

**Interim Long Report and Unaudited Financial Statements**  
**Six months ended**  
**15 July 2023**

## **AXA Framlington Global Technology 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 detailed information about AXA Investment Managers' UK funds is available on the Fund Centre of our website where you can find the Prospectus, Key Investor Information Document (KIID), annual reports and monthly fund factsheets at <https://retail.axa-im.co.uk/fund-centre>

## **Fund Objective & Investment Policy**

The aim of AXA Framlington Global Technology Fund (“the Fund”) is to provide long-term capital growth over a period of 5 years or more.

The Fund invests in shares of listed companies engaged in the research, design and development of technologies in all sectors including IT and the internet 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 technology 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 Information Technology index. The MSCI World Information Technology index is designed to measure the performance of the large and mid-cap segments across a number of developed markets as selected by the index provider. This index best represents the types of companies in which the Fund makes the majority of its investments.

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

AXA Framlington Global Technology Fund (‘the Fund’) is authorised and regulated by the Financial Conduct Authority.

## Investment Review

The year has started constructively for equity investors and for the technology sector.

Inflationary pressures continue to soften globally, whilst economic indicators have been resilient, particularly the US, further pushing out the risk of an imminent recession. A potential banking crisis has been averted whilst the US debt ceiling issue has been resolved. Equity markets have rallied and the technology sector has performed well, buoyed by healthy demand, robust financial reports, and the emergence of artificial intelligence (AI) as a long-term driver of investment in the sector.

Over the 6 months to 15 July 2023, the AXA Framlington Global Technology fund gained 15.4%. Over the same period the MSCI World Information Technology Index increased 24.5%. A significant component of the fund's relative underperformance has been that larger capitalisation companies have generated a significant portion of the index returns during this period and the fund is underweight these larger companies.

During the period, the Fund's three best performing sectors were software, semiconductors & semiconductor equipment, and interactive media & services.

Within the software sector, the main positive contributors to performance were cybersecurity firm Palo Alto Networks; software-as-a-service pioneer Salesforce.com; information technology service management (ITSM) provider ServiceNow; and electronic design automation (EDA) developer Cadence Design Systems.

Palo Alto Networks has been benefitting from the ongoing demand for cybersecurity solutions both in on-premises data networks as well as in cloud computing environments. Whilst Salesforce.com's growth rate has been slowing this has been offset with expanding margins and profitability. ServiceNow continues to benefit from the ongoing digital transformations taking place at many enterprises resulting in legacy software being replaced with modern solutions. The ongoing theme of electronics everywhere is creating demand for Cadence Design's software that enables designers of semiconductors and electronic systems to validate and verify their products via computer-based emulation.

Amongst our semiconductor and semiconductor equipment investments, interest in the expanding opportunity of AI supported gains in several of the fund's holdings, notably Broadcom, Marvell Technology and Advanced Micro Devices. These companies have product that will see increased demand as applications and uses for AI proliferate. Additionally, OnSemi continue to execute very well as the management team continue to steer the business away from low margin markets and their focus increases on opportunities within the automotive market where long product cycles drive more visibility on demand and pricing.

The components of our Interactive Media & Services investments that have generated the strongest returns during the period have been Alphabet (Google) and Meta Platforms (Facebook). Both businesses have reported strong results as demand for digital advertising has started to recover. Advertising budgets had been reduced in 2022 as the economic environment became more challenging, so this recovery is a good indicator as to the broader sentiment with regards to business outlooks and discretionary spending.

The share price of our largest holding, Apple, increased by 41% during the period. The company continues to launch new products successfully as well as increase their revenues from non-hardware areas such as services and payments.

<b>Top Ten Holdings as at 15 July 2023</b>	
	<b>%</b>
<b>Apple</b>	<b>9.22</b>
<i>United States Of America</i>	
<b>Alphabet</b>	<b>7.71</b>
<i>United States Of America</i>	
<b>QUALCOMM</b>	<b>3.84</b>
<i>United States Of America</i>	
<b>Broadcom</b>	<b>3.56</b>
<i>United States Of America</i>	
<b>ServiceNow</b>	<b>3.17</b>
<i>United States Of America</i>	
<b>Salesforce</b>	<b>2.85</b>
<i>United States Of America</i>	
<b>Cadence Design Systems</b>	<b>2.69</b>
<i>United States Of America</i>	
<b>Palo Alto Networks</b>	<b>2.54</b>
<i>United States Of America</i>	
<b>Workday</b>	<b>2.07</b>
<i>United States Of America</i>	
<b>Meta Platforms</b>	<b>2.03</b>
<i>United States Of America</i>	

## Investment Review (Continued)

Alphabet, our second largest holding, has seen its share price gain 35% during the period. As noted above the company has benefited from better trends for digital advertising whilst they also continue to manage their costs resulting in strong margins and profits. Due to a long history of investments in the space the company is in a strong position to benefit from the adoption of AI.

