

# AXA Defensive Distribution Fund

**AXA Investment Managers (AXA IM) is a dedicated investment manager within the AXA Group, a world leader in financial protection and wealth management. Our aim is to develop close relationships with our customers and to provide them with outstanding investment solutions backed up with exceptional customer service.**

As a 'multi-expert' investment manager, we aim to offer investment expertise across a broad range of asset classes that few of our competitors can match, but we focus on specific areas within each asset class where we can add real value for our clients.

Our total funds under management now exceed £656 billion (source: AXA IM as at 30 November 2017).

## Investment objective and policy

The aim of this Fund is to achieve income with some prospects for capital growth over the long term.

The Fund invests in bonds issued by the UK government (gilts), including index-linked gilts, shares of quoted UK companies and cash. The Fund invests at least a minimum of 60% of its Net Asset Value in gilts and cash, with the remainder being invested mostly in shares. The ACD selects shares in companies based upon their prospects for future growth in dividend payments following an in depth analysis of their financial status, quality of business model and corporate governance arrangements. Investments in gilts are diversified across a range of maturities.

The Fund may also invest at the ACD's discretion in other transferable securities, cash, deposits, units in collective investment schemes and money market instruments. The Fund may use derivatives for investment purposes as well as for Efficient Portfolio Management. Use may be made of borrowing, cash holdings, hedging and other investment techniques permitted in the applicable Financial Conduct Authority rules.

## Review

Over the six month period to 30 November 2017, UK equities and index-linked government bonds have generated negative returns. The FTSE All Share Index fell 0.2% on a total return basis (including dividends). Breaking down the performance on a market capitalisation basis, the large cap FTSE 100 Index was down -0.67%, the mid-cap FTSE 250 Index rose +1.24% and the FTSE Small Cap (ex-investment companies) was up +1.33%. Index-linked gilt returns were also negative with the FTSE UK Gilts Index-Linked (All) Index falling -2.2%. UK base interest rates were increased in November 2017 to 0.5%, the first interest rate rise in more than a decade. The trailing 12 month rate of inflation was 4.0% on the Retail Price Index (RPI) measure and 3.0% on the Consumer Price Index (CPI) in November.

Given the perilous stand-off between the leaders of the United States and North Korea, rising US interest rates, confirmation that the US Federal Reserve's (Fed) stretched balance sheet will begin to be reduced, difficult Brexit negotiations and further despicable acts of terrorism, global equity markets have held up remarkably well. The global economy has continued to make steady progress helped both by momentum in the US economy and China. Brexit negotiations continue to dominate the UK economy with the IMF (International Monetary Fund) reminding us in June of the potentially negative implications of Britain's decision to leave Europe when it downgraded forecasts for UK GDP for 2017 to 1.7% from 2.0%. While UK unemployment fell to a 42-year low over the summer, the outlook for the UK consumer appears fragile. The effect of a weakened currency has fed through to inflation with both CPI and RPI measures ticking up through the year. We view these moves as transitory and expect the momentum to slow and reverse as we move into 2018. Sterling has strengthened against the US dollar (+9.5% YTD) and Japanese yen (+5.1%), but continues to be weak against the euro (-3.1% YTD).

After years of monetary easing the US Federal Reserve has made further progress 'normalising' interest rates, pushing the 10-year treasury yield as high as 2.6% during 2017. The Fed left the Fed Funds Rate (FFR) unchanged at 1.00-1.25% in October but announced that it would "initiate the balance sheet normalisation program". This was in line with parameters already proposed and will see \$6 billion of US treasury bonds and \$4 billion of MBS (Mortgage-Backed Securities) come off their balance sheet each month in Q4 2017. Expectations are for the Fed to increase interest rates again in December, with all but four members seeing the FFR at 1.25-1.50% or above by year-end.

In Europe, the strength of stock markets has been helped by companies posting positive earnings revisions, a pick-up in global leading economic indicators and the on-going supportive monetary policy backdrop. While September saw Angela Merkel win a historic fourth term in Germany's federal elections, the decline of the Christian democrat parties' (CDU/CSU) share of the overall vote has complicated coalition talks, with a final agreement unlikely for some time. France's new President Emmanuel Macron has seen his initial labour reforms treated positively by investors.

The oil price has been strong, helped by surprisingly strong global demand. This has had a positive impact on the oil-heavy FTSE All Share Index with both BP and Royal Dutch Shell announcing improved

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financial positions and reiterating their dividend paying ability.

