

Annual Long Report and Audited Financial Statements
Year ended
31 October 2018

AXA Framlington Health Fund

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

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

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

Fund Objective

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

The Fund invests in shares of listed healthcare companies including producers of pharmaceuticals, biotechnology firms, medical device and instrument manufacturers, distributors of healthcare products, care providers and managers and other healthcare services companies, which the Manager believes will provide above-average returns. The Fund invests in companies of any size which can be based anywhere in the world albeit the Fund tends to be biased towards the US, as this is where the majority of healthcare related companies are based. The Manager selects shares based upon analysis of a company's financial status, quality of its management, expected profitability and prospects for growth. The Manager has full discretion to select investments for the Fund in line with the above investment policy and in doing so may take into consideration the MSCI World Healthcare Index.

Investment Review

Equities rallied towards the end of 2017, and into early 2018, on the back of the US tax reform before contracting in February and March as bond yields strengthened. Following the implementation of the US tax reform, expectations for M&A were rekindled, particularly in light of the strategic challenges presented by many of the large-cap biopharma companies in Q3 and Q4 2017. A number of large cap companies are between product cycles and need to acquire opportunities to drive future growth. M&A activity in 2018 year-to-date would certainly bear testament to this assertion, with over \$500 billion of deals announced (as at 13 November 2018, Bloomberg), the second-highest level of healthcare M&A in the past 15 years.

The large premiums over the pre-bid share prices offered by acquirers were notable with Celgene offering a 90% premium to Juno's pre-bid speculation price and Sanofi offering more than a 100% premium for Ablynx and a 64% premium for Bioverativ. Despite the record level of healthcare M&A in 2018 we continue to highlight the relatively low gearing levels of the largest US/European Healthcare companies and large cash piles that are more easily accessed post tax reform. We expect management teams to take advantage of the more recent period of market volatility and lock in low interest rates to increase scale, drive efficiencies, add new technologies and/or expand areas of expertise.

Despite the largely disappointing performance of BioPharma in 2018, we continue to believe that the healthcare industry is on the cusp of another innovation wave driven by advances in genomics, robotics and diagnostics/imaging. The pharma and biotech sectors remain at their core innovation leaders, and it is notable that, at the end of October, the US FDA (Food and Drug Administration) had approved 48 novel drugs versus 46 in 2017. The number of new molecular entities (NMEs) approved so far in 2018 is 60% higher than the 10-year average of around 30 drugs and more than double the number approved in 2016 (22 NMEs). Research and development pipelines continue to look strong (particular among the SMID (small/mid-cap companies)) and are being aided by a more accommodative FDA, which is approving drugs/devices earlier or with broader labels than expected.

The 12-month period ending 31 October 2018 saw the MSCI World Healthcare Index rise just over 12% on a GBP basis, well ahead of the broader market which rose a little over 3% (MSCI World index, GBP). The AXA Framlington Health Fund performed in-line with its comparative MSCI World Healthcare Index benchmark, rising 12% on an absolute basis.

At the industry level, the Fund benefited from its significant overweight positions in the fast-growing healthcare equipment, healthcare services (i.e. managed care) and life science tools sectors. From the tools sector, the performance of Quidel and Thermo Fisher contributed strongly, while significant success was enjoyed from the Fund's SMID-cap biotech and medical device holdings. Globus Medical (+73%), Insulet (+56%), Edwards Lifesciences (+50%) and Dexcom (205%) were all notable contributors to performance, along with biotech holdings such as Ablynx (+150%, acquired by Sanofi) and Ultragenyx (+87%). The Fund experienced significant success from its holdings in managed care companies with strong contributions from our holdings in Centene (+45%), Anthem (+38%), and UnitedHealth Group (+30%). Not holding large benchmark constituents such as Bayer, Bristol-Myers Squibb and Johnson & Johnson also helped drive relative outperformance.

Top Ten Holdings as at 31 October 2018		%
UnitedHealth		6.13
<i>US Equities</i>		
Merck & Co		5.26
<i>US Equities</i>		
GlaxoSmithKline		4.63
<i>UK Equities</i>		
Anthem		3.59
<i>US Equities</i>		
Medtronic		3.59
<i>Irish Equities</i>		
Thermo Fisher Scientific		3.49
<i>US Equities</i>		
Cigna		3.49
<i>US Equities</i>		
Allergan		3.31
<i>Irish Equities</i>		
Eli Lilly		3.23
<i>US Equities</i>		
Biogen		2.82
<i>US Equities</i>		

There have been some setbacks over the performance period, notably Dermira (failure of drug in late stage clinical trials) which we subsequently exited, Endologix (delays to critical new product approvals) and Allergan (earlier than expected patent expiry). However, with respect to the latter two, we remain constructive and believe the market has undervalued both companies' assets and technologies.

In our view, the current market environment for SMID-cap biotech is, to some extent, irrational, with positive clinical/regulatory news largely resulting in negative share price reactions and negative news excessively punished; for example, the SMID-cap holdings Foamix Pharmaceuticals (-25%) and TherapeuticsMD (-15%). The former reported positive Ph.3 clinical trial results in two different indications (acne and rosacea), while the latter received US approval for three products in the space of five months. Despite these successes, both companies have underperformed; with the companies largely de-risked from a clinical perspective, we have added to our positions.

