	1.202
Share Class A Gross Income				
Group 1	1.184	-	1.184	1.504
Group 2	0.661	0.523	1.184	1.504
Share Class A Net Accumulation				
Group 1	1.414	-	1.414	1.361
Group 2	0.090	1.324	1.414	1.361
Share Class A Gross Accumulation				
Group 1	1.464	-	1.464	1.759
Group 2	1.218	0.246	1.464	1.759
Share Class H Net Accumulation				
Group 1	2.718	-	2.718	2.562
Group 2	2.718	-	2.718	2.562
Share Class H Gross Accumulation				
Group 1	3.158	-	3.158	3.677
Group 2	3.158	-	3.158	3.677
Share Class R Net Income				
Group 1	0.927	-	0.927	0.981
Group 2	0.612	0.315	0.927	0.981
Share Class R Gross Income				
Group 1	1.045	-	1.045	1.385
Group 2	1.045	-	1.045	1.385
Share Class R Net Accumulation				
Group 1	2.392	-	2.392	2.420
Group 2	1.152	1.240	2.392	2.420
Share Class R Gross Accumulation				
Group 1	2.347	-	2.347	2.964
Group 2	1.339	1.008	2.347	2.964

AXA Global High Income Fund

Distribution Table

As at 30 June 2018

Share Class Z Net Income

Group 1	1.220	-	1.220	1.240
Group 2	0.621	0.599	1.220	1.240

Share Class Z Gross Income

Group 1	1.301	-	1.301	1.657
Group 2	0.541	0.760	1.301	1.657

Share Class Z Net Accumulation

Group 1	2.509	-	2.509	2.422
Group 2	1.339	1.170	2.509	2.422

Share Class Z Gross Accumulation

Group 1	2.711	-	2.711	3.266
Group 2	1.091	1.620	2.711	3.266

Third Distribution in pence per share

Group 1	Shares purchased prior to 1 January 2018
Group 2	Shares purchased on or after 1 January 2018 to 31 March 2018

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/18 (p)	Distribution paid 31/05/17 (p)
Share Class A Net Income				
Group 1	1.094	-	1.094	1.289
Group 2	1.094	-	1.094	1.289
Share Class A Gross Income				
Group 1	1.091	-	1.091	1.289
Group 2	1.091	-	1.091	1.289
Share Class A Net Accumulation				
Group 1	1.320	-	1.320	1.481
Group 2	0.760	0.560	1.320	1.481
Share Class A Gross Accumulation				
Group 1	1.366	-	1.366	1.532
Group 2	0.204	1.162	1.366	1.532
Share Class H Net Accumulation				
Group 1	2.552	-	2.552	2.811
Group 2	2.552	-	2.552	2.811
Share Class H Gross Accumulation				
Group 1	2.979	-	2.979	3.249
Group 2	2.979	-	2.979	3.249
Share Class R Net Income				
Group 1	0.844	-	0.844	1.025
Group 2	0.463	0.381	0.844	1.025
Share Class R Gross Income				
Group 1	0.952	-	0.952	1.156
Group 2	0.952	-	0.952	1.156

AXA Global High Income Fund

Distribution Table

As at 30 June 2018

Share Class R Net Accumulation

Group 1	2.202	-	2.202	2.559
Group 2	1.095	1.107	2.202	2.559

Share Class R Gross Accumulation

Group 1	2.160	-	2.160	2.511
Group 2	1.288	0.872	2.160	2.511

Share Class Z Net Income

Group 1	1.123	-	1.123	1.329
Group 2	0.551	0.572	1.123	1.329

Share Class Z Gross Income

Group 1	1.198	-	1.198	1.418
Group 2	0.644	0.554	1.198	1.418

Share Class Z Net Accumulation

Group 1	2.340	-	2.340	2.630
Group 2	0.953	1.387	2.340	2.630

Share Class Z Gross Accumulation

Group 1	2.528	-	2.528	2.841
Group 2	1.275	1.253	2.528	2.841

Final Distribution in pence per share

Group 1	Shares purchased prior to 1 April 2018
Group 2	Shares purchased on or after 1 April 2018 to 30 June 2018

	Net revenue (p)	Equalisation (p)	Distribution payable 31/08/18 (p)	Distribution paid 31/08/17 (p)
Share Class A Net Income				
Group 1	1.278	-	1.278	1.169
Group 2	1.278	-	1.278	1.169
Share Class A Gross Income				
Group 1	1.277	-	1.277	1.169
Group 2	0.514	0.763	1.277	1.169
Share Class A Net Accumulation				
Group 1	1.564	-	1.564	1.362
Group 2	0.759	0.805	1.564	1.362
Share Class A Gross Accumulation				
Group 1	1.619	-	1.619	1.410
Group 2	0.972	0.647	1.619	1.410
Share Class H Net Accumulation				
Group 1	2.990	-	2.990	2.611
Group 2	2.990	-	2.990	2.611

AXA Global High Income Fund

Distribution Table

As at 30 June 2018

Share Class H Gross Accumulation

Group 1	3.474	-	3.474	3.027
Group 2	3.474	-	3.474	3.027

Share Class R Net Income

Group 1	1.016	-	1.016	0.912
Group 2	0.638	0.378	1.016	0.912

Share Class R Gross Income

Group 1	1.146	-	1.146	1.029
Group 2	0.765	0.381	1.146	1.029

Share Class R Net Accumulation

Group 1	2.678	-	2.678	2.306
Group 2	1.506	1.172	2.678	2.306

Share Class R Gross Accumulation

Group 1	2.628	-	2.628	2.262
Group 2	1.682	0.946	2.628	2.262

Share Class Z Net Income

Group 1	1.316	-	1.316	1.204
Group 2	0.739	0.577	1.316	1.204

Share Class Z Gross Income

Group 1	1.404	-	1.404	1.284
Group 2	0.612	0.792	1.404	1.284

Share Class Z Net Accumulation

Group 1	2.776	-	2.776	2.416
Group 2	1.539	1.237	2.776	2.416

Share Class Z Gross Accumulation

Group 1	2.999	-	2.999	2.610
Group 2	1.635	1.364	2.999	2.610

AXA Global Short Duration Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

Investment Objective

The aim of the Fund is to provide income combined with any capital growth.

Investment Policy

The Fund invests predominantly in a diversified portfolio of bonds (including index-linked bonds) issued by companies and governments globally (including in emerging markets) where the period for full repayment of the bond by the company or government is expected to be less than 5 years. The Fund aims to reduce the effect of fluctuations in interest rates and the frequency and magnitude of market movements while generating income.

The Fund may invest up to 60% in high yield bonds. The Fund manager seeks to reduce the effect of credit risk through diversification and its analysis and selection of bonds. Where bonds are denominated in a currency other than sterling, the Fund aims to reduce the risk of movements in exchange rates between such currency and sterling through the use of derivatives (financial instruments which derive their value from the value of other assets).

The Fund may also use derivatives in an attempt to reduce the overall risks of its investments, reduce the costs of investing or generate additional capital or income (known as Efficient Portfolio Management - EPM).

Risk and Reward Profile

As at 30 June 2018

Lower Risk

Higher Risk

Potentially lower reward

Potentially higher reward

1	2	3	4	5	6	7
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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.

Why is this Fund in this category?

The capital of the Fund is not guaranteed. The Fund is invested in financial markets and uses techniques and instruments which are subject to low levels of variation under normal market conditions but which may still result in losses.

Additional risks

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

- **Credit risk-** all bonds have a potential credit risk, in that the issuer could default on its obligations to pay income and/or capital. An issuer default would likely result in a large drop in the value of that bond. The value of a bond will also be affected by the perceived credit risk of the issuer, including changes to credit ratings and the general level of aversion to credit risk in the market. Generally, an increased level of perceived credit risk leads to a fall in the value of the bond, and vice versa. Credit risk can be measured by ratings assigned to issuers of bonds by third party credit rating agencies. The largest credit rating agencies are Moody's, Standard & Poor's and Fitch Ratings. Each credit rating agency uses different designations. The highest designation (Aaa (Moody's), AAA (Standard & Poor's and Fitch Ratings)) are intended to represent a lower probability of default of the issuer. The credit rating agencies designate "investment grade" bonds as Baa3 or above (Moody's) or BBB- or above (Standard & Poor's or Fitch Ratings).

Internal investment guidelines are set, if necessary, to ensure credit risk is maintained within a range deemed suitable based on the individual Fund's investment objectives and investment policy. These guidelines could include credit quality indicators, measures of sensitivity to credit spread moves and diversification measures.

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

AXA Global Short Duration Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

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

- **Prepayment and extension risk**- prepayment risk is the risk associated with the early unscheduled return of capital (i.e., repayment of the debt) by the issuer on a bond. Prepayment generally occurs in a declining interest rate environment. When capital is returned early, no future interest payments will be paid on that part of the capital. If the bond was purchased at a premium (i.e., at a price greater than the value of the capital), the return on the bond will be less than what was estimated at the time of purchase.

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

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

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

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

- **High yield bonds risk** - high yield bonds (also known as sub-investment grade bonds) are fixed interest securities issued by companies or governments with lower credit ratings (Ba1 and below (Moody's) or BB+ and below (Standard & Poor's and Fitch Ratings)). They are potentially more risky than investment grade bonds which have higher ratings. The issuers of high yield bonds will be at greater risk of default or ratings downgrades. The capital value of a Fund's investment in high yield bonds and the level of income it receives may fall as a result of such issuers ceasing to trade. A Fund will endeavour to mitigate the risks associated with high yield bonds, by diversifying their holdings by issuer, industry and credit quality.

This is an inherent risk for Funds invested within high yield bonds. Internal investment guidelines (which may include measures of credit quality, measures of sensitivity to credit spread moves and 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.

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

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

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

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

- **Emerging Markets risk** - investment in emerging markets 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.

AXA Global Short Duration Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

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 major markets;
- b. the same level of government supervision and regulation of markets 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 emerging markets may mean that from time to time the ACD may experience more difficulty in purchasing or selling holdings of securities than it would in a more developed market.

This is an inherent risk for Funds invested within Emerging Markets. Internal investment guidelines (such as 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.

- **Liquidity risk-** under certain market conditions, it may be difficult to buy or sell investments for the Fund. For example, corporate and emerging market bonds may be affected by the demand in the market for such bonds 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 ACD may be forced to buy or sell such investments as a consequence of Shareholders buying or selling Shares in the Fund. Depending on market conditions at the time, this could lead to a significant drop in the Fund's value.

Regular monitoring is conducted to ensure a high degree of confidence that Fund liquidity will meet the Fund's expected liquidity requirements.

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

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

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

- **Currency risk** (Note that the Fund aims to reduce the risk of movements in exchange rates by hedging the foreign currency exposure of the Fund back to pounds sterling.) - Assets of a 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.

AXA Global Short Duration Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

The ACD aims to reduce the risk of movements in exchange rates on the value of all or part of the assets of a Fund through the use of currency exchange transactions. A 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 a Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. The performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a 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 a 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.

Investment Review

The 12 months to June 2018 saw the main central banks withdrawing or discussing the withdrawal of liquidity and tightening monetary conditions. Markets also had to contend with concerns around the increased likelihood of a global trade war, renewed political risk in the European periphery, and expectations of subdued UK growth in 2018 as Brexit negotiations became increasingly strained.

US treasury and UK gilt yields were slightly lower in July on the back of lower-than-expected US and UK inflation numbers, while German bund yields were higher following increased expectations of interest rate rises by the European Central Bank (ECB). Credit spreads (the difference in yield between corporate bonds and their equivalent government issued bonds) were supported by a moderation in central bank hawkishness following ECB President Mario Draghi's comments at the ECB conference in June. However, rising tensions between the US and North Korea caused a widening in US dollar investment grade credit spreads in August, and pushed global government bond yields lower over the month. Emerging markets spreads were resilient, while dollar high yield spreads widened, underperforming European high yield. The re-emergence of political concerns about Italy, combined with the ongoing uncertainty surrounding Brexit negotiations, also weighed on spreads to some extent. In a reversal of the previous month, the large sell-off in global government bonds in September, mostly triggered by expectations of further removal of monetary accommodation from the US Federal Reserve (Fed) and ECB along with unexpected details on US tax reform, meant investment grade markets underperformed high yield and emerging markets as credit spreads tightened. Dollar investment grade credit spreads tightened significantly during the month and outperformed euro and sterling spreads, while high yield and emerging markets performed well. UK gilts sold off, markedly underperforming US treasuries and German bunds, as the Bank of England (BoE) adopted a very hawkish tone, surprising the market and significantly increasing the prospect of a November interest rate rise.

AXA Global Short Duration Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

The announcement by the ECB in October of a nine-month extension to its asset purchase programme at a reduced pace of €30 billion per month, down from €60 billion per month, and ECB President Draghi's dovishness at the press conference caused credit markets to tighten. Euro investment grade and high yield spreads significantly outperformed dollar, sterling and emerging market spreads. US treasuries underperformed bunds and gilts in October as bund yields fell after ECB President Mario Draghi said the 'very large majority' were in favour of keeping purchases open-ended. However, the risk-on environment did not continue and credit markets were weaker in November on deteriorating market sentiment caused by worries over US tax reform, heavy supply and idiosyncratic concerns in the high yield space, combined with profit-taking and diminishing expectations of ECB support. Sentiment did turn more positive mid-month with investment grade and high yield spreads tightening but still finishing the month slightly wider, while emerging markets spreads ended tighter on the month. In the UK, the BoE announced its first interest rate rise in a decade, taking rates from 0.25% to 0.5%. Spread performance was mixed in December despite limited supply, positive economic data, dovish central banks and positive news about US tax reform and Brexit. ECB policy was unchanged at the last meeting of 2017, as was its long-standing stance about continuing with further quantitative easing if necessary. In the US, the Federal Reserve (Fed)'s interest rate rise of 0.25% to a range of 1.25-1.5% was well signalled.

Credit spreads significantly tightened in January, supported by a risk-on environment driven by a favourable global economic backdrop, a generally positive earnings season, optimism over US tax reform and continued ECB corporate bond buying. Investors speculating that central banks could raise interest rates more quickly than previously expected caused a global sell-off in government bonds. In a reversal of the last month, spreads gapped wider in February as markets began to price in a more hawkish Fed after the better-than-expected US jobs report early in the month. New Fed chair Powell confirmed market fears by hinting towards an increase in the pace of interest-rate rises going forward, citing an improving economy. Indicators continued to suggest that the Eurozone economy was growing strongly, but the ECB seemed more dovish after disappointing Eurozone inflation data, helping euro investment grade credit spreads to significantly outperform dollar and sterling spreads (albeit still widening), and bund yields to fall in February. Credit spreads continued to widen in March on the back of the risk-off sentiment triggered by the trade dispute between the US and China. More positively, progress was made in Brexit negotiations, as a transition deal was agreed between the EU and the UK. The Fed raised interest rates by 25 basis points (bps) at both its March and June meetings – citing improving growth – bringing the federal Funds rate to a range of 1.75 - 2%. The ECB left interest rates on hold in March, with ECB President Mario Draghi giving reassurances that the ECB will still be in a position to do whatever it takes to achieve policy aims. Later in June, it stated that its bond-buying programme would end in December. However, Mario Draghi's dovish press conference reassured investors that interest-rate hikes were unlikely to begin before the autumn of 2019.

Credit spreads tightened in April, as worries about a full-blown trade war between the US and China receded, followed by a softening of relations with North Korea, some signs of stabilising global growth and a good earnings season in the US and Europe. Hawkish rhetoric from US President Trump over the Iran nuclear deal remained a key support for oil, while sanctions on Russia provoked turmoil in emerging markets. May saw a return to the risk-off environment. This was driven by political uncertainty in Spain and Italy, turmoil in emerging markets centred on Argentina and Turkey. In addition, trade tensions between the US and China reappeared when Trump stated that tariffs on Chinese imports would begin in June, despite constructive trade talks. Despite credit spreads tightening early in June, a sharp increase in trade tensions between the US and its major trading partners, and concerns over weaker-than-expected economic data led to spreads significantly widening in the second half of the month.

Fund activity

The Fund was very active over the period, retaining a bias towards investment grade with a preference for the dollar and sterling credit markets. The Fund invested across a range of names, including US oil and gas pipelines company Kinder Morgan, US technology company Avnet and US industrial manufacturer Ingersoll Rand in dollars; Australian real estate company Lend Lease, UK specialist bank Close Brothers and UK utility Thames Water in sterling; and German real estate company Vonovia, Italian bank UBI Banca and French utility Veolia in euro.

With nominal government bonds offering poor value over the period, we retained a preference towards US Treasury Inflation Protected Securities (TIPS), to benefit from positive carry and because we believe the market didn't fully reflect future rises in inflation.

We remained cautious on high yield (favouring Europe over US) and emerging markets due to valuations. The Fund invested across a range of names including in European high yield French car rental company Europcar and Dutch telecoms company Altice, and in emerging markets Brazilian payment system company Cielo and Indonesian utility company PLN.

AXA Global Short Duration Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

Outlook

Despite the very challenging market backdrop, the Fund managed to post a positive total return of +0.03% (Z Acc, net of fees and gross income reinvested) for the 12 months to the end of June. Over the period, the Fund's performance benefited from not only its short duration stance and attractive carry (income) but also its exposure to high yield.

Despite a weak first half of the year, the value proposition remains limited, particularly in light of further withdrawals of liquidity by the Fed and ECB, heightened risk of increased hawkishness by central banks should inflation surprise on the upside, renewed political risk in the European periphery, increased risk of a global trade war and a difficult Brexit negotiation. The sharp increase in the number of negative 'idiosyncratic' events this year is more than just 'noise' and should continue as directly linked to the gradual tightening of monetary conditions, leading to still more volatility and sharper asset repricing going forward.

Given this backdrop, we maintain a defensive bias within the Fund with a higher allocation to investment grade to allow us to benefit from potential pockets of weaknesses ahead and add to high yield and emerging markets at better levels.

All performance data source: AXA Investment Managers and Bloomberg

Past performance is not a guide to future performance.

Major Purchases

- AXA Fixed Interest ICVC - US Short Duration High Yield Fund
- Banco Santander Variable 12/04/23
- General Motors Financial 3.2% 06/07/21
- Nationwide Building Society Variable 08/03/23
- Scania 1.875% 28/06/22

Major Sales/Redemptions

- United States Treasury Inflation Indexed Bonds 0.125% 15/04/18
- Allergan Funding SCS 3% 12/03/20
- Shire Acquisitions Investments Ireland 1.9% 23/09/19
- Mylan 2.5% 07/06/19
- Ford Motor Credit Variable 28/03/22

Nicolas Trindade

30 June 2018

AXA Investment Managers UK Limited

AXA Global Short Duration Bond Fund

Comparative Tables

As at 30 June 2018

	S Gross Income+		S Gross Accumulation+	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	(p)	(p)	(p)	(p)
Change in net assets per share				
Opening net asset value per share †	99.61	100.00	99.83	100.00
Return before operating charges ^	0.46	(0.14)	0.45	(0.14)
Operating charges ^	(0.23)	(0.03)	(0.23)	(0.03)
Return after operating charges ^	0.23	(0.17)	0.22	(0.17)
Distributions	(1.83)	(0.22)	(1.85)	(0.22)
Retained distributions on accumulation shares	-	-	1.85	0.22
Closing net asset value per share †	98.01	99.61	100.05	99.83
*^ after direct transaction costs of:	-	-	-	-
Performance				
Return after operating charges	0.23%	-0.17%	0.22%	-0.17%
Other information				
Closing net asset value (£) †	81,722,937	69,566,969	13,897,251	4,475,459
Closing number of shares	83,382,343	69,839,700	13,889,684	4,483,132
Operating charges ^	0.23%	0.25%	0.23%	0.24%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price #	100.60	100.17	100.90	100.17
Lowest share price #	98.74	99.88	99.94	99.88

	Z Gross Income+		Z Gross Accumulation+	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	(p)	(p)	(p)	(p)
Change in net assets per share				
Opening net asset value per share †	99.68	100.00	99.86	100.00
Return before operating charges ^	0.38	(0.08)	0.40	(0.09)
Operating charges ^	(0.42)	(0.04)	(0.43)	(0.05)
Return after operating charges ^	(0.04)	(0.12)	(0.03)	(0.14)
Distributions	(1.63)	(0.20)	(1.64)	(0.20)
Retained distributions on accumulation shares	-	-	1.64	0.20
Closing net asset value per share †	98.01	99.68	99.83	99.86
*^ after direct transaction costs of:	-	-	-	-
Performance				
Return after operating charges	-0.04%	-0.12%	-0.03%	-0.14%
Other information				
Closing net asset value (£) †	11,981,536	532,038	24,213,582	155,301
Closing number of shares	12,224,216	533,754	24,254,339	155,522
Operating charges ^	0.43%	0.45%	0.43%	0.44%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%
Prices				
Highest share price #	100.50	100.16	100.80	100.16
Lowest share price #	98.69	99.88	99.92	99.88

AXA Global Short Duration Bond Fund

Comparative Tables

As at 30 June 2018

	ZI Gross Income ~	ZI Gross Accumulation~
	30/06/2018	30/06/2018
Change in net assets per share	(p)	(p)
Opening net asset value per share †	100.00	100.00
Return before operating charges ^	(0.36)	(0.40)
Operating charges ^	(0.28)	(0.28)
Return after operating charges ^	(0.64)	(0.68)
Distributions	(1.54)	(1.53)
Retained distributions on accumulation shares	-	1.53
Closing net asset value per share †	97.82	99.32
*^ after direct transaction costs of:	-	-
Performance		
Return after operating charges	-0.64%	-0.68%
Other information		
Closing net asset value (£) †	17,194,373	26,092,593
Closing number of shares	17,577,418	26,270,138
Operating charges ^	0.27%	0.27%
Direct transaction costs *	0.00%	0.00%
Prices		
Highest share price #	100.10	100.20
Lowest share price #	98.53	99.51

† Valued at bid-market prices.

High and low price disclosures are based on quoted share 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 sub-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. figures used within these tables have been calculated against the average net asset value for the accounting year.

+ Data are shown since inception: 17 May 2017.

~ ZI share class launched on 29 August 2017.

AXA Global Short Duration Bond Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
GOVERNMENT BONDS 4.56% (30/06/17: 6.98%)			
Argentina 0.38% (30/06/17: 0.43%)			
Provincia de Buenos Aires 5.375% 20/01/23	EUR 800,000	673	0.38
Dominican Republic 0.37% (30/06/17: 0.00%)			
Dominican Republic International Bond 7.50% 06/05/21	800,000	639	0.37
Egypt 0.37% (30/06/17: 0.00%)			
Egypt Government International Bond 5.577% 21/02/23	903,000	652	0.37
Hungary 0.00% (30/06/17: 0.80%)			
Serbia 0.44% (30/06/17: 0.54%)			
Serbia International Bond 5.875% 03/12/18	1,000,000	768	0.44
Spain 0.00% (30/06/17: 0.26%)			
United Kingdom 0.00% (30/06/17: 0.17%)			
United States 3.00% (30/06/17: 4.78%)			
United States Treasury Inflation Indexed Bonds 0.125% 15/04/21	3,320,000	2,629	1.50
United States Treasury Inflation Indexed Bonds 0.125% 15/04/22	3,430,000	2,632	1.50
TOTAL GOVERNMENT BONDS		7,993	4.56
CORPORATE BONDS 88.34% (30/06/17: 80.84%)			
Argentina 1.22% (30/06/17: 0.40%)			
Pampa Energia 7.375% 21/07/23	1,200,000	871	0.50
YPF 8.5% 23/03/21	1,630,000	1,259	0.72
Australia 1.77% (30/06/17: 1.93%)			
Commonwealth Bank of Australia Variable 18/09/22	700,000	533	0.31
Macquarie 6% 14/01/20	500,000	394	0.23
Macquarie 6.25% 14/01/21	1,000,000	806	0.46
National Australia Bank Variable 12/11/24	EUR 700,000	632	0.36
Scentre Trust 2.375% 08/04/22	GBP 700,000	716	0.41
Austria 0.36% (30/06/17: 0.42%)			
Sappi Papier 3.375% 01/04/22	EUR 700,000	625	0.36
Belgium 1.81% (30/06/17: 0.95%)			
Belfius Bank 0.75% 12/09/22	EUR 800,000	706	0.40
Belfius Bank 2.25% 26/09/18	EUR 400,000	356	0.20
Belfius Bank Variable 15/03/28	EUR 1,400,000	1,210	0.69
KBC Variable 11/03/27	EUR 1,000,000	903	0.52
Bermuda 1.30% (30/06/17: 0.39%)			
China Water Affairs 5.25% 07/02/22	800,000	589	0.34
Hiscox 2% 14/12/22	GBP 970,000	971	0.55
Ooredoo International Finance 7.875% 10/06/19	900,000	714	0.41
Brazil 0.99% (30/06/17: 0.00%)			
Cielo 3.75% 16/11/22	1,000,000	706	0.41
Natura Cosmeticos 5.375% 01/02/23	1,400,000	1,019	0.58

AXA Global Short Duration Bond Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
Canada 1.08% (30/06/17: 0.44%)			
Entertainment One 6.875% 15/12/22	GBP 450,000	471	0.27
Manulife Financial 4.9% 17/09/20	600,000	470	0.27
Royal Bank of Canada Variable 08/12/22	GBP 946,000	944	0.54
Cayman Islands 0.33% (30/06/17: 0.46%*)			
Mizzen Bondco 7% 01/05/21	GBP 568,200	579	0.33
Chile 0.00% (30/06/17: 0.39%)			
China 0.45% (30/06/17: 0.73%)			
Shougang 3.375% 09/12/19	1,050,000	792	0.45
Curacao 0.33% (30/06/17: 0.00%)			
Teva Pharmaceutical Finance 3.65% 10/11/21	800,000	583	0.33
Denmark 0.82% (30/06/17: 1.76%)			
Danske Bank Variable 29/09/21	GBP 700,000	705	0.40
ISS Global 1.125% 09/01/20	EUR 810,000	728	0.42
Finland 0.37% (30/06/17: 0.86%)			
Sampo 1.5% 16/09/21	EUR 700,000	645	0.37
France 6.09% (30/06/17: 7.08%)			
Banque Federative du Credit Mutuel 0.875% 08/06/20	GBP 400,000	396	0.23
BPCE Variable 08/07/26	EUR 1,000,000	923	0.53
Carrefour 0.875% 12/06/23	EUR 300,000	266	0.15
Carrefour 1.75% 22/05/19	EUR 600,000	540	0.31
Credit Agricole Variable 10/01/22	700,000	543	0.31
Credit Agricole Variable 24/04/23	1,116,000	847	0.48
Dexia Credit Local 1.125% 15/06/22	GBP 800,000	792	0.45
Elis 3% 30/04/22	EUR 350,000	314	0.18
Eutelsat 2.625% 13/01/20	EUR 900,000	822	0.47
Eutelsat 3.125% 10/10/22	EUR 200,000	195	0.11
ICADE 1.875% 14/09/22	EUR 600,000	561	0.32
La Banque Postale 4.375% 30/11/20	EUR 100,000	97	0.06
La Banque Postale Variable 23/04/26	EUR 1,000,000	920	0.53
Lafarge 4.75% 23/03/20	EUR 1,000,000	957	0.55
RCI Banque 1.875% 08/11/22	GBP 283,000	282	0.16
RCI Banque Variable 12/01/23	EUR 450,000	393	0.22
Societe Fonciere Lyonnaise 1.875% 26/11/21	EUR 700,000	650	0.37
Societe Fonciere Lyonnaise 2.25% 16/11/22	EUR 400,000	377	0.21
Veolia Environnement 0% 23/11/20	EUR 900,000	797	0.45
Germany 1.87% (30/06/17: 1.68%)			
Daimler 1.5% 13/01/22	GBP 550,000	547	0.31
DEMIRE Deutsche Mittelstand Real Estate 2.875% 15/07/22	EUR 650,000	580	0.33
Deutsche Bank 1.75% 16/12/21	GBP 700,000	672	0.38
Deutsche Bank 1.875% 28/02/20	GBP 700,000	691	0.40
Senvion 3.875% 25/10/22	EUR 1,030,000	783	0.45
Guernsey 0.59% (30/06/17: 0.88%)			
Credit Suisse Funding Guernsey 3% 27/05/22	GBP 1,000,000	1,033	0.59
Hungary 0.32% (30/06/17: 0.00%)			
MFB Magyar Fejlesztési Bank Zrt 6.25% 21/10/20	700,000	558	0.32

AXA Global Short Duration Bond Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
Ireland 3.97% (30/06/17: 2.20%*)			
AerCap Ireland Capital 3.75% 15/05/19	1,675,000	1,280	0.73
Bank of Ireland 1.25% 09/04/20	EUR 700,000	633	0.36
eircom Finance 4.5% 31/05/22	EUR 900,000	813	0.46
ESB Finance 6.5% 05/03/20	GBP 1,100,000	1,190	0.68
Johnson Controls International 0% 04/12/20	EUR 763,000	674	0.39
MMC Norilsk Nickel 6.625% 14/10/22	1,000,000	806	0.46
SMBC Aviation Capital Finance 2.65% 15/07/21	1,550,000	1,140	0.65
Smurfit Kappa Acquisitions 3.25% 01/06/21	EUR 450,000	424	0.24
Italy 4.24% (30/06/17: 3.80%*)			
Autostrade per l'Italia 6.25% 09/06/22	GBP 1,190,000	1,384	0.79
Enel 6.25% 20/06/19	GBP 550,000	575	0.33
FCA Bank Ireland 1.625% 29/09/21	GBP 725,000	713	0.41
Intesa Sanpaolo 5.25% 28/01/22	GBP 1,050,000	1,139	0.65
Snaitech 6.375% 07/11/21	EUR 500,000	463	0.26
Telecom Italia 6.375% 24/06/19	GBP 650,000	678	0.39
UniCredit 1% 18/01/23	EUR 1,300,000	1,094	0.62
Unione di Banche Italiane 0.75% 17/10/22	EUR 989,000	822	0.47
Wind Tre 2.625% 20/01/23	EUR 750,000	557	0.32
Japan 1.70% (30/06/17: 1.25%*)			
Mitsubishi UFJ Financial Variable 25/07/22	1,300,000	992	0.57
Mizuho Financial Variable 28/02/22	700,000	537	0.31
Sumitomo Mitsui Financial Variable 14/06/22	EUR 445,000	393	0.22
Sumitomo Mitsui Financial Variable 12/07/22	385,000	293	0.17
Sumitomo Mitsui Financial Variable 18/10/22	1,000,000	761	0.43
Jersey 2.07% (30/06/17: 3.26%*)			
AA Bond 2.875% 31/01/22	GBP 1,000,000	980	0.56
CPUK Finance 2.666% 28/02/20	GBP 700,000	711	0.41
Glencore Finance Europe 6% 03/04/22	GBP 900,000	1,018	0.58
Heathrow Funding 9.2% 29/03/21	GBP 400,000	481	0.27
Porterbrook Rail Finance 6.5% 20/10/20	GBP 400,000	442	0.25
Luxembourg 5.00% (30/06/17: 3.38%*)			
Altice Luxembourg 7.25% 15/05/22	EUR 1,000,000	889	0.51
B&M European Value Retail 4.125% 01/02/22	GBP 350,000	354	0.20
Cabot Financial Luxembourg II Variable 15/11/21	EUR 700,000	626	0.36
eDreams ODIGEO 8.5% 01/08/21	EUR 635,057	582	0.33
Garfunkelux Holdco 3 8.5% 01/11/22	GBP 900,000	878	0.50
Gazprom Capital 5.338% 25/09/20	GBP 650,000	686	0.39
HeidelbergCement Finance Luxembourg 3.25% 21/10/20	EUR 550,000	522	0.30
Intralot Capital Luxembourg 6.75% 15/09/21	EUR 1,500,000	1,245	0.71
LSF9 Balta Issuer 7.75% 15/09/22	EUR 486,000	449	0.26
Matterhorn Telecom 3.875% 01/05/22	EUR 650,000	582	0.33
Monitchem HoldCo 3 5.25% 15/06/21	EUR 680,000	595	0.34
Severstal OAO Via Steel Capital 3.85% 27/08/21	1,000,000	746	0.43
Swissport Financing 6.75% 15/12/21	EUR 650,000	596	0.34
Mauritius 0.72% (30/06/17: 0.43%*)			
HT Global IT Solutions 7% 14/07/21	1,650,000	1,252	0.72
Mexico 0.37% (30/06/17: 0.00%*)			
Petroleos Mexicanos 4.875% 24/01/22	850,000	650	0.37

AXA Global Short Duration Bond Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
Netherlands 8.03% (30/06/17: 9.89%)			
ABN AMRO Bank 1% 30/06/20	GBP 300,000	298	0.17
ABN AMRO Bank 6.375% 27/04/21	EUR 700,000	718	0.41
Achmea 2.5% 19/11/20	EUR 600,000	562	0.32
Achmea Bank 0.875% 17/09/18	EUR 350,000	311	0.18
Allianz Finance II Variable 07/12/20	EUR 400,000	358	0.20
de Volksbank 0.125% 28/09/20	EUR 946,000	839	0.48
EDP Finance 2.625% 18/01/22	EUR 800,000	758	0.43
ING Variable 29/03/22	700,000	541	0.31
innogy Finance 0.75% 30/11/22	EUR 791,000	708	0.40
innogy Finance 5.5% 06/07/22	GBP 350,000	399	0.23
innogy Finance 6.5% 20/04/21	GBP 550,000	623	0.36
Koninklijke KPN 3.75% 21/09/20	EUR 700,000	671	0.38
NN 0.25% 01/06/20	EUR 350,000	311	0.18
NN 1% 18/03/22	EUR 350,000	317	0.18
OCI 5% 15/04/23	EUR 262,000	236	0.13
OI European 6.75% 15/09/20	EUR 350,000	350	0.20
Petrobras Global Finance 6.125% 17/01/22	391,000	301	0.17
Schoeller Allibert 8% 01/10/21	EUR 650,000	591	0.34
Teva Pharmaceutical Finance Netherlands II 0.375% 25/07/20	EUR 500,000	431	0.25
Volkswagen Financial Services 1.625% 09/06/22	GBP 1,300,000	1,287	0.74
Volkswagen Financial Services 2.375% 13/11/18	GBP 750,000	753	0.43
Vonovia Finance 0.875% 03/07/23	EUR 400,000	352	0.20
Vonovia Finance 1.625% 15/12/20	EUR 700,000	643	0.37
Vonovia Finance 2.125% 09/07/22	EUR 400,000	376	0.21
Vonovia Finance Variable 22/12/22	EUR 1,500,000	1,323	0.76
Panama 0.55% (30/06/17: 0.00%)			
Global Bank 5.125% 30/10/19	1,250,000	959	0.55
Peru 0.31% (30/06/17: 0.00%)			
BBVA Banco Continental 5.00% 26/08/22	700,000	546	0.31
Spain 2.44% (30/06/17: 2.10%)			
Banco Santander Variable 11/04/22	800,000	620	0.35
Banco Santander Variable 12/04/23	2,400,000	1,823	1.04
BBVA Subordinated Capital Variable 11/04/24	EUR 500,000	452	0.26
Inmobiliaria Colonial Socimi 1.863% 05/06/19	EUR 700,000	630	0.36
Telefonica Emisiones 5.597% 12/03/20	GBP 700,000	746	0.43
Sweden 1.96% (30/06/17: 0.41%)			
Intrum 2.75% 15/07/22	EUR 680,000	570	0.32
Scania 1.875% 28/06/22	GBP 1,600,000	1,597	0.91
Svenska Handelsbanken 1.625% 18/06/22	GBP 1,275,000	1,273	0.73
Switzerland 0.31% (30/06/17: 0.74%)			
UBS Funding Switzerland Variable 01/02/22	700,000	546	0.31
Turkey 0.66% (30/06/17: 0.51%)			
Akbank Turk 4% 24/01/20	500,000	367	0.21
Akbank Turk 5% 24/10/22	1,100,000	789	0.45
United Arab Emirates 0.17% (30/06/17: 0.43%*)			
Kuwait Projects Co SPC 9.375% 15/07/20	350,000	292	0.17

AXA Global Short Duration Bond Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
United Kingdom 15.15% (30/06/17: 15.21%)			
Aviva 0.1% 13/12/18	EUR 350,000	310	0.18
Babcock International 1.75% 06/10/22	EUR 1,650,000	1,511	0.86
BAE Systems 4.125% 08/06/22	GBP 385,000	419	0.24
Barclays Bank 10% 21/05/21	GBP 550,000	661	0.38
BP Capital Markets 2.994% 18/02/19	EUR 350,000	316	0.18
BP Capital Markets Variable 19/09/22	261,000	201	0.12
Close Brothers 2.75% 26/04/23	GBP 386,000	387	0.22
Close Brothers 4.25% 24/01/27	GBP 1,150,000	1,199	0.68
Co-operative 2011 Variable 08/07/20	GBP 650,000	702	0.40
Drax Finco 4.25% 01/05/22	GBP 950,000	951	0.54
EC Finance 2.375% 15/11/22	EUR 730,000	636	0.36
Firstgroup 5.25% 29/11/22	GBP 300,000	332	0.19
Firstgroup 8.75% 08/04/21	GBP 550,000	643	0.37
G4S 7.75% 13/05/19	GBP 1,300,000	1,369	0.78
Gerdau Trade 5.75% 30/01/21	840,000	652	0.37
Gold Fields Orogen Holdings BVI 4.875% 07/10/20	450,000	341	0.19
Great Rolling Stock 6.25% 27/07/20	GBP 950,000	1,037	0.59
HSBC Variable 27/06/23	GBP 1,156,000	1,150	0.66
Jaguar Land Rover Automotive 2.75% 24/01/21	GBP 700,000	694	0.40
Lendlease Europe Finance 6.125% 12/10/21	GBP 900,000	1,012	0.58
Lloyds Bank Variable 09/07/25	GBP 900,000	958	0.55
National Express 6.625% 17/06/20	GBP 500,000	546	0.31
National Express Variable 15/05/20	EUR 517,000	457	0.26
Nationwide Building Society Variable 08/03/24	2,200,000	1,635	0.93
Natwest Markets 1.125% 14/06/23	EUR 1,748,000	1,544	0.88
Next 5.375% 26/10/21	GBP 890,000	984	0.56
Santander UK 0.875% 13/01/20	EUR 100,000	90	0.05
Santander UK 0.875% 25/11/20	EUR 250,000	225	0.13
Santander UK Variable 27/03/24	EUR 1,167,000	1,027	0.59
Severn Trent Utilities Finance 1.125% 07/09/21	GBP 350,000	346	0.20
Severn Trent Utilities Finance 1.625% 04/12/22	GBP 417,000	415	0.24
Synlab Bondco 6.25% 01/07/22	EUR 650,000	591	0.34
Tate & Lyle International Finance 6.75% 25/11/19	GBP 765,000	821	0.47
Thames Water Utilities Finance 5.05% 30/06/20	GBP 1,100,000	1,171	0.67
TSB Bank Variable 07/12/22	GBP 473,000	472	0.27
WPP Finance Variable 20/03/22	EUR 823,000	726	0.41
United States 20.99% (30/06/17: 18.86%)			
American Honda Finance 1.3% 21/03/22	GBP 700,000	695	0.40
Ares Capital 3.875% 15/01/20	1,300,000	993	0.57
Athene Global Funding 2.75% 20/04/20	1,865,000	1,402	0.80
Aviation Capital 7.125% 15/10/20	1,439,000	1,181	0.67
Avnet 3.75% 01/12/21	1,300,000	985	0.56
Bank of America 2.151% 09/11/20	750,000	557	0.32
BAT Capital Variable 15/08/22	600,000	459	0.26
Black Hills 2.5% 11/01/19	1,200,000	911	0.52
Charter Communications Operating 3.579% 23/07/20	900,000	682	0.39
Citigroup 2.4% 18/02/20	975,000	733	0.42
Citizens Bank 2.25% 02/03/20	2,000,000	1,497	0.85
CVS Health 3.35% 09/03/21	1,983,000	1,507	0.86
Dell International 3.48% 01/06/19	1,625,000	1,239	0.71
Eastman Chemical 2.7% 15/01/20	750,000	565	0.32

AXA Global Short Duration Bond Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
Enterprise Products Operating 2.8% 15/02/21	800,000	601	0.34
Exelon Generation 2.95% 15/01/20	2,225,000	1,687	0.96
Express Scripts 3.9% 15/02/22	2,000,000	1,518	0.87
Fidelity National Information Services 1.7% 30/06/22	GBP 550,000	545	0.31
General Mills 3.2% 16/04/21	575,000	435	0.25
General Motors Financial 3.2% 06/07/21	2,250,000	1,690	0.97
Goldman Sachs Bank USA 3.2% 05/06/20	750,000	572	0.32
Healthcare Trust of America Holdings LP 3.375% 15/07/21	800,000	607	0.35
HSBC USA 2.375% 13/11/19	600,000	452	0.26
Ingersoll-Rand Global 2.9% 21/02/21	1,985,000	1,496	0.85
Jackson National Life Global Funding Variable 27/06/22	250,000	191	0.11
JPMorgan Chase 2.55% 29/10/20	1,325,000	992	0.57
Kinder Morgan Energy Partners 5.8% 01/03/21	870,000	697	0.40
Manufacturers & Traders Trust Variable 01/12/21	1,850,000	1,401	0.80
Marriott International MD 7.15% 01/12/19	600,000	480	0.27
Metropolitan Life Global Funding I 2.875% 11/01/23	GBP 800,000	840	0.48
Morgan Stanley Variable 20/01/22	1,125,000	866	0.49
New York Life Global Funding 1.75% 15/12/22	GBP 828,000	836	0.48
Newell Brands 2.6% 29/03/19	600,000	455	0.26
Noble Energy 4.15% 15/12/21	1,839,000	1,423	0.81
Omnicom 4.45% 15/08/20	2,000,000	1,558	0.89
Philip Morris International 1.75% 19/03/20	EUR 800,000	730	0.42
Select Income REIT 3.6% 01/02/20	1,350,000	1,022	0.58
Verizon Communications Variable 16/03/22	750,000	580	0.33
Wells Fargo 2.55% 07/12/20	725,000	542	0.31
Williams Partners 4% 15/11/21		1,153	0.66
TOTAL CORPORATE BONDS		154,681	88.34
COLLECTIVE INVESTMENT SCHEMES 4.50% (30/06/17: 3.35%)			
United Kingdom 4.50% (30/06/17: 3.35%)			
AXA Fixed Interest ICVC - US Short Duration High Yield Fund	GBP 5,700,000	7,877	4.50
TOTAL COLLECTIVE INVESTMENT SCHEMES		7,877	4.50
FORWARD CURRENCY CONTRACTS (0.74%) (30/06/17: 0.67%)			
Sold EUR53,800,000 for GBP47,314,537 Settlement 03/07/2018		(348)	(0.20)
Sold EUR54,120,000 for GBP48,026,001 Settlement 02/08/2018		41	0.02
Sold USD94,350,000 for GBP70,702,799 Settlement 03/07/2018		(1,103)	(0.63)
Sold USD93,290,000 for GBP71,018,094 Settlement 02/08/2018		114	0.07
TOTAL FORWARD CURRENCY CONTRACTS		(1,296)	(0.74)
Portfolio of investments		169,255	96.66
Net other assets		5,847	3.34
Total net assets		175,102	100.00

* Since the previous report country classifications have been updated. Comparative figures have been updated where appropriate.

All bonds are denominated in US dollars (unless otherwise indicated).

At 30 June 2018, there were no investments in the Fund which were valued using a quote from a single broker (30/06/17 : £nil).

AXA Global Short Duration Bond Fund

Statement of Total Return

For the year ended 30 June 2018

		01/07/17 to 30/06/18		01/07/16 to 30/06/17	
	Note	£'000	£'000	£'000	£'000
Income:					
Net capital losses	2		(2,930)		(284)
Revenue	3	2,910		27	
Expenses	4	(363)		(7)	
Interest payable and similar charges		(25)		-	
Net revenue before taxation		2,522		20	
Taxation	5	-		-	
Net revenue after taxation			2,522		20
Total return before distributions			(408)		(264)
Distributions	6		(2,522)		(20)
Change in net assets attributable to Shareholders from investment activities			(2,930)		(284)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 June 2018

		01/07/17 to 30/06/18		01/07/16 to 30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders			74,730		-
Amounts receivable on issue of shares		111,358		84,839	
Amounts payable on cancellation of shares		(8,948)		(9,835)	
			102,410		75,004
Change in net assets attributable to Shareholders from investment activities (see above)			(2,930)		(284)
Retained distributions on accumulation shares			892		10
Closing net assets attributable to Shareholders			175,102		74,730

AXA Global Short Duration Bond Fund

Balance Sheet

As at 30 June 2018

		30/06/18	30/06/17
	Note	£'000	£'000
Assets:			
Fixed assets:			
Investments		170,706	68,635
Current assets:			
Debtors	7	2,868	63,477
Cash and bank balances	8	3,986	1,101
Total assets		177,560	133,213
Liabilities:			
Investment liabilities		(1,451)	(2)
Creditors:			
Distribution payable		(602)	(155)
Other creditors	9	(405)	(58,326)
Total liabilities		(2,458)	(58,483)
Net assets attributable to Shareholders		175,102	74,730

AXA Global Short Duration Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

1. Accounting Basis And Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 223 - 225.

2. Net capital losses

The net capital losses comprise:

Non-derivative securities

Currency gains/(losses)

Forward currency contracts

Net capital losses

01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
(1,682)	(577)
780	(145)
(2,028)	438
(2,930)	(284)

3. Revenue

Bank interest

Interest on debt securities

Interest income from Collective Investment Schemes

Rebates received from underlying funds

Total revenue

01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
8	-
2,737	26
81	-
84	1
2,910	27

4. Expenses

Payable to the ACD, associates of the ACD, and agents of either of them

ACD fees

Registration fees

Payable to the Depositary, associates of the Depositary and agents of either of them

Depositary's fees

Other expenses

Audit fees

Printing fees

Total expenses

01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
324	5
1	-
325	5
25	1
25	1
11	1
2	-
13	1
363	7

AXA Global Short Duration Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

5. Taxation

(a) Analysis of the tax charge in the year

There is no corporation tax charge in the current year or prior year.

