Annual Long Report and Audited Financial Statements
Year ended
30 April 2023

AXA Framlington UK Smaller Companies 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 UK Smaller Companies Fund ("the Fund') is to provide long-term capital growth over a period of 5 years or more.

The Fund has at least 70% of its investments in shares of companies domiciled, incorporated or having significant business in the UK which the Manager believes will provide above-average returns. The Fund invests primarily (meaning at least 70% of its assets) in small companies. The Manager selects shares based upon analysis of a company's financial status, quality of its management, expected profitability and prospects for growth. The Manager has full discretion to select investments for the Fund in line with the above investment policy and in doing so may take into consideration the FTSE Small Cap Ex Investment Trusts index. The FTSE Small Cap Ex Investment Trusts index is designed to measure the performance of small market capitalisation companies on the London Stock Exchange main market. This index best represents a core component of the Managers' investment universe.

This Fund is actively managed in reference to the FTSE Small Cap Ex Investment Trusts index, which may be used by investors to compare the Fund's performance.

AXA Framlington UK Smaller Companies Fund ('the Fund') is authorised and regulated by the Financial Conduct Authority.

Investment Review

Overview

Top Ten Holdings as at 30 April 2023	%
Hollywood Bowl *Consumer Discretionary*	2.99
Aptitude Software *Technology*	2.76
Alpha Group International *Financials*	2.47
accesso Technology *Technology*	2.47
Tracsis *Technology*	2.46
Cerillion *Technology*	2.44
CVS *Consumer Discretionary*	2.42
Zotefoams *Basic Materials*	2.31
Science Group *Industrials*	2.29
Ricardo *Industrials*	2.29

The media has not held back in lamenting the plight of the UK. Though there has admittedly been much material to capitalise on; lacklustre economic growth; the worst bout of worker unrest since the 1980s; political turmoil; a Sterling crisis….we could go on. This backdrop has been a brutal one for assets most closely aligned to the domestic economy, namely UK Small and Mid-Cap equities. The underperformance of Mid-Caps versus the more global FTSE 100 in 2022 was the most extreme seen in over 25 years, as fears of recession drove Mid and Small Indices down by over 20%. A weak sentiment has caused money to shift away from the UK with the Investment Association recording 20 months of consecutive outflows through to the end of March 2023.

Restoring confidence and credibility takes time and a period of stability and calm is necessary. The Sunak era has gone some way to reassure, with Sterling rallying 20% against the US Dollar since the lows of late September. However, keeping to the theme of a permacrisis (an extended period of instability and insecurity) which we touched on in the Half Year report, a banking crisis swept through America in March. This has led to fears of contagion and a reduction in consumer and commercial lending. Whether the domino effect that started with Silicon Valley's collapse and was quickly followed by Signature Bank, Credit Suisse and First Republic has further repercussions remains to be seen. These events only heightened risk aversion with US money market funds reaching a record $5.2trn, according to Investment Company Institute, with more than $300bn being added in the three weeks to 29 March.

Inflation continues to be a pervasive threat. While recent data suggests we have passed peak inflation, the UK appears to be suffering a particularly acute bout. While US inflation fell to 4.9% in May, Eurozone Consumer Price Index (CPI) dropped to 6.1% (Spanish CPI actually hit 3.2%) but UK CPI remains materially higher at 8.7% year-on-year. Food inflation is particularly rampant, still 19% higher than a year ago according to the Office of National Statistics. Inevitably, UK interest rate expectations have moved higher, with peak rates currently anticipated to hit 5.5%, which has heightened fears of a further consumer slow down and possible recession. At best it would appear to remove the headroom for significant monetary policy easing and maintain the pressure on the UK mortgage refinance cycle.

The 17th century proverb that it is 'darkest before dawn' is potentially salient at this point in time. While the challenges are stark there is cause for some cautious optimism. The UK consumer has shown more resilience than anticipated. Indeed, the pace of spending has recently picked up with sales volumes over the three months to April growing by the most since mid-2021 according to the ONS. This has helped the UK evade a widely forecast recession and the IMF has increased its growth forecasts to 0.4% in 2023 (ahead of Germany). The collapse in the gas price, down 28% alone in May and over 80% from its peak in August 2022, will increasingly serve to dampen inflation as wholesale prices are recalculated. The gradual unwinding of cost pressures is helping both consumer and business confidence which are edging higher. The Lloyds Bank Business Barometer revealed that an easing of wage demands has boosted optimism according to the survey of 1,200 companies, which revealed that confidence around trading prospects had risen by 4 percentage points to 52%, the highest for 2 years. While fragile and cautious, the early, tentative signs exist to offer some encouragement.

Investment Review (Continued)

Portfolio

The year has been a chastening one from a performance perspective. The massive shift in the cost of capital has contributed to a fundamental reappraisal of the prospects for a range of smaller businesses. As the risk-free rate in both the US and UK, as defined as the 10-year Treasury or Gilt yield, has risen to 3.7% and 4.2% respectively, riskier assets are under greater pressure to perform better in order to meet investor's new standards for required returns. This challenge of achieving this higher hurdle has been compounded by the many operational headwinds in the market and has led to widespread apathy to the younger, smaller, growth focused names for which this fund has a bias.