OUTLOOK

The healthcare sector remains, at its core, a sector driven by science and innovation. The plummeting cost of genetic sequencing, and our understanding of disease biology, has led to the emergence of cell therapy, gene therapy and stem cell therapy, potentially offering the promise of cures for diseases such as haemophilia and rare cancers or recovery from spinal cord injury. Tremendous innovation is taking place in cancer treatment with the body's own immune cells being reprogrammed to attack previously 'cloaked' cancer cells. Digital health, the application of technology in the delivery and administration of care, is also an area of excitement. Whether it be wearable technologies transmitting real time data on a patient's blood glucose levels or the analysis of big data to identify patients at risk of a medical emergency, digital health looks set to disrupt the healthcare sector. With this in mind, the Fund has been steadily increasing its exposure to this field and recently initiated a position in Teladoc, a telehealth company that uses telephone and videoconferencing technology to provide on-demand remote medical care via mobile devices, the internet, video and phone.

While 2018 has been close to a record year for healthcare M&A (high watermark of \$625 billion in 2015), we expect 2019 to be another robust year for M&A activity. Management teams have better visibility around the US political landscape (a Democratic House and Republican Senate), and we expect policy changes to remain largely manageable with less of an impact on the innovative segments of healthcare. However, the need for new products to drive future growth remains acute at several large cap companies and the need for scale is fast becoming a strategic imperative for mid-cap companies. As such, we expect management teams to take advantage of recent market volatility, leverage strong balance sheets and lock in low interest rates to increase scale, drive efficiencies and expand areas of expertise.

The long-term growth drivers of the healthcare sector remain intact: ageing populations (the 60+ population is expected to more than double between 2015 and 2050 to 2.1 billion), increasing frequency of lifestyle diseases (over a billion people classified as either obese or diabetic) and growing demand in emerging markets (by 2050, China alone will account for 500 million of the world's 60+ population). Although it may take time for the return of more bullish sentiment, the Fund continues to be run with a longer-term investment horizon focusing on healthcare companies that have strong innovation characteristics as this, in our view, will drive above market secular growth. As ever, stock picking will be the key to delivering strong investment returns.

Dani Saurymper
31 October 2018

Source of all performance data: AXA Investment Managers & Lipper to 31 October 2018.

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

Portfolio Changes

For the year ended 31 October 2018

Major Purchases	Cost (£)	Major Sales	Proceeds (£)
Merck & Co	20,902,516	Roche	23,436,379
AbbVie	7,804,640	Aetna	14,639,029
TherapeuticsMD	7,522,851	Ablynx	11,571,162
Alexion Pharmaceuticals	5,252,228	AbbVie	8,667,121
CVS Health	5,142,020	Shire	7,517,525
Catalent	5,141,695	Fresenius	6,624,685
Teladoc Health	5,102,454	UnitedHealth	6,370,002
Adamas Pharmaceuticals	4,365,477	DexCom	5,433,885
Acacia Pharma	3,829,625	AmerisourceBergen	4,682,844
GlycoMimetics	3,722,630	Vertex Pharmaceuticals	4,589,241
Other purchases	35,211,302	Other sales	66,783,185
Total purchases for the year	103,997,438	Total sales for the year	160,315,058

Managing Risks

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

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

RISK PROFILE

The Fund invests primarily in the shares of quoted companies on worldwide financial markets drawn from companies in the healthcare and medical services and product companies. As the Fund invests in a single sector it has the potential to be more volatile than the Fund which invests in a more diversified portfolio of equities across a range of sectors. As many of these investments will be made in non sterling denominated listed equities, the value of the Fund will not only be impacted by the market risk associated with investing in equities but also by exchange rate movements between those currencies and sterling in which the Fund is based. The Fund also invests a limited proportion in emerging and newer markets which may involve a higher risk than investing in established markets. Such investments may involve a higher degree of risk than established markets due to heightened geopolitical risk in such countries (see below) and potential large currency volatility. The Fund's investment in companies fulfilling current medical needs is regarded as adopting a positive ethical stance, although investors should be aware that pharmaceutical companies are required by law to test their products on animals before entering clinical trials. Investors should consider carefully whether this investment risk is suitable for them.

EQUITY RISK

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

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

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

CURRENCY RISK

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

The Manager aims to reduce the risk of movements in exchange rates on the value of all or part of the assets of the fund through the use of currency exchange transactions. The Fund may enter into currency exchange transactions either on a spot basis (i.e., exchanging at the current price) or through forward currency transactions (i.e., agreeing to purchase the currency at an agreed price at a future date). Neither spot transactions nor forward currency transactions will completely eliminate fluctuations in the prices of the Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. The

performance of the Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

Although these transactions are intended to minimise the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. Forward currency transactions may also have the effect of reducing or enhancing the Fund's performance due to the difference between the exchange rate available on such transactions compared to the current (spot) exchange rate, under normal market conditions this difference in exchange rates is mainly caused by the different short term interest rates applicable to the currency of the assets and the base currency of the Fund. Where the interest rate applying to the foreign currency is higher than that of the Fund's base currency, this can reduce the Fund's performance and vice-versa. This impact on performance is usually far less pronounced than the effect of fluctuations of exchange rates that the use of such transactions is intended to reduce, but the impact can be significant over time, particularly where there is a wide gap between the interest rates applicable to the two currencies. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. Therefore, the successful execution of a hedging strategy which matches exactly the profile of the investments of any fund cannot be assured. Furthermore, it may not be possible to hedge against generally anticipated exchange or interest rate fluctuations at a price sufficient to protect the Fund from the anticipated decline in value of its assets as a result of such fluctuations.