(b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax for an open ended investment company of 20% (2017: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
Net revenue before taxation	2,522	20
Net revenue for the year multiplied by the standard rate of corporation tax	504	4
Effects of:		
Tax deductible interest distributions	(504)	(4)
Current tax charge for the year	-	-

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

(c) Deferred taxation:

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

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £nil (2017: £nil) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

6. Distributions

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

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
First interim	403	-
Second interim	588	-
Third interim	808	-
Final	936	165
Add: Revenue paid on cancellation of shares	19	23
Deduct: Revenue received on creation of shares	(232)	(168)
Net distribution for the year	2,522	20
Reconciliation of net revenue after taxation to distributions		
Net revenue after taxation	2,522	20
Net distribution for the year	2,522	20

AXA Global Short Duration Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

7. Debtors	30/06/18	30/06/17
	£'000	£'000
Amounts receivable for creation of shares	1,122	62,784
Sales awaiting settlement	-	3
Amounts due for rebates from underlying funds	10	1
Accrued revenue	1,736	689
Total debtors	2,868	63,477

8. Cash and bank balances	30/06/18	30/06/17
	£'000	£'000
Cash and bank balances	3,986	1,101
Total cash and bank balances	3,986	1,101

9. Other creditors	30/06/18	30/06/17
	£'000	£'000
Amounts payable for cancellation of shares	5	7,389
Purchases awaiting settlement	352	50,930
Annual Management Charge	35	5
Accrued other expenses	13	2
Total other creditors	405	58,326

10. Related party transactions

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

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

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

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

As at 30 June 2018 material shareholders have holdings totalling 38.22 % (30/06/2017: 62.23%) of the Fund's shares. Other than disclosed elsewhere in the financial statements, there were no material transactions between the Fund and related parties during the year.

During the current year AXA Fixed Interest ICVC AXA Global Short Duration Fund held AXA Fixed Interest ICVC US Short Duration High Yield Fund. Revenue and management charge rebates from this holding are shown in note 3 as Interest income from Collective Investment Schemes and rebates received from underlying funds. As at 30/06/18 total revenue earned amounts to £165,000 (30/06/17: £1,000).

AXA Global Short Duration Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

11. Share classes

The reconciliation of the opening and closing numbers of shares of each class, along with the ACD's Annual Management Charges applicable to each class, is shown below:

	ACD fee rate (%)	30/06/17	Issued	Cancelled	Converted	30/06/18
S Gross Income	0.20	69,839,700	15,008,581	(1,465,938)	-	83,382,343
S Gross Accumulation	0.20	4,483,132	14,314,027	(4,907,475)	-	13,889,684
Z Gross Income	0.40	533,754	12,253,523	(563,061)	-	12,224,216
Z Gross Accumulation	0.40	155,522	26,006,243	(1,907,426)	-	24,254,339
ZI Gross Income ^	0.25	-	17,628,616	(51,198)	-	17,577,418
ZI Gross Accumulation ^	0.25	-	26,314,003	(43,865)	-	26,270,138

^ ZI share class launched on 29 August 2017.

12. Commitments, contingent liabilities and contingent assets

There are no commitments, contingent liabilities and contingent assets as at the balance sheet date (2017: nil).

13. Derivatives and other financial instruments

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

Market price risk

The Fund invests principally in equity and fixed income securities. The value of the Fund's investment portfolio is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual company or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Fund seeks to manage these risks by adhering to investment guidelines and to investment and borrowing powers set out in the Prospectus. In addition, the Fund complies with the Collective Investment Schemes sourcebook ("COLL"), which include rules relating to investment holdings that are designed to place limits on the Fund's investment concentration (same as at 30 June 2017).

Market price risk sensitivity

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £17,055,161 (2017: £6,813,209). A 10% decrease would have an equal and opposite effect.

Foreign currency risk

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

Currency	Net foreign currency exposure	
	30/06/18 £'000	30/06/17 £'000
Euro	(48,242)	(13,128)
US dollar	(71,208)	(21,270)
Total foreign currency exposure	(119,450)	(34,398)

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by £10,859,091. If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by £13,272,222. These calculations assume all other variables remain constant.

AXA Global Short Duration Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

Interest rate risk

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

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

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£'000	£'000	£'000	£'000
Currency Assets				
30/06/18				
Pound sterling	3,748	44,774	9,623	58,145
Euro	5,404	41,979	459	47,842
US dollar	12,044	58,870	819	71,733
Total	21,196	145,623	10,901	177,720
30/06/17				
Pound sterling	1,084	21,904	65,604	88,592
Euro	404	16,971	282	17,657
US dollar	4,226	21,800	938	26,964
Total	5,714	60,675	66,824	133,213
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£'000	£'000	£'000	£'000
Currency Liabilities				
30/06/18				
Pound sterling	-	-	(655)	(655)
Euro	-	-	(743)	(743)
US dollar	-	-	(1,220)	(1,220)
Total	-	-	(2,618)	(2,618)
30/06/17				
Pound sterling	-	-	(25,993)	(25,993)
Euro	-	-	(13,439)	(13,439)
US dollar	-	-	(19,051)	(19,051)
Total	-	-	(58,483)	(58,483)

Sensitivity analysis

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. A 1% increase in interest rates would have the effect of decreasing the return and net assets by £nil (2017: £1,365,000). A 1% decrease would have an equal and opposite effect.

AXA Global Short Duration Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

Credit risk

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

Fixed interest investments are exposed to credit risk which reflects the ability of the bond issuer to meet its obligations. The majority of bonds in which the Fund invests are investment grade listed bonds or government securities which are lower risk. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. The ACD monitors the credit quality and risk of the portfolio as a part of the overall investment process and in accordance with the objective and policy of each sub-fund.

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

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

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

	30/06/18		30/06/17	
Credit Rating	Market Value	%	Market Value	%
	£'000		£'000	
Total bonds BBB- credit rating and above	129,141	73.74	55,669	74.50
Total bonds below BBB- credit rating	30,646	17.51	9,962	13.32
Total non-rated bonds	2,887	1.65	-	-
Total value of bonds	162,674	92.90	65,631	87.82

Counterparty risk

Transactions in securities entered into by the Company give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. The Investment Manager minimises this risk by conducting trades through only the most reputable counterparties. Counterparty risk is also managed by limiting the exposure to individual counterparties through adherence to the investment spread restrictions included within the Company's prospectus and COLL.

Financial derivative instrument risk exposure

The exposure obtained through financial derivative instruments and identity of counterparties as at 30 June 2018 was as follows:

	30/06/18	30/06/17
(a) Forwards	Exposure	Exposure
	£'000	£'000
BNP Paribas	238,358	46,030*
Total value of derivatives	238,358	46,030*

* Prior year figures have been restated.

AXA Global Short Duration Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

14. Portfolio transaction costs

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
30/06/2018						
Analysis of purchases						
Equities	1,860	-	-	-	-	1,860
Bonds	127,822	-	-	-	-	127,822
Collective Investment Schemes	5,350	-	-	-	-	5,350
Forwards	-	-	-	-	-	-
Total	135,032	-		-		135,032

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
30/06/2018						
Analysis of sales						
Equities	1,860	-	-	-	-	1,860
Bonds	27,600	-	-	-	-	27,600
Collective Investment Schemes	-	-	-	-	-	-
Forwards	-	-	-	-	-	-
Total	29,460	-		-		29,460

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
30/06/2017						
Analysis of purchases						
Bonds	67,547	-	-	-	-	67,547
Collective Investment Schemes	2,500	-	-	-	-	2,500
Forwards	-	-	-	-	-	-
Total	70,047	-		-		70,047

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
30/06/2017						
Analysis of sales						
Bonds	1,308	-	-	-	-	1,308
Collective Investment Schemes	-	-	-	-	-	-
Forwards	-	-	-	-	-	-
Total	1,308	-		-		1,308

	01/07/17 to 30/06/18 %	01/07/16 to 30/06/17 %
Transaction costs as percentage of average net asset value		
Commissions	0.00%	0.00%
Taxes	0.00%	0.00%

At the balance sheet date the average portfolio dealing spread was 0.39% (2017: 0.36%).

AXA Global Short Duration Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

15. Post balance sheet events

There are no post balance sheet events which require adjustments or disclosure.

16. Fair value disclosure

Valuation technique	30/06/18		30/06/17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1 ^	5,261	-	3,695	-
Level 2 ^^	165,445	(1,451)	64,940	(2)
Level 3 ^^	-	-	-	-
	170,706	(1,451)	68,635	(2)

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

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

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

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

AXA Global Short Duration Bond Fund

Distribution Table

As at 30 June 2018

First Distribution in pence per share

Group 1 Shares purchased prior to 1 July 2017

Group 2 Shares purchased on or after 1 July 2017 to 30 September 2017

	Net revenue (p)	Equalisation (p)	Distribution paid 30/11/17 (p)
Share Class S Gross Income			
Group 1	0.371	-	0.371
Group 2	0.190	0.181	0.371
Share Class S Gross Accumulation			
Group 1	0.372	-	0.372
Group 2	0.145	0.227	0.372
Share Class Z Gross Income			
Group 1	0.323	-	0.323
Group 2	0.197	0.126	0.323
Share Class Z Gross Accumulation			
Group 1	0.321	-	0.321
Group 2	0.133	0.188	0.321
Share Class ZI Gross Income ~			
Group 1	0.116	-	0.116
Group 2	0.116	-	0.116
Share Class ZI Gross Accumulation~			
Group 1	0.103	-	0.103
Group 2	0.103	-	0.103

AXA Global Short Duration Bond Fund

Distribution Table

As at 30 June 2018

Second Distribution in pence per share

Group 1 Shares purchased prior to 1 October 2017

Group 2 Shares purchased on or after 1 October 2017 to 31 December 2017

	Net revenue (p)	Equalisation (p)	Distribution paid 28/02/18 (p)
Share Class S Gross Income			
Group 1	0.421	-	0.421
Group 2	0.203	0.218	0.421
Share Class S Gross Accumulation			
Group 1	0.424	-	0.424
Group 2	0.372	0.052	0.424
Share Class Z Gross Income			
Group 1	0.371	-	0.371
Group 2	0.201	0.170	0.371
Share Class Z Gross Accumulation			
Group 1	0.373	-	0.373
Group 2	0.203	0.170	0.373
Share Class ZI Gross Income ~			
Group 1	0.408	-	0.408
Group 2	0.213	0.195	0.408
Share Class ZI Gross Accumulation~			
Group 1	0.407	-	0.407
Group 2	0.202	0.205	0.407

AXA Global Short Duration Bond Fund

Distribution Table

As at 30 June 2018

Third Distribution in pence per share

Group 1 Shares purchased prior to 1 January 2018

Group 2 Shares purchased on or after 1 January 2018 to 31 March 2018

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/18 (p)
Share Class S Gross Income			
Group 1	0.501	-	0.501
Group 2	0.270	0.231	0.501
Share Class S Gross Accumulation			
Group 1	0.506	-	0.506
Group 2	0.506	-	0.506
Share Class Z Gross Income			
Group 1	0.452	-	0.452
Group 2	0.222	0.230	0.452
Share Class Z Gross Accumulation			
Group 1	0.456	-	0.456
Group 2	0.226	0.230	0.456
Share Class ZI Gross Income ~			
Group 1	0.488	-	0.488
Group 2	0.227	0.261	0.488
Share Class ZI Gross Accumulation~			
Group 1	0.490	-	0.490
Group 2	0.290	0.200	0.490

AXA Global Short Duration Bond Fund

Distribution Table

As at 30 June 2018

Final Distribution in pence per share

Group 1 Shares purchased prior to 1 April 2018

Group 2 Shares purchased on or after 1 April 2018 to 30 June 2018

	Net revenue (p)	Equalisation (p)	Distribution payable 31/08/18 (p)	Distribution paid 31/08/17 (p)
Share Class S Gross Income				
Group 1	0.539	-	0.539	0.220
Group 2	0.208	0.331	0.539	0.220
Share Class S Gross Accumulation				
Group 1	0.547	-	0.547	0.216
Group 2	0.209	0.338	0.547	0.216
Share Class Z Gross Income				
Group 1	0.489	-	0.489	0.196
Group 2	0.283	0.206	0.489	0.196
Share Class Z Gross Accumulation				
Group 1	0.495	-	0.495	0.199
Group 2	0.267	0.228	0.495	0.199
Share Class ZI Gross Income ~				
Group 1	0.525	-	0.525	
Group 2	0.232	0.293	0.525	
Share Class ZI Gross Accumulation~				
Group 1	0.530	-	0.530	
Group 2	0.295	0.235	0.530	

Fund launched on 17 May 2017.

~ ZI share classes launched on 29 August 2017.

AXA Sterling Corporate Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

Investment Objective

The aim of the Fund is to provide income combined with any capital growth.

Investment Policy

The Fund invests primarily in a diversified portfolio of investment grade bonds issued by companies. The Fund manager seeks to reduce the effect of credit risk through its analysis and selection of bonds (with a particular emphasis on industry and issuer) and also positions the Fund to take advantage of the Fund manager's expectation of interest rate movements. The Fund is managed with reference to the composition and risk profile of the ICE BAML Sterling Corporate Index. However the Fund manager invests on a discretionary basis with a significant degree of freedom to take positions which are different from the index. In particular, the Fund should demonstrate lower sensitivity to movements in market interest rates than the index.

Where bonds are denominated in a currency other than sterling, the Fund aims to reduce the risk of movements in exchange rates between such currency and sterling through the use of derivatives (financial instruments which derive their value from the value of other assets). The Fund may also use derivatives in an attempt to reduce the overall risks of its investments, reduce the costs of investing or generate additional capital or income (known as Efficient Portfolio Management - EPM).

Risk and Reward Profile

As at 30 June 2018

By investing in a Fund which invests primarily in fixed interest stocks you are likely to be looking for an investment which will generate an income but has less potential for capital return than is the case with Funds which invest primarily in equities. You are willing to accept that your investment will fall and rise in value and that you could get back less than you invest. Typically, you would prefer an investment with less risk than that of a Fund which invests significantly in equities or overseas. Typically, you would be investing for a period of at least five years.

Lower Risk

Higher Risk

Potentially lower reward

Potentially higher reward

1	2	3	4	5	6	7
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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.

Why is this Fund in this category?

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

Additional risks

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

- **Credit risk** - All bonds have a potential credit risk, in that the issuer could default on its obligations to pay income and/or capital. An issuer default would likely result in a large drop in the value of that bond. The value of a bond will also be affected by the perceived credit risk of the issuer, including changes to credit ratings and the general level of aversion to credit risk in the market. Generally, an increased level of perceived credit risk leads to a fall in the value of the bond, and vice versa. Credit risk can be measured by ratings assigned to issuers of bonds by third party credit rating agencies. The largest credit rating agencies are Moody's, Standard & Poor's and Fitch Ratings. Each credit rating agency uses different designations. The highest designation (Aaa (Moody's), AAA (Standard & Poor's and Fitch Ratings)) are intended to represent a lower probability of default of the issuer. The credit rating agencies designate "investment grade" bonds as Baa3 or above (Moody's) or BBB- or above (Standard & Poor's or Fitch Ratings).

Internal investment guidelines are set, if necessary, to ensure credit risk is maintained within a range deemed suitable based on the individual Fund's investment objectives and investment policy. These guidelines could include credit quality indicators, measures of sensitivity to credit spread moves and diversification measures.

AXA Sterling Corporate Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

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

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

- **Prepayment and extension risk** - Prepayment risk is the risk associated with the early unscheduled return of capital (i.e., repayment of the debt) by the issuer on a bond. Prepayment generally occurs in a declining interest rate environment. When capital is returned early, no future interest payments will be paid on that part of the capital. If the bond was purchased at a premium (i.e., at a price greater than the value of the capital), the return on the bond will be less than what was estimated at the time of purchase.

The opposite of prepayment risk is extension risk which is the risk of a bond's expected maturity lengthening in duration due to a slowdown in prepayments of capital. Extension risk is mainly the result of rising interest rates. If the bond was purchased in anticipation of an early repayment of capital, an extension of the maturity could impact the price of the bond.

- **Liquidity risk** - Under certain market conditions, it may be difficult to buy or sell investments for the Fund. For example, corporate and emerging market bonds may be affected by the demand in the market for such bonds 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 ACD may be forced to buy or sell such investments as a consequence of Shareholders buying or selling Shares in the Fund. Depending on market conditions at the time, this could lead to a significant drop in the Fund's value.

Regular monitoring is conducted to ensure a high degree of confidence that Fund liquidity will meet the Fund's expected liquidity requirements.

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

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

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

- **Currency risk** (Note that the Fund aims to reduce the risk of movements in exchange rates by hedging the foreign currency exposure of the Fund back to pounds sterling.) - Assets of a 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.

AXA Sterling Corporate Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

The ACD aims to reduce the risk of movements in exchange rates on the value of all or part of the assets of a Fund through the use of currency exchange transactions. A 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 a Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. The performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a 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 a 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.

Investment Review

Our interim report, covering the six months to the end of December 2017, had seen central banks gradually removing very accommodative monetary policies, as firm economies led to expectations that the erosion of spare capacity would push inflation higher: rates were raised in the UK – the first increase for over 10 years, and in the US, the fifth 25bps hike in its current cycle. In Europe, lagging in the economic cycle, the European Central Bank (ECB) had announced it would scale back its Quantitative Easing (QE), halving its monthly bond purchases from January.

The latest six months began with optimism about global growth at its highest level for many years, with no apparent weak spots. With the boost to growth from expected US tax cuts, the long-awaited pick-up in inflation was a more serious possibility.

The expected timing of the next UK rate rise went full circle: The Bank of England (BoE)'s Quarterly Inflation Report in February forecast a slightly stronger growth profile, with the Bank intending to bring inflation to target within two years rather than three, so a little more hawkish. After two unanimous decisions to hold rates, in March the Bank held rates again, but two MPC members voted for a rate rise, shifting market expectations for the next UK rate rise to May and possibly November, having previously expected just one in August. UK economic data published in April, however, was on the soft side – service sector, retail sales and inflation – although March's cold weather was a plausible excuse, offering the prospect of a rebound in subsequent months. Doubts about May's rate increase emerged in April as BoE Governor Mark Carney suggested there was no rush to raise rates, and this was ruled out altogether following the release of a disappointing 0.1% GDP growth rate for the first quarter. The BoE also held rates in June, but the improvement in the economy after the soft Q1 and forecasts in May's Quarterly Inflation Report that rates will need to be tweaked higher in order to achieve the Bank's inflation target now underpins expectations of a hike in August.

Geopolitics became an increasing feature in headlines: fears of a trade war escalated as US President Trump pondered tariffs on some US imports. Tensions between Russia and the West were raised following the poisoning of a former Russian spy living in the UK. More positively, North Korea surprised by announcing it was prepared to negotiate on abandoning its nuclear weapons. In the US, the Federal Reserve increased rates by 25bps in both March and June, in line with market expectations, given more confidence that inflation would return to target amid upbeat expectations for US growth, further boosted by a significant rise in government spending. 10-year US treasury yields renewed their push to the possibly significant 3% level, last reached at the end of 2013. This level was briefly breached towards the end of April, then again in May, but markets breathed a sigh of relief that this did not trigger further significant weakness. In Europe, the ECB announced an extension of its bond buying programme beyond September, but at a reduced €15 billion a month rate (from €30 billion) and will stop altogether after December.

AXA Sterling Corporate Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

Previously steady and firm equity markets turned weaker in February and volatility increased, with government bonds benefiting from safe-haven flows. Fears of on-going weakness were not realised, however, as the sell-off was blamed on the closure of one Fund that had bet on calm equity markets. Equities were under renewed pressure in March, led by technology stocks following users' privacy issues at Facebook, but shrugged off concerns from ongoing geo-political rumblings in April. By May, however, tighter global monetary conditions began to affect emerging markets (EM), notably Argentina and Turkey, with EM bond Funds seeing significant outflows. In Italy, the unlikely political alliance between socialist and right-wing parties to form a populist government disturbed markets; much higher (non-funded) government expenditure was a concern, but rumours of a debt write-down and a potential Italian withdrawal from the Euro significantly increased the risk. The latter two were quickly ruled out and the new government attempted to soothe market concerns by committing Italy to the euro while it implements structural reforms. Core government bonds were again sought as safe havens. An expansion of the fledgling trade war became an increasing possibility, as President Trump imposed previously suggested tariffs on steel and aluminium imports from the EU, Canada and Mexico, and targeted China with a host of tariffs, threatening further tariffs if China retaliated. Later Trump mooted tariffs on EU car imports.

New issuance of sterling corporate bonds was more subdued in the latest six months, with an increase in the number of floating rate notes issued, a more popular instrument for investors in a rising rate environment. Demand has remained relatively firm, and in January when economic confidence was high, corporate bond spreads (yield premium over gilts) gapped tighter to the most expensive levels since before the financial crisis began over 10 years ago. Thereafter, corporate bonds followed general risk-on/off sentiment; weaker (spreads wider) with equities in February and to a lesser extent in March, rallying in April before gapping wider in the general risk-off that accompanied EM and particularly Italian political worries in May. Initial strength in June was reversed by month end. Corporate bond spreads were a net 18bps wider (adjusted for +4bps index rebalancing) at +124bps over the latest six months, having traded as tight as +93bps in January. For the 12 months, spreads were 10bps wider (adjusted for a 7bps index rebalancing). In addition to spread, returns from corporate bonds are also based on the move in underlying gilt yields, which were a little higher, but well off their highs as geopolitical concerns increased. 10-year gilt yields rose 9bps to 1.28% (with a high of 1.65% in mid-February) over the six months to give a return on the ICE BAML Gilt index of +0.34%. Over 12 months, yields were 2bps higher, with the index returning +2.00%. So combined with higher gilt yields, corporate bond yields were 35bps higher at 2.45% over the latest six months, to give a return on the ICE BAML Sterling Non-Gilt Index of -1.26%. (Over 12 months, yields were 17bps higher to give a return of +0.71%). By rating band, moves were as to be expected in a more risk-averse environment, with lower rated bonds underperforming: BBBs widened the most, 32bps to +180bps, with single As +24bps at +133bps, AAs 9bps wider at +69bps while AAA rated spreads were just 5bps wider at +36bps. Subordinated insurance led the spread widening, +80bps to +268bps as higher beta sectors, previous outperformers in strong markets, underperformed.

The AXA Sterling Corporate Bond Fund provided a total return of +1.54% (Z Acc, net of fees and gross income reinvested) during the 12 months to 30 June 2018, -0.98% in the last six months.

The Fund added some higher quality names in January as we viewed the market as relatively expensive. Cashflows were generally used to maintain the broad shape of the portfolio, with single A and BBB rated bonds dominating, although as spreads widened in May and June, we increased the risk profile marginally to take advantage of cheaper levels in some subordinated financials. New issues added included Scania, London & Quadrant, New River REIT, Southern Gas Networks, Land Securities, Virgin Money, Close Brothers, Santander UK, Hastings and Provident Financial. We also reintroduced the Intu 2022 convertible bond on a yield much higher than Intu's conventional bonds. The Fund's duration was adjusted using gilt futures, gradually lengthened as gilt yields rose, then reduced when gilt yields had fallen significantly.

The firm global economic backdrop underpins expectations that central banks will continue the gradual removal of stimulative monetary policies (rates and quantitative easing) as limited capacity makes it difficult to grow without pushing inflation higher. That said, economic performance, in Europe in particular, has not lived up to the hype expected following the very strong surveys that were prevalent at the start of the year. This positive outlook could be derailed by President Trump's aggressive tariff positioning, which could lead to a full blown trade war, damaging growth and pushing inflation higher – the worst of both worlds. That could leave central banks with awkward decisions to make. Still Trump's lack of diplomacy to date has often actually generated positive results (North Korea de-nuclearisation talks and China opening up its economy). One to watch. Immediate risks from the new Italian government appear to have been allayed, but as the government implements new policies, concerns could resurface. Government bond yields have pulled back from their recent highs, given the increase in geopolitical risks and the uncertainty that they have created. If risks were to dissipate, there would likely be upward pressure on yields.

AXA Sterling Corporate Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

In addition to the global backdrop, the UK has to contend with its withdrawal from the European Union. Brexit negotiations have been prolonged with many difficulties along the way – no wonder, when there are so many different interpretations of what Brexit actually means. Conceding too much ground to the EU makes it difficult for Theresa May to satisfy those pro-Brexit members of her own party, risking a rebellion, but at the same time many companies are calling for continued access to European markets, which would require a softer Brexit. How will she get that balance right? The uncertainty about the Brexit outcome continues to delay investment decisions in the UK, holding back growth. The UK's very gentle rate hike cycle – one 25bps rise this year and probably one in each of the next two years should not, in isolation, push gilt yields decisively higher. The risk is that poor negotiations delay any rate hike.

M&A activity is on the increase, which may lead to an increase in some corporate borrowing, but by and large corporate credit fundamentals are sound. There are few signs of wholesale corporate re-leveraging, which is often problematic when the economy turns. Spreads have cheapened from their most expensive levels of earlier this year. With no deterioration in credit fundamentals, this suggests some impact from higher rates and the removal (in the case of the US) and reduction (in the case of Europe) of some QE measures. Demand for corporate bonds remains firm, and with gilt yields failing to rise significantly, the extra yield offered should continue to attract investors. The direction of corporate bond yields will likely be strongly influenced by the move in gilt yields.

*All performance data source: AXA Investment Managers, ICE BofA Merrill Lynch and Bloomberg
Past performance is not a guide to future performance*

Major Purchases

- Direct Line Insurance 4.75% Perpetual
- Intu Jersey 2 2.875% 01/11/22
- Scottish Widows 7% 16/06/43
- Canary Wharf Finance II 6.8% 22/10/33
- GE Capital UK Funding Unlimited 5.875% 18/01/33

Major Sales

- Annington Repackaging 5.3236% 10/01/23
- Scottish Widows 5.5% 16/06/23
- AA Bond 4.2487% 31/07/43
- Segro 6.75% 23/11/21
- Credit Suisse 3% 27/05/22

Phil Roantree

30 June 2018

AXA Investment Managers UK Limited

AXA Sterling Corporate Bond Fund

Comparative Tables

As at 30 June 2018

	H Net Accumulation			H Gross Accumulation		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	142.22	131.19	121.64	156.89	144.16	132.58
Return before operating charges ^	3.12	11.70	10.68	3.42	12.85	11.63
Operating charges ^	(0.09)	(0.11)	(0.05)	(0.10)	(0.12)	(0.05)
Return after operating charges ^	3.03	11.59	10.63	3.32	12.73	11.58
Distributions	(5.11)	(5.46)	(5.43)	(5.61)	(5.99)	(5.89)
Retained distributions on accumulation shares	5.11	4.90	4.35	5.61	5.99	5.89
Closing net asset value per share †	145.25	142.22	131.19	160.21	156.89	144.16
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	2.13%	8.84%	8.74%	2.12%	8.83%	8.73%
Other information						
Closing net asset value (£) †	7,262	7,111	6,559	8,353,801	8,180,851	7,517,043
Closing number of shares	5,000	5,000	5,000	5,214,378	5,214,378	5,214,378
Operating charges ^	0.06%	0.08%	0.04%	0.06%	0.08%	0.04%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	147.10	144.60	131.00	162.20	159.50	144.00
Lowest share price #	142.40	133.00	121.20	157.00	146.10	132.10
	R Net Income			R Gross Income		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	88.16	84.23	80.86	85.41	81.60	78.33
Return before operating charges ^	1.92	7.44	6.92	1.86	7.21	6.73
Operating charges ^	(0.94)	(0.95)	(0.85)	(0.91)	(0.92)	(0.83)
Return after operating charges ^	0.98	6.49	6.07	0.95	6.29	5.90
Distributions	(2.23)	(2.56)	(2.70)	(2.16)	(2.48)	(2.63)
Retained distributions on accumulation shares	-	-	-	-	-	-
Closing net asset value per share †	86.91	88.16	84.23	84.20	85.41	81.60
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	1.11%	7.71%	7.51%	1.11%	7.71%	7.53%
Other information						
Closing net asset value (£) †	622,086	742,801	816,387	2,043,230	2,474,093	2,948,544
Closing number of shares	715,761	842,587	969,255	2,426,516	2,896,722	3,613,571
Operating charges ^	1.06%	1.08%	1.05%	1.06%	1.08%	1.05%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	90.75	90.71	84.69	87.92	87.94	82.18
Lowest share price #	87.02	85.38	79.29	84.31	82.73	76.89

AXA Sterling Corporate Bond Fund

Comparative Tables

As at 30 June 2018

	R Net Accumulation			R Gross Accumulation		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	140.53	130.84	122.34	140.82	130.69	121.39
Return before operating charges ^	3.06	11.60	10.63	3.06	11.62	10.59
Operating charges ^	(1.51)	(1.49)	(1.30)	(1.51)	(1.49)	(1.29)
Return after operating charges ^	1.55	10.11	9.33	1.55	10.13	9.30
Distributions	(3.58)	(4.02)	(4.14)	(3.59)	(4.02)	(4.12)
Retained distributions on accumulation shares	3.58	3.60	3.31	3.59	4.02	4.12
Closing net asset value per share †	142.08	140.53	130.84	142.37	140.82	130.69
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	1.10%	7.73%	7.63%	1.10%	7.75%	7.66%
Other information						
Closing net asset value (£) †	4,374,364	4,136,810	3,071,034	1,585,679	1,724,545	1,712,676
Closing number of shares	3,078,828	2,943,687	2,347,193	1,113,772	1,224,647	1,310,480
Operating charges ^	1.06%	1.08%	1.05%	1.06%	1.08%	1.05%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	144.70	143.00	130.70	145.00	143.30	130.50
Lowest share price #	140.50	132.60	121.50	140.80	132.50	120.90
	Z Net Income			Z Gross Income		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	88.70	84.74	81.36	93.02	88.86	85.25
Return before operating charges ^	1.94	7.50	6.96	2.02	7.87	7.36
Operating charges ^	(0.50)	(0.51)	(0.44)	(0.52)	(0.54)	(0.46)
Return after operating charges ^	1.44	6.99	6.52	1.50	7.33	6.90
Distributions	(2.69)	(3.03)	(3.14)	(2.82)	(3.17)	(3.29)
Retained distributions on accumulation shares	-	-	-	-	-	-
Closing net asset value per share †	87.45	88.70	84.74	91.70	93.02	88.86
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	1.62%	8.25%	8.01%	1.61%	8.25%	8.09%
Other information						
Closing net asset value (£) †	11,442,003	12,000,776	17,997,518	432,574	325,264	289,687
Closing number of shares	13,084,082	13,529,111	21,238,138	471,720	349,686	326,001
Operating charges ^	0.56%	0.58%	0.54%	0.56%	0.58%	0.54%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	91.40	91.30	85.29	95.84	95.82	89.60
Lowest share price #	87.62	85.92	79.82	91.88	90.11	83.78

AXA Sterling Corporate Bond Fund

Comparative Tables

As at 30 June 2018

	Z Net Accumulation			Z Gross Accumulation		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	133.89	124.11	115.51	149.15	137.76	127.34
Return before operating charges ^	2.91	11.00	10.15	3.25	12.24	11.13
Operating charges ^	(0.76)	(0.76)	(0.64)	(0.85)	(0.85)	(0.71)
Return after operating charges ^	2.15	10.24	9.51	2.40	11.39	10.42
Distributions	(4.10)	(4.47)	(4.51)	(4.57)	(4.98)	(4.99)
Retained distributions on accumulation shares	4.10	4.01	3.60	4.57	4.98	4.99
Closing net asset value per share †	136.04	133.89	124.11	151.55	149.15	137.76
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	1.61%	8.25%	8.23%	1.61%	8.27%	8.18%
Other information						
Closing net asset value (£) †	20,610,248	6,667,936	2,822,307	1,788,734	852,914	373,980
Closing number of shares	15,150,052	4,980,161	2,273,980	1,180,319	571,847	271,468
Operating charges ^	0.56%	0.58%	0.54%	0.56%	0.58%	0.54%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	138.10	136.20	124.00	153.80	151.70	137.60
Lowest share price #	134.00	125.80	115.00	149.30	139.60	126.90
	B Net Accumulation**			B Gross Accumulation**		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	113.96	105.51	100.00	114.82	105.93	100.00
Return before operating charges ^	2.47	9.39	6.11	2.51	9.43	6.16
Operating charges ^	(0.53)	(0.54)	(0.23)	(0.54)	(0.54)	(0.23)
Return after operating charges ^	1.94	8.85	5.88	1.97	8.89	5.93
Distributions	(3.61)	(3.92)	(1.84)	(3.63)	(3.94)	(1.86)
Retained distributions on accumulation shares	3.61	3.52	1.47	3.63	3.94	1.86
Closing net asset value per share †	115.90	113.96	105.51	116.79	114.82	105.93
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	1.70%	8.39%	5.88%	1.72%	8.39%	5.93%
Other information						
Closing net asset value (£) †	440,162	514,878	554,307	10,562,817	11,476,867	12,157,411
Closing number of shares	379,763	451,812	525,350	9,044,666	9,995,163	11,477,327
Operating charges ^	0.46%	0.48%	0.48%	0.46%	0.48%	0.48%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	117.60	115.90	105.40	118.50	116.80	105.80
Lowest share price #	114.10	106.90	97.88	114.90	107.40	97.95

AXA Sterling Corporate Bond Fund

Comparative Tables

As at 30 June 2018

	B Net Income**			B Gross Income**		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	108.88	104.02	100.00	108.91	104.03	100.00
Return before operating charges ^	2.37	9.21	6.09	2.38	9.22	6.12
Operating charges ^	(0.50)	(0.52)	(0.23)	(0.50)	(0.52)	(0.23)
Return after operating charges ^	1.87	8.69	5.86	1.88	8.70	5.89
Distributions	(3.41)	(3.83)	(1.84)	(3.41)	(3.82)	(1.86)
Retained distributions on accumulation shares	-	-	-	-	-	-
Closing net asset value per share †	107.34	108.88	104.02	107.38	108.91	104.03
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	1.71%	8.35%	5.86%	1.72%	8.36%	5.89%
Other information						
Closing net asset value (£) †	38,165	38,766	37,485	420,783	453,628	508,289
Closing number of shares	35,554	35,603	36,036	391,881	416,499	488,575
Operating charges ^	0.46%	0.48%	0.48%	0.46%	0.48%	0.48%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	112.20	112.00	104.70	112.20	112.20	104.90
Lowest share price #	107.60	105.40	97.88	107.60	105.50	97.95

† Valued at bid-market prices.

High and low price disclosures are based on quoted share 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 sub-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 these tables have been calculated against the average net asset value for the accounting year.

** B share class launched on 15 January 2016.

AXA Sterling Corporate Bond Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
CORPORATE BONDS 96.85% (30/06/17: 97.38%*)			
Australia 2.75% (30/06/17: 4.31%*)			
APT Pipelines 3.5% 22/03/30	250,000	257	0.41
APT Pipelines 4.25% 26/11/24	250,000	274	0.44
BHP Billiton Finance Variable 22/10/77	190,000	213	0.34
Scentre Trust 3.875% 16/07/26	300,000	329	0.52
Vicinity Centres Trust 3.375% 07/04/26	200,000	210	0.33
Westfield America Management 2.625% 30/03/29	450,000	443	0.71
Belgium 0.73% (30/06/17: 0.75%)			
Anheuser-Busch InBev 2.25% 24/05/29	381,000	364	0.58
Anheuser-Busch InBev 2.85% 25/05/37	100,000	96	0.15
Canada 2.37% (30/06/17: 0.71%)			
Bank of Nova Scotia 1.25% 08/06/22	250,000	245	0.39
Bank of Nova Scotia 1.75% 23/12/22	500,000	497	0.79
Canadian Imperial Bank of Commerce 1.125% 30/06/22	400,000	396	0.63
Royal Bank of Canada 1.125% 22/12/21	350,000	348	0.56
Cayman Islands 3.45% (30/06/17: 1.90%)			
Dwr Cymru Financing 2.5% 31/03/36	143,000	140	0.22
Thames Water Utilities Cayman Finance 1.875% 24/01/24	300,000	292	0.47
Thames Water Utilities Cayman Finance 4% 19/06/25	250,000	274	0.44
Thames Water Utilities Cayman Finance Variable 13/09/30	350,000	391	0.62
Trafford Centre Finance 7.03% 28/01/29	406,239	503	0.80
Yorkshire Power Finance 7.25% 04/08/28	401,000	564	0.90
France 4.54% (30/06/17: 6.34%)			
BNP Paribas 5.75% 24/01/22	300,000	337	0.54
BPCE 5.25% 16/04/29	400,000	452	0.72
CNP Assurances Variable 30/09/41	300,000	336	0.54
Credit Agricole 5.5% 17/12/21	300,000	340	0.54
Dexia Credit Local 0.875% 07/09/21	200,000	197	0.31
Electricite de France 6% Perpetual	300,000	305	0.49
Electricite de France 6.125% 02/06/34	200,000	265	0.42
Orange 5.75% Perpetual	250,000	269	0.43
Total Capital International 1.75% 07/07/25	348,000	344	0.55
Germany 0.88% (30/06/17: 1.14%*)			
Daimler 2.75% 04/12/20	179,000	184	0.29
Deutsche Bahn Finance 2.75% 20/06/22	350,000	368	0.59
Guernsey 0.39% (30/06/17: 1.36%)			
Credit Suisse Funding Guernsey 2.75% 08/08/25	250,000	247	0.39
Ireland 0.83% (30/06/17: 0.00%*)			
GE Capital UK Funding Unlimited 5.875% 18/01/33	400,000	521	0.83
Italy 0.74% (30/06/17: 0.95%*)			
Autostrade per l'Italia 6.25% 09/06/22	250,000	291	0.47
FCA Bank Ireland 1.625% 29/09/21	171,000	168	0.27
Japan 0.81% (30/06/17: 0.00%)			
East Japan Railway 4.75% 08/12/31	400,000	509	0.81

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Portfolio Statement

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	Holding	Market Value £'000	% of Total Net Assets
Jersey 6.58% (30/06/17: 7.48%*)			
AA Bond 2.75% 31/07/23	167,000	159	0.25
AA Bond 2.875% 31/01/22	300,000	294	0.47
CPUK Finance 7.239% 28/02/24	300,000	371	0.59
Gatwick Funding 4.625% 27/03/34	250,000	295	0.47
Gatwick Funding 5.25% 23/01/24	284,000	327	0.52
Glencore Finance Europe 6% 03/04/22	350,000	396	0.63
Glencore Finance Europe 6.5% 27/02/19	200,000	206	0.33
Hastings Finance 3% 24/05/25	159,000	159	0.25
Heathrow Funding 6.45% 10/12/31	400,000	551	0.88
Intu Jersey 2 2.875% 01/11/22	500,000	457	0.73
Kennedy Wilson Europe Real Estate 3.95% 30/06/22	300,000	312	0.50
Porterbrook Rail Finance 6.5% 20/10/20	250,000	276	0.44
Porterbrook Rail Finance 7.125% 20/10/26	250,000	326	0.52
Mexico 0.74% (30/06/17: 0.95%)			
America Movil 5.75% 28/06/30	160,000	202	0.32
America Movil Variable 06/09/73	250,000	264	0.42
Netherlands 6.63% (30/06/17: 9.28%*)			
ABN AMRO Bank 1% 30/06/20	300,000	298	0.48
Cooperatieve Rabobank 4.625% 23/05/29	350,000	389	0.62
Daimler International Finance 3.5% 06/06/19	300,000	306	0.49
Deutsche Telekom International Finance 6.5% 08/04/22	204,000	239	0.38
E.ON International Finance 6.375% 07/06/32	350,000	476	0.76
ELM for Swiss Reinsurance 6.3024% Perpetual	450,000	460	0.73
Enel Finance International 5.625% 14/08/24	350,000	407	0.65
Highbury Finance 7.017% 20/03/23	423,412	491	0.78
ING Bank 5.375% 15/04/21	350,000	387	0.62
innogy Finance 6.25% 03/06/30	300,000	394	0.63
Koninklijke KPN 5.75% 17/09/29	250,000	308	0.49
Spain 0.67% (30/06/17: 1.02%)			
Telefonica Emisiones 5.445% 08/10/29	350,000	421	0.67
Sweden 2.42% (30/06/17: 0.74%)			
Scania 1.875% 28/06/22	250,000	249	0.40
Svenska Handelsbanken 1.625% 18/06/22	375,000	374	0.60
Svenska Handelsbanken 2.375% 18/01/22	350,000	359	0.57
Swedbank 1.25% 29/12/21	165,000	163	0.26
Swedbank 1.625% 28/12/22	375,000	372	0.59
Switzerland 0.75% (30/06/17: 0.00%)			
UBS London 1.25% 10/12/20	473,000	471	0.75
United Kingdom 54.49% (30/06/17: 52.87%)			
ABP Finance 6.25% 14/12/26	300,000	370	0.59
Admiral 5.5% 25/07/24	307,000	336	0.54
Anglian Water Services Financing 2.625% 15/06/27	250,000	239	0.38
Anglian Water Services Financing 6.293% 30/07/30	125,000	171	0.27
Aspire Defence Finance 4.674% 31/03/40	231,963	281	0.45
Aviva 5.9021% Perpetual	400,000	417	0.67
Aviva Variable 14/11/36	100,000	111	0.18
Bank of Scotland 6.375% 16/08/19	250,000	263	0.42
Bank of Scotland 9.375% 15/05/21	200,000	239	0.38
Barclays Bank 9.5% 07/08/21	250,000	298	0.48
Barclays Bank 10% 21/05/21	350,000	420	0.67

AXA Sterling Corporate Bond Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
BAT International Finance 7.25% 12/03/24	300,000	376	0.60
BL Superstores Finance 5.27% 04/10/25	219,439	240	0.38
BL Superstores Finance 5.578% 04/10/25	175,000	202	0.32
BP Capital Markets 1.177% 12/08/23	250,000	243	0.39
British Telecommunications 3.125% 21/11/31	250,000	242	0.39
Broadgate Financing 4.851% 05/04/31	295,000	370	0.59
Broadgate Financing 4.949% 05/04/29	288,431	337	0.54
Bunzl Finance 2.25% 11/06/25	250,000	245	0.39
Cadent Finance 2.125% 22/09/28	350,000	331	0.53
Cadent Finance 2.625% 22/09/38	250,000	228	0.36
Canary Wharf Finance II 6.8% 22/10/33	487,980	633	1.01
Centrica 4.375% 13/03/29	225,000	255	0.41
Centrica Variable 10/04/75	300,000	313	0.50
Close Brothers 4.25% 24/01/27	500,000	521	0.83
Compass 2% 03/07/29	200,000	192	0.31
Coventry Building Society 1.875% 24/10/23	279,000	275	0.44
Direct Line Insurance 4.75% Perpetual	450,000	410	0.65
Direct Line Insurance Variable 27/04/42	100,000	122	0.20
Eastern Power Networks 6.25% 12/11/36	250,000	359	0.57
Electricity North West 8.875% 25/03/26	375,000	542	0.86
Eversholt Funding 3.529% 07/08/42	400,000	390	0.62
Eversholt Funding 6.359% 02/12/25	250,000	308	0.49
Experian Finance 2.125% 27/09/24	214,000	212	0.34
Firstgroup 8.75% 08/04/21	200,000	234	0.37
GlaxoSmithKline Capital 3.375% 20/12/27	450,000	490	0.78
Great Rolling Stock 6.875% 27/07/35	159,940	202	0.32
Greene King Finance 4.0643% 15/03/35	91,417	98	0.16
Greene King Finance 5.318% 15/09/31	344,677	399	0.64
HSBC 5.75% 20/12/27	250,000	295	0.47
HSBC 6.75% 11/09/28	400,000	506	0.81
HSBC Variable 13/11/26	199,000	191	0.30
Imperial Brands Finance 5.5% 28/09/26	300,000	354	0.56
Intu SGS Finance 4.25% 17/09/30	264,000	291	0.46
John Lewis 8.375% 08/04/19	200,000	210	0.33
Land Securities Capital Markets 1.974% 08/02/24	250,000	251	0.40
Legal & General Variable 27/10/45	400,000	430	0.69
Lloyds Bank 7.5% 15/04/24	400,000	515	0.82
London & Quadrant Housing Trust 2.625% 28/02/28	150,000	149	0.24
London Power Networks 6.125% 07/06/27	250,000	318	0.51
Marston's Issuer Variable 15/07/35	250,000	224	0.36
Martlet Homes 3% 09/05/52	250,000	235	0.38
Meadowhall Finance 4.986% 12/01/32	432,688	526	0.84
Mitchells & Butlers Finance 5.965% 15/12/23	151,560	166	0.26
Mitchells & Butlers Finance 6.013% 15/12/28	389,971	452	0.72
Mitchells & Butlers Finance 6.469% 15/09/30	532,000	616	0.98
Motability Operations 4.375% 08/02/27	400,000	464	0.74
National Express 6.625% 17/06/20	100,000	109	0.17
Nationwide Building Society 3.25% 20/01/28	373,000	392	0.62
NewRiver REIT 3.5% 07/03/28	400,000	394	0.63
Next 3.625% 18/05/28	500,000	501	0.80
Next 4.375% 02/10/26	400,000	429	0.68
NIE Finance 6.375% 02/06/26	300,000	385	0.61
Northern Gas Networks Finance 4.875% 30/06/27	350,000	418	0.67
Northumbrian Water Finance 1.625% 11/10/26	400,000	372	0.59
Northumbrian Water Finance 6.875% 06/02/23	300,000	364	0.58
Places for People Homes 3.625% 22/11/28	384,000	389	0.62
Places For People Treasury 2.875% 17/08/26	359,000	352	0.56

AXA Sterling Corporate Bond Fund

Portfolio Statement

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	Holding	Market Value £'000	% of Total Net Assets
Provident Financial 7% 04/06/23	248,000	253	0.40
Prudential Variable 20/07/55	250,000	252	0.40
RL Finance Bonds No. 2 Variable 30/11/43	400,000	442	0.71
RSL Finance No 1 6.625% 31/03/38	273,226	375	0.60
Santander UK Variable 08/05/26	500,000	497	0.79
Santander UK 3.625% 14/01/26	300,000	313	0.50
Scottish Widows 7% 16/06/43	550,000	661	1.05
Segro 2.375% 11/10/29	250,000	242	0.39
Segro 6.75% 23/11/21	200,000	232	0.37
Severn Trent Utilities Finance 1.625% 04/12/22	149,000	148	0.24
Severn Trent Utilities Finance 6.125% 26/02/24	400,000	482	0.77
Skipton Building Society 1.75% 30/06/22	400,000	394	0.63
Society of Lloyd's 4.75% 30/10/24	350,000	376	0.60
Southern Gas Networks 3.1% 15/09/36	219,000	219	0.35
Southern Gas Networks 4.875% 21/03/29	450,000	541	0.86
SP Manweb 4.875% 20/09/27	265,000	315	0.50
SSE 3.875% Perpetual	250,000	253	0.40
Standard Chartered 5.125% 06/06/34	250,000	267	0.43
Standard Life Aberdeen Variable 04/12/42	392,000	432	0.69
Student Finance 2.6663% 30/09/24	400,000	397	0.63
Tate & Lyle International Finance 6.75% 25/11/19	153,000	164	0.26
Telereal Securitisation 5.3887% 10/12/31	290,733	345	0.55
Telereal Securitisation Variable 10/12/33	500,000	522	0.83
Tesco Property Finance 2 6.0517% 13/10/39	391,939	462	0.74
Tesco Property Finance 3 5.744% 13/04/40	340,590	395	0.63
Tesco Property Finance 6 5.4111% 13/07/44	315,744	357	0.57
Unilever 1.375% 15/09/24	400,000	391	0.62
Virgin Money Variable 24/04/26	246,000	246	0.39
Vodafone 5.9% 26/11/32	250,000	329	0.52
Western Power Distribution South West 2.375% 16/05/29	400,000	385	0.61
Western Power Distribution South West 5.875% 25/03/27	375,000	467	0.74
Yorkshire Building Society Variable 20/11/24	300,000	308	0.49
Zurich Finance UK 6.625% Perpetual	450,000	505	0.81
United States 7.08% (30/06/17: 7.58%*)			
AT&T 4.375% 14/09/29	400,000	440	0.70
Bank of America 6.125% 15/09/21	350,000	397	0.63
BAT Capital 2.125% 15/08/25	250,000	242	0.39
Digital Stout 4.75% 13/10/23	296,000	328	0.52
Discovery Communications 2.5% 20/09/24	300,000	293	0.47
General Electric 5.25% 07/12/28	450,000	541	0.86
Goldman Sachs 5.5% 12/10/21	300,000	331	0.53
Metropolitan Life Global Funding I 2.875% 11/01/23	371,000	389	0.62
Prologis 2.25% 30/06/29	350,000	331	0.53
Tennessee Valley Authority 5.625% 07/06/32	350,000	484	0.77
Toyota Motor Credit 1.125% 07/09/21	200,000	199	0.32
Washington Mutual Bank 5.5% 10/06/19^	850,000	-	
Wells Fargo 2.125% 22/04/22	240,000	241	0.38
Wells Fargo Bank 5.25% 01/08/23	200,000	224	0.36
TOTAL CORPORATE BONDS		60,747	96.85

AXA Sterling Corporate Bond Fund

Portfolio Statement

As at 30 June 2018

FUTURES 0.04% (30/06/17: (0.03%))

Long Gilt Futures September 2018

Holding	Market Value £'000	% of Total Net Assets
16	23	0.04
TOTAL FUTURES	23	0.04
Portfolio of investments	60,770	96.89
Net other assets	1,952	3.11
Total net assets	62,722	100.00

^ These stocks have either been suspended, delisted or are in liquidation.