Reflecting the harsh new reality that the world has changed, and that the era of loose monetary policy (aka the era of 'free' money) is at an end, we have sold down or out of some micro-cap holdings that have impacted performance this year. While Science in Sports, for example, has a proven brand with considerable traction in the sports nutrition space, cashflow breakeven has been pushed back as the cost base has increased. The company spends a large amount on marketing and while this can be reined in, it would undermine the all-important revenue growth targets. In our view, the likelihood of a potentially dilutive capital raise increased and so the holding was sold.

Volatile periods present opportunity. The ongoing normalisation of the world post Covid has proven transformative for some business models. Hostelworld, a platform for budget conscious travellers to book accommodation while travelling, suffered greatly as travel restrictions essentially shuttered their business. The company used the enforced 'downtime' to invest in its innovative and differentiated social strategy that enables customers 'to find people to hang out with' as the company builds a community of like-minded travellers. Unhelpfully, but somewhat inevitably the company was forced to take on some punitive debt as it worked to keep the lights on. It was charged 9% per annum over EURIBOR. Thankfully, the new strategy is helping drive increased revenues, lower direct marketing costs and improved profits and cashflow. With the debt recently refinanced at far more attractive rates, the balance of power is shifting from the debt holders to the equity holders which makes for a transformed investment proposition.

We constantly monitor the investment universe for interesting secular growth stories. The proliferation of data is providing new opportunities across a raft of industries. One tech subset growing through an explosion of location specific data is geospatial technology. Geographic Information Systems (GIS) use digital software to combine maps and datasets about events and economic trends. This can deliver measurable returns on investment for operators. A small British business, IQGEO, has built solution-empowering field and office staff to monitor, capture, visualise and manage network assets. Legacy solutions are no longer fit for purpose and IQGEO's mobile first, cloud native solution is rapid to deploy and simple to maintain and is quickly becoming the de facto standard among its telecoms and utility network operators, both in Europe and most interestingly, the US. Having monitored both the opportunity set expand as well as the increasingly successful execution an initial investment was made during the period.

Despite the challenges of the past year, exciting progress has been made by a number of long-standing investments. In December, Serica Energy announced its acquisition of Tailwind Energy. The sizable acquisition helped diversify away the company's dependence on natural gas and one key production platform (Bruce). Reducing this risk has proved to be particularly astute in the near term given weakness in the UK natural gas price since the deal was announced. While the transaction was not hugely accretive to asset value, the company has a strong track record of improving and extending both reserves and resource life. Additionally, the decision by the vendor to take equity in the transaction is not only a vote of confidence in Serica, but leaves a sizable cash pile for other potential opportunities.

Another company that has transformed the outlook for its business is Kooth, which has grown to be one of the largest and most trusted providers of digital mental healthcare in the UK. Since being founded in 2001 the company has developed solutions for children and young people and is now available to over 60% of 10-25-year-olds across the UK. The company began its international expansion in 2022, with a focus on the US. Success has come swiftly with a $3m pilot contract in Pennsylvania announced last year and in March, the company revealed that it had been selected by the California Department of Healthcare Services to provide its service to every 13-25 year old in the State.

Investment Review (Continued)

Outlook

The challenging environment has at least given management teams ample opportunity to bake in some pessimism to earnings forecasts. The old adage of 'under promise and over deliver' remains the seemingly simple goal of every management team as they guide the analyst community to hopefully some achievable earnings forecasts. The complexities of the past two years have left that aspiration out of reach for all but an exclusive few given prevailing volatility around foreign exchange, utility costs, shipping rates, wage increases, raw material price pressure and most topically, rising interest charges.

The recent earnings season has at least provided some encouragement that the earnings numbers appear to be in a more sensible and realistic place. According to Peel Hunt, May saw the highest upgrades score across all size bands and sectors since January 2022. Further confirmation that the 'E' (earnings) in the PE (price earnings) calculation is more robust than perceived should be taken positively given the fact the FTSE Small Cap trades at a 26% discount to its long-term average and the FTSE 250 a 21% discount (according to Peel Hunt estimates, they trade on a forward 12-month forward PE of 10.2x and 11.1x respectively).

Unfortunately, company fundamentals and valuations are not at the forefront of investor minds. Instead, there is a focus on key macro-economic datapoints, or more specifically data that provides insights into the pace at which inflation is slowing. Early optimism in January on this front has been extinguished and it appears that rates are set to carry on rising in the UK while they could be cut elsewhere. The spectre of a UK recession has not passed and while there is greater comfort that the rate environment has stabilised, it is difficult to see material progress being made.

Perhaps there is enough encouragement for trade and financial buyers, who both enjoy the luxury of much longer-term investment horizons than many equity fund managers, to return. After a slow start to the year, it appears that M&A activity is bouncing back. In Q1, activity in Europe was down by 63%, the largest annual decline since 2001 according to Refinitiv. However, we observed nine takeover approaches in the UK market in April, with private equity particularly active. This included Dechra Pharmaceuticals, a pet care pharma business, that has been held by the Fund for many years by EQT in a £4.5bn deal. This was the third takeover within the portfolio in the year under review, following deals for healthcare software provider Emis and professional services business K3 Capital during 2022. Globally, the availability of unspent funds is estimated to be around $2.5trn as of May, according to data provider Preqin, with about $922bn earmarked solely for buyouts.

Our expectation of further consolidation is echoed by company management. The recent Quoted Companies Alliance Small/Mid Survey of 94 company Directors revealed that one in three was 'very concerned' or 'somewhat concerned' by the prospect of an approach, with one in three feeling more vulnerable than 12 months ago. Encouragingly, the surveyed cohort is "dramatically" more optimistic over the UK economy with a 52% increase in sentiment since H2 2022.