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

INDUSTRY SECTOR OR REGION RISK

A Fund may invest in a portfolio of shares which is focused towards one particular market sector or geographic region. This focus may result in higher risk when compared to a Fund that has spread or diversified investments more broadly. Some sectors and regions can experience rapid and extreme price movements when compared with movements in securities markets generally. Investors should note that Funds with a specific focus should be considered for investment as part of a wider diversified portfolio.

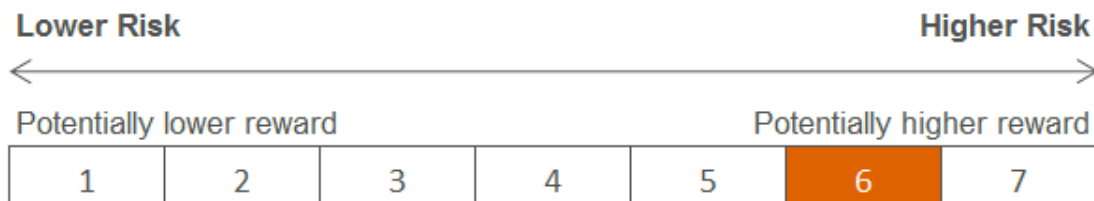
Internal investment guidelines seek to ensure suitable levels of diversification based on the Fund's investment objectives and investment policy.

SMALLER COMPANIES RISK

Investments in smaller companies offers the possibility of higher return but also involve a higher degree of risk than investment in well established, larger companies. The shares of smaller companies can be more volatile which may lead to increased volatility in the price of the units of the Fund.

This is an inherent risk for funds invested within smaller companies. Investment guidelines (including diversification measures), scenario testing as well as other regular monitoring seek to ensure the level of risk is aligned with the Fund's investment objectives and investment policy.

RISK AND REWARD PROFILE



The risk category is calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The risk category shown is not guaranteed and may shift over time. There has been no change from the prior year. The lowest category does not mean risk free.

WHY IS THIS FUND IN THIS CATEGORY?

The capital of the Fund is not guaranteed. The Fund is invested in financial markets and uses techniques and instruments which may be subject to sudden and significant variation, which may result in substantial gains or losses.

ADDITIONAL RISKS

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

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

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

Fund Information

FIVE YEAR PERFORMANCE

In the five years to 31 October 2018, the price of Z Accumulation units, with net income reinvested, rose by +88.50%. The MSCI World Health Care Index (Net Return) increased by +95.99% over the same time period. (Source: AXA Investment Managers and Lipper) (Prices in GBP).

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

Date	AXA Framlington Health Z Acc	MSCI World Health Care Net Return
31/10/2013 - 31/10/2014*	+27.19%	+23.70%
31/10/2014 - 31/10/2015	+12.44%	+10.11%
31/10/2015 - 31/10/2016	+14.11%	+16.94%
31/10/2016 - 31/10/2017	+3.10%	+9.57%
31/10/2017 - 31/10/2018	+12.03%	+12.31%

Source of all performance data: AXA Investment Managers and Lipper. Basis: Single Price NAV, gross of tax, net of fees in GBP.

* Performance Calculation: Single price basis (NAV) from 06/10/2014 and bid prices prior to this. To ensure consistent performance figures between bid and NAV prices, an adjustment factor has been applied.

Past performance is not a guide to future performance.

YIELD

A Acc	0.31%
R Inc	Nil
R Acc	Nil
Z Inc	0.22%
Z Acc	0.22%

CHARGES

	Initial Charge	Annual Management Charge
A	Nil	0.65%
R	Nil	1.50%
Z	Nil	0.75%

ONGOING CHARGES**

A Acc	0.72%
R Inc	1.57%
R Acc	1.57%
Z Inc	0.82%
Z Acc	0.82%

**For more information on AXA's fund charges and costs please use the following link <https://retail.axa-im.co.uk/fund-charges-and-costs>.

UNIT TRUST INDIVIDUAL SAVINGS ACCOUNTS

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

Comparative Tables

Change in net assets per unit	A Acc		
	31/10/2018	31/10/2017	31/10/2016
	(p)	(p)	(p)
Opening net asset value per unit [†]	143.96	139.49	121.96
Return before operating charges [^]	18.51	5.52	18.46
Operating charges	(1.11)	(1.05)	(0.93)
Return after operating charges [^]	17.40	4.47	17.53
Distributions	(0.51)	(0.68)	(0.62)
Retained distributions on accumulation units	0.51	0.68	0.62
Closing net asset value per unit[†]	161.36	143.96	139.49

[^]after direct transaction costs of:

	0.05	0.13	0.13
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Performance

Return after charges	12.09%	3.20%	14.37%
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Other Information

Closing net asset value [†]	2,731,018	1,640,326	1,202,090
Closing number of units	1,692,525	1,139,445	861,757
Operating charges	0.72%	0.72%	0.72%
Direct transaction costs [*]	0.03%	0.09%	0.10%

Prices

Highest unit price #	174.30	156.40	150.10
Lowest unit price #	133.60	131.10	111.20

Comparative Tables (Continued)