* Since the previous report country classifications have been updated. Comparative figures have been updated where appropriate.

All bonds are denominated in sterling (unless otherwise indicated).

At 30 June 2018, there were no investments in the Fund which were valued using a quote from a single broker (30/06/17 : £nil).

AXA Sterling Corporate Bond Fund

Statement of Total Return

For the year ended 30 June 2018

		01/07/17 to 30/06/18		01/07/16 to 30/06/17	
	Note	£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	2		(970)		2,319
Revenue	3	2,044		2,109	
Expenses	4	(311)		(294)	
Net revenue before taxation		1,733		1,815	
Taxation	5	-		-	
Net revenue after taxation			1,733		1,815
Total return before distributions			763		4,134
Distributions	6		(1,733)		(1,815)
Change in net assets attributable to Shareholders from investment activities			(970)		2,319

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 June 2018

		01/07/17 to 30/06/18		01/07/16 to 30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders			49,597		50,813
Amounts receivable on issue of shares		26,762		9,541	
Amounts payable on cancellation of shares		(14,012)		(14,180)	
			12,750		(4,639)
Dilution adjustment			-		28
Change in net assets attributable to Shareholders from investment activities (see above)			(970)		2,319
Retained distributions on accumulation shares			1,345		1,076
Closing net assets attributable to Shareholders			62,722		49,597

AXA Sterling Corporate Bond Fund

Balance Sheet

As at 30 June 2018

		30/06/18	30/06/17
	Note	£'000	£'000
Assets:			
Fixed assets:			
Investments		60,770	48,294
Current assets:			
Debtors	7	1,326	1,013
Cash and bank balances	8	1,143	1,157
Total assets		63,239	50,464
Liabilities:			
Investment liabilities		-	(13)
Creditors:			
Distribution payable		(110)	(126)
Other creditors	9	(407)	(728)
Total liabilities		(517)	(867)
Net assets attributable to Shareholders		62,722	49,597

AXA Sterling Corporate Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

1. Accounting Basis And Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 223 - 225.

2. Net capital (losses)/gains

The net capital (losses)/gains comprise:

Non-derivative securities
Brokers commission on futures
Currency gains
Derivative contracts
Forward currency contracts
Transaction charges
Net capital (losses)/gains

01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
(1,197)	1,883
(1)	(1)
-	6
230	429
-	3
(2)	(1)
(970)	2,319

3. Revenue

Bank interest
Interest on debt securities
Total revenue

01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
2	-
2,042	2,109
2,044	2,109

4. Expenses

Payable to the ACD, associates of the ACD, and agents of either of them

ACD fees
Registration fees

01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
277	255
6	7
283	262*

Payable to the Depositary, associates of the Depositary and agents of either of them

Depositary's fees
Safe custody fees

15	15
4	4
19	19

Other expenses

Audit fees
Printing fees

8	7
1	6*
9	13
311	294

Total expenses

*Prior year figures have been reclassified.

AXA Sterling Corporate Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

5. Taxation

(a) Analysis of the tax charge in the year

There is no corporation tax charge in the current year or prior year.

(b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax for an open ended investment company of 20% (2017: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
Net revenue before taxation	1,733	1,815
Net revenue for the year multiplied by the standard rate of corporation tax	347	363
Effects of:		
Tax deductible interest distributions	(347)	(363)
Current tax charge for the year	-	-

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

(c) Deferred taxation:

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

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £nil (2017: £nil) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

6. Distributions

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

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
First interim	415	434
Second interim	436	440
Third interim	445	405
Final	475	401
Add: Revenue paid on cancellation of shares	68	73
Deduct: Revenue received on creation of shares	(106)	(37)
Tax withheld on interest distributions	-	99
Net distribution for the year	1,733	1,815
Reconciliation of net revenue after taxation to distributions		
Net revenue after taxation	1,733	1,815
Net distribution for the year	1,733	1,815

AXA Sterling Corporate Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

7. Debtors

	30/06/18	30/06/17
	£'000	£'000
Amounts receivable for creation of shares	412	273
Accrued revenue	914	740
Total debtors	1,326	1,013

8. Cash and bank balances

	30/06/18	30/06/17
	£'000	£'000
Cash and bank balances	1,138	1,113
Amount held at futures clearing houses and brokers	5	44
Total cash and bank balances	1,143	1,157

9. Other creditors

	30/06/18	30/06/17
	£'000	£'000
Amounts payable for cancellation of shares	23	119
Purchases awaiting settlement	345	552
Annual Management Charge	24	41
Accrued other expenses	15	16
Total other creditors	407	728

10. Related party transactions

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

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

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

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

As at 30 June 2018 material shareholders have holdings totalling 28.60% (30/06/2017: 27.28%) of the Funds' shares. Other than disclosed elsewhere in the financial statements, there were no material transactions between the Fund and related parties during the year.

AXA Sterling Corporate Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

11. Share classes

The reconciliation of the opening and closing numbers of shares of each class, along with the ACD's Annual Management Charges applicable to each class, is shown below:

	ACD fee rate (%)	30/06/17	Issued	Cancelled	Converted	30/06/18
H Net Accumulation	-	5,000	-	-	-	5,000
H Gross Accumulation	-	5,214,378	-	-	-	5,214,378
R Net Income	1.00	842,587	39,975	(137,084)	(29,717)	715,761
R Gross Income	1.00	2,896,722	10,270	(233,059)	(247,417)	2,426,516
R Net Accumulation	1.00	2,943,687	863,070	(728,467)	538	3,078,828
R Gross Accumulation	1.00	1,224,647	7,917	(115,742)	(3,050)	1,113,772
Z Net Income	0.50	13,529,111	2,667,475	(3,203,777)	91,273	13,084,082
Z Gross Income	0.50	349,686	6,445	(52,580)	168,169	471,720
Z Net Accumulation	0.50	4,980,161	15,507,850	(5,337,959)	-	15,150,052
Z Gross Accumulation	0.50	571,847	1,097,731	(491,630)	2,371	1,180,319
B Net Accumulation	0.40	451,812	4,031	(76,080)	-	379,763
B Gross Accumulation	0.40	9,995,163	20,840	(971,337)	-	9,044,666
B Net Income	0.40	35,603	1,014	(1,063)	-	35,554
B Gross Income	0.40	416,499	867	(25,485)	-	391,881

12. Commitments, contingent liabilities and contingent assets

There are no commitments, contingent liabilities and contingent assets as at the balance sheet date (2017: nil).

13. Derivatives and other financial instruments

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

Market price risk

The Fund invests principally in equity and fixed income securities. The value of the Fund's investment portfolio is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual company or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Fund seeks to manage these risks by adhering to investment guidelines and to investment and borrowing powers set out in the Prospectus. In addition, the Fund complies with the Collective Investment Schemes sourcebook ("COLL"), which include rules relating to investment holdings that are designed to place limits on the Fund's investment concentration (same as at 30 June 2017).

Market price risk sensitivity

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £6,074,750 (2017: £4,829,403). A 10% decrease would have an equal and opposite effect.

Foreign currency risk

As at balance sheet date there was no significant exposure to foreign currency therefore no foreign exchange rate sensitivity analysis is disclosed.

AXA Sterling Corporate Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

Interest rate risk

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

Interest rate risk profile of financial assets and liabilities

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

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£'000	£'000	£'000	£'000
Currency Assets				
30/06/18				
Pound sterling	1,143	60,747	1,349	63,239
Total	1,143	60,747	1,349	63,239
30/06/17				
Pound sterling	1,158	48,294	1,012	50,464
Total	1,158	48,294	1,012	50,464
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£'000	£'000	£'000	£'000
Currency Liabilities				
30/06/18				
Pound sterling	-	-	(517)	(517)
Total	-	-	(517)	(517)
30/06/17				
Pound sterling	-	-	(867)	(867)
Total	-	-	(867)	(867)

Sensitivity analysis

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. A 1% increase in interest rates would have the effect of decreasing the return and net assets by £3,857,000 (2017: £3,091,000) A 1% decrease would have an equal and opposite effect.

AXA Sterling Corporate Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

Credit risk

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

Fixed interest investments are exposed to credit risk which reflects the ability of the bond issuer to meet its obligations. The majority of bonds in which the Fund invests are investment grade listed bonds or government securities which are lower risk. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. The ACD monitors the credit quality and risk of the portfolio as a part of the overall investment process and in accordance with the objective and policy of each sub-fund.

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

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

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

	30/06/18		30/06/17	
Credit Rating	Market Value	%	Market Value	%
	£'000		£'000	
Total bonds BBB- credit rating and above	56,898	90.71	46,927	94.62
Total bonds below BBB- credit rating	3,182	5.08	1,144	2.31
Total non-rated bonds	667	1.06	223	0.45
Total value of bonds	60,747	96.85	48,294	97.38

Counterparty risk

Transactions in securities entered into by the Company give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. The Investment Manager minimises this risk by conducting trades through only the most reputable counterparties. Counterparty risk is also managed by limiting the exposure to individual counterparties through adherence to the investment spread restrictions included within the Company's prospectus and COLL.

Financial derivative instrument risk exposure

The exposure obtained through financial derivative instruments and identity of counterparties as at 30 June 2018 was as follows:

	30/06/18	30/06/17
(a) Futures	Exposure	Exposure
	£'000	£'000
Royal Bank of Scotland	23	(13)
Total value of derivatives	23	(13)

AXA Sterling Corporate Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

14. Portfolio transaction costs

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
30/06/2018						
Analysis of purchases						
Bonds	28,194	-	-	-	-	28,194
Futures	-	-	-	-	-	-
Total	28,194	-		-		28,194

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
30/06/2018						
Analysis of sales						
Bonds	13,664	-	-	-	-	13,664
Futures	-	-	-	-	-	-
Total	13,664	-		-		13,664

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
30/06/2017						
Analysis of purchases						
Bonds	11,174	-	-	-	-	11,174
Futures	-	-	-	-	-	-
Total	11,174	-		-		11,174

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
30/06/2017						
Analysis of sales						
Bonds	14,191	-	-	-	-	14,191
Futures	-	(1)	-	-	-	-
Total	14,191	(1)		-		14,191

	01/07/17 to 30/06/18 %	01/07/16 to 30/06/17 %
Transaction costs as percentage of average net asset value		
Commissions	0.00%	0.00%
Taxes	0.00%	0.00%

At the balance sheet date the average portfolio dealing spread was 0.65% (2017: 0.70%).

15. Post balance sheet events

There are no post balance sheet events which require adjustments or disclosure.

AXA Sterling Corporate Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

16. Fair value disclosure

Valuation technique	30/06/18		30/06/17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1 ^	23	-	346	(13)
Level 2 ^^	60,747	-	47,948	-
Level 3 ^^	-	-	-	-
	<u>60,770</u>	<u>-</u>	<u>48,294</u>	<u>(13)</u>

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

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

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

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

AXA Sterling Corporate Bond Fund

Distribution Table

As at 30 June 2018

First Distribution in pence per share

Group 1 Shares purchased prior to 1 July 2017

Group 2 Shares purchased on or after 1 July 2017 to 30 September 2017

	Net revenue (p)	Equalisation (p)	Distribution paid 30/11/17 (p)	Distribution paid 30/11/16 (p)
Share Class H Net Accumulation				
Group 1	1.388	-	1.388	1.112
Group 2	1.388	-	1.388	1.112
Share Class H Gross Accumulation				
Group 1	1.523	-	1.523	1.518
Group 2	1.523	-	1.523	1.518
Share Class R Net Income				
Group 1	0.632	-	0.632	0.530
Group 2	0.262	0.370	0.632	0.530
Share Class R Gross Income				
Group 1	0.612	-	0.612	0.641
Group 2	0.612	-	0.612	0.641
Share Class R Net Accumulation				
Group 1	1.007	-	1.007	0.823
Group 2	0.430	0.577	1.007	0.823
Share Class R Gross Accumulation				
Group 1	1.009	-	1.009	1.027
Group 2	0.507	0.502	1.009	1.027
Share Class Z Net Income				
Group 1	0.749	-	0.749	0.623
Group 2	0.267	0.482	0.749	0.623

AXA Sterling Corporate Bond Fund

Distribution Table

As at 30 June 2018

Share Class Z Gross Income

Group 1	0.785	-	0.785	0.817
Group 2	0.444	0.341	0.785	0.817

Share Class Z Net Accumulation

Group 1	1.129	-	1.129	0.911
Group 2	0.307	0.822	1.129	0.911

Share Class Z Gross Accumulation

Group 1	1.258	-	1.258	1.266
Group 2	0.619	0.639	1.258	1.266

Share Class B Net Accumulation

Group 1	0.991	-	0.991	0.803
Group 2	0.991	-	0.991	0.803

Share Class B Gross Accumulation

Group 1	0.998	-	0.998	1.002
Group 2	0.419	0.579	0.998	1.002

Share Class B Net Income

Group 1	0.947	-	0.947	0.788
Group 2	0.947	-	0.947	0.788

Share Class B Gross Income

Group 1	0.947	-	0.947	0.985
Group 2	0.947	-	0.947	0.985

AXA Sterling Corporate Bond Fund

Distribution Table

As at 30 June 2018

Second Distribution in pence per share

Group 1 Shares purchased prior to 1 October 2017

Group 2 Shares purchased on or after 1 October 2017 to 31 December 2017

	Net revenue (p)	Equalisation (p)	Distribution paid 28/02/18 (p)	Distribution paid 28/02/17 (p)
Share Class H Net Accumulation				
Group 1	1.230	-	1.230	1.136
Group 2	1.230	-	1.230	1.136
Share Class H Gross Accumulation				
Group 1	1.352	-	1.352	1.559
Group 2	1.352	-	1.352	1.559
Share Class R Net Income				
Group 1	0.530	-	0.530	0.535
Group 2	0.230	0.300	0.530	0.535
Share Class R Gross Income				
Group 1	0.513	-	0.513	0.663
Group 2	0.513	-	0.513	0.663
Share Class R Net Accumulation				
Group 1	0.851	-	0.851	0.855
Group 2	0.406	0.445	0.851	0.855
Share Class R Gross Accumulation				
Group 1	0.852	-	0.852	1.070
Group 2	0.540	0.312	0.852	1.070
Share Class Z Net Income				
Group 1	0.646	-	0.646	0.638
Group 2	0.581	0.065	0.646	0.638

AXA Sterling Corporate Bond Fund

Distribution Table

As at 30 June 2018

Share Class Z Gross Income

Group 1	0.676	-	0.676	0.837
Group 2	0.389	0.287	0.676	0.837

Share Class Z Net Accumulation

Group 1	0.982	-	0.982	0.939
Group 2	0.496	0.486	0.982	0.939

Share Class Z Gross Accumulation

Group 1	1.094	-	1.094	1.308
Group 2	0.602	0.492	1.094	1.308

Share Class B Net Accumulation

Group 1	0.865	-	0.865	0.822
Group 2	0.865	-	0.865	0.822

Share Class B Gross Accumulation

Group 1	0.871	-	0.871	1.034
Group 2	0.512	0.359	0.871	1.034

Share Class B Net Income

Group 1	0.819	-	0.819	0.805
Group 2	0.819	-	0.819	0.805

Share Class B Gross Income

Group 1	0.820	-	0.820	1.007
Group 2	0.820	-	0.820	1.007

AXA Sterling Corporate Bond Fund

Distribution Table

As at 30 June 2018

Third Distribution in pence per share

Group 1 Shares purchased prior to 1 January 2018

Group 2 Shares purchased on or after 1 January 2018 to 31 March 2018

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/18 (p)	Distribution paid 31/05/17 (p)
Share Class H Net Accumulation				
Group 1	1.212	-	1.212	1.330
Group 2	1.212	-	1.212	1.330
Share Class H Gross Accumulation				
Group 1	1.331	-	1.331	1.461
Group 2	1.331	-	1.331	1.461
Share Class R Net Income				
Group 1	0.516	-	0.516	0.618
Group 2	0.011	0.505	0.516	0.618
Share Class R Gross Income				
Group 1	0.500	-	0.500	0.599
Group 2	0.500	-	0.500	0.599
Share Class R Net Accumulation				
Group 1	0.834	-	0.834	0.972
Group 2	0.389	0.445	0.834	0.972
Share Class R Gross Accumulation				
Group 1	0.836	-	0.836	0.974
Group 2	0.527	0.309	0.836	0.974
Share Class Z Net Income				
Group 1	0.629	-	0.629	0.732
Group 2	0.320	0.309	0.629	0.732

AXA Sterling Corporate Bond Fund

Distribution Table

As at 30 June 2018

Share Class Z Gross Income

Group 1	0.660	-	0.660	0.767
Group 2	0.373	0.287	0.660	0.767

Share Class Z Net Accumulation

Group 1	0.965	-	0.965	1.087
Group 2	0.448	0.517	0.965	1.087

Share Class Z Gross Accumulation

Group 1	1.075	-	1.075	1.211
Group 2	0.322	0.753	1.075	1.211

Share Class B Net Accumulation

Group 1	0.850	-	0.850	0.952
Group 2	0.850	-	0.850	0.952

Share Class B Gross Accumulation

Group 1	0.857	-	0.857	0.959
Group 2	0.494	0.363	0.857	0.959

Share Class B Net Income

Group 1	0.800	-	0.800	0.925
Group 2	0.800	-	0.800	0.925

Share Class B Gross Income

Group 1	0.800	-	0.800	0.926
Group 2	0.800	-	0.800	0.926

AXA Sterling Corporate Bond Fund

Distribution Table

As at 30 June 2018

Final Distribution in pence per share

Group 1 Shares purchased prior to 1 April 2018

Group 2 Shares purchased on or after 1 April 2018 to 30 June 2018

	Net revenue (p)	Equalisation (p)	Distribution payable 31/08/18 (p)	Distribution paid 31/08/17 (p)
Share Class H Net Accumulation				
Group 1	1.277	-	1.277	1.321
Group 2	1.277	-	1.277	1.321
Share Class H Gross Accumulation				
Group 1	1.405	-	1.405	1.452
Group 2	1.405	-	1.405	1.452
Share Class R Net Income				
Group 1	0.547	-	0.547	0.613
Group 2	0.413	0.134	0.547	0.613
Share Class R Gross Income				
Group 1	0.530	-	0.530	0.582
Group 2	0.530	-	0.530	0.582
Share Class R Net Accumulation				
Group 1	0.889	-	0.889	0.949
Group 2	0.409	0.480	0.889	0.949
Share Class R Gross Accumulation				
Group 1	0.891	-	0.891	0.952
Group 2	0.622	0.269	0.891	0.952
Share Class Z Net Income				
Group 1	0.662	-	0.662	0.717
Group 2	0.317	0.345	0.662	0.717

AXA Sterling Corporate Bond Fund

Distribution Table

As at 30 June 2018

Share Class Z Gross Income

Group 1	0.694	-	0.694	0.751
Group 2	0.412	0.282	0.694	0.751

Share Class Z Net Accumulation

Group 1	1.022	-	1.022	1.073
Group 2	0.425	0.597	1.022	1.073

Share Class Z Gross Accumulation

Group 1	1.139	-	1.139	1.195
Group 2	0.221	0.918	1.139	1.195

Share Class B Net Accumulation

Group 1	0.900	-	0.900	0.942
Group 2	0.136	0.764	0.900	0.942

Share Class B Gross Accumulation

Group 1	0.907	-	0.907	0.948
Group 2	0.521	0.386	0.907	0.948

Share Class B Net Income

Group 1	0.841	-	0.841	0.909
Group 2	0.841	-	0.841	0.909

Share Class B Gross Income

Group 1	0.841	-	0.841	0.907
Group 2	0.841	-	0.841	0.907

AXA Sterling Credit Short Duration Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

Investment Objective

The aim of the Fund is to provide income combined with any capital growth.

Investment Policy

The Fund invests primarily in a diversified portfolio of investment grade bonds issued by companies where the period for full repayment of the bond by the company is expected to be less than five years with the aim of reducing the effect of fluctuations in interest rates. The Fund manager seeks to reduce the effect of credit risk through diversification and its analysis and selection of bonds.

Where bonds are denominated in a currency other than sterling, the Fund aims to reduce the risk of movements in exchange rates between such currency and sterling through the use of derivatives (financial instruments which derive their value from the value of other assets). The Fund may also use derivatives in an attempt to reduce the overall risks of its investments, reduce the costs of investing or generate additional capital or income (known as Efficient Portfolio Management - EPM).

Risk and Reward Profile

As at 30 June 2018

By investing in a Fund which invests primarily in fixed interest stocks you are likely to be looking for an investment, which will generate an income but has less potential for capital return than is the case with Funds which invest primarily in equities. You are willing to accept that your investment will fall and rise in value and that you could get back less than you invest. Typically, you would prefer an investment with less risk than that of a Fund which invests significantly in equities or overseas. Typically, you would be investing for a period of at least five years.

Lower Risk

Higher Risk

Potentially lower reward

Potentially higher reward

1	2	3	4	5	6	7
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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.

Why is this Fund in this category?

The capital of the Fund is not guaranteed. The Fund is invested in financial markets and uses techniques and instruments which are subject to low levels of variation under normal market conditions but which may still result in losses.

Additional risks

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

- Credit risk - All bonds have a potential credit risk, in that the issuer could default on its obligations to pay income and/or capital. An issuer default would likely result in a large drop in the value of that bond. The value of a bond will also be affected by the perceived credit risk of the issuer, including changes to credit ratings and the general level of aversion to credit risk in the market. Generally, an increased level of perceived credit risk leads to a fall in the value of the bond, and vice versa. Credit risk can be measured by ratings assigned to issuers of bonds by third party credit rating agencies. The largest credit rating agencies are Moody's, Standard & Poor's and Fitch Ratings. Each credit rating agency uses different designations. The highest designation (Aaa (Moody's), AAA (Standard & Poor's and Fitch Ratings)) are intended to represent a lower probability of default of the issuer. The credit rating agencies designate "investment grade" bonds as Baa3 or above (Moody's) or BBB- or above (Standard & Poor's or Fitch Ratings).

Internal investment guidelines are set, if necessary, to ensure credit risk is maintained within a range deemed suitable based on the individual Fund's investment objectives and investment policy. These guidelines could include credit quality indicators, measures of sensitivity to credit spread moves and diversification measures.

AXA Sterling Credit Short Duration Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

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

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

- **Prepayment and extension risk** - is the risk associated with the early unscheduled return of capital (i.e., repayment of the debt) by the issuer on a bond. Prepayment generally occurs in a declining interest rate environment. When capital is returned early, no future interest payments will be paid on that part of the capital. If the bond was purchased at a premium (i.e., at a price greater than the value of the capital), the return on the bond will be less than what was estimated at the time of purchase.

The opposite of prepayment risk is extension risk which is the risk of a bond's expected maturity lengthening in duration due to a slowdown in prepayments of capital. Extension risk is mainly the result of rising interest rates. If the bond was purchased in anticipation of an early repayment of capital, an extension of the maturity could impact the price of the bond.

- **Liquidity risk** - Under certain market conditions, it may be difficult to buy or sell investments for the Fund. For example, corporate and emerging market bonds may be affected by the demand in the market for such bonds 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 ACD may be forced to buy or sell such investments as a consequence of Shareholders buying or selling Shares in the Fund. Depending on market conditions at the time, this could lead to a significant drop in the Fund's value.

Regular monitoring is conducted to ensure a high degree of confidence that Fund liquidity will meet the Fund's expected liquidity requirements.

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

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

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

- **Currency risk** (Note that the Fund aims to reduce the risk of movements in exchange rates by hedging the foreign currency exposure of the Fund back to pounds sterling.) - assets of a 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.

AXA Sterling Credit Short Duration Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

The ACD aims to reduce the risk of movements in exchange rates on the value of all or part of the assets of a Fund through the use of currency exchange transactions. A 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 a Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. The performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a 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 a 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.

Investment Review

The 12 months to June 2018 saw the main central banks withdrawing or discussing the withdrawal of liquidity and tightening monetary conditions. Markets also had to contend with concerns around the increased likelihood of a global trade war, renewed political risk in the European periphery, and expectations of subdued UK growth in 2018 as Brexit negotiations became increasingly strained.

The sterling corporate bond market began the period positively, with credit spreads (the difference in yield between corporate bonds and their equivalent government issued bonds) tightening slightly in July, despite a high level of sterling investment grade new issuance as supported by the lack of incremental central bank hawkishness following the Sintra conference in June. In August, credit spreads widened slightly on the back of rising tensions between the US and North Korea, political concerns in Italy and uncertainty around Brexit negotiations. Gilts performed well in July and August supported by disappointing UK economic data, Brexit-related uncertainty and the risk-off environment in August. However, in September, gilt yields rose sharply as the Bank of England (BoE) meeting surprised the market due to a very hawkish tone, increasing the likelihood of a November rate hike while credit spreads only tightened slightly.

Credit spreads traded range bound for most of October despite markets concerns about the implications of the unconstitutional Catalan referendum before tightening in the last week following the European Central Bank (ECB) meeting and the announcement a further nine month extension of its asset purchase programme (at a reduced pace of €30bn per month) and ECB President Draghi's dovishness at the press conference. November saw the BoE increase interest rates from 0.25% to 0.5%, the first rise in a decade while credit spreads slightly widened as market sentiment deteriorated due to worries over US tax reform, heavy supply, idiosyncratic concerns in the high yield space, combined with profit taking and diminishing expectations of ECB support after September 2018. In a reversal of the previous month, credit spreads tightened in December on the back of limited supply, positive economic data, dovish central banks and positive news about US tax reform. The Brexit negotiations finally moved on to the next stage as the European Council agreed that sufficient progress had been made. Gilt yields fell into year-end as the BoE kept interest rates on hold, still pointing to the possible need for further rate rises but also highlighting risks from Brexit.

AXA Sterling Credit Short Duration Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

January saw a global sell-off in government bonds, with gilt yields rising sharply, as investors speculated that central banks could raise interest rates more quickly than previously expected. Credit spreads gapped tighter in January supported by the risk-on environment driven by a favourable economic backdrop, a generally positive earnings season, optimism over US tax reform and continued ECB corporate bond buying. However, the tightening reversed in February with credit spreads gapping wider as markets began to price in a more hawkish US Federal Reserve (Fed) after the better-than-expected US jobs report early in the month. New Fed chair Powell confirmed market fears by hinting towards an increase in the pace of interest-rate rises going forward, citing an improving economy, in his testimony to Congress at the end of the month. Gilt yields rose further for shorter maturities (up to ten years) as the BoE made the unanimous decision to keep interest rates on hold, but indicated that its stance had become more hawkish. Credit spreads continued to widen in March on the back of the risk-off sentiment triggered by the trade dispute between China and the US, and a technology sell-off towards month-end while gilts performed well as investors gravitated towards safe-haven assets as concerns of a China-US trade war intensified.

Receding worries over a full-blown trade war between the US and China, a softening of relations in the Korean peninsula, some signs of stabilising global growth following supportive macroeconomic data and a good earnings season so far in the US and Europe helped credit spreads to recover and tighten in April. Gilt yields rose, in sympathy with the global government bonds sell-off led by US treasuries, despite weak UK data. However, the positive market environment did not last long as political instability in Italy and Spain led to wider credit spreads in May and lower gilt yields as benefiting from this risk-off environment. Spreads continued to widen in June due to an increase in trade tensions between the US and its major trading partners, and concerns over weaker-than-expected economic data. Despite the risk-off environment, gilt yields rose as the BoE voted 6:3 to leave interest rates on hold at 0.50% but with its chief economist unexpectedly switching to a hawkish stance and endorsing a hike of 0.25%.

Fund activity

We were active over the period, investing inflows across a range of names and sectors in order to keep the Fund in line with our active strategies, with a bias towards low-volatility names and defensive sectors. July was the busiest month of the period in terms of sterling investment grade primary issuance at £7.4 billion. We actively participated in new issues throughout the period including those from NAB (Australian bank), Dexia (French, Belgium and Luxembourg government guaranteed bank), BAT (UK tobacco company), ABN AMRO (Dutch bank), Swedbank (Swedish bank), Renault (French carmaker), Royal Bank of Canada, BFCM (French bank), Deutsche Bank (German bank), UBS (Swiss bank), Volkswagen (German carmaker), Close Brothers (UK specialist bank) and HSBC (UK bank).

New additions to the Fund included Iberdrola (Spanish utility), Lend Lease (Australian real estate company), Thames Water (UK utility), Bank of Montreal (Canadian bank), Nestlé (Swiss food and drink company), TSB (UK bank), Scania (Swedish truck maker), Hiscox (insurance company), New York Life (US insurance company), Intu (UK real estate investment trust), BASF (German chemical company).

We also added some floating rate bonds during the period in order to keep our exposure constant, including those from BP (UK oil company), CBA (Australian bank), Credit Agricole (French bank), Santander (Spanish bank) and Sumitomo Mitsui Bank (Japanese bank), all denominated in dollars and bought through the dollar investment grade primary market. We also bought some euro denominated floating rate bonds through the euro investment grade primary market including those from National Express (UK transportation company), Vonovia (German real estate company), WPP (UK media company) and Santander UK (UK bank).

Outlook

The AXA Sterling Credit Short Duration Bond Fund generated a total return of +0.50% (Z Acc, net of fees and gross income reinvested) over 12 months to June. The Fund benefited from not only its short duration stance and cautious positioning but also from its attractive carry (income).

Despite the worst first six months of a year since 2008, the value proposition in the sterling credit market remains limited, particularly in light of further withdrawals of liquidity by the Fed and ECB, heightened risk of increased hawkishness by central banks should inflation surprise on the upside, expectations of subdued UK growth in 2018 amid a difficult Brexit negotiation, renewed political risk in the European periphery and increased risk of a global trade war.

The sharp increase in the number of negative 'idiosyncratic' events this year is more than just 'noise' and should continue as directly linked to the gradual tightening of monetary conditions, leading to still more volatility and sharper asset repricing going forward. Given this uncertain backdrop, we maintain a defensive bias to allow us to benefit from potential pockets of weaknesses ahead.

All performance data source: AXA Investment Managers and Bloomberg

Past performance is not a guide to future performance.

AXA Sterling Credit Short Duration Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

Major Purchases

- Intu SGS Finance 3.875% 17/03/23
- Thames Water Utilities Finance 5.05% 30/06/20
- Scania 1.875% 28/06/22
- UK Treasury 1% 07/09/17
- Autostrade per l'Italia 6.25% 09/06/22

Major Sales/Redemptions

- UK Treasury 1% 07/09/17
- E.ON International Finance 6% 30/10/19
- Instituto de Credito Oficial 1.875% 15/12/17
- Standard Chartered 7.75% 03/04/18
- Safeway 6.125% 17/12/18

Nicolas Trindade

30 June 2018

AXA Investment Managers UK Limited

AXA Sterling Credit Short Duration Bond Fund

Comparative Tables

As at 30 June 2018

	A Net Income			A Net Accumulation		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	100.95	100.35	99.77	105.12	103.08	101.04
Return before operating charges ^	0.92	2.49	2.79	0.93	2.60	2.79
Operating charges ^	(0.37)	(0.37)	(0.37)	(0.38)	(0.39)	(0.38)
Return after operating charges ^	0.55	2.12	2.42	0.55	2.21	2.41
Distributions	(1.43)	(1.52)	(1.84)	(1.49)	(1.59)	(1.87)
Retained distributions on accumulation shares	-	-	-	1.49	1.42	1.50
Closing net asset value per share †	100.07	100.95	100.35	105.67	105.12	103.08
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	0.54%	2.11%	2.43%	0.52%	2.14%	2.39%
Other information						
Closing net asset value (£) †	36,324	13,331	20,619	3,900,510	3,225,683	1,875,040
Closing number of shares	36,299	13,206	20,548	3,691,278	3,068,624	1,818,933
Operating charges ^	0.36%	0.37%	0.37%	0.36%	0.37%	0.37%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	101.80	101.80	100.60	106.00	105.70	103.00
Lowest share price #	100.20	100.50	98.98	105.20	103.20	100.70

	A Gross Income			A Gross Accumulation		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	100.99	100.38	99.76	106.11	103.94	101.40
Return before operating charges ^	0.88	2.55	2.82	0.94	2.56	2.92
Operating charges ^	(0.36)	(0.38)	(0.37)	(0.38)	(0.39)	(0.38)
Return after operating charges ^	0.52	2.17	2.45	0.56	2.17	2.54
Distributions	(1.42)	(1.56)	(1.83)	(1.48)	(1.61)	(1.87)
Retained distributions on accumulation shares	-	-	-	1.48	1.61	1.87
Closing net asset value per share †	100.09	100.99	100.38	106.67	106.11	103.94
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	0.51%	2.16%	2.46%	0.53%	2.09%	2.50%
Other information						
Closing net asset value (£) †	4,975	4,980	4,969	2,400,587	265,743	8,479
Closing number of shares	4,970	4,931	4,950	2,250,389	250,437	8,158
Operating charges ^	0.36%	0.37%	0.37%	0.36%	0.37%	0.37%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	101.80	101.90	100.70	107.00	106.70	103.90
Lowest share price #	100.20	100.50	99.02	106.20	104.10	101.20

AXA Sterling Credit Short Duration Bond Fund

Comparative Tables

As at 30 June 2018

	H Net Accumulation			H Gross Accumulation		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	119.73	117.00	114.27	123.78	120.77	117.44
Return before operating charges ^	1.09	2.98	3.26	1.10	3.03	3.37
Operating charges ^	(0.01)	(0.02)	(0.03)	(0.01)	(0.02)	(0.04)
Return after operating charges ^	1.08	2.96	3.23	1.09	3.01	3.33
Distributions	(2.16)	(2.26)	(2.51)	(2.19)	(2.30)	(2.60)
Retained distributions on accumulation shares	2.16	2.03	2.01	2.19	2.30	2.60
Closing net asset value per share †	120.81	119.73	117.00	124.87	123.78	120.77
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	0.90%	2.53%	2.83%	0.88%	2.49%	2.84%
Other information						
Closing net asset value (£) †	6,041	5,987	5,850	14,221,147	15,690,094	36,062,900
Closing number of shares	5,000	5,000	5,000	11,388,963	12,675,393	29,860,336
Operating charges ^	0.01%	0.02%	0.03%	0.01%	0.02%	0.03%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	121.20	120.40	116.90	125.20	124.50	120.70
Lowest share price #	119.90	117.20	114.00	124.00	121.00	117.30
	R Net Income			R Net Accumulation		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	103.69	103.03	102.38	114.31	112.60	110.74
Return before operating charges ^	0.91	2.63	2.92	1.01	2.82	3.14
Operating charges ^	(0.89)	(0.90)	(0.90)	(0.99)	(0.99)	(0.98)
Return after operating charges ^	0.02	1.73	2.02	0.02	1.83	2.16
Distributions	(0.94)	(1.07)	(1.37)	(1.05)	(1.17)	(1.49)
Retained distributions on accumulation shares	-	-	-	1.05	1.05	1.19
Closing net asset value per share †	102.77	103.69	103.03	114.33	114.31	112.60
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	0.02%	1.68%	1.97%	0.02%	1.62%	1.95%
Other information						
Closing net asset value (£) †	185,453	224,319	427,132	8,819,416	7,249,806	4,098,268
Closing number of shares	180,463	216,332	414,569	7,713,685	6,342,505	3,639,714
Operating charges ^	0.86%	0.87%	0.88%	0.86%	0.87%	0.88%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	104.40	104.50	103.20	115.10	115.00	112.50
Lowest share price #	102.80	103.20	101.50	114.00	112.80	110.30

AXA Sterling Credit Short Duration Bond Fund

Comparative Tables

As at 30 June 2018

	R Gross Income			R Gross Accumulation		
	30/06/2018 (p)	30/06/2017 (p)	30/06/2016 (p)	30/06/2018 (p)	30/06/2017 (p)	30/06/2016 (p)
Change in net assets per share						
Opening net asset value per share †	103.71	103.08	102.46	116.86	114.99	112.74
Return before operating charges ^	0.91	2.64	2.87	1.04	2.88	3.25
Operating charges ^	(0.89)	(0.91)	(0.90)	(1.01)	(1.01)	(1.00)
Return after operating charges ^	0.02	1.73	1.97	0.03	1.87	2.25
Distributions	(0.95)	(1.10)	(1.35)	(1.07)	(1.19)	(1.52)
Retained distributions on accumulation shares	-	-	-	1.07	1.19	1.52
Closing net asset value per share †	102.78	103.71	103.08	116.89	116.86	114.99
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	0.02%	1.68%	1.92%	0.03%	1.63%	2.00%
Other information						
Closing net asset value (£) †	5,139	5,185	5,154	344,863	800,001	407,767
Closing number of shares	5,000	5,000	5,000	295,038	684,588	354,625
Operating charges ^	0.86%	0.87%	0.88%	0.86%	0.87%	0.88%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	104.40	104.50	103.30	117.70	117.50	114.90
Lowest share price #	102.90	103.20	101.60	116.60	115.20	112.40
	Z Net Income			Z Net Accumulation		
	30/06/2018 (p)	30/06/2017 (p)	30/06/2016 (p)	30/06/2018 (p)	30/06/2017 (p)	30/06/2016 (p)
Change in net assets per share						
Opening net asset value per share †	103.72	103.11	102.47	117.03	114.82	112.51
Return before operating charges ^	0.92	2.59	2.92	1.04	2.87	3.21
Operating charges ^	(0.43)	(0.44)	(0.44)	(0.48)	(0.49)	(0.49)
Return after operating charges ^	0.49	2.15	2.48	0.56	2.38	2.72
Distributions	(1.41)	(1.54)	(1.84)	(1.60)	(1.71)	(2.03)
Retained distributions on accumulation shares	-	-	-	1.60	1.54	1.62
Closing net asset value per share †	102.80	103.72	103.11	117.59	117.03	114.82
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	0.47%	2.08%	2.42%	0.48%	2.08%	2.42%
Other information						
Closing net asset value (£) †	135,511,298	121,384,916	90,660,214	338,797,844	327,325,982	191,171,133
Closing number of shares	131,821,914	117,028,910	87,927,712	288,129,981	279,687,210	166,492,488
Operating charges ^	0.41%	0.42%	0.43%	0.41%	0.42%	0.43%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	104.50	104.60	103.40	118.00	117.70	114.80
Lowest share price #	102.90	103.30	101.60	117.10	115.00	112.10

AXA Sterling Credit Short Duration Bond Fund

Comparative Tables

As at 30 June 2018

	Z Gross Income			Z Gross Accumulation		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	103.60	103.01	102.50	120.13	117.67	114.87
Return before operating charges ^	0.90	2.56	2.79	1.07	2.96	3.30
Operating charges ^	(0.43)	(0.44)	(0.44)	(0.50)	(0.50)	(0.50)
Return after operating charges ^	0.47	2.12	2.35	0.57	2.46	2.80
Distributions	(1.41)	(1.53)	(1.84)	(1.64)	(1.76)	(2.07)
Retained distributions on accumulation shares	-	-	-	1.64	1.76	2.07
Closing net asset value per share †	102.66	103.60	103.01	120.70	120.13	117.67
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	0.45%	2.06%	2.29%	0.47%	2.09%	2.44%
Other information						
Closing net asset value (£) †	65,635,265	134,794,400	62,411,614	31,715,669	59,749,059	47,978,185
Closing number of shares	63,932,516	130,110,134	60,588,026	26,276,634	49,735,199	40,772,899
Operating charges ^	0.41%	0.42%	0.43%	0.41%	0.42%	0.43%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	104.40	104.60	103.40	121.10	120.80	117.60
Lowest share price #	102.80	103.20	101.70	120.20	117.90	114.60
	ZI Income~		ZI Accumulation~			
	30/06/2018		30/06/2018			
	(p)		(p)			
Change in net assets per share						
Opening net asset value per share †	100.00		100.00			
Return before operating charges ^	0.13		0.14			
Operating charges ^	(0.26)		(0.27)			
Return after operating charges ^	(0.13)		(0.13)			
Distributions	(1.26)		(1.27)			
Retained distributions on accumulation shares	-		1.27			
Closing net asset value per share †	98.61		99.87			
*^ after direct transaction costs of:	-		-			
Performance						
Return after operating charges	-0.13%		-0.13%			
Other information						
Closing net asset value (£) †	150,028,951		6,412,466			
Closing number of shares	152,138,036		6,421,084			
Operating charges ^	0.26%		0.26%			
Direct transaction costs *	0.00%		0.00%			
Prices						
Highest share price #	100.00		100.20			
Lowest share price #	98.72		99.44			

† Valued at bid-market prices.

High and low price disclosures are based on quoted share 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 sub-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 these tables have been calculated against the average net asset value for the accounting year.

~ ZI share class launched on 29 August 2017.