The Fund's third largest holding is QUALCOMM, the semiconductor company that designs the modem chips that go into mobile phones to enable these devices to communicate with the radio towers. The company has been enjoying share gains in the industry supported by the adoption of 5G handsets. They also continue to broaden out their product offering, winning share in the automotive industry and the growing Internet of Things (IoT) opportunity. The company's share price was up 2% during the six-month period. Demand for smartphones in China continues to be weak however we believe that this market will eventually recover.

The period under review has been more fruitful for investors than the previous year however we are mindful that budgets for technology expenditure remain under scrutiny during a more challenging economic environment. Meta Platforms' CEO Mark Zuckerberg summed this up concisely when he referred to 2023 as being the 'Year of Efficiency'. It is therefore encouraging to see that many long-term technology transitions continuing to take place such as the adoption of cloud computing; the proliferation of semiconductors everywhere and the desire for many enterprises around the world to embrace a digital mindset.

Despite facing some challenging headwinds, technology companies have been robust, often exceeding expectations for growth. For those companies in the MSCI World Index (representing the broader equity market) that have reported their first-quarter numbers, 65% have reported better-than-expected revenues and 69% reported better-than-expected earnings. For the technology component of the same index, the results were 70% and 77%, respectively and for the Fund, these figures are 73% and 87%, respectively. (Source: Bloomberg)

Many of our investments have also reported their second quarter results and at the time of writing 73% have exceeded their revenue expectations whilst 90% have delivered better-than-expected earnings. (Source: Bloomberg)

### Worldwide IT spending

According to Gartner, worldwide IT spending is forecast to grow 4.5% in 2023 (in constant currency terms). This growth has been lowered since the forecast provided at the start of the year due to the global economic slowdown and the impact being felt particularly by the consumer. (Source: <https://www.gartner.com>).

Whilst we find this confidence around spending encouraging, we are mindful that during times of uncertainty aspects of spending on IT systems can be delayed and decisions can be deferred until business leaders have more clarity on what the future holds. This reinforces our preference to invest in companies that have a long-term growth opportunity with strong management teams that can better navigate a challenging economic environment.

### Investment strategy

The Fund's investment philosophy is to identify opportunities that benefit from several long-term secular themes, including productivity enablers, web2.0 and digitalisation, for which we employ a rigorous bottom-up stock selection.

Occasionally, these themes can come together to support and drive a powerful transition in the technology sector. The success of software-as-a-service is one of these supported by the widespread availability of broadband networks and web access with the necessity (in the wake of the global financial crisis) for enterprises to increase productivity whilst saving costs.

## Investment Review (Continued)

Recently, the opportunity surrounding artificial intelligence (AI) has garnered a lot of attention. The concept of AI is not a new concept as it was first readily discussed in the 1950's with studies such as Alan Turing's "Computer Machinery and Intelligence" which proposed a test of machine intelligence called The Imitation Game. Subsequently in 1997 IBM's Deep Blue supercomputer beat the world chess champion and Grandmaster, Garry Kasparov. More recently, in 2016 Google's AI computer, AlphaGo was victorious in a match against a master Go player.

The launch of ChatGPT, a conversational AI engine, in November 2022 garnered a lot of attention, as it was an additional important milestone in the availability of a readily accessible, consumer-friendly instance of AI technology. The level of interest was stellar, with the service taking just 5 days to reach 1 million users and then subsequently crossing the 100 million user mark in January 2023.

Applications for conversational AI will be widespread, across banking, retail, health, transportation and manufacturing. The fund is invested in a variety of companies that will enable AI or use AI to make their products and services better.

Whilst there will be issues that will need to be resolved (as there are for all new instances of technology), for example security, accuracy and consistency, given the excitement we have seen so far – the velocity to reach commercialisation could be swift.