Change in net assets per unit	R Inc			R Acc		
	31/10/2018	31/10/2017	31/10/2016	31/10/2018	31/10/2017	31/10/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Opening net asset value per unit [†]	1,800.22	1,759.36	1,556.92	1,800.37	1,759.50	1,554.93
Return before operating charges [^]	230.25	69.71	227.77	230.38	69.71	230.32
Operating charges	(29.73)	(28.85)	(25.33)	(29.85)	(28.84)	(25.75)
Return after operating charges [^]	200.52	40.86	202.44	200.53	40.87	204.57
Distributions	-	-	-	-	-	-
Retained distributions on accumulation units	-	-	-	-	-	-
Closing net asset value per unit[†]	2,000.74	1,800.22	1,759.36	2,000.90	1,800.37	1,759.50
* [^] after direct transaction costs of:	0.56	1.63	1.61	0.56	1.63	1.63
Performance						
Return after charges	11.14%	2.32%	13.00%	11.14%	2.32%	13.16%
Other Information						
Closing net asset value [†]	9,237,342	13,589,796	16,521,544	222,101,148	224,851,114	247,625,202
Closing number of units	461,695	754,895	939,066	11,100,039	12,489,171	14,073,644
Operating charges	1.57%	1.57%	1.58%	1.57%	1.57%	1.58%
Direct transaction costs*	0.03%	0.09%	0.10%	0.03%	0.09%	0.10%
Prices						
Highest unit price #	2,163.00	1,962.00	1,894.00	2,163.00	1,962.00	1,894.00
Lowest unit price #	1,664.00	1,654.00	1,411.00	1,665.00	1,654.00	1,411.00

Comparative Tables (Continued)

Change in net assets per unit	Z Inc			Z Acc		
	31/10/2018	31/10/2017	31/10/2016	31/10/2018	31/10/2017	31/10/2016
	(p)	(p)	(p)	(p)	(p)	(p)
Opening net asset value per unit [†]	117.82	114.73	100.76	235.89	228.82	200.33
Return before operating charges [^]	15.14	4.52	15.28	30.31	9.04	30.24
Operating charges	(1.03)	(0.98)	(0.90)	(2.06)	(1.97)	(1.75)
Return after operating charges [^]	14.11	3.54	14.38	28.25	7.07	28.49
Distributions	(0.29)	(0.45)	(0.41)	(0.58)	(0.90)	(0.81)
Retained distributions on accumulation units	-	-	-	0.58	0.90	0.81
Closing net asset value per unit[†]	131.64	117.82	114.73	264.14	235.89	228.82

[^]After direct transaction costs of:

	0.04	0.11	0.11	0.07	0.21	0.21
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Performance

Return after charges	11.98%	3.09%	14.27%	11.98%	3.09%	14.22%
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Other Information

Closing net asset value [†]	39,857,251	39,077,031	35,646,111	228,939,565	230,963,190	241,632,634
Closing number of units	30,278,122	33,166,232	31,068,982	86,673,169	97,909,916	105,601,275
Operating charges	0.82%	0.82%	0.83%	0.82%	0.82%	0.83%
Direct transaction costs [*]	0.03%	0.09%	0.10%	0.03%	0.09%	0.10%

Prices

Highest unit price #	142.50	128.60	123.90	285.30	256.40	246.20
Lowest unit price #	109.30	107.80	91.83	218.80	215.10	182.50

[†] Valued at bid-market prices.

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

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

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

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

Portfolio Statement

The AXA Framlington Health Fund portfolio as at 31 October 2018 consisted of the following investments, which are ordinary shares unless otherwise stated.

Holding		Market value (£)	Total net assets (%)
UNITED KINGDOM: 7.15% (31/10/2017: 8.53%*)			
1,192,160	Acacia Pharma	2,409,924	0.48
3,929,039	Benchmark	2,043,100	0.41
1,500,826	GlaxoSmithKline	23,295,821	4.63
123,865	Shire	5,762,819	1.14
3,392,868	Vectura	2,453,044	0.49
		35,964,708	7.15
EUROPE (excluding UK & EASTERN EUROPE): 22.19% (31/10/2017: 27.45%*)			
Belgium: 1.84% (31/10/2017: 2.82%*)			
141,051	UCB	9,260,504	1.84
		9,260,504	1.84
France: 0.87% (31/10/2017: 1.33%*)			
39,760	Ipsen	4,352,410	0.87
		4,352,410	0.87
Germany: 1.88% (31/10/2017: 2.71%*)			
113,592	Merck	9,451,291	1.88
		9,451,291	1.88
Ireland: 8.97% (31/10/2017: 8.39%*)			
132,386	Allergan	16,661,730	3.31
85,624	Jazz Pharmaceuticals	10,425,159	2.07
255,129	Medtronic	18,025,198	3.59
		45,112,087	8.97
Italy: 0.29% (31/10/2017: 0.00%*)			
220,691	Newron Pharmaceuticals	1,455,828	0.29
		1,455,828	0.29
Netherlands: 5.66% (31/10/2017: 4.90%*)			
39,368	COSMO Pharmaceuticals	3,851,014	0.77
348,757	Koninklijke Philips	10,074,807	2.00
321,024	QIAGEN	9,069,799	1.80
257,587	Wright Medical	5,456,633	1.09
		28,452,253	5.66