It is fair to say the tourists have well and truly departed the Small-Cap world. Multi-Cap investors have taken shelter up the market cap spectrum; overseas appetite has drifted and retail investor interest is, at best, subdued. This will change. History highlights the cyclicality in investor sentiment towards Small-Cap. As operational progress is made, confidence seeps back into the system and we see earnings upgrades, we would expect to see a substantial increase in interest and for some of the compression we have seen in valuations across the space to begin to unwind. This will take time and so patience is required but even after a torrid 20 months the long-term outperformance of Small-Cap remains very much intact versus the FTSE AllShare*; a salient reminder that the asset class remains a crucial component of diversified portfolios.

*Over 10 years to 30/4/2023. FTSE SmallCap ex investment trusts Total Return net: +210.4%; FTSE All-Share Total Return: 180.7%. Source: Lipper.

Investment Review (Continued)

Dan Harlow

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

Portfolio Changes

For the year ended 30 April 2023

Major Purchases	Cost (£'000)
Wilmington	2,286
Eagle Eye Solutions	2,181
Ricardo	2,143
Treatt	1,934
Empiric Student Property	1,577
Netcall	1,454
Foresight	1,445
Hostelworld	1,438
Trustpilot	1,389
Restore	1,250
Other purchases	6,701
Total purchases for the year	23,798

Major Sales	Proceeds (£'000)
EMIS	4,990
Cerillion	4,345
K3 Capital	2,802
Alpha Group International	2,097
Fonix Mobile	1,985
Superdry	1,742
Instem	1,729
Speedy Hire	1,715
Jersey Oil & Gas	1,713
JTC	1,655
Other sales	33,969
Total sales for the year	58,742

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 predominantly in UK listed smaller capitalisation companies. Such companies' stocks have the possibility of higher returns than larger capitalisation company stocks but their value can fluctuate more in value and as a result involve a higher degree of risk. Investors should consider carefully whether this investment risk is suitable for them. The value of investments and the revenue 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.

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

Lower Risk — **Higher Risk**

Potentially lower reward — Potentially higher reward

1	2	3	4	5	**6**	7

The risk category is calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The risk category shown is not guaranteed and may shift over time. The lowest category does not mean risk free. 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 30 April 2023, the price of Z Accumulation units, with net income reinvested, fell by -8.08%. The FTSE Small Cap (X It) Index (Total Return) increased by +14.16% over the same time period. During the same period, the price of Z Income units, with zero income reinvested, fell by -9.84%. (Source: AXA Investment Managers and Morningstar) (Prices in GBP).

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

Date	AXA Framlington UK Smaller Companies Z Acc	FTSE Small Cap (X It) TR
30 Apr 2018 - 30 Apr 2019	-2.29%	-5.31%
30 Apr 2019 - 30 Apr 2020	-13.16%	-20.77%
30 Apr 2020 - 30 Apr 2021	+66.88%	+69.52%
30 Apr 2021 - 30 Apr 2022	-18.52%	-1.49%
30 Apr 2022 - 30 Apr 2023	-20.34%	-8.88%

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

D Inc*	0.54%
D Acc*	0.54%
R Inc	0.16%
R Acc	0.16%
Z Inc	0.94%
Z Acc	0.94%

CHARGES

	Initial Charge	Annual Management Charge
D*	Nil	1.10%
R	Nil	1.50%
Z	Nil	0.75%

ONGOING CHARGES**

D Inc*	1.18%
D Acc*	1.18%
R Inc	1.58%
R Acc	1.58%
Z Inc	0.83%
Z Acc	0.83%

* D unit class launched on 25 May 2022.

** 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 UK Smaller Companies 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 UK Smaller Companies Fund here: https://retail.axa-im.co.uk/fund-centre/-/funds-center/axa-framlington-uk-smaller-companies-fund-d-gbp-acc-98987#/literature

Comparative Tables

Change in net assets per unit	D Inc~ 30/04/2023 (p)	D Acc~ 30/04/2023 (p)
Opening net asset value per unit†	309.10	323.20
Return before operating charges^	(45.79)	(47.85)
Operating charges	(2.94)	(3.08)
Return after operating charges^	(48.73)	(50.93)
Distributions	(1.41)	(1.48)
Retained distributions on accumulation units	-	1.48
Closing net asset value per unit†	**258.96**	**272.27**
*^after direct transaction costs of:	0.24	0.25
Performance		
Return after charges	-15.77%	-15.76%
Other Information		
Closing net asset value† (£'000)	176	3,277
Closing number of units	68,057	1,203,682
Operating charges	1.18%	1.18%
Direct transaction costs*	0.09%	0.09%
Prices		
Highest unit price #	313.90	328.20
Lowest unit price #	244.30	255.40

Comparative Tables (Continued)