At a sector level mining has been the best performing area of the UK stock market in 2017. The commodity complex has performed more strongly than had been expected at the start of the year, helped by the on-going momentum in the Chinese economy. It was unsurprising that China reported an impressive annual GDP growth rate of 6.8% during the 19th national congress of the Communist Party - a major event which will further strengthen President Xi Jinping's powerbase. With plans for economic expansion including enormous projects like the One Belt One Road initiative (the single largest economic policy ever conceived, covering 65% of the world's population, one third of the world's GDP and c25% of all the world's trade) demand for commodities is seen as being firmly underpinned.

The income backdrop in the UK has remained supportive for UK investors with 2017 proving to be another good year for dividend growth. According to the Capita Dividend Monitor, between July and September 2017 UK dividend payments reached £28.5bn representing an increase of 14.3% year-on-year. This total was boosted by special dividend payments which were up 40% during the quarter. Looking ahead the prospective yield on the FTSE All Share Index is an attractive 3.7%, with further dividend growth being forecast for 2018.

## Outlook

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Central bank policy continues to evolve and is being led by the US Federal Reserve.

Maintaining investor confidence through this process will be challenging and could cause periods of significant volatility. While interest rates have started to rise from historically low levels the appealing return that equities offer versus other asset classes remains compelling. Corporate profitability has been robust and Merger and acquisition (M&A) activity underpins interest in the extended bull market that equities have enjoyed since the global financial crisis. Valuation remains a key risk for equity markets having traded at historically elevated levels for some time.

**Matthew Huddart, Jamie Forbes-Wilson.**

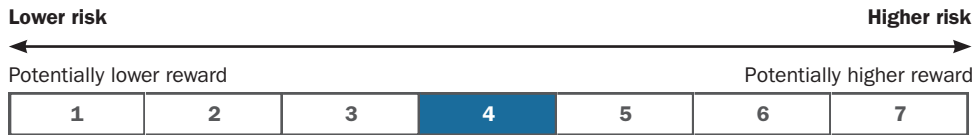
**30 November 2017**

All performance data source: AXA Investment Managers and Lipper

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## Risk and reward profile

By investing in a fund which invests primarily in fixed interest stocks you are likely to be looking for an investment which has reduced risk and you are prepared to accept less potential reward than is the case with other funds. 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.



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

**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.

**Interest Rate Risk:** fluctuations in interest rates will change the value of bonds, impacting the value of the Fund. Generally, when interest rates rise, the value of the bonds fall and vice versa. The valuation of bonds will also change according to market perceptions of future movements in interest rates.

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

## FUND FACTS

Lead Fund manager	Matthew Huddart
Sector	Mixed Investment 0-35% Shares
Comparative Benchmark	N/A
Launch date	03 Oct 2008
Fund size at 30 Nov 2017	£311m
Fund size at 31 May 2017	£328m
Minimum initial investment	A: £1,000,000 B: £1,000,000 R: £1,000 Z: £100,000
Minimum subsequent purchase and redemption	A: £5,000 B: £5,000 R: £500 Z: £5,000
Yield A Inc/Acc net	0.87% / 0.88%
Yield B Inc/Acc net	0.89% / 0.89%
Yield R Inc/Acc net	0.90% / 0.90%
Yield Z Inc/Acc net	0.89% / 0.88%
Yield A Inc/Acc gross	0.93% / 0.88%
Yield B Inc/Acc gross	0.88% / 0.88%
Yield R Inc/Acc gross	0.89% / 0.89%
Yield Z Inc/Acc gross	0.89% / 0.88%
Share types	Inc & Acc
Number of stocks	93
Initial charge	A: Nil / B: Nil R: Nil / Z: Nil
Annual charge	A: 0.50% B: 0.40% R: 1.50% Z: 0.75%
Ongoing charges**	
A Inc/Acc net	0.52% / 0.52%
B Inc/Acc net	0.42% / 0.42%
R Inc/Acc net	1.52% / 1.52%
Z Inc/Acc net	0.77% / 0.77%
A Inc/Acc gross	0.52% / 0.52%
B Inc/Acc gross	0.42% / 0.42%
R Inc/Acc gross	1.52% / 1.52%
Z Inc/Acc gross	0.77% / 0.77%
Accounting dates (int/ann)	30 Nov / 31 May
Distribution dates (income)	31 Jan, 30 Apr 31 Jul, 31 Oct

All data, source: Lipper as at 30 November 2017.