Holding		Market value (£)	Total net assets (%)
Sweden: 1.02% (31/10/2017: 0.86%)			
738,261	Medicover	5,124,835	1.02
		5,124,835	1.02
Switzerland: 1.66% (31/10/2017: 6.44%)			
33,937	Lonza	8,328,446	1.66
		8,328,446	1.66
JAPAN: 4.16% (31/10/2017: 5.08%)			
98,600	Kaken Pharmaceutical	3,855,818	0.77
430,000	M3	5,404,749	1.07
315,500	Nichi-iko Pharmaceutical	3,358,512	0.67
263,500	Takeda Pharmaceutical	8,318,249	1.65
		20,937,328	4.16
NORTH AMERICA: 64.41% (31/10/2017: 56.04%*)			
United States of America: 64.41% (31/10/2017: 56.04%*)			
145,839	AbbVie	9,310,450	1.85
204,448	Accelerate Diagnostics	2,343,133	0.47
157,771	Adamas Pharmaceuticals	1,953,919	0.39
151,371	Alexion Pharmaceuticals	13,531,432	2.69
511,097	Amicus Therapeutics	4,377,172	0.87
86,903	Anthem	18,057,507	3.59
63,768	Becton Dickinson	11,508,090	2.29
59,132	Biogen	14,174,272	2.82
105,529	BioMarin Pharmaceutical	7,602,812	1.51
1,032,369	BioTime	1,414,315	0.28
270,477	Boston Scientific	7,601,474	1.51
164,399	Catalent	4,972,895	0.99
210,360	Celgene	11,914,469	2.37
119,899	Centene	12,029,320	2.39
106,696	Cerner	4,798,563	0.95
106,545	Cigna	17,536,466	3.49
304,623	Community Health Systems Right 31/12/2049	811	-
177,545	CVS Health	10,058,658	2.00
84,191	DexCom	8,258,283	1.64
72,863	Edwards Lifesciences	8,131,633	1.62
191,757	Eli Lilly	16,258,961	3.23
820,828	Endologix	777,518	0.15
50,679	Globus Medical	2,079,291	0.41
293,965	GlycoMimetics	2,906,511	0.58
333,065	Hologic	10,074,862	2.00
65,884	Insulet	4,400,002	0.88
76,563	Ionis Pharmaceuticals	2,940,489	0.59
48,946	Magellan Health	2,463,776	0.49
36,614	Masimo	3,312,572	0.66

Holding		Market value (£)	Total net assets (%)
463,983	Merck & Co	26,464,534	5.26
128,900	NuVasive	6,298,682	1.25
113,124	Supernus Pharmaceuticals	4,197,649	0.83
100,440	Teladoc Health	5,284,618	1.05
1,566,585	TherapeuticsMD	6,058,344	1.21
96,346	Thermo Fisher Scientific	17,552,558	3.49
152,289	UnitedHealth	30,801,142	6.13
60,792	Universal Health Services	5,750,825	1.14
74,929	Zimmer Biomet	6,719,207	1.34
		323,917,215	64.41
MIDDLE EAST: 0.80% (31/10/2017: 0.72%)			
Israel: 0.80% (31/10/2017: 0.72%)			
1,126,709	Foamix Pharmaceuticals	4,022,070	0.80
		4,022,070	0.80
Investments as shown in the balance sheet		496,378,975	98.71
Net current assets		6,487,349	1.29
Total net assets		502,866,324	100.00

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

Statement of Total Return

For the year ended 31 October

	Notes	£	2018 £	2017 £
Income				
Net capital gains	3		53,775,123	14,884,312
Revenue	4	6,037,834		7,227,105
Expenses	5	(5,789,564)		(6,418,615)
Interest payable and similar charges		(7)		-
Net revenue before taxation		248,263		808,490
Taxation	6	(794,927)		(696,943)
Net (expense)/revenue after taxation			(546,664)	111,547
Total return before distributions			53,228,459	14,995,859
Distributions	7		(585,762)	(1,019,951)
Change in net assets attributable to unitholders from investment activities			52,642,697	13,975,908

Statement of Change in Net Assets Attributable to Unitholders

For the year ended 31 October

	£	2018 £	2017 £
Opening net assets attributable to unitholders		510,121,457	542,627,581
Amounts receivable on creation of units	16,389,864		24,529,996
Amounts payable on cancellation of units	(76,802,517)		(71,899,155)
		(60,412,653)	(47,369,159)
Change in net assets attributable to unitholders from investment activities		52,642,697	13,975,908
Retained distribution on accumulation units		514,823	887,127
Closing net assets attributable to unitholders		502,866,324	510,121,457

Balance Sheet**As at 31 October**

		2018	2017
	Notes	£	£
ASSETS			
Fixed assets			
Investments		496,378,975	499,003,328
Current assets			
Debtors	8	3,234,257	634,923
Cash and bank balances	9	4,646,920	11,980,652
Total assets		504,260,152	511,618,903
LIABILITIES			
Creditors			
Distribution payable		88,325	149,224
Other creditors	10	1,305,503	1,348,222
Total liabilities		1,393,828	1,497,446
Net assets attributable to unitholders		502,866,324	510,121,457