	R Inc			R Acc		
Change in net assets per unit	30/04/2023 (p)	30/04/2022 (p)	30/04/2021 (p)	30/04/2023 (p)	30/04/2022 (p)	30/04/2021 (p)
Opening net asset value per unit†	326.73	404.09	242.86	341.76	422.52	253.92
Return before operating charges^	(63.01)	(71.05)	166.11	(66.01)	(74.15)	173.68
Operating charges	(4.31)	(6.31)	(4.88)	(4.52)	(6.61)	(5.08)
Return after operating charges^	(67.32)	(77.36)	161.23	(70.53)	(80.76)	168.60
Distributions	(0.42)	-	-	(0.44)	-	-
Retained distributions on accumulation units	-	-	-	0.44	-	-
Closing net asset value per unit†	**258.99**	**326.73**	**404.09**	**271.23**	**341.76**	**422.52**
*^after direct transaction costs of:	0.24	0.15	0.19	0.25	0.16	0.20
Performance						
Return after charges	-20.60%	-19.14%	66.39%	-20.64%	-19.11%	66.40%
Other Information						
Closing net asset value† (£'000)	1,366	2,132	2,857	19,102	37,303	53,506
Closing number of units	527,651	652,508	706,918	7,042,641	10,915,115	12,663,537
Operating charges	1.58%	1.58%	1.59%	1.58%	1.58%	1.59%
Direct transaction costs*	0.09%	0.04%	0.06%	0.09%	0.04%	0.06%
Prices						
Highest unit price #	328.00	443.80	408.40	343.00	464.10	427.10
Lowest unit price #	243.90	315.00	235.10	255.00	329.40	245.80

Comparative Tables (Continued)

	Z Inc			Z Acc		
Change in net assets per unit	30/04/2023 (p)	30/04/2022 (p)	30/04/2021 (p)	30/04/2023 (p)	30/04/2022 (p)	30/04/2021 (p)
Opening net asset value per unit†	188.52	231.54	138.11	334.67	410.83	245.05
Return before operating charges^	(36.43)	(41.03)	94.90	(64.64)	(72.78)	168.39
Operating charges	(1.31)	(1.90)	(1.47)	(2.32)	(3.38)	(2.61)
Return after operating charges^	(37.74)	(42.93)	93.43	(66.96)	(76.16)	165.78
Distributions	(1.42)	(0.09)	-	(2.53)	(0.16)	-
Retained distributions on accumulation units	-	-	-	2.53	0.16	-
Closing net asset value per unit†	**149.36**	**188.52**	**231.54**	**267.71**	**334.67**	**410.83**
*^after direct transaction costs of:	0.14	0.09	0.11	0.25	0.16	0.20
Performance						
Return after charges	-20.02%	-18.54%	67.65%	-20.01%	-18.54%	67.65%
Other Information						
Closing net asset value† (£'000)	9,439	19,134	21,440	80,211	125,267	170,323
Closing number of units	6,319,279	10,149,401	9,259,951	29,961,781	37,430,081	41,458,019
Operating charges	0.83%	0.83%	0.84%	0.83%	0.83%	0.84%
Direct transaction costs*	0.09%	0.04%	0.06%	0.09%	0.04%	0.06%
Prices						
Highest unit price #	189.30	255.00	234.00	336.00	452.50	415.20
Lowest unit price #	141.20	181.70	133.70	250.70	322.30	237.30

† 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.

~ D class launched as at 25 May 2022.

Portfolio Statement

AXA Framlington UK Smaller Companies Fund portfolio as at 30 April 2023 consisted of the following investments, which are ordinary shares unless otherwise stated.

Holding		Market value £'000	Total net assets (%)
	BASIC MATERIALS: 4.62% (30/04/2022: 2.92%)		
	Chemicals: 1.84% (30/04/2022: 0.76%)		
765,026	Dyson[1]	-	-
312,905	Treatt	2,087	1.84
		2,087	1.84
	Industrial Materials: 2.64% (30/04/2022: 1.28%)		
50,081	James Cropper	371	0.33
691,501	Zotefoams	2,621	2.31
		2,992	2.64
	Industrial Metals & Mining: 0.14% (30/04/2022: 0.88%)		
449,025	Archipelago Metals[1]	-	-
3,950,000	Tungsten West	158	0.14
		158	0.14
	CONSUMER DISCRETIONARY: 26.11% (30/04/2022: 31.89%)		
	Consumer Services: 2.42% (30/04/2022: 2.09%)		
129,535	CVS	2,746	2.42
		2,746	2.42
	Household Goods & Home Construction: 0.00% (30/04/2022: 1.58%)		
	Leisure Goods: 4.12% (30/04/2022: 4.83%)		
25,100	Games Workshop	2,489	2.19
840,913	Gear4Music	757	0.67
398,468	Team17	1,434	1.26
		4,680	4.12

Portfolio Statement (Continued)

Holding		Market value £'000	Total net assets (%)
	Media: 7.05% (30/04/2022: 6.26%)		
156,164	Future	1,760	1.55
599,881	STV	1,470	1.29
336,396	System1	673	0.59
763,742	Wilmington	2,077	1.83
242,631	YouGov	2,038	1.79
		8,018	7.05
	Personal Goods: 1.13% (30/04/2022: 5.68%)		
1,226,703	Inspecs	1,288	1.13
		1,288	1.13
	Retailers: 0.69% (30/04/2022: 1.91%)		
215,116	Moonpig	294	0.26
1,576,671	Samarkand	315	0.28
440,000	Virgin Wines UK	167	0.15
		776	0.69
	Travel & Leisure: 10.70% (30/04/2022: 9.54%)		
1,281,261	Cake Box	1,538	1.35
1,566,547	Gym	1,626	1.43
1,416,027	Hollywood Bowl	3,391	2.99
1,036,704	Hostelworld	1,280	1.13
1,159,973	Loungers	2,297	2.02
1,074,253	On the Beach	1,414	1.24
1,506,550	Restaurant	609	0.54
		12,155	10.70
	CONSUMER STAPLES: 0.00% (30/04/2022: 3.20%)		
	Food Producers: 0.00% (30/04/2022: 3.20%)		
	ENERGY: 1.31% (30/04/2022: 3.51%)		
	Alternative Energy: 0.00% (30/04/2022: 0.00%)		
104,595	Invinity Energy Systems Warrant 15/09/22[1]	-	-
104,595	Invinity Energy Systems Warrant 16/12/24[1]	-	-
		-	-