Ultimately, the commercialisation of AI and other related developments will be interesting for many of our investments in this fund.

## Outlook

Macro-economic and geo-political events may continue to be the main drivers of sentiment within investment markets. However, indicators suggest the steps taken by central banks to curb inflation is delivering the wanted outcome so, whilst the current narrative is for additional interest rate increases, we should now be closer to where they peak.

The combined impacts of inflation and higher interest rates could continue to have an impact on consumer spending and in a more challenging economic environment it is often smaller business that come under pressure the most.

However, inflationary pressures are softening whilst economic indicators have been relatively resilient, particularly the US, further pushing out the risk of an imminent recession.

The aforementioned results from both Alphabet and Meta Platforms provide an optimistic data point for state of the economy.

In China, government policymakers have recently struck a more positive tone on potential stimulus measures as their economy has experienced a slower than expected recovery post Covid reopening. The enactment of these should provide a catalyst for better demand from the region.

The long-term demand drivers for technology in areas we discuss in this report such as digital transformations, cybersecurity and cloud computing remain supportive for the sector and the fundamentals of the companies we invest in continue to be robust with strong balance sheets and cash flow allowing management teams to continue to run their businesses with stability.

Whilst cognisant of the various challenges, we are also aware the technology sector is (still) poised to deliver growth and valuations in the space had contracted during 2022. We do believe that our investment philosophy that combines a mixture of identifying long term themes and investing in the companies that stand to benefit from them remains intact despite the near-term challenges.

**Jeremy Gleeson, CFA**

Source of all performance data: AXA Investment Managers, Morningstar to 15 July 2023.

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.

Stocks are mentioned for illustrative purposes only and do not constitute investment advice or a recommendation.

## Portfolio Changes

For the six months ended 15 July 2023

<b>Major Purchases</b>	<b>Cost (£'000)</b>	<b>Major Sales</b>	<b>Proceeds (£'000)</b>
Uber Technologies	14,425	Visa	32,101
Alibaba	14,279	Apple	15,291
Amadeus IT	11,942	Alphabet	13,844
Intuit	11,591	Marvell Technology	13,066
Teradyne	8,807	Fidelity National Information Services	12,318
Trip.com	6,195	New Relic	11,693
Skyworks Solutions	6,058	Micron Technology	10,997
Five9	5,834	Applied Materials	10,163
Globant	5,404	Advanced Micro Devices	9,267
Paycom Software	5,062	NXP Semiconductors	8,899
Other purchases	31,359	Other sales	54,579
<b>Total purchases for the period</b>	<b>120,956</b>	<b>Total sales for the period</b>	<b>192,218</b>



## 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

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. The Fund also invests in overseas securities and therefore it may hold currencies other than sterling. As a result, exchange rate movements may cause the value of investments to fall or rise. The Fund may also invest in smaller companies and emerging markets which offer the possibility of higher returns, but may also involve a higher degree of risk. The value of investments and the income from them is not guaranteed and can go down as well as up.

### EQUITY RISK

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

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

Internal investment guidelines are set, if necessary, to ensure equity risk is maintained within a range deemed suitable based on the 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.

### 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.

For certain Funds (as indicated in the relevant Fund Profile) 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. 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

The 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 the 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.

## CHANGING TECHNOLOGY RISK

The Fund may invest in companies which are particularly vulnerable to rapidly changing technology and a relatively high risk of obsolescence caused by scientific and technological advances. In addition, investment in, for example, internet related or biotechnology businesses may be more volatile than investment in broader based technological or healthcare related businesses or other more diversified industries.

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

## EMERGING MARKETS RISK

Investment in emerging markets (countries that are transitioning towards more advanced financial and economic structures) may involve a higher risk than those inherent in established markets. Emerging markets and their currencies may experience unpredictable and dramatic fluctuations from time to time. Investors should consider whether or not investment in such funds is either suitable for or should constitute a substantial part of an investor's portfolio.

Companies in emerging markets may not be subject to:

- a. accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in developed markets;
- b. the same level of government supervision and regulation of stock exchanges as countries with more advanced securities markets.

Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions.

Restrictions on foreign investment in emerging markets may preclude investment in certain securities by the Fund referred to above and, as a result, limit investment opportunities for the Fund. Substantial government involvement in, and influence on, the economy, as well as a lack of political or social stability, may affect the value of securities in certain emerging markets.