\*\*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>.

## Top five purchases

### Six months ending 30 November 2017

UK Treasury 0.125% IL 22/11/19
UK Treasury 2.5% IL 16/04/20
UK Treasury 0.125% IL 22/11/65
UK Treasury 0.125% IL 22/03/29
UK Treasury 4.125% IL 22/07/30

## Top five sales

### Six months ending 30 November 2017

UK Treasury 1.25% IL 22/11/17
UK Treasury 0.125% IL 22/03/29
UK Treasury 0.125% IL 22/11/19
UK Treasury 0.625% IL 22/03/40
UK Treasury 1.25% IL 22/11/55

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## Five year discrete annual performance

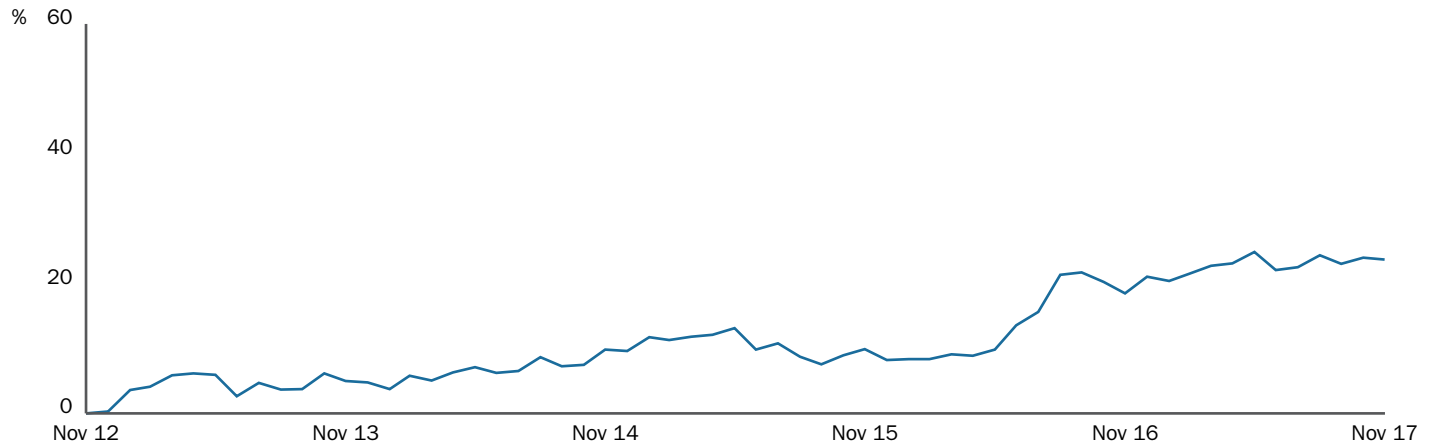
Nov 12 to Nov 13	Nov 13 to Nov 14	Nov 14 to Nov 15	Nov 15 to Nov 16	Nov 16 to Nov 17
+4.99%	+4.61%	+0.07%	+7.81%	+4.40%

Past performance is not a guide to future performance. Source: Lipper as at 30 November 2017. Basis: Single Price NAV, with net income reinvested, net of fees in GBP. Performance is representative of R Acc class.