Notes to the Financial Statements

1.1 Accounting policies

- a) The Financial Statements have been prepared on a historical cost basis, as modified by the revaluation of investments which are measured at fair value, and in accordance with Financial Reporting Standard 102 ("FRS 102") and the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association ("IMA") in May 2014, and amended in June 2017. The Financial Statements have been prepared on a going concern basis. The Financial Statements are prepared in accordance with the Trust Deed and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL").
- b) Dividends on quoted ordinary shares and preference shares are recognised when the securities are quoted ex-dividend. Where such securities are not quoted, dividends are recognised when the right to receive payment is established.
- c) The listed investments of the Fund are valued at bid-market prices ruling at 12 noon (GMT) on the last business day of the accounting year. Where certain securities are listed on global markets which are closed at the 12 noon (GMT) valuation point, the last available closing bid-price will be utilised, subject to the application of any fair value pricing adjustment. The fair value of unlisted securities, and unquoted securities where the quotation has been suspended, is estimated by the Manager, using independent sources where available.
- d) The functional currency of the Fund is Sterling (GBP). Any transactions in overseas currencies are translated to Sterling at the rates of exchange ruling on the day of any such transaction. Foreign currency balances and investments priced in overseas currencies at the end of the year are converted into Sterling at the exchange rates ruling at 12 noon (GMT) on the last business day of the accounting year.
- e) All expenses are charged in full against revenue on an accruals basis, with the exception of transaction charges which are charged directly to capital. The Manager is entitled to receive (with effect from the dealing day on which units of any class are first allotted) an annual management charge payable on and out of the scheme property of each unit class of the Fund. The annual management charge will be based on the value of the scheme property of the Fund on the immediately preceding dealing day as determined in accordance with the Trust Deed and the Regulations for the purpose of calculating the price of units.
- f) Corporation Tax is provided at 20% on revenue, after deduction of expenses. Overseas dividends are disclosed gross of any foreign tax suffered, the tax element being disclosed in the tax note. Where overseas tax has been deducted from overseas revenue, that tax can, in some cases, be set off against Corporation Tax payable, by way of double taxation relief. Deferred taxation is provided on a full provision basis on timing differences arising from the different treatment of items for accounting and tax purposes. Potential future liabilities and assets are recognised where the transactions or events giving rise to them occurred before the balance sheet date. A deferred tax asset is only recognised to the extent that a timing difference will be of future benefit.
- g) Bank interest is accounted for on an accruals basis.
- h) Revenue equalisation currently applies to the Fund, with the result that part of the purchase price of a unit reflects the relevant share of accrued revenue received or to be received by the Fund. This sum is returned to a unitholder with the first allocation of revenue in respect of a unit issued during a distribution period. The amount representing the revenue equalisation in the unit's price is a return of capital and is not taxable in the hands of the unitholder. The amount of revenue equalisation is calculated by dividing the aggregate of the amounts of revenue included in the price of units issued or sold to unitholders in an annual or interim distribution period by the number of those units and applying the resultant average to each of the units in question. Equalisation on distributions received is deducted from the cost of the investment.

- i) With the exception of the annual management charge, which is directly attributable to individual unit classes, all revenue and expenses are allocated to unit classes pro rata to the value of the net assets of the relevant unit class on the day the revenue or expense is recognised.
- j) The Fund is not required to produce a cash flow statement as it meets the exemption criteria set out in FRS102.7.IA.

1.2 Distribution Policy

- a) The Fund will distribute any net revenue two months after the accounting year end. Any net revenue deficit will be transferred to the capital account. The type of distribution being made by the Fund is a dividend distribution.
- b) The total revenue received in respect of scrip dividends is separated with an amount equal to the cash alternative credited to revenue and any enhancement credited to capital. The revenue portion forms part of the revenue distribution amount.
- c) Special dividends and share buybacks are treated as revenue or capital depending on the facts of each particular case. It is likely that where the receipt of a special dividend results in a significant reduction in the capital value of the holding, then the special dividend should be treated as capital in nature so as to ensure that the matching principle is applied to gains and losses. Otherwise, the special dividends should be recognised as revenue. Where special dividends are treated as revenue, they are included in the amount available for distribution.
- d) If a distribution payment of the Fund remains unclaimed for a period of 6 years after it has become due, it will be forfeited and will revert to and become part of the scheme property.
- e) The annual management charge is charged against revenue for the purposes of calculating the amount available for distribution.

2. Financial instruments

The analysis and tables provided below refer to the narrative disclosure on financial instruments risks on pages 7 to 9 of the Manager's Report.

Price risk sensitivity

At 31 October 2018, if the price of investments held by the Fund increased or decreased by 5%, with all other variables remaining constant, the net assets would increase or decrease by £24,818,949 (2017: £24,950,166) respectively.

Foreign currency risk sensitivity

Assuming all other factors remain stable, if GBP strengthens by 5% the resulting change in the net assets attributable to shareholders of the Fund would be a decrease of approximately £23,174,243 (2017: £22,803,132). A 5% weakening in GBP would have an equal but opposite effect.

Interest rate risk sensitivity

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

Currency exposures

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

2018	Monetary Exposure	Non-Monetary Exposure	Total
	£	£	£
Euro	41,535	44,618,735	44,660,270
Japanese Yen	223,270	20,937,328	21,160,598
Swedish Krona	-	5,124,835	5,124,835
Swiss Franc	199,462	13,635,288	13,834,750
US Dollar	196,405	378,508,005	378,704,410
Total	660,672	462,824,191	463,484,863

2017	Monetary Exposure	Non-Monetary Exposure	Total
	£	£	£
Euro	36,923	50,999,431	51,036,354
Japanese Yen	73,812	25,889,127	25,962,939
Swedish Krona	-	4,405,639	4,405,639
Swiss Franc	370,355	37,178,537	37,548,892
US Dollar	92,295	337,016,512	337,108,807
Total	573,385*	455,489,246*	456,062,631*

* Prior year figures have been updated to remove Sterling from the table.

3. Net capital gains

The net gains during the year comprise:

	2018	2017
	£	£
Gains on non-derivative securities	53,696,746	14,920,485*
Gains/(losses) on foreign currency exchange	81,116	(34,755)
Transaction charges	(2,739)	(1,418)
Net capital gains	53,775,123	14,884,312

* Prior year figure has been restated to include Class Action gains. This has no change to total net capital gains.