Portfolio Statement (Continued)

Holding		Market value £'000	Total net assets (%)
	Oil, Gas & Coal: 1.31% (30/04/2022: 3.51%)		
625,177	Serica Energy	1,484	1.31
		1,484	1.31
	FINANCIALS: 9.62% (30/04/2022: 8.95%)		
	Finance & Credit Services: 1.86% (30/04/2022: 1.48%)		
3,020,279	Trufin	2,114	1.86
		2,114	1.86
	Investment Banking & Brokerage: 7.76% (30/04/2022: 7.47%)		
130,395	Alpha Group International	2,803	2.47
525,168	Aquis Exchange	2,101	1.85
357,880	Foresight	1,432	1.26
312,510	JTC	2,478	2.18
		8,814	7.76
	HEALTH CARE: 7.14% (30/04/2022: 6.50%)		
	Health Care Providers: 0.02% (30/04/2022: 0.00%)		
442,506	Trellus Health	29	0.02
		29	0.02
	Medical Equipment & Services: 3.67% (30/04/2022: 3.77%)		
944,489	Advanced Medical Solutions	2,300	2.02
1,644,399	Creo Medical	395	0.35
5,339,433	EKF Diagnostics	1,474	1.30
		4,169	3.67
	Pharmaceuticals & Biotechnology: 3.45% (30/04/2022: 2.73%)		
68,417	Dechra Pharmaceuticals	2,552	2.25
1,157,743	Eco Animal Health	1,366	1.20
128,202	Verici Dx[1]	-	-
		3,918	3.45

Portfolio Statement (Continued)

Holding		Market value £'000	Total net assets (%)
	INDUSTRIALS: 21.47% (30/04/2022: 18.80%*)		
	Aerospace & Defense: 1.84% (30/04/2022: 1.40%)		
735,564	Chemring	2,089	1.84
		2,089	1.84
	Construction & Materials: 4.37% (30/04/2022: 3.03%)		
432,816	Ricardo	2,597	2.29
544,572	Volution	2,359	2.08
		4,956	4.37
	Electronic & Electrical Equipment: 3.75% (30/04/2022: 4.34%*)		
295,022	DiscoverIE	2,484	2.19
1,495,756	Invinity Energy Systems	628	0.55
1,029,950	Luceco	1,150	1.01
		4,262	3.75
	Industrial Support Services: 9.84% (30/04/2022: 9.15%)		
3,193,373	Capita	1,109	0.98
1,219,947	Fonix Mobile	2,379	2.09
376,282	Restore	1,091	0.96
485,244	Robert Walters	2,067	1.82
421,375	RWS	1,074	0.95
643,435	Science Group	2,599	2.29
2,649,681	Speedy Hire	852	0.75
		11,171	9.84
	Industrial Transportation: 1.67% (30/04/2022: 0.88%)		
7,300,725	DX	1,898	1.67
		1,898	1.67
	REAL ESTATE: 3.89% (30/04/2022: 2.95%)		
	Real Estate Investment & Services: 2.43% (30/04/2022: 2.95%)		
760,693	CLS	1,027	0.90
1,480,335	Harworth	1,732	1.53
		2,759	2.43

Portfolio Statement (Continued)

Holding		Market value £'000	Total net assets (%)
	Real Estate Investment Trust: 1.46% (30/04/2022: 0.00%)		
1,794,168	Empiric Student Property	1,658	1.46
		1,658	1.46
	TECHNOLOGY: 23.23% (30/04/2022: 20.34%*)		
	Software & Computer Services: 21.11% (30/04/2022: 18.41%)		
400,000	6356095 Canada[1]	-	-
411,634	accesso Technology	2,803	2.47
919,380	Aptitude Software	3,135	2.76
229,370	Cerillion	2,775	2.44
393,347	Eagle Eye Solutions	2,124	1.87
371,845	GB	1,209	1.06
251,714	Instem	1,548	1.36
388,802	IQGEO	910	0.80
749,148	Kooth	1,873	1.65
1,177,789	Learning Technologies	1,324	1.17
1,388,718	Netcall	1,389	1.22
1,002,204	Oxford Metrics	932	0.82
300,923	Tracsis	2,799	2.46
1,318,511	Trustpilot	1,166	1.03
		23,987	21.11
	Technology Hardware & Equipment: 2.12% (30/04/2022: 1.93%*)		
1,397,758	Quixant	2,404	2.12
		2,404	2.12
Investments as shown in the balance sheet		110,612	97.39
Net current assets		2,959	2.61
Total net assets		113,571	100.00

* Since the previous report, the portfolio classifications and prior year comparative figures have been updated.

[1] Nil valued/delisted/suspended securities not approved within the meaning of the Collective Investment Schemes Sourcebook. The regulations permit a maximum of 10% of the Fund to be invested in unapproved securities. Securities classed as unapproved are those which are not admitted to an official listing in a member state or traded on under the rules of an eligible securities market, as laid down in the Prospectus.