## Cumulative Fund performance

as at 30 November 2017

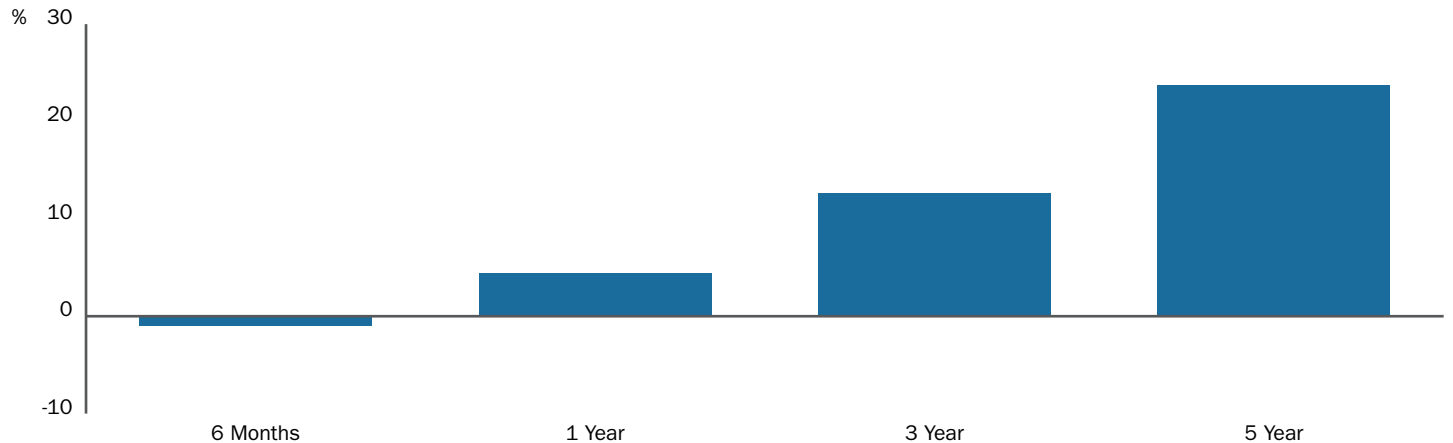
■ AXA Defensive Distribution Fund



Past performance is not a guide to future performance. Source: Lipper as at 30 November 2017. Basis: Single Price NAV, with net income reinvested, net of fees in GBP. Performance is representative of R Acc class.

as at 30 November 2017

■ AXA Defensive Distribution Fund



Past performance is not a guide to future performance. Source: Lipper as at 30 November 2017. Basis: Single Price NAV, with net income reinvested, net of fees in GBP. Performance is representative of R Acc class.

# AXA Defensive Distribution Fund

## Comparative Tables

Change in net asset value per share	A Acc Gross ~			A Inc Gross ~		
	30/11/2017 (p)	31/05/2017 (p)	31/05/2016 (p)	30/11/2017 (p)	31/05/2017 (p)	31/05/2016 (p)
Opening net asset value per share†	117.16	101.84	100.00	114.09	100.87	100.00
Return before operating charges^	(0.30)	15.90	2.14	(0.28)	15.79	2.26
Operating charges^	(0.30)	(0.58)	(0.30)	(0.29)	(0.57)	(0.30)
Return after operating charges^	(0.60)	15.32	1.84	(0.57)	15.22	1.96
Distributions	(0.43)	(1.89)	(1.09)	(0.44)	(2.00)	(1.09)
Retained distributions on accumulation shares	0.43	1.89	1.09	-	-	-
Closing net asset value per share†	116.56	117.16	101.84	113.08	114.09	100.87
*^after direct transaction costs of:	0.02	0.07	0.05	0.02	0.07	0.05
<b>Performance</b>						
Return after operating charges	-0.51%	15.04%	1.84%	-0.50%	15.09%	1.96%
<b>Other information</b>						
Closing net asset value†	1,568,091	1,453,568	828,981	4,986	4,982	14,976
Closing number of shares	1,345,362	1,240,637	813,984	4,409	4,367	14,847
Operating charges^	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%
Direct transaction costs*	0.02%	0.06%	0.05%	0.02%	0.06%	0.05%
<b>Prices</b>						
Highest share price #	118.30	117.50	102.00	115.00	114.70	102.00
Lowest share price #	113.60	101.10	97.71	110.60	100.10	97.71

Change in net asset value per share	A Acc Net ~			A Inc Net ~		
	30/11/2017 (p)	31/05/2017 (p)	31/05/2016 (p)	30/11/2017 (p)	31/05/2017 (p)	31/05/2016 (p)
Opening net asset value per share†	116.66	101.56	100.00	114.02	100.81	100.00
Return before operating charges^	(0.31)	15.94	2.12	(0.32)	15.67	2.07
Operating charges^	(0.30)	(0.58)	(0.30)	(0.29)	(0.58)	(0.30)
Return after operating charges^	(0.61)	15.36	1.82	(0.61)	15.09	1.77
Distributions	(0.43)	(1.91)	(1.30)	(0.42)	(1.88)	(0.96)
Retained distributions on accumulation shares	0.43	1.65	1.04	-	-	-
Closing net asset value per share†	116.05	116.66	101.56	112.99	114.02	100.81
*^after direct transaction costs of:	0.02	0.07	0.05	0.02	0.07	0.05
<b>Performance</b>						
Return after operating charges	-0.52%	15.12%	1.82%	-0.53%	14.97%	1.77%
<b>Other information</b>						
Closing net asset value†	620,132	626,625	506,853	58,913	59,403	4,971
Closing number of shares	534,363	537,160	499,064	52,142	52,100	4,931
Operating charges^	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%
Direct transaction costs*	0.02%	0.06%	0.05%	0.02%	0.06%	0.05%
<b>Prices</b>						
Highest share price #	117.80	116.90	102.00	114.90	114.60	102.00
Lowest share price #	113.10	100.80	97.64	110.50	100.00	97.64