AXA Sterling Credit Short Duration Bond Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
GOVERNMENT BONDS 0.00% (30/06/17: 0.81%)			
CORPORATE BONDS 93.82% (30/06/17: 92.26%)			
Australia 3.21% (30/06/17: 2.53%)			
Commonwealth Bank of Australia Variable 26/10/18	1,400,000	1,403	0.18
Commonwealth Bank of Australia Variable 18/09/22	USD 5,000,000	3,789	0.50
Commonwealth Bank of Australia Variable 19/12/23	2,450,000	2,488	0.33
National Australia Bank 0.875% 26/06/20	2,400,000	2,376	0.31
National Australia Bank 1.125% 10/11/21	1,500,000	1,490	0.20
Scentre Trust 2.375% 08/04/22	6,800,000	6,955	0.92
Westpac Banking 1% 30/06/22	4,125,000	4,065	0.54
Westpac Banking 5% 21/10/19	1,700,000	1,782	0.23
Austria 0.00% (30/06/17: 0.11%)			
Belgium 1.46% (30/06/17: 0.89%)			
Eni Finance International 4.75% 28/01/21	6,100,000	6,524	0.86
Eni Finance International 5% 27/01/19	1,475,000	1,507	0.20
Eni Finance International 6.125% 17/12/18	3,000,000	3,065	0.40
Bermuda 0.59% (30/06/17: 0.00%)			
Hiscox 2% 14/12/22	4,444,000	4,447	0.59
Canada 4.42% (30/06/17: 4.31%)			
Bank of Montreal 1.375% 29/12/21	4,892,000	4,852	0.64
Bank of Nova Scotia 1.25% 08/06/22	3,500,000	3,431	0.45
Bank of Nova Scotia 1.75% 23/12/22	4,500,000	4,474	0.59
Bank of Nova Scotia Variable 14/01/19	3,050,000	3,056	0.40
Canadian Imperial Bank of Commerce Variable 10/01/22	7,000,000	7,044	0.93
Glencore Canada Financial 7.375% 27/05/20	1,000,000	1,103	0.15
Royal Bank of Canada Variable 08/12/22	4,730,000	4,719	0.62
Royal Bank of Canada Variable 04/06/19	2,000,000	2,005	0.27
Royal Bank of Canada Variable 09/10/18	2,800,000	2,805	0.37
Cayman Islands 0.79% (30/06/17: 0.95%)			
Southern Water Services Finance 5% 31/03/21	5,461,000	5,967	0.79
Denmark 0.77% (30/06/17: 0.59%)			
Danske Bank Variable 29/09/21	5,775,000	5,813	0.77
Finland 0.41% (30/06/17: 0.92%)			
OP Corporate Bank 2.5% 20/05/22	3,000,000	3,098	0.41
France 7.61% (30/06/17: 8.28%)			
Banque Federative du Credit Mutuel 0.875% 08/06/20	5,600,000	5,542	0.73
Banque Federative du Credit Mutuel 1.375% 20/12/21	2,800,000	2,783	0.37
BNP Paribas 5.75% 24/01/22	3,800,000	4,266	0.56
BPCE Variable 22/05/22	USD 3,000,000	2,301	0.30
Credit Agricole Variable 24/04/23	USD 2,326,000	1,757	0.23
Credit Agricole 5.5% 17/12/21	2,745,000	3,108	0.41
Dexia Credit Local 0.875% 07/09/21	3,000,000	2,956	0.39
Dexia Credit Local 1.125% 24/02/19	3,600,000	3,606	0.48
Dexia Credit Local 1.125% 15/06/22	2,300,000	2,275	0.30
Dexia Credit Local 2% 17/06/20	2,900,000	2,947	0.39
Engie 6.125% 11/02/21	3,500,000	3,925	0.52
LVMH Moet Hennessy Louis Vuitton 1% 14/06/22	3,081,000	3,042	0.40
RCI Banque 1.875% 08/11/22	1,793,000	1,788	0.24
RCI Banque 3% 09/05/19	2,700,000	2,739	0.36

AXA Sterling Credit Short Duration Bond Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
SNCF Reseau 5.5% 01/12/21	2,000,000	2,281	0.30
Total Capital International Variable 01/07/19	5,450,000	5,458	0.72
WPP Finance 6.375% 06/11/20	6,250,000	6,922	0.91
Germany 2.08% (30/06/17: 1.46%)			
BASF 1.375% 21/06/22	1,641,000	1,635	0.22
Daimler 1% 20/12/19	2,500,000	2,487	0.33
Daimler 2.375% 16/07/18	400,000	400	0.05
Daimler 2.75% 04/12/20	2,180,000	2,243	0.29
Deutsche Bank 1.875% 28/02/20	5,900,000	5,824	0.77
Deutsche Bank 1.75% 16/12/21	3,300,000	3,169	0.42
Guernsey 0.71% (30/06/17: 0.75%)			
Credit Suisse Funding Guernsey 3% 27/05/22	3,483,000	3,596	0.47
Credit Suisse Funding Guernsey Variable 16/04/21	USD 2,300,000	1,817	0.24
Ireland 2.08% (30/06/17: 1.37%*)			
ESB Finance 6.5% 05/03/20	9,150,000	9,898	1.31
GE Capital UK Funding 4.375% 31/07/19	1,850,000	1,906	0.25
GE Capital UK Funding 5.125% 24/05/23	3,500,000	3,978	0.52
Italy 5.48% (30/06/17: 3.78%*)			
Autostrade per l'Italia 6.25% 09/06/22	8,241,000	9,580	1.26
Enel 6.25% 20/06/19	10,285,000	10,759	1.42
FCA Bank Ireland 1.625% 29/09/21	6,032,000	5,931	0.78
Intesa Sanpaolo 5.25% 28/01/22	5,600,000	6,080	0.80
Intesa Sanpaolo Variable 17/04/19	EUR 806,000	713	0.10
Intesa Sanpaolo Vita 5.35% 18/09/18	EUR 1,700,000	1,514	0.20
Poste Vita 2.875% 30/05/19	EUR 1,364,000	1,222	0.16
Telecom Italia 6.375% 24/06/19	5,500,000	5,733	0.76
Japan 1.81% (30/06/17: 1.50%)			
Mitsubishi UFJ Financial Variable 01/03/21	USD 1,851,000	1,450	0.19
Mizuho Financial Variable 28/02/22	USD 3,500,000	2,672	0.35
Sumitomo Mitsui Financial Variable 09/03/21	USD 4,700,000	3,665	0.49
Sumitomo Mitsui Financial Variable 18/10/22	USD 7,800,000	5,908	0.78
Jersey 5.35% (30/06/17: 4.47%*)			
AA Bond 2.875% 31/01/22	5,150,000	5,047	0.66
AA Bond 4.2487% 31/07/20	3,800,000	3,917	0.52
CPUK Finance 2.666% 28/02/20	9,051,000	9,194	1.21
Glencore Finance Europe 6% 03/04/22	3,500,000	3,959	0.52
Glencore Finance Europe 6.5% 27/02/19	2,900,000	2,995	0.39
Heathrow Funding 6% 20/03/20	1,250,000	1,344	0.18
Heathrow Funding 6.25% 10/09/18	1,930,000	1,948	0.26
Heathrow Funding 9.2% 29/03/21	4,253,000	5,113	0.67
Porterbrook Rail Finance 5.5% 20/04/19	2,030,000	2,095	0.28
Porterbrook Rail Finance 6.5% 20/10/20	4,500,000	4,974	0.66
Luxembourg 0.49% (30/06/17: 0.20%*)			
Gazprom Gaz Capital 3.7% 25/07/18	EUR 1,452,000	1,286	0.17
Gazprom Gaz Capital 5.338% 25/09/20	2,300,000	2,428	0.32
Mexico 0.46% (30/06/17: 0.53%)			
Petroleos Mexicanos Variable 18/07/18	USD 4,617,000	3,492	0.46
Netherlands 6.43% (30/06/17: 8.23%)			
ABN AMRO Bank 1% 30/06/20	1,400,000	1,390	0.18

AXA Sterling Credit Short Duration Bond Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
ABN AMRO Bank 2.5% 18/12/18	1,100,000	1,108	0.15
ABN AMRO Bank 4.875% 16/01/19	2,450,000	2,500	0.33
ABN AMRO Bank Variable 30/11/18	2,000,000	2,003	0.26
BMW International Investment 1% 17/11/21	2,250,000	2,206	0.29
Cooperatieve Rabobank 4.625% 13/01/21	4,511,000	4,865	0.64
Daimler International Finance 1.5% 18/08/21	3,000,000	2,991	0.39
Daimler International Finance 3.5% 06/06/19	1,600,000	1,633	0.22
Deutsche Telekom International Finance 6.5% 08/04/22	4,490,000	5,270	0.70
ING Bank 5.375% 15/04/21	700,000	775	0.10
ING Bank Variable 17/08/20	USD 1,320,000	1,012	0.13
ING Variable 29/03/22	USD 5,500,000	4,228	0.56
innogy Finance 5.5% 06/07/22	2,100,000	2,395	0.32
innogy Finance 6.5% 20/04/21	5,500,000	6,225	0.82
PostNL 7.5% 14/08/18	2,850,000	2,870	0.38
Volkswagen Financial Services 1.5% 12/04/21	1,412,000	1,401	0.19
Volkswagen Financial Services 1.75% 17/04/20	1,000,000	1,003	0.13
Volkswagen Financial Services 1.75% 12/09/22	410,000	406	0.05
Volkswagen Financial Services 2.375% 13/11/18	600,000	602	0.08
Volkswagen Financial Services 2.625% 22/07/19	500,000	506	0.07
Volkswagen Financial Services 2.75% 02/10/20	3,250,000	3,328	0.44
Norway 0.28% (30/06/17: 0.90%)			
Nordea Eiendomskreditt Variable 14/01/19	2,150,000	2,154	0.28
South Korea 0.00% (30/06/17: 1.01%)			
Spain 2.43% (30/06/17: 2.60%)			
Banco Santander Variable 12/04/23	USD 7,000,000	5,291	0.70
Banco Santander Variable 11/04/22	USD 4,000,000	3,078	0.41
Iberdrola Finanzas 6% 01/07/22	3,400,000	3,937	0.52
Telefonica Emisiones 5.597% 12/03/20	5,700,000	6,077	0.80
Sweden 4.39% (30/06/17: 3.18%)			
Nordea Bank Variable 27/05/21	USD 4,000,000	3,068	0.41
Scania 1.875% 28/06/22	7,450,000	7,433	0.98
Skandinaviska Enskilda Banken 3% 18/12/20	3,300,000	3,427	0.45
Svenska Handelsbanken 1.625% 18/06/22	6,250,000	6,236	0.82
Svenska Handelsbanken 3% 20/11/20	2,951,000	3,064	0.40
Swedbank 1.25% 29/12/21	2,645,000	2,614	0.35
Swedbank 1.625% 15/04/19	4,800,000	4,823	0.64
Swedbank 1.625% 28/12/22	2,625,000	2,608	0.34
Switzerland 1.22% (30/06/17: 1.27%)			
UBS Funding Switzerland Variable 14/04/21	USD 2,000,000	1,561	0.21
UBS Jersey Variable 19/11/24	5,144,000	5,442	0.72
UBS London 1.25% 10/12/20	2,208,000	2,198	0.29
United Kingdom 30.83% (30/06/17: 31.41%)			
BAE Systems 4.125% 08/06/22	7,132,000	7,754	1.02
Bank of Scotland 6.375% 16/08/19	1,500,000	1,579	0.21
Bank of Scotland 9.375% 15/05/21	1,100,000	1,314	0.17
Barclays Bank 10% 21/05/21	2,995,000	3,590	0.47
Barclays Bank UK Variable 09/01/23	2,700,000	2,696	0.36
BAT International Finance 1.75% 05/07/21	3,500,000	3,503	0.46
BAT International Finance 6.375% 12/12/19	1,250,000	1,337	0.18
BP Capital Markets 4.325% 10/12/18	1,000,000	1,014	0.13
BP Capital Markets Variable 19/09/22	USD 1,739,000	1,331	0.18
BUPA Finance 3.375% 17/06/21	6,260,000	6,588	0.87

AXA Sterling Credit Short Duration Bond Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
Centrica 7% 19/09/18	2,250,000	2,278	0.30
Close Brothers 2.75% 26/04/23	1,615,000	1,620	0.21
Close Brothers 4.25% 24/01/27	4,324,000	4,506	0.59
Close Brothers Finance 3.875% 27/06/21	2,420,000	2,559	0.34
Coventry Building Society 5.875% 28/09/22	1,300,000	1,514	0.20
Coventry Building Society 6% 16/10/19	1,930,000	2,046	0.27
Coventry Building Society Variable 17/03/20	1,100,000	1,102	0.15
EE Finance 4.375% 28/03/19	6,100,000	6,237	0.82
Eversholt Funding 5.831% 02/12/20	5,250,000	5,770	0.76
FCE Bank 2.625% 20/11/18	600,000	603	0.08
FCE Bank 2.759% 13/11/19	900,000	914	0.12
FCE Bank 3.25% 19/11/20	3,400,000	3,506	0.46
Firstgroup 5.25% 29/11/22	400,000	442	0.06
Firstgroup 8.75% 08/04/21	3,000,000	3,503	0.46
Friends Life 8.25% 21/04/22	1,500,000	1,816	0.24
Friends Life 12% 21/05/21	2,106,000	2,680	0.35
G4S 7.75% 13/05/19	9,770,000	10,285	1.36
Great Rolling Stock 6.25% 27/07/20	7,375,000	8,050	1.06
HSBC Variable 27/06/23	4,881,000	4,850	0.64
HSBC Variable 08/03/21	USD 2,000,000	1,582	0.21
Imperial Brands Finance 6.25% 04/12/18	500,000	510	0.07
Imperial Brands Finance 7.75% 24/06/19	2,945,000	3,126	0.41
Imperial Brands Finance 9% 17/02/22	1,400,000	1,741	0.23
Intu SGS Finance 3.875% 17/03/23	7,300,000	7,715	1.02
Jaguar Land Rover Automotive 2.75% 24/01/21	3,043,000	3,017	0.40
John Lewis 8.375% 08/04/19	4,490,000	4,723	0.62
Land Securities Capital Markets Variable 31/03/22	3,405,000	3,640	0.48
Lendlease Europe Finance 6.125% 12/10/21	5,170,000	5,810	0.77
Lloyds Bank Variable 09/07/25	1,225,000	1,304	0.17
London Stock Exchange 4.75% 02/11/21	5,064,100	5,568	0.73
London Stock Exchange 9.125% 18/10/19	1,520,000	1,672	0.22
National Express 6.625% 17/06/20	6,370,000	6,952	0.92
National Express Variable 15/05/20	EUR 1,207,000	1,066	0.14
Next 5.375% 26/10/21	5,399,000	5,969	0.79
Northern Electric Finance 8.875% 16/10/20	1,000,000	1,165	0.15
Northern Powergrid Yorkshire 9.25% 17/01/20	3,382,000	3,778	0.50
Northumbrian Water Finance 6.875% 06/02/23	100,000	121	0.02
Prudential 1.75% 27/11/18	2,941,000	2,949	0.39
RELX Investments 2.75% 01/08/19	7,800,000	7,888	1.04
Royal Bank of Scotland Variable 15/05/20	2,500,000	2,504	0.33
Santander UK 1.875% 17/02/20	5,092,000	5,124	0.68
Santander UK Variable 27/03/24	EUR 3,083,000	2,709	0.36
Santander UK Variable 30/10/23	700,000	718	0.09
Scottish Widows 5.5% 16/06/23	3,500,000	3,832	0.51
Segro 5.625% 07/12/20	1,950,000	2,134	0.28
Segro 6% 30/09/19	1,630,000	1,719	0.23
Segro 6.75% 23/11/21	2,794,000	3,240	0.43
Segro 7% 14/03/22	400,000	471	0.06
Severn Trent Utilities Finance 1.625% 04/12/22	3,096,000	3,076	0.41
Sky 2.875% 24/11/20	5,930,000	6,121	0.81
SSE 5% 01/10/18	3,500,000	3,533	0.47
Tate & Lyle International Finance 6.75% 25/11/19	5,709,000	6,130	0.81
Tesco 6.125% 24/02/22	1,500,000	1,701	0.22
Thames Water Utilities Finance 5.05% 30/06/20	7,000,000	7,450	0.98
TSB Bank Variable 07/12/22	2,365,000	2,362	0.31
Vodafone 8.125% 26/11/18	3,865,000	3,971	0.52
Volkswagen Financial Services 1.625% 09/06/22	3,700,000	3,661	0.48
Vonovia Finance Variable 22/12/22	EUR 5,800,000	5,106	0.67

AXA Sterling Credit Short Duration Bond Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
Western Power Distribution South Wales 9.25% 09/11/20	1,250,000	1,471	0.19
WPP Finance Variable 20/03/22	EUR 1,602,000	1,410	0.19
United States 10.52% (30/06/17: 11.02%)			
American Honda Finance 1.3% 21/03/22	5,567,000	5,521	0.74
American International 5% 26/04/23	5,000,000	5,616	0.74
Bank of America 6.125% 15/09/21	1,900,000	2,154	0.28
Bank of America Variable 14/09/18	EUR 1,450,000	1,283	0.17
BAT Capital Variable 15/08/22	USD 2,800,000	2,131	0.28
BMW US Capital 2% 20/11/19	1,500,000	1,513	0.20
Citigroup 5.125% 12/12/18	3,647,000	3,708	0.49
Citigroup 6.25% 02/09/19	3,000,000	3,169	0.42
Fidelity National Information Services 1.7% 30/06/22	6,255,000	6,192	0.82
Ford Motor Credit Variable 28/03/22	USD 2,162,000	1,657	0.22
General Electric 5.5% 07/06/21	3,035,000	3,360	0.44
General Motors Financial Variable 09/05/19	USD 2,250,000	1,719	0.23
General Motors Financial Variable 14/01/22	USD 2,500,000	1,936	0.26
Jackson National Life Global Funding Variable 27/06/22	USD 8,300,000	6,318	0.83
McDonald's 6.375% 03/02/20	5,300,000	5,713	0.75
MetLife 5.25% 29/06/20	4,030,000	4,324	0.57
Metropolitan Life Global Funding I 1.125% 15/12/21	4,344,000	4,294	0.57
Nestle 1% 11/06/21	3,705,000	3,675	0.48
New York Life Global Funding 1.75% 15/12/22	4,532,000	4,576	0.60
Toyota Motor Credit 1.125% 07/09/21	4,922,000	4,888	0.64
Wells Fargo 2.125% 22/04/22	6,000,000	6,019	0.79
TOTAL CORPORATE BONDS		711,146	93.82
FORWARDS CURRENCY CONTRACTS (0.10%) (30/06/17: 0.14%)			
Sold EUR18,700,000 for GBP16,475,747 Settlement 06/09/2018		(94)	(0.01)
Sold USD82,250,000 for GBP61,470,835 Settlement 06/09/2018		(651)	(0.09)
TOTAL FORWARDS CURRENCY CONTRACTS		(745)	(0.10)
Portfolio of investments		710,401	93.72
Net other assets		47,625	6.28
Total net assets		758,026	100.00

* Since the previous report country classifications have been updated. Comparative figures have been updated where appropriate.

All bonds are denominated in sterling (unless otherwise indicated).

At 30 June 2018, there were no investments in the Fund which were valued using a quote from a single broker (30/06/17 : £nil).

AXA Sterling Credit Short Duration Bond Fund

Statement of Total Return

For the year ended 30 June 2018

		01/07/17 to 30/06/18		01/07/16 to 30/06/17	
	Note	£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	2		(6,812)		1,809
Revenue	3	12,354		10,065	
Expenses	4	(2,832)		(2,190)	
Interest payable and similar charges		(7)		-	
Net revenue before taxation		9,515		7,875	
Taxation	5	-		-	
Net revenue after taxation			9,515		7,875
Total return before distributions			2,703		9,684
Distributions	6		(9,515)		(7,875)
Change in net assets attributable to Shareholders from investment activities			(6,812)		1,809

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 June 2018

		01/07/17 to 30/06/18		01/07/16 to 30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders			670,739		435,137
Amounts receivable on issue of shares		423,421		299,993	
Amounts payable on cancellation of shares		(334,917)		(71,080)	
			88,504		228,913
Dilution adjustment			-		99
Change in net assets attributable to Shareholders from investment activities (see above)			(6,812)		1,809
Retained distributions on accumulation shares			5,595		4,781
Closing net assets attributable to Shareholders			758,026		670,739

AXA Sterling Credit Short Duration Bond Fund

Balance Sheet

As at 30 June 2018

		30/06/18	30/06/17
	Note	£'000	£'000
Assets:			
Fixed assets:			
Investments		711,146	625,267
Current assets:			
Debtors	7	11,723	11,047
Cash and bank balances	8	38,356	37,841
Total assets		761,225	674,155
Liabilities:			
Investment liabilities		(745)	(40)
Creditors:			
Distribution payable		(1,291)	(761)
Other creditors	9	(1,163)	(2,615)
Total liabilities		(3,199)	(3,416)
Net assets attributable to Shareholders		758,026	670,739

AXA Sterling Credit Short Duration Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

1. Accounting Basis And Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 223 - 225.

2. Net capital (losses)/gains

The net capital (losses)/gains comprise:

Non-derivative securities

Currency (losses)/gains

Derivative contracts

Forward currency contracts

Transaction charges

Net capital (losses)/gains

01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
----------------------------------	----------------------------------

(6,739)	3,691
---------	-------

(98)	194
------	-----

(20)	(3)
------	-----

47	(2,070)
----	---------

(2)	(3)
-----	-----

(6,812)	1,809
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3. Revenue

Bank interest

Interest on debt securities

Total revenue

01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
----------------------------------	----------------------------------

23	6
----	---

12,331	10,059
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12,354	10,065
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4. Expenses

Payable to the ACD, associates of the ACD, and agents of either of them

ACD fees

Registration fees

01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
----------------------------------	----------------------------------

2,733	2,097
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4	3
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2,737	2,100
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Payable to the Depositary, associates of the Depositary and agents of either of them

Depositary's fees

Safe custody fees

32	32
----	----

53	41
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85	73
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Other expenses

Audit fees

Printing fees

9	9
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1	8
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10	17
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Total expenses

2,832	2,190
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AXA Sterling Credit Short Duration Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

5. Taxation

(a) Analysis of the tax charge in the year

There is no corporation tax charge in the current year or prior year.

(b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax for an open ended investment company of 20% (2017: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
Net revenue before taxation	9,515	7,875
Net revenue for the year multiplied by the standard rate of corporation tax	1,903	1,575
Effects of:		
Additional created income generated from conversions	1	-
Tax deductible interest distributions	(1,904)	(1,575)
Current tax charge for the year	-	-

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

(c) Deferred taxation:

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

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £nil (2017: £nil) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

6. Distributions

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

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
First Interim	2,533	1,691
Second Interim	2,276	1,764
Third Interim	2,272	2,422
Final	2,721	1,989
Add: Revenue paid on cancellation of shares	472	129
Deduct: Revenue received on creation of shares	(759)	(617)
Tax withheld on interest distributions	-	497
Net distribution for the year	9,515	7,875
Reconciliation of net revenue after taxation to distributions		
Net revenue after taxation	9,515	7,875
Net distribution for the year	9,515	7,875

AXA Sterling Credit Short Duration Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

7. Debtors	30/06/18	30/06/17
	£'000	£'000
Amounts receivable for creation of shares	3,029	2,850
Accrued revenue	8,694	8,197
Total debtors	11,723	11,047

8. Cash and bank balances	30/06/18	30/06/17
	£'000	£'000
Cash and bank balances	38,356	37,840
Amount held at futures clearing houses and brokers	-	1
Total cash and bank balances	38,356	37,841

9. Other creditors	30/06/18	30/06/17
	£'000	£'000
Amounts payable for cancellation of shares	893	388
Purchases awaiting settlement	-	1,749
Annual Management Charge	216	437
Accrued other expenses	54	41
Total other creditors	1,163	2,615

10. Related party transactions

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

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

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

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

As at 30 June 2018 material shareholders have holdings totalling 0.00% (30/06/2017: 0.00%) of the Funds' shares. Other than disclosed elsewhere in the financial statements, there were no material transactions between the Fund and related parties during the year.

AXA Sterling Credit Short Duration Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

11. Share classes

The reconciliation of the opening and closing numbers of shares of each class, along with the ACD's Annual Management Charges applicable to each class, is shown below:

	ACD fee rate (%)	30/06/17	Issued	Cancelled	Converted	30/06/18
A Net Income	0.35	13,206	128,846	(105,753)	-	36,299
A Net Accumulation	0.35	3,068,624	1,448,364	(825,710)	-	3,691,278
A Gross Income	0.35	4,931	11,306	(11,267)	-	4,970
A Gross Accumulation	0.35	250,437	2,136,917	(136,965)	-	2,250,389
H Net Accumulation	Nil	5,000	-	-	-	5,000
H Gross Accumulation	Nil	12,675,393	321,545	(1,607,975)	-	11,388,963
R Net Income	0.85	216,332	85,938	(115,505)	(6,302)	180,463
R Net Accumulation	0.85	6,342,505	3,641,727	(2,270,547)	-	7,713,685
R Gross Income	0.85	5,000	-	-	-	5,000
R Gross Accumulation	0.85	684,588	254,099	(313,025)	(330,624)	295,038
Z Net Income	0.40	117,028,910	30,369,375	(15,018,353)	(558,018)	131,821,914
Z Net Accumulation	0.40	279,687,210	120,916,378	(112,298,243)	(175,364)	288,129,981
Z Gross Income	0.40	130,110,134	65,638,585	(72,748,927)	(59,067,276)	63,932,516
Z Gross Accumulation	0.40	49,735,199	12,594,285	(36,193,126)	140,276	26,276,634
ZI Income~	0.25	-	90,052,904	(79,647)	62,164,779	152,138,036
ZI Accumulation~	0.25	-	6,358,556	(282,801)	345,329	6,421,084

12. Commitments, contingent liabilities and contingent assets

There are no commitments, contingent liabilities and contingent assets as at the balance sheet date (2017: nil).

13. Derivatives and other financial instruments

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

Market price risk

The Fund invests principally in fixed income securities. The value of the Fund's investment portfolio is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual company or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Fund seeks to manage these risks by adhering to investment guidelines and to investment and borrowing powers set out in the Prospectus. In addition, the Fund complies with the Collective Investment Schemes sourcebook ("COLL"), which include rules relating to investment holdings that are designed to place limits on the Fund's investment concentration (same as at 30 June 2017).

Market price risk sensitivity

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £71,114,534 (2017: £62,424,555). A 10% decrease would have an equal and opposite effect.

AXA Sterling Credit Short Duration Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

Foreign currency risk

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

Currency	Net foreign currency exposure	
	30/06/18 £'000	30/06/17 £'000
Euro	(92)	(43)
US dollar	(57)	158
Total foreign currency exposure	(149)	115

As at the balance sheet date there was no significant exposure to foreign currency therefore no foreign exchange rate sensitivity analysis is disclosed.

Interest rate risk

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

Interest rate risk profile of financial assets and liabilities

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

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£'000	£'000	£'000	£'000
Currency Assets				
30/06/18				
Pound sterling	76,599	593,763	12,320	682,682
Euro	12,344	4,022	111	16,477
US dollar	61,773	-	293	62,066
Total	150,716	597,785	12,724	761,225
30/06/17				
Pound sterling	74,644	513,392	10,714	598,750
Euro	2,016	6,049	156	8,221
US dollar	65,986	-	1,198	67,184
Total	142,646	519,441	12,068	674,155

AXA Sterling Credit Short Duration Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£'000	£'000	£'000	£'000
Currency Liabilities				
30/06/18				
Euro	-	-	(94)	(94)
US dollar	-	-	(651)	(651)
Total	-	-	(745)	(745)
30/06/17				
Pound sterling	-	-	(3,375)	(3,375)
Euro	-	-	(41)	(41)
Total	-	-	(3,416)	(3,416)

Sensitivity analysis

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. A 1% increase in interest rates would have the effect of decreasing the return and net assets by £13,583,000 (2017: £12,298,000) A 1% decrease would have an equal and opposite effect.

Credit risk

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

Fixed interest investments are exposed to credit risk which reflects the ability of the bond issuer to meet its obligations. The majority of bonds in which the Fund invests are investment grade listed bonds or government securities which are lower risk. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. The ACD monitors the credit quality and risk of the portfolio as a part of the overall investment process and in accordance with the objective and policy of each sub-fund.

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

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

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

	30/06/18 Market Value £'000	%	30/06/17 Market Value £'000	%
Credit Rating				
Total bonds BBB- credit rating and above	692,382	91.35	600,941	89.59
Total bonds below BBB- credit rating	14,041	1.85	18,298	2.73
Total non-rated bonds	4,723	0.62	5,007	0.75
Total value of bonds	711,146	93.82	624,246	93.07

Counterparty risk

Transactions in securities entered into by the Company give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. The Investment Manager minimises this risk by conducting trades through only the most reputable counterparties. Counterparty risk is also managed by limiting the exposure to individual counterparties through adherence to the investment spread restrictions included within the Company's prospectus and COLL.

AXA Sterling Credit Short Duration Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

Financial derivative instrument risk exposure

The exposure obtained through financial derivative instruments and identity of counterparties as at 30 June 2018 was as follows:

	30/06/18 Exposure £'000	30/06/17 Exposure £'000
(a) Futures		
Royal Bank of Scotland	-	9
Total value of futures	-	9
(b) Forwards		
BNP Paribas	78,691	14,642*
State Street Bank	-	59,635*
Total value of forwards contracts	78,691	74,277*

* Prior year figures have been restated.

14. Portfolio transaction costs

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
30/06/2018						
Analysis of purchases						
Bonds	320,518	-	-	-	-	320,518
Forwards	-	-	-	-	-	-
Total	320,518	-		-		320,518

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
30/06/2018						
Analysis of sales						
Bonds	213,721	-	-	-	-	213,721
Forwards	-	-	-	-	-	-
Total	213,721	-		-		213,721

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
30/06/17						
Analysis of purchases						
Bonds	313,016	-	-	-	-	313,016
Forwards	-	-	-	-	-	-
Total	313,016	-		-		313,016

AXA Sterling Credit Short Duration Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

30/06/17	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
Analysis of sales						
Bonds	91,470	-	-	-	-	91,470
Forwards	-	-	-	-	-	-
Total	91,470	-		-		91,470

	01/07/17 to 30/06/18	01/07/16 to 30/06/17
Transaction costs as percentage of average net asset value	%	%
Commissions	0.00%	0.00%
Taxes	0.00%	0.00%

At the balance sheet date the average portfolio dealing spread was 0.27% (2017: 0.28%).

15. Post balance sheet events

There are no post balance sheet events which require adjustments or disclosure.

16. Fair value disclosure

	30/06/18		30/06/17	
Valuation technique	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1 ^	2,281	-	7,789	-
Level 2 ^^	708,865	(745)	617,478	(40)
Level 3 ^^	-	-	-	-
	711,146	(745)	625,267	(40)

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

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

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

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

AXA Sterling Credit Short Duration Bond Fund

Distribution Table

As at 30 June 2018

First Distribution in pence per share

Group 1 Shares purchased prior to 1 July 2017

Group 2 Shares purchased on or after 1 July 2017 to 30 September 2017

	Net revenue (p)	Equalisation (p)	Distribution paid 30/11/17 (p)	Distribution paid 30/11/16 (p)
Share Class A Net Income				
Group 1	0.350	-	0.350	0.333
Group 2	0.174	0.176	0.350	0.333
Share Class A Net Accumulation				
Group 1	0.362	-	0.362	0.331
Group 2	0.158	0.204	0.362	0.331
Share Class A Gross Income				
Group 1	0.345	-	0.345	0.404
Group 2	0.345	-	0.345	0.404
Share Class A Gross Accumulation				
Group 1	0.366	-	0.366	0.423
Group 2	0.226	0.140	0.366	0.423
Share Class H Net Accumulation				
Group 1	0.528	-	0.528	0.467
Group 2	0.528	-	0.528	0.467
Share Class H Gross Accumulation				
Group 1	0.535	-	0.535	0.597
Group 2	0.535	-	0.535	0.597
Share Class R Net Income				
Group 1	0.227	-	0.227	0.229
Group 2	0.158	0.069	0.227	0.229
Share Class R Net Accumulation				
Group 1	0.250	-	0.250	0.250
Group 2	0.086	0.164	0.250	0.250
Share Class R Gross Income				
Group 1	0.230	-	0.230	0.285
Group 2	0.230	-	0.230	0.285
Share Class R Gross Accumulation				
Group 1	0.256	-	0.256	0.319
Group 2	0.221	0.035	0.256	0.319
Share Class Z Net Income				
Group 1	0.344	-	0.344	0.323
Group 2	0.163	0.181	0.344	0.323
Share Class Z Net Accumulation				
Group 1	0.389	-	0.389	0.360
Group 2	0.176	0.213	0.389	0.360

AXA Sterling Credit Short Duration Bond Fund

Distribution Table

As at 30 June 2018

Share Class Z Gross Income

Group 1	0.344	-	0.344	0.404
Group 2	0.190	0.154	0.344	0.404

Share Class Z Gross Accumulation

Group 1	0.399	-	0.399	0.462
Group 2	0.156	0.243	0.399	0.462

Share Class ZI Income~

Group 1	0.124	-	0.124	
Group 2	0.124	-	0.124	

Share Class ZI Accumulation~

Group 1	0.124	-	0.124	
Group 2	0.124	-	0.124	

Second Distribution in pence per share

Group 1	Shares purchased prior to 1 October 2017
Group 2	Shares purchased on or after 1 October 2017 to 31 December 2017

	Net revenue (p)	Equalisation (p)	Distribution paid 28/02/18 (p)	Distribution paid 28/02/17 (p)
Share Class A Net Income				
Group 1	0.355	-	0.355	0.261
Group 2	0.186	0.169	0.355	0.261
Share Class A Net Accumulation				
Group 1	0.370	-	0.370	0.324
Group 2	0.219	0.151	0.370	0.324
Share Class A Gross Income				
Group 1	0.354	-	0.354	0.397
Group 2	0.290	0.064	0.354	0.397
Share Class A Gross Accumulation				
Group 1	0.374	-	0.374	0.409
Group 2	0.216	0.158	0.374	0.409
Share Class H Net Accumulation				
Group 1	0.538	-	0.538	0.453
Group 2	0.538	-	0.538	0.453
Share Class H Gross Accumulation				
Group 1	0.545	-	0.545	0.581
Group 2	0.545	-	0.545	0.581
Share Class R Net Income				
Group 1	0.234	-	0.234	0.219
Group 2	0.010	0.224	0.234	0.219
Share Class R Net Accumulation				
Group 1	0.259	-	0.259	0.242
Group 2	0.155	0.104	0.259	0.242

AXA Sterling Credit Short Duration Bond Fund

Distribution Table

As at 30 June 2018

Share Class R Gross Income

Group 1	0.234	-	0.234	0.284
Group 2	0.234	-	0.234	0.284

Share Class R Gross Accumulation

Group 1	0.265	-	0.265	0.306
Group 2	0.125	0.140	0.265	0.306

Share Class Z Net Income

Group 1	0.351	-	0.351	0.314
Group 2	0.198	0.153	0.351	0.314

Share Class Z Net Accumulation

Group 1	0.397	-	0.397	0.349
Group 2	0.198	0.199	0.397	0.349

Share Class Z Gross Income

Group 1	0.351	-	0.351	0.390
Group 2	0.256	0.095	0.351	0.390

Share Class Z Gross Accumulation

Group 1	0.408	-	0.408	0.447
Group 2	0.201	0.207	0.408	0.447

Share Class ZI Income~

Group 1	0.378	-	0.378	
Group 2	0.111	0.267	0.378	

Share Class ZI Accumulation~

Group 1	0.378	-	0.378	
Group 2	0.062	0.316	0.378	

Third Distribution in pence per share

Group 1	Shares purchased prior to 1 January 2018
Group 2	Shares purchased on or after 1 January 2018 to 31 March 2018

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/18 (p)	Distribution paid 31/05/17 (p)
Share Class A Net Income				
Group 1	0.358	-	0.358	0.440
Group 2	0.250	0.108	0.358	0.440
Share Class A Net Accumulation				
Group 1	0.375	-	0.375	0.446
Group 2	0.163	0.212	0.375	0.446
Share Class A Gross Income				
Group 1	0.357	-	0.357	0.438
Group 2	0.357	-	0.357	0.438

AXA Sterling Credit Short Duration Bond Fund

Distribution Table

As at 30 June 2018

Share Class A Gross Accumulation

Group 1	0.379	-	0.379	0.451
Group 2	0.040	0.339	0.379	0.451

Share Class H Net Accumulation

Group 1	0.546	-	0.546	0.621
Group 2	0.546	-	0.546	0.621

Share Class H Gross Accumulation

Group 1	0.550	-	0.550	0.632
Group 2	0.147	0.403	0.550	0.632

Share Class R Net Income

Group 1	0.240	-	0.240	0.313
Group 2	0.080	0.160	0.240	0.313

Share Class R Net Accumulation

Group 1	0.266	-	0.266	0.343
Group 2	0.141	0.125	0.266	0.343

Share Class R Gross Income

Group 1	0.241	-	0.241	0.327
Group 2	0.241	-	0.241	0.327

Share Class R Gross Accumulation

Group 1	0.271	-	0.271	0.351
Group 2	0.152	0.119	0.271	0.351

Share Class Z Net Income

Group 1	0.355	-	0.355	0.430
Group 2	0.168	0.187	0.355	0.430

Share Class Z Net Accumulation

Group 1	0.403	-	0.403	0.482
Group 2	0.165	0.238	0.403	0.482

Share Class Z Gross Income

Group 1	0.355	-	0.355	0.430
Group 2	0.283	0.072	0.355	0.430

Share Class Z Gross Accumulation

Group 1	0.414	-	0.414	0.495
Group 2	0.233	0.181	0.414	0.495

Share Class ZI Income~

Group 1	0.378	-	0.378	
Group 2	0.177	0.201	0.378	

Share Class ZI Accumulation~

Group 1	0.379	-	0.379	
Group 2	0.169	0.210	0.379	

AXA Sterling Credit Short Duration Bond Fund

Distribution Table

As at 30 June 2018

Final Distribution in pence per share

Group 1 Shares purchased prior to 1 April 2018

Group 2 Shares purchased on or after 1 April 2018 to 30 June 2018

	Net revenue (p)	Equalisation (p)	Distribution payable 31/08/18 (p)	Distribution paid 31/08/17 (p)
Share Class A Net Income				
Group 1	0.365	-	0.365	0.336
Group 2	0.298	0.067	0.365	0.336
Share Class A Net Accumulation				
Group 1	0.384	-	0.384	0.324
Group 2	0.150	0.234	0.384	0.324
Share Class A Gross Income				
Group 1	0.364	-	0.364	0.320
Group 2	0.364	-	0.364	0.320
Share Class A Gross Accumulation				
Group 1	0.362	-	0.362	0.328
Group 2	0.253	0.109	0.362	0.328
Share Class H Net Accumulation				
Group 1	0.547	-	0.547	0.484
Group 2	0.547	-	0.547	0.484
Share Class H Gross Accumulation				
Group 1	0.563	-	0.563	0.489
Group 2	0.563	-	0.563	0.489
Share Class R Net Income				
Group 1	0.244	-	0.244	0.192
Group 2	0.097	0.147	0.244	0.192
Share Class R Net Accumulation				
Group 1	0.271	-	0.271	0.209
Group 2	0.150	0.121	0.271	0.209
Share Class R Gross Income				
Group 1	0.244	-	0.244	0.202
Group 2	0.244	-	0.244	0.202
Share Class R Gross Accumulation				
Group 1	0.277	-	0.277	0.214
Group 2	0.277	-	0.277	0.214
Share Class Z Net Income				
Group 1	0.361	-	0.361	0.308
Group 2	0.179	0.182	0.361	0.308
Share Class Z Net Accumulation				
Group 1	0.412	-	0.412	0.345
Group 2	0.236	0.176	0.412	0.345

AXA Sterling Credit Short Duration Bond Fund

Distribution Table

As at 30 June 2018

Share Class Z Gross Income

Group 1	0.361	-	0.361	0.307
Group 2	0.191	0.170	0.361	0.307

Share Class Z Gross Accumulation

Group 1	0.423	-	0.423	0.355
Group 2	0.225	0.198	0.423	0.355

Share Class ZI Income~

Group 1	0.383	-	0.383	
Group 2	0.081	0.302	0.383	

Share Class ZI Accumulation~

Group 1	0.387	-	0.387	
Group 2	0.186	0.201	0.387	

~ ZI share class launched on 29 August 2017.

AXA Sterling Index-Linked Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

Investment Objective

The aim of the Fund is to provide income and capital growth, with the objective of reducing the negative effect of inflation over the long term.

Investment Policy

The Fund invests primarily in a portfolio of index-linked bonds issued by the UK government. The Fund manager also seeks to increase performance of the Fund by investing in non-governmental, non-index-linked, and non-sterling denominated bonds where these offer better value. The Fund is managed with reference to the composition and risk profile of the FTSE Actuaries UK Index-Linked Gilts Over 5 Years Index. However the Fund manager invests on a discretionary basis with a significant degree of freedom to take positions which are different from the index.

Where bonds are denominated in a currency other than sterling, the Fund aims to reduce the risk of movements in exchange rates between such currency and sterling through the use of derivatives (financial instruments which derive their value from the value of other assets). The Fund may also use derivatives in an attempt to reduce the overall risks of its investments, reduce the costs of investing or generate additional capital or income (known as Efficient Portfolio Management - EPM).

Risk and Reward Profile

As at 30 June 2018

By investing in a Fund which invests primarily in indexed-linked fixed interest stocks you are likely to be looking for an investment which will generate a steady and predictable income whilst providing some protection against inflation. You are willing to accept that your investment will fall and rise in value and that you could get back less than you invest. Typically, you would prefer an investment with less risk than that of a Fund which invests significantly in equities or overseas and you would be investing for a period of at least five years.

Lower Risk

Higher Risk

← Potentially lower reward Potentially higher reward →

1	2	3	4	5	6	7
---	---	---	---	---	---	---

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

Why is this Fund in this category?

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

Additional risks

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

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

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

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

AXA Sterling Index-Linked Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

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

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

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

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

- **Credit risk** - all bonds have a potential credit risk, in that the issuer could default on its obligations to pay income and/or capital. An issuer default would likely result in a large drop in the value of that bond. The value of a bond will also be affected by the perceived credit risk of the issuer, including changes to credit ratings and the general level of aversion to credit risk in the market. Generally, an increased level of perceived credit risk leads to a fall in the value of the bond, and vice versa. Credit risk can be measured by ratings assigned to issuers of bonds by third party credit rating agencies. The largest credit rating agencies are Moody's, Standard & Poor's and Fitch Ratings. Each credit rating agency uses different designations. The highest designation (Aaa (Moody's), AAA (Standard & Poor's and Fitch Ratings)) are intended to represent a lower probability of default of the issuer. The credit rating agencies designate "investment grade" bonds as Baa3 or above (Moody's) or BBB- or above (Standard & Poor's or Fitch Ratings).

Internal investment guidelines are set, if necessary, to ensure credit risk is maintained within a range deemed suitable based on the individual Fund's investment objectives and investment policy. These guidelines could include credit quality indicators, measures of sensitivity to credit spread moves and diversification measures.

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

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

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

- **Currency risk** (Note that the Fund aims to reduce the risk of movements in exchange rates by hedging the foreign currency exposure of the Fund back to pounds sterling.) - assets of a 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.

AXA Sterling Index-Linked Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

The ACD aims to reduce the risk of movements in exchange rates on the value of all or part of the assets of a Fund through the use of currency exchange transactions. A 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 a Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. The performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a 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 a 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.

Investment Review

Brexit uncertainties, weakening UK Purchasing Managers' Index (PMI) numbers and continued resilience in employment figures presented a mixed picture for the Bank of England's (BoE) Monetary Policy Committee (MPC). At its August 2017 meeting, the MPC revised down growth forecasts, with the inflation trajectory left unchanged. BoE Governor Mark Carney noted that consumption was weakening but stated that if the economy carried on in the same direction then monetary policy could need to be tightened. The MPC took a very hawkish tone in September that surprised the market and outlined the need to increase interest rates sooner rather than later, as unemployment figures recorded their lowest level since July 1975.

In early November the BoE delivered its first interest rate rise in more than a decade, pushing rates from 0.25% to 0.5%. The move was well-flagged, resulting in low levels of volatility in the UK government bond markets. Since then the BoE has kept its benchmark interest rate at 0.5% citing a slowing pace of growth. The decision to leave rates unchanged had largely been expected by investors. In June, the bank's governor, Mark Carney, highlighted the risks of a disorderly Brexit, which included the potential need to lower interest rates even if inflation was above target.

In the second half of 2017, UK economic data confounded expectations, remaining resilient despite strained Brexit negotiations. Q3 GDP growth was up 0.4% quarter-on-quarter, bettering market expectations of 0.3% growth. However, growth moderated in 2018, with first quarter GDP coming in at just 0.2%. Generally weak growth projections for the UK economy caused the (BoE) to postpone any interest rate rises. This, and the difficult Brexit negotiations, caused sterling to weaken.

Nevertheless, there was some encouraging data from the UK's economy. Unemployment remained at generational lows – the number of people in work stayed at record highs in the three months to April, while unemployment for the same period remained at 4.2%, the joint-lowest level since the mid-70s.

Inflation also picked up towards the end of 2017, despite concerns about the stability of sterling, rising from 2.6% in July to 2.9% in August and ticked up steadily to 3% in October, a five-and-a-half year high, and then 3.1% in November. Food and electricity price rises contributed to climbing inflation, as did oil prices. Coming into 2018, CPI inflation dipped to 2.7% in February as the rising price of clothing and footwear were offset by slower growth in the prices of transport, recreation, restaurants and hotels.

Outside the UK, the July European Central Bank (ECB) meeting was highly anticipated due to president Mario Draghi's more confident view about inflationary pressure but while there was more optimism about growth, the governing council did not as yet see any convincing signals of improvement in underlying inflation. In its June policy statement, the ECB signalled that its monthly bond purchasing scheme would finish at the end of 2018. The bank, however, provided some comfort for markets with guidance that interest rate rises in the Eurozone were highly unlikely before the autumn of 2019.

AXA Sterling Index-Linked Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

In the US, the Federal Reserve (Fed) announced that it would start reducing the balance sheet that it built up during its massive bond-buying stimulus programme in October. Over the 12 month period the Fed increased interest rates four times to a range of 1.75 - 2.0%.

Fund activity

At the beginning of the period we briefly moved to overweight duration position (a measure of the sensitivity of a bond's price to a change in interest rates) relative to the comparative benchmark (the FTSE Actuaries UK Index-Linked 5+ Years Index), however in August we moved back to an underweight position and continued to gradually reduce duration over the six month period. In July we opened an overweight position in German government bonds (relative to UK government bonds), which we maintained until September when we moved back to an underweight. We maintained an overweight position in sterling-denominated corporate bonds over the period.

The beginning of 2018 saw a return of volatility, with a sell-off in government bonds globally. We reduced the size of our underweight in duration and reduced our overweight in top long-dated assets. In March, we moved to a small overweight position against the benchmark on expectations that UK government bond yields would continue to move lower. We also added to long-dated inflation-linked bonds against shorter dated bonds.

The sterling index linked market, as measured by the FTSE UK Govt Index Linked (All) TR, fell nearly -5% during the first three weeks of April before recovering to end the month down -2%. Initially the market move was a reaction to the reduced threat from trade wars and geopolitical noise, as markets reversed the gains of March. However, UK fixed income markets rallied into month end, after slightly weaker economic data and comments from the BoE that played down prospects of a rate rise in May. During this period, the Fund slightly underperformed the market due to its higher duration position and its preference for longer dated bonds.

In recent months, we reduced our exposure to longer-maturity bonds (those with more than 20 years to maturity), preferring 10-year bonds instead. We also increased duration in the Fund during as bond yields continued to rise. Towards the end of the period, we reduced exposure to longer dated bonds.

Overall, the breakdown of the Fund remained fairly stable over the period. The Fund's average maturity increased slightly and we reduced duration, which increased our relative underweight duration position (compared to the benchmark). The allocation to non-sterling denominated bonds was 2.8% at the beginning of the period, but this fell to just above zero by year end. The credit quality of the portfolio remained stable.

Outlook

During the 12 months ending 30 June 2018, the AXA Sterling Index Linked Bond Fund provided a total net return of +1.50% (Z Acc, net of fees and gross income reinvested), compared with the FTSE Actuaries UK Index-Linked 5+ Years Index return of +2.01%.

Our outlook is for higher global government bond yields in 2018, as central bank support is withdrawn and global synchronised growth continues. In this environment, inflation breakeven should outperform but also we expect UK government bonds to outperform US yields given the complexity of the Brexit impact on growth, the economy and confidence.

The outlook for growth remained unchanged at 1.6% but 2019 growth was lowered to 1.7% from 1.8%. The 2018 inflation outlook was revised slightly lower as the contribution from energy prices faded. However, currency depreciation was the main driver of the Bank's view on inflation pressure and all growth assumptions are relying on a smooth Brexit transition, which so far has not been forthcoming.

We remain constructive for bond returns going forward despite low bond yields. Economic activity should remain subdued whilst such uncertainty for growth and inflation prevail in a post-Brexit era. The summer months are traditionally beneficial for bond return, although above average size return are less likely given the low starting point of yields.

All performance data source: AXA Investment Managers and Bloomberg

Past performance is not a guide to future performance.