Statement of Total Return

For the year ended 30 April

	Notes	£'000	2023 £'000	£'000	2022 £'000
Income					
Net capital losses	3		(36,542)		(42,667)
Revenue	4	2,345		2,083	
Expenses	5	(1,339)		(2,391)	
Interest payable and similar charges		-		-	
Net revenue/(expense) before taxation		1,006		(308)	
Taxation	6	-		-	
Net revenue/(expense) after taxation			1,006		(308)
Total return before distributions			**(35,536)**		**(42,975)**
Distributions	7		(1,006)		(35)
Change in net assets attributable to unitholders from investment activities			**(36,542)**		**(43,010)**

Statement of Change in Net Assets Attributable to Unitholders

For the year ended 30 April

	£'000	2023 £'000	£'000	2022 £'000
Opening net assets attributable to unitholders		183,836		248,126
Amounts receivable on creation of units	3,026		26,452	
Amounts payable on cancellation of units	(37,592)		(47,791)	
		(34,566)		(21,339)
Change in net assets attributable to unitholders from investment activities		(36,542)		(43,010)
Retained distribution on accumulation units		843		59
Closing net assets attributable to unitholders		**113,571**		**183,836**

Balance Sheet

As at 30 April

	Notes	2023 £'000	2022 £'000
ASSETS			
Fixed assets			
Investments		110,612	182,110
Current assets			
Debtors	8	1,569	307
Cash and bank balances	9	2,465	2,263
Total assets		114,646	184,680
LIABILITIES			
Creditors			
Distribution payable		49	9
Other creditors	10	1,026	835
Total liabilities		1,075	844
Net assets attributable to unitholders		113,571	183,836

Notes to the Financial Statements

1.1 Accounting policies

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

There are no material events that have been identified that may cast significant doubt about the Fund's ability to continue as a going concern for the next twelve months from the date these financial statements are authorised for issue. The Manager believes that the Fund has adequate resources to continue in operational existence for the foreseeable future and, they continue to adopt the going concern basis in preparing the financial statements.

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. Dividends from Real Estate Investment Trusts ('REITs') are recognised as distributable income when the securities are quoted ex-dividend.

c) The listed investments of the Fund are valued at world close bid prices on the last business day of the accounting year. The fair value of unlisted securities, and unquoted securities where the quotation has been suspended, is estimated by the Manager, using independent sources where available.

d) The functional currency of the Fund is Sterling (GBP). Any transactions in overseas currencies are translated to Sterling at the rates of exchange ruling on the day of any such transaction. Foreign currency balances and investments priced in overseas currencies at the end of the year are converted into Sterling at the exchange rates ruling at 12 noon on the last business day of the accounting year.

e) All expenses are charged in full against revenue on an accruals basis, with the exception of transaction charges which are charged directly to capital. The Manager is entitled to receive (with effect from the dealing day on which units of any class are first allotted) an annual management charge payable on and out of the scheme property of each unit class of the Fund. The annual management charge will be based on the value of the scheme property of the Fund on the immediately preceding dealing day as determined in accordance with the Trust Deed and the Regulations for the purpose of calculating the price of units.

f) Corporation Tax is provided at 20% on revenue, after deduction of expenses. Overseas dividends are disclosed gross of any foreign tax suffered, the tax element being disclosed in the tax note. Where overseas tax has been deducted from overseas revenue, that tax can, in some cases, be set off against Corporation Tax payable, by way of double taxation relief. Deferred taxation is provided on a full provision basis on timing differences arising from the different treatment of items for accounting and tax purposes. Potential future liabilities and assets are recognised where the transactions or events giving rise to them occurred before the balance sheet date. A deferred tax asset is only recognised to the extent that a timing difference will be of future benefit.

g) Bank interest is accounted for on an accruals basis.

Notes to the Financial Statements (Continued)

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) 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. The tax accounting treatment follows the principal amount.

c) If a distribution payment of the Fund remains unclaimed for a period of 6 years after it has become due, it will be forfeited and will revert to and become part of the scheme property.

d) The annual management charge is charged against revenue for the purposes of calculating the amount available for distribution.

2 Financial instruments

The analysis and tables provided below refer to the narrative disclosure on financial instruments risks on pages 9 to 10 of the Manager's Report.

Price risk sensitivity

At 30 April 2023, 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 £110,611,938 (2022: £9,105,515) respectively.

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.

Notes to the Financial Statements (Continued)

Currency exposures

All of the financial assets for the current year are denominated in Sterling currency, with the effect that the Fund's balance sheet and total return cannot be affected by currency movements. No sensitivity analysis is therefore provided.

3 Net capital losses

The net losses during the year comprise:

	2023 £'000	2022 £'000
Losses on non-derivative securities	(36,542)	(42,667)
Net capital losses	(36,542)	(42,667)

4 Revenue

	2023 £'000	2022 £'000
UK dividends	2,028	1,823
REIT dividends	85	111
Overseas dividends	191	149
Bank interest	41	-
Total revenue	2,345	2,083

5 Expenses

	2023 £'000	2022 £'000
Payable to the Manager		
Annual management charge	1,235	2,201
Registrar's fees	82	145
	1,317	2,346
Other expenses		
Audit fee	9	8
Trustee's fees	13	37
	22	45
Total expenses	1,339	2,391

Expenses include irrecoverable VAT where applicable.