The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in delays in realising investments.

Lack of liquidity and efficiency in certain of the stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the Manager may experience more difficulty in purchasing or selling holdings of securities than it would in a more developed market.

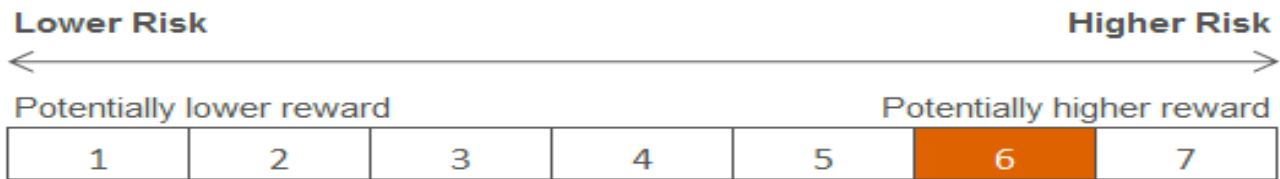
This is an inherent risk for funds invested within Emerging Markets. Internal investment guidelines (such a diversification measures), scenario testing as well as other regular monitoring seek to ensure the level of risk is aligned with the Fund's investment objectives and investment policy.

## STOCK LENDING RISK

The Fund may participate in a stock lending programme managed by an affiliate of the Manager (acting as stock lending agent) for the purpose of lending the Fund's securities via entering into a stock lending authorisation agreement. If the Fund engages in stock lending it will be exposed to counterparty credit risk in that the borrower may default on a loan, become insolvent or otherwise be unable to meet, or refuse to honour, its obligations to return loaned or equivalent securities. In this event, the relevant Fund could experience delays in recovering the loaned securities, may not be able to recover the loaned securities and may incur a capital loss which might result in a reduction in the net asset value of the relevant Fund. The Fund's exposure to its counterparty will be mitigated by the fact that the counterparty will be requested to post collateral, in the form of cash or debt or equity securities, as from time to time set out in the relevant stock lending agreement, and will forfeit its collateral if it defaults on the transaction. If a counterparty defaults and fails to return equivalent securities to those loaned, the Fund may suffer a loss equal to any shortfall between the value of the realised collateral and the market value of the replacement securities. Such collateral shortfall may arise as a result of inaccurate pricing of the collateral, unfavourable market movements in the value of the collateral, or a lack of liquidity in the market on which the collateral is traded. If the relevant transaction with a counterparty is not fully collateralised, then the Fund's credit exposure to the counterparty in such circumstances will be higher than if the transaction had been fully collateralised. When entering into stock lending the Fund may also be exposed to settlement risk (i.e. the possibility that one or more parties to the transactions will fail to deliver the assets at agreed-upon time) and legal risk, which is the risk of loss due to the unexpected application of a law or regulation, or because a court declares a contract not legally enforceable. In addition to the specific risks identified above stock lending carry other risks, as described in this Risk Factors section, notably (i) counterparty risk, ii) custody insolvency and iii) liquidity risk.

For Stock Lending the risks are partially mitigated by: (i) the lending agent seeking to lend only to counterparties who are considered to have a strong financial standing; (ii) the requirement to receive collateral of good quality and liquidity (the anticipated ability to sell the collateral if needed) covering the value of assets lent, and this amount being regularly reviewed to reflect any market movement in the value of assets lent and received; (iii) carrying out the transaction under legal documentation corresponding to recognised market standards; (iv) limiting the amount of lending to individual counterparties; (v) ensuring the terms of the loan allow it to be requested to be recalled at any time.

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

## 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.

Monthly monitoring is conducted, using an in-house liquidity tool, to ensure a high degree of confidence that Fund liquidity will meet the Fund's expected liquidity requirements. Any concerns indicated by the tool are analysed by the Manager's risk team who may also discuss the results with portfolio management staff, or other senior professionals within the firm, as needed, to ensure an appropriate scrutiny.

Based on the analysis, the Manager believes that the liquidity profile of the Fund is appropriate.

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 15 July 2023, the price of Z Accumulation units, with net income reinvested, rose by +82.1%. The MSCI World Information Technology Index (Net Return) increased by +131.21% over the same time period. During the same period, the price of Z Income units, with zero income reinvested, rose by +82.08%. (Source: AXA Investment Managers and Morningstar) (Prices in GBP).