4. Revenue

	2018	2017
	£	£
UK dividends	1,383,048	1,418,321
Overseas dividends	4,648,179	5,808,328
Bank interest	6,607	456
Total revenue	6,037,834	7,227,105

5. Expenses

	2018 £	2017 £
Payable to the Manager		
Annual management charge	5,421,760	6,021,076
Registrar's fees	297,466	325,505
	5,719,226	6,346,581
Other expenses		
Audit fee	8,286	8,682
FCA fee	111	76
Safe custody charges	29,540	30,875
Trustee's fees	32,401	32,401
	70,338	72,034
Total Expenses	5,789,564	6,418,615

Expenses include irrecoverable VAT where applicable.

6. Taxation**a) Analysis of tax in the year:**

	2018 £	2017 £
Irrecoverable overseas tax	794,927	696,943

b) Factors affecting total tax charge for the year:

The tax assessed for the year is higher than the standard rate of corporation tax in the UK for an authorised unit trust (20%) (2017: 20%).

The differences are explained below:

	2018 £	2017 £
Net revenue before taxation	248,263	808,490
Corporation tax at 20%	49,653	161,698
Effects of:		
Irrecoverable overseas tax	794,927	696,943
Movement in excess management expenses	1,157,671	1,254,489
Revenue not subject to taxation	(1,207,324)	(1,411,287)
Overseas tax expensed	-	(4,900)
Total effects	745,274	535,245
Total tax charge for the year (see note 6a)	794,927	696,943

Authorised unit trusts are exempt from tax on capital gains.

c) Deferred taxation:

There is no provision required for deferred taxation at the Balance sheet date (2017: nil).

d) Factors that may affect future tax charges:

At the year end, after offset against income taxable on receipt, there is a potential deferred tax asset of £19,697,287 (2017: £18,539,616) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised.

7. Distributions

At year end, there was insufficient income to meet expenses and taxation and, as permitted by the Trust Deed, an amount of £1,132,426 (2017: £908,404) has been transferred from the capital account to revenue account to meet this shortfall.

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

	2018 £	2017 £
Final	603,148	1,036,351
Add: Income deducted on cancellation of units	(92,719)	17,590
Deduct: Income received on creation of units	75,333	(33,990)
Net distribution for the year	585,762	1,019,951

Reconciliation to net (expense)/revenue after taxation:

Net distribution for the year	585,762	1,019,951
Shortfall transfer to capital	(1,132,426)	(908,404)
Net (expense)/revenue after taxation	(546,664)	111,547

8. Debtors

	2018 £	2017 £
Amounts receivable on creation of units	2,573,585	61,537
Accrued revenue	419,677	166,108
Overseas tax recoverable	240,995	407,278
Total debtors	3,234,257	634,923

9. Cash and bank balances

	2018 £	2017 £
Cash and bank balances	4,646,920	11,980,652
Total cash and bank balances	4,646,920	11,980,652

10. Other creditors

	2018 £	2017 £
Amounts payable on cancellation of units	747,447	783,760
Accrued expenses		
- Manager	510,614	509,144
- Other	47,442	55,318
Total other creditors	1,305,503	1,348,222

11. Unitholders' funds

The Fund currently has five unit classes in issue.

	A Acc	R Inc	R Acc	Z Inc	Z Acc
Opening unit in issue	1,139,445	754,895	12,489,171	33,166,232	97,909,916
Units issued	917,637	1,859,585	283,382	2,398,810	3,958,430
Units cancelled	(364,557)	(2,152,785)	(1,672,514)	(5,286,920)	(15,195,177)
Unit conversions	-	-	-	-	-
Closing units in issue	1,692,525	461,695	11,100,039	30,278,122	86,673,169

12. Related parties

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

At 31 October 2018, there are no material unitholders that hold more than 50% of units in the Fund. Other than disclosed elsewhere in the Financial Statements, there were no material transactions between the Fund and related parties during the year.

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

13. Portfolio transaction costs**2018**

Analysis of purchases	Net purchase cost £	Commissions paid £	%	Taxes £	%	Total purchase cost £
Equity	103,938,953	54,568	0.05	3,917	-	103,997,438
Total	103,938,953	54,568		3,917		103,997,438

2018

Analysis of sales	Net sale proceeds £	Commissions paid £	%	Taxes £	%	Total sale proceeds £
Equity	160,403,037	(86,225)	(0.05)	(1,754)	-	160,315,058
Total	160,403,037	(86,225)		(1,754)		160,315,058

2017

Analysis of purchases	Net purchase cost £	Commissions paid £	%	Taxes £	%	Total purchase cost £
Equity	115,572,628	168,523	0.15	57,428	0.05	115,798,579
Total	115,572,628	168,523		57,428		115,798,579

2017

Analysis of sales	Net sale proceeds £	Commissions paid £	%	Taxes £	%	Total sale proceeds £
Equity	157,055,902	(252,839)	(0.16)	(3,099)	-	156,799,964
Total	157,055,902	(252,839)		(3,099)		156,799,964

Commission as a % of average net assets

0.03% (2017: 0.08%)

Taxes as a % of average net assets

0.00% (2017: 0.01%)

Portfolio dealing spread

The average portfolio dealing spread as at the year end was 0.17% (2017: 0.05%).

14. Fair value disclosure

	31 October 2018		31 October 2017	
	Assets	Liabilities	Assets	Liabilities
	£	£	£	£
Valuation technique				
Level 1 [^]	496,378,975	-	499,003,328	-
Level 2 ^{^^}	-	-	-	-
Level 3 ^{^^^}	-	-	-	-
Total	496,378,975	-	499,003,328	-

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

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

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

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

15. Commitments, contingent liabilities and contingent assets

There are no commitments, contingent liabilities and contingent assets as at the balance sheet date (2017: none).