# AXA Defensive Distribution Fund

## Comparative Tables

Change in net asset value per share	B Acc Gross +			B Inc Gross +		
	30/11/2017 (p)	31/05/2017 (p)	31/05/2016 (p)	30/11/2017 (p)	31/05/2017 (p)	31/05/2016 (p)
Opening net asset value per share†	131.40	114.09	116.40	119.39	105.45	109.56
Return before operating charges^	(0.34)	17.83	(1.84)	(0.30)	16.38	(1.74)
Operating charges^	(0.27)	(0.52)	(0.47)	(0.25)	(0.48)	(0.44)
Return after operating charges^	(0.61)	17.31	(2.31)	(0.55)	15.90	(2.18)
Distributions	(0.48)	(2.13)	(1.75)	(0.44)	(1.96)	(1.93)
Retained distributions on accumulation shares	0.48	2.13	1.75	-	-	-
Closing net asset value per share†	130.79	131.40	114.09	118.40	119.39	105.45
*^after direct transaction costs of:	0.02	0.08	0.06	0.02	0.07	0.05
<b>Performance</b>						
Return after operating charges	-0.46%	15.17%	-1.98%	-0.46%	15.08%	-1.99%
<b>Other information</b>						
Closing net asset value†	197,897,910	208,433,448	210,900,981	1,976,585	2,100,243	1,996,086
Closing number of shares	151,305,521	158,624,524	184,862,048	1,669,435	1,759,143	1,893,011
Operating charges^	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%
Direct transaction costs*	0.02%	0.06%	0.05%	0.02%	0.06%	0.05%
<b>Prices</b>						
Highest share price #	132.70	131.70	116.00	120.40	120.00	109.10
Lowest share price #	127.40	113.20	109.30	115.80	104.60	102.20

Change in net asset value per share	B Acc Net +			B Inc Net +		
	30/11/2017 (p)	31/05/2017 (p)	31/05/2016 (p)	30/11/2017 (p)	31/05/2017 (p)	31/05/2016 (p)
Opening net asset value per share†	129.15	112.40	115.11	119.60	105.63	109.76
Return before operating charges^	(0.33)	17.55	(1.73)	(0.31)	16.41	(1.76)
Operating charges^	(0.27)	(0.52)	(0.47)	(0.25)	(0.48)	(0.44)
Return after operating charges^	(0.60)	17.03	(2.20)	(0.56)	15.93	(2.20)
Distributions	(0.48)	(2.10)	(2.55)	(0.44)	(1.96)	(1.93)
Retained distributions on accumulation shares	0.48	1.82	2.04	-	-	-
Closing net asset value per share†	128.55	129.15	112.40	118.60	119.60	105.63
*^after direct transaction costs of:	0.02	0.08	0.06	0.02	0.07	0.05
<b>Performance</b>						
Return after operating charges	-0.46%	15.15%	-1.91%	-0.47%	15.08%	-2.00%
<b>Other information</b>						
Closing net asset value†	40,875,797	43,976,037	44,554,094	477,957	486,640	453,179
Closing number of shares	31,798,080	34,051,351	39,639,720	402,995	406,903	429,035
Operating charges^	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%
Direct transaction costs*	0.02%	0.06%	0.05%	0.02%	0.06%	0.05%
<b>Prices</b>						
Highest share price #	130.40	129.40	114.70	120.60	120.20	109.30
Lowest share price #	125.20	111.50	107.80	116.00	104.80	102.30