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

Date	AXA Framlington Global Technology Z Acc	MSCI World Information Technology (NR)
15 Jul 2018 - 15 Jul 2019	+16.64%	+18.23%
15 Jul 2019 - 15 Jul 2020	+27.33%	+31.05%
15 Jul 2020 - 15 Jul 2021	+29.48%	+28.47%
15 Jul 2021 - 15 Jul 2022	-13.40%	-4.07%
15 Jul 2022 - 15 Jul 2023	+9.35%	+21.07%

Source: AXA Investment Managers & Morningstar. Basis: single price basis (NAV) with net income reinvested for Accumulation units, net of fees in GBP.

Past performance is not a guide to future performance.

### YIELD

A Acc	Nil
D Inc	Nil
D Acc	Nil
R Inc	Nil
R Acc	Nil
Z Inc	Nil
Z Acc	Nil
ZI Inc	Nil
ZI Acc	Nil

### CHARGES

	Initial Charge	Annual Management Charge
A**	Nil	0.50%
D	Nil	1.10%
R	Nil	1.50%
Z	Nil	0.75%
ZI**	Nil	0.60%

\*\*Units in Class A and Class ZI are only available at the Manager's discretion by contractual agreement. In respect of Class ZI, it will be a condition of such contractual agreement with the Unitholder that the Manager may compulsorily convert any Class ZI investor to another unit class of this Fund upon 60 days' notice, subject always to the applicable Financial Conduct Authority rules.

### ONGOING CHARGES\*

A Acc	0.57%
D Inc	1.17%
D Acc	1.17%
R Inc	1.57%
R Acc	1.57%
Z Inc	0.82%
Z Acc	0.82%
ZI Inc	0.67%
ZI Acc	0.67%

\*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 Global Technology Fund is available as a Stocks and Shares ISA through the AXA Investment Managers Stocks and Shares ISA.

### THE TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES (TCFD)

From June 2023 the FCA has introduced requirements for Managers of UK UCITS to report annually on a broad set of climate related disclosures that can promote more informed investment decisions. The reporting includes data relating to greenhouse gas emissions, carbon emissions, carbon footprint, and weighted carbon intensity. You can find a copy of the latest TCFD report for the AXA Framlington Global Technology Fund here: <https://retail.axa-im.co.uk/fund-centre/-/funds-center/axa-framlington-global-technology-fund-z-gbp-acc-38546#/literature>

## Comparative Tables

	A Acc								
	15/07/2023	15/01/2023	15/01/2022						
Closing net asset value per unit (p) <sup>†</sup>	484.24	419.43	518.70						
Closing net asset value <sup>†</sup> (£'000)	17,010	15,082	25,568						
Closing number of units	3,512,650	3,595,843	4,929,276						
Operating charges <sup>^</sup>	0.57%	0.57%	0.57%						

	D Inc <sup>~</sup>		D Acc <sup>~</sup>	
	15/07/2023	15/01/2023	15/07/2023	15/01/2023
Closing net asset value per unit (p) <sup>†</sup>	222.50	193.30	222.63	193.41
Closing net asset value <sup>†</sup> (£'000)	3,365	3,128	24,877	22,472
Closing number of units	1,512,378	1,618,309	11,174,206	11,618,890
Operating charges <sup>^</sup>	1.17%	1.16%	1.17%	1.16%

	R Inc			R Acc		
	15/07/2023	15/01/2023	15/01/2022	15/07/2023	15/01/2023	15/01/2022
Closing net asset value per unit (p) <sup>†</sup>	221.46	192.78	240.79	221.62	192.92	240.97
Closing net asset value <sup>†</sup> (£'000)	8,297	13,947	15,646	83,575	128,853	214,906
Closing number of units	3,746,436	7,234,455	6,497,639	37,711,453	66,791,910	89,185,442
Operating charges <sup>^</sup>	1.57%	1.57%	1.56%	1.57%	1.57%	1.56%

	Z Inc			Z Acc		
	15/07/2023	15/01/2023	15/01/2022	15/07/2023	15/01/2023	15/01/2022
Closing net asset value per unit (p) <sup>†</sup>	662.29	574.37	712.07	661.99	574.11	711.73
Closing net asset value <sup>†</sup> (£'000)	140,973	129,168	185,696	785,932	675,565	933,149
Closing number of units	21,285,781	22,488,818	26,078,534	118,723,099	117,672,111	131,110,780
Operating charges <sup>^</sup>	0.82%	0.82%	0.82%	0.82%	0.82%	0.82%