6 Taxation

a) Analysis of tax in the year:

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

Notes to the Financial Statements (Continued)

b) **Factors affecting total tax charge for the year:**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised unit trust (20%) (2022: 20%).

The differences are explained below:

	2023 £'000	2022 £'000
Net revenue/(expense) before taxation	1,006	(308)
Corporation tax at 20%	201	(62)
Effects of:		
Movement in excess management expenses	252	478
Revenue not subject to taxation	(453)	(416)
Total effects	(201)	62
Total tax charge for the year (see note 6a)	-	-

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 (2022: 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 £7,117,379 (2022: £6,865,507) 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 no insufficient income to meet expenses and taxation (2022: £342,697).

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

	2023 £'000	2022 £'000
Interim	471	-
Final	477	68
	948	68
Add: Income deducted on cancellation of units	67	(43)
Deduct: Income received on creation of units	(9)	10
Net distribution for the year	**1,006**	**35**
Reconciliation to net revenue after taxation:		
Net distribution for the year	1,006	35
Shortfall transfer to capital	-	(343)
Net revenue/(expense) after taxation	**1,006**	**(308)**

Notes to the Financial Statements (Continued)

8 Debtors

	2023 £'000	2022 £'000
Sales awaiting settlement	1,299	2
Amounts receivable on creation of units	5	3
Accrued revenue	265	302
Total debtors	1,569	307

9 Cash and bank balances

	2023 £'000	2022 £'000
Cash and bank balances	2,465	2,263
Total cash and bank balances	2,465	2,263

10 Other creditors

		2023 £'000	2022 £'000
Amounts payable on cancellation of units		291	516
Purchases awaiting settlement		546	-
Accrued expenses	- Manager	167	288
	- Other	22	31
Total other creditors		1,026	835

11 Unitholders' funds

The Fund currently has Six unit classes in issue.

	D Inc*	D Acc*	R Inc	R Acc	Z Inc	Z Acc
Opening units in issue	-	-	652,508	10,915,115	10,149,401	37,430,081
Units issued	68,080	1,304,574	7,986	272,069	176,487	1,929,728
Units cancelled	(23)	(100,892)	(132,843)	(4,144,543)	(4,006,609)	(9,398,028)
Unit conversions	-	-	-	-	-	-
Closing units in issue	68,057	1,203,682	527,651	7,042,641	6,319,279	29,961,781

* D class launched as at 25 May 2022.

12 Related parties

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

At 30 April 2023, there were no unitholders that hold more than 50% of units in the Fund. Other than disclosed elsewhere in the Financial Statements, there were no 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.

Notes to the Financial Statements (Continued)

13 Portfolio transaction costs

2023

Analysis of purchases	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
Equity	23,714	13	0.05	71	0.30	23,798
Total	**23,714**	**13**		**71**		**23,798**

2023

Analysis of sales	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
Equity	58,778	(36)	(0.06)	-	-	58,742
Total	**58,778**	**(36)**		**-**		**58,742**

2022

Analysis of purchases	Net purchase cost £'000	Commissions paid £'000	%	Taxes £'000	%	Total purchase cost £'000
Equity	48,302	16	0.03	36	0.07	48,354
Total	**48,302**	**16**		**36**		**48,354**

2022

Analysis of sales	Net sale proceeds £'000	Commissions paid £'000	%	Taxes £'000	%	Total sale proceeds £'000
Equity	68,163	(40)	(0.06)	(1)	-	68,122
Total	**68,163**	**(40)**		**(1)**		**68,122**

Commission as a % of average net assets	0.04% (2022: 0.02%)
Taxes as a % of average net assets	0.05% (2022: 0.02%)

Portfolio dealing spread

The average portfolio dealing spread as at the year end was 2.22% (2022: 1.97%).

14 Fair value disclosure

	30 April 2023		30 April 2022	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Valuation technique				
Level1^	110,612	-	182,110	-
Level2^^	-	-	-	-
Level3^^^	-	-	-	-
Total	110,612	-	182,110	-

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

Notes to the Financial Statements (Continued)

^^ 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 (2022: 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 30 April 2023

		Net revenue	Equalisation	Distribution payable/paid Current year	Prior year
D Inc*					
Interim	Group 1	0.585	-	0.585	
	Group 2	0.585	-	0.585	
Final	Group 1	0.827	-	0.827	
	Group 2	0.348	0.479	0.827	
D Acc*					
Interim	Group 1	0.611	-	0.611	
	Group 2	0.559	0.052	0.611	
Final	Group 1	0.867	-	0.867	
	Group 2	0.388	0.479	0.867	
R Inc					
Interim	Group 1	0.108	-	0.108	-
	Group 2	0.108	-	0.108	-
Final	Group 1	0.308	-	0.308	-
	Group 2	0.236	0.072	0.308	-
R Acc					
Interim	Group 1	0.113	-	0.113	-
	Group 2	0.113	-	0.113	-
Final	Group 1	0.323	-	0.323	-
	Group 2	0.171	0.152	0.323	-
Z Inc					
Interim	Group 1	0.683	-	0.683	-
	Group 2	0.446	0.237	0.683	-
Final	Group 1	0.739	-	0.739	0.089
	Group 2	0.452	0.287	0.739	0.089
Z Acc					
Interim	Group 1	1.212	-	1.212	-
	Group 2	0.716	0.496	1.212	-
Final	Group 1	1.319	-	1.319	0.157
	Group 2	0.751	0.568	1.319	0.157

(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.