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## Comparative Tables

Change in net asset value per share	R Acc Gross			R Inc Gross		
	30/11/2017 (p)	31/05/2017 (p)	31/05/2016 (p)	30/11/2017 (p)	31/05/2017 (p)	31/05/2016 (p)
Opening net asset value per share†	141.81	124.48	127.76	95.43	85.22	89.08
Return before operating charges^	(0.37)	19.39	(1.41)	(0.24)	13.19	(1.00)
Operating charges^	(1.07)	(2.06)	(1.87)	(0.72)	(1.40)	(1.30)
Return after operating charges^	(1.44)	17.33	(3.28)	(0.96)	11.79	(2.30)
Distributions	(0.52)	(2.32)	(2.26)	(0.35)	(1.58)	(1.56)
Retained distributions on accumulation shares	0.52	2.32	2.26	-	-	-
Closing net asset value per share†	140.37	141.81	124.48	94.12	95.43	85.22
*^after direct transaction costs of:	0.02	0.09	0.06	0.02	0.06	0.04
<b>Performance</b>						
Return after operating charges	-1.02%	13.92%	-2.57%	-1.01%	13.83%	-2.58%
<b>Other information</b>						
Closing net asset value†	27,324,930	28,559,939	28,494,680	2,531,209	2,806,259	2,768,838
Closing number of shares	19,465,705	20,140,025	22,890,329	2,689,362	2,940,548	3,248,979
Operating charges^	1.52%	1.52%	1.51%	1.52%	1.52%	1.51%
Direct transaction costs*	0.02%	0.06%	0.05%	0.02%	0.06%	0.05%
<b>Prices</b>						
Highest share price #	142.50	142.40	127.30	95.78	96.09	88.75
Lowest share price #	137.40	123.50	119.70	92.44	84.54	82.91

Change in net asset value per share	R Acc Net			R Inc Net		
	30/11/2017 (p)	31/05/2017 (p)	31/05/2016 (p)	30/11/2017 (p)	31/05/2017 (p)	31/05/2016 (p)
Opening net asset value per share†	170.20	149.76	154.26	91.33	81.56	85.25
Return before operating charges^	(0.44)	23.30	(1.57)	(0.22)	12.62	(0.96)
Operating charges^	(1.28)	(2.48)	(2.25)	(0.69)	(1.34)	(1.24)
Return after operating charges^	(1.72)	20.82	(3.82)	(0.91)	11.28	(2.20)
Distributions	(0.63)	(2.79)	(3.39)	(0.34)	(1.51)	(1.49)
Retained distributions on accumulation shares	0.63	2.41	2.71	-	-	-
Closing net asset value per share†	168.48	170.20	149.76	90.08	91.33	81.56
*^after direct transaction costs of:	0.03	0.11	0.07	0.02	0.06	0.04
<b>Performance</b>						
Return after operating charges	-1.01%	13.90%	-2.48%	-1.00%	13.83%	-2.58%
<b>Other information</b>						
Closing net asset value†	11,031,215	11,415,938	10,877,699	994,582	1,018,017	1,027,702
Closing number of shares	6,547,482	6,707,503	7,263,213	1,104,155	1,114,616	1,260,053
Operating charges^	1.52%	1.52%	1.51%	1.52%	1.52%	1.51%
Direct transaction costs*	0.02%	0.06%	0.05%	0.02%	0.06%	0.05%
<b>Prices</b>						
Highest share price #	171.10	170.80	153.70	91.67	91.96	84.94
Lowest share price #	164.80	148.50	144.20	88.47	80.89	79.29

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## Comparative Tables

Change in net asset value per share	Z Acc Gross			Z Inc Gross		
	30/11/2017 (p)	31/05/2017 (p)	31/05/2016 (p)	30/11/2017 (p)	31/05/2017 (p)	31/05/2016 (p)
Opening net asset value per share†	202.38	176.34	179.63	100.45	89.03	92.36
Return before operating charges <sup>^</sup>	(0.51)	27.53	(1.95)	(0.25)	13.81	(1.01)
Operating charges <sup>^</sup>	(0.77)	(1.49)	(1.34)	(0.38)	(0.74)	(0.69)
Return after operating charges <sup>^</sup>	(1.28)	26.04	(3.29)	(0.63)	13.07	(1.70)
Distributions	(0.75)	(3.29)	(3.18)	(0.37)	(1.65)	(1.63)
Retained distributions on accumulation shares	0.75	3.29	3.18	-	-	-
Closing net asset value per share†	201.10	202.38	176.34	99.45	100.45	89.03
* <sup>^</sup> after direct transaction costs of:	0.03	0.12	0.09	0.02	0.06	0.04
<b>Performance</b>						
Return after operating charges	-0.63%	14.77%	-1.83%	-0.63%	14.68%	-1.84%
<b>Other information</b>						
Closing net asset value†	8,062,369	8,498,499	7,553,916	438,102	459,102	406,528
Closing number of shares	4,009,197	4,199,237	4,283,772	440,540	457,060	456,636
Operating charges <sup>^</sup>	0.77%	0.77%	0.77%	0.77%	0.77%	0.77%
Direct transaction costs*	0.02%	0.06%	0.05%	0.02%	0.06%	0.05%
<b>Prices</b>						
Highest share price #	204.10	203.00	179.00	101.20	101.00	92.02
Lowest share price #	196.20	175.00	169.10	97.39	88.34	86.38