	ZI Inc			ZI Acc		
	15/07/2023	15/01/2023	15/01/2022	15/07/2023	15/01/2023	15/01/2022
Closing net asset value per unit (p) <sup>†</sup>	163.32	141.54	175.21	163.32	141.53	175.20
Closing net asset value <sup>†</sup> (£'000)	45,477	45,795	58,806	112,538	106,123	116,402
Closing number of units	27,844,811	32,355,706	33,563,850	68,907,119	74,981,833	66,439,957
Operating charges <sup>^</sup>	0.67%	0.67%	0.67%	0.67%	0.67%	0.67%

<sup>†</sup> Valued at bid-market prices.

<sup>^</sup> Operating charges include indirect costs incurred in the maintenance and running of the Fund, as disclosed in expenses within the Statement of Total Return. The figures used within the table have been calculated against the average Net Asset Value for the accounting period.

<sup>~</sup> D unit classes launched on at 25 May 2022.

## Portfolio Statement

The AXA Framlington Global Technology Fund portfolio as at 15 July 2023 consisted of the following investments, which are ordinary shares unless otherwise stated.

Holding	Market value £'000	Total net assets (%)	
<b>AMERICAS: 87.76%</b> <b>(15/01/2023: 86.57%)</b>			
<b>Cayman Islands: 4.37%</b> <b>(15/01/2023: 3.28%)</b>			
1,600,000	Alibaba	14,506	1.19
1,136,000	Meituan	14,679	1.20
522,000	Tencent	17,952	1.47
217,000	Trip.com	6,175	0.51
		<b>53,312</b>	<b>4.37</b>
<b>United States of America: 83.39%</b> <b>(15/01/2023: 83.29%)</b>			
280,000	Activision Blizzard	19,125	1.57
224,000	Advanced Micro Devices	19,800	1.62
990,000	Alphabet	94,262	7.71
237,000	Amazon.com	24,272	1.99
141,000	American Tower #	21,169	1.73
775,000	Apple	112,628	9.22
128,000	Applied Materials	13,930	1.14
64,000	Broadcom	43,453	3.56
180,000	Cadence Design Systems	32,883	2.69
207,000	Calix	8,037	0.66
470,000	Ciena	15,698	1.28
120,000	Cirrus Logic	7,475	0.61
28,000	Equinix #	17,103	1.40
365,000	Five9	24,449	2.00
156,000	Global Payments	13,365	1.09
150,000	HashiCorp	3,273	0.27
25,000	HubSpot	10,503	0.86
34,000	Intuit	12,478	1.02
25,000	Lam Research	12,172	1.00
300,000	Lattice Semiconductor	21,933	1.79
339,000	Marvell Technology	16,892	1.38
104,000	Meta Platforms	24,858	2.03
337,000	Microchip Technology	23,738	1.94
183,000	Micron Technology	9,003	0.74
237,000	ON Semiconductor	18,435	1.51
170,000	Palo Alto Networks	30,983	2.54
43,000	Paycom Software	11,468	0.94
108,000	Paylocity	17,655	1.44
135,000	Paypal	7,452	0.61
500,000	QUALCOMM	46,955	3.84
198,000	Salesforce	34,782	2.85