* D class launched as at 25 May 2022.

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	01.05.22	31.10.22	30.12.22
Final	01.11.22	30.04.23	30.06.23

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:

Marion Le Morhedec

Marcello Arona
Director
Friday 28th July 2023

Marion Le Morhedec
Director
Friday 28th July 2023

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 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 Funds and the Trust Deed;
- follow applicable accounting standards;
- keep proper accounting records which enable it to demonstrate that the accounts prepared comply with the above requirements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Fund will continue in business.

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

Report of the Trustee

STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES IN RESPECT OF THE SCHEME AND REPORT OF THE TRUSTEE TO THE UNITHOLDERS OF THE AXA FRAMLINGTON UK SMALLER COMPANIES FUND OF THE AXA FRAMLINGTON RANGE OF AUTHORISED UNIT TRUST SCHEMES ("THE TRUST") FOR THE YEAR ENDED 30 APRIL 2023

The Depositary in its capacity as Trustee of AXA Framlington UK Smaller Companies Fund must ensure that the Trust 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 Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

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

The Depositary must ensure that:

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

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

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

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

Trustee
HSBC Global Trustee & Fiduciary Services (UK)
Friday 28th July 2023

Report of the Independent Auditor

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF THE AXA FRAMLINGTON UK SMALLER COMPANIES FUND

OPINION

We have audited the financial statements of AXA Framlington UK Smaller Companies Fund ("the Fund") for the year ended 30 April 2023, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Fund, which include 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 including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Fund as at 30 April 2023 and of the net revenue and the net capital losses 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.

BASIS FOR OPINION

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

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for a period which is 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Fund's ability to continue as a going concern.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our audit report thereon. The Manager is responsible for the other information contained within the Annual Report.

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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE RULES OF THE COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK OF THE FINANCIAL CONDUCT AUTHORITY (THE "FCA")

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 FCA and the Trust Deed; and

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

- 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.

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 FCA requires us to report to you if, in our opinion:

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

RESPONSIBILITIES OF THE MANAGER

As explained more fully in the Manager's responsibilities statement set out on page 33, 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 wind up or terminate 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.

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Fund and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the Fund's Trust Deed and the Prospectus.

- We understood how the Fund is complying with those frameworks through discussions with the Manager and the Fund's administrators and a review of the Fund's documented policies and procedures.

- We assessed the susceptibility of the Fund's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution. We identified a fraud risk with respect to the incomplete or inaccurate income recognition through incorrect classification of special dividends and the resulting impact to amounts available for distribution. We tested appropriateness of management's classification of material special dividends as either a capital or revenue return.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Manager with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Fund.

- Due to the regulated nature of the Fund, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities to identify non-compliance with the applicable laws and regulations.

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

Ernst & Young LLP
Statutory Auditor
Edinburgh
Friday 28th July 2023

Ernst + Young LLP

Further Information (Unaudited)

REMUNERATION POLICY OF THE MANAGER

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

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

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

Details of the up-to-date Global Remuneration Policy are published online at https://www.axa-im.com/remuneration. This includes the description of how remuneration and benefits are awarded for employees, and further information on the AXA IM remuneration committee. A paper copy of the up-to-date Global Remuneration Policy is also available from the Manager free of charge upon request.

In line with the requirements of the Undertakings for Collective Investments in Transferable Securities (UCITS) V, AXA Investment Managers UK Limited is required to make quantitative disclosures of remuneration. These disclosures are made in line with the currently available guidance on quantitative remuneration disclosures. The amounts shown below reflect payments made in respect of the financial year 1 January 2022 to 31 December 2022:

Total amount of remuneration paid and / or allocated to all staff for the year ended December 31, 2022 (1)	
Fixed Pay (2) (£'000)	220,567
Variable Pay (3) (£'000)	274,564
Number of employees (4)	2,675

(1) Excluding social charges.
(2) Fixed Pay amount is based on 2021/22 compensation review final 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 (based on Staff list as of 31/12/2022)

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)	136,672	76,261	212,933
Number of employees	277	62	339

UK Identified Employee Remuneration:

Weighted amount of compensation paid and / or allocated to UK based risk takers and senior management whose activities have a significant impact on the risk profile of all investment vehicles where AXA IM UK act as Authorised Fund Manager or Alternative Investment Fund Manager			
	Risk Takers	Senior Management	Total
Fixed Pay and Variable Remuneration (£'000)	2,239	1,249	3,488
Number of employees	69	13	82

THE SECURITIES FINANCING TRANSACTIONS REGULATION

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (SFTs) or total return swaps will be required on all reports & accounts published after 13 January 2017. During the year to 30 April 2023 and at the balance sheet date, the Fund did not use SFTs or total return swaps, as such no disclosure is required.

VALUE ASSESSMENT

It is our duty as Authorised Fund Manager ("AFM") to act in the best interests of our investors. As part of fulfilling this duty, we need to consider whether the charges taken from our Funds are justified in the context of the overall service and value that we provide to our investors.

The FCA have introduced new rules requiring the Boards of AFMs to consider robustly and in detail whether they are delivering value for money to their investors and to explain the assessment annually in a Value Statement made available to the public.

The Value Statement report is available on the AXA IM website:
https://retail.axa-im.co.uk/fund-centre

Directory

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Authorised and regulated by the Financial Conduct Authority.
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:
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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
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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.