Change in net asset value per share	Z Acc Net			Z Inc Net		
	30/11/2017 (p)	31/05/2017 (p)	31/05/2016 (p)	30/11/2017 (p)	31/05/2017 (p)	31/05/2016 (p)
Opening net asset value per share†	186.55	162.96	166.60	100.34	88.94	92.27
Return before operating charges <sup>^</sup>	(0.46)	25.38	(1.65)	(0.24)	13.78	(1.03)
Operating charges <sup>^</sup>	(0.71)	(1.38)	(1.25)	(0.38)	(0.75)	(0.68)
Return after operating charges <sup>^</sup>	(1.17)	24.00	(2.90)	(0.62)	13.03	(1.71)
Distributions	(0.69)	(3.02)	(3.69)	(0.37)	(1.63)	(1.62)
Retained distributions on accumulation shares	0.69	2.61	2.95	-	-	-
Closing net asset value per share†	185.38	186.55	162.96	99.35	100.34	88.94
* <sup>^</sup> after direct transaction costs of:	0.03	0.12	0.08	0.02	0.06	0.04
<b>Performance</b>						
Return after operating charges	-0.63%	14.73%	-1.74%	-0.62%	14.65%	-1.85%
<b>Other information</b>						
Closing net asset value†	14,799,786	15,409,485	9,649,029	2,333,800	2,328,557	1,537,027
Closing number of shares	7,983,565	8,260,053	5,921,057	2,349,137	2,320,563	1,728,184
Operating charges <sup>^</sup>	0.77%	0.77%	0.77%	0.77%	0.77%	0.77%
Direct transaction costs*	0.02%	0.06%	0.05%	0.02%	0.06%	0.05%
<b>Prices</b>						
Highest share price #	188.10	187.00	166.00	101.10	100.90	91.94
Lowest share price #	180.80	161.70	156.50	97.29	88.23	86.23

† 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.

<sup>^</sup> 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 period. The figures used within these tables have been calculated against the average Net Asset Value for the accounting period.

~ A share class launched on 6 November 2015.

+ B share class was previously named J share class up to 15 January 2016.



# AXA Defensive Distribution Fund

## Top ten holdings as at 30 November 2017

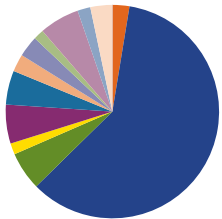
Company	Sector	%
UK Treasury 2.5% IL 16/04/20	IL Government Bonds	15.03
UK Treasury 0.125% IL 22/11/19	IL Government Bonds	12.16
UK Treasury 4.125% IL 22/07/30	IL Government Bonds	2.74
UK Treasury 2.5% IL 17/07/24	IL Government Bonds	2.73
Royal Dutch Shell 'B'	Oil & Gas Producers	2.64
UK Treasury 0.125% IL 22/03/44	IL Government Bonds	2.16
HSBC	Banks	2.14
UK Treasury 0.75% IL 22/11/47	IL Government Bonds	2.03
UK Treasury 0.125% IL 22/03/24	IL Government Bonds	1.97
UK Treasury 0.125% IL 22/11/65	IL Government Bonds	1.96

## Top ten holdings as at 31 May 2017

Company	Sector	%
UK Treasury 1.25% IL 22/11/17	IL Government Bonds	11.90
UK Treasury 2.5% IL 16/04/20	IL Government Bonds	9.08
UK Treasury 0.125% IL 22/11/19	IL Government Bonds	6.39
UK Treasury 2.5% IL 17/07/24	IL Government Bonds	2.65
UK Treasury 0.625% IL 22/03/40	IL Government Bonds	2.56
UK Treasury 1.25% IL 22/11/55	IL Government Bonds	2.34
Royal Dutch Shell 'B'	Oil & Gas Producers	2.24
UK Treasury 0.125% IL 22/03/44	IL Government Bonds	2.13
UK Treasury 0.75% IL 22/11/47	IL Government Bonds	2.02
HSBC	Banks	1.85