## Portfolio Statement (Continued)

Holding		Market value £'000	Total net assets (%)
88,000	ServiceNow	38,753	3.17
95,000	Silicon Laboratories	11,977	0.98
70,000	Skyworks Solutions	6,097	0.50
58,000	Snowflake	8,153	0.67
191,000	Splunk	15,756	1.29
772,262	Sprinklr	8,948	0.73
74,000	Sprout Social	3,108	0.25
453,000	Tenable	14,896	1.22
105,000	Teradyne	9,131	0.75
157,000	Texas Instruments	21,923	1.79
118,000	Twilio	6,256	0.51
511,000	Uber Technologies	17,789	1.46
122,000	Veeva Systems	19,418	1.59
118,000	Visa	21,894	1.79
160,000	Wolfspeed	8,212	0.67
151,000	Workday	25,313	2.07
102,000	Zscaler	11,288	0.92
		<b>1,019,141</b>	<b>83.39</b>
<b>ASIA/PACIFIC (ex JAPAN): 5.26%</b> (15/01/2023: 4.98%)			
<b>Israel: 1.66%</b> (15/01/2023: 1.31%)			
165,000	CyberArk Software	20,247	1.66
		<b>20,247</b>	<b>1.66</b>
<b>South Korea: 1.67%</b> (15/01/2023: 1.63%)			
463,000	Samsung Electronics	20,450	1.67
		<b>20,450</b>	<b>1.67</b>
<b>Taiwan: 1.93%</b> (15/01/2023: 2.04%)			
1,621,499	Taiwan Semiconductor Manufacturing	23,622	1.93
		<b>23,622</b>	<b>1.93</b>
<b>EUROPE (ex UK): 2.90%</b> (15/01/2023: 2.46%)			
<b>Germany: 0.99%</b> (15/01/2023: 1.11%)			
368,000	Infineon Technologies	12,122	0.99
		<b>12,122</b>	<b>0.99</b>
<b>Luxembourg: 0.98%</b> (15/01/2023: 0.47%)			
80,000	Globant	11,914	0.98
		<b>11,914</b>	<b>0.98</b>

## Portfolio Statement (Continued)

Holding	Market value £'000	Total net assets (%)
Netherlands: 0.00% (15/01/2023: 0.79%)		
Spain: 0.93% (15/01/2023: 0.09%)		
200,000 Amadeus IT	11,294	0.93
	<b>11,294</b>	<b>0.93</b>
UNITED KINGDOM: 2.23% (15/01/2023: 2.67%)		
3,668,842 Darktrace	10,735	0.88
224,000 Endava ADR	10,038	0.82
1,060,000 Ocado	6,515	0.53
	<b>27,288</b>	<b>2.23</b>
Investments as shown in the balance sheet	1,199,390	98.15
Net current assets	22,654	1.85
<b>Total net assets</b>	<b>1,222,044</b>	<b>100.00</b>

# Real Estate Investment Trust.

Stocks shown as ADRs represent American Depositary Receipts.

## Statement of Total Return

For the six months ended 15 July

	£'000	2023 £'000	£'000	2022 £'000
Income				
Net capital gains/(losses)		168,442		(226,642)
Revenue	4,301		3,636	
Expenses	(5,045)		(6,108)	
Interest payable and similar charges	-		-	
Net expense before taxation	(744)		(2,472)	
Taxation	(600)		(585)	
Net expense after taxation		(1,344)		(3,057)
<b>Total return before equalisation</b>		<b>167,098</b>		<b>(229,699)</b>
Equalisation		57		118
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>167,155</b>		<b>(229,581)</b>

## Statement of Change in Net Assets Attributable to Unitholders

For the six months ended 15 July

	£'000	2023 £'000	£'000	2022 £'000
Opening net assets attributable to unitholders		1,140,133		1,550,173
Amounts receivable on creation of units	70,746		56,981	
Amounts payable on cancellation of units	(155,990)		(145,656)	
		(85,244)		(88,675)
Change in net assets attributable to unitholders from investment activities		167,155		(229,581)
<b>Closing net assets attributable to unitholders</b>		<b>1,222,044</b>		<b>1,231,917</b>

The above statement shows the comparative closing net assets at 15 July 2022 whereas the current accounting period commenced 16 January 2023.

## Balance Sheet

As at

	15 July 2023 £'000	15 January 2023 £'000
<b>ASSETS</b>		
Fixed assets		
Investments	1,199,390	1,102,254
Current assets		
Debtors	10,570	454
Cash and bank balances	19,455	47,402
<b>Total assets</b>	<b>1,229,415</b>	<b>1,150,110</b>
<b>LIABILITIES</b>		
Creditors		
Other creditors	7,371	9,977
<b>Total liabilities</b>	<b>7,371</b>	<b>9,977</b>
<b>Net assets attributable to unitholders</b>	<b>1,222,044</b>	<b>1,140,133</b>

## **Notes to the Financial Statements**

### **Accounting policies**

The Financial Statements have been prepared on a historical cost basis, as modified by the revaluation of investments, and in accordance with Financial Reporting Standard 102 ("FRS 102") and the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association ("IMA") in May 2014, and amended in June 2017. The Financial Statements have been prepared on a going concern basis. The Financial Statements are prepared in accordance with the Trust Deed and the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL").