16. Post balance sheet events

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

Distribution Tables

For the year ended 31 October 2018

		Net revenue	Equalisation	Distribution payable/paid	
				Current year	Prior year
A Acc					
Interim	Group 1	-	-	-	-
	Group 2	-	-	-	-
Final	Group 1	0.508	-	0.508	0.677
	Group 2	0.013	0.495	0.508	0.677
R Inc					
Interim	Group 1	-	-	-	-
	Group 2	-	-	-	-
Final	Group 1	-	-	-	-
	Group 2	-	-	-	-
R Acc					
Interim	Group 1	-	-	-	-
	Group 2	-	-	-	-
Final	Group 1	-	-	-	-
	Group 2	-	-	-	-
Z Inc					
Interim	Group 1	-	-	-	-
	Group 2	-	-	-	-
Final	Group 1	0.292	-	0.292	0.450
	Group 2	0.026	0.266	0.292	0.450
Z Acc					
Interim	Group 1	-	-	-	-
	Group 2	-	-	-	-
Final	Group 1	0.584	-	0.584	0.898
	Group 2	0.030	0.554	0.584	0.898

(All figures shown in pence per unit)

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

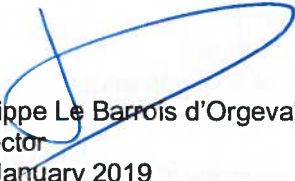
Equalisation is the average amount of income included in the purchase price of Group 2 units and is refundable to holders of these units as a return of capital. Being a capital item it is not liable to income tax, but must be deducted from the cost of units for capital gains tax purposes.

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

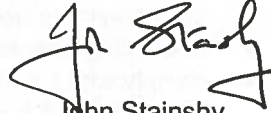
	Group 2 units from	to	Group 1 & 2 units paid/transferred
Interim	01.11.17	30.04.18	29.06.18
Final	01.05.18	31.10.18	31.12.18

DIRECTORS' APPROVAL

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



Philippe Le Barrois d'Orgeval
Director
24 January 2019



John Stainsby
Director
24 January 2019

Statement of Manager's Responsibilities

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

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

In preparing the accounts the Manager is required to:

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

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

Report of the Trustee

STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES AND REPORT OF THE TRUSTEE TO THE UNITHOLDERS OF AXA FRAMLINGTON HEALTH FUND FOR THE ANNUAL ACCOUNTING PERIOD TO 31 OCTOBER 2018

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

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

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

The Trustee must ensure that:

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

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

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

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

Trustee
NatWest Trustee and Depositary Services Limited
24 January 2019

Report of the Independent Auditor

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

OPINION

We have audited the financial statements of AXA Framlington Health Fund ("the Fund") for the year ended 31 October 2018 which comprise the Statement of Total Return, the Statement of Change in Net Assets attributable to Unitholders, the Balance Sheet, Distribution Tables and the related Notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 31 October 2018 and of the net expense and net gains on the scheme property of the Fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

BASIS OF OPINION

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

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

CONCLUSION RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

OPINIONS ON OTHERS MATTERS PRESCRIBED BY THE RULES OF THE COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK OF THE FINANCIAL CONDUCT AUTHORITY

In our opinion:

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RESPONSIBILITIES OF THE MANAGER

As explained more fully in the Statement of Manager's Responsibilities set out on page 28, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

Ernst & Young LLP
Statutory Auditor
London
24 January 2019

Further Information

REMUNERATION POLICY OF THE MANAGER

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

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

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

Details of the up-to-date Global Remuneration Policy are published online at 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 Manager 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 GBP)	214,496
Variable Pay ⁽³⁾ ('000 GBP)	227,109
Number of employees ⁽⁴⁾	2,578

⁽¹⁾ Excluding social charges.

⁽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.

Remuneration to Identified Employee:

Aggregate amount of compensation paid and / or allocated to risk takers and senior management whose activities have a significant impact on the risk profile of investment vehicles			
	Risk Takers	Senior Management	Total
Fixed Pay and Variable Remuneration ('000 GBP)	88,640	113,414	202,054
Number of employees	233	113	346

UK Identified Employee Remuneration:

Aggregate amount of compensation paid and / or allocated to risk takers and senior management in the UK Management Company whose activities have a significant impact on the risk profile of investment vehicles			
	Risk Takers	Senior Management	Total
Fixed Pay and Variable Remuneration ('000 GBP)	8,777	11,231	20,008
Number of employees	43	28	71

THE SECURITIES FINANCING TRANSACTIONS REGULATION

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (SFTs) or total return swaps will be required on all reports & accounts published after 13 January 2017. During the year to 31 October 2018 and at the balance sheet date, the Company did not use SFTs or total return swaps, as such no disclosure is required.

Directory

The Manager

AXA Investment Managers UK Limited
7 Newgate Street
London, EC1A 7NX

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

The Administrator and address for inspection of Register:

DST Financial Services International Limited and DST Financial Services Europe Limited
DST House
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Basildon
Essex, SS15 5FS
Authorised and regulated by the Financial Conduct Authority.

Trustee

NatWest Trustee and Depositary Services Limited*
Trustee and Depositary Services
2nd Floor Drummond House
1 Redheughs Avenue
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Authorised and regulated by the Financial Conduct Authority.

Fund Accounting Administrator

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Auditor

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

* Please note that due to changes in legislation which requires the largest UK banks to separate or 'ring-fence' core retail banking services from their investment business, the Trustee of the Framlington Unit Trust range has changed its legal entity from 'National Westminster Bank Plc' to 'NatWest Trustee and Depositary Services Limited'. The change became effective on the 31st October 2018.