Major Purchases

- UK Treasury 1.25% IL 22/11/27
- UK Treasury 4.25% 07/12/27
- UK Treasury 2.5% IL 17/07/24
- BTP 0.75% 15/01/2018
- UK Treasury 0.75% IL 22/11/47

Major Sales

- UK Treasury 1.25% IL 22/11/27
- UK Treasury 4.25% 07/12/27
- UK Treasury 0.125% IL 22/03/24
- UK Treasury 0.125% IL 22/03/26
- BTP 0.75% 15/01/2018

Nick Hayes

30 June 2018

AXA Investment Managers UK Limited

AXA Sterling Index-Linked Bond Fund

Comparative Tables

As at 30 June 2018

	A Net Accumulation			A Gross Accumulation		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	135.51	126.70	108.55	135.58	126.72	108.65
Return before operating charges ^	2.26	9.18	18.45	2.29	9.23	18.38
Operating charges ^	(0.37)	(0.37)	(0.30)	(0.37)	(0.37)	(0.31)
Return after operating charges ^	1.89	8.81	18.15	1.92	8.86	18.07
Distributions	-	-	-	-	-	-
Retained distributions on accumulation shares	-	-	-	-	-	-
Closing net asset value per share †	137.40	135.51	126.70	137.50	135.58	126.72
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	1.39%	6.95%	16.72%	1.42%	6.99%	16.63%
Other information						
Closing net asset value (£) †	1,338,797	1,970,334	836,727	4,880,962	4,952,419	5,059,908
Closing number of shares	974,385	1,454,027	660,407	3,549,731	3,652,869	3,993,088
Operating charges ^	0.27%	0.27%	0.27%	0.27%	0.27%	0.27%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	143.10	146.98	126.30	143.20	147.05	126.30
Lowest share price #	130.80	124.66	106.00	130.90	124.69	106.10
	H Net Accumulation			H Gross Accumulation		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	244.26	227.74	194.58	248.32	231.53	197.86
Return before operating charges ^	4.17	16.57	33.22	4.20	16.84	33.73
Operating charges ^	(0.05)	(0.05)	(0.06)	(0.05)	(0.05)	(0.06)
Return after operating charges ^	4.12	16.52	33.16	4.15	16.79	33.67
Distributions	-	-	-	-	-	-
Retained distributions on accumulation shares	-	-	-	-	-	-
Closing net asset value per share †	248.38	244.26	227.74	252.47	248.32	231.53
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	1.69%	7.25%	17.04%	1.67%	7.25%	17.02%
Other information						
Closing net asset value (£) †	12,419	12,213	11,387	6,912,146	7,299,147	7,200,019
Closing number of shares	5,000	5,000	5,000	2,737,802	2,939,381	3,109,708
Operating charges ^	0.02%	0.02%	0.03%	0.02%	0.02%	0.03%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	258.20	264.78	227.00	262.40	269.19	230.80
Lowest share price #	235.80	224.10	190.00	239.80	227.85	193.20

AXA Sterling Index-Linked Bond Fund

Comparative Tables

As at 30 June 2018

	R Net Accumulation			R Gross Accumulation		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	231.96	217.91	187.64	232.91	218.81	188.38
Return before operating charges ^	3.91	15.86	31.78	3.93	15.92	31.94
Operating charges ^	(1.79)	(1.81)	(1.51)	(1.80)	(1.82)	(1.51)
Return after operating charges ^	2.12	14.05	30.27	2.13	14.10	30.43
Distributions	-	-	-	-	-	-
Retained distributions on accumulation shares	-	-	-	-	-	-
Closing net asset value per share †	234.08	231.96	217.91	235.04	232.91	218.81
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	0.91%	6.45%	16.13%	0.91%	6.44%	16.15%
Other information						
Closing net asset value (£) †	3,934,212	7,037,291	5,594,630	12,280,633	39,709,468	33,047,110
Closing number of shares	1,680,748	3,033,818	2,567,390	5,224,824	17,048,922	15,102,839
Operating charges ^	0.77%	0.77%	0.78%	0.77%	0.77%	0.78%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	244.80	251.86	217.20	245.80	252.90	218.10
Lowest share price #	223.50	214.35	183.20	224.40	215.24	183.90
	Z Net Accumulation			Z Gross Accumulation		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	265.05	247.92	212.53	273.84	256.09	219.49
Return before operating charges ^	4.47	17.99	36.12	4.62	18.63	37.35
Operating charges ^	(0.85)	(0.86)	(0.73)	(0.88)	(0.88)	(0.75)
Return after operating charges ^	3.62	17.13	35.39	3.74	17.75	36.60
Distributions	-	-	-	-	-	-
Retained distributions on accumulation shares	-	-	-	-	-	-
Closing net asset value per share †	268.67	265.05	247.92	277.58	273.84	256.09
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	1.37%	6.91%	16.65%	1.37%	6.93%	16.68%
Other information						
Closing net asset value (£) †	117,807,939	135,120,584	84,631,128	74,002,521	90,090,143	96,173,328
Closing number of shares	43,848,564	50,979,283	34,136,037	26,659,710	32,898,966	37,554,542
Operating charges ^	0.32%	0.32%	0.33%	0.32%	0.32%	0.33%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	280.00	287.51	247.10	289.30	297.04	255.30
Lowest share price #	255.90	243.93	207.50	264.40	251.97	214.30

† Valued at bid-market prices.

High and low price disclosures are based on quoted share 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 sub-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. figures used within these tables have been calculated against the average net asset value for the accounting year.

AXA Sterling Index-Linked Bond Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
INDEX LINKED GOVERNMENT BONDS 97.11% (30/06/17: 96.29%)			
Germany 0.00% (30/06/17: 1.05%)			
United Kingdom 97.11% (30/06/17: 94.25%)			
UK Treasury 0.125% IL 22/03/24	3,047,000	3,942	1.78
UK Treasury 0.125% IL 22/03/29	4,076,000	5,812	2.63
UK Treasury 0.125% IL 22/11/36	2,437,000	3,604	1.63
UK Treasury 0.125% IL 22/03/44	5,303,000	9,417	4.26
UK Treasury 0.125% IL 22/03/46	5,558,000	9,540	4.31
UK Treasury 0.125% IL 22/11/56	1,946,000	3,845	1.74
UK Treasury 0.125% IL 22/03/58	4,535,000	9,474	4.28
UK Treasury 0.125% IL 22/03/68	4,908,000	12,632	5.71
UK Treasury 0.125% IL 22/11/65	3,223,000	7,600	3.44
UK Treasury 0.25% IL 22/03/52	4,577,000	9,521	4.30
UK Treasury 0.375% IL 22/03/62	4,743,000	12,400	5.61
UK Treasury 0.5% IL 22/03/50	5,086,000	12,284	5.55
UK Treasury 0.625% IL 22/03/40	4,336,000	8,860	4.01
UK Treasury 0.625% IL 22/11/42	5,025,000	11,021	4.98
UK Treasury 0.75% IL 22/03/34	6,014,000	10,349	4.68
UK Treasury 0.75% IL 22/11/47	5,189,900	12,972	5.86
UK Treasury 1.125% IL 22/11/37	4,154,000	9,351	4.23
UK Treasury 1.25% IL 22/11/27	7,524,000	14,180	6.41
UK Treasury 1.25% IL 22/11/32	5,201,000	9,901	4.48
UK Treasury 1.25% IL 22/11/55	3,511,000	12,332	5.58
UK Treasury 2% IL 26/01/35	4,178,000	11,195	5.06
UK Treasury 2.5% IL 17/07/24	2,126,000	7,670	3.47
UK Treasury 4.125% IL 22/07/30	1,899,000	6,872	3.11
United States 0.00% (30/06/17: 0.99%)			
TOTAL INDEX LINKED GOVERNMENT BONDS		214,774	97.11
INDEX LINKED CORPORATE BONDS 2.50% (30/06/17: 1.93%)			
Cayman Islands 0.09% (30/06/17: 0.07%)			
DWR Cymru Financing 3.514% IL 31/03/30	38,000	90	0.04
Southern Water Services Finance 3.816% IL 31/03/23	57,000	107	0.05
Jersey 0.30% (30/06/17: 0.24%)			
Heathrow Funding 3.334% IL 09/12/39	300,000	671	0.30
Supranational 0.01% (30/06/17: 0.01%)			
European Investment Bank 2.65% IL 16/04/20	10,000	18	0.01
United Kingdom 2.10% (30/06/17: 1.61%)			
Anglian Water Services Financing 4.125% IL 28/07/20	43,000	79	0.03
Artesian Finance 3.625% IL 30/09/32	93,000	231	0.10
CTRL Section 1 Finance 2.334% 02/11/51	57,000	166	0.08
London Power Networks 3.125% IL 07/06/32	36,000	84	0.04
National Grid Gas 4.1875% IL 14/12/22	93,000	190	0.09
National Grid Electricity Transmission 2.983% IL 08/07/18	189,000	300	0.14
Network Rail Infrastructure Finance 1.375% IL 22/11/37	956,000	2,109	0.95
Network Rail Infrastructure Finance 1.75% IL 22/11/27	581,000	1,050	0.47
Network Rail Infrastructure Finance 1.9618% IL 01/12/25	160,000	303	0.14
Tesco 3.322% IL 05/11/25	39,000	75	0.03
Thames Water Utilities Finance 3.375% IL 21/07/21	32,000	57	0.03
TOTAL INDEX LINKED CORPORATE BONDS		5,530	2.50

AXA Sterling Index-Linked Bond Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
FUTURES 0.00% (30/06/17: 0.13%)			
Germany 0.00% (30/06/17: 0.20%)			
United Kingdom 0.00% (30/06/17: (0.06%))			
United States 0.00% (30/06/17: (0.01%))			
FORWARD CURRENCY CONTRACTS 0.00% (30/06/17: 0.03%)			
Portfolio of investments		220,304	99.61
Net other assets		866	0.39
Total net assets		221,170	100.00

All bonds are denominated in sterling (unless otherwise indicated).

At 30 June 2018, there were no investments in the Fund which were valued using a quote from a single broker (30/06/17: £nil).

AXA Sterling Index-Linked Bond Fund

Statement of Total Return

For the year ended 30 June 2018

	Note	01/07/17 to 30/06/18 £'000	£'000	01/07/16 to 30/06/17 £'000	£'000
Income:					
Net capital gains	2		6,845		16,457
Revenue	3	(2,661)		(122)	
Expenses	4	(1,015)		(1,056)	
Interest payable and similar charges		(3)		(1)	
Net expense before taxation		(3,679)		(1,179)	
Taxation	5	-		-	
Net expense after taxation			(3,679)		(1,179)
Total return before equalisation			3,166		15,278
Equalisation	6		-		1
Change in net assets attributable to Shareholders from investment activities			3,166		15,279

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 June 2018

	01/07/17 to 30/06/18 £'000	£'000	01/07/16 to 30/06/17 £'000	£'000
Opening net assets attributable to Shareholders		286,192		232,554
Amounts receivable on issue of shares	16,538		82,918	
Amounts payable on cancellation of shares	(84,726)		(44,574)	
		(68,188)		38,344
Dilution adjustment		-		15
Change in net assets attributable to Shareholders from investment activities (see above)		3,166		15,279
Closing net assets attributable to Shareholders		221,170		286,192

AXA Sterling Index-Linked Bond Fund

Balance Sheet

As at 30 June 2018

		30/06/18	30/06/17
	Note	£'000	£'000
Assets:			
Fixed assets:			
Investments		220,304	282,129
Current assets:			
Debtors	7	408	5,845
Cash and bank balances	8	1,124	3,775
Total assets		<u>221,836</u>	<u>291,749</u>
Liabilities:			
Investment liabilities		-	(579)
Creditors:			
Other creditors	9	(666)	(4,978)
Total liabilities		<u>(666)</u>	<u>(5,557)</u>
Net assets attributable to Shareholders		<u>221,170</u>	<u>286,192</u>

AXA Sterling Index-Linked Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

1. Accounting Basis And Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 223 - 225.

2. Net capital gains

The net capital gains comprise:

Non-derivative securities
Brokers commission on futures
Currency losses
Derivative contracts
Forward currency contracts
Transaction charges

Net capital gains

01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
7,446	15,235
(16)	(17)
(38)	(146)
(899)	1,577
353	(191)
(1)	(1)
6,845	16,457

3. Revenue

Bank interest
Interest on debt securities
Total revenue

01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
2	-
(2,663)	(122)
(2,661)	(122)

4. Expenses

Payable to the ACD, associates of the ACD, and agents of either of them

ACD fees
Registration fees

01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
964	999
2	2
966	1,001

Payable to the Depositary, associates of the Depositary and agents of either of them

Depositary's fees
Safe custody fees

32	32
8	7
40	39

Other expenses

Audit fees
Printing fees

8	8
1	8
9	16
1,015	1,056

Total expenses

AXA Sterling Index-Linked Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

5. Taxation

(a) Analysis of the tax charge in the year

There is no corporation tax charge in the current year or prior year.

(b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax for an open ended investment company of 20% (2017: 20%) is applied to the net expense before taxation. The differences are explained below:

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
Net expense before taxation	(3,679)	(1,179)
Net expense for the year multiplied by the standard rate of corporation tax	(736)	(236)
Effects of:		
Movement in excess management expenses	2,508	1,977
Relief for indexation on UK Gilts	(1,772)	(1,741)
Current tax charge for the year	-	-

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

(c) Deferred taxation:

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

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £4,901,844 (2017: £2,394,314) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

6. Equalisation

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

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
First interim	-	-
Second interim	-	-
Third interim	-	-
Final	-	-
Add: Revenue paid on cancellation of shares	-	3
Deduct: Revenue received on creation of shares	-	(4)
Net equalisation for the year	-	(1)
Reconciliation of net expense after taxation to equalisation		
Net expense after taxation	(3,679)	(1,179)
Revenue deficit	12,537	9,885*
Indexation on UK Government Index-Linked Bonds	(8,858)	(8,707)*
Net equalisation for the year	-	(1)

*Prior year figures have been restated.

AXA Sterling Index-Linked Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

7. Debtors

	30/06/18	30/06/17
	£'000	£'000
Amounts receivable for creation of shares	101	985
Sales awaiting settlement	-	4,569
Accrued revenue	307	291
Total debtors	408	5,845

8. Cash and bank balances

	30/06/18	30/06/17
	£'000	£'000
Cash and bank balances	1,124	3,186
Amount held at futures clearing houses and brokers	-	589
Total cash and bank balances	1,124	3,775

9. Other creditors

	30/06/18	30/06/17
	£'000	£'000
Amounts payable for cancellation of shares	590	256
Purchases awaiting settlement	-	4,515
Annual Management Charge	57	186
Accrued other expenses	19	21
Total other creditors	666	4,978

10. Related party transactions

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

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

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

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

As at 30 June 2018 material shareholders have holdings totalling 0.00% (30/06/2017: 0.00%) of the Funds' shares. Other than disclosed elsewhere in the financial statements, there were no material transactions between the Fund and related parties during the year.

11. Share classes

The reconciliation of the opening and closing numbers of shares of each class, along with the ACD's Annual Management Charges applicable to each class, is shown below:

	ACD fee rate (%)	30/06/17	Issued	Cancelled	Converted	30/06/18
A Net Accumulation	0.25	1,454,027	750,348	(1,229,990)	-	974,385
A Gross Accumulation	0.25	3,652,869	154,419	(257,557)	-	3,549,731
H Net Accumulation	Nil	5,000	-	-	-	5,000
H Gross Accumulation	Nil	2,939,381	-	(201,579)	-	2,737,802
R Net Accumulation	0.75	3,033,818	127,568	(1,493,321)	12,683	1,680,748
R Gross Accumulation	0.75	17,048,922	286,336	(11,865,796)	(244,638)	5,224,824
Z Net Accumulation	0.30	50,979,283	4,277,599	(11,410,472)	2,154	43,848,564
Z Gross Accumulation	0.30	32,898,966	877,920	(7,311,890)	194,714	26,659,710

12. Commitments, contingent liabilities and contingent assets

There are no commitments, contingent liabilities and contingent assets as at the balance sheet date (2017: nil).

AXA Sterling Index-Linked Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

13. Derivatives and other financial instruments

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

Market price risk

The Fund invests principally in equity and fixed income securities. The value of the Fund's investment portfolio is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual company or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Fund seeks to manage these risks by adhering to investment guidelines and to investment and borrowing powers set out in the Prospectus. In addition, the Fund complies with the Collective Investment Schemes sourcebook ("COLL"), which include rules relating to investment holdings that are designed to place limits on the Fund's investment concentration (same as at 30 June 2017).

Market price risk sensitivity

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £22,030,354 (2017: £28,108,430). A 10% decrease would have an equal and opposite effect.

Foreign currency risk

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

Currency	Net foreign currency exposure	
	30/06/18 £'000	30/06/17 £'000
Euro	-	777
US dollar	-	(27)
Total foreign currency exposure	-	750

As at the balance sheet date there was no significant exposure to foreign currency therefore no foreign exchange rate sensitivity analysis is disclosed.

AXA Sterling Index-Linked Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

Interest rate risk

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

Interest rate risk profile of financial assets and liabilities

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

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£'000	£'000	£'000	£'000
Currency Assets				
30/06/18				
Pound sterling	1,125	220,304	407	221,836
Total	1,125	220,304	407	221,836
30/06/17				
Pound sterling	2,139	275,238	5,835	283,212
Euro	1,025	3,004	886	4,915
US dollar	612	2,843	167	3,622
Total	3,776	281,085	6,888	291,749
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£'000	£'000	£'000	£'000
Currency Liabilities				
30/06/18				
Pound sterling	-	-	(666)	(666)
Total	-	-	(666)	(666)
30/06/17				
Pound sterling	-	-	(5,144)	(5,144)
Euro	-	-	(324)	(324)
US dollar	-	-	(89)	(89)
Total	-	-	(5,557)	(5,557)

Sensitivity analysis

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. A 1% increase in interest rates would have the effect of decreasing the return and net assets by £53,556,000 (2017: £64,987,000). A 1% decrease would have an equal and opposite effect.

AXA Sterling Index-Linked Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

Credit risk

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

Fixed interest investments are exposed to credit risk which reflects the ability of the bond issuer to meet its obligations. The majority of bonds in which the Fund invests are investment grade listed bonds or government securities which are lower risk. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. The ACD monitors the credit quality and risk of the portfolio as a part of the overall investment process and in accordance with the objective and policy of each sub-fund.

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

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

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

Credit Rating	30/06/18	%	30/06/17	%
	Market Value £'000		Market Value £'000	
Total bonds BBB- credit rating and above	220,229	99.58	281,012	98.20
Total bonds below BBB- credit rating	75	0.03	73	0.02
Total non-rated bonds	-	-	-	-
Total value of bonds	220,304	99.61	281,085	98.22

Counterparty risk

Transactions in securities entered into by the Company give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. The Investment Manager minimises this risk by conducting trades through only the most reputable counterparties. Counterparty risk is also managed by limiting the exposure to individual counterparties through adherence to the investment spread restrictions included within the Company's prospectus and COLL.

Financial derivative instrument risk exposure

The exposure obtained through financial derivative instruments and identity of counterparties as at 30 June 2018 was as follows:

	30/06/18 Exposure £'000	30/06/17 Exposure £'000
(a) Futures		
Royal Bank of Scotland	-	383
Total value of derivatives	-	383
(b) Forwards		
BNP Paribas	-	7,293*
Total value of forward contracts	-	7,293*

*Prior year figures have been restated.

AXA Sterling Index-Linked Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

14. Portfolio transaction costs

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
30/06/2018						
Analysis of purchases						
Bonds	66,445	-	-	-	-	66,445
Futures	-	5	-	-	-	5
Total	66,445	5		-		66,450

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
30/06/2018						
Analysis of sales						
Bonds	130,612	-	-	-	-	130,612
Futures	-	(5)	-	-	-	(5)
Total	130,612	(5)		-		130,607

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
30/06/2017						
Analysis of purchases						
Bonds	431,284	-	-	-	-	431,284
Futures	-	8	-	-	-	8
Total	431,284	8		-		431,292

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
30/06/2017						
Analysis of sales						
Bonds	394,162	-	-	-	-	394,162
Futures	-	(9)	-	-	-	(9)
Total	394,162	(9)		-		394,153

	01/07/17 to 30/06/18 %	01/07/16 to 30/06/17 %
Transaction costs as percentage of average net asset value		
Commissions	0.00%	0.00%
Taxes	0.00%	0.00%

At the balance sheet date the average portfolio dealing spread was 0.12% (2017: 0.02%).

AXA Sterling Index-Linked Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

15. Post balance sheet events

There are no post balance sheet events which require adjustments or disclosure.

16. Fair value disclosure

Valuation technique	30/06/18		30/06/17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1 ^	214,774	-	276,523	(565)
Level 2 ^^	5,530	-	5,606	(14)
Level 3 ^^	-	-	-	-
	220,304	-	282,129	(579)

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

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

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

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

AXA Sterling Index-Linked Bond Fund

Distribution Table

As at 30 June 2018

First Distribution in pence per share

Group 1 Shares purchased prior to 1 July 2017

Group 2 Shares purchased on or after 1 July 2017 to 30 September 2017

	Net revenue (p)	Equalisation (p)	Distribution paid 30/11/17 (p)	Distribution paid 30/11/16 (p)
Share Class A Net Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class A Gross Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class H Net Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class H Gross Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class R Net Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class R Gross Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class Z Net Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class Z Gross Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-

AXA Sterling Index-Linked Bond Fund

Distribution Table

As at 30 June 2018

Second Distribution in pence per share

Group 1 Shares purchased prior to 1 October 2017

Group 2 Shares purchased on or after 1 October 2017 to 31 December 2017

	Net revenue (p)	Equalisation (p)	Distribution paid 28/02/18 (p)	Distribution paid 28/02/17 (p)
Share Class A Net Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class A Gross Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class H Net Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class H Gross Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class R Net Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class R Gross Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class Z Net Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class Z Gross Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-

AXA Sterling Index-Linked Bond Fund

Distribution Table

As at 30 June 2018

Third Distribution in pence per share

Group 1 Shares purchased prior to 1 January 2018

Group 2 Shares purchased on or after 1 January 2018 to 31 March 2018

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/18 (p)	Distribution paid 31/05/17 (p)
Share Class A Net Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class A Gross Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class H Net Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class H Gross Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class R Net Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class R Gross Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class Z Net Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class Z Gross Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-

AXA Sterling Index-Linked Bond Fund

Distribution Table

As at 30 June 2018

Final Distribution in pence per share

Group 1 Shares purchased prior to 1 April 2018

Group 2 Shares purchased on or after 1 April 2018 to 30 June 2018

	Net revenue (p)	Equalisation (p)	Distribution payable 31/08/18 (p)	Distribution paid 31/08/17 (p)
Share Class A Net Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class A Gross Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class H Net Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class H Gross Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class R Net Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class R Gross Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class Z Net Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-
Share Class Z Gross Accumulation				
Group 1	-	-	-	-
Group 2	-	-	-	-

AXA Sterling Buy and Maintain Credit Fund

Investment Manager's Report

For the year ended 30 June 2018

Investment Objective

The aim of the Fund is to provide an income and capital return in line with the market for sterling denominated, investment grade bonds issued by companies over the long-term.

Investment Policy

The Fund aims to capture the performance from this market over the longer term via a conservatively constructed, highly diversified portfolio of such bonds. The Fund may invest up to 20% of its value in non-sterling denominated, investment grade bonds. The Fund manager seeks to avoid the Fund's value being eroded due to unnecessary trading costs. The Fund manager focuses on avoiding downgrades and defaults through its analysis and selection of bonds and reducing the effect of general market risks through diversification. Where bonds are denominated in a currency other than sterling, the Fund aims to reduce the risk of movements in exchange rates between such currency and sterling through the use of derivatives (financial instruments which derive their value from the value of other assets). The Fund may also use derivatives in an attempt to reduce the overall risks of its investments, reduce the costs of investing or generate additional capital or income (known as Efficient Portfolio Management - EPM).

Risk and Reward Profile

As at 30 June 2018

By investing in a Fund which invests primarily in fixed interest stocks you are likely to be looking for an investment which will generate an income but has less potential for capital return than is the case with Funds which invest primarily in equities. You are willing to accept that your investment will fall and rise in value and that you could get back less than you invest. Typically, you would prefer an investment with less risk than that of a Fund which invests significantly in equities or overseas. Typically, you would be investing for a period of at least five years.

Lower Risk

Higher Risk

Potentially lower reward

Potentially higher reward

1	2	3	4	5	6	7
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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.

Why is this Fund in this category?

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

Additional risks

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

- **Credit risk** - All bonds have a potential credit risk, in that the issuer could default on its obligations to pay income and/or capital. An issuer default would likely result in a large drop in the value of that bond. The value of a bond will also be affected by the perceived credit risk of the issuer, including changes to credit ratings and the general level of aversion to credit risk in the market. Generally, an increased level of perceived credit risk leads to a fall in the value of the bond, and vice versa. Credit risk can be measured by ratings assigned to issuers of bonds by third party credit rating agencies. The largest credit rating agencies are Moody's, Standard & Poor's and Fitch Ratings. Each credit rating agency uses different designations. The highest designation (Aaa (Moody's), AAA (Standard & Poor's and Fitch Ratings)) are intended to represent a lower probability of default of the issuer. The credit rating agencies designate "investment grade" bonds as Baa3 or above (Moody's) or BBB- or above (Standard & Poor's or Fitch Ratings). See further below under "High yield bonds risk".

Internal investment guidelines are set, if necessary, to ensure credit risk is maintained within a range deemed suitable based on the individual Fund's investment objectives and investment policy. These guidelines could include credit quality indicators, measures of sensitivity to credit spread moves and diversification measures.

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

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

- **Prepayment and extension risk** - Prepayment risk is the risk associated with the early unscheduled return of capital (i.e., repayment of the debt) by the issuer on a bond. Prepayment generally occurs in a declining interest rate environment. When capital is returned early, no future interest payments will be paid on that part of the capital. If the bond was purchased at a premium (i.e., at a price greater than the value of the capital), the return on the bond will be less than what was estimated at the time of purchase.

The opposite of prepayment risk is extension risk which is the risk of a bond's expected maturity lengthening in duration due to a slowdown in prepayments of capital. Extension risk is mainly the result of rising interest rates. If the bond was purchased in anticipation of an early repayment of capital, an extension of the maturity could impact the price of the bond.

- **Liquidity risk** - Under certain market conditions, it may be difficult to buy or sell investments for the Fund. For example, corporate and emerging market bonds may be affected by the demand in the market for such bonds 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 ACD may be forced to buy or sell such investments as a consequence of Shareholders buying or selling Shares in the Fund. Depending on market conditions at the time, this could lead to a significant drop in the Fund's value.

Regular monitoring is conducted to ensure a high degree of confidence that Fund liquidity will meet the Fund's expected liquidity requirements.

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

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

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

- **Currency risk** (Note that the Fund aims to reduce the risk of movements in exchange rates by hedging the foreign currency exposure of the Fund back to pounds sterling.) - Assets of a 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.

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The ACD aims to reduce the risk of movements in exchange rates on the value of all or part of the assets of a Fund through the use of currency exchange transactions. A 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 a Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. The performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a 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 a 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.

Investment Review

The 12 months to June 2018 saw the main central banks withdrawing or discussing the withdrawal of liquidity. Markets also had to contend with concerns around the 'Trumpflation' trade (ie. that US President Donald Trump's policies will fuel inflation), and expectations of subdued UK growth in 2018 as Brexit negotiations became increasingly strained.

The six months to 31 December produced positive returns in sterling bonds, with the ICE BAML Sterling Non-Gilt Index returning +1.99% for the period. The Fund's performance was relatively in line with its credit universe over the period, returning +1.96% (Z Acc Share Class, GBP, gross of fees) against the return of the broad sterling credit universe of +1.99%, as measured by the ICE BAML Sterling Non-Gilt Index.

In the third quarter, the Bank of England (BoE) kept interest rates on hold but hawkish remarks in September tipped off markets to an interest rate rise by the year end. This came about in November, when the BoE increased the rate 0.25% to 0.5% – the first raise in a decade – in a bid to calm above-target inflation.

Yields on 10-year UK gilts were down 0.18% over the fourth quarter, reversing the 0.11% gilt yield rises seen in Q3 on the back of expected interest rate rises. Ratings agency Moody's also downgraded the UK's credit rating to Aa2 on Brexit concerns.

The fourth quarter also saw the passing of president Donald Trump's tax reform. The US Federal Reserve (Fed) increased interest rates by 0.25% to a range of 1.25-1.5% at its December meeting. These events, as well as improving economic growth, saw risky assets rally into year-end.

Global equity and bond markets were down over the first quarter of 2018. The sell-off in February was partly because of concerns about tightening monetary policy after stronger-than-expected US wage growth, and were pressured throughout March by fears of a trade war between the US and China. The Fed raised interest rates as expected. Meanwhile, in Europe, a breakthrough in Brexit talks occurred, as a transition deal was approved that would see the UK remain in the EU until the end of 2020.

Fixed income markets were fairly volatile over the quarter. While the market was well-oriented up until mid-February, which translated into a sharp rise in government yields combined with strong tightening in credit spreads, this reversed from late February, leading to some retracement in both government bond and credit. On the whole government yields ended the quarter higher. This was especially the case in the US (+33bps for the 10-year treasury yield), though more contained in Europe (+7bps for the German bund and +16bps for UK gilts). In the credit market, despite the January rally, all major markets (GBP, USD and EUR) finished the quarter between 7-9bps wider, posting negative total returns. In terms of sectors, the most subordinated part of the market underperformed, with corporates more resilient than financials.

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Politics was a key theme, especially in May, when Italy's elections prompted fears that Eurosceptics could take the lead, with negative fiscal consequences. Italian debt sold off sharply, triggering risk aversion through Europe and beyond. Since the elections, 10-year Italian bond yields have widened +72bps.

In the US, the Federal Reserve raised interest rates again by +25bps, and signalled two further increases to come this year. The European Central Bank (ECB) said it would keep interest rates on hold until the summer 2019, and that quantitative easing (QE) would be ended gradually by year end.

The international outlook for trade continues to be a major market concern in light of Donald Trump's trade war, which weighed on emerging markets. The range of goods caught up in the trade war is growing fast, which is likely to have a material economic impact.

Spreads across all credit markets ended the quarter wider. The euro market was the worst performer (+18bps), while others were more contained (+7/10bps).

Corporate news flow continued to be quite supportive. The long-term structural disruptions are still at work in sectors such as media, telecoms, utilities, auto and retail.

Supply in investment grade bonds was down across the main credit markets over the first half of 2018, compared to the record pace of issuance last year.

The UK's Department of Work and Pensions said in May that it would look to integrate effective ESG risk management functions into the Occupational Pension Schemes Regulation. The UK's Environmental Audit Committee has identified a lack of engagement on climate risk by the largest pension Funds. Climate risk reporting in the UK will likely become mandatory by 2022.

Fund activity

Over the six months to end of 2017, eight names left the portfolio as the bonds either matured or were sold for portfolio maintenance or collateral management. In this period, there were no major downgrades and the average quality of the portfolio remained stable. In Q3 2017, we added EDP, University of Cambridge, Society of Lloyds and Morgan Stanley. In Q4, we added Bank of Montreal, UPS, Macquarie Bank, Liberty Living and Oxford University, all of which were new names.

In the fourth quarter, we made the decision to dilute non-sterling exposure by reinvesting into sterling credit, as valuations appeared more attractive given recent outperformance of dollar and euro credit.

In the first quarter of 2018, activity was mainly driven by portfolio flows and maturing bonds, with sterling primary market was active. We participated in attractively priced new sterling issues from eight companies, mainly UK utilities but also the UK insurance company Hiscox and French bank Crédit Mutuel. The only new deal we participated in US dollars was CVS Health at the 7-year point of the curve. And, following a cash outflow, we closed our positions in British American Tobacco and Philip Morris.

Overall, we are reallocating to sterling credit and we are diluting our allocation to euro credit. We believe that euro credit spreads may likely widen over the second half of the year due to a less supportive technical backdrop.

Outlook

The Fund returned +0.65% (Z Acc share class, GBP, gross of fees and income reinvested) over 12 months. The broad sterling credit universe returned +0.71% as measured by the ICE BAML Sterling Non-Gilt Index.

The key investor concern is the potential escalation of protectionist sentiment into a full-scale trade war. In emerging markets, several central banks have had to tighten monetary policy in response to weaker currencies and capital outflows.

Global economic data has held up reasonably well, and the risk of a downturn in the global economy remains limited.

Europe has shown some recovery from Q1 weakness with purchasing manager surveys continuing to show expansion. The US economy is growing well above its estimated potential and further declines in the unemployment rate (3.8% in May) cannot be ruled out.

Some asset classes have reacted to weaker sentiment on the global outlook – investment grade and emerging market debt for example – but any improvement in sentiment around trade could lead to a bounce in performance in the second half of the year.

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No shocks are expected on the monetary side. The US Federal Reserve has taken on a slightly more hawkish tone since the appointment of Jerome Powell to the Chair. However, the path of expected rate increases has not changed too much, at least for this year. The European Central Bank will undertake a modest neutralisation of its crisis-era monetary policy stance. No rate increases are on the cards until mid-2019. In the UK, economic data continues to be more positive than the sentiment around Brexit would suggest but a rate hike in August remains a tight call. Ultimately the rate environment should support fixed income performance, with default rates remaining very low. While credit markets may continue to adjust to post-QE valuations in terms of credit spreads, the macro environment should continue to support corporate risk for some time to come.

All performance data source: AXA Investment Managers and Bloomberg

Past performance is not a guide to future performance.

Major Purchases

- United Parcel Service 5.125% 12/02/50
- Morgan Stanley 2.625% 09/03/27
- Crh Finance 4.125% 02/12/29
- Society of Lloyd's 4.75% 30/10/24
- Bank of Montreal 1.375% 29/12/21

Major Sales

- Walmart 5.25% 28/09/35
- BHP Billiton Finance 4.3% 25/09/42
- Wells Fargo 3.5% 12/09/29
- Annington Finance No. 4 0% 10/01/23
- Notting Hill Housing Trust 5.25% 07/07/42

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30 June 2018

AXA Investment Managers UK Limited

AXA Sterling Buy and Maintain Credit Fund

Comparative Tables

As at 30 June 2018

	Z Gross Income **		Z Net Accumulation		
	30/06/2018	30/06/2017	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)
Change in net assets per share					
Opening net asset value per share †	101.62	100.00	124.32	118.63	108.70
Return before operating charges ^	0.62	2.97	0.75	6.28	10.82
Operating charges ^	(0.16)	(0.08)	(0.20)	(0.21)	(0.18)
Return after operating charges ^	0.46	2.89	0.55	6.07	10.64
Distributions	(2.64)	(1.27)	(3.26)	(3.60)	(3.56)
Retained distributions on accumulation shares	-	-	3.26	3.22	2.85
Closing net asset value per share †	99.44	101.62	124.87	124.32	118.63
*^ after direct transaction costs of:	-	-	-	-	-
Performance					
Return after operating charges	0.45%	2.89%	0.44%	5.12%	9.79%
Other information					
Closing net asset value (£) †	26,607,649	4,947	41,264,303	2,154,629	154,025
Closing number of shares	26,757,845	4,869	33,046,309	1,733,091	129,841
Operating charges ^	0.16%	0.17%	0.16%	0.17%	0.16%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%
Prices					
Highest share price #	104.60	104.60	128.00	127.40	118.60
Lowest share price #	99.47	99.61	123.30	119.30	108.30

	Z Gross Accumulation		
	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)
Change in net assets per share			
Opening net asset value per share †	127.70	121.36	110.48
Return before operating charges ^	0.77	6.56	11.06
Operating charges ^	(0.21)	(0.22)	(0.18)
Return after operating charges ^	0.56	6.34	10.88
Distributions	(3.35)	(3.70)	(3.61)
Retained distributions on accumulation shares	3.35	3.70	3.61
Closing net asset value per share †	128.26	127.70	121.36
*^ after direct transaction costs of:	-	-	-
Performance			
Return after operating charges	0.44%	5.22%	9.85%
Other information			
Closing net asset value (£) †	106,022,138	141,567,916	102,333,622
Closing number of shares	82,663,192	110,861,023	84,320,504
Operating charges ^	0.16%	0.17%	0.16%
Direct transaction costs *	0.00%	0.00%	0.00%
Prices			
Highest share price #	131.50	130.60	121.30
Lowest share price #	126.60	122.30	110.00

† Valued at bid-market prices.

High and low price disclosures are based on quoted share 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 sub-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 these tables have been calculated against the average net asset value for the accounting year.

** Z Gross Income class launched 20 January 2017.

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As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
CORPORATE BONDS 95.59% (30/06/17: 97.12%)			
Australia 3.37% (30/06/17: 3.70%)			
APT Pipelines 4.25% 26/11/24	1,000,000	1,094	0.63
Australia & New Zealand Banking 5.125% 10/09/19	EUR 220,000	206	0.12
Commonwealth Bank of Australia 5.5% 06/08/19	EUR 210,000	197	0.11
Macquarie Bank 3.5% 18/12/20	800,000	837	0.48
National Australia Bank 5.125% 09/12/21	780,000	869	0.50
Scentre Trust 3.5% 12/02/25	USD 300,000	219	0.13
Scentre Trust 3.875% 16/07/26	657,000	720	0.41
Vicinity Centres 3.375% 07/04/26	829,000	870	0.50
Westpac Banking 5% 21/10/19	805,000	844	0.49
Belgium 0.47% (30/06/17: 0.66%)			
Anheuser-Busch InBev 2.85% 25/05/37	277,000	265	0.15
Anheuser-Busch InBev 4% 24/09/25	100,000	112	0.07
Anheuser-Busch InBev 9.75% 30/07/24	305,000	436	0.25
Bermuda 0.35% (30/06/17: 0.00%)			
Hiscox 2% 14/12/22	606,000	606	0.35
Canada 1.17% (30/06/17: 0.55%)			
Bank of Montreal 1.375% 29/12/21	1,066,000	1,057	0.61
Bank of Nova Scotia 1.25% 08/06/22	800,000	784	0.45
Bank of Nova Scotia 1.75% 23/12/22	200,000	199	0.11
Cayman Islands 2.65% (30/06/17: 2.70%)			
Dwr Cymru Financing 2.5% 31/03/36	100,000	98	0.05
Dwr Cymru Financing 6.015% 31/03/28	780,000	1,032	0.59
Southern Water Services Finance 5% 31/03/21	365,000	399	0.23
Southern Water Services Finance 5.125% 30/09/56	111,000	169	0.10
Southern Water Services Finance 6.64% 31/03/26	384,000	499	0.29
Tencent 2.875% 11/02/20	USD 200,000	151	0.09
Trafford Centre Finance 6.5% 28/07/33	920,313	1,230	0.71
Yorkshire Water Services Bradford Finance 6.375% 19/08/39	670,000	1,021	0.59
Finland 0.76% (30/06/17: 0.91%)			
OP Corporate Bank 2.5% 20/05/22	550,000	568	0.33
Sampo 1% 18/09/23	EUR 833,000	746	0.43
France 7.54% (30/06/17: 7.61%)			
Banque Federative du Credit Mutuel 0.875% 08/06/20	400,000	396	0.23
Banque Federative du Credit Mutuel 1.375 % 20/12/21	200,000	199	0.11
Banque Federative du Credit Mutuel 2.75% 22/01/19	USD 680,000	515	0.30
BNP Paribas 5.75% 24/01/22	840,000	943	0.54
Bouygues 5.5% 06/10/26	950,000	1,141	0.66
BPCE 5.25% 16/04/29	800,000	904	0.52
Cie de Saint-Gobain 5.625% 15/11/24	950,000	1,133	0.65
Credit Agricole 7.375% 18/12/23	700,000	869	0.50
Electricite de France 5.5% 17/10/41	500,000	626	0.36
Electricite de France 5.875% 18/07/31	121,000	155	0.09
Engie 5% 01/10/60	550,000	812	0.47
LVMH Moet Hennessy Louis Vuitton 1% 14/06/22	667,000	659	0.38

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	Holding	Market Value £'000	% of Total Net Assets
Orange 8.125% 20/11/28	630,000	929	0.53
RCI Banque 1.875% 08/11/22	329,000	328	0.19
RCI Banque 3% 09/05/19	700,000	710	0.41
SNCF Mobilites 5.375% 18/03/27	700,000	890	0.51
Societe Generale 2.625% 27/02/25	EUR 200,000	182	0.10
Suez 5.375% 02/12/30	500,000	640	0.37
Total Capital International 1.25% 16/12/24	236,000	228	0.13
Total Capital International 1.75% 07/07/25	139,000	138	0.08
Total Capital International 2.7% 25/01/23	USD 250,000	184	0.10
Total Capital International 3.75% 10/04/24	USD 700,000	535	0.31
Germany 0.19% (30/06/17: 0.29%*)			
Daimler 2.75% 04/12/20	221,000	227	0.13
Deutsche Bahn Finance 2.75% 20/06/22	100,000	105	0.06
Guernsey 0.61% (30/06/17: 0.55%)			
Credit Suisse Funding Guernsey 2.75% 08/08/25	955,000	943	0.54
Credit Suisse Funding Guernsey 3% 27/05/22	117,000	121	0.07
Ireland 1.01% (30/06/17: 1.36%)			
ESB Finance 2.125% 08/06/27	EUR 674,000	636	0.37
GE Capital UK Funding Unlimited 8% 14/01/39	680,000	1,118	0.64
Italy 1.04% (30/06/17: 1.30%)			
Autostrade per l'Italia 6.25% 09/06/22	775,000	901	0.52
Intesa Sanpaolo 5.25% 28/01/22	350,000	380	0.22
Intesa Sanpaolo 5.25% 12/01/24	USD 700,000	519	0.30
Japan 0.48% (30/06/17: 0.46%)			
East Japan Railway 4.5% 25/01/36	450,000	574	0.33
East Japan Railway 5.25% 22/04/33	200,000	269	0.15
Jersey 2.54% (30/06/17: 2.20%)			
CPUK Finance 7.239% 28/02/42	750,000	928	0.53
Gatwick Funding 6.5% 02/03/43	760,000	1,137	0.66
Heathrow Funding 4.625% 31/10/46	978,000	1,202	0.69
Porterbrook Rail Finance 4.625% 04/04/29	1,010,000	1,143	0.66
Luxembourg 1.18% (30/06/17: 1.59%)			
Gazprom Gaz Capital 4.25% 06/04/24	500,000	509	0.29
Gazprom Gaz Capital 5.338% 25/09/20	320,000	338	0.20
Schlumberger Investment 3.3% 14/09/21	USD 600,000	454	0.26
Whirlpool Finance Luxembourg 1.25% 02/11/26	EUR 852,000	747	0.43
Mexico 0.30% (30/06/17: 0.37%)			
America Movil 5% 27/10/26	450,000	530	0.30
Netherlands 6.80% (30/06/17: 7.47%*)			
ABN AMRO Bank 1.375% 07/06/22	200,000	197	0.11
ABN AMRO Bank 2.375% 07/12/21	500,000	511	0.29
ABN AMRO Bank 4.875% 16/01/19	200,000	204	0.12
Allianz Finance II 4.5% 13/03/43	800,000	1,051	0.60
BMW Finance 0.875% 16/08/22	987,000	954	0.55
Cooperatieve Rabobank 4.625% 23/05/29	900,000	999	0.57
Daimler International Finance 3.5% 06/06/19	470,000	480	0.28

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	Holding	Market Value £'000	% of Total Net Assets
Deutsche Telekom International Finance 2.25% 13/04/29	110,000	104	0.06
Deutsche Telekom International Finance 7.625% 15/06/30	548,000	806	0.46
E.ON International Finance 6.375% 07/06/32	365,000	496	0.29
EDP Finance 8.625% 04/01/24	700,000	912	0.52
Enel Finance International 3.625% 25/05/27	USD 261,000	180	0.10
Enel Finance International 5.625% 14/08/24	510,000	592	0.34
Gas Natural Fenosa Finance 1.375% 19/01/27	EUR 300,000	261	0.15
ING Bank 5.8% 25/09/23	USD 800,000	639	0.37
innogy Finance 4.75% 31/01/34	100,000	118	0.07
innogy Finance 6.5% 20/04/21	500,000	566	0.33
Linde Finance 5.875% 24/04/23	575,000	689	0.40
NN 0.875% 13/01/23	EUR 811,000	729	0.42
Siemens 3.75% 10/09/42	900,000	1,064	0.61
Urenco Finance 2.25% 05/08/22	EUR 297,000	281	0.16
New Zealand 0.52% (30/06/17: 0.51%)			
Fonterra Co-operative 9.375% 04/12/23	659,000	903	0.52
Norway 1.09% (30/06/17: 0.98%)			
DNB Bank 4.25% 27/01/20	640,000	668	0.39
Equinor 6.875% 11/03/31	830,000	1,220	0.70
Spain 1.93% (30/06/17: 2.27%)			
Banco Bilbao Vizcaya Argentaria 3% 20/10/20	USD 900,000	674	0.39
Banco Santander 2.5% 18/03/25	EUR 200,000	176	0.10
Banco Santander 3.125% 19/01/27	EUR 200,000	181	0.10
CaixaBank 1.125% 17/05/24	EUR 800,000	697	0.40
Mapfre 1.625% 19/05/26	EUR 800,000	707	0.41
Telefonica Emisiones 5.289% 09/12/22	500,000	569	0.33
Telefonica Emisiones 5.375% 02/02/26	300,000	350	0.20
Sweden 2.52% (30/06/17: 2.69%)			
Essity 1.625% 30/03/27	EUR 641,000	576	0.33
Nordea Bank 2.125% 13/11/19	300,000	303	0.17
Nordea Bank 2.375% 02/06/22	400,000	411	0.24
Skandinaviska Enskilda Banken 3% 18/12/20	700,000	727	0.42
Svenska Handelsbanken 2.75% 05/12/22	610,000	639	0.37
Swedbank 1.25% 29/12/21	198,000	196	0.11
Swedbank 1.625% 15/04/19	700,000	703	0.40
Swedbank 1.625% 28/12/22	225,000	224	0.13
Vattenfall 6.875% 15/04/39	390,000	609	0.35
Switzerland 0.25% (30/06/17: 0.25%)			
UBS London 1.25% 10/12/20	442,000	440	0.25
United Kingdom 44.58% (30/06/17: 43.63%)			
ABP Finance 6.25% 14/12/26	700,000	863	0.50
Affinity Sutton Capital Markets 5.981% 17/09/38	405,000	585	0.34
Affinity Water Finance 2004 5.875% 13/07/26	450,000	569	0.33
Anglian Water Services Financing 1.625% 10/08/25	150,000	146	0.08
Anglian Water Services Financing 4.5% 05/10/27	850,000	994	0.57
Arqiva Financing 4.882% 31/12/32	500,000	556	0.32
Aspire Defence Finance 4.674% 31/03/40	946,407	1,152	0.66
AstraZeneca 5.75% 13/11/31	365,000	481	0.28
Babcock International 1.875% 05/10/26	482,000	450	0.26
Barclays 3.25% 12/02/27	450,000	439	0.25