The accounting policies applied are consistent with those of the annual financial statements for the year ended 15 January 2023 and are described in those annual financial statements.

**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:



Marcello Arona  
Director  
Thursday 14<sup>th</sup> September 2023

*Jane Wadia*

Jane Wadia  
Director  
Thursday 14th September 2023

## Further Information

### 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.

### SECURITIES FINANCING TRANSACTIONS (SFTs)

For the six months ended 15 July

#### 1. Global Data

Proportion of securities and commodities on loan	£'000	%
Total lendable assets excluding cash and cash equivalents:	1,465,754	
Securities and commodities on loan	22,621	1.54
<b>Assets engaged in SFTs and total return swaps</b>	<b>£'000</b>	<b>%</b>
Fund assets under management (AUM)	1,465,754	
Absolute value of assets engaged in:		
Securities lending	22,621	1.54

#### 2. Concentration Data

##### Top 10 Collateral Issuers

Name and value of collateral and commodities received	£'000
Omnicom	1,583
Altria	1,583
Qualcomm	1,583
Teledyne Technologies	1,583
Masco	1,583
Kinder Morgan	1,583
General Mtrs	1,583
Fmc	1,583
Targa Res	1,583
Akamai Technologies	1,583

##### Top 10 Counterparties

Name and value of outstanding transactions	£'000
<b>Securities lending</b>	
Macquarie Bank	22,621

## Further Information (continued)

### 3. Aggregate transaction data

#### Type, Quality and Currency of Collateral

Type	Quality	Currencies
<b>Securities lending</b>		
Equities	High Yield	USD

#### Maturity Tenor of Collateral (remaining period to maturity)

Type	Less than one day £'000	One day to one week £'000	One week to one month £'000	One to three months £'000	Three months to one year £'000	Above one year £'000	Open maturity £'000	Total £'000
Securities lending	-	-	-	-	-	-	24,883	24,883
	-	-	-	-	-	-	<b>24,883</b>	<b>24,883</b>

#### Counterparty details

Type	Countries of counterparty establishment	Settlement and clearing
Securities lending	AU	Bilateral, Triparty

#### Maturity Tenor of SFTs and Total Return Swaps (remaining period to maturity)

Type	Less than one day £'000	One day to one week £'000	One week to one month £'000	One to three months £'000	Three months to one year £'000	Above one year £'000	Open transactions £'000	Total £'000
Securities lending	-	-	-	-	-	-	22,621	22,621
	-	-	-	-	-	-	<b>22,621</b>	<b>22,621</b>

### 4. Re-use of Collateral

<b>Re-use of collateral received</b>	<b>%</b>
Maximum allowable cash collateral re-use	100.00

### 5. Safekeeping of Collateral Received

<b>Names and value of custodians safekeeping collateral</b>	<b>£'000</b>
BONY	24,883
Number of custodians safekeeping collateral	1

### 6. Safekeeping of Collateral Granted

<b>Proportion of collateral held in:</b>	<b>%</b>
Segregated accounts	100.00



## Further Information (continued)

### 7. Return and Cost

	Collective Investment £	Manager of Collective £	Third Parties £	Total £
<b>Securities lending</b>				
Gross return	4,399.79	0.00	1,466.58	5,866.37
% of total gross return	75.00%	0.00%	25.00%	100.00%
Cost	0.00	0.00	0.00	0.00

## Directory

### The Manager

AXA Investment Managers UK Limited  
22 Bishopsgate  
London, EC2N 4BQ

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:

SS&C Financial Services International Limited and SS&C Financial Services Europe Limited  
SS&C House  
St Nicholas Lane  
Basildon Essex, SS15 5FS  
Authorised and regulated by the Financial Conduct Authority.

### Trustee

HSBC Global Trustee & Fiduciary Services (UK)  
8 Canada Square,  
London, E14 5HQ  
HSBC Bank plc is a subsidiary of HSBC Holdings plc.  
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

### Fund Accounting Administrator

State Street Bank & Trust Company  
20 Churchill Place  
London, E14 5HJ  
Authorised and regulated by the Financial Conduct Authority.

### Legal adviser

Eversheds LLP  
One Wood Street  
London, EC2V 7WS

### Auditor

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### Dealing and Correspondence

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Our lines are open Monday to Friday between 9am and 5:30pm  
As part of our commitment to quality service, telephone calls are recorded.