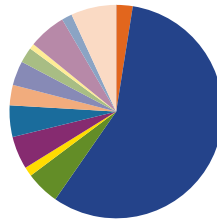
## Portfolio breakdown

### As at 30 November 2017



Sector	%
Traditional Government Bonds	2.58
Index Linked Government Bonds	60.13
Oil & Gas	5.83
Basic Materials	1.70
Industrials	5.90
Consumer Goods	5.16
Health Care	2.66
Consumer Services	3.19
Telecommunications	1.58
Utilities	0.00
Financials	6.09
Technology	1.96
Cash	3.33
Other	-0.11

### As at 31 May 2017



Sector	%
Government Bonds	2.50
Index Linked Government Bonds	57.19
Oil & Gas	5.11
Basic Materials	1.42
Industrials	4.98
Consumer Goods	4.78
Health Care	3.09
Consumer Services	3.69
Telecommunications	2.35
Utilities	0.81
Financials	5.69
Technology	1.57
Cash	6.87
Other	-0.05

All data, source: AXA Investment Managers unless otherwise stated

# AXA Defensive Distribution Fund

## Important information

### The Company and Head Office

AXA Distribution Investment ICVC  
7 Newgate Street  
London, EC1A 7NX

*Authorised and regulated by the Financial Conduct Authority.*

### Authorised Corporate Director

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

*Authorised and regulated by the Financial Conduct Authority.*

### The Administrator and address for inspection of Register

DST Systems  
DST House  
St Nicholas Lane  
Basildon

Essex, SS15 5FS

*Authorised and regulated by the Financial Conduct Authority.*

### The Depository

HSBC Bank plc  
8 Canada Square  
London, E14 5HQ

*HSBC Bank plc is a subsidiary of HSBC Holdings plc.*

*Authorised and regulated by the Financial Conduct Authority.*

### Legal advisers

Eversheds LLP  
One Wood Street  
London, EC2V 7WS

### Fund accounting administrator

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

### Auditors

PricewaterhouseCoopers LLP  
7 More London Riverside  
London, SE1 2RT

*Authorised and regulated by the Financial Conduct Authority.*

Telephone Dealing & Enquiries

**0345 777 5511**

IFA dealing & enquiries

**0370 707 0073**

If you are calling us from outside of the UK, please call:

**+44 1268 443976**

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

## ADDITIONAL INFORMATION

### Report and accounts

The purpose of sending this Short Report for the Fund is to give you a summary of how the Fund has performed during the accounting period in accordance with the Collective Investment Schemes Sourcebook (COLL) rules. If you would like any additional information about the Fund you can request a free of charge copy of the more detailed long form accounts for the Fund. For a copy of this, please contact our dedicated customer services team on 0345 777 5511.

### UCITS V Directive

The UCITS V Directive was implemented into national law on the 18 March 2016. The Directive aims to increase the level of protection already offered to investors in UCITS and to improve investor confidence in UCITS. It aims to do so by enhancing the rules on the responsibilities of depositaries, including a strict liability regime making the depositary liable for the avoidable loss of a financial instrument held in custody and by introducing remuneration policy requirements for UCITS fund managers.

### AXA IM Coal Policy

Effective 30 June 2017, AXA Investment Managers has implemented a policy to divest from companies that derive more than 50% of their revenues from coal-related activities, specifically mining and electric utilities companies. Should you require further information on this matter please contact AXA Investment Managers UK Ltd.

# AXA Defensive Distribution Fund

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# AXA Defensive Distribution Fund

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**For more information on any AXA IM Fund please contact us via our website or telephone number.**

Copies of the latest Report and Accounts (long form) and Prospectus are available free of charge from the administration office: PO Box 10908, Chelmsford, CM99 2UT.

The value of investments and the income from them can fluctuate and investors may not get back the amount originally invested. Past performance is not a guide to future performance. Issued by AXA Investment Managers UK Ltd registered in England No. 01431068. The registered office address is 7 Newgate Street, London EC1A 7NX. AXA Investment Managers UK Ltd (119368) is authorised and regulated by the Financial Conduct Authority under the account shown. A member of the IA. Telephone calls may be recorded or monitored for quality assurance purposes.

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All performance data source: AXA Investment Managers and Lipper.