AXA Sterling Buy and Maintain Credit Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
Barclays Bank 10% 21/05/21	360,000	432	0.25
BG Energy Capital 5% 04/11/36	350,000	465	0.27
BL Superstores Finance 4.482% 04/10/30	296,615	335	0.19
BP Capital Markets 2.03% 14/02/25	950,000	946	0.54
BP Capital Markets 3.994% 26/09/23	USD 200,000	155	0.09
British Telecommunications 5.75% 07/12/28	854,000	1,052	0.60
Broadgate Financing 4.821% 05/07/36	330,000	430	0.25
Broadgate Financing 4.999% 05/10/33	675,000	816	0.47
BUPA Finance 5% 25/04/23	600,000	649	0.37
BUPA Finance 5% 08/12/26	300,000	323	0.19
Canary Wharf Finance II 5.952% 22/10/37	440,000	627	0.36
Clarion Funding 3.125% 19/04/48	350,000	349	0.20
Clydesdale Bank 4.625% 08/06/26	500,000	602	0.35
Compass 2% 03/07/29	877,000	844	0.49
Coventry Building Society 1% 05/05/20	229,000	227	0.13
Coventry Building Society 1.875% 24/10/23	167,000	164	0.09
Coventry Building Society 5.875% 28/09/22	460,000	536	0.31
Crh Finance 4.125% 02/12/29	1,000,000	1,116	0.64
CTRL Section 1 Finance 5.234% 02/05/35	884,195	1,112	0.64
Dignity Finance 3.5456% 31/12/34	919,832	978	0.56
Eastern Power Networks 4.75% 30/09/21	170,000	187	0.11
Eastern Power Networks 6.25% 12/11/36	200,000	287	0.17
Eversholt Funding 6.697% 22/02/35	880,000	1,134	0.65
Experian Finance 2.125% 27/09/24	192,000	191	0.11
Experian Finance 3.5% 15/10/21	490,000	518	0.30
FCE Bank 2.727% 03/06/22	1,050,000	1,072	0.62
Genfinance II 6.064% 21/12/39	400,000	570	0.33
GlaxoSmithKline Capital 6.375% 09/03/39	340,000	518	0.30
Great Rolling Stock 6.25% 27/07/20	880,000	961	0.55
Greene King Finance 5.318% 15/09/31	1,007,356	1,167	0.67
Harbour Funding 5.28% 31/03/44	470,000	597	0.34
Haven Funding 8.125% 30/09/37	792,027	1,204	0.69
High Speed Rail Finance 1 4.375% 01/11/38	470,000	571	0.33
HSBC 5.75% 20/12/27	414,000	489	0.28
HSBC Bank 6.5% 07/07/23	500,000	594	0.34
Hutchison Whampoa Finance UK 5.625% 24/11/26	850,000	1,055	0.61
Hyde Housing Association 5.125% 23/07/40	490,000	633	0.36
Integrated Accommodation Services 6.48% 31/03/29	917,655	1,136	0.65
Intu SGS Finance 4.25% 17/09/35	714,000	786	0.45
Juturna European Loan Conduit No 16 5.0636% 10/08/33	619,628	748	0.43
Land Securities Capital Markets 1.974% 08/02/26	600,000	603	0.35
Legal & General Finance 5.875% 11/12/31	632,000	836	0.48
Liberty Living Finance 2.625% 28/11/24	608,000	607	0.35
Lloyds Bank 7.5% 15/04/24	440,000	567	0.33
London & Quadrant Housing Trust 2.625% 28/02/28	539,000	537	0.31
Longstone Finance 4.896% 19/04/36	1,080,000	1,223	0.70
Manchester Airport Funding 2.875% 31/03/39	192,000	184	0.11
Manchester Airport Funding 4.75% 31/03/34	482,000	584	0.34
Meadowhall Finance 4.986% 12/07/37	971,651	1,181	0.68
Mitchells & Butlers Finance 5.574% 15/12/30	502,262	575	0.33
Mitchells & Butlers Finance 6.013% 15/12/30	294,283	341	0.20
Motability Operations 3.75% 16/07/26	556,000	621	0.36
Motability Operations 5.375% 28/06/22	280,000	322	0.18
National Grid Electricity Transmission 7.375% 13/01/31	395,000	587	0.34
Nats En Route 5.25% 31/03/26	1,021,855	1,170	0.67
Natwest Markets 7.5% 29/04/24	360,000	454	0.26

AXA Sterling Buy and Maintain Credit Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
Next 5.375% 26/10/21	330,000	365	0.21
Northern Gas Networks Finance 4.875% 30/06/27	335,000	400	0.23
Northern Gas Networks Finance 4.875% 15/11/35	150,000	189	0.11
Northern Powergrid Yorkshire 2.5% 01/04/25	270,000	276	0.16
Northern Powergrid Yorkshire 5.125% 04/05/35	300,000	391	0.22
Northumbrian Water Finance 2.375% 05/10/27	400,000	389	0.22
Northumbrian Water Finance 6.875% 06/02/23	415,000	504	0.29
Octagon Healthcare Funding 5.333% 30/06/36	501,135	615	0.35
Peabody Capital 5.25% 17/03/43	100,000	135	0.08
Peabody Capital No 2 4.625% 12/12/53	343,000	452	0.26
Places for People Homes 5.09% 31/07/43	938,000	1,076	0.62
Prudential 6.125% 19/12/31	530,000	645	0.37
RELX Investments 2.75% 01/08/19	100,000	101	0.06
Rio Tinto Finance 4% 11/12/29	1,000,000	1,147	0.66
Rolls-Royce 3.375% 18/06/26	400,000	431	0.25
RSL Finance No 1 6.625% 31/03/38	387,070	531	0.31
Sanctuary Capital 6.697% 23/03/39	390,000	604	0.35
Santander UK 3.875% 15/10/29	800,000	881	0.51
Scottish Widows 7% 16/06/43	620,000	745	0.43
Segro 2.375% 11/10/29	850,000	824	0.47
Severn Trent Utilities Finance 1.125% 07/09/21	100,000	99	0.06
Severn Trent Utilities Finance 2.75% 05/12/31	600,000	590	0.34
Sky 6% 21/05/27	750,000	946	0.54
Society of Lloyd's 4.75% 30/10/24	950,000	1,020	0.59
Southern Electric Power Distribution 5.5% 07/06/32	280,000	362	0.21
Southern Gas Networks 2.5% 03/02/25	542,000	548	0.31
Southern Gas Networks 3.1% 15/09/36	573,000	573	0.33
Sovereign Housing Capital 5.705% 10/09/39	436,000	616	0.35
SP Manweb 4.875% 20/09/27	450,000	535	0.31
Stagecoach 4% 29/09/25	521,000	545	0.31
Standard Chartered 4.375% 18/01/38	100,000	111	0.06
Standard Chartered 5.125% 06/06/34	100,000	107	0.06
Student Finance 2.6663% 30/09/29	1,020,000	1,013	0.58
Sunderland SHG Finance 6.38% 31/03/42	425,000	583	0.34
Telereal Securitisation 5.9478% 10/12/33	928,731	1,135	0.65
Tesco Property Finance 1 7.6227% 13/07/39	335,078	448	0.26
Thames Water Utilities Finance 5.125% 28/09/37	450,000	565	0.32
Thames Water Utilities Finance 6.75% 16/11/28	400,000	540	0.31
THFC Funding No 2 6.35% 08/07/41	340,000	499	0.29
Together Housing Finance 4.5% 17/12/42	550,000	670	0.38
Transport for London 4.5% 31/03/31	900,000	1,073	0.62
Unilever 1.125% 03/02/22	297,000	295	0.17
Unilever 1.375% 15/09/24	500,000	489	0.28
United Utilities Water Finance 2% 14/02/25	589,000	585	0.34
University of Cambridge 2.35% 27/06/78	200,000	198	0.11
University of Cambridge 3.75% 17/10/52	750,000	996	0.57
University of Leeds 3.125% 19/12/50	850,000	933	0.54
University of Liverpool 3.375% 25/06/55	413,000	490	0.28
University of Manchester 4.25% 04/07/53	670,000	918	0.53
University of Oxford 2.544% 08/12/17	840,000	807	0.46
University of Southampton 2.25% 11/04/57	959,000	870	0.50
Vodafone 5.9% 26/11/32	445,000	585	0.34
Wales & West Utilities Finance 4.625% 13/12/23	350,000	398	0.23
Wales & West Utilities Finance 6.25% 30/11/21	115,000	133	0.08
Wellcome Trust 4% 09/05/59	220,000	312	0.18
Western Power Distribution South West 2.375% 16/05/29	311,000	299	0.17
Western Power Distribution West Midlands 5.75% 16/04/32	420,000	547	0.31

AXA Sterling Buy and Maintain Credit Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
Wheatley Capital 4.375% 28/11/44	404,000	474	0.27
White City Property Finance 5.1202% 17/04/35	471,333	579	0.33
WPP Finance 2010 3.75% 19/09/24	USD 700,000	512	0.29
Yorkshire Building Society 3.5% 21/04/26	600,000	627	0.36
United States 14.24% (30/06/17: 15.07%)			
AbbVie 3.6% 14/05/25	USD 764,000	561	0.32
American Honda Finance 1.3% 21/03/22	723,000	717	0.41
American International 5% 26/04/23	850,000	955	0.55
Amgen 4% 13/09/29	750,000	835	0.48
Apple 3.05% 31/07/29	970,000	1,043	0.60
AT&T 7% 30/04/40	650,000	943	0.54
Bank of America 2.3% 25/07/25	1,060,000	1,042	0.60
Bayer US Finance 3.375% 08/10/24	USD 600,000	438	0.25
Becton Dickinson 1% 15/12/22	EUR 566,000	501	0.29
Becton Dickinson 3.7% 06/06/27	USD 139,000	100	0.06
Cardinal Health 3.41% 15/06/27	USD 922,000	642	0.37
Citigroup 3.875% 26/03/25	USD 200,000	147	0.08
Citigroup 4.5% 03/03/31	374,000	406	0.23
Citigroup 5.15% 21/05/26	306,000	359	0.21
Comcast 5.5% 23/11/29	800,000	997	0.57
CVS Health 4.1% 25/03/25	USD 500,000	376	0.22
Fidelity National Information Services 1.7% 30/06/22	1,148,000	1,136	0.65
Goldman Sachs 4.25% 29/01/26	1,000,000	1,092	0.63
HCP 4% 01/06/25	USD 200,000	148	0.08
HCP 5.375% 01/02/21	USD 71,000	57	0.03
JPMorgan Chase 3.5% 18/12/26	1,050,000	1,126	0.65
McDonald's 5.875% 23/04/32	785,000	1,036	0.60
McKesson 3.125% 17/02/29	850,000	843	0.48
Metropolitan Life Global Funding I 3.5% 30/09/26	970,000	1,072	0.62
Morgan Stanley 2.625% 09/03/27	1,150,000	1,130	0.65
PepsiCo 2.5% 01/11/22	190,000	199	0.11
Pfizer 2.735% 15/06/43	577,000	562	0.32
PNC Bank 3.25% 01/06/25	USD 700,000	515	0.30
Procter & Gamble 1.375% 03/05/25	100,000	97	0.06
Procter & Gamble 1.8% 03/05/29	161,000	156	0.09
Prologis 2.25% 30/06/29	1,043,000	986	0.57
Toyota Motor Credit 1.125% 07/09/21	751,000	746	0.43
United Parcel Service 5.125% 12/02/50	800,000	1,187	0.68
United Technologies 3.1% 01/06/22	USD 550,000	410	0.24
United Technologies 4.15% 15/05/45	USD 350,000	246	0.14
Verizon Communications 3.125% 02/11/35	500,000	477	0.27
Verizon Communications 3.5% 01/11/24	USD 250,000	184	0.11
Verizon Communications 4.073% 18/06/24	313,000	346	0.20
Welltower 4.8% 20/11/28	835,000	950	0.55
TOTAL CORPORATE BONDS		166,223	95.59
FUTURES 0.03% (30/06/17: (0.08%))			
Germany (0.02%) (30/06/17: 0.05%)			
Euro Bond Futures September 2018	(31)	(34)	(0.02)
United Kingdom 0.08% (30/06/17: (0.13%))			
Long Gilt Futures September 2018	77	138	0.08

AXA Sterling Buy and Maintain Credit Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
United States (0.03%) (30/06/17: 0.00%)			
10 Year Treasury Note Futures September 2018	(73)	(48)	(0.03)
TOTAL FUTURES		56	0.03
FORWARD CURRENCY CONTRACTS (0.12%) (30/06/17: 0.08%)			
Sold EUR8,015,000 for GBP7,048,914 Settlement 14/09/2018		(55)	(0.03)
Sold USD11,680,000 for GBP8,659,920 Settlement 14/09/2018		(158)	(0.09)
TOTAL FORWARD CURRENCY CONTRACTS		(213)	(0.12)
Portfolio of investments		166,066	95.50
Net other assets		7,828	4.50
Total net assets		173,894	100.00

* Since the previous report country classifications have been updated. Comparative figures have been updated where appropriate.

All bonds are denominated in sterling (unless otherwise indicated).

At 30 June 2018, there were no investments in the Fund which were valued using a quote from a single broker (30/06/17 : £nil*).

* Prior year figures have been restated.

AXA Sterling Buy and Maintain Credit Fund

Statement of Total Return

For the year ended 30 June 2018

		01/07/17 to 30/06/18		01/07/16 to 30/06/17	
	Note	£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	2		(4,148)		1,668
Revenue	3	4,645		3,296	
Expenses	4	(270)		(180)	
Interest payable and similar charges		(6)		-	
Net revenue before taxation		4,369		3,116	
Taxation	5	-		-	
Net revenue after taxation			4,369		3,116
Total return before distributions			221		4,784
Distributions	6		(4,369)		(3,116)
Change in net assets attributable to Shareholders from investment activities			(4,148)		1,668

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 June 2018

		01/07/17 to 30/06/18		01/07/16 to 30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders			143,728		102,488
Inspecie issue of shares		-		16,642	
Amounts receivable on issue of shares		68,203		31,448	
Amounts payable on cancellation of shares		(37,813)		(11,962)	
			30,390		36,128
Dilution adjustment			-		144
Change in net assets attributable to Shareholders from investment activities (see above)			(4,148)		1,668
Retained distributions on accumulation shares			3,924		3,300
Closing net assets attributable to Shareholders			173,894		143,728

AXA Sterling Buy and Maintain Credit Fund

Balance Sheet

As at 30 June 2018

		30/06/18	30/06/17
	Note	£'000	£'000
Assets:			
Fixed assets:			
Investments		166,361	139,808
Current assets:			
Debtors	7	2,446	1,823
Cash and bank balances	8	13,063	4,932
Total assets		181,870	146,563
Liabilities:			
Investment liabilities		(295)	(217)
Creditors:			
Bank overdrafts	10	(5)	-
Distribution payable		(176)	-
Other creditors	9	(7,500)	(2,618)
Total liabilities		(7,976)	(2,835)
Net assets attributable to Shareholders		173,894	143,728

AXA Sterling Buy and Maintain Credit Fund

Notes to the Financial Statements

For the year ended 30 June 2018

1. Accounting Basis And Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 223 - 225.

2. Net capital (losses)/gains

The net capital (losses)/gains comprise:

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
Non-derivative securities	(4,264)	2,013
Brokers commission on futures	(2)	(2)
Currency gains	23	24
Derivative contracts	29	359
Forward currency contracts	71	(723)
Transaction charges	(5)	(3)
Net capital (losses)/gains	(4,148)	1,668

3. Revenue

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
Bank interest	3	-
Interest on debt securities	4,642	3,296
Total revenue	4,645	3,296

4. Expenses

Payable to the ACD, associates of the ACD, and agents of either of them

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
ACD fees	219	140
Administration charge	1	1
	220	141

Payable to the Depositary, associates of the Depositary and agents of either of them

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
Depositary's fees	28	21
Safe custody fees	13	8
	41	29

Other expenses

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
Audit fees	9	8
KIID fees	-	2
	9	10
Total expenses	270	180

AXA Sterling Buy and Maintain Credit Fund

Notes to the Financial Statements

For the year ended 30 June 2018

5. Taxation

(a) Analysis of the tax charge in the year

There is no corporation tax charge in the current year or prior year.

(b) Factors affecting current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (1900: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
Net revenue before taxation	4,369	3,116
Net revenue for the year multiplied by the standard rate of corporation tax	874	623
Effects of:		
Tax deductible interest distributions	(874)	(623)
Current tax charge for the year	-	-

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

(c) Deferred taxation:

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

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £nil (2017: nil) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

6. Distributions

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

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
First	1,075	751
Second	1,118	790
Third	1,120	784
Final	1,145	975
Add: Revenue paid on cancellation of shares	140	44
Deduct: Revenue received on creation of shares	(229)	(228)
Net distribution for the year	4,369	3,116

7. Debtors

	30/06/18 £'000	30/06/17 £'000
Amounts receivable for creation of shares	125	60
Accrued revenue	2,321	1,763
Total debtors	2,446	1,823

AXA Sterling Buy and Maintain Credit Fund

Notes to the Financial Statements

For the year ended 30 June 2018

8. Cash and bank balances

	30/06/18	30/06/17
	£'000	£'000
Cash and bank balances	12,595	4,467
Amount held at futures clearing houses and brokers	468	465
Total cash and bank balances	13,063	4,932

9. Other creditors

	30/06/18	30/06/17
	£'000	£'000
Amounts payable for cancellation of shares	7,302	-
Purchases awaiting settlement	138	2,553
Annual Management Charge	18	28
Accrued other expenses	42	37
Total other creditors	7,500	2,618

10. Bank overdrafts

	30/06/18	30/06/17
	£'000	£'000
Amounts overdrawn at futures clearing houses and brokers	5	-
Total bank overdrafts	5	-

11. Related party transactions

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

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

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

As at 30 June 2018 material shareholders have holdings totalling 39.51% (30/06/2017: 47.63%) of the Funds' shares. Other than disclosed elsewhere in the financial statements, there were no material transactions between the Fund and related parties during the year.

12. Share classes

The reconciliation of the opening and closing numbers of shares of each class, along with the ACD's Annual Management Charges applicable to each class, is shown below:

	ACD fee rate (%)	30/06/17	Issued	Cancelled	Converted	30/06/18
Z Gross Income	0.13	4,869	1,327	(1,271,387)	28,023,036	26,757,845
Z Net Accumulation	0.13	1,733,091	31,455,395	(142,177)	-	33,046,309
Z Gross Accumulation	0.13	110,861,023	-	(6,051,638)	(22,146,193)	82,663,192

13. Commitments, contingent liabilities and contingent assets

There are no commitments, contingent liabilities and contingent assets as at the balance sheet date (2017: nil).

AXA Sterling Buy and Maintain Credit Fund

Notes to the Financial Statements

For the year ended 30 June 2018

14. Derivatives and other financial instruments

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

Market price risk

The Fund invests principally in fixed income securities. The value of the Fund's investment portfolio is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual company or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Fund seeks to manage these risks by adhering to investment guidelines and to investment and borrowing powers set out in the Prospectus. In addition, the Fund complies with the Collective Investment Schemes sourcebook ("COLL"), which include rules relating to investment holdings that are designed to place limits on the Fund's investment concentration (same as at 30 June 2017).

Market price risk sensitivity

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £16,622,269 (2017: £13,959,134). A 10% decrease would have an equal and opposite effect.

Foreign currency risk

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

Currency	Net foreign currency exposure	
	30/06/18 £'000	30/06/17 £'000
Euro	(22)	(63)
US dollar	22	(93)
Total	-	(156)

At the balance sheet date there was no significant exposure to foreign currency therefore no foreign exchange rate sensitivity analysis is disclosed.

Interest rate risk

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

AXA Sterling Buy and Maintain Credit Fund

Notes to the Financial Statements

For the year ended 30 June 2018

Interest rate risk profile of financial assets and liabilities

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

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£'000	£'000	£'000	£'000
Currency Assets				
30/06/18				
Pound sterling	12,651	150,839	2,457	165,947
Euro	208	6,823	52	7,083
US dollar	204	8,561	75	8,840
Total	13,063	166,223	2,584	181,870
30/06/17				
Pound sterling	4,313	121,445	1,824	127,582
Euro	274	7,072	77	7,423
US dollar	344	11,074	140	11,558
Total	4,931	139,591	2,041	146,563
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying	Total
	£'000	£'000	£'000	£'000
Currency Liabilities				
30/06/18				
Pound sterling	(5)	-	(7,676)	(7,681)
Euro	-	-	(89)	(89)
US dollar	-	-	(206)	(206)
Total	(5)	-	(7,971)	(7,976)
30/06/17				
Pound sterling	-	-	(2,812)	(2,812)
Euro	-	-	(14)	(14)
US dollar	-	-	(9)	(9)
Total	-	-	(2,835)	(2,835)

AXA Sterling Buy and Maintain Credit Fund

Notes to the Financial Statements

For the year ended 30 June 2018

Sensitivity analysis

Changes in interest rates or changes in expectations of future interest may result in an increase or decrease in the market value of investments held. A 1% increase in interest rates would have the effect of decreasing the return and net assets by £12,816,000 (2017: £11,125,000). A 1% decrease would have an equal and opposite effect.

Credit risk

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

Fixed interest investments are exposed to credit risk which reflects the ability of the bond issuer to meet its obligations. The majority of bonds in which the Fund invests are investment grade listed bonds or government securities which are lower risk. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. The ACD monitors the credit quality and risk of the portfolio as a part of the overall investment process and in accordance with the objective and policy of each sub-fund.

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

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

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

	30/06/18		30/06/17	
Credit Rating	Market Value	%	Market Value	%
	£'000		£'000	
Total bonds BBB- credit rating and above	164,742	94.73	138,357	96.26
Total bonds below BBB- credit rating	1,481	0.86	1,234	0.86
Total value of bonds	166,223	95.59	139,591	97.12

Counterparty risk

Transactions in securities entered into by the Company give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. The Investment Manager minimises this risk by conducting trades through only the most reputable counterparties. Counterparty risk is also managed by limiting the exposure to individual counterparties through adherence to the investment spread restrictions included within the Company's prospectus and COLL.

AXA Sterling Buy and Maintain Credit Fund

Notes to the Financial Statements

For the year ended 30 June 2018

Financial derivative instrument risk exposure

The exposure obtained through financial derivative instruments and identity of counterparties as at 30 June 2018 was as follows:

	30/06/18 Exposure £'000	30/06/17 Exposure £'000
(a) Forwards		
BNP Paribas	15,922	16,336*
Total value of derivatives	15,922	16,336

* Prior year figures have been restated

15. Portfolio transaction costs

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
30/06/2018						
Analysis of purchases						
Bonds	51,877	-	-	-	-	51,877
Futures	-	1	-	-	-	1
Total	51,877	1		-		51,878

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
30/06/2018						
Analysis of sales						
Bonds	18,349	-	-	-	-	18,349
Futures	-	-	-	-	-	-
Total	18,349	-		-		18,349

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
30/06/2017						
Analysis of purchases						
Bonds	65,807	-	-	-	-	65,807
Futures	-	1	-	-	-	1
Total	65,807	1		-		65,808

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
30/06/2017						
Analysis of sales						
Bonds	28,149	-	-	-	-	28,149
Futures	-	(1)	-	-	-	-
Total	28,149	(1)		-		28,149

* Derivatives do not have purchases or sales amounts so there is no meaningful contextual information to show alongside derivative transaction costs.

AXA Sterling Buy and Maintain Credit Fund

Notes to the Financial Statements

For the year ended 30 June 2018

	01/07/17 to 30/06/18	01/07/16 to 30/06/17
Transaction costs as percentage of average net asset value	%	%
Commissions	0.00%	0.00%
Taxes	0.00%	0.00%

At the balance sheet date the average portfolio dealing spread was 0.77% (2017: 0.30%).

16. Post balance sheet events

There are no post balance sheet events which require adjustments or disclosure.

17. Fair value disclosure

	30/06/18		30/06/17	
Valuation technique	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1 ^	1,028	(82)	988	(194)
Level 2 ^^	165,333	(213)	138,105	(23)
Level 3 ^^	-	-	715	-
	166,361	(295)	139,808	(217)

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

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

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

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

AXA Sterling Buy and Maintain Credit Fund

Distribution Table

As at 30 June 2018

First Distribution in pence per Share

Group 1 Shares purchased prior to 1 July 2017

Group 2 Shares purchased on or after 1 July 2017 to 30 September 2017

	Net revenue (p)	Equalisation (p)	Distribution paid 30/11/17 (p)	Distribution paid 30/11/16 (p)
Share Class Z Gross Income *				
Group 1	0.674	-	0.674	-
Group 2	0.674	-	0.674	-
Share Class Z Net Accumulation				
Group 1	0.824	-	0.824	0.743
Group 2	0.312	0.512	0.824	0.743
Share Class Z Gross Accumulation				
Group 1	0.846	-	0.846	0.952
Group 2	0.846	-	0.846	0.952

Second Distribution in pence per Share

Group 1 Shares purchased prior to 1 October 2017

Group 2 Shares purchased on or after 1 October 2017 to 31 December 2017

	Net revenue (p)	Equalisation (p)	Distribution paid 28/02/18 (p)	Distribution paid 28/02/17 (p)
Share Class Z Gross Income *				
Group 1	0.662	-	0.662	-
Group 2	0.662	-	0.662	-
Share Class Z Net Accumulation				
Group 1	0.814	-	0.814	0.758
Group 2	0.388	0.426	0.814	0.758
Share Class Z Gross Accumulation				
Group 1	0.836	-	0.836	0.972
Group 2	0.836	-	0.836	0.972

AXA Sterling Buy and Maintain Credit Fund

Distribution Table

As at 30 June 2018

Third Distribution in pence per Share

Group 1 Shares purchased prior to 1 January 2018

Group 2 Shares purchased on or after 1 January 2018 to 31 March 2018

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/18 (p)	Distribution paid 31/05/17 (p)
Share Class Z Gross Income *				
Group 1	0.645	-	0.645	0.577
Group 2	0.645	-	0.645	0.577
Share Class Z Net Accumulation				
Group 1	0.799	-	0.799	0.889
Group 2	0.347	0.452	0.799	0.889
Share Class Z Gross Accumulation				
Group 1	0.821	-	0.821	0.913
Group 2	0.821	-	0.821	0.913

Final Distribution in pence per Share

Group 1 Shares purchased prior to 1 April 2018

Group 2 Shares purchased on or after 1 April 2018 to 30 June 2018

	Net revenue (p)	Equalisation (p)	Distribution payable 31/08/18 (p)	Distribution paid 31/08/17 (p)
Share Class Z Gross Income *				
Group 1	0.658	-	0.658	0.694
Group 2	0.658	-	0.658	0.694
Share Class Z Net Accumulation				
Group 1	0.821	-	0.821	0.833
Group 2	0.486	0.335	0.821	0.833
Share Class Z Gross Accumulation				
Group 1	0.843	-	0.843	0.866
Group 2	0.843	-	0.843	0.866

* Z Gross Income class launched 20 January 2017.

AXA Sterling Strategic Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

Investment Objective

The aim of the Fund is to provide an income combined with any capital growth over the long-term.

Investment Policy

The Fund invests primarily in a diversified portfolio of sterling-denominated, investment grade bonds issued by companies and governments. The Fund manager seeks to reduce the effect of credit risk through its analysis and selection of bonds (with a particular emphasis on industry and issuer) and also positions the Fund to take advantage of its expectation of interest rate movements. The Fund is managed with reference to the composition and risk profile of the ICE BAML Sterling Broad Market Index. However the Fund manager invests on a discretionary basis with a significant degree of freedom to take positions which are different from the index.

Where bonds are denominated in a currency other than sterling, the Fund aims to reduce the risk of movements in exchange rates between such currency and sterling through the use of derivatives (financial instruments which derive their value from the value of other assets). The Fund may also use derivatives in an attempt to reduce the overall risks of its investments, reduce the costs of investing or generate additional capital or income (known as Efficient Portfolio Management - EPM).

Risk and Reward Profile

As at 30 June 2018

Lower Risk

Higher Risk

Potentially lower reward

Potentially higher reward

1	2	3	4	5	6	7
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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.

Why is this Fund in this category?

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

Additional risks

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

- **Credit risk** - all bonds have a potential credit risk, in that the issuer could default on its obligations to pay income and/or capital. An issuer default would likely result in a large drop in the value of that bond. The value of a bond will also be affected by the perceived credit risk of the issuer, including changes to credit ratings and the general level of aversion to credit risk in the market. Generally, an increased level of perceived credit risk leads to a fall in the value of the bond, and vice versa. Credit risk can be measured by ratings assigned to issuers of bonds by third party credit rating agencies. The largest credit rating agencies are Moody's, Standard & Poor's and Fitch Ratings. Each credit rating agency uses different designations. The highest designation (Aaa (Moody's), AAA (Standard & Poor's and Fitch Ratings)) are intended to represent a lower probability of default of the issuer. The credit rating agencies designate "investment grade" bonds as Baa3 or above (Moody's) or BBB- or above (Standard & Poor's or Fitch Ratings).

Internal investment guidelines are set, if necessary, to ensure credit risk is maintained within a range deemed suitable based on the individual Fund's investment objectives and investment policy. These guidelines could include credit quality indicators, measures of sensitivity to credit spread moves and diversification measures.

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

AXA Sterling Strategic Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

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

- **Prepayment and extension risk** - prepayment risk is the risk associated with the early unscheduled return of capital (i.e., repayment of the debt) by the issuer on a bond. Prepayment generally occurs in a declining interest rate environment. When capital is returned early, no future interest payments will be paid on that part of the capital. If the bond was purchased at a premium (i.e., at a price greater than the value of the capital), the return on the bond will be less than what was estimated at the time of purchase.

The opposite of prepayment risk is extension risk which is the risk of a bond's expected maturity lengthening in duration due to a slowdown in prepayments of capital. Extension risk is mainly the result of rising interest rates. If the bond was purchased in anticipation of an early repayment of capital, an extension of the maturity could impact the price of the bond.

- **Liquidity risk** - under certain market conditions, it may be difficult to buy or sell investments for the Fund. For example, corporate and emerging market bonds may be affected by the demand in the market for such bonds 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 ACD may be forced to buy or sell such investments as a consequence of Shareholders buying or selling Shares in the Fund. Depending on market conditions at the time, this could lead to a significant drop in the Fund's value.

Regular monitoring is conducted to ensure a high degree of confidence that Fund liquidity will meet the Fund's expected liquidity requirements.

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

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

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

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

The ACD aims to reduce the risk of movements in exchange rates on the value of all or part of the assets of a Fund through the use of currency exchange transactions. A 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 a Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. The performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Fund may not correspond with the securities positions held.

AXA Sterling Strategic Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

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 a 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.

Investment Review

Our interim report, covering the six months to the end of December 2017, had seen central banks gradually removing very accommodative monetary policies, as firm economies led to expectations that the erosion of spare capacity would push inflation higher: rates were raised in the UK – the first increase for over 10 years, and in the US, the fifth 25bps hike in its current cycle. In Europe, lagging in the economic cycle, the European Central Bank (ECB) had announced it would scale back its Quantitative Easing (QE), halving its monthly bond purchases from January.

The latest six months began with optimism about global growth at its highest level for many years with no apparent weak spots. With the boost to growth from expected US tax cuts, the long-awaited pick-up in inflation was a more serious possibility.

The expected timing of the next UK rate rise went full circle: the Bank of England (BoE)'s Quarterly Inflation Report in February forecast a slightly stronger growth profile, with the Bank intending to bring inflation to target within two years rather than three, so a little more hawkish. After two unanimous decisions to hold rates, in March the Bank held rates again, but two MPC members voted for a rate rise, shifting market expectations for the next UK rate rise to May and possibly November, having previously expected just one in August. UK economic data published in April, however, was on the soft side – service sector, retail sales and inflation - although March's cold weather was a plausible excuse, offering the prospect of a rebound in subsequent months. Doubts about May's rate increase emerged in April as BoE Governor Mark Carney suggested there was no rush to raise rates, and this was ruled out altogether following the release of a disappointing 0.1% GDP growth rate for the first quarter. The BoE also held rates in June, but the improvement in the economy after the soft Q1 and forecasts in May's Quarterly Inflation Report that rates will need to be tweaked higher in order to achieve the Bank's inflation target now underpins expectations of a hike in August.

Geopolitics became an increasing feature in headlines: fears of a trade war escalated as US President Trump pondered tariffs on some US imports. Tensions between Russia and the West were raised following the poisoning of a former Russian spy living in the UK. More positively, North Korea surprised by announcing it was prepared to negotiate on abandoning its nuclear weapons. In the US the Federal Reserve raised rates by 25bps in both March and June, in line with market expectations, given more confidence that inflation would return to target amid upbeat expectations for US growth, further boosted by a significant rise in government spending. 10-year US treasury yields renewed their push to the possibly significant 3% level, last reached at the end of 2013. This level was briefly breached towards the end of April, then again in May, but markets breathed a sigh of relief that this did not trigger further significant weakness. In Europe, the ECB announced an extension of its bond buying programme beyond September, but at a reduced €15 billion a month rate (from €30 billion) and will stop altogether after December.

AXA Sterling Strategic Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

Previously steady and firm equity markets turned weaker in February and volatility increased, with government bonds benefiting from safe-haven flows. Fears of on-going weakness were not realised, however, as the sell-off was blamed on the closure of one Fund that had bet on calm equity markets. Equities were under renewed pressure in March, led by technology stocks following users' privacy issues at Facebook, but shrugged off concerns from ongoing geo-political rumblings in April. By May, however, tighter global market monetary conditions began to affect emerging markets (EM), notably Argentina and Turkey, with EM bond funds seeing significant outflows. In Italy, the unlikely political alliance between socialist and right-wing parties to form a populist government disturbed markets; much higher (non-funded) government expenditure was a concern, but rumours of a debt write-down and a potential Italian withdrawal from the Euro significantly increased the risk. The latter two were quickly ruled out and the new government attempted to soothe market concerns by committing Italy to the euro while it implements structural reforms. Core government bonds were again sought as safe havens. An expansion of the fledgling trade war became an increasing possibility, as President Trump imposed previously suggested tariffs on steel and aluminium imports from the EU, Canada and Mexico, and targeted China with a host of tariffs, threatening further tariffs if China retaliated. Later Trump mooted tariffs on EU car imports.

Against this backdrop, gilt yields had a volatile ride: yields climbed throughout January and the first half of February, given heightened economic optimism, before falling given safe haven flows as risk assets came under pressure. Yields rose again as risk assets regained their poise, but fell sharply in May as EM and Italian political-led concerns set in, reversing as these fears moderated. 10-year gilt yields rose 9bps to 1.28% over the latest six months, having peaked at 1.65% in mid-February, tumbling to a closing low of 1.20% in late May (intraday low of 1.10%). 30-year gilt yields were 2bps lower at 1.74%. The ICE BAML Gilt Index produced a total return of +0.34%, with the over 15-year index +1.05%. Over the 12 months, 10-year gilt yields were 2bps higher, for a total return of +2.00%. 30-year gilt yields were 13bps lower, with the over 15-year index gaining 4.21%.

New issuance of sterling corporate bonds was more subdued in the latest six months, with an increase in the number of floating rate notes issued, a popular instrument for investors in a rising rate environment. Demand remained relatively firm, and in January when economic confidence was high, corporate bond spreads (yield premium over gilts) gapped tighter to the most expensive levels since before the financial crisis began over 10 years ago. Thereafter, corporate bonds followed general risk-on/off sentiment often moving in the opposite direction to gilt yields, spreads showing a net rise of 18bps (adjusted for +4bps index rebalancing) to +124bps over the latest six months, having traded as tight as +93bps in January. For the 12 months, spreads were 10bps wider (adjusted for a +7bps index rebalancing). With returns from corporate bonds made up from both the move in gilt yields and corporate bond spreads, yields on corporate bonds were 35bps higher at 2.45% over the latest six months, to give a return on the ICE BAML Sterling Non-Gilt Index of -1.26%. (Over 12 months yields were 17bps higher to give a return of +0.71%). By rating band, moves were as to be expected in a more risk-averse environment, with lower rated bonds underperforming: BBBs widened the most, 32bps to +180bps, with single As +24bps at +133bps, AAs 9bps wider at +69bps, while AAA-rated spreads were just 5bps wider at +36bps. Subordinated insurance led the spread widening, +80bps to +268bps as higher beta sectors, previous outperformers in strong markets, underperformed. The total return on ICE BAML Sterling Broad Market Index (a market-weighted combination of the Gilt/Non-Gilt indices) was -0.24% over the last six months and +1.61% over the 12 months.

The AXA Sterling Strategic Bond Fund provided a total return of +0.24% (Z Acc, net of fees and gross income reinvested) during the six months to 30 June 2018, +1.07% in the last 12 months.

The Fund follows a UK Aggregate strategy, giving investors exposure to gilts and investment grade corporate bonds (including high quality quasi-government bonds). The Fund has favoured a small overweight in corporate bonds, encouraged by the search for yield in the global low yield environment and relatively supportive credit fundamentals, with an underweight in lower yielding gilts as a consequence. Given our belief that yields generally have an upward bias, the Fund has been short in duration compared to the ICE BAML Sterling Broad Market Index, in order to reduce the negative price impact from such a move. With recent volatility in gilt yields, the extent of this has varied. Having started the year very short duration, the swift rise of gilt yields prompted a scaling back of the extent of the short in stages, and when yields hit 1.60% in early February, duration was just 0.25 year short. Thereafter duration was tweaked shorter and longer again as gilt yields moved in a 1.20%-1.50% range. We have maintained the Fund's overweight in corporate bonds, which had previously been reduced as spreads had tightened to lock in some of the strong relative performance against gilts. Some new issues have been added when attractively priced.

AXA Sterling Strategic Bond Fund

Investment Manager's Report

For the year ended 30 June 2018

The firm global economic backdrop underpins expectations that central banks will likely continue the gradual removal of stimulative monetary policies (rates and quantitative easing) as limited capacity makes it difficult to grow without pushing inflation higher. That said, economic performance, in Europe in particular, has not lived up to the hype expected following the very strong surveys that were prevalent at the start of the year. This positive outlook could be derailed by President Trump's aggressive tariff positioning, which could lead to a full-blown trade war, damaging growth and pushing inflation higher – the worst of both worlds. That could leave central banks with awkward decisions to make. Still Trump's lack of diplomacy to date has often actually generated positive results (North Korea denuclearisation talks and China opening up its economy). One to watch. Immediate risks from the new Italian government appear to have been allayed, but as the government implements new policies, concerns could resurface. Government bond yields have pulled back from their recent highs, given the increase in geopolitical risks and the uncertainty that they have created. If risks were to dissipate, there would likely be upward pressure on yields.

In addition to the global backdrop, the UK has to contend with its withdrawal from the European Union. Brexit negotiations have been prolonged with many difficulties along the way – no wonder, when there are so many different interpretations of what Brexit actually means. Conceding too much ground to the EU makes it difficult for Theresa May to satisfy those pro-Brexit members of her own party, risking a rebellion, but at the same time many companies are calling for continued access to European markets, which would require a softer Brexit. How will she get that balance right? The uncertainty about the Brexit outcome continues to delay investment decisions in the UK, holding back growth. The UK's very gentle rate hike cycle – one 25bps rise this year and probably one in each of the next two years should not, in isolation, push gilt yields decisively higher. The risk is that poor negotiations delay any rate hike.

M&A activity is on the increase, which may lead to an increase in some corporate borrowing, but by and large corporate credit fundamentals are sound. There are few signs of wholesale corporate re-leveraging, which is often problematic when the economy turns. Spreads have cheapened from their most expensive levels of earlier this year. With no deterioration in credit Fundamentals, this suggests some impact from higher rates and the removal (in the case of the US) and reduction (in the case of Europe) of some QE measures. Demand for corporate bonds remains firm, and with gilt yields failing to rise significantly, the extra yield offered should continue to attract investors. The direction of corporate bond yields will likely be strongly influenced by the move in gilt yields.

*All performance data source: AXA Investment Managers, ICE BofA Merrill Lynch and Bloomberg
Past performance is not a guide to future performance.*

Major Purchases

- UK Treasury 1.75% 07/09/22
- UK Treasury 1.75% 22/07/19
- Italy Buoni Poliennali del Tesoro 0.75% 15/01/18
- UK Treasury 1.25% 22/07/27
- UK Treasury 1.5% 22/07/47

Major Sales

- UK Treasury 1.25% 22/07/27
- Italy Buoni Poliennali del Tesoro 0.75% 15/01/18
- UK Treasury 4.25% 07/12/27
- UK Treasury 1.5% 22/01/21
- UK Treasury 2% 22/07/20

Phil Roantree

30 June 2018

AXA Investment Managers UK Limited

AXA Sterling Strategic Bond Fund

Comparative Tables

As at 30 June 2018

	H Net Accumulation			H Gross Accumulation		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	141.43	138.87	125.78	152.76	149.78	133.57
Return before operating charges ^	2.90	2.93	13.81	3.10	3.01	16.24
Operating charges ^	(0.04)	(0.03)	(0.03)	(0.05)	(0.03)	(0.03)
Return after operating charges ^	2.86	2.90	13.78	3.05	2.98	16.21
Distributions	(3.03)	(3.27)	(3.46)	(3.23)	(3.44)	(3.72)
Retained distributions on accumulation shares	3.03	2.93	2.77	3.23	3.44	3.72
Closing net asset value per share †	144.29	141.43	138.87	155.81	152.76	149.78
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	2.02%	2.09%	10.96%	2.00%	1.99%	12.14%
Other information						
Closing net asset value (£) †	7,215	7,071	6,943	7,791	7,638	7,489
Closing number of shares	5,000	5,000	5,000	5,000	5,000	5,000
Operating charges ^	0.03%	0.02%	0.02%	0.03%	0.02%	0.02%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	145.60	147.90	138.30	157.30	159.60	149.20
Lowest share price #	139.60	136.10	123.20	150.80	147.00	132.20
	B Net Income**			B Net Accumulation**		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	106.80	107.07	100.00	109.56	107.97	100.00
Return before operating charges ^	2.18	2.25	8.33	2.24	2.26	8.40
Operating charges ^	(0.46)	(0.46)	(0.21)	(0.47)	(0.46)	(0.21)
Return after operating charges ^	1.72	1.79	8.12	1.77	1.80	8.19
Distributions	(1.84)	(2.06)	(1.05)	(1.90)	(2.09)	(1.07)
Retained distributions on accumulation shares	-	-	-	1.90	1.88	0.85
Closing net asset value per share †	106.68	106.80	107.07	111.33	109.56	107.97
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	1.61%	1.68%	8.12%	1.62%	1.67%	8.19%
Other information						
Closing net asset value (£) †	309,730	311,352	333,410	18,112,131	20,035,417	23,206,065
Closing number of shares	290,340	291,525	311,390	16,268,780	18,287,069	21,492,606
Operating charges ^	0.43%	0.42%	0.43%	0.43%	0.42%	0.43%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	109.90	114.00	107.10	112.70	114.90	107.50
Lowest share price #	104.30	104.40	99.34	107.90	105.60	99.34

AXA Sterling Strategic Bond Fund

Comparative Tables

As at 30 June 2018

	B Gross Income**			B Gross Accumulation**		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	106.84	107.10	100.00	109.99	108.19	100.00
Return before operating charges ^	2.18	2.26	8.38	2.26	2.26	8.40
Operating charges ^	(0.46)	(0.46)	(0.21)	(0.48)	(0.46)	(0.21)
Return after operating charges ^	1.72	1.80	8.17	1.78	1.80	8.19
Distributions	(1.84)	(2.06)	(1.07)	(1.91)	(2.10)	(1.07)
Retained distributions on accumulation shares	-	-	-	1.91	2.10	1.07
Closing net asset value per share †	106.72	106.84	107.10	111.77	109.99	108.19
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	1.61%	1.69%	8.17%	1.62%	1.66%	8.19%
Other information						
Closing net asset value (£) †	311,245	318,850	366,656	34,223,614	38,118,846	42,859,810
Closing number of shares	291,647	298,431	342,349	30,619,867	34,655,832	39,615,449
Operating charges ^	0.43%	0.42%	0.43%	0.43%	0.42%	0.43%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	109.90	114.10	107.20	113.10	115.20	107.70
Lowest share price #	104.30	104.50	99.34	108.30	106.00	99.34
	R Net Income			R Net Accumulation		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	95.39	95.62	87.53	125.98	125.11	113.28
Return before operating charges ^	1.94	2.02	10.52	2.56	2.62	13.63
Operating charges ^	(1.22)	(1.23)	(1.13)	(1.61)	(1.61)	(1.47)
Return after operating charges ^	0.72	0.79	9.39	0.95	1.01	12.16
Distributions	(0.83)	(1.02)	(1.30)	(1.10)	(1.34)	(1.68)
Retained distributions on accumulation shares	-	-	-	1.10	1.20	1.35
Closing net asset value per share †	95.28	95.39	95.62	126.93	125.98	125.11
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	0.75%	0.83%	10.73%	0.75%	0.81%	10.73%
Other information						
Closing net asset value (£) †	57,255	60,182	122,374	1,742,843	7,877,425	8,308,852
Closing number of shares	60,095	63,094	127,977	1,373,044	6,253,025	6,641,283
Operating charges ^	1.28%	1.27%	1.27%	1.28%	1.27%	1.27%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	98.00	101.60	95.50	129.40	133.00	124.60
Lowest share price #	93.05	93.15	86.62	123.40	122.00	112.10

AXA Sterling Strategic Bond Fund

Comparative Tables

As at 30 June 2018

	R Gross Income			R Gross Accumulation		
	30/06/2018 (p)	30/06/2017 (p)	30/06/2016 (p)	30/06/2018 (p)	30/06/2017 (p)	30/06/2016 (p)
Change in net assets per share						
Opening net asset value per share †	95.53	95.77	87.72	134.42	133.34	120.38
Return before operating charges ^	1.93	2.01	10.50	2.74	2.80	14.51
Operating charges ^	(1.22)	(1.23)	(1.13)	(1.72)	(1.72)	(1.55)
Return after operating charges ^	0.71	0.78	9.37	1.02	1.08	12.96
Distributions	(0.82)	(1.02)	(1.32)	(1.18)	(1.43)	(1.81)
Retained distributions on accumulation shares	-	-	-	1.18	1.43	1.81
Closing net asset value per share †	95.42	95.53	95.77	135.44	134.42	133.34
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	0.74%	0.82%	10.68%	0.76%	0.81%	10.77%
Other information						
Closing net asset value (£) †	4,875	4,881	4,893	717,500	761,180	1,001,802
Closing number of shares	5,109	5,109	5,109	529,753	566,265	751,323
Operating charges ^	1.28%	1.27%	1.27%	1.28%	1.27%	1.27%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	98.15	101.80	95.71	138.10	141.80	132.80
Lowest share price #	93.19	93.28	86.82	131.70	130.20	119.10
	Z Net Income***			Z Net Accumulation		
	30/06/2018 (p)	30/06/2017 (p)	30/06/2016 (p)	30/06/2018 (p)	30/06/2017 (p)	30/06/2016 (p)
Change in net assets per share						
Opening net asset value per share †	108.19	108.64	100.00	146.61	144.61	130.20
Return before operating charges ^	2.20	2.10	10.40	3.00	3.03	15.70
Operating charges ^	(0.57)	(0.57)	(0.29)	(0.78)	(0.76)	(0.70)
Return after operating charges ^	1.63	1.53	10.11	2.22	2.27	15.00
Distributions	(1.75)	(1.98)	(1.47)	(2.39)	(2.65)	(2.94)
Retained distributions on accumulation shares	-	-	-	2.39	2.38	2.35
Closing net asset value per share †	108.07	108.19	108.64	148.83	146.61	144.61
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	1.51%	1.41%	10.11%	1.51%	1.57%	11.52%
Other information						
Closing net asset value (£) †	238,434	782,639	10,832	11,124,501	16,584,351	12,320,655
Closing number of shares	220,637	723,388	9,971	7,474,661	11,311,944	8,520,046
Operating charges ^	0.53%	0.52%	0.52%	0.53%	0.52%	0.52%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	111.30	115.60	108.60	150.80	153.90	144.00
Lowest share price #	105.60	105.70	99.01	144.30	141.40	128.80

AXA Sterling Strategic Bond Fund

Comparative Tables

As at 30 June 2018

	Z Gross Income***			Z Gross Accumulation		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	108.37	108.65	100.00	161.74	159.26	142.71
Return before operating charges ^	2.21	2.27	10.41	3.31	3.32	17.32
Operating charges ^	(0.57)	(0.57)	(0.29)	(0.86)	(0.84)	(0.77)
Return after operating charges ^	1.64	1.70	10.12	2.45	2.48	16.55
Distributions	(1.76)	(1.98)	(1.47)	(2.64)	(2.93)	(3.24)
Retained distributions on accumulation shares	-	-	-	2.64	2.93	3.24
Closing net asset value per share †	108.25	108.37	108.65	164.19	161.74	159.26
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	1.51%	1.57%	10.12%	1.51%	1.56%	11.60%
Other information						
Closing net asset value (£) †	4,966	4,967	4,998	114,737,185	120,067,749	106,128,652
Closing number of shares	4,587	4,583	4,600	69,880,518	74,234,451	66,637,174
Operating charges ^	0.53%	0.52%	0.52%	0.53%	0.52%	0.52%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	111.50	115.70	108.70	166.40	169.60	158.60
Lowest share price #	105.80	105.90	99.01	159.20	156.00	141.20

† Valued at bid-market prices.

High and low price disclosures are based on quoted share 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 sub-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 these tables have been calculated against the average net asset value for the accounting year.

** B Share class launched 15 January 2016.

*** Z Inc Share class (Net & Gross) launched 14 December 2015.

AXA Sterling Strategic Bond Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
GOVERNMENT BONDS 66.99% (30/06/17: 65.51%)			
Germany 0.00% (30/06/17: 1.03%)			
United Kingdom 66.99% (30/06/17: 63.47%)			
UK Treasury 1.25% 22/07/27	11,808,000	11,730	6.46
UK Treasury 1.5% 22/01/21	1,066,000	1,087	0.60
UK Treasury 1.5% 22/07/26	3,091,000	3,157	1.74
UK Treasury 1.5% 22/07/47	3,712,000	3,513	1.93
UK Treasury 1.75% 22/07/19	4,150,000	4,196	2.31
UK Treasury 1.75% 07/09/22	7,284,000	7,536	4.15
UK Treasury 2% 07/09/25	3,442,000	3,649	2.01
UK Treasury 2.25% 07/09/23	5,795,000	6,157	3.39
UK Treasury 2.5% 22/07/65	3,300,000	4,310	2.37
UK Treasury 2.75% 07/09/24	1,618,000	1,778	0.98
UK Treasury 3.25% 22/01/44	1,587,000	2,071	1.14
UK Treasury 3.5% 22/01/45	3,403,000	4,654	2.56
UK Treasury 3.5% 22/07/68	2,911,000	4,842	2.67
UK Treasury 3.75% 22/07/52	2,892,000	4,445	2.45
UK Treasury 4% 22/01/60	3,858,000	6,660	3.67
UK Treasury 4.25% 07/12/27	6,293,000	7,949	4.38
UK Treasury 4.25% 07/06/32	1,328,000	1,773	0.98
UK Treasury 4.25% 07/03/36	3,827,199	5,338	2.94
UK Treasury 4.25% 07/09/39	2,635,001	3,814	2.10
UK Treasury 4.25% 07/12/40	2,637,000	3,868	2.13
UK Treasury 4.25% 07/12/46	1,939,000	3,022	1.66
UK Treasury 4.25% 07/12/55	2,060,000	3,566	1.96
UK Treasury 4.5% 07/09/34	5,006,000	7,039	3.88
UK Treasury 4.5% 07/12/42	2,386,000	3,691	2.03
UK Treasury 4.75% 07/12/30	6,072,000	8,309	4.57
UK Treasury 4.75% 07/12/38	2,300,000	3,508	1.93
United States 0.00% (30/06/17: 1.01%)			
TOTAL GOVERNMENT BONDS		121,662	66.99
CORPORATE BONDS 31.69% (30/06/17: 32.47%*)			
Australia 1.38% (30/06/17: 1.41%)			
APT Pipelines 4.25% 26/11/24	500,000	547	0.30
BHP Billiton Finance Variable 22/10/77	321,000	360	0.20
Scentre Trust 3.875% 16/07/26	600,000	658	0.36
Vicinity Centres Trust 3.375% 07/04/26	479,000	502	0.28
Westfield America Management 2.625% 30/03/29	450,000	443	0.24
Belgium 0.28% (30/06/17: 0.36%)			
Anheuser-Busch 4% 24/09/25	450,000	504	0.28
Canada 0.93% (30/06/17: 0.63%)			
Bank of Nova Scotia 0.75% 14/09/21	650,000	639	0.35
Bank of Nova Scotia 1.75% 23/12/22	500,000	497	0.28
Royal Bank of Canada 1.125% 22/12/21	550,000	546	0.30
Cayman Islands 0.30% (30/06/17: 0.28%)			
Thames Water Utilities Cayman Finance 4% 29/06/25	500,000	548	0.30

AXA Sterling Strategic Bond Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
France 3.64% (30/06/17: 4.03%)			
BNP Paribas 5.75% 24/01/22	750,000	842	0.46
BPCE 5.25% 16/04/29	700,000	791	0.44
CNP Assurances Variable 30/09/41	300,000	336	0.18
Dexia Credit Local 1.125% 24/02/19	700,000	701	0.39
Electricite de France 5.5% 17/10/41	600,000	751	0.41
Electricite de France 6% Perpetual	700,000	711	0.39
Engie 7% 30/10/28	750,000	1,054	0.58
Orange 5.75% Perpetual	600,000	646	0.36
SNCF Reseau 5.25% 31/01/35	550,000	774	0.43
Germany 0.39% (30/06/17: 0.85%*)			
Deutsche Bahn Finance 3.125% 24/07/26	650,000	712	0.39
Guernsey 0.00% (30/06/17: 0.46%)			
Ireland 0.54% (30/06/17: 0.58%*)			
GE Capital UK Funding Unlimited 8% 14/01/39	600,000	987	0.54
Italy 0.60% (30/06/17: 0.54%*)			
Autostrade per l'Italia 6.25% 09/06/22	500,000	581	0.32
FCA Bank Ireland 1.625% 29/09/21	513,000	505	0.28
Jersey 0.82% (30/06/17: 1.55%*)			
Glencore Finance Europe 6% 03/04/22	500,000	565	0.31
Heathrow Funding 6% 20/03/20	475,000	511	0.28
Kennedy Wilson Europe Real Estate 3.95% 30/06/22	400,000	417	0.23
Luxembourg 0.21% (30/06/17: 0.19%*)			
Gazprom Capital 5.338% 25/09/20	370,000	390	0.21
Netherlands 1.67% (30/06/17: 1.43%*)			
ABN AMRO Bank 1% 30/06/20	300,000	298	0.16
Deutsche Telekom International Finance 1.25% 06/10/23	500,000	484	0.27
E.ON International Finance 5.875% 30/10/37	500,000	675	0.37
ELM for Swiss Reinsurance 6.302% Perpetual	500,000	512	0.28
Highbury Finance 7.017% 20/03/23	493,981	573	0.32
Koninklijke KPN 5.75% 17/09/29	391,000	481	0.27
Spain 0.31% (30/06/17: 0.29%)			
Telefonica Emisiones 5.289% 09/12/22	500,000	569	0.31
Supranational 1.06% (30/06/17: 1.27%)			
European Investment Bank 4.5% 07/03/44	600,000	898	0.49
International Bank for Reconstruction & Development 4.875% 07/12/28	786,000	1,028	0.57
Sweden 0.41% (30/06/17: 0.25%)			
Svenska Handelsbanken 1.625% 18/06/22	375,000	374	0.21
Swedbank 1.625% 28/12/22	375,000	373	0.20
Switzerland 0.35% (30/06/17: 0.00%)			
Credit Suisse Variable 12/09/25	182,000	173	0.09
UBS 1.25% 10/12/20	473,000	471	0.26

AXA Sterling Strategic Bond Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
United Kingdom 14.93% (30/06/17: 14.38%)			
ABP Finance 6.25% 14/12/26	500,000	617	0.34
Admiral 5.5% 25/07/24	600,000	656	0.36
Anglian Water Services Financing 4.5% 22/02/26	600,000	658	0.36
Barclays Bank 9.5% 07/08/21	300,000	357	0.20
BL Superstores Finance 5.27% 04/10/25	182,865	200	0.11
British Telecommunications 3.125% 21/11/31	250,000	242	0.13
Cadent Finance 2.125% 22/09/28	630,000	596	0.33
Centrica Variable 10/04/75	800,000	835	0.46
Close Brothers 4.25% 24/01/27	349,000	364	0.20
Compass 3.85% 26/06/26	650,000	735	0.40
Co-Operative Bank 4.75% 11/11/21	45,000	49	0.03
Coventry Building Society 1.875% 24/10/23	279,000	275	0.15
Eastern Power Networks 4.75% 30/09/21	478,000	525	0.29
Firstgroup 8.75% 08/04/21	600,000	701	0.39
HSBC Bank 5.375% 22/08/33	573,000	696	0.38
Intu Metrocentre Finance 4.125% 06/12/23	700,000	755	0.42
Intu SGS Finance 4.25% 17/09/30	500,000	550	0.30
Land Securities Capital Markets 2.375% 29/03/27	141,000	142	0.08
LCR Finance 4.5% 07/12/28	714,000	905	0.50
Legal & General Variable 27/10/45	563,000	606	0.33
Lloyds Bank 1.75% 31/03/22	500,000	508	0.28
Lloyds Bank 7.625% 22/04/25	884,000	1,136	0.63
Marston's Issuer Variable 15/07/35	884,000	792	0.44
Mitchells & Butlers Finance 5.965% 15/12/23	514,395	562	0.31
NIE Finance 6.375% 02/06/26	815,000	1,045	0.57
Northern Gas Networks Finance 5.625% 23/03/40	500,000	700	0.39
Northumbrian Water Finance 1.625% 11/10/26	425,000	395	0.22
Places For People Treasury 2.875% 17/08/26	719,000	705	0.39
Provident Financial 7% 04/06/23	248,000	253	0.14
RL Finance Bonds No. 2 Variable 30/11/43	650,000	718	0.40
Santander UK Variable 08/05/26	500,000	497	0.27
Scottish Widows 5.5% 16/06/23	300,000	328	0.18
Scottish Widows 7% 16/06/43	400,000	480	0.26
Severn Trent Utilities Finance 1.125% 07/09/21	285,000	281	0.15
Severn Trent Utilities Finance 1.625% 04/12/22	297,000	295	0.16
Southern Gas Networks 3.1% 15/09/36	273,000	273	0.15
SSE 3.875% Perpetual	500,000	505	0.28
Stagecoach 4% 29/09/25	426,000	446	0.25
Standard Chartered 5.125% 06/06/34	500,000	534	0.29
Student Finance 2.6663% 30/09/24	368,000	366	0.20
Telereal Securitisation 5.5653% 10/12/31	447,470	522	0.29
Telereal Securitisation Variable 10/12/33	500,000	522	0.29
Tesco Property Finance 3 5.744% 13/04/40	875,802	1,016	0.56
Unilever 1.375% 15/09/24	500,000	489	0.27
Vodafone 3% 12/08/56	250,000	214	0.12
Western Power Distribution South West 5.75% 23/03/40	650,000	900	0.50
Wheatley Capital 4.375% 28/11/44	700,000	822	0.45
Wm Morrison Supermarkets 4.75% 04/07/29	716,000	827	0.45
Yorkshire Building Society Variable 20/11/24	500,000	514	0.28
United States 3.87% (30/06/17: 3.97%)			
American Honda Finance 1.3% 21/03/22	473,000	469	0.26
AT&T 5.2% 18/11/33	800,000	949	0.52
BAT Capital 2.125% 15/08/25	500,000	484	0.27
Citigroup 7.375% 01/09/39	500,000	784	0.43
Digital Stout 4.75% 13/10/23	600,000	664	0.36

AXA Sterling Strategic Bond Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
Discovery Communications 2.5% 20/09/24	185,000	180	0.10
Goldman Sachs 5.5% 12/10/21	750,000	828	0.46
Metropolitan Life Global Funding I 2.625% 05/12/22	288,000	301	0.16
Tennessee Valley Authority 5.625% 07/06/32	650,000	899	0.50
Toyota Motor Credit 1% 27/09/22	650,000	637	0.35
Toyota Motor Credit 1.125% 07/09/21	250,000	248	0.14
Washington Mutual Bank 5.5% 10/06/19^	550,000	-	-
Wells Fargo 2.125% 22/04/22	575,000	577	0.32
TOTAL CORPORATE BONDS		57,556	31.69
FUTURES (0.18%) (30/06/17: 0.25%)			
Germany 0.00% (30/06/17: 0.20%)			
United Kingdom (0.18%) (30/06/17: 0.06%)			
Long Gilt Futures September 2018	(228)	(334)	(0.18)
United States 0.00% (30/06/17: (0.01%))			
TOTAL FUTURES		(334)	(0.18)
FORWARD CURRENCY CONTRACTS 0.00% (30/06/17: 0.03%)			
Portfolio of investments		178,884	98.50
Net other assets		2,715	1.50
Total net assets		181,599	100.00

^ These stocks have either been suspended, delisted or are in liquidation.

* Since the previous report country classifications have been updated. Comparative figures have been updated where appropriate.

All bonds are denominated in sterling (unless otherwise indicated).

At 30 June 2018, there were no investments in the Fund which were valued using a quote from a single broker (30/06/17: £nil).

AXA Sterling Strategic Bond Fund

Statement of Total Return

For the year ended 30 June 2018

		01/07/17 to 30/06/18		01/07/16 to 30/06/17	
	Note	£'000	£'000	£'000	£'000
Income:					
Net capital losses	2		(572)		(1,435)
Revenue	3	4,248		4,914	
Expenses	4	(1,032)		(1,113)	
Interest payable and similar charges		-		-	
Net revenue before taxation		3,216		3,801	
Taxation	5	-		-	
Net revenue after taxation			3,216		3,801
Total return before distributions			2,644		2,366
Distributions	6		(3,216)		(3,801)
Change in net assets attributable to Shareholders from investment activities			(572)		(1,435)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 June 2018

		01/07/17 to 30/06/18		01/07/16 to 30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders			204,943		194,683
Amounts receivable on issue of shares		15,534		48,345	
Amounts payable on cancellation of shares		(41,456)		(40,449)	
			(25,922)		7,896
Dilution adjustment			-		52
Change in net assets attributable to Shareholders from investment activities (see above)			(572)		(1,435)
Retained distributions on accumulation shares			3,150		3,747
Closing net assets attributable to Shareholders			181,599		204,943

AXA Sterling Strategic Bond Fund

Balance Sheet

As at 30 June 2018

		30/06/18	30/06/17
	Note	£'000	£'000
Assets:			
Fixed assets:			
Investments		179,218	201,673
Current assets:			
Debtors	7	2,331	6,266
Cash and bank balances	8	842	2,922
Total assets		182,391	210,861
Liabilities:			
Investment liabilities		(334)	(297)
Creditors:			
Bank overdrafts		(73)	-
Distribution payable		(4)	(7)
Other creditors	9	(381)	(5,614)
Total creditors		(458)	(5,621)
Total liabilities		(792)	(5,918)
Net assets attributable to Shareholders		181,599	204,943

AXA Sterling Strategic Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

1. Accounting Basis And Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 223 - 225.

2. Net capital losses

The net capital losses during the year comprise:

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
Non-derivative securities	(315)	(1,366)
Brokers commission on futures	(11)	(13)
Currency losses	(22)	(81)
Derivative contracts	(548)	191
Forward currency contracts	251	(165)
Transaction charges	(1)	(1)
Class Actions	74	-
Net capital losses	(572)	(1,435)

3. Revenue

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
Bank interest	1	-
Interest on debt securities	4,247	4,914
Total revenue	4,248	4,914

4. Expenses

Payable to the ACD, associates of the ACD, and agents of either of them

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
ACD fees	981	1,062
Administration charge	1	1
Registration fees	1	1
	983	1,064

Payable to the Depositary, associates of the Depositary and agents of either of them

Depositary's fees	32	32
Safe custody fees	9	9
	41	41

Other expenses

Audit fees	8	8
Total expenses	1,032	1,113

AXA Sterling Strategic Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

5. Taxation

(a) Analysis of the tax charge in the year

There is no corporation tax charge in the current year or prior year.

(b) Factors affecting current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for an open ended investment company of 20% (1900: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
Net revenue before taxation	3,216	3,801
Net revenue for the year multiplied by the standard rate of corporation tax	643	760
Effects of:		
Tax deductible interest distributions	(643)	(760)
Current tax charge for the year	-	-

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

(c) Deferred taxation:

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

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £nil (2017: £nil) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

6. Distributions

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

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
First interim	848	980
Second interim	773	944
Third interim	784	944
Final	764	901
Add: Revenue paid on cancellation of shares	88	98
Deduct: Revenue received on creation of shares	(41)	(155)
Tax withheld on interest distributions	-	89
Net distribution for the year	3,216	3,801
Reconciliation of net revenue after taxation to distributions		
Net revenue after taxation	3,216	3,801
Net distribution for the year	3,216	3,801

AXA Sterling Strategic Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

7. Debtors	30/06/18	30/06/17
	£'000	£'000
Amounts receivable for creation of shares	43	23
Sales awaiting settlement	676	4,505
Accrued revenue	1,612	1,738
Total debtors	2,331	6,266
8. Cash and bank balances	30/06/18	30/06/17
	£'000	£'000
Cash and bank balances	-	2,851
Amount held at futures clearing houses and brokers	842	71
Total cash and bank balances	842	2,922
9. Other creditors	30/06/18	30/06/17
	£'000	£'000
Amounts payable for cancellation of shares	291	910
Purchases awaiting settlement	-	4,499
Annual Management Charge	70	183
Accrued other expenses	20	22
Total other creditors	381	5,614

10. Related party transactions

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

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

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

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

As at 30 June 2018 material shareholders have holdings totalling 93.79% (30/06/2017: 89.91%) of the Funds' shares. Other than disclosed elsewhere in the financial statements, there were no material transactions between the Fund and related parties during the year.

11. Share classes

The reconciliation of the opening and closing numbers of shares of each class, along with the ACD's Annual Management Charges applicable to each class, is shown below:

	ACD fee rate (%)	30/06/17	Issued	Cancelled	Converted	30/06/18
H Net Accumulation	Nil	5,000	-	-	-	5,000
H Gross Accumulation	Nil	5,000	-	-	-	5,000
B Net Income	0.40	291,525	1,467	(2,652)	-	290,340
B Net Accumulation	0.40	18,287,069	20,843	(2,039,132)	-	16,268,780
B Gross Income	0.40	298,431	1,400	(8,184)	-	291,647
B Gross Accumulation	0.40	34,655,832	19,714	(4,055,679)	-	30,619,867
R Net Income	1.25	63,094	5,201	(8,200)	-	60,095
R Net Accumulation	1.25	6,253,025	375,573	(5,255,554)	-	1,373,044
R Gross Income	1.25	5,109	-	-	-	5,109
R Gross Accumulation	1.25	566,265	15,701	(52,213)	-	529,753
Z Net Income	0.50	723,388	14,759	(517,510)	-	220,637
Z Net Accumulation	0.50	11,311,944	1,232,334	(5,069,617)	-	7,474,661
Z Gross Income	0.50	4,583	1,488	(1,484)	-	4,587
Z Gross Accumulation	0.50	74,234,451	7,968,533	(12,322,466)	-	69,880,518

AXA Sterling Strategic Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

12. Commitments, contingent liabilities and contingent assets

There are no commitments, contingent liabilities and contingent assets as at the balance sheet date (2017: nil).

13. Derivatives and other financial instruments

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

Market price risk

The Fund invests principally in fixed income securities. The value of the Fund's investment portfolio is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual company or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Fund seeks to manage these risks by adhering to investment guidelines and to investment and borrowing powers set out in the Prospectus. In addition, the Fund complies with the Collective Investment Schemes sourcebook ("COLL"), which include rules relating to investment holdings that are designed to place limits on the Fund's investment concentration (same as at 30 June 2017).

Market price risk sensitivity

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £17,921,732 (2017: £20,079,969). A 10% decrease would have an equal and opposite effect.

Foreign currency risk

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

Currency	Net foreign currency exposure	
	30/06/18 £'000	30/06/17 £'000
Euro	-	520
US dollar	-	(14)
Total foreign currency exposure	-	506

As at the balance sheet date there was no significant exposure to foreign currency therefore no foreign exchange rate sensitivity analysis is disclosed.

Interest rate risk

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

AXA Sterling Strategic Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

Interest rate risk profile of financial assets and liabilities

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

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£'000	£'000	£'000	£'000
Currency Assets				
30/06/18				
Pound sterling	842	179,218	2,331	182,391
Total	842	179,218	2,331	182,391
30/06/17				
Pound sterling	1,810	196,603	6,391	204,804
Euro	729	2,120	626	3,475
US dollar	382	2,075	125	2,582
Total	2,921	200,798	7,142	210,861
	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying	Total
	£'000	£'000	£'000	£'000
Currency Liabilities				
Pound sterling	-	-	(792)	(792)
Total	-	-	(792)	(792)
30/06/17				
Pound sterling	-	-	(5,621)	(5,621)
Euro	-	-	(234)	(234)
US dollar	-	-	(63)	(63)
Total	-	-	(5,918)	(5,918)

Sensitivity analysis

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. A 1% increase in interest rates would have the effect of decreasing the return and net assets by £18,029,000 (2017: £20,803,000). A 1% decrease would have an equal and opposite effect.

Credit risk

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

Fixed interest investments are exposed to credit risk which reflects the ability of the bond issuer to meet its obligations. The majority of bonds in which the Fund invests are investment grade listed bonds or government securities which are lower risk. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. The ACD monitors the credit quality and risk of the portfolio as a part of the overall investment process and in accordance with the objective and policy of each sub-fund.

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

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

AXA Sterling Strategic Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

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

	30/06/18		30/06/17	
	Market Value	%	Market Value	%
	£'000		£'000	
Credit Rating				
Total bonds BBB- credit rating and above	176,491	97.17	199,325	97.27
Total bonds below BBB- credit rating	2,727	1.51	1,473	0.71
Total non-rated bonds	-	-	-	-
Total value of bonds	179,218	98.68	200,798	97.98

Counterparty risk

Transactions in securities entered into by the Company give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. The Investment Manager minimises this risk by conducting trades through only the most reputable counterparties. Counterparty risk is also managed by limiting the exposure to individual counterparties through adherence to the investment spread restrictions included within the Company's prospectus and COLL.

Financial derivative instrument risk exposure

The exposure obtained through financial derivative instruments and identity of counterparties as at 30 June 2018 was as follows:

	30/06/18	30/06/17
	Market Value	Market Value
	£'000	£'000
(a) Futures		
Royal Bank of Scotland	(334)	519
Total value of derivatives	(334)	519

	30/06/18	30/06/17
	Exposure	Exposure
	£'000	£'000
(b) Forwards		
BNP Paribas	-	5,193*
Total value of forward contracts	-	5,193*

* Prior year figures have been restated.

14. Portfolio transaction costs

	Net purchase cost	Commissions paid		Taxes		Total purchase cost
30/06/2018	£'000	£'000	%	£'000	%	£'000
Analysis of purchases						
Bonds	46,455	-	-	-	-	46,455
Futures	-	3	-	-	-	3
Total	46,455	3		-		46,458

	Net sale proceeds	Commissions paid		Taxes		Total sale proceeds
30/06/2018	£'000	£'000	%	£'000	%	£'000
Analysis of sales						
Bonds	65,875	-	-	-	-	65,875
Futures	-	(4)	-	-	-	(4)
Total	65,875	(4)		-		65,871

AXA Sterling Strategic Bond Fund

Notes to the Financial Statements

For the year ended 30 June 2018

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
30/06/2017						
Analysis of purchases						
Bonds	204,690	-	-	-	-	204,690
Futures	-	6	-	-	-	6
Total	204,690	6		-		204,696

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
30/06/2017						
Analysis of sales						
Bonds	192,824	-	-	-	-	192,824
Futures	-	(7)	-	-	-	(7)
Total	192,824	(7)		-		192,817

	01/07/17 to 30/06/18	01/07/16 to 30/06/17
Transaction costs as percentage of average net asset value	%	%
Commissions	0.00%	0.00%
Taxes	0.00%	0.00%

At the balance sheet date the average portfolio dealing spread was 0.27% (2017: 0.23%).

15. Post balance sheet events

There are no post balance sheet events which require adjustments or disclosure.

16. Fair value disclosure

	30/06/18		30/06/17	
Valuation technique	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1 ^	122,436	(334)	137,773	(283)
Level 2 ^^	56,782	-	63,900	(14)
Level 3 ^^	-	-	-	-
	179,218	(334)	201,673	(297)

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

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

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

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

AXA Sterling Strategic Bond Fund

Distribution Table

As at 30 June 2018

First Distribution in pence per Share

Group 1 Shares purchased prior to 1 July 2017

Group 2 Shares purchased on or after 1 July 2017 to 30 September 2017

	Net revenue (p)	Equalisation (p)	Distribution paid 30/11/17 (p)	Distribution paid 30/11/16 (p)
Share Class H Net Accumulation				
Group 1	0.757	-	0.757	0.554
Group 2	0.757	-	0.757	0.554
Share Class H Gross Accumulation				
Group 1	0.828	-	0.828	0.893
Group 2	0.828	-	0.828	0.893
Share Class B Net Income				
Group 1	0.461	-	0.461	0.352
Group 2	0.461	-	0.461	0.352
Share Class B Net Accumulation				
Group 1	0.473	-	0.473	0.352
Group 2	0.250	0.223	0.473	0.352
Share Class B Gross Income				
Group 1	0.462	-	0.462	0.555
Group 2	0.462	-	0.462	0.555
Share Class B Gross Accumulation				
Group 1	0.475	-	0.475	0.560
Group 2	0.206	0.269	0.475	0.560
Share Class R Net Income				
Group 1	0.207	-	0.207	0.176
Group 2	0.065	0.142	0.207	0.176
Share Class R Net Accumulation				
Group 1	0.274	-	0.274	0.234
Group 2	0.184	0.090	0.274	0.234
Share Class R Gross Income				
Group 1	0.204	-	0.204	0.285
Group 2	0.204	-	0.204	0.285
Share Class R Gross Accumulation				
Group 1	0.293	-	0.293	0.393
Group 2	0.135	0.158	0.293	0.393
Share Class Z Net Income				
Group 1	0.440	-	0.440	0.417
Group 2	0.296	0.144	0.440	0.417
Share Class Z Net Accumulation				
Group 1	0.596	-	0.596	0.498
Group 2	0.347	0.249	0.596	0.498

AXA Sterling Strategic Bond Fund

Distribution Table

As at 30 June 2018

Share Class Z Gross Income

Group 1	0.439	-	0.439	0.534
Group 2	0.439	-	0.439	0.534

Share Class Z Gross Accumulation

Group 1	0.658	-	0.658	0.783
Group 2	0.177	0.481	0.658	0.783

Second Distribution in pence per Share

Group 1	Shares purchased prior to 1 October 2017
Group 2	Shares purchased on or after 1 October 2017 to 31 December 2017

	Net revenue (p)	Equalisation (p)	Distribution paid 28/02/18 (p)	Distribution paid 28/02/17 (p)
Share Class H Net Accumulation				
Group 1	0.724	-	0.724	0.776
Group 2	0.724	-	0.724	0.776
Share Class H Gross Accumulation				
Group 1	0.780	-	0.780	0.840
Group 2	0.780	-	0.780	0.840
Share Class B Net Income				
Group 1	0.437	-	0.437	0.494
Group 2	0.437	-	0.437	0.494
Share Class B Net Accumulation				
Group 1	0.450	-	0.450	0.503
Group 2	0.141	0.309	0.450	0.503
Share Class B Gross Income				
Group 1	0.437	-	0.437	0.504
Group 2	0.437	-	0.437	0.504
Share Class B Gross Accumulation				
Group 1	0.452	-	0.452	0.511
Group 2	0.293	0.159	0.452	0.511
Share Class R Net Income				
Group 1	0.188	-	0.188	0.248
Group 2	0.003	0.185	0.188	0.248
Share Class R Net Accumulation				
Group 1	0.249	-	0.249	0.321
Group 2	0.083	0.166	0.249	0.321
Share Class R Gross Income				
Group 1	0.182	-	0.182	0.249
Group 2	0.182	-	0.182	0.249
Share Class R Gross Accumulation				
Group 1	0.265	-	0.265	0.346
Group 2	0.095	0.170	0.265	0.346

AXA Sterling Strategic Bond Fund

Distribution Table

As at 30 June 2018

Share Class Z Net Income

Group 1	0.416	-	0.416	0.399
Group 2	0.180	0.236	0.416	0.399

Share Class Z Net Accumulation

Group 1	0.566	-	0.566	0.588
Group 2	0.294	0.272	0.566	0.588

Share Class Z Gross Income

Group 1	0.411	-	0.411	0.485
Group 2	0.411	-	0.411	0.485

Share Class Z Gross Accumulation

Group 1	0.624	-	0.624	0.713
Group 2	0.254	0.370	0.624	0.713

Third Distribution in pence per Share

Group 1	Shares purchased prior to 1 January 2018
Group 2	Shares purchased on or after 1 January 2018 to 31 March 2018

	Net revenue (p)	Equalisation (p)	Distribution paid 31/05/18 (p)	Distribution paid 31/05/17 (p)
Share Class H Net Accumulation				
Group 1	0.768	-	0.768	0.802
Group 2	0.768	-	0.768	0.802
Share Class H Gross Accumulation				
Group 1	0.812	-	0.812	0.858
Group 2	0.812	-	0.812	0.858
Share Class B Net Income				
Group 1	0.468	-	0.468	0.506
Group 2	0.468	-	0.468	0.506
Share Class B Net Accumulation				
Group 1	0.484	-	0.484	0.514
Group 2	0.080	0.404	0.484	0.514
Share Class B Gross Income				
Group 1	0.468	-	0.468	0.506
Group 2	0.468	-	0.468	0.506
Share Class B Gross Accumulation				
Group 1	0.486	-	0.486	0.516
Group 2	0.234	0.252	0.486	0.516
Share Class R Net Income				
Group 1	0.218	-	0.218	0.250
Group 2	0.078	0.140	0.218	0.250
Share Class R Net Accumulation				
Group 1	0.289	-	0.289	0.328
Group 2	0.249	0.040	0.289	0.328

AXA Sterling Strategic Bond Fund

Distribution Table

As at 30 June 2018

Share Class R Gross Income

Group 1	0.218	-	0.218	0.248
Group 2	0.218	-	0.218	0.248

Share Class R Gross Accumulation

Group 1	0.309	-	0.309	0.350
Group 2	0.103	0.206	0.309	0.350

Share Class Z Net Income

Group 1	0.447	-	0.447	0.486
Group 2	0.154	0.293	0.447	0.486

Share Class Z Net Accumulation

Group 1	0.611	-	0.611	0.652
Group 2	0.297	0.314	0.611	0.652

Share Class Z Gross Income

Group 1	0.451	-	0.451	0.486
Group 2	0.451	-	0.451	0.486

Share Class Z Gross Accumulation

Group 1	0.674	-	0.674	0.719
Group 2	0.453	0.221	0.674	0.719

Final Distribution in pence per Share

Group 1	Shares purchased prior to 1 April 2018
Group 2	Shares purchased on or after 1 April 2018 to 30 June 2018

	Net revenue (p)	Equalisation (p)	Distribution payable 31/08/18 (p)	Distribution paid 31/08/17 (p)
Share Class H Net Accumulation				
Group 1	0.781	-	0.781	0.803
Group 2	0.781	-	0.781	0.803
Share Class H Gross Accumulation				
Group 1	0.813	-	0.813	0.846
Group 2	0.813	-	0.813	0.846
Share Class B Net Income				
Group 1	0.473	-	0.473	0.500
Group 2	0.473	-	0.473	0.500
Share Class B Net Accumulation				
Group 1	0.491	-	0.491	0.510
Group 2	0.340	0.151	0.491	0.510
Share Class B Gross Income				
Group 1	0.473	-	0.473	0.500
Group 2	0.473	-	0.473	0.500
Share Class B Gross Accumulation				
Group 1	0.493	-	0.493	0.512
Group 2	0.297	0.196	0.493	0.512

AXA Sterling Strategic Bond Fund

Distribution Table

As at 30 June 2018

Share Class R Net Income

Group 1	0.217	-	0.217	0.240
Group 2	0.217	-	0.217	0.240

Share Class R Net Accumulation

Group 1	0.290	-	0.290	0.316
Group 2	0.161	0.129	0.290	0.316

Share Class R Gross Income

Group 1	0.217	-	0.217	0.242
Group 2	0.217	-	0.217	0.242

Share Class R Gross Accumulation

Group 1	0.309	-	0.309	0.338
Group 2	0.102	0.207	0.309	0.338

Share Class Z Net Income

Group 1	0.448	-	0.448	0.478
Group 2	0.252	0.196	0.448	0.478

Share Class Z Net Accumulation

Group 1	0.619	-	0.619	0.645
Group 2	0.284	0.335	0.619	0.645

Share Class Z Gross Income

Group 1	0.454	-	0.454	0.476
Group 2	0.454	-	0.454	0.476

Share Class Z Gross Accumulation

Group 1	0.683	-	0.683	0.712
Group 2	0.323	0.360	0.683	0.712

AXA US Short Duration High Yield Fund

Investment Manager's Report

For the year ended 30 June 2018

Investment Objective

The aim of the Fund is to provide high income.

Investment Policy

The Fund invests primarily in a diversified portfolio of high yield bonds issued by US companies where the period for full repayment of the bond by the company is expected to be less than 3 years. The Fund manager seeks to reduce the effect of credit risk through diversification and its analysis and selection of investments.

The Fund aims to reduce the risk of movements in exchange rates between US dollars and sterling through the use of derivatives (financial instruments which derive their value from the value of other assets). The Fund may also use derivatives in an attempt to reduce the overall risks of its investments, reduce the costs of investing or generate additional capital or income (known as Efficient Portfolio Management - EPM).

Risk and Reward Profile

As at 30 June 2018

By investing in a Fund which invests primarily in fixed interest stocks you are likely to be looking for an investment which will generate an income but had less potential for capital return than is the case with Funds which invest primarily in equities. You are willing to accept that your investment will fall and rise in value and that you could get back less than you invest. You are aware that investing in a Fund which has a US remit can increase risk because of currency movements in return for greater potential reward. You are also aware that investing in sub investment grade bonds may increase the potential income but also increases risk to your investment. Typically you would be investing for a period of at least five years.

Lower Risk

Higher Risk

Potentially lower reward

Potentially higher reward

1	2	3	4	5	6	7
---	---	---	---	---	---	---

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

Why is this Fund in this category?

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

Additional risks

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

- Credit risk - all bonds have a potential credit risk, in that the issuer could default on its obligations to pay income and/or capital. An issuer default would likely result in a large drop in the value of that bond. The value of a bond will also be affected by the perceived credit risk of the issuer, including changes to credit ratings and the general level of aversion to credit risk in the market. Generally, an increased level of perceived credit risk leads to a fall in the value of the bond, and vice versa. Credit risk can be measured by ratings assigned to issuers of bonds by third party credit rating agencies. The largest credit rating agencies are Moody's, Standard & Poor's and Fitch Ratings. Each credit rating agency uses different designations. The highest designation (Aaa (Moody's), AAA (Standard & Poor's and Fitch Ratings)) are intended to represent a lower probability of default of the issuer. The credit rating agencies designate "investment grade" bonds as Baa3 or above (Moody's) or BBB- or above (Standard & Poor's or Fitch Ratings). See further below under "High yield bonds risk".

Internal investment guidelines are set, if necessary, to ensure credit risk is maintained within a range deemed suitable based on the individual Fund's investment objectives and investment policy. These guidelines could include credit quality indicators, measures of sensitivity to credit spread moves and diversification measures.

AXA US Short Duration High Yield Fund

Investment Manager's Report

For the year ended 30 June 2018

- **High Yield Bonds risk** - high yield bonds (also known as sub-investment grade bonds) are fixed interest securities issued by companies or governments with lower credit ratings (Ba1 and below (Moody's) or BB+ and below (Standard & Poor's and Fitch Ratings)). They are potentially more risky than investment grade bonds which have higher ratings. The issuers of high yield bonds will be at greater risk of default or ratings downgrades. The capital value of a Fund's investment in high yield bonds and the level of income it receives may fall as a result of such issuers ceasing to trade. A Fund will endeavour to mitigate the risks associated with high yield bonds, by diversifying their holdings by issuer, industry and credit quality.

This is an inherent risk for Funds invested within high yield bonds. Internal investment guidelines (which may include measures of credit quality, measures of sensitivity to credit spread moves and 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.

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

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

- **Prepayment and extension risk** - prepayment risk is the risk associated with the early unscheduled return of capital (i.e., repayment of the debt) by the issuer on a bond. Prepayment generally occurs in a declining interest rate environment. When capital is returned early, no future interest payments will be paid on that part of the capital. If the bond was purchased at a premium (i.e., at a price greater than the value of the capital), the return on the bond will be less than what was estimated at the time of purchase.

The opposite of prepayment risk is extension risk which is the risk of a bond's expected maturity lengthening in duration due to a slowdown in prepayments of capital. Extension risk is mainly the result of rising interest rates. If the bond was purchased in anticipation of an early repayment of capital, an extension of the maturity could impact the price of the bond.

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

- **Liquidity risk** - under certain market conditions, it may be difficult to buy or sell investments for the Fund. For example, corporate and emerging market bonds may be affected by the demand in the market for such bonds 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 ACD may be forced to buy or sell such investments as a consequence of Shareholders buying or selling Shares in the Fund. Depending on market conditions at the time, this could lead to a significant drop in the Fund's value.

Regular monitoring is conducted to ensure a high degree of confidence that Fund liquidity will meet the Fund's expected liquidity requirements.

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

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

AXA US Short Duration High Yield Fund

Investment Manager's Report

For the year ended 30 June 2018

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

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

The ACD aims to reduce the risk of movements in exchange rates on the value of all or part of the assets of a Fund through the use of currency exchange transactions. A 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 a Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. The performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a 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 a 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.

Investment Review

The high yield market posted a positive return in the 12 months ended June 30, 2018. Returns were driven by higher oil and stock prices, partially offset by rising rates. Flows into the high yield market were negative for the period, with -\$32.8 billion of outflows. The high yield new issue market priced \$278.7 billion of new issues during the 12 months ended June 30, 2018, a -8.7% decrease from the \$305.1 billion priced during the same period last year. The period saw \$25.8 billion of high yield default volume, higher than the \$20.9 billion of high yield default volume in the same period last year. The par weighted high yield default rate ended the period at 1.98%, up from 1.50% in June 2017.

During the 12 months ended June 30, 2018, US high yield underperformed US equities (S&P 500 +14.36%) but outperformed US treasuries (-0.57%) and US corporates (-0.70%). Within US high yield, CCC-and-lower rated credits (+7.49%) outperformed higher quality single-B rated credits (+3.25%) and double-B rated credits (+0.59%). From a sector perspective, 14 out of 18 sectors posted positive total returns over the period. Energy (+8.05%), utilities (+6.51%) and transportation (+6.02%) were the best performing sectors. On a relative basis, automotive (-2.56%), consumer goods (-1.13%) and media (-0.66%) were the worst performing sectors. During the period, the High Yield Index's option adjusted spread tightened from 377 basis points to 371 basis points. The yield to worst of the High Yield Index increased from 5.68% at the beginning of the period to 6.53% at the end of the period. The High Yield Index's average price was \$97.84 at June 30, 2018, down from the \$101.33 average price at the start of the period.

AXA US Short Duration High Yield Fund

Investment Manager's Report

For the year ended 30 June 2018

For the 12-month period ended June 30, 2018, the AXA US Short Duration High Yield Fund performed very well, capturing roughly 95% of the overall market's +2.53% return (gross USD performance, unhedged), (+0.15% Z Acc share class, net of fees and gross income reinvested in GBP). Performance benefited from our security selection within the media and consumer goods sectors and the shorter duration nature of our holdings, partially offset by our positioning and security selection within the energy sector and our up-in-quality positioning. During the fiscal year, the yield-to-worst of the Fund (exclusive of cash) widened by 144bps to 4.97%, while the overall market yield widened by 85bps to 6.53%. The option adjusted spread of the Fund widened by 29bps to 233bps. The overall Fund duration (using a calculation of modified duration-to-worst) increased from 1.6 to 2.0, while the market duration increased from 3.7 to 4.2.

Position count decreased to 213 positions but the portfolio remains well diversified. We believe that diversification of portfolio holdings is important for the Fund and helps to manage credit risk. Our top holding at fiscal year-end, a 1.2% position, was First Data Corp. As of June 30, 2018, approximately 67% of the portfolio was invested in securities in excess of three years, but which we expect to be redeemed early. This is up roughly 2% from the previous year and reflects our continued preference towards these yield-to-call bonds as a better source of relative value. Market technicals were mixed during the fiscal year as flows were significantly negative, partially offset by a more modest amount of primary market activity. Despite lower new issue volume, we expect the primary market may remain fairly active and for companies to opportunistically refinance debt maturing in excess of three years. Coupled with healthy corporate fundamentals and a benign default rate, the backdrop for the Short Duration Fund remains supportive.

All performance data source: AXA Investment Managers and Bloomberg

Past performance is not a guide to future performance.

Major Purchases

- DAE Funding 4% 01/08/20
- APX 8.875% 01/12/22
- KLX 5.875% 01/12/22
- Park Aerospace 3.625% 15/03/21
- Zayo 6% 01/04/23

Major Sales

- New Red Finance 6% 01/04/22
- Rite Aid 6.75% 15/06/21
- Alliance Data Systems 6.375% 02/04/18
- JBS USA Finance 8.25% 06/02/20
- Wmg Acquisition 6.75% 15/04/18

Carl Whitbeck

30 June 2018

AXA Investment Managers UK Limited

AXA US Short Duration High Yield Fund

Comparative Tables

As at 30 June 2018

	Z Net Income			Z Net Accumulation		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	95.79	95.42	98.66	126.11	121.54	121.17
Return before operating charges ^	0.95	4.77	1.85	1.16	6.06	2.37
Operating charges ^	(0.72)	(0.74)	(0.74)	(0.96)	(0.95)	(0.92)
Return after operating charges ^	0.23	4.03	1.11	0.20	5.11	1.45
Distributions	(3.54)	(3.66)	(4.35)	(4.68)	(4.63)	(5.39)
Retained distributions on accumulation shares	-	-	-	4.68	4.09	4.31
Closing net asset value per share †	92.48	95.79	95.42	126.31	126.11	121.54
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	0.24%	4.22%	1.13%	0.16%	4.21%	1.20%
Other information						
Closing net asset value (£) †	38,647,723	45,882,219	49,916,262	56,477,472	23,047,514	31,826,873
Closing number of shares	41,791,212	47,899,995	52,310,328	44,713,663	18,276,177	26,185,441
Operating charges ^	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	96.96	98.18	99.39	127.50	126.80	122.40
Lowest share price #	94.23	95.78	92.34	126.10	122.20	115.70
	Z Gross Income			Z Gross Accumulation		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	95.87	95.43	98.68	134.25	128.82	127.32
Return before operating charges ^	0.92	4.79	1.85	1.27	6.44	2.47
Operating charges ^	(0.73)	(0.74)	(0.74)	(1.03)	(1.01)	(0.97)
Return after operating charges ^	0.19	4.05	1.11	0.24	5.43	1.50
Distributions	(3.53)	(3.61)	(4.36)	(5.01)	(4.71)	(5.69)
Retained distributions on accumulation shares	-	-	-	5.01	4.71	5.69
Closing net asset value per share †	92.53	95.87	95.43	134.49	134.25	128.82
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	0.20%	4.25%	1.12%	0.18%	4.22%	1.18%
Other information						
Closing net asset value (£) †	2,421,293	18,950,773	24,160,264	1,662,691	11,622,488	34,368,806
Closing number of shares	2,616,676	19,767,332	25,316,242	1,236,257	8,657,194	26,680,543
Operating charges ^	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	97.01	98.52	99.46	135.80	134.90	129.80
Lowest share price #	94.28	95.80	92.47	134.30	129.60	122.30

AXA US Short Duration High Yield Fund

Comparative Tables

As at 30 June 2018

	ZI Net Income			ZI Net Accumulation		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	95.84	95.48	98.72	128.21	123.23	122.61
Return before operating charges ^	0.91	4.71	1.86	1.20	6.15	2.34
Operating charges ^	(0.44)	(0.45)	(0.45)	(0.59)	(0.58)	(0.56)
Return after operating charges ^	0.47	4.26	1.41	0.61	5.57	1.78
Distributions	(3.82)	(3.90)	(4.65)	(5.18)	(5.08)	(5.82)
Retained distributions on accumulation shares	-	-	-	5.18	4.49	4.66
Closing net asset value per share †	92.49	95.84	95.48	128.82	128.21	123.23
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	0.49%	4.46%	1.43%	0.48%	4.51%	1.45%
Other information						
Closing net asset value (£) †	204,311,823	270,119,294	226,750,382	161,881,048	87,764,663	139,837,877
Closing number of shares	220,895,343	281,829,807	237,483,985	125,667,242	68,451,500	113,480,691
Operating charges ^	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	97.02	98.27	99.47	129.80	128.90	124.10
Lowest share price #	94.27	95.84	92.42	128.50	123.90	117.20
	ZI Gross Income			ZI Gross Accumulation		
	30/06/2018	30/06/2017	30/06/2016	30/06/2018	30/06/2017	30/06/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Change in net assets per share						
Opening net asset value per share †	95.65	95.27	98.51	137.02	131.09	129.20
Return before operating charges ^	0.90	4.73	1.86	1.26	6.55	2.49
Operating charges ^	(0.44)	(0.45)	(0.45)	(0.63)	(0.62)	(0.60)
Return after operating charges ^	0.46	4.28	1.41	0.63	5.93	1.89
Distributions	(3.82)	(3.90)	(4.65)	(5.52)	(5.42)	(6.16)
Retained distributions on accumulation shares	-	-	-	5.52	5.42	6.16
Closing net asset value per share †	92.29	95.65	95.27	137.65	137.02	131.09
*^ after direct transaction costs of:	-	-	-	-	-	-
Performance						
Return after operating charges	0.48%	4.49%	1.43%	0.46%	4.52%	1.46%
Other information						
Closing net asset value (£) †	248,268,339	313,735,972	273,224,552	129,902,270	142,275,773	97,420,883
Closing number of shares	269,021,155	328,020,677	286,781,472	94,372,933	103,838,425	74,316,055
Operating charges ^	0.46%	0.46%	0.46%	0.46%	0.46%	0.46%
Direct transaction costs *	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Prices						
Highest share price #	96.82	98.39	99.31	138.70	137.70	132.10
Lowest share price #	94.06	95.64	92.34	137.30	131.90	124.30

† Valued at bid-market prices.

High and low price disclosures are based on quoted share 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 sub-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 these tables have been calculated against the average net asset value for the accounting year.

AXA US Short Duration High Yield Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
CORPORATE BONDS 101.09% (30/06/17: 96.54%)			
Australia 0.00% (30/06/17: 0.50%)			
Austria 1.02% (30/06/17: 0.74%)			
JBS Investments 7.75% 28/10/20	11,120,000	8,600	1.02
Barbados 0.00% (30/06/17: 0.54%)			
Bermuda 2.00% (30/06/17: 2.95%)			
Aircastle 5.125% 15/03/21	7,485,000	5,818	0.69
Aircastle 6.25% 01/12/19	1,882,000	1,484	0.18
Aircastle 7.625% 15/04/20	2,455,000	1,971	0.23
NCL 4.75% 15/12/21	10,032,000	7,635	0.90
Canada 2.88% (30/06/17: 3.11%)			
Bombardier 7.75% 15/03/20	3,945,000	3,172	0.38
Bombardier 8.75% 01/12/21	1,750,000	1,462	0.17
Brookfield Residential Properties 6.125% 01/07/22	1,215,000	928	0.11
Brookfield Residential Properties 6.5% 15/12/20	5,835,000	4,494	0.53
Masonite International 5.625% 15/03/23	5,102,000	3,969	0.47
New Red Finance 4.625% 15/01/22	8,805,000	6,701	0.80
NOVA Chemicals 5.25% 01/08/23	3,557,000	2,707	0.32
Videotron 5% 15/07/22	1,105,000	851	0.10
Cayman Islands 2.74% (30/06/17: 0.76%*)			
Nexteer Automotive 5.875% 15/11/21	3,530,000	2,774	0.33
Park Aerospace 3.625% 15/03/21	11,885,000	8,763	1.04
Park Aerospace 5.25% 15/08/22	8,538,000	6,441	0.76
Sable International Finance 6.875% 01/08/22	6,570,000	5,181	0.61
Finland 0.05% (30/06/17: 0.09%)			
Nokia 3.375% 12/06/22	529,000	391	0.05
France 0.53% (30/06/17: 0.51%)			
Altice France 6% 15/05/22	5,825,000	4,455	0.53
Germany 0.80% (30/06/17: 0.75%)			
IHO Verwaltungs 4.125% 15/09/21	9,037,213	6,775	0.80
Ireland 1.35% (30/06/17: 2.05%*)			
AerCap Ireland Capital 4.5% 15/05/21	2,785,000	2,159	0.26
Ardagh Packaging Finance 4.25% 15/09/22	4,195,000	3,125	0.37
Ardagh Packaging Finance 6% 30/06/21	7,917,000	6,093	0.72
Luxembourg 0.90% (30/06/17: 1.66%)			
Altice Luxembourg 7.75% 15/05/22	5,580,000	4,077	0.48
Nielsen 5.5% 01/10/21	4,590,000	3,511	0.42
Mexico 0.00% (30/06/17: 0.94%)			
Netherlands 0.95% (30/06/17: 1.98%)			
Fiat Chrysler Automobiles 4.5% 15/04/20	6,230,000	4,730	0.56
NXP 4.125% 01/06/21	4,359,000	3,307	0.39

AXA US Short Duration High Yield Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
United Kingdom 1.17% (30/06/17: 1.06%*)			
International Game Technology 5.625% 15/02/20	2,585,000	1,987	0.23
International Game Technology 6.25% 15/02/22	7,025,000	5,467	0.65
Jaguar Land Rover Automotive 4.25% 15/11/19	3,177,000	2,427	0.29
United States 86.70% (30/06/17: 78.90%*)			
ADT 5.25% 15/03/20	870,000	672	0.08
ADT 6.25% 15/10/21	8,250,000	6,491	0.77
AECOM Global II 5% 01/04/22	4,645,000	3,588	0.42
AES 4% 15/03/21	6,436,000	4,849	0.57
Air Lease 3.375% 01/06/21	1,309,000	991	0.12
Alliance Data Systems 5.875% 01/11/21	12,708,000	9,841	1.17
Ally Financial 4.125% 30/03/20	1,222,000	932	0.11
AMC Entertainment 5.875% 15/02/22	8,474,000	6,546	0.78
American Builders & Contractors Supply 5.75% 15/12/23	5,952,000	4,620	0.55
Amkor Technology 6.375% 01/10/22	4,270,000	3,319	0.39
Amkor Technology 6.625% 01/06/21	3,554,000	2,711	0.32
Antero Resources 5.375% 01/11/21	6,646,000	5,101	0.60
APX 6.375% 01/12/19	3,719,000	2,834	0.34
APX 8.875% 01/12/22	11,350,000	8,638	1.02
Aramark Services 5.125% 15/01/24	1,100,000	837	0.10
Ashland 4.75% 15/08/22	7,370,000	5,637	0.67
Avanos Medical 6.25% 15/10/22	2,161,000	1,686	0.20
B&G Foods 4.625% 01/06/21	1,350,000	1,011	0.12
Ball 4.375% 15/12/20	4,669,000	3,589	0.43
Beacon Roofing Supply 6.375% 01/10/23	3,564,000	2,807	0.33
Berry Global 5.5% 15/05/22	6,430,000	4,961	0.59
Berry Global 6% 15/10/22	640,000	500	0.06
Blue Cube Spinco 9.75% 15/10/23	5,380,000	4,642	0.55
Blue Racer Midstream 6.125% 15/11/22	5,499,000	4,227	0.50
Boyd Gaming 6.875% 15/05/23	4,503,000	3,598	0.43
Cable One 5.75% 15/06/22	4,780,000	3,711	0.44
Calpine 6% 15/01/22	4,744,000	3,665	0.43
Carmike Cinemas 6% 15/06/23	8,127,000	6,324	0.75
Carrizo Oil & Gas 7.5% 15/09/20	853,000	653	0.08
CCO 5.125% 15/02/23	4,905,000	3,691	0.44
CCO 5.25% 15/03/21	4,150,000	3,178	0.38
CCO 5.25% 30/09/22	10,330,000	7,891	0.94
CCO 5.75% 01/09/23	7,545,000	5,771	0.68
Centene 5.625% 15/02/21	6,082,000	4,722	0.56
Centene 6.125% 15/02/24	2,535,000	2,023	0.24
Central Garden & Pet 6.125% 15/11/23	7,291,000	5,743	0.68
CenturyLink 5.625% 01/04/20	7,655,000	5,899	0.70
Cequel Communications 5.125% 15/12/21	9,548,000	7,221	0.86
Cinemark USA 5.125% 15/12/22	9,326,000	7,160	0.85
CIT 4.125% 09/03/21	3,115,000	2,361	0.28
CIT 5.375% 15/05/20	5,034,000	3,927	0.47
CNH Industrial Capital 4.375% 06/11/20	1,055,000	815	0.10
CNH Industrial Capital 4.375% 05/04/22	1,960,000	1,496	0.18
Cogent Communications 5.375% 01/03/22	3,855,000	3,000	0.36
CommScope 5% 15/06/21	6,589,000	5,027	0.60
Continental Resources 5% 15/09/22	620,000	478	0.06
Covanta 6.375% 01/10/22	6,244,000	4,853	0.58
Crestwood Midstream Partners 6.25% 01/04/23	6,118,000	4,738	0.56
CSC 7.625% 15/07/18	720,000	549	0.06
CSC 10.125% 15/01/23	8,276,000	6,928	0.82
DAE Funding 4% 01/08/20	13,314,000	10,019	1.19

AXA US Short Duration High Yield Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
DAE Funding 4.5% 01/08/22	7,312,000	5,398	0.64
Darling Ingredients 5.375% 15/01/22	8,045,000	6,199	0.73
DaVita 5.75% 15/08/22	8,635,000	6,699	0.79
Dean Foods 6.5% 15/03/23	1,790,000	1,308	0.15
Dell International 4.42% 15/06/21	2,181,000	1,682	0.20
Dell International 5.875% 15/06/21	12,331,000	9,554	1.13
DISH DBS 5.125% 01/05/20	7,025,000	5,280	0.63
DISH DBS 6.75% 01/06/21	6,040,000	4,597	0.54
DISH DBS 7.875% 01/09/19	5,325,000	4,195	0.50
Eldorado Resorts 7% 01/08/23	5,811,000	4,644	0.55
EMC 2.65% 01/06/20	1,862,000	1,375	0.16
EnPro Industries 5.875% 15/09/22	6,010,000	4,665	0.55
Envision Healthcare 5.625% 15/07/22	9,590,000	7,445	0.88
Equinix 5.375% 01/01/22	7,650,000	6,004	0.71
Equinix 5.375% 01/04/23	1,180,000	917	0.11
First Data 7% 01/12/23	13,906,000	11,013	1.31
First Quality Finance 4.625% 15/05/21	7,545,000	5,604	0.66
Fresenius Medical Care US Finance II 5.625% 31/07/19	2,391,000	1,864	0.22
General Motors Financial 4.375% 25/09/21	1,230,000	954	0.11
Genesis Energy 6.75% 01/08/22	1,814,000	1,401	0.17
GLP Capital 4.375% 01/11/18	4,142,000	3,158	0.37
GLP Capital 4.375% 15/04/21	4,906,000	3,752	0.44
GLP Capital 4.875% 01/11/20	5,057,000	3,888	0.46
Greatbatch 9.125% 01/11/23	3,988,000	3,293	0.39
HCA 6.5% 15/02/20	3,104,000	2,454	0.29
HCA 7.5% 15/02/22	1,990,000	1,649	0.20
HCA Healthcare 6.25% 15/02/21	5,840,000	4,622	0.55
Hill-Rom 5.75% 01/09/23	650,000	503	0.06
HRG 7.75% 15/01/22	11,863,000	9,277	1.10
Hughes Satellite Systems 6.5% 15/06/19	3,435,000	2,667	0.32
Huntsman International 4.875% 15/11/20	3,364,000	2,595	0.31
Icahn Enterprises 6% 01/08/20	3,940,000	3,032	0.36
Icahn Enterprises 6.25% 01/02/22	8,316,000	6,503	0.77
Infor US 5.75% 15/08/20	3,165,000	2,436	0.29
inVentiv 7.5% 01/10/24	1,691,000	1,355	0.16
Jaguar 6.375% 01/08/23	7,680,000	5,822	0.69
JC Penney 8.125% 01/10/19	1,800,000	1,414	0.17
KLX 5.875% 01/12/22	3,470,000	2,743	0.32
L Brands 6.625% 01/04/21	5,342,000	4,289	0.51
L Brands 7% 01/05/20	3,859,000	3,106	0.37
Lennar 2.95% 29/11/20	3,815,000	2,830	0.34
Lennar 4.125% 15/01/22	3,860,000	2,916	0.35
Lennar 4.5% 15/06/19	1,214,000	926	0.11
Lennar 4.75% 01/04/21	2,035,000	1,567	0.19
Lennar 6.625% 01/05/20	172,000	137	0.02
Lennar 8.375% 15/01/21	3,713,000	3,087	0.37
Level 3 Financing 5.375% 15/08/22	8,985,000	6,836	0.81
Level 3 Financing 6.125% 15/01/21	4,743,000	3,630	0.43
Level 3 Parent 5.75% 01/12/22	10,242,000	7,795	0.92
LifePoint Health 5.5% 01/12/21	12,339,000	9,379	1.11
LIN Television 5.875% 15/11/22	3,072,000	2,382	0.28
Live Nation Entertainment 5.375% 15/06/22	6,950,000	5,382	0.64
LTF Merger Sub 8.5% 15/06/23	3,400,000	2,694	0.32
Matador Resources 6.875% 15/04/23	4,437,000	3,525	0.42
MEDNAX 5.25% 01/12/23	574,000	426	0.05
MGM Resorts International 6.625% 15/12/21	10,510,000	8,429	1.00
MGM Resorts International 6.75% 01/10/20	5,099,000	4,075	0.48

AXA US Short Duration High Yield Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
Michaels Stores 5.875% 15/12/20	5,793,000	4,420	0.52
Moog 5.25% 01/12/22	4,901,000	3,795	0.45
Multi-Color 6.125% 01/12/22	5,800,000	4,536	0.54
National CineMedia 6% 15/04/22	3,415,000	2,635	0.31
NCR 5.875% 15/12/21	3,350,000	2,594	0.31
Netflix 5.375% 01/02/21	6,170,000	4,813	0.57
Netflix 5.5% 15/02/22	4,405,000	3,445	0.41
Newfield Exploration 5.75% 30/01/22	6,731,000	5,328	0.63
Nexstar Broadcasting 6.125% 15/02/22	5,085,000	3,952	0.47
NGPL PipeCo 4.375% 15/08/22	5,181,000	3,913	0.46
Nielsen Finance 4.5% 01/10/20	6,985,000	5,309	0.63
Nielsen Finance 5% 15/04/22	8,545,000	6,389	0.76
NRG Energy 6.25% 15/07/22	5,860,000	4,594	0.54
Owens-Brockway Glass Container 5% 15/01/22	5,285,000	3,997	0.47
Penske Automotive 3.75% 15/08/20	6,250,000	4,697	0.56
Penske Automotive 5.75% 01/10/22	3,347,000	2,573	0.30
PQ 6.75% 15/11/22	3,483,000	2,775	0.33
Prestige Brands 5.375% 15/12/21	11,207,000	8,529	1.01
Prime Security Services Borrower 9.25% 15/05/23	5,800,000	4,690	0.56
PulteGroup 4.25% 01/03/21	4,061,000	3,094	0.37
QEP Resources 6.875% 01/03/21	2,015,000	1,633	0.19
Quintiles IMS 4.875% 15/05/23	175,000	134	0.02
Range Resources 5.75% 01/06/21	4,970,000	3,872	0.46
Realogy 4.5% 15/04/19	5,149,000	3,929	0.47
Realogy 5.25% 01/12/21	9,680,000	7,330	0.87
Reynolds 5.125% 15/07/23	2,946,000	2,208	0.26
Reynolds 5.75% 15/10/20	10,461,518	7,992	0.95
Reynolds 6.875% 15/02/21	1,240,604	956	0.11
Reynolds Variable 15/07/21	4,210,000	3,236	0.38
RSP Permian 6.625% 01/10/22	3,547,000	2,840	0.34
SBA Communications 4% 01/10/22	6,153,000	4,501	0.53
SBA Communications 4.875% 15/07/22	4,860,000	3,657	0.43
Scientific Games International 10% 01/12/22	8,664,000	7,028	0.83
Sealed Air 4.875% 01/12/22	845,000	651	0.08
Sealed Air 5.25% 01/04/23	1,153,000	893	0.11
Sealed Air 6.5% 01/12/20	1,100,000	881	0.10
Sinclair Television 5.375% 01/04/21	5,690,000	4,341	0.51
Sinclair Television 6.125% 01/10/22	7,225,000	5,581	0.66
Sirius XM Radio 3.875% 01/08/22	9,381,000	6,872	0.81
Solera 10.5% 01/03/24	10,445,000	8,804	1.04
Sophia 9% 30/09/23	1,672,000	1,333	0.16
Sotera Health 6.5% 15/05/23	4,397,000	3,413	0.40
Southern Star Central 5.125% 15/07/22	2,635,000	2,000	0.24
Spectrum Brands 6.625% 15/11/22	5,452,000	4,284	0.51
Sprint Capital 6.9% 01/05/19	6,432,000	4,993	0.59
Sprint Communications 7% 01/03/20	11,397,000	8,956	1.06
Standard Industries 5.5% 15/02/23	1,206,000	932	0.11
Steel Dynamics 5.125% 01/10/21	2,980,000	2,288	0.27
Summit Materials 6.125% 15/07/23	3,187,000	2,459	0.29
Sunoco 4.875% 15/01/23	5,192,000	3,803	0.45
Surgery Center 8.875% 15/04/21	5,393,000	4,222	0.50
Symantec 3.95% 15/06/22	1,590,000	1,180	0.14
Targa Resources Partners 4.125% 15/11/19	5,118,000	3,890	0.46
Targa Resources Partners 5.25% 01/05/23	5,467,000	4,161	0.49
Taylor Morrison Communities 5.25% 15/04/21	4,660,000	3,547	0.42
Tenet Healthcare 5.5% 01/03/19	4,010,000	3,082	0.37
Tenet Healthcare 6% 01/10/20	9,634,000	7,552	0.89

AXA US Short Duration High Yield Fund

Portfolio Statement

As at 30 June 2018

	Holding	Market Value £'000	% of Total Net Assets
Tenet Healthcare 7.5% 01/01/22	4,486,000	3,555	0.42
T-Mobile USA 4% 15/04/22	1,906,000	1,436	0.17
T-Mobile USA 6% 01/03/23	2,960,000	2,320	0.27
TransDigm 5.5% 15/10/20	12,420,000	9,452	1.12
TransDigm 6% 15/07/22	11,969,000	9,177	1.09
Tribune Media 5.875% 15/07/22	6,840,000	5,235	0.62
Univar USA 6.75% 15/07/23	5,275,000	4,140	0.49
Universal Health Services 3.75% 01/08/19	500,000	381	0.05
Univision Communications 6.75% 15/09/22	6,383,000	4,967	0.59
Watco 6.375% 01/04/23	7,205,000	5,573	0.66
Welbilt 9.5% 15/02/24	5,202,000	4,355	0.52
WESCO Distribution 5.375% 15/12/21	385,000	299	0.04
William Carter 5.25% 15/08/21	750,000	579	0.07
WMG Acquisition 5.625% 15/04/22	9,470,000	7,378	0.87
WPX Energy 6% 15/01/22	1,800,000	1,423	0.17
WR Grace & Co-Conn 5.125% 01/10/21	4,925,000	3,847	0.46
Zayo 6% 01/04/23	10,784,000	8,310	0.98
ZF North America Capital 4% 29/04/20	2,063,000	1,582	0.19
TOTAL CORPORATE BONDS		852,819	101.09
FORWARD CURRENCY CONTRACTS (4.48%) (30/06/17: 1.54%)			
Bought USD10,708,947 for GBP8,000,000 Settlement 23/07/18		143	0.02
Bought USD30,794,071 for GBP23,000,000 Settlement 20/08/18		386	0.05
Sold USD416,065,557 for GBP291,501,000 Settlement 23/07/18		(24,869)	(2.95)
Sold USD407,600,257 for GBP300,489,000 Settlement 20/08/18		(9,064)	(1.08)
Sold USD374,691,302 for GBP279,789,000 Settlement 17/09/18		(4,421)	(0.52)
TOTAL FORWARD CURRENCY CONTRACTS		(37,825)	(4.48)
Portfolio of investments		814,994	96.61
Net other assets		28,579	3.39
Total net assets		843,573	100.00

* Since the previous report country classifications have been updated. Comparative figures have been updated where appropriate.

All bonds are denominated in US dollars (unless otherwise indicated).

At 30 June 2018, there were no investments in the Fund which were valued using a quote from a single broker (30/06/17: £nil).

AXA US Short Duration High Yield Fund

Statement of Total Return

For the year ended 30 June 2018

		01/07/17 to 30/06/18		01/07/16 to 30/06/17	
	Note	£'000	£'000	£'000	£'000
Income:					
Net capital (losses)/gains	2		(31,790)		3,011
Revenue	3	40,454		41,965	
Expenses	4	(4,387)		(4,742)	
Interest payable and similar charges		-		-	
Net revenue before taxation		36,067		37,223	
Taxation	5	-		-	
Net revenue after taxation		36,067		37,223	
Total return before distributions		4,277		40,234	
Distributions	6	(36,065)		(37,223)	
Change in net assets attributable to Shareholders from investment activities		(31,788)		3,011	

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 30 June 2018

		01/07/17 to 30/06/18		01/07/16 to 30/06/17	
		£'000	£'000	£'000	£'000
Opening net assets attributable to Shareholders			913,399		877,506
Amounts receivable on issue of shares		206,445		242,226	
Amounts payable on cancellation of shares		(257,262)		(220,648)	
			(50,817)		21,578
Dilution adjustment			-		295
Change in net assets attributable to Shareholders from investment activities (see above)			(31,788)		3,011
Retained distributions on accumulation shares			12,779		11,009
Closing net assets attributable to Shareholders			843,573		913,399

AXA US Short Duration High Yield Fund

Balance Sheet

As at 30 June 2018

		30/06/18	30/06/17
	Note	£'000	£'000
Assets:			
Fixed assets:			
Investments		853,348	896,266
Current assets:			
Debtors	7	14,512	20,284
Cash and bank balances	8	30,367	30,466
Total assets		898,227	947,016
Liabilities:			
Investment liabilities		(38,354)	(368)
Creditors:			
Distribution payable		(10,669)	(10,896)
Other creditors	9	(5,631)	(22,353)
Total liabilities		(54,654)	(33,617)
Net assets attributable to Shareholders		843,573	913,399

AXA US Short Duration High Yield Fund

Notes to the Financial Statements

For the year ended 30 June 2018

1. Accounting Basis And Policies

The Fund's Financial Statements have been prepared on the basis detailed on pages 223 - 225.

2. Net capital (losses)/gains

The net capital (losses)/gains comprise:

Non-derivative securities

Currency (losses)/gains

Forward currency contracts

Transaction charges

Net capital (losses)/gains

01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
(27,980)	48,619
(4,975)	1,517
1,169	(47,118)
(4)	(7)
(31,790)	3,011

3. Revenue

Bank interest

Interest on debt securities

Total revenue

01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
133	11
40,321	41,954
40,454	41,965

4. Expenses

Payable to the ACD, associates of the ACD, and agents of either of them

ACD fees

Registration fees

Payable to the Depositary, associates of the Depositary and agents of either of them

Depositary's fees

Safe custody fees

Other expenses

Audit fees

Printing fees

Total expenses

01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
4,298	4,646
4	5
4,302	4,651
32	32
43	46
75	78
9	9
1	4
10	13
4,387	4,742

AXA US Short Duration High Yield Fund

Notes to the Financial Statements

For the year ended 30 June 2018

5. Taxation

(a) Analysis of the tax charge in the year

There is no corporation tax charge in the current year or prior year.

(b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax for an open ended investment company of 20% (2017: 20%) is applied to the net revenue before taxation. The differences are explained below:

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
Net revenue before taxation	36,067	37,223
Net revenue for the year multiplied by the standard rate of corporation tax	7,213	7,445
Effects of:		
Tax deductible interest distributions	(7,213)	(7,445)
Current tax charge for the year	-	-

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

(c) Deferred taxation:

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

(d) Factors that may affect future tax charges

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £nil (2017: £nil) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year.

6. Distributions

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

	01/07/17 to 30/06/18 £'000	01/07/16 to 30/06/17 £'000
Interim	17,729	19,885
Final	18,018	15,237
Add: Revenue paid on cancellation of shares	2,582	2,485
Deduct: Revenue received on creation of shares	(2,264)	(2,595)
Tax withheld on interest distributions	-	2,211
Net distribution for the year	36,065	37,223
Reconciliation of net revenue after taxation to distributions		
Net revenue after taxation	36,067	37,223
Equalisation on conversion of shares	(2)	-
Net distribution for the year	36,065	37,223

AXA US Short Duration High Yield Fund

Notes to the Financial Statements

For the year ended 30 June 2018

7. Debtors	30/06/18	30/06/17
	£'000	£'000
Amounts receivable for creation of shares	833	6,521
Sales awaiting settlement	1,529	1,803
Accrued revenue	12,150	11,960
Total debtors	14,512	20,284
8. Cash and bank balances	30/06/18	30/06/17
	£'000	£'000
Cash and bank balances	30,367	30,466
Total cash and bank balances	30,367	30,466
9. Other creditors	30/06/18	30/06/17
	£'000	£'000
Amounts payable for cancellation of shares	4,579	11,446
Purchases awaiting settlement	665	10,058
Annual Management Charge	336	804
Accrued other expenses	51	45
Total other creditors	5,631	22,353

10. Related party transactions

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

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

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

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

As at 30 June 2018 material shareholders have holdings totalling 27.75% (30/06/2017: 27.12%) of the Funds' shares. Other than disclosed elsewhere in the financial statements, there were no material transactions between the Fund and related parties during the year.

11. Share classes

The reconciliation of the opening and closing numbers of shares of each class, along with the ACD's Annual Management Charges applicable to each class, is shown below:

	ACD fee rate (%)	30/06/17	Issued	Cancelled	Converted	30/06/18
Z Net Income	0.75	47,899,995	21,157,967	(10,350,728)	(16,916,022)	41,791,212
Z Net Accumulation	0.75	18,276,177	32,324,741	(5,782,304)	(104,951)	44,713,663
Z Gross Income	0.75	19,767,332	834,200	(767,539)	(17,217,317)	2,616,676
Z Gross Accumulation	0.75	8,657,194	1,099,197	(8,136,281)	(383,853)	1,236,257
ZI Net Income	0.45	281,829,807	15,989,045	(93,822,793)	16,899,284	220,895,343
ZI Net Accumulation	0.45	68,451,500	67,910,983	(10,798,289)	103,048	125,667,242
ZI Gross Income	0.45	328,020,677	27,909,382	(104,172,065)	17,263,161	269,021,155
ZI Gross Accumulation	0.45	103,838,425	9,874,190	(19,715,480)	375,798	94,372,933

12. Commitments, contingent liabilities and contingent assets

There are no commitments, contingent liabilities and contingent assets as at the balance sheet date (2017: nil).

13. Derivatives and other financial instruments

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

AXA US Short Duration High Yield Fund

Notes to the Financial Statements

For the year ended 30 June 2018

Market price risk

The Fund invests principally in fixed income securities. The value of the Fund's investment portfolio is not fixed and may go down as well as up. This may be as a result of a specific factor affecting the value of an individual company or may be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Fund seeks to manage these risks by adhering to investment guidelines and to investment and borrowing powers set out in the Prospectus. In addition, the Fund complies with the Collective Investment Schemes sourcebook ("COLL"), which include rules relating to investment holdings that are designed to place limits on the Fund's investment concentration (same as at 30 June 2017).

Market price risk sensitivity

A 10% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £85,281,892 (2017: £88,183,357). A 10% decrease would have an equal and opposite effect.

Foreign currency risk

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

Currency	Net foreign currency exposure	
	30/06/18 £'000	30/06/17 £'000
US dollar	12,721	10,185
Total	12,721	10,185

As at the balance sheet date there was no significant exposure to foreign currency therefore no foreign exchange rate sensitivity analysis is disclosed.

Interest rate risk

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

Interest rate risk profile of financial assets and liabilities

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

	Floating rate financial assets	Fixed rate financial assets	Financial assets not carrying interest	Total
	£'000	£'000	£'000	£'000
Currency Assets				
30/06/18				
Pound sterling	4,875	-	833	5,708
US dollar	28,728	849,583	14,208	892,519
Total	33,603	849,583	15,041	898,227
30/06/17				
Pound sterling	5,217	-	6,521	11,738
US dollar	28,085	878,997	28,196	935,278
Total	33,302	878,997	34,717	947,016

AXA US Short Duration High Yield Fund

Notes to the Financial Statements

For the year ended 30 June 2018

	Floating rate financial liabilities	Fixed rate financial liabilities	Financial liabilities not carrying interest	Total
	£'000	£'000	£'000	£'000
Currency Liabilities				
30/06/18				
Pound sterling	-	-	(15,635)	(15,635)
US dollar	-	-	(39,019)	(39,019)
Total	-	-	(54,654)	(54,654)
30/06/17				
Pound sterling	-	-	(23,191)	(23,191)
US dollar	-	-	(10,426)	(10,426)
Total	-	-	(33,617)	(33,617)

Sensitivity analysis

Changes in interest rates or changes in expectations of future interest rates may result in an increase or decrease in the market value of the investments held. A 1% increase in interest rates would have the effect of decreasing the return and net assets by £16,033,000 (2017: £13,051,000). A 1% decrease would have an equal and opposite effect.

Credit risk

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

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

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

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

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

	30/06/18 Market Value £'000	%	30/06/17 Market Value £'000	%
Credit Rating				
Total bonds BBB- credit rating and above	15,186	1.81	45,316	4.97
Total bonds below BBB- credit rating	820,911	97.30	816,531	89.38
Total non-rated bonds	16,722	1.98	19,987	2.19
Total value of bonds	852,819	101.09	881,834	96.54

Counterparty risk

Transactions in securities entered into by the Company give rise to exposure to the risk that the counterparties may not be able to fulfil their responsibility by completing their side of the transaction. The Investment Manager minimises this risk by conducting trades through only the most reputable counterparties. Counterparty risk is also managed by limiting the exposure to individual counterparties through adherence to the investment spread restrictions included within the Company's prospectus and COLL.

AXA US Short Duration High Yield Fund

Notes to the Financial Statements

For the year ended 30 June 2018

Financial derivative instrument risk exposure

The exposure obtained through financial derivative instruments and identity of counterparties as at 30 June 2018 was as follows:

	30/06/18 Exposure £'000	30/06/17 Exposure £'000
(a) Forwards		
Barclays Bank	287,282	312,222*
BNP Paribas	5,108	-
JP Morgan	10,160	13,937*
Societe Generale	639,113	613,878*
Total value of derivatives	941,663	940,037*

* Prior year figures have been restated.

14. Portfolio transaction costs

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
30/06/2018						
Analysis of purchases						
Bonds	509,535	-	0.00%	-	0.00%	509,535
Forwards	-	-	-	-	-	-
Total	509,535	-		-		509,535

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
30/06/2018						
Analysis of sales						
Bonds	502,568	-	0.00%	-	0.00%	502,568
Forwards	-	-	-	-	-	-
Total	502,568	-		-		502,568

	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
30/06/2017						
Analysis of purchases						
Bonds	642,542	-	0.00%	-	0.00%	642,542
Forwards	-	-	-	-	-	-
Total	642,542	-		-		642,542

	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
30/06/2017						
Analysis of sales						
Bonds	663,496	-	0.00%	-	0.00%	663,496
Forwards	-	-	-	-	-	-
Total	663,496	-		-		663,496

AXA US Short Duration High Yield Fund

Notes to the Financial Statements

For the year ended 30 June 2018

	01/07/17 to 30/06/18	01/07/16 to 30/06/17
Transaction costs as percentage of average net asset value	%	%
Commissions	0.00%	0.00%
Taxes	0.00%	0.00%

At the balance sheet date the average portfolio dealing spread was 0.78% (2017: 0.94%).

15. Post balance sheet events

There are no post balance sheet events which require adjustments or disclosure.

16. Fair value disclosure

Valuation technique	30/06/18		30/06/17	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1 ^	-	-	-	-
Level 2 ^^	853,348	(38,354)	854,201	(368)
Level 3 ^^	-	-	42,065	-
	853,348	(38,354)	896,266	(368)

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

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

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

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

AXA US Short Duration High Yield Fund

Distribution Table

As at 30 June 2018

Interim Distribution in pence per share

Group 1 Shares purchased prior to 1 July 2017

Group 2 Shares purchased on or after 1 July 2017 to 31 December 2017

	Net revenue (p)	Equalisation (p)	Distribution paid 28/02/18 (p)	Distribution paid 28/02/17 (p)
Share Class Z Net Income				
Group 1	1.678	-	1.678	1.735
Group 2	0.605	1.073	1.678	1.735
Share Class Z Net Accumulation				
Group 1	2.193	-	2.193	2.175
Group 2	1.081	1.112	2.193	2.175
Share Class Z Gross Income				
Group 1	1.664	-	1.664	2.133
Group 2	0.131	1.533	1.664	2.133
Share Class Z Gross Accumulation				
Group 1	2.349	-	2.349	2.881
Group 2	0.863	1.486	2.349	2.881
Share Class ZI Net Income				
Group 1	1.808	-	1.808	1.821
Group 2	0.596	1.212	1.808	1.821
Share Class ZI Net Accumulation				
Group 1	2.444	-	2.444	2.352
Group 2	-	2.444	2.444	2.352
Share Class ZI Gross Income				
Group 1	1.810	-	1.810	2.277
Group 2	0.629	1.181	1.810	2.277
Share Class ZI Gross Accumulation				
Group 1	2.591	-	2.591	3.136
Group 2	0.885	1.706	2.591	3.136

AXA US Short Duration High Yield Fund

Distribution Table

As at 30 June 2018

Final Distribution in pence per share

Group 1 Shares purchased prior to 1 January 2018

Group 2 Shares purchased on or after 1 January 2018 to 30 June 2018

	Net revenue (p)	Equalisation (p)	Distribution payable 31/08/18 (p)	Distribution paid 31/08/17 (p)
Share Class Z Net Income				
Group 1	1.864	-	1.864	1.491
Group 2	1.126	0.738	1.864	1.491
Share Class Z Net Accumulation				
Group 1	2.488	-	2.488	1.914
Group 2	1.034	1.454	2.488	1.914
Share Class Z Gross Income				
Group 1	1.866	-	1.866	1.479
Group 2	1.423	0.443	1.866	1.479
Share Class Z Gross Accumulation				
Group 1	2.658	-	2.658	1.827
Group 2	1.803	0.855	2.658	1.827
Share Class ZI Net Income				
Group 1	2.011	-	2.011	1.623
Group 2	0.932	1.079	2.011	1.623
Share Class ZI Net Accumulation				
Group 1	2.738	-	2.738	2.140
Group 2	1.867	0.871	2.738	2.140
Share Class ZI Gross Income				
Group 1	2.007	-	2.007	1.620
Group 2	1.044	0.963	2.007	1.620
Share Class ZI Gross Accumulation				
Group 1	2.928	-	2.928	2.281
Group 2	2.142	0.786	2.928	2.281

Accounting Policies

For the year ended 30 June 2018

1. Accounting Basis and Policies

(a) Basis of accounting

The financial statements of the Company comprise the financial statements of each of the sub-funds and have been prepared under the historical cost convention, as modified by the revaluation of investments and on a going concern basis in accordance with Financial Reporting Standard 102 (FRS '102') and the Statement of Recommended Practice - Financial statements of UK Authorised Funds issued by The Investment Management Association ('the IMA SORP 2014') and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL").

(b) Recognition of revenue

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

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

Returns on derivative transactions have been treated as either revenue or capital depending on the motives and circumstances on acquisition.

(c) Treatment of expenses

Expenses of the Funds are charged against revenue except for costs associated with the purchase and sale of investments which are allocated to the capital of the Funds. Accrued interest on purchase and sale contracts is recognised as revenue and transferred to revenue or capital as appropriate.

(d) Allocation of revenue and expenses to multiple Share Classes and Funds

Any revenue or expenses not directly attributable to a particular Share Class or Fund will normally be allocated pro-rata to the net assets of the relevant Share Classes and Funds.

(e) Taxation

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

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

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

(f) Distribution policy

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

In addition, the portfolio transaction charges will be charged wholly to the capital of all Funds. Accordingly, the imposition of such charges may constrain the capital growth of every Fund.

Where the revenue from investments exceeds the expenses of a Fund, transfers are made to Capital on behalf of all holders of Accumulation shares in all Funds. Tax vouchers will be issued to Shareholders.

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

Accounting Policies

For the year ended 30 June 2018

(g) Basis of valuation of investments

All investments are valued at their fair value price as at 4:30pm (UK time) on 30 June 2018, being the last business day of the accounting period (with the exception of Global High Income Fund, US Short Duration High Yield Fund & Global Short Duration Fund which value at midday (UK time)).

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

(h) Exchange rates

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

(i) Dilution adjustment

The ACD may require a dilution adjustment on the sale and redemption of Shares if, in its opinion, the existing Shareholders (for sales) or remaining Shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution adjustment may be charged in the following circumstances: where the scheme property is in continual decline; on a Fund experiencing large levels of net sales relative to its size; on 'large deals'; in any case where the ACD is of the opinion that the interests of remaining Shareholders require the imposition of a dilution adjustment.

(j) Equalisation

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

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

2. Derivatives and other financial instruments

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

The main risks from the Company's holding of financial instruments, together with the ACD's policy for managing these risks, are disclosed below:

(a) Foreign currency risk

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

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

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

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

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

(c) Credit risk

All bonds have a potential credit risk, in that the issuer could default on its obligations to pay income and/or capital. An issuer default would likely result in a large drop in the value of that bond. The value of a bond will also be affected by the perceived credit risk of the issuer, including changes to credit ratings and the general level of aversion to credit risk in the market.

Accounting Policies

For the year ended 30 June 2018

Generally, a higher level of perceived credit risk leads to a fall in the value of the bond, and vice versa. Credit risk can be measured by ratings assigned to issuers of bonds by third party credit rating agencies. The largest credit rating agencies are Moody's, Standard & Poor's and Fitch Ratings. Each credit rating agency uses different designations. The highest designation (Aaa (Moody's), AAA (Standard & Poor's and Fitch Ratings)) are intended to represent a lower probability of default of the issuer. The credit rating agencies designate "investment grade" bonds as Baa3 or above (Moody's) or BBB- or above (Standard & Poor's or Fitch Ratings). See further below under "High yield bonds risk".

(d) Liquidity risk

Subject to the Regulations, the Company may invest up to and including 10% of the Scheme Property of the Company in transferable securities which are not approved securities (essentially transferable securities which are admitted to official listing in an EEA state or traded on or under the rules of an eligible securities market). Such securities and instruments are generally not publicly traded, may be unregistered for securities law purposes and may only be able to be resold in privately negotiated transactions with a limited number of purchasers. The difficulties and delays associated with such transactions could result in the Company's inability to realise a favourable price upon disposal of such securities, and at times might make disposition of such securities and instruments impossible. To the extent the Company invests in securities and instruments the terms of which are privately negotiated, the terms of such securities and instruments may contain restrictions regarding resale and transfer.

In addition, certain listed securities and instruments, particularly securities and instruments of smaller capitalised or less seasoned issuers, may from time to time lack an active secondary market and may be subject to more abrupt or erratic price movements than securities of larger, more established companies or stock market averages in general. In the absence of an active secondary market the Company's ability to purchase or sell such securities at a fair price may be impaired or delayed.

Liquidity risk is not significant to any of the sub-Funds and therefore no numerical analysis is presented.

(e) Market price risk

The Company invests principally in fixed income securities. The value of these instruments fluctuate which may be the result of a specific factor affecting the value or caused by general market factors which can affect the entire portfolio. The main risks affecting the value of the portfolio are the credit, interest rates and currency risk. The Investment Manager monitors and seeks to minimize these risks as a part of the overall investment process and in accordance with investment guidelines and to investment and borrowing powers set out in the Prospectus. For example, the Investment Manager will focus on credit analysis to create a portfolio that seeks diversification so that it improves resilience against default. In addition, the Fund complies with the Collective Investment Schemes sourcebook ("COLL"), which include rules relating to investment holdings that are designed to place limits on the Fund's investment concentration (same as prior year).

(f) Counterparty risk

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

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

(g) Inflation risk

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

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

(h) Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

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

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

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

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

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

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

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

Directors' approval

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

Philippe Le Barrois d'Orgeval
Director
3rd October 2018


John Stainsby
Director

Statement of the Depositary's responsibilities in respect of the Company

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

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors. The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

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

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

Report of the Depositary to the shareholders of the AXA Fixed Interest Investment ICVC ("the company") for the period ended 30th June 2018

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

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

HSBC Bank PLC

3rd October 2018

Independent Auditors' Report to the members of AXA Fixed Interest Investment ICVC

Report on the financial statements

Our opinion

In our opinion, AXA Fixed Interest Investment ICVC's financial statements:

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 30 June 2018 and of the net revenue and the net capital gains/(losses) on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

AXA Fixed Interest Investment ICVC (the 'company') is an Open Ended Investment Company ('OEIC') with eight sub-funds. The financial statements of the company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Final Long Report (the 'Annual Report'), which comprise: the balance sheet as at 30 June 2018; the statement of total return, and the statement of change in net assets attributable to shareholders for the year then ended; the distribution tables; the accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- the Authorised Corporate Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's or any of the sub-funds' 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's or any of the sub-funds' ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our Auditors' Report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Independent Auditors' Report to the members of AXA Fixed Interest Investment ICVC

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Authorised Corporate Director's Responsibilities Statement set out on page 226, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine 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 Authorised Corporate Director is responsible for assessing the company's and each of the sub-funds 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 Authorised Corporate Director either intends to wind up or terminate the company or individual sub-fund, or has no realistic alternative but to do so.

Auditors' 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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent Auditors' Report to the members of AXA Fixed Interest Investment ICVC

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
3rd October 2018

Further Information

Classes of Shares

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

Valuation Point

All investments are valued at their fair value price as at 4:30pm on 30 June 2018, being the last business day of the accounting period (with the exception of Global High Income Fund & US Short Duration High Yield Fund which are valued at midday). The fair value for non-derivative securities is bid price. Other investments have been stated at the Manager's valuation and this has been indicated in the portfolio statements.

Significant Information

Remuneration policy of the ACD

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

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

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

Details of the up to date Global Remuneration Policy are published online at www.axa-im-international.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 ACD free of charge upon request.

Following the implementation of UCITS V in the UK on 18 March 2016, all authorised UCITS Managers are required to comply with the UCITS V Remuneration Code from the start of their next accounting year. 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, 2017 ⁽¹⁾	
Fixed Pay ⁽²⁾ (£'000)	212,489
Variable Pay ⁽³⁾ (£'000)	224,984
Number of employees ⁽⁴⁾	2,578

⁽²⁾ Fixed Pay amount is based on post compensation review 2016 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

Further Information

Aggregate amount of compensation paid and / or allocated to risk takers and senior management whose activities have a significant impact on the risk profile of investment vehicles			
	Risk Takers	Senior Management	Total
Fixed Pay and Variable Remuneration (£'000)	87,810	112,353	200,163
Number of employees	233	113	346

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)	8,695	11,125	19,820
Number of employees	43	28	71

Other Information

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

Report

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

Interim accounts	period ended 31 December
Annual accounts	period ended 30 June

Data Protection

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

Effects of Personal Taxation

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

Risk Warning

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

The Securities Financing Transactions Regulation

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (SFTs) or total return swaps required on all reports & accounts published after 13 January 2017. During the year to 30 June 2018 and at the balance sheet date, the Company did not use SFTs or total return swaps, as such no disclosure is required.

Further Information

Annual Management Charge

AXA Investment Managers UK Limited, as ACD, will receive an Annual Management Charge out of the property for AXA Global High Income Fund at the rate of 0.45% per annum for Class A Shares, 1.25% per annum for Class R Shares, 0.50% per annum for Class Z Shares; for AXA Sterling Corporate Bond Fund at the rate of 1% per annum for Class R Shares, 0.50% per annum for Class Z Shares, 0.40% per annum for Class B Shares; for AXA Sterling Index-Linked Bond Fund at the rate of 0.25% per annum for Class A Shares, 0.75% per annum for Class R Shares, 0.30% per annum for Class Z Shares; for AXA Sterling Strategic Bond Fund at the rate of 1.25% per annum for Class R Shares, 0.50% per annum for Class Z Shares, 0.40% per annum for Class B Shares; for AXA Sterling Credit Short Duration Bond Fund at the rate of 0.35% per annum for Class A Shares, 0.85% per annum for Class R Shares, 0.40% per annum for Class Z Shares, 0.25% per annum for Class ZI Shares; for AXA US Short Duration High Yield Fund at the rate of 0.75% per annum for Class Z Shares, 0.45% per annum for Class ZI Shares; for AXA Global Short Duration Bond Fund at the rate of 0.40% per annum for Class Z Shares, 0.25% per annum for Class ZI Shares, 0.20% per annum for Class S Shares; for AXA Sterling Buy and Maintain Credit Fund at the rate of 0.13% per annum for Class Z Shares based on the net asset value of the relevant Fund calculated on a mid-market basis. The Annual Management Charge accrues monthly and is payable monthly in arrears. The maximum permitted Annual Management Charge payable to the ACD is 2% per annum for Class A, Class B, Class R, Class S, Class Z and Class ZI Shares.

Preliminary Charge

There is currently no initial charge on Class A Shares, Class B Shares, Class R Shares, Class S Shares, Class Z Shares and Class ZI Shares; for Class H Shares there is initial charge 5%.

From 29 September 2017, the investment policy of each Fund as disclosed in the Prospectus (other than the AXA Global Short Duration Bond Fund) was amended to clarify that where a Fund may invest in units of other collective investment schemes, this may include other collective investment schemes managed by the ACD. The investment policy for the AXA Global Short Duration Bond Fund already included this disclosure; the investment policies of the other Funds were updated for clarificatory and consistency purposes only. This change does not reflect a change in the investment policy of the